



The Legislative Wrap-Up

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LAST WEEKS OF THE 2004 SESSION

The last three weeks of session always weigh heavily on legislators as the number of decisions that must be made begin to peak. Next Tuesday, March 23, is the Committee Reporting Courtesy Date, which is the date that each chamber's committees are to report their own bills and Monday, March 29, is the Opposite Chamber Bill Crossover Date, which is the date that each chamber is to send to the other those bills it intends to pass favorably. Opposite chamber bills received after the crossover date are subject to referral to the Rules Committees.

COURTS AND CIVIL PROCEEDINGS

The House passed [HB 511](#) that restricts the right of a child to waive assistance of counsel when the child appears in court. Under the bill, the waiver may be used only after the child has consulted with a lawyer and the court deems the decision was made knowingly and voluntarily. A parent or guardian is barred as well from waiving the child's right to counsel. As amended, this bill differs slightly from its companion bill, [SB 163](#), which passed the Senate last month.

[SB 602/HB 1092](#), heard by committee this week and last, establish the status of "de facto custodian" and set forth factors to be considered by a court when a person who has been the primary caregiver and financial supporter for a child seeks custody of the child. The bills do not terminate parental rights.

A Senate committee rejected [SB 733](#) that would have changed the procedure for a Piscataway Indian tribe to obtain official State recognition of Maryland Indian status.

CRIMES, CORRECTIONS AND PUBLIC SAFETY

[HB 457](#) passed the House on Friday. The legislation simplifies the prosecution of identity fraud by allowing the prosecution of identity theft, or any crime arising out

of identity theft, to be commenced in any county in which an element of the crime occurred or where the victim resides. Current law requires separate trials in each jurisdiction in which an element of the crime occurred. Original provisions authorizing the Attorney General to investigate and prosecute the crime were deleted by amendment. The companion bill, [SB 257](#), passed the Senate without amendments last month.

Two assault weapons bills had late introductions last week and as yet have no standing committee assignments. [SB 925](#) makes carrying or possessing an assault weapon or other firearm in a polling place a misdemeanor, with a maximum penalty of a \$1,000 fine and a year in jail. [SB 927](#) imposes a tax on the sale and use of an assault weapon, in addition to the current sales and use tax. The assault weapon tax rate is pegged at 10% of the taxable price of the gun. A report on the impact of the tax on the sale of assault weapons is due in December 2005.

On Tuesday, a House committee listened to lengthy public testimony on a long list of gun-related bills. On the list, [HB 1298](#), the Maryland Assault Weapons Ban of 2004, expands the 1994 ban on the sale and possession of assault pistols in Maryland to include the 45 semiautomatic weapons that can currently be purchased legally in the State, as well as any copycat weapons, after September 12, the expiration of the current federal law. A Senate committee took testimony on the companion bill ([SB 288](#)) last month, but a vote has not been reported.

Also on Tuesday, interested parties signed the witness sheet and were called to the witness table to give their opinions before a Senate committee on [SB 599](#) that reduces the number of good time credits a child abuser or child sexual abuser can earn while incarcerated. The legislation also classifies child abuse and child sexual abuse as crimes of violence, thus requiring convicted abusers to serve more of their sentences before becoming eligible for parole. A House committee heard comments on the companion bill, [HB 1235](#), and a similar bill, [HB 1099](#), last week.

ECONOMIC AND BUSINESS ISSUES

Business

The bed and breakfast business is the topic of two measures under consideration this session. [SB 839/HB 1468](#) exempt bed and breakfast establishments with eight or fewer rooms for rent from food service regulations related to the installation of commercial grade kitchen equipment, but require any bed and breakfast that serves hot meals to register with the local health department and to be subject to regulations that govern food safety. [SB 839](#) was heard this week and [HB 1468](#) is on the House hearing agenda for next week.

Other legislation, [SB 100/HB 1128](#), establishes a task force to study the issue of health regulations and the bed and breakfast industry. Both these bills remain in committee following hearings last month and this week.

The Senate amended and sent to the House [SB 27](#) that increases the number of days and the frequency for which a winery special event permit may be issued. The bill now retains the three-day length for an event and allows three permits per year (not the current one per year) for use in the same political subdivision. A fee reduction, from \$500 to \$10 for the required permit, was also added. The companion bill, [HB 393](#), remains in committee following a hearing earlier in the session.

