

# HOUSE BILL 431

03, Q3

6lr1296  
CF SB 355

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By: Delegates ~~Zucker~~, Bromwell, Kelly, Carozza, Anderton, Angel, Aumann, Barkley, B. Barnes, Barve, Beitzel, Brooks, Chang, Clippinger, Cluster, Cullison, Davis, Frush, Gaines, Ghrist, Gutierrez, Hammen, Hayes, Haynes, Hettleman, Hixson, Jackson, Jalisi, Jones, Kaiser, Kipke, Korman, Kramer, Krimm, Lafferty, Lierman, Luedtke, McIntosh, Miele, A. Miller, Morales, Morgan, Morhaim, Oaks, Pena-Melnyk, Platt, Reznik, B. Robinson, S. Robinson, Simonaire, Smith, Sophocleus, Sydnor, Waldstreicher, West, C. Wilson, ~~and P. Young~~ P. Young, Queen, Carr, Barron, Hill, Krebs, McDonough, McMillan, Pendergrass, Rose, Saab, Sample-Hughes, and K. Young

Introduced and read first time: January 29, 2016

Assigned to: Health and Government Operations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 15, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Achieving a Better Life Experience (ABLE) Program – Establishment**

3 FOR the purpose of requiring the College Savings Plans of Maryland Board to establish the  
4 Maryland Achieving a Better Life Experience (ABLE) Program for certain purposes  
5 subject to certain provisions; renaming the College Savings Plans of Maryland Board  
6 to be the Maryland 529 Board; requiring the Board to oversee the establishment and  
7 administration of the Maryland ABLE Program; altering the membership of the  
8 Board; requiring the Board to maintain the Maryland ABLE Program in compliance  
9 with certain standards; declaring that the goal of the State is that the Maryland  
10 ABLE Program be fully operational by a certain date; requiring the Board to work  
11 in consultation with the Department of Disabilities regarding the Maryland ABLE  
12 Program; authorizing the Board to collaborate and participate with other states or  
13 entities regarding the Maryland ABLE Program; requiring the Board to adopt  
14 certain procedures; requiring the Board to issue certain statements to account  
15 holders at least once each year; authorizing the Board to issue certain requests for  
16 proposals; requiring the Board to consider proposals that meet certain criteria;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 authorizing the Board to require certain fees; establishing certain limitations and  
 2 requirements for contributions to and administration of the Maryland ABLE  
 3 Program; establishing participation and distribution requirements; prohibiting  
 4 money and assets in an ABLE account in any state from being considered for a  
 5 certain determination of eligibility for, or the amount of, certain assistance or  
 6 benefits from certain local or State means-tested programs; authorizing the  
 7 Maryland ABLE Program to receive money from certain sources; providing that  
 8 neither the faith and credit nor the taxing power of the State is pledged to the  
 9 payment of debts, contracts, and obligations of the Maryland ABLE Program;  
 10 providing that certain entities are not liable for certain losses; prohibiting certain  
 11 money from being considered or commingled with certain money or deposited in the  
 12 State Treasury; exempting certain entities and accounts from the Insurance Article;  
 13 providing that the assets and the income of the Maryland ABLE Program are exempt  
 14 from State and local taxation; prohibiting a person from seizing a certain benefit or  
 15 asset; requiring certain audits; requiring the Board to issue certain refunds under  
 16 certain circumstances; authorizing any state to file a certain claim on the death of a  
 17 designated beneficiary of an ABLE account; altering a certain power of attorney  
 18 form; allowing a subtraction modification under the State income tax for certain  
 19 contributions to and distributions from an account under the Maryland ABLE  
 20 Program; allowing certain amounts disallowed under the subtraction modification  
 21 as a result of a certain limitation to be carried over and subtracted for succeeding  
 22 taxable years; requiring an addition modification for certain distributions made  
 23 under certain accounts; making conforming changes; defining certain terms;  
 24 requiring the publisher of the Annotated Code of Maryland, in consultation with the  
 25 Department of Legislative Services, to correct cross-references and terminology in  
 26 the Code that are rendered incorrect by this Act; providing for the application of  
 27 certain provisions of this Act; and generally relating to the College Savings Plans of  
 28 Maryland and the Maryland ABLE Program.

29 BY repealing and reenacting, with amendments,

30 Article – Education

31 Section 18–1901, 18–1902.1, 18–1904(a) through (d), 18–1905(d)(3), (e), and (f),  
 32 18–19A–05, and 18–19B–05

33 Annotated Code of Maryland

34 (2014 Replacement Volume and 2015 Supplement)

35 BY repealing and reenacting, without amendments,

36 Article – Education

37 Section 18–1905(d)(1)

38 Annotated Code of Maryland

39 (2014 Replacement Volume and 2015 Supplement)

40 BY adding to

41 Article – Education

42 Section 18–19C–01 through 18–19C–10 to be under the new subtitle “Subtitle 19C.  
 43 Maryland ABLE Program”

44 Annotated Code of Maryland

1 (2014 Replacement Volume and 2015 Supplement)

2 BY repealing and reenacting, with amendments,  
3 Article – Estates and Trusts  
4 Section 17–203  
5 Annotated Code of Maryland  
6 (2011 Replacement Volume and 2015 Supplement)

7 BY repealing and reenacting, with amendments,  
8 Article – State Finance and Procurement  
9 Section 11–203(f)  
10 Annotated Code of Maryland  
11 (2015 Replacement Volume)

12 BY repealing and reenacting, with amendments,  
13 Article – State Government  
14 Section 9–803(a)(11)(ii)  
15 Annotated Code of Maryland  
16 (2014 Replacement Volume and 2015 Supplement)

17 BY repealing and reenacting, without amendments,  
18 Article – Tax – General  
19 Section 10–205(a), 10–207(a), and 10–208(a)  
20 Annotated Code of Maryland  
21 (2010 Replacement Volume and 2015 Supplement)

22 BY adding to  
23 Article – Tax – General  
24 Section 10–205(l), 10–207(cc), and 10–208(v)  
25 Annotated Code of Maryland  
26 (2010 Replacement Volume and 2015 Supplement)

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

29 **Article – Education**

30 18–1901.

