

SB0172/509233/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 172
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after “purposes;” insert “setting a certain limit on the use of certain funds beginning with a certain fiscal year;”; in line 4, after “revenue;” insert “establishing the date on which certain license fees are effective; creating a Maryland Amusement Game Advisory Committee; providing for the composition, chair, staffing, and duties of the Advisory Committee; prohibiting a member of the Advisory Committee from receiving certain compensation, but authorizing the reimbursement of certain expenses;”; in line 5, after “appropriations;” insert “applying to charter counties certain provisions of law that authorize counties to impose a hotel rental tax; providing that under certain circumstances certain other laws prevail over the provisions that authorize charter counties to impose a hotel rental tax; requiring the appropriation of certain funds for certain purposes beginning with a certain fiscal year;”; in the same line, after “commissions;” insert “repealing a certain authorization for the State Lottery Commission to authorize the payment of certain bonuses and incentives; requiring the Governor to include certain supplemental contributions in the budget bill in addition to certain required contributions for certain fiscal years or until certain conditions are met; requiring the Governor to increase certain supplemental contributions in the budget bill under certain circumstances;”; in line 6, after “funds;” insert “providing for a certain calculation of local wealth for certain education aid purposes for certain fiscal years; making the Maryland Health Benefit Exchange subject to certain provisions of law, to the extent that the Secretary of Information Technology determines that a certain information technology project is a major information technology development project; repealing a limitation on the applicability, to certain fiscal years only, of a certain fee for a certificate of title for a rental vehicle; repealing certain authority for the Health Services Cost Review Commission and the Department of Health and Mental Hygiene to adopt certain policies; requiring the Governor to reduce a certain assessment by a certain amount beginning with the State budget submission for a certain fiscal year; providing for the

(Over)

method of calculating the amount of the reduction; requiring the Commission to model the methodology used for calculating the reduction in a certain manner; requiring that certain other Medicaid savings also be used to reduce the assessment; requiring the Health Services Cost Review Commission for a certain fiscal year to include a certain additional amount in hospital revenue for a certain purpose when determining certain hospital rates;; in line 7, after “assessment;” insert “requiring the Board of Trustees for the State Retirement and Pension System to perform a certain study and to report the results to certain committees of the General Assembly on or before a certain date;”; strike beginning with “requiring” in line 7 down through “year;” in line 16; in line 17, after “year;” insert “requiring the State Department of Assessments and Taxation to establish a certain workgroup in a certain manner to examine certain issues; requiring the workgroup to submit a certain report on or before a certain date; authorizing the State Department of Assessments and Taxation to contract with a consultant for a certain purpose under certain circumstances and subject to certain requirements of State procurement law;”; in the same line, strike “defining certain terms;”; and in lines 17 and 18, strike “a conforming change;” and substitute “conforming changes; making certain provisions of this Act contingent on the taking effect of another Act;”.

On page 2, after line 1, insert:

“BY repealing and reenacting, with amendments,

Article – Criminal Law

Section 12-301.1(c)(5)

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

BY adding to

Article – Criminal Law

Section 12-301.1(f)

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)”;

in line 9, strike “16-305(c)(1)(i) and” and substitute “5-202(d)(1), 16-305(c)(1)(i), and”;
strike in their entirety lines 12 through 16, inclusive; after line 16, insert:

“BY repealing and reenacting, with amendments,

Article – Health – General
Section 2-302(b)(1)(xxiv) and (2)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health – General
Section 2-302(b)(3)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Local Government
Section 20-402
Annotated Code of Maryland
(2013 Volume)

BY repealing and reenacting, with amendments,

Article – Natural Resources
Section 5-212(g)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)”;

in line 19, strike “(b)(2) and” and substitute “(b), 9-1A-29(d)(1), and”; after line 21,
insert:

(Over)

“BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 21-308(a)(1) and (2)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)”;

in line 22, strike “and reenacting, with amendments,”; after line 26, insert:

“BY adding to
Article – State Personnel and Pensions
Section 21-308(a)(4)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)”;

and after line 36, insert:

“BY repealing and reenacting, without amendments,
Article – Education
Section 5-202(d)(10)(i), (ii), (iii), and (iv)1. and 2. and (k)
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Insurance
Section 31-103(a) and (b)
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)”.

