



The Legislative Wrap-Up

Library and Information Services, Department of Legislative Services

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(Click on Issue above for previous Wrap-Ups)

DEADLINES

Monday, March 24, as the 70th day of the 2008 session, is the Opposite Chamber Bill Crossover Date. By the 70th day in a session each chamber is to send to the other chamber those bills it intends to pass favorably. Opposite chamber bills that are received after the 70th day are subject to referral to the Rules Committees.

The number of bill introductions in the Senate stands at 1,012 and in the House at 1,625. *Sine Die* is April 7 at midnight.

COURTS AND CIVIL PROCEEDINGS

The Senate passed [SB 516](#) to require a court, on motion of a child's mother, to deny a man the legal status of the child's father for purposes of guardianship or adoption, and deny him custody and visitation, if it finds by clear and convincing evidence that the man committed first or second degree rape, incest, or sexual abuse of a minor against the child's mother and the child was conceived as a result of any of these acts. The companion bill, [HB 500](#), has seen no House action since its hearing.

Legislation receiving unfavorable votes in committee this week includes:

- [HB 1330](#) (failed) that would have standardized the process of going to court to enforce an arbitration award; and
- [HB 1241](#) (failed) that would have made manufacturers of lead pigment liable under any legally recognized theory of liability for damages caused by the presence of lead-based paint in residential buildings in Maryland. The Maryland Lead Restitution Fund would have been created to help support lead abatement and prevention activities and the Maryland Medical Assistance Program.

CRIMES, CORRECTIONS, AND PUBLIC SAFETY

State Sex Offender Registry, Hate Crimes, Cruelty to Pets, Protective Orders

Bills that passed in their chamber of origin include:

- [SB 441](#) to require a person 18 or older who has been adjudicated delinquent for committing what would be first or second degree rape or sexual offense if committed by an adult to register for the State's sex offender registry. The requirement applies if the person was a minor and at least 13 when the delinquent act was committed and the person is determined by the court, after a hearing held at the time juvenile court jurisdiction is terminated, to be at significant risk of committing another sexually violent offense or child sexual offense. The companion bill is [HB 1332](#);
- [HB 41](#) to expand hate crime prohibitions to make it a misdemeanor to place a noose or swastika on public or private real property without the express permission of the owner or occupant, with the intent to threaten or intimidate any person or group of persons. The maximum penalty is 3 years in jail and a \$5,000 fine;
- [SB 615](#) to allow a court, under a protection order, to order the respondent to stay away from, or refrain from cruelty toward, the pet or service animal of the person eligible for relief or of a family member. The original companion bill is [HB 1257](#);
- [HB 182](#) to require a court, at the request of a person who was granted relief under a previous final protective order, to issue a new final protective order against a respondent of the previous order who was convicted and served jail time of at least 5 years for attempted first or second degree murder; first degree assault; or first or second degree rape or sexual offense or attempted rape or sexual offense that was the underlying act of abuse. The court may order that the respondent refrain from abusing or threatening to abuse the victim, or contacting, attempting to contact, or harassing the victim, if that relief was granted in the original protective order. Unless terminated at the request of the victim, the new final protective order is permanent. The companion bill is [SB 393](#).

Pretrial Release

The House gave preliminary approval to [HB 900](#) that was amended to prohibit a District Court commissioner

from authorizing the pretrial release of a defendant charged with 1 of 9 specified firearms offenses if the defendant has been previously convicted of one of those crimes. A judge may authorize the release of such a defendant under certain conditions.

Capital Punishment

A preliminary floor vote in the Senate favored [SB 614](#), which creates a Maryland Commission on Capital Punishment to make recommendations on the application and administration of capital punishment so they are free from bias and error and achieve fairness and accuracy. The commission must also make a comparison of the costs associated with death sentences as opposed to sentences of life imprisonment without the possibility of parole. A final report, and minority report if applicable, are due by December 15, 2008.

