

HOUSE BILL 1105

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CF SB 761

By: **Delegates Zucker, Kelly, McIntosh, B. Barnes, Barve, Gaines, Hammen,
Haynes, Hixson, Jones, and A. Miller**

Introduced and read first time: February 16, 2015

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Disabled Individuals – Maryland ABLE Program – Established**

3 FOR the purpose of requiring the College Savings Plans of Maryland Board to establish the
4 Maryland ABLE Program for certain purposes subject to certain provisions;
5 requiring the Board to oversee the administration of the Maryland ABLE Program;
6 altering the membership of the Board; requiring the Board to maintain the Maryland
7 ABLE Program in compliance with certain standards; requiring the Board to adopt
8 certain procedures; requiring the Board to issue certain statements to account
9 holders at least once each year; authorizing the Board to issue certain requests for
10 proposals; requiring the Board to consider proposals that meet certain criteria;
11 authorizing the Board to require certain fees; establishing certain limitations and
12 requirements for contributions to and administration of the Maryland ABLE
13 Program; establishing participation and distribution requirements; providing that
14 neither the faith and credit nor the taxing power of the State is pledged to the
15 payment of debts, contracts, and obligations of the Maryland ABLE Program;
16 providing that certain entities are not liable for certain losses; prohibiting certain
17 money from being considered or commingled with certain money or deposited in the
18 State Treasury; exempting certain entities and accounts from the Insurance Article;
19 providing that the assets and the income of the Maryland ABLE Program are exempt
20 from State and local taxation; prohibiting a person from seizing a certain benefit or
21 asset; requiring certain audits; altering a certain power of attorney form; allowing a
22 subtraction modification under the State income tax for certain contributions to an
23 account under the Maryland ABLE Program; allowing certain amounts disallowed
24 under the subtraction modification as a result of a certain limitation to be carried
25 over and subtracted for succeeding taxable years; requiring an addition modification
26 for certain distributions made under certain accounts; making conforming changes;
27 providing for the application of certain provisions of this Act; defining certain terms;
28 and generally relating to the College Savings Plans of Maryland and Maryland
29 ABLE Program.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Education
3 Section 18–1901, 18–1902.1, 18–1904(b) and (c), 18–1905(d)(3), (e), and (f),
4 18–19A–05, and 18–19B–05
5 Annotated Code of Maryland
6 (2014 Replacement Volume and 2014 Supplement)

7 BY adding to
8 Article – Education
9 Section 18–19C–01 through 18–19C–08 to be under the new subtitle “Subtitle 19C.
10 Maryland ABLE Program”
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2014 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Estates and Trusts
15 Section 17–203
16 Annotated Code of Maryland
17 (2011 Replacement Volume and 2014 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – Tax – General
20 Section 10–205(a), 10–207(a), and 10–208(a)
21 Annotated Code of Maryland
22 (2010 Replacement Volume and 2014 Supplement)

23 BY adding to
24 Article – Tax – General
25 Section 10–205(l), 10–207(cc), and 10–208(v)
26 Annotated Code of Maryland
27 (2010 Replacement Volume and 2014 Supplement)

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

30 **Article – Education**

31 18–1901.

32 (a) In this subtitle the following words have the meanings indicated.

33 (b) “Account holder” means an individual who:

34 (1) Makes or undertakes the obligation to make advance payments of
35 qualified higher education expenses as provided under a prepaid contract; and

1 (2) Except as provided in § 18–1909(b) of this subtitle, is a resident of
2 Maryland or of the District of Columbia at the time that the account holder enters into a
3 prepaid contract.

4 (c) “Board” means the College Savings Plans of Maryland Board.

5 (d) “Broker–Dealer Plan” means the Maryland Broker–Dealer College
6 Investment Plan established under Subtitle 19B of this title.

7 (e) “Current prepaid contract obligations” means the scheduled payments due for
8 the next fiscal year under existing prepaid contracts.

9 (f) “Eligible institution of higher education” means an institution of higher
10 education that:

11 (1) Offers an associate, bachelor, or graduate degree program; and

12 (2) Is eligible to participate in federal financial aid programs.

13 (g) “Market value of program assets” means the amount of cash and cash
14 equivalents held by the Trust plus the fair market value of other assets of the Trust.

15 (h) **“MARYLAND ABLE PROGRAM” MEANS THE MARYLAND ACHIEVING A**
16 **BETTER LIFE EXPERIENCE PROGRAM ESTABLISHED UNDER SUBTITLE 19C OF THIS**
17 **TITLE.**

18 (i) “Plan” means the Maryland College Investment Plan established under
19 Subtitle 19A of this title.

20 [(i)](j) “Prepaid contract” means a contract between the Board and an account
21 holder under the provisions of this subtitle for the advance payment of qualified higher
22 education expenses by the account holder for a qualified beneficiary to attend an eligible
23 institution of higher education, if the qualified beneficiary is admitted to the institution.

24 [(j)](k) “Program” means the College Savings Plans of Maryland.

25 [(k)](l) “Qualified beneficiary” means an individual who:

26 (1) Is eligible to apply advance payments of qualified higher education
27 expenses to undergraduate or graduate qualified higher education expenses at an eligible
28 institution of higher education under the provisions of this subtitle; and

29 (2) Except as provided in § 18–1909(b) of this subtitle, is a resident of the
30 State or of the District of Columbia at the time that the account holder enters into a prepaid
31 contract.

1 **[(l)](M)** “Qualified higher education expenses” has the meaning stated in §
2 529(e) of the Internal Revenue Code.

3 **[(m)](N)** “Qualified state tuition program” has the meaning stated in § 529 of the
4 Internal Revenue Code.

5 **[(n)](O)** “Trust” means the Maryland Prepaid College Trust established under
6 this subtitle.

7 **[(o)](P)** (1) “Tuition” means the actual tuition and mandatory fees assessed
8 to all students by an eligible institution of higher education as a condition of enrollment at
9 the institution.

10 (2) “Tuition” does not include any fee that is assessed by the institution for
11 a particular course taken, year of enrollment, academic status, course of study, residency
12 status, or any other distinguishing factor used by the institution to determine a specific fee.
13 18–1902.1.

14 (a) There is a Program entitled the College Savings Plans of Maryland.

15 (b) The purpose of the Program is to provide for the administration by the Board
16 of the Maryland Prepaid College Trust, the Maryland College Investment Plan, **[and]** the
17 Maryland Broker–Dealer College Investment Plan, **AND THE MARYLAND ABLE**
18 **PROGRAM.**

19 18–1904.

20 (b) The Board shall administer:

21 (1) The Maryland Prepaid College Trust established under this subtitle;

22 (2) The Maryland College Investment Plan established under Subtitle 19A
23 of this title; **[and]**

24 (3) The Maryland Broker–Dealer College Investment Plan established
25 under Subtitle 19B of this title; **AND**

26 **(4) THE MARYLAND ABLE PROGRAM ESTABLISHED UNDER**
27 **SUBTITLE 19C OF THIS TITLE.**

28 (c) The Board consists of the following **[10]** members:

29 (1) The Secretary of the Maryland Higher Education Commission;

30 (2) The State Superintendent of Schools;

1 (3) The State Treasurer;

2 (4) The State Comptroller;

3 (5) The Chancellor of the University System of Maryland; [and]

4 **(6) THE SECRETARY OF HEALTH AND MENTAL HYGIENE;**

5 **(7) A REPRESENTATIVE FROM THE DEPARTMENT OF DISABILITIES;**

6 **(8) A MEMBER OF THE MARYLAND DEVELOPMENTAL DISABILITIES**
7 **ADMINISTRATION; AND**

8 **[(6)] (9) [Five] NINE** members of the public who shall be appointed by
9 the Governor [and] **AS FOLLOWS:**

10 **(I) FIVE MEMBERS WHO** shall have significant experience in
11 finance, accounting, investment management, or other areas that can be of assistance to
12 the Board;

13 **(II) A REPRESENTATIVE FROM AN INTELLECTUAL OR**
14 **DEVELOPMENTAL DISABILITY ADVOCACY ORGANIZATION;**

15 **(III) A REPRESENTATIVE OF A SERVICE PROVIDER FOR PEOPLE**
16 **WITH DISABILITIES;**

17 **(IV) A PARENT OF A CHILD WITH A DISABILITY WHO HAS**
18 **SIGNIFICANT EXPERIENCE WITH DISABILITY ISSUES; AND**

19 **(V) A PERSON WITH A DISABILITY WHO HAS SIGNIFICANT**
20 **EXPERIENCE WITH DISABILITY ISSUES.**

21 18–1905.

