

HOUSE BILL 87

B1

2lr0116
CF SB 152

By: **The Speaker (By Request – Administration)**

Introduced and read first time: January 18, 2012

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Budget Reconciliation and Financing Act of 2012**

3 FOR the purpose of altering or repealing certain required appropriations; altering the
4 distribution of certain revenues; altering or repealing certain funding
5 requirements; altering the authorized use of certain funds; authorizing the
6 transfer of certain funds; repealing certain requirements for a certain notice
7 relating to abandoned property to be published in certain newspapers; requiring
8 the Comptroller to maintain, or cause to be maintained, an abandoned property
9 database containing the names and last known addresses, if any, of persons
10 listed in certain reports; requiring the Comptroller to maintain, or cause to be
11 maintained, a certain Internet Web site relating to the abandoned property
12 database; requiring the Comptroller to publish certain notices of a certain
13 Internet Web site; altering certain categories required to be included in certain
14 annual budgets of county boards of education; prohibiting a county council or
15 board of county commissioners from reducing a certain budget amount for a
16 county board of education; authorizing the State to deduct a certain amount
17 under certain circumstances from certain State funds that would otherwise be
18 paid to certain county boards of education; providing a certain exception to a
19 certain requirement that certain money is to be included in the budget bill;
20 altering certain State education funding for certain fiscal years; altering certain
21 fees; establishing the Developmental Disabilities Trust Fund as a special fund
22 to be used for certain purposes; providing for a certain assessment on certain
23 day care centers; repealing a requirement for a certain payment to certain
24 nursing facilities under certain circumstances; altering a certain authority for
25 the Health Services Cost Review Commission to adopt certain regulations under
26 certain circumstances; requiring a certain nonprofit health service plan to
27 provide a certain subsidy; altering the percentage of the amount that may be
28 assessed in the aggregate on certain nursing facilities; altering certain
29 commissions for certain licensed agents; requiring counties to pay a certain
30 portion of certain employer contributions for certain members of the Teachers'
31 Retirement System or the Teachers' Pension System; requiring the Board of

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Trustees for the State Retirement and Pension System to establish a certain
2 local contribution rate in a certain manner for certain fiscal years; providing for
3 the manner of payment by certain counties for certain employer contributions;
4 requiring certain counties to make certain payments of certain employer
5 contributions in certain fiscal years; requiring the Comptroller to exercise the
6 right of setoff against any money due or becoming due under certain
7 circumstances; altering the time period during which a certain education index
8 adjustment is to be updated; altering certain criteria and methodology to be
9 used in updating a certain education index adjustment; altering a certain
10 exemption from certain income taxes for certain individuals and married
11 couples under certain circumstances; altering a certain reduction for a certain
12 individual who elects to itemize certain deductions under certain circumstances;
13 providing that the sales and use tax applies to the sale or use of certain digital
14 products; providing that for purposes of certain provisions of the sales and use
15 tax law certain persons shall be presumed under certain circumstances to have
16 an agent, canvasser, representative, salesman, independent contractor, or
17 solicitor operating in the State for certain purposes; providing that a certain
18 presumption may be rebutted by certain proof; altering a certain tax rate for
19 certain tobacco products; providing that, for purposes of the recordation tax,
20 secured debt with respect to certain mortgages, deeds of trust, and other
21 security interests in real property securing a guarantee of repayment of a loan
22 for a certain amount is deemed to be incurred as debt is incurred on the
23 guaranteed loan and, with respect to those mortgages, deeds of trust, and other
24 security interests, the recordation tax applies in a certain manner; repealing a
25 certain exemption to the sales and use tax for precious metal bullion or coins;
26 repealing a certain exemption to the sales and use tax for certain sales of
27 manufactured homes; repealing a certain exemption to the sales and use tax for
28 certain sales in the form of a demurrage charge; repealing certain credits
29 allowed against certain taxes for the purchase of Maryland-mined coal;
30 repealing a certain modification for purposes of determining Maryland taxable
31 income for certain public utilities; repealing a certain credit against the State
32 income tax for certain public utilities; repealing certain provisions relating to
33 payment of overpayment of retirement contributions for certain members of the
34 Teachers' Retirement System or the Teachers' Pension System; requiring the
35 Health Services Cost Review Commission to approve certain remittances to
36 support the general operations of the Medicaid program; authorizing a certain
37 reduction to the remittances; defining certain terms; altering certain
38 definitions; providing for the application and construction of certain provisions
39 of this Act; making the provisions of this Act severable; and generally relating
40 to the financing of State government.

41 BY repealing

42 Article – Commercial Law

43 Section 17–311(a), (b), and (c)

44 Annotated Code of Maryland

45 (2005 Replacement Volume and 2011 Supplement)

- 1 BY adding to
2 Article – Commercial Law
3 Section 17–311(a), (b), and (c)
4 Annotated Code of Maryland
5 (2005 Replacement Volume and 2011 Supplement)
- 6 BY repealing and reenacting, with amendments,
7 Article – Economic Development
8 Section 10–523(3)(i)
9 Annotated Code of Maryland
10 (2008 Volume and 2011 Supplement)
- 11 BY repealing and reenacting, with amendments,
12 Article – Education
13 Section 5–101(b)(4), 5–103(c), 5–206(f)(2), 16–305(c)(1)(i), 16–512(a)(1), and
14 17–104(a)(1)
15 Annotated Code of Maryland
16 (2008 Replacement Volume and 2011 Supplement)
- 17 BY adding to
18 Article – Education
19 Section 5–202(j), 16–305(c)(1)(iv), 16–512(a)(4), and 17–104(a)(3)
20 Annotated Code of Maryland
21 (2008 Replacement Volume and 2011 Supplement)
- 22 BY repealing and reenacting, with amendments,
23 Article – Environment
24 Section 7–604(b) and (h) and 9–1707(f)(6)
25 Annotated Code of Maryland
26 (2007 Replacement Volume and 2011 Supplement)
- 27 BY repealing and reenacting, without amendments,
28 Article – Environment
29 Section 9–1707(f)(1)
30 Annotated Code of Maryland
31 (2007 Replacement Volume and 2011 Supplement)
- 32 BY adding to
33 Article – Financial Institutions
34 Section 13–1114(g)(3)(iv)
35 Annotated Code of Maryland
36 (2011 Replacement Volume and 2011 Supplement)
- 37 BY repealing and reenacting, with amendments,
38 Article – Health – General
39 Section 4–217(c)(1), 15–117(b) and (c), 19–214(b) and (c), and 19–310.1(b)(2)
40 Annotated Code of Maryland

- 1 (2009 Replacement Volume and 2011 Supplement)
- 2 BY adding to
3 Article – Health – General
4 Section 7–207, 14–207, and 14–305
5 Annotated Code of Maryland
6 (2009 Replacement Volume and 2011 Supplement)
- 7 BY repealing and reenacting, with amendments,
8 Article – Insurance
9 Section 14–106(d), 14–106.1, and 14–504(e)
10 Annotated Code of Maryland
11 (2011 Replacement Volume)
- 12 BY repealing and reenacting, with amendments,
13 Article – State Government
14 Section 9–117(a)(1), 9–1604(b)(1)(vi), and 12–203
15 Annotated Code of Maryland
16 (2009 Replacement Volume and 2011 Supplement)
- 17 BY repealing and reenacting, with amendments,
18 Article – State Personnel and Pensions
19 Section 21–304(a) and (b)
20 Annotated Code of Maryland
21 (2009 Replacement Volume and 2011 Supplement)
- 22 BY adding to
23 Article – State Personnel and Pensions
24 Section 21–309.1
25 Annotated Code of Maryland
26 (2009 Replacement Volume and 2011 Supplement)
- 27 BY repealing
28 Article – Tax – General
29 Section 2–608(c), (d), (e), and (f), 8–406(b), 10–306(c), 10–704.1, 10–708, 11–202,
30 11–213, and 11–214.1
31 Annotated Code of Maryland
32 (2010 Replacement Volume and 2011 Supplement)
- 33 BY repealing and reenacting, with amendments,
34 Article – Transportation
35 Section 12–118(e)(2)
36 Annotated Code of Maryland
37 (2009 Replacement Volume and 2011 Supplement)
38 (As enacted by Chapter 500 of the Acts of the General Assembly of 2009)
- 39 BY repealing and reenacting, with amendments,

1 Chapter 2 of the Acts of the General Assembly of the Special Session of 2007
2 Section 13(a)

3 BY repealing and reenacting, with amendments,
4 Chapter 397 of the Acts of the General Assembly of 2011
5 Section 11

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 2–1104(b), 10–211(b), 10–218(b), 11–101, 11–102(a), 11–217(b),
9 11–701(b) and 12–105(b)
10 Annotated Code of Maryland
11 (2010 Replacement Volume and 2011 Supplement)

12 BY adding to
13 Article – Tax – General
14 Section 11–221(d) and 11–701.1
15 Annotated Code of Maryland
16 (2010 Replacement Volume and 2011 Supplement)

17 BY adding to
18 Article – Tax – Property
19 Section 12–105(f)(7)
20 Annotated Code of Maryland
21 (2007 Replacement Volume and 2011 Supplement)

22 BY repealing
23 Article – Education
24 Section 5–203
25 Annotated Code of Maryland
26 (2008 Replacement Volume and 2011 Supplement)

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

29 **Article – Commercial Law**

30 17–311.

31 [(a) (1) Within 365 days from the filing of the report required by § 17–310
32 of this subtitle, the Administrator shall cause notice to be published in a newspaper of
33 general circulation in the county in the State within which is located the last known
34 address of any person to be named in the notice.

35 (2) If an address is not listed or if the address is outside the State, the
36 notice shall be published in the county within which the person who held the
37 abandoned property has the principal place of business in this State.

1 (b) The published notice shall be entitled "Notice of Names of Persons
2 Appearing to Be Owners of Abandoned Property" and shall contain:

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

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

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

12 (c) The Administrator is not required to publish in the notice any item
13 valued at less than \$100 unless the Administrator considers the publication to be in
14 the public interest.]

15 **(A) IN THIS SECTION, "ABANDONED PROPERTY DATABASE" MEANS AN**
16 **ELECTRONIC DATABASE CONTAINING THE NAMES AND LAST KNOWN**
17 **ADDRESSES, IF ANY, OF PERSONS WHO APPEAR TO BE OWNERS OF ABANDONED**
18 **PROPERTY.**

19 **(B) (1) THE ADMINISTRATOR SHALL MAINTAIN, OR CAUSE TO BE**
20 **MAINTAINED, AN ABANDONED PROPERTY DATABASE.**

21 **(2) WITHIN 365 DAYS AFTER THE FILING OF A REPORT REQUIRED**
22 **BY § 17-310 OF THIS SUBTITLE, THE ADMINISTRATOR SHALL ADD TO THE**
23 **ABANDONED PROPERTY DATABASE THE NAMES AND LAST KNOWN ADDRESSES,**
24 **IF ANY, OF PERSONS LISTED IN THE REPORT.**

25 **(3) THE ADMINISTRATOR SHALL MAINTAIN, OR CAUSE TO BE**
26 **MAINTAINED, AN INTERNET WEB SITE THAT:**

27 **(I) PROVIDES REASONABLE MEANS BY WHICH A PERSON**
28 **MAY SEARCH THE ABANDONED PROPERTY DATABASE REQUIRED BY THIS**
29 **SUBSECTION;**

30 **(II) CONTAINS A STATEMENT THAT INFORMATION**
31 **CONCERNING THE AMOUNT OR DESCRIPTION OF THE PROPERTY AND THE NAME**
32 **AND ADDRESS OF THE PERSON WHO HELD THE PROPERTY MAY BE OBTAINED BY**
33 **ANY PERSON WHO POSSESSES AN INTEREST IN THE PROPERTY, BY ADDRESSING**
34 **AN INQUIRY TO THE ADMINISTRATOR;**

1 (III) CONTAINS A STATEMENT THAT A PROOF OF CLAIM MAY
2 BE PRESENTED BY THE OWNER TO THE ADMINISTRATOR; AND

3 (IV) INCLUDES A LINK TO AN ABANDONED PROPERTY CLAIM
4 FORM.

