

Laws  
of the  
State of Maryland

At the Session of the General Assembly Begun and Held in the  
City of Annapolis on the Eighth Day of January 2014  
and Ending on the Seventh Day of April 2014

Bills vetoed by the Governor appear after the Laws

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VOLUME III

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**Chapter 304****(Senate Bill 575)**

AN ACT concerning

**State Retirement and Pension System – Code Simplification and Clarification**

FOR the purpose of making clarifying changes to a certain definition of “eligible retirement plan” and a certain definition of “eligible rollover distribution” as they relate to provisions on rollover distributions under the State pension laws; clarifying the manner in which a certain transfer of funds from the State Retirement Agency to an eligible rollover plan shall be made; clarifying that certain distributions of funds to a designated spouse beneficiary may be paid to an eligible retirement plan in a direct rollover; clarifying that certain references to individual retirement accounts include traditional and Roth individual retirement accounts; clarifying that a member of the Employees’ Pension System who resumes employment before a certain date may resume participation in the Alternate Contributory Pension Selection if the employer participates in the Alternate Contributory Pension Selection; clarifying that the Reformed Contributory Pension Benefit does not apply to employees of certain participating governmental units; repealing an option to continue participation in the Deferred Retirement Option Program in the State Police Retirement System if a member is granted a special disability retirement allowance; repealing an option to continue participation in the Deferred Retirement Option Program in the Law Enforcement Officers’ Pension System if a member is granted ~~a special~~ an accidental disability retirement allowance; increasing the maximum average final compensation that retirees of the Local Fire and Police System must have at the time of retirement in order to be exempt from a certain reemployment earnings limitation; altering the number of years required after retirement for certain retirees of the Local Fire and Police System to be exempt from a certain reemployment earnings limitation; providing that certain retirees of the Judges’ Retirement System are exempt from a certain reemployment earnings limitation after a certain number of years after retirement; clarifying that certain former members of the State Retirement and Pension System shall have their accumulated contributions returned upon making a certain request; clarifying that certain former members of the State Retirement and Pension System who have their accumulated contributions returned are not entitled to further benefits; clarifying that regular interest may not be paid on certain member contributions after a certain time period under certain circumstances; altering the methods that certain members of the Teachers’ Pension System may use to purchase certain service credit; providing for a delayed effective date for a certain provision of this Act; and generally relating to clarifying provisions that apply to the State Retirement and Pension System.

BY repealing and reenacting, with amendments,

## Article – State Personnel and Pensions

Section 21–601, 21–602, 22–215, 23–213, 23–215.1, 23–225, 23–308(c), 24–206, 24–401.1(k), 25–204, 26–205, 26–401.1(k), 28–205, and 28–402(b)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

## Article – State Personnel and Pensions

Section 22–217, 24–401.1(a) and (g), 26–401.1(a) and (g), 29–302(a) and (f), and 29–303(a)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

*BY repealing and reenacting, with amendments,*

*Article – State Personnel and Pensions**Section 27–406**Annotated Code of Maryland**(2009 Replacement Volume and 2013 Supplement)**(As enacted by Chapter 688 of the Acts of the General Assembly of 2010)*

BY adding to

## Article – State Personnel and Pensions

Section 29–303(h)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – State Personnel and Pensions**

21–601.

(a) In this subtitle the following words have the meanings indicated.

(b) “Direct rollover” means a payment by the State Retirement Agency directly to the eligible retirement plan specified by the participant, the surviving spouse of a participant, or the designated beneficiary of the participant.

(c) “Eligible retirement plan” means:

(1) an individual retirement account described in § 408(a) of the Internal Revenue Code;

(2) an individual retirement annuity, other than an endowment contract, described in § 408(b) of the Internal Revenue Code;

(3) a qualified trust described in § 401(a) of the Internal Revenue Code that is exempt from tax under § 501(a) of the Internal Revenue Code;

(4) an annuity plan described in § 403(a) of the Internal Revenue Code;

(5) an annuity plan described in § 403(b) of the Internal Revenue Code;

(6) a deferred compensation plan **DESCRIBED IN § 457(B) OF THE INTERNAL REVENUE CODE, OR ANY SUCCESSOR PROVISIONS**, that is maintained by [an eligible employer described in § 457 of the Internal Revenue Code or any successor provisions] **A STATE, POLITICAL SUBDIVISION OF A STATE, OR ANY AGENCY OR INSTRUMENTALITY OF A STATE OR A POLITICAL SUBDIVISION OF A STATE THAT AGREES TO ACCOUNT SEPARATELY FOR AMOUNTS TRANSFERRED INTO THAT PLAN**; or

(7) effective January 1, 2008, a Roth Individual Retirement Account described in § 408A of the Internal Revenue Code.

(d) (1) “Eligible rollover distribution” means a distribution:

(i) on or after January 1, 1993, to a participant of all or any part of the balance to the credit of the participant in any State system;

(ii) on or after January 1, 2002, to the surviving spouse of a member, former member, or retiree, or to a spouse or former spouse who is an alternate payee under an eligible domestic relations order, as defined in § 414(p) of the Internal Revenue Code, of all or any part of the balance to the credit of the member, former member, retiree, or surviving spouse in any State system; or

(iii) on or after January 1, 2007, to the designated **NONSPOUSE** beneficiary of a member, former member, or retiree of all or any part of the balance to the credit of the member, former member, retiree, or designated **NONSPOUSE** beneficiary in any State system.

(2) “Eligible rollover distribution” does not include:

(i) any distribution that is one of a series of substantially equal periodic payments that are made at least annually for the life or life expectancy of the participant or the joint lives or joint life expectancies of the participant and the participant’s beneficiary;

(ii) any distribution that is one of a series of substantially equal periodic payments made for a specified period of at least 10 years;

(iii) any distribution that is required under § 401(a)(9) of the Internal Revenue Code; [or]

(iv) any distribution that is reasonably expected to total less than \$200 during the calendar year; **OR**

**(V) ANY OTHER DISTRIBUTION THAT THE INTERNAL REVENUE SERVICE DOES NOT CONSIDER ELIGIBLE FOR ROLLOVER TREATMENT, INCLUDING CORRECTIVE DISTRIBUTIONS NECESSARY TO COMPLY WITH THE PROVISIONS OF § 415 OF THE INTERNAL REVENUE CODE.**

(3) (i) Effective January 1, 2002, a portion of a distribution will not fail to be an eligible rollover distribution merely because that portion consists of after-tax employee contributions that are not includible in gross income.

(ii) A portion of a distribution described in subparagraph (i) of this paragraph may be transferred only to:

1. an individual retirement account or annuity described in § 408(a) or (b) of the Internal Revenue Code;

2. a qualified defined contribution plan described in § 401(a) of the Internal Revenue Code **THAT AGREES TO ACCOUNT SEPARATELY FOR AMOUNTS TRANSFERRED TO THE ACCOUNT AND EARNING RECEIVED AS A RESULT OF THE TRANSFERRED AMOUNTS; [or]**

3. on or after January 1, 2007, to a qualified defined benefit plan described in § 401(a) of the Internal Revenue Code or to an annuity contract described in § 403(b) of the Internal Revenue Code, that agrees to account separately for amounts transferred to the account and earnings received as a result of the transferred amounts; **OR**

**4. ON OR AFTER JANUARY 1, 2008, TO A ROTH IRA DESCRIBED IN § 408 OF THE INTERNAL REVENUE CODE.**

**(III) A TRANSFER TO AN ELIGIBLE ~~ROLLOVER~~ RETIREMENT PLAN DESCRIBED IN SUBPARAGRAPH (II)2, 3, OR 4 MAY BE MADE ONLY THROUGH A DIRECT ROLLOVER.**

(e) “Supplemental plan” means the Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans.

21-602.

(a) [Except as provided in subsections (b) and (c) of this section, a] **A** participant may elect on the form the Board of Trustees requires to have all or any

part of an eligible rollover distribution paid to [the] AN eligible retirement plan in a direct rollover.

(b) (1) [Except as provided in paragraph (2) of this subsection, if] **IF** an eligible rollover distribution is payable to the designated **SPOUSE** beneficiary of a member, former member, or retiree, the designated **SPOUSE** beneficiary may [only] elect to have all or any part of the eligible rollover distribution paid [in a direct rollover] to an [individual] **ELIGIBLE** retirement [account or individual retirement annuity] **PLAN IN A DIRECT ROLLOVER**.

(2) (i) A nonspouse designated beneficiary may roll over an eligible rollover distribution only to [an] **A TRADITIONAL OR ROTH** individual retirement account or individual retirement annuity established for the purpose of receiving the distribution.

(ii) [An] **A TRADITIONAL OR ROTH** individual retirement account or individual retirement annuity established under this paragraph shall be treated as an inherited individual retirement account or annuity within the meaning of § 408(d)(3)(C) of the Internal Revenue Code.

(c) A member who is eligible to participate in the plan administered by the supplemental plan under Title 35, Subtitle 5 of this article may elect to have all or any part of the eligible rollover distribution paid in a direct rollover to the plan in accordance with the regulations adopted by the supplemental plan.

23-215.1.

(a) This section applies to a member who:

(1) on or before June 30, 2011, is subject to the Alternate Contributory Pension Selection;

(2) (i) is separated from employment for 4 years or less; or

(ii) 1. is separated from employment for more than 4 years for military service that meets the requirements of the federal Uniformed Services Employment and Reemployment Rights Act; and

2. resumes employment within 1 year of leaving military service in a position that is included in the Employees' Pension System or Teachers' Pension System;

(3) does not withdraw the member's accumulated contributions; and

(4) does not become a retiree.

(b) A member described in subsection (a) of this section who on or before June 30, 2016, resumes employment ~~and is rehired into~~ **IN** a position that is included in the Employees' Pension System or Teachers' Pension System, shall resume participation in the Alternate Contributory Pension Selection **IF THE REHIRING EMPLOYER PARTICIPATES IN THE ALTERNATE CONTRIBUTORY PENSION SELECTION.**

(c) On or before October 1, 2012, and each October 1 through October 1, 2016, the Board of Trustees shall submit a report in accordance with § 2–1246 of the State Government Article to the Joint Committee on Pensions that provides the number of members described under subsection (a) of this section who were:

(1) rehired in the preceding fiscal year into a position included in the Employees' Pension System or Teachers' Pension System; and

(2) participating in the Alternate Contributory Pension Selection.

23–225.

(a) This Part IV of this subtitle (Reformed Contributory Pension Benefit) applies to:

(1) an individual who becomes a member of the Employees' Pension System or the Teachers' Pension System on or after July 1, 2011; and

(2) except as provided in § 23–215.1 of this subtitle, a member of the Employees' Pension System or Teachers' Pension System who separated from employment on or before June 30, 2011, and subsequently becomes employed in a position eligible for membership in the Employees' Pension System or the Teachers' Pension System on or after July 1, 2011.

(b) This Part IV does not apply to an employee of:

(1) a participating governmental unit **THAT WAS** participating in the Employees' Pension System **PRIOR TO JULY 1, 2011, AND** that has not elected to participate in the Alternate Contributory Pension Selection under § 31–116.1 of this article; or

(2) a former participating governmental unit, other than Frederick County, that has withdrawn from the Employees' Pension System.

24–401.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "DROP" means the Deferred Retirement Option Program established under this section.

(3) "DROP member" means a member of the State Police Retirement System who:

(i) is eligible to participate in the DROP as provided in subsection (c) of this section; and

(ii) elects to participate in the DROP as provided in subsection (e) of this section.

(g) Participation in the DROP ends if the DROP participant:

(1) separates from employment in accordance with the binding letter of resignation submitted with the member's election form;

(2) except for the Secretary of State Police, attains age 60;

(3) dies;

(4) is terminated from employment by the Maryland State Police at any time before the date specified on the member's election form;

(5) shortens the time period for participation in the DROP by delivering to the Maryland State Police and the Board of Trustees written notice of the intent of the DROP member to terminate employment; or

(6) accepts a special disability retirement allowance as provided in subsection (k) of this section.