22 (d) (3) The Board may retain the services of consultants, administrators, and
23 other personnel, as necessary, to administer the Trust, the Plan, [or] the Broker–Dealer
24 Plan, **OR THE MARYLAND ABLE PROGRAM.**

25 (e) The Board may adopt any regulations that the Board considers necessary to
26 carry out the provisions of this subtitle or Subtitle 19A [or], Subtitle 19B, **OR SUBTITLE**
27 **19C** of this title.

28 (f) In addition, the Board may:

- 1 (1) Adopt an official seal;
- 2 (2) Sue and be sued;
- 3 (3) Execute contracts and other necessary instruments;
- 4 (4) Hold, buy, and sell instruments, obligations, securities, and other
5 investments consistent with its comprehensive investment plan;
- 6 (5) Enter into agreements with eligible institutions of higher education and
7 other public or private entities for the promotion, administration, or marketing of the
8 Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE**
9 **PROGRAM;**
- 10 (6) Invest funds not required for immediate disbursement;
- 11 (7) Solicit and accept gifts, grants, loans, or other aid from any source or
12 participate in any government program for purposes consistent with this subtitle and
13 Subtitles 19A [and], 19B, AND **19C** of this title;
- 14 (8) Subject to the review of the General Assembly, impose and collect
15 reasonable administrative fees for any transactions under the Trust, the Plan, [or] the
16 Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM** or involving prepaid
17 contracts or transactions affecting the Program, the Trust, the Plan, [or] the Broker–Dealer
18 Plan, **OR THE MARYLAND ABLE PROGRAM;**
- 19 (9) Procure insurance against any loss of assets of the Program, the Trust,
20 the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM;**
- 21 (10) Endorse insurance coverage written exclusively for the purpose of
22 protecting:
- 23 (i) A prepaid contract under the Trust and the account holder and
24 the qualified beneficiary of the contract; [or]
- 25 (ii) An investment account under the Plan, or the Broker–Dealer
26 Plan, and the account holder and qualified designated beneficiary of the investment
27 account; **OR**
- 28 **(III) AN INVESTMENT ACCOUNT UNDER THE MARYLAND ABLE**
29 **PROGRAM AND THE ACCOUNT HOLDER AND QUALIFIED DESIGNATED BENEFICIARY**
30 **OF THE INVESTMENT ACCOUNT;**

1 (11) Designate terms under which money may be withdrawn from the
2 Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE**
3 **PROGRAM;**

4 (12) Establish additional procedural and substantive requirements for
5 participation in and the administration or marketing of the Program, the Trust, the Plan,
6 [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM;**

7 (13) Appear on the Board’s own behalf before other boards, commissions, or
8 other governmental agencies; and

9 (14) Take any other action that the Board considers appropriate to
10 implement and administer the Program, the Trust, the Plan, [or] the Broker–Dealer Plan,
11 **OR THE MARYLAND ABLE PROGRAM.**

12 18–19A–05.

13 (a) (1) The debts, contracts, and obligations of the Plan are not the contracts,
14 debts, or obligations of the State and neither the faith and credit nor taxing power of the
15 State is pledged directly or indirectly or contingently, morally or otherwise, to the payment
16 of the debts, contracts, and obligations.

17 (2) The Board cannot directly or indirectly or contingently obligate, morally
18 or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and
19 obligations of the Plan or to make any appropriation for the payment of the debts and
20 obligations of the Plan.

21 (b) Neither the State nor any eligible educational institution shall be liable for
22 any losses or shortage of funds in the event that the account holder’s investment account
23 balance is insufficient to meet the tuition requirements of an institution attended by the
24 qualified designated beneficiary.

25 (c) Moneys of the Plan may not be considered moneys of the State or deposited in
26 the State Treasury.

27 (d) Moneys of the Plan may not be considered moneys of or commingled with the
28 Maryland Prepaid College Trust.

29 (e) Moneys of the Plan may not be considered moneys of or commingled with the
30 Maryland Broker–Dealer College Investment Plan.

31 **(F) MONEYS OF THE PLAN MAY NOT BE CONSIDERED MONEYS OF OR**
32 **COMMINGLED WITH THE MARYLAND ABLE PROGRAM.**

33 18–19B–05.

1 (a) (1) The debts, contracts, and obligations of the Broker–Dealer Plan are not
2 the contracts, debts, or obligations of the State, and neither the faith and credit nor taxing
3 power of the State is pledged directly or indirectly or contingently, morally or otherwise, to
4 the payment of the debts, contracts, and obligations.

5 (2) The Board cannot directly or indirectly or contingently obligate, morally
6 or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and
7 obligations of the Broker–Dealer Plan or to make any appropriation for the payment of the
8 debts and obligations of the Broker–Dealer Plan.

9 (b) Neither the State nor any eligible educational institution shall be liable for
10 any losses or shortage of funds in the event that the account holder’s investment account
11 balance is insufficient to meet the tuition requirements of an institution attended by the
12 qualified designated beneficiary.

13 (c) Moneys of the Broker–Dealer Plan may not be considered moneys of the State
14 or deposited in the State Treasury.

15 (d) Moneys of the Broker–Dealer Plan may not be considered moneys of or
16 commingled with the Maryland Prepaid College Trust.

17 (e) Moneys of the Broker–Dealer Plan may not be considered moneys of or
18 commingled with the Maryland College Investment Plan.

19 **(F) MONEYS OF THE BROKER–DEALER PLAN MAY NOT BE CONSIDERED**
20 **MONEYS OF OR COMMINGLED WITH THE MARYLAND ABLE PROGRAM.**

21 **SUBTITLE 19C. MARYLAND ABLE PROGRAM.**

22 **18–19C–01.**

23 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
24 **INDICATED.**

25 **(B) “ABLE ACCOUNT” MEANS AN ACCOUNT DESCRIBED UNDER § 529A(E)**
26 **OF THE INTERNAL REVENUE CODE.**

27 **(C) “BOARD” MEANS THE COLLEGE SAVINGS PLANS OF MARYLAND BOARD**
28 **ESTABLISHED UNDER § 18–1904 OF THIS TITLE.**

29 **(D) “CONTRACTING STATE” MEANS A STATE DESCRIBED IN § 529A(E) OF**
30 **THE INTERNAL REVENUE CODE.**

31 **(E) “DESIGNATED BENEFICIARY” MEANS AN INDIVIDUAL DESCRIBED IN §**
32 **529A(E) OF THE INTERNAL REVENUE CODE.**

1 (F) "MARYLAND ABLE PROGRAM" HAS THE MEANING STATED IN § 529A(B)
2 OF THE INTERNAL REVENUE CODE.

3 (G) "QUALIFIED DISABILITY EXPENSES" MEANS EXPENSES DESCRIBED IN §
4 529A(E) OF THE INTERNAL REVENUE CODE.

5 18-19C-02.

6 (A) THE BOARD SHALL ESTABLISH A MARYLAND ABLE PROGRAM THAT
7 SHALL BE SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL REVENUE
8 CODE.

