

**HB0072/174766/1**

BY: Appropriations Committee

AMENDMENTS TO HOUSE BILL 72  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 7, strike “repealing” and substitute “altering”; in line 15, after “surcharges,” insert “altering the amount of a certain surcharge imposed for recording certain instruments for certain fiscal years;”; in the same line, strike “a certain fee” and substitute “certain fees”; in line 20, after “fees;” insert “altering the calculation of certain State aid to community colleges; altering the calculation of certain State aid to certain nonpublic institutions of higher education;”; strike beginning with “altering” in line 22 down through “purposes” in line 27 and substitute “establishing a Need-Based Student Financial Assistance Fund as a special, nonlapsing fund to be administered by the Commission; altering the amount of the fee collected by the Department of Health and Mental Hygiene for certain certificates and reports; altering the amount of certain fees collected by local health departments required to be transferred to the General Fund of the State; requiring the Department of Health and Mental Hygiene to ensure that certain publicly operated hospitals pay certain assessments comparable to certain assessments imposed on certain hospitals; altering certain provisions relating to certain hospital assessments; requiring the Health Services Cost Review Commission for a certain fiscal year to approve a combination of hospital assessments and remittances in a certain amount for certain purposes; requiring the Commission and the Department to adopt certain policies that will provide at least a certain amount from certain revenues and certain savings”; and in line 29, after “facilities;” insert “removing a certain limitation applicable to certain counties on the amount of certain license fees authorized to be imposed by the counties for certain licenses for food establishments;”.

On page 2, in line 2, after “circumstances;” insert “requiring that certain information be included in a certain plan prior to approval by the Department of Information Technology; providing that certain proceeds derived from certain sales by

(Over)

the Department of State Police be allocated to the State Annuity Bond Fund; authorizing the Maryland Environmental Service to establish certain project reserve funds; prohibiting the Service from retaining more than certain amounts in the project reserve funds; requiring the reversion of certain excesses to certain funds;”; in line 4, after “employees;” insert “requiring that the health insurance benefit option for retirees include a certain prescription drug benefit; altering eligibility in the State Employees and Retirees Health and Welfare Benefits Program for certain retirees who begin State service on or after a certain date and their surviving spouses or dependent children;”; in line 5, strike “authorizing” and substitute “requiring”; in line 8, after “Program;” insert “setting a certain limit on a certain amount paid by the State to certain funds of the State Retirement and Pension System; requiring the Board of Trustees for the State Retirement and Pension System to certify certain information to the Governor and the Secretary of Budget and Management on or before certain dates; requiring the Governor to include certain amounts in the budget bill for payment to the State Retirement and Pension System;”; in the same line, after “new” insert “and certain returning”; strike beginning with “Employees” in line 10 down through the second “System” in line 11 and substitute “State Retirement and Pension System”; strike beginning with “requiring” in line 15 down through “change;” in line 20; in line 21, strike “and the method for calculating certain benefits”; in line 23, after “System;” insert “providing that employees of certain participating governmental units participating in the State Retirement and Pension System are not subject to a certain reformed contributory pension benefit;”; in line 25, after “System;” insert “altering the number of years of eligibility service required for certain members of the State Police Retirement System to become eligible to receive certain retirement benefits;”; strike beginning with “and” in line 27 down through “System;” in line 28 and substitute “; altering the rate of member contributions for certain members of the Law Enforcement Officers’ Pension System; altering the interest rate that certain benefits earn in certain deferred retirement option programs for members of the State Police Retirement System and the Law Enforcement Officers’ Pension System;”; strike beginning with “Employees” in line 30 down through “System” in line 31 and substitute “State Retirement and Pension System”; strike beginning with “Employees” in line 32 down through “System” in line 33 and substitute “State Retirement and”

Pension System"; in line 36, after "credit," insert "clarifying that certain members of the State Reformed Contributory Employees' Pension System or the State Reformed Contributory Teachers' Pension System may transfer certain service credit in a certain manner;"; in line 40, after "Pensions;" insert "providing that certain administrative and operational expenses of the Board of Trustees of the State Retirement and Pension System and the State Retirement Agency shall be paid by certain employers in a certain manner and may not be transferred from certain funds; requiring the Board of Trustees to determine and certify to the State and certain employers certain amounts payable; requiring the Governor to include a certain amount certified by the Board of Trustees in the annual budget bill; providing for the manner of payment of certain administrative and operational expenses of the Board of Trustees by certain employers; requiring the Comptroller to exercise the right of setoff against any money due or becoming due to certain employers under certain circumstances;"; in line 43, after "circumstances;" insert "altering the calculation of a certain mandatory property tax credit for certain property located in certain enterprise zones; authorizing the governing body of a county or of a municipal corporation to grant, by law, a local supplement to a certain mandatory property tax credit for certain property located in certain enterprise zones; providing that a county or municipal corporation may not obtain reimbursement from the State for the revenues that would have been collected if a certain local supplement had not been granted; prohibiting the transfer or diversion of funds in the Transportation Trust Fund unless certain legislation is enacted prior to the transfer or diversion;"; in line 44, after "highway;" insert "altering the pledging of certain revenues for certain purposes; providing that certain altered distributions of certain revenues do not apply until certain bonds are no longer outstanding and unpaid, except under certain circumstances; requiring the Maryland Transit Administration to include certain information in a certain report; requiring the Administration to set certain fares for certain transit services at an amount sufficient to achieve a certain farebox recovery requirement; requiring the Maryland Aviation Administration Fire Rescue Service to charge a certain ambulance transport fee;"; strike beginning with "for" in line 45 down through "of" in line 46 and substitute "altering certain limitations and requirements relating to certain miscellaneous fees that the Motor Vehicle Administration is authorized to set; altering the amount of

(Over)

certain fees related to motor vehicles; altering certain provisions relating to a certain fee for certain vehicle emissions inspections; prohibiting the Motor Vehicle Administration from renewing or transferring the”; strike beginning with “; requiring” in line 47 down through “of” in line 48 and substitute “under certain circumstances; prohibiting the Administration from renewing”; and in line 48, after “license” insert “under certain circumstances; requiring the Administration to cooperate with the Comptroller and the Department of Labor, Licensing, and Regulation to develop certain procedures and adopt certain regulations”.

On pages 2 and 3, strike beginning with “requiring” in line 48 on page 2 down through “coal;” in line 7 on page 3 and substitute “delaying a certain requirement for the State Department of Education to conduct a certain study of the adequacy of education funding in the State; requiring the study to incorporate certain standards and certain results from certain assessments;”; strike beginning with “providing” in line 8 down through “circumstances;” in line 10 and substitute “providing that certain retirees of the State Retirement Agency may be exempt from a certain earnings offset for a certain period of time if they are reemployed by the State Retirement Agency in a certain manner;”; and in line 13, after “obligations” insert “; providing that if certain institutions of higher education create a certain voluntary separation program, the institutions shall provide that certain positions be abolished and may not recreate certain positions and certain funds appropriated for a certain fiscal year shall be transferred to the General Fund; requiring the transfer of certain funds to the General Fund to reimburse the State for certain State administrative expenses; requiring the Maryland Insurance Administration to work with the Health Services Cost Review Commission and the Maryland Health Care Commission to develop a mechanism for identifying hospital rate adjustments and assessments as components in a certain process, take into account in its work certain items, and report its findings and recommendations to the Governor and the General Assembly on or before a certain date”.

AMENDMENT NO. 2

On page 3, in line 18, strike “and” and substitute a comma; in the same line, after “17-311” insert “, and 17-317(a)”; after line 20, insert:

“BY repealing and reenacting, with amendments,

Article - Correctional Services

Section 7-702(b)

Annotated Code of Maryland

(2008 Replacement Volume and 2010 Supplement)”;

in line 23, after “7-301(f)” insert “and 13-604(a)”; in line 38, after “11-105(o),” insert “16-305(c)(1)(i).”; in the same line, after “16-310(d)(1),” insert “17-104(a)(1), 18-107,”;  
and strike in their entirety lines 31 through 35, inclusive.

On page 4, in line 2, strike “and” and substitute a comma; in the same line, after “18-1107” insert “, and 22-306.1”; strike in their entirety lines 10 through 15, inclusive; strike line 18 in its entirety and substitute:

“Section 4-217(c)(1) and (3), 19-214(d)(2)(i) and (e), 19-310.1(b), and 21-308(b)”;

and strike line 23 in its entirety and substitute:

“Section 15-702”.

On page 5, strike line 3 in its entirety and substitute:

“Section 3-103(h), 5-212(g), 5-212.1(g), and 5-903(a)(2)(v)”;

in line 8, after “Section” insert “3A-308(g).”; in the same line, strike “and” and substitute a comma; in the same line, after “6-226(a)” insert “, and 10-306(c)”; in line 13, strike “2-508(b)(3)” and substitute “2-508(c) and (d)”; in the same line, strike “23-212(d) and (e), 23-221(d)” and substitute “21-316, 23-212(d)”; in line 15, strike “and (g), 29-303(h)” and substitute “29-302(b-1), 29-303(b-1)”; in line 17, strike “and 31-116.2”

(Over)

and substitute “29-435 and 29-436 to be under the new part “Part VIII. Three/One Percent Compound Combination Adjustment”; 31-116.2, and 37-101(r-1) and (r-2)””; in line 22, after “Section” insert “2-508(b) and (c), 2-509”; in the same line, strike “20-205(a), 21-304(e) and (f),” and substitute “20-204, 20-205(a), 21-302(b), 21-303(d), 21-304(a)(2), (b), (e), and (f), 21-308(a),”; strike in their entirety lines 23 and 24 and substitute “23-212(c), 23-401(a) and (b), 23-402, 24-401(a), 24-401.1(c), (d), and (h)(2), 26-204(a), 26-401.1(h)(2), 27-202, 29-302(b), 29-303(b), 29-410, 29-425, 34-101(d), 37-101(j), 37-203(a), 37-203.1(a), (b)(1) and (3)(i)1., (c)(1), and (d)(1), and 38-104(d)”; after line 26, insert:

“BY repealing and reenacting, without amendments,

Article - State Personnel and Pensions

Section 29-302(a) and 29-303(a)

Annotated Code of Maryland

(2009 Replacement Volume and 2010 Supplement)”;

in line 29, after “2-202(b),” insert “2-614,”; in the same line, after “2-1302.1,” insert “2-1303,”; after line 31, insert:

“BY repealing

Article - Tax - General

Section 2-1302.2

Annotated Code of Maryland

(2010 Replacement Volume)”;

in line 34, after “2-106” insert “and 9-103(d)(1) and (4)”; and after line 36, insert:

“BY adding to

Article - Tax - Property

Section 9-255

Annotated Code of Maryland

(2007 Replacement Volume and 2010 Supplement)”.

On page 6, in line 3, after “Section” insert “3-215(b)”; in the same line, strike “and 8-402(c)(2)” and substitute “, 7-208(b), 8-402(c), and 8-403”; after line 5, insert:

“BY adding to

Article - Transportation  
Section 3-217, 5-415, and 7-208(b-1)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2010 Supplement)”;

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

“BY repealing and reenacting, with amendments,

Article - Transportation  
Section 12-120, 13-613(b), 13-802, and 23-205  
Annotated Code of Maryland  
(2009 Replacement Volume and 2010 Supplement)”;

strike in their entirety lines 13 and 14 and substitute:

“Section 13-406.2 and 16-115(j)”;

after line 16, insert:

“BY repealing and reenacting, with amendments,

Chapter 288 of the Acts of the General Assembly of 2002  
Section 7”;

and strike in their entirety lines 26 through 36, inclusive.

AMENDMENT NO. 3

On page 7, strike in their entirety lines 15 through 35, inclusive.

On page 9, after line 7, insert:

“(a) (D) (1) Within 365 days from the filing of the report required by § 17–310 of this subtitle, the Administrator shall cause notice to be published in a newspaper of general circulation in [the county] **THE COUNTIES** in the State **IDENTIFIED AS FEDERALLY DESIGNATED RURAL COUNTIES BY THE RURAL MARYLAND COUNCIL** within which is located the last known address of any person to be named in the notice.

(2) If an address is not listed or if the address is outside the State, the notice shall be published in the county within which the person who held the abandoned property has the principal place of business in this State, **IF THE COUNTY IS IDENTIFIED AS A FEDERALLY DESIGNATED RURAL COUNTY BY THE RURAL MARYLAND COUNCIL.**

**[(b) (E)]** The published notice **REQUIRED UNDER SUBSECTION (D) OF THIS SECTION** shall be entitled “Notice of Names of Persons Appearing to Be Owners of Abandoned Property” and shall contain:

(1) The names in alphabetical order and last known addresses, if any, of persons listed in the report and entitled to notice in the county specified in **SUBSECTION (D) OF** this section;

(2) A statement that information concerning the amount or description of the property and the name and address of the person who held the property may be obtained by any person who possesses an interest in the property, by addressing an inquiry to the Administrator; and

(3) A statement that a proof of claim may be presented by the owner to the Administrator.



[(c)] (F) The Administrator is not required to publish in the notice REQUIRED UNDER SUBSECTION (D) OF THIS SECTION any item valued at less than \$100 unless the Administrator considers the publication to be in the public interest.;

and in lines 8 and 12, strike “(d)” and “(e)”, respectively, and substitute “(G)” and “(H)”, respectively.

AMENDMENT NO. 4

On page 10, strike beginning with the colon in line 13 down through “**SUBJECT**” in line 14 and substitute “, SUBJECT”; in line 15, strike “**50%**” and substitute “100% OF THE REMAINDER”; strike beginning with “; **AND**” in line 17 down through “**FUND**” in line 19; and in line 21, strike “**(III)1**” and substitute “(III)”.

AMENDMENT NO. 5

On page 9, after line 19, insert:

“17-317.

(a) (1) All funds received under this title, including the proceeds of the sale of abandoned property under § 17-316 of this subtitle, shall be credited by the Administrator to a special fund. The Administrator shall retain in the special fund at the end of each fiscal year, from the proceeds received, an amount not to exceed \$50,000, from which sum the Administrator shall pay any claim allowed under this title.

[(2) After deducting all costs incurred in administering this title from the remaining net funds the Administrator shall distribute \$500,000 to the Maryland Legal Services Corporation to support the activities of the corporation.]

[(3)] (2) (i) Subject to subparagraph (ii) of this paragraph, the Administrator shall distribute all unclaimed money from judgments of restitution under Title 11, Subtitle 6 of the Criminal Procedure Article to the State Victims of Crime Fund established under § 11–916 of the Criminal Procedure Article to assist victims of crimes and delinquent acts to protect the victims’ rights as provided by law.

(ii) If a victim entitled to restitution that has been treated as abandoned property under § 11–614 of the Criminal Procedure Article is located after the money has been distributed under this paragraph, the Administrator shall reduce the next distribution to the State Victims of Crime Fund by the amount recovered by the victim.

[(4)] (3) After making the distributions required under [paragraphs (2) and (3)] PARAGRAPH (2) of this subsection, the Administrator shall distribute the remaining net funds not retained under paragraph (1) of this subsection to the General Fund of the State.”

AMENDMENT NO. 6

On page 9, before line 20, insert:

“Article – Correctional Services

7–702.

(b) Unless a supervisee is exempted by the Commission under subsection (d) of this section, the Commission shall assess a monthly fee of [\\$40] \$50 as a condition of supervision for each supervisee.”

On page 10, line 28, strike “except as provided in paragraph (2) of this subsection,”.

AMENDMENT NO. 7

On page 10, after line 24, insert:

“13–604.

(a) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE Administrator shall establish a surcharge of \$20 for each type of recordable instrument to be recorded among the land records and the financing statement records.

(2) FOR EACH OF FISCAL YEARS 2012 THROUGH 2016, THE SURCHARGE ESTABLISHED UNDER THIS SUBSECTION SHALL BE \$40 FOR EACH TYPE OF RECORDABLE INSTRUMENT TO BE RECORDED AMONG THE LAND RECORDS AND THE FINANCING STATEMENT RECORDS.”.

AMENDMENT NO. 8

On pages 10 and 11, strike in their entirety the lines beginning with line 32 on page 10 through line 12 on page 11, inclusive.

AMENDMENT NO. 9

On page 12, in line 3, strike “\$6,599” and substitute “\$6,694”.

AMENDMENT NO. 10

On page 13, after line 24, insert:

“16–305.