(k) (1) A DROP member is eligible to apply for a special disability retirement allowance under § 29-111 of this article if after the DROP member commences participation in the DROP:

(i) the member is totally and permanently incapacitated for duty arising out of or in the course of the actual performance of duty that occurs while participating in DROP, and without willful negligence of the member; and

(ii) the medical board certifies that:

1. the member is totally incapacitated, either mentally or physically, for the further performance of duty by the occurrence described under item (i) of this paragraph;

2. the incapacity is likely to be permanent; and

3. the member should be retired.

(2) [If the Board of Trustees grants a DROP member a special disability retirement allowance, the DROP member may elect to receive the special disability retirement allowance or continue to participate in the DROP.

(3)] (i) If a DROP member ~~elects to receive~~ **IS GRANTED** a special disability retirement allowance [instead of continuing to participate in the DROP], the DROP member shall:

1. submit an application to the Board of Trustees, on the form the Board of Trustees provides, to receive payment of the amount accrued in the DROP in accordance with subsection (i) of this section;

2. execute a written waiver of any benefits to which the DROP member may be entitled under the DROP; and

3. submit an application to retire with a special disability retirement allowance, on the form the Board of Trustees provides, stating the effective date of the DROP member's retirement as a special disability retiree.

(ii) On acceptance of the application for payment and application to retire, the Board of Trustees shall commence payment of a special disability allowance to the DROP member as provided in § 29–111(c) of this article, except that the DROP member's average final compensation shall be computed as of the effective date of the DROP member's application for a special disability retirement allowance.

26–401.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “DROP” means the Deferred Retirement Option Program established under this section.

(3) “DROP member” means a member of the Law Enforcement Officers' Pension System who:

(i) is eligible to participate in the DROP as provided in subsection (c) of this section; and

(ii) elects to participate in the DROP as provided in subsection (e) of this section.

(g) Participation in the DROP ends if the DROP participant:

(1) separates from employment in accordance with the binding letter of resignation submitted with the member's election form;

(2) dies;

(3) is terminated from employment by the DROP member's participating employer at any time before the date specified on the member's election form;

(4) shortens the time period for participation in the DROP by delivering to the DROP member's participating employer and the Board of Trustees written notice of the intent of the DROP member to terminate employment; or

(5) accepts an accidental disability retirement allowance as provided in subsection (k) of this section.

(k) (1) A DROP member is eligible to apply for an accidental disability retirement allowance under § 29–109 of this article if after the DROP member commences participation in the DROP:

(i) the member is totally and permanently incapacitated for duty arising out of or in the course of the actual performance of duty that occurs while participating in DROP, and without willful negligence of the member; and

(ii) the medical board certifies that:

1. the member is totally incapacitated, either mentally or physically, for the further performance of duty by the occurrence described under item (i) of this paragraph;

2. the incapacity is likely to be permanent; and

3. the member should be retired.

(2) [If the Board of Trustees grants a DROP member an accidental disability retirement allowance, the DROP member may elect to receive the accidental disability retirement allowance or continue to participate in the DROP.

(3) (i) If a DROP member ~~elects to receive a~~ **IS GRANTED AN ACCIDENTAL** disability retirement allowance [instead of continuing to participate in the DROP], the DROP member shall:

1. submit an application to the Board of Trustees, on the form the Board of Trustees provides, to receive payment of the amount accrued in the DROP in accordance with subsection (i) of this section;

2. execute a written waiver of any benefits to which the DROP member may be entitled under the DROP; and

3. submit an application to retire with an accidental disability retirement allowance, on the form the Board of Trustees provides, stating the effective date of the DROP member's retirement as an accidental disability retiree.

(ii) On acceptance of the application for payment and application to retire, the Board of Trustees shall commence payment of an accidental disability allowance to the DROP member as provided in § 29–110 of this article, except that the DROP member's average final compensation shall be computed as of the effective date of the DROP member's application for an accidental disability retirement allowance.

27–406.

(a) This section does not apply to a retiree who:

(1) is temporarily assigned to sit in a court of this State under the authority of Article IV, § 3A of the Maryland Constitution; or

(2) is employed as a member of the faculty of a public institution of higher education in the State.

(b) Subject to subsection (e) of this section, a retiree may accept employment in which all or part of the compensation for the employment comes from municipal, county, or State funds, if the retiree immediately notifies the Board of Trustees of:

(1) the retiree's intention to accept the employment; and

(2) the compensation that the retiree will receive.

(c) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE Board of Trustees shall reduce the retirement allowance of a retiree who accepts employment as provided under subsection (b) of this section if the retiree's current employer is any unit of State government and the retiree's employer at the time of the retiree's last separation from employment with the State before the retiree commenced receiving a service retirement allowance was also a unit of State government.

(2) The reduction required under paragraph (1) of this subsection shall equal the amount that the sum of the retiree's annual retirement allowance and the retiree's annual compensation exceeds the amount of the compensation on which the retirement allowance is based.

**(3) THE REDUCTION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO AN INDIVIDUAL WHO HAS BEEN RETIRED FOR 5 YEARS, BEGINNING ON JANUARY 1 AFTER THE DATE THE INDIVIDUAL RETIRES.**

(d) (1) Subject to paragraph (2) of this subsection, if a retiree accepts employment as allowed by subsection (a) of this section and is subsequently awarded retirement benefits because of that employment, the Board of Trustees shall reduce the retiree's benefits under this subtitle by the amount of the retirement benefits resulting from the subsequent employment if the retiree's current employer is any unit of State government and the retiree's employer at the time of the retiree's last separation from employment with the State before the retiree commenced receiving a service retirement allowance was also a unit of State government.

(2) (i) Any reduction taken to a retiree's allowance under this subsection may not exceed an amount that would reduce the retiree's allowance to less than what is required to be deducted for the retiree's monthly State-approved medical insurance premiums.

(ii) If a reduction for a calendar year taken under subparagraph (i) of this paragraph is less than the reduction required under paragraph (1) of this subsection, the Board of Trustees shall recover from the retiree an amount equal to the reduction required under paragraph (1) of this subsection less the reduction taken under subparagraph (i) of this paragraph.

(e) A retiree may not be employed by the State or other participating employer on a permanent, temporary, or contractual basis within 45 days of the date the individual retired.

28-402.

(b) (1) The Board of Trustees shall reduce the allowance of an individual who accepts employment as provided under subsection (a) of this section if the individual's current employer is a participating employer other than the State and is the same participating employer that employed the individual at the time of the individual's last separation from employment with a participating employer before the individual commenced receiving a service retirement allowance or vested allowance.

(2) The reduction required under paragraph (1) of this subsection shall equal the amount that the sum of the individual's initial annual basic allowance and the individual's annual compensation exceeds the average final compensation used to compute the basic allowance.

(3) Except for an individual whose allowance is subject to a reduction as provided under paragraph (1) of this subsection, the reduction of an allowance under this subsection does not apply to:

(i) an individual whose average final compensation was less than ~~[\$10,000]~~ **\$25,000** and who is reemployed on a temporary or contractual basis;

(ii) an individual who is serving in an elected position as an official of a participating governmental unit or as a constitutional officer for a county that is a participating governmental unit; or

(iii) an individual who has been retired for ~~[9]~~ **5** years, beginning on January 1 after the date the individual retires.

29–302.

(a) This section applies only to members of:

- (1) the Correctional Officers' Retirement System;
- (2) the Employees' Retirement System;
- (3) the State Police Retirement System; and
- (4) the Teachers' Retirement System.

(f) (1) If a former member who elected a vested allowance requests the return of accumulated contributions before payment of the vested allowance begins, the Board of Trustees shall return the accumulated contributions to the former member.

(2) When accumulated contributions are returned to a former member, the former member is not entitled to further benefits on account of the former member's previous membership.

29–303.

(a) This section applies only to members of:

- (1) the Employees' Pension System;
- (2) the Local Fire and Police System;
- (3) the Law Enforcement Officers' Pension System; or
- (4) the Teachers' Pension System.

**(H) (1) IF A FORMER MEMBER WHO ELECTED A VESTED ALLOWANCE REQUESTS THE RETURN OF ACCUMULATED CONTRIBUTIONS BEFORE PAYMENT**

OF THE VESTED ALLOWANCE BEGINS, THE BOARD OF TRUSTEES SHALL RETURN THE ACCUMULATED CONTRIBUTIONS TO THE FORMER MEMBER.

(2) WHEN ACCUMULATED CONTRIBUTIONS ARE RETURNED TO A FORMER MEMBER, THE FORMER MEMBER IS NOT ENTITLED TO FURTHER BENEFITS ON ACCOUNT OF THE FORMER MEMBER'S PREVIOUS MEMBERSHIP.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

### Article – State Personnel and Pensions

22-215.

(A) ~~Regular~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, REGULAR interest is payable on member contributions at the rate of 4% a year compounded annually, until retirement or withdrawal of the accumulated contributions.

~~(B) (1) REGULAR INTEREST MAY NOT BE PAID ON MEMBER CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER OF THE EMPLOYEES' RETIREMENT SYSTEM CEASES TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

~~(2) REGULAR INTEREST MAY NOT BE PAID ON MEMBER CONTRIBUTIONS AFTER 5 YEARS FROM THE DATE A FORMER MEMBER OF THE TEACHERS' RETIREMENT SYSTEM CEASES TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

(B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.

22-217.

Membership ends if the member:

- (1) is separated from employment for more than:

- or
- (i) 4 years, if a member of the Employees' Retirement System;
  - (ii) 5 years, if a member of the Teachers' Retirement System;
  - (2) withdraws the member's accumulated contributions;
  - (3) transfers to the Employees' Pension System or Teachers' Pension System;
  - (4) becomes a retiree; or
  - (5) dies.

23–213.

(A) ~~Regular~~ **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, REGULAR** interest is payable on member contributions at the rate of 5% per year compounded annually until retirement or withdrawal of contributions and interest.

~~(B) REGULAR INTEREST MAY NOT BE PAID ON MEMBER CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER CEASES TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

**(B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.**

24–206.

(A) ~~Regular~~ **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, REGULAR** interest is payable on member contributions at the rate of 4% a year, compounded annually, until retirement or withdrawal of the accumulated contributions.

~~(B) REGULAR INTEREST MAY NOT BE PAID ON MEMBER CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER CEASES TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

(B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.

25-204.

(A) ~~Regular~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, REGULAR interest is payable on member contributions at the rate of 4% a year, compounded annually, until retirement or withdrawal of the accumulated contributions.

~~(B) REGULAR INTEREST MAY NOT BE PAID ON MEMBER CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER CEASES TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

(B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.

26-205.

(A) ~~Regular~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, REGULAR interest is payable on member contributions until retirement or withdrawal of accumulated contributions at the rate of:

(1) 4% a year, compounded annually, for a member who has transferred from the Employees' Retirement System on or before December 31, 2004; or

(2) 5% a year, compounded annually, for each other member.

~~(B) REGULAR INTEREST MAY NOT BE PAID ON MEMBER CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER CEASES TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

(B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.

28–205.

(A) ~~Regular~~ **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, REGULAR** interest is payable on member contributions until retirement or withdrawal of accumulated contributions at the rate of:

(1) 4% a year, compounded annually, for a member who has transferred from the Employees' Retirement System; or

(2) 5% a year, compounded annually, for each other member.

~~(B) **REGULAR INTEREST MAY NOT BE PAID ON MEMBER CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER CEASES TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.**~~

**(B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.**

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

#### Article – State Personnel and Pensions

23–308.

(c) A member may pay the amount required by subsection (b) of this section[:

(1) on an installment basis by contributing at least 2% of earnable compensation per year; or

(2)] by transferring, on written request to the Board of Trustees, any prior contributions to a voluntary retirement benefit, less any costs of administering that benefit.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect January 1, 2015.

SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section 4 of this Act, this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

## Chapter 305

(Senate Bill 577)

AN ACT concerning

### Department of Health and Mental Hygiene – State Facilities – Cemeteries

FOR the purpose of requiring ~~the State to maintain certain cemeteries in accordance with a certain definition~~ certain cemeteries to be provided perpetual care; requiring certain activities or projects to be undertaken in consultation with the Maryland Historical Trust in accordance with certain provisions of law; making certain provisions of State law that apply to property of cemeteries also apply to a cemetery owned by the State and located on the grounds of a State facility; requiring the Department of Health and Mental Hygiene, beginning on a certain date and annually thereafter, to report on the implementation of certain provisions to certain legislative committees; defining a certain term; altering a certain definition; making a conforming change; and generally relating to cemeteries owned by the State and located on the grounds of a State facility.

BY repealing and reenacting, without amendments,  
 Article – Business Regulation  
 Section ~~5-502 and 5-601~~  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 Article – State Finance and Procurement  
 Section 10-309  
 Annotated Code of Maryland  
 (2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### Article – Business Regulation

5-502.

(a) An alley, canal, road, or other public thoroughfare may not be opened through property of a cemetery if that property is used or to be used for burial.

(b) This section does not authorize a registered cemeterian, permit holder, or other person to obstruct:

(1) a public road in use when the cemetery is formed; or

(2) the site of a future public road that, when the cemetery is formed, is shown on a plat made by authority of the State, a county, or a municipal corporation.

~~5-601.~~

~~In this subtitle, “perpetual care”:~~

~~(1) means the maintenance, including the cutting of grass abutting memorials or monuments, administration, supervision, and embellishment of a cemetery and its grounds, roads, and paths; and~~

~~(2) includes the repair and renewal of buildings, including columbaria and mausoleums, and the property of the cemetery.~~

#### Article – State Finance and Procurement

10-309.

(a) **(1)** In this section, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

**(2) (I)** “PERPETUAL CARE” MEANS THE MAINTENANCE, INCLUDING THE CUTTING OF GRASS ABUTTING MEMORIALS OR MONUMENTS, ADMINISTRATION, SUPERVISION, AND EMBELLISHMENTS OF A CEMETERY AND ITS GROUNDS, ROADS, AND PATHS.

**(II)** “PERPETUAL CARE” INCLUDES THE REPAIR AND RENEWAL OF BUILDINGS, INCLUDING COLUMBARIA AND MAUSOLEUMS, AND THE PROPERTY OF THE CEMETERY.

**(3)** “State facility” means:

~~(1)~~ **(I)** a facility maintained by the Mental Hygiene Administration of the Department of Health and Mental Hygiene and listed in § 10-406 of the Health – General Article; [or]

~~(2)~~ **(II)** a State residential center for individuals with an intellectual disability in the Developmental Disabilities Administration of the Department of Health and Mental Hygiene; AND

~~(3)~~ **(III)** A FACILITY THAT FORMERLY MET THE DEFINITION OF “STATE FACILITY” UNDER ITEM (I) OR (II) OF THIS SUBSECTION, INCLUDING:

- 1. THE FORMER ROSEWOOD CENTER; AND**
- 2. THE FORMER CROWNSVILLE HOSPITAL CENTER.**

(b) A cemetery owned by the State and located on the grounds of a State facility may not be sold by the State if the State facility is downsized, consolidated, closed, or sold.

(c) A cemetery owned by the State **AND LOCATED ON THE GROUNDS OF A STATE FACILITY** shall be ~~maintained by the State, IN ACCORDANCE WITH THE DEFINITION OF PERPETUAL CARE UNDER § 5-601 OF THE BUSINESS REGULATION ARTICLE,~~ **PROVIDED PERPETUAL CARE** and marked with a monument commemorating the individuals interred in the cemetery.

**(D) ACTIVITIES OR PROJECTS UNDERTAKEN UNDER SUBSECTION (C) OF THIS SECTION SHALL BE UNDERTAKEN IN CONSULTATION WITH THE MARYLAND HISTORICAL TRUST, IN ACCORDANCE WITH THE CONSULTATION PROVISIONS:**

**(1) FOR CAPITAL PROJECTS UNDER § 5A-325 OF THIS ARTICLE;**  
**AND**

**(2) FOR ISSUANCE OF PERMITS OR LICENSES OR PROVISION OF FINANCIAL ASSISTANCE UNDER § 5A-326(D)(2) OF THIS ARTICLE.**

~~(d)~~ **(E)** Any easement or right of entry to a cemetery owned by the State and located on the grounds of a State facility that has been recorded among the land records of the county where the cemetery is located on or before October 1, 2004 may not be transferred or sold.

~~(e)~~ **(F)** Notwithstanding subsections (b) and ~~(d)~~ **(E)** of this section, a cemetery or an easement or right of entry to a cemetery owned by the State and located on the grounds of a State facility may be sold by the State if the deed for the property includes a restrictive covenant requiring the owner and any future owner to maintain the cemetery as provided under subsection (c) of this section.

~~(F)~~ **(G)** **THE PROVISIONS OF § 5-502 OF THE BUSINESS REGULATION ARTICLE APPLY TO A CEMETERY OWNED BY THE STATE AND LOCATED ON THE GROUNDS OF A STATE FACILITY.**

~~(G)~~ **(H)** **BEGINNING JANUARY 1, 2015, AND ON OR BEFORE JANUARY 1 OF EACH SUCCEEDING YEAR, THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE ON THE IMPLEMENTATION OF THIS SECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 306**

**(Senate Bill 583)**

AN ACT concerning

### **Financial Institutions – Interest Payable on Escrow Accounts and Specific Purpose Savings Accounts**

FOR the purpose of altering the interest rate payable by certain lending institutions on escrow accounts created in connection with loans secured by a first mortgage or first deed of trust on residential real property; altering the interest rate payable by certain banking institutions on interest bearing accounts instituted for a specific purpose; providing for the application of this Act; and generally relating to rates of interest payable on escrow accounts and savings accounts.

BY repealing and reenacting, without amendments,  
Article – Commercial Law  
Section 12–109(a) and 12–1026(a)  
Annotated Code of Maryland  
(2013 Replacement Volume)

BY repealing and reenacting, with amendments,  
Article – Commercial Law  
Section 12–109(b) and 12–1026(b)  
Annotated Code of Maryland  
(2013 Replacement Volume)

BY repealing and reenacting, without amendments,  
Article – Financial Institutions  
Section 1–101(a) and (d)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Financial Institutions  
Section 5–302(b)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Commercial Law**

12–109.

(a) (1) In this section the following words have the meanings indicated.

(2) “Escrow account” means an expense or escrow account which tends to protect the security of a loan by the accumulation of funds for the payment of taxes, insurance premiums, or other expenses.

(3) “Lending institution” means a bank, savings bank, or savings and loan association doing business in Maryland.

(b) (1) A lending institution which lends money secured by a first mortgage or first deed of trust on any interest in residential real property and creates or is the assignee of an escrow account in connection with that loan shall pay interest to the borrower on the funds in the escrow account at an annual rate not less than the [6–month average dealer bid rate on nationally traded certificates of deposit] **WEEKLY AVERAGE YIELD ON UNITED STATES TREASURY SECURITIES ADJUSTED TO A CONSTANT MATURITY OF 1 YEAR**, as published by the Federal Reserve in “Selected Interest Rates (Daily) – H.15”, as of the first business day of the calendar year.

(2) Interest on these funds shall be:

(i) Adjusted, if applicable, as of the first day of each calendar year to reflect the rate to be paid during that year, as determined under paragraph (1) of this subsection;

(ii) Computed on the average monthly balance in the escrow account; and

(iii) Paid annually to the borrower by crediting the escrow account with the amount of interest due.

(3) The lending institution shall annually provide the borrower with a statement of the escrow balance.

12–1026.

(a) (1) In this section the following words have the meanings indicated.

(2) “Escrow account” means an expense or escrow account which tends to protect the security of a loan by the accumulation of funds for the payment of taxes, insurance premiums, or other expenses.

(3) “Lending institution” means a bank, savings bank, or savings and loan association doing business in Maryland.

(b) (1) A lending institution that makes a loan to a consumer borrower secured by a first mortgage or first deed of trust on residential real property and creates or is the assignee of an escrow account in connection with that loan shall pay interest to the consumer borrower on the funds in the escrow account at an annual rate not less than the [6-month average dealer bid rate on nationally traded certificates of deposit] **WEEKLY AVERAGE YIELD ON UNITED STATES TREASURY SECURITIES ADJUSTED TO A CONSTANT MATURITY OF 1 YEAR**, as published by the Federal Reserve in “Selected Interest Rates (Daily) – H.15”, as of the first business day of the calendar year.

(2) Interest on these funds shall be:

(i) Adjusted, if applicable, as of the first day of each calendar year to reflect the rate to be paid during that year, as determined under paragraph (1) of this subsection;

(ii) Computed on the average monthly balance in the escrow account; and

(iii) Paid annually to the borrower by crediting the escrow account with the amount of interest due.

(3) The lending institution shall annually provide the consumer borrower with a statement of the escrow balance.

(4) The provisions of this subsection do not apply to a lending institution that provides for the payment of taxes, insurance, or other expenses under the direct reduction method by which these expenses, when paid by the lending institution, are added to the outstanding principal balance of the loan.

(5) (i) This subsection does not apply if the loan:

1. Is purchased by an out-of-state lender through the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation; and

2. The out-of-state lender elects to service the loan as a condition of purchase.

(ii) Notwithstanding subparagraph (i) of this paragraph, this subsection shall apply if the out-of-state lender:

1. Sells the loan to a Maryland lender; or
2. Places the loan with a Maryland lender for servicing.

### **Article – Financial Institutions**

1–101.

(a) In this article, unless the context clearly requires otherwise, the following words have the meanings indicated.

(d) “Banking institution” means an institution that is incorporated under the laws of this State as a State bank, trust company, or savings bank.

5–302.

(b) A banking institution shall pay interest on each interest bearing account that is instituted for a specific purpose, including “Christmas” or “vacation” accounts, for a period of 1 year or less at an annual rate not less than the [6-month average dealer bid rate on nationally traded certificates of deposit] **WEEKLY AVERAGE YIELD ON UNITED STATES TREASURY SECURITIES ADJUSTED TO A CONSTANT MATURITY OF 1 YEAR**, as published by the Federal Reserve in “Selected Interest Rates (Daily) – H.15”, as of the first business day of the calendar year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively to escrow accounts and savings accounts in existence on or after January 1, 2014.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 307**

**(Senate Bill 585)**

AN ACT concerning

**Commercial Law – Patent Infringement – Assertions Made in Bad Faith**

FOR the purpose of prohibiting a person from making certain assertions of patent infringement in bad faith; authorizing a court to consider certain factors as evidence of whether a person has made an assertion of patent infringement in bad faith or in good faith; providing that the Attorney General and the Division of Consumer Protection of the Office of the Attorney General have the same authority to take certain actions as the Attorney General and the Division have under the Maryland Consumer Protection Act; authorizing certain individuals to bring a civil action in a certain court to recover for certain injuries or losses sustained as a result of a violation of this Act; authorizing a court to award certain damages and remedies under certain circumstances; providing for the application of this Act; defining certain terms; and generally relating to bad faith assertions of patent infringement.

BY adding to

Article – Commercial Law

Section 11-1601 through ~~11-1604~~ 11-1605 to be under the new subtitle

“Subtitle 16. Bad Faith Assertions of Patent Infringement”

Annotated Code of Maryland

(2013 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Commercial Law**

#### **SUBTITLE 16. BAD FAITH ASSERTIONS OF PATENT INFRINGEMENT.**

#### **11-1601.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “CLAIM” MEANS THE SCOPE OF THE PATENT OWNER’S EXCLUSIVE RIGHTS TO THE USE AND CONTROL OF THE PATENT OWNER’S INVENTION.

(C) “DEMAND LETTER” MEANS A LETTER, AN ELECTRONIC MAIL, OR ANY OTHER WRITTEN COMMUNICATION ASSERTING THAT A PERSON HAS ENGAGED IN PATENT INFRINGEMENT.

(D) “DIVISION” MEANS THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE OF THE ATTORNEY GENERAL.