9 (B) THE PURPOSE OF THE MARYLAND ABLE PROGRAM IS TO:

10 (1) ENCOURAGE AND ASSIST INDIVIDUALS AND FAMILIES IN SAVING
11 PRIVATE FUNDS TO SUPPORT INDIVIDUALS WITH DISABILITIES TO MAINTAIN
12 HEALTH, INDEPENDENCE, AND QUALITY OF LIFE; AND

13 (2) PROVIDE SECURE FUNDING FOR DISABILITY-RELATED EXPENSES
14 ON BEHALF OF DESIGNATED BENEFICIARIES WITH DISABILITIES THAT WILL
15 SUPPLEMENT, NOT SUPPLANT, BENEFITS PROVIDED THROUGH PRIVATE
16 INSURANCE, THE MEDICAID PROGRAM UNDER TITLE XIX OF THE SOCIAL SECURITY
17 ACT, THE SUPPLEMENTAL SECURITY INCOME PROGRAM UNDER TITLE XVI OF THE
18 SOCIAL SECURITY ACT, THE BENEFICIARY'S EMPLOYMENT, AND ANY OTHER
19 SOURCE.

20 (C) (1) THE BOARD SHALL ADMINISTER, MANAGE, AND PROMOTE THE
21 MARYLAND ABLE PROGRAM.

22 (2) THE BOARD SHALL ADMINISTER THE MARYLAND ABLE
23 PROGRAM IN COMPLIANCE WITH INTERNAL REVENUE SERVICE STANDARDS FOR
24 QUALIFIED ABLE PROGRAMS.

25 (D) (1) THE BOARD SHALL ADOPT PROCEDURES RELATING TO:

26 (I) ENROLLMENT FOR PARTICIPATION IN THE MARYLAND
27 ABLE PROGRAM; AND

28 (II) START-UP COSTS INCURRED BY THE STATE FOR THE
29 DEVELOPMENT OF THE MARYLAND ABLE PROGRAM WITH THESE COSTS TO BE
30 REIMBURSED TO THE STATE BY THE MARYLAND ABLE PROGRAM.

1 **(2) THE BOARD SHALL ADOPT ANY OTHER PROCEDURES THAT THE**
2 **BOARD CONSIDERS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE.**

3 **(E) AT LEAST ANNUALLY, THE BOARD SHALL ISSUE TO EACH ABLE**
4 **ACCOUNT HOLDER A STATEMENT THAT PROVIDES A SEPARATE ACCOUNTING FOR**
5 **EACH DESIGNATED BENEFICIARY PROVIDING THE FOLLOWING INFORMATION WITH**
6 **RESPECT TO EACH ACCOUNT:**

7 **(1) THE BEGINNING BALANCE;**

8 **(2) CONTRIBUTIONS TO THE ACCOUNT;**

9 **(3) DISTRIBUTIONS FROM THE ACCOUNT DURING THE PREVIOUS**
10 **YEAR; AND**

11 **(4) ENDING INVESTMENT ACCOUNT VALUE.**

12 **18-19C-03.**

13 **(A) (1) THE BOARD MAY ISSUE REQUESTS FOR PROPOSALS TO EVALUATE**
14 **AND DETERMINE THE MEANS FOR THE ADMINISTRATION, MANAGEMENT,**
15 **PROMOTION, OR MARKETING OF THE MARYLAND ABLE PROGRAM.**

16 **(2) THE BOARD SHALL CONSIDER PROPOSALS THAT MEET THE**
17 **FOLLOWING CRITERIA:**

18 **(I) ABILITY TO DEVELOP AND ADMINISTER AN INVESTMENT**
19 **PROGRAM OF A NATURE SIMILAR TO THE OBJECTIVES OF THE MARYLAND ABLE**
20 **PROGRAM;**

21 **(II) ABILITY TO ADMINISTER FINANCIAL PROGRAMS WITH**
22 **INDIVIDUAL ACCOUNT RECORDS AND REPORTING; AND**

23 **(III) ABILITY TO MARKET THE MARYLAND ABLE PROGRAM TO**
24 **MARYLAND RESIDENTS AND, AT THE BOARD'S DISCRETION, RESIDENTS OF A**
25 **CONTRACTING STATE.**

26 **(B) (1) THE BOARD MAY REQUIRE AN INITIAL ENROLLMENT FEE TO BE**
27 **USED FOR ADMINISTRATIVE COSTS OF THE MARYLAND ABLE PROGRAM.**

28 **(2) THE BOARD MAY REQUIRE ADDITIONAL FEES ASSOCIATED WITH**
29 **THE EXPENSES OF THE MARYLAND ABLE PROGRAM.**

1 **(C) (1) THE MARYLAND ABLE PROGRAM IS SUBJECT TO THE**
2 **PROVISIONS OF § 529A OF THE INTERNAL REVENUE CODE.**

3 **(2) THE MARYLAND ABLE PROGRAM SHALL INCLUDE PROVISIONS**
4 **FOR AUTOMATIC CONTRIBUTIONS.**

5 **(3) ACCOUNTS ESTABLISHED UNDER THE MARYLAND ABLE**
6 **PROGRAM MAY NOT COUNT TOWARDS LOCAL OR STATE MEANS-TESTED PROGRAMS.**

7 **(D) (1) THE MARYLAND ABLE PROGRAM:**

8 **(I) MAY BE ESTABLISHED AS ONE OR MORE SEPARATE PLANS**
9 **AS DETERMINED BY THE BOARD;**

10 **(II) SHALL BE ESTABLISHED IN THE FORM DETERMINED BY THE**
11 **BOARD;**

12 **(III) SHALL BE MARKETED AND PROMOTED UNDER THE NAME**
13 **OR NAMES DETERMINED BY THE BOARD; AND**

14 **(IV) MAY BE ESTABLISHED AS ONE OR MORE TRUSTS TO BE**
15 **DECLARED BY THE BOARD.**

16 **(2) THE MARYLAND ABLE PROGRAM MAY BE DIVIDED INTO**
17 **MULTIPLE INVESTMENT OPTIONS.**

18 **18-19C-04.**

19 **(A) A MARYLAND RESIDENT OR, AT THE DISCRETION OF THE BOARD, A**
20 **RESIDENT OF A CONTRACTING STATE MAY PARTICIPATE IN AND BENEFIT FROM THE**
21 **MARYLAND ABLE PROGRAM.**

22 **(B) DISTRIBUTIONS SHALL BE REQUESTED BY THE DESIGNATED**
23 **BENEFICIARY SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL REVENUE**
24 **CODE.**

25 **18-19C-05.**

26 **(A) (1) THE DEBTS, CONTRACTS, AND OBLIGATIONS OF THE MARYLAND**
27 **ABLE PROGRAM ARE NOT THE CONTRACTS, DEBTS, OR OBLIGATIONS OF THE**
28 **STATE, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE IS**
29 **PLEGGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY, MORALLY OR OTHERWISE,**
30 **TO THE PAYMENT OF THE DEBTS, CONTRACTS, AND OBLIGATIONS.**

1 **(2) THE BOARD MAY NOT DIRECTLY OR INDIRECTLY OR**
2 **CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE STATE TO LEVY OR**
3 **PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE DEBTS AND OBLIGATIONS**
4 **OF THE MARYLAND ABLE PROGRAM OR TO MAKE ANY APPROPRIATION FOR THE**
5 **PAYMENT OF THE DEBTS AND OBLIGATIONS OF THE MARYLAND ABLE PROGRAM.**

6 **(B) THE STATE MAY NOT BE LIABLE FOR ANY LOSSES OR SHORTAGE OF**
7 **FUNDS IN THE EVENT THAT THE DESIGNATED BENEFICIARY'S INVESTMENT**
8 **ACCOUNT BALANCE IS INSUFFICIENT TO MEET THE DESIGNATED BENEFICIARY'S**
9 **QUALIFIED DISABILITY EXPENSES.**

10 **(C) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED**
11 **MONEY OF THE STATE OR DEPOSITED IN THE STATE TREASURY.**

12 **(D) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED**
13 **MONEY OF OR COMMINGLED WITH THE MARYLAND PREPAID COLLEGE TRUST.**

14 **(E) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED**
15 **MONEY OF OR COMMINGLED WITH THE MARYLAND COLLEGE INVESTMENT PLAN.**

16 **(F) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED**
17 **MONEY OF OR COMMINGLED WITH THE MARYLAND BROKER-DEALER COLLEGE**
18 **INVESTMENT PLAN.**

