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By: **The Speaker (By Request - Administration)**  
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Committee Report: Favorable with amendments  
House action: Adopted with floor amendments  
Read second time: March 21, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Budget Financing Act of 2005**  
3 **Property Tax Reduction and Budget Reconciliation and Financing Act of**  
4 **2005**

5 ~~FOR the purpose of authorizing the Director of the Maryland Historical Trust to set~~  
6 ~~certain fees; authorizing a fee to be assessed for the Drinking Driver Monitor~~  
7 ~~Program; establishing the Drinking Driver Monitor Program Fund and~~  
8 ~~providing for its administration; altering a certain surcharge on certain costs in~~  
9 ~~certain civil cases in the District Court of Maryland; altering the distribution of~~  
10 ~~certain revenue by the Comptroller; authorizing the Department of Health and~~  
11 ~~Mental Hygiene to file claims against the estates of certain deceased individuals~~  
12 ~~within a certain time; altering certain maximum copayments under a certain~~  
13 ~~program; authorizing certain administrative charges to certain Commissions in~~  
14 ~~the Department of Health and Mental Hygiene; removing certain limitations on~~  
15 ~~certain fees assessed by certain Commissions; exempting motor fuel purchased~~  
16 ~~by the Department of General Services for use by State agencies from the State~~  
17 ~~motor fuel tax; making the provisions of this Act severable; providing for the~~  
18 ~~effective date of this Act; and generally relating to the financing of State~~  
19 ~~government.~~

20 FOR the purpose of phasing out over a certain period certain State aid to certain  
21 counties; providing for the distribution of the proceeds of certain fees to a special  
22 fund, to be used only for certain purposes; authorizing a fee to be assessed for  
23 the Drinking Driver Monitor Program for a certain fiscal year; establishing the  
24 Drinking Driver Monitor Program Fund and providing for its administration;  
25 prohibiting judges from receiving certain salary increases under certain  
26 circumstances; altering the frequency with which the Judicial Compensation  
27 Commission is to take certain actions; altering a certain surcharge on certain

1 costs in certain civil cases in the District Court of Maryland; altering the  
2 distribution of certain revenue by the Comptroller; authorizing the use of  
3 certain State funds for certain purposes; altering for a certain fiscal year a  
4 certain fee imposed on certain persons that a court places under the supervision  
5 of the Division of Parole and Probation; altering certain State grants to county  
6 boards of education for a certain fiscal year; altering the due dates for certain  
7 reports; altering the county share of costs for educating certain students for a  
8 certain fiscal year; requiring a certain enrollment projection to be used in  
9 certain calculations beginning in a certain year; altering a certain time limit for  
10 the filing of certain claims against the estates of deceased Medicaid recipients;  
11 altering certain requirements relating to certain studies; altering certain  
12 requirements for allocation of certain funds; altering the computation of certain  
13 State grants; altering certain maximum copayments under a certain program;  
14 authorizing certain administrative charges to certain Commissions in the  
15 Department of Health and Mental Hygiene for a certain fiscal year; altering for  
16 a certain fiscal year certain limitations on certain fees assessed by certain  
17 Commissions; establishing an Employment Standards Service Unit and a  
18 Prevailing Wage Unit in the Division of Labor and Industry to enforce certain  
19 laws; requiring the Governor to include in the annual budget bill certain  
20 amounts for certain purposes; altering certain reporting requirements for  
21 certain information technology development projects; altering certain  
22 requirements relating to legislative review of certain transfers from certain  
23 special accounts or certain modifications to certain guidelines; altering a certain  
24 requirement that a certain percentage of appropriations from the Cigarette  
25 Restitution Fund be made for certain purposes; making certain technical  
26 corrections; establishing a State Employees and Retirees Health and Welfare  
27 Benefits Fund; requiring certain revenues to be placed in the Fund in certain  
28 fiscal years; providing that moneys in the Fund may only be used for certain  
29 purposes; delaying the implementation of certain provisions of law relating to  
30 the Postretirement Health Benefits Fund; altering the distribution of the  
31 transfer tax revenues for a certain fiscal year; providing for the dedication of  
32 certain State transfer tax revenues to the Annuity Bond Fund, to be used for  
33 certain purposes; altering the frequency with which a certain transportation  
34 plan is required to be revised; requiring the Department of Transportation to  
35 submit certain information to the General Assembly; reducing a certain amount  
36 required to be appropriated to the Transportation Trust Fund under certain  
37 circumstances by the amount of certain appropriations or transfers to the  
38 Transportation Trust Fund; providing for the termination of the credit allowed  
39 against the public service company franchise tax for the purchase of  
40 Maryland-mined coal after a certain date; limiting the credit allowed for certain  
41 calendar years to the amount of credit approved by the Department of  
42 Assessments and Taxation; providing for applications to the Department for  
43 approval of the credit for certain calendar years; limiting the total amount of  
44 credits that the Department may approve for certain calendar years to certain  
45 amounts; requiring that at least a certain amount of the credits approved each  
46 calendar year be reserved for the purchase of Maryland-mined coal that will be  
47 used in a Maryland facility; requiring the Department to approve a prorated  
48 credit for each applicant if the total amount applied for exceeds the maximum

1 that may be approved for the calendar year; repealing a credit allowed against  
2 the income tax for the purchase of Maryland-mined coal; altering the rate of a  
3 certain tax imposed on certain pass-through entities; requiring certain  
4 pass-through entities to pay a tax based on certain income of nonresident entity  
5 shareholders, partners, or members under certain circumstances; altering a  
6 certain credit allowed for certain tax paid by certain pass-through entities;  
7 requiring an addition modification under the Maryland income tax on  
8 individuals and corporations for the amount of a certain deduction allowed for  
9 federal income tax purposes relating to certain production activities income;  
10 clarifying a certain modification under the Maryland income tax relating to  
11 certain federal tax changes; requiring that before certain licenses issued by the  
12 Insurance Commissioner are renewed and before certain registrations issued by  
13 the Motor Vehicle Administration are renewed, the issuing authority shall verify  
14 through the Office of the Comptroller that certain taxes and unemployment  
15 insurance contributions have been paid or that payment has been provided for  
16 in a certain manner; altering the rate of tax to be withheld on certain winnings  
17 derived from wagering; requiring the withholding of tax at a certain rate on  
18 certain distributions; altering the rate of tax that must be paid to the clerk of the  
19 circuit court for a county or to the Department of Assessments and Taxation  
20 prior to the recording of certain deeds for the sale of certain property; altering a  
21 certain credit allowed for the expense of collecting and paying the sales and use  
22 tax; altering certain circumstances under which an employer is required to base  
23 withholding for an employee on not more than the actual number of exemptions  
24 allowed on the employee's prior year's return; authorizing the Comptroller  
25 under certain circumstances to withhold certain tax refunds and other  
26 payments owed by the State to certain persons and to pay certain amounts to  
27 local subdivisions that have certified delinquent tax or other liabilities of certain  
28 persons; providing for certain procedures relating to certain certifications and  
29 withholding of certain tax refunds and other payments owed by the State;  
30 authorizing certain disclosure of certain tax information under certain  
31 circumstances; requiring the Director of the Maryland Historical Trust to adopt  
32 certain regulations to charge certain fees, subject to certain limitations and  
33 requirements; establishing certain levels of benefits for certain fiscal years for  
34 the State Employee and Retiree Health and Welfare Benefits Program;  
35 repealing a provision of law that makes certain State aid for public elementary  
36 and secondary education contingent on the adoption of a certain joint resolution  
37 by the General Assembly; repealing a limitation on certain State aid for  
38 education to a certain amount if the joint resolution is not adopted; repealing a  
39 requirement that the Department of Legislative Services to calculate certain  
40 State aid for public elementary and secondary education in a certain manner;  
41 repealing a certain special fund; altering for a certain fiscal year a certain  
42 appropriation the Governor is required to include in the annual budget for  
43 certain purposes; authorizing the use of certain funds from a certain  
44 demutualization for certain purposes; stating the intent of the General  
45 Assembly that certain revenues provided for payment of debt service on State  
46 bonds be used to provide a certain reduction in the State property tax rate;  
47 authorizing the transfer of certain funds from a certain special account by  
48 budget amendment to be used for certain purposes; altering certain

1 distributions from a certain fund to certain local subdivisions for a certain fiscal  
2 year; providing for the distribution of certain amounts to the General Fund;  
3 reducing and transferring to a certain special fund a certain unexpended  
4 appropriation; requiring that certain transfer tax revenue in excess of a certain  
5 budget estimate be distributed to Baltimore City to be used for certain purposes  
6 in a certain fiscal year; authorizing the use of certain transfer tax revenue in a  
7 certain fiscal year for certain programs; providing for the appointment of certain  
8 employees to certain positions in the State Personnel Management System;  
9 requiring that certain lottery revenues for a certain fiscal year be distributed to  
10 a special fund to be used only for certain purposes; requiring that certain grant  
11 funds be provided to certain counties in certain amounts; authorizing the  
12 Governor by budget amendment to appropriate a certain amount for certain  
13 purposes under certain circumstances; making the provisions of this Act  
14 severable; providing for the effective date of certain provisions of this Act;  
15 providing for the termination of certain provisions of this Act; providing for the  
16 application of certain provisions of this Act; and generally relating to the  
17 financing of State government.

