



The Legislative Wrap-Up

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AGRICULTURE/SEAFOOD

A bill has been introduced which creates an independent State agency to manage Maryland's marine and estuarine resources. Under the provisions of [HB 331](#), certain powers, functions, and duties related to fisheries would move from the Department of Natural Resources to the new Marine and Estuarine Fisheries Commission.

sales tax-free week for clothing with a taxable price under \$100 for the week of August 10 through 16, 2001.

[SB 208](#) repeals the authority for municipalities, counties, and the Attorney General to appeal a real property tax assessment outside of the three-year assessment cycle. The right to appeal within 45 days after an assessment is issued remains unchanged.

BUDGET AND FISCAL MATTERS

The Budget Reconciliation Act of 2002, [SB 323/HB 424](#), transfers money from special funds such as the 911 Trust Fund, the Lead Poisoning Prevention Fund, the State Reserve Fund, and the Emergency Medical System Operations Fund, to the general fund for the current fiscal year 2002 and the upcoming fiscal year 2003. The bills also make other changes to the law to help balance the budget.

Legislation related to tobacco products includes [SB 343](#), which increases the cigarette tax from the current rate of \$.66 per pack of 20 cigarettes to \$1.36 per pack of 20 cigarettes, and [HB 30](#), which requires the Comptroller to destroy any seized and forfeited contraband tobacco products. Under current law, seized and forfeited contraband products must be sold.

Five sales tax-free week bills have been introduced so far this session. Four would provide for a back-to-school sales tax-free week in late summer. [HB 20](#) provides for a one-time only sales tax-free week for clothing with a taxable price under \$100 for the week of August 10 through 16, 2002. Another measure, [HB 75](#), adds school supplies to the list of exempt items for that week. [HB 76](#) is the same as [HB 75](#), but makes the sales tax-free week of August 10 through 16 an annual occurrence. Under [SB 29](#), the sales tax-free week occurs annually from the second Friday in August through the next Thursday.

[HB 103](#) creates a sales tax-free week for personal computers during the week of February 1 through 7, 2003. A 2000 law (Ch. 576 and Ch. 577) established a

COURTS AND CIVIL PROCEEDINGS

Testimony was heard this week on [HJ 5/SJ 5](#), the Judicial Compensation Commission's recommendations to increase the salaries of the State's 274 judges by 5%, beginning January 1, 2003. Any increase would result in a salary increase for the State Prosecutor and Public Defender, members of the Workers' Compensation Commission, and the state's attorneys of 15 counties, since these salaries are based on judges' salaries. The salary recommendations will take effect automatically unless the resolution is amended and passed by the General Assembly on or before March 7. In addition, judges would receive any cost of living adjustment awarded to State employees, which is 2% in the proposed FY2003 State budget.

CRIMINAL MATTERS AND CORRECTIONS

For the third time in 3 years, the General Assembly will consider legislation to establish an independent State Juvenile Justice Disciplinary and Grievance Advisory Commission to inform and advise the Department of Juvenile Justice (DJJ) on issues regarding the care and supervision of children under DJJ's jurisdiction ([SB 333](#)). Commission monitors will review disciplinary actions on juveniles in custody, as well as any grievances filed by them or on their behalf, to determine whether there is a pattern of abuse, neglect, or other systemic failings. Area Advocacy Boards are established within the Commission for each area of the State. The bill also requires DJJ to adopt a specified policy for addressing disciplinary actions and grievances within facilities.

ECONOMIC, BUSINESS, AND CONSUMER ISSUES

[HB 71](#) revisits controversial legislation enacted last year that clarified the authority of the Maryland Development Corporation (MEDCO) to develop property and promote economic development in all areas of the State. The new measure, heard by a committee this week, repeals MEDCO's authority to acquire property or rights or easements by condemnation. The General Assembly established MEDCO in 1984. Its original role was to develop vacant industrial sites that failed to attract private investment and help State and local economic development agencies modernize, retain, and attract businesses. Examples of MEDCO projects include construction of manufacturing plants for Human Genome Sciences, Inc. in Rockville and General Motors in Baltimore County, and development of the Rocky Gap golf resort in Allegany County.

A more recent effort by the legislature to promote economic development resulted in the creation in 1998 of TEDCO, the Maryland Technology Development Corporation. TEDCO'S mission is to foster the development of a technology economy that will create and sustain businesses in that field. This session sponsors are seeking to adjust the legal authority of TEDCO to allow it to become competitive on a broader basis for federal funds ([SB 307/HB 405](#)). Just last session, the General Assembly approved a Maryland Technology Incubator Program under TEDCO, to assist technology businesses by giving them seed money and other assistance in their first few years (Ch. 597/Ch.598).

In response to a pending civil rights complaint against certain resort hotels in Maryland who deny under-age customers access to rooms unless accompanied by an adult, bills are before the legislature to specifically address the rights of innkeepers to remove patrons or refuse to serve them. Provisions related to young guests require the parent or guardian of a guest who is a minor to accept liability for the minor's lodging costs and any damages the minor causes, and to make an advance but refundable deposit of up to \$500. Further, innkeepers are specifically authorized to refuse rooms or services, or to remove an individual who is reasonably suspected of using the lodging establishment for the consumption of alcohol by an individual under the legal age.