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

32 **(B) “ABLE ACCOUNT HOLDER” MEANS AN INDIVIDUAL WHO HAS**  
33 **ESTABLISHED AN ACCOUNT DESCRIBED UNDER § 529A(E) OF THE INTERNAL**  
34 **REVENUE CODE AND IS THE DESIGNATED BENEFICIARY OF THE ACCOUNT.**

35 **[(b)] (C)** “Account holder” means an individual who:

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

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

6 [(c)] (D) “Board” means the [College Savings Plans of] Maryland 529 Board.

7 [(d)] (E) “Broker–Dealer Plan” means the Maryland Broker–Dealer College  
8 Investment Plan established under Subtitle 19B of this title.

9 [(e)] (F) “Current prepaid contract obligations” means the scheduled payments  
10 due for the next fiscal year under existing prepaid contracts.

11 [(f)] (G) “Eligible institution of higher education” means an institution of higher  
12 education that:

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

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

15 [(g)] (H) “Market value of program assets” means the amount of cash and cash  
16 equivalents held by the Trust plus the fair market value of other assets of the Trust.

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

20 [(h)] (J) “Plan” means the Maryland College Investment Plan established under  
21 Subtitle 19A of this title.

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

26 [(j)] (L) “Program” means [the College Savings Plans of] Maryland 529.

27 [(k)] (M) “Qualified beneficiary” means an individual who:

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

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

4           [(l)] (N) “Qualified higher education expenses” has the meaning stated in §  
5 529(e) of the Internal Revenue Code.

6           [(m)] (O) “Qualified state tuition program” has the meaning stated in § 529 of the  
7 Internal Revenue Code.

8           [(n)] (P) “Trust” means the Maryland Prepaid College Trust established under  
9 this subtitle.

10          [(o)] (Q) (1) “Tuition” means the actual tuition and mandatory fees assessed  
11 to all students by an eligible institution of higher education as a condition of enrollment at  
12 the institution.

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

16 18–1902.1.

17          (a) There is a Program entitled [the College Savings Plans of] Maryland **529**.

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

22 18–1904.

23          (a) There is a [College Savings Plans of] Maryland **529** Board.

24          (b) The Board shall administer:

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

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

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

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

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

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

3 (2) The State Superintendent of Schools;

4 (3) The State Treasurer;

5 (4) The State Comptroller;

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

7 **(6) THE SECRETARY OF DISABILITIES; AND**

8 **[(6)] (7)** Five members of the public who shall be appointed by the  
9 Governor and shall have significant experience in finance, accounting, investment  
10 management, or other areas that can be of assistance to the Board.

11 (d) A member of the Board designated under subsection (c)(1) through **[(5)] (6)** of  
12 this section may designate an employee from the member's staff to represent the member  
13 of the Board, with the full voting rights, powers, and duties of the member.

14 18–1905.

15 (d) (1) The Board:

16 (i) Shall appoint a Program executive director who is in the  
17 executive service of the State Personnel Management System; and

18 (ii) May employ additional staff in accordance with the budget.

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

22 (e) The Board may adopt any regulations that the Board considers necessary to  
23 carry out the provisions of this subtitle or Subtitle 19A [or], Subtitle 19B, **OR SUBTITLE**  
24 **19C** of this title.

25 (f) In addition, the Board may:

26 (1) Adopt an official seal;

27 (2) Sue and be sued;

1 (3) Execute contracts and other necessary instruments;

2 (4) Hold, buy, and sell instruments, obligations, securities, and other  
3 investments consistent with its comprehensive investment plan;

4 (5) Enter into agreements with eligible institutions of higher education and  
5 other public or private entities for the promotion, administration, or marketing of the  
6 Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE**  
7 **PROGRAM;**

8 (6) Invest funds not required for immediate disbursement;

9 (7) Solicit and accept gifts, grants, loans, or other aid from any source or  
10 participate in any government program for purposes consistent with this subtitle and  
11 Subtitles 19A [and], 19B, **AND 19C** of this title;

12 (8) Subject to the review of the General Assembly, impose and collect  
13 reasonable administrative fees for any transactions under the Trust, the Plan, [or] the  
14 Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM** or involving prepaid  
15 contracts or transactions affecting the Program, the Trust, the Plan, [or] the Broker–Dealer  
16 Plan, **OR THE MARYLAND ABLE PROGRAM;**

17 (9) Procure insurance against any loss of assets of the Program, the Trust,  
18 the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM;**

19 (10) Endorse insurance coverage written exclusively for the purpose of  
20 protecting:

21 (i) A prepaid contract under the Trust and the account holder and  
22 the qualified beneficiary of the contract; [or]

23 (ii) An investment account under the Plan, or the Broker–Dealer  
24 Plan, and the account holder and qualified designated beneficiary of the investment  
25 account; **OR**

26 **(III) AN ABLE ACCOUNT UNDER THE MARYLAND ABLE**  
27 **PROGRAM AND THE ABLE ACCOUNT HOLDER;**

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

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

1 (13) Appear on the Board's own behalf before other boards, commissions, or  
2 other governmental agencies; and

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

6 18-19A-05.

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

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

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

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

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

23 (e) Moneys of the Plan may not be considered moneys of or commingled with the  
24 Maryland Broker-Dealer College Investment Plan.

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

27 18-19B-05.

28 (a) (1) The debts, contracts, and obligations of the Broker-Dealer Plan are not  
29 the contracts, debts, or obligations of the State, and neither the faith and credit nor taxing  
30 power of the State is pledged directly or indirectly or contingently, morally or otherwise, to  
31 the payment of the debts, contracts, and obligations.

32 (2) The Board cannot directly or indirectly or contingently obligate, morally  
33 or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and  
34 obligations of the Broker-Dealer Plan or to make any appropriation for the payment of the  
35 debts and obligations of the Broker-Dealer Plan.



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

5 (c) Moneys of the Broker-Dealer Plan may not be considered moneys of the State  
6 or deposited in the State Treasury.

7 (d) Moneys of the Broker-Dealer Plan may not be considered moneys of or  
8 commingled with the Maryland Prepaid College Trust.