(c) (1) (i) The total State operating fund per full-time equivalent student to the community colleges for each fiscal year as requested by the Governor shall be:

(Over)

1. In fiscal year 2009, not less than an amount equal to 26.25% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year;

2. In fiscal year 2010, not less than an amount equal to 23.6% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

3. In fiscal year 2011, not less than an amount equal to 21.8% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

4. In fiscal year 2012, not less than an amount equal to 20% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

5. In fiscal year 2013, not less than an amount equal to [21%] 18.5% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

6. In fiscal year 2014, not less than an amount equal to [22%] 18.5% of the State's General Fund appropriation per full-time equivalent

student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

7. In fiscal year 2015, not less than an amount equal to [23%] 19.5% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

8. In fiscal year 2016, not less than an amount equal to [24%] 20.5% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

9. In fiscal year 2017, not less than an amount equal to [25%] 21.5% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

10. In fiscal year 2018, not less than an amount equal to [26%] 22.5% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

11. In fiscal year 2019, not less than an amount equal to [27%] 23.5% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated

(Over)

by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year;

12. In fiscal year 2020, not less than an amount equal to [28%] 25% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year; [and]

13. IN FISCAL YEAR 2021, NOT LESS THAN AN AMOUNT EQUAL TO 26.5% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE SAME FISCAL YEAR;

14. IN FISCAL YEAR 2022, NOT LESS THAN AN AMOUNT EQUAL TO 28% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE SAME FISCAL YEAR; AND

[13.] 15. In fiscal year [2021] 2023 and each fiscal year thereafter, not less than an amount equal to 29% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year."

On page 14, after line 8, insert:

“22-306.1.

(A) IN THIS SECTION, “BASIC COST” MEANS THE AVERAGE AMOUNT SPENT BY A COUNTY FROM COUNTY AND STATE FUNDS FOR THE PUBLIC EDUCATION OF A NONDISABLED CHILD.

(B) A COUNTY SHALL REIMBURSE THE DEPARTMENT OF JUVENILE SERVICES THE AMOUNT OF THE BASIC COST CALCULATED UNDER SUBSECTION (A) OF THIS SECTION FOR EACH CHILD WHO WAS DOMICILED IN THE COUNTY PRIOR TO THE PLACEMENT IF THE CHILD:

(1) IS COMMITTED TO THE DEPARTMENT OF JUVENILE SERVICES AND IS IN A PROGRAM AT A FACILITY OR A RESIDENTIAL FACILITY;

(2) IS NOT IN DETENTION OR AWAITING PLACEMENT AFTER DISPOSITION; AND

(3) DOES NOT MEET THE CRITERIA FOR SHARED STATE AND LOCAL PAYMENT OF EDUCATIONAL COSTS AS PROVIDED IN §§ 8-406 AND 8-415 OF THIS ARTICLE.”.

AMENDMENT NO. 12

On page 14, before line 5, insert:

“18-107.

(a) (1) Each year, money for each student financial assistance program administered by the Office shall be included in the State budget.

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(2) Each year, the Governor shall include in the State budget at least 80 percent of the funds appropriated in the prior fiscal year for need-based programs as provided in §§ 18-301, 18-706(f), 18-1401, 18-1501, and 18-2601 of this title.

(b) [(1) Except as otherwise provided in this title, money appropriated under this title that is not used by the end of the fiscal year [may not revert to the State Treasury] SHALL BE DEPOSITED IN THE NEED-BASED STUDENT FINANCIAL ASSISTANCE FUND.

[(2) All money retained under paragraph (1) of this subsection shall be used to make awards to students during subsequent fiscal years as provided in §§ 18-301, 18-601, 18-604, 18-706(f), 18-1401, 18-14A-01, 18-1501, and 18-2601 of this title and may not be used for administrative expenses.]

(C) (1) IN THIS SUBSECTION, "FUND" MEANS THE NEED-BASED STUDENT FINANCIAL ASSISTANCE FUND.

(2) THERE IS A NEED-BASED STUDENT FINANCIAL ASSISTANCE FUND.

(3) THE PURPOSE OF THE FUND IS TO ALLOW MONEY APPROPRIATED FOR STUDENT FINANCIAL ASSISTANCE PROGRAMS THAT IS NOT USED IN A FISCAL YEAR TO BE RETAINED FOR NEED-BASED AWARDS IN FUTURE FISCAL YEARS.

(4) THE COMMISSION SHALL ADMINISTER THE FUND.



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

(II) THE STATE TREASURER SHALL HOLD THE FUND AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(6) THE FUND CONSISTS OF:

(I) MONEY DISTRIBUTED TO THE FUND UNDER SUBSECTION (B) OF THIS SECTION; AND

(II) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(7) (I) THE FUND MAY BE USED ONLY FOR MAKING NEED-BASED FINANCIAL ASSISTANCE AWARDS TO STUDENTS AS PROVIDED IN §§ 18-301, 18-601, 18-604, 18-706(F), 18-1401, 18-14A-01, 18-1501, AND 18-2601 OF THIS TITLE.

(II) THE FUND MAY NOT BE USED FOR ADMINISTRATIVE EXPENSES.

(8) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(II) ANY INVESTMENT EARNINGS ON THE FUNDS IN THE ACCOUNT SHALL BE PAID INTO THE GENERAL FUND OF THE STATE.

**(9) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.**

AMENDMENT NO. 13

On page 14, after line 4, insert:

“17–104.

(a) (1) Except as provided in paragraph (2) of this subsection, the Maryland Higher Education Commission shall compute the amount of the annual apportionment for each institution that qualifies under this subtitle by multiplying the number of full–time equivalent students enrolled at the institution during the fall semester of the fiscal year preceding the fiscal year for which the aid apportionment is made, as determined by the Maryland Higher Education Commission by:

(i) In fiscal year 2009, an amount not less than 16% of the State’s General Fund per full–time equivalent student appropriation to the 4–year public institutions of higher education in this State for the preceding fiscal year;

(ii) In fiscal year 2010, an amount not less than 12.85% of the State’s General Fund per full–time equivalent student appropriation to the 4–year public institutions of higher education in the State for the same fiscal year;

(iii) In fiscal year 2011, an amount not less than 9.8% of the State’s General Fund per full–time equivalent student appropriation to the 4–year public institutions of higher education in this State for the same fiscal year;

(iv) In fiscal year 2012, an amount not less than 9.2% of the State’s General Fund per full–time equivalent student appropriation to the 4–year public institutions of higher education in this State for the same fiscal year;

(v) In fiscal year 2013, an amount not less than [10%] 9.5% of the State's General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the same fiscal year;

(vi) In fiscal year 2014, an amount not less than [10.5%] 10% of the State's General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the same fiscal year;

(vii) In fiscal year 2015, an amount not less than [11%] 10.5% of the State's General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the same fiscal year;

(viii) In fiscal year 2016, an amount not less than [11.5%] 11% of the State's General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the same fiscal year;

(ix) In fiscal year 2017, an amount not less than 12% of the State's General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the same fiscal year;

(x) In fiscal year 2018, an amount not less than 13% of the State's General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the same fiscal year;

(xi) In fiscal year 2019, an amount not less than 14% of the State's General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the same fiscal year;

(xii) In fiscal year 2020, an amount not less than 15% of the State's General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the same fiscal year; and

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(xiii) In fiscal year 2021 and each fiscal year thereafter, an amount not less than 15.5% of the State’s General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the same fiscal year.”.

AMENDMENT NO. 14

On page 13, in line 10, strike “**APPROVAL**” and substitute “**EXCEPT FOR ACTIONS RELATING TO PROGRAMS OFFERED AT A REGIONAL HIGHER EDUCATION CENTER, APPROVAL**”.

AMENDMENT NO. 15

On page 15, in line 27, strike “**\$500,000**” and substitute “**\$140,000**”.

AMENDMENT NO. 16

On page 16, strike in their entirety lines 1 through 5, inclusive.

On pages 16 through 19, strike in their entirety the lines beginning with line 26 on page 16 through line 18 on page 19, inclusive.

AMENDMENT NO. 17

On page 16, after line 6, insert:

“4-217.

(c) (1) Except as otherwise provided by law[, the]:

(1) THE Department shall collect a \$12 fee:

[(i) 1. For each certified or abridged copy of a [birth,] death, fetal death, marriage, or divorce verification certificate;

[(ii)] 2. For a report that a search of the DEATH, FETAL DEATH, MARRIAGE, OR DIVORCE VERIFICATION CERTIFICATE files was made and the requested record is not on file;

[(iii)] 3. For each change to a DEATH, FETAL DEATH, MARRIAGE, OR DIVORCE VERIFICATION certificate made later than one year after the certificate has been registered with the Department; or

[(iv)] 4. To process an adoption, foreign adoption, or legitimation; AND

**(II) THE DEPARTMENT SHALL COLLECT A \$24 FEE:**

**1. FOR EACH CERTIFIED OR ABRIDGED COPY OF A BIRTH CERTIFICATE;**

**2. FOR A REPORT THAT A SEARCH OF THE BIRTH CERTIFICATE FILES WAS MADE AND THE REQUESTED RECORD IS NOT ON FILE;**  
**OR**

**3. FOR EACH CHANGE TO A BIRTH CERTIFICATE MADE LATER THAN 1 YEAR AFTER THE CERTIFICATE HAS BEEN REGISTERED WITH THE DEPARTMENT.**

(3) (i) Any local health department may set and collect a fee for processing and issuing a birth certificate, or for a report that a search of the files was made and the requested record is not on file, that covers:

1. The administrative costs of providing this service; and

(Over)

2. The requirements of subparagraph (iii) of this paragraph.

(ii) The fee set by the local health department for processing and issuing a birth certificate or for a report under subparagraph (i) of this paragraph may not exceed the actual costs to the local health department for processing and issuing a birth certificate or a report.

(iii) From the fee the local health department collects under subparagraph (i) of this paragraph, [\$10] \$20 shall be transferred to the General Fund.

(iv) Prior to setting and collecting a fee for processing and issuing a birth certificate or for a report under subparagraph (i) of this paragraph, the local health department shall enter into a memorandum of understanding with the Department of Health and Mental Hygiene that outlines the local health department's fee structure."

AMENDMENT NO. 18

On page 16, strike in their entirety lines 7 through 25, inclusive.

AMENDMENT NO. 19

On pages 19 and 20, strike in their entirety the lines beginning with line 20 on page 19 through line 4 on page 20.

AMENDMENT NO. 20

On page 19, after line 18, insert:

"15-702.

(A) THE DEPARTMENT SHALL ENSURE THAT PUBLICLY OWNED SPECIALTY HOSPITALS PAY AN ASSESSMENT THAT IS COMPARABLE TO ANY

UNIFORM ASSESSMENTS IMPOSED BY THE HEALTH SERVICES COST REVIEW COMMISSION ON SPECIALTY HOSPITALS UNDER § 19-214(D) OF THIS ARTICLE OR UNDER SECTION 16 OF CHAPTER (H.B. 72) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2011.

(B) REVENUES GENERATED FROM ANY ASSESSMENTS AUTHORIZED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE USED FOR THE GENERAL OPERATIONS OF THE MEDICAID PROGRAM.”.

On pages 20 through 22, strike in their entirety the lines beginning with line 5 on page 20 through line 14 on page 22, inclusive, and substitute:

“(d) (2) (i) For the portion of the assessment under paragraph (1)(i) of this subsection:

1. The Commission shall ensure that the assessment amount [does not exceed the savings realized in averted hospital uncompensated care from the health care coverage expansion] EQUALS 1.25% OF PROJECTED REGULATED NET PATIENT REVENUE; and

2. Each hospital shall remit its assessment amount to the Health Care Coverage Fund established under § 15-701 of this article.”.

On page 61, in line 13, strike “SECTION” and substitute:

“SECTION 16. AND BE IT FURTHER ENACTED, That, in addition to any other revenue generated under § 19-214 of the Health – General Article, as amended by this Act:

(a) For fiscal year 2012, the Health Services Cost Review Commission shall approve a combination of hospital assessments and remittances in the amount of

(Over)

\$389,825,000 to support the general operations of the Medicaid program. The Commission may reduce assessments or remittances by the amount of any reduction in State Medicaid expenditures that will result from any Commission-approved changes in hospital rates or policies, other than changes authorized through the pooling of graduate medical education under § 19-214(b) of the Health – General Article.

(b) For fiscal year 2013 and every fiscal year thereafter, the Commission and the Department of Health and Mental Hygiene shall adopt policies that will provide at least \$389,825,000 from a combination of special fund revenues and General Fund savings from reduced hospital or other payments made by the Medicaid program. The policies adopted under this subsection shall be in lieu of the hospital assessment and remittance revenue generated in fiscal year 2012, but may include hospital assessments and remittances. To the maximum extent possible, the Commission and the Department shall adopt policies that do not erode the State’s Medicare waiver.

SECTION”.

AMENDMENT NO. 21

On page 22, after line 33, insert:

“21–308.

(b) (1) For any license issued for which the authority to conduct a program under this subtitle has been delegated to a county health department:

(i) A county governing body or the Mayor and City Council of Baltimore City may and the Anne Arundel County Council shall provide for a license fee schedule based on the anticipated cost of licensing, inspecting, and regulating food establishments and may provide for exemptions from the license fee schedule; and



(ii) All license fees shall be paid to the local health department or chief financial officer of the county governing body or Baltimore City.

(2) Except in Anne Arundel County, Baltimore City, Montgomery County, and Prince George’s County, a license fee under this subsection may not exceed [:

(i) \$300; or

(ii) \$70 for a seasonal food processing operation that:

[1.] (I) Uses only food that is grown on the property of the licensee; and

[2.] (II) Is in operation for not more than a 3-month continuous period in the calendar year.

(3) A seasonal food processing operation may obtain a food establishment license for a fee of \$70 under paragraph [(2)(ii)] (2) of this subsection only twice in a calendar year.”.

AMENDMENT NO. 22

On page 23, strike beginning with “**DEPARTMENT**” in line 22 down through “**THE**” in line 23.

On page 24, in line 14, strike beginning with “**FOR**” through “**THE**” and substitute “**THE**”; strike beginning with “**THE**” in line 15 down through “**FOR**” in line 16; in line 17, after “**THAN**” insert “**:**”

1.”;

(Over)

in the same line, after “\$3,000,000” insert “FOR EACH OF FISCAL YEARS 2012 AND 2013; AND”

2. \$8,000,000 FOR FISCAL YEAR 2014 AND EACH FISCAL YEAR THEREAFTER”;

strike beginning with “THE” in line 20 down through “FOR” in line 21; and in line 28, after the bracket insert “THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE FOR”.

AMENDMENT NO. 23

On page 25, strike in their entirety lines 7 through 22, inclusive, and substitute:

“(g) **(1)** The Fund may be used only for:

**[(1)](i) 1.** Purchasing and managing in the name of the State lands suitable for forest culture, reserves, watershed protection, State parks, scenic preserves, historic monuments, parkways, and State recreational reserves; and

**[(ii)] 2.** Helping to offset the costs to the Forest and Park Service for developing and implementing a forest health emergency contingency program under § 5-307 of this title;

**[(2)](II) [Annual] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, payments to counties in the amount of:**

**[(i)] 1.** If the State forest or park reserve comprises less than 10% of the total land area of the county, a sum equal to 15% of the revenue derived from the State forest or park reserve located in that county; and

~~[(ii)]~~ **2.** If the State forest or park reserve comprises 10% or more of the total land area of the county, a sum equal to 25% of the revenue derived from the State forest or park reserve located in that county; and

~~[(3)]~~ **(III)** Administrative costs calculated in accordance with § 1-103(b)(2) of this article.

**(2)** FOR FISCAL YEARS 2012 AND 2013 ONLY, THE PAYMENTS UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION SHALL BE BASED ONLY ON THE REVENUE DERIVED FROM SALES OF TIMBER.”;

and strike in their entirety lines 24 through 31, inclusive, and substitute:

“(g)”.

On page 26, in lines 1 and 8, in each instance, strike the bracket; in line 1, after “(2)” insert “**(I)**”; in the same line, strike “Each” and substitute “**SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, EACH**”; in lines 3 and 6, strike “(i)” and “(ii)”, respectively, and substitute “**1.**” and “**2.**”, respectively; and after line 8, insert:

**“(II) FOR FISCAL YEARS 2012 AND 2013 ONLY, THE PAYMENTS UNDER SUBPARAGRAPH (I) OF THIS SUBSECTION MAY NOT BE MADE.”.**

On pages 26 and 27, strike in their entirety the lines beginning with line 9 on page 26 through line 6 on page 27, inclusive.