5 (C) (1) THE ADMINISTRATOR SHALL PUBLISH NOTICE OF THE
6 INTERNET WEB SITE REQUIRED BY SUBSECTION (B)(3) OF THIS SECTION.

7 (2) THE NOTICE SHALL:

8 (I) BE PUBLISHED AT LEAST ONCE EACH CALENDAR
9 QUARTER IN ONE OR MORE NEWSPAPERS OF GENERAL CIRCULATION IN EACH
10 COUNTY OF THE STATE; AND

11 (II) CONTAIN:

12 1. A STATEMENT THAT THE ADMINISTRATOR
13 MAINTAINS RECORDS OF THE NAMES AND LAST KNOWN ADDRESSES, IF ANY, OF
14 PERSONS WHO APPEAR TO BE OWNERS OF ABANDONED PROPERTY;

15 2. A STATEMENT THAT ANY PERSON MAY SEARCH
16 THE ADMINISTRATOR'S ABANDONED PROPERTY RECORDS THROUGH THE
17 ADMINISTRATOR'S INTERNET WEB SITE; AND

18 3. THE ADDRESS OF THE INTERNET WEB SITE.

19 **Article – Economic Development**

20 10–523.

21 (3) (i) To assist the Corporation in complying with subsection (c) of
22 this section, the Governor shall include each year in the State budget bill an
23 appropriation to the Corporation for rural business development and assistance as
24 follows:

25 1. for EACH OF THE fiscal [year] YEARS 2011
26 THROUGH 2014, \$2,750,000; AND

27 2. [for fiscal year 2012, \$2,750,000;

28 3. for fiscal year 2013, \$3,000,000; and

1 4.] for each of **THE** fiscal years [2014] **2015** through
2 2020, \$4,000,000.

3 **Article – Education**

4 5–101.

5 (b) The budget shall be prepared to include the following categories:

6 (4) School Construction Fund, requested appropriations:

7 (i) Land for school sites;

8 (ii) Buildings and the equipment that will be an integral part of
9 a building by project;

10 (iii) School site improvement by project;

11 (iv) Remodeling by project;

12 (v) Additional equipment by project; [and]

13 (vi) Debt service; **AND**

14 **(VII) AN AMOUNT THAT IS ADEQUATE TO SATISFY A FINAL**
15 **COURT JUDGMENT THAT, AFTER EXHAUSTION OF THE RIGHTS OF APPEAL, IS**
16 **RENDERED AGAINST THE COUNTY BOARD OF EDUCATION OR ANY OF ITS**
17 **OFFICERS OR EMPLOYEES.**

18 5–103.

19 (c) If a county council or board of county commissioners does not approve the
20 amount requested in the budget that is more than the amount required by §
21 5–202(d)(1)(i) of this title:

22 (1) The county council or board of county commissioners [shall]:

23 **(I) MAY NOT REDUCE THE AMOUNT REQUESTED IN THE**
24 **BUDGET THAT IS DEDICATED TO SATISFYING A FINAL COURT JUDGMENT; AND**

25 **(II) SHALL** indicate in writing, within 15 days after the
26 adoption of the budget, which major categories of the annual budget have been
27 reduced and the reason for the reduction; and

28 (2) The county board shall submit to the county governing body,
29 within 30 days after the adoption of the budget, a report indicating how the alterations

1 to the budget will be implemented, accompanied by reasonable supporting detail and
2 analysis.

3 5-202.

4 **(J) IF A FINAL COURT JUDGMENT REQUIRES THE STATE TO INCLUDE IN**
5 **THE BUDGET BILL MONEY TO SATISFY A JUDGMENT AGAINST THE COUNTY**
6 **BOARD OF EDUCATION, THE STATE MAY DEDUCT THAT AMOUNT FROM ANY**
7 **OTHER STATE FUNDS THAT WOULD OTHERWISE BE PAID TO THE COUNTY BOARD**
8 **OF EDUCATION UNDER THIS SUBTITLE.**

9 5-206.

10 (f) (2) [The] **IN FISCAL YEAR 2013 AND IN EACH FISCAL YEAR**
11 **THEREAFTER, THE** funding level for a county is[:

12 (i) In fiscal year 2011,] the following amounts for the following
13 counties:

- 14 1. Allegany County\$97,791;
- 15 2. Anne Arundel County\$506,038;
- 16 3. Baltimore City\$1,387,924;
- 17 4. Baltimore County\$874,227;
- 18 5. Calvert County\$38,292;
- 19 6. Caroline County\$50,074;
- 20 7. Carroll County.....\$137,261;
- 21 8. Cecil County\$96,024;
- 22 9. Charles County.....\$50,074;
- 23 10. Dorchester County\$38,292;
- 24 11. Frederick County\$182,622;
- 25 12. Garrett County\$38,292;
- 26 13. Harford County\$217,379;
- 27 14. Howard County\$87,776;

1	15.	Kent County	\$38,292;
2	16.	Montgomery County.....	\$602,651;
3	17.	Prince George's County.....	\$1,209,426;
4	18.	Queen Anne's County.....	\$50,074;
5	19.	St. Mary's County.....	\$50,074;
6	20.	Somerset County	\$38,292;
7	21.	Talbot County.....	\$38,292;
8	22.	Washington County.....	\$134,904;
9	23.	Wicomico County.....	\$106,627; and
10	24.	Worcester County.....	\$38,292]; and

11 (ii) In fiscal year 2012 and in each fiscal year thereafter, the
12 funding level for the county for the prior fiscal year].

13 16–305.

14 (c) (1) (i) The total State operating fund per full–time equivalent
15 student to the community colleges for each fiscal year **OTHER THAN FISCAL YEAR**
16 **2013**, as requested by the Governor shall be:

17 1. In fiscal year 2009, not less than an amount equal to
18 26.25% of the State's General Fund appropriation per full–time equivalent student to
19 the 4–year public institutions of higher education in the State as designated by the
20 Commission for the purpose of administering the Joseph A. Sellinger Program under
21 Title 17 of this article in the previous fiscal year;

22 2. In fiscal year 2010, not less than an amount equal to
23 23.6% of the State's General Fund appropriation per full–time equivalent student to
24 the 4–year public institutions of higher education in the State as designated by the
25 Commission for the purpose of administering the Joseph A. Sellinger Program under
26 Title 17 of this article in the same fiscal year;

27 3. In fiscal year 2011, not less than an amount equal to
28 21.8% of the State's General Fund appropriation per full–time equivalent student to
29 the 4–year public institutions of higher education in the State as designated by the
30 Commission for the purpose of administering the Joseph A. Sellinger Program under
31 Title 17 of this article in the same fiscal year;

1 4. In fiscal year 2012, not less than an amount equal to
2 20% of the State's General Fund appropriation per full-time equivalent student to the
3 4-year public institutions of higher education in the State as designated by the
4 Commission for the purpose of administering the Joseph A. Sellinger Program under
5 Title 17 of this article in the same fiscal year;

6 [5. In fiscal year 2013, not less than an amount equal to
7 19% of the State's General Fund appropriation per full-time equivalent student to the
8 4-year public institutions of higher education in the State as designated by the
9 Commission for the purpose of administering the Joseph A. Sellinger Program under
10 Title 17 of this article in the same fiscal year;]

11 [6.] 5. In EACH OF fiscal [year] YEARS 2014 THROUGH
12 2017, not less than an amount equal to [19% of the State's General Fund
13 appropriation per full-time equivalent student to the 4-year public institutions of
14 higher education in the State as designated by the Commission for the purpose of
15 administering the Joseph A. Sellinger Program under Title 17 of this article in the
16 same fiscal year] **\$1,839.43**;

17 [7. In fiscal year 2015, not less than an amount equal to
18 19.5% of the State's General Fund appropriation per full-time equivalent student to
19 the 4-year public institutions of higher education in the State as designated by the
20 Commission for the purpose of administering the Joseph A. Sellinger Program under
21 Title 17 of this article in the same fiscal year;

22 8. In fiscal year 2016, not less than an amount equal to
23 21% of the State's General Fund appropriation per full-time equivalent student to the
24 4-year public institutions of higher education in the State as designated by the
25 Commission for the purpose of administering the Joseph A. Sellinger Program under
26 Title 17 of this article in the same fiscal year;

27 9. In fiscal year 2017, not less than an amount equal to
28 22% of the State's General Fund appropriation per full-time equivalent student to the
29 4-year public institutions of higher education in the State as designated by the
30 Commission for the purpose of administering the Joseph A. Sellinger Program under
31 Title 17 of this article in the same fiscal year;

32 10.] 6. In fiscal year 2018, not less than an amount equal to
33 [23%] **19.69%** of the State's General Fund appropriation per full-time equivalent
34 student to the 4-year public institutions of higher education in the State as designated
35 by the Commission for the purpose of administering the Joseph A. Sellinger Program
36 under Title 17 of this article in the same fiscal year;

37 [11.] 7. In fiscal year 2019, not less than an amount
38 equal to [24%] **21%** of the State's General Fund appropriation per full-time

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

4 [12.] 8. In fiscal year 2020, not less than an amount
5 equal to [25%] 23% of the State’s General Fund appropriation per full-time
6 equivalent student to the 4-year public institutions of higher education in the State as
7 designated by the Commission for the purpose of administering the Joseph A.
8 Sellinger Program under Title 17 of this article in the same fiscal year;

9 [13.] 9. In fiscal year 2021, not less than an amount
10 equal to [26%] 25% of the State’s General Fund appropriation per full-time
11 equivalent student to the 4-year public institutions of higher education in the State as
12 designated by the Commission for the purpose of administering the Joseph A.
13 Sellinger Program under Title 17 of this article in the same fiscal year;

14 [14.] 10. In fiscal year 2022, not less than an amount
15 equal to [27.5%] 27% of the State’s General Fund appropriation per full-time
16 equivalent student to the 4-year public institutions of higher education in the State as
17 designated by the Commission for the purpose of administering the Joseph A.
18 Sellinger Program under Title 17 of this article in the same fiscal year; and

19 [15.] 11. In fiscal year 2023 and each fiscal year
20 thereafter, not less than an amount equal to 29% of the State’s General Fund
21 appropriation per full-time equivalent student to the 4-year public institutions of
22 higher education in the State as designated by the Commission for the purpose of
23 administering the Joseph A. Sellinger Program under Title 17 of this article in the
24 same fiscal year.