(E) “TARGET” MEANS A PERSON:

(1) WHO HAS RECEIVED A DEMAND LETTER OR AGAINST WHOM AN ASSERTION OF PATENT INFRINGEMENT HAS BEEN MADE;

(2) WHO HAS BEEN THREATENED WITH LITIGATION OR AGAINST WHOM A LAWSUIT HAS BEEN FILED ALLEGING PATENT INFRINGEMENT; OR

(3) WHO HAS AT LEAST ONE CUSTOMER WHO HAS RECEIVED A DEMAND LETTER ASSERTING THAT THE PERSON'S PRODUCT, SERVICE, OR TECHNOLOGY HAS INFRINGED A PATENT.

11-1602.

THIS SUBTITLE DOES NOT APPLY TO AN ASSERTION OF PATENT INFRINGEMENT THAT INCLUDES A CLAIM FOR RELIEF ARISING UNDER 35 U.S.C. § 271(E)(2) OR 42 U.S.C. § 262.

11-1603.

(A) A PERSON MAY NOT MAKE AN ASSERTION OF PATENT INFRINGEMENT AGAINST ANOTHER IN BAD FAITH.

(B) (1) A COURT MAY CONSIDER THE FOLLOWING FACTORS AS EVIDENCE THAT A PERSON HAS MADE AN ASSERTION OF PATENT INFRINGEMENT IN BAD FAITH:

(I) THE DEMAND LETTER SENT BY THE PERSON DOES NOT CONTAIN:

1. THE ALLEGED PATENT NUMBER;
2. THE NAME AND ADDRESS OF THE PATENT OWNER OR ASSIGNEE, IF ANY; OR
3. FACTS RELATING TO THE SPECIFIC AREAS IN WHICH THE TARGET'S PRODUCT, SERVICE, OR TECHNOLOGY INFRINGES THE PATENT OR IS COVERED BY THE CLAIMS IN THE PATENT;

(II) THE TARGET REQUESTED THE INFORMATION DESCRIBED IN ITEM (I) OF THIS PARAGRAPH, AND THE PERSON FAILED TO PROVIDE THE INFORMATION WITHIN A REASONABLE PERIOD OF TIME;

(III) BEFORE SENDING THE DEMAND LETTER, THE PERSON DID NOT CONDUCT AN ANALYSIS COMPARING THE CLAIMS IN THE PATENT TO THE TARGET'S PRODUCT, SERVICE, OR TECHNOLOGY, OR THE ANALYSIS WAS CONDUCTED BUT DOES NOT IDENTIFY SPECIFIC AREAS IN WHICH THE

PRODUCT, SERVICE, OR TECHNOLOGY IS COVERED BY THE CLAIMS IN THE PATENT;

(IV) THE DEMAND LETTER DEMANDED A RESPONSE OR PAYMENT OF A LICENSING FEE WITHIN AN UNREASONABLY SHORT PERIOD OF TIME;

(V) THE PERSON OFFERED TO LICENSE THE PATENT FOR AN AMOUNT THAT IS NOT BASED ON A REASONABLE ESTIMATE OF THE VALUE OF THE LICENSE;

(VI) THE ASSERTION OF PATENT INFRINGEMENT IS WITHOUT MERIT, AND THE PERSON KNEW, OR SHOULD HAVE KNOWN, THAT THE ASSERTION IS WITHOUT MERIT;

(VII) THE ASSERTION OF PATENT INFRINGEMENT IS DECEPTIVE;

(VIII) 1. THE PERSON, OR A SUBSIDIARY OR AN AFFILIATE OF THE PERSON, PREVIOUSLY HAS FILED OR THREATENED TO FILE ONE OR MORE LAWSUITS BASED ON THE SAME OR A SIMILAR ASSERTION OF PATENT INFRINGEMENT; AND

2. A. THE THREATS OR LAWSUITS DID NOT PROVIDE THE INFORMATION DESCRIBED IN ITEM (I) OF THIS PARAGRAPH; AND

B. A COURT FOUND THE PERSON'S ASSERTION TO BE WITHOUT MERIT; AND

(IX) ANY OTHER FACTOR THE COURT DETERMINES TO BE RELEVANT.

(2) THE COURT MAY CONSIDER THE FOLLOWING FACTORS AS EVIDENCE THAT A PERSON HAS MADE AN ASSERTION OF PATENT INFRINGEMENT IN GOOD FAITH:

(I) IF THE DEMAND LETTER SENT BY THE PERSON DOES NOT CONTAIN THE INFORMATION DESCRIBED IN PARAGRAPH (1)(I) OF THIS SUBSECTION, THE PERSON PROVIDES THE INFORMATION TO THE TARGET WITHIN A REASONABLE PERIOD OF TIME;

(II) THE PERSON HAS:

1. ENGAGED IN A GOOD FAITH EFFORT TO ESTABLISH THAT THE TARGET HAS INFRINGED THE PATENT; AND

2. ATTEMPTED TO NEGOTIATE AN APPROPRIATE REMEDY;

(III) THE PERSON HAS:

1. DEMONSTRATED GOOD FAITH BUSINESS PRACTICES IN PREVIOUS EFFORTS TO ENFORCE A PATENT; OR

2. SUCCESSFULLY ENFORCED A PATENT THROUGH LITIGATION;

(IV) THE PERSON HAS MADE A SUBSTANTIAL INVESTMENT IN THE USE OF THE PATENT OR IN THE PRODUCTION OR SALE OF A PRODUCT COVERED BY THE PATENT;

(V) THE PERSON IS:

1. AN INVENTOR OF THE PATENT OR AN ORIGINAL ASSIGNEE; OR

2. A REPRESENTATIVE OF AN INSTITUTION OF HIGHER EDUCATION OR A TECHNOLOGY TRANSFER ORGANIZATION AFFILIATED WITH AN INSTITUTION OF HIGHER EDUCATION; AND

(VI) ANY OTHER FACTOR THE COURT DETERMINES TO BE RELEVANT.

~~11-1603.~~ 11-1604.

THE ATTORNEY GENERAL AND THE DIVISION SHALL HAVE THE SAME AUTHORITY UNDER THIS SUBTITLE TO ADOPT REGULATIONS, CONDUCT INVESTIGATIONS, AND BRING CIVIL AND CRIMINAL ACTIONS AS PROVIDED IN TITLE 13 OF THIS ARTICLE.

~~11-1604.~~ 11-1605.

(A) IN ADDITION TO ANY ACTION BY THE DIVISION OR ATTORNEY GENERAL AUTHORIZED BY TITLE 13 OF THIS ARTICLE, A TARGET MAY BRING AN ACTION IN AN APPROPRIATE COURT TO RECOVER FOR INJURY OR LOSS SUSTAINED AS A RESULT OF A VIOLATION OF THIS SUBTITLE.

(B) IF A TARGET PREVAILS IN AN ACTION BROUGHT UNDER THIS SUBTITLE AND IS AWARDED DAMAGES, THE COURT ALSO MAY AWARD:

(1) COURT COSTS AND FEES, INCLUDING REASONABLE ATTORNEY'S FEES;

(2) EXEMPLARY DAMAGES IN AN AMOUNT NOT TO EXCEED THE GREATER OF:

(I) \$50,000; OR

(II) THREE TIMES THE TOTAL OF DAMAGES, COSTS, AND FEES; AND

(3) ANY EQUITABLE RELIEF THAT THE COURT CONSIDERS APPROPRIATE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 308

(Senate Bill 586)

AN ACT concerning

### State Board of Morticians and Funeral Directors – Funeral Establishments – Unannounced Inspections

FOR the purpose of authorizing certain inspections of licensed funeral establishments to include, under certain circumstances, advance notice that an inspector may be in a certain region for a certain purpose; ~~requiring a certain licensee or an employee of the licensee to give certain access to certain members or employees staff of the State Board of Morticians and Funeral Directors for the purpose of conducting certain inspections of certain funeral establishments, including access to certain areas of the funeral establishments;~~ *authorizing certain staff members of the State Board of Morticians and Funeral Directors to call certain supervising morticians and request certain access to certain areas of a funeral establishment under certain circumstances; requiring certain supervising morticians to immediately provide certain staff members with the location of the key or access code to certain areas of a funeral establishment; providing that certain employees are not required to accompany certain staff while the staff*

*conducts certain inspections; requiring certain inspections to be conducted during certain hours; providing for the application of certain provisions of this Act; requiring the Board to provide the results of certain inspections to certain licensees or supervising morticians within a certain period of time; and generally relating to the inspection of funeral establishments by the State Board of Morticians and Funeral Directors.*

BY repealing and reenacting, with amendments,  
 Article – Health Occupations  
 Section 7–409  
 Annotated Code of Maryland  
 (2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Health Occupations

7–409.

(a) **[All] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ALL** inspections of funeral establishments shall be unannounced and may take place at any time without notice from the Board.

(b) An unannounced inspection may include advance notice that an **[investigator] INSPECTOR** may be in the region of the funeral establishment **FOR THE PURPOSE OF CONDUCTING AN INSPECTION[,]** if:

- (1) The advance notice is no more than 14 days prior to the inspection;
- (2) No specific date or time is provided for the inspection; and
- (3) The advance notice is provided solely to ensure that a licensed mortician or funeral director will be on-site for the inspection.

~~(c) A LICENSEE OR AN EMPLOYEE OF A LICENSEE SHALL GIVE IMMEDIATE ACCESS TO A MEMBER OR AN EMPLOYEE TRAINED STAFF OF THE BOARD WHO ARE QUALIFIED TO DO INSPECTIONS AND WHO ARRIVES ARRIVE AT A LICENSED FUNERAL ESTABLISHMENT FOR THE PURPOSE OF CONDUCTING AN UNANNOUNCED INSPECTION UNDER THIS SECTION OF A LICENSED FUNERAL ESTABLISHMENT, INCLUDING ACCESS TO THE PREPARATION AND BODY STORAGE AREAS OF THE LICENSED FUNERAL ESTABLISHMENT.~~

**(C) (1) THIS SUBSECTION APPLIES TO INSPECTIONS CONDUCTED:**

(I) IN RESPONSE TO VALID INFORMATION PROVIDED TO THE BOARD RESULTING IN A COMPLAINT BEING OPENED BY THE BOARD CONCERNING THE PREPARATION OR BODY STORAGE AREAS OF A LICENSED FUNERAL ESTABLISHMENT ONLY IF THE BOARD HAS PROVIDED A COPY OF THE COMPLAINT TO THE LICENSED FUNERAL ESTABLISHMENT; OR

(II) OF A FUNERAL ESTABLISHMENT THAT THE BOARD HAS PLACED ON PROBATIONARY STATUS IN ACCORDANCE WITH § 7-316(B) OF THIS TITLE.

(2) A TRAINED STAFF MEMBER OF THE BOARD WHO IS QUALIFIED TO DO INSPECTIONS MAY CALL THE SUPERVISING MORTICIAN OF A LICENSED FUNERAL ESTABLISHMENT, AS DESIGNATED UNDER § 7-310(E) OF THIS TITLE, AND REQUEST IMMEDIATE ACCESS TO THE PREPARATION AND BODY STORAGE AREAS OF THE FUNERAL ESTABLISHMENT.

(3) IF A REQUEST IS MADE UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE SUPERVISING MORTICIAN IMMEDIATELY SHALL PROVIDE THE STAFF MEMBER OF THE BOARD WITH THE LOCATION OF THE KEY OR ACCESS CODE TO THE PREPARATION OR BODY STORAGE AREAS OF THE FUNERAL ESTABLISHMENT.

(4) AN EMPLOYEE OF A LICENSED FUNERAL ESTABLISHMENT IS NOT REQUIRED TO ACCOMPANY A STAFF MEMBER OF THE BOARD WHILE THE STAFF MEMBER CONDUCTS AN INSPECTION OF A PREPARATION OR BODY STORAGE AREA IN ACCORDANCE WITH THIS SUBSECTION.

(D) AN UNANNOUNCED INSPECTION OF A LICENSED FUNERAL ESTABLISHMENT SHALL BE CONDUCTED DURING THE HOURS THAT THE BUSINESS OF MORTUARY SCIENCE IS BEING CONDUCTED AT THE LICENSED FUNERAL ESTABLISHMENT.