18 ~~BY repealing and reenacting, with amendments,~~  
19 ~~Article 83B - Department of Housing and Community Development~~  
20 ~~Section 5-801(b)(1)~~  
21 ~~Annotated Code of Maryland~~  
22 ~~(2003 Replacement Volume and 2004 Supplement)~~

23 BY repealing and reenacting, with amendments,  
24 Article 24 - Political Subdivisions - Miscellaneous Provisions  
25 Section 9-1102  
26 Annotated Code of Maryland  
27 (2001 Replacement Volume and 2004 Supplement)

28 BY repealing and reenacting, with amendments,  
29 Article - Correctional Services  
30 Section 6-104  
31 Annotated Code of Maryland  
32 (1999 Volume and 2004 Supplement)

33 BY adding to  
34 Article - Correctional Services  
35 Section 6-115 and 6-116  
36 Annotated Code of Maryland  
37 (1999 Volume and 2004 Supplement)

38 BY repealing and reenacting, with amendments,  
39 Article - Courts and Judicial Proceedings  
40 Section ~~7-301(a), (b), and (e)~~ 1-703, 1-708(c), 7-301, and 13-603(c)

1 Annotated Code of Maryland  
2 (2002 Replacement Volume and 2004 Supplement)

3 BY repealing and reenacting, without amendments,  
4 Article - Criminal Procedure  
5 Section 6-226(a)  
6 Annotated Code of Maryland  
7 (2001 Volume and 2004 Supplement)

8 BY repealing and reenacting, with amendments,  
9 Article - Criminal Procedure  
10 Section 6-226(b) and (g)  
11 Annotated Code of Maryland  
12 (2001 Volume and 2004 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article - Education  
15 Section 5-206(g), 8-415(d), and 17-104(d)  
16 Annotated Code of Maryland  
17 (2004 Replacement Volume and 2004 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article - Education  
20 Section 5-301(j)  
21 Annotated Code of Maryland  
22 (2004 Replacement Volume and 2004 Supplement)  
23 (As enacted by Chapters 306 and 307 of the Acts of the General Assembly of  
24 2004)

25 BY repealing and reenacting, with amendments,  
26 Article - Estates and Trusts  
27 Section 8-103(f)  
28 Annotated Code of Maryland  
29 (2001 Replacement Volume and 2004 Supplement)

30 BY repealing and reenacting, with amendments,  
31 Article - Health - General  
32 Section ~~15-124~~, 13-1004, 13-1014(d), 13-1015, 13-1108(c)(3), 13-1115(a)(2),  
33 13-1119(d), 15-124(b)(2), 19-110(b), 19-111(c), 19-208(b), and 19-213(c)(1)  
34 and (d)(8)  
35 Annotated Code of Maryland  
36 (2000 Replacement Volume and 2004 Supplement)

37 BY repealing and reenacting, without amendments,

1 Article - Health - General  
2 Section 19-213(a) and (b)  
3 Annotated Code of Maryland  
4 (2000 Replacement Volume and 2004 Supplement)

5 ~~BY repealing and reenacting, with amendments,~~  
6 ~~Article - Tax - General~~  
7 ~~Section 9-303~~  
8 ~~Annotated Code of Maryland~~  
9 ~~(2004 Replacement Volume)~~

10 BY repealing and reenacting, with amendments,  
11 Article - Labor and Employment  
12 Section 2-107 and 11-403(a)(1)  
13 Annotated Code of Maryland  
14 (1999 Replacement Volume and 2004 Supplement)

15 BY repealing and reenacting, without amendments,  
16 Article - Natural Resources  
17 Section 1-104(a)(6)  
18 Annotated Code of Maryland  
19 (2000 Replacement Volume and 2004 Supplement)

20 BY adding to  
21 Article - Natural Resources  
22 Section 1-104(l)  
23 Annotated Code of Maryland  
24 (2000 Replacement Volume and 2004 Supplement)

25 BY repealing and reenacting, without amendments,  
26 Article - State Finance and Procurement  
27 Section 7-310(a), 7-314(a)(1) and (2), 7-317(a), and 7-324(a)  
28 Annotated Code of Maryland  
29 (2001 Replacement Volume and 2004 Supplement)

30 BY repealing and reenacting, with amendments,  
31 Article - State Finance and Procurement  
32 Section 3-410.2(n), 7-310(d)(2) and (f)(2), 7-314(d), (i), (j), (o), and (p), 7-317(g),  
33 7-324(d), and 8-132(c)  
34 Annotated Code of Maryland  
35 (2001 Replacement Volume and 2004 Supplement)

36 BY adding to

1 Article - State Personnel and Pensions  
2 Section 2-516  
3 Annotated Code of Maryland  
4 (2004 Replacement Volume)

5 BY repealing and reenacting, with amendments,  
6 Article - State Personnel and Pensions  
7 Section 34-101  
8 Annotated Code of Maryland  
9 (2004 Replacement Volume)

10 BY repealing and reenacting, with amendments,  
11 Article - Tax - Property  
12 Section 13-209  
13 Annotated Code of Maryland  
14 (2001 Replacement Volume and 2004 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article - Transportation  
17 Section 2-103.1(d) and 3-216(g)(3)  
18 Annotated Code of Maryland  
19 (2001 Replacement Volume and 2004 Supplement)

20 BY adding to  
21 Article - Transportation  
22 Section 2-103.1(l)  
23 Annotated Code of Maryland  
24 (2001 Replacement Volume and 2004 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article - Tax - General  
27 Section 8-406(b), 10-102.1, 10-210.1(b)(3), 10-305(d), 10-701.1, 10-908(d),  
28 10-910(b), 10-912(c), 11-105, and 13-203(c)  
29 Annotated Code of Maryland  
30 (2004 Replacement Volume)

31 BY repealing and reenacting, without amendments,  
32 Article - Tax - General  
33 Section 10-204(a) and 10-305(a)  
34 Annotated Code of Maryland  
35 (2004 Replacement Volume)

36 BY adding to

1 Article - Tax - General  
2 Section 10-204(i), 10-908(f); and 13-925 through 13-927, inclusive, to be under  
3 the new part "Part V. Political Subdivision Liabilities - Withholding of Tax  
4 Refunds and Payments"  
5 Annotated Code of Maryland  
6 (2004 Replacement Volume)

7 BY repealing

8 Article - Tax - General  
9 Section 10-704.1  
10 Annotated Code of Maryland  
11 (2004 Replacement Volume)

12 BY repealing and reenacting, with amendments,

13 Article - Insurance  
14 Section 10-115  
15 Annotated Code of Maryland  
16 (2003 Replacement Volume and 2004 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article - Transportation  
19 Section 1-103  
20 Annotated Code of Maryland  
21 (2001 Replacement Volume and 2004 Supplement)

22 BY adding to

23 Article - Transportation  
24 Section 13-406.2  
25 Annotated Code of Maryland  
26 (2002 Replacement Volume and 2004 Supplement)

27 BY adding to

28 Article 83B - Department of Housing and Community Development  
29 Section 5-801(b)(7)  
30 Annotated Code of Maryland  
31 (2003 Replacement Volume and 2004 Supplement)

32 BY repealing and reenacting, with amendments,

33 Article 83B - Department of Housing and Community Development  
34 Section 5-801(d)(3)(iii)1.  
35 Annotated Code of Maryland  
36 (2003 Replacement Volume and 2004 Supplement)