9 (e) Moneys of the Broker-Dealer Plan may not be considered moneys of or  
10 commingled with the Maryland College Investment Plan.

11 **(F) MONEYS OF THE BROKER-DEALER PLAN MAY NOT BE CONSIDERED**  
12 **MONEYS OF OR COMMINGLED WITH THE MARYLAND ABLE PROGRAM.**

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

14 **18-19C-01.**

15 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
16 **INDICATED.**

17 **(B) "ABLE ACCOUNT" MEANS AN ACCOUNT DESCRIBED UNDER § 529A(E)**  
18 **OF THE INTERNAL REVENUE CODE.**

19 **(C) "ABLE ACCOUNT CONTRIBUTOR" MEANS AN INDIVIDUAL WHO**  
20 **CONTRIBUTES MONEY TO AN ABLE ACCOUNT DESCRIBED UNDER § 529A(E) OF THE**  
21 **INTERNAL REVENUE CODE.**

22 **(D) "ABLE ACCOUNT HOLDER" MEANS AN INDIVIDUAL WHO HAS**  
23 **ESTABLISHED AN ACCOUNT DESCRIBED UNDER § 529A(E) OF THE INTERNAL**  
24 **REVENUE CODE AND IS THE DESIGNATED BENEFICIARY OF THE ACCOUNT.**

25 **(E) "BOARD" MEANS THE MARYLAND 529 BOARD ESTABLISHED UNDER §**  
26 **18-1904 OF THIS TITLE.**

27 **(F) "DESIGNATED BENEFICIARY" MEANS AN INDIVIDUAL DESCRIBED IN §**  
28 **529A(E) OF THE INTERNAL REVENUE CODE.**

29 **(G) "MARYLAND ABLE PROGRAM" MEANS A QUALIFIED ABLE PROGRAM**  
30 **DESCRIBED IN § 529A(B) OF THE INTERNAL REVENUE CODE.**

1           **(H) “QUALIFIED DISABILITY EXPENSES” MEANS EXPENSES DESCRIBED IN §**  
2 **529A(E) OF THE INTERNAL REVENUE CODE.**

3 **18-19C-02.**

4           **(A) (1) THE BOARD SHALL ESTABLISH A MARYLAND ABLE PROGRAM**  
5 **THAT SHALL BE SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL**  
6 **REVENUE CODE.**

7           **(2) IT IS THE GOAL OF THE STATE THAT THE MARYLAND ABLE**  
8 **PROGRAM BE FULLY OPERATIONAL BY OCTOBER 1, 2017.**

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 DEVELOP, ESTABLISH, ADMINISTER, MANAGE,**  
21 **AND PROMOTE THE 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           **(3) THE BOARD SHALL WORK IN CONSULTATION WITH THE**  
26 **DEPARTMENT OF DISABILITIES TO DEVELOP, ADMINISTER, MANAGE, AND PROMOTE**  
27 **THE MARYLAND ABLE PROGRAM.**

28           **(4) THE BOARD MAY COLLABORATE AND PARTICIPATE WITH OTHER**  
29 **STATES OR ENTITIES TO DEVELOP, ADMINISTER, MANAGE, AND PROMOTE THE**  
30 **MARYLAND ABLE PROGRAM, INCLUDING PARTICIPATING WITH A CONSORTIUM OF**  
31 **STATES THAT ARE IMPLEMENTING ABLE PROGRAMS IN THOSE STATES OR AS A**  
32 **CONSORTIUM OF STATES.**

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

2 (I) ENROLLMENT FOR PARTICIPATION IN THE MARYLAND  
3 ABLE PROGRAM; AND

4 (II) START-UP COSTS INCURRED BY THE STATE FOR THE  
5 DEVELOPMENT OF THE MARYLAND ABLE PROGRAM WITH THESE COSTS TO BE  
6 REIMBURSED TO THE STATE BY THE MARYLAND ABLE PROGRAM.

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

9 (E) AT LEAST ANNUALLY, THE BOARD SHALL ISSUE TO EACH ABLE  
10 ACCOUNT HOLDER A STATEMENT THAT PROVIDES A SEPARATE ACCOUNTING FOR  
11 EACH DESIGNATED BENEFICIARY PROVIDING THE FOLLOWING INFORMATION WITH  
12 RESPECT TO EACH ACCOUNT:

13 (1) THE BEGINNING BALANCE;

14 (2) CONTRIBUTIONS TO THE ACCOUNT;

15 (3) DISTRIBUTIONS FROM THE ACCOUNT DURING THE PREVIOUS  
16 YEAR; AND

17 (4) ENDING ABLE ACCOUNT VALUE.

18 18-19C-03.

19 (A) (1) THE BOARD MAY ISSUE REQUESTS FOR PROPOSALS TO EVALUATE  
20 AND DETERMINE THE MEANS FOR THE ADMINISTRATION, MANAGEMENT,  
21 PROMOTION, OR MARKETING OF THE MARYLAND ABLE PROGRAM.

22 (2) THE BOARD SHALL CONSIDER PROPOSALS THAT MEET THE  
23 FOLLOWING CRITERIA:

24 (I) ABILITY TO DEVELOP AND ADMINISTER AN INVESTMENT  
25 PROGRAM OF A NATURE SIMILAR TO THE OBJECTIVES OF THE MARYLAND ABLE  
26 PROGRAM;

27 (II) ABILITY TO ADMINISTER FINANCIAL PROGRAMS WITH  
28 INDIVIDUAL ACCOUNT RECORDS AND REPORTING; AND

1 (III) ABILITY TO MARKET THE MARYLAND ABLE PROGRAM TO  
2 ELIGIBLE INDIVIDUALS.

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

5 (2) THE BOARD MAY REQUIRE ADDITIONAL REASONABLE FEES  
6 ASSOCIATED WITH THE EXPENSES OF THE MARYLAND ABLE PROGRAM.

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

9 (2) THE MARYLAND ABLE PROGRAM SHALL INCLUDE PROVISIONS  
10 FOR AUTOMATIC CONTRIBUTIONS.