19 **18-19C-06.**

20 **(A) THE BOARD, THE MARYLAND ABLE PROGRAM, AND THE INVESTMENT**
21 **ACCOUNTS ISSUED UNDER THIS SUBTITLE ARE NOT SUBJECT TO THE PROVISIONS**
22 **OF THE INSURANCE ARTICLE.**

23 **(B) THE ASSETS AND INCOME OF THE MARYLAND ABLE PROGRAM ARE**
24 **EXEMPT FROM STATE AND LOCAL TAXATION.**

25 **18-19C-07.**

26 **(A) IN THIS SECTION, "PERSON" DOES NOT INCLUDE THE STATE.**

27 **(B) A PERSON MAY NOT ATTACH, EXECUTE, GARNISH, OR OTHERWISE SEIZE**
28 **ANY CURRENT OR FUTURE BENEFIT UNDER AN INVESTMENT ACCOUNT OR ANY**
29 **ASSET OF THE MARYLAND ABLE PROGRAM.**

30 **18-19C-08.**

1 This power of attorney becomes effective immediately unless you state otherwise in the
2 Special Instructions.

3 If you have questions about the power of attorney or the authority you are granting to your
4 agent, you should seek legal advice before signing this form.

5 DESIGNATION OF AGENT

6 This section of the form provides for designation of one agent.

7 If you wish to name coagents, skip this section and use the next section ("Designation of
8 Coagents").

9 I, _____, name the following person
10 (Name of Principal)
11 as my agent:

12 Name of
13 Agent: _____
14 Agent's
15 Address: _____
16 Agent's Telephone
17 Number: _____

18 DESIGNATION OF COAGENTS (OPTIONAL)

19 This section of the form provides for designation of two or more coagents. Coagents are
20 required to act together unanimously unless you otherwise provide in this form.

21 I, _____ ,
22 (Name of Principal)

23 Name the following persons as coagents:

24 Name of Coagent: _____

25 Coagent's Address: _____

26 Coagent's Telephone Number: _____

27 Name of Coagent: _____

28 Coagent's Address: _____

29 Coagent's Telephone Number: _____

30 Special Instructions Regarding Coagents: _____

1 _____
2 _____
3 _____

4 DESIGNATION OF SUCCESSOR AGENT(S) (OPTIONAL)

5 If my agent is unable or unwilling to act for me, I name as my successor agent:

6 Name of Successor Agent: _____
7 Successor Agent's
8 Address: _____
9 Successor Agent's Telephone Number: _____

10 If my successor agent is unable or unwilling to act for me, I name as my second successor
11 agent:

12 Name of Second Successor
13 Agent: _____
14 Second Successor Agent's
15 Address: _____
16 Second Successor Agent's Telephone Number: _____

17 GRANT OF GENERAL AUTHORITY

18 I ("the principal") grant my agent and any successor agent, with respect to each subject
19 that I choose below, the authority to do all acts that I could do to:

20 (1) Demand, receive, and obtain by litigation or otherwise, money or
21 another thing of value to which the principal is, may become, or claims to be entitled, and
22 conserve, invest, disburse, or use anything so received or obtained for the purposes
23 intended;

24 (2) Contract with another person, on terms agreeable to the agent, to
25 accomplish a purpose of a transaction and perform, rescind, cancel, terminate, reform,
26 restate, release, or modify the contract or another contract made by or on behalf of the
27 principal;

28 (3) Execute, acknowledge, seal, deliver, file, or record any instrument or
29 communication the agent considers desirable to accomplish a purpose of a transaction,
30 including creating a schedule contemporaneously or at a later time listing some or all of the
31 principal's property and attaching the schedule to this power of attorney;

32 (4) Initiate, participate in, submit to alternative dispute resolution, settle,
33 oppose, or propose or accept a compromise with respect to a claim existing in favor of or
34 against the principal or intervene in litigation relating to the claim;

1 (5) Seek on the principal's behalf the assistance of a court or other
2 governmental agency to carry out an act authorized in this power of attorney;

3 (6) Engage, compensate, and discharge an attorney, accountant,
4 discretionary investment manager, expert witness, or other advisor;

5 (7) Prepare, execute, and file a record, report, or other document to
6 safeguard or promote the principal's interest under a statute or regulation;

7 (8) Communicate with representatives or employees of a government or
8 governmental subdivision, agency, or instrumentality, on behalf of the principal;

9 (9) Access communications intended for, and communicate on behalf of the
10 principal, whether by mail, electronic transmission, telephone, or other means; and

11 (10) Do lawful acts with respect to the subject and all property related to the
12 subject.

13 (INITIAL each authority in any subject you want to include in the agent's general
14 authority. Cross through each authority in any subject that you want to exclude. If you
15 wish to grant general authority over an entire subject, you may initial "All of the above"
16 instead of initialing each authority.)

17 SUBJECTS AND AUTHORITY

18 A. Real Property – With respect to this category, I authorize my agent to:

19 (___) Demand, buy, lease, receive, accept as a gift or as security for an
20 extension of credit, or otherwise acquire or reject an interest in real property or a right
21 incident to real property

22 (___) Sell, exchange, convey with or without covenants, representations, or
23 warranties, quitclaim, release, surrender, retain title for security, encumber, partition,
24 consent to partitioning, subject to an easement or covenant, subdivide, apply for zoning or
25 other governmental permits, plat or consent to platting, develop, grant an option
26 concerning, lease, sublease, contribute to an entity in exchange for an interest in that
27 entity, or otherwise grant or dispose of an interest in real property or a right incident to
28 real property

29 (___) Pledge or mortgage an interest in real property or right incident to real
30 property as security to borrow money or pay, renew, or extend the time of payment of a
31 debt of the principal or a debt guaranteed by the principal, including a reverse mortgage

32 (___) Release, assign, satisfy, or enforce by litigation or otherwise a
33 mortgage, deed of trust, conditional sale contract, encumbrance, lien, or other claim to real
34 property that exists or is asserted

1 () Manage or conserve an interest in real property or a right incident to
2 real property owned or claimed to be owned by the principal, including:

3 (1) Insuring against liability or casualty or other loss;

4 (2) Obtaining or regaining possession of or protecting the interest or
5 right by litigation or otherwise;

6 (3) Paying, assessing, compromising, or contesting taxes or
7 assessments or applying for and receiving refunds in connection with them; and

8 (4) Purchasing supplies, hiring assistance or labor, and making
9 repairs or alterations to the real property

10 () Use, develop, alter, replace, remove, erect, or install structures or other
11 improvements on real property in or incident to which the principal has, or claims to have,
12 an interest or right

13 () Participate in a reorganization with respect to real property or an entity
14 that owns an interest in or a right incident to real property and receive, hold, and act with
15 respect to stocks and bonds or other property received in a plan of reorganization, including:

16 (1) Selling or otherwise disposing of the stocks and bonds or other
17 property;

18 (2) Exercising or selling an option, a right of conversion, or a similar
19 right with respect to the stocks and bonds or other property; and

20 (3) Exercising voting rights in person or by proxy

21 () Change the form of title of an interest in or a right incident to real
22 property

23 () Dedicate to public use, with or without consideration, easements or
24 other real property in which the principal has, or claims to have, an interest

25 () All of the above

26 B. Tangible Personal Property – With respect to this subject, I authorize my
27 agent to:

28 () Demand, buy, receive, accept as a gift or as security for an extension of
29 credit, or otherwise acquire or reject ownership or possession of tangible personal property
30 or an interest in tangible personal property

31 () Sell, exchange, convey with or without covenants, representations, or
32 warranties, quitclaim, release, surrender, create a security interest in, grant options

1 concerning, lease, sublease, or otherwise dispose of tangible personal property or an
2 interest in tangible personal property

3 Grant a security interest in tangible personal property or an interest in
4 tangible personal property as security to borrow money or pay, renew, or extend the time
5 of payment of a debt of the principal or a debt guaranteed by the principal