37 BY adding to



1 Article - Housing and Community Development  
2 Section 5-403(b)(7)  
3 Annotated Code of Maryland  
4 (As enacted by Chapter \_\_\_\_\_ (H.B. 11) of the Acts of the General Assembly of  
5 2005)

6 BY repealing and reenacting, with amendments,  
7 Article - Housing and Community Development  
8 Section 5-403(d)(3)(iii)1.  
9 Annotated Code of Maryland  
10 (As enacted by Chapter \_\_\_\_\_ (H.B. 11) of the Acts of the General Assembly of  
11 2005)

12 BY repealing and reenacting, with amendments,  
13 Article - State Personnel and Pensions  
14 Section 2-501, 2-502, and 2-503(b)  
15 Annotated Code of Maryland  
16 (2004 Replacement Volume)

17 BY repealing and reenacting, without amendments,  
18 Article - State Personnel and Pensions  
19 Section 2-503(a) and 2-504  
20 Annotated Code of Maryland  
21 (2004 Replacement Volume)

22 BY repealing  
23 Article - Education  
24 Section 5-202(c)  
25 Annotated Code of Maryland  
26 (2004 Replacement Volume and 2004 Supplement)

27 BY repealing  
28 Article - Correctional Services  
29 Section 8-301 through 8-305 and the subtitle "Subtitle 3. Law Enforcement and  
30 Correctional Training Fund"  
31 Annotated Code of Maryland  
32 (1999 Volume and 2004 Supplement)

33 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
34 MARYLAND, That the Laws of Maryland read as follows:

~~Article 83B—Department of Housing and Community Development~~

~~5-801.~~

(b) (1) The Director shall adopt regulations to:

(i) Establish procedures and standards for certifying heritage structures and rehabilitations under this section;

(ii) CHARGE A REASONABLE FEE TO CERTIFY HERITAGE STRUCTURES AND REHABILITATIONS UNDER THIS SECTION;

(iii) For commercial rehabilitations, establish an application process for the award of initial credit certificates for Maryland heritage structure rehabilitation tax credits consistent with the requirements of this subsection; and

(iv) For commercial rehabilitations, establish a competitive award process for the award of initial credit certificates for Maryland heritage structure rehabilitation tax credits that:

1. Ensures tax credits are awarded in a manner that reflects the geographic diversity of the State;

2. Favors the award of tax credits for rehabilitation projects that are consistent with and promote current growth and development policies and programs of the State; and

3. A. Favors the award of tax credits for structures that are listed in the National Register of Historic Places or are designated as historic properties under local law and determined by the Director to be eligible for listing in the National Register of Historic Places; or

B. Favors the award of tax credits for structures that are contributing buildings with historic significance and are located in historic districts listed in the National Register of Historic Places.

**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:

Anne Arundel	\$ 7,820,202
Baltimore City	453,421
Baltimore	1,794,835
Calvert	6,096,574
Charles	2,522,612

1	<u>Dorchester</u>	<u>187,442</u>
2	<u>Garrett</u>	<u>11,907</u>
3	<u>Harford</u>	<u>860,767</u>
4	<u>Montgomery</u>	<u>2,765,553</u>
5	<u>Prince George's</u>	<u>7,744,806</u>
6	<u>Washington</u>	<u>357,082</u>

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

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

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

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

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

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

20 **Article - Correctional Services**

21 6-104.

22 (a) Subject to the authority of the Secretary and in addition to any other  
23 duties established by law, the Division:

24 (1) shall:

25 (i) supervise the conduct of parolees;

26 (ii) supervise an individual under mandatory supervision until the  
27 expiration of the individual's maximum term or terms of confinement;

28 (iii) regularly inform the Commission of the activities of offenders  
29 who are supervised by the Division;

30 (iv) issue a warrant for the retaking of an offender charged with a  
31 violation of a condition of parole or mandatory supervision, if this authority is  
32 delegated by the Commission to the Director of the Division; and

33 (v) administer the Drinking Driver Monitor Program [and], collect  
34 supervision fees, AND ADOPT GUIDELINES FOR COLLECTING THE MONTHLY

1 PROGRAM FEE ASSESSED IN ACCORDANCE WITH § 6-115 OF THIS SUBTITLE [in  
2 accordance with the State Drinking Driver Program Interagency Agreement]; and

3 (2) may recommend:

4 (i) that the Commission modify any condition of parole or  
5 mandatory supervision; and

6 (ii) that the Commission issue a warrant for the retaking of an  
7 offender.

8 (b) Funding for the Drinking Driver Monitor Program shall be as provided in  
9 the State budget [from general funds].

10 6-115.

11 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
12 INDICATED.

13 (2) "PROGRAM FEE" MEANS THE FEE ~~THE ANY~~ DIVISION ASSESSES ON A  
14 SUPERVISEE THE DIVISION PLACES IN THE DRINKING DRIVER MONITOR PROGRAM.

15 (3) "SUPERVISEE" MEANS A PERSON THAT THE COURT PLACES UNDER  
16 THE SUPERVISION OF THE DIVISION.

17 (4) "SUPERVISION FEE" MEANS THE FEE THE COURT ORDERS UNDER §  
18 6-226 OF THE CRIMINAL PROCEDURE ARTICLE.

19 (B) ALL SUPERVISEES PLACED IN THE DRINKING DRIVER MONITOR PROGRAM  
20 BY THE DIVISION SHALL BE:

21 (1) SUBJECT TO A MONTHLY SUPERVISION FEE IN ACCORDANCE WITH §  
22 6-226 OF THE CRIMINAL PROCEDURE ARTICLE; AND

23 (2) FOR FISCAL YEAR 2006 ONLY, ASSESSED A MONTHLY PROGRAM FEE  
24 OF \$45 BY THE DIVISION.

25 (C) (1) THE PROGRAM FEE IMPOSED UNDER THIS SECTION SHALL BE PAID  
26 TO THE DIVISION BY ALL SUPERVISEES IN THE DRINKING DRIVER MONITOR  
27 PROGRAM ~~ON OR AFTER~~ FROM JULY 1, 2005 THROUGH JUNE 30, 2006.

28 (2) THE DIVISION SHALL PAY THE PROGRAM FEES COLLECTED UNDER  
29 THIS SECTION INTO THE DRINKING DRIVER MONITOR PROGRAM FUND.

30 (D) NOTWITHSTANDING SUBSECTIONS (B) AND (C) OF THIS SECTION, THE  
31 DIVISION MAY EXEMPT A SUPERVISEE AS A WHOLE OR IN PART FROM THE PROGRAM  
32 FEE IMPOSED UNDER THIS SECTION IF:

33 (1) THE SUPERVISEE HAS DILIGENTLY TRIED BUT HAS BEEN UNABLE  
34 TO OBTAIN EMPLOYMENT THAT PROVIDES SUFFICIENT INCOME FOR THE  
35 SUPERVISEE TO PAY THE FEE;

1           (2)    (I)     THE SUPERVISEE IS A STUDENT IN A SCHOOL, COLLEGE, OR  
2 UNIVERSITY OR IS ENROLLED IN A COURSE OF VOCATIONAL OR TECHNICAL  
3 TRAINING DESIGNED TO PREPARE THE STUDENT FOR GAINFUL EMPLOYMENT; AND

4                    (II)    CERTIFICATION OF STUDENT STATUS IS SUPPLIED TO THE  
5 DIVISION BY THE INSTITUTION IN WHICH THE SUPERVISEE IS ENROLLED;

6           (3)     THE SUPERVISEE HAS A HANDICAP LIMITING EMPLOYMENT, AS  
7 DETERMINED BY A PHYSICAL OR PSYCHOLOGICAL EXAMINATION ACCEPTED BY THE  
8 DIVISION;

9           (4)     THE SUPERVISEE IS RESPONSIBLE FOR THE SUPPORT OF  
10 DEPENDENTS AND THE PAYMENT OF THE FEE IS AN UNDUE HARDSHIP ON THE  
11 SUPERVISEE; OR

12           (5)     OTHER EXTENUATING CIRCUMSTANCES EXIST.

13 6-116.

14    (A)     THERE IS A DRINKING DRIVER MONITOR PROGRAM FUND.

15    (B)     THE FUND SHALL BE USED FOR ALL COSTS OF THE DRINKING DRIVER  
16 MONITOR PROGRAM.