11 (3) MONEY AND ASSETS IN THE ACCOUNTS ESTABLISHED UNDER THE  
12 MARYLAND ABLE PROGRAM OR AN ABLE PROGRAM IN ANY OTHER STATE MAY  
13 NOT BE CONSIDERED FOR THE PURPOSE OF DETERMINING ELIGIBILITY TO RECEIVE,  
14 OR THE AMOUNT OF, ANY ASSISTANCE OR BENEFITS FROM LOCAL OR STATE  
15 MEANS-TESTED PROGRAMS.

16 (4) MONEY AND ASSETS IN THE ACCOUNT OF EACH ABLE ACCOUNT  
17 HOLDER MAY NOT EXCEED THE AMOUNT SPECIFIED IN § 2503(B) OF THE INTERNAL  
18 REVENUE CODE FOR EACH CALENDAR YEAR IN WHICH THE TAXABLE YEAR BEGINS.

19 (D) THE MARYLAND ABLE PROGRAM MAY RECEIVE MONEY FROM:

20 (1) APPROPRIATIONS IN THE STATE BUDGET;

21 (2) REASONABLE FEES ASSESSED TO BENEFICIARIES;

22 (3) GRANTS OR OTHER ASSISTANCE FROM FEDERAL, STATE, OR  
23 LOCAL GOVERNMENT; AND

24 (4) ANY OTHER MONEY FROM ANY PUBLIC OR PRIVATE SOURCE.

25 (E) (1) THE MARYLAND ABLE PROGRAM:

26 (I) MAY BE ESTABLISHED AS ONE OR MORE SEPARATE PLANS  
27 AS DETERMINED BY THE BOARD;

28 (II) SHALL BE ESTABLISHED IN THE FORM DETERMINED BY THE  
29 BOARD;

1 (III) SHALL BE MARKETED AND PROMOTED UNDER THE NAME  
2 OR NAMES DETERMINED BY THE BOARD; AND

3 (IV) MAY BE ESTABLISHED AS ONE OR MORE TRUSTS TO BE  
4 DECLARED BY THE BOARD.

5 (2) THE MARYLAND ABLE PROGRAM MAY BE DIVIDED INTO  
6 MULTIPLE INVESTMENT OPTIONS.

7 18-19C-04.

8 (A) AN ELIGIBLE INDIVIDUAL, AS DEFINED IN § 529A(E) OF THE INTERNAL  
9 REVENUE CODE, MAY PARTICIPATE IN AND BENEFIT FROM THE MARYLAND ABLE  
10 PROGRAM.

11 (B) DISTRIBUTIONS SHALL BE REQUESTED BY THE DESIGNATED  
12 BENEFICIARY SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL REVENUE  
13 CODE.

14 18-19C-05.

15 (A) (1) THE DEBTS, CONTRACTS, AND OBLIGATIONS OF THE MARYLAND  
16 ABLE PROGRAM ARE NOT THE CONTRACTS, DEBTS, OR OBLIGATIONS OF THE  
17 STATE, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE IS  
18 PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY, MORALLY OR OTHERWISE,  
19 TO THE PAYMENT OF THE DEBTS, CONTRACTS, AND OBLIGATIONS.

20 (2) THE BOARD MAY NOT DIRECTLY OR INDIRECTLY OR  
21 CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE STATE TO LEVY OR  
22 PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE DEBTS AND OBLIGATIONS  
23 OF THE MARYLAND ABLE PROGRAM OR TO MAKE ANY APPROPRIATION FOR THE  
24 PAYMENT OF THE DEBTS AND OBLIGATIONS OF THE MARYLAND ABLE PROGRAM.

25 (B) THE STATE MAY NOT BE LIABLE FOR ANY LOSSES OR SHORTAGE OF  
26 FUNDS IN THE EVENT THAT THE DESIGNATED BENEFICIARY'S ABLE ACCOUNT  
27 BALANCE IS INSUFFICIENT TO MEET THE DESIGNATED BENEFICIARY'S QUALIFIED  
28 DISABILITY EXPENSES.

29 (C) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED  
30 MONEY OF THE STATE OR DEPOSITED IN THE STATE TREASURY.

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

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

5 (F) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED  
6 MONEY OF OR COMMINGLED WITH THE MARYLAND BROKER-DEALER COLLEGE  
7 INVESTMENT PLAN.

8 18-19C-06.

9 (A) THE BOARD, THE MARYLAND ABLE PROGRAM, AND THE ABLE  
10 ACCOUNTS ISSUED UNDER THIS SUBTITLE ARE NOT SUBJECT TO THE PROVISIONS  
11 OF THE INSURANCE ARTICLE.

12 (B) THE ASSETS AND INCOME OF THE MARYLAND ABLE PROGRAM ARE  
13 EXEMPT FROM STATE AND LOCAL TAXATION.

14 18-19C-07.

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

16 (B) A PERSON MAY NOT ATTACH, EXECUTE, GARNISH, OR OTHERWISE SEIZE  
17 ANY CURRENT OR FUTURE BENEFIT UNDER AN ABLE ACCOUNT OR ANY ASSET OF  
18 THE MARYLAND ABLE PROGRAM.

19 18-19C-08.

20 (A) THE LEGISLATIVE AUDITOR SHALL AUDIT THE MARYLAND ABLE  
21 PROGRAM AS PROVIDED UNDER TITLE 2, SUBTITLE 12 OF THE STATE  
22 GOVERNMENT ARTICLE.

23 (B) THE BOARD SHALL OBTAIN AN ANNUAL AUDIT REPORT FROM A SERVICE  
24 PROVIDER WITHIN 6 MONTHS OF THE END OF THE REPORTING PERIOD OF THE  
25 SERVICE PROVIDER.

26 18-19C-09.

27 (A) THE BOARD SHALL ISSUE REFUNDS AS SPECIFIED IN THIS SECTION.

28 (B) IF THE CONTRIBUTION OF AN ABLE ACCOUNT CONTRIBUTOR UNDER  
29 THE MARYLAND ABLE PROGRAM WOULD RESULT IN AGGREGATE CONTRIBUTIONS

1 FROM ALL CONTRIBUTORS TO THE ABLE ACCOUNT FOR THE TAXABLE YEAR  
2 EXCEEDING THE AMOUNT SPECIFIED IN § 2503(B) OF THE INTERNAL REVENUE  
3 CODE FOR EACH CALENDAR YEAR IN WHICH THE TAXABLE YEAR BEGINS, THE  
4 BOARD SHALL ISSUE A REFUND TO THE ABLE ACCOUNT CONTRIBUTOR.