6 Release, assign, satisfy, or enforce by litigation or otherwise, a security
7 interest, lien, or other claim on behalf of the principal, with respect to tangible personal
8 property or an interest in tangible personal property

9 Manage or conserve tangible personal property or an interest in
10 tangible personal property on behalf of the principal, including:

11 (1) Insuring against liability or casualty or other loss;

12 (2) Obtaining or regaining possession of or protecting the property
13 or interest, by litigation or otherwise;

14 (3) Paying, assessing, compromising, or contesting taxes or
15 assessments or applying for and receiving refunds in connection with taxes or assessments;

16 (4) Moving the property from place to place;

17 (5) Storing the property for hire or on a gratuitous bailment; and

18 (6) Using and making repairs, alterations, or improvements to the
19 property

20 Change the form of title of an interest in tangible personal property

21 All of the above

22 C. Stocks and Bonds – With respect to this subject, I authorize my agent to:

23 Buy, sell, and exchange stocks and bonds

24 Establish, continue, modify, or terminate an account with respect to
25 stocks and bonds

26 Pledge stocks and bonds as security to borrow, pay, renew, or extend
27 the time of payment of a debt of the principal

28 Receive certificates and other evidences of ownership with respect to
29 stocks and bonds

1 Exercise voting rights with respect to stocks and bonds in person or by
2 proxy, enter into voting trusts, and consent to limitations on the right to vote

3 All of the above

4 D. Commodities – With respect to this subject, I authorize my agent to:

5 Buy, sell, exchange, assign, settle, and exercise commodity futures
6 contracts and call or put options on stocks or stock indexes traded on a regulated option
7 exchange

8 Establish, continue, modify, and terminate option accounts

9 All of the above

10 E. Banks and Other Financial Institutions – With respect to this subject, I
11 authorize my agent to:

12 Continue, modify, transact all business in connection with, and
13 terminate an account or other banking arrangement made by or on behalf of the principal

14 Establish, modify, transact all business in connection with, and
15 terminate an account or other banking arrangement with a bank, trust company, savings
16 and loan association, credit union, thrift company, brokerage firm, or other financial
17 institution selected by the agent

18 Contract for services available from a financial institution, including
19 renting a safe deposit box or space in a vault

20 Deposit by check, money order, electronic funds transfer, or otherwise
21 with, or leave in the custody of, a financial institution money or property of the principal

22 Withdraw, by check, money order, electronic funds transfer, or
23 otherwise, money or property of the principal deposited with or left in the custody of a
24 financial institution

25 Receive statements of account, vouchers, notices, and similar
26 documents from a financial institution and act with respect to them

27 Enter a safe deposit box or vault and withdraw or add to the contents

28 Borrow money and pledge as security personal property of the principal
29 necessary to borrow money or pay, renew, or extend the time of payment of a debt of the
30 principal or a debt guaranteed by the principal

31 Make, assign, draw, endorse, discount, guarantee, and negotiate
32 promissory notes, checks, drafts, and other negotiable or nonnegotiable paper of the

1 principal or payable to the principal or the principal's order, transfer money, receive the
2 cash or other proceeds of those transactions, and accept a draft drawn by a person on the
3 principal and pay the draft when due

4 Receive for the principal and act on a sight draft, warehouse receipt,
5 other document of title whether tangible or electronic, or other negotiable or nonnegotiable
6 instrument

7 Apply for, receive, and use letters of credit, credit cards and debit cards,
8 electronic transaction authorizations, and traveler's checks from a financial institution and
9 give an indemnity or other agreement in connection with letters of credit

10 Consent to an extension of the time of payment with respect to
11 commercial paper or a financial transaction with a financial institution

12 All of the above

13 F. Operation of an Entity or a Business – With respect to this subject, I authorize
14 my agent to:

15 Operate, buy, sell, enlarge, reduce, or terminate an ownership interest

16 Perform a duty or discharge a liability and exercise in person or by
17 proxy a right, power, privilege, or an option that the principal has, may have, or claims to
18 have

19 Enforce the terms of an ownership agreement

20 Initiate, participate in, submit to alternative dispute resolution, settle,
21 oppose, or propose or accept a compromise with respect to litigation to which the principal
22 is a party because of an ownership interest

23 Exercise in person or by proxy, or enforce by litigation or otherwise, a
24 right, power, privilege, or an option the principal has or claims to have as the holder of
25 stocks and bonds

26 Initiate, participate in, submit to alternative dispute resolution, settle,
27 oppose, or propose or accept a compromise with respect to litigation to which the principal
28 is a party concerning stocks and bonds

29 With respect to an entity or business owned solely by the principal:

30 (1) Continue, modify, renegotiate, extend, and terminate a contract
31 made by or on behalf of the principal with respect to the entity or business before execution
32 of this power of attorney;

33 (2) Determine:

- 1 (i) The location of the operation of the entity or business;
- 2 (ii) The nature and extent of the business of the entity or
3 business;
- 4 (iii) The methods of manufacturing, selling, merchandising,
5 financing, accounting, and advertising employed in the operation of the entity or business;
- 6 (iv) The amount and types of insurance carried by the entity
7 or business; and
- 8 (v) The mode of engaging, compensating, and dealing with the
9 employees and accountants, attorneys, or other advisors of the entity or business;
- 10 (3) Change the name or form of organization under which the entity
11 or business is operated and enter into an ownership agreement with other persons to take
12 over all or part of the operation of the entity or business; and
- 13 (4) Demand and receive money due or claimed by the principal or on
14 the principal's behalf in the operation of the entity or business and control and disburse the
15 money in the operation of the entity or business
- 16 (___) Put additional capital into an entity or a business in which the principal
17 has an interest
- 18 (___) Join in a plan of reorganization, consolidation, conversion,
19 domestication, or merger of the entity or business
- 20 (___) Sell or liquidate all or part of an entity or business
- 21 (___) Establish the value of an entity or a business under a buyout agreement
22 to which the principal is a party
- 23 (___) Prepare, sign, file, and deliver reports, compilations of information,
24 returns, or other papers with respect to an entity or business and make related payments
- 25 (___) Pay, compromise, or contest taxes, assessments, fines, or penalties and
26 perform other acts to protect the principal from illegal or unnecessary taxation,
27 assessments, fines, or penalties, with respect to an entity or a business, including attempts
28 to recover, as permitted by law, money paid before or after the execution of this power of
29 attorney
- 30 (___) All of the above

31 G. Insurance and Annuities – With respect to this subject, I authorize my agent
32 to:

- 1 Continue, pay the premium or make a contribution on, modify,
2 exchange, rescind, release, or terminate a contract procured by or on behalf of the principal
3 that insures or provides an annuity to either the principal or another person, whether or
4 not the principal is a beneficiary under the contract
- 5 Procure new, different, and additional contracts of insurance and
6 annuities for the principal and the principal's spouse, children, and other dependents, and
7 select the amount, type of insurance or annuity, and mode of payment
- 8 Pay the premium or make a contribution on, modify, exchange, rescind,
9 release, or terminate a contract of insurance or annuity procured by the agent
- 10 Apply for and receive a loan secured by a contract of insurance or
11 annuity
- 12 Surrender and receive the cash surrender value on a contract of
13 insurance or annuity
- 14 Exercise an election
- 15 Exercise investment powers available under a contract of insurance or
16 annuity
- 17 Change the manner of paying premiums on a contract of insurance or
18 annuity
- 19 Change or convert the type of insurance or annuity with respect to
20 which the principal has or claims to have authority described in this section
- 21 Apply for and procure a benefit or assistance under a statute or
22 regulation to guarantee or pay premiums of a contract of insurance on the life of the
23 principal
- 24 Collect, sell, assign, hypothecate, borrow against, or pledge the interest
25 of the principal in a contract of insurance or annuity
- 26 Select the form and timing of the payment of proceeds from a contract
27 of insurance or annuity
- 28 Pay, from proceeds or otherwise, compromise or contest, and apply for
29 refunds in connection with a tax or assessment levied by a taxing authority with respect to
30 a contract of insurance or annuity or the proceeds or liability from the contract of insurance
31 or annuity accruing by reason of the tax or assessment
- 32 All of the above