25 (IV) IN FISCAL YEAR 2013, THE TOTAL STATE OPERATING
26 FUNDS FOR COMMUNITY COLLEGES SHALL BE \$199,172,005, TO BE
27 DISTRIBUTED AS FOLLOWS:

- 28 A. ALLEGANY COLLEGE\$4,774,893;
- 29 B. ANNE ARUNDEL COMMUNITY
30 COLLEGE\$27,245,747;
- 31 C. COMMUNITY COLLEGE OF BALTIMORE
32 COUNTY\$34,411,298;
- 33 D. CARROLL COMMUNITY COLLEGE.....\$6,854,255;
- 34 E. CECIL COMMUNITY COLLEGE.....\$4,647,382;

1		F.	COLLEGE	OF	SOUTHERN	
2	MARYLAND					\$10,694,901;
3		G.	CHESAPEAKE COLLEGE			\$5,891,166;
4		H.	FREDERICK COMMUNITY COLLEGE....			\$8,150,150;
5		I.	GARRETT COLLEGE			\$2,247,232;
6		J.	HAGERSTOWN		COMMUNITY	
7	COLLEGE					\$6,967,783;
8		K.	HARFORD COMMUNITY COLLEGE.....			\$9,995,632;
9		L.	HOWARD COMMUNITY COLLEGE.....			\$12,589,715;
10		M.	MONTGOMERY COLLEGE			\$35,927,782;
11		N.	PRINCE	GEORGE'S	COMMUNITY	
12	COLLEGE					\$22,022,467; AND
13		O.	WOR-WIC COMMUNITY COLLEGE.....			\$6,751,602.

14 16-512.

15 (a) (1) The total State operating fund per full-time equivalent student
16 appropriated to Baltimore City Community College for each fiscal year **OTHER THAN**
17 **FISCAL YEAR 2013**, as requested by the Governor shall be:

18 (i) In fiscal year 2009, not less than an amount equal to 67.25%
19 of the State's General Fund appropriation per full-time equivalent student to the
20 4-year public institutions of higher education in the State as designated by the
21 Commission for the purpose of administering the Joseph A. Sellinger Program under
22 Title 17 of this article in the previous fiscal year;

23 (ii) In fiscal year 2010, not less than an amount equal to 65.1%
24 of the State's General Fund appropriation per full-time equivalent student to the
25 4-year public institutions of higher education in the State as designated by the
26 Commission for the purpose of administering the Joseph A. Sellinger Program under
27 Title 17 of this article in the same fiscal year;

28 (iii) In fiscal year 2011, not less than an amount equal to 65.5%
29 of the State's General Fund appropriation per full-time equivalent student to the
30 4-year public institutions of higher education in the State as designated by the
31 Commission for the purpose of administering the Joseph A. Sellinger Program under
32 Title 17 of this article in the same fiscal year;

1 (iv) In fiscal year 2012, not less than an amount equal to 63% of
2 the State's General Fund appropriation per full-time equivalent student to the 4-year
3 public institutions of higher education in the State as designated by the Commission
4 for the purpose of administering the Joseph A. Sellinger Program under Title 17 of
5 this article in the same fiscal year;

6 [(v) In fiscal year 2013, not less than an amount equal to 63.5%
7 of the State's General Fund appropriation per full-time equivalent student to the
8 4-year public institutions of higher education in the State as designated by the
9 Commission for the purpose of administering the Joseph A. Sellinger Program under
10 Title 17 of this article in the same fiscal year;]

11 [(vi) (V) In fiscal year 2014 **THROUGH FISCAL YEAR 2017**,
12 not less than an amount equal to [64% of the State's General Fund appropriation per
13 full-time equivalent student to the 4-year public institutions of higher education in
14 the State as designated by the Commission for the purpose of administering the
15 Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year]
16 **\$5,695.90**;

17 [(vii) In fiscal year 2015, not less than an amount equal to 64.5%
18 of the State's General Fund appropriation per full-time equivalent student to the
19 4-year public institutions of higher education in the State as designated by the
20 Commission for the purpose of administering the Joseph A. Sellinger Program under
21 Title 17 of this article in the same fiscal year;

22 (viii) In fiscal year 2016, not less than an amount equal to 64.75%
23 of the State's General Fund appropriation per full-time equivalent student to the
24 4-year public institutions of higher education in the State as designated by the
25 Commission for the purpose of administering the Joseph A. Sellinger Program under
26 Title 17 of this article in the same fiscal year;

27 (ix) In fiscal year 2017, not less than an amount equal to 65.25%
28 of the State's General Fund appropriation per full-time equivalent student to the
29 4-year public institutions of higher education in the State as designated by the
30 Commission for the purpose of administering the Joseph A. Sellinger Program under
31 Title 17 of this article in the same fiscal year;

32 (x) (VI) In fiscal year 2018, not less than an amount equal to
33 [65.75%] **59.98%** of the State's General Fund appropriation per full-time equivalent
34 student to the 4-year public institutions of higher education in the State as designated
35 by the Commission for the purpose of administering the Joseph A. Sellinger Program
36 under Title 17 of this article in the same fiscal year;

37 [(xi) (VII) In fiscal year 2019, not less than an amount equal to
38 [66.25%] **61%** of the State's General Fund appropriation per full-time equivalent

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

4 [(xii)] (VIII) In fiscal year 2020, not less than an amount equal to
5 [67%] **62.5%** of the State's General Fund appropriation per full-time equivalent
6 student to the 4-year public institutions of higher education in the State as designated
7 by the Commission for the purpose of administering the Joseph A. Sellinger Program
8 under Title 17 of this article in the same fiscal year;

9 [(xiii)] (IX) In fiscal year 2021, not less than an amount equal to
10 [67.5%] **64.5%** of the State's General Fund appropriation per full-time equivalent
11 student to the 4-year public institutions of higher education in the State as designated
12 by the Commission for the purpose of administering the Joseph A. Sellinger Program
13 under Title 17 of this article in the same fiscal year;

14 [(xiv)] (X) In fiscal year 2022, not less than an amount equal to
15 [68%] **66.5%** of the State's General Fund appropriation per full-time equivalent
16 student to the 4-year public institutions of higher education in the State as designated
17 by the Commission for the purpose of administering the Joseph A. Sellinger Program
18 under Title 17 of this article in the same fiscal year; and

19 [(xv)] (XI) In fiscal year 2023 and each fiscal year thereafter, not
20 less than an amount equal to 68.5% of the State's General Fund appropriation per
21 full-time equivalent student to the 4-year public institutions of higher education in
22 the State as designated by the Commission for the purpose of administering the
23 Joseph A. Sellinger Program under Title 17 of this article in the same fiscal year.

24 **(4) IN FISCAL YEAR 2013, THE TOTAL STATE OPERATING FUNDS**
25 **APPROPRIATED TO BALTIMORE CITY COMMUNITY COLLEGE UNDER THIS**
26 **SECTION SHALL BE \$39,867,838.**

27 17-104.

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

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

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

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

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

10 [(v) In fiscal year 2013, an amount not less than 9.7% of the
11 State's General Fund per full-time equivalent student appropriation to the 4-year
12 public institutions of higher education in this State for the same fiscal year;]

13 [(vi) (V) In fiscal year 2014 **THROUGH FISCAL YEAR 2017**, an
14 amount not less than [10% of the State's General Fund per full-time equivalent
15 student appropriation to the 4-year public institutions of higher education in this
16 State for the same fiscal year] **\$875.53**;

17 [(vii) In fiscal year 2015, an amount not less than 10.6% of the
18 State's General Fund per full-time equivalent student appropriation to the 4-year
19 public institutions of higher education in this State for the same fiscal year;

20 (viii) In fiscal year 2016, an amount not less than 11.1% of the
21 State's General Fund per full-time equivalent student appropriation to the 4-year
22 public institutions of higher education in this State for the same fiscal year;

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

26 (x) (VI) In fiscal year 2018, an amount not less than [13%]
27 **9.3%** of the State's General Fund per full-time equivalent student appropriation to
28 the 4-year public institutions of higher education in this State for the same fiscal year;

29 [(xi) (VII) In fiscal year 2019, an amount not less than [14%]
30 **11.3%** of the State's General Fund per full-time equivalent student appropriation to
31 the 4-year public institutions of higher education in this State for the same fiscal year;

32 [(xii) (VIII) In fiscal year 2020, an amount not less than [15%]
33 **13.3%** of the State's General Fund per full-time equivalent student appropriation to
34 the 4-year public institutions of higher education in this State for the same fiscal year;
35 and

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

5 **(3) IN FISCAL YEAR 2013, THE TOTAL AMOUNT OF AID DUE TO**
6 **ALL INSTITUTIONS SHALL BE \$38,445,958.**

7 **Article – Environment**

8 7–604.

9 (b) The Department shall use the Community Right-to-Know Fund for:

10 (1) The collection, management, and analysis of data received by the
11 Department from an owner or operator of a facility that is required by the federal Act
12 or any regulations adopted under the federal Act to provide information to the State
13 under § 7–602(b) of this subtitle;

14 (2) Enforcement by the State of this subtitle or the federal Act; [and]

15 (3) Planning and training functions performed by the State or local
16 instrumentalities as may be required by the federal Act including:

17 (i) Conducting:

18 1. Incident response activities;

19 2. Shelter in place and evacuation planning;

20 3. Railroad, maritime, and transportation exercises; and

21 4. Emergency response activities;

22 (ii) The collection of hazardous material commodity flow
23 information;

24 (iii) The acquisition and maintenance of chemical reference
25 materials;

26 (iv) Public outreach activities including case studies, school
27 safety, and emergency planning for citizens; and

28 (v) Participation by emergency response personnel in related
29 training conferences on local, State, and federal regulatory and compliance updates,
30 incident command, and crisis control; **AND**

1 **(4) EMERGENCY RESPONSE ACTIVITIES OF THE DEPARTMENT.**

2 (h) The Department [shall] MAY use 50% of the moneys in the Fund to
3 provide grants to local emergency planning committees.

4 9-1707.

5 (f) (1) There is a State Recycling Trust Fund.

6 (6) In accordance with the State budget, the Fund shall be used only:

7 (i) To provide grants to the counties to be used by the counties
8 to develop and implement local recycling plans;

9 (ii) To provide grants to counties that have addressed methods
10 for the separate collection and recycling of covered electronic devices in accordance
11 with § 9-1703(c)(1) of this subtitle;

12 (iii) To provide grants to municipalities to be used by the
13 municipalities to implement local covered electronic device recycling programs; and

14 (iv) To carry out the purposes of the [Office of Recycling under
15 this subtitle and under Title 6, Subtitle 9 of this article] **LAND MANAGEMENT**
16 **ADMINISTRATION.**

17 **Article – Financial Institutions**

18 13-1114.

19 (g) (3) **(IV) FOR FISCAL YEAR 2013 ONLY, AN ADDITIONAL**
20 **\$1,150,000 OF PROGRAM OPEN SPACE FUNDS TRANSFERRED TO THE**
21 **AUTHORITY MAY BE USED TO PAY OPERATING EXPENSES IN THE DEPARTMENT**
22 **OF PLANNING.**

23 **Article – Health – General**

24 4-217.

