

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

**FISCAL AND POLICY NOTE**

Senate Bill 178

(Senator Gladden)

Education, Health, and Environmental Affairs

Health and Government Operations

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**State Government - Heads of Departments and Independent Agencies -  
Qualifications**

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This bill establishes State residency as a requirement for a head of a principal department or independent agency in the State. The bill applies to principal departments as defined in § 8-201 of the State Government Article. “Independent agency” includes an office, a commission, a board, a department, or an agency established as an independent unit of government that may receive budgetary or administrative support from the federal, State, or local government.

The bill only applies prospectively and does not have any effect on or application to any individual appointed or hired before the bill’s October 1, 2014 effective date.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in State expenditures (all funds) due to increased reimbursements for relocation costs. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Background:** Department of Budget and Management guidelines specify that an appointing authority may, in certain circumstances, approve reimbursement (in part or in full) for basic moving expenses for heads of State agencies or institutions relocating from out of state as well as out-of-state appointees to key executive,

administrative, or professional positions. A reimbursement is not limited to a particular dollar amount but should be in line with comparable market averages. Costs excluded from reimbursement as basic moving expenses are those associated with cartons and/or containers, packing and unpacking, storage, and interim lodging.

Section 8-201 of the State Government Article lists 19 principal departments of the Executive Branch of the State government. A list of the principal departments is available at <http://mgaleg.maryland.gov/webmga/frmStatutesText.aspx?article=gsg&section=8-201&ext=html&session=2014RS&tab=subject5>.

*Maryland Manual On-Line* provides a list of current independent agencies, available at <http://msa.maryland.gov/msa/mdmanual/25ind/html/00list.html#ind>.

**State Fiscal Effect:** State expenditures (all funds) may increase minimally due to increased reimbursements for relocation costs. Because agencies generally cite an availability of in-state candidates – and given that an appointing authority is authorized, but not required, to reimburse appointees for moving expenses – any increase in expenditures is expected to be minimal. Similarly, any operational impact on recruitment processes is expected to be minimal.

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### **Additional Information**

**Prior Introductions:** SB 200 of 2013 passed the Senate and received a hearing in the House Health and Government Operations Committee, but no further action was taken.

**Cross File:** None.

**Information Source(s):** State Department of Assessments and Taxation; Maryland Department of Agriculture; Maryland State Archives; Department of Business and Economic Development; Department of Budget and Management; Department of Human Resources; Department of Natural Resources; Maryland Department of Planning; Maryland State Department of Education; Maryland State Board of Elections; Maryland Department of the Environment; Maryland Institute for Emergency Medical Services Systems; Department of General Services; Department of Housing and Community Development; Maryland Higher Education Commission; Department of Health and Mental Hygiene; Maryland Insurance Administration; Department of Juvenile Services; Maryland State Lottery and Gaming Control Agency; Department of Labor, Licensing, and Regulation; Maryland Energy Administration; Military Department; Department of State Police; Department of Aging; Department of Public Safety and Correctional Services; Maryland Department of Transportation; University System of Maryland; Department of Veterans Affairs; Department of Legislative Services

**Fiscal Note History:** First Reader - January 27, 2014  
mm/hlb

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