17    (C)    (1)     THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT  
18 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

19            (2)     THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE  
20 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

21    (D)     THE FUND CONSISTS OF:

22            (1)     THE PROGRAM FEES PAID BY SUPERVISEES IN THE DRINKING  
23 DRIVER MONITOR PROGRAM; AND

24            (2)     INVESTMENT EARNINGS OF THE FUND.

25    (E)     THE MONEY OF THE FUND SHALL BE INVESTED IN THE SAME MANNER AS  
26 OTHER STATE MONEY.

27    (F)     EXPENDITURES FROM THE FUND MAY BE MADE ONLY:

28            (1)     IN ACCORDANCE WITH THE STATE BUDGET; OR

29            (2)     BY THE BUDGET AMENDMENT PROCEDURE AS PROVIDED IN § 7-209  
30 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

31    (G)     THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS  
32 UNDER § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

1 **Article - Courts and Judicial Proceedings**2 1-703.

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

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

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

14 1-708.

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

23 7-301.

24 (a) The court costs in a traffic case, including parking and impounding cases  
25 and cases under § 21-202.1 of the Transportation Article in which costs are imposed,  
26 are [~~\$20~~] \$25. Such costs shall also be applicable to those cases in which the  
27 defendant elects to waive his right to trial and pay the fine or penalty deposit  
28 established by the Chief Judge of the District Court by administrative regulation. In  
29 an uncontested case under § 21-202.1 of the Transportation Article or uncontested  
30 parking or impounding case in which the fines are paid directly to a political  
31 subdivision or municipality, costs are \$2.00, which costs shall be paid to and retained  
32 by the political subdivision or municipality. In an uncontested case in which the fine  
33 is paid directly to an agency of State government authorized by law to regulate  
34 parking of motor vehicles, the costs are \$2.00. The fine and the costs shall be paid to  
35 the agency, which shall receive and account for these funds as in all other cases  
36 involving sums due the State through a State agency.

37 (b) (1) The court costs in a criminal case in which costs are imposed are  
38 [~~\$20~~] \$25.

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

1 (e) The Comptroller shall establish a Law Enforcement and Correctional  
2 Training Fund, as provided in Title 8, Subtitle 3 of the Correctional Services Article,  
3 and the Comptroller shall pay into the Fund [one fourth] TWO FIFTHS of all court  
4 costs collected by the District Court under subsections (a) and (b)(1) of this section.  
5 7-301.

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

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

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

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

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

26 (i) May not be more than:

27 1. \$5 per summary ejectment case; and

28 2. \$10 per case for all other civil cases; and

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

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

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

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

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

7 (1) \$500,000 into the Criminal Injuries Compensation Fund established  
 8 under § 11-819 of the Criminal Procedure Article; and

9 (2) \$125,000 into the Victim and Witness Protection and Relocation Fund  
 10 established under § 11-905 of the Criminal Procedure Article.

11 13-603.

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

17 **Article - Criminal Procedure**

18 6-226.

19 (a) In this section, "supervisee" means a person that the court places under  
 20 the supervision of the Division of Parole and Probation.

21 (b) (1) Unless the supervisee is exempt under subsection (d) of this section,  
 22 EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, the court shall  
 23 impose a monthly fee of ~~[\$25]~~ \$40 on a supervisee.

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

26 (g) (1) In addition to fees imposed under this section, the Division of Parole  
 27 and Probation may require a supervisee to pay:

28 (I) for drug or alcohol abuse testing if the court orders testing; AND

29 (II) ~~THE ANY~~ ANY MONTHLY PROGRAM FEE PROVIDED UNDER § 6-115 OF  
 30 THE CORRECTIONAL SERVICES ARTICLE.

31 (2) Failure to make a payment required for drug or alcohol abuse testing  
 32 may be considered grounds for revocation of probation by the court.

33 (3) The Division of Parole and Probation may exempt a supervisee as a  
 34 whole or in part from a payment for testing if the Division determines that any of the  
 35 criteria in subsection (d) of this section apply.



1

**Article - Education**2 5-206.

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

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

10 5-301.

11 (j) (4) On or before MARCH 30, June [1] 30, SEPTEMBER 30, and December  
12 [1] 31 of each year, the Interagency Committee shall report to the General Assembly,  
13 in accordance with § 2-1246 of the State Government Article, AND THE DEPARTMENT  
14 OF LEGISLATIVE SERVICES on the balance in the fund AS OF THE REPORTING DATE  
15 as the result of transfers or reversions required under this subsection AND ANY  
16 EXPENDITURES.

17 8-415.

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

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

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

31 1. The local share of the basic cost;

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

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

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

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

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

10 17-104.

11       (d)       For purposes of this section AND §§ 16-305 AND 16-512 OF THIS ARTICLE,  
12 the State's General Fund appropriation per full-time equivalent student to the  
13 4-year public institutions of higher education in the State for the previous fiscal year  
14 shall reflect:

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

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

20                                    **Article - Estates and Trusts**

21 8-103.

22       (f)       A claim filed by the Department of Health and Mental Hygiene against the  
23 estate of a deceased Maryland Medical Assistance Program recipient, as authorized  
24 under § 15-121(a) of the Health - General Article, is forever barred against the  
25 estate, the personal representative, and the heirs and legatees, unless the claim is  
26 presented within the earlier of the following dates:

27                                    (1)       6 months after PUBLICATION OF NOTICE OF the first appointment of  
28 a personal representative; or

29                                    (2)       2 months after the personal representative mails or otherwise  
30 delivers to the Department's Division of Medical Assistance Recoveries a copy of a  
31 notice in the form required under § 7-103 of this article or other written notice,  
32 notifying the Department that the claim shall be barred unless the Department  
33 presents its claim within 2 months from the receipt of the notice.

**Article - Health - General**

1 13-1004.

2  
3 (a) Beginning in fiscal year [2006] 2007 and in every second year thereafter,  
4 the Department shall conduct a Tobacco Study which shall measure the same factors  
5 that are set forth in § 13-1003(c) of this subtitle and use the same methodology or  
6 model that was used for the Baseline Tobacco Study.

7 (b) To carry out the evaluation and surveillance functions of this subtitle, the  
8 Department may conduct any other tobacco study measuring the factors set forth in §  
9 13-1003(c) of this subtitle and using a methodology or model that is consistent with  
10 but need not be identical to that used to conduct the Baseline Tobacco Study.

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

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

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

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

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

24 13-1014.

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

29 13-1015.

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

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

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

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

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

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

7     (b)     For fiscal year [2005] 2006, the Governor shall include at least  
8 [\$12,000,000] \$10,000,000 in the annual budget in appropriations for the purposes  
9 described in subsection (a) of this section.

10 13-1108.

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

17 13-1115.

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

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

25                   (ii)    One-half of any money that is transferred from the Local Public  
26 Health Component to the Statewide Academic Health Center Component under §  
27 13-1108(c) of this subtitle.

28 13-1119.

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

33 ~~15-121.~~

34     (a)     (1)     ~~In accordance with applicable federal law and rules and regulations,~~  
35 ~~including those under Title XIX of the Social Security Act, the Department may make~~  
36 ~~claim against the estate of:~~

1 (I) [a] A deceased Program recipient for the amount of any medical  
2 assistance payments under this title; OR

3 (II) THE SURVIVING SPOUSE OF A DECEASED PROGRAM RECIPIENT  
4 FOR THE AMOUNT OF MEDICAL ASSISTANCE PAYMENTS MADE ON BEHALF OF THE  
5 DECEASED PROGRAM RECIPIENT UNDER THIS TITLE, UNLESS THE SURVIVING  
6 SPOUSE AT THE TIME OF THE SURVIVING SPOUSE'S DEATH IS SURVIVED BY A CHILD  
7 WHO IS:

- 8 1. LESS THAN 21 YEARS OF AGE;
- 9 2. BLIND; OR
- 10 3. PERMANENTLY AND TOTALLY DISABLED.