AMENDMENT NO. 24

On page 27, after line 7, insert:

“3A-308.”

(g) (1) The Secretary shall approve funding for major information technology development projects only when those projects are supported by an approved systems development life cycle plan.

**(2) AN APPROVED SYSTEMS DEVELOPMENT LIFE CYCLE PLAN SHALL INCLUDE SUBMISSION OF:**

**(I) A PROJECT PLANNING REQUEST THAT DETAILS INITIAL PLANNING FOR THE PROJECT, INCLUDING:**

**1. THE PROJECT TITLE, APPROPRIATION CODE, AND SUMMARY;**

**2. A DESCRIPTION OF:**

**A. THE NEEDS ADDRESSED BY THE PROJECT;**

**B. THE POTENTIAL RISKS ASSOCIATED WITH THE PROJECT;**

**C. POSSIBLE ALTERNATIVES; AND**

**D. THE SCOPE AND COMPLEXITY OF THE PROJECT;**

**AND**

**3. AN ESTIMATE OF:**

**A. THE TOTAL COSTS REQUIRED TO COMPLETE THROUGH PLANNING; AND**

**B. THE FUND SOURCES AVAILABLE TO SUPPORT PLANNING COSTS; AND**

**(II) A PROJECT IMPLEMENTATION REQUEST TO BEGIN FULL DESIGN, DEVELOPMENT, AND IMPLEMENTATION OF THE PROJECT AFTER THE COMPLETION OF PLANNING, INCLUDING:**

**1. THE PROJECT TITLE, APPROPRIATION CODE, AND SUMMARY;**

**2. A DESCRIPTION OF:**

**A. THE NEEDS ADDRESSED BY THE PROJECT;**

**B. THE POTENTIAL RISKS ASSOCIATED WITH THE PROJECT;**

**C. POSSIBLE ALTERNATIVES;**

**D. THE SCOPE AND COMPLEXITY OF THE PROJECT; AND**

**E. HOW THE PROJECT MEETS THE GOALS OF THE STATEWIDE MASTER PLAN; AND**

**3. AN ESTIMATE OF:**

**A. THE TOTAL PROJECT COST; AND**

**B. THE FUND SOURCES AVAILABLE.**

[(2)] (3) The Secretary may approve funding incrementally, consistent with the systems development life cycle plan.”.

AMENDMENT NO. 25

On page 27, before line 7, insert:

“5-903.

(a) (2) (v) For each of fiscal years 2010 [and 2011] THROUGH 2013, \$1,217,000 of the State’s share of funds available under subparagraph (i)1A of this paragraph may be appropriated in the budgets of the Department, the Department of General Services, and the Department of Planning for expenses necessary to administer this Program.”.

AMENDMENT NO. 26

On page 31, in line 22, strike “AND”; and in line 23, after “FUND” insert “;AND

**63. TRANSPORTATION TRUST FUND**”.

AMENDMENT NO. 27

On page 31, after line 23, insert:

“10-306.

(c) (1) Except as provided in paragraph (2) of this subsection, if cash is received as consideration for the disposition of a capital asset of the State or any unit of the State government, the cash shall be applied to the State Annuity Bond Fund

Account for the payment of the principal of and interest on the bonded indebtedness of the State.

(2) (I) If cash is received as consideration for the disposition of a capital asset, and if the capital asset was originally purchased with special funds, the cash shall be applied to the special fund.

**(II) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS PARAGRAPH, CASH RECEIVED AS CONSIDERATION FOR THE DISPOSITION OF HELICOPTERS, AUXILIARY HELICOPTER EQUIPMENT, GROUND SUPPORT EQUIPMENT, OR OTHER CAPITAL EQUIPMENT RELATED TO HELICOPTERS SHALL BE APPLIED TO THE STATE ANNUITY BOND FUND ACCOUNT FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDED INDEBTEDNESS OF THE STATE.**

(3) If cash is received as consideration for the disposition of any real or personal property of the State or any unit of the State government, other than a capital asset, the cash shall be accounted for and paid into the State Treasury.”

AMENDMENT NO. 28

On page 31, after line 25, insert:

**“(b) (1) THIS SUBSECTION APPLIES TO A RETIREE WHO BEGAN STATE SERVICE ON OR BEFORE JUNE 30, 2011.**

**[(1)] (2) A retiree may enroll and participate in the health insurance benefit options established under the Program if the retiree:**

**(i) ended State service with at least 10 years of creditable service and within 5 years before the age at which a vested retirement allowance normally would begin;**

(Over)

(ii) ended State service with at least 16 years of creditable service;

(iii) ended State service on or before June 30, 1984;

(iv) retired directly from State service with a State retirement allowance on or after July 1, 1984, and had at least 5 years of creditable service; or

(v) retired directly from State service with a State disability retirement allowance on or after July 1, 1984.

~~[(2)]~~ **(3)** (i) The surviving spouse or dependent child of a deceased retiree who was eligible to enroll may enroll and participate in the health insurance benefit options established under the Program as long as the spouse or child is receiving a periodic allowance under Division II of this article or the Maryland Transit Administration Retirement Plan under § 7–206 of the Transportation Article.

(ii) Subparagraph (i) of this paragraph does not apply to a deceased retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7 benefit under Division II of this article or a lump-sum payment of benefits under the Maryland Transit Administration Retirement Plan under § 7–206 of the Transportation Article.

~~[(c)]~~ **(4)** ~~[(1)]~~ **(I)** If a retiree receives a State disability retirement allowance or has 16 or more years of creditable service, the retiree or the retiree's surviving spouse or dependent child is entitled to the same State subsidy allowed a State employee.

~~[(2)]~~ **(II)** In all other cases, if a retiree has at least 5 years of creditable service, the retiree or the retiree's surviving spouse or dependent child is



entitled to 1/16 of the State subsidy allowed a State employee for each year of the retiree's creditable service up to 16 years.

[(3)] (III) Notwithstanding [paragraph (2)] SUBPARAGRAPH (II) of this [subsection] PARAGRAPH and subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the State Racing Commission, for the purposes of determining a retiree's State subsidy, creditable service shall be determined with respect to service as an additional employee or agent beginning from the initial date of employment or January 1, 1986, whichever is later.

(C) (1) THIS SUBSECTION APPLIES TO A RETIREE WHO BEGINS STATE SERVICE ON OR AFTER JULY 1, 2011.

(2) A RETIREE MAY ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE PROGRAM IF THE RETIREE ENDED STATE SERVICE WITH AT LEAST 25 YEARS OF CREDITABLE SERVICE.

(3) (I) THE SURVIVING SPOUSE OR DEPENDENT CHILD OF A DECEASED RETIREE WHO WAS ELIGIBLE TO ENROLL MAY ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE PROGRAM AS LONG AS THE SPOUSE OR CHILD IS RECEIVING A PERIODIC ALLOWANCE UNDER DIVISION II OF THIS ARTICLE OR THE MARYLAND TRANSIT ADMINISTRATION RETIREMENT PLAN UNDER § 7-206 OF THE TRANSPORTATION ARTICLE.

(II) SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT APPLY TO A DECEASED RETIREE'S SPOUSE OR DEPENDENT CHILD WHO RECEIVES AN OPTION 1, OPTION 4, OR OPTION 7 BENEFIT UNDER DIVISION II OF THIS ARTICLE OR A LUMP-SUM PAYMENT OF BENEFITS UNDER THE

(Over)

MARYLAND TRANSIT ADMINISTRATION RETIREMENT PLAN UNDER § 7-206 OF THE TRANSPORTATION ARTICLE.

(4) (I) IF A RETIREE RECEIVES A STATE DISABILITY RETIREMENT ALLOWANCE OR HAS 25 OR MORE YEARS OF CREDITABLE SERVICE, THE RETIREE OR THE RETIREE'S SURVIVING SPOUSE OR DEPENDENT CHILD IS ENTITLED TO THE SAME STATE SUBSIDY ALLOWED A STATE EMPLOYEE.

(II) IN ALL OTHER CASES, IF A RETIREE HAS AT LEAST 10 YEARS OF CREDITABLE SERVICE, THE RETIREE OR THE RETIREE'S SURVIVING SPOUSE OR DEPENDENT CHILD IS ENTITLED TO 1/25 OF THE STATE SUBSIDY ALLOWED A STATE EMPLOYEE FOR EACH YEAR OF THE RETIREE'S CREDITABLE SERVICE UP TO 25 YEARS.

(III) NOTWITHSTANDING SUBPARAGRAPH (II) OF THIS PARAGRAPH AND SUBSECTION (A)(4)(I) OF THIS SECTION, IF A RETIREE IS AN ADDITIONAL EMPLOYEE OR AGENT OF THE STATE RACING COMMISSION, FOR THE PURPOSES OF DETERMINING A RETIREE'S STATE SUBSIDY, CREDITABLE SERVICE SHALL BE DETERMINED WITH RESPECT TO SERVICE AS AN ADDITIONAL EMPLOYEE OR AGENT BEGINNING FROM THE INITIAL DATE OF EMPLOYMENT."

On page 32, in line 1, strike "(b)" and substitute "**(D)**"; in the same line, strike "**(3)**" and substitute "**(1)**"; in the same line, strike "PARAGRAPH (1) OF THIS SUBSECTION" and substitute "SUBSECTIONS (B) AND (C) OF THIS SECTION"; after line 4, insert:

"(2) THE HEALTH INSURANCE BENEFIT OPTION FOR RETIREES SHALL INCLUDE A PRESCRIPTION DRUG BENEFIT THAT:

(I) HAS THE SAME CO-PAYMENTS, COINSURANCE, DEDUCTIBLE, AND OUT-OF-POCKET LIMITS THAT APPLY TO THE PRESCRIPTION DRUG BENEFIT FOR ACTIVE STATE EMPLOYEES; AND

(II) REQUIRES RETIREES TO PAY 25% OF THE PREMIUM FOR THE PRESCRIPTION DRUG BENEFIT.

2-509.

(a) (1) THIS SUBSECTION APPLIES TO A RETIREE WHO BEGAN SERVICE WITH A STATE INSTITUTION OF HIGHER EDUCATION ON OR BEFORE JUNE 30, 2011.

[(1)] (2) (I) Subject to [paragraph (2)] SUBPARAGRAPH (II) of this [subsection] PARAGRAPH, an individual may enroll and participate in the health insurance benefit options established under the Program if the individual retired under an optional program under Title 30 of this article and:

[(i)] 1. ended service with a State institution of higher education with at least 10 years of service and was at least age 57;

[(ii)] 2. ended service with a State institution of higher education with at least 16 years of service; or

[(iii)] 3. retired directly from and had at least 5 years of service with a State institution of higher education with a periodic distribution of benefits on or after July 1, 1984.

[(2) (i)] (II) 1. For purposes of this subsection only, years of service shall be calculated as follows:

(Over)

[1.] A. except as provided in [subparagraph (ii) of this paragraph] SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, a year of service means a period of 12 months during which an employee was a participant in an optional retirement program under Title 30 of this article and the participant's employer made contributions to the participant's account in the Program; or

[2.] B. if an employee's work year is an academic year of at least 9 but less than 12 months, a year of service means a period equal to the academic year during which an employee was a participant in an optional retirement program under Title 30 of this article and the participant's employer made contributions to the participant's account in the Program.

[(ii)] 2. To determine eligibility for health insurance benefits under this section, each year of service shall be multiplied by the participant's percentage of full-time employment for that year of service.

[(3)] (III) The surviving spouse or dependent child of a deceased individual who was eligible to enroll may enroll and participate in the health insurance benefit options established under the Program as long as the spouse or child is receiving a periodic distribution of benefits under an optional retirement program under Title 30 of this article.

[(b) (1)] (3) (I) An enrollee under this section who was in service with a State institution of higher education at the time of the retirement is entitled to the same State subsidy allowed a retiree under § 2-508 of this subtitle. However, except as provided in [paragraph (2) of this subsection] SUBPARAGRAPH (II) OF THIS PARAGRAPH, the subsidy shall apply only to the costs of coverage for the enrollee and may not apply to any additional costs of coverage for the enrollee's spouse or children.

[(2)] (II) If the enrollee has 25 or more years of service as an employee of the State in the Executive, Legislative, or Judicial Branch of government,

the enrollee or the enrollee's surviving spouse or dependent child is entitled to the same State subsidy allowed a retiree with 16 or more years of creditable service under § 2-508(c)(1) of this subtitle.

**(B) (1) THIS SUBSECTION APPLIES TO A RETIREE WHO BEGINS SERVICE WITH A STATE INSTITUTION OF HIGHER EDUCATION ON OR AFTER JULY 1, 2011.**

**(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN INDIVIDUAL MAY ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE PROGRAM IF THE INDIVIDUAL RETIRED UNDER AN OPTIONAL PROGRAM UNDER TITLE 30 OF THIS ARTICLE AND:**

**1. ENDED SERVICE WITH A STATE INSTITUTION OF HIGHER EDUCATION WITH AT LEAST 10 YEARS OF SERVICE AND WAS AT LEAST AGE 57;**

**2. ENDED SERVICE WITH A STATE INSTITUTION OF HIGHER EDUCATION WITH AT LEAST 25 YEARS OF SERVICE; OR**

**3. RETIRED DIRECTLY FROM AND HAD AT LEAST 10 YEARS OF SERVICE WITH A STATE INSTITUTION OF HIGHER EDUCATION WITH A PERIODIC DISTRIBUTION OF BENEFITS ON OR AFTER JULY 1, 2011.**

**(II) 1. FOR PURPOSES OF THIS PARAGRAPH ONLY, YEARS OF SERVICE SHALL BE CALCULATED AS FOLLOWS:**

**A. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, A YEAR OF SERVICE MEANS A PERIOD OF 12 MONTHS**

(Over)

DURING WHICH AN EMPLOYEE WAS A PARTICIPANT IN AN OPTIONAL RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE AND THE PARTICIPANT'S EMPLOYER MADE CONTRIBUTIONS TO THE PARTICIPANT'S ACCOUNT IN THE PROGRAM; OR

B. IF AN EMPLOYEE'S WORK YEAR IS AN ACADEMIC YEAR OF AT LEAST 9 BUT LESS THAN 12 MONTHS, A YEAR OF SERVICE MEANS A PERIOD EQUAL TO THE ACADEMIC YEAR DURING WHICH AN EMPLOYEE WAS A PARTICIPANT IN AN OPTIONAL RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE AND THE PARTICIPANT'S EMPLOYER MADE CONTRIBUTIONS TO THE PARTICIPANT'S ACCOUNT IN THE PROGRAM.

2. TO DETERMINE ELIGIBILITY FOR HEALTH INSURANCE BENEFITS UNDER THIS SECTION, EACH YEAR OF SERVICE SHALL BE MULTIPLIED BY THE PARTICIPANT'S PERCENTAGE OF FULL-TIME EMPLOYMENT FOR THAT YEAR OF SERVICE.

(III) THE SURVIVING SPOUSE OR DEPENDENT CHILD OF A DECEASED INDIVIDUAL WHO WAS ELIGIBLE TO ENROLL MAY ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE PROGRAM AS LONG AS THE SPOUSE OR CHILD IS RECEIVING A PERIODIC DISTRIBUTION OF BENEFITS UNDER AN OPTIONAL RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE.

(3) (I) AN ENROLLEE UNDER THIS SUBSECTION WHO WAS IN SERVICE WITH A STATE INSTITUTION OF HIGHER EDUCATION AT THE TIME OF THE RETIREMENT IS ENTITLED TO THE SAME STATE SUBSIDY ALLOWED A RETIREE UNDER § 2-508(C) OF THIS SUBTITLE. HOWEVER, EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE SUBSIDY SHALL

APPLY ONLY TO THE COSTS OF COVERAGE FOR THE ENROLLEE AND MAY NOT APPLY TO ANY ADDITIONAL COSTS OF COVERAGE FOR THE ENROLLEE'S SPOUSE OR CHILDREN.