On page 3, after line 2, insert:

“BY repealing and reenacting, with amendments,
Article – Transportation

Section 12-118(e) and 13-802(b)(1)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – Transportation
Section 13-802(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Chapter 397 of the Acts of the General Assembly of 2011, as amended by
Chapter 425 of the Acts of the General Assembly of 2013
Section 16”;

and strike in their entirety lines 13 through 17, inclusive.

AMENDMENT NO. 2

On page 3, in line 22, after “(b)” insert “**(1)**”; in lines 24, 26, and 29, strike “(1)”, “(2)”, and “(3)”, respectively, and substitute “**(I)**”, “**(II)**”, and “**(III)**”, respectively; in line 29, strike “**FOR**” and substitute “**SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FOR**”; and after line 30, insert:

“(2) FOR FISCAL YEAR 2015 AND EACH FISCAL YEAR THEREAFTER, THE DEPARTMENT MAY NOT USE THE FUND TO PAY MORE THAN 5% OF THE ADMINISTRATIVE EXPENSES OF THE OFFICE OF THE DIRECTOR OF THE DEPARTMENT.”.

AMENDMENT NO. 3

On page 4, after line 32, insert:

“Article – Criminal Law

12-301.1.

(c) The Commission shall adopt regulations that:

(5) establish license fees, EFFECTIVE ON JULY 1, 2016, that are sufficient to cover the direct and indirect costs of licensure required under this section.

(F) (1) THERE IS A MARYLAND AMUSEMENT GAME ADVISORY COMMITTEE.

(2) THE ADVISORY COMMITTEE SHALL ADVISE THE COMMISSION ON THE CONDUCT AND TECHNICAL ASPECTS OF THE AMUSEMENT GAME INDUSTRY, INCLUDING RECOMMENDATIONS FOR THE LEGALITY OF SKILLS-BASED AMUSEMENT GAMES.

(3) THE ADVISORY COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:

(I) TWO MEMBERS SELECTED FROM A LIST OF FIVE NAMES SUBMITTED BY THE MARYLAND AMUSEMENT AND MUSIC OPERATORS ASSOCIATION;

(II) ONE MEMBER WHO IS A LOCAL GOVERNMENT OFFICIAL SELECTED FROM A LIST OF NAMES SUBMITTED BY THE MARYLAND ASSOCIATION OF COUNTIES AND THE MARYLAND MUNICIPAL LEAGUE;

(III) ONE MEMBER WHO IS A LOCAL LAW ENFORCEMENT OFFICER; AND

(IV) ONE CITIZEN REPRESENTATIVE.

(4) THE GOVERNOR SHALL DESIGNATE THE CHAIR OF THE ADVISORY COMMITTEE.

(5) THE COMMISSION SHALL PROVIDE STAFF FOR THE ADVISORY COMMITTEE.

(6) A MEMBER OF THE ADVISORY COMMITTEE:

(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE ADVISORY COMMITTEE; BUT

(II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.”.

AMENDMENT NO. 4

On page 6, in line 4, strike the brackets; in the same line, strike “YEARS”; in line 5, strike “AND 2015”; and in line 32, strike the bracket.

On page 7, in line 1, strike the bracket; strike beginning with “an” in line 1 down through “19%” in line 2 and substitute “**NOT LESS THAN AN AMOUNT EQUAL TO 19.7%**”; strike beginning with “or” in line 5 down through “student” in line 6; strike beginning with “an” in line 7 down through “19%” in line 8 and substitute “**NOT LESS THAN AN AMOUNT EQUAL TO 19.7%**”; strike beginning with “or” in line 11 down through “student” in line 12; in lines 7, 13, 18, 23, 28, 33, and 38, in each instance, strike the brackets; and in lines 7, 13, 18, 23, 28, 33, and 38, strike “7.”, “8.”, “9.”, “10.”, “11.”, “12.”, and “13.”, respectively.

(Over)

On page 8, strike in their entirety lines 4 through 26, inclusive.

AMENDMENT NO. 5

On page 9, strike beginning with “(2)” in line 1 down through “(4)” in line 2 and substitute “(2) AND (3)”; in lines 24 and 28, in each instance, strike the bracket; in line 28, strike “that is the greater of 9%” and substitute “NOT LESS THAN 9.6%”; strike beginning with “or” in line 30 down through “student” in line 31; in line 32, strike the brackets; in the same line, strike “(VII)”; strike beginning with “that” in line 32 down through “9%” in line 33 and substitute “NOT LESS THAN 10.1%”; and strike beginning with “or” in line 34 down through “student” in line 35.

