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§11–202.2.

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

(2) "Fully online distance education program in the State" means a program, originating outside the State, offered by an out–of–state institution in which:

(i) A student domiciled in Maryland enrolls;

(ii) 51% or more of the program is offered through electronic distribution; and

(iii) The Commission determines that the portion of the program offered at a location in the State, if any, does not require a certificate of approval under § 11–202 of this subtitle for the institution to operate in the State.

(3) "Out–of–state institution" means an institution of higher education whose primary campus exists outside Maryland and whose authority to grant degrees is conferred by another state.

(b) (1) An institution of higher education that enrolls Maryland students in a fully online distance education program in the State shall file an application to register with the Commission before or within 3 months of enrolling the first Maryland student.

(2) This section does not apply to an institution of higher education that enrolls Maryland students in a fully online distance education program in the State that:

(i) Is subject to program review by the Commission under § 11–206 or § 11–206.1 of this subtitle;

(ii) Participates in the Southern Regional Education Board's Electronic Campus; or

(iii) Participates in the State Authorization Reciprocity Agreement (SARA).

(3) (i) After filing an application under paragraph (1) of this subsection, an institution that has enrolled a Maryland student before obtaining a registration under this section may continue to operate without a registration while the Commission considers the institution's application, conducts a hearing concerning the institution's application, or participates in judicial review regarding an institution's application.

(ii) An institution that continues to operate without a registration under subparagraph (i) of this paragraph shall furnish a performance bond or other

form of financial guarantee to the State in an amount set by regulation that is in addition to and separate from a performance bond or other form of financial guarantee required under § 11–203 of this subtitle.

(c) Each institution of higher education required to register under this section shall:

(1) Be accredited by an accrediting body recognized and approved by the United States Department of Education;

(2) Submit to the Commission:

(i) Every 2 years, a financial statement reviewed by an independent accountant retained by the institution;

(ii) An affidavit from the president or chief executive officer of the institution affirming:

1. That the institution has not filed for bankruptcy protection under Title 11 of the United States Code during its existence; and

2. The willingness of the president or the chief executive officer to abide by the provisions of this section;

(iii) Proof of good business standing in the state in which the central administration of the institution is incorporated; and

(iv) Proof of good academic standing submitted by:

1. The regulatory higher education entity in the state in which the central administration of the institution is located; or

2. If the state in which the institution is located does not have a regulatory higher education entity, the accrediting body that accredited the institution;

(3) Promptly notify the Commission of a change in ownership or a change in majority control;

(4) Comply with the Principles of Good Practice for distance education established by the Commission through regulation;

(5) Make public and post on the institution's Web site:

(i) Whether the institution is registered in Maryland; and

(ii) The process by which to make complaints against the institution;

(6) Comply with the refund policy and procedures established by the

Commission; and

(7) Be subject to complaint investigation by the Office of the Attorney General or the Commission or both.

(d) The refund policy and procedures established by the Commission shall allow for:

(1) (i) At least 2 weeks of required orientation or preenrollment instruction in a fully online distance education program in the State at no charge for a student who has completed less than 24 credits of college–level learning from an accredited institution; and

(ii) A prorated refund methodology that provides a refund to any student not covered by item (i) of this paragraph who has completed 60% or less of a course, term, or program within the applicable billing period; or

(2) A prorated refund methodology that provides a refund to any student who has completed 60% or less of a course, term, or program within the applicable billing period.

(e) (1) Subject to paragraph (2) of this subsection, the Commission shall require the payment of a fee set by regulation, as a condition of registration.

(2) (i) Subject to subparagraph (ii) of this paragraph, the fees charged shall be:

1. A fixed amount for all institutions regardless of type, location, or student enrollment; and

2. Set to cover the approximate cost of implementing a system of registration.

(ii) Notwithstanding subparagraph (i) of this paragraph, the Commission may charge an institution that enrolls not more than 20 Maryland students a fee that is less than the amount of the fee charged to other institutions.

(f) The Commission shall make public and post on its Web site:

(1) A list of registered institutions of higher education that offer fully online distance education programs in the State; and

(2) If the Commission denies or revokes the registration of an institution, the name of the denied or revoked institution.

(g) On or before December 1 each year, the Commission shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly:

(1) The number of institutions of higher education that apply for registration under this section;

(2) The type and size of the institutions that apply;

(3) The number of institutions approved for registration;

(4) The number of institutions denied registration;

(5) The number of Maryland students enrolled in institutions required to register under this section;

(6) The results of the requirements of § 11–202.3 of this subtitle;

(7) The number of institutions found to be in violation of the requirement to register under this section;

(8) Any fines imposed, and in what amounts, on institutions that violate this section; and

(9) Any fine revenues collected from institutions for violation of this section.

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