

The Legislative Wrap-Up

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BILL INTRODUCTION STATISTICS

Bill numbers continue to climb as the 2006 session of the General Assembly enters its last month. As of Friday, March 17, the total number of Senate bill introductions stands at 1,095. House bill introductions have reached 1,737 for a total of 2,832 bills for both chambers. These statistics exceed those of recent years including those for election years, but do not reach the bill introduction numbers from the late 1970s and the early 1980s. For example, in 1978, there were 1,305 Senate bills introduced and 2,179 House measures for a total of 3,484. In 1982, Senators introduced 1,130, but the House put in 1,922 for a total of 3,052.

COURTS AND CIVIL PROCEEDINGS

The House approved the Child Welfare Accountability Act of 2006 (HB 799) that implements the final recommendations of the task force of the same name. Among other things, the bill calls for the development and implementation of an outcome-based system for measuring the efficiency and effectiveness of child welfare services, with a report due by the end of 2007; the establishment of a Child Welfare Training Academy for child welfare staff and administrators, foster parents, and kinship caregivers; the attainment of caseload ratios consistent with the Child Welfare League of America standards; an assessment of the accounting structure and workload measures the Social Services Administration and local departments of social services, with a report due by December 1, 2006; and a report by July 1, 2007, on strategies to lower the turnover rate and increase the qualifications of the child welfare workforce. The companion bill, SB 792, has not yet received a Senate committee report.

Under current law, victims of child sexual abuse have until seven years after they reach the age of 18 to file civil lawsuits against their abusers. HB 1148 extends that deadline to be 24 years after the victim reaches the age of 18 and may be applied retroactively to revive any action that was previously barred. HB 1147 opens a two-year window, starting October 1, 2006, during which victims of any age may file suit. Both bills had hearings earlier this month.

The Senate passed SJ 4 that expresses the State's regret for the role Maryland played in instituting and maintaining slavery and the discrimination that was slavery's legacy. HJ 9, with no hearing date set, expresses support for the construction of the national memorial honoring Dr. Martin Luther King, Jr., in Washington, D.C., and urges financial support for the memorial.

Two proposals requested by the Maryland Judicial Conference concerning the election of circuit court judges failed committee votes. SB 206, a constitutional amendment, would have changed a sitting judge's race for a second term from a competitive election to a retention election. SB 145 would have established a method for the nonpartisan election of judges by allowing all voters, not just Democrats and Republicans, to vote in circuit court primary elections and requiring candidates from minor parties to run in the primaries. The companion bills, HB 385 and HB 384 respectively, have been withdrawn. Other legislation concerning nonpartisan elections of circuit court judges (SB 324, HB 390, and HB 393) was the subject of committee hearings last month.

CRIMES, CORRECTIONS, AND PUBLIC SAFETY

The scope of existing hate crime laws is expanded under SB 537, which adds crimes based on a person's past or current membership in the United States armed forces, and under SB 539, which adds crimes based on the homeless status of a person. Both measures were aired before a committee last week. Maryland's hate crime laws prohibit a person from committing a crime against another person, or burning an object on or damaging the property of another, because of the other person's race, color, religious beliefs, sexual orientation, or national origin.

The House approved an amended HB 474 that authorizes a court to order a person convicted of manufacturing, distributing, or possessing with intent to distribute a controlled dangerous substance to pay restitution for the costs of cleaning up or remediating laboratories used for the illegal manufacture of the controlled dangerous substance. The provision also applies to minors found

delinquent in juvenile court for the illegal actions and their parents.

HB 1098, which would have restricted the sales display and purchase of non-prescription pseudoephedrine or other meth precursor drugs, failed a House committee vote this week. A similar bill, SB 774, received a Senate hearing last week, but its companion bill, HB 41, received an unfavorable House committee vote last month.