On page 10, in lines 1, 4, and 7, strike “9.3%”, “11.3%”, and “13.3%”, respectively, and substitute “10.5%”, “10.8%”, and “11.1%”, respectively; in lines 1, 4, 7, and 10, in each instance, strike the brackets; and in lines 1, 4, 7, and 10, strike “(VIII)”, “(IX)”, “(X)”, and “(XI)”, respectively; and strike in their entirety lines 14 and 15.

AMENDMENT NO. 6

On page 10, after line 15, insert:

“Article – Health – General

2–302.

(b) The funding shall be:

(1) \$37,283,484 in each of fiscal years 2011 and 2012, to be distributed as follows:

(xxiv) Worcester County.....\$312,944; [and]

(2) For fiscal [year] YEARS 2013 and [each subsequent fiscal year] 2014, \$37,283,484 adjusted for:

(i) Inflation, as measured by the Consumer Price Index (All Urban Consumers), for the second preceding fiscal year, calculated by the U.S. Department of Commerce; and

(ii) Population growth, as measured by the growth in the total population of the State of Maryland for the second preceding fiscal year, according to the most recent statistics available through the Department of Health and Mental Hygiene; AND

(3) FOR FISCAL YEAR 2015 AND EACH SUBSEQUENT FISCAL YEAR, THE AMOUNT OF FUNDING FOR THE PRECEDING FISCAL YEAR ADJUSTED FOR:

(I) INFLATION, AS MEASURED BY THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS), FOR THE SECOND PRECEDING FISCAL YEAR, CALCULATED BY THE U.S. DEPARTMENT OF COMMERCE; AND

(II) POPULATION GROWTH, AS MEASURED BY THE GROWTH IN THE TOTAL POPULATION OF THE STATE FOR THE SECOND PRECEDING FISCAL YEAR, ACCORDING TO THE MOST RECENT STATISTICS AVAILABLE THROUGH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE.”.

AMENDMENT NO. 7

On page 10, before line 16, insert:

“Article – Local Government

(A) This part applies only to:

(1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A CHARTER COUNTY;

~~[(1)]~~ **(2)** a code county;

~~[(2)]~~ **(3)** Calvert County;

~~[(3)]~~ **(4)** Carroll County;

~~[(4)]~~ **(5)** Cecil County;

~~[(5)]~~ Dorchester County;

~~(6)~~ Frederick County;

~~[(7)]~~ **(6)** Garrett County;

~~[(8)]~~ **(7)** St. Mary's County;

~~[(9)]~~ **(8)** Somerset County; AND

~~[(10)]~~ Talbot County;

~~[(11)]~~ **(9)** Washington County]; and

~~(12)~~ Wicomico County].

(B) TO THE EXTENT THIS PART CONFLICTS WITH ANOTHER LAW THAT APPLIES TO A CHARTER COUNTY, THE OTHER LAW SHALL PREVAIL OVER THIS PART.

AMENDMENT NO. 8

On page 10, strike in its entirety line 16 and substitute:

“Article – Natural Resources

5–212.

(g) (1) [The] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE Fund may be used only for:

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

2. Helping to offset the costs to the Forest and Park Service for developing and implementing a forest health emergency contingency program under § 5–307 of this title;

(ii) Subject to paragraph (2) of this subsection, payments to counties in the amount of:

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

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

(Over)

(iii) Administrative costs calculated in accordance with § 1-103(b)(2) of this article.

(2) For fiscal years 2012 and 2013 only, the payments under paragraph (1)(ii) of this subsection shall be based only on the revenue derived from sales of timber.

(3) FROM REVENUES DESCRIBED IN SUBSECTION (F) OF THIS SECTION THAT ARE ATTRIBUTABLE TO MARYLAND PARK SERVICE OPERATIONS, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN APPROPRIATION FOR THE MARYLAND PARK SERVICE EQUAL TO:

(I) 60% OF THE REVENUES, FOR FISCAL YEAR 2016;

(II) 80% OF THE REVENUES, FOR FISCAL YEAR 2017; AND

(III) 100% OF THE REVENUES, FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER.

Article – State Government”.

AMENDMENT NO. 9

On page 10, strike beginning with the bracket in line 18 down through “a” in line 19 and substitute “A”; strike in their entirety lines 21 through 29, inclusive, and substitute:

“(b) [(1) The Commission may authorize the payment of special bonuses or incentives to licensed agents and their employees.

