

BY: Committee on Ways and Means and Appropriations Committee

AMENDMENTS TO HOUSE BILL NO. 147
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 2 in its entirety and substitute:

“Property Tax Reduction and Budget Reconciliation and Financing Act of 2005”;

and strike in their entirety lines 3 through 17, inclusive, and substitute:

“FOR the purpose of phasing out over a certain period certain State aid to certain counties; providing for the distribution of the proceeds of certain fees to a special fund, to be used only for certain purposes; authorizing a fee to be assessed for the Drinking Driver Monitor Program for a certain fiscal year; establishing the Drinking Driver Monitor Program Fund and providing for its administration; prohibiting judges from receiving certain salary increases under certain circumstances; altering the frequency with which the Judicial Compensation Commission is to take certain actions; altering a certain surcharge on certain costs in certain civil cases in the District Court of Maryland; altering the distribution of certain revenue by the Comptroller; authorizing the use of certain State funds for certain purposes; altering for a certain fiscal year a certain fee imposed on certain persons that a court places under the supervision of the Division of Parole and Probation; altering certain State grants to county boards of education for a certain fiscal year; altering the due dates for certain reports; altering the county share of costs for educating certain students for a certain fiscal year; requiring a certain enrollment projection to be used in certain calculations beginning in a certain year; altering a certain time limit for the filing of certain claims against the estates of deceased Medicaid recipients; altering certain requirements relating to certain studies; altering certain requirements for allocation of certain funds; altering the computation of certain State grants; altering certain maximum copayments under a certain program; authorizing certain

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administrative charges to certain Commissions in the Department of Health and Mental Hygiene for a certain fiscal year; altering for a certain fiscal year certain limitations on certain fees assessed by certain Commissions; establishing an Employment Standards Service Unit and a Prevailing Wage Unit in the Division of Labor and Industry to enforce certain laws; requiring the Governor to include in the annual budget bill certain amounts for certain purposes; altering certain reporting requirements for certain information technology development projects; altering certain requirements relating to legislative review of certain transfers from certain special accounts or certain modifications to certain guidelines; altering a certain requirement that a certain percentage of appropriations from the Cigarette Restitution Fund be made for certain purposes; making certain technical corrections; establishing a State Employees and Retirees Health and Welfare Benefits Fund; requiring certain revenues to be placed in the Fund in certain fiscal years; providing that moneys in the Fund may only be used for certain purposes; delaying the implementation of certain provisions of law relating to the Postretirement Health Benefits Fund; altering the distribution of the transfer tax revenues for a certain fiscal year; providing for the dedication of certain State transfer tax revenues to the Annuity Bond Fund, to be used for certain purposes; altering the frequency with which a certain transportation plan is required to be revised; requiring the Department of Transportation to submit certain information to the General Assembly; reducing a certain amount required to be appropriated to the Transportation Trust Fund under certain circumstances by the amount of certain appropriations or transfers to the Transportation Trust Fund; providing for the termination of the credit allowed against the public service company franchise tax for the purchase of Maryland-mined coal after a certain date; limiting the credit allowed for certain calendar years to the amount of credit approved by the Department of Assessments and Taxation; providing for applications to the Department for approval of the credit for certain calendar years; limiting the total amount of credits that the Department may approve for certain calendar years to certain amounts; requiring that at least a certain amount of the credits approved each calendar year be reserved for the purchase of Maryland-mined coal that will be used in a Maryland facility; requiring the Department to approve a prorated credit for each applicant if the total amount applied for exceeds the maximum that may be approved for the calendar year; repealing a credit allowed against the income tax for the purchase of Maryland-mined coal; altering the rate of a certain tax imposed on certain pass-through entities; requiring certain pass-through entities to pay a tax based on certain income of nonresident entity shareholders, partners, or members under certain circumstances; altering a

certain credit allowed for certain tax paid by certain pass-through entities; requiring an addition modification under the Maryland income tax on individuals and corporations for the amount of a certain deduction allowed for federal income tax purposes relating to certain production activities income; clarifying a certain modification under the Maryland income tax relating to certain federal tax changes; requiring that before certain licenses issued by the Insurance Commissioner are renewed and before certain registrations issued by the Motor Vehicle Administration are renewed, the issuing authority shall verify through the Office of the Comptroller that certain taxes and unemployment insurance contributions have been paid or that payment has been provided for in a certain manner; altering the rate of tax to be withheld on certain winnings derived from wagering; requiring the withholding of tax at a certain rate on certain distributions; altering the rate of tax that must be paid to the clerk of the circuit court for a county or to the Department of Assessments and Taxation prior to the recording of certain deeds for the sale of certain property; altering a certain credit allowed for the expense of collecting and paying the sales and use tax; altering certain circumstances under which an employer is required to base withholding for an employee on not more than the actual number of exemptions allowed on the employee's prior year's return; authorizing the Comptroller under certain circumstances to withhold certain tax refunds and other payments owed by the State to certain persons and to pay certain amounts to local subdivisions that have certified delinquent tax or other liabilities of certain persons; providing for certain procedures relating to certain certifications and withholding of certain tax refunds and other payments owed by the State; authorizing certain disclosure of certain tax information under certain circumstances; requiring the Director of the Maryland Historical Trust to adopt certain regulations to charge certain fees, subject to certain limitations and requirements; establishing certain levels of benefits for certain fiscal years for the State Employee and Retiree Health and Welfare Benefits Program; repealing a provision of law that makes certain State aid for public elementary and secondary education contingent on the adoption of a certain joint resolution by the General Assembly; repealing a limitation on certain State aid for education to a certain amount if the joint resolution is not adopted; repealing a requirement that the Department of Legislative Services to calculate certain State aid for public elementary and secondary education in a certain manner; repealing a certain special fund; altering for a certain fiscal year a certain appropriation the Governor is required to include in the annual budget for certain purposes; authorizing the use of certain funds from a certain demutualization for certain purposes; stating the intent of the General Assembly that

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certain revenues provided for payment of debt service on State bonds be used to provide a certain reduction in the State property tax rate; authorizing the transfer of certain funds from a certain special account by budget amendment to be used for certain purposes; altering certain distributions from a certain fund to certain local subdivisions for a certain fiscal year; providing for the distribution of certain amounts to the General Fund; reducing and transferring to a certain special fund a certain unexpended appropriation; requiring that certain transfer tax revenue in excess of a certain budget estimate be distributed to Baltimore City to be used for certain purposes in a certain fiscal year; authorizing the use of certain transfer tax revenue in a certain fiscal year for certain programs; providing for the appointment of certain employees to certain positions in the State Personnel Management System; requiring that certain lottery revenues for a certain fiscal year be distributed to a special fund to be used only for certain purposes; requiring that certain grant funds be provided to certain counties in certain amounts; making the provisions of this Act severable; providing for the effective date of certain provisions of this Act; providing for the termination of certain provisions of this Act; providing for the application of certain provisions of this Act; and generally relating to the financing of State government.”.

AMENDMENT NO. 2

On page 1, strike in their entirety lines 18 through 22, inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article 24 - Political Subdivisions - Miscellaneous Provisions

Section 9-1102

Annotated Code of Maryland

(2001 Replacement Volume and 2004 Supplement)”.

On page 2, in line 4, strike “7-301(a), (b), and (e)” and substitute “1-703, 1-708(c), 7-301, and 13-603(c)”; after line 16, insert:

“BY repealing and reenacting, with amendments,

Article - Education

Section 5-206(g), 8-415(d), and 17-104(d)

Annotated Code of Maryland

(2004 Replacement Volume and 2004 Supplement)

BY repealing and reenacting, with amendments,

Article - Education

Section 5-301(j)

Annotated Code of Maryland

(2004 Replacement Volume and 2004 Supplement)

(As enacted by Chapters 306 and 307 of the Acts of the General Assembly of 2004)”;

and in line 24, strike “15-121,” and substitute “13-1004, 13-1014(d), 13-1015, 13-1108(c)(3), 13-1115(a)(2), 13-1119(d),”.

On pages 2 and 3, strike in their entirety the lines beginning with line 33 on page 2 through line 1 on page 3, inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article - Labor and Employment

Section 2-107 and 11-403(a)(1)

Annotated Code of Maryland

(1999 Replacement Volume and 2004 Supplement)

BY repealing and reenacting, without amendments,

Article - Natural Resources

Section 1-104(a)(6)

Annotated Code of Maryland

(2000 Replacement Volume and 2004 Supplement)

BY adding to

Article - Natural Resources

Section 1-104(l)

Annotated Code of Maryland

(2000 Replacement Volume and 2004 Supplement)

BY repealing and reenacting, without amendments,

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Article - State Finance and Procurement
Section 7-310(a), 7-314(a)(1) and (2), 7-317(a), and 7-324(a)
Annotated Code of Maryland
(2001 Replacement Volume and 2004 Supplement)

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement
Section 3-410.2(n), 7-310(d)(2) and (f)(2), 7-314(d),(i), (j), (o), and (p), 7-317(g), 7-324(d),
and 8-132(c)
Annotated Code of Maryland
(2001 Replacement Volume and 2004 Supplement)

BY adding to

Article - State Personnel and Pensions
Section 2-516
Annotated Code of Maryland
(2004 Replacement Volume)

BY repealing and reenacting, with amendments,

Article - State Personnel and Pensions
Section 34-101
Annotated Code of Maryland
(2004 Replacement Volume)

BY repealing and reenacting, with amendments,

Article - Tax - Property
Section 13-209
Annotated Code of Maryland
(2001 Replacement Volume and 2004 Supplement)

BY repealing and reenacting, with amendments,

Article - Transportation
Section 2-103.1(d) and 3-216(g)(3)
Annotated Code of Maryland
(2001 Replacement Volume and 2004 Supplement)

BY adding to

Article - Transportation
Section 2-103.1(l)
Annotated Code of Maryland
(2001 Replacement Volume and 2004 Supplement)

BY repealing and reenacting, with amendments,

Article - Tax - General
Section 8-406(b), 10-102.1, 10-210.1(b)(3), 10-305(d), 10-701.1, 10-908(d), 10-910(b),
10-912(c), 11-105, and 13-203(c)
Annotated Code of Maryland
(2004 Replacement Volume)

BY repealing and reenacting, without amendments,

Article - Tax - General
Section 10-204(a) and 10-305(a)
Annotated Code of Maryland
(2004 Replacement Volume)

BY adding to

Article - Tax - General
Section 10-204(i), 10-908(f); and 13-925 through 13-927, inclusive, to be under the new part
“Part V. Political Subdivision Liabilities - Withholding of Tax Refunds and
Payments”
Annotated Code of Maryland
(2004 Replacement Volume)

BY repealing

Article - Tax - General
Section 10-704.1
Annotated Code of Maryland
(2004 Replacement Volume)

BY repealing and reenacting, with amendments,

Article - Insurance

Section 10-115

Annotated Code of Maryland

(2003 Replacement Volume and 2004 Supplement)

BY repealing and reenacting, with amendments,

Article - Transportation

Section 1-103

Annotated Code of Maryland

(2001 Replacement Volume and 2004 Supplement)

BY adding to

Article - Transportation

Section 13-406.2

Annotated Code of Maryland

(2002 Replacement Volume and 2004 Supplement)

BY adding to

Article 83B - Department of Housing and Community Development

Section 5-801(b)(7)

Annotated Code of Maryland

(2003 Replacement Volume and 2004 Supplement)

BY repealing and reenacting, with amendments,

Article 83B - Department of Housing and Community Development

Section 5-801(d)(3)(iii)1

Annotated Code of Maryland

(2003 Replacement Volume and 2004 Supplement)

BY adding to

Article - Housing and Community Development

Section 5-403(b)(7)

Annotated Code of Maryland
(As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 2005)

BY repealing and reenacting, with amendments,

Article - Housing and Community Development
Section 5-403(d)(3)(iii)1
Annotated Code of Maryland
(As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 2005)

BY repealing and reenacting, with amendments,

Article - State Personnel and Pensions
Section 2-501, 2-502, and 2-503(b)
Annotated Code of Maryland
(2004 Replacement Volume)

BY repealing and reenacting, without amendments,

Article - State Personnel and Pensions
Section 2-503(a) and 2-504
Annotated Code of Maryland
(2004 Replacement Volume)

BY repealing

Article - Education
Section 5-202(c)
Annotated Code of Maryland
(2004 Replacement Volume and 2004 Supplement)

BY repealing

Article - Correctional Services
Section 8-301 through 8-305, and the subtitle “Subtitle 3. Law Enforcement and Correctional
Training Fund”
Annotated Code of Maryland
(1999 Volume and 2004 Supplement)”.

AMENDMENT NO. 3

On page 3, strike in their entirety lines 4 through 28, inclusive.

On page 4, in line 23, strike the second “THE” and substitute “ANY”; and in line 33, after “(2)” insert “FOR FISCAL YEAR 2006 ONLY”.

On page 5, in line 3, strike “ON OR AFTER” and substitute “FROM”; and in the same line, after “2005” insert “THROUGH JUNE 30, 2006”.

AMENDMENT NO. 4

On page 6, strike in their entirety lines 10 through 31, inclusive, and substitute:

“7-301.