25 (c) (1) Except as otherwise provided by law:

26 (i) [The Department shall collect a \$12 fee:

27 1. For each certified or abridged copy of a death, fetal
28 death, marriage, or divorce verification certificate;

1 2. For a report that a search of the death, fetal death,
2 marriage, or divorce verification certificate files was made and the requested record is
3 not on file;

4 3. For each change to a death, fetal death, marriage, or
5 divorce verification certificate made later than one year after the certificate has been
6 registered with the Department; or

7 4. To process an adoption, foreign adoption, or
8 legitimation; and

9 (ii)] The Department shall collect a \$24 fee:

10 1. For each certified or abridged copy of a birth, **FETAL**
11 **DEATH, MARRIAGE, OR BIRTH RESULTING IN STILLBIRTH** certificate;

12 2. **FOR THE FIRST COPY OF A CERTIFIED OR**
13 **ABRIDGED DEATH CERTIFICATE ISSUED IN A SINGLE TRANSACTION;**

14 3. For a report that a search of the birth, **DEATH, FETAL**
15 **DEATH, OR MARRIAGE** certificate files was made and the requested record is not on
16 file; [or]

17 [3.] 4. For each change to a birth, **DEATH, FETAL**
18 **DEATH, OR MARRIAGE** certificate made later than 1 year after the certificate has
19 been registered with the Department; **OR**

20 5. **TO PROCESS AN ADOPTION, A FOREIGN**
21 **ADOPTION, OR A LEGITIMATION; AND**

22 (ii) **THE DEPARTMENT SHALL COLLECT A \$12 FEE:**

23 1. **FOR EACH ADDITIONAL CERTIFIED OR ABRIDGED**
24 **COPY OF A DEATH CERTIFICATE PROVIDED CONCURRENTLY WITH AN INITIAL**
25 **REQUESTED DEATH CERTIFICATE; OR**

26 2. **FOR EACH DIVORCE VERIFICATION.**

27 **7-207.**

28 **(A) IN THIS SECTION, "FUND" MEANS THE DEVELOPMENTAL**
29 **DISABILITIES TRUST FUND.**

30 **(B) THERE IS A DEVELOPMENTAL DISABILITIES TRUST FUND.**

1 **(C) THE PURPOSE OF THE FUND IS TO SUPPORT AND PROVIDE**
2 **RESOURCES TO BENEFIT INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES.**

3 **(D) THE SECRETARY SHALL ADMINISTER THE FUND.**

4 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
5 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

6 **(2) THE STATE TREASURER SHALL HOLD THE FUND**
7 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

8 **(F) THE FUND CONSISTS OF:**

9 **(1) NOTWITHSTANDING THE PROVISIONS OF § 7-302 OF THE**
10 **STATE FINANCE AND PROCUREMENT ARTICLE, ANY UNSPENT GENERAL FUNDS**
11 **APPROPRIATED IN THE COMMUNITY SERVICES PROGRAM OF THE**
12 **DEVELOPMENTAL DISABILITIES ADMINISTRATION;**

13 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**
14 **AND**

15 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**
16 **FOR THE BENEFIT OF THE FUND.**

17 **(G) THE FUND MAY BE USED ONLY FOR:**

18 **(1) PROVIDING COMMUNITY-BASED SERVICES TO INDIVIDUALS**
19 **ELIGIBLE FOR SERVICES FROM THE DEVELOPMENTAL DISABILITIES**
20 **ADMINISTRATION IN THE DEPARTMENT;**

21 **(2) PROVIDING IN-SERVICE TRAINING FOR DIRECT CARE STAFF**
22 **UNDER § 7-204 OF THIS SUBTITLE;**

23 **(3) ENHANCING SERVICES AND SERVICE COORDINATION FOR**
24 **DEVELOPMENTALLY DISABLED CLIENTS; AND**

25 **(4) PROVIDING GRANTS CONSISTENT WITH THE PURPOSE OF**
26 **THIS TITLE.**

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

1 14-207.

2 (A) THE DEPARTMENT MAY IMPOSE AN ASSESSMENT ON EACH DAY
3 CARE CENTER FOR THE ELDERLY.

4 (B) THE AMOUNT ASSESSED ON ALL DAY CARE CENTERS FOR THE
5 ELDERLY MAY NOT EXCEED 5.5% OF THE TOTAL OPERATING REVENUE FOR ALL
6 DAY CARE CENTERS FOR THE ELDERLY FOR THE PREVIOUS FISCAL QUARTER.

7 (C) ON OR BEFORE THE 60TH DAY AFTER EACH QUARTER OF THE
8 FISCAL YEAR, EACH DAY CARE CENTER FOR THE ELDERLY SHALL PAY TO THE
9 DEPARTMENT AN AMOUNT DETERMINED BY THE DEPARTMENT BASED ON AN
10 AMOUNT PER NON-MEDICARE DAY OF SERVICE PROVIDED BY THE DAY CARE
11 CENTER FOR THE ELDERLY FOR THE PREVIOUS FISCAL QUARTER.

12 (D) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT
13 THIS SECTION.

14 14-305.

15 (A) THE DEPARTMENT MAY IMPOSE AN ASSESSMENT ON EACH DAY
16 CARE CENTER FOR ADULTS.

17 (B) THE AMOUNT ASSESSED ON ALL DAY CARE CENTERS FOR ADULTS
18 MAY NOT EXCEED 5.5% OF THE TOTAL OPERATING REVENUE FOR ALL DAY CARE
19 CENTERS FOR ADULTS FOR THE PREVIOUS FISCAL QUARTER.

20 (C) ON OR BEFORE THE 60TH DAY AFTER EACH QUARTER OF THE
21 FISCAL YEAR, EACH DAY CARE CENTER FOR ADULTS SHALL PAY TO THE
22 DEPARTMENT AN AMOUNT DETERMINED BY THE DEPARTMENT BASED ON AN
23 AMOUNT PER NONMEDICARE DAY OF SERVICE PROVIDED BY THE DAY CARE
24 CENTER FOR ADULTS FOR THE PREVIOUS FISCAL QUARTER.

25 (D) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT
26 THIS SECTION.

27 15-117.

28 (b) [(1)] To ensure that a bed is reserved for a Program recipient who is
29 [absent temporarily from a nursing facility, the Program shall include the following
30 payments for nursing facilities that have made a provider agreement with the
31 Department.

1 (2) If the Program recipient is absent from a nursing facility due to
2 hospitalization for an acute condition, the facility shall receive payment for each day
3 that the Program recipient is hospitalized and a bed is reserved and made available
4 for the return of that Program recipient.

5 (3) If a Program recipient is] on leave of absence from a nursing
6 facility **THAT HAS MADE A PROVIDER AGREEMENT WITH THE DEPARTMENT**, the
7 facility shall receive payment for each day that the Program recipient is absent and a
8 bed is reserved and made available for the return of that Program recipient.

9 (c) (1) [Payments under subsection (b)(2) of this section may not be made
10 for more than 15 days for any single hospital stay.

11 (2) (i) Payments under subsection [(b)(3)] **(B)** of this section may
12 not be made for more than 18 days in any calendar year.

13 [(ii)] **(2)** Notwithstanding any rule or regulation, a leave of
14 absence is not subject to any requirement that it may not exceed a particular number
15 of days a visit, except that the leave of absence may not exceed a total of 18 days
16 during any calendar year.

17 19–214.

18 (b) The Commission may adopt regulations establishing alternative methods
19 for financing the reasonable total costs of hospital uncompensated care **AND THE**
20 **DISPROPORTIONATE SHARE HOSPITAL PAYMENT** provided that the alternative
21 methods:

22 (1) Are in the public interest;

23 (2) Will equitably distribute the reasonable costs of uncompensated
24 care **AND THE DISPROPORTIONATE SHARE HOSPITAL PAYMENT**;

25 (3) Will fairly determine the cost of reasonable uncompensated care
26 **AND THE DISPROPORTIONATE SHARE HOSPITAL PAYMENT** included in hospital
27 rates;

28 (4) Will continue incentives for hospitals to adopt fair, efficient, and
29 effective credit and collection policies; and

30 (5) Will not result in significantly increasing costs to Medicare or the
31 loss of Maryland's Medicare Waiver under § 1814(b) of the Social Security Act.

32 (c) Any funds generated through hospital rates under an alternative method
33 adopted by the Commission in accordance with subsection (b) of this section may only

1 be used to finance the delivery of hospital uncompensated care **AND THE**
 2 **DISPROPORTIONATE SHARE HOSPITAL PAYMENT.**

3 19–310.1.

4 (b) (2) The amount assessed in the aggregate on all nursing facilities may
 5 not exceed ~~[5.5%]~~ **6.0%** of the operating revenue for all nursing facilities subject to
 6 this section for the previous fiscal quarter.

7 **Article – Insurance**

8 14–106.

9 (d) (1) Notwithstanding subsection (c) of this section, a nonprofit health
 10 service plan that is subject to this section and issues comprehensive health care
 11 benefits in the State shall:

12 (i) offer health care products in the individual market;

13 (ii) offer health care products in the small employer group
 14 market in accordance with Title 15, Subtitle 12 of this article;

15 (iii) subsidize the Senior Prescription Drug Assistance Program
 16 established under Subtitle 5, Part II of this title;

17 (iv) subsidize the Kidney Disease Program under Title 13,
 18 Subtitle 3 of the Health – General Article; **[and]**

19 (v) support the costs of the Community Health Resources
 20 Commission under Title 19, Subtitle 21 of the Health – General Article, including:

21 1. operating grants to community health resources;

22 2. funding for a unified data information system;

23 3. the documented direct costs of fulfilling the statutory
 24 and regulatory duties of the Commission; and

25 4. the administrative costs of the Commission; **AND**

26 **(VI) SUBSIDIZE THE PROVISION OF MENTAL HEALTH**
 27 **SERVICES TO THE UNINSURED UNDER TITLE 10, SUBTITLE 2 OF THE HEALTH –**
 28 **GENERAL ARTICLE.**

29 14–106.1.

1 Beginning in fiscal year 2006, a nonprofit health service plan shall transfer
2 funds in the amounts provided under § 14–106(d)(2) of this subtitle to:

3 (1) the Community Health Resources Commission Fund established
4 under § 19–2201 of the Health – General Article to support the costs of the
5 Community Health Resources Commission as provided in § 14–106(d)(1)(v) of this
6 subtitle; [and]

7 (2) the Department of Health and Mental Hygiene for the Kidney
8 Disease Program under Title 13, Subtitle 3 of the Health – General Article; AND

9 **(3) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE FOR**
10 **THE PROVISION OF MENTAL HEALTH SERVICES TO THE UNINSURED UNDER**
11 **TITLE 10, SUBTITLE 2 OF THE HEALTH – GENERAL ARTICLE.**

12 14–504.

13 (e) (1) In addition to the operation and administration of the Plan, the
14 Fund shall be used:

15 **(I) for the operation and administration of the Senior**
16 **Prescription Drug Assistance Program established under Part II of this subtitle; AND**

17 **(II) TO SUPPORT THE DEPARTMENT OF HEALTH AND**
18 **MENTAL HYGIENE FOR THE PROVISION OF MENTAL HEALTH SERVICES TO THE**
19 **UNINSURED UNDER TITLE 10, SUBTITLE 2 OF THE HEALTH – GENERAL**
20 **ARTICLE.**

21 (2) The Board shall maintain separate accounts within the Fund for
22 the Senior Prescription Drug Assistance Program and the Maryland Health Insurance
23 Plan.

24 (3) Accounts within the Fund shall contain those moneys that are
25 intended to support the operation of the Program for which the account is designated.

26 Article – State Government

27 9–117.

28 (a) (1) [(i) Except as provided in subparagraph (ii) of this paragraph, a]
29 **A** licensed agent shall receive regular commissions of **[5.5%] 5.0%** of the licensed
30 agent's gross receipts from ticket sales.