This week, several proposals related to the State's minority business enterprise program advanced:

- [HB 483](#), now in the Senate, increases the maximum net personal worth from \$750,000 to \$1.5 million for an individual, who otherwise meets the criteria to be considered a socially and economically disadvantaged individual;
- [HB 721](#), now in the Senate, requires the certification agency, which is the Maryland Department of Transportation, to develop and make accessible on the Internet a directory of minority business enterprises in the State; and
- [SB 323](#), with a preliminary Senate floor vote, requires recipients of assistance under the Economic Development Opportunities Program Fund and the Maryland Economic Development Assistance Authority and Fund to comply with certain minority business enterprise procurement goals under specified circumstances. The companion bill, [HB 806](#), remains in committee.

Insurance

Moving to opposite chambers, [SB 586/HB 15](#) amend current law regulating public adjustors. The bills allow business entities to be licensed as public adjustors, alter qualifications for licensure, include provisions regarding licensing of nonresidents, and add penalties for failure to obtain a license.

The Senate passed [SB 460](#) that requires an automobile insurer to offer liability coverage for claims made by a family member in the same amount as the liability coverage for claims made by a nonfamily member under the policy, if the liability coverage under the policy or binder exceeds the minimum coverage required by law. An insurance company may not refuse to provide motor vehicle coverage because the first name insured requests or elects this type of coverage. The companion bill, [HB 486](#), remains in committee.

On tap for a Senate hearing this week, [SB 691](#) creates a pilot program, ending in 2008, for a mileage-based rating plan for automobile insurance. Under the bill, an automobile insurer may offer a choice between a mile-based rating plan and time-based rating plan for coverage for losses caused by driving-related accidents. The bill also establishes a tax credit against the insurance premium tax for vehicles insured under a mile-based rating plan.

Heard by the same committee, [SB 735](#) requires an automobile insurer to file the condition inspection guidelines that it uses in settling claims involving the total loss value of a passenger motor vehicle with the Maryland Insurance Commissioner. Additionally, an insurer, upon request, must disclose to a claimant the condition inspection guidelines it uses to determine total loss value and the valuation of the vehicle in relation to the guidelines.

Other insurance measures died in committee. One bill would have established a mediation process in the Maryland Insurance Administration ([SB 582](#)) and the others, [SB 205/HB 132](#), would have prohibited an automobile insurance company from considering an accident in which the insured person was not at fault in assigning a new classification that involves a higher premium.

The public came forward recently to testify on measures to allow a consumer to ask the Maryland Insurance Commissioner to review a homeowner's insurance premium amount. [SB 805/HB 1326](#) apply to residential

real property that is insured under a homeowner's insurance policy that is required as a condition of the loan agreement for the property, has substantial property damage due to an event for which the Governor has declared a state of emergency, and that involves direct flood and flood-related damages. The Insurance Commissioner must determine, based on the property's condition, whether the premium may need to be decreased to reflect the property's lost value. In making the determination, the Commissioner must consider whether any claim for substantial property damage filed under a homeowner's insurance policy or the National Flood Insurance Program has been denied or approved for an amount that is less than the amount required to return the property to its prior condition.

Occupations

In opposite chambers and on hearing schedules for next week, [SB 584/](#)[HB 177](#) require anyone licensed to sell real property and casualty insurance and to sell flood insurance, as well, to receive continuing education related to flood insurance.

Legislation related to the State Board of Pilots won preliminary approval from the House this week. [HB 884](#) transfers licensing of docking masters to the State Board of Pilots and abolishes the State Board of Docking Masters. The bill includes provisions for the transfer of current docking master licensees to pilot licensees, authorizes the board to establish training, experience, and education requirements for bay pilots and docking masters to perform tasks now performed by each other, and establishes an Incident Committee. Amendments prohibit licensed pilots from participating in port-wide job actions or strikes.

Legislative proposals that failed to gain committee approval relate to unlicensed home improvement contractors ([SB 244/](#)[HB 461](#)), licensed cosmetologists' continuing education ([HB 405](#)) and affiliations ([HB 463](#)), and regulation of tanning facilities ([SB 209](#)).

Committee members also failed to agree on measures dealing with cigarette licenses and the sale of cigarettes:

- [HB 48](#) would have raised license fees;
- [HB 499](#) would have prohibited out-of-state sale or distribution directly to a consumer; and

- [HB 500](#) would have given the Comptroller disciplinary authority over a licensee who sells tobacco to minors.