(a) The court costs in a traffic case, including parking and impounding cases and cases under § 21-202.1 of the Transportation Article in which costs are imposed, are [\$20] \$22.50. Such costs shall also be applicable to those cases in which the defendant elects to waive his right to trial and pay the fine or penalty deposit established by the Chief Judge of the District Court by administrative regulation. In an uncontested case under § 21-202.1 of the Transportation Article or uncontested parking or impounding case in which the fines are paid directly to a political subdivision or municipality, costs are \$2.00, which costs shall be paid to and retained by the political subdivision or municipality. In an uncontested case in which the fine is paid directly to an agency of State government authorized by law to regulate parking of motor vehicles, the costs are \$2.00. The fine and the costs shall be paid to the agency, which shall receive and account for these funds as in all other cases involving sums due the State through a State agency.

(b) (1) The court costs in a criminal case in which costs are imposed are [\$20] \$22.50.

(2) The costs shall be in addition to any costs imposed in a criminal case under the Criminal Injuries Compensation Act.

(c) (1) The filing fees and costs in a civil case are those prescribed by law subject to modification by law, rule, or administrative regulation.

(2) The Chief Judge of the District Court shall assess a surcharge that:

(i) May not be more than:

1. \$5 per summary ejectment case; and

2. \$10 per case for all other civil cases; and

(ii) Shall be deposited into the Maryland Legal Services Corporation Fund established under § 7-408 of this title.

(3) The Court of Appeals may provide by rule for waiver of prepayment of filing fees and other costs in cases of indigency.

(d) When a person pays court costs or a fine with a check in any motor vehicle, criminal, or civil case in the District Court, and the check is returned to the court by the financial institution on which it is drawn because of insufficient funds in the account, or because the account has been closed or never existed, then the court may impose additional costs of \$10 against the party issuing the check. These costs shall be in addition to any other penalty now prescribed by law.

[(e) The Comptroller shall establish a Law Enforcement and Correctional Training Fund, as provided in Title 8, Subtitle 3 of the Correctional Services Article, and the Comptroller shall pay into the Fund one-fourth of all court costs collected by the District Court under subsections (a) and (b)(1) of this section.]

[(f) (E) The Comptroller shall annually pay from the court costs collected by the District Court under subsections (a) and (b)(1) of this section:

(1) \$500,000 into the Criminal Injuries Compensation Fund established under § 11-819 of the Criminal Procedure Article; and

(2) \$125,000 into the Victim and Witness Protection and Relocation Fund

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established under § 11-905 of the Criminal Procedure Article.

13-603.

(c) The Fund shall be used TO PAY THE OPERATING EXPENSES OF THE LAND RECORDS OFFICES OF THE CLERKS OF THE CIRCUIT COURTS AND to repair, replace, improve, modernize, and update office equipment and equipment related services in the land records office of the clerk of the circuit court for each county, as the Administrator considers appropriate, with advice from the oversight committee.”.

On page 7, in line 1, after “(b)” insert “(1)”; in the same line, after “section,” insert “EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,”; in line 2, strike the brackets; in the same line, strike “\$40”; after line 2, insert:

“(2) FOR FISCAL YEAR 2006 ONLY, THE MONTHLY FEE IMPOSED UNDER THIS SUBSECTION SHALL BE \$40.”;

and in line 6, strike the first “THE” and substitute “ANY”.

AMENDMENT NO. 5

On pages 7 and 8, strike in their entirety the lines beginning with line 28 on page 7 through line 25 on page 8, inclusive.

On page 9, in lines 4, 9, 11, 12, 15, 16, and 30, in each instance, strike the bracket; in lines 4, 9, 15 and 16, and 30, in each instance, strike “fiscal year 2005” and substitute “EACH OF FISCAL YEARS 2005 AND 2006”; in lines 4, 9, 16, and 30, in each instance, strike “THE”; in line 10, strike “IN ANY FISCAL YEAR”; and in line 11, strike “2006” and substitute “2007”.

On page 10, in lines 3, 5, 6, and 8, in each instance, strike the bracket; in lines 3 and 8, in each instance, strike “fiscal year 2005” and substitute “EACH OF FISCAL YEARS 2005 AND 2006”; in the same lines, in each instance, strike “THE”; in line 4, strike “IN ANY FISCAL YEAR”; and in line 5, strike “2006” and substitute “2007”.

AMENDMENT NO. 6

On pages 10 and 11, strike in their entirety the lines beginning with line 13 on page 10 through line 2 on page 11, inclusive.

AMENDMENT NO. 7

On page 3, after line 28, insert:

“Article 24 - Political Subdivisions - Miscellaneous Provisions

9-1102.

(a) [Except as provided in subsection (b) of this section, for] FOR each fiscal year THAT BEGINS ON OR BEFORE JULY 1, 2008, the State shall pay A PERCENTAGE OF the following amounts AS SPECIFIED IN SUBSECTION (B) OF THIS SECTION to the following counties to reimburse the counties partially for the costs of the property tax exemption under § 7-237 of the Tax - Property Article:

<u>Anne Arundel</u>	<u>\$ 7,820,202</u>
<u>Baltimore City</u>	<u>453,421</u>
<u>Baltimore</u>	<u>1,794,835</u>
<u>Calvert</u>	<u>6,096,574</u>
<u>Charles</u>	<u>2,522,612</u>
<u>Dorchester</u>	<u>187,442</u>
<u>Garrett</u>	<u>11,907</u>
<u>Harford</u>	<u>860,767</u>
<u>Montgomery</u>	<u>2,765,553</u>
<u>Prince George’s</u>	<u>7,744,806</u>
<u>Washington</u>	<u>357,082</u>

(b) (1) For the fiscal year that begins on July 1, [2000] 2005, the State shall pay [50%] 80% of the amounts specified in subsection (a) of this section.

(2) FOR THE FISCAL YEAR THAT BEGINS ON JULY 1, 2006, THE STATE SHALL PAY 60% OF THE AMOUNTS SPECIFIED IN SUBSECTION (A) OF THIS SECTION.

(Over)

(3) FOR THE FISCAL YEAR THAT BEGINS ON JULY 1, 2007 , THE STATE SHALL PAY 40% OF THE AMOUNTS SPECIFIED IN SUBSECTION (A) OF THIS SECTION.

(4) FOR THE FISCAL YEAR THAT BEGINS ON JULY 1, 2008 , THE STATE SHALL PAY 20% OF THE AMOUNTS SPECIFIED IN SUBSECTION (A) OF THIS SECTION.

(c) The Comptroller shall pay the amounts provided under this section to the counties in equal amounts for each quarter at the end of each quarter of the fiscal year for which the payments are made.

(d) 35% of the payment received by Washington County under this section shall be paid to the Town of Williamsport.”.

AMENDMENT NO. 8

On page 6, after line 9, insert:

“1-703.

(a) Title 8, Subtitle 1 of the State Personnel and Pensions Article applies to judicial salaries, except for the provisions of § 8-108(c) of the State Personnel and Pensions Article.

(b) (1) [Whenever] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, WHENEVER a general salary increase is awarded to State employees, each judge shall receive the same percentage increase in salary as awarded to the lowest step of the highest salary grade for employees in the Standard Pay Plan.

(2) IN ANY YEAR THAT A JUDGE’S SALARY IS INCREASED IN ACCORDANCE WITH A RESOLUTION UNDER §1-708 OF THIS SUBTITLE, THE JUDGE MAY NOT RECEIVE A SALARY INCREASE UNDER PARAGRAPH (1) OF THIS SUBSECTION.

1-708.

(c) Beginning in [1982] 2004 and every [2] 4 years thereafter, the Commission shall review the salaries and pensions of the judges of the courts listed in subsection (a) of this section. After [1980] 2008, the Commission shall make written recommendations to the Governor and General Assembly [at least] every 4 years, accounting from September 1, [1980] 2008. The Governor shall include in the budget for the next fiscal year funding necessary to implement those recommendations, contingent on action by the General Assembly under subsections (d) and (e) of this section.”.

AMENDMENT NO. 9

On page 7, after line 12, insert:

“Article - Education

5-206.

(g) (1) In [each of fiscal years 2006 and] FISCAL YEAR 2007, the State shall distribute a grant to each county board that is equal to the amount received by the county board in fiscal year 2002 for the extended elementary education program.

(2) In EACH OF fiscal [year] YEARS 2005 AND 2006, the State shall distribute a grant to each county board that is equal to 87.5% of the amount received by the county board in fiscal year 2002 for the extended elementary education program.

5-301.

(j) (4) On or before MARCH 30, June [1] 30, SEPTEMBER 30, and December [1] 31 of each year, the Interagency Committee shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, AND THE DEPARTMENT OF LEGISLATIVE SERVICES on the balance in the fund AS OF THE REPORTING DATE as the result of transfers or reversions required under this subsection AND ANY EXPENDITURES.

8-415.

(Over)

(d) (1) In this subsection, “basic cost” as to each county, means the average amount spent by the county from county, State, and federal sources for the public education of a nonhandicapped child. “Basic cost” does not include amounts specifically allocated and spent for identifiable compensatory programs for disadvantaged children.

(2) As provided in paragraphs (3) and (4) of this subsection, the State and the counties shall share collectively in the cost of educating children with disabilities in nonpublic programs under § 8-406 of this subtitle or in a regional institute for children and adolescents operated by the Mental Hygiene Administration under § 10-406 of the Health - General Article.

(3) (i) Subject to the limitation under subparagraph (ii) of this paragraph, for each of these children domiciled in the county, the county shall contribute for each placement the sum of:

1. The local share of the basic cost;

2. An additional amount equal to 200 percent of the basic cost;

and

3. A. For fiscal year 2005 AND FISCAL YEAR 2006 only, an additional amount equal to 25 percent of the approved cost or reimbursement in excess of the sum of items 1 and 2 of this subparagraph; and

B. For fiscal year [2006] 2007 and each subsequent fiscal year, an additional amount equal to 20 percent of the approved cost or reimbursement in excess of the sum of items 1 and 2 of this subparagraph.

(ii) The amount that a county is required to contribute under subparagraph (i) of this paragraph may not exceed the total cost or reimbursement amount approved by the Department.

(4) For each of these children, the State shall contribute an amount equal to the amount of the approved cost or reimbursement in excess of the amount the county is required to contribute under paragraph (3) of this subsection.

17-104.

(d) For purposes of this section AND §§ 16-305 AND 16-512 OF THIS ARTICLE, the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State for the previous fiscal year shall reflect:

(1) [any] ANY amendments or reductions to the appropriation for the previous fiscal year; AND

(2) BEGINNING IN FISCAL YEAR 2007, THE FULL-TIME EQUIVALENT ENROLLMENT PROJECTION FOR THE PREVIOUS FISCAL YEAR PUBLISHED BY THE MARYLAND HIGHER EDUCATION COMMISSION IN JUNE OF EACH YEAR.”.

AMENDMENT NO. 10

On page 7, after line 27, insert:

“13-1004.

(a) Beginning in fiscal year [2006] 2007 and in every second year thereafter, the Department shall conduct a Tobacco Study which shall measure the same factors that are set forth in § 13-1003(c) of this subtitle and use the same methodology or model that was used for the Baseline Tobacco Study.

(b) To carry out the evaluation and surveillance functions of this subtitle, the Department may conduct any other tobacco study measuring the factors set forth in § 13-1003(c) of this subtitle and using a methodology or model that is consistent with but need not be identical to that used to conduct the Baseline Tobacco Study.

(c) (1) Subject to paragraphs (2) through (4) of this subsection, the Department shall contract with a higher education institution or private entity to conduct the Biennial Tobacco Study.

(2) The Department shall issue a request for proposal to select the entity that will conduct the Biennial Tobacco Study.

(Over)

(3) The Department may contract with an entity to conduct one or more biennial tobacco studies.

(4) The Department shall use the criteria established in § 13-1003(e)(5) of this subtitle as a guide in administering the request for proposal process.

(d) On or before September 1 of each [odd-numbered] EVEN-NUMBERED fiscal year, beginning in fiscal year [2007] 2008, the Department shall submit a report to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on the results of the Biennial Tobacco Study.

13-1014.

(d) Unless otherwise specified in the annual budget bill as enacted, the amount of funds that are allocated to the Administrative Component in the State budget may not exceed [five percent] 7% of the total amount that is allocated to the Program in the State budget.

13-1015.

(a) For fiscal year [2006] 2007 and each fiscal year thereafter, the Governor shall include at least \$21,000,000 in the annual budget in appropriations for activities aimed at reducing tobacco use in Maryland as recommended by the Centers for Disease Control and Prevention, including:

(1) Media campaigns aimed at reducing smoking initiation and encouraging smokers to quit smoking;

(2) Media campaigns educating the public about the dangers of secondhand smoke exposure;

(3) Enforcement of existing laws banning the sale or distribution of tobacco products to minors;

(4) Promotion and implementation of smoking cessation programs; and

(5) Implementation of school-based tobacco education programs.

(b) For fiscal year [2005] 2006, the Governor shall include at least [\$12,000,000] \$10,000,000 in the annual budget in appropriations for the purposes described in subsection (a) of this section.

13-1108.