31 [(ii) For fiscal years 2010 through 2012 only, a licensed agent
32 shall receive regular commissions of 5.0% of the licensed agent's gross receipts from
33 ticket sales.]

1 9–1604.

2 (b) (1) The Chief Administrative Law Judge may:

3 (vi) assess fees to cover administrative expenses as follows:

4 1. to file an appeal, a fee not exceeding:

5 A. ~~[\$125]~~ **\$150** for an appeal of a driver's license
6 suspension or revocation related to a violation of the Maryland Vehicle Law; and

7 B. \$50 for all other types of appeals; and

8 2. to process a subpoena, a fee not exceeding \$5.

9 12–203.

10 **[To] EXCEPT AS PROVIDED IN TITLE 5 OF THE EDUCATION ARTICLE, TO**
11 carry out this subtitle, the Governor shall include in the budget bill money that is
12 adequate to satisfy a final judgment that, after the exhaustion of the rights of appeal,
13 is rendered against the State or any of its officers or units.

14 **Article – State Personnel and Pensions**

15 21–304.

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

17 **(2) “AGGREGATE ANNUAL EARNABLE COMPENSATION” MEANS AN**
18 **AMOUNT BASED ON THE AGGREGATE ANNUAL SALARY PAYABLE TO LOCAL**
19 **EMPLOYEES, CALCULATED AS OF JUNE 30 OF THE SECOND PRIOR FISCAL YEAR**
20 **BEFORE THE FISCAL YEAR FOR WHICH THE CALCULATION IS MADE UNDER THIS**
21 **SECTION.**

22 **[(2)] (3)** “Preliminary funding rate” means the sum of:

23 (i) the aggregate normal rate that is based on the normal
24 contribution rate calculated under subsection (c) of this section; and

25 (ii) the aggregate unfunded accrued liability contribution rate
26 that is based on the unfunded accrued liability contribution rate under subsection
27 (d)(1)(i) and (ii)1 and 2 and (2) of this section.

1 **[(3)] (4)** “Funding ratio for the employees’ systems” means the
2 actuarial value of assets for the employees’ systems divided by the actuarial accrued
3 liability for the employees’ systems.

4 **[(4)] (5)** “Funding ratio for the teachers’ systems” means the
5 actuarial value of assets for the teachers’ systems divided by the actuarial accrued
6 liability for the teachers’ systems.

7 **(6) “LOCAL EMPLOYEE” MEANS A MEMBER OF THE TEACHERS’**
8 **RETIREMENT SYSTEM OR THE TEACHERS’ PENSION SYSTEM WHO IS:**

9 **(I) AN EMPLOYEE OF A DAY SCHOOL IN THE STATE UNDER**
10 **THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION OR THE**
11 **BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS, EMPLOYED AS:**

- 12 **1. A CLERK;**
- 13 **2. A HELPING TEACHER;**
- 14 **3. A PRINCIPAL;**
- 15 **4. A SUPERINTENDENT;**
- 16 **5. A SUPERVISOR; OR**
- 17 **6. A TEACHER;**

18 **(II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIBRARY**
19 **THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OR**

20 **(III) A MEMBER OF THE FACULTY OR A PROFESSIONAL OR**
21 **CLERICAL EMPLOYEE OF A COMMUNITY COLLEGE, OTHER THAN BALTIMORE**
22 **CITY COMMUNITY COLLEGE, THAT IS ESTABLISHED UNDER THE EDUCATION**
23 **ARTICLE.**

24 **[(5)] (7)** “State member” does not include a member on whose behalf
25 a participating governmental unit is required to make an employer contribution under
26 § 21–305 or § 21–306 of this subtitle.

27 **(8) “TOTAL EMPLOYER CONTRIBUTION FOR LOCAL EMPLOYEES”**
28 **MEANS THAT PORTION OF THE EMPLOYER CONTRIBUTION CALCULATED UNDER**
29 **SUBSECTION (B) OF THIS SECTION THAT IS ATTRIBUTABLE TO THE LOCAL**
30 **EMPLOYEES OF EACH COUNTY.**

1 (b) (1) **[Each] SUBJECT TO PARAGRAPHS (4) AND (5) OF THIS**
2 **SUBSECTION, EACH** fiscal year, on behalf of the State members of each State system,
3 the State shall pay to the appropriate accumulation fund an amount equal to or
4 greater than the sum of the amount, if any, required to be included in the budget bill
5 under § 3–501(c)(2)(ii) of this article and the product of multiplying:

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

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

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

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

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

22 (i) the entry–age actuarial cost method; and

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

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

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

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

31 **(4) SUBJECT TO § 21–309.1 OF THIS SUBTITLE, BEGINNING ON**
32 **JULY 1, 2013 AND EACH FISCAL YEAR THEREAFTER, EACH COUNTY SHALL PAY**
33 **TO THE APPROPRIATE ACCUMULATION FUND AN AMOUNT EQUAL TO THE LOCAL**
34 **SHARE OF THE TOTAL EMPLOYER CONTRIBUTION FOR LOCAL EMPLOYEES OF**
35 **THAT COUNTY.**

1 **(5) THE DIFFERENCE BETWEEN THE TOTAL EMPLOYER**
2 **CONTRIBUTION FOR LOCAL EMPLOYEES AND THE LOCAL SHARE OF THE TOTAL**
3 **EMPLOYER CONTRIBUTION FOR LOCAL EMPLOYEES FOR EACH COUNTY SHALL**
4 **BE THE OBLIGATION OF THE STATE.**

5 **21-309.1.**

6 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
7 **MEANINGS INDICATED.**

8 **(2) “LOCAL CONTRIBUTION RATE” MEANS THE RATE THAT WHEN**
9 **ADDED TO THE RATE OF THE EMPLOYER SOCIAL SECURITY CONTRIBUTION**
10 **REQUIRED BY FEDERAL LAW EQUALS ONE-HALF THE SUM OF:**

11 **(I) THE TEACHERS’ SYSTEMS CONTRIBUTION RATE FOR**
12 **THE FISCAL YEAR DETERMINED UNDER § 21-304(F) OF THIS SUBTITLE; AND**

13 **(II) THE RATE OF THE EMPLOYER SOCIAL SECURITY**
14 **CONTRIBUTION REQUIRED BY FEDERAL LAW.**

15 **(3) “LOCAL EMPLOYEE” HAS THE MEANING STATED IN § 21-304**
16 **OF THIS SUBTITLE.**

17 **(4) “REINVESTED SAVINGS” MEANS THE PORTION OF THE**
18 **AMOUNT PROVIDED FOR IN § 21-308(A)(4)(II) OF THIS SUBTITLE THAT IS**
19 **ATTRIBUTABLE TO THE LOCAL EMPLOYEES OF THE TEACHERS’ RETIREMENT**
20 **SYSTEM AND THE TEACHERS’ PENSION SYSTEM BASED ON EARNABLE**
21 **COMPENSATION.**

22 **(B) (1) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE BOARD OF**
23 **TRUSTEES SHALL ESTABLISH THE LOCAL CONTRIBUTION RATE AND**
24 **REINVESTED SAVINGS AMOUNT FOR THE NEXT FISCAL YEAR AS PROVIDED IN**
25 **THIS SUBSECTION.**

26 **(2) FOR EACH FISCAL YEAR, THE LOCAL SHARE OF TOTAL**
27 **EMPLOYER CONTRIBUTION FOR LOCAL EMPLOYEES SHALL BE THE SUM OF:**

28 **(I) ONE-HALF OF THE TOTAL REINVESTED SAVINGS; AND**

29 **(II) THE LOCAL CONTRIBUTION RATE MULTIPLIED BY THE**
30 **AGGREGATE EARNABLE COMPENSATION OF ALL COUNTIES.**

1 **(C) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE BOARD OF**
 2 **TRUSTEES SHALL DETERMINE THE AMOUNTS PAYABLE BY EACH COUNTY**
 3 **UNDER § 21-304(B)(4) OF THIS SUBTITLE FOR THE NEXT FISCAL YEAR.**

4 **(D) EACH YEAR, THE BOARD OF TRUSTEES SHALL CERTIFY TO EACH**
 5 **COUNTY THE LOCAL CONTRIBUTION RATE, REINVESTED SAVINGS AMOUNT, AND**
 6 **THE AMOUNTS PAYABLE BY THE COUNTY UNDER § 21-304(B)(4) OF THIS**
 7 **SUBTITLE.**

8 **(E) (1) ON OR BEFORE OCTOBER 1, JANUARY 1, APRIL 1, AND JUNE**
 9 **1 OF EACH FISCAL YEAR, EACH COUNTY SHALL PAY TO THE BOARD OF**
 10 **TRUSTEES 25% OF THE AMOUNT OF THE CHARGES CERTIFIED TO THE COUNTY**
 11 **BY THE BOARD OF TRUSTEES UNDER SUBSECTION (D) OF THIS SECTION.**

12 **(2) IF A COUNTY DOES NOT PAY THE AMOUNTS REQUIRED UNDER**
 13 **THIS SECTION WITHIN THE TIME REQUIRED, THE COUNTY IS LIABLE FOR**
 14 **INTEREST ON DELINQUENT AMOUNTS AT A RATE OF 7.75% A YEAR UNTIL**
 15 **PAYMENT.**

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

19 **(4) ON NOTIFICATION BY THE SECRETARY OF THE BOARD OF**
 20 **TRUSTEES THAT A DELINQUENCY EXISTS, THE STATE COMPTROLLER**
 21 **IMMEDIATELY SHALL EXERCISE THE RIGHT OF SETOFF AGAINST ANY MONEY**
 22 **DUE OR COMING DUE TO THAT COUNTY FROM THE STATE.**

23 **(F) ON RECEIPT OF THE PAYMENTS FROM EACH COUNTY, THE BOARD**
 24 **OF TRUSTEES SHALL CREDIT THESE AMOUNTS TO THE ACCUMULATION FUND**
 25 **OF THE APPROPRIATE STATE SYSTEM.**

26 **Article - Tax - General**

27 2-608.

28 **[(c) For each of fiscal years 2013 through 2022, inclusive:**

29 (1) the Comptroller shall distribute \$36,677,863 of the remaining
 30 income tax revenue from individuals to the local reserve account established to comply
 31 with § 2-606 of this subtitle; and

32 (2) the total amount distributed to the counties for each fiscal year
 33 under subsection (a) of this section shall be reduced by \$36,677,863.

1 (d) The Comptroller shall adjust the amount distributed under subsection (a)
2 of this section to a county to allow for a proportionate part of the reduction made
3 under subsection (c) of this section.

4 (e) To determine the pro rata share for a county under subsection (d) of this
5 section, the Comptroller shall compute the amount equal to the product of multiplying
6 \$36,677,863 by a fraction:

7 (1) the numerator of which is the amount of county income tax from
8 individuals collected and attributable to residents of the county, calculated using tax
9 returns filed with the Comptroller for the most recent preceding tax year; and

10 (2) the denominator of which is the total amount of county income
11 taxes collected from individuals, calculated using tax returns filed with the
12 Comptroller for the most recent preceding tax year.

13 (f) The pro rata share calculated under subsection (e) of this section shall be
14 used for the quarterly distributions of local income tax revenue beginning in
15 November and ending in August.]

16 Article – Transportation

17 12–118.