Utilities

Competition for residential electric customers has not developed as expected following electric deregulation Maryland in 1999. This week a House committee considered bills addressing competition in both the electric and telecommunications industries:

- [HB 311](#) establishes a task force to study the effect of restructuring the electric industry on residential customers and to identify ways to stimulate competition in the residential electricity supply market;
- [HB 744](#) requires electric companies to provide "standard offer service" to residential electric customers after the expiration of rate caps and any settlement agreements currently in place; and
- [HB 1082](#) prohibits a telecommunications company from knowingly impeding development of competition in its service area. The bill authorizes the Public Service Commission (PSC) to institute proceedings to evaluate whether the violation warrants a return of the company to price and revenue controls using rate of return regulation. The PSC may also resolve and adjudicate disputes and award damages.

Committees in both chambers gave unfavorable reports to legislation dealing with the electric industry that would have:

- limited increases in base electric rates for "standard offer service" to 10% per year ([HB 1056](#)) (The companion bill, [SB 739](#), remains in committee);
- required electric companies to create and maintain a list of customers that need special medical equipment for life support or to live independently ([HB 81](#));
- created a pilot program for underground conversion of overhead electric and communication lines along U.S. Route 1 ([SB 622](#)); and

- provided compensation to electric customers for some losses due to power outages of more than 24 hours ([SB 491](#)).

EDUCATION

The House passed [HB 358](#) that requires the State Department of Education to establish procedures for the administration of the Youth Risk Behavior Surveillance Survey developed for the Centers for Disease Control and Prevention. The Department may omit up to a maximum of one-third of the survey questions if the Department considers the content of the questions inappropriate.

Public testimony before committees this week on the Senate side addressed two bills that change the number of hours schools are required to be open. Currently, public schools must be open for at least 180 days and 1,080 school hours at the elementary and middle school levels or 1,170 hours at the high school level:

- [SB 455](#), an emergency bill, provides that a day when public schools are closed during a state of emergency declared by the Governor must be credited towards the required number of days that schools are in session during a school year; and
- [SB 801](#) allows local boards of education to determine the minimum number of school days and hours in a school year. Public schools may be open on Saturdays, Sundays, and holidays to fulfill the minimum day or hour requirements set by the local board.

Other Senate committee members listened to commentary on [SB 618](#) that increases the age of compulsory school attendance from 15 to 17. A student under 18 who has earned a high school certificate or diploma is not required to attend school.

On the House side, the public directed their comments to delegates on:

- [HB 256](#) that exempts specified military personnel from paying nonresident tuition at public institutions of higher education in Maryland;
- [HB 1171](#) that exempts undocumented immigrants who attended and graduated from Maryland high

schools from paying nonresident tuition at public institutions of higher education in Maryland; and

- [HB 740](#) that requires each local board of education to create a program for reporting incidents of harassment or intimidation against public school students that occur on public school property, at a school activity, or on a school bus. After deleting information identifying specific individuals, each board must submit copies of all Victim of Harassment or Intimidation Report Forms to the State Board of Education each year.

Committee rejection stops the progress of the following:

- [HB 83](#) would have required the Maryland State Department of Education in collaboration with each local school system to conduct a study of character education programs and the models that have been successful, the costs of implementing character education programs, and the feasibility of adding character education as a requirement to the state curriculum; and
- [SB 266](#) would have altered the service obligation for the Maryland Teacher Scholarship by requiring a scholarship recipient to work five years as a full-time teacher in a public school in a content shortage area, a school that receives federal Title I funds, or a school identified for school improvement, corrective action, or restructuring. Currently, a recipient of the scholarship must agree to work in a public elementary or secondary school for one year for each year that the scholarship was received.

The 2002 Bridge to Excellence Act (Thornton Plan) requires local boards of education to provide full-day kindergarten programs for all students by the 2007-2008 school year. This session multiple sponsors signed on to bills to change that requirement. Two bills did not secure committee approval. [HB 711](#) would have given local boards of education the option to decide by majority vote not to provide full-day kindergarten. [HB 428](#) would have extended by four years the deadline for local school systems to implement full-day kindergarten programs for all children, except for students in schools located in a critical needs or low socioeconomic areas.

This week, the progress of an amended [SB 559](#) ended with a failed preliminary vote on the Senate floor. The Student Health Promotion Act would have required the State Board of Education to explore the feasibility of enhancing physical education programs for public school

students and to adopt and disseminate a model policy regarding vending machines in public schools. Beginning with the 2004-2005 school year, vending machines would not have operated in public elementary schools from 12:01 A.M. until one-half hour after the end of the last class and in public high schools from 12:01 A.M. until the end of the last lunch period.