(c) (3) [If] FOR FISCAL YEAR 2007 OR ANY SUBSEQUENT FISCAL YEAR, IF the amount of money that would have been distributed to Baltimore City using the formula established under subsection (b) of this section if Baltimore City were included in the formula exceeds [\$4,000,000] 19 %, the Department shall transfer the difference between that amount and [\$4,000,000] 19% from the Local Public Health Component to the Statewide Academic Health Center Component.

13-1115.

(a) (2) [The] FOR FISCAL YEAR 2007 AND ANY SUBSEQUENT FISCAL YEAR, THE amount of each Statewide Academic Health Center Public Health Grant that is distributed to the University of Maryland Medical Group or the Johns Hopkins Institutions, respectively, shall be equal to the sum of:

(i) [\$2,000,000] AT LEAST 9.5 % OF THE TOTAL LOCAL PUBLIC HEALTH COMPONENT MONEYS DISTRIBUTED UNDER § 13-1108(B) OF THIS SUBTITLE;
and

(ii) One-half of any money that is transferred from the Local Public Health Component to the Statewide Academic Health Center Component under § 13-1108(c) of this subtitle.

13-1119.

(d) Unless otherwise specified in the annual budget bill as enacted, the amount of funds that are allocated to the Administrative Component in the State budget may not exceed [five percent] 7% of the total amount that is allocated to the Program in the State budget.”.

AMENDMENT NO. 11

On page 10, after line 12, insert:

“Article - Labor and Employment

2-107.

(a) In addition to any other units, the Division shall include the units enumerated in this section.

(B) (1) THERE IS AN EMPLOYMENT STANDARDS SERVICE UNIT IN THE DIVISION.

(2) UNDER THE DIRECTION OF THE COMMISSIONER, THE EMPLOYMENT STANDARDS SERVICE UNIT SHALL:

(I) ENFORCE TITLE 3, SUBTITLE 2 OF THIS ARTICLE;

(II) CARRY OUT TITLE 3, SUBTITLE 3 OF THIS ARTICLE;

(III) ENFORCE TITLE 3, SUBTITLE 4 OF THIS ARTICLE; AND

(IV) ENFORCE TITLE 3, SUBTITLE 5 OF THIS ARTICLE.

[(b)] (C) There is a State Mediation and Conciliation Service in the Division.

[(c)] (D) (1) There is a research and information unit in the Division.

(2) Under the direction of the Commissioner, the research and information unit shall collect, organize, and report statistical information on matters within the jurisdiction of the

Division.

[(d)] (E) There is a Safety Engineering and Education Service in the Division.

(F) (1) THERE IS A PREVAILING WAGE UNIT IN THE DIVISION.

(2) UNDER THE DIRECTION OF THE COMMISSIONER, THE PREVAILING WAGE UNIT SHALL ADMINISTER AND ENFORCE TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(G) FOR FISCAL YEAR 2007 AND FOR EACH SUBSEQUENT FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY AN APPROPRIATION FOR THE DIVISION OF LABOR AND INDUSTRY SUFFICIENT TO IMPLEMENT THE PROVISIONS OF THIS SECTION, INCLUDING AMOUNTS NOT LESS THAN:

(1) \$315,000 FOR IMPLEMENTATION OF THE EMPLOYMENT STANDARDS SERVICE UNIT IN THE DIVISION; AND

(2) \$385,000 FOR IMPLEMENTATION OF THE PREVAILING WAGE UNIT IN THE DIVISION.

11-403.

(a) (1) There is an Apprenticeship and Training Council as part of the [Department] DIVISION OF LABOR AND INDUSTRY. The Council consists of 12 members all of whom shall be appointed by the Governor of Maryland, with the advice of the Secretary and with the advice and consent of the Senate of Maryland.

Article - Natural Resources

1-104.

(Over)

(a) The Secretary is responsible for the development of coordinated policies for the preservation, conservation, enhancement, wise use, and perpetuation of the natural resources of the State. He is responsible for the efficient coordination of all the natural resources activities of the State including the settlement of conflicts that may arise among units within the Department of Natural Resources. In the discharge of his responsibility the Secretary shall:

(6) Establish and maintain, for the use of the Department, a natural resources library, cataloged according to a recognized library system and containing legal, scientific, and administrative reports, books, documents, photographs, records, and other information on the natural resources and natural resources administration; and

(L) FOR FISCAL YEAR 2007, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY AN APPROPRIATION IN AN AMOUNT EQUAL TO AT LEAST \$88,000 FOR THE DEPARTMENT TO MAINTAIN A NATURAL RESOURCES LIBRARY AS REQUIRED UNDER SUBSECTION (A)(6) OF THIS SECTION.

Article - State Finance and Procurement

3-410.2.

(n) (1) On or before November 1 of each year, the Chief shall report to the Governor and to the budget committees of the General Assembly and submit a copy of the report to the General Assembly in accordance with § 2-1246 of the State Government Article.

(2) The report shall include:

(i) the financial status of the Fund and a summary of its operations for the preceding fiscal year;

(ii) an accounting for the preceding fiscal year of all moneys from each of the revenue sources specified in subsection (e) of this section, including any expenditures made from the Fund; and

(iii) [a description of projects] FOR EACH PROJECT receiving moneys from the Fund in the preceding fiscal year [and the status of each project with] AND FOR EACH MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT RECEIVING FUNDING FROM ANY SOURCE OTHER THAN THE FUND IN THE PRECEDING FISCAL YEAR:

1. THE STATUS OF THE PROJECT;
2. a comparison of estimated and actual costs [and] OF THE PROJECT;
3. any known or anticipated changes in scope or costs OF THE PROJECT;
4. AN EVALUATION BY THE STATE CHIEF INFORMATION OFFICER OF WHETHER THE PROJECT IS USING BEST PRACTICES; AND
5. A SUMMARY OF ANY MONITORING AND OVERSIGHT OF THE PROJECT FROM OUTSIDE THE AGENCY IN WHICH THE PROJECT IS BEING DEVELOPED, INCLUDING A DESCRIPTION OF ANY PROBLEMS IDENTIFIED BY ANY EXTERNAL REVIEW AND ANY CORRECTIVE ACTIONS TAKEN.

7-310.

- (a) In this section “Account” means the Dedicated Purpose Account.
- (d) For each appropriation to the Account, the Governor may:
 - (2) transfer the funds by budget amendment from the Account to the expenditure account of the appropriate unit of State government [no earlier than 45 days] ONLY after the proposed budget amendment has been:
 - (i) submitted to the Senate Budget and Taxation Committee and the House Appropriations Committee of the General Assembly; and

(Over)

(ii) [submitted to] APPROVED BY the Legislative Policy Committee [for review and comment].

(f) (2) If the Governor determines that certain funds in the Account are no longer needed for the purpose for which they were originally appropriated, those funds may be transferred by budget amendment to the Revenue Stabilization Account [no earlier than 45 days] after the proposed budget amendment has been:

(i) submitted to the Senate Budget and Taxation Committee and the House Appropriations Committee of the General Assembly; and

(ii) [submitted to] APPROVED BY the Legislative Policy Committee [for review and comment].

7-314.

(a) (1) In this section the following words have the meanings indicated.

(2) “Account” means the Economic Development Opportunities Program Account.

(d) [No earlier than 45 days after submission of a proposed budget amendment to] AFTER NOTICE TO AND APPROVAL BY the Legislative Policy Committee [for review and comment], the Governor may transfer funds by budget amendment from the Economic Development Opportunities Program Account to the expenditure account of the appropriate executive agency.

(i) The Legislative Policy Committee may [review and comment on] APPROVE an economic development opportunity that is not an extraordinary economic development opportunity if the executive agency requesting the transfer of funds offers a detailed justification for the exception. The Legislative Policy Committee shall give particular consideration to an exception that would provide a significant economic development opportunity for an area of the State that has a relatively high unemployment rate or relatively low per capita income.

(j) (1) The Department of Business and Economic Development shall submit to the Legislative Policy Committee by January 1 of each year a list of guidelines for the kinds of performance requirements that may be negotiated with a loan or grant applicant.

(2) The Department of Business and Economic Development may modify these guidelines as needed, [no earlier than 45 days after submission to] UPON APPROVAL OF the Legislative Policy Committee [for review and comment].

(3) An executive agency may depart from these guidelines as needed, [no earlier than 45 days after submission of a description of the exception to the guidelines to] UPON APPROVAL OF the Legislative Policy Committee [for review and comment].

(o) In the case of an economic development opportunity located outside a priority funding area as established under Title 5, Subtitle 7B of this article, the Department shall first comply with the provisions of that subtitle before [submitting a proposal to] MAKING A REQUEST FOR APPROVAL BY the Legislative Policy Committee [for review and comment] under this section.

(p) An executive agency may approve changes to a transaction [reviewed and commented on] APPROVED by the Legislative Policy Committee as long as the changes do not materially and adversely affect the overall position of the executive agency in the transaction or the economic development benefits to be derived by the State in the transaction.

7-317.

(a) There is a Cigarette Restitution Fund.

(g) (1) Amounts may only be expended from the Fund through appropriations in the State budget bill as provided in this subsection.

(2) The Governor shall include in the annual budget bill appropriations from the Fund equivalent to the lesser of \$100,000,000 or 90% of the funds estimated to be available to the Fund in the fiscal year for which the appropriations are made.

(Over)

(3) For each fiscal year for which appropriations are made, at least 50% of the appropriations shall be made for those purposes enumerated in subsection (f)(1)(i), (ii), and (iii)1 through 9 of this section subject to the requirement of subsection (e)(2) of this section.

(4) For each [of fiscal years 2003 through 2006] FISCAL YEAR FOR WHICH APPROPRIATIONS ARE MADE, at least [25%] 30% of the appropriations shall be made for the purposes of the Maryland Medical Assistance Program.

(5) For each fiscal year for which appropriations are made, 0.15% of the Fund shall be appropriated for the purposes of enforcement of Title 16, Subtitle 5 of the Business Regulation Article.

(6) Any additional appropriations, not subject to paragraph (3), paragraph (4), or paragraph (5) of this subsection, may be made for any lawful purpose.

7-324.

(a) In this section, “Account” means the Catastrophic Event Account.

(d) [No earlier than 45 days after the submission of a proposed budget amendment to] AFTER NOTICE TO AND APPROVAL BY the Legislative Policy Committee [for review and comment], the Governor may transfer funds by budget amendment from the Account to the expenditure accounts of the appropriate unit of State government.

8-132.

(c) Any premium from the sale of State bonds transferred to the Annuity Bond Fund under § 8-125 of this subtitle may be used to pay[:

(1)] debt service on State bonds[; and

(2) if approved by the Board, the costs of other capital projects].

Article - State Personnel and Pensions

2-516.

(A) IN THIS SECTION, "FUND" MEANS THE STATE EMPLOYEES AND RETIREES HEALTH AND WELFARE BENEFITS FUND ESTABLISHED UNDER THIS SECTION.

(B) (1) A SPECIAL RESERVE FUND IS ESTABLISHED TO RETAIN CERTAIN STATE REVENUES AND STATE GENERAL AND SPECIAL FUNDS FOR THE PURPOSE OF FUNDING THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM ESTABLISHED UNDER THIS SUBTITLE.

(2) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(3) THE FUND CONSISTS OF THE MONEYS DISTRIBUTED TO THE FUND UNDER SUBSECTION (C) OF THIS SECTION.

(4) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(5) (I) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME MANNER AS OTHER STATE FUNDS.

(II) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO THE FUND.

(C) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR FISCAL YEARS 2006 AND 2007 ONLY, THERE SHALL BE CREDITED TO THE FUND ANY SUBSIDY RECEIVED BY THE STATE THAT IS PROVIDED TO EMPLOYERS AS A RESULT OF THE FEDERAL MEDICARE PRESCRIPTION DRUG, IMPROVEMENT, AND MODERNIZATION ACT OF 2003, OR SIMILAR FEDERAL SUBSIDY RECEIVED AS A RESULT OF THE STATE'S PRESCRIPTION DRUG PROGRAM.

(Over)

(2) THE FUND ALSO CONSISTS OF MONEYS APPROPRIATED FOR STATE EMPLOYEE AND RETIREE HEALTH INSURANCE OR AUTHORIZED TO BE TRANSFERRED TO THAT PURPOSE IN THE STATE BUDGET.

(D) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE FUND SHALL BE RETAINED IN RESERVE AND MAY NOT BE SPENT FOR ANY PURPOSE.

(2) SUBJECT TO THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, MONEYS CREDITED TO THE FUND MAY BE USED ONLY FOR THE PURPOSE OF FUNDING THE STATE COSTS OF THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM.

34-101.

(a) There is a Postretirement Health Benefits Trust Fund.

(b) The Postretirement Health Benefits Trust Fund shall be established as a tax-exempt trust, in accordance with § 115 of the Internal Revenue Code or other applicable federal statute.

(c) The purpose of the Postretirement Health Benefits Trust Fund is to assist the State in financing the postretirement health insurance subsidy, as specified in § 2-508 of this article.

(d) Beginning in fiscal year [2006] 2008, any subsidy received by the State that is provided to employers as a result of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or similar federal subsidy received as a result of the State's prescription drug program, shall be deposited into the Postretirement Health Benefits Trust Fund.