18 (e) (2) The balance of the money in the special fund shall be distributed to
19 the [Transportation Trust Fund established under § 3–216 of this article]
20 **DEPARTMENT OF STATE POLICE TO FUND ROADSIDE ENFORCEMENT**
21 **ACTIVITIES.**

22 Chapter 2 of the Acts of the Special Session of 2007

23 SECTION 13. AND BE IT FURTHER ENACTED, That:

24 (a) The Geographic Cost of Education Index (GCEI) Adjustment established
25 in § 5–202(f) of the Education Article shall be updated [every 3 years beginning]
26 September [2009] **2016** using the most current [data available and the same]
27 methodology [set forth in the report entitled “Adjusting for Geographic Differences in
28 the Cost of Education Provision in Maryland (December 31, 2003).”].

29 Chapter 397 of the Acts of 2011

30 SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding any
31 other provision of law, the Governor may transfer from the Senior Prescription Drug
32 Assistance Program account of the Maryland Health Insurance Plan Fund established
33 under § 14–504(e) of the Insurance Article to the Kidney Disease Program established

1 under Title 13, Subtitle 3 of the Health – General Article up to \$3,000,000 in fiscal
2 year 2012, and up to ~~[\$3,000,000]~~ **\$5,000,000** in fiscal year 2013.

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

5 **Article – Tax – General**

6 10–211.

7 (b) (1) If an individual other than one described in paragraph (2) of this
8 subsection has federal adjusted gross income for the taxable year greater than
9 \$100,000, the amount allowed for each exemption under subsection (a)(1) or (2) of this
10 section is limited to:

11 (i) ~~[\$2,400]~~ **\$1,200** if federal adjusted gross income for the
12 taxable year does not exceed \$125,000; AND

13 (ii) ~~[\$1,800]~~ **\$0** if federal adjusted gross income for the taxable
14 year is greater than \$125,000 [but not greater than \$150,000];

15 (iii) \$1,200 if federal adjusted gross income for the taxable year
16 is greater than \$150,000 but not greater than \$200,000; and

17 (iv) \$600 if federal adjusted gross income for the taxable year is
18 greater than \$200,000].

19 (2) If a married couple filing a joint return or an individual described
20 in § 2 of the Internal Revenue Code as a head of household or as a surviving spouse
21 has federal adjusted gross income for the taxable year greater than \$150,000, the
22 amount allowed for each exemption under subsection (a)(1) or (2) of this section is
23 limited to:

24 (i) ~~[\$2,400]~~ **\$1,200** if federal adjusted gross income for the
25 taxable year does not exceed \$175,000; AND

26 (ii) ~~[\$1,800]~~ **\$0** if federal adjusted gross income for the taxable
27 year is greater than \$175,000 [but not greater than \$200,000];

28 (iii) \$1,200 if federal adjusted gross income for the taxable year
29 is greater than \$200,000 but not greater than \$250,000; and

30 (iv) \$600 if federal adjusted gross income for the taxable year is
31 greater than \$250,000].

32 10–218.

1 (b) An individual who elects to itemize deductions is allowed as a deduction
2 the sum of the individual's federal itemized deductions:

3 (1) limited and reduced as required under the Internal Revenue Code;

4 (2) further reduced by any amount deducted under § 170 of the
5 Internal Revenue Code for contributions of a preservation or conservation easement
6 for which a credit is claimed under § 10-723 of this title; [and]

7 (3) further reduced by the amount claimed as taxes on income paid to
8 a state or political subdivision of a state, after subtracting a pro rata portion of the
9 reduction to itemized deductions required under § 68 of the Internal Revenue Code;
10 **AND**

11 **(4) FURTHER REDUCED AS FOLLOWS:**

12 **(I) BY 10% IF AN INDIVIDUAL'S MARYLAND ADJUSTED**
13 **GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$100,000 BUT NOT**
14 **GREATER THAN \$200,000; AND**

15 **(II) BY 20% IF AN INDIVIDUAL'S MARYLAND ADJUSTED**
16 **GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$200,000.**

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

19 **Article – Tax – General**

20 2-1104.

21 (b) For each fiscal year beginning on or before July 1, 2015, instead of the
22 distribution required under subsection (a)(1) of this section, the Comptroller shall
23 distribute 2.3% of the remaining motor fuel tax revenue as follows:

24 (1) to the General Fund of the State:

25 (i) \$5,000,000 for each fiscal year beginning on or before July 1,
26 [2014] **2011;**

27 **(II) \$13,000,000 FOR THE FISCAL YEAR BEGINNING ON**
28 **JULY 1, 2012;**

29 **(III) \$5,000,000 FOR EACH FISCAL YEAR BEGINNING ON OR**
30 **BEFORE JULY 1, 2014; and**

1 **[(ii) (IV)** \$4,624,687 for the fiscal year beginning July 1, 2015;
2 and

3 (2) the balance to the Chesapeake Bay 2010 Trust Fund.

4 11–101.

5 (a) In this title the following words have the meanings indicated.

6 (b) “Buyer” means a person who:

7 (1) acquires tangible personal property in a sale; **[or]**

8 (2) obtains a taxable service in a sale; **OR**

9 **(3) ACQUIRES A DIGITAL PRODUCT IN A SALE.**

10 (c) “Cleaning of a commercial or industrial building” means the following
11 services performed to a commercial or industrial building:

12 (1) floor, carpet, wall, window, ceiling, and exterior cleaning; and

13 (2) janitorial services.

14 **(D) (1) “DIGITAL CODE” MEANS A CODE THAT:**

15 **(I) MAY BE OBTAINED:**

16 1. **IN A TANGIBLE FORM, SUCH AS A CARD; OR**

17 2. **THROUGH ELECTRONIC MAIL; AND**

18 **(II) PROVIDES A BUYER WITH A RIGHT TO OBTAIN ONE OR**
19 **MORE SPECIFIED DIGITAL PRODUCTS.**

20 **(2) “DIGITAL CODE” DOES NOT INCLUDE A GIFT CERTIFICATE OR**
21 **GIFT CARD WITH A MONETARY VALUE THAT IS REDEEMABLE FOR A SPECIFIED**
22 **DIGITAL PRODUCT.**

23 **(E) (1) “DIGITAL PRODUCT” MEANS A PRODUCT THAT IS OBTAINED**
24 **ELECTRONICALLY BY THE BUYER AND DELIVERED BY MEANS OTHER THAN**
25 **TANGIBLE STORAGE MEDIA THROUGH THE USE OF TECHNOLOGY HAVING**
26 **ELECTRICAL, DIGITAL, MAGNETIC, WIRELESS, OPTICAL, ELECTROMAGNETIC, OR**
27 **SIMILAR CAPABILITIES.**

1 **(2) “DIGITAL PRODUCT” INCLUDES:**

2 **(I) A WORK THAT RESULTS FROM THE FIXATION OF A**
3 **SERIES OF SOUNDS THAT ARE TRANSFERRED ELECTRONICALLY, INCLUDING:**

4 **1. PRERECORDED OR LIVE MUSIC OR**
5 **PERFORMANCES, READINGS OF BOOKS OR OTHER WRITTEN MATERIALS, AND**
6 **SPEECHES; AND**

7 **2. AUDIO GREETING CARDS SENT BY ELECTRONIC**
8 **MAIL;**

9 **(II) A DIGITIZED SOUND FILE, SUCH AS A RING TONE, THAT**
10 **IS DOWNLOADED ONTO A DEVICE AND MAY BE USED TO ALERT THE USER OF**
11 **THE DEVICE WITH RESPECT TO A COMMUNICATION;**

12 **(III) A SERIES OF RELATED IMAGES THAT, WHEN SHOWN IN**
13 **SUCCESSION, IMPART AN IMPRESSION OF MOTION, TOGETHER WITH ANY**
14 **ACCOMPANYING SOUNDS, THAT ARE TRANSFERRED ELECTRONICALLY,**
15 **INCLUDING MOTION PICTURES, MUSICAL VIDEOS, NEWS AND ENTERTAINMENT**
16 **PROGRAMS, LIVE EVENTS, VIDEO GREETING CARDS SENT BY ELECTRONIC MAIL,**
17 **AND VIDEO OR ELECTRONIC GAMES;**

18 **(IV) A BOOK, GENERALLY KNOWN AS A “DIGITAL BOOK” OR**
19 **“E-BOOK”, THAT IS TRANSFERRED ELECTRONICALLY; AND**

20 **(V) A NEWSPAPER, MAGAZINE, PERIODICAL, CHAT ROOM**
21 **DISCUSSION, WEBLOG, OR OTHER SIMILAR PRODUCT THAT IS TRANSFERRED**
22 **ELECTRONICALLY.**

23 **[(d)] (F) “Person” includes:**

24 (1) this State or a political subdivision, unit, or instrumentality of this
25 State;

26 (2) another state or a political subdivision, unit, or instrumentality of
27 that state; and

28 (3) a unit or instrumentality of a political subdivision of this State or
29 of another state.

30 **[(e)] (G) “Prepaid telephone calling arrangement” means the right to use**
31 **telecommunications services, paid for in advance, that enables the origination of calls**

1 **[(g)] (I)** “Production machinery or equipment” means machinery or
2 equipment used in a production activity.

3 **[(h)] (J)** (1) “Retail sale” means the sale of:

4 (i) tangible personal property; **[or]**

5 (ii) a taxable service; **OR**

6 **(III) DIGITAL PRODUCTS.**

7 (2) “Retail sale” includes:

8 (i) a sale of tangible personal property for use or resale in the
9 form of real estate by a builder, contractor, or landowner; **[and]**

10 (ii) except as provided in paragraph (3)(i) of this subsection, use
11 of tangible personal property as facilities, tools, tooling, machinery, or equipment,
12 including dies, molds, and patterns, even if the buyer intends to transfer title to the
13 property before or after that use;

14 **(III) A SALE OF A DIGITAL PRODUCT THAT IS SOLD WITH**
15 **RIGHTS OF PERMANENT USE OR SOLD WITH RIGHTS OF LESS THAN PERMANENT**
16 **USE;**

17 **(IV) A SALE OF A DIGITAL PRODUCT THAT IS SOLD WITH**
18 **RIGHTS OF USE CONDITIONED ON CONTINUED PAYMENT BY THE SUBSCRIBER**
19 **OR BUYER; AND**

20 **(V) A SALE OF A SUBSCRIPTION TO, ACCESS TO, OR THE**
21 **PURCHASE OF A DIGITAL CODE FOR RECEIVING OR ACCESSING DIGITAL**
22 **PRODUCTS.**

23 (3) “Retail sale” does not include:

24 (i) a transfer of title to tangible personal property after its use
25 as facilities, tools, tooling, machinery, or equipment, including dies, molds, and
26 patterns, if:

27 1. at the time of purchase, the buyer is obligated, under
28 the terms of a written contract, to make the transfer; and

29 2. the transfer is made for the same or greater
30 consideration to the person for whom the buyer manufactures goods or performs work;

1 (ii) a sale of tangible personal property **OR A DIGITAL**
2 **PRODUCT** if the buyer intends to:

3 1. resell the tangible personal property **OR DIGITAL**
4 **PRODUCT** in the form that the buyer receives or is to receive the property;

5 2. use or incorporate the tangible personal property **OR**
6 **DIGITAL PRODUCT** in a production activity as a material or part of other tangible
7 personal property to be produced for sale; or

8 3. transfer the tangible personal property as a part of a
9 taxable service transaction; or

10 (iii) a sale of a taxable service if the buyer intends to resell the
11 taxable service in the form that the buyer receives or is to receive the service.