DNA Samples

The Senate and House are each developing their own versions of companion bills ([SB 211/](#)[HB 370](#)) that, as introduced, expand the collection of DNA samples to include persons arrested for a crime of violence, burglary, or breaking and entering into a vehicle. Committee amendments for both bills restrict the crimes that DNA sampling applies to, require the sample to be taken when a person is charged with a crime, prohibit a sample to be tested or placed in the statewide DNA database system prior to the person's arraignment, and alter expungement provisions, among other changes. [SB 211](#) is on the Senate floor with a favorable committee report. [HB 370](#) passed a preliminary floor vote with additional amendments providing more civil rights protections. Failed proposals that would have required collection of DNA samples on arrest include [HB 729](#) (failed), [HB 107](#) (failed), [HB 1074](#) (failed).

Regulated Firearms, Pretrial Release, GPS Monitoring, Death Penalty

After adopting a favorable committee report that included amendments to [HB 964](#) (failed), the House voted to send the bill back to committee. With amendments, the measure would have added the illegal possession of a regulated firearm by a person previously convicted of a crime of violence or certain crimes involving controlled dangerous substances to the crimes for which an inmate, whose term of confinement includes consecutive or concurrent sentences, may earn good conduct diminutions credits at a rate of 5 days per calendar month, rather than 10 days per calendar month. No action has been taken on the companion bill, [SB 558](#).

Legislation failed this week that:

- would have required the owner of a regulated firearm to make a timely report of its loss or theft to the local law enforcement agency, with failure to report being a misdemeanor ([HB 880](#), failed; the companion bill is [SB 585](#));
- would have made it a misdemeanor to violate a condition of pretrial release that requires a defendant to have no contact with the alleged victim or the alleged victim's premises or place of employment ([SB 394](#), failed; the companion bill, [HB 181](#), failed);
- would have allowed a court, in a county that implements a global positioning satellite tracking system program, to suspend the sentence of a person convicted of violating a protective order and to place the person on probation on the condition that the person is supervised by an active electronic monitoring system and is responsible for paying the fee for the monitoring ([SB 700](#), failed; the companion bill, [HB 1116](#), failed); and
- would have exempted the protocols governing the administration of the death penalty from the requirements of the Administrative Procedure Act ([HB 1250](#), failed).

ECONOMIC AND BUSINESS ISSUES

Part-Time Workers

Legislation to allow part-time workers to collect unemployment benefits under certain circumstances has moved from the Senate to the House ([SB 328](#)). The companion bill, [HB 627](#), remains in a House committee.

Alcoholic Beverages - Beer

The Senate gave a green light to a bill that clarifies the definition of "beer" to include specified flavored beverages ([SB 745](#)). The flavored beverages being clarified as beer in this bill have existed since the 1960's. State tax rates for alcoholic beverages are \$1.50 per gallon for distilled spirits, 40 cents per gallon for wine, and 9 cents per gallon for beer. The companion measure is still in a House committee ([HB 879](#)).

Coordinating Emerging Nanobiotechnology Research (CENTR) Programs and Fund

Administered by the Maryland Technology Development Corporation (TEDCO), the CENTR program and fund facilitate advanced nanobiotechnology research at higher education institutions and promote Maryland as a key location for private-sector firms in the industry, in part by establishing new research centers and fostering public-private partnerships. The emerging

field of nanobiotechnology combines life sciences and engineering and is of interest to the pharmaceutical industry and computer chip manufacturers. This week the House bill, [HB 1409](#), passed a House preliminary floor vote. The Senate bill, [SB 735](#) is scheduled for a House committee hearing next week.

Omnibus Coastal Property Insurance Reform Act

Late this week, [HB 1353](#) made a successful transition from committee to preliminary passage by the House. As amended, the bill makes several changes in the law regarding homeowner's insurance in the State, including requiring the State to develop enhanced building codes for coastal areas of the State and requiring an insurer :

- to obtain the approval of the Insurance Commissioner if the insurer adopts an underwriting standard that requires a deductible that exceeds 5% of policy limits;
- to provide premium discounts to homeowners who make improvements to their homes that mitigate loss from hurricanes or other storms;
- to file with the Insurance Commissioner a catastrophic risk planning model the insurer uses in setting rates; and
- to obtain approval of the Commissioner if the insurer intends on the implementing a plan to reduce the number of their insureds in the State.

EDUCATION

Early Childhood Education

Both the Senate and the House recently heard bills regarding early childhood education in relation to children in military families. [SB 912](#) expands eligibility for publicly funded prekindergarten programs to the children of active duty members of the armed forces and the children of armed forces members who were injured or killed while serving on active duty. A child who is eligible for publicly funded prekindergarten under the bill remains eligible for the program if the child's parent or guardian leaves the armed forces or is no longer on active duty some time after the child began prekindergarten. The House bill, [HB 1319](#), gathered testimony this week, as well.