5 18-19C-10.

6 IN ACCORDANCE WITH § 529A(F) OF THE INTERNAL REVENUE CODE, ON THE  
7 DEATH OF A DESIGNATED BENEFICIARY, ANY STATE MAY FILE A CLAIM FOR THE  
8 AMOUNT OF THE TOTAL MEDICAL ASSISTANCE PAID FOR THE DESIGNATED  
9 BENEFICIARY UNDER THE STATE'S MEDICAID PLAN AFTER THE ESTABLISHMENT OF  
10 AN ABLE ACCOUNT.

11 Article – Estates and Trusts

12 17-203.

13 “MARYLAND STATUTORY FORM LIMITED POWER OF ATTORNEY

14 PLEASE READ CAREFULLY

15 This power of attorney authorizes another person (your agent) to make decisions concerning  
16 your property for you (the principal). You need not give to your agent all the authorities  
17 listed below and may give the agent only those limited powers that you specifically indicate.  
18 This power of attorney gives your agent the right to make limited decisions for you. You  
19 should very carefully weigh your decision as to what powers you give your agent. Your  
20 agent will be able to make decisions and act with respect to your property (including your  
21 money) whether or not you are able to act for yourself.

22 If you choose to make a grant of limited authority, you should check the boxes that identify  
23 the specific authorization you choose to give your agent.

24 This power of attorney does not authorize the agent to make health care decisions for you.

25 You should select someone you trust to serve as your agent. Unless you specify otherwise,  
26 generally the agent's authority will continue until you die or revoke the power of attorney  
27 or the agent resigns or is unable to act for you.

28 Your agent is not entitled to compensation unless you indicate otherwise in the special  
29 instructions of this power of attorney. If you indicate that your agent is to receive  
30 compensation, your agent is entitled to reasonable compensation or compensation as  
31 specified in the Special Instructions.

32 This form provides for designation of one agent. If you wish to name more than one agent  
33 you may name a coagent in the Special Instructions. Coagents are required to act together  
34 unanimously unless you specify otherwise in the Special Instructions.

1 If your agent is unavailable or unwilling to act for you, your power of attorney will end  
2 unless you have named a successor agent. You may also name a second successor agent.

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

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

7 **DESIGNATION OF AGENT**

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

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

11 I, \_\_\_\_\_, name the following person  
12 (Name of Principal)  
13 as my agent:

14 Name of  
15 Agent: \_\_\_\_\_  
16 Agent's  
17 Address: \_\_\_\_\_  
18 Agent's Telephone  
19 Number: \_\_\_\_\_

20 **DESIGNATION OF COAGENTS (OPTIONAL)**

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

23 I, \_\_\_\_\_,  
24 (Name of Principal)

25 Name the following persons as coagents:

26 Name of Coagent: \_\_\_\_\_

27 Coagent's Address: \_\_\_\_\_

28 Coagent's Telephone Number: \_\_\_\_\_

29 Name of Coagent: \_\_\_\_\_

30 Coagent's Address: \_\_\_\_\_



1 Coagent's Telephone Number: \_\_\_\_\_

2 Special Instructions Regarding Coagents: \_\_\_\_\_

3 \_\_\_\_\_

4 \_\_\_\_\_

5 \_\_\_\_\_

6 DESIGNATION OF SUCCESSOR AGENT(S) (OPTIONAL)

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

8 Name of Successor Agent: \_\_\_\_\_

9 Successor Agent's

10 Address: \_\_\_\_\_

11 Successor Agent's Telephone Number: \_\_\_\_\_

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

14 Name of Second Successor

15 Agent: \_\_\_\_\_

16 Second Successor Agent's

17 Address: \_\_\_\_\_

18 Second Successor Agent's Telephone Number: \_\_\_\_\_

19 GRANT OF GENERAL AUTHORITY

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

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

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

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

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

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

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

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

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

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

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

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

## 20 SUBJECTS AND AUTHORITY

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

22 (\_\_\_) Demand, buy, lease, receive, accept as a gift or as security for an  
23 extension of credit, or otherwise acquire or reject an interest in real property or a right  
24 incident to real property

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

32 (\_\_\_) Pledge or mortgage an interest in real property or right incident to real  
33 property as security to borrow money or pay, renew, or extend the time of payment of a  
34 debt of the principal or a debt guaranteed by the principal, including a reverse mortgage

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

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

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

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

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

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

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

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

19                   (1)     Selling or otherwise disposing of the stocks and bonds or other  
20 property;

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

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

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

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

28           () All of the above

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

1            Demand, buy, receive, accept as a gift or as security for an extension of  
2 credit, or otherwise acquire or reject ownership or possession of tangible personal property  
3 or an interest in tangible personal property

4            Sell, exchange, convey with or without covenants, representations, or  
5 warranties, quitclaim, release, surrender, create a security interest in, grant options  
6 concerning, lease, sublease, or otherwise dispose of tangible personal property or an  
7 interest in tangible personal property

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

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

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

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

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

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

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

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

23                   (6)     Using and making repairs, alterations, or improvements to the  
24 property

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

26            All of the above

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

28                    Buy, sell, and exchange stocks and bonds

29                    Establish, continue, modify, or terminate an account with respect to  
30 stocks and bonds

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

3            Receive certificates and other evidences of ownership with respect to  
4 stocks and bonds

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

7            All of the above

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

9            Buy, sell, exchange, assign, settle, and exercise commodity futures  
10 contracts and call or put options on stocks or stock indexes traded on a regulated option  
11 exchange

12            Establish, continue, modify, and terminate option accounts

13            All of the above

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

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

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

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

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

26            Withdraw, by check, money order, electronic funds transfer, or  
27 otherwise, money or property of the principal deposited with or left in the custody of a  
28 financial institution