(2) The total of the bonuses and incentives may not exceed one-half of 1% of the gross receipts from ticket sales for the year for which the bonuses or incentives are awarded.]

[(3) Lottery sales agents may not offer patrons inducements of alcoholic beverages to purchase or redeem lottery tickets.]

AMENDMENT NO. 10

On page 11, strike in their entirety lines 1 through 3, inclusive, and substitute:

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

(i) certify to the Governor and the Secretary of Budget and Management the rates to be used to determine the amounts to be paid by the State to the accumulation fund of each of the several systems during the next fiscal year, including a separate certification of the normal contribution rate for the Teachers’ Retirement System and the Teachers’ Pension System; and

(ii) provide to the Secretary of Budget and Management a statement of the total amount to be paid by the State as determined under § 21-304 of this subtitle to the Teachers’ Retirement System and the Teachers’ Pension System expressed as a percentage of the payroll of all members of those State systems.

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

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

(ii) the additional amounts as ascertained under subsection (d) of this section for the State’s payment to the professional and clerical employees of the Department of Public Libraries of Montgomery County who are members of the

(Over)

Employees' Retirement System of Montgomery County and are excluded from membership in the Teachers' Retirement System or the Teachers' Pension System; and

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

(4) [For fiscal year 2014 and each fiscal year thereafter, in addition to the amounts required under paragraph (2) of this subsection, the Governor shall include in the budget bill \$300,000,000.]

(i) 1. FOR FISCAL YEAR 2014, IN ADDITION TO THE ANNUAL REQUIRED CONTRIBUTION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL A SUPPLEMENTAL CONTRIBUTION OF \$100,000,000.

2. FOR FISCAL YEAR 2015, IN ADDITION TO THE ANNUAL REQUIRED CONTRIBUTION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL A SUPPLEMENTAL CONTRIBUTION OF \$100,000,000.

3. FOR FISCAL YEAR 2016, IN ADDITION TO THE ANNUAL REQUIRED CONTRIBUTION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL A SUPPLEMENTAL CONTRIBUTION OF \$150,000,000.

4. FOR FISCAL YEAR 2017, IN ADDITION TO THE ANNUAL REQUIRED CONTRIBUTION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL A SUPPLEMENTAL CONTRIBUTION OF \$200,000,000.

5. FOR FISCAL YEAR 2018, IN ADDITION TO THE ANNUAL REQUIRED CONTRIBUTION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL A SUPPLEMENTAL CONTRIBUTION OF \$250,000,000.

6. FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, IN ADDITION TO THE ANNUAL REQUIRED CONTRIBUTION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL A SUPPLEMENTAL CONTRIBUTION OF \$300,000,000, UNTIL:

A. THE TOTAL ACTUARIAL VALUE OF ASSETS FOR THE SEVERAL SYSTEMS DIVIDED BY THE TOTAL ACTUARIAL ACCRUED LIABILITY FOR THE SEVERAL SYSTEMS EQUALS A FUNDING RATIO OF 85%; AND

B. THE CONTRIBUTION RATES CERTIFIED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION ARE THE FULL FUNDING RATES AS DEFINED IN § 21-304(A)(3) OF THIS SUBTITLE.

(II) IF THE AMOUNT OF A SUPPLEMENTAL CONTRIBUTION INCLUDED IN THE BUDGET BILL FOR A FISCAL YEAR IS LESS THAN THE AMOUNT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE GOVERNOR SHALL INCREASE THE SUPPLEMENTAL CONTRIBUTION FOR THE FOLLOWING FISCAL YEAR BY THE AMOUNT OF THE REDUCTION TO THE SUPPLEMENTAL CONTRIBUTION IN THE PREVIOUS FISCAL YEAR.”.

On page 16, after line 6, insert:

“SECTION 6. AND BE IT FURTHER ENACTED, That:

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(a) Notwithstanding any other provision of law, the Board of Trustees for the State Retirement and Pension System shall perform a study that, based on the results of the actuarial valuation as of June 30, 2014, addresses the following:

(1) The increased employer contributions to be made each year by the State as a result of phasing out the corridor funding method under § 21-304(e) and (f) of the State Personnel and Pensions Article;

(2) The effects of changes to actuarial assumptions made by the Board of Trustees on normal contribution rates paid by county boards of education and the Baltimore City Board of School Commissioners under § 21-304(b)(4)(iii) of the State Personnel and Pensions Article on or after July 1, 2016;

(3) The effects of changes to the amount of supplemental contributions under § 21-308(a)(4) of the State Personnel and Pensions Article paid to the System on employer contributions through fiscal year 2039;

(4) The fiscal effect on local employers due to any projected increases in the amounts the local employers are required to pay for each employee for the administrative and operational expenses under § 21-316 of the State Personnel and Pensions Article; and

(5) An assessment of the effects of the System's investment underperformance relative to other similar public pension systems on the System's total assets and on employer contribution rates.