1 H. Estates, Trusts, and Other Beneficial Interests (including trusts, probate
2 estates, guardianships, conservatorships, escrows, or custodianships or funds from which
3 the principal is, may become, or claims to be entitled to a share or payment) – With respect
4 to this subject, I authorize my agent to:

5 Accept, receive, receipt for, sell, assign, pledge, or exchange a share in
6 or payment from the fund described above

7 Demand or obtain money or another thing of value to which the
8 principal is, may become, or claims to be entitled by reason of the fund described above, by
9 litigation or otherwise

10 Exercise for the benefit of the principal a presently exercisable general
11 power of appointment held by the principal

12 Initiate, participate in, submit to alternative dispute resolution, settle,
13 oppose, or propose or accept a compromise with respect to litigation to ascertain the
14 meaning, validity, or effect of a deed, will, declaration of trust, or other instrument or
15 transaction affecting the interest of the principal

16 Initiate, participate in, submit to alternative dispute resolution, settle,
17 oppose, or propose or accept a compromise with respect to litigation to remove, substitute,
18 or surcharge a fiduciary

19 Conserve, invest, disburse, or use anything received for an authorized
20 purpose

21 Transfer an interest of the principal in real property, stocks and bonds,
22 accounts with financial institutions or securities intermediaries, insurance, annuities, and
23 other property to the trustee of a revocable trust created by the principal as settlor

24 Reject, renounce, disclaim, release, or consent to a reduction in or
25 modification of a share in or payment from the fund described above

26 All of the above

27 I. Claims and Litigation – With respect to this subject, I authorize my agent to:

28 Assert and maintain before a court or administrative agency a claim,
29 claim for relief, cause of action, counterclaim, offset, recoupment, or defense, including an
30 action to recover property or other thing of value, recover damages sustained by the
31 principal, eliminate or modify tax liability, or seek an injunction, specific performance, or
32 other relief

33 Bring an action to determine adverse claims or intervene or otherwise
34 participate in litigation

1 Seek an attachment, garnishment, order of arrest, or other preliminary,
2 provisional, or intermediate relief and use an available procedure to effect or satisfy a
3 judgment, order, or decree

4 Make or accept a tender, offer of judgment, or admission of facts, submit
5 a controversy on an agreed statement of facts, consent to examination, and bind the
6 principal in litigation

7 Submit to alternative dispute resolution, settle, and propose or accept
8 a compromise

9 Waive the issuance and service of process on the principal, accept
10 service of process, appear for the principal, designate persons on which process directed to
11 the principal may be served, execute and file or deliver stipulations on the principal's
12 behalf, verify pleadings, seek appellate review, procure and give surety and indemnity
13 bonds, contract and pay for the preparation and printing of records and briefs, receive,
14 execute, and file or deliver a consent, waiver, release, confession of judgment, satisfaction
15 of judgment, notice, agreement, or other instrument in connection with the prosecution,
16 settlement, or defense of a claim or litigation

17 Act for the principal with respect to bankruptcy or insolvency, whether
18 voluntary or involuntary, concerning the principal or some other person, or with respect to
19 a reorganization, receivership, or application for the appointment of a receiver or trustee
20 that affects an interest of the principal in property or other thing of value

21 Pay a judgment, award, or order against the principal or a settlement
22 made in connection with a claim or litigation

23 Receive money or other thing of value paid in settlement of or as
24 proceeds of a claim or litigation

25 All of the above

26 J. Personal and Family Maintenance – With respect to this subject, I authorize
27 my agent to:

28 Perform the acts necessary to maintain the customary standard of
29 living of the principal, the principal's spouse, and the following individuals, whether living
30 when this power of attorney is executed or later born:

31 (1) The principal's children;

32 (2) Other individuals legally entitled to be supported by the
33 principal; and

34 (3) The individuals whom the principal has customarily supported
35 or indicated the intent to support;

1 Make periodic payments of child support and other family maintenance
2 required by a court or governmental agency or an agreement to which the principal is a
3 party

4 Provide living quarters for the individuals described above by:

5 (1) Purchase, lease, or other contract; or

6 (2) Paying the operating costs, including interest, amortization
7 payments, repairs, improvements, and taxes, for premises owned by the principal or
8 occupied by those individuals

9 Provide normal domestic help, usual vacations and travel expenses, and
10 funds for shelter, clothing, food, appropriate education, including postsecondary and
11 vocational education, and other current living costs for the individuals described above

12 Pay expenses for necessary health care and custodial care on behalf of
13 the individuals described above

14 Act as the principal's personal representative in accordance with the
15 Health Insurance Portability and Accountability Act, §§ 1171 through 1179 of the Social
16 Security Act, 42 U.S.C. § 1320d, and applicable regulations in making decisions related to
17 the past, present, or future payment for the provision of health care consented to by the
18 principal or anyone authorized under the law of this State to consent to health care on
19 behalf of the principal

20 Continue provisions made by the principal for automobiles or other
21 means of transportation, including registering, licensing, insuring, and replacing the
22 means of transportation, for the individuals described above

23 Maintain credit and debit accounts for the convenience of the
24 individuals described above and open new accounts

25 Continue payments incidental to the membership or affiliation of the
26 principal in a religious institution, club, society, order, or other organization or to continue
27 contributions to those organizations

28 (NOTE: Authority with respect to personal and family maintenance is neither
29 dependent on, nor limited by, authority that an agent may or may not have with respect to
30 gifts under this power of attorney.)

31 All of the above

32 K. Benefits from Governmental Programs or Civil or Military Service (including
33 any benefit, program, or assistance provided under a statute or regulation including Social
34 Security, Medicare, and Medicaid) – With respect to this subject, I authorize my agent to:

1 () Execute vouchers in the name of the principal for allowances and
2 reimbursements payable by the United States or a foreign government or by a state or
3 subdivision of a state to the principal, including allowances and reimbursements for
4 transportation of the individuals described in “J. Personal and Family Maintenance” above,
5 and for shipment of the household effects of those individuals

6 () Take possession and order the removal and shipment of property of the
7 principal from a post, warehouse, depot, dock, or other place of storage or safekeeping,
8 either governmental or private, and execute and deliver a release, voucher, receipt, bill of
9 lading, shipping ticket, certificate, or other instrument for that purpose

10 () Enroll in, apply for, select, reject, change, amend, or discontinue, on the
11 principal’s behalf, a benefit or program

12 () Prepare, file, and maintain a claim of the principal for a benefit or
13 assistance, financial or otherwise, to which the principal may be entitled under a statute
14 or regulation

15 () Initiate, participate in, submit to alternative dispute resolution, settle,
16 oppose, or propose or accept a compromise with respect to litigation concerning a benefit or
17 assistance the principal may be entitled to receive under a statute or regulation

18 () Receive the financial proceeds of a claim described above and conserve,
19 invest, disburse, or use for a lawful purpose anything so received

20 () All of the above

21 L. Retirement Plans (including a plan or account created by an employer, the
22 principal, or another individual to provide retirement benefits or deferred compensation of
23 which the principal is a participant, beneficiary, or owner, including a plan or account
24 under the following sections of the Internal Revenue Code:

25 (1) An individual retirement account under Internal Revenue Code Section
26 408, 26 U.S.C. § 408;

27 (2) A Roth individual retirement account under Internal Revenue Code
28 Section 408A, 26 U.S.C. § 408A;

29 (3) A deemed individual retirement account under Internal Revenue Code
30 Section 408(q), 26 U.S.C. § 408(q);

31 (4) An annuity or mutual fund custodial account under Internal Revenue
32 Code Section 403(b), 26 U.S.C. § 403(b);

33 (5) A pension, profit-sharing, stock bonus, or other retirement plan
34 qualified under Internal Revenue Code Section 401(a), 26 U.S.C. § 401(a);

1 (6) A plan under Internal Revenue Code Section 457(b), 26 U.S.C. § 457(b);
2 and

