

## Chapter 5

**(Senate Bill 94)**

AN ACT concerning

**State Government – Consumer Price Index – Revised Statutory References**

FOR the purpose of altering a certain Consumer Price Index used for calculating the target per pupil foundation amount and the student transportation amount for education; altering a certain Consumer Price Index used by certain mediator–arbitrator panels to consider the annual increase or decrease in consumer prices in determining the more reasonable offer presented in negotiations on certain collective bargaining agreements; altering a certain Consumer Price Index used by the Montgomery Commission to adjust a certain annual cost estimation; altering a certain Consumer Price Index used to determine the limit increase on the copayment or coinsurance requirement on a certain covered specialty drug; altering a Consumer Price Index used by the Department of Commerce to report to the State Workers’ Compensation Commission to determine a certain rate of change for certain covered employees by a certain date; altering a certain Consumer Price Index that the Maryland–National Capital Park and Planning Commission uses to adjust the estimates of certain yearly costs; altering the Consumer Price Index used by a mediator–arbitrator to consider the annual increase or decrease in consumer prices in resolving certain items; altering a certain Consumer Price Index used by the Department of Housing and Community Development to adjust a certain maximum fee; altering a certain Consumer Price Index used by the Commissioner of Labor and Industry to adjust certain wage rates for certain employees; and generally relating to revised statutory references for the Consumer Price Index for the Washington–Baltimore Metropolitan Area.

BY repealing and reenacting, without amendments,

Article – Education

Section 5–202(a)(1)

Annotated Code of Maryland

(2018 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 5–202(a)(13)(ii) and 5–205(c)(2)

Annotated Code of Maryland

(2018 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,

Article – Housing and Community Development

Section 16–310(a), (b), and (d)(1) and (2)(vi)

Annotated Code of Maryland

(2006 Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – Housing and Community Development  
Section 16–310(d)(2)(vii) and 16–402(a)  
Annotated Code of Maryland  
(2006 Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – Insurance  
Section 15–847(c)(2)  
Annotated Code of Maryland  
(2017 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,  
Article – Labor and Employment  
Section 9–101(a) and (d), 9–638(a), and 9–638.1(a) through (c)  
Annotated Code of Maryland  
(2016 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – Labor and Employment  
Section 9–638(b) and 9–638.1(d)  
Annotated Code of Maryland  
(2016 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,  
Article – Land Use  
Section 14–101(a) and (b), 16–209(a) through (c) and (e)(2)(i)6., and 16–402(a)  
Annotated Code of Maryland  
(2012 Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – Land Use  
Section 16–209(e)(2)(i)7. and 16–402(b)  
Annotated Code of Maryland  
(2012 Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,  
Article – Public Utilities  
Section 18–208(e)(1)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – Public Utilities  
Section 18–208(e)(2)

Annotated Code of Maryland  
(2010 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,  
Article – Real Property  
Section 11–135(c)(1) and 11B–106(c)(1)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – Real Property  
Section 11–135(c)(4)(i) and 11B–106(c)(4)(i)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,  
Article – State Finance and Procurement  
Section 18–101(a) and (b) and 18–103(a)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – State Finance and Procurement  
Section 18–103(b)(1)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2018 Supplement)

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

**Article – Education**

5–202.

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

(13) “Target per pupil foundation amount” means:

(ii) Except as provided in items (iii) and (iv) of this paragraph, in subsequent fiscal years:

1. The target per pupil foundation amount for the prior fiscal year increased by the same percentage as the lesser of:

A. The increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year;

B. The Consumer Price Index for All Urban Consumers for the [Washington–Baltimore metropolitan area] WASHINGTON METROPOLITAN AREA, or any successor index, for the second prior fiscal year; or

C. 5%; or

2. If there is no increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year or in the Consumer Price Index for All Urban Consumers for the [Washington–Baltimore metropolitan area] WASHINGTON METROPOLITAN AREA, or any successor index, for the second prior fiscal year, the target per pupil foundation amount for the prior fiscal year;

5–205.