11 (2) THE ASSETS OF THE ESTATE OF THE SURVIVING SPOUSE SUBJECT  
12 TO THE DEPARTMENT'S CLAIM UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION  
13 SHALL BE RESTRICTED TO THOSE ASSETS THAT PASSED TO THE SURVIVING SPOUSE  
14 FROM THE DECEASED PROGRAM RECIPIENT UPON THE DEATH OF THE DECEASED  
15 PROGRAM RECIPIENT BY:

- 16 (I) TESTAMENTARY DISPOSITION;
- 17 (II) DISTRIBUTION UNDER THE LAWS OF INTESTATE SUCCESSION;
- 18 (III) RIGHT OF SURVIVORSHIP FROM PROPERTY HELD IN TENANCY  
19 BY THE ENTIRETY OR IN JOINT TENANCY; OR
- 20 (IV) A REMAINDER INTEREST FROM A LIFE TENANCY.

21 (3) THE DEPARTMENT'S CLAIM AGAINST THE ESTATE OF A SURVIVING  
22 SPOUSE MAY NOT BE FILED AGAINST THE ESTATE UNLESS THE SURVIVING SPOUSE  
23 DIED WITHIN 5 YEARS AFTER THE DATE OF DEATH OF THE PROGRAM RECIPIENT.

24 (4) THE DEPARTMENT'S CLAIM AGAINST THE ESTATE OF A SURVIVING  
25 SPOUSE MAY NOT BE FILED AGAINST THE ESTATE UNLESS THE PROGRAM RECIPIENT  
26 APPLIED FOR MEDICAID ON OR AFTER JULY 1, 2005.

27 (b) The claim shall be waived by the Department if, in its judgment,  
28 enforcement of the claim will cause substantial hardship to the surviving dependents  
29 of the deceased.

30 15-124.

31 (b) (2) The reimbursement shall be up to the amount paid for the same  
32 items or services under the pharmacy program of the Maryland Medical Assistance  
33 Program and shall be subject to a copayment of not more than:

- 34 (i) \$2.50 for a generic drug or a brand name drug on a preferred  
35 drug list established by the Department; and

1 (ii) [\$7.50] \$8.50 for a brand name drug not on a preferred drug list  
2 established by the Department.

3 19-110.

4 (b) The power of the Secretary to transfer, by rule, regulation, or written  
5 directive, any staff, functions, or funds of units in the Department does not apply to  
6 any staff, function, or funds of the Commission. ~~{For fiscal year 2005 EACH OF~~  
7 ~~FISCAL YEARS 2005 AND 2006, the} THE~~ Secretary may assess an administrative  
8 charge, consistent with the indirect cost charge assessed to federal grants, to fund  
9 services provided to the Commission by the Executive Branch.

10 19-111.

11 (c) (1) ~~{(i) For fiscal year 2005 EACH OF FISCAL YEARS 2005 AND 2006, the}~~  
12 ~~THE~~ total fees assessed by the Commission ~~IN ANY FISCAL YEAR~~ may not exceed  
13 \$11,200,000.

14 ~~{(ii) For fiscal year 2006 2007 and each fiscal year thereafter, the~~  
15 ~~total fees assessed by the Commission may not exceed \$10,000,000.}~~

16 (2) The fees assessed by the Commission shall be used exclusively to  
17 cover the actual documented direct costs of fulfilling the statutory and regulatory  
18 duties of the Commission in accordance with the provisions of this subtitle. ~~{For fiscal~~  
19 ~~year 2005 EACH OF FISCAL YEARS 2005 AND 2006, the} THE~~ costs of the Commission  
20 include the administrative costs incurred by the Department on behalf of the  
21 Commission. The amount to be paid by the Commission to the Department for  
22 administrative costs will be calculated in the same manner as indirect costs for  
23 federal grants, less overhead costs paid directly by the Commission.

24 (3) The Commission shall pay all funds collected from the fees assessed  
25 in accordance with this section into the Fund.

26 (4) The fees assessed may be expended only for purposes authorized by  
27 the provisions of this subtitle.

28 (5) The amount in paragraph (1) of this subsection limits only the total  
29 fees the Commission may assess in a fiscal year.

30 19-208.

31 (b) The power of the Secretary to transfer by rule, regulation, or written  
32 directive, any staff, functions, or funds of units in the Department does not apply to  
33 any staff, function, or funds of the Commission. ~~{For fiscal year 2005 EACH OF~~  
34 ~~FISCAL YEARS 2005 AND 2006, the} THE~~ Secretary may assess an administrative  
35 charge, consistent with the indirect cost charge assessed to federal grants, to fund  
36 services provided to the Commission by the Executive Branch.

1 19-213.

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

3 (2) "Facilities" means hospitals and related institutions whose rates  
4 have been approved by the Commission.

5 (b) The Commission shall assess and collect user fees on facilities as defined  
6 in this section.

7 (c) (1) ~~{(i) For fiscal year 2005~~ EACH OF FISCAL YEARS 2005 AND 2006, the  
8 ~~THE~~ total user fees assessed by the Commission ~~IN ANY FISCAL YEAR~~ may not exceed  
9 \$4,500,000.

10 ~~{(ii) For fiscal year 2006~~ 2007 and each fiscal year thereafter, the  
11 total fees assessed by the Commission may not exceed \$4,000,000.~~}~~

12 (d) (8) The Fund shall be used only to provide funding for the Commission  
13 and for the purposes authorized under this subtitle. ~~{For fiscal year 2005~~ EACH OF  
14 FISCAL YEARS 2005 AND 2006, the ~~THE~~ costs of the Commission include the  
15 administrative costs incurred by the Department on behalf of the Commission. The  
16 amount to be paid by the Commission to the Department for administrative costs will  
17 be calculated in the same manner as indirect costs for federal grants, less overhead  
18 costs paid directly by the Commission.

19 **Article - Labor and Employment**

20 2-107.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (1) \$315,000 FOR IMPLEMENTATION OF THE EMPLOYMENT STANDARDS  
15 SERVICE UNIT IN THE DIVISION; AND

16 (2) \$385,000 FOR IMPLEMENTATION OF THE PREVAILING WAGE UNIT IN  
17 THE DIVISION.

18 11-403.

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

23 **Article - Natural Resources**

24 1-104.

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

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

36 (L) FOR FISCAL YEAR 2007, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL  
37 BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY AN APPROPRIATION IN AN



1 AMOUNT EQUAL TO AT LEAST \$88,000 FOR THE DEPARTMENT TO MAINTAIN A  
 2 NATURAL RESOURCES LIBRARY AS REQUIRED UNDER SUBSECTION (A)(6) OF THIS  
 3 SECTION.

4 **Article - State Finance and Procurement**

5 3-410.2.

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

10 (2) The report shall include:

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

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

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

21 1. THE STATUS OF THE PROJECT;

22 2. a comparison of estimated and actual costs [and] OF THE  
 23 PROJECT;

24 3. any known or anticipated changes in scope or costs OF THE  
 25 PROJECT;

26 4. AN EVALUATION BY THE STATE CHIEF INFORMATION  
 27 OFFICER OF WHETHER THE PROJECT IS USING BEST PRACTICES; AND

28 5. A SUMMARY OF ANY MONITORING AND OVERSIGHT OF  
 29 THE PROJECT FROM OUTSIDE THE AGENCY IN WHICH THE PROJECT IS BEING  
 30 DEVELOPED, INCLUDING A DESCRIPTION OF ANY PROBLEMS IDENTIFIED BY ANY  
 31 EXTERNAL REVIEW AND ANY CORRECTIVE ACTIONS TAKEN.

32 7-310.

33 (a) In this section "Account" means the Dedicated Purpose Account.

34 (d) For each appropriation to the Account, the Governor may:

1           (2)     transfer the funds by budget amendment from the Account to the  
2 expenditure account of the appropriate unit of State government [no earlier than 45  
3 days] ONLY after the proposed budget amendment has been:

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

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

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

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

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

16 7-314.

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

18           (2)     "Account" means the Economic Development Opportunities Program  
19 Account.

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

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

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

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

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

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

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

15 7-317.

16          (a)     There is a Cigarette Restitution Fund.

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

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

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

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

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

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

35 7-324.

36          (a)     In this section, "Account" means the Catastrophic Event Account.

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

6 8-132.

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

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

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

11 **Article - State Personnel and Pensions**

12 2-516.

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

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

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

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

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

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

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

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

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

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

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

11 34-101.

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

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

16     (c)     The purpose of the Postretirement Health Benefits Trust Fund is to assist  
17 the State in financing the postretirement health insurance subsidy, as specified in §  
18 2-508 of this article.