3 (7) A nonqualified deferred compensation plan under Internal Revenue
4 Code Section 409A, 26 U.S.C. § 409A) – With respect to this subject, I authorize my agent
5 to:

6 () Select the form and timing of payments under a retirement plan and
7 withdraw benefits from a plan

8 () Make a rollover, including a direct trustee-to-trustee rollover, of
9 benefits from one retirement plan to another

10 () Establish a retirement plan in the principal's name

11 () Make contributions to a retirement plan

12 () Exercise investment powers available under a retirement plan

13 () Borrow from, sell assets to, or purchase assets from a retirement plan

14 () All of the above

15 M. Taxes – With respect to this subject, I authorize my agent to:

16 () Prepare, sign, and file federal, state, local, and foreign income, gift,
17 payroll, property, Federal Insurance Contributions Act, and other tax returns, claims for
18 refunds, requests for extension of time, petitions regarding tax matters, and other tax-
19 related documents, including receipts, offers, waivers, consents, including consents and
20 agreements under Internal Revenue Code Section 2032A, 26 U.S.C. § 2032A, closing
21 agreements, and other powers of attorney required by the Internal Revenue Service or other
22 taxing authority with respect to a tax year on which the statute of limitations has not run
23 and the following 25 tax years

24 () Pay taxes due, collect refunds, post bonds, receive confidential
25 information, and contest deficiencies determined by the Internal Revenue Service or other
26 taxing authority

27 () Exercise elections available to the principal under federal, state, local,
28 or foreign tax law

29 () Act for the principal in all tax matters for all periods before the Internal
30 Revenue Service, or other taxing authority

31 () All of the above

1 N. Gifts (including gifts to a trust, an account under the Uniform Transfers to
 2 Minors Act, [and] a tuition savings account or prepaid tuition plan as defined under
 3 Internal Revenue Code Section 529, 26 U.S.C. § 529, AND AN INVESTMENT ACCOUNT AS
 4 **DEFINED UNDER INTERNAL REVENUE CODE SECTION 529A, 26 U.S.C. § 529A)** –
 5 With respect to this subject, I authorize my agent to:

6 Make outright to, or for the benefit of, a person, a gift of part or all of
 7 the principal's property, including by the exercise of a presently exercisable general power
 8 of appointment held by the principal, in an amount for each donee not to exceed the annual
 9 dollar limits of the federal gift tax exclusion under Internal Revenue Code Section 2503(b),
 10 26 U.S.C. § 2503(b), without regard to whether the federal gift tax exclusion applies to the
 11 gift, or if the principal's spouse agrees to consent to a split gift pursuant to Internal Revenue
 12 Code Section 2513, 26 U.S.C. § 2513, in an amount for each donee not to exceed twice the
 13 annual federal gift tax exclusion limit

14 Consent, pursuant to Internal Revenue Code Section 2513, 26 U.S.C. §
 15 2513, to the splitting of a gift made by the principal's spouse in an amount for each donee
 16 not to exceed the aggregate annual gift tax exclusions for both spouses

17 (NOTE: An agent may only make a gift of the principal's property as the agent
 18 determines is consistent with the principal's objectives if actually known by the agent and,
 19 if unknown, as the agent determines is consistent with the principal's best interest based
 20 on all relevant factors, including:

21 (1) The value and nature of the principal's property;

22 (2) The principal's foreseeable obligations and need for maintenance;

23 (3) Minimization of taxes, including income, estate, inheritance,
 24 generation-skipping transfer, and gift taxes;

25 (4) Eligibility for a benefit, a program, or assistance under a statute or
 26 regulation; and

27 (5) The principal's personal history of making or joining in making gifts.)

28 All of the above

29 GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

30 My agent MAY NOT do any of the following specific acts for me UNLESS I have
 31 INITIALED the specific authority listed below:

32 (CAUTION: Granting any of the following will give your agent the authority to take actions
 33 that could significantly reduce your property or change how your property is distributed at
 34 your death. In addition, granting your agent the authority to make gifts to, or to designate
 35 as the beneficiary of any retirement plan, the agent, the agent's spouse, or a dependent of

1 the agent may constitute a taxable gift by you and may make the property subject to that
2 authority taxable as part of the agent’s estate. INITIAL ONLY the specific authority you
3 WANT to give your agent.)

4 () Create an inter vivos trust, or amend, revoke, or terminate an existing inter
5 vivos trust if the trust expressly authorizes that action by the agent

6 () Make a gift, subject to any special instructions in this power of attorney

7 () Create or change rights of survivorship

8 () Create or change a beneficiary designation, subject to any special instructions
9 in this power of attorney; and, if I wish to authorize my agent to designate the agent, the
10 agent’s spouse, or a dependent of the agent as a beneficiary, I will explicitly state this
11 authority within the special instructions of this power of attorney or in a separate power of
12 attorney

13 () Authorize another person to exercise the authority granted under this power
14 of attorney

15 () Waive the principal’s right to be a beneficiary of a joint and survivor annuity,
16 including a survivor benefit under a retirement plan

17 () Exercise fiduciary powers that the principal has authority to delegate

18 () Disclaim or refuse an interest in property, including a power of appointment

19 LIMITATION ON AGENT’S AUTHORITY

20 An agent that is not my ancestor, spouse, or descendant MAY NOT use my property to
21 benefit the agent or a person to whom the agent owes an obligation of support unless I have
22 included that authority in the Special Instructions.

23 SPECIAL INSTRUCTIONS (OPTIONAL)

24 You may give special instructions on the following lines:

25 _____
26 _____
27 _____
28 _____
29 _____
30 _____
31 _____

32 EFFECTIVE DATE

1 This power of attorney is effective immediately unless I have stated otherwise in the Special
2 Instructions.

3 TERMINATION DATE (OPTIONAL)

4 This power of attorney shall terminate on _____, 20_____.
5 (Use a specific calendar date)

6 NOMINATION OF GUARDIAN (OPTIONAL)

7 If it becomes necessary for a court to appoint a guardian of my property or guardian of my
8 person, I nominate the following person(s) for appointment:

9 Name of Nominee for guardian of my property:
10 _____
11 Nominee's Address: _____
12 Nominee's Telephone Number: _____

13 Name of Nominee for guardian of my person:
14 _____
15 Nominee's Address: _____
16 Nominee's Telephone Number: _____

17 SIGNATURE AND ACKNOWLEDGMENT

18 _____
19 Your Signature Date

20 _____
21 Your Name Printed

22 _____
23 _____
24 Your Address

25 _____
26 Your Telephone Number

27 STATE OF MARYLAND
28 (COUNTY) OF _____

29 This document was acknowledged before me on
30 _____,
31 (Date)

32 by _____.
33 (Name of Principal)

34 (Seal, if any)

1 Signature of Notary
2 My commission expires: _____

3 WITNESS ATTESTATION

4 The foregoing power of attorney was, on the date written above, published and declared by
5 _____
6 (Name of Principal)

7 in our presence to be his/her power of attorney. We, in his/her presence and at his/her
8 request, and in the presence of each other, have attested to the same and have signed our
9 names as attesting witnesses.