(c) (2) Subject to the limitations under paragraph (3) of this subsection, for fiscal year 2004 and every year thereafter the amount of a county’s base grant for student transportation shall be equal to the amount of the county’s base grant for student transportation for the previous year increased by the same percentage as the increase in the private transportation category of the Consumer Price Index for all urban consumers, for the [Washington–Baltimore metropolitan area] WASHINGTON METROPOLITAN AREA, as of July of the fiscal year preceding the year for which the amount is being calculated, plus an additional amount equal to the product of:

(i) The total amount of funds distributed by the State as base grants for student transportation for the previous fiscal year divided by the statewide full–time equivalent enrollment for the previous fiscal year; and

(ii) The difference between the full–time equivalent enrollment in a county for the current fiscal year and the full–time equivalent enrollment in the county for the previous fiscal year, or, if the full–time equivalent enrollment in a county for the current fiscal year is less than the full–time equivalent enrollment in the county for the previous fiscal year, zero.

## **Article – Housing and Community Development**

16–310.

(a) (1) If the parties have not reached an agreement on or before December 1 on a collective bargaining agreement that would become effective the following July 1, the parties shall jointly appoint a mediator–arbitrator panel.

(2) If the parties are unable to agree on a jointly appointed mediator–arbitrator as required under § 16–311 of this subtitle, the labor relations administrator shall name the jointly appointed mediator–arbitrator on or before December 7.

(3) Notwithstanding appointment of the mediator–arbitrator panel, this subsection does not require beginning mediation–arbitration before the date set forth in subsection (b)(2) of this section.

(b) (1) During the collective bargaining:

(i) either party may declare an impasse and request the services of the mediator–arbitrator panel; or

(ii) the parties may jointly request the services of a mediator–arbitrator panel before an impasse is declared.

(2) If the mediator–arbitrator panel finds in the discretion of the panel that the parties are at a bona fide impasse, or on February 1, if they still have not agreed on a contract, whichever happens first, the mediator–arbitrator panel shall require the parties to submit:

(i) a joint memorandum listing all items to which the parties have previously agreed; and

(ii) a separate memorandum of the party’s last final offer presented in negotiations on all items to which the parties have not previously agreed.

(d) (1) On or before February 15, the mediator–arbitrator panel shall issue a report choosing the final offer that the mediator–arbitrator panel determines to be more reasonable when viewed as a whole.

(2) Subject to paragraph (3) of this subsection, in determining the more reasonable offer, the mediator–arbitrator panel may consider only:

(vi) the effects of any economic adjustments on the standard of public services normally provided by the employer; and

(vii) the annual increase or decrease in consumer prices for all items as shown in the most recent Consumer Price Index – Wage Earners and Clerical Workers (“CPI–W”) for the [Washington–Baltimore] **WASHINGTON** Metropolitan Area.

16–402.

(a) (1) This subtitle applies to a service contract that:

(i) is solicited by the Montgomery Commission as a management plan intended to adversely affect Montgomery Commission employees represented by a certified representative; and

(ii) in the estimation of the Montgomery Commission procurement officer, will exceed an annual cost of \$75,000 as calculated under paragraph (2) of this subsection.

(2) The Montgomery Commission shall adjust the annual cost estimation described in paragraph (1)(ii) of this subsection to the nearest \$100 every 2 years, beginning on October 1, 2008, to reflect any aggregate increase in the Consumer Price Index for all urban consumers, for the [Washington–Baltimore metropolitan area] **WASHINGTON METROPOLITAN AREA**, or any successor index, for the previous 2 years.

### **Article – Insurance**

15–847.

(c) (2) On July 1 of each year, the limit on the copayment or coinsurance requirement on a covered specialty drug shall increase by a percentage equal to the percentage change from the preceding year in the medical care component of the March Consumer Price Index for All Urban Consumers, [Washington–Baltimore] **WASHINGTON METROPOLITAN AREA**, from the U.S. Department of Labor, Bureau of Labor Statistics.