Current law provides a 20-year maximum witness intimidation sentence and a limited hearsay exception for statements provided by unavailable witnesses in felony drug and certain crimes of violence cases. HB 320, an Administration bill that failed a House committee vote this week, would have expanded those provisions to domestic violence crimes, child abuse, and certain sexual offenses. The companion bill, SB 222, had a hearing early this month.

ECONOMIC AND BUSINESS ISSUES

In 1999, the legislature restructured Maryland's electric utility industry, including introducing "customer choice" of a supplier. Anticipating that the major beneficiaries of restructuring could well be industrial and commercial electric customers rather than residential customers, the legislature imposed price caps below the then-current base rates. Negotiations also produced further rate cap extensions. With the caps due to expire at the end of June 2006, for residential customers of one of the large providers (BGE), estimates are that their rates may increase 72%. Proposals to lessen the burden on consumers under consideration include:

- SB 814/HB 1334, SB 1079, and SB 1048 that allow for gradual rate increases over four to five years;
- SB 1078 that delays the implementation of rate increases until October 2007; and
- SB 972/HB 1736 that return electric generation to an industry regulated by the Public Service Commission (PSC). HB 1712 provides similar provisions.

Measures that lower the return that electric companies are allowed to recover when offering Standard Offer Service (SOS) to customers will be repealed under SB 1050 and HB 1525. A resolution, SJ 10, urges the PSC to design and approve a competitive pilot program for local governments to offer residential aggregation programs.

Added to the concerns of higher electricity bills, is the proposed merger of FPL Group, Inc. and Constellation Energy Group, Inc., which is the parent company of BGE. The merger will create the nation's largest competitive energy supplier. It is uncertain whether the merger will result in a reduction or an increase in rates. Measures to address the merger have or will be scrutinized in committee.

- HB 1654 creates a Commission to study the proposed merger and extends the rate caps for one year;
- HB 1711 requires an electric company to remain a separate legal entity from a company that merges with or acquires the electric company or the parent company;
- SJ 11/HJ 8 directs the Attorney General to participate in the proceedings regarding the merger in an effort to protect electricity customers;
- HB 1713 prohibits a person from acquiring a public service company that operates in Maryland without the prior approval of the PSC;
- SB 1020 requires approval by the General Assembly before a merger with an electric and/or gas company in the State can take place;
- SB 1048 requires the PSC to develop a price mitigation plan to phase in the rate over a four-year period if the market rate exceeds the previous year's total rate by more than 20%;
- SJ 12 directs the PSC to request the Federal Energy Regulatory Commission to expand the scope of its inquiry if the PSC lacks jurisdiction over the proposed merger; and
- SB 1077 requires the PSC to consider whether the terms and conditions of an agreement contract or settlement promote the service accommodation, convenience, or safety of the public.

Receiving an unfavorable vote in committee, HB 37 would have excluded an undocumented immigrant from being an employee covered by workers' compensation benefits. An undocumented immigrant was defined as an individual who does not meet the requirements for lawful employment in the United States under current federal immigration law.

ELECTIONS AND ETHICS

An amended election measure has passed a preliminary House floor vote. Among its provisions, HB 1368 provides for separate precincts to be set up at public or private higher education institutions that have 500 or more students, faculty, and staff who are registered to vote in the precinct that includes the institution. The polling place for a college campus may be located on campus or within one-half mile of the campus. SB 712, the companion bill, remains in a Senate committee after a hearing earlier this month.

ENVIRONMENT, NATURAL RESOURCES, AND AGRICULTURE

The Healthy Air Act, SB 154, moved to the Senate floor this week and generated lively debate before winning a preliminary floor vote. All of the committee amendments were adopted including those clarifying that the bill applies to coal-fired electricity-generating facilities; altering the emissions limitations and schedules for nitrogen and sulfur dioxide; and allowing for the State's withdrawal from a future participation in the Regional Greenhouse Gas Initiative under certain circumstances. As well, four floor amendments were added to the legislation. The crossfiled bill, HB 189, remains in its House committee.