(e) (1) The Board of Trustees are the trustees of the Postretirement Health Benefits Trust Fund.

(2) Notwithstanding any other provision of law:

(i) the Board of Trustees shall have full power to invest and manage the assets of the Postretirement Health Benefits Trust Fund to achieve the statutory purpose of the fund; and

(ii) each member of the Board of Trustees shall discharge the member's duties with respect to the Postretirement Health Benefits Trust Fund as a fiduciary and be indemnified in accordance with the provisions of Title 21, Subtitle 2 of this article.

(3) The Board of Trustees may incur reasonable investment expenses payable from the assets of the Postretirement Health Benefits Trust Fund, and in accordance with § 21-315(d) of this article, for:

(i) services of managers to invest the assets of the Postretirement Health Benefits Trust Fund;

(ii) services of one or more duly qualified banks or trust companies for the safe custody of the investments and banking services; and

(iii) any other service that the Board of Trustees deems reasonable and necessary in connection with the investments of the Postretirement Health Benefits Trust Fund.

(4) (i) The Board of Trustees may incur reasonable administrative expenses payable from the assets of the Postretirement Health Benefits Trust Fund.

(ii) Administrative expenses paid under subparagraph (i) of this paragraph may not exceed an amount equal to the amount of administrative expenses paid by the Board of Trustees under § 21-315(c) of this article multiplied by a fraction:

1. the numerator of which equals the total assets of the Postretirement Health Benefits Trust Fund; and

(Over)

2. the denominator of which equals the combined total assets of the several systems and the Postretirement Health Benefits Trust Fund.

(5) The Board of Trustees is not subject to Division II of the State Finance and Procurement Article for:

(i) obtaining services of managers to invest the assets of the Postretirement Health Benefits Trust Fund; and

(ii) expenditures to manage, maintain, and enhance the value of the assets of the Postretirement Health Benefits Trust Fund.

(f) To the extent possible, the assets of the Postretirement Health Benefits Trust Fund shall be invested in the same manner as those of the several systems.

(g) For fiscal year [2006] 2008 through fiscal year [2016] 2017, no payments may be made from the Postretirement Health Benefits Trust Fund.

(h) For fiscal year [2016] 2018 and each fiscal year thereafter, the Board of Trustees shall transfer to the General Fund, for the sole purpose of assisting in the payment of the State's postretirement health insurance subsidy, the lesser of:

(1) one-quarter of the prior year's investment gains of the Postretirement Health Benefits Trust Fund; or

(2) the amount necessary to pay the annual health insurance premiums and other costs that constitute the State's postretirement health insurance subsidy specified in § 2-508 of this article.

(i) If for any reason the State discontinues the postretirement health insurance subsidy specified in § 2-508 of this article or a successor subsidy, the assets of the Postretirement Health Benefits Trust Fund shall be transferred to the General Fund.

(j) On or before October 1, [2007] 2009, and on or before October 1 thereafter, the

Board of Trustees shall publish an annual consolidated report that includes:

(1) the fiscal transactions of the Postretirement Health Benefits Trust Fund for the preceding fiscal year; and

(2) the amount of the accumulated cash, securities, and other assets of the Postretirement Health Benefits Trust Fund.

Article - Tax - Property

13-209.

(a) The revenue from transfer tax is payable to the Comptroller for deposit in a special fund.

(b) For the fiscal year beginning July 1, 2002 and for subsequent fiscal years, up to 3% of the revenues in the special fund may be appropriated in the State budget for salaries and related expenses in the Departments of General Services and Natural Resources and in the Department of Planning necessary to administer Title 5, Subtitle 9 of the Natural Resources Article (Program Open Space).

(c) (1) Subject to subsection (e) of this section, of the balance of the revenue in the special fund, not required under subsection (b) of this section:

(i) for the fiscal year beginning July 1, 2002, \$47,268,585 shall be allocated to the General Fund of the State and the remainder shall be allocated as provided in subsection (d) of this section;

(ii) for the fiscal year beginning July 1, 2003, \$102,833,869 shall be allocated to the General Fund of the State and the remainder shall be allocated as provided in the State budget; [and]

(iii) for the fiscal year beginning July 1, 2004, \$147,374,444 shall be

(Over)

allocated to the General Fund of the State, and the remainder shall be allocated as provided in the State budget; AND

(IV) FOR THE FISCAL YEAR BEGINNING JULY 1, 2005:

1. \$141,492,930 SHALL BE DEDICATED TO THE ANNUITY BOND FUND OF THE STATE, TO BE USED ONLY FOR THE PURPOSE OF MEETING THE DEBT SERVICE REQUIREMENTS FOR FISCAL 2006 ON STATE BONDS; AND

2. THE REMAINDER SHALL BE ALLOCATED AS PROVIDED IN THE STATE BUDGET.

(2) Subject to subsection (e) of this section, for the fiscal years beginning July 1, [2005] 2006 and each subsequent fiscal year, the balance of the revenue in the special fund, not required under subsection (b) of this section shall be allocated as provided in subsection (d) of this section.

(d) Subject to subsection (e) of this section, for the fiscal year beginning July 1, 2002 and for each subsequent fiscal year, the balance of the revenue in the special fund, not required under subsection (b) of this section and not allocated to the General Fund under subsection (c)(1) of this section shall be allocated in the State budget as follows:

(1) (i) 75.15% for the purposes specified in Title 5, Subtitle 9 of the Natural Resources Article (Program Open Space); and

(ii) an additional 1% for Program Open Space, for land acquisition purposes as specified in § 5-903(a)(2) of the Natural Resources Article;

(2) 17.05% for the Agricultural Land Preservation Fund established under § 2-505 of the Agriculture Article;

(3) 5% for the Rural Legacy Program established under § 5-9A-01 of the Natural Resources Article; and

(4) 1.8% for the Heritage Conservation Fund established under § 5-1501 of the Natural Resources Article.

(e) The sums allocated in subsection (d) of this section may not revert to the General Fund of the State.

(f) (1) (I) [For] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, FOR any fiscal year in which the actual transfer tax revenue collections are greater than the revenue estimates used as the basis for the appropriations required under this section for the fiscal year, the amount of the excess shall be allocated to the special fund under subsection (a) of this section as provided under subsections (c) and (d) of this section for the second fiscal year following the fiscal year in which there is an excess.

(II) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS PARAGRAPH OR ANY OTHER PROVISION OF LAW, \$21,776,868 OF THE TRANSFER TAX COLLECTED BUT NOT APPROPRIATED OR TRANSFERRED IN FISCAL 2004 SHALL BE DEDICATED TO THE ANNUITY BOND FUND FOR THE FISCAL YEAR BEGINNING JULY 1, 2005, TO BE USED ONLY FOR THE PURPOSE OF MEETING THE DEBT SERVICE REQUIREMENTS FOR FISCAL 2006 ON STATE BONDS.

(2) For any fiscal year in which the actual transfer tax revenue collections are less than the revenue estimates used as the basis for the appropriations required under this section, the amount of the deficiency shall be reconciled as follows:

(i) for the first \$3,000,000 of any deficiency, the allocation to the special fund under subsection (a) of this section as provided under subsections (c) and (d) of this section for the second fiscal year following the deficiency shall be reduced by either the amount of the deficiency or \$3,000,000, whichever is less; and

(ii) for any deficiency in excess of \$3,000,000, the amount in excess of \$3,000,000 shall be reconciled either by the reduction of the allocation to the special fund under subsection (a) of this section as provided under subsections (c) and (d) of this section for the second fiscal year following the deficiency or by the deauthorization of projects authorized in prior fiscal

(Over)

years.

(3) (i) Any amounts to be deauthorized from prior fiscal years under paragraph (2)(i) of this subsection shall be proposed by the Governor in the budget of the second fiscal year following the fiscal year in which there is a deficiency.

(ii) An amount may be deauthorized under this paragraph only as provided in the State budget bill, as enacted.

Article - Transportation

2-103.1.

(d) The Maryland Transportation Plan shall:

(1) Be revised every [3] 5 years through an inclusive public participation process;

(2) Include a 20-year forecast of State transportation needs, based on the financial resources anticipated to be available to the Department during that 20-year period;

(3) Be expressed in terms of goals and objectives; and

(4) Include a summary of the types of projects and programs that are proposed to accomplish the goals and objectives, using a multi-modal approach when feasible.

(L) (1) (I) SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE:

1. ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT COPIES OF THE PROPOSED CONSOLIDATED TRANSPORTATION PROGRAM AND THE SUPPORTING FINANCIAL FORECAST TO THE GENERAL ASSEMBLY; AND

2. ON SUBMISSION OF THE BUDGET BILL TO THE

PRESIDING OFFICERS OF THE GENERAL ASSEMBLY, THE DEPARTMENT SHALL SUBMIT COPIES OF THE APPROVED CONSOLIDATED TRANSPORTATION PROGRAM AND THE SUPPORTING FINANCIAL FORECAST TO THE GENERAL ASSEMBLY.

(II) NOTWITHSTANDING § 2-1246(B)(2) OF THE STATE GOVERNMENT ARTICLE, THE DEPARTMENT SHALL PROVIDE TO EACH MEMBER OF THE GENERAL ASSEMBLY A COPY OF THE PROPOSED CONSOLIDATED TRANSPORTATION PROGRAM AND THE APPROVED CONSOLIDATED TRANSPORTATION PROGRAM.

(2) (I) THE FINANCIAL FORECAST SUPPORTING THE CONSOLIDATED TRANSPORTATION PROGRAM TO BE SUBMITTED TO THE GENERAL ASSEMBLY UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE THE FOLLOWING COMPONENTS:

1. A SCHEDULE OF OPERATING EXPENSES FOR EACH SPECIFIC MODAL ADMINISTRATION;

2. A SCHEDULE OF REVENUES, INCLUDING TAX AND FEE REVENUES, DEDUCTIONS FROM REVENUES FOR OTHER AGENCIES, DEPARTMENT PROGRAM AND FEES, MOTOR VEHICLE COST RECOVERY, DEDUCTIONS FOR HIGHWAY USER REVENUES, OPERATING REVENUES BY MODAL ADMINISTRATION, AND MISCELLANEOUS REVENUES; AND

3. A SUMMARY SCHEDULE FOR THE TRANSPORTATION TRUST FUND THAT INCLUDES THE OPENING AND CLOSING FUND BALANCE, REVENUES, TRANSFERS, BOND SALES, BOND PREMIUMS, ANY OTHER REVENUES, EXPENDITURES FOR DEBT SERVICE, OPERATING EXPENSES, AMOUNTS AVAILABLE FOR CAPITAL EXPENSES, BOND INTEREST RATES, BOND COVERAGE RATIOS, TOTAL BONDS OUTSTANDING, FEDERAL CAPITAL AID, AND THE TOTAL AMOUNT FOR THE TRANSPORTATION CAPITAL PROGRAM.

(II) THE FINANCIAL FORECAST SHALL INCLUDE, FOR EACH OF

(Over)

THE COMPONENTS SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH:

1. ACTUAL INFORMATION FOR THE LAST FULL FISCAL YEAR; AND

2. FORECASTS OF THE INFORMATION FOR EACH OF THE SIX SUBSEQUENT FISCAL YEARS, INCLUDING THE CURRENT FISCAL YEAR, THE FISCAL YEAR FOR THE PROPOSED BUDGET, AND THE NEXT FOUR SUBSEQUENT FISCAL YEARS.

3-216.

(g) (3) (i) The cumulative amount REQUIRED TO BE appropriated to the Transportation Trust Fund under paragraph (1) of this subsection for all fiscal years may not exceed [\$314,913,000] AN AMOUNT EQUAL TO \$314,913,000 REDUCED BY:

1. THE AMOUNT OF ANY APPROPRIATION OR TRANSFER FROM THE GENERAL FUND OF THE STATE TO THE TRANSPORTATION TRUST FUND FOR ANY FISCAL YEAR IN EXCESS OF THE AMOUNT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR THAT FISCAL YEAR; AND

2. THE AMOUNT OF ANY APPROPRIATION OR TRANSFER FROM THE GENERAL FUND OF THE STATE TO THE TRANSPORTATION TRUST FUND FOR ANY FISCAL YEAR IN WHICH THE APPROPRIATION UNDER PARAGRAPH (1) OF THIS SUBSECTION IS NOT REQUIRED.

(ii) This subsection does not apply to any fiscal year if a cumulative amount [equal to at least \$314,913,000] has been appropriated to the Transportation Trust Fund for prior fiscal years under this subsection EQUAL TO AT LEAST \$314,913,000 REDUCED BY:

1. THE AMOUNT OF ANY APPROPRIATION OR TRANSFER FROM THE GENERAL FUND OF THE STATE TO THE TRANSPORTATION TRUST FUND FOR ANY FISCAL YEAR IN EXCESS OF THE AMOUNT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR THAT FISCAL YEAR; AND

2. THE AMOUNT OF ANY APPROPRIATION OR TRANSFER FROM THE GENERAL FUND OF THE STATE TO THE TRANSPORTATION TRUST FUND FOR ANY FISCAL YEAR IN WHICH THE APPROPRIATION UNDER PARAGRAPH (1) OF THIS SUBSECTION IS NOT REQUIRED.”.