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

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

26           (2)     Notwithstanding any other provision of law:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (j) On or before October 1, [2007] 2009, and on or before October 1 thereafter,  
6 the Board of Trustees shall publish an annual consolidated report that includes:

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

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

11 **Article - Tax - Property**

12 13-209.

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

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

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

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

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

28 (iii) for the fiscal year beginning July 1, 2004, \$147,374,444 shall be  
29 allocated to the General Fund of the State, and the remainder shall be allocated as  
30 provided in the State budget; AND

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

32 1. \$141,492,930 SHALL BE DEDICATED TO THE ANNUITY BOND  
33 FUND OF THE STATE, TO BE USED ONLY FOR THE PURPOSE OF MEETING THE DEBT  
34 SERVICE REQUIREMENTS FOR FISCAL 2006 ON STATE BONDS; AND

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

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

5           (d)     Subject to subsection (e) of this section, for the fiscal year beginning July 1,  
6 2002 and for each subsequent fiscal year, the balance of the revenue in the special  
7 fund, not required under subsection (b) of this section and not allocated to the General  
8 Fund under subsection (c)(1) of this section shall be allocated in the State budget as  
9 follows:

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

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

14           (2)     17.05% for the Agricultural Land Preservation Fund established  
15 under § 2-505 of the Agriculture Article;

16           (3)     5% for the Rural Legacy Program established under § 5-9A-01 of the  
17 Natural Resources Article; and

18           (4)     1.8% for the Heritage Conservation Fund established under § 5-1501  
19 of the Natural Resources Article.

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

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

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

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



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

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

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

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

15 **Article - Transportation**

16 2-103.1.

17 (d) The Maryland Transportation Plan shall:

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

20 (2) Include a 20-year forecast of State transportation needs, based on  
 21 the financial resources anticipated to be available to the Department during that  
 22 20-year period;

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

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

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

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

32 2. ON SUBMISSION OF THE BUDGET BILL TO THE PRESIDING  
 33 OFFICERS OF THE GENERAL ASSEMBLY, THE DEPARTMENT SHALL SUBMIT COPIES  
 34 OF THE APPROVED CONSOLIDATED TRANSPORTATION PROGRAM AND THE  
 35 SUPPORTING FINANCIAL FORECAST TO THE GENERAL ASSEMBLY.

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

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

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

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

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

23 (II) THE FINANCIAL FORECAST SHALL INCLUDE, FOR EACH OF THE  
 24 COMPONENTS SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH:

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

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

31 3-216.

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

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

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

5                                    (ii) This subsection does not apply to any fiscal year if a cumulative  
 6 amount [equal to at least \$314,913,000] has been appropriated to the Transportation  
 7 Trust Fund for prior fiscal years under this subsection EQUAL TO AT LEAST  
 8 \$314,913,000 REDUCED BY:

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

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

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

19                                    **Article - Tax - General**

20 8-406.

21 (b) (1) (I) [A] SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, A  
 22 public service company, including any multijurisdictional public service company,  
 23 may claim a credit against the public service company franchise tax in the amount of  
 24 \$3 for each ton of Maryland-mined coal that the public service company purchased in  
 25 the calendar year.

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

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

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

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

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

4                   1.       \$9,000,000 FOR A CALENDAR YEAR BEGINNING AFTER  
5 DECEMBER 31, 2006 BUT BEFORE JANUARY 1, 2011;

6                   2.       \$4,200,000 FOR A CALENDAR YEAR BEGINNING AFTER  
7 DECEMBER 31, 2010 BUT BEFORE JANUARY 1, 2015; AND

8                   3.       \$2,100,000 FOR A CALENDAR YEAR BEGINNING AFTER  
9 DECEMBER 31, 2014 BUT BEFORE JANUARY 1, 2021.

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

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

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

21                  2.       THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL  
22 CREDITS APPLIED FOR BY ALL APPLICANTS UNDER THIS SUBSECTION FOR THE  
23 CALENDAR YEAR.

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

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

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

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

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

5 10-102.1.

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

7                                    (2)        "Distributable cash flow" means taxable income reportable by [an  
 8 entity] A PASS-THROUGH ENTITY on its federal income tax return for the taxable  
 9 year:

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

13                                    (ii)        increased by the sum of:

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

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

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

20                                    (iii)        decreased by the sum of:

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

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

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

28                                    (4)        "MEMBER" MEANS:

29    (I)        A SHAREHOLDER OF AN S CORPORATION;

30    (II)        A GENERAL OR LIMITED PARTNER OF A PARTNERSHIP, LIMITED  
 31 PARTNERSHIP, OR LIMITED LIABILITY PARTNERSHIP; OR

32    (III)        A MEMBER OF A LIMITED LIABILITY COMPANY.

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

4           [(4)]   (6)     "Nonresident taxable income" means any income described in §  
 5 10-210(b)(1) through (4) of this title.

6           (7)     "PASS-THROUGH ENTITY" MEANS:

7                   (I)     AN S CORPORATION;

8                   (II)    A PARTNERSHIP; OR

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

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

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

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

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

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

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

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

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

34                   (II)    THE RATE OF THE TAX FOR A CORPORATION UNDER § 10-105(B)  
 35 OF THIS SUBTITLE APPLIED TO THE SUM OF EACH NONRESIDENT ENTITY MEMBER'S

1 DISTRIBUTIVE SHARE OR PRO-RATA SHARE OF A PASS-THROUGH ENTITY'S  
 2 NONRESIDENT TAXABLE INCOME.

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

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

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

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

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

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

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

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

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

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

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

1           (2)     Unless it is established by the Comptroller that the partner  
2 participated in a pattern of distributions to one or more partners with the intention of  
3 defeating the partnership liability for the tax imposed under subsection (b) of this  
4 section, any partner otherwise liable under paragraph (1) of this subsection shall be  
5 liable for the tax imposed on the partnership only to the extent of distributions from  
6 the partnership to that partner after the tax was due to be paid by the partnership.

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

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

19 10-204.

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

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

27 10-210.1.

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

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

36 10-305.

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



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

3 (1) § 10-204(b) of this title (Dividends and interest from another state or  
4 local obligation);

5 (2) § 10-204(c)(2) of this title (Federal tax exempt income); [and]

6 (3) § 10-204(e) of this title (Oil percentage depletion allowance); AND

7 (4) § 10-204(l) OF THIS TITLE (DEDUCTION FOR QUALIFIED PRODUCTION  
8 ACTIVITIES INCOME).

9 10-701.1.

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

16 [10-704.1.

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

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

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

23 (b) This section does not apply to:

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

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

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

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

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

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

5 **Article - Insurance**

6 10-115.

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

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

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

14 (1) a renewal application form; and

15 (2) a notice that states:

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

18 (ii) the amount of the renewal fee.

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

22 (1) otherwise is entitled to a license;

23 (2) files with the Commissioner a renewal application:

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

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

26 (3) completes the continuing education requirements established under §  
27 10-116 of this subtitle; and

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

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

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

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

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

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

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

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

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

23             (2)     BEFORE A LICENSE MAY BE RENEWED UNDER THIS SECTION, THE  
24 COMMISSIONER SHALL VERIFY THROUGH THE OFFICE OF THE COMPTROLLER THAT  
25 THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND UNEMPLOYMENT  
26 INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR THE SECRETARY  
27 OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT HAS PROVIDED  
28 FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT RESPONSIBLE FOR  
29 COLLECTION.

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

31                 (1)     carry out this section; and

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

34                                 **Article - Tax - General**

35 10-908.

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

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

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

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

14 10-910.

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

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

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

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

26 10-912.

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

34 (1) [4.75% of] THE SUM OF THE RATE OF THE TAX IMPOSED UNDER §  
 35 10-106.1 OF THIS TITLE AND THE TOP MARGINAL STATE INCOME TAX RATE FOR  
 36 INDIVIDUALS UNDER § 10-105(A) OF THIS TITLE, APPLIED TO the total payment to a  
 37 nonresident; or

38 (2) 7% of the total payment to a nonresident entity.

1 11-105.

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

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

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

13 (2) For a vendor who files or is eligible to file a consolidated return under  
14 § 11-502 of this title, the credit allowed under paragraph (1) of this subsection is 1.2%  
15 of the first \$6,000 of the gross amount of sales and use tax that the [person] VENDOR  
16 is or would be required to pay with the consolidated return.

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

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

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

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

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

27 13-203.

