



The Legislative Wrap-Up

Library and Information Services, Department of Legislative Services

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BILL INTRODUCTIONS

During the first full week of the 2012 session, General Assembly members continued to introduce bills and resolutions. Several deadlines will move to the forefront as the legislative process moves forward:

- January 20 is the Senate deadline for the introduction of Administration (i.e. the Governor's) legislation;
- January 24 is the Senate and House Bill Request Guarantee Date. Bills must be requested by this date to guarantee that the bills will be drafted and ready for introduction by the Senate and House Bill Introduction Dates;
- February 3 is the Senate Bill Introduction Date. Senate bills introduced after this date will be referred to the Senate Rules Committee, rather than to a principal standing committee, adding another step to the legislative process; and
- February 10 is the House Bill Introduction Date after which bills will be referred to the House Rules and Executive Nominations Committee, rather than to a principal standing committee, again, adding another step to the process.

MARTIN LUTHER KING, JR. DAY

The General Assembly observed the national celebration of Dr. Martin Luther King's birthday with prayers and speeches in both chambers during last Monday evening's floor session. Senator Catherine E. Pugh (D-District 40) made the Senate presentation, and Delegate Jay Walker (D-District 26) spoke in the House. Both stressed Dr. King's lasting legacy of equality for everyone and his recognition of the value, as well as the difficulty, of pursuing the right paths in all areas of our lives.

BILL SIGNING

On January 17, Governor O'Malley held the first bill signing of 2012. [SB 46](#), Chapter 1 of the 2012 *Laws of*

Maryland, is an emergency bill that redistricts the five Somerset County commissioner districts from which the Somerset County Commissioners are elected and also contains provisions related to the Somerset County Board of Education. Somerset County is one of eight counties that operate under the county commission form of government. Commission counties have limited powers and only those powers that are expressly delegated by the General Assembly. Changing the boundaries of commissioner districts must receive approval of the General Assembly. An emergency bill takes effect on signing.

COURTS AND CIVIL PROCEEDINGS

There are no restrictions in Maryland law that prohibit an employer from requiring an employee to report to work after the employee's jury service for the day has concluded. This week, a Senate committee heard testimony on [SB 16](#), which prohibits an employer from requiring an individual to work on a day in which the individual spends more than three hours in responding to a summons issued for jury service.

CRIMES, CORRECTIONS, AND PUBLIC SAFETY

[HB 8](#) expands the current prohibition against the use of electronic mail with the intent to harass to apply to engaging in electronic communication, including transmission of data. The bill, heard in committee this week, also eliminates the requirement that the recipient of the transmission be identified by a unique address and increases the maximum penalty for a second or subsequent offense from one year imprisonment and a \$500 fine to three years and a \$1,000 fine.

FISCAL MATTERS

The Governor has submitted his \$35.5 billion (excluding the appropriation to the reserve accounts) fiscal 2013 proposed budget, [SB 150/HB 85](#), a 1.9% increase from the fiscal 2012 budget as enacted, leaving an estimated

\$163.6 million surplus. General fund expenditures are reduced by \$56 million from those of fiscal 2012. The Budget Bill reduces the State's ongoing structural deficit or shortfall by 59%, meeting the Spending Affordability Committee's recommendation to reduce the structural deficit by a minimum of 50%. The Senate is scheduled to move the Budget Bill this year.

The budget is balanced by assuming that certain tax changes are adopted, raising \$311 million in general fund tax revenue, including capping income tax deductions, phasing-out exemptions for high-income earners, and requiring online companies to collect the sales tax. Changes in the allocation of revenue, reductions in required expenditures, and transfer of money from special funds to the general fund are accomplished through the Budget Reconciliation and Financing Act of 2012, which is also known as the BRFA ([SB 152/HB 87](#)).

Among the major changes in the BRFA are provisions requiring each county and Baltimore City to pay to the State a portion of the State's costs for public education and employee retirement benefits. Specifically, the BRFA requires the counties and Baltimore City to contribute 50% of the combined cost of the employer share of Social Security and employer share of pension cost. At present they contribute only the Social Security portion, which is approximately one-third of the cost. This would save the State approximately \$239 million.

Other major changes modify taxes to increase revenue. The bill reduces the personal exemption for individuals and married couples earning more than certain amounts and reduces the permitted itemized deductions for individuals earning more than certain amounts. The income tax changes are estimated to increase revenue by \$182 million.

Under the proposal, individuals with federally adjusted gross income greater than \$100,000, and married couples with federally adjusted gross income greater than \$150,000 would have the personal exemption reduced from \$2,400 to \$1,200, and individuals with federally adjusted gross income greater than \$125,000 and married couples with federally adjusted gross income greater than \$175,000 would receive no personal exemptions.

Under provisions concerning itemized deductions, individuals and married couples with Maryland adjusted gross income greater than \$100,000 would have their federal itemized deductions reduced by 10%, and those individuals and married couples with a Maryland adjusted gross income greater than \$200,000 would have their federal itemized deductions reduced by 20%.

The BRFA also requires online retailers to collect the Maryland sales tax, raising an estimated \$21 million. Additionally, transfers of money from special funds to the general fund authorized in the BRFA include \$50 million from the Injured Workers Insurance Fund and \$96.9 million of State transfer tax revenues.

TRANSPORTATION

Vehicle License Plates

[SB 1](#), a prefiled bill introduced on January 11 and heard in committee on January 18, makes available, for an additional fee, a license plate that is a reproduction of Maryland's 1910 black and yellow license plate. Some proceeds from the fee will be used to cover the costs of making the plate and others credited to the Gasoline and Motor Vehicle Revenue Account.