### **Article – Labor and Employment**

9–101.

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

(d) “Commission” means the State Workers’ Compensation Commission.

9–638.

(a) (1) A covered employee under this section includes an individual who:

(i) is entitled to compensation for claims arising from events occurring after January 1, 1988; or

(ii) 1. is entitled to compensation from the Chesapeake Employers’ Insurance Company, as successor to the Injured Workers’ Insurance Fund, for claims arising from events occurring on or before January 1, 1988; and

2. was not an employee of a county or municipal corporation when the claim was filed.

(2) Compensation paid to a covered employee under this Part V of this subtitle is subject to an annual cost of living adjustment.

(b) On or before June 30 of each year, the Department of Commerce shall determine and report to the Commission the rate of change in the Consumer Price Index in the preceding calendar year, using as the Consumer Price Index the lower of:

(1) the Consumer Price Index (all urban consumers, all item index) published by the United States Department of Labor for the [Washington, D.C.–Baltimore CMSA] **WASHINGTON METROPOLITAN AREA**; or

(2) the United States city average consumer price index (all urban consumers, all item index).

9–638.1.

(a) This section applies to:

(1) a nongovernmental unit that employs at least one covered employee;

(2) a county; and

(3) a municipal corporation.

(b) A covered employee under this section means an individual who:

(1) is entitled to compensation for claims arising from events occurring on or before January 1, 1988; and

(2) filed the claims for compensation paid by a nongovernmental unit, a county, or a municipal corporation.

(c) Compensation paid to a covered employee under this Part V of this subtitle is subject to an annual cost of living adjustment if the employer, county, or municipal corporation chooses to provide an adjustment.

(d) On or before June 30 of each year, the Department of Commerce shall determine and report to the Commission the rate of change in the Consumer Price Index in the preceding calendar year, using as the Consumer Price Index the lower of:

(1) the Consumer Price Index (all urban consumers, all item index) published by the United States Department of Labor for the [Washington, D.C.–Baltimore CMSA] **WASHINGTON METROPOLITAN AREA**; or

(2) the United States city average consumer price index (all urban consumers, all item index).

## Article – Land Use

14–101.

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

(b) “Commission” means the Maryland–National Capital Park and Planning Commission.

16–209.

(a) (1) If the parties have not reached an agreement on or before December 1 on a collective bargaining agreement that would become effective the following July 1, the parties jointly shall appoint a mediator–arbitrator.

(2) If the parties are unable to agree on a mediator–arbitrator, the labor relations administrator shall appoint the mediator–arbitrator on or before December 7.

(3) Notwithstanding appointment of the mediator–arbitrator, this section does not require mediation–arbitration to begin before the date set forth in subsection (c) of this section.

(b) During the course of the collective bargaining:

(1) either party may declare an impasse and request the services of the mediator–arbitrator; or

(2) the parties jointly may request the services of a mediator–arbitrator before an impasse is declared.

(c) If the mediator–arbitrator finds in the mediator–arbitrator’s sole discretion that the parties are at a bona fide impasse or on February 1, whichever occurs earlier, the mediator–arbitrator shall direct the parties to submit:

(1) a joint memorandum listing all items to which the parties previously agreed; and

(2) a separate memorandum of each party’s last final offer presented in negotiations on all items to which the parties previously did not agree.

(e) (2) In determining which offer is more reasonable, the mediator–arbitrator:

(i) may consider only:

6. the effects of any economic adjustments on the standard of public services normally provided by the Commission; and



7. the annual increase or decrease in consumer prices for all items as reflected in the most recent Consumer Price Index – Urban Wage Earners and Clerical Workers (“CPI–W”) for the [Washington–Baltimore metropolitan area] **WASHINGTON METROPOLITAN AREA**; and

16–402.

(a) This subtitle applies to a service contract that:

(1) the Commission solicits as a management plan intended to adversely affect employees of the Commission represented by a certified representative; and

(2) a procurement officer of the Commission estimates will exceed a yearly cost of \$75,000 as calculated under subsection (b) of this section.