SB 416, which changes the notification and cost reimbursement requirements associated with discovery of methyl tertiary butyl ether (MTBE) contamination in groundwater established by last year's legislation, recently moved to the House. A similar bill, HB 1326, has been withdrawn. Other MTBE-related bills, HB 711, HB 522, and HB 360, remain in committee.

Testimony was heard this week on HB 1588 that requires reduction in the amount of nitrogen that is discharged into the Patuxent River from waste water treatment plants. SB 379 allows Chesapeake Bay Restoration Funds to be used to make the necessary upgrades to those waste water treatment plants and remains in committee.

FINANCIAL INSTITUTIONS AND COMMERCIAL LAW

Passed by the Senate, an amended SB 673 repeals the provision requiring licensed debt management services to be non-profit entities. The federal Bankruptcy Act requires most filers to receive credit counseling. The Internal Revenue Service recently revoked the tax

exempt status of several debt management firms, including several licensed debt management services companies in Maryland, because they were deemed forprofit entities. A House committee listened to commentary on the companion measure, HB 1385, this week.

FISCAL MATTERS

The Senate passed its amended Budget Bill (SB 110), reducing the operating budget by a net \$231.8 million, excluding the reduction from the Dedicated Purpose Account of \$670 million that has been left in the Revenue Stabilization Account, also called the "Rainy Day Fund." The \$231.8 million also excludes reductions to the supplemental budget submitted this week. Highlights of the Senate's actions include:

- increasing State employee salaries by a flat \$993 per employee rather than providing a 2% increase;
- eliminating \$15.5 million for a retroactive salary increase for correctional officers, delaying the increase until July 1;
- reducing the Stem Cell Research Fund from \$20 million to \$10 million;
- prohibiting State colleges and universities other than St. Mary's College from increasing resident student tuition, using \$20.1 million in over-budgeted employee health care money to keep tuition at the same rate;
- reducing the Medicaid appropriation by \$19 million, largely resulting from federal law changes reducing anticipated expenditures; and
- restricting \$60.8 million in over-budgeted State employee health care allowance to fund future State employee and teacher retirement costs.

Late this week, the legislature received a supplemental budget from the Governor. The legislature reduced some of these additional appropriations. However, the following allocations remain:

- \$25 million for home energy assistance for lowincome individuals as the result of electric deregulation;
- \$26.1 million for voter registration equipment and a statewide voting system;

- \$18.1 million to freeze State university and college tuition using savings from reduced heath care costs for their employees;
- \$35 million for waste water treatment plants; and
- \$2.9 million for pandemic influenza and emergency preparedness.

HB 315, providing a \$1,000 income tax subtraction modification for a caregiver of an individual needing long-term care if they meet certain conditions, has passed the House. The companion proposal, SB 216, remains in a Senate committee.

GAMING, RACING, AND SPORTS

Under consideration for the fourth year, authorization of slot machines was the subject of a committee hearing this week:

- HB 318 authorizes up to 15,500 video lottery terminals (slot machines) at six locations, four of these will be at horse tracks and two at unspecified locations, and creates the Education Trust Fund and other special funds (The companion bill, SB 225, will be heard next week);
- HB 442 authorizes up to 9,500 slot machines at four locations and creates the Education Trust Fund to fund public school construction as well as other special funds;
- HB 575 authorizes up to 12,500 slot machines at five horse racing tracks in the State;
- HB 193 adds an amendment to the Maryland Constitution that prohibits the General Assembly from authorizing more than six video lottery facility licenses and also restricts the number of slot machines to 13,000 in the State; and
- HB 884 authorizes all counties to license slot machines that are owned and operated by eligible nonprofit corporations. Currently nonprofit organizations in Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, and Wicomico counties may operate slot machines. The companion bill, SB 132, will be heard next week.

HEALTH CARE AND HEALTH INSURANCE

Pending medical malpractice legislation was the focus of a House hearing this week. Included was a review of the Administration's Medical Injury Compensation Reform Act (HB 306) which includes a \$500,000 limit on noneconomic damages.