(b) On or before January 1, 2015, the Board of Trustees shall complete the study and report on the results of the study to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions, in accordance with § 2-1246 of the State Government Article.”.

AMENDMENT NO. 11

On page 12, after line 2, insert:

“Article – Education

5-202.

(d) (1) (i) Subject to § 5-213.1 of this subtitle, the county governing body shall levy and appropriate an annual tax sufficient to provide an amount of revenue for elementary and secondary public education purposes equal to the local share of the foundation program.

(ii) 1. Except as provided in subsubparagraph 2 of this subparagraph and subject to § 5-213 of this subtitle, the county governing body shall appropriate local funds to the school operating budget in an amount no less than the product of the county’s full-time equivalent enrollment for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year.

2. Except as provided in paragraph (3)(ii) of this subsection AND SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, in each fiscal year if a county’s education effort, as defined in paragraph (10) of this subsection, is below 100% of the statewide 5-year moving average of education effort, the required maintenance of effort amount for the county shall be adjusted by increasing the per pupil amount by the lesser of:

- A. A county’s increase in the local wealth per pupil;
- B. The statewide average increase in local wealth per pupil; or
- C. 2.5%.

(Over)

(III) THE CALCULATION OF LOCAL WEALTH FOR THE PURPOSES OF PARAGRAPHS (1) AND (10) OF THIS SUBSECTION SHALL USE THE AMOUNT CERTIFIED FOR NET TAXABLE INCOME UNDER SUBSECTION (K)(2)(II) OF THIS SECTION BASED ON TAX RETURNS FILED ON OR BEFORE:

1. FOR FISCAL YEARS 2015 THROUGH 2017, SEPTEMBER 1; AND

2. FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER, NOVEMBER 1.

(10) (i) In this paragraph the following terms have the meanings indicated.

1. "Education appropriation" includes any money redirected to a county board under § 5-213 or § 5-213.1 of this subtitle.

2. "Education effort" means a county's education appropriation divided by the county's wealth.

3. "5-year moving average" means the average of the 5 years before the waiver year.

4. "Waiver year" means the fiscal year for which a waiver from the maintenance of effort requirement in paragraph (1)(ii) of this subsection is requested.

(ii) This paragraph applies to a county that has:

1. Received a waiver under paragraph (8)(i)1 of this subsection from the maintenance of effort requirement; and

2. A required county education appropriation under paragraph (1)(ii) of this subsection for the waiver year that exceeds 100% of the statewide 5-year moving average of education effort times a county's local wealth.

(iii) A county that satisfies the requirements under subparagraph (ii) of this paragraph may request a rebasing waiver from the State Board.

(iv) When considering whether to grant a county's waiver request under this paragraph, the State Board shall consider the following factors:

1. Whether a county has submitted sufficient evidence that the factors in paragraph (8)(v) of this subsection will affect a county's ongoing ability to meet the maintenance of effort requirement;

2. Whether a county is at its maximum taxing authority under the law;

(k) (1) This subsection applies to education programs that use wealth to calculate State aid formulas under this subtitle.

(2) The Comptroller shall certify annually the amount of net taxable income based on both:

(i) Tax returns filed on or before September 1; and

(ii) Tax returns filed on or before November 1.

(3) For each fiscal year, State aid shall be calculated as follows:

(i) Once using the amount certified for net taxable income under paragraph (2)(i) of this subsection for tax returns filed on or before September 1; and

(ii) Again using the amount certified for net taxable income under paragraph (2)(ii) of this subsection for tax returns filed on or before November 1.

(4) Subject to paragraph (5) of this subsection, the amount of State aid for a county shall be the greater of the two calculations required under paragraph (3) of this subsection.