(b) The Commission shall adjust the estimate of the yearly cost described in subsection (a)(2) of this section to the nearest \$100 every 2 years to reflect any aggregate increase in the Consumer Price Index for all urban consumers, for the [Washington–Baltimore metropolitan area] **WASHINGTON METROPOLITAN AREA**, or any successor index, for the previous 2 years.

#### **Article – Public Utilities**

18–208.

(e) (1) On or before February 15, the mediator–arbitrator shall issue a report that resolves all items that the parties have not agreed on previously.

(2) In resolving the items not previously agreed on, the mediator–arbitrator may consider the following factors:

(i) past collective bargaining contracts between the parties, including the past bargaining history that led to the agreement or the pre–collective bargaining history of employee wages, hours, benefits, and other working conditions;

(ii) a comparison of wages, hours, benefits, and conditions of employment of similar employees of other public employers in the State and the Washington, D.C. metropolitan area;

(iii) a comparison of wages, hours, benefits, and conditions of employment of similar employees of private employers in Montgomery County and Prince George’s County;

(iv) the public interest and welfare;

(v) the ability of the employer to finance any economic adjustments required under the proposed agreement;

(vi) the effect of any economic adjustments on the standard of public services normally provided by the employer; and

(vii) the annual increase or decrease in consumer prices for all items as reflected in the most recent Consumer Price Index – Urban Wage Earners and Clerical Workers (“CPI–W”) for the [Washington–Baltimore metropolitan area] **WASHINGTON METROPOLITAN AREA**.

### **Article – Real Property**

11–135.

(c) (1) Except as provided in paragraph (4) of this subsection, the council of unit owners, within 20 days after a written request by a unit owner and receipt of a reasonable fee therefor, not to exceed the cost to the council of unit owners, if any, up to a maximum of \$250, shall furnish a certificate containing the information necessary to enable the unit owner to comply with subsection (a) of this section. A unit owner providing a certificate under subsection (a) of this section is not liable to the purchaser for any erroneous information provided by the council of unit owners and included in the certificate.

(4) (i) The Department of Housing and Community Development shall adjust the maximum fee authorized under paragraph (1) of this subsection every 2 years, beginning October 1, 2018, to reflect any aggregate increase in the Consumer Price Index for All Urban Consumers (CPI–U) for [Washington–Baltimore] **THE WASHINGTON METROPOLITAN AREA**, or any successor index, for the previous 2 years.

11B–106.

(c) (1) Except as provided in paragraph (4) of this subsection, within 20 days after a written request by a lot owner other than a declarant and receipt of a reasonable fee, not to exceed the cost to the homeowners association, if any, up to a maximum of \$250, the homeowners association, the management agent of the homeowners association, or any other authorized officer or agent of the homeowners association, shall provide the information listed under subsection (b) of this section.

(4) (i) The Department of Housing and Community Development shall adjust the maximum fee authorized under paragraph (1) of this subsection every 2 years, beginning on October 1, 2018, to reflect any aggregate increase in the Consumer Price Index for All Urban Consumers (CPI–U) for [Washington–Baltimore] **THE WASHINGTON METROPOLITAN AREA**, or any successor index, for the previous 2 years.

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

18–101.

- (a) In this title the following words have the meanings indicated.
- (b) “Commissioner” means the Commissioner of Labor and Industry.

18–103.

(a) Except as provided in subsection (c) of this section, an employer subject to this title shall pay each employee covered under this title:

(1) at least \$11.30 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 area; or

(2) at least \$8.50 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 2 area.

(b) (1) Not later than 90 days after the start of each fiscal year, the Commissioner shall adjust the wage rates required under subsection (a) of this section by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the [Washington–Baltimore metropolitan area] **WASHINGTON METROPOLITAN AREA**, or any successor index, for the previous calendar year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.

**Enacted under Article II, § 17(b) of the Maryland Constitution, March 27, 2019.**