EDUCATION

Two bills introduced this week, [SB 383/HB 437](#), prohibit The Maryland Higher Education Investment Board from allowing the same purchaser or contributor to purchase more than one prepaid tuition contract or to open multiple investment accounts for a single beneficiary in the same year. The bills have been proposed to close a loophole in the college savings program. As administered by the Board, the \$2,500 maximum specified under the law for income tax deductions of advance payments of tuition, or for contributions to college investment savings accounts, could be exceeded by purchasing multiple contracts or opening multiple accounts.

Legislation expanding eligibility of the Edward T. Conroy Scholarship Program to the children or spouse of a Maryland resident killed in the September 11, 2001 terrorist attacks or any subsequent terrorist attack was heard by a committee this week ([HB 300](#)). The companion bill, [SB 237](#), will have a hearing next week. Other scholarship-related legislation before a committee this week allows recipients of a Maryland Teacher Scholarship to receive a Senatorial Scholarship or a Delegate Scholarship ([SB 16](#)).

Also recently introduced are companion bills, [SB 233/HB 290](#), which expand teacher bargaining rights. Provisions add discipline and discharge for just cause as negotiable items, expand to all counties the applicability of laws governing negotiations, and prohibit negotiations on matters precluded by applicable law.

HEALTH CARE AND INSURANCE

The number of proposals aimed at supporting mental health care services continues to grow. Legislators heard testimony this week on [HB 249](#), a bill that requires Medicaid to reimburse an outpatient mental health care provider the entire amount of the Medicaid program fee for an individual eligible for both Medicare and Medicaid. The companion bill, [SB 206](#), will have a hearing later this month. Similar legislation considered last session failed.

Also slated for hearings in February are [SB 289/HB 454](#); these bills extend the termination date for the Community Services Reimbursement Rate Commission from 2002 until 2005. The commission studies rate system issues for the Mental Hygiene Administration

and makes recommendations on the methodologies used to calculate rates for community-based agencies and programs.

Reintroduced this session, [SB 5/HB 422](#) increase the amount of money for personal needs for nursing home residents who receive Medicaid. The allowance would be adjusted annually based on the percentage that Social Security benefits are increased. The Senate bill was heard by committee this week. Similar legislation considered last session failed.

The proposed conversion of CareFirst BlueCross BlueShield from a nonprofit to a for-profit entity generated a lot of interest and legislative activity this week. Testimony was heard on [HB 2](#), an emergency bill that alters current law by prohibiting the appropriate State regulating entity (the State Insurance Commissioner) from approving an application for acquisition of a nonprofit health entity, unless the regulating entity finds that the acquisition is in the public interest. Currently, the Insurance Commissioner is required to approve an acquisition unless the Commissioner finds the acquisition is not in the public interest. The bill in effect shifts the burden of proving whether an acquisition is in the public interest from the Commissioner to the proponents of the acquisition. Conversions come under State scrutiny and regulation in part because nonprofit entities such as hospitals and health service plans do not pay taxes based on the assumption that they provide a direct benefit to the community. Therefore, the assets accrued, financial and otherwise, are generally considered to be public assets and must remain with the public. Other issues relate to the loss of community control and the impact on the enrollees. The Senate companion bill is [SB 487](#). Recently introduced [HB 448](#) specifies that the sale transaction for this type conversion not be in the form of stock.

Several other CareFirst-related bills address nonprofit health service plans. [SB 411](#) requires an independent 5-year retrospective audit to determine the value of public benefits over this timeframe. Both [HB 231](#) and [SB 410](#) include provisions that link exemption from the insurance premium tax to the nonprofit plan's participation in the State's medical assistance program.

SPORTS AND GAMING

The Senate approved [SB 93](#), a bill that authorizes the Lottery Commission to enter into agreements to

participate in multijurisdictional lotteries with political entities outside the United States or with private licensees of a state or country. Currently, the Lottery can enter into an agreement to operate a multi-state lottery with any other political entity outside the State.

TRANSPORTATION

Measures have been introduced on the use of traffic control signal monitoring systems commonly known as red light cameras, that identify vehicles disobeying traffic lights. [HB 35](#), which was heard by a committee this week, creates a task force to evaluate the accuracy, effectiveness, operation, and contractor fee structures of the systems. The task force would be required to report its findings to the Governor and the General Assembly by January 1, 2003. [SB 28](#) eliminates the traffic control signal monitoring systems, except in a school zone, at a railroad crossing, or when a law enforcement officer is present at the location where the system is in place and, for a violation picked up by the system, can issue a citation at the time and place of the violation.

NEXT WEEK

On Tuesday, February 5, the General Assembly will meet in joint session to elect the next State Treasurer, filling the vacancy created by the resignation of Treasurer Richard N. Dixon.

The State Treasurer is charged by the Maryland Constitution and by State Law with the general responsibility to manage and disburse State funds. The Treasurer is the custodian of all stocks, bonds, and other investments of the State, and of all securities and collateral pledged to the State. The Office administers the insurance program of the State and handles all details related to the issuance of the general obligation debt of the State.

One of the most important functions of the Treasurer is to serve with the Governor and the State Comptroller on the Board of Public Works. The Board of Public Works is a body with vast executive authority to supervise the fiscal affairs of the State, including management of the expenditure of funds approved by the Legislature in the annual budget.

Friday, February 8, is the House bill introduction date. Bills introduced after this date will be referred to the House Rules and Executive Nominations Committee.