(II) IF THE ENROLLEE HAS 25 OR MORE YEARS OF SERVICE AS AN EMPLOYEE OF THE STATE IN THE EXECUTIVE, LEGISLATIVE, OR JUDICIAL BRANCH OF GOVERNMENT, THE ENROLLEE OR THE ENROLLEE'S SURVIVING SPOUSE OR DEPENDENT CHILD IS ENTITLED TO THE SAME STATE SUBSIDY ALLOWED A RETIREE WITH 25 OR MORE YEARS OF CREDITABLE SERVICE UNDER § 2-508(B)(4)(I) OF THIS SUBTITLE.”;

and in line 13, strike “MAY” and substitute “SHALL”.

AMENDMENT NO. 29

On page 34, after line 13, insert:

“20-204.

(a) (1) This [section]SUBSECTION applies only to AN INDIVIDUAL WHO IS A MEMBER OF:

[(1) the Correctional Officers' Retirement System;

(2)] (I) the Employees' Retirement System; OR

[(3) the State Police Retirement System; or

(4)] (II) the Teachers' Retirement System.

(Over)

[(b)] (2) Except as provided in [subsection (c) of this section]PARAGRAPH (3) OF THIS SUBSECTION, the average final compensation of a member equals the average annual earnable compensation of the member for:

[(1)] (I) the 3 years of employment as a member during which the member's earnable compensation was highest, if the member was employed at least 3 years as a member; or

[(2)] (II) the member's total period of employment, if the member was employed less than 3 years as a member.

[(c) (1)] (3) Except for a salary increase because of a member's promotion, the member's average final compensation does not include a salary increase in the last 3 years of employment if it is an extraordinary salary increase according to regulations that the Board of Trustees adopts.

[(2) (i) This paragraph applies only to a member of the State Police Retirement System.

(ii) If a member of the State Police Retirement System who transferred from another actuarial retirement system in the State retires after less than 3 years of employment as a member of the State Police Retirement System, the earnable compensation as a member in the other system shall be used in the determination of average final compensation.]

**(B) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO ON OR BEFORE JUNE 30, 2011, IS A MEMBER OF:**

**(i) THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM;**

**OR**



(II) THE STATE POLICE RETIREMENT SYSTEM.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE AVERAGE FINAL COMPENSATION OF A MEMBER EQUALS THE AVERAGE ANNUAL EARNABLE COMPENSATION OF THE MEMBER FOR:

(I) THE 3 YEARS OF EMPLOYMENT AS A MEMBER DURING WHICH THE MEMBER'S EARNABLE COMPENSATION WAS HIGHEST, IF THE MEMBER WAS EMPLOYED AT LEAST 3 YEARS AS A MEMBER; OR

(II) THE MEMBER'S TOTAL PERIOD OF EMPLOYMENT, IF THE MEMBER WAS EMPLOYED LESS THAN 3 YEARS AS A MEMBER.

(3) (I) EXCEPT FOR A SALARY INCREASE BECAUSE OF A MEMBER'S PROMOTION, THE MEMBER'S AVERAGE FINAL COMPENSATION DOES NOT INCLUDE A SALARY INCREASE IN THE LAST 3 YEARS OF EMPLOYMENT IF IT IS AN EXTRAORDINARY SALARY INCREASE ACCORDING TO REGULATIONS THAT THE BOARD OF TRUSTEES ADOPTS.

(II) 1. THIS SUBPARAGRAPH APPLIES ONLY TO A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM.

2. IF A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM WHO TRANSFERRED FROM ANOTHER ACTUARIAL RETIREMENT SYSTEM IN THE STATE RETIRES AFTER LESS THAN 3 YEARS OF EMPLOYMENT AS A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM, THE EARNABLE COMPENSATION AS A MEMBER IN THE OTHER SYSTEM SHALL BE USED IN THE DETERMINATION OF AVERAGE FINAL COMPENSATION.

(C) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO ON OR AFTER JULY 1, 2011, BECOMES A MEMBER OF:

(I) THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM;  
OR

(II) THE STATE POLICE RETIREMENT SYSTEM.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE AVERAGE FINAL COMPENSATION OF A MEMBER EQUALS THE AVERAGE ANNUAL EARNABLE COMPENSATION OF THE MEMBER FOR:

(I) THE 5 YEARS OF EMPLOYMENT AS A MEMBER DURING WHICH THE MEMBER'S EARNABLE COMPENSATION WAS HIGHEST, IF THE MEMBER WAS EMPLOYED AT LEAST 3 YEARS AS A MEMBER; OR

(II) THE MEMBER'S TOTAL PERIOD OF EMPLOYMENT, IF THE MEMBER WAS EMPLOYED LESS THAN 5 YEARS AS A MEMBER.

(3) (I) EXCEPT FOR A SALARY INCREASE BECAUSE OF A MEMBER'S PROMOTION, THE MEMBER'S AVERAGE FINAL COMPENSATION DOES NOT INCLUDE A SALARY INCREASE IN THE LAST 5 YEARS OF EMPLOYMENT IF IT IS AN EXTRAORDINARY SALARY INCREASE ACCORDING TO REGULATIONS THAT THE BOARD OF TRUSTEES ADOPTS.

(II) 1. THIS SUBPARAGRAPH APPLIES ONLY TO A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM.

**2. IF A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM WHO TRANSFERRED FROM ANOTHER ACTUARIAL RETIREMENT SYSTEM IN THE STATE RETIRES AFTER LESS THAN 5 YEARS OF EMPLOYMENT AS A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM, THE EARNABLE COMPENSATION AS A MEMBER IN THE OTHER SYSTEM SHALL BE USED IN THE DETERMINATION OF AVERAGE FINAL COMPENSATION.**”;

strike beginning with “(1)” in line 15 down through “THIS” in line 16 and substitute “**THIS**”; in line 16, after “to” insert “**AN INDIVIDUAL WHO ON OR BEFORE JUNE 30, 2011, IS A MEMBER OF**”; in lines 17, 18, 19, and 20, in each instance, strike the brackets; in lines 17, 18, 19, and 20, strike “(I)”, “(II)”, “(III)”, and “(IV)”, respectively; in line 19, strike “and” and substitute “**OR**”; strike in their entirety lines 21 through 29, inclusive; in line 31, strike “TO” and substitute “**ONLY TO AN INDIVIDUAL WHO ON OR AFTER JULY 1, 2011, BECOMES A MEMBER OF**”;

and after line 31, insert:

- “(1) **THE EMPLOYEES’ PENSION SYSTEM;**
- “(2) **THE LAW ENFORCEMENT OFFICERS’ PENSION SYSTEM; OR**
- “(3) **THE TEACHERS’ PENSION SYSTEM.**”.

On page 35, strike in their entirety lines 1 through 8, inclusive.

On page 37, in line 22, strike the brackets; strike beginning with “EXCEPT” in line 22 down through “THE” in line 23; in line 28, strike “and”; in line 29, strike “on or after” and substitute “**FROM**”; in line 30, strike the period and substitute “**TO JUNE 30, 2011, BOTH INCLUSIVE; AND**”

**(4) 7% OF THE MEMBER'S EARNABLE COMPENSATION RECEIVED  
ON OR AFTER JULY 1, 2011.**

On pages 37 and 38, strike in their entirety the lines beginning with line 31 on page 37 through line 8 on page 38, inclusive.

On page 38, in line 9, strike “(E)” and substitute “(D)”.

On pages 38 through 40, strike in their entirety the lines beginning with line 12 on page 38 through line 8 on page 40, inclusive.

On page 40, in line 18, before “A” insert “(A)”.

On page 41, in line 4, strike “(E)” and substitute “(D)”;

after line 4, insert:  
**“(B) A MEMBER DESCRIBED IN § 23-225(A)(2) OF THIS SUBTITLE IS NOT  
SUBJECT TO THIS PART IV OF THIS SUBTITLE WITH RESPECT TO THE SERVICE  
CREDIT EARNED IN THE MEMBER'S PREVIOUS MEMBERSHIP.”**

in line 6, strike “(G)” and substitute “(F)”;

in line 23, after “(e),” insert “AND”; and in the same line, strike “, AND (G)”.

On pages 41 through 43, strike in their entirety the lines beginning with line 31 on page 41 through line 3 on page 43, inclusive.

On page 43, in line 4, strike “(G)” and substitute “(F)”.

On page 44, after line 21, insert:

“24-401.

(a) **(1) (I) THIS PARAGRAPH APPLIES TO AN INDIVIDUAL WHO IS A MEMBER ON OR BEFORE JUNE 30, 2011.**

**(II) A member may retire with a normal service retirement allowance if:**

**[(1)] 1. on or before the date of retirement, the member:**

**[(i)] A. has at least 22 years of eligibility service; or**

**[(ii)] B. is at least 50 years old; and**

**[(2)] 2. the member completes and submits a written application to the Board of Trustees, on the form that the Board of Trustees provides, stating the date when the member desires to retire.**

**(2) (I) THIS PARAGRAPH APPLIES TO AN INDIVIDUAL WHO BECOMES A MEMBER ON OR AFTER JULY 1, 2011.**

**(II) A MEMBER MAY RETIRE WITH A NORMAL SERVICE RETIREMENT ALLOWANCE IF:**

**1. ON OR BEFORE THE DATE OF RETIREMENT, THE MEMBER:**

**A. HAS AT LEAST 25 YEARS OF ELIGIBILITY SERVICE;**

**OR**

**B. IS AT LEAST 50 YEARS OLD; AND**

(Over)

2. THE MEMBER COMPLETES AND SUBMITS A WRITTEN APPLICATION TO THE BOARD OF TRUSTEES, ON THE FORM THAT THE BOARD OF TRUSTEES PROVIDES, STATING THE DATE WHEN THE MEMBER DESIRES TO RETIRE.”;

in line 23, after “(1)” insert “(I) THIS PARAGRAPH APPLIES TO AN INDIVIDUAL WHO IS A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM ON OR BEFORE JUNE 30, 2011.”

(II)”;

in lines 25 and 27, strike “(i)” and “(ii)”, respectively, and substitute “1.” and “2.”, respectively; in line 26, strike the brackets; strike beginning with “; AND” in line 27 down through “**2011**” in line 29; in line 30, strike “(2)” and substitute “(III)”; strike beginning with “AND” in line 31 down through “**2011**” in line 32; and after line 32, insert:

“(2) (I) THIS PARAGRAPH APPLIES TO AN INDIVIDUAL WHO BECOMES A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM ON OR AFTER JULY 1, 2011.

(II) EXCEPT FOR THE SECRETARY OF STATE POLICE, A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM IS ELIGIBLE TO PARTICIPATE IN THE DROP IF THE MEMBER:

1. HAS AT LEAST 25 YEARS AND NOT LESS THAN 29 YEARS OF ELIGIBILITY SERVICE; AND

2. IS LESS THAN 60 YEARS OLD.

**(III) THE SECRETARY OF STATE POLICE IS ELIGIBLE TO PARTICIPATE IN THE DROP IF THE SECRETARY HAS AT LEAST 25 YEARS OF ELIGIBILITY SERVICE.**

(d) An eligible member may elect to participate in the DROP for a period not to exceed the lesser of:

(1) 4 years;

(2) (I) the difference between 28 years and the member's eligibility service as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System, IF THE MEMBER IS A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM ON OR BEFORE JUNE 30, 2011; OR

(II) THE DIFFERENCE BETWEEN 29 YEARS AND THE MEMBER'S ELIGIBILITY SERVICE AS OF THE DATE OF THE MEMBER'S ELECTION TO PARTICIPATE IN THE DROP AND RETIRE FROM THE STATE POLICE RETIREMENT SYSTEM, IF THE MEMBER BECOMES A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM ON OR AFTER JULY 1, 2011;

(3) the difference between age 60 and the member's age as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System; or

(4) a term selected by the member.

(h) (2) During the period that a DROP member participates in the DROP, the Board of Trustees shall:

(i) deposit the DROP member's normal service retirement allowance in the DROP for the DROP member's benefit;

(Over)

(ii) adjust the DROP member's normal service retirement allowance each fiscal year as provided in Title 29, Subtitle 4, Part III of this article; and

(iii) accrue interest on the amounts calculated under items (i) and (ii) of this paragraph for the DROP member into the DROP at the rate of:

**1. 6% a year, compounded monthly IF THE INDIVIDUAL IS A DROP MEMBER ON OR BEFORE JUNE 30, 2011; OR**

**2. 4% A YEAR, COMPOUNDED ANNUALLY, IF THE INDIVIDUAL BECOMES A DROP MEMBER ON OR AFTER JULY 1, 2011."**

On page 45, before line 1, insert:

"26-204.

(a) Except as provided in subsection (b) of this section, a member's contribution rate is:

**(1) 4% of the member's earnable compensation RECEIVED BEFORE JULY 1, 2011;**

**(2) 6% OF THE MEMBER'S EARNABLE COMPENSATION RECEIVED FROM JULY 1, 2011 TO JUNE 30, 2012, BOTH INCLUSIVE; AND**

**(3) 7% OF THE MEMBER'S EARNABLE COMPENSATION RECEIVED ON OR AFTER JULY 1, 2012."**

strike in their entirety lines 2 through 7, inclusive; and after line 7, insert:



“(h) (2) During the period that a DROP member participates in the DROP, the Board of Trustees shall:

(i) deposit the DROP member’s normal service retirement allowance in the DROP for the DROP member’s benefit;

(ii) adjust the DROP member’s normal service retirement allowance each fiscal year as provided in Title 29, Subtitle 4, Part VI of this article; and

(iii) accrue interest on the amounts calculated under subparagraphs (i) and (ii) of this paragraph for the DROP member into the DROP at the rate of:

1. 6% a year, compounded monthly IF THE INDIVIDUAL IS A DROP MEMBER ON OR BEFORE JUNE 30, 2011; OR

2. 4% A YEAR, COMPOUNDED ANNUALLY, IF THE INDIVIDUAL BECOMES A DROP MEMBER ON OR AFTER JULY 1, 2011.”;

in line 9, strike the brackets; in the same line, strike “SUBSECTIONS”; in the same line, strike “AND (C)”; in line 10, after “is” insert “:

(1)”;

in the same line, after “compensation” insert “RECEIVED BEFORE JULY 1, 2011; AND

(2) 8% OF THE MEMBER’S EARNABLE COMPENSATION RECEIVED ON OR AFTER JULY 1, 2011”;

(Over)

strike beginning with “**THE**” in line 11 down through “**(C)**” in line 14; after line 15, insert:

“29–302.

(a) This section applies only to members of:

(1) the Correctional Officers’ Retirement System;

(2) the Employees’ Retirement System;

(3) the State Police Retirement System; and

(4) the Teachers’ Retirement System.

(b) (1) **THIS SUBSECTION APPLIES TO AN INDIVIDUAL WHO IS A MEMBER ON OR BEFORE JUNE 30, 2011.**

(2) A member may elect to receive a vested allowance if:

(i) the member is separated from employment other than by death or retirement; and

(ii) subject to paragraph [(2)] (3) of this subsection, the member has at least 5 years of eligibility service.

[(2)] (3) A former member of the State Police Retirement System who separated from employment on or before June 30, 1989, must have at least 15 years of eligibility service to elect a vested allowance.

~~[(3)]~~ (4) A member is deemed to have elected a vested allowance, unless the member requests the return of the accumulated contributions before membership ends.