High School Dropouts

The Senate passed an amended [SB 264](#) that expands upon which students county school boards should reach out to with information about alternative education programs and GED testing locations. Information should not only be provided to dropouts, but also those who

have completed an exit interview, as well as students who are known to be preparing to leave. The amended companion bill, [HB 953](#), passed the House this week. That bill now applies only prospectively to students who withdrew from high school on or after the date of the act prior to receiving a diploma. Both bills were amended to insert language that these programs would be implemented "to the extent possible" by county boards of education.

Another bill regarding alternative education, [SB 447](#) (failed) was voted down by its original committee. This bill would have required schools to provide a "GED Options Program" for students between the ages of 16 and 18 who were at risk of dropping out. The companion bill ([HB 1421](#)) has not received a committee vote as yet.

Truancy Rates

[HB 285](#) passed the House this week. The identically amended companion bill, [SB 96](#), crossed over from the Senate to the House in February. These bills require schools with truancy rates in excess of 8% of their enrollment during the 2008-2009 school year to implement a Positive Behavioral Interventions and Supports Program or a comparable behavior modification program until the truancy rate has dropped to 1% of total enrollment.

Student Victim of Violent Crime

[SB 519/HB 920](#) (both failed) would have given a student who is the victim of a violent crime on school grounds, at a school sponsored event, or in transit to school or school sponsored event the option to request that the offender be transferred to another school within the same school system.

Education – Age of Compulsory Attendance – Exemptions

After extended debate at the end of the week, the Senate passed on a preliminary vote [SB 436](#) that, as amended, requires that each child who resides in the State and is 5 years old or older and under 17 to attend a public school regularly during the entire school year. The original bill would have expanded the age range from the age of 5 to an eligible dropout date of under 18, rather than the current age 16. The bill lists a number of exceptions to the requirement including students who are home schooled, attend an alternative education program, or, for example, are married, in the military, or have a waiver from the State Superintendent. Floor amendments added a delayed effective date and a contingency provision tied to an appropriation of \$45 million in the 2011 State budget.

Financial Literacy

Another issue trending with the General Assembly is the promotion of financial literacy in primary and secondary school children. The Senate passed [SB 533](#) to create a task force to study how to improve financial literacy in the State. A House committee will hear this bill on March 27. The House also passed the companion bill, [HB 1242](#), in the same amended form.

[SB 714](#) (failed) would have required the State Board of Education to develop curriculum content for a semester-long course in financial literacy. The House crossfiled bill, [HB 1271](#), has not yet been reported out of its original committee.

ELECTIONS AND ETHICS

Campaign Material and Other Election Law Changes

The House approved a bill that makes various changes to State election law relating to provisional voting, election judge training and conduct, campaign material, polling place procedures, election challengers and watchers, and prohibited actions ([HB 102](#)). One of the bill's provisions that has garnered a lot of discussion applies to distribution campaign material knowing that the material is false and with intent to influence a voter to prevent the voter from exercising the right in vote in an election. As amended, the bill provides that a court may impose a civil penalty for a violation of this provision only if it finds by clear and convincing evidence that a violation has occurred.

ENVIRONMENT, NATURAL RESOURCES, AND AGRICULTURE

Air Quality and Environment

Bills that moved to the opposite chamber this week include:

- [HB 1189](#), delaying by six months – from January 1, 2010 to July 1, 2010 – the effective date of the prohibition on using, selling, manufacturing, or distributing detergent for use in a household dishwashing machine that contains more than 0.5% phosphorus by weight which was enacted in 2007. (The crossfiled bill, [SB 710](#), received a preliminary yes vote on Friday in the Senate);
- [HB 1193](#), expanding the statute of limitations for violations of the Environment Article to 3 years from the time that the Secretary of the Department knew or reasonably should have know about the

violation, amended to apply prospectively only. [SB 590](#) is in the opposite chamber; and

- [HB 376](#) requiring new State buildings and renovations, including state-funded school construction to use energy efficient techniques ([SB 208](#) also passed the Senate on Friday).