ELECTIONS AND ETHICS

Current law provides that a person over the age of 10 may not accompany a voter into a voting booth, with certain exceptions for voters who require assistance. For the past several years the General Assembly has considered altering the maximum age level. Recently, the House amended, passed, and sent to the Senate [HB 18](#) that allows an individual under the age of 13 to accompany a voter, provided the individual is in the care of the voter and does not disrupt or interfere with normal voting procedures. However, no more than two individuals under the age of 13 may accompany a voter.

Another measure, [HB 11](#), on the same subject failed in the House committee. Earlier this session, the Senate approved [SB 95](#) that allows an individual under the age of 14 accompanying a voter to have access to the voting room at a polling place and allows an individual up through the age of 13 to accompany a voter into the voting booth.

On Friday, after some spirited debate, the House voted to give [HB 383](#) a preliminary green light. The bill authorizes a registered voter to file a petition with the circuit court that challenges the residency of a candidate and requires the court to expedite the petition.

The State Public Ethics Law requires an official and a candidate for office as a State official to file an annual financial disclosure statement. This week the House responded affirmatively to and sent the Senate three of the bills reflecting recommendations by the State Public Ethics Commission. The recommendations address categories of information required on the disclosure statements that the commission believes have become too onerous and provide the commission and the public with little insight into possible conflicts:

- [HB 608](#) provides that, under certain circumstances, an individual is not required to include a listing of a minor child's employment or business entity of which the child is a sole or partial owner, and also clarifies that all secondary employment of the

individual or member of the individual's immediate family be reported;

- [HB 650](#) repeals the requirement that an individual include a schedule listing additional interests or information that the individual chooses to disclose on the annual statement; and
- [HB 610](#) requires an individual to include debt owed as a result of an encumbrance on real property on the disclosure statement, regardless of whether the entity to which the debt was owed is doing business with State. The bill also repeals the requirement that an individual list certain details regarding debt owed as a result of an encumbrance on real property to an entity doing business with the State. All disclosures of debt owed as a result of an encumbrance on real property would include only the name of the entity to which the debt was owed.

House committee members did not approve other bills growing out of the Ethics Commission's recommendations. [HB 609](#) would have repealed other requirements related to real property and [HB 716](#) would have altered requirements regarding interests in corporations and partnerships.

Additional legislation concerns final orders issued by the State Ethics Commission. If the Senate concurs, legislation altering the process, just passed this week by the House, will be on its way to the Governor. [HB 298](#) repeals provisions requiring a final order of the State Ethics Commission to be stayed until final disposition by a court if a timely appeal has been filed, and provides that the enforcement of a final order by the commission may be stayed at the discretion of the commission or the reviewing court. An amendment directs that the bill may be construed to apply only prospectively and may not be applied to have an effect on a final order concerning a matter or violation that occurred before the effective date, October 1, 2004, of the bill. A Senate committee has not acted on the companion bill, [SB 192](#).

The same House committee killed [HB 281](#) that also would have repealed provisions requiring a final order of the State Ethics Commission to be stayed until final disposition by a court if a timely appeal has been filed. The bill would have provided that a final order by the commission may be stayed until final disposition at the discretion of the reviewing court or final decision-maker.

Other bills that did not advance beyond the committee stage relate to campaigns and candidate disclosure. [HB](#)

518 would have added more restrictions on campaign activities of those “doing public business.” HB 632 would have allowed filing of campaign reports on paper until a \$50,000 threshold for each reporting period was reached.

Committee members also voted unfavorably on HB 221 that would have repealed the exception to the prohibition on acceptance of gifts by legislators. The Senate proposal SB 82 was withdrawn. A committee also killed another measure that would have changed procedures related to examination of ethics files (HB 611).

ENVIRONMENT, NATURAL RESOURCES, AND AGRICULTURE

The House passed the bill dubbed the “flush tax.” HB 555 establishes a \$2.50 per month sewer usage fee and creates the Chesapeake Bay Watershed Restoration Fund to provide financial assistance to upgrade wastewater treatment plants. Amendments add a \$.08 per gallon surcharge on septic waste disposal and incorporate provisions of HB 291. The incorporated provisions ease nutrient management reporting requirements for farmers and require a portion of the collected fees to be available to fund cover crop activities.

In the Senate, the original companion “flush tax” bill, SB 320, remains in committee. However, the companion nutrient management bill, SB 182, received Senate final approval and has been sent to the House.