**(B-1) (1) THIS SUBSECTION APPLIES TO AN INDIVIDUAL WHO BECOMES A MEMBER ON OR AFTER JULY 1, 2011.**

**(2) A MEMBER IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE IF:**

**(I) THE MEMBER SEPARATED FROM EMPLOYMENT OTHER THAN BY DEATH OR RETIREMENT; AND**

**(II) THE MEMBER HAS AT LEAST 10 YEARS OF ELIGIBILITY SERVICE.”;**

after line 16, insert:

“(a) This section applies only to members of:

(1) the Employees’ Pension System;

(2) the Local Fire and Police System;

(3) the Law Enforcement Officers’ Pension System; or

(4) the Teachers’ Pension System.”;

in line 17, after “(b)” insert “**(1)**”; in the same line, strike beginning with “**EXCEPT**” through “**A**” and substitute:

(Over)

**“THIS SUBSECTION APPLIES TO AN INDIVIDUAL WHO IS A MEMBER ON OR BEFORE JUNE 30, 2011.**

**(2) A**”;

in lines 19 and 21, strike “(1)” and “(2)”, respectively, and substitute “**(I)**” and “**(II)**”, respectively; and after line 21, insert:

**“(B-1) (1) THIS SUBSECTION APPLIES TO AN INDIVIDUAL WHO BECOMES A MEMBER ON OR AFTER JULY 1, 2011.**

**(2) A MEMBER IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE IF:**

**(I) THE MEMBER SEPARATED FROM EMPLOYMENT OTHER THAN BY DEATH OR RETIREMENT; AND**

**(II) THE MEMBER HAS AT LEAST 10 YEARS OF ELIGIBILITY SERVICE.”.**

On pages 45 and 46, strike in their entirety the lines beginning with line 22 on page 45 through line 27 on page 46, inclusive, and substitute:

**“29-410.**

**(a) (1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS Part III applies only to an allowance received by:**

**[(1)] (I) a former member, retiree, or surviving spouse of a member:**

- [(i)] 1. of the Correctional Officers' Retirement System;
- [(ii)] 2. of the Employees' Retirement System or the Teachers' Retirement System who elected Selection A (Additional member contributions);
- [(iii)] 3. of the State Police Retirement System;
- [(iv)] 4. who transferred to the Local Fire and Police System from the Employees' Retirement System; or
- [(v)] 5. who transferred to the Law Enforcement Officers' Pension System from the Employees' Retirement System and had elected Selection A (Additional member contributions); or

[(2)] (II) a surviving beneficiary of a deceased former member or retiree described in item [(1)](I) of this [subsection] PARAGRAPH.

**(2) THIS PART III APPLIES ONLY TO AN ALLOWANCE BASED ON CREDITABLE SERVICE EARNED BEFORE JULY 1, 2011, FOR A FORMER MEMBER, RETIREE, SURVIVING SPOUSE OF A MEMBER, OR A SURVIVING BENEFICIARY OF A DECEASED FORMER MEMBER OR RETIREE:**

**(I) OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; OR**

**(II) OF THE STATE POLICE RETIREMENT SYSTEM.**

(b) This Part III does not apply to:

- (1) benefits paid in a single payment;

(Over)

- (2) the return of accumulated contributions; or
- (3) benefits attributable to additional contributions.

29-425.

(a) This Part VI of this subtitle applies:

(1) on or after July 1, 1998 only to an allowance **BASED ON CREDITABLE SERVICE EARNED BEFORE JULY 1, 2011, AND** received by a former member, retiree, or surviving beneficiary of a deceased member, former member, or retiree of the Employees' Pension System or the Teachers' Pension System; and

(2) on or after December 31, 2000, to an allowance **BASED ON CREDITABLE SERVICE EARNED BEFORE JULY 1, 2011, AND** received by a former member, retiree, or surviving beneficiary of a deceased member, former member, or retiree of the Law Enforcement Officers' Pension System.

(b) This Part VI of this subtitle does not apply if:

(1) the member, former member, or retiree was an employee of:

(i) a participating governmental unit that has not elected the contributory pension benefit or the Alternate Contributory Pension Selection of its employees under § 31-116 of this article; or

(ii) a former participating governmental unit, other than Frederick County, that has withdrawn before July 1, 1998, while a member; or

(2) the member, former member, or retiree:

(i) transferred to the Law Enforcement Officers' Pension System from the Employees' Retirement System; and

(ii) did not elect to participate in the Law Enforcement Officers' Modified Pension Benefit on or before December 31, 2000 as provided in § 26–211 of this article.”.

On page 48, in line 1, after “(C)” insert “**(1)**”; in the same line, strike “**THE**” and substitute “**EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE**”; in lines 3, 5, and 7, strike “**(1)**”, “**(2)**”, and “**(3)**”, respectively, and substitute “**(I)**”, “**(II)**”, and “**(III)**”, respectively; and after line 7, insert:

**“(2) (I) IN THIS PARAGRAPH, “ZERO-ADJUSTMENT FISCAL YEAR” MEANS ANY FISCAL YEAR WHEN THE ALLOWANCE ADJUSTED AS PROVIDED IN SUBSECTION (A) OF THIS SECTION IS LESS THAN THE ALLOWANCE PAID FOR THE PRECEDING FISCAL YEAR.**

**(II) FOR ANY FISCAL YEAR, THE ALLOWANCE PAYABLE MAY NOT BE LESS THAN THE ALLOWANCE PAID FOR THE PRECEDING FISCAL YEAR.**

**(III) 1. THIS SUBPARAGRAPH APPLIES ONLY TO A FISCAL YEAR THAT IS NOT A ZERO-ADJUSTMENT FISCAL YEAR.**

**2. SUBJECT TO SUBSUBPARAGRAPH 3 OF THIS SUBPARAGRAPH:**

**A. FOR A FISCAL YEAR THAT FOLLOWS IMMEDIATELY AFTER A ZERO-ADJUSTMENT FISCAL YEAR, THE ALLOWANCE PAYABLE AS PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REDUCED BY THE DIFFERENCE BETWEEN THE ALLOWANCE PAID IN THE PRECEDING FISCAL YEAR**

AND THE ALLOWANCE THAT WOULD HAVE BEEN PAYABLE FOR THE PRECEDING FISCAL YEAR IF THE ALLOWANCE FOR THAT FISCAL YEAR HAD BEEN CALCULATED WITHOUT REGARD TO SUBPARAGRAPH (II) OF THIS PARAGRAPH; AND

B. FOR A FISCAL YEAR THAT FOLLOWS IMMEDIATELY AFTER 2 OR MORE CONSECUTIVE ZERO-ADJUSTMENT FISCAL YEARS, THE ALLOWANCE PAYABLE AS PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REDUCED BY THE DIFFERENCE BETWEEN THE TOTAL OF THE ALLOWANCES PAID IN EACH CONSECUTIVE ZERO-ADJUSTMENT FISCAL YEAR PRECEDING THE FISCAL YEAR AND THE TOTAL ALLOWANCES THAT WOULD HAVE BEEN PAYABLE FOR EACH OF THOSE FISCAL YEARS IF THE ALLOWANCE FOR EACH OF THOSE FISCAL YEARS HAD BEEN CALCULATED WITHOUT REGARD TO SUBPARAGRAPH (II) OF THIS PARAGRAPH.

3. IF THE AMOUNT OF THE REDUCTION REQUIRED FOR ANY FISCAL YEAR UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH EXCEEDS THE DIFFERENCE BETWEEN THE ALLOWANCE AS PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION FOR THE FISCAL YEAR AND THE ALLOWANCE PAID IN THE PRECEDING FISCAL YEAR, THE EXCESS SHALL BE DEDUCTED IN FUTURE YEARS, SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, UNTIL THE DIFFERENCE IS FULLY RECOVERED.

29-433. RESERVED.

29-434. RESERVED.

PART VIII. THREE/ONE PERCENT COMPOUND COMBINATION ADJUSTMENT



29-435.

**(A) THIS PART VIII APPLIES ONLY TO AN ALLOWANCE BASED ON CREDITABLE SERVICE EARNED ON OR AFTER JULY 1, 2011, FOR:**

**(1) A FORMER MEMBER, RETIREE, OR SURVIVING SPOUSE OF A MEMBER OF:**

**(I) THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM;**

**(II) THE EMPLOYEES' PENSION SYSTEM;**

**(III) THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM;**

**(IV) THE STATE POLICE RETIREMENT SYSTEM; OR**

**(V) THE TEACHERS' PENSION SYSTEM; OR**

**(2) A BENEFICIARY OF THE RETIREE OR FORMER MEMBER DESCRIBED IN ITEM (1) OF THIS SUBSECTION.**

**(B) THIS PART VIII OF THIS SUBTITLE DOES NOT APPLY IF:**

**(1) THE MEMBER, FORMER MEMBER, OR RETIREE WAS:**

**(I) SUBJECT TO THE REFORMED CONTRIBUTORY PENSION BENEFIT;**

(Over)

(II) AN EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT THAT HAS NOT ELECTED THE CONTRIBUTORY PENSION BENEFIT OR THE ALTERNATE CONTRIBUTORY PENSION SELECTION OF ITS EMPLOYEES UNDER § 31-116 OF THIS ARTICLE; OR

(III) AN EMPLOYEE OF A FORMER PARTICIPATING GOVERNMENTAL UNIT, OTHER THAN FREDERICK COUNTY, THAT HAS WITHDRAWN BEFORE JULY 1, 1998, WHILE A MEMBER; OR

(2) THE MEMBER, FORMER MEMBER, OR RETIREE:

(I) TRANSFERRED TO THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM FROM THE EMPLOYEES' RETIREMENT SYSTEM; AND

(II) DID NOT ELECT TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT ON OR BEFORE DECEMBER 31, 2000, AS PROVIDED IN § 26-211 OF THIS ARTICLE.

29-436.

EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS SECTION, THE BOARD OF TRUSTEES SHALL ADJUST AN ALLOWANCE DESCRIBED IN § 29-435 OF THIS SUBTITLE:

(1) FOR CREDITABLE SERVICE EARNED BEFORE JULY 1, 2011, AS PROVIDED BY PART VI OF THIS SUBTITLE; AND

(2) FOR CREDITABLE SERVICE ON OR AFTER JULY 1, 2011, AS PROVIDED BY PART VII OF THIS SUBTITLE.”;

in line 9, after “(A)” insert “**(1)**”; in the same line, strike “THIS” and substitute “**EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS**”; after line 11, insert:

**“(2) THIS SECTION DOES NOT APPLY TO AN INDIVIDUAL WHO BECOMES AN EMPLOYEE OF:**

**(I) A PARTICIPATING GOVERNMENTAL UNIT THAT ON JULY 1, 2011, IS PARTICIPATING IN THE EMPLOYEES’ PENSION SYSTEM AND HAS NOT ELECTED TO PARTICIPATE IN THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER § 31-116.1 OF THIS ARTICLE; OR**

**(II) A FORMER PARTICIPATING GOVERNMENTAL UNIT, OTHER THAN FREDERICK COUNTY, THAT HAS WITHDRAWN FROM THE EMPLOYEES’ PENSION SYSTEM ON OR BEFORE JUNE 30, 2011.”;**

and after line 24, insert:

“37-101.

(j) (1) “Noncontributory system” means a State or local retirement or pension system under which member contributions are not deducted from all compensation.

(2) “Noncontributory system” includes the part of the Employees’ Pension System of the State of Maryland and the part of the Teachers’ Pension System of the State of Maryland that does not provide a contributory pension benefit under Title 23, Subtitle 2, Part II of this article or the Alternate Contributory Pension Selection under Title 23, Subtitle 2, Part III of this article OR THE REFORMED CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART IV OF THIS ARTICLE.

(Over)

(R-1) “STATE REFORMED CONTRIBUTORY EMPLOYEES’ PENSION SYSTEM” MEANS THE PART OF THE EMPLOYEES’ PENSION SYSTEM OF THE STATE OF MARYLAND THAT PROVIDES THE REFORMED CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART IV OF THIS ARTICLE.

(R-2) “STATE REFORMED CONTRIBUTORY TEACHERS’ PENSION SYSTEM” MEANS THE PART OF THE TEACHERS’ PENSION SYSTEM OF THE STATE OF MARYLAND THAT PROVIDES THE REFORMED CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23, SUBTITLE 2, PART IV OF THIS ARTICLE.

37-203.

(a) This section does not apply to a transfer of service credit to or from the State Alternate Contributory Employees’ Pension System, the State Alternate Contributory Teachers’ Pension System, the State Contributory Employees’ Pension System, the State Contributory Law Enforcement Officers’ Pension System, [or] the State Contributory Teachers’ Pension System, THE STATE REFORMED CONTRIBUTORY EMPLOYEES’ PENSION SYSTEM, OR THE STATE REFORMED CONTRIBUTORY TEACHERS’ PENSION SYSTEM.

37-203.1.

(a) (1) An individual may transfer service credit from a contributory system to the State Alternate Contributory Employees’ Pension System, the State Alternate Contributory Teachers’ Pension System, the State Contributory Employees’ Pension System, the State Contributory Law Enforcement Officers’ Pension System, [or] the State Contributory Teachers’ Pension System, THE STATE REFORMED CONTRIBUTORY EMPLOYEES’ PENSION SYSTEM, OR THE STATE REFORMED CONTRIBUTORY TEACHERS’ PENSION SYSTEM if, within 1 year after becoming a member of the pension system, the individual:

(i) completes a claim for the service credit and files it with the Board of Trustees of the State Retirement and Pension System on a form that the Board of Trustees provides; and

(ii) deposits in the annuity savings fund of:

1. the Employees' Pension System or Teachers' Pension System member contributions at the rate applicable for the period of service if the member had earned the transferred service credit in the new system, including regular interest on the contributions at the rate of 5% per year compounded annually; or

2. the Law Enforcement Officers' Pension System member contributions at the rate of 4% of the individual's earnable compensation while a member of the contributory system after June 30, 2000, including regular interest on the contributions at the rate of 5% per year compounded annually.

(2) Subject to § 414(h) of the Internal Revenue Code, the contributory system shall refund the individual's accumulated contributions in excess of the amount determined under paragraph (1) of this subsection on request.

(b) (1) Subject to paragraph (2) of this subsection, an individual may transfer service credit from a noncontributory system to the State Alternate Contributory Employees' Pension System, the State Alternate Contributory Teachers' Pension System, the State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, [or] the State Contributory Teachers' Pension System, **THE STATE REFORMED CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, OR THE STATE REFORMED CONTRIBUTORY TEACHERS' PENSION SYSTEM** if, within 1 year after becoming a member of the pension system, the individual completes a claim for the service credit and files it with the Board of

Trustees for the State Retirement and Pension System on a form that the Board of Trustees provides.

(3) (i) 1. This subparagraph applies only to an individual who transferred service credit from a noncontributory system to the State Alternate Contributory Employees' Pension System, the State Alternate Contributory Teachers' Pension System, the State Contributory Employees' Pension System, [or] the State Contributory Teachers' Pension System, **THE STATE REFORMED CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, OR THE STATE REFORMED CONTRIBUTORY TEACHERS' PENSION SYSTEM** and earned any portion of the transferred service credit in a noncontributory system after June 30, 1998.

(c) (1) An individual may transfer service credit from the State Alternate Contributory Employees' Pension System, the State Alternate Contributory Teachers' Pension System, the State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, [or] the State Contributory Teachers' Pension System, **THE STATE REFORMED CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, OR THE STATE REFORMED CONTRIBUTORY TEACHERS' PENSION SYSTEM** to a noncontributory system if, within 1 year after becoming a member of the noncontributory system, the individual completes a claim for the service credit and files it with the administrator of the noncontributory system on a form that the administrator provides.

(d) (1) An individual may transfer service credit from the State Alternate Contributory Employees' Pension System, the State Alternate Contributory Teachers' Pension System, the State Contributory Employees' Pension System, the State Contributory Law Enforcement Officers' Pension System, [or] the State Contributory Teachers' Pension System, **THE STATE REFORMED CONTRIBUTORY EMPLOYEES' PENSION SYSTEM, OR THE STATE REFORMED CONTRIBUTORY TEACHERS' PENSION SYSTEM** to a contributory system if, within 1 year after becoming a member of the contributory system, the individual:

(i) completes a claim for the service credit and files it with the administrator of the contributory system on a form that the administrator provides; and

(ii) deposits in the annuity savings fund or other corresponding fund of the contributory system the sum of:

1. the total accumulated contributions to the individual's credit in the annuity savings fund of the previous system;

2. the difference, if any, between the member contributions at the rate provided for in the contributory system, including interest on those contributions, and the total accumulated contributions to the individual's credit in the annuity savings fund of the previous system; and

3. the accumulated contributions that would have been deducted during the period the individual was a member of the State system while it was a noncontributory system if the individual had earned the transferred service credit under the contributory system, including interest on those contributions.”.

On page 63, after line 9, insert:

“SECTION 25. AND BE IT FURTHER ENACTED, That, notwithstanding §§ 22–406 or 23–407 of the State Personnel and Pensions Article and except for an individual whose retirement allowance is subject to a reduction as provided under § 22–406(c)(1)(iii) and (3) or § 23–407(c)(1)(iii) and (3), the reduction of an allowance does not apply to an individual who was previously employed by the State Retirement Agency, retired, and is rehired by the State Retirement Agency for a period not to exceed 1 year to assist in the implementation of the pension option selection enacted during the 2011 session of the General Assembly. This exception to the earnings

(Over)

limitation provisions of §§ 22–406 and 23–407 shall be abrogated and of no further force and effect on June 30, 2012.”.