[SB 309](#) has received Senate preliminary approval. As amended the bill requires the Department of the Environment (MDE) to develop plans, adopt regulations, and implement programs to reduce greenhouse gas emissions by 25% from 2006 levels by 2020. It establishes some provisions regarding the adoption of regulations to achieve those reductions and no longer establishes the Office of Climate Change within MDE. [HB 712](#) remains in a House committee.

Two bills that failed are [HB 908](#) (failed), which would have required MDE to study the feasibility of establishing a pilot program to mitigate the negative effects of the use and disposal of plastic bags in Maryland, and [HB 967](#) (failed), which would have required large stores and pharmacies to use paper or reusable carry out bags.

Renewable Energy

[SB 213/HB 369](#) are moving through the legislative process. The bills modify the Chesapeake Bay 2010 Trust Fund to direct funds from it to a newly created Chesapeake Bay Nonpoint Source Fund to be used to provide financial assistance for the implementation of stormwater management practices and stream and wetland restoration. The bills codify the BayStat Program created by executive order in 2007, and establish a BayStat Program Scientific Advisory Panel to provide annual recommendations to the BayStat Subcabinet on the use of funds for the following fiscal year. The bills have been amended similarly, with inclusion of the Atlantic Coastal Bays to the programs now in [HB 369](#) being one of the differences. Testimony will be heard on [SB 213](#) in a House committee on March 26 and [HB 369](#) has moved to the Senate.

[HB 907](#), creating a Sustainable Energy Task Force to study and make recommendations regarding the creation of a sustainable energy program to develop and deliver to energy end-users programs and services related to reducing energy demand in the State, has moved to the Senate.

Another bill moving this week, [HB 1337](#), as passed by the House, establishes the Maryland Clean Energy Center to promote and assist the development of the clean energy industry in the State and the Maryland Clean Energy Technology Incubator Program. As

amended, the bill will not rely on appropriations from the General Fund. Testimony was heard on the crossfiled bill ([SB 977](#)) this week, while a similar bill was defeated ([HB 1320](#), failed).

Several measures received a favorable preliminary floor vote in their chamber of origin:

- [HB 1253](#) increases the authority of the Critical Area Commission, increases the penalties for violations, and makes other changes to the Critical Area Law. Amendments include a provision for a waiver of a 300 foot buffer requirement. [SB 844](#) remains in a Senate committee;
- [SB 831](#) and [HB 581](#) expand the uses of the Bay Restoration Fund within MDE; and
- [HB 973](#) requires that improvements to protect property from erosion must consist of nonstructural shoreline stabilization measures that preserve the natural environment.

[SB 343](#) (failed), which would have increased the requirement for the use for biodiesel fuel in state-owned vehicles beginning in fiscal year 2010, was defeated by a Senate committee.

FINANCIAL INSTITUTIONS AND COMMERCIAL LAW

Consumer Protection

Two additional measures to prohibit a person from retaining payment information data from various types of consumer cards have failed in the House. The Payment Information Security Act, [HB 1108](#) (failed) has been withdrawn, and the Plastic Card Security Act, [HB 129](#) (failed), has been reported unfavorably.

Penalties for Prepayment

This week the General Assembly gave final approval to [SB 347](#), which creates exceptions to penalties imposed on credit grantors, specifically applying to situations in which a borrower prepays for a loan. This emergency bill, which now goes to the Governor, states that the additional fees and charges currently permitted by statute with respect to unsecured open- and closed-end credit plans may be imposed, charged, and collected at any time. Thus state-chartered banks and independent mortgage lenders are allowed to continue the practice of “recapturing” loan closing costs, initially paid for by the lender, in the event that the borrower prepays the loan before a certain time. The House companion bill, [HB 852](#), was considered by a Senate committee this week.

FISCAL MATTERS

Operating Budget Bill Legislation

[SB 90](#), the Budget Bill, has passed both chambers but with differing provisions. The House reduced the Governor’s proposed budget by \$479 million, a reduction increase of \$88 million over the Senate reduction.

The House also defeated a number of floor amendments that would have further reduced appropriations, including a floor amendment that would have reduced appropriations by more than \$500 million. Among the additional reductions proposed on the floor were a reduction of \$75.8 million for the Geographic Cost of Education Index, \$165 million reduction for transportation funding, stem cell research reduction of \$15 million, Health Care Coverage Fund reduction of \$47.3 million, and Chesapeake Bay cleanup reduction of \$25 million.