12 **[(i)] (K)** (1) “Sale” means a transaction for a consideration whereby:

13 (i) title or possession of property is transferred or is to be
14 transferred absolutely or conditionally by any means, including by lease, rental,
15 royalty agreement, or grant of a license for use; or

16 (ii) a person performs a service for another person.

17 (2) “Sale” does not include a transaction whereby an employee
18 performs a service for the employee’s employer.

19 **[(j)] (L)** “Sale for use” means a sale in which tangible personal property, **A**
20 **DIGITAL PRODUCT**, or a taxable service that is consumed, possessed, stored, or used
21 in the State is acquired.

22 **[(k)] (M)** (1) “Tangible personal property” means:

23 (i) corporeal personal property of any nature; or

24 (ii) a right to occupy a room or lodgings as a transient guest.

25 (2) “Tangible personal property” includes:

26 (i) farm equipment;

27 (ii) wall-to-wall carpeting that is installed into real estate,
28 regardless of the purpose, method, or permanency of its installation; and

29 (iii) coal, electricity, oil, nuclear fuel assemblies, steam, and
30 artificial or natural gas.

1 **[1] (N)** (1) “Taxable price” means the value, in money, of the
2 consideration of any kind that is paid, delivered, payable, or deliverable by a buyer to
3 a vendor in the consummation and complete performance of a sale without deduction
4 for any expense or cost, including the cost of:

5 (i) any labor or service rendered;

6 (ii) any material used; or

7 (iii) any property sold.

8 (2) “Taxable price” includes, for tangible personal property **OR A**
9 **DIGITAL PRODUCT** acquired by a sale for use in the State by the person who
10 assembles, fabricates, or manufactures the property, only the price of the raw
11 materials and component parts contained in the property.

12 (3) “Taxable price” does not include:

13 (i) a charge that is made in connection with a sale and is stated
14 as a separate item of the consideration for:

15 1. a delivery, freight, or other transportation service for
16 delivery directly to the buyer by the vendor or by another person acting for the vendor,
17 unless the transportation service is a taxable service;

18 2. a finance charge, interest, or similar charge for credit
19 extended to the buyer;

20 3. a labor or service for application or installation;

21 4. a mandatory gratuity or service charge in the nature
22 of a tip for serving food or beverage to a group of 10 or fewer individuals for
23 consumption on the premises of the vendor;

24 5. a professional service;

25 6. a tax:

26 A. imposed by a county on the sale of coal, electricity, oil,
27 nuclear fuel assemblies, steam, or artificial or natural gas;

28 B. imposed under § 3-302(a) of the Natural Resources
29 Article, as a surcharge on electricity, and added to an electric bill;

1 C. imposed under §§ 6–201 through 6–203 of the Tax –
2 Property Article, on tangible personal property subject to a lease that is for an initial
3 period that exceeds 1 year and is noncancellable except for cause; or

4 D. imposed under § 4–102 of this article on the gross
5 receipts derived from an admissions and amusement charge;

6 7. any service for the operation of equipment used for
7 the production of audio, video, or film recordings; or

8 8. reimbursement of incidental expenses paid to a third
9 party and incurred in connection with providing a taxable detective service;

10 (ii) the value of a used component or part (core value) received
11 from a purchaser of the following remanufactured truck parts:

12 1. an air brake system;

13 2. an engine;

14 3. a rear axle carrier; or

15 4. a transmission; or

16 (iii) a charge for a nontaxable service that is made in connection
17 with a sale of a taxable communication service, even if the nontaxable charges are
18 aggregated with and not separately stated from the taxable charges for
19 communications services, if the vendor can reasonably identify charges not subject to
20 tax from its books and records that are kept in the regular course of business.

21 (4) “Taxable price” includes, for a short–term vehicle rental as defined
22 under § 11–104(c) of this subtitle, all sales and charges made in connection with the
23 short–term vehicle rental, including insurance, freight handling, equipment and
24 supplies, delivery and pickup, cellular telephone, and other accessories, but not
25 including sales of motor fuel subject to the motor fuel tax.

26 [(m)] (O) “Taxable service” means:

27 (1) fabrication, printing, or production of tangible personal property
28 **OR A DIGITAL PRODUCT** by special order;

29 (2) commercial cleaning or laundering of textiles for a buyer who is
30 engaged in a business that requires the recurring service of commercial cleaning or
31 laundering of the textiles;

32 (3) cleaning of a commercial or industrial building;

- 1 (4) cellular telephone or other mobile telecommunications service;
- 2 (5) “900”, “976”, “915”, and other “900”-type telecommunications
3 service;
- 4 (6) custom calling service provided in connection with basic telephone
5 service;
- 6 (7) a telephone answering service;
- 7 (8) pay per view television service;
- 8 (9) credit reporting;
- 9 (10) a security service, including:
- 10 (i) a detective, guard, or armored car service; and
- 11 (ii) a security systems service;
- 12 (11) a transportation service for transmission, distribution, or delivery
13 of electricity or natural gas, if the sale or use of the electricity or natural gas is subject
14 to the sales and use tax; or
- 15 (12) a prepaid telephone calling arrangement.
- 16 **[(n)] (P)** (1) “Use” means an exercise of a right or power to use, consume,
17 possess, or store that is acquired by a sale for use of:
- 18 (i) tangible personal property; **[or]**
- 19 (ii) a taxable service; **OR**
- 20 **(III) A DIGITAL PRODUCT.**
- 21 (2) “Use” includes an exercise of a right or power to use, consume,
22 possess, or store that is acquired by a sale for use of tangible personal property **OR A**
23 **DIGITAL PRODUCT:**
- 24 (i) for use or resale in the form of real estate by a builder,
25 contractor, or landowner; or
- 26 (ii) except as provided in paragraph (3)(i) of this subsection, as
27 facilities, tools, tooling, machinery, or equipment, including dies, molds, and patterns,
28 even if the buyer intends to transfer title to the property before or after that use.

1 (3) “Use” does not include:

2 (i) a transfer of title to tangible personal property after its use
3 as facilities, tools, tooling, machinery, or equipment, including dies, molds, and
4 patterns, if:

5 1. at the time of purchase, the buyer is obligated, under
6 the terms of a written contract, to make the transfer; and

7 2. the transfer is made for the same or greater
8 consideration to the person for whom the buyer manufactures goods or performs work;

9 (ii) an exercise of a right or power over tangible personal
10 property **OR A DIGITAL PRODUCT** acquired by a sale for use if the buyer intends to:

11 1. resell the tangible personal property **OR DIGITAL**
12 **PRODUCT** in the form that the buyer receives or is to receive the property;

13 2. use or incorporate the tangible personal property **OR**
14 **DIGITAL PRODUCT** in a production activity as a material or part of other tangible
15 personal property **OR DIGITAL PRODUCT** to be produced for sale; or

16 3. transfer the tangible personal property **OR DIGITAL**
17 **PRODUCT** as part of a taxable service transaction; [or]

18 (iii) an exercise of a right or power over a taxable service
19 acquired by a sale for use if the buyer intends to resell the taxable service in the form
20 that the buyer receives or is to receive the service; **OR**

21 **(IV) AN EXERCISE OF A RIGHT OR POWER OVER A DIGITAL**
22 **CODE TO RECEIVE OR ACCESS A DIGITAL PRODUCT.**

23 **[(o)] (Q)** (1) “Vendor” means a person who:

24 (i) engages in the business of an out-of-state vendor, as
25 defined in § 11-701 of this title;

26 (ii) engages in the business of a retail vendor, as defined in §
27 11-701 of this title; or

28 (iii) holds a special license issued under § 11-707 of this title.

29 (2) “Vendor” includes, for an out-of-state vendor, a salesman,
30 representative, peddler, or canvasser whom the Comptroller, for the efficient
31 administration of this title, elects to treat as an agent jointly responsible with the
32 dealer, distributor, employer, or supervisor:

1 (i) under whom the agent operates; or

2 (ii) from whom the agent obtains the tangible personal property,
3 **A DIGITAL PRODUCT**, or taxable service for sale.

4 11-102.

5 (a) Except as otherwise provided in this title, a tax is imposed on:

6 (1) a retail sale in the State; and

7 (2) a use, in the State, of tangible personal property, **A DIGITAL**
8 **PRODUCT**, or a taxable service.

9 11-217.

10 (b) The sales and use tax does not apply to a sale of tangible personal
11 property **OR A DIGITAL PRODUCT** for use or consumption in research and
12 development.

13 11-221.

14 **(D) A RETAIL SALE OF A DIGITAL PRODUCT SUBJECT TO TAX UNDER**
15 **THIS TITLE DOES NOT INCLUDE A RETAIL SALE THAT IS SUBJECT TO TAX IN**
16 **ACCORDANCE WITH ANY OTHER PROVISION OF THIS ARTICLE.**

17 11-701.

18 (b) (1) “Engage in the business of an out-of-state vendor” means to sell or
19 deliver tangible personal property or a taxable service for use in the State.

20 (2) “Engage in the business of an out-of-state vendor” includes:

21 (i) permanently or temporarily maintaining, occupying, or
22 using any office, sales or sample room, or distribution, storage, warehouse, or other
23 place for the sale of tangible personal property or a taxable service directly or
24 indirectly through an agent or subsidiary;

25 (ii) having an agent, canvasser, representative, salesman,
26 **INDEPENDENT CONTRACTOR**, or solicitor operating in the State for the purpose of
27 delivering, selling, or taking orders for tangible personal property or a taxable service;
28 or

29 (iii) entering the State on a regular basis to provide service or
30 repair for tangible personal property.

1 11-701.1.

2 (A) IN THIS SECTION, "SELLER" MEANS A PERSON MAKING SALES OF
3 TANGIBLE PERSONAL PROPERTY, A DIGITAL PRODUCT, OR A TAXABLE SERVICE.

4 (B) FOR PURPOSES OF § 11-701(B)(2)(II) OF THIS SUBTITLE, A SELLER
5 SHALL BE PRESUMED TO HAVE AN AGENT, CANVASSER, REPRESENTATIVE,
6 SALESMAN, INDEPENDENT CONTRACTOR, OR SOLICITOR OPERATING IN THE
7 STATE FOR THE PURPOSE OF SELLING OR TAKING ORDERS FOR TANGIBLE
8 PERSONAL PROPERTY, A DIGITAL PRODUCT, OR A TAXABLE SERVICE IF:

9 (1) THE SELLER ENTERS INTO AN AGREEMENT WITH A RESIDENT
10 OF THE STATE UNDER WHICH THE RESIDENT, FOR A COMMISSION OR OTHER
11 CONSIDERATION, DIRECTLY OR INDIRECTLY REFERS POTENTIAL CUSTOMERS
12 TO THE SELLER, WHETHER BY A LINK ON AN INTERNET WEB SITE, OR
13 OTHERWISE; AND

14 (2) THE CUMULATIVE GROSS RECEIPTS FROM SALES BY THE
15 SELLER TO CUSTOMERS IN THE STATE WHO ARE REFERRED TO THE SELLER BY
16 ALL RESIDENTS HAVING AN AGREEMENT WITH THE SELLER AS DESCRIBED IN
17 ITEM (1) OF THIS SUBSECTION IS GREATER THAN \$10,000 DURING THE
18 PRECEDING FOUR QUARTERLY PERIODS ENDING ON THE LAST DAY OF
19 FEBRUARY, MAY, AUGUST, AND NOVEMBER.