(5) If the amount of State aid for a county, using the calculation of State aid under paragraph (3)(ii) of this subsection, is the greater of the two calculations under paragraph (3) of this subsection, payment of any increase in State aid resulting from the difference between the two calculations shall be phased in as follows:

(i) For fiscal year 2014, 20 percent of the difference between the two calculations;

(ii) For fiscal year 2015, 40 percent of the difference between the two calculations;

(iii) For fiscal year 2016, 60 percent of the difference between the two calculations;

(iv) For fiscal year 2017, 80 percent of the difference between the two calculations; and

(v) For fiscal year 2018, and each fiscal year thereafter, the full amount of the calculation.”.

AMENDMENT NO. 12

On page 12, before line 3, insert:

“Article – Insurance

31–103.

(a) The Exchange is subject to:

(1) the following provisions of the State Finance and Procurement Article:

(I) TITLE 3A, SUBTITLE 3 (INFORMATION PROCESSING), TO THE EXTENT THAT THE SECRETARY OF INFORMATION TECHNOLOGY DETERMINES THAT AN INFORMATION TECHNOLOGY PROJECT OF THE EXCHANGE IS A MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT;

[(i)] (II) Title 12, Subtitle 4 (Policies and Procedures for Exempt Units); and

[(ii)] (III) Title 14, Subtitle 3 (Minority Business Participation);

(2) the following provisions of the State Government Article:

(i) Title 10, Subtitle 1 (Administrative Procedure Act – Regulations);

(ii) Title 10, Subtitle 5 (Meetings);

(iii) Title 10, Subtitle 6, Part III (Access to Public Records);

(Over)

(iv) Title 12 (Immunity and Liability); and

(v) Title 15 (Public Ethics); and

(3) Title 5, Subtitle 3 of the State Personnel and Pensions Article.

(b) The Exchange is not subject to:

(1) taxation by the State or local government;

(2) TITLE 3A, SUBTITLE 3 (INFORMATION PROCESSING), EXCEPT TO THE EXTENT DETERMINED BY THE SECRETARY OF INFORMATION TECHNOLOGY UNDER SUBSECTION (A)(1)(I) OF THIS SECTION;

[(2)] (3) Division II of the State Finance and Procurement Article, except as provided in subsection (a)(1) of this section;

[(3)] (4) Title 10 of the State Government Article, except as provided in subsection (a)(2)(i), (ii), and (iii) of this section;

[(4)] (5) Division I of the State Personnel and Pensions Article, except as provided in subsection (a)(3) of this section and elsewhere in this title; or

[(5)] (6) this article, except as provided in subsection (c) of this section and elsewhere in this title.”.

AMENDMENT NO. 13

On page 12, after line 3, insert:

“9-1A-29.

(d) The amount of funds made available from the Racetrack Facility Renewal Account shall be allocated as follows:

(1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, 80% to the Pimlico Race Course, Laurel Park, and the racecourse at Timonium; and

(II) FOR FISCAL YEARS 2015 AND 2016, FROM THE AMOUNT ALLOCATED UNDER THIS PARAGRAPH, EACH GRANTEE UNDER § 11-404 OF THE BUSINESS REGULATION ARTICLE SHALL BE REIMBURSED FOR THE AMOUNT OF A REDUCTION TO THE GRANT PAID UNDER § 11-404.1(A) OF THE BUSINESS REGULATION ARTICLE; AND”.

AMENDMENT NO. 14

On page 12, in line 8, strike “UP TO” and substitute “AT LEAST”.

AMENDMENT NO. 15

On page 13, after line 20, insert:

“Article – Transportation

12–118.

(e) (1) Subject to paragraph (2) of this subsection, money in the special fund established under subsection (c)(2) of this section:

(i) Shall be distributed first to the Department of State Police and the State Highway Administration to cover the costs of implementing and administering work zone speed control systems; and

(ii) After the distribution under item (i) of this paragraph[, for]:

(Over)

1. FOR each of fiscal years 2013 through 2015 only, \$3,000,000 shall be distributed to the Department of State Police to be used only for the purchase of replacement vehicles and related motor vehicle equipment used to outfit police vehicles; AND

2. FOR EACH OF FISCAL YEARS 2016 THROUGH 2018 ONLY, AT LEAST \$7,000,000 SHALL BE DISTRIBUTED TO THE DEPARTMENT OF STATE POLICE TO BE USED ONLY FOR THE PURCHASE OF REPLACEMENT VEHICLES AND RELATED MOTOR VEHICLE EQUIPMENT USED TO OUTFIT POLICE VEHICLES.

(2) The balance of the money in the special fund shall be distributed to the Department of State Police to fund roadside enforcement activities.”.