AMENDMENT NO. 30

On page 36, after line 8, insert:

“21–302.

(b) [The] SUBJECT TO § 21–316 OF THIS SUBTITLE, THE assets of the several systems shall be used to pay the obligations of the State specified in this section.

21–303.

(d) (1) [Each] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH year, the Board of Trustees shall transfer from the accumulation fund of each State system to the expense fund of that system the amounts required by § 21–315 of this subtitle.

(2) WITH RESPECT TO MEMBERS OTHER THAN MEMBERS WHO ARE EMPLOYEES OF A PARTICIPATING GOVERNMENTAL UNIT OR ON WHOSE BEHALF AN EMPLOYER IS REQUIRED TO MAKE CONTRIBUTIONS UNDER § 21–307 OF THIS SUBTITLE, THE ADMINISTRATIVE AND OPERATIONAL EXPENSES OF THE BOARD OF TRUSTEES AND THE STATE RETIREMENT AGENCY, NOT INCLUDING AMOUNTS AS AUTHORIZED BY THE BOARD OF TRUSTEES NECESSARY FOR INVESTMENT MANAGEMENT SERVICES, SHALL BE PAID BY PARTICIPATING EMPLOYERS AS PROVIDED IN § 21–316 OF THIS SUBTITLE AND MAY NOT BE TRANSFERRED FROM THE ACCUMULATION FUND OF EACH SYSTEM.”.

On page 37, before line 21, insert:



“21-316.

(A) IN THIS SECTION, “LOCAL EMPLOYER” MEANS A PARTICIPATING EMPLOYER OTHER THAN:

(1) THE STATE;

(2) A PARTICIPATING GOVERNMENTAL UNIT; OR

(3) AN EMPLOYER REQUIRED TO MAKE CONTRIBUTIONS UNDER § 21-307 OF THIS SUBTITLE.

(B) (1) FOR EACH FISCAL YEAR, THE STATE AND EACH LOCAL EMPLOYER SHALL PAY TO THE BOARD OF TRUSTEES THEIR PRO RATA SHARES OF THE AMOUNT ESTIMATED BY THE BOARD OF TRUSTEES UNDER § 21-315(C) OF THIS SUBTITLE TO BE NECESSARY FOR THE ADMINISTRATIVE AND OPERATIONAL EXPENSES OF THE BOARD OF TRUSTEES AND THE STATE RETIREMENT AGENCY.

(2) THE PRO RATA SHARE OF THE STATE AND OF EACH LOCAL EMPLOYER SHALL BE BASED ON THE NUMBER OF MEMBERS OF THE SEVERAL SYSTEMS EMPLOYED BY THE STATE OR LOCAL EMPLOYER COMPARED TO THE TOTAL MEMBERSHIP OF THE SEVERAL SYSTEMS WHO ARE EMPLOYED BY THE STATE OR A LOCAL EMPLOYER.

(C) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE BOARD OF TRUSTEES SHALL:

(Over)

(1) DETERMINE THE PER MEMBER CONTRIBUTION AMOUNT AND THE AMOUNTS PAYABLE BY THE STATE AND EACH LOCAL EMPLOYER UNDER THIS SECTION FOR THE NEXT FISCAL YEAR; AND

(2) CERTIFY THE PER MEMBER CONTRIBUTION AND THE AMOUNTS PAYABLE:

(I) TO THE SECRETARY OF BUDGET AND MANAGEMENT, FOR MEMBERS WHOSE COMPENSATION IS PAID BY THE STATE; AND

(II) TO EACH LOCAL EMPLOYER.

(D) (1) THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL THE AMOUNT CERTIFIED UNDER SUBSECTION (C)(2)(I) OF THIS SECTION.

(2) THE AMOUNTS PAYABLE BY THE STATE UNDER THIS SECTION WITH RESPECT TO MEMBERS EMPLOYED BY EACH STATE UNIT SHALL BE CHARGED AGAINST THE BUDGET OF THAT UNIT.

(E) (1) ON OR BEFORE OCTOBER 1, JANUARY 1, APRIL 16, AND JUNE 1 OF EACH FISCAL YEAR, EACH LOCAL EMPLOYER SHALL PAY TO THE BOARD OF TRUSTEES 25% OF THE AMOUNT CERTIFIED TO THE LOCAL EMPLOYER BY THE BOARD OF TRUSTEES UNDER SUBSECTION (C)(2)(II) OF THIS SECTION.

(2) A LOCAL EMPLOYER MAY ELECT TO HAVE THE AMOUNTS REQUIRED UNDER THIS SECTION DEDUCTED FROM STATE AID DISTRIBUTIONS UNDER THE EDUCATION ARTICLE.

(3) IF A LOCAL EMPLOYER DOES NOT PAY THE AMOUNTS REQUIRED UNDER THIS SECTION WITHIN THE TIME REQUIRED, THE LOCAL EMPLOYER IS LIABLE FOR INTEREST ON DELINQUENT AMOUNTS AT A RATE OF 4% A YEAR UNTIL PAYMENT.

(4) THE SECRETARY OF THE BOARD OF TRUSTEES MAY ALLOW A GRACE PERIOD NOT TO EXCEED 10 CALENDAR DAYS FOR PAYMENT OF THE AMOUNTS CERTIFIED UNDER THIS SECTION.

(5) ON NOTIFICATION BY THE SECRETARY OF THE BOARD OF TRUSTEES THAT A DELINQUENCY EXISTS, THE STATE COMPTROLLER IMMEDIATELY SHALL EXERCISE THE RIGHT OF SETOFF AGAINST ANY MONEY DUE OR COMING DUE TO THAT LOCAL EMPLOYER FROM THE STATE.

(F) ON RECEIPT OF PAYMENTS UNDER THIS SECTION, THE BOARD OF TRUSTEES SHALL CREDIT THESE AMOUNTS TO THE EXPENSE FUND OF THE APPROPRIATE STATE SYSTEM.”.

On page 63, after line 34, insert:

“SECTION 27. AND BE IT FURTHER ENACTED, That, notwithstanding § 21-316 of the State Personnel and Pensions Article, as enacted by this Act, or any other provision of law, on or before July 1, 2011, the Board of Trustees shall:

(1) Determine the per member contribution amount and the amounts payable by each local employer for fiscal year 2012 under § 21-316 of the State Personnel and Pensions Article; and

(2) Certify to each local employer the per member contribution and the amounts payable by the local employer.”.

(Over)

AMENDMENT NO. 31

On page 36, after line 9, insert:

“(a) (2) “[Full] PRELIMINARY funding rate” means the sum of:

(i) the aggregate normal rate that is based on the normal contribution rate calculated under subsection (c) of this section [and adjusted to incorporate legislative changes in benefits to reflect changes to the normal cost]; and

(ii) the aggregate unfunded accrued liability contribution rate that is based on the unfunded accrued liability contribution rate under subsection [(d)(1) and (2)] (D)(1)(I) AND (II)1 AND 2 AND (2) of this section.

(b) (1) [Each] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, EACH fiscal year, on behalf of the State members of each State system, the State shall pay to the appropriate accumulation fund an amount equal to or greater than the sum of the amount, if any, required to be included in the budget bill under § 3-501(c)(2)(ii) of this article and the product of multiplying:

(i) the aggregate annual earnable compensation of the State members of that State system; and

(ii) 1. for State members of the Law Enforcement Officers’ Retirement System, State Police Retirement System, and the Judges’ Retirement System, the sum of the normal contribution rate and the accrued liability contribution rate, as determined under this section;

2. for State members of the Employees’ Pension System, Employees’ Retirement System, Correctional Officers’ Retirement System, and Legislative Pension Plan, the employees’ systems contribution rate determined under subsection (e) of this section; or

3. for State members of the Teachers' Pension System and Teachers' Retirement System, the teachers' systems contribution rate determined under subsection (f) of this section.

(2) The amount determined under paragraph (1) of this subsection for each State system shall be based on an actuarial determination of the amounts that are required to preserve the integrity of the funds of the several systems using:

(i) the entry-age actuarial cost method; and

(ii) actuarial assumptions adopted by the Board of Trustees.

(3) For the purpose of making the determinations required under this section:

(i) the Employees' Retirement System, the Employees' Pension System, the Correctional Officers' Retirement System, and the Legislative Pension Plan shall be considered together as one State system; and

(ii) the Teachers' Retirement System and the Teachers' Pension System shall be considered together as one State system.

**(4) (I) THE TOTAL AMOUNT PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT BE GREATER THAN 20% OF THE AGGREGATE ANNUAL EARNABLE COMPENSATION OF ALL STATE MEMBERS.**

**(II) IF THE AMOUNT REQUIRED TO BE PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION IS GREATER THAN 20% OF THE AGGREGATE ANNUAL EARNABLE COMPENSATION OF ALL STATE MEMBERS, THE AMOUNT PAID TO THE APPROPRIATE ACCUMULATION FUND OF EACH STATE**

(Over)

SYSTEM SHALL BE REDUCED ON A PRORATED BASIS BASED ON THE TOTAL AGGREGATE ANNUAL EARNABLE COMPENSATION FOR EACH STATE SYSTEM.”;

in line 15, strike “**EXCEPT AS PROVIDED IN**” and substitute “**SUBJECT TO**”; in lines 20 and 29, in each instance, strike “full” and substitute “**PRELIMINARY**”; in line 23, strike “**EXCEPT AS PROVIDED IN**” and substitute “**SUBJECT TO**”; in line 31, after “**SYSTEMS**” insert “**UNDER PARAGRAPH (2) OR (3) OF THIS SUBSECTION**”; and in line 32, strike “**OF LEGISLATIVE CHANGES**” and substitute “**OR SAVINGS OF LEGISLATIVE CHANGES THAT RESULT IN CHANGES IN NORMAL CONTRIBUTIONS OR ACCRUED LIABILITIES AND TO AMORTIZE OVER 25 YEARS ANY CHANGES IN ACCRUED LIABILITIES OF THE EMPLOYEES’ SYSTEMS**”.

On page 37, in lines 3 and 11, in each instance, strike “**EXCEPT AS PROVIDED IN**” and substitute “**SUBJECT TO**”; in lines 8 and 17, in each instance, strike “full” and substitute “**PRELIMINARY**”; in line 19, after “**SYSTEMS**” insert “**UNDER PARAGRAPH (2) OR (3) OF THIS SUBSECTION**”; in line 20, strike “**OF LEGISLATIVE CHANGES**” and substitute “**OR SAVINGS OF LEGISLATIVE CHANGES THAT RESULT IN CHANGES IN NORMAL CONTRIBUTIONS OR ACCRUED LIABILITIES AND TO AMORTIZE OVER 25 YEARS ANY CHANGES IN ACCRUED LIABILITIES OF THE TEACHERS’ SYSTEMS**”; and after line 20, insert:

“21-308.

(a) (1) On or before December 1 of each year, the Board of Trustees shall:

(i) certify to the Governor and the Secretary of Budget and Management the rates to be used to determine the amounts to be paid by the State to the accumulation fund of each of the several systems during the next fiscal year; and

(ii) provide to the Secretary of Budget and Management a statement of the total amount to be paid to the Teachers' Retirement System and the Teachers' Pension System expressed as a percentage of the payroll of all members of those State systems.

(2) The Governor shall include in the budget bill:

(i) the total amount of the State's contribution to each State system as ascertained based on the rates certified by the Board of Trustees under paragraph (1) of this subsection;

(ii) the additional amounts as ascertained under subsection (d) of this section for the State's payment to the professional and clerical employees of the Department of Public Libraries of Montgomery County who are members of the Employees' Retirement System of Montgomery County and are excluded from membership in the Teachers' Retirement System or the Teachers' Pension System; and

(iii) any additional amount required to be in the budget bill under § 3-501(c)(2)(ii) of this article.

**(3) (1) ON OR BEFORE DECEMBER 1, 2012 AND EACH DECEMBER 1 THEREAFTER, THE BOARD OF TRUSTEES SHALL CERTIFY TO THE GOVERNOR AND THE SECRETARY OF BUDGET AND MANAGEMENT THE AMOUNT OF THE DIFFERENCE BETWEEN THE TOTAL AMOUNT OF THE STATE'S CONTRIBUTION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION AND THE AMOUNT THAT THE BOARD DETERMINES WOULD HAVE BEEN REQUIRED HAD LEGISLATION INCREASING EMPLOYEE CONTRIBUTIONS TO, AND REDUCING THE LIABILITIES OF, THE STATE RETIREMENT AND PENSION SYSTEM NOT BEEN ENACTED IN 2011.**

**(II) FOR FISCAL YEAR 2014 AND EACH FISCAL YEAR THEREAFTER, IN ADDITION TO THE AMOUNTS REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL THE LESSER OF:**

- 1. \$300,000,000; AND**
- 2. THE AMOUNT CERTIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.”.**

On page 63, in line 27, strike “\$60,000,000; and” and substitute “\$120,000,000.”; and strike in their entirety lines 28 through 34, inclusive.

**AMENDMENT NO. 32**

On page 49, strike beginning with “AS” in line 17 down through “BALANCE” in line 22.

**AMENDMENT NO. 33**

On page 51, in line 2, strike “**\$13,669,444**” and substitute “**\$16,669,444**”.

**AMENDMENT NO. 34**

On page 25, after line 5, insert:

**“3–103.**

**(h) (1) The Service [may]:**

**(I) MAY create [and establish 1 or more project reserve funds in such amounts as the Board considers appropriate] THE FOLLOWING PROJECT RESERVE FUNDS:**



1. AN EASTERN CORRECTIONAL INSTITUTION  
STEAM TURBINE CONTINGENCY FUND;

2. A DEPARTMENT OF NATURAL RESOURCES  
PROJECT CONTINGENCY FUND; AND

3. A REIMBURSABLE PROJECT CONTINGENCY  
FUND; and

(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, may  
pay into such funds:

[(i)] 1. Any moneys appropriated and made available by the  
State for the purposes of such funds;

[(ii)] 2. Any proceeds from the sale of bonds or notes, to the  
extent provided in the resolution authorizing the issuance of the bonds or notes;

[(iii)] 3. Revenues derived from a project of the Service; and

[(iv)] 4. Any other moneys which may be received by or  
otherwise made available to the Service from any other source or sources which the  
Service has designated for deposit into such funds.

(2) Moneys held in or credited to a project reserve fund established  
under this subsection shall be used solely to accomplish the purposes of this subtitle,  
as determined by the Board and, SUBJECT TO PARAGRAPH (3) OF THIS  
SUBSECTION, may be retained by the Service in [any such fund from year to year as  
determined by the Service] THE APPROPRIATE PROJECT RESERVE FUND BASED  
ON THE PROJECT FOR WHICH THE MONEY WAS APPROPRIATED.

**(3) (I) THE SERVICE MAY NOT RETAIN MORE THAN:**

**1. \$1,500,000 IN THE EASTERN CORRECTIONAL INSTITUTION TURBINE PROJECT CONTINGENCY FUND;**

**2. \$500,000 IN THE DEPARTMENT OF NATURAL RESOURCES PROJECT CONTINGENCY FUND; OR**

**3. \$1,000,000 IN THE REIMBURSABLE PROJECT CONTINGENCY FUND.**

**(II) IF THE BALANCE IN A PROJECT RESERVE FUND EXCEEDS THE LIMITS STATED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE SERVICE SHALL REVERT THE EXCESS TO THE FUND FROM WHICH THE APPROPRIATION TO THE SERVICE WAS MADE.**

**[(3)] (4) Moneys appropriated or made available to the Service by the State shall be expended in accordance with the provisions of this subtitle.”.**

**AMENDMENT NO. 35**

On page 53, after line 6, insert:

**“9-103.**

**(d) (1) The appropriate governing body shall calculate the amount of the tax credit under this section equal to a percentage of the amount of property tax imposed on the eligible assessment of the qualified property, as follows:**

**(i) [80%] 50% in each of the 1st [5] 6 taxable years following the calendar year in which the property initially becomes a qualified property;**

(ii) [70% in the 6th taxable year;

(iii) 60%] 40% in the 7th taxable year;

[(iv)] (III) [50%] 30% in the 8th taxable year;

[(v)] (IV) [40%] 20% in the 9th taxable year; and

[(vi)] (V) [30%] 10% in the 10th taxable year.