10 _____
11 Witness #1 Signature

12 _____
13 Witness #1 Name Printed

14 _____
15 _____
16 Witness #1 Address

17 _____
18 Witness #1 Telephone Number

19 _____
20 Witness #2 Signature

21 _____
22 Witness #2 Name Printed

23 _____
24 _____
25 Witness #2 Address

26 _____
27 Witness #2 Telephone Number

28 This document prepared by:
29 _____
30 _____

31 IMPORTANT INFORMATION FOR AGENT

32 Agent's Duties

33 When you accept the authority granted under this power of attorney, a special legal
34 relationship is created between you and the principal. This relationship imposes on you
35 legal duties that continue until you resign or the power of attorney is terminated or revoked.
36 You must:

1 (1) Do what you know the principal reasonably expects you to do with the
2 principal's property or, if you do not know the principal's expectations, act in the principal's
3 best interest;

4 (2) Act with care, competence, and diligence for the best interest of the principal;

5 (3) Do nothing beyond the authority granted in this power of attorney; and

6 (4) Disclose your identity as an agent whenever you act for the principal by
7 writing or printing the name of the principal and signing your own name as "agent" in the
8 following manner:

9 _____
10 (Principal's Name) by _____ (Your Signature) as Agent

11 Unless the Special Instructions in this power of attorney state otherwise, you must also:

12 (1) Act loyally for the principal's benefit;

13 (2) Avoid conflicts that would impair your ability to act in the principal's best
14 interest;

15 (3) Keep a record of all receipts, disbursements, and transactions made on behalf
16 of the principal;

17 (4) Cooperate with any person that has authority to make health care decisions
18 for the principal to do what you know the principal reasonably expects or, if you do not
19 know the principal's expectations, to act in the principal's best interest; and

20 (5) Attempt to preserve the principal's estate plan if you know the plan and
21 preserving the plan is consistent with the principal's best interest.

22 Termination of Agent's Authority

23 You must stop acting on behalf of the principal if you learn of any event that terminates
24 this power of attorney or your authority under this power of attorney. Events that
25 terminate a power of attorney or your authority to act under a power of attorney include:

26 (1) Death of the principal;

27 (2) The principal's revocation of the power of attorney or your authority;

28 (3) The occurrence of a termination event stated in the power of attorney;

29 (4) The purpose of the power of attorney is fully accomplished; or

1 (5) If you are married to the principal, a legal action is filed with a court to end
2 your marriage, or for your legal separation, unless the Special Instructions in this power of
3 attorney state that such an action will not terminate your authority.

4 Liability of Agent

5 The meaning of the authority granted to you is defined in the Maryland Power of Attorney
6 Act, Title 17 of the Estates and Trusts Article. If you violate the Maryland Power of
7 Attorney Act, Title 17 of the Estates and Trusts Article, or act outside the authority
8 granted, you may be liable for any damages caused by your violation.

9 If there is anything about this document or your duties that you do not understand, you
10 should seek legal advice.”

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

13 Article – Tax – General

14 10–205.

15 (a) In addition to the modification under § 10–204 of this subtitle, the amounts
16 under this section are added to the federal adjusted gross income of a resident to determine
17 Maryland adjusted gross income.

18 (L) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
19 MEANINGS INDICATED.

20 (II) “ABLE ACCOUNT HOLDER” MEANS THE HOLDER OF AN
21 ACCOUNT AS DEFINED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

22 (III) “DESIGNATED BENEFICIARY” HAS THE MEANING STATED IN
23 § 18–19C–01 OF THE EDUCATION ARTICLE.

24 (IV) “QUALIFIED DISABILITY EXPENSES” HAS THE MEANING
25 STATED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

26 (2) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION
27 INCLUDES THE AMOUNT OF:

28 (I) ANY REFUND RECEIVED IN THE TAXABLE YEAR BY AN ABLE
29 ACCOUNT HOLDER UNDER THE MARYLAND ABLE PROGRAM; OR

30 (II) ANY DISTRIBUTION RECEIVED IN THE TAXABLE YEAR BY AN
31 ABLE ACCOUNT HOLDER IN ACCORDANCE WITH THE MARYLAND ABLE PROGRAM

1 THAT IS NOT USED ON BEHALF OF THE DESIGNATED BENEFICIARY FOR QUALIFIED
2 DISABILITY EXPENSES.

3 (3) THE AMOUNT OF THE ADDITION REQUIRED UNDER THIS
4 SUBSECTION SHALL BE REDUCED BY ANY AMOUNT INCLUDED IN THE INDIVIDUAL'S
5 FEDERAL ADJUSTED GROSS INCOME AS A RESULT OF THE REFUND OR
6 DISTRIBUTION.

7 (4) THE CUMULATIVE AMOUNT OF THE ADDITION UNDER THIS
8 SUBSECTION FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE YEARS MAY NOT
9 EXCEED THE CUMULATIVE AMOUNT ALLOWED AS A SUBTRACTION UNDER §
10 10-208(V) OF THIS SUBTITLE FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE
11 YEARS FOR CONTRIBUTIONS MADE BY AN ABLE ACCOUNT HOLDER TO AN
12 INVESTMENT ACCOUNT UNDER WHICH THE DISTRIBUTION IS RECEIVED.

13 10-207.

14 (a) To the extent included in federal adjusted gross income, the amounts under
15 this section are subtracted from the federal adjusted gross income of a resident to determine
16 Maryland adjusted gross income.

17 (CC) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
18 MEANINGS INDICATED.

19 (II) "ABLE ACCOUNT HOLDER" MEANS THE HOLDER OF AN
20 ACCOUNT DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.

21 (III) "DESIGNATED BENEFICIARY" MEANS A DESIGNATED
22 BENEFICIARY AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.

23 (IV) "QUALIFIED DISABILITY EXPENSES" HAS THE MEANING
24 STATED IN § 18-19C-01 OF THE EDUCATION ARTICLE.

25 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,
26 THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY
27 AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME AS A RESULT OF A
28 DISTRIBUTION TO A DESIGNATED BENEFICIARY FROM AN INVESTMENT ACCOUNT
29 UNDER THE MARYLAND ABLE PROGRAM.

30 (3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION
31 DOES NOT APPLY TO:

32 (I) A REFUND UNDER THE MARYLAND ABLE PROGRAM; OR

1 **(II) A DISTRIBUTION THAT IS NOT USED BY THE DESIGNATED**
2 **BENEFICIARY FOR QUALIFIED DISABILITY EXPENSES.**

3 10–208.

4 (a) In addition to the modification under § 10–207 of this subtitle, the amounts
5 under this section are subtracted from the federal adjusted gross income of a resident to
6 determine Maryland adjusted gross income.

7 **(V) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**
8 **MEANINGS INDICATED.**

9 **(II) “ABLE ACCOUNT HOLDER” MEANS THE HOLDER OF AN**
10 **ACCOUNT AS DEFINED IN § 18–19C–01 OF THE EDUCATION ARTICLE.**

11 **(III) “DESIGNATED BENEFICIARY” MEANS A DESIGNATED**
12 **BENEFICIARY AS DEFINED IN § 18–19C–01 OF THE EDUCATION ARTICLE.**

13 **(IV) “QUALIFIED DISABILITY EXPENSES” HAS THE MEANING**
14 **STATED IN § 18–19C–01 OF THE EDUCATION ARTICLE.**

15 **(2) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS**
16 **SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
17 **INCLUDES THE AMOUNT CONTRIBUTED BY AN ABLE ACCOUNT HOLDER DURING**
18 **THE TAXABLE YEAR TO AN ABLE ACCOUNT.**

19 **(3) (I) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, FOR**
20 **EACH DESIGNATED BENEFICIARY, THE SUBTRACTION UNDER PARAGRAPH (2) OF**
21 **THIS SUBSECTION MAY NOT EXCEED \$2,500 FOR ANY TAXABLE YEAR PER QUALIFIED**
22 **DESIGNATED BENEFICIARY.**

23 **(II) FOR PURPOSES OF THE LIMITATION UNDER THIS**
24 **PARAGRAPH, EACH SPOUSE ON A JOINT RETURN SHALL BE TREATED SEPARATELY.**

25 **(4) SUBJECT TO THE \$2,500 ANNUAL LIMITATION FOR EACH**
26 **DESIGNATED BENEFICIARY, THE AMOUNT DISALLOWED AS A SUBTRACTION UNDER**
27 **THIS SUBSECTION FOR ANY TAXABLE YEAR AS A RESULT OF THE LIMITATION UNDER**
28 **PARAGRAPH (3) OF THIS SUBSECTION MAY BE CARRIED OVER UNTIL USED TO THE**
29 **NEXT 10 SUCCEEDING TAXABLE YEARS AS A SUBTRACTION.**

30 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
31 applicable to all taxable years beginning after December 31, 2014.

1 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2015.