



The LEGISLATIVE WRAP-UP

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[Budget and Fiscal Matters](#)

BUDGET AND FISCAL MATTERS

If **HB 298** becomes law, Maryland shoppers would enjoy a sales tax free week for back-to-school shopping this August. For one week, the 5 percent State sales tax would not apply to the purchase of clothing priced under \$100. Shoes and accessories, such as jewelry, ties, and scarves, would still be subject to the sales tax. In an effort to boost winter tourism, another provision of the bill would designate the last week of January 2000 as free from the State sales and use tax on hotel and motel rooms priced under \$100 per day. The bill is scheduled for a committee hearing in early March. In 1998, sales tax free week legislation passed the House, but failed in the Senate.

Electric and gas utility tax reform legislation (**HB 366/SB 344**) was introduced last week. These bills, linked to passage of industry deregulation legislation, in general would provide for:

- replacement of the existing 2 percent gross receipts tax with a combination of taxes on electric and gas utilities that include a gross receipts tax, a distribution tax, and corporate income tax;
- real property tax relief, structured as a corporate income tax credit, for operating real property used to generate electricity for sale;
- phased-in personal property tax relief, with the costs shared equally among the counties, State, and customers; and
- limited, transitional assistance to those areas most affected by the tax restructuring.

[Courts](#)

COURTS

Narrowing the focus of bills **SB 554/HB 8**, that would shield both businesses and governments from Y2K liability, **SB 232** would grant immunity from damage claims to just State and local governments if they have taken steps to find and fix potential computer problems.

[Criminal Matters](#)

CRIMINAL MATTERS

Three bills (**HB 92, SB 139, SB 184**) would expand Maryland's hate crime laws, which now cover racial and ethnic hatred, to prohibit crimes against persons or their property because of their gender or sexual orientation. A hate crime is a misdemeanor, with a maximum penalty of a \$5,000 fine and three years in jail. If a hate crime involves a separate crime that is a felony, the person, upon

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With regard to personal injury and wrongful death lawsuits, **SB 626** proposes that damages arising from contact before July 1986 with a substance causing latent disease or injury, such as asbestos, would not be subject to the current cap set on awards for noneconomic damages such as pain and suffering in these lawsuits. The cap, initially set at \$350,000 in 1986 legislation, was raised to \$500,000 in 1994, with a \$15,000 a year increase after that. Direct economic damages such as medical bills are not affected by the cap or the bill.

conviction, is guilty of a felony, with a corresponding increased penalty.

Good moral character and reputation would be added as requirements for certification as a security guard under **HB 381/SB 443**. Periodic certification renewal would also be required, mandating a new criminal background check every three years. Certification could be refused to anyone convicted of a felony or a misdemeanor directly related to fitness and qualification to be certified.

Law enforcement's fight against child pornography would be aided by two bills introduced at the request of the State Police Department and heard in committee last week. **HB 100**, still under committee consideration, would make possession of child pornography a felony instead of the current misdemeanor charge, and would increase the maximum penalty for a first offense from a \$2,500 fine and a year in prison to a \$5,000 fine and two years of confinement. The Senate has approved **SB 39**, a bill that would keep search warrants under seal for 30 days while police investigate child pornography cases.

ECONOMIC MATTERS

HB 4 and **HB 5**, two of the four "One Maryland" measures (**HB 4/SB 421** and **HB 5/SB 419**) that would provide economic development assistance to the State's most distressed counties, have been amended in committee and are awaiting House floor consideration. Several other bills also aim to establish avenues to boost Maryland's economic health by enhancing the State's business climate. **SB 136/HB 185** would create a Maryland Competitive Advantage Financing Fund. This Fund would provide financial assistance for the development and expansion of small businesses owned by economically disadvantaged individuals who have had difficulty obtaining financing from traditional sources. Other companion bills, **SB 134/HB 188**, would set up the Maryland Economic Development Assistance Authority and Fund to offer long-term fixed rate loans for businesses with projects that have a strong potential for expanding or retaining employment opportunities. Another measure, **HB 75**, would extend the time period from January 1, 2002 to January 1, 2007 during which job creation tax credits, first established by the General Assembly in 1996, could be taken by eligible businesses that create new jobs by establishing or expanding a business facility in the State.

EDUCATION

HB 116 authorizes county boards of education to be the chartering authorities to set up public charter schools in the State.

Recently heard, **HB 189** establishes two scholarship programs. Recipients of the Maryland Teacher Scholarship Program must agree to work as a public school teacher in Maryland for one year for each year the scholarship was awarded, or repay the money with interest. In addition to other qualifications, the Maryland HOPE Scholarship recipient must have an annual total family income of \$80,000 or below, and must agree to work in the State for one year for each year the scholarship was awarded or repay the money with interest. For both programs, the scholarship amount is \$1,000 a year for community college students and \$3,000 per year for students at four-year institutions.