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

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

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

4             Make, assign, draw, endorse, discount, guarantee, and negotiate  
5 promissory notes, checks, drafts, and other negotiable or nonnegotiable paper of the  
6 principal or payable to the principal or the principal's order, transfer money, receive the  
7 cash or other proceeds of those transactions, and accept a draft drawn by a person on the  
8 principal and pay the draft when due

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

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

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

17            All of the above

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

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

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

24            Enforce the terms of an ownership agreement

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

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

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

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

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

1 to recover, as permitted by law, money paid before or after the execution of this power of  
2 attorney

3  All of the above

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

6  Continue, pay the premium or make a contribution on, modify,  
7 exchange, rescind, release, or terminate a contract procured by or on behalf of the principal  
8 that insures or provides an annuity to either the principal or another person, whether or  
9 not the principal is a beneficiary under the contract

10  Procure new, different, and additional contracts of insurance and  
11 annuities for the principal and the principal's spouse, children, and other dependents, and  
12 select the amount, type of insurance or annuity, and mode of payment

13  Pay the premium or make a contribution on, modify, exchange, rescind,  
14 release, or terminate a contract of insurance or annuity procured by the agent

15  Apply for and receive a loan secured by a contract of insurance or  
16 annuity

17  Surrender and receive the cash surrender value on a contract of  
18 insurance or annuity

19  Exercise an election

20  Exercise investment powers available under a contract of insurance or  
21 annuity

22  Change the manner of paying premiums on a contract of insurance or  
23 annuity

24  Change or convert the type of insurance or annuity with respect to  
25 which the principal has or claims to have authority described in this section

26  Apply for and procure a benefit or assistance under a statute or  
27 regulation to guarantee or pay premiums of a contract of insurance on the life of the  
28 principal

29  Collect, sell, assign, hypothecate, borrow against, or pledge the interest  
30 of the principal in a contract of insurance or annuity

31  Select the form and timing of the payment of proceeds from a contract  
32 of insurance or annuity



1            Pay, from proceeds or otherwise, compromise or contest, and apply for  
2 refunds in connection with a tax or assessment levied by a taxing authority with respect to  
3 a contract of insurance or annuity or the proceeds or liability from the contract of insurance  
4 or annuity accruing by reason of the tax or assessment

5            All of the above

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

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

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

15            Exercise for the benefit of the principal a presently exercisable general  
16 power of appointment held by the principal

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

21            Initiate, participate in, submit to alternative dispute resolution, settle,  
22 oppose, or propose or accept a compromise with respect to litigation to remove, substitute,  
23 or surcharge a fiduciary

24            Conserve, invest, disburse, or use anything received for an authorized  
25 purpose

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

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

31            All of the above

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

33            Assert and maintain before a court or administrative agency a claim,  
34 claim for relief, cause of action, counterclaim, offset, recoupment, or defense, including an

1 action to recover property or other thing of value, recover damages sustained by the  
2 principal, eliminate or modify tax liability, or seek an injunction, specific performance, or  
3 other relief

4  Bring an action to determine adverse claims or intervene or otherwise  
5 participate in litigation

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

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

12  Submit to alternative dispute resolution, settle, and propose or accept  
13 a compromise

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

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

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

28  Receive money or other thing of value paid in settlement of or as  
29 proceeds of a claim or litigation

30  All of the above

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

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

1                   (1)    The principal's children;

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

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

6                   (\_\_\_\_) Make periodic payments of child support and other family maintenance  
7 required by a court or governmental agency or an agreement to which the principal is a  
8 party

9                   (\_\_\_\_) Provide living quarters for the individuals described above by:

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

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

14                   (\_\_\_\_) Provide normal domestic help, usual vacations and travel expenses, and  
15 funds for shelter, clothing, food, appropriate education, including postsecondary and  
16 vocational education, and other current living costs for the individuals described above

17                   (\_\_\_\_) Pay expenses for necessary health care and custodial care on behalf of  
18 the individuals described above

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

25                   (\_\_\_\_) Continue provisions made by the principal for automobiles or other  
26 means of transportation, including registering, licensing, insuring, and replacing the  
27 means of transportation, for the individuals described above

28                   (\_\_\_\_) Maintain credit and debit accounts for the convenience of the  
29 individuals described above and open new accounts

30                   (\_\_\_\_) Continue payments incidental to the membership or affiliation of the  
31 principal in a religious institution, club, society, order, or other organization or to continue  
32 contributions to those organizations

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

4  All of the above

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

8  Execute vouchers in the name of the principal for allowances and  
9 reimbursements payable by the United States or a foreign government or by a state or  
10 subdivision of a state to the principal, including allowances and reimbursements for  
11 transportation of the individuals described in “J. Personal and Family Maintenance” above,  
12 and for shipment of the household effects of those individuals

13  Take possession and order the removal and shipment of property of the  
14 principal from a post, warehouse, depot, dock, or other place of storage or safekeeping,  
15 either governmental or private, and execute and deliver a release, voucher, receipt, bill of  
16 lading, shipping ticket, certificate, or other instrument for that purpose

17  Enroll in, apply for, select, reject, change, amend, or discontinue, on the  
18 principal’s behalf, a benefit or program

19  Prepare, file, and maintain a claim of the principal for a benefit or  
20 assistance, financial or otherwise, to which the principal may be entitled under a statute  
21 or regulation

22  Initiate, participate in, submit to alternative dispute resolution, settle,  
23 oppose, or propose or accept a compromise with respect to litigation concerning a benefit or  
24 assistance the principal may be entitled to receive under a statute or regulation

25  Receive the financial proceeds of a claim described above and conserve,  
26 invest, disburse, or use for a lawful purpose anything so received

27  All of the above

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

32 (1) An individual retirement account under Internal Revenue Code Section  
33 408, 26 U.S.C. § 408;

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

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

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

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

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

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

12  Select the form and timing of payments under a retirement plan and  
13 withdraw benefits from a plan

14  Make a rollover, including a direct trustee-to-trustee rollover, of  
15 benefits from one retirement plan to another

16  Establish a retirement plan in the principal's name

17  Make contributions to a retirement plan

18  Exercise investment powers available under a retirement plan

19  Borrow from, sell assets to, or purchase assets from a retirement plan

20  All of the above

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

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

30  Pay taxes due, collect refunds, post bonds, receive confidential  
31 information, and contest deficiencies determined by the Internal Revenue Service or other  
32 taxing authority