20 (C) THE PRESUMPTION UNDER THIS SECTION MAY BE REBUTTED BY
21 PROOF THAT THE RESIDENT WITH WHOM THE SELLER HAS AN AGREEMENT AS
22 DESCRIBED IN SUBSECTION (B)(1) OF THIS SECTION DID NOT ENGAGE IN ANY
23 SOLICITATION IN THE STATE ON BEHALF OF THE SELLER THAT WOULD SATISFY
24 THE NEXUS REQUIREMENT OF THE UNITED STATES CONSTITUTION DURING
25 THE FOUR QUARTERLY PERIODS IN QUESTION.

26 (D) THIS SECTION MAY NOT BE CONSTRUED TO NARROW THE SCOPE OF
27 THE TERMS "AGENT", "CANVASSER", "REPRESENTATIVE", "SALESMAN",
28 "INDEPENDENT CONTRACTOR", AND "SOLICITOR" FOR PURPOSES OF §
29 11-701(B)(2)(II) OF THIS SUBTITLE OR FOR PURPOSES OF ANY OTHER
30 PROVISION OF LAW.

31 12-105.

32 (b) The tobacco tax rate for other tobacco products is [15%] 70% of the
33 wholesale price of the tobacco products.

34 Article – Tax – Property

1 12-105.

2 (f) (7) (i) IN THIS PARAGRAPH, "INDEMNITY MORTGAGE"
3 INCLUDES ANY MORTGAGE, DEED OF TRUST, OR OTHER SECURITY INTEREST IN
4 REAL PROPERTY THAT SECURES A GUARANTEE OF REPAYMENT OF A LOAN FOR
5 WHICH THE GUARANTOR IS NOT PRIMARILY LIABLE.

6 (ii) EXCEPT AS PROVIDED IN SUBPARAGRAPH (iii) OF THIS
7 PARAGRAPH:

8 1. SECURED DEBT WITH RESPECT TO AN INDEMNITY
9 MORTGAGE IS DEEMED TO BE INCURRED FOR PURPOSES OF THIS SUBSECTION
10 WHEN AND TO THE SAME EXTENT AS DEBT IS INCURRED ON THE GUARANTEED
11 LOAN; AND

12 2. THE RECORDATION TAX APPLIES UNDER THIS
13 SUBSECTION IN THE SAME MANNER AS IF THE GUARANTOR WERE PRIMARILY
14 LIABLE FOR THE GUARANTEED LOAN.

15 (iii) THIS PARAGRAPH DOES NOT APPLY:

16 1. TO THE EXTENT THAT RECORDATION TAX IS PAID
17 ON ANOTHER INSTRUMENT OF WRITING THAT SECURES PAYMENT OF THE
18 GUARANTEED LOAN; OR

19 2. TO AN INDEMNITY MORTGAGE THAT SECURES A
20 GUARANTEE OF REPAYMENT OF A LOAN FOR LESS THAN \$1,000,000.

21 SECTION 4. AND BE IT FURTHER ENACTED, That Section(s) 8-406(b),
22 10-306(c), 10-704.1, and 10-708 of Article – Tax – General of the Annotated Code of
23 Maryland be repealed.

24 SECTION 5. AND BE IT FURTHER ENACTED, That Section(s) 11-202,
25 11-213, and 11-214.1 of Article – Tax – General of the Annotated Code of Maryland be
26 repealed.

27 SECTION 6. AND BE IT FURTHER ENACTED, That Section(s) 5-203 of
28 Article – Education of the Annotated Code of Maryland be repealed.

29 SECTION 7. AND BE IT FURTHER ENACTED, That, notwithstanding any
30 other provision of law, on or before June 30, 2012, the Governor may transfer to the
31 General Fund:

1 \$1,000,000 of the funds in the Helicopter Replacement Fund established under §
2 2–801 of the Public Safety Article; and

3 \$1,800,000 of the funds in the accounts of the Baltimore City College.

4 SECTION 8. AND BE IT FURTHER ENACTED, That, notwithstanding any
5 other provision of law, on or before June 30, 2013, the Governor may transfer to the
6 General Fund:

7 \$500,000 of the funds in the Maryland Correctional Enterprises Revolving Fund
8 established under § 3–507 of the Correctional Services Article;

9 \$500,000 of the funds in the Spinal Cord Injury Research Trust Fund
10 established under § 13–1406 of the Health – General Article;

11 \$241,036 of the funds in the State Board of Occupational Therapy Practice
12 established under § 10–206 of the Health Occupations Article;

13 \$206,000 of the funds in the State Insurance Trust Fund established under §
14 9–103 of the State Finance and Procurement Article;

15 \$111,063 of the funds in the Maryland Not–For–Profit Development Center
16 Program Fund established under § 5–1204 of the Economic Development Article;

17 \$96,350 of the funds in the State Board of Examiners for Audiologists, Hearing
18 Aid Dispensers, and Speech–Language Pathologists established under §
19 2–206 of the Health Occupations Article;

20 \$79,356 of the funds in the State Board of Podiatric Medical Examiners
21 established under § 16–206 of the Health Occupations Article;

22 \$50,000 of the funds in the special fund established under § 7–216.1 of the State
23 Government Article; and

24 \$9,788 of the funds in the State Board of Morticians and Funeral Directors
25 established under § 7–206 of the Health Occupations Article.

26 SECTION 9. AND BE IT FURTHER ENACTED, That, notwithstanding any
27 other provision of law, on or before June 30, 2013, the Governor may transfer
28 \$2,611,000 of the funds in the Waterway Improvement Fund established under §
29 8–707 of the Natural Resources Article to the General Fund.

30 SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding any
31 other provision of law, on or before June 30, 2013, the Governor may transfer
32 \$96,870,649 of the funds in the special fund established under § 13–209 of the Tax –
33 Property Article to the General Fund. A transfer of funds from the special fund to the
34 General Fund under this section may not be taken into account for purposes of

1 determining any allocation or appropriation required under § 13–209(f) or (g) of the
2 Tax – Property Article.

3 SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding any
4 other provision of law, on or before June 30, 2013, the Governor shall transfer
5 \$50,000,000 of the funds in the Injured Workers Insurance Fund to the General Fund.
6 This transfer shall resolve any claim the State has or may have to the property or
7 assets of the Injured Workers Insurance Fund, except as provided under federal tax
8 law for dissolution of state sponsored workers' compensation reinsurance
9 organizations.

10 SECTION 12. AND BE IT FURTHER ENACTED, That, notwithstanding any
11 other provision of law, on or before June 30, 2012, the Governor may transfer up to
12 \$1,867,000 of the funds in the Small, Minority, and Women–Owned Businesses
13 Account established under § 9–1A–35 of the State Government Article to the
14 Education Trust Fund established under § 9–1A–30 of the State Government Article.

15 SECTION 13. AND BE IT FURTHER ENACTED, That, notwithstanding any
16 other provision of law, up to \$413,000 of the balance in the Fair Campaign Financing
17 Fund established under § 15–103 of the Election Law Article may be transferred to the
18 State Board of Elections for the operations and maintenance expenses of a new on–line
19 Campaign Finance System.

20 SECTION 14. AND BE IT FURTHER ENACTED, That, as provided in §
21 12–105 of the Tax – General Article, all other tobacco products used, possessed, or held
22 in the State on or after July 1, 2012, by any person for sale or use in the State, shall be
23 subject to the full tax of 70% of the wholesale price. The Comptroller may provide an
24 alternative method of assessing and collecting the additional tax. The revenue
25 attributable to this requirement shall be remitted to the Comptroller by October 15,
26 2012.

27 SECTION 15. AND BE IT FURTHER ENACTED, That, notwithstanding any
28 other provision of law, for fiscal year 2013 through fiscal year 2017:

29 (a) Except as provided in subsection (b) of this section and except as
30 otherwise provided in this Act, the Governor is not required to include an
31 appropriation in the budget for any program or item in an amount that exceeds the
32 fiscal year 2012 appropriation for that item or program as approved in the State
33 budget for fiscal year 2012 as enacted by the General Assembly.

34 (b) Subsection (a) of this section does not apply to:

35 (1) funding required for State aid to public elementary and secondary
36 education as provided under Title 5, Subtitle 2 or § 4–121, § 4–122, §
37 6–306, § 8–310.3, § 8–317, or § 8–415 of the Education Article;

1 (2) the State's employer contribution to the State Retirement and
 2 Pension System required under § 21–308 of the State Personnel and Pensions Article;
 3 or

4 (3) any appropriation required to the Revenue Stabilization Account of
 5 the State Reserve Fund under § 7–311 of the State Finance and Procurement Article.

6 SECTION 16. AND BE IT FURTHER ENACTED, That, for fiscal year 2013,
 7 payments to providers of nonpublic placements under § 8–406 of the Education Article
 8 may not increase by more than 1% over the rates in effect on January 19, 2011.

9 SECTION 17. AND BE IT FURTHER ENACTED, That, for fiscal year 2013,
 10 payments to providers with rates set by the Interagency Rates Committee under §
 11 8–417 of the Education Article may not increase by more than 1% over the rates in
 12 effect on January 19, 2011.

13 SECTION 18. AND BE IT FURTHER ENACTED, That, in addition to any other
 14 revenue generated under § 19–214 of the Health – General Article, as amended by this
 15 Act, for fiscal year 2013, the Health Services Cost Review Commission shall approve
 16 remittances in the amount of \$9,100,000 to support the general operations of the
 17 Medicaid program. The Commission may reduce remittances by the amount of any
 18 reduction in State Medicaid expenditures that result from any Commission–approved
 19 changes in hospital rates or policies.

20 SECTION 19. AND BE IT FURTHER ENACTED, That, notwithstanding any
 21 other provision of law, for fiscal year 2013 only, the local share of the total employer
 22 contribution for teacher and librarian retirement shall be as follows:

23	Allegany	2,890,831
24	Anne Arundel	20,349,335
25	Baltimore City	21,893,869
26	Baltimore County	28,184,531
27	Calvert	4,874,186
28	Caroline	1,402,418
29	Carroll	7,019,651
30	Cecil	4,284,094
31	Charles	6,884,597
32	Dorchester	1,154,127

1	Frederick	10,281,577
2	Garrett	1,210,268
3	Harford	9,824,156
4	Howard	17,225,564
5	Kent	641,149
6	Montgomery	47,406,507
7	Prince George's	34,062,796
8	Queen Anne's	1,923,341
9	St. Mary's	4,287,204
10	Somerset	836,461
11	Talbot	1,121,726
12	Washington	5,530,496
13	Wicomico	3,806,299
14	Worcester	2,222,012

15 SECTION 20. AND BE IT FURTHER ENACTED, That, if any provision of this
16 Act or the application thereof to any person or circumstances is held invalid for any
17 reason in a court of competent jurisdiction, the invalidity does not affect other
18 provisions or any other application of this Act which can be given effect without the
19 invalid provision or application, and for this purpose the provisions of this Act are
20 declared severable.

21 SECTION 21. AND BE IT FURTHER ENACTED, That Sections 2 and 4 of this
22 Act shall take effect July 1, 2012, and shall be applicable to all taxable years
23 beginning after December 31, 2011.

24 SECTION 22. AND BE IT FURTHER ENACTED, That Sections 3 and 5 of this
25 Act shall take effect July 1, 2012.

26 SECTION 23. AND BE IT FURTHER ENACTED, That, except as otherwise
27 provided in this Act, this Act shall take effect June 1, 2012.