Other bill hearings this week addressed:

- HB 828, creating a Contraception Dispensing Program within the Department of Health and Mental Hygiene (DHMH) to authorize licensed pharmacists to dispense emergency contraception without a prescription;
- HB 1152, establishing the Maryland Universal Health Care Plan (MUHCP) to provide universal health care coverage for all State residents;
- HB 1462, prohibiting human cloning; and
- HB 1510, Public-Private Partnership for Health Coverage for All Marylanders, expanding health care coverage for State residents including the establishment of a Canadian Drug Mail Order Program, doubling the tobacco tax, and imposing an assessment on businesses with fewer than 10,000 employees that do not spend a specified amount on employee health benefits and tax surcharge on specified uninsured individuals.

STATE GOVERNMENT

Concerns for returning veterans of the Afghanistan and Iraq Conflicts prompted the House to pass unanimously HB 3, which is similar to unsuccessful 2005 legislation. The bill establishes a scholarship program for veterans of these conflicts, requires the Maryland Veterans Commission to develop and implement a veterans' outreach program, and creates a task force to study State assistance to veterans with a report due by December 2007. This year's bill also changes the eligibility of the Conroy Scholarship Program to allow veterans with a 100% service-connected disability to qualify and establishes a State death benefit for Maryland residents who were members of the armed services killed in the conflicts.

Earlier this month, the House also approved without a dissenting vote, changes to the State's Open Meeting Act. The amended legislation, HB 698, renames the executive function exclusion under the act as an exclusion for administrative functions, and requires a public body that recesses an open session to carry out an administrative function in a meeting that is not open to the public, to include specified information in the minutes of its next open session. The companion bill, SB 623, as well as SB 406, with major changes to the act, have had Senate committee hearings. The companion

bill of the latter measure, HB 772, did not advance beyond the House committee stage.

A lot of interest has been expressed this session related to the State's Teachers' and Employees' Retirement and Pension Systems. Responding to one of a 2005 interim task force's recommendations, SB 431, which has passed the Senate, creates a Blue Ribbon Commission to Study Retiree Health Care Options with guidelines and a final report due by December 2008. The companion bill is HB 1125. Other legislation seeks to enhance pension benefits:

- SB 1019, heard this week by a Senate committee, increases the benefit multiplier from 1.4% to 1.8% for service credit retroactive to 1998. Employee and teacher contribution rate increases are phased in over three years, rising from the current rate of 2% to 5% by July 1, 2008;
- SB 1055, also before the Senate committee this week, increases the benefit multiplier to 2.0% for all service credit. The contribution rate for teachers and employees affected by the bill is 5%.

Another bill has received public testimony recently in the House. HB 1441 allows teachers and State employees to make additional employee contributions toward their pensions, up to 5% of their annual compensation, beyond the contributions required as a condition of their employment. At retirement, teachers and State employees could use those accumulated contributions to purchase at full cost additional creditable service toward their retirement benefit.

TRANSPORTATION

Having passed the Senate, SB 168 is now in the House. This legislation doubles the fine for certain overweight vehicles on the William Preston Lane, Jr. Memorial Bridge (Chesapeake Bay Bridge) from the standard overweight vehicle fine in effect on all highways.

Both Senate and House committees received testimony this week about SB 864/HB 1341 that repeal the specified authority of the State Roads Commission to construct and finance a northern crossing of the Chesapeake Bay between Millers Island in Baltimore County and Kent County.

NEXT WEEK

There are two deadlines that will occur in the last two weeks of March. The Committee Reporting Courtesy Date is on Tuesday, March 21, or the 70th day of the 2006 session. Each chamber's committees are to report their own bills by this date. The second deadline is the Committee Chamber Bill Crossover Date, March 27 or the 76th day. By this date each chamber is to send to the other chamber those bills it intends to pass favorably. Opposite chamber bills received after this date are subject to referral to the Rules Committees.