AMENDMENT NO. 12

On page 10, before line 13, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

8-406.

(b) (1) (I) [A] SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, A public service company, including any multijurisdictional public service company, may claim a credit against the public service company franchise tax in the amount of \$3 for each ton of Maryland-mined coal that the public service company purchased in the calendar year.

(II) THE CREDIT UNDER THIS SUBSECTION MAY NOT BE CLAIMED FOR MARYLAND-MINED COAL PURCHASED IN A CALENDAR YEAR BEGINNING AFTER DECEMBER 31, 2020.

(2) (I) THIS PARAGRAPH APPLIES ONLY TO CREDITS CLAIMED UNDER THIS SUBSECTION FOR CALENDAR YEARS BEGINNING ON OR AFTER JANUARY 1, 2007.

(II) FOR MARYLAND-MINED COAL PURCHASED IN CALENDAR YEARS BEGINNING ON OR AFTER JANUARY 1, 2007, THE AMOUNT CLAIMED AS A CREDIT UNDER THIS SUBSECTION MAY NOT EXCEED THE AMOUNT APPROVED BY THE DEPARTMENT UNDER THIS PARAGRAPH.

(Over)

(III) BY JANUARY 15 OF THE CALENDAR YEAR FOLLOWING THE END OF THE CALENDAR YEAR IN WHICH THE MARYLAND-MINED COAL WAS PURCHASED, A PUBLIC SERVICE COMPANY SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT FOR APPROVAL OF THE CREDIT ALLOWED UNDER THIS SUBSECTION.

(IV) SUBJECT TO SUBPARAGRAPH (VIII) OF THIS PARAGRAPH, THE TOTAL AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT UNDER THIS SUBSECTION FOR ANY CALENDAR YEAR MAY NOT EXCEED:

1. \$9,000,000 FOR A CALENDAR YEAR BEGINNING AFTER DECEMBER 31, 2006 BUT BEFORE JANUARY 1, 2011;

2. \$4,200,000 FOR A CALENDAR YEAR BEGINNING AFTER DECEMBER 31, 2010 BUT BEFORE JANUARY 1, 2015; AND

3. \$2,100,000 FOR A CALENDAR YEAR BEGINNING AFTER DECEMBER 31, 2014 BUT BEFORE JANUARY 1, 2021.

(V) THE DEPARTMENT MAY NOT APPROVE ANY CREDITS UNDER THIS SUBSECTION FOR A CALENDAR YEAR BEGINNING AFTER DECEMBER 31, 2020.

(VI) SUBJECT TO SUBPARAGRAPH (VIII) OF THIS SUBSECTION, IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL PUBLIC SERVICE COMPANIES FOR ANY CALENDAR YEAR UNDER THIS SUBSECTION EXCEEDS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (IV) OF THIS PARAGRAPH, THE DEPARTMENT SHALL APPROVE A CREDIT UNDER THIS SUBSECTION FOR EACH APPLICANT IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE CREDIT APPLIED FOR BY THE APPLICANT TIMES A FRACTION:

1. THE NUMERATOR OF WHICH IS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (IV) OF THIS PARAGRAPH; AND

2. THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL

CREDITS APPLIED FOR BY ALL APPLICANTS UNDER THIS SUBSECTION FOR THE CALENDAR YEAR.

(VII) BY FEBRUARY 15 OF THE CALENDAR YEAR FOLLOWING THE END OF THE CALENDAR YEAR IN WHICH THE MARYLAND-MINED COAL WAS PURCHASED, THE DEPARTMENT SHALL CERTIFY TO EACH PUBLIC SERVICE COMPANY THE AMOUNT OF THE TAX CREDITS APPROVED BY THE DEPARTMENT FOR THE PUBLIC SERVICE COMPANY UNDER THIS SUBSECTION.

(VIII) 1. OF THE TOTAL CREDITS APPROVED FOR ANY CALENDAR YEAR BEGINNING AFTER DECEMBER 31, 2006 BUT BEFORE JANUARY 1, 2021, \$2,100,000 OF THE CREDITS SHALL BE RESERVED FOR PURCHASES OF MARYLAND-MINED COAL THAT WILL BE USED BY A FACILITY IN MARYLAND.

2. IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL PUBLIC SERVICE COMPANIES FOR ANY CALENDAR YEAR FOR THE PURCHASE OF MARYLAND-MINED COAL THAT WILL BE USED IN MARYLAND EXCEEDS \$2,100,000, THE DEPARTMENT SHALL APPROVE A CREDIT UNDER THIS SUBPARAGRAPH FOR EACH APPLICANT IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE CREDIT APPLIED FOR BY THE APPLICANT TIMES A FRACTION:

A. THE NUMERATOR OF WHICH IS \$2,100,000; AND

B. THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL CREDITS APPLIED FOR BY ALL APPLICANTS UNDER THIS SUBSECTION FOR THE CALENDAR YEAR FOR THE PURCHASE OF MARYLAND-MINED COAL THAT WILL BE USED IN MARYLAND.

10-102.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “Distributable cash flow” means taxable income reportable by [an entity] A

(Over)

PASS-THROUGH ENTITY on its federal income tax return for the taxable year:

(i) adjusted, in the case of an entity using the accrual method of accounting to report federal taxable income, to reflect the amount of taxable income that would have been reported under the cash method of accounting;

(ii) increased by the sum of:

1. cash receipts for the taxable year that are not includable in the gross income of the entity, including capital contributions and loan proceeds;

2. amounts allowable to the entity for the taxable year as deductions for depreciation, amortization, and depletion; and

3. the decrease, if any, in the entity's liability reserve as of the end of the taxable year; and

(iii) decreased by the sum of:

1. cash expenditures for the taxable year that are not deductible in computing the taxable income of the entity, not including distributions to shareholders, partners, or members; and

2. the increase, if any, in the entity's liability reserve as of the end of the taxable year.

(3) "Liability reserve" means accrued unpaid liabilities that are not deductible in computing taxable income.

(4) "MEMBER" MEANS:

(I) A SHAREHOLDER OF AN S CORPORATION;

(II) A GENERAL OR LIMITED PARTNER OF A PARTNERSHIP,

LIMITED PARTNERSHIP, OR LIMITED LIABILITY PARTNERSHIP; OR

(III) A MEMBER OF A LIMITED LIABILITY COMPANY.

(5) “NONRESIDENT ENTITY” MEANS AN ENTITY THAT IS NOT FORMED UNDER THE LAWS OF THE STATE AND IS NOT QUALIFIED BY OR REGISTERED WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION TO DO BUSINESS IN THE STATE.

[(4)] (6) “Nonresident taxable income” means any income described in § 10-210(b)(1) through (4) of this title.

(7) “PASS-THROUGH ENTITY” MEANS:

(I) AN S CORPORATION;

(II) A PARTNERSHIP; OR

(III) A LIMITED LIABILITY COMPANY THAT IS NOT TAXED AS A CORPORATION UNDER THIS TITLE.

(b) In addition to any other tax imposed under this title, a tax is imposed on each [S corporation, partnership, and limited liability company,] PASS-THROUGH ENTITY that has:

(1) any [shareholder, partner, or] member who is a nonresident of the State OR IS A NONRESIDENT ENTITY; and

(2) any nonresident taxable income for the taxable year.

(c) (1) The tax imposed under subsection (b) of this section shall be treated as a tax imposed on the [individual] nonresident [shareholders, partners,] or NONRESIDENT ENTITY members that is paid on behalf of the [individuals] NONRESIDENTS OR NONRESIDENT ENTITIES by the [S corporation, partnership, or limited liability company] PASS-THROUGH

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ENTITY.

(2) THE COMPTROLLER SHALL PROVIDE BY REGULATION FOR THE TREATMENT OF THE TAX IMPOSED UNDER SUBSECTION (B) OF THIS SECTION THAT IS PAID ON BEHALF OF A NONRESIDENT ENTITY MEMBER THAT IS ITSELF A PASS-THROUGH ENTITY.

(d) (1) Except as provided in paragraph (2) of this subsection, the tax imposed under subsection (b) of this section is THE SUM OF:

(I) A RATE EQUAL TO THE SUM OF THE RATE OF THE TAX IMPOSED UNDER § 10-106.1 OF THIS TITLE AND the top marginal State tax rate for individuals under § 10-105(a)(4) of this subtitle applied to[

(i)] the sum of each nonresident [partner's] INDIVIDUAL MEMBER'S distributive share OR PRO-RATA SHARE of a [partnership's] PASS-THROUGH ENTITY'S nonresident taxable income; AND

(II) THE RATE OF THE TAX FOR A CORPORATION UNDER § 10-105(B) OF THIS SUBTITLE APPLIED TO THE SUM OF EACH NONRESIDENT ENTITY MEMBER'S DISTRIBUTIVE SHARE OR PRO-RATA SHARE OF A PASS-THROUGH ENTITY'S NONRESIDENT TAXABLE INCOME.

[(ii) the sum of each nonresident shareholder's pro rata share of an S corporation's nonresident taxable income; or

(iii) the sum of each nonresident member's distributive share of a limited liability company's nonresident taxable income.]

(2) The tax required to be paid for any taxable year on behalf of [nonresident shareholders, nonresident partners, or] nonresident OR NONRESIDENT ENTITY members by [an S corporation, a partnership, or a limited liability company] A PASS-THROUGH ENTITY may not exceed the sum of all of the nonresident [shareholders', partners', or] AND NONRESIDENT ENTITY members' shares of the PASS-THROUGH entity's distributable cash flow.

(E) (1) THE TAX IMPOSED UNDER SUBSECTION (B) OF THIS SECTION DOES NOT APPLY WITH RESPECT TO THE DISTRIBUTIVE SHARE OR PRO-RATA SHARE OF A MEMBER THAT IS ITSELF A PASS-THROUGH ENTITY FORMED UNDER THE LAWS OF THE STATE OR QUALIFIED BY OR REGISTERED WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION TO DO BUSINESS IN THE STATE.

(2) A MEMBER OF A PASS-THROUGH ENTITY THAT IS ITSELF A PASS-THROUGH ENTITY AS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL COMPLY WITH THE PROVISIONS OF THIS SECTION WITH RESPECT TO ANY OF ITS MEMBERS THAT ARE NONRESIDENTS OR NONRESIDENT ENTITIES.

[(e)] (F) The Comptroller may provide by regulation for:

(1) the filing of composite returns by [an S corporation, partnership, or limited liability company] A PASS-THROUGH ENTITY on behalf of its nonresident [shareholders, partners, and] AND NONRESIDENT ENTITY members; and

(2) application of or exemption from the tax imposed under subsection (b) of this section for [an S corporation, partnership, or limited liability company] A PASS-THROUGH ENTITY:

(i) that files a composite return on behalf of nonresident [shareholders, partners, or] AND NONRESIDENT ENTITY members; or

(ii) the nonresident [shareholders, partners, or] OR NONRESIDENT ENTITY members of which are tax exempt [or pass-through entities].

[(f)] (G) (1) Subject to paragraph (2) of this subsection, if a partnership fails to pay the tax when due the tax may be collected from the partners under the law applicable to debts of the partnership, with the partnership and partners having rights of contribution against any nonresident partner on whose behalf the tax is paid.

(2) Unless it is established by the Comptroller that the partner participated in a pattern of distributions to one or more partners with the intention of defeating the partnership

(Over)

liability for the tax imposed under subsection (b) of this section, any partner otherwise liable under paragraph (1) of this subsection shall be liable for the tax imposed on the partnership only to the extent of distributions from the partnership to that partner after the tax was due to be paid by the partnership.

[(g)] (H) Except as provided in § 10-701.1 of this title, nothing in this section limits or affects in any way the liability of an individual nonresident [shareholder, partner, or] member OR A NONRESIDENT ENTITY MEMBER for the tax imposed on the individual NONRESIDENT OR NONRESIDENT ENTITY under § 10-102 of this subtitle.

(I) THE TAX IMPOSED UNDER SUBSECTION (B) OF THIS SECTION DOES NOT APPLY TO A PUBLICLY-TRADED PASS-THROUGH ENTITY THAT HAS AGREED TO FILE WITH THE COMPTROLLER AN ANNUAL INFORMATION RETURN REPORTING THE NAME, ADDRESS, TAXPAYER IDENTIFICATION NUMBER, AND OTHER INFORMATION REQUESTED BY THE COMPTROLLER OF EACH NONRESIDENT OR NONRESIDENT ENTITY MEMBER WHOSE DISTRIBUTIVE SHARE OR PRO-RATA SHARE OF THE PASS-THROUGH ENTITY'S NONRESIDENT TAXABLE INCOME FOR THE TAXABLE YEAR EXCEEDS \$500.

10-204.

(a) To the extent excluded from federal adjusted gross income, the amounts under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(I) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT DEDUCTED UNDER § 199 OF THE INTERNAL REVENUE CODE FOR THE QUALIFIED PRODUCTION ACTIVITIES INCOME OF THE TAXPAYER FOR THE TAXABLE YEAR.

10-210.1.