1            Exercise elections available to the principal under federal, state, local,  
2 or foreign tax law

3            Act for the principal in all tax matters for all periods before the Internal  
4 Revenue Service, or other taxing authority

5            All of the above

6           N.     Gifts (including gifts to a trust, an account under the Uniform Transfers to  
7 Minors Act, [and] a tuition savings account or prepaid tuition plan as defined under  
8 Internal Revenue Code Section 529, 26 U.S.C. § 529, **AND AN ABLE ACCOUNT AS**  
9 **DEFINED UNDER INTERNAL REVENUE CODE SECTION 529A, 26 U.S.C. §**  
10 **529A)** – With respect to this subject, I authorize my agent to:

11            Make outright to, or for the benefit of, a person, a gift of part or all of  
12 the principal's property, including by the exercise of a presently exercisable general power  
13 of appointment held by the principal, in an amount for each donee not to exceed the annual  
14 dollar limits of the federal gift tax exclusion under Internal Revenue Code Section 2503(b),  
15 26 U.S.C. § 2503(b), without regard to whether the federal gift tax exclusion applies to the  
16 gift, or if the principal's spouse agrees to consent to a split gift pursuant to Internal Revenue  
17 Code Section 2513, 26 U.S.C. § 2513, in an amount for each donee not to exceed twice the  
18 annual federal gift tax exclusion limit

19            Consent, pursuant to Internal Revenue Code Section 2513, 26 U.S.C. §  
20 2513, to the splitting of a gift made by the principal's spouse in an amount for each donee  
21 not to exceed the aggregate annual gift tax exclusions for both spouses

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

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

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

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

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

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

33            All of the above

GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

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

(CAUTION: Granting any of the following will give your agent the authority to take actions that could significantly reduce your property or change how your property is distributed at your death. In addition, granting your agent the authority to make gifts to, or to designate as the beneficiary of any retirement plan, the agent, the agent’s spouse, or a dependent of the agent may constitute a taxable gift by you and may make the property subject to that authority taxable as part of the agent’s estate. INITIAL ONLY the specific authority you WANT to give your agent.)

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

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

( ) Create or change rights of survivorship

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

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

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

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

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

LIMITATION ON AGENT’S AUTHORITY

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

SPECIAL INSTRUCTIONS (OPTIONAL)

You may give special instructions on the following lines:

1 \_\_\_\_\_  
 2 \_\_\_\_\_  
 3 \_\_\_\_\_  
 4 \_\_\_\_\_  
 5 \_\_\_\_\_  
 6 \_\_\_\_\_  
 7 \_\_\_\_\_

EFFECTIVE DATE

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

11 TERMINATION DATE (OPTIONAL)

12 This power of attorney shall terminate on \_\_\_\_\_, 20\_\_\_\_\_.  
13 (Use a specific calendar date)

14 NOMINATION OF GUARDIAN (OPTIONAL)

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

17 Name of Nominee for guardian of my property:  
18 \_\_\_\_\_  
19 Nominee's Address: \_\_\_\_\_  
20 Nominee's Telephone Number: \_\_\_\_\_

21 Name of Nominee for guardian of my person:  
22 \_\_\_\_\_  
23 Nominee's Address: \_\_\_\_\_  
24 Nominee's Telephone Number: \_\_\_\_\_

25 SIGNATURE AND ACKNOWLEDGMENT

26 \_\_\_\_\_  
27 Your Signature Date

28 \_\_\_\_\_  
29 Your Name Printed

30 \_\_\_\_\_  
31 \_\_\_\_\_  
32 Your Address

33 \_\_\_\_\_  
34 Your Telephone Number

35 STATE OF MARYLAND



1 (COUNTY) OF \_\_\_\_\_

2 This document was acknowledged before me on  
3 \_\_\_\_\_ ,  
4 (Date)

5 by \_\_\_\_\_ .  
6 (Name of Principal)

7 \_\_\_\_\_ (Seal, if any)  
8 Signature of Notary  
9 My commission expires: \_\_\_\_\_

10 WITNESS ATTESTATION

11 The foregoing power of attorney was, on the date written above, published and declared by  
12 \_\_\_\_\_  
13 (Name of Principal)

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

17 \_\_\_\_\_  
18 Witness #1 Signature

19 \_\_\_\_\_  
20 Witness #1 Name Printed

21 \_\_\_\_\_  
22 \_\_\_\_\_  
23 Witness #1 Address

24 \_\_\_\_\_  
25 Witness #1 Telephone Number

26 \_\_\_\_\_  
27 Witness #2 Signature

28 \_\_\_\_\_  
29 Witness #2 Name Printed

30 \_\_\_\_\_  
31 \_\_\_\_\_  
32 Witness #2 Address

33 \_\_\_\_\_  
34 Witness #2 Telephone Number

35 This document prepared by:  
36 \_\_\_\_\_  
37 \_\_\_\_\_

1 IMPORTANT INFORMATION FOR AGENT

2 Agent’s Duties

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

7 (1) Do what you know the principal reasonably expects you to do with the  
8 principal’s property or, if you do not know the principal’s expectations, act in the principal’s  
9 best interest;

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

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

12 (4) Disclose your identity as an agent whenever you act for the principal by  
13 writing or printing the name of the principal and signing your own name as “agent” in the  
14 following manner:

15 \_\_\_\_\_  
16 (Principal’s Name) by \_\_\_\_\_ (Your Signature) as Agent

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

18 (1) Act loyally for the principal’s benefit;

19 (2) Avoid conflicts that would impair your ability to act in the principal’s best  
20 interest;

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

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

26 (5) Attempt to preserve the principal’s estate plan if you know the plan and  
27 preserving the plan is consistent with the principal’s best interest.

28 Termination of Agent’s Authority

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

- 1 (1) Death of the principal;
- 2 (2) The principal's revocation of the power of attorney or your authority;
- 3 (3) The occurrence of a termination event stated in the power of attorney;
- 4 (4) The purpose of the power of attorney is fully accomplished; or
- 5 (5) If you are married to the principal, a legal action is filed with a court to end  
6 your marriage, or for your legal separation, unless the Special Instructions in this power of  
7 attorney state that such an action will not terminate your authority.