Among the differences in the House version are:

- University of Maryland College Park and Morgan State University capital projects’ funding in both the original budget and in Supplemental Budget No. 1 eliminated for a \$16.1 million savings;
- Maryland Transit Administration operating expenses reduced by an additional \$1.5 million and the local transit grant programs reduced by \$11.7 million;
- Maryland veterans of the Afghanistan and Iraq conflicts behavioral health services reduced to \$1.9 million from \$3.3 million in the Mental Hygiene Administration budget;
- Medicaid budget reduced by additional \$7.3 million;
- Medicaid budget funds, which may be transferred for providing inflationary rate adjustments for community service providers, reduced to \$4.3 million from \$13 million;
- Medicaid expansion to parents no longer delayed with the restoration of \$18.6 million in State and federal funds contingent upon the enactment of [SB 974/HB 1587](#);
- Small Employer Health Benefit Plan Premium Subsidy Program funding reduced from \$30 million to \$10 million contingent upon enactment of [SB 974/HB 1587](#);
- University System of Maryland institutions fund reduction increased from \$15 million to \$28 million with the amount authorized to transfer from the

Higher Education Investment Fund increased from \$15 million to \$28 million;

- Maryland Economic Development Assistance Authority and Fund reduced to \$25 million from \$30 million with a reduction of \$15 million instead of \$10 million;
- stem cell research funding increased to \$15 million with a reduction of \$8 million from the original allowance, up from a Senate appropriation of \$5 million; and
- pre-funding of retiree health benefits reduced by an additional \$43.1 million to \$103.8 million from the Senate reduction of \$60.7 million.

The differences between the two chambers will be reconciled in conference committee. If the Budget Bill is not passed by the 83rd day, March 31, then the Governor is to issue a proclamation extending the session. During the extended portion of the session, the General Assembly may only work on the Budget Bill.

Capital Budget Legislation

SB 150, the “Maryland Consolidated Capital Bond Loan of 2008,” has passed the Senate, authorizing a State debt of \$886.1 million, an increase from the introduced authorization of \$872.1 million. **SB 150** may not be passed on a final vote by the General Assembly until the Budget Bill has passed a final vote.

Among the Senate amendments are:

- Rockville District Court authorization reduced by \$29.9 million to \$41.4 million with language added authorizing a bond issuance in 2009 for this project in the amount of \$29.9 million;
- Public School Construction authorizations increased from \$300 million to \$325 million;
- Rural Legacy Program funds restricted to previously authorized projects;
- Oyster Restoration Program authorization eliminated with a \$3 million reduction;
- Federally Qualified Health Centers Grant Program authorization reduced by \$ 1.6 million to \$1.1 million;
- Maryland School for the Deaf cafeteria and student center authorization eliminated with the \$4.6 million reduction;

- University of Maryland R. Adam Cowley Shock Trauma Center authorization increased to \$13.5 million from \$10 million;
- specific local projects, known as Local Senate Initiatives, in the amount of \$12.5 million authorized and an equal amount authorized for Local House Initiatives; and
- specific projects in the \$5 million private hospital facilities program authorized.

For 2008 the General Assembly is authorizing a net general obligation debt borrowing of \$935 million. In addition to the bond authorizations in **SB 150**, in 2007 Chapter 488 (HB 51), the “Maryland Consolidated Capital Bond Loan of 2007,” the General Assembly had authorized \$50.4 million in § 12 to be issued in 2008 for the following projects:

- \$30 million for the Coppin State University new physical education complex;
- \$7.6 million for the Maryland Correctional Training Center;
- \$7.8 million for a new public health laboratory for the Laboratories Administration; and
- \$5 million for the Clifton T. Perkins Hospital Center.

In 2006 the General Assembly in Chapter 46 (SB 370), the “Maryland Consolidated Capital Bond Loan of 2006,” had authorized in 2008 bonds in the amount of \$3 million in § 6 for the Tobacco Transition Program.

Tax Legislation

SB 239, repealing the requirement that homeowners must apply for the homestead tax credit, has passed the Senate. The companion bill, **HB 1256**, is still in committee in the House.