The House approved the Anne Arundel County Right to Farm bill (HB 825). Testimony will be taken on the Senate version, SB 202, on April 1.

Given House approval, HB 136 prohibits the sale, on or after April 1, 2006, of products that contain mercury unless a specified label is affixed to the product. The bill also regulates the disposal of the products and, as amended, places mercury-added fluorescent lamps on the proscribed list and provides for disposal.

FISCAL MATTERS

On Friday, the Senate passed the Budget Bill, SB 125, and also passed SB 508 and SB 187, the two revenue raising measures. The Budget Bill includes 248 amendments that reduce the original appropriation by \$280 million in all funds, eliminate 253 State positions, and keep the Budget Bill below the Spending

Affordability Committee recommendations. The Budget Bill now goes to the House where it will come to the floor on Monday. In compliance with the Maryland Constitution, the Budget Bill must pass the General Assembly by April 5, the 83rd day, to avoid a gubernatorial proclamation extending the session.

Included among the Senate’s amendments are provisions that:

- restore the requirement that counties receive the Electricity Generating Equipment Property Tax Grant thus restoring \$30.6 million in grants to localities;
- eliminate the Governor’s Teacher’s Salary Challenge Grant a year early for an additional \$8.3 million savings over the Governor’s proposal;
- reduce need-based aid in the Educational Excellence Awards program by \$5 million;
- reduce the dispensing fees paid to pharmacies and require \$1.00 co-pay for generic and preferred drugs for a \$4.7 million savings;
- reduce funds to expand substance abuse treatment services as an alternative to incarceration by \$2.0 million;
- reduce the education program at the Hickey School by \$4.6 million;
- reduce appropriations for the business assistance programs by \$2.6 million; and
- eliminate \$25 million in General Funds to reimburse the Transportation Trust Fund.

Additionally, in order to balance the State budget, the legislature may take other revenue actions such as one-time transfers and changes in the law. To that end, the Senate passed an amended SB 508, renamed the “Budget Reconciliation and Financing Act of 2004,” or BRFA. The legislation now incorporates provisions of SB 509, the “Fund Transfers Act of 2004,” and SB 510, the “Budget Reconciliation Act of 2004.”

Through BRFA, \$428.7 million accrues to the General Fund for fiscal 2005. \$391.4 million comes primarily through one-time transfers of \$256.2 million and fee (\$5.3 million) and tax (\$129.9 million) increases.

Among the transfers to the General Fund are \$81 million from surplus reserve local income tax revenues, \$51.2 million from local highway aid, \$57 million from Program Open Space revenues, and \$13.1 million from agricultural land preservation funds. Among fee increases are those for the Departments of Agriculture, Education, and the Environment for pest control applications, teacher certificates, and lead-free rental unit reports, respectively.

BRFA also authorizes the Department of Health and Mental Hygiene to increase fees in an amount sufficient to recover administrative costs, but, as passed by the Senate, does not contain the proposed \$1,200 annual nursing bed fee. Other BRFA provisions impose the sales tax on snack foods and decouple the State from federal depreciation deductions for large sport utility vehicles.

In addition, [SB 508](#) makes substantive changes in law by increasing the local share of the cost of education for children with disabilities in the Non-Public Placement Program from 20% to 25% and by repealing the Governor's Teacher Salary Challenge Program a year before it is scheduled to end.

This session, [SB 187](#) constitutes another Senate component of the balanced budget process. The bill authorizes the Comptroller to take numerous actions to prevent corporations from avoiding the Maryland corporate income tax by shifting income away from the State through the use of Delaware Holding Companies (DHCs) and other State tax avoidance techniques.

For example, under the bill, a corporation is required in determining Maryland taxable income to add-back interest expenses or intangible expenses paid to related entities, but there are provisions to prevent double taxation. The legislation also provides a tax credit for a payee corporation filing a Maryland tax return equal to the income tax liability from the add-back for intangible expenses.

Additionally, the bill provides for a settlement period from August 1 through November 1, 2004, for corporate income taxes resulting from certain State court cases. Penalties will be waived for settlements made during this period. For fiscal year 2005, the bill raises \$92 million for the General Fund and \$30 million for the Transportation Trust Fund.

The House companion bill, [HB 297](#), concerning corporate tax compliance, received a favorable with

amendments committee vote on Thursday. On Friday, the legislation generated strong discussion on the House floor and then was special ordered for a preliminary vote next Tuesday.