~~(D)~~ (E) WITHIN 24 HOURS AFTER THE COMPLETION OF AN UNANNOUNCED INSPECTION OF A LICENSED FUNERAL ESTABLISHMENT, THE BOARD SHALL PROVIDE THE RESULTS OF THE INSPECTION TO:

(1) THE HOLDER OF THE FUNERAL ESTABLISHMENT LICENSE; OR

~~(2) A LICENSED MORTICIAN OR LICENSED FUNERAL DIRECTOR WHO DIRECTLY SUPERVISES THE LICENSED FUNERAL ESTABLISHMENT IN ACCORDANCE WITH § 7-308(E)(1) OR § 7-308.1(E)(1) OF THIS TITLE~~ THE SUPERVISING MORTICIAN FOR THE LICENSED FUNERAL ESTABLISHMENT, AS DESIGNATED UNDER § 7-310(E) OF THIS TITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 309

(Senate Bill 587)

AN ACT concerning

### **State Board of Examiners in Optometry – Cease and Desist Orders, Injunctive Relief, and Penalties**

FOR the purpose of authorizing the State Board of Examiners in Optometry to issue a cease and desist order or obtain injunctive relief for a violation of certain provisions of law; providing that certain actions may be brought by certain persons in certain counties; providing that proof of certain damages is not required for certain actions; providing that a person who violates certain provisions of law is subject to a civil fine not exceeding a certain amount to be assessed by the Board in accordance with certain regulations; ~~requiring the Board to pay certain penalties into the State Board of Examiners in Optometry Fund;~~ providing for the application of certain provisions of this Act; and generally relating to the State Board of Examiners in Optometry, cease and desist orders, injunctive relief, and penalties.

BY adding to

Article – Health Occupations  
Section 11–320  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – Health Occupations  
Section 11–501, 11–502, and 11–504  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health Occupations  
Section 11–505  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health Occupations**

**11-320.**

**(A) THIS SECTION DOES NOT APPLY TO ~~AN~~:**

**(1) AN INDIVIDUAL LICENSED UNDER TITLE 14, SUBTITLE 3 OF THIS ARTICLE; OR**

**(2) AN INDIVIDUAL SUPERVISED BY AN INDIVIDUAL LICENSED UNDER TITLE 14, SUBTITLE 3 OF THIS ARTICLE.**

**(B) THE BOARD MAY ISSUE A CEASE AND DESIST ORDER OR OBTAIN INJUNCTIVE RELIEF FOR A VIOLATION OF ANY PROVISION OF § 11-313 OF THIS SUBTITLE OR § 11-501, § 11-502, OR § 11-504 OF THIS TITLE.**

**(C) (1) AN ACTION MAY BE MAINTAINED IN THE NAME OF THE STATE OR THE BOARD TO ENJOIN:**

**(I) THE UNAUTHORIZED PRACTICE OF OPTOMETRY;**

**(II) THE MISREPRESENTATION OF THE PRACTICE OF OPTOMETRY;**

**(III) THE ACT OF KNOWINGLY DISPENSING CONTACT LENSES OR REPLACEMENT CONTACT LENSES WITHOUT A VALID AND UNEXPIRED PRESCRIPTION OR A REPLACEMENT CONTACT LENS PRESCRIPTION; OR**

**(IV) CONDUCT THAT IS GROUNDS FOR DISCIPLINARY ACTION UNDER § 11-313 OF THIS SUBTITLE.**

**(2) AN ACTION UNDER THIS SUBSECTION MAY BE BROUGHT BY:**

**(I) THE BOARD, IN ITS OWN NAME;**

**(II) THE ATTORNEY GENERAL, IN THE NAME OF THE STATE;**

**OR**

**(III) A STATE'S ATTORNEY, IN THE NAME OF THE STATE.**

**(3) AN ACTION UNDER THIS SUBSECTION SHALL BE BROUGHT IN THE COUNTY WHERE THE DEFENDANT:**

**(I) RESIDES; OR**

**(II) ENGAGES IN THE ACT SOUGHT TO BE ENJOINED.**

**(4) PROOF OF ACTUAL DAMAGE OR THAT ANY PERSON WILL SUSTAIN ANY DAMAGE IF AN INJUNCTION IS NOT GRANTED IS NOT REQUIRED FOR AN ACTION UNDER THIS SUBSECTION.**

**(5) AN ACTION UNDER THIS SUBSECTION IS IN ADDITION TO AND NOT INSTEAD OF CRIMINAL PROSECUTION FOR DISCIPLINARY ACTION UNDER § 11-313 OF THIS SUBTITLE OR THE UNAUTHORIZED PRACTICE OF OPTOMETRY UNDER §§ 11-501, 11-502, AND 11-504 OF THIS TITLE.**

11-501.

Except as otherwise provided in this title, a person may not practice, attempt to practice, or offer to practice optometry in this State unless licensed by the Board.

11-502.

Unless licensed to practice optometry under this title, a person may not represent to the public by title, by description of services, methods, or procedures, or otherwise, that the person practices optometry.

11-504.

(a) Knowingly selling or dispensing contact lenses or replacement contact lenses without a valid and unexpired prescription or replacement contact lens prescription shall be considered a violation of this title.

(b) The Board shall investigate any alleged violation of this section or § 11-404.4 of this title and may, notwithstanding § 11-205 of this title:

(1) Issue subpoenas, administer oaths, and examine witnesses; and

(2) Enforce any provision of this title by injunction or other appropriate proceedings.

(c) An action under this section is in addition to and not instead of criminal prosecution under § 11-505 of this subtitle.

11-505.

(A) A person who violates any provision of this title is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$500 or imprisonment not exceeding 6 months or both.

(B) (1) **THIS SUBSECTION DOES NOT APPLY TO ~~AN~~:**

**(I) AN INDIVIDUAL LICENSED UNDER TITLE 14, SUBTITLE 3 OF THIS ARTICLE; OR**

**(II) AN INDIVIDUAL SUPERVISED BY AN INDIVIDUAL LICENSED UNDER TITLE 14, SUBTITLE 3 OF THIS ARTICLE.**

(2) A PERSON WHO VIOLATES § 11-501, § 11-502, OR § 11-504 OF THIS SUBTITLE IS SUBJECT TO A CIVIL FINE NOT EXCEEDING \$50,000 TO BE ASSESSED BY THE BOARD IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD.

~~(3) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS SUBSECTION INTO THE STATE BOARD OF EXAMINERS IN OPTOMETRY FUND.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 310

(Senate Bill 612)

AN ACT concerning

### Calvert County – Salaries of County Officials and County Commissioner Retirement Plan Participation

FOR the purpose of authorizing a County Commissioner of Calvert County to participate in the Calvert County Employees Retirement Savings Plan; altering the salaries of the Sheriff of Calvert County, Orphan's Court Judges for Calvert County, and Calvert County Treasurer; providing for the application of this Act; and generally relating to the salaries of certain Calvert County officials and the participation of the County Commissioners of Calvert County in the Calvert County Employees Retirement Savings Plan.

BY repealing and reenacting, with amendments,

The Public Local Laws of Calvert County  
Section 2–101  
Article 5 – Public Local Laws of Maryland  
(2002 Edition and July 2011 Supplement, as amended)

BY repealing and reenacting, with amendments,  
Article – Courts and Judicial Proceedings  
Section 2–309(f)(1)(i)  
Annotated Code of Maryland  
(2013 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Estates and Trusts  
Section 2–108(f)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Local Government  
Section 16–202(a)  
Annotated Code of Maryland  
(2013 Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 5 – Calvert County**

2–101.

(a) Five County Commissioners comprise the Board of County Commissioners of Calvert County.

(b) (1) The annual salary of the president of the Board is:

(I) \$41,500 for calendar year 2006;

(II) \$42,500 for calendar year 2007;

(III) \$43,500 for calendar year 2008; and

(IV) \$44,500 for calendar year 2009 and each subsequent calendar year.

(2) The annual salary of each of the associate members of the Board is:

(I) \$39,000 for calendar year 2006;

- (II) \$40,000 for calendar year 2007;
- (III) \$41,000 for calendar year 2008; and
- (IV) \$42,000 for calendar year 2009 and each subsequent calendar year.

(c) Each Commissioner may be reimbursed up to an annual total of \$2,000, for any reasonable costs incurred by the Commissioner in carrying out the functions of the office.

**(D) A COMMISSIONER MAY PARTICIPATE IN THE CALVERT COUNTY EMPLOYEES RETIREMENT SAVINGS PLAN.**

**Article – Courts and Judicial Proceedings**

2–309.

- (f) (1) (i) The Sheriff of Calvert County shall receive an annual salary of[:
- 1. \$78,000 for calendar year 2006;
  - 2. \$81,000 for calendar year 2007;
  - 3. \$84,000 for calendar year 2008; and
  - 4. \$87,000 for calendar year 2009 and each subsequent calendar year] **\$90,480**.

**Article – Estates and Trusts**

2–108.

- (f) (1) Each of the judges of the Court for Calvert County shall receive as annual compensation the sum of[:
- (i) \$8,000 for calendar year 2006;
  - (ii) \$8,250 for calendar year 2007;
  - (iii) \$8,500 for calendar year 2008; and
  - (iv) \$8,750 for calendar year 2009 and each subsequent calendar year] **\$8,925**.

- (2) The salary of the Chief Judge is[:
- (i) \$8,200 for calendar year 2006;
  - (ii) \$8,450 for calendar year 2007;
  - (iii) \$8,700 for calendar year 2008; and
  - (iv) \$8,950 for calendar year 2009 and each subsequent calendar year] **\$9,130**.

(3) The County Commissioners may provide additional funds for expenses for the judges.

### **Article – Local Government**

16–202.

- (a) The annual salary of the County Treasurer of Calvert County is [**\$51,000**] **\$52,020**.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the Sheriff of Calvert County, Orphan's Court Judges for Calvert County, or Calvert County Treasurer while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the Sheriff of Calvert County, Orphan's Court Judges for Calvert County, or Calvert County Treasurer shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 311**

**(Senate Bill 613)**

AN ACT concerning

**Frederick County – Hotel Rental Tax – Transient Charge**

FOR the purpose of altering the definition of a “transient charge” as it relates to a hotel charge for sleeping accommodations that is subject to the hotel rental tax in Frederick County; and generally relating to the hotel rental tax in Frederick County.

BY repealing and reenacting, with amendments,  
Article – Local Government  
Section 20–401  
Annotated Code of Maryland  
(2013 Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Local Government**

20–401.

- (a) In this part the following words have the meanings indicated.
- (b) (1) “Hotel” means an establishment that offers sleeping accommodations for compensation.
- (2) “Hotel” includes:
- (i) an apartment;
  - (ii) a cottage;
  - (iii) a hostelry;
  - (iv) an inn;
  - (v) a motel;
  - (vi) a rooming house; or
  - (vii) a tourist home.
- (c) “Hotel rental tax” means the tax on a transient charge.
- (d) (1) (i) Except as provided in subparagraphs (ii) [and], (iii), AND (IV) of this paragraph, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 4 consecutive months.
- (ii) In Carroll County, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 25 days.

**(III) IN FREDERICK COUNTY, “TRANSIENT CHARGE” MEANS A HOTEL CHARGE FOR SLEEPING ACCOMMODATIONS FOR A PERIOD NOT EXCEEDING 90 DAYS.**

~~[(iii)]~~**(IV)** In ~~[Frederick County,]~~ Garrett County~~[,]~~ and Washington County, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 30 days.

(2) “Transient charge” does not include any hotel charge for:

(i) services; or

(ii) accommodations other than sleeping accommodations.

(e) “Western Maryland code county” means a code county in the Western Maryland class as established under § 9–302 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 312**

### **(House Bill 323)**

AN ACT concerning

#### **Frederick County – Hotel Rental Tax – Transient Charge**

FOR the purpose of altering the definition of a “transient charge” as it relates to a hotel charge for sleeping accommodations that is subject to the hotel rental tax in Frederick County; and generally relating to the hotel rental tax in Frederick County.

BY repealing and reenacting, with amendments,

Article – Local Government

Section 20–401

Annotated Code of Maryland

(2013 Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

## Article – Local Government

20–401.

(a) In this part the following words have the meanings indicated.