The House approved an amended **HB 612**, concerning a property tax credit for commercial waterfront property. The bill now authorizes counties and municipal corporations to provide a property tax credit for commercial waterfront property that is adjacent to the tidal waters of the State, is used primarily for certain commercial fish operations, as a commercial marina, or as a commercial marine repair facility, and has produced an average annual gross income of at least \$1,000 in the most recent 3-year period. The companion bill, **SB 676**, received a favorable with amendments vote out of committee on Friday.

As passed by the Senate, **SB 817** establishes a special funded State Board of Individual Tax Preparers to

register qualified individuals to provide individual tax preparation services in the State. Individuals licensed by the State Board of Public Accountancy, admitted to practice law, employed by the government in performance of official duties, or enrolled to practice before the Internal Revenue Service are exempted from registration. The companion bill, [HB 1447](#), had a House committee hearing this week.

Funding Accountability and Transparency

Legislation receiving a lot of attention this week, as amended and passed by the House, requires the Department of Budget and Management (DBM) to develop a free, public, searchable web-based database that includes detailed information the State currently collects on State payments greater than \$25,000. Excluded is information on employee compensation and retirement allowances. The House also amended the bill to require, if funds are available, DBM to conduct a study on the feasibility, approach, and cost of expanding or replacing the searchable website ([HB 358](#)).

The Senate companion bill, [SB 819](#), still in its Senate committee, contains the original language that requires the database that includes detailed information on State grants, loans, awards, contracts, subcontracts, subgrants, purchase orders, and other payments or forms of financial assistance greater than \$25,000.

GAMING, RACING, AND SPORTS

Martial Arts

Regulation of mixed martial arts contests and its athletes by the State Athletic Commission is the subject of [SB 649](#). The Senate dedicated much debate to this bill and ultimately approved an amended version. Among other things, the amended bill clarifies the difference between a mixed martial arts competition as compared to an exhibition, increases the monetary penalty imposed on a person who fails to pay the requisite boxing and wrestling tax, and exempts certain amateur and exhibition events from the requirements of the Act. The House version of the bill ([HB 795](#)) still awaits a report from a House committee.

Electronic Gaming Devices

[SB 959](#), passed by the Senate, is an emergency bill that, as amended, alters the definition of “slot machine” to clarify that gaming machines that read a game of chance or that deliver a game of chance are illegal. Included in the definition are exceptions for certain machines that are not considered to be slot machines and, therefore,

remain legal. A House committee held a hearing for the companion bill ([HB 1576](#)) early this week.

HEALTH CARE AND HEALTH INSURANCE

Public Health

A bill concerning the prohibition of lead-containing children’s products ([HB 62](#)) passed, with amendments, in the House and has gone to the Senate. As amended, the bill prohibits the manufacturing or sale of children’s products, including toys and jewelry that contain lead and requires testing of the products. A product, when tested, that is not considered a lead-containing product will be issued a certificate indicating as such. These certificates are then issued to distributors or retailers. The companion bill, [SB 97](#), remains in committee.

Maryland Universal Health Care Plan

Last week, a House committee heard [HB 1125](#) that establishes a Maryland Universal Health Care Plan and Fund to provide universal health care coverage for all State residents. The bill has been introduced and heard in prior sessions, but previously did not move out of committee.

Maryland False Health Claims Act

The Maryland False Health Claims Act ([SB 215](#), failed) was defeated on a final vote in the Senate. This legislation would have prohibited a person from making a false or fraudulent claim for payment or approval by the State or the Department of Health and Mental Hygiene under a State health plan or program and would have authorized both the State and private citizens to file action against a person who makes a false health claim. The legislation would have also enabled the State to receive certain monetary incentives under the Federal Deficit Reduction Act of 2005.

Domestic Partnerships - Health Care Facility Visitation and Medical Decisions

[SB 566](#), which offers certain health care facility visitation and medical decision-making for domestic partners, has passed the Senate. An amendment to the bill adds an additional requirement of an affidavit, signed by both parties in the domestic partnership, which states that they have established a domestic partnership. The affidavit is required in addition to two documents of proof, which include various joint accounts or other mutually established agreements. Uncodified language was also added to the bill that indicates that the Act may not be construed to have any effect on § 2-201 of the Family Law Article that states, “Only a marriage

between a man and a woman is valid in this State.” A House committee will hear [SB 566](#) on March 25.