In Senate floor action, a motion to reconsider the failure of a constitutional amendment increasing the General Assembly's budgetary powers was placed on special order for consideration on March 30. Although receiving more yeas than nays, the bill, [SB 370](#), did not receive the necessary three-fifth's vote for a constitutional amendment.

This week, the House approved [HB 622](#), legislation dealing with the authority of the Board of Public Works (BPW) to reduce appropriations. The bill requires the BPW to provide public notice and an invitation to comment on proposed reductions in appropriations, and with amendments alters the maximum reduction that the Governor may make to an appropriation in the State budget, alters the circumstances under which the Governor may reduce certain appropriations, and prohibits the Governor from reducing others. The companion bill, [SB 261](#), remains in a Senate committee.

The House also passed on a preliminary vote an amended [HB 1](#), the "Public School Construction Assistance Act of 2004." The bill now imposes recordation and transfer taxes on the transfer of real property, with a value of \$1,000,000 or more, when the transfer is achieved through the sale of a "controlling interest" in a specified corporation, partnership, limited liability company, limited liability partnership, or other form of unincorporated business. The legislation also requires that \$4.8 million from State and local recordation and transfer taxes be dedicated to school construction for fiscal 2005, along with \$9.6 million for each year through 2008. The bill is effective January 1, 2005.

Legislation, either in hearings this week or scheduled for next week, includes:

- [HB 889](#) to increase the tax on alcoholic beverages;
- [HB 1226](#) and [HB 1315](#) to increase the cigarette tax; and
- [SB 350](#) to establish an income tax check-off funded "Tax Me More Voluntary Account" for contributions to an "Education Trust Fund."

GAMING, RACING, AND SPORTS

This week, companion bills, [SB 354/HB 633](#), failed in their respective committees. The bills would have broadened the definition of a commercial athletic contest by repealing limiting language and would have specified that a person may not attempt to disrupt or interfere with such a contest by throwing an object, as opposed to disrupting or interfering with such a contest by throwing an object on the playing field or seating area.

HEALTH CARE AND HEALTH INSURANCE

If final agreement is reached before *sine die* and the Governor agrees, pharmacists may be allowed to administer influenza vaccinations with fees to be set by the State Board of Pharmacy and regulations to be developed by the Pharmacy Board and the Boards of Physicians and of Nursing. [HB 384](#), as amended and passed by the House, is the same as the companion bill, [SB 389](#), which is scheduled for a House committee hearing at the end of the month.

Committee amendments altered legislation ([HB 397](#)) to regulate pharmacy benefit managers (PBMs). Now the bill establishes a task force to study the regulation and practices of PBMs. Findings and recommended draft legislation are to be reported to the General Assembly by December 1, 2004.

A committee heard testimony on [HB 1457](#), a departmental bill that permits a health insurer, nonprofit health service plan, or HMO to offer a limited benefit plan in the small group market. Earlier this month, the companion bill, [SB 907](#), was aired.

Legislation is being considered by committees in both chambers over the next two weeks to modify the current health insurance mandate for morbid obesity coverage. Under [SB 868/HB 1410](#), a health insurer, nonprofit health service plan, Medicaid managed care organization, or HMO may require an enrollee to satisfy the definition of morbid obesity and other guidelines recognized by the National Institutes of Health to qualify for coverage.

REAL PROPERTY, ESTATES, AND TRUSTS

Bills responding to the devastation caused by Hurricane Isabel saw action this week in the Senate. [SB 415/HB 3](#), the "Hurricane Isabel Disaster Relief Act," as amended, provide low interest loans for people whose primary residences were damaged by Isabel and who have not received sufficient funds to repair the homes to make them habitable, as well as providing credit enhancements for private market loans. The bills also include coverage for the repair or replacement of water and sewer systems, including septic systems. The House bill has passed both chambers and the Senate bill is now in a House committee.

Committee action defeated legislation that would have:

- required a single adjuster to determine property damage from a flood for both the homeowner's insurance claim and the National Flood Insurance Program claim ([SB 579](#)); and
- required, when the Governor declares a state of emergency due to a direct flood or flood-related damages, the Maryland Insurance Commissioner to include in his annual report the impact of the flood on the insurance business, the complaints received and their resolution, ways to improve the handling of the emergency either by State laws or through the National Flood Insurance Program, and any other relevant information ([SB 583](#)).

[HB 1144](#), which would have created the Task Force to Study the Insurance Industry Response to Tropical Storm Isabel, was withdrawn.