AMENDMENT NO. 16

On page 13, before line 21, insert:

“13-802.

(a) Except as provided in subsection (b) of this section and § 13-805 of this subtitle, the fee for each certificate of title issued under this title is \$100.

(b) (1) [For fiscal years 2012 through 2014 only, the] THE fee for each certificate of title issued for a rental vehicle is \$50.”.

AMENDMENT NO. 17

On page 13, in line 21, strike “SECTION” and substitute:

“Chapter 397 of the Acts of 2011, as amended by Chapter 425 of the Acts of 2013

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

(a) For fiscal year 2012, the Health Services Cost Review Commission shall approve a combination of hospital assessments and remittances in the amount of \$389,825,000 to support the general operations of the Medicaid program. The Commission may reduce assessments or remittances by the amount of any reduction in State Medicaid expenditures that will result from any Commission–approved changes in hospital rates or policies.

(b) For fiscal years 2013 and 2014, the Commission and the Department of Health and Mental Hygiene shall adopt policies that will provide at least \$389,825,000 from a combination of special fund revenues and General Fund savings from reduced hospital or other payments made by the Medicaid program. The policies adopted under this subsection shall be in lieu of the hospital assessment and remittance revenue generated in fiscal year 2012, but may include hospital assessments and remittances. To the maximum extent possible, the Commission and the Department shall adopt policies that preserve the State Medicare waiver.

(c) For fiscal year 2015 and every fiscal year thereafter, the Commission and the Department of Health and Mental Hygiene shall adopt policies that will provide up to \$389,825,000 in special fund revenues from hospital assessment and remittance revenue. [In each fiscal year, the Commission and the Department of Health and Mental Hygiene may adopt policies that result in new General Fund savings from reduced hospital or other payments made by the Medicaid program and those savings may be used to offset hospital assessment and remittance revenue in the first year that those policies are adopted.] BEGINNING WITH THE STATE BUDGET SUBMISSION FOR FISCAL YEAR 2016, THE GOVERNOR SHALL REDUCE THE BUDGETED MEDICAID DEFICIT ASSESSMENT BY THE FULL AMOUNT OF HOSPITAL INPATIENT AND OUTPATIENT GENERAL FUND SAVINGS THAT

(Over)

ACCRUE TO THE MEDICAID PROGRAM AS A RESULT OF THE IMPLEMENTATION OF MARYLAND'S ALL-PAYER MODEL CONTRACT APPROVED BY THE FEDERAL CENTER FOR MEDICARE AND MEDICAID INNOVATION. THE EXTENT OF GENERAL FUND SAVINGS SHALL BE CALCULATED BY THE HEALTH SERVICES COST REVIEW COMMISSION USING A METHODOLOGY DEVELOPED BY THE COMMISSION IN CONSULTATION WITH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, THE DEPARTMENT OF BUDGET AND MANAGEMENT, AND THE MARYLAND HOSPITAL ASSOCIATION. THE COMMISSION SHALL MODEL THE METHODOLOGY FOR CALCULATING GENERAL FUND SAVINGS IN THE MEDICAID PROGRAM BY COMPARING AN AVERAGE BASELINE OF MARYLAND MEDICAID TOTAL RISK-ADJUSTED HOSPITAL EXPENDITURES PER BENEFICIARY OVER A REASONABLE PERIOD OF TIME BEFORE THE IMPLEMENTATION OF THE MARYLAND ALL-PAYER MODEL CONTRACT TO THE ACTUAL MARYLAND MEDICAID TOTAL RISK-ADJUSTED HOSPITAL EXPENDITURES PER BENEFICIARY DURING THE PERIOD UNDER MARYLAND'S ALL-PAYER MODEL CONTRACT. TO THE EXTENT THAT THE COMMISSION TAKES OTHER ACTIONS THAT REDUCE MEDICAID COSTS, THOSE SAVINGS SHALL ALSO BE USED TO REDUCE THE BUDGETED MEDICAID DEFICIT ASSESSMENT. To the maximum extent possible, the Commission and the Department OF HEALTH AND MENTAL HYGIENE shall adopt policies that preserve the State's Medicare waiver.

SECTION".

AMENDMENT NO. 18

On pages 14 and 15, strike in their entirety the lines beginning with line 10 on page 14 through line 31 on page 15, inclusive; and after line 31, insert:

"SECTION 4. AND BE IT FURTHER ENACTED, That, in fiscal year 2015 only, the Health Services Cost Review Commission shall include an additional \$30,000,000 in hospital revenue when determining hospital rates that are effective in fiscal year

2015 for the purpose of assisting hospitals in covering costs associated with the implementation of the new Maryland all-payer model contract approved by the federal Center for Medicare and Medicaid Innovation.”.