#### 8 Liability of Agent

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

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

### 15 **Article – State Finance and Procurement**

16 11–203.

17 (f) Except as provided in Title 12, Subtitle 4 and Title 14, Subtitle 3 of this article,  
18 this Division II does not apply to [the College Savings Plans of] Maryland **529** for:

19 (1) services of managers to invest the assets of the Maryland Prepaid  
20 College Trust in accordance with the comprehensive investment plan adopted by the  
21 [College Savings Plans of] Maryland **529** Board under § 18–1906 of the Education Article;  
22 and

23 (2) expenditures to manage, maintain, and enhance the value of the assets  
24 of the Maryland Prepaid College Trust in accordance with the comprehensive investment  
25 plan adopted by the [College Savings Plans of] Maryland **529** Board under § 18–1906 of  
26 the Education Article.

### 27 **Article – State Government**

28 9–803.

29 (a) The Commission consists of the following members:

30 (11) the following members, appointed by the Governor:

1 (ii) one member of the [College Savings Plans of] Maryland **529**  
2 Board;

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

5 **Article – Tax – General**

6 10–205.

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

10 **(L) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**  
11 **MEANINGS INDICATED.**

12 **(II) “ABLE ACCOUNT CONTRIBUTOR” MEANS AN INDIVIDUAL**  
13 **WHO CONTRIBUTES MONEY TO AN ABLE ACCOUNT AS DEFINED IN § 18–19C–01 OF**  
14 **THE EDUCATION ARTICLE.**

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

17 **(IV) “DESIGNATED BENEFICIARY” HAS THE MEANING STATED IN**  
18 **§ 18–19C–01 OF THE EDUCATION ARTICLE.**

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

21 **(2) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION**  
22 **INCLUDES THE AMOUNT OF:**

23 **(I) ANY REFUND RECEIVED IN THE TAXABLE YEAR BY AN ABLE**  
24 **ACCOUNT CONTRIBUTOR UNDER THE MARYLAND ABLE PROGRAM; OR**

25 **(II) ANY DISTRIBUTION RECEIVED IN THE TAXABLE YEAR BY AN**  
26 **ABLE ACCOUNT HOLDER IN ACCORDANCE WITH THE MARYLAND ABLE PROGRAM**  
27 **THAT IS NOT USED FOR THE BENEFIT OF THE DESIGNATED BENEFICIARY FOR**  
28 **QUALIFIED DISABILITY EXPENSES.**

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

4           **(4) THE CUMULATIVE AMOUNT OF THE ADDITION UNDER THIS**  
5 **SUBSECTION FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE YEARS MAY NOT**  
6 **EXCEED THE CUMULATIVE AMOUNT ALLOWED AS A SUBTRACTION UNDER §**  
7 **10-208(v) OF THIS SUBTITLE FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE**  
8 **YEARS FOR CONTRIBUTIONS MADE BY AN ABLE ACCOUNT CONTRIBUTOR TO AN**  
9 **ABLE ACCOUNT UNDER THE MARYLAND ABLE PROGRAM UNDER WHICH THE**  
10 **DISTRIBUTION IS RECEIVED.**

11 10-207.

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

15           **(CC) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**  
16 **MEANINGS INDICATED.**

17                           **(II) "DESIGNATED BENEFICIARY" MEANS A DESIGNATED**  
18 **BENEFICIARY AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.**

19                           **(III) "QUALIFIED DISABILITY EXPENSES" HAS THE MEANING**  
20 **STATED IN § 18-19C-01 OF THE EDUCATION ARTICLE.**

21           **(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,**  
22 **THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY**  
23 **AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME AS A RESULT OF A**  
24 **DISTRIBUTION TO A DESIGNATED BENEFICIARY FROM AN ABLE ACCOUNT UNDER**  
25 **THE MARYLAND ABLE PROGRAM.**

26           **(3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION**  
27 **DOES NOT APPLY TO:**

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

29                           **(II) A DISTRIBUTION THAT IS NOT USED FOR THE BENEFIT OF**  
30 **THE DESIGNATED BENEFICIARY FOR QUALIFIED DISABILITY EXPENSES.**

31 10-208.

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

4 (v) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE  
5 MEANINGS INDICATED.

6 (ii) “ABLE ACCOUNT CONTRIBUTOR” MEANS AN INDIVIDUAL  
7 WHO CONTRIBUTES MONEY TO AN ABLE ACCOUNT AS DEFINED IN § 18–19C–01 OF  
8 THE EDUCATION ARTICLE.

9 (iii) “DESIGNATED BENEFICIARY” MEANS A DESIGNATED  
10 BENEFICIARY AS DEFINED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

11 (iv) “QUALIFIED DISABILITY EXPENSES” HAS THE MEANING  
12 STATED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

13 (2) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS  
14 SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION  
15 INCLUDES THE AMOUNT CONTRIBUTED BY AN ABLE ACCOUNT CONTRIBUTOR  
16 DURING THE TAXABLE YEAR TO AN ABLE ACCOUNT UNDER THE MARYLAND ABLE  
17 PROGRAM.

18 (3) (i) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, FOR  
19 EACH ABLE ACCOUNT CONTRIBUTOR UNDER THE MARYLAND ABLE PROGRAM,  
20 THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED  
21 \$2,500 FOR ANY TAXABLE YEAR PER QUALIFIED DESIGNATED BENEFICIARY.

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

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

30 SECTION 3. AND BE IT FURTHER ENACTED, That the publisher of the  
31 Annotated Code of Maryland, in consultation with and subject to the approval of the  
32 Department of Legislative Services, shall correct, with no further action required by the  
33 General Assembly, cross–references and terminology rendered incorrect by this Act or by  
34 any other Act of the General Assembly of 2016 that affects provisions enacted by this Act.

1 The publisher shall adequately describe any such correction in an editor's note following  
2 the section affected.

3 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be  
4 applicable to all taxable years beginning after December 31, 2015.

5 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
6 1, 2016.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.