(b) In addition to the modifications under §§ 10-204 through 10-210 of this subtitle, to determine Maryland adjusted gross income of an individual:

(3) an amount is added to or subtracted from federal adjusted gross income to reflect the determination of the maximum aggregate costs that the taxpayer may treat as an expense under § 179 of the Internal Revenue Code for any taxable year without regard to the changes made to that section by the federal Jobs and Growth Tax Relief Reconciliation Act of 2003 (P.L. 108-27) OR BY THE AMERICAN JOBS CREATION ACT OF 2004 (P.L. 108-357); and

10-305.

(a) To the extent excluded from federal taxable income, the amounts under this section are added to the federal taxable income of a corporation to determine Maryland modified income.

(d) The addition under subsection (a) of this section includes the additions required for an individual under:

(1) § 10-204(b) of this title (Dividends and interest from another state or local obligation);

(2) § 10-204(c)(2) of this title (Federal tax exempt income); [and]

(3) § 10-204(e) of this title (Oil percentage depletion allowance); AND

(4) § 10-204(I) OF THIS TITLE (DEDUCTION FOR QUALIFIED PRODUCTION ACTIVITIES INCOME).

10-701.1.

An individual OR A CORPORATION may claim a credit against the State income tax for a taxable year in the amount of tax paid by a [partnership, S corporation, or limited liability company] PASS-THROUGH ENTITY under § 10-102.1 of this title that is attributable to the individual's OR CORPORATION'S share of the [partnership's, S corporation's, or limited liability company's] PASS-THROUGH ENTITY'S nonresident taxable income, as defined in § 10-102.1(a)(4) of this title.

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[10-704.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “Cogenerator” means a qualifying cogenerator or qualifying small power producer as determined by the Federal Energy Regulatory Commission under the Public Utility Regulatory Policies Act of 1978.

(3) “Electricity supplier” has the meaning stated in § 1-101 of the Public Utility Companies Article.

(b) This section does not apply to:

(1) a cogenerator or electricity supplier that is subject to the public service company franchise tax; or

(2) an electricity supplier that, before July 1, 1999, was not an electric company as defined in § 1-101 of the Public Utility Companies Article as in effect on June 30, 1999, unless the electricity supplier is an affiliate of such an electric company.

(c) A cogenerator or electricity supplier may claim a credit against the State income tax in the amount of \$3 for each ton of Maryland-mined coal that the cogenerator or electricity supplier purchased in the taxable year.

(d) (1) A cogenerator or electricity supplier may only apply the credit against the State income tax for the taxable year in which the credit was earned.

(2) The amount of the credit may not exceed the State income tax for that taxable year.]

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Insurance

10-115.

(a) (1) Licenses expire every other year on the anniversary of the date of issuance of the license unless renewed as provided in this section.

(2) If a license expires under paragraph (1) of this subsection, the appointments held by the insurance producer shall be terminated as of the day of the expiration of the license.

(b) At least 1 month before a license expires, the Commissioner shall mail to the holder of the license, at the last known address of the holder:

(1) a renewal application form; and

(2) a notice that states:

(i) the date by which the Commissioner must receive the renewal application for the renewal to be issued and mailed before the license expires; and

(ii) the amount of the renewal fee.

(c) [Before] SUBJECT TO SUBSECTION (F) OF THIS SECTION, BEFORE a license expires, the holder of the license may renew it for an additional 2-year term, if the holder:

(1) otherwise is entitled to a license;

(2) files with the Commissioner a renewal application:

(i) on the form that the Commissioner provides; or

(ii) in an electronic format that the Commissioner approves;

(3) completes the continuing education requirements established under § 10-116 of this subtitle; and

(Over)

(4) pays to the Commissioner the renewal fee required by § 2-112 of this article.

(d) (1) If mailed, an application for renewal of a license shall be considered made in a timely manner if it is postmarked on or before the expiration date of the license.

(2) If submitted electronically, an application for renewal shall be considered made in a timely manner if, on or before the expiration date of the license, the application:

(i) is addressed properly or otherwise directed properly to an information processing system that the Administration has designated or uses for the purpose of receiving electronic applications and from which the Administration is able to retrieve the application;

(ii) is in a form capable of being processed by that system; and

(iii) enters an information processing system outside the control of the sender or of a person that sent the electronic application on behalf of the sender or enters a region of the information processing system designated or used by the Administration that is under the control of the Administration or an agent of the Administration.

(e) (1) The Commissioner shall renew the license of each holder who meets the requirements of this section.

(2) If the holder of a license complies with subsections (b) and (c) of this section before the license expires, the license remains in effect until the decision of the Commissioner regarding the application for renewal is final.

(F) (1) A LICENSE IS CONSIDERED RENEWED FOR PURPOSES OF THIS SUBSECTION IF THE LICENSE IS ISSUED TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR LICENSE.

(2) BEFORE A LICENSE MAY BE RENEWED UNDER THIS SECTION, THE COMMISSIONER SHALL VERIFY THROUGH THE OFFICE OF THE COMPTROLLER THAT

THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT RESPONSIBLE FOR COLLECTION.

[(f)] (G) The Commissioner may adopt regulations to:

(1) carry out this section; and

(2) develop a staggered system of renewals for licenses of insurance producers.

Article - Tax - General

10-908.

(d) A payor shall withhold from a payment subject to withholding of winnings derived from wagering:

(1) if the payee is a resident, a rate equal to the sum of [2.5%] 3.0% and the top marginal State income tax rate for individuals under § 10-105(a) of this title, applied to the payment; and

(2) if the payee is a nonresident, A RATE EQUAL TO THE SUM OF THE RATE OF THE TAX IMPOSED UNDER § 10-106.1 OF THIS TITLE AND the top marginal State income tax rate for individuals under § 10-105(a) of this title, applied to the payment.

(F) IF A PAYMENT TO A RESIDENT PAYEE IS A DESIGNATED DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION WITHIN THE MEANING OF § 3405(C) OF THE INTERNAL REVENUE CODE AND THE PAYMENT IS SUBJECT TO MANDATORY WITHHOLDING OF FEDERAL INCOME TAX, THE PAYOR SHALL WITHHOLD FROM THE PAYMENT THE SUM OF 3% AND THE TOP MARGINAL STATE INCOME TAX RATE FOR INDIVIDUALS UNDER § 10-105(A) OF THIS TITLE, APPLIED TO THE PAYMENT.

(Over)

10-910.

(b) (1) Except as provided in paragraph (2) of this subsection, an employer shall base withholding for an employee:

(i) on the number of exemptions stated in the exemption certificate that the employee files; or

(ii) if the employee fails to file an exemption certificate or files an invalid certificate under subsection (c) of this section, on 1 exemption.

(2) If the Comptroller notifies an employer that an employee has an unpaid tax liability OR THAT AN EMPLOYEE IS SUBJECT TO A TAX REFUND INTERCEPTION REQUEST, the employer shall base withholding for the employee on a number of exemptions not exceeding the actual number of exemptions allowed on the employee's prior year's income tax return, as specified by the Comptroller.

10-912.

(c) Except as otherwise provided in this section, in a sale or exchange of real property and associated tangible personal property owned by a nonresident or nonresident entity, the deed or other instrument of writing that effects a change of ownership on the assessment books under the Tax - Property Article may not be recorded with the clerk of the circuit court for a county or filed with the Department of Assessments and Taxation unless payment is made to the clerk of the circuit court for a county or the Department of Assessments and Taxation in an amount equal to:

(1) [4.75% of] THE SUM OF THE RATE OF THE TAX IMPOSED UNDER § 10-106.1 OF THIS TITLE AND THE TOP MARGINAL STATE INCOME TAX RATE FOR INDIVIDUALS UNDER § 10-105(A) OF THIS TITLE, APPLIED TO the total payment to a nonresident; or

(2) 7% of the total payment to a nonresident entity.

11-105.

(a) (1) Except as provided in subsections (b) and (c) of this section, a [person] VENDOR who timely files a sales and use tax return is allowed, for the expense of collecting and paying the tax, a credit equal to 0.9% of the gross amount of sales and use tax that the [person] VENDOR is to pay to the Comptroller.

(2) THE CREDIT ALLOWED UNDER THIS SECTION DOES NOT APPLY TO ANY SALES AND USE TAX THAT A VENDOR IS REQUIRED TO PAY TO THE COMPTROLLER FOR ANY PURCHASE OR USE THAT THE VENDOR MAKES THAT IS SUBJECT TO THE TAX.

(b) (1) Subject to paragraph (2) of this subsection, the credit allowed under this section is 1.2% of the first \$6,000 of the gross amount of sales and use tax that the [person] VENDOR is to pay with each return.

(2) For a vendor who files or is eligible to file a consolidated return under § 11-502 of this title, the credit allowed under paragraph (1) of this subsection is 1.2% of the first \$6,000 of the gross amount of sales and use tax that the [person] VENDOR is or would be required to pay with the consolidated return.

(c) From July 1, 2004 through June 30, [2006] 2008:

(1) the credit allowed under subsection (a) of this section is 0.45% of the gross amount of sales and use tax that the [person] VENDOR is to pay to the Comptroller; and

(2) the credit allowed under subsection (b) is:

(i) 0.6% of the first \$6,000 of the gross amount of sales and use tax that the [person] VENDOR is to pay with each return; or

(ii) for a vendor described in subsection (b)(2) of this section, 0.6% of the first \$6,000 of the gross amount of sales and use tax that the [person] VENDOR is or would be required to pay with the consolidated return.

(Over)

13-203.

(c) Tax information may be disclosed to:

(1) an employee or officer of the State who, by reason of that employment or office, has the right to the tax information;

(2) another tax collector;

(3) the Maryland Tax Court;

(4) a legal representative of the State, to review the tax information about a taxpayer:

(i) who applies for review under this title;

(ii) who appeals from a determination under this title; or

(iii) against whom an action to recover tax or a penalty is pending or will be initiated under this title; [and]

(5) any license issuing authority of the State required by State law to verify through the Comptroller that an applicant has paid all undisputed taxes and unemployment insurance contributions payable to the Comptroller or the Secretary of Labor, Licensing, and Regulation or that the applicant has provided for payment in a manner satisfactory to the unit responsible for collection;
AND

(6) A LOCAL OFFICIAL AS DEFINED IN § 13-925 OF THIS TITLE TO THE EXTENT NECESSARY TO ADMINISTER SUBTITLE 9, PART V OF THIS TITLE.

13-923. RESERVED.

13-924. RESERVED.

PART V. POLITICAL SUBDIVISION LIABILITIES - WITHHOLDING OF TAX REFUNDS
AND PAYMENTS.

13-925.

(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "LOCAL OFFICIAL" MEANS A UNIT OR OFFICIAL OF A POLITICAL SUBDIVISION OF THE STATE CHARGED WITH THE IMPOSITION, ASSESSMENT, OR COLLECTION OF TAXES OR OTHER LIABILITIES PAYABLE TO THE POLITICAL SUBDIVISION.

(C) "REFUND" MEANS A REFUND OF ANY TAX IMPOSED UNDER MARYLAND LAW.

(D) (1) "VENDOR PAYMENT" MEANS ANY PAYMENT MADE BY THE STATE OR BY A POLITICAL SUBDIVISION OF THE STATE TO ANY PERSON.

(2) "VENDOR PAYMENT" INCLUDES ANY EXPENSE REIMBURSEMENT PAYABLE TO AN EMPLOYEE OF THE STATE OR OF A POLITICAL SUBDIVISION OF THE STATE.

(3) "VENDOR PAYMENT" DOES NOT INCLUDE A PERSON'S SALARY, WAGES, OR PENSION.

13-926.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A LOCAL OFFICIAL MAY:

(1) CERTIFY TO THE COMPTROLLER THE EXISTENCE OF A PERSON'S DELINQUENT TAX LIABILITY OR ANY OTHER LIABILITY OWED BY THE PERSON TO

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THE LOCAL OFFICIAL'S POLITICAL SUBDIVISION; AND

(2) REQUEST THE COMPTROLLER TO WITHHOLD ANY REFUND AND VENDOR PAYMENT TO WHICH THE PERSON IS ENTITLED.

(B) A LOCAL OFFICIAL MAY NOT CERTIFY OR REQUEST THE COMPTROLLER TO WITHHOLD A REFUND OR VENDOR PAYMENT UNLESS THE LAWS OF THE LOCAL OFFICIAL'S POLITICAL SUBDIVISION:

(1) ALLOW THE COMPTROLLER TO CERTIFY TAX DUE TO THE STATE;

(2) ALLOW THE COMPTROLLER TO REQUEST THE LOCAL OFFICIAL TO WITHHOLD FROM ANY VENDOR PAYMENT THE PERSON'S TAX DUE TO THE STATE; AND

(3) PROVIDE FOR THE PAYMENT OF THE AMOUNT WITHHELD TO THE COMPTROLLER.

(C) THE WITHHOLDING OF A REFUND OR VENDOR PAYMENT SHALL BE SUBJECT TO THE PRIORITIES UNDER § 13-918 OF THIS SUBTITLE.

13-927.