28 (c) Tax information may be disclosed to:

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

31 (2) another tax collector;

32 (3) the Maryland Tax Court;

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

35 (i) who applies for review under this title;

1 (ii) who appeals from a determination under this title; or  
2 (iii) against whom an action to recover tax or a penalty is pending or  
3 will be initiated under this title; [and]

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

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

11 13-923. RESERVED.

12 13-924. RESERVED.

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

15 13-925.

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

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

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

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

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

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

30 13-926.

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

1           (1)     CERTIFY TO THE COMPTROLLER THE EXISTENCE OF A PERSON'S  
2 DELINQUENT TAX LIABILITY OR ANY OTHER LIABILITY OWED BY THE PERSON TO  
3 THE LOCAL OFFICIAL'S POLITICAL SUBDIVISION; AND

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

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

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

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

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

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

17 13-927.

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

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

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

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

25                 (I)     A STATEMENT INDICATING THE NATURE OF THE LIABILITY;  
26 AND

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

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

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

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

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

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

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

9 (I) THE ENTIRE REFUND AND VENDOR PAYMENT; OR

10 (II) THE AMOUNT CERTIFIED;

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

13 (5) IF THE REFUND AND VENDOR PAYMENT IS LESS THAN THE  
 14 CERTIFIED AMOUNT, WITHHOLD AMOUNTS FROM SUBSEQUENT REFUNDS AND  
 15 VENDOR PAYMENTS DUE THE PERSON, IF THE LAWS OF THE POLITICAL SUBDIVISION  
 16 PROVIDE THAT THE POLITICAL SUBDIVISION SHALL WITHHOLD A VENDOR PAYMENT  
 17 DUE PERSONS CERTIFIED TO THE POLITICAL SUBDIVISION BY THE COMPTROLLER.

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

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

24 **Article - Transportation**

25 1-103.

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

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

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



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

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

3 13-406.2.

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

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

13 **Article 83B - Department of Housing and Community Development**

14 5-801.

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

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

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

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

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

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

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

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

8 **Article - Housing and Community Development**

9 5-403.

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

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

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

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

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

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

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

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

Article - State Personnel and Pensions

1  
2 2-501.

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

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

6 (2) "PROGRAM" INCLUDES THE STATE PRESCRIPTION DRUG BENEFIT  
7 PLAN.

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

11 2-502.

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

14 (b) (1) The Program:

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

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

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

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

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

30 (2) IN FISCAL YEARS 2006 AND 2007:

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

34 (II) THE PRESCRIPTION DRUG BENEFIT PLAN SHALL OFFER A  
35 VOLUNTARY MAIL ORDER OPTION AND THE PRESCRIPTION DRUG BENEFIT PLAN

1 MAY CHARGE ENROLLEES THE FOLLOWING CO-PAYMENTS FOR PRESCRIPTION

2 DRUGS:

3 1. \$5 FOR GENERIC DRUGS;

4 2. \$15 FOR PREFERRED DRUGS ON THE STATE FORMULARY;

5 AND

6 3. \$25 FOR DRUGS THAT ARE NOT PREFERRED DRUGS ON

7 THE STATE FORMULARY.

8 (III) THE PRESCRIPTION DRUG BENEFIT PLAN MAY CHARGE A

9 CO-PAYMENT AS PROVIDED IN ITEM (II) OF THIS SUBSECTION FOR EACH 45 DAY

10 PRESCRIPTION.

11 (IV) FOR EACH FISCAL YEAR, THE TOTAL AMOUNT OF

12 CO-PAYMENTS CHARGED THE EMPLOYEE OR RETIREE AND THEIR DEPENDENTS AS

13 PROVIDED IN ITEM (II) OF THIS SUBSECTION MAY NOT EXCEED \$700.

14 2-503.

15 (a) The Secretary shall:

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

17 (2) ensure that the Program complies with all federal and State laws

18 governing employee benefit plans; and

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

20 the Program.

21 (b) [The] EXCEPT AS OTHERWISE PROVIDED BY LAW, THE Secretary may

22 arrange as the Secretary considers appropriate any benefit option for inclusion in the

23 Program.

24 2-504.

25 Each year the Governor shall include money in the State budget to pay the State

26 share of the costs of the Program.

27 SECTION 8. AND BE IT FURTHER ENACTED, That the Laws of Maryland

28 read as follows:

29 **Article - Education**

30 5-202.

31 (c) (1) If State aid for public elementary and secondary education exceeds

32 31.5% of the projected general funds of the State in any fiscal year, then the amount

33 required for the annual per pupil foundation amount may not be implemented for the

34 next fiscal year unless the General Assembly, at the regular session immediately

1 preceding that next fiscal year, affirms by joint resolution that the additional State  
2 aid required using the annual per pupil foundation amount is within the State's fiscal  
3 resources.

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

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

17 SECTION 9. AND BE IT FURTHER ENACTED, That Section(s) 8-301 through  
18 8-305, inclusive, and the subtitle "Subtitle 3. Law Enforcement and Correctional  
19 Training Fund" of Article - Correctional Services of the Annotated Code of Maryland  
20 be repealed.

21 SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding §  
22 7-301 of the Courts and Judicial Proceedings Article, as enacted by Section 1 of this  
23 Act, for fiscal year 2006 the Comptroller shall pay into the Law Enforcement and  
24 Correctional Training Fund one-third of all court costs collected by the District Court  
25 under § 7-301(a) and (b)(1) of the Courts and Judicial Proceedings Article. Any  
26 balance remaining in the Law Enforcement and Correctional Training Fund at the  
27 end of June 30, 2006, shall be transferred to the General Fund of the State.

28 SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding §  
29 16-317 of the Education Article, Chapter 430 of the Acts of 2004, Chapter 440 of the  
30 Acts of 2002, as amended by Chapter 203 of the Acts of 2003, or any other provision of  
31 law, the portion of fiscal year 2002 and 2003 payments required to eligible  
32 institutions under § 16-317 of the Education Article for private technology donation  
33 incentives that are not funded in the fiscal year 2006 budget shall be deferred until  
34 fiscal year 2007.

35 SECTION 12. AND BE IT FURTHER ENACTED, That, notwithstanding §  
36 13-1115 of the Health - General Article, for fiscal year 2006 only the amount of each  
37 Statewide Academic Health Center Public Health Grant distributed to the University  
38 of Maryland Medical Group or the Johns Hopkins Institutions, respectively, shall be  
39 \$1,218,000.

40 SECTION 13. AND BE IT FURTHER ENACTED, That, notwithstanding the  
41 provisions of § 19-206 of the Health Occupations Article or any other provision of law,  
42 for fiscal year 2006, the State Board of Social Work Examiners Fund may be used for

1 the costs of the social worker training academy within the Department of Human  
2 Resources.

3 SECTION 14. AND BE IT FURTHER ENACTED, That, notwithstanding §  
4 7-317 of the State Finance and Procurement Article or any other provision of law, for  
5 fiscal 2005 and fiscal 2006 only, funds may be transferred by budget amendment from  
6 the Cigarette Restitution Fund in the following amounts for the purposes specified:

7 (a) Up to \$1,000,000 may be appropriated in fiscal 2005 to conduct the  
8 comprehensive evaluation of the Cigarette Restitution Fund Program required by  
9 Section 9 of Chapter 17 of the Acts of 2000, as amended by Chapter 430 of the Acts of  
10 2004; and

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

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

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

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

24 SECTION 16. AND BE IT FURTHER ENACTED, That, notwithstanding any  
25 other provision of law, the proceeds and accumulated interest from the  
26 demutualization of the MetLife Insurance Company received by the State as the  
27 policyholder of the MetLife group term life policy, in the amount of approximately  
28 \$13,667,896, plus interest that accrues from December 1, 2004, through the effective  
29 date of this Act, shall be used to pay expenses in connection with the State Employee  
30 and Retiree Health and Welfare Benefits Program as provided in the fiscal year 2006  
31 budget.

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

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

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

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

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

11 (1) \$217,406,748; and

12 (2) 12.25% of the total highway user revenues in excess of  
 13 \$1,848,218,347.