(4) For qualified property located in a focus area, the appropriate governing body shall calculate the amount of the tax credit under this section equal to [80%] 50% of the amount of property tax imposed on the eligible assessment of the qualified property for each of the 10 taxable years following the calendar year in which the property initially becomes a qualified property.

**9-255.**

**(A) IN THIS SECTION, “ELIGIBLE ASSESSMENT” AND “QUALIFIED PROPERTY” HAVE THE MEANINGS STATED IN § 9-103 OF THIS TITLE.**

**(B) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION MAY GRANT, BY LAW, A LOCAL SUPPLEMENT TO THE PROPERTY TAX CREDIT REQUIRED UNDER § 9-103 OF THIS TITLE AGAINST THE PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED PROPERTY.**

**(2) A COUNTY OR MUNICIPAL CORPORATION MAY NOT OBTAIN REIMBURSEMENT UNDER § 9-103(H) OF THIS TITLE FOR THE REVENUES THAT**

THE COUNTY OR MUNICIPAL CORPORATION WOULD HAVE COLLECTED IF IT HAD NOT GRANTED A LOCAL SUPPLEMENT AS AUTHORIZED UNDER THIS SECTION.

(C) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE LOCAL SUPPLEMENT AUTHORIZED UNDER THIS SECTION SHALL BE SUBJECT TO THE PROVISIONS OF THE PROPERTY TAX CREDIT REQUIRED UNDER § 9-103 OF THIS TITLE.

(D) (1) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (2) OF THIS PARAGRAPH, A LOCAL SUPPLEMENT AUTHORIZED UNDER THIS SECTION SHALL EQUAL A PERCENTAGE, AS SET BY THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION, OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR EACH OF NOT MORE THAN 10 TAXABLE YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

(2) FOR ANY TAXABLE YEAR, THE PERCENTAGE SET BY THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED THE PERCENTAGE THAT WHEN ADDED TO THE PERCENTAGE SPECIFIED IN § 9-103(D)(1) OF THIS TITLE FOR THAT TAXABLE YEAR EQUALS 80%.”.

On page 64, after line 32, insert:

“SECTION 33. AND BE IT FURTHER ENACTED, That §§ 9-103 and 9-255 of the Tax - Property Article as enacted by this Act shall be applicable to tax credits granted for qualified property for which a property tax credit has not been granted for any taxable year beginning before July 1, 2011.”.

AMENDMENT NO. 36

On page 53, after line 25, insert:

“5-415.

(A) IN THIS SECTION, “FIRE RESCUE SERVICE” MEANS THE MARYLAND AVIATION ADMINISTRATION FIRE RESCUE SERVICE.

(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE FIRE RESCUE SERVICE SHALL CHARGE AN AMBULANCE TRANSPORT FEE AS PROVIDED IN SUBSECTION (D) OF THIS SECTION TO AN INDIVIDUAL IF THE FIRE RESCUE SERVICE TRANSPORTS THE INDIVIDUAL TO A HOSPITAL FROM PROPERTY OWNED BY THE ADMINISTRATION OR PROPERTY SUBJECT TO A MUTUAL AID AGREEMENT TO WHICH THE ADMINISTRATION IS A PARTY.

(C) (1) THE FIRE RESCUE SERVICE MAY NOT:

(I) QUESTION AN INDIVIDUAL ABOUT ABILITY TO PAY THE AMBULANCE TRANSPORT FEE AT THE TIME THAT AMBULANCE TRANSPORTATION IS REQUESTED OR PROVIDED; OR

(II) FAIL TO PROVIDE AMBULANCE TRANSPORTATION AND EMERGENCY MEDICAL SERVICES BECAUSE OF AN INDIVIDUAL’S ACTUAL OR PERCEIVED INABILITY TO PAY THE AMBULANCE TRANSPORT FEE.

(2) THE ADMINISTRATION MAY PROCURE THE SERVICES OF A THIRD PARTY BILLING COMPANY TO ADMINISTER ITS AMBULANCE TRANSPORT FEE PROGRAM.

(Over)

(3) THE ADMINISTRATION MAY ADOPT REGULATIONS TO ADMINISTER THE COLLECTION OF THE AMBULANCE TRANSPORT FEE, INCLUDING REGULATIONS GOVERNING:

(I) A WAIVER OF THE AMBULANCE TRANSPORT FEE IN THE EVENT OF FINANCIAL HARDSHIP;

(II) THE ACCEPTANCE OF REDUCED PAYMENTS BY COMMERCIAL INSURERS AND OTHER THIRD-PARTY PAYORS, INCLUDING MEDICARE AND MEDICAID; AND

(III) A REQUIREMENT THAT EACH INDIVIDUAL RECEIVING AN AMBULANCE TRANSPORT PROVIDE FINANCIAL INFORMATION, INCLUDING THE INDIVIDUAL'S INSURANCE COVERAGE, AND ASSIGN INSURANCE BENEFITS TO THE ADMINISTRATION.

(D) THE AMBULANCE TRANSPORT FEE SHALL BE THE SUM OF:

(1) AN AMOUNT EQUAL TO:

(I) \$550 FOR SERVICES THAT QUALIFY AS ADVANCED LIFE SUPPORT, LEVEL 1, UNDER 42 C.F.R. 414.605;

(II) \$600 FOR SERVICES THAT QUALIFY AS ADVANCED LIFE SUPPORT, LEVEL 2, UNDER 42 C.F.R. 414.605; OR

(III) \$375 FOR SERVICES THAT QUALIFY AS BASIC LIFE SUPPORT UNDER 42 C.F.R. 414.605; AND

**(2) AN AMOUNT EQUAL TO \$13 FOR EACH MILE THE INDIVIDUAL IS TRANSPORTED BY THE FIRE RESCUE SERVICE.**

**(E) THE ADMINISTRATION SHALL DEPOSIT THE FEES COLLECTED UNDER THIS SECTION IN THE TRANSPORTATION TRUST FUND.**”.

AMENDMENT NO. 37

On page 53, before line 26, insert:

“7-208.

(b) (1) For fiscal year 2009 and each fiscal year thereafter, the Administration shall separately recover from fares and other operating revenues at least 35 percent of the total operating costs for:

(i) The Administration’s bus, light rail, and Metro subway services in the Baltimore region; and

(ii) All passenger railroad services under the Administration’s control.

(2) The Administration shall submit, in accordance with § 2-1246 of the State Government Article, an annual report to the Senate Budget and Taxation Committee, House Ways and Means Committee, and House Appropriations Committee by December 1 of each year that includes:

(i) Separate farebox recovery ratios for the prior fiscal year for:

1. Bus, light rail, and Metro subway services provided by the Administration in the Baltimore region;

(Over)

2. Commuter bus service provided under contract to the Administration in the Baltimore region; and

3. Maryland Area Rail Commuter (MARC) service provided under contract to the Administration;

(ii) A discussion of the success or failure to achieve the farebox recovery requirement established in paragraph (1) of this subsection; [and]

(iii) Comparisons of farebox recovery ratios for the Administration's mass transit services and other similar transit systems nationwide;  
AND

(IV) THE ESTIMATED FARE PRICES NECESSARY TO ACHIEVE THE FAREBOX RECOVERY REQUIREMENT ESTABLISHED IN PARAGRAPH (1) OF THIS SUBSECTION FOR THE NEXT FISCAL YEAR.

(B-1) SUBJECT TO § 7-506 OF THIS TITLE, THE ADMINISTRATION SHALL SET THE FARE PRICES FOR BUS, LIGHT RAIL, AND METRO SUBWAY SERVICES IN THE BALTIMORE REGION AND FOR PASSENGER RAILROAD SERVICES UNDER THE ADMINISTRATION'S CONTROL AT AN AMOUNT SUFFICIENT TO ACHIEVE THE FAREBOX RECOVERY REQUIREMENT ESTABLISHED IN SUBSECTION (B) OF THIS SECTION."

AMENDMENT NO. 38

On page 54, before line 18, insert:

"12-120.

(a) In this section[, "miscellaneous]:



(1) “MISCELLANEOUS fees” means all fees collected by the Administration under this article other than:

[(1)] (I) The vehicle titling tax;

(II) THE CERTIFICATE OF TITLE FEE UNDER § 13-802 OF THIS ARTICLE; and

[(2)] (III) Vehicle registration fees under Part II of Title 13, Subtitle 9 of this article; AND

(2) “MISCELLANEOUS FEES” INCLUDES THE FEE CHARGED UNDER § 23-205 OF THIS ARTICLE FOR VEHICLE EMISSIONS INSPECTION.

(b) Except as provided in this section, the Administration may not alter the miscellaneous fees that the Administration is authorized under this article to establish.

(c) (1) Subject to the limitations under subsection (d) of this section, before the start of any fiscal year the Administration by regulation may alter, effective beginning in the upcoming fiscal year, the levels of the miscellaneous fees that the Administration is authorized under this article to establish.

(2) The Administration shall alter the levels of miscellaneous fees for the upcoming fiscal year if the projected cost recovery under subsection (d) of this section exceeds [100%] 75%.

(d) The Administration shall set the levels of miscellaneous fees so that the total amount of projected revenues from all miscellaneous fees for the upcoming fiscal year is at least [95] 70 percent but does not exceed [100] 75 percent of the sum of:

(Over)

(1) The operating budget of the Administration for that fiscal year, INCLUDING THE COSTS OF ADMINISTERING THE VEHICLE EMISSIONS INSPECTION PROGRAM, as approved by the General Assembly in the annual State budget;

(2) The average annual capital program of the Administration as reported in the 6-year Consolidated Transportation Program described in § 2-103.1 of this article; and

(3) The Administration's portion of the cost for that fiscal year of the Department's data center operations, except for the cost of data center operations attributable to other administrations' activities.

(e) (1) The Administration may not alter miscellaneous fees more than once in any fiscal year.

(2) The Administration need not reduce fees for the upcoming fiscal year if legislative budget modifications cause the projected cost recovery percentage to exceed [100] 75 percent.

(3) The level of a miscellaneous fee set by the Administration remains in effect until again altered by the Administration as provided under this section."

On page 56, before line 4, insert:

"13-613.

(b) In addition to the annual registration fee otherwise required by this title, the applicant shall pay an additional annual fee of [\$25] \$50, payable with the original and each renewal application for special registration under this section.

13-802.

Except as provided in § 13–805 of this subtitle, the fee for each certificate of title issued under this title is ~~[\$50]~~ \$100.”;

and before line 11, insert:

“23–205.

(a) [(1)] [Subject to paragraph (2) of this subsection, the] THE Administration and the Secretary shall set the fee to be charged for each vehicle to be inspected and tested by a facility.

[(2) The fee established under this subsection:

(i) During the period from January 1, 1995 through May 31, 1997, may not exceed \$12; and

(ii) During the period after May 31, 1997, may not exceed \$14.]

(b) The fee shall be collected in a manner established by the Administration and the Secretary.

[(c) A specific portion of the fee shall be paid to or retained by the Administration to cover the cost of administration and enforcement of the emissions control program, as provided in the contract between the contractor and the State.]”.

AMENDMENT NO. 39

On pages 54 through 56, strike in their entirety the lines beginning with line 26 on page 54 through line 3 on page 56, inclusive.

On page 56, after line 3, insert:

(Over)

“13-406.2.

(A) THE ADMINISTRATION MAY NOT RENEW OR TRANSFER THE REGISTRATION OF ANY VEHICLE IF THE APPLICANT HAS NOT PAID ALL UNDISPUTED TAXES AND UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT RESPONSIBLE FOR COLLECTION.

(B) THE ADMINISTRATION SHALL COOPERATE WITH THE COMPTROLLER AND THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION TO DEVELOP PROCEDURES AND ADOPT REGULATIONS IN ACCORDANCE WITH THIS SECTION.

(C) REGULATIONS ADOPTED UNDER THIS SECTION SHALL REQUIRE:

(1) THE COMPTROLLER TO NOTIFY THE ADMINISTRATION THAT AN INDIVIDUAL HAS NOT PAID ALL UNDISPUTED TAXES; AND

(2) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION TO NOTIFY THE ADMINISTRATION THAT AN INDIVIDUAL HAS NOT PAID ALL UNDISPUTED UNEMPLOYMENT INSURANCE CONTRIBUTIONS.”.

On page 56, in line 5, after “(J)” insert “(1)”; and after line 10, insert:

“(2) THE ADMINISTRATION SHALL COOPERATE WITH THE COMPTROLLER AND THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION TO DEVELOP PROCEDURES AND ADOPT REGULATIONS IN ACCORDANCE WITH THIS SECTION.

**(3) REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL REQUIRE:**

**(I) THE COMPTROLLER TO NOTIFY THE ADMINISTRATION THAT AN INDIVIDUAL HAS NOT PAID ALL UNDISPUTED TAXES; AND**

**(II) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION TO NOTIFY THE ADMINISTRATION THAT AN INDIVIDUAL HAS NOT PAID ALL UNDISPUTED UNEMPLOYMENT INSURANCE CONTRIBUTIONS.”**

AMENDMENT NO. 40

On page 49, after line 22, insert:

“2-614.

**(a) (1) [After] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AFTER making the distributions required under §§ 2-613 and 2-613.1 of this subtitle, the Comptroller shall distribute monthly [24%] 19.5% of the remaining income tax revenue from corporations to a special fund to be distributed as provided in subsection (b) of this section.**

**(2) THE PERCENT OF THE REMAINING INCOME TAX REVENUE FROM CORPORATIONS DISTRIBUTED TO A SPECIAL FUND TO BE DISTRIBUTED AS PROVIDED IN SUBSECTION (B) OF THIS SECTION SHALL BE:**

**(I) 24% FOR THE FISCAL YEAR BEGINNING JULY 1, 2011;**

AND

**(II) 9.5% FOR THE FISCAL YEAR BEGINNING JULY 1, 2012.**

(Over)

(b) (1) (I) [From] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, FROM the special fund, the Comptroller shall distribute an amount equal to [24%] 19.5% of the cost to administer the income tax on corporations to an administrative cost account.

(II) THE PERCENT OF THE COST TO ADMINISTER THE INCOME TAX ON CORPORATIONS THAT IS DISTRIBUTED TO AN ADMINISTRATIVE COST ACCOUNT SHALL BE:

1. 24% FOR THE FISCAL YEAR BEGINNING JULY 1, 2011; AND
2. 9.5% FOR THE FISCAL YEAR BEGINNING JULY 1, 2012.

(2) After making the distribution required under paragraph (1) of this subsection, the Comptroller shall distribute the balance in the special fund to the Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund.”.

On page 51, after line 22, insert:

“[2-1302.2.

After making the distributions required under §§ 2-1301 through 2-1302.1 of this subtitle, the Comptroller shall pay into the Transportation Trust Fund established under § 3-216 of the Transportation Article:

(1) for each fiscal year beginning before July 1, 2013, 5.3% of the remaining sales and use tax revenue; and

(2) for each fiscal year beginning on or after July 1, 2013, 6.5% of the remaining sales and use tax revenue.]

2-1303.

After making the distributions required under §§ 2-1301 through [2-1302.2] 2-1302.1 of this subtitle, the Comptroller shall pay:

(1) revenues from the hotel surcharge into the Dorchester County Economic Development Fund established under § 10-130 of the Economic Development Article; and

(2) the remaining sales and use tax revenue into the General Fund of the State.”.

On page 53, after line 11, insert:

“3-215.

(b) The tax levied and imposed by this section consists of that part of the following taxes that are retained to the credit of the Department after distributions to the political subdivisions:

(1) The motor fuel tax revenue distributed under §§ 2-1103(2) and 2-1104(a)(2) of the Tax – General Article;

(2) The income tax revenue distributed under § 2-614 of the Tax – General Article;

(3) The excise tax imposed on vehicles by Part II of Title 13, Subtitle 8 of this article; and

(Over)

(4) The sales and use tax revenues distributed under [§§ 2-1302.1 and 2-1302.2] § 2-1302.1 of the Tax – General Article.