(b) (1) “Hotel” means an establishment that offers sleeping accommodations for compensation.

(2) “Hotel” includes:

- (i) an apartment;
- (ii) a cottage;
- (iii) a hostelry;
- (iv) an inn;
- (v) a motel;
- (vi) a rooming house; or
- (vii) a tourist home.

(c) “Hotel rental tax” means the tax on a transient charge.

(d) (1) (i) Except as provided in subparagraphs (ii) [and], (iii), AND **(IV)** of this paragraph, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 4 consecutive months.

(ii) In Carroll County, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 25 days.

**(III) IN FREDERICK COUNTY, “TRANSIENT CHARGE” MEANS A HOTEL CHARGE FOR SLEEPING ACCOMMODATIONS FOR A PERIOD NOT EXCEEDING 90 DAYS.**

**[(iii)](IV)** In [Frederick County,] Garrett County[, ] and Washington County, “transient charge” means a hotel charge for sleeping accommodations for a period not exceeding 30 days.

(2) “Transient charge” does not include any hotel charge for:

- (i) services; or

(ii) accommodations other than sleeping accommodations.

(e) "Western Maryland code county" means a code county in the Western Maryland class as established under § 9-302 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 313**

### **(Senate Bill 618)**

AN ACT concerning

#### **Frederick County – Alcoholic Beverages – Country Inn Licenses**

FOR the purpose of authorizing the Board of License Commissioners of Frederick County to issue a Class B–CI (country inn) on–sale beer, wine and liquor license for the use of an establishment that meets certain requirements in a certain election district; and generally relating to alcoholic beverages licenses in Frederick County.

BY repealing and reenacting, without amendments,  
Article 2B – Alcoholic Beverages  
Section 8–211(a)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article 2B – Alcoholic Beverages  
Section 8–211(c)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article 2B – Alcoholic Beverages**

8–211.

(a) The provisions of this section apply only in Frederick County.

(c) (1) **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION**, Class A, B, and C licenses for the sale of beer only, as authorized by this article, shall be issued for places of business located in any of the following election districts:

[(1)] (I) Jefferson (14th);

[(2)] (II) Johnsville (17th); and

[(3)] (III) Burkittsville (22nd).

(2) **THE BOARD OF LICENSE COMMISSIONERS MAY ISSUE A CLASS B–CI (COUNTRY INN) ON–SALE BEER, WINE AND LIQUOR LICENSE FOR THE USE OF AN ESTABLISHMENT THAT MEETS THE REQUIREMENTS OF § 6–201(L)(7)(I) OF THIS ARTICLE IN THE BURKITTVILLE (22ND) ELECTION DISTRICT.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 314

(Senate Bill 620)

AN ACT concerning

### **Mental Health – Approval by Clinical Review Panel of Administration of Medication – Standard**

FOR the purpose of altering the standard for approval by certain clinical review panels of the administration of certain medication to certain individuals with mental disorders admitted to certain facilities; and generally relating to clinical review panels and the administration of medication to individuals with mental disorders.

BY repealing and reenacting, without amendments,  
Article – Health – General  
Section 10–708(a) and (b)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health – General  
Section 10–708(g)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

10–708.

(a) (1) In this section the following words have the meanings indicated.

(2) “Panel” means a clinical review panel that determines, under the provisions of this section, whether to approve that medication be administered to an individual who objects to the medication.

(3) “Medication” means psychiatric medication prescribed for the treatment of a mental disorder.

(4) “Lay advisor” means an individual at a facility, who is knowledgeable about mental health practice and who assists individuals with rights complaints.

(b) Medication may not be administered to an individual who refuses the medication, except:

(1) In an emergency, on the order of a physician where the individual presents a danger to the life or safety of the individual or others; or

(2) In a nonemergency, when the individual is hospitalized involuntarily or committed for treatment by order of a court and the medication is approved by a panel under the provisions of this section.

(g) The panel may approve the administration of medication or medications and may recommend and approve alternative medications if the panel determines that:

(1) The medication is prescribed by a psychiatrist for the purpose of treating the individual’s mental disorder;

(2) The administration of medication represents a reasonable exercise of professional judgment; and

(3) Without the medication, the individual is at substantial risk of continued hospitalization because of:

(i) Remaining seriously mentally ill with no significant relief of the mental illness symptoms ~~that [cause] RESULTED IN the individual [to be a danger to the individual or to others]~~ **BEING HOSPITALIZED THAT:**

**1. CAUSE THE INDIVIDUAL TO BE A DANGER TO THE INDIVIDUAL OR OTHERS WHILE IN THE HOSPITAL;**

**2. RESULTED IN THE INDIVIDUAL BEING COMMITTED TO A HOSPITAL UNDER THIS TITLE OR TITLE 3 OF THE CRIMINAL PROCEDURE ARTICLE; OR**

**3. WOULD CAUSE THE INDIVIDUAL TO BE A DANGER TO THE INDIVIDUAL OR OTHERS IF RELEASED FROM THE HOSPITAL;**

(ii) Remaining seriously mentally ill for a significantly longer period of time with **THE** mental illness symptoms ~~that [cause] RESULTED IN the individual [to be a danger to the individual or to others]~~ **BEING HOSPITALIZED THAT:**

**1. CAUSE THE INDIVIDUAL TO BE A DANGER TO THE INDIVIDUAL OR TO OTHERS WHILE IN THE HOSPITAL;**

**2. RESULTED IN THE INDIVIDUAL BEING COMMITTED TO A HOSPITAL UNDER THIS TITLE OR TITLE 3 OF THE CRIMINAL PROCEDURE ARTICLE; OR**

**3. WOULD CAUSE THE INDIVIDUAL TO BE A DANGER TO THE INDIVIDUAL OR OTHERS IF RELEASED FROM THE HOSPITAL;** or

(iii) Relapsing into a condition in which the individual is [in danger of serious physical harm resulting from the individual's inability] **UNABLE** to provide for the individual's essential human needs of health or safety.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 315**

**(House Bill 592)**

AN ACT concerning

**Mental Health – Approval by Clinical Review Panel of Administration of Medication – Standard**

FOR the purpose of altering the standard for approval by certain clinical review panels of the administration of certain medication to certain individuals with mental disorders admitted to certain facilities; and generally relating to clinical review panels and the administration of medication to individuals with mental disorders.

BY repealing and reenacting, without amendments,  
Article – Health – General  
Section 10–708(a) and (b)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Health – General  
Section 10–708(g)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

10–708.

(a) (1) In this section the following words have the meanings indicated.

(2) “Panel” means a clinical review panel that determines, under the provisions of this section, whether to approve that medication be administered to an individual who objects to the medication.

(3) “Medication” means psychiatric medication prescribed for the treatment of a mental disorder.

(4) “Lay advisor” means an individual at a facility, who is knowledgeable about mental health practice and who assists individuals with rights complaints.

(b) Medication may not be administered to an individual who refuses the medication, except:

(1) In an emergency, on the order of a physician where the individual presents a danger to the life or safety of the individual or others; or

(2) In a nonemergency, when the individual is hospitalized involuntarily or committed for treatment by order of a court and the medication is approved by a panel under the provisions of this section.

(g) The panel may approve the administration of medication or medications and may recommend and approve alternative medications if the panel determines that:

(1) The medication is prescribed by a psychiatrist for the purpose of treating the individual's mental disorder;

(2) The administration of medication represents a reasonable exercise of professional judgment; and

(3) Without the medication, the individual is at substantial risk of continued hospitalization because of:

(i) Remaining seriously mentally ill with no significant relief of the mental illness symptoms ~~that [cause] RESULTED IN the individual [to be a danger to the individual or to others]~~ **BEING HOSPITALIZED THAT:**

**1. CAUSE THE INDIVIDUAL TO BE A DANGER TO THE INDIVIDUAL OR OTHERS WHILE IN THE HOSPITAL;**

**2. RESULTED IN THE INDIVIDUAL BEING COMMITTED TO A HOSPITAL UNDER THIS TITLE OR TITLE 3 OF THE CRIMINAL PROCEDURE ARTICLE; OR**

**3. WOULD CAUSE THE INDIVIDUAL TO BE A DANGER TO THE INDIVIDUAL OR OTHERS IF RELEASED FROM THE HOSPITAL;**

(ii) Remaining seriously mentally ill for a significantly longer period of time with THE mental illness symptoms ~~that [cause] RESULTED IN the individual [to be a danger to the individual or to others]~~ **BEING HOSPITALIZED THAT:**

**1. CAUSE THE INDIVIDUAL TO BE A DANGER TO THE INDIVIDUAL OR TO OTHERS WHILE IN THE HOSPITAL;**

**2. RESULTED IN THE INDIVIDUAL BEING COMMITTED TO A HOSPITAL UNDER THIS TITLE OR TITLE 3 OF THE CRIMINAL PROCEDURE ARTICLE; OR**

**3. WOULD CAUSE THE INDIVIDUAL TO BE A DANGER TO THE INDIVIDUAL OR OTHERS IF RELEASED FROM THE HOSPITAL; or**

(iii) Relapsing into a condition in which the individual is [in danger of serious physical harm resulting from the individual's inability] **UNABLE** to provide for the individual's essential human needs of health or safety.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 316**

**(Senate Bill 622)**

AN ACT concerning

**Health Insurance – Step Therapy or Fail-First Protocol**

FOR the purpose of requiring the Maryland Health Care Commission to work with certain payors and providers to attain benchmarks for overriding a payor's step therapy or fail-first protocol; requiring the benchmarks to include, on or before a certain date, establishment, by each payor that requires a step therapy or fail-first protocol, of a process for a provider to override the step therapy or fail-first protocol of the payor; ~~limiting the duration of a step therapy or fail-first protocol imposed by a certain insurer, nonprofit health service plan, or health maintenance organization;~~ prohibiting ~~the~~ a certain insurer, nonprofit health service plan, or health maintenance organization from imposing a step therapy or fail-first protocol on an insured or enrollee under certain circumstances; prohibiting certain provisions of this Act from being construed to require certain coverage; repealing certain obsolete provisions of law; defining certain terms; making certain provisions of this Act applicable to health maintenance organizations; and generally relating to step therapy or fail-first protocols in health insurance policies and contracts.

BY repealing and reenacting, with amendments,  
 Article – Health – General  
 Section 19-108.2  
 Annotated Code of Maryland  
 (2009 Replacement Volume and 2013 Supplement)

BY adding to  
 Article – Health – General

Section 19–706(oooo)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Insurance  
Section 15–141  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

19–108.2.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Health care service” has the meaning stated in § 15–10A–01 of the Insurance Article.
- (3) “Payor” means:
- (i) An insurer or nonprofit health service plan that provides hospital, medical, or surgical benefits to individuals or groups on an expense–incurred basis under health insurance policies or contracts that are issued or delivered in the State;
- (ii) A health maintenance organization that provides hospital, medical, or surgical benefits to individuals or groups under contracts that are issued or delivered in the State; or
- (iii) A pharmacy benefits manager that is registered with the Maryland Insurance Commissioner.
- (4) “Provider” has the meaning stated in § 19–7A–01 of this title.
- (5) “STEP THERAPY OR FAIL–FIRST PROTOCOL” HAS THE MEANING STATED IN § 15–141 OF THE INSURANCE ARTICLE.**

(b) In addition to the duties stated elsewhere in this subtitle, the Commission shall work with payors and providers to attain benchmarks for:

**(1) [standardizing] STANDARDIZING and automating the process required by payors for preauthorizing health care services; AND**

**(2) OVERRIDING A PAYOR'S STEP THERAPY OR FAIL-FIRST PROTOCOL.**

(c) The benchmarks described in subsection (b) of this section shall include:

(1) On or before October 1, 2012 ("Phase 1"), establishment of online access for providers to each payor's:

(i) List of health care services that require preauthorization; and

(ii) Key criteria for making a determination on a preauthorization request;

(2) On or before March 1, 2013 ("Phase 2"), establishment by each payor of an online process for:

(i) Accepting electronically a preauthorization request from a provider; and

(ii) Assigning to a preauthorization request a unique electronic identification number that a provider may use to track the request during the preauthorization process, whether or not the request is tracked electronically, through a call center, or by fax;

(3) On or before July 1, 2013 ("Phase 3"), establishment by each payor of an online preauthorization system to approve:

(i) In real time, electronic preauthorization requests for pharmaceutical services:

1. For which no additional information is needed by the payor to process the preauthorization request; and

2. That meet the payor's criteria for approval;

(ii) Within 1 business day after receiving all pertinent information on requests not approved in real time, electronic preauthorization requests for pharmaceutical services that:

1. Are not urgent; and

2. Do not meet the standards for real-time approval under item (i) of this item; and

(iii) Within 2 business days after receiving all pertinent information, electronic preauthorization requests for health care services, except pharmaceutical services, that are not urgent; [and]

**(4) ON OR BEFORE ~~JANUARY~~ JULY 1, 2015, ESTABLISHMENT, BY EACH PAYOR THAT REQUIRES A STEP THERAPY OR FAIL–FIRST PROTOCOL, OF A PROCESS FOR A PROVIDER TO OVERRIDE THE STEP THERAPY OR FAIL–FIRST PROTOCOL OF THE PAYOR; AND**

**[(4)] (5)** On or before July 1, 2015, utilization by providers of:

(i) The online preauthorization system established by payors;  
or

(ii) If a national transaction standard has been established and adopted by the health care industry, as determined by the Commission, the provider's practice management, electronic health record, or e-prescribing system.