ELECTIONS

SB 345, which would prohibit campaign contributions from those entities that receive a majority of their funding from the State, has been introduced. The hearing date is set for February 25.

ENVIRONMENT

The placement of material dredged from the Chesapeake Bay shipping channels is the focus of three bills. **HB 624** and **SB 325** both prohibit the dumping of dredge spoil into the area known as Site 104, which is located between the Chesapeake Bay Bridge and Love Point. **SB 465** prohibits the dumping of the dredge spoil to create an artificial island. A hearing on the Senate bills will be held February 23.

Two bills have been introduced which exempt certain counties from requiring the mandatory dynamometer testing in the Vehicle Emissions Inspection Program (VEIP). **HB 93** makes the test voluntary in Calvert County if the County meets certain Environmental Protection Agency standards. **SB 434** makes the test voluntary in Washington County. Hearings have been scheduled for both bills.

FAMILY LAW

Unannounced inspections of family day care homes every two years would be required under **HB 299**. The Child Care Administration currently schedules formal inspections every two years. **HB 299** would require a surprise inspection in the alternate year.

HB 388 would forbid a child younger than 16 to marry. Current law allows marriage when the child has parental consent and a physician's statement that the bride-to-be is pregnant or has given birth. The bill would also require 16- and 17-year-olds, at the time they apply for a marriage license, to have a notarized, written consent of a parent or guardian that swears that the youth is at least 16 years old.

SB 142, heard this week in committee, would establish the Joseph Fund, a reserve fund within the State Reserve Fund to meet the needs of economically disadvantaged individuals. The fund would cover health services, food or shelter assistance, and the needs of children during leaner economic times when social service programs may have to be reduced or eliminated. Up to \$5 million a year of State budget surpluses would flow into the fund, along with investment earnings and funds from governmental and private sources. A hearing is scheduled next week for the companion bill, **HB 184**.

FINANCIAL INSTITUTIONS

HB 118, which failed in committee this week, would have prohibited a financial institution from assessing a surcharge against an individual who uses an automated teller machine (ATM) if the transaction does not relate to or affect an account held by the individual with the owner/operator of the ATM. The reintroduced bill addressed the practice of the double charging of fees at ATMs for noncustomers.

HEALTH

A hearing is scheduled in March for **SB 194**, the partial-birth abortion prohibition bill. **HB 70**, heard by a committee last week, will require the Department of Health and Mental Hygiene to conduct an annual inspection of hospice facilities to ensure conformance with health care regulations.

HOUSING

HB 161, requiring new home builders to disclose information about the presence of hazardous materials on the building site, received a favorable preliminary floor vote this week.

INSURANCE

A House committee heard testimony this week on **HB 182**, the Patients' Bill of Rights Act of 1999. As part of the bill, the Maryland Insurance Administration is designated as the primary coordinator for consumer access to health insurance information. Health maintenance organizations (HMOs) will be required to provide out-of-network referrals when a needed health care provider is not available in-network, permit specialists to serve as primary care providers, and cover prescriptions not normally covered if determined medically necessary by a doctor. The legislation also establishes requirements for standing referrals to specialists and coverage for 48-hour hospital stays following mastectomy or testicular cancer surgery. The Senate companion, **SB 135**, has also had a hearing.

STATE GOVERNMENT

HB 403, which would permit the disclosure of the pensions of appointed officials of local government, has been introduced.

HB 183/SB 170 will have hearings on February 18. These bills would consolidate the existing Maryland Veterans Commission, the Maryland Veterans Home Commission, and the War Memorial Commission into a new Department of Veterans Affairs.

Four bills have been introduced concerning the retirement benefits of State police personnel. **HB 191/SB 141** would revise the retirement benefits for State police personnel by reducing the minimum number of years required for a normal service retirement from 25 to 20 years, increasing the benefit rate, increasing the contribution rate in certain circumstances, and creating a Deferred Retirement Option Program (DROP). Under DROP a State police officer may "retire", but would continue to be employed for a period of no more than five years. During this period the officer's retirement benefits would be paid into the DROP account and accrue interest. On leaving State service the officer would receive this accumulated amount in a lump sum. The bills would take effect July 1, 1999. Two other measures, **HB 329/SB 402**, would provide incremental increases in the annual retirement benefit for those who retired prior to July 1, 1999, based on the length of the retirement with the increase starting at \$1,200 for the most recent retirees.

TRANSPORTATION

A measure has been introduced that would put limits on the driving privileges accorded young teenage drivers. **SB 597** would prohibit a driver under the age of 18 from driving a vehicle carrying a passenger under the age of 18. Exceptions would be allowed for transporting family members who are underage. Additionally, the bill authorizes a police officer to enforce the restriction only as a secondary violation.