(A) A CERTIFICATION BY A LOCAL OFFICIAL TO THE COMPTROLLER SHALL INCLUDE:

(1) THE FULL NAME AND ADDRESS OF THE PERSON AND ANY OTHER NAMES KNOWN TO BE USED BY THE PERSON;

(2) THE SOCIAL SECURITY NUMBER OR FEDERAL TAX IDENTIFICATION NUMBER, IF KNOWN;

(3) THE AMOUNT OF THE TAX OR OTHER LIABILITY INCLUDING:

(I) A STATEMENT INDICATING THE NATURE OF THE LIABILITY;

AND

(II) IN THE CASE OF A LIABILITY FOR TAXES, A DETAILED STATEMENT FOR EACH TAXABLE YEAR SHOWING TAX, INTEREST, AND PENALTY;
AND

(4) A STATEMENT THAT ALL ADMINISTRATIVE REMEDIES AND APPEALS HAVE BEEN EXHAUSTED AND THAT THE TAX OR OTHER LIABILITY HAS BECOME FINAL.

(B) THE COMPTROLLER SHALL DETERMINE IF A PERSON FOR WHOM A CERTIFICATION IS RECEIVED IS DUE A REFUND OF MARYLAND TAX OR A VENDOR PAYMENT.

(C) SUBJECT TO SUBSECTION (D) OF THIS SECTION, AS TO ANY PERSON DUE A REFUND OR VENDOR PAYMENT, THE COMPTROLLER SHALL:

(1) WITHHOLD ANY REFUND AND VENDOR PAYMENT THAT IS DUE A PERSON WHOSE NAME HAS BEEN CERTIFIED BY A LOCAL OFFICIAL;

(2) NOTIFY THE PERSON OF THE AMOUNT WITHHELD IN ACCORDANCE WITH THE CERTIFICATION BY A LOCAL OFFICIAL OF THE EXISTENCE OF A TAX OR OTHER LIABILITY;

(3) PAY TO THE POLITICAL SUBDIVISION THE LESSER OF:

(I) THE ENTIRE REFUND AND VENDOR PAYMENT; OR

(II) THE AMOUNT CERTIFIED;

(4) PAY ANY REFUND AND VENDOR PAYMENT IN EXCESS OF THE CERTIFIED AMOUNT TO THE PERSON; AND

(5) IF THE REFUND AND VENDOR PAYMENT IS LESS THAN THE

(Over)

CERTIFIED AMOUNT, WITHHOLD AMOUNTS FROM SUBSEQUENT REFUNDS AND VENDOR PAYMENTS DUE THE PERSON, IF THE LAWS OF THE POLITICAL SUBDIVISION PROVIDE THAT THE POLITICAL SUBDIVISION SHALL WITHHOLD A VENDOR PAYMENT DUE PERSONS CERTIFIED TO THE POLITICAL SUBDIVISION BY THE COMPTROLLER.

(D) IF AN INDIVIDUAL FILED A JOINT INCOME TAX RETURN, THE COMPTROLLER MAY NOT WITHHOLD OR PAY TO A POLITICAL SUBDIVISION THE INDIVIDUAL'S INCOME TAX REFUND UNLESS THE CERTIFICATION INCLUDES BOTH NAMES OF THE INDIVIDUALS FILING THE JOINT INCOME TAX RETURN.

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Transportation

1-103.

(a) A license or permit is considered renewed for purposes of this section if the license or permit is issued by a unit of State government to a person for the period immediately following a period for which the person previously possessed the same or a substantially similar license.

(b) Before any license or permit may be renewed under this article, the issuing authority shall verify through the Office of the Comptroller that the applicant has paid all undisputed taxes and unemployment insurance contributions payable to the Comptroller or the Secretary of Labor, Licensing, and Regulation or that the applicant has provided for payment in a manner satisfactory to the unit responsible for collection.

(c) Subsection (b) of this section does not apply to licenses issued under[:

(1) Title 13 of this article (motor vehicle registrations); or

(2) Title 16 of this article (drivers' licenses).

13-406.2.

BEFORE THE REGISTRATION OF A VEHICLE MAY BE RENEWED UNDER THIS TITLE, THE ADMINISTRATION SHALL VERIFY THROUGH THE OFFICE OF THE COMPTROLLER THAT THE OWNER OF THE VEHICLE HAS PAID ALL UNDISPUTED TAXES AND UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE OWNER HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT RESPONSIBLE FOR COLLECTION.

SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article 83B - Department of Housing and Community Development

5-801.

(b) (7) (I) THE DIRECTOR SHALL ADOPT REGULATIONS TO CHARGE A REASONABLE FEE TO CERTIFY HERITAGE STRUCTURES AND REHABILITATIONS UNDER THIS SECTION;

(II) A FEE CHARGED UNDER THIS PARAGRAPH SHALL APPLY ONLY TO A CERTIFICATION FOR A COMMERCIAL REHABILITATION THAT IS AWARDED AN INITIAL CREDIT CERTIFICATE UNDER THIS SECTION FOR A FISCAL YEAR THAT BEGINS ON OR AFTER JULY 1, 2005.

(III) THE DIRECTOR SHALL SET THE LEVEL OF THE FEE SO THAT THE PROJECTED PROCEEDS FROM THE FEE WILL COVER THE COSTS TO THE TRUST OF ADMINISTERING THE CREDIT UNDER THIS SECTION AND THE FEDERAL HISTORIC TAX CREDIT.

(IV) THE FEE CHARGED TO ANY PROJECT MAY NOT EXCEED 1% OF THE AMOUNT OF THE INITIAL CREDIT CERTIFICATE ISSUED FOR THE PROJECT.

(Over)

(V) THE PROCEEDS FROM THE FEE SHALL BE DEPOSITED IN A SPECIAL FUND, TO BE USED ONLY FOR THE PURPOSES OF PAYING THE COSTS OF ADMINISTERING THE CREDIT UNDER THIS SECTION AND THE FEDERAL HISTORIC TAX CREDIT.

(VI) ANY UNUSED BALANCE OF THE FUND AT THE END OF EACH FISCAL YEAR SHALL BE TRANSFERRED TO THE RESERVE FUND ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION AND SHALL INCREASE THE AMOUNT OF THE INITIAL CREDIT CERTIFICATES THAT THE TRUST MAY ISSUE FOR THE FOLLOWING FISCAL YEAR.

(d) (3) (iii) 1. Except as otherwise provided in this subparagraph AND IN SUBSECTION (B)(7)(VI) OF THIS SECTION, for any fiscal year, the Director may not issue initial credit certificates for credit amounts in the aggregate totaling more than the amount appropriated to the Reserve Fund for that fiscal year in the State budget as approved by the General Assembly.

SECTION 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Housing and Community Development

5-403.

(b) (7) (I) THE DIRECTOR SHALL ADOPT REGULATIONS TO CHARGE A REASONABLE FEE TO CERTIFY HERITAGE STRUCTURES AND REHABILITATIONS UNDER THIS SECTION;

(II) A FEE CHARGED UNDER THIS PARAGRAPH SHALL APPLY ONLY TO A CERTIFICATION FOR A COMMERCIAL REHABILITATION THAT IS AWARDED AN INITIAL CREDIT CERTIFICATE UNDER THIS SECTION FOR A FISCAL YEAR THAT BEGINS ON OR AFTER JULY 1, 2005.

(III) THE DIRECTOR SHALL SET THE LEVEL OF THE FEE SO THAT THE PROJECTED PROCEEDS FROM THE FEE WILL COVER THE COSTS TO THE TRUST

OF ADMINISTERING THE CREDIT UNDER THIS SECTION AND THE FEDERAL HISTORIC TAX CREDIT.

(IV) THE FEE CHARGED TO ANY PROJECT MAY NOT EXCEED 1% OF THE AMOUNT OF THE INITIAL CREDIT CERTIFICATE ISSUED FOR THE PROJECT.

(V) THE PROCEEDS FROM THE FEE SHALL BE DEPOSITED IN A SPECIAL FUND, TO BE USED ONLY FOR THE PURPOSES OF PAYING THE COSTS OF ADMINISTERING THE CREDIT UNDER THIS SECTION AND THE FEDERAL HISTORIC TAX CREDIT.

(VI) ANY UNUSED BALANCE OF THE FUND AT THE END OF EACH FISCAL YEAR SHALL BE TRANSFERRED TO THE RESERVE FUND ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION AND SHALL INCREASE THE AMOUNT OF THE INITIAL CREDIT CERTIFICATES THAT THE TRUST MAY ISSUE FOR THE FOLLOWING FISCAL YEAR.

(d) (3) (iii) 1. Except as otherwise provided in this subparagraph AND IN SUBSECTION (B)(7)(VI) OF THIS SECTION, for any fiscal year, the Director may not issue initial credit certificates for credit amounts in the aggregate totaling more than the amount appropriated to the Reserve Fund for that fiscal year in the State budget as approved by the General Assembly.

SECTION 7. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Personnel and Pensions

2-501.

(a) In this subtitle the following terms have the meanings indicated.

(b) (1) "Program" means the State Employee and Retiree Health and Welfare Benefits Program.

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(2) “PROGRAM” INCLUDES THE STATE PRESCRIPTION DRUG BENEFIT PLAN.

(c) “Satellite organization” means any organization or entity whose employees are eligible to participate in the State Employee and Retiree Health and Welfare Benefits Program as a separate account.

2-502.

(a) There is a State Employee and Retiree Health and Welfare Benefits Program, to be developed and administered by the Secretary.

(b) (1) The Program:

(i) subject to the regulations adopted under § 2-503 of this subtitle, shall encompass all units in the Executive, Judicial, and Legislative branches of State government, including any unit with an independent personnel system;

(ii) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, shall include the health insurance benefit options established by the Secretary; and

(iii) except as provided in paragraph (2) of this subsection AND SUBSECTION (C) OF THIS SECTION, may include any other benefit option that the Secretary considers appropriate.

(2) The Program may not contain any of the benefits provided under Division II or Title 35 or Title 37 of this article.

(C) (1) EXCEPT AS PROVIDED PARAGRAPH (2) OF THIS SUBSECTION, IN FISCAL YEARS 2006 AND 2007, THE PROGRAM SHALL PROVIDE THE SAME HEALTH INSURANCE BENEFITS OPTIONS, PRESCRIPTION DRUG BENEFIT OPTIONS, CO-PREMIUMS AND CO-PAYMENTS TO EMPLOYEES AND RETIREES AND THEIR DEPENDENTS AS PROVIDED ON JANUARY 1, 2005.

(2) IN FISCAL YEARS 2006 AND 2007:

(I) THE EMPLOYEE OR RETIREE SHARE OF THE PREMIUM FOR THE EMPLOYEE OR RETIREE AND THEIR DEPENDENTS FOR THE POINT OF SERVICE HEALTH PLAN MAY INCREASE TO 17%;

(II) THE PRESCRIPTION DRUG BENEFIT PLAN SHALL OFFER A VOLUNTARY MAIL ORDER OPTION AND THE PRESCRIPTION DRUG BENEFIT PLAN MAY CHARGE ENROLLEES THE FOLLOWING CO-PAYMENTS FOR PRESCRIPTION DRUGS:

1. \$5 FOR GENERIC DRUGS;

2. \$15 FOR PREFERRED DRUGS ON THE STATE FORMULARY; AND

3. \$25 FOR DRUGS THAT ARE NOT PREFERRED DRUGS ON THE STATE FORMULARY.

(III) THE PRESCRIPTION DRUG BENEFIT PLAN MAY CHARGE A CO-PAYMENT AS PROVIDED IN ITEM (II) OF THIS SUBSECTION FOR EACH 45 DAY PRESCRIPTION.

(IV) FOR EACH FISCAL YEAR, THE TOTAL AMOUNT OF CO-PAYMENTS CHARGED THE EMPLOYEE OR RETIREE AND THEIR DEPENDENTS AS PROVIDED IN ITEM (II) OF THIS SUBSECTION MAY NOT EXCEED \$700.

2-503.

(a) The Secretary shall:

(1) adopt regulations for the administration of the Program;

(Over)

(2) ensure that the Program complies with all federal and State laws governing employee benefit plans; and

(3) each year, recommend to the Governor the State share of the costs of the Program.

(b) [The] EXCEPT AS OTHERWISE PROVIDED BY LAW, THE Secretary may arrange as the Secretary considers appropriate any benefit option for inclusion in the Program.

2-504.

Each year the Governor shall include money in the State budget to pay the State share of the costs of the Program.

SECTION 8. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Education

5-202.

(c) (1) If State aid for public elementary and secondary education exceeds 31.5% of the projected general funds of the State in any fiscal year, then the amount required for the annual per pupil foundation amount may not be implemented for the next fiscal year unless the General Assembly, at the regular session immediately preceding that next fiscal year, affirms by joint resolution that the additional State aid required using the annual per pupil foundation amount is within the State's fiscal resources.

(2) As provided under paragraph (1) of this subsection, if State aid for public elementary and secondary education exceeds the percentage amount specified and a joint resolution of affirmation is not enacted by the General Assembly, then the annual per pupil foundation amount in which the State shall share for the next fiscal year shall be the lesser of the annual per pupil foundation amount for the fiscal year or an amount equal to 108 percent of the prior year's annual per

pupil foundation amount.