(d) The benchmarks described in subsections (b) and (c) of this section do not apply to preauthorizations of health care services requested by providers employed by a group model health maintenance organization as defined in § 19–713.6 of this title.

(e) The online preauthorization system described in subsection (c)(3) of this section shall:

(1) Provide real–time notice to providers about preauthorization requests approved in real time; and

(2) Provide notice to providers, within the time frames specified in subsection (c)(3)(ii) and (iii) of this section and in a manner that is able to be tracked by providers, about preauthorization requests not approved in real time.

(f) (1) The Commission shall establish by regulation a process through which a payor or provider may be waived from attaining the benchmarks described in subsections (b) and (c) of this section for extenuating circumstances.

(2) For a provider, the extenuating circumstances may include:

(i) The lack of broadband Internet access;

(ii) Low patient volume; or

(iii) Not making medical referrals or prescribing pharmaceuticals.

(3) For a payor, the extenuating circumstances may include:

(i) Low premium volume; or

(ii) For a group model health maintenance organization, as defined in § 19–713.6 of this title, preauthorizations of health care services requested by providers not employed by the group model health maintenance organization.

(g) (1) On or before October 1, 2012, the Commission shall reconvene the multistakeholder workgroup whose collaboration resulted in the 2011 report “Recommendations for Implementing Electronic Prior Authorizations”.

(2) The workgroup shall:

(i) Review the progress to date in attaining the benchmarks described in subsections (b) and (c) of this section; and

(ii) Make recommendations to the Commission for adjustments to the benchmark dates.

(h) [(1) Payors shall report to the Commission:

(i) On or before March 1, 2013, on:

1. The status of their attainment of the Phase 1 and Phase 2 benchmarks; and

2. An outline of their plans for attaining the Phase 3 benchmarks; and

(ii) On or before December 1, 2013, on their attainment of the Phase 3 benchmarks.

(2) The Commission shall specify the criteria payors must use in reporting on their attainment and plans.

(i) (1) On or before March 31, 2013, the Commission shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly, on:

(i) The progress in attaining the benchmarks for standardizing and automating the process required by payors for preauthorizing health care services; and

(ii) Taking into account the recommendations of the multistakeholder workgroup under subsection (g) of this section, any adjustment needed to the Phase 2 or Phase 3 benchmark dates.

(2)] On or before December 31, 2013, and on or before December 31 in each succeeding year through 2016, the Commission shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly on the attainment of the benchmarks for standardizing and automating the process required by payors for preauthorizing health care services.

**[(j)] (I)** If necessary to attain the benchmarks, the Commission may adopt regulations to:

- (1) Adjust the Phase 2 or Phase 3 benchmark dates;
- (2) Require payors and providers to comply with the benchmarks; and
- (3) Establish penalties for noncompliance.

19–706.

**(0000) THE PROVISIONS OF § 15–141 OF THE INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

#### **Article – Insurance**

15–141.

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) “STEP THERAPY OR FAIL–FIRST PROTOCOL” MEANS A PROTOCOL ESTABLISHED BY AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION THAT REQUIRES A PRESCRIPTION DRUG OR SEQUENCE OF PRESCRIPTION DRUGS TO BE USED BY AN INSURED OR AN ENROLLEE BEFORE A PRESCRIPTION DRUG ORDERED BY A PRESCRIBER FOR THE INSURED OR THE ENROLLEE IS COVERED.**

**(3) “STEP THERAPY DRUG” MEANS A PRESCRIPTION DRUG OR SEQUENCE OF PRESCRIPTION DRUGS REQUIRED TO BE USED UNDER A STEP THERAPY OR FAIL–FIRST PROTOCOL.**

**(4) “SUPPORTING MEDICAL INFORMATION” MEANS:**

**(I) A PAID CLAIM FROM AN ENTITY SUBJECT TO THIS SECTION FOR AN INSURED OR AN ENROLLEE;**

(II) A PHARMACY RECORD THAT DOCUMENTS THAT A PRESCRIPTION HAS BEEN FILLED AND DELIVERED TO AN INSURED OR AN ENROLLEE, OR A REPRESENTATIVE OF AN INSURED OR AN ENROLLEE; OR

(III) OTHER INFORMATION MUTUALLY AGREED ON BY AN ENTITY SUBJECT TO THIS SECTION AND THE PRESCRIBER OF AN INSURED OR AN ENROLLEE.

(B) (1) THIS SECTION APPLIES TO:

(I) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS ON AN EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

(II) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.

(2) AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION THAT PROVIDES COVERAGE FOR PRESCRIPTION DRUGS THROUGH A PHARMACY BENEFITS MANAGER IS SUBJECT TO THE REQUIREMENTS OF THIS SECTION.

~~(C) IF AN ENTITY SUBJECT TO THIS SECTION IMPOSES A STEP THERAPY OR FAIL-FIRST PROTOCOL ON AN INSURED OR ENROLLEE, THE DURATION OF THE STEP THERAPY OR FAIL-FIRST PROTOCOL MAY NOT EXCEED:~~

~~(1) ANY PERIOD AGREED TO BY THE INSURED'S OR ENROLLEE'S PRESCRIBER AND THE ENTITY TO DETERMINE THE CLINICAL EFFECTIVENESS OF THE STEP THERAPY DRUG; OR~~

~~(2) 30 DAYS.~~

~~(D)~~ (C) AN ENTITY SUBJECT TO THIS SECTION MAY NOT IMPOSE A STEP THERAPY OR FAIL-FIRST PROTOCOL ON AN INSURED OR ENROLLEE IF:

(1) THE STEP THERAPY DRUG HAS NOT BEEN APPROVED BY THE U.S. FOOD AND DRUG ADMINISTRATION FOR THE MEDICAL CONDITION BEING TREATED; OR

(2) A PRESCRIBER ~~DOCUMENTS AND NOTIFIES~~ PROVIDES SUPPORTING MEDICAL INFORMATION TO THE ENTITY THAT A PRESCRIPTION DRUG COVERED BY THE ENTITY:

(I) WAS ORDERED BY ~~THE~~ A PRESCRIBER FOR THE INSURED OR ENROLLEE WITHIN THE PAST ~~365~~ 180 DAYS; AND

(II) BASED ON THE PROFESSIONAL JUDGMENT OF THE PRESCRIBER, WAS EFFECTIVE IN TREATING THE INSURED'S OR ENROLLEE'S DISEASE OR MEDICAL CONDITION.

~~(E)~~ (D) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE COVERAGE FOR A PRESCRIPTION DRUG THAT IS NOT:

(1) COVERED BY THE POLICY OR CONTRACT OF AN ENTITY SUBJECT TO THIS SECTION; OR

(2) OTHERWISE REQUIRED BY LAW TO BE COVERED.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 317

(House Bill 1233)

AN ACT concerning

### Health Insurance – Step Therapy or Fail-First Protocol

FOR the purpose of requiring the Maryland Health Care Commission to work with certain payors and providers to attain benchmarks for overriding a payor's step therapy or fail-first protocol; requiring the benchmarks to include, on or before a certain date, establishment, by each payor that requires a step therapy or fail-first protocol, of a process for a provider to override the step therapy or fail-first protocol of the payor; ~~limiting the duration of a step therapy or fail-first protocol imposed by a certain insurer, nonprofit health service plan, or health maintenance organization;~~ prohibiting ~~the~~ a certain insurer, nonprofit health service plan, or health maintenance organization from imposing a step therapy or fail-first protocol on an insured or enrollee under certain circumstances; prohibiting certain provisions of this Act from being construed to require certain coverage; repealing certain obsolete provisions of law; defining certain terms; making certain provisions of this Act applicable to health maintenance organizations; and generally relating to step therapy or fail-first protocols in health insurance policies and contracts.

BY repealing and reenacting, with amendments,  
Article – Health – General  
Section 19–108.2  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Health – General  
Section 19–706(oooo)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Insurance  
Section 15–141  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

19–108.2.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Health care service” has the meaning stated in § 15–10A–01 of the Insurance Article.
- (3) “Payor” means:
- (i) An insurer or nonprofit health service plan that provides hospital, medical, or surgical benefits to individuals or groups on an expense–incurred basis under health insurance policies or contracts that are issued or delivered in the State;
- (ii) A health maintenance organization that provides hospital, medical, or surgical benefits to individuals or groups under contracts that are issued or delivered in the State; or
- (iii) A pharmacy benefits manager that is registered with the Maryland Insurance Commissioner.
- (4) “Provider” has the meaning stated in § 19–7A–01 of this title.

**(5) “STEP THERAPY OR FAIL–FIRST PROTOCOL” HAS THE MEANING STATED IN § 15–141 OF THE INSURANCE ARTICLE.**

(b) In addition to the duties stated elsewhere in this subtitle, the Commission shall work with payors and providers to attain benchmarks for:

**(1) [standardizing] STANDARDIZING** and automating the process required by payors for preauthorizing health care services; **AND**

**(2) OVERRIDING A PAYOR’S STEP THERAPY OR FAIL–FIRST PROTOCOL.**

(c) The benchmarks described in subsection (b) of this section shall include:

(1) On or before October 1, 2012 (“Phase 1”), establishment of online access for providers to each payor’s:

(i) List of health care services that require preauthorization; and

(ii) Key criteria for making a determination on a preauthorization request;

(2) On or before March 1, 2013 (“Phase 2”), establishment by each payor of an online process for:

(i) Accepting electronically a preauthorization request from a provider; and

(ii) Assigning to a preauthorization request a unique electronic identification number that a provider may use to track the request during the preauthorization process, whether or not the request is tracked electronically, through a call center, or by fax;

(3) On or before July 1, 2013 (“Phase 3”), establishment by each payor of an online preauthorization system to approve:

(i) In real time, electronic preauthorization requests for pharmaceutical services:

1. For which no additional information is needed by the payor to process the preauthorization request; and

2. That meet the payor’s criteria for approval;

(ii) Within 1 business day after receiving all pertinent information on requests not approved in real time, electronic preauthorization requests for pharmaceutical services that:

1. Are not urgent; and
2. Do not meet the standards for real-time approval under item (i) of this item; and

(iii) Within 2 business days after receiving all pertinent information, electronic preauthorization requests for health care services, except pharmaceutical services, that are not urgent; [and]

**(4) ON OR BEFORE ~~JANUARY~~ JULY 1, 2015, ESTABLISHMENT, BY EACH PAYOR THAT REQUIRES A STEP THERAPY OR FAIL-FIRST PROTOCOL, OF A PROCESS FOR A PROVIDER TO OVERRIDE THE STEP THERAPY OR FAIL-FIRST PROTOCOL OF THE PAYOR; AND**

**[(4)] (5)** On or before July 1, 2015, utilization by providers of:

(i) The online preauthorization system established by payors;  
or

(ii) If a national transaction standard has been established and adopted by the health care industry, as determined by the Commission, the provider's practice management, electronic health record, or e-prescribing system.