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

20	<u>Allegany</u>	<u>\$416,356</u>
21	<u>Anne Arundel</u>	<u>1,765,594</u>
22	<u>Baltimore City</u>	<u>4,500,000</u>
23	<u>Baltimore</u>	<u>2,388,652</u>
24	<u>Calvert</u>	<u>354,434</u>
25	<u>Caroline</u>	<u>280,548</u>
26	<u>Carroll</u>	<u>793,431</u>
27	<u>Cecil</u>	<u>436,891</u>
28	<u>Charles</u>	<u>541,254</u>
29	<u>Dorchester</u>	<u>313,670</u>
30	<u>Frederick</u>	<u>1,034,262</u>
31	<u>Garrett</u>	<u>356,438</u>
32	<u>Harford</u>	<u>900,802</u>
33	<u>Howard</u>	<u>869,591</u>
34	<u>Kent</u>	<u>161,256</u>
35	<u>Montgomery</u>	<u>2,508,637</u>
36	<u>Prince George's</u>	<u>2,143,023</u>
37	<u>Queen Anne's</u>	<u>317,086</u>
38	<u>St. Mary's</u>	<u>420,271</u>
39	<u>Somerset</u>	<u>187,368</u>
40	<u>Talbot</u>	<u>255,187</u>
41	<u>Washington</u>	<u>662,397</u>
42	<u>Wicomico</u>	<u>506,284</u>
43	<u>Worcester</u>	<u>386,568</u>

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

6	<u>Amount of Reduction</u>			
7	<u>Fiscal Year</u>	<u>Program</u>	<u>Entitled</u>	<u>Special Funds</u>
8	2005	J00A04.01	Debt Service Requirements	\$21,911,313

9 SECTION 21. AND BE IT FURTHER ENACTED, That, notwithstanding §  
 10 13-209(f) of the Tax - Property Article or any other provision of law, if the actual  
 11 transfer tax revenue collections for fiscal 2005 exceed the fiscal 2005 budget estimate  
 12 of \$132,797,000:

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

17 (b) After the distribution under paragraph (1) of this section, the next  
 18 \$60,000,000 of the excess over \$132,797,000 shall be allocated for use in fiscal 2006  
 19 for Program Open Space, the Agricultural Land Preservation Fund, the Rural Legacy  
 20 Program, and the Heritage Conservation Fund. Funds made available for these  
 21 programs under this section shall be appropriated by budget amendment for use in  
 22 fiscal 2006 and shall be allocated as provided in § 13-209(d) of the Tax - Property  
 23 Article.

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

34 SECTION 23. AND BE IT FURTHER ENACTED, That, notwithstanding §  
 35 5-903(g)(2)(iii) of the Natural Resources Article or any other provision of law, for  
 36 fiscal year 2006 only, up to \$2,500,000 of the State's share of funds under Program  
 37 Open Space available for capital improvements may be used to operate State forests  
 38 and parks.

39 SECTION 24. AND BE IT FURTHER ENACTED, That, notwithstanding §  
 40 7-311(i) of the State Finance and Procurement Article or any other provision of law,  
 41 for fiscal year 2006 only and only as provided in the budget bill, funds may be  
 42 transferred from the Revenue Stabilization Account established under § 7-311 of the



1 State Finance and Procurement Article by budget amendment and may be used for  
 2 fiscal 2006 for the purposes specified in the budget bill.

3 SECTION 25. AND BE IT FURTHER ENACTED, That, notwithstanding §  
 4 9-120 of the State Government Article or any other provision of law:

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

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

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

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

- |    |     |                               |                    |
|----|-----|-------------------------------|--------------------|
| 23 | (1) | <u>Allegany County</u>        | <u>\$139,524</u>   |
| 24 | (2) | <u>Anne Arundel County</u>    | <u>\$876,213</u>   |
| 25 | (3) | <u>Baltimore County</u>       | <u>\$83,715</u>    |
| 26 | (4) | <u>Caroline County</u>        | <u>\$320,906</u>   |
| 27 | (5) | <u>Charles County</u>         | <u>\$160,174</u>   |
| 28 | (6) | <u>Dorchester County</u>      | <u>\$145,009</u>   |
| 29 | (7) | <u>Montgomery County</u>      | <u>\$669,717</u>   |
| 30 | (8) | <u>Prince George's County</u> | <u>\$1,233,395</u> |
| 31 | (9) | <u>Washington County</u>      | <u>\$160,174</u>   |

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

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

4 **~~Article—Tax—General~~**

5 ~~9-303.~~

6 (a) ~~The motor fuel tax does not apply to motor fuel that is exported or sold for~~  
 7 ~~exportation from this State.~~

8 (b) ~~The motor fuel tax does not apply to special fuel:~~

9 (1) ~~containing dye and sold for uses other than in a licensed motor~~  
 10 ~~vehicle;~~

11 (2) ~~delivered into a tank used only for heating; or~~

12 (3) ~~used for any purpose other than propelling a motor vehicle or~~  
 13 ~~turbine-powered aircraft.~~

14 (c) ~~The motor fuel tax does not apply to aviation fuel that is bought for use by:~~

15 (1) ~~a carrier engaged in the common carriage of individuals or property~~  
 16 ~~under Parts 121, 127, and 129 of the Federal Aviation Regulations;~~

17 (2) ~~an operator under Part 135 of the Federal Aviation Regulations if at~~  
 18 ~~least 70% of the aviation fuel is used in the common carriage of individuals or~~  
 19 ~~property;~~

20 (3) ~~the State;~~

21 (4) ~~a political subdivision of the State;~~

22 (5) ~~a unit or instrumentality of the United States government; or~~

23 (6) ~~a foreign government.~~

24 (D) ~~THE MOTOR FUEL TAX DOES NOT APPLY TO MOTOR FUEL THAT IS BOUGHT~~  
 25 ~~BY THE DEPARTMENT OF GENERAL SERVICES FOR USE BY STATE AGENCIES.~~

26 SECTION 26. AND BE IT FURTHER ENACTED, That if the total  
 27 Transportation Trust Fund revenues from all sources for fiscal year 2005 exceed  
 28 \$2,063,000,000, the Governor may by budget amendment in fiscal 2006 appropriate  
 29 \$12,200,000 of the amount that exceeds \$2,063,000,000 to the Community Safety  
 30 Enhancement Program in the State Highway Administration.

31 SECTION 2. ~~26. 27.~~ AND BE IT FURTHER ENACTED, That if any provision of  
 32 this Act or the application thereof to any person or circumstance is held invalid for  
 33 any reason in a court of competent jurisdiction, the invalidity does not affect other  
 34 provisions or any other application of this Act which can be given effect without the

1 invalid provision or application, and for this purpose the provisions of this Act are  
2 declared severable.

3 SECTION ~~27~~, 28. AND BE IT FURTHER ENACTED, That Sections 1 through  
4 3 of this Act shall take effect July 1, 2005.

5 SECTION ~~28~~, 29. AND BE IT FURTHER ENACTED, That Section 2 of this  
6 Act shall be applicable to all taxable years beginning after December 31, 2004.

7 SECTION ~~29~~, 30. AND BE IT FURTHER ENACTED, That Section 4 of this  
8 Act shall take effect October 1, 2005.

9 SECTION ~~30~~, 31. AND BE IT FURTHER ENACTED, That Section 6 of this  
10 Act shall take effect on the taking effect of Chapter (H.B. 11) of the Acts of the  
11 General Assembly of 2005. If Section 6 of this Act takes effect, Section 5 of this Act  
12 shall be abrogated and of no further force and effect.

13 SECTION ~~31~~, 32. AND BE IT FURTHER ENACTED, That Section 7 of this  
14 Act shall take effect immediately upon enactment, pursuant to Article III, § 31 of the  
15 Maryland Constitution. Section 7 shall remain effective until the end of June 30,  
16 2007, and, at the end of June 30, 2007, with no further action required by the General  
17 Assembly, Section 7 of this Act shall be abrogated and of no further force and effect.

18 SECTION ~~32~~, 33. AND BE IT FURTHER ENACTED, That Section 8 of this  
19 Act shall take effect immediately upon enactment, pursuant to Article III, § 31 of the  
20 Maryland Constitution.

21 SECTION ~~33~~, 34. AND BE IT FURTHER ENACTED, That Section 9 of this  
22 Act shall take effect July 1, 2006.

23 SECTION ~~3~~, ~~34~~, 35. AND BE IT FURTHER ENACTED, That, except as  
24 provided in Sections ~~27 through 33~~ 28 through 34 of this Act, this Act shall take effect  
25 June 1, 2005.