**3-217.**

**(A) BEGINNING JULY 1, 2012, FUNDS IN THE TRANSPORTATION TRUST FUND MAY NOT BE TRANSFERRED OR DIVERTED FROM THAT FUND TO THE GENERAL FUND UNLESS LEGISLATION IS ENACTED PRIOR TO THE TRANSFER OR DIVERSION THAT PROVIDES FOR REPAYMENT OF THE FUNDS TO THE TRANSPORTATION TRUST FUND WITHIN 5 YEARS AFTER THE TRANSFER OR DIVERSION.**

**(B) THIS SECTION DOES NOT APPLY TO A TRANSFER OR DIVERSION OF FUNDS UNDER § 8-403 OF THIS ARTICLE.”**

On page 54, strike in their entirety lines 1 through 17, inclusive, and substitute:

“(c) (1) Except as provided in paragraph (2) of this subsection, for each fiscal year:

(i) [19.3% of the revenue credited to the Account shall be distributed to the General Fund of the State;

(ii) [71.5%] 90.4% of the revenue credited to the Account may be used as provided in § 3-216 of this article; and

[(iii)] (II) The balance of the Account shall be used to pay the allocations of highway user revenues provided by this subtitle to the counties, municipalities, and Baltimore City.



(2) For fiscal years 2010 through [2012] 2013, the Account shall be distributed as follows:

(i) A portion to the General Fund of the State FOR FISCAL YEARS 2010 THROUGH 2012 as follows:

1. 19.5% for fiscal year 2010;
2. 23% for fiscal year 2011; and
3. [20.4%] 11.3% for fiscal year 2012;

(ii) A portion to be used as provided in § 3-216 of this article, as follows:

1. 70% for fiscal year 2010;
2. 68.5% for fiscal year 2011; [and]
3. [71.5%] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, 79.8% for fiscal year 2012; AND
4. 90% FOR FISCAL YEAR 2013; and

(iii) The balance to be used to pay the allocations of highway user revenues provided under this subtitle to the counties, municipalities, and Baltimore City.

(3) FOR FISCAL YEAR 2012, FROM THE AMOUNT ALLOCATED TO THE TRANSPORTATION TRUST FUND UNDER PARAGRAPH (2)(II)3 OF THIS SUBSECTION, \$40,000,000 SHALL BE TRANSFERRED FROM THE

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TRANSPORTATION TRUST FUND TO THE REVENUE STABILIZATION ACCOUNT  
ESTABLISHED UNDER § 7-311 OF THE STATE FINANCE AND PROCUREMENT  
ARTICLE.

8-403.

(a) Subject to §§ 3-307 and 3-308 of this article, and except as provided in subsection (b) of this section, for each fiscal year, from the total highway user revenues:

(1) An amount equal to [7.5%] 7.7% of total highway user revenues shall be distributed to Baltimore City in monthly installments;

(2) An amount shall be distributed to the counties at the times specified in § 8-407 of this subtitle, to be allocated as provided in § 8-404 of this subtitle, equal to [1.4%] 1.5% of total highway user revenues; and

(3) An amount shall be distributed to the municipalities at the times specified in § 8-407 of this subtitle, to be allocated as provided in § 8-405 of this subtitle, equal to [0.3%] 0.4% of total highway user revenues.

(b) (1) For fiscal year 2010:

(i) The amount distributed to Baltimore City under this subtitle shall equal 8.6% of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal 1.5% of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal 0.4% of total highway user revenues.

(2) For fiscal year 2011:

(i) The amount distributed to Baltimore City under this subtitle shall equal 7.9% of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal 0.5% of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal 0.1% of total highway user revenues.

(3) For fiscal year 2012:

(i) The amount distributed to Baltimore City under this subtitle shall equal 7.5% of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal [0.5%] 0.8% of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal [0.1%] 0.6% of total highway user revenues.

(4) **FOR FISCAL YEAR 2013:**

**(I) THE AMOUNT DISTRIBUTED TO BALTIMORE CITY UNDER THIS SUBTITLE SHALL EQUAL 8.1% OF TOTAL HIGHWAY USER REVENUES;**

**(II) THE AMOUNT DISTRIBUTED TO THE COUNTIES UNDER THIS SUBTITLE SHALL EQUAL 1.5% OF TOTAL HIGHWAY USER REVENUES; AND**

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(iii) THE AMOUNT DISTRIBUTED TO THE MUNICIPALITIES UNDER THIS SUBTITLE SHALL EQUAL 0.4% OF TOTAL HIGHWAY USER REVENUES.”.

On page 64, strike in their entirety lines 8 through 20, inclusive, and substitute:

“SECTION 30. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of this Act, except as otherwise provided in this section, the altered distributions of the revenues from the corporate income tax and the sales and use tax under the provisions of Title 2, Subtitles 6 and 13 of the Tax - General Article as enacted by this Act do not apply until any Consolidated Transportation Bonds that were issued by the Department of Transportation before July 1, 2011, no longer remain outstanding and unpaid. In any fiscal year for which funds are appropriated by the General Assembly to pay the amount due and payable in that fiscal year for the principal of and interest on the Department of Transportation’s Consolidated Transportation Bonds that were issued before July 1, 2011, the revenues from the corporate income tax and the sales and use tax shall be distributed as provided in Title 2, Subtitles 6 and 13 of the Tax - General Article as enacted by this Act.”;

and before line 33, insert:

“SECTION 34. AND BE IT FURTHER ENACTED, That, subject to Section 30 of this Act, the repeal of § 2-1302.2 of the Tax - General Article under this Act shall take effect July 1, 2011.”.

AMENDMENT NO. 41

On page 52, in lines 11, 12, and 14, in each instance, strike “**90%**” and substitute “**50%**”.

AMENDMENT NO. 42

On page 54, strike in their entirety lines 18 through 25, inclusive.

On pages 56 through 58, strike in their entirety the lines beginning with line 11 on page 56 through line 10 on page 58, inclusive.

On page 64, strike in their entirety lines 27 through 32, inclusive.

AMENDMENT NO. 43

On page 58, strike in their entirety lines 20 through 22, inclusive.

AMENDMENT NO. 44

On page 58, strike in their entirety lines 23 through 25, inclusive.

AMENDMENT NO. 45

On page 58, after line 10, insert:

“Chapter 288 of the Acts of 2002

SECTION 7. AND BE IT FURTHER ENACTED, That, [within the next 10 years, and] no later than June 30, [2012] 2014, the Maryland State Department of Education, in consultation with the Department of Budget and Management and the Department of Legislative Services, shall contract with a public or private entity to conduct a study of the adequacy of education funding in the State. At a minimum, the adequacy study shall: (1) identify a base funding level for students without special needs; (2) per pupil weights for students with special needs to be applied to the base funding level; and (3) an analysis of the effect of concentrations of poverty on adequacy targets. THE STUDY SHALL BE CONDUCTED IN PHASES, WITH THE FIRST PHASE BEGINNING NO LATER THAN JUNE 30, 2014, AND THE FINAL PHASE BEING COMPLETED BY DECEMBER 1, 2016. THE STUDY SHALL INCORPORATE STANDARDS FROM THE COMMON CORE CURRICULUM ADOPTED BY THE STATE BOARD OF EDUCATION AND 2 YEARS OF RESULTS FROM THE NEW COMMON

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CORE ASSESSMENTS, WHICH ARE SCHEDULED TO BE IMPLEMENTED BEGINNING IN THE 2014-2015 SCHOOL YEAR. The Governor shall include sufficient funds in the State budget for the appropriate fiscal years for the Maryland State Department of Education to cover the costs of conducting the adequacy study.”.

AMENDMENT NO. 46

On page 58, in line 31, strike “\$500,000” and substitute “\$1,000,000”.

AMENDMENT NO. 47

On page 59, in line 4, strike “\$150,000” and substitute “\$75,000”.

AMENDMENT NO. 48

On page 62, strike in their entirety lines 14 through 30, inclusive.

AMENDMENT NO. 49

On page 63, in line 2, strike the second “or” and substitute a comma; and in line 4, after “Maryland” insert “, or payments pursuant to a collective bargaining agreement negotiated with an accredited representative in accordance with § 7-601 of the Transportation Article”.

AMENDMENT NO. 50

On page 59, in line 5, after “Article” insert “; and

\$970,000 of the funds in the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund established under § 8-2A-02 of the Natural Resources Article”.

AMENDMENT NO. 51

On page 59, in line 22, after “Article” insert “;

\$35,000 of the funds in the special fund established under § 1-203.3 of the Corporations and Associations Article;

\$179,316 of the funds in the Central Collection Fund established under § 3-306 of the State Finance and Procurement Article;

\$100,000 of the funds in the Rental Housing Programs Fund established under § 4-504 of the Housing and Community Development Article;

\$30,000 of the funds in the Homeownership Programs Fund established under § 4-502 of the Housing and Community Development Article;

\$175,000 of the funds in the Board of Physicians Fund established under § 14-207 of the Health Occupations Article;

\$83,000 of the funds in the State Board of Physical Therapy Examiners Fund established under § 13-207 of the Health Occupations Article;

\$39,000 of the funds in the Maryland Health Care Commission Fund established under § 19-111 of the Health – General Article;

\$26,000 of the funds in the Board of Nursing Fund established under § 8-206 of the Health Occupations Article;

\$68,000 of the funds in the Mortgage Lender-Originator Fund established under § 11-610 of the Financial Institutions Article;

\$62,000 of the funds in the Deep Creek Lake Recreation Maintenance and Management Fund established under § 5-215 of the Natural Resources Article;

\$313,000 of the funds in the State Boat Act Fund established under § 8-723 of the Natural Resources Article;

\$68,000 of the funds in the Waterway Improvement Fund established under § 8-707 of the Natural Resources Article;

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\$325,000 of the funds in the Maryland Correctional Enterprises Revolving Fund established under § 3-507 of the Correctional Services Article;

\$50,000 of the funds in the special fund established under § 6-204 of the Agriculture Article;

\$40,000 of the funds in the State Radiation Control Fund established under § 8-306 of the Environment Article;

\$40,000 of the funds in the Maryland Clean Water Fund established under § 9-320 of the Environment Article;

\$45,000 of the funds in the State Used Tire Cleanup and Recycling Fund established under § 9-273 of the Environment Article;

\$85,000 of the funds in the Maryland Clean Air Fund established under § 2-107 of the Environment Article; and

\$60,000 of the funds in the accounts of the Maryland Public Broadcasting Commission established under Title 24, Subtitle 2 of the Education Article”.

AMENDMENT NO. 52

On page 61, in line 12, after “2010.” insert:

“SECTION 13. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of § 8-402 of the Transportation Article or any other provision of law, \$6,768,222 from motor vehicle registration revenues and other user fees from the Motor Vehicle Administration for fiscal year 2012 shall be deposited in the General Fund rather than in the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund or the Transportation Trust Fund, respectively.”.



AMENDMENT NO. 53

On page 59, after line 20, insert:

“\$1,500,000 of the funds in the Senior Prescription Drug Assistance Program Account of the Maryland Health Insurance Plan Fund established under § 14-504(e) of the Insurance Article;”.

AMENDMENT NO. 54

On page 62, before line 14, insert:

“SECTION 20. AND BE IT FURTHER ENACTED, That, on or before June 30, 2012, the Governor shall transfer from the Injured Workers Insurance Fund to the General Fund an amount equal to \$6,000,000 less the amount received on or before June 30, 2012, as a result of the imposition of a premium tax under § 6-101 of the Insurance Article as enacted by this Act, to reimburse the State for State personnel costs in connection with retirement and pension benefits and health care benefits for employees and retirees that are provided to employees of the Injured Workers Insurance Fund.”.

AMENDMENT NO. 55

On page 61, after line 12, insert:

“SECTION 14. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, by budget amendment the Governor may transfer from the Cigarette Restitution Fund established under § 7-317 of the State Finance and Procurement Article to Medical Care Provider Reimbursements (M00Q01.03) in the Medical Care Programs Administration up to \$444,000 in fiscal year 2012.”.

AMENDMENT NO. 56

On page 64, after line 20, insert:

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“SECTION 31. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, if the University System of Maryland, St. Mary’s College of Maryland, or Morgan State University institute a voluntary separation program under Executive Order 01.01.2010.23:

(a) The institution that institutes the program:

(1) shall provide as part of the program that the positions of the employees who separate from employment under the program be abolished; and

(2) may not recreate the positions that are abolished under the program, notwithstanding the autonomy of the institution to create positions as needed.

(b) The portion of the salaries for the positions of the employees who separate from employment under the program that have been appropriated for fiscal year 2012 from State funds shall be transferred to the General Fund of the State.”.

AMENDMENT NO. 57

On page 59, before line 21, insert:

“\$2,297,142 of the funds in the accounts of the Baltimore City Community College;”.

AMENDMENT NO. 58

On page 62, after line 30, insert:

“SECTION 21. AND BE IT FURTHER ENACTED, That, on or before June 30, 2012, the Governor shall transfer from the Maryland Automobile Insurance Fund to the General Fund an amount equal to \$4,000,000 to reimburse the State for State administrative expenses in connection with the management of retirement and

pension benefits and health care benefits for employees and retirees that are provided to employees of the Maryland Automobile Insurance Fund.”.

AMENDMENT NO. 59

On page 61, before line 13, insert:

“SECTION 15. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2012, any special fund savings realized in fiscal year 2012 from the abolition of positions in accordance with Section 48 of Chapter \_\_\_\_\_ (H.B. 70) of the Acts of the General Assembly of 2011, and any special fund savings realized in fiscal year 2012 from reductions to electricity expenditures in accordance with Section 50 of Chapter \_\_\_\_\_ (H.B. 70) of the Acts of the General Assembly of 2012, shall be transferred to the General Fund.”.

AMENDMENT NO. 60

On page 62, after line 13, insert:

“SECTION 19. AND BE IT FURTHER ENACTED, That the Maryland Insurance Administration shall:

(1) work with the Health Services Cost Review Commission and the Maryland Health Care Commission to develop a mechanism for identifying hospital rate adjustments and assessments as components to be considered in the Administration’s process for reviewing and approving premium rates for health insurance policies and contracts issued or delivered in the State by insurers, nonprofit health service plans, and health maintenance organizations;

(2) take into account in its work under item (1) of this section:

(i) the tools available to the Administration for supporting active premium rate review under laws regulating medical loss ratios;

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(ii) the requirements of Section 1003 “Ensuring That Consumers Get Value For Their Dollars” of the federal Patient Protection and Affordable Care Act, as amended by the federal Health Care and Education Reconciliation Act of 2010, and any regulations adopted or guidance issued under the Acts (“Affordable Care Act”) for annual reviews of unreasonable premium increases and State grants;

(iii) the observations relating to premium rate review and approval and interagency regulatory coordination contained in the Hilltop Institute report “Premium Rate Review of Private Health Insurers in Maryland and Opportunities for State Regulatory Coordination under Health Care Reform” issued on January 20, 2011; and

(iv) any recommendations that result from the analysis of rate review and public disclosure processes undertaken by the Administration with grant money provided under the Affordable Care Act; and

(3) report, on or before November 1, 2011, its findings and recommendations for the mechanism to be developed under item (1) of this section to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.”.

AMENDMENT NO. 61

On page 12, in line 26, strike “**DOLLARS**” and substitute “**FUNDS**”.

On page 13, in line 25, strike “16.310.” and substitute “16-310.”.

On page 58, in lines 17 and 26, strike “4.” and “7.”, respectively, and substitute “2.” and “3.”, respectively.

On page 59, in lines 6 and 23, strike “8.” and “9.”, respectively, and substitute “4.” and “5.”, respectively.

On page 60, in lines 5, 12, 19, 26, 31, and 37, strike “10.”, “11.”, “12.”, “13.”, “14.”, and “15.”, respectively, and substitute “6.”, “7.”, “8.”, “9.”, “10.”, and “11.”, respectively.

On page 61, in line 3, strike “16.” and substitute “12.”.

On page 62, in lines 31 and 36, strike “20.” and “21.”, respectively, and substitute “22.” and “23.”, respectively; strike beginning with “with” in line 33 down through “Committee” in line 34 and substitute “of nonpublic placements”; and in line 35, strike “of nonpublic placements” and substitute “with rates set by the Interagency Rates Committee”.

On page 63, in lines 5, 10, 35, and 39, strike “22.”, “23.”, “24.”, and “25.”, respectively, and substitute “24.”, “26.”, “28.”, and “29.”, respectively.

On page 64, in lines 21, 33, and 35, strike “27.”, “29.”, and “30.”, respectively, and substitute “32.”, “35.”, and “36.”, respectively.