(d) The benchmarks described in subsections (b) and (c) of this section do not apply to preauthorizations of health care services requested by providers employed by a group model health maintenance organization as defined in § 19-713.6 of this title.

(e) The online preauthorization system described in subsection (c)(3) of this section shall:

(1) Provide real-time notice to providers about preauthorization requests approved in real time; and

(2) Provide notice to providers, within the time frames specified in subsection (c)(3)(ii) and (iii) of this section and in a manner that is able to be tracked by providers, about preauthorization requests not approved in real time.

(f) (1) The Commission shall establish by regulation a process through which a payor or provider may be waived from attaining the benchmarks described in subsections (b) and (c) of this section for extenuating circumstances.

(2) For a provider, the extenuating circumstances may include:

- (i) The lack of broadband Internet access;
  - (ii) Low patient volume; or
  - (iii) Not making medical referrals or prescribing pharmaceuticals.
- (3) For a payor, the extenuating circumstances may include:
- (i) Low premium volume; or
  - (ii) For a group model health maintenance organization, as defined in § 19–713.6 of this title, preauthorizations of health care services requested by providers not employed by the group model health maintenance organization.
- (g) (1) On or before October 1, 2012, the Commission shall reconvene the multistakeholder workgroup whose collaboration resulted in the 2011 report “Recommendations for Implementing Electronic Prior Authorizations”.
- (2) The workgroup shall:
- (i) Review the progress to date in attaining the benchmarks described in subsections (b) and (c) of this section; and
  - (ii) Make recommendations to the Commission for adjustments to the benchmark dates.
- (h) [(1) Payors shall report to the Commission:
- (i) On or before March 1, 2013, on:
    - 1. The status of their attainment of the Phase 1 and Phase 2 benchmarks; and
    - 2. An outline of their plans for attaining the Phase 3 benchmarks; and
  - (ii) On or before December 1, 2013, on their attainment of the Phase 3 benchmarks.
- (2) The Commission shall specify the criteria payors must use in reporting on their attainment and plans.
- (i) (1) On or before March 31, 2013, the Commission shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly, on:

(i) The progress in attaining the benchmarks for standardizing and automating the process required by payors for preauthorizing health care services; and

(ii) Taking into account the recommendations of the multistakeholder workgroup under subsection (g) of this section, any adjustment needed to the Phase 2 or Phase 3 benchmark dates.

(2) On or before December 31, 2013, and on or before December 31 in each succeeding year through 2016, the Commission shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the attainment of the benchmarks for standardizing and automating the process required by payors for preauthorizing health care services.

**[(j)] (I)** If necessary to attain the benchmarks, the Commission may adopt regulations to:

- (1) Adjust the Phase 2 or Phase 3 benchmark dates;
- (2) Require payors and providers to comply with the benchmarks; and
- (3) Establish penalties for noncompliance.

19-706.

**(0000) THE PROVISIONS OF § 15-141 OF THE INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

#### **Article – Insurance**

**15-141.**

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) “STEP THERAPY OR FAIL-FIRST PROTOCOL” MEANS A PROTOCOL ESTABLISHED BY AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION THAT REQUIRES A PRESCRIPTION DRUG OR SEQUENCE OF PRESCRIPTION DRUGS TO BE USED BY AN INSURED OR AN ENROLLEE BEFORE A PRESCRIPTION DRUG ORDERED BY A PRESCRIBER FOR THE INSURED OR THE ENROLLEE IS COVERED.**

**(3) “STEP THERAPY DRUG” MEANS A PRESCRIPTION DRUG OR SEQUENCE OF PRESCRIPTION DRUGS REQUIRED TO BE USED UNDER A STEP THERAPY OR FAIL-FIRST PROTOCOL.**

**(4) “SUPPORTING MEDICAL INFORMATION” MEANS:**

**(I) A PAID CLAIM FROM AN ENTITY SUBJECT TO THIS SECTION FOR AN INSURED OR AN ENROLLEE;**

**(II) A PHARMACY RECORD THAT DOCUMENTS THAT A PRESCRIPTION HAS BEEN FILLED AND DELIVERED TO AN INSURED OR AN ENROLLEE, OR A REPRESENTATIVE OF AN INSURED OR AN ENROLLEE; OR**

**(III) OTHER INFORMATION MUTUALLY AGREED ON BY AN ENTITY SUBJECT TO THIS SECTION AND THE PRESCRIBER OF AN INSURED OR AN ENROLLEE.**

**(B) (1) THIS SECTION APPLIES TO:**

**(I) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS ON AN EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND**

**(II) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.**

**(2) AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION THAT PROVIDES COVERAGE FOR PRESCRIPTION DRUGS THROUGH A PHARMACY BENEFITS MANAGER IS SUBJECT TO THE REQUIREMENTS OF THIS SECTION.**

~~**(C) IF AN ENTITY SUBJECT TO THIS SECTION IMPOSES A STEP THERAPY OR FAIL-FIRST PROTOCOL ON AN INSURED OR ENROLLEE, THE DURATION OF THE STEP THERAPY OR FAIL-FIRST PROTOCOL MAY NOT EXCEED:**~~

~~**(1) ANY PERIOD AGREED TO BY THE INSURED'S OR ENROLLEE'S PRESCRIBER AND THE ENTITY TO DETERMINE THE CLINICAL EFFECTIVENESS OF THE STEP THERAPY DRUG; OR**~~

~~**(2) 30 DAYS.**~~

~~**(D)**~~ **(C) AN ENTITY SUBJECT TO THIS SECTION MAY NOT IMPOSE A STEP THERAPY OR FAIL-FIRST PROTOCOL ON AN INSURED OR ENROLLEE IF:**

(1) THE STEP THERAPY DRUG HAS NOT BEEN APPROVED BY THE U.S. FOOD AND DRUG ADMINISTRATION FOR THE MEDICAL CONDITION BEING TREATED; OR

(2) A PRESCRIBER ~~DOCUMENTS AND NOTIFIES~~ PROVIDES SUPPORTING MEDICAL INFORMATION TO THE ENTITY THAT A PRESCRIPTION DRUG COVERED BY THE ENTITY:

(I) WAS ORDERED BY ~~THE~~ A PRESCRIBER FOR THE INSURED OR ENROLLEE WITHIN THE PAST ~~365~~ 180 DAYS; AND

(II) BASED ON THE PROFESSIONAL JUDGMENT OF THE PRESCRIBER, WAS EFFECTIVE IN TREATING THE INSURED'S OR ENROLLEE'S DISEASE OR MEDICAL CONDITION.

~~(E)~~ (D) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE COVERAGE FOR A PRESCRIPTION DRUG THAT IS NOT:

(1) COVERED BY THE POLICY OR CONTRACT OF AN ENTITY SUBJECT TO THIS SECTION; OR

(2) OTHERWISE REQUIRED BY LAW TO BE COVERED.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 318

(Senate Bill 624)

AN ACT concerning

### Insurance – Title Insurers – Title Insurance Commitment and Binders

FOR the purpose of altering the information that a title insurer is required to include in a certain notice; requiring a title insurer to disclose certain information relating to the effect of certain documents in a certain manner; providing that a certain title insurance commitment or sample form constitutes a certain written statement, is not a representation as to the state of title, and does not constitute a certain abstract ~~or report of title~~; providing that certain rights, duties, and responsibilities applicable to the preparation or issuance of certain documents do not apply to the issuance of certain other documents; requiring a certain title

insurance commitment or sample form to contain a certain statement; defining certain terms; making certain conforming changes; providing for the application of this Act; and generally relating to title insurance and title insurance commitments.

BY renumbering

Article – Insurance

Section 22–101, 22–102, and 22–103, respectively  
to be Section 22–102, 22–103, and 22–105, respectively

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article – Insurance

Section 22–101 and 22–104

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 22–103

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

(As enacted by Section 1 of this Act)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 22–101, 22–102, and 22–103, respectively, of Article – Insurance of the Annotated Code of Maryland be renumbered to be Section(s) 22–102, 22–103, and 22–105, respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

#### **Article – Insurance**

#### **22–101.**

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) (1) “ABSTRACT OF TITLE” MEANS A REPRESENTATION OF THE STATE OF TITLE TO PROPERTY BASED ON A REVIEW OF THE RECORDS THAT IMPART CONSTRUCTIVE NOTICE RELATING TO TITLE TO PROPERTY IN THE STATE.**

(2) "ABSTRACT OF TITLE" INCLUDES A REPORT OF TITLE AND ANY OTHER WRITTEN OR ELECTRONICALLY CREATED OR PRESERVED REPRESENTATION OF THE STATE OF TITLE TO PROPERTY.

(C) (1) "TITLE INSURANCE COMMITMENT" MEANS A WRITTEN STATEMENT OF THE TERMS AND CONDITIONS ON WHICH A TITLE INSURER IS WILLING TO ISSUE A POLICY OF TITLE INSURANCE IF THE TITLE INSURER ACCEPTS A PREMIUM FOR THE POLICY.

(2) "TITLE INSURANCE COMMITMENT" INCLUDES A BINDER.

22-103.

(a) Except as provided in subsection (d) of this section, when, in connection with a real estate transaction that involves a purchase money mortgage or deed of trust on land in the State, a title insurer accepts a premium for a policy that insures the title to the property or the title insurer, its agent, or employee accepts a premium for mortgagee title insurance, the person first accepting the premium:

(1) shall insert the name of each insured in the [binder] **TITLE INSURANCE COMMITMENT** for the title insurance [or the title report]; and

(2) immediately on receipt of the premium, shall deliver to the buyer or agent or attorney of the buyer written notice:

(i) of the name of each insured under the policy;

(ii) of the face amount of the policy;

(iii) of the buyer's right and opportunity to obtain simultaneous title insurance in the buyer's favor;

(iv) of the additional premium that will be required for purchase of simultaneous title insurance in the buyer's favor;

(v) that the buyer's title insurance will be subject only to the contingencies and conditions contained in the [binder, title report,] **TITLE INSURANCE COMMITMENT** and policy;

(vi) of the buyer's right to review **THE TITLE INSURANCE COMMITMENT OR** a sample of the form of policy in which the contingencies and conditions will be inserted; [and]

(vii) that contains a clear statement of the contingencies that must be satisfied to make the buyer's policy effective, if the buyer's policy is not effective on payment of the premium; **AND**

**(VIII) THAT THE TITLE INSURANCE COMMITMENT OR SAMPLE OF THE FORM OF POLICY INTO WHICH THE CONTINGENCIES AND CONDITIONS FOR INSURING WILL BE INSERTED:**

**1. DOES CONSTITUTE A STATEMENT OF THE TERMS AND CONDITIONS ON WHICH THE TITLE INSURER IS WILLING TO ISSUE ITS POLICY OF TITLE INSURANCE IF THE TITLE INSURER ACCEPTS A PREMIUM FOR THE POLICY;**

**2. IS NOT A REPRESENTATION AS TO THE STATE OF TITLE; AND**

**3. DOES NOT CONSTITUTE AN ABSTRACT OF TITLE ~~OR A REPORT OF TITLE.~~**

(b) Before disbursing any funds, the person required to give notice under subsection (a) of this section shall obtain from the buyer, at the time the person delivers the notice, a statement in writing that the buyer has received the notice described in subsection (a) of this section and that the buyer wants or does not want owner's title insurance.

(c) (1) The person required to give notice under subsection (a) of this section shall retain the original signed statement of receipt required by subsection (b) of this section and a copy of the notice required by subsection (a) of this section for 3 years.

(2) The statement of receipt and notice shall be available for inspection by the Commissioner on request.

(d) This section does not apply to a real estate transaction involving a mortgage or deed of trust securing an extension of credit made:

(1) solely to acquire an interest in or to carry on a business or commercial enterprise; or

(2) to any business or commercial organization.

**22-104.**

**(A) A TITLE INSURANCE COMMITMENT OR SAMPLE OF THE