On page 17, in line 1, strike “Sections 2 and 4” and substitute “Section 2”.

AMENDMENT NO. 19

On page 16, strike in their entirety lines 4 through 6, inclusive.

AMENDMENT NO. 20

On page 16, strike beginning with the second comma in line 10 down through “2015” in line 11.

AMENDMENT NO. 21

On page 16, after line 18, insert:

“\$1,000,000 from the Senior Prescription Drug Assistance Program account in the Maryland Health Insurance Plan Fund established under § 14-504 of the Health – General Article;”.

AMENDMENT NO. 22

On page 16, in line 20, strike “and”; in line 22, strike the period and substitute a semicolon; strike in their entirety lines 23 through 25, inclusive; and in line 28, strike “\$25,814,997” and substitute “\$30,814,997”.

AMENDMENT NO. 23

On page 16, after line 28, insert:

“SECTION 9. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2015, the Governor may transfer from the Baltimore City Community College fund balance to the Major Information Technology Development Project Fund established under § 3A-309 of the State Finance and

(Over)

Procurement Article \$10,800,000 to be used to implement the Enterprise Resource Planning project at the Baltimore City Community College.”.

AMENDMENT NO. 24

On page 16, before line 29, insert:

“SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2014, the Governor may transfer \$18,971,632 from the Sustainable Communities Tax Credit Reserve Fund established under § 5A-303(d) of the State Finance and Procurement Article to the General Fund, which is the amount of commercial tax credit certificates that were issued in fiscal years 2006 through 2010 and that have not been claimed under § 5A-303(f)(4) of the State Finance and Procurement Article or extended under § 5A-303(c)(3)(ii) of the State Finance and Procurement Article.”;

and after line 34, insert:

“SECTION 13. AND BE IT FURTHER ENACTED, That Section 10 of this Act shall take effect June 1, 2014, contingent on the taking effect of Chapter _____ (H.B. 510) of the Acts of the General Assembly of 2014, and if Chapter _____ (H.B. 510) does not become effective, Section 10 of this Act shall be null and void without the necessity of further action by the General Assembly.”.

AMENDMENT NO. 25

On page 16, in line 29, strike “SECTION” and substitute:

“SECTION 11. AND BE IT FURTHER ENACTED, That:

(a) The State Department of Assessments and Taxation shall establish a workgroup to examine issues related to the property assessment process for both real and personal property and the tax credit programs for which the Department is responsible for calculating property tax credits and exemptions.

(b) The workgroup shall examine the following issues:

(1) Whether a physical exterior inspection of each property is necessary to properly assess real property for tax purposes;

(2) The Department's ability to timely and adequately maintain changes in property status that may occur throughout the year and incorporate new properties in the system of accounts;

(3) The extent of discrepancies in the calculation of certain tax credits and exemptions and approaches for improving accuracy; and

(4) The feasibility of, and any legal impediments to, contracting with a third-party vendor to perform periodic audits of the property tax credit and exemption programs for which the Department calculates the credit or exemption or of other functions for which an external evaluation may provide greater accuracy.

(c) The workgroup shall include representatives from local governments and appropriate State agencies.

(d) The Director of Assessments and Taxation, or the Director's designee, shall chair the workgroup and facilitate the activities of the workgroup.

(e) On or before December 15, 2014, the workgroup shall submit a report of its findings and recommendations under this section, including a detailed description of the process used and any data relied on by the workgroup, to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly.

(f) Notwithstanding any other provision of law, on the recommendation of the workgroup under this section and in compliance with the requirements of the procurement law under the State Finance and Procurement Article, the Department

(Over)

may contract with a consultant for auditing assistance in determining the accuracy of real property values and homeowner tax credits and the proper incorporation of new and improved properties.

SECTION".

AMENDMENT NO. 26

On page 11, in line 25, strike "\$144,188,554" and substitute "\$144,188,544".

On page 16, in line 29, strike "10." and substitute "12.".

On page 17, in lines 1, 3, and 5, strike "11.", "12.", and "13.", respectively, and substitute "14.", "15.", and "16.", respectively; and in line 6, strike "11 and 12" and substitute "13, 14, and 15".