Pharmacy Benefits Managers

Additional legislation regarding pharmacy benefits managers (PBMs) saw action on the House floor this week:

- [HB 580](#), passed with amendments, establishes requirements for members of a pharmacy and therapeutics committee of a PBM, requires a PBM to ensure that its pharmacy and therapeutics committee has certain policies and procedures, including disclosure requirements, and requires a PBM to disclose information about the composition of its pharmacy and therapeutics committee to a purchaser for which the committee makes recommendations at the purchaser’s request. [HB 580](#) also prohibits a PBM from requiring a pharmacist to participate on the PBM’s pharmacy and therapeutics committee. The companion bill, [SB 720](#), passed a preliminary floor vote late this week; and
- [HB 343](#), passed, prohibits a PBM or its agent from requesting a therapeutic interchange (any change from one prescription drug to another) unless certain conditions are met. Other amendments require a PBM to disclose certain information to a purchaser if a drug substitution is made, obtain a certain authorization to make a drug substitution therapeutic interchange, and make certain disclosures to prescribers and beneficiaries. The bill’s companion in the Senate, [SB 723](#), was also heard on March 12.

[SB 726](#) (failed) would have allowed for the insured or certificate holder to obtain pharmaceutical benefits from the pharmacy or pharmacist of their choice within any pharmacy network has been withdrawn. The companion legislation, [HB 243](#) (failed), had been withdrawn previously.

Veterans

The Senate passed the “Veterans of Afghanistan and Iraq Mental Health Pilot Program,” ([SB 872](#)), which provides for inpatient and outpatient mental health services for Maryland veterans of these conflicts. The program calls for the Department of Health and Mental Hygiene to enter into an agreement with the Montgomery County General Hospital to implement the program prior to the disbursement of funding for the program.

Long-Term Care Insurance - Genetic Tests, Information, or Services

This week the House passed [HB 29](#) that, as amended, prohibits a carrier that provides long-term care insurance

from requesting or requiring a genetic test, or using a genetic test, the results of a genetic test, genetic information or a request for genetic services to take certain actions with regard to long-term care insurance. A carrier is allowed to use the results of a genetic test or genetic information only when the use is based on sound actuarial principles. The Senate has given preliminary approval to an amended [SB 918](#) that is now identical to the House measure.

HUMAN RESOURCES

Temporary Cash Assistance

[HB 1300](#) (failed) would have conditioned eligibility for temporary cash assistance (TCA) on submitting to drug testing and receipt of TCA on a negative test result. The bill failed a House committee vote this week.

REAL PROPERTY, ESTATES, AND TRUSTS

Foreclosure, Fraud, and Rescue Scams

Administration bills, [SB 216](#), [SB 217](#), and [SB 218](#) have been amended and approved by the Senate and have moved to the House.

[SB 216](#) is designed to slow down the foreclosure process in Maryland, which is one of the shortest in the nation, and to provide better notice to homeowners in foreclosure. Its key provisions include:

- requiring a lender to send a notice of intent to foreclose to a homeowner at least 45 days before filing a foreclosure action;
- prohibiting a foreclosure action on residential property from being filed until the later of 90 days after default or 45 days after the notice of intent to foreclose is sent;
- requiring at least two good faith attempts at personal service on the homeowner;
- prohibiting a foreclosure sale from taking place until at least 45 days after a homeowner is served; and
- establishing that a homeowner has the right to cure the default and reinstate the loan up to one business day before the foreclosure sale occurs.

[SB 217](#) creates a comprehensive mortgage fraud statute with criminal penalties and authorizes the Attorney General, a State’s Attorney, and the Commissioner of Financial Regulation to take action to enforce the statute. The bill also authorizes a private right of action for violations of the statute.

SB 218 makes several changes to strengthen the law enacted in 2005 to protect homeowners from foreclosure rescue scams. Among other things, the bill prohibits “foreclosure rescue transactions,” broadens the scope of the current law, and expands the enforcement powers of the Commissioner of Financial Regulation. Its companion bill, **HB 361**, has passed second reading in the House.