(3) By January 14 of each year, the Department of Legislative Services shall calculate State aid as a percentage of the projected State General Fund revenues for the current fiscal year. State aid shall include State funds provided to the county boards whether pursuant to formula or on a grant basis and State payments on behalf of the county boards such as retirement and debt service for State bonds for school construction.]

SECTION 9. AND BE IT FURTHER ENACTED, That Section(s) 8-301 through 8-305, inclusive, and the subtitle "Subtitle 3. Law Enforcement and Correctional Training Fund" of Article - Correctional Services of the Annotated Code of Maryland be repealed.

SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding § 7-301 of the Courts and Judicial Proceedings Article, as enacted by Section 1 of this Act, for fiscal year 2006 the Comptroller shall pay into the Law Enforcement and Correctional Training Fund one-third of all court costs collected by the District Court under § 7-301(a) and (b)(1) of the Courts and Judicial Proceedings Article. Any balance remaining in the Law Enforcement and Correctional Training Fund at the end of June 30, 2006, shall be transferred to the General Fund of the State.

SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding § 16-317 of the Education Article, Chapter 430 of the Acts of 2004, Chapter 440 of the Acts of 2002, as amended by Chapter 203 of the Acts of 2003, or any other provision of law, the portion of fiscal year 2002 and 2003 payments required to eligible institutions under § 16-317 of the Education Article for private technology donation incentives that are not funded in the fiscal year 2006 budget shall be deferred until fiscal year 2007.

SECTION 12. AND BE IT FURTHER ENACTED, That, notwithstanding § 13-1115 of the Health - General Article, for fiscal year 2006 only the amount of each Statewide Academic Health Center Public Health Grant distributed to the University of Maryland Medical Group or the Johns Hopkins Institutions, respectively, shall be \$1,218,000.

SECTION 13. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of § 19-206 of the Health Occupations Article or any other provision of law, for fiscal year 2006, the

(Over)

State Board of Social Work Examiners Fund may be used for the costs of the social worker training academy within the Department of Human Resources.

SECTION 14. AND BE IT FURTHER ENACTED, That, notwithstanding § 7-317 of the State Finance and Procurement Article or any other provision of law, for fiscal 2005 and fiscal 2006 only, funds may be transferred by budget amendment from the Cigarette Restitution Fund in the following amounts for the purposes specified:

(a) Up to \$1,000,000 may be appropriated in fiscal 2005 to conduct the comprehensive evaluation of the Cigarette Restitution Fund Program required by Section 9 of Chapter 17 of the Acts of 2000, as amended by Chapter 430 of the Acts of 2004; and

(b) Up to \$7,700,000 of funds not appropriated in the fiscal 2006 budget bill may be appropriated in fiscal 2006 for grants to the University of Maryland Medical Group and the Johns Hopkins Institutions in accordance with § 13-1114 of the Health - General Article.

SECTION 15. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of Chapter 429 of the Acts of 2004 or any other provision of law, the Governor may authorize the use of certain appropriations for the Charles H. Hickey, Jr. School:

(a) for the State operation of the facility; and

(b) to the extent the appropriations are not needed for the State operation of the facility, for general fund payables of the Department of Juvenile Services reported to the General Accounting Division at fiscal year 2004 closeout and for anticipated deficits in the Department's residential per diem program in fiscal year 2005.

SECTION 16. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, the proceeds and accumulated interest from the demutualization of the MetLife Insurance Company received by the State as the policyholder of the MetLife group term life policy, in the amount of approximately \$13,667,896, plus interest that accrues from December 1, 2004, through the effective date of this Act, shall be used to pay expenses in connection with the State Employee and Retiree Health and Welfare Benefits Program as provided in the fiscal year 2006 budget.

SECTION 17. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the additional revenues provided for fiscal 2006 for payment of debt service under § 13-209(c)(1)(iv) and (f)(1)(ii) of the Tax - Property Article, as enacted by Section 1 of this Act, be used to reduce the State property tax rate for real property other than operating property of a public utility for the tax year beginning July 1, 2005, to 8.4 cents per \$100 of assessed value.

SECTION 18. AND BE IT FURTHER ENACTED, That, notwithstanding anything to the contrary in § 8-403 of the Transportation Article or any other provision of State law, for fiscal year 2006, only:

(a) (1) The amount to be distributed under § 8-403(b) of the Transportation Article shall be reduced by \$45,000,000 for fiscal year 2006 and that amount shall be distributed to the General Fund; and

(2) Except as provided in subsection (b) of this section, the amount to be distributed to Baltimore City under § 8-403(a) of the Transportation Article shall be limited to \$217,406,748 in fiscal year 2006.

(b) For fiscal year 2006 only, if the total highway user revenues as defined under § 8-401 of the Transportation Article exceed \$1,848,218,347, the amount to be distributed to Baltimore City under § 8-403(a) of the Transportation Article shall be limited to the sum of:

(1) \$217,406,748; and

(2) 12.25% of the total highway user revenues in excess of \$1,848,218,347.

SECTION 19. AND BE IT FURTHER ENACTED, That, in addition to the distribution of revenues to Baltimore City and the 23 local jurisdictions under Title 8, Subtitle 4 of the Transportation Article, each jurisdiction shall receive the following one-time grant allocation as provided for in the fiscal year 2006 budget for the purpose of transportation-related capital improvements with a 15-year useful life and a cost of at least \$100,000:

(Over)

<u>Allegany</u>	<u>\$416,356</u>
<u>Anne Arundel</u>	<u>1,765,594</u>
<u>Baltimore City</u>	<u>4,500,000</u>
<u>Baltimore</u>	<u>2,388,652</u>
<u>Calvert</u>	<u>354,434</u>
<u>Caroline</u>	<u>280,548</u>
<u>Carroll</u>	<u>793,431</u>
<u>Cecil</u>	<u>436,891</u>
<u>Charles</u>	<u>541,254</u>
<u>Dorchester</u>	<u>313,670</u>
<u>Frederick</u>	<u>1,034,262</u>
<u>Garrett</u>	<u>356,438</u>
<u>Harford</u>	<u>900,802</u>
<u>Howard</u>	<u>869,591</u>
<u>Kent</u>	<u>161,256</u>
<u>Montgomery</u>	<u>2,508,637</u>
<u>Prince George's</u>	<u>2,143,023</u>
<u>Queen Anne's</u>	<u>317,086</u>
<u>St. Mary's</u>	<u>420,271</u>
<u>Somerset</u>	<u>187,368</u>
<u>Talbot</u>	<u>255,187</u>
<u>Washington</u>	<u>662,397</u>
<u>Wicomico</u>	<u>506,284</u>
<u>Worcester</u>	<u>386,568</u>

SECTION 20. AND BE IT FURTHER ENACTED, That the unexpended appropriation for the following purpose that was included in the fiscal year 2005 operating budget (Chapter 429 of the Acts of the General Assembly of 2004) is reduced by the amount indicated below and is hereby retained in the Transportation Trust Fund:

<u>Fiscal Year</u>	<u>Program</u>	<u>Entitled</u>	<u>Amount of Reduction</u> <u>Special Funds</u>
<u>2005</u>	<u>J00A04.01</u>	<u>Debt Service Requirements</u>	<u>\$21,911,313</u>

SECTION 21. AND BE IT FURTHER ENACTED, That, notwithstanding § 13-209(f) of the Tax - Property Article or any other provision of law, if the actual transfer tax revenue collections for fiscal 2005 exceed the fiscal 2005 budget estimate of \$132,797,000:

(a) The first \$1,500,000 of the excess over \$132,797,000 shall be distributed to Baltimore City to be used for park operations in accordance with § 5-903(a)(2)(ii) of the Natural Resources Article. A distribution to Baltimore City under this section shall be implemented by budget amendment in fiscal 2006.

(b) After the distribution under paragraph (1) of this section, the next \$60,000,000 of the excess over \$132,797,000 shall be allocated for use in fiscal 2006 for Program Open Space, the Agricultural Land Preservation Fund, the Rural Legacy Program, and the Heritage Conservation Fund. Funds made available for these programs under this section shall be appropriated by budget amendment for use in fiscal 2006 and shall be allocated as provided in § 13-209(d) of the Tax - Property Article.

SECTION 22. AND BE IT FURTHER ENACTED, That employees of the Maryland Institute for Policy and Research may elect to be appointed to positions in the State Personnel Management System created by the Board of Public Works during fiscal year 2006. An employee who elects to be appointed shall be placed in a comparable classification in the State Personnel Management System without further examination or qualification and with a salary level closest to but not greater than the salary under the Maryland Institute for Policy and Research contract. Employees shall be appointed without prior service credit and shall serve a probationary period in accordance with § 7-402 of the State Personnel and Pensions Article.

SECTION 23. AND BE IT FURTHER ENACTED, That, notwithstanding § 5-903(g)(2)(iii) of the Natural Resources Article or any other provision of law, for fiscal year 2006 only, up to \$2,500,000 of the State's share of funds under Program Open Space available for capital improvements may be used to operate State forests and parks.

SECTION 24. AND BE IT FURTHER ENACTED, That, notwithstanding § 7-311(i) of the State Finance and Procurement Article or any other provision of law, for fiscal year 2006 only and only as provided in the budget bill, funds may be transferred from the Revenue Stabilization Account

(Over)

established under § 7-311 of the State Finance and Procurement Article by budget amendment and may be used for fiscal 2006 for the purposes specified in the budget bill.

SECTION 25. AND BE IT FURTHER ENACTED, That, notwithstanding § 9-120 of the State Government Article or any other provision of law:

(a) After cumulative distributions of revenues from the State lottery for fiscal year 2005 to the General Fund under § 9-120(b)(1)(ii) of the State Government Article total \$442,406,173, up to \$3,788,827 of the remaining revenue that would otherwise be paid to the General Fund under § 9-120(b)(1)(ii) of the State Government Article shall be distributed to a special fund, to be used only to provide Challenge Grants to low-performing schools to improve student achievement and teaching skills in eligible schools through the Maryland State Department of Education Challenge Grant Program (budget code R00A02.54).

(b) If lottery revenues do not provide the \$3,788,827 for the purposes specified in subsection (a) of this section, the Governor shall request a deficiency appropriation during the 2006 Session to make up the difference.

(c) The Governor shall include an appropriation of \$3,788,827 in the fiscal year 2007 budget bill for grants under the Challenge Grant Program in the amounts specified in subsection (d) of this section, in addition to any deficiency appropriation requested under subsection (b) of this section.

(d) The amount credited to the special fund created under subsection (a) of this section shall be used to provide Challenge Grants to eligible schools that received funding in fiscal year 2005 in the following counties and amounts as follows:

<u>(1)</u>	<u>Allegany County</u>	<u>\$139,524</u>
<u>(2)</u>	<u>Anne Arundel County</u>	<u>\$876,213</u>
<u>(3)</u>	<u>Baltimore County</u>	<u>\$83,715</u>
<u>(4)</u>	<u>Caroline County</u>	<u>\$320,906</u>
<u>(5)</u>	<u>Charles County</u>	<u>\$160,174</u>
<u>(6)</u>	<u>Dorchester County</u>	<u>\$145,009</u>
<u>(7)</u>	<u>Montgomery County</u>	<u>\$669,717</u>
<u>(8)</u>	<u>Prince George's County</u>	<u>\$1,233,395</u>

(9) Washington County \$160,174

(e) The amount provided in subsection (d)(2) of this section includes \$588,097 for the Annapolis feeder schools, the same amount that was provided to the Annapolis feeder schools in fiscal year 2005.

(f) To the extent that lottery revenues do not provide the full amount specified in subsection (a) of this section, available funds shall be distributed in proportion to the allocations provided in subsections (d) and (e) of this section.”.

AMENDMENT NO. 13

On page 11, in line 3, strike “2.” and substitute “26.”;

after line 8, insert:

“SECTION 27. AND BE IT FURTHER ENACTED, That Sections 1 through 3 of this Act shall take effect July 1, 2005.

SECTION 28. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after December 31, 2004.

SECTION 29. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall take effect October 1, 2005.

SECTION 30. AND BE IT FURTHER ENACTED, That Section 6 of this Act shall take effect on the taking effect of Chapter ____ (H.B. 11) of the Acts of the General Assembly of 2005. If Section 6 of this Act takes effect, Section 5 of this Act shall be abrogated and of no further force and effect

SECTION 31. AND BE IT FURTHER ENACTED, That Section 7 of this Act shall take effect immediately upon enactment, pursuant to Article III, § 31 of the Maryland Constitution. Section 7 shall remain effective until the end of June 30, 2007, and, at the end of June 30, 2007, with no further action required by the General Assembly, Section 7 of this Act shall be abrogated and of no further force and effect.

(Over)

SECTION 32. AND BE IT FURTHER ENACTED, That Section 8 of this Act shall take effect immediately upon enactment, pursuant to Article III, § 31 of the Maryland Constitution.

SECTION 33. AND BE IT FURTHER ENACTED, That Section 9 of this Act shall take effect July 1, 2006.”;

in line 9, strike “3.” and substitute “34.”; and in the same line, after “That” insert “, except as provided in Sections 27 through 33 of this Act.”.