Other foreclosure measures have passed the House and moved to the Senate:

- **HB 901**, a local bill, adds Garrett County to the list of counties that may require the payment of interest on a mortgage or deed of trust for 60 days following a foreclosure sale or until the sale is ratified, whichever occurs first, absent a provision to the contrary in a mortgage or note secured by a deed of trust;
- **HB 778**, now called the Richard Atta Poku Foreclosure Defense Act, provides that the right of a record owner to appeal a final judgment of the circuit court may not be conditioned on the posting of a supersedeas bond exceeding a certain amount; and
- **HB 645** amends the Maryland Contract Lien Act to extend the time during which any action to foreclose a lien may be brought, from 3 to 12 years, following recordation of the statement of lien.

Real Property - Construction Contracts

Two proposals, **SB 313/HB 647**, approved by their respective chambers, limit the amount of retention proceeds that may be retained under a construction contract to 5% of the contract price.

Loretta's Law

Related to estates and trusts legislation, the Senate approved **SB 87**, known as Loretta’s Law. The measure enacts the Maryland Uniform Power of Attorney Act, which establishes a clear and comprehensive set of rules governing powers of attorney. The Act contains safeguards for the protection of the principal, the agent, and persons who are asked to accept a power of attorney.

Credit Regulation – Mortgage Lending and Other Extensions of Credit

Having passed their respective chambers with amendments, two Administration proposals, **SB 270/HB 363**, make a number of substantive changes in the law governing mortgage lending. Among the changes are provisions prohibiting prepayment penalties for mortgages secured by residential real property, requiring

lenders to verify a borrower’s ability to repay, authorizing the Commissioner of Financial Regulation to set licensing, examination, and investigation fees, and expanding the licensing requirements for mortgage lenders and mortgage originators.

STATE GOVERNMENT

Symbols and Special Days

Proposals to add to a State symbol, two State commemorative dates, and name a State holiday are experiencing progress:

- **SB 287** designating Smith Island cake as the State dessert passed the Senate. The House companion bill is still in a House committee (**HB 315**);
- **SB 546**, designating Maryland Charter Day as June 20 and, as amended, Annapolis Charter Day as December 17, passed the Senate. **HB 957**, the original companion bill, moved to the House floor with the same amendments that combine the two celebrations in one bill; and
- **HB 83**, passed by the House, names the Friday after Thanksgiving Day as American Indian Heritage Day and makes the day a legal State holiday. Currently that Friday is a legal paid holiday for State employees.

TRANSPORTATION

Use of Wireless Communication Devices

Talking on hand-held cell phones under certain circumstances and text messaging while driving may soon be banned. The Senate approved **SB 2** that bans the use of a wireless communication device, meaning both a cell phone and a text messaging device, while operating a motor vehicle by a driver of a school vehicle that is carrying passengers and is in motion and by a driver operating of a motor vehicle who has a learner’s instructional permit or a provisional driver’s license and who is 18 years or older. Otherwise, a driver of a motor vehicle that is in motion may not use the driver’s hands to use a wireless communication device, other than to initiate or terminate a wireless telephone call or turn the wireless communication device on or off.

As amended, a violation of the Act may only be enforced as a secondary action. Exceptions to the use of a wireless communication device include use to call a 9-1-1 system related to an emergency that is ongoing at the time the call is made and use by first responders such as law enforcement officers, fire fighters, emergency

medical technicians, and others. Another amendment provides that the Act takes effect July 1, 2008, and terminates in 2 years at the end of June 30, 2010.

Teen Driving

The House passed its legislation, [HB 511](#), that requires the Motor Vehicle Administration to notify the cosigner of a minor's driver's license application about every citation issued to the minor for a moving violation, instead of just a speeding violation of at least 20 miles per hour over the maximum speed. The notification must include identifying information and information about the violation, as specified in the bill. The recently passed crossfiled Senate legislation is [SB 460](#). Both bills are now in opposite chamber committees.

Speed Monitoring Systems

Both the Senate and the House are actively considering the speed monitoring bills that authorize local jurisdictions to use the cameras statewide and in highway work zones. The Senate bill, [SB 269](#), is in a House committee and the House bill, [HB 364](#), has been approved by that body as well.

Transit Service for Disabled Persons

[HB 505](#), as amended and passed by the House, requires a State and national criminal history records check of all employees providing MTA mobility services in the State, and requires the employees to receive appropriate training in treating all customers, including those with disabilities.

Bill status is current as of 5:30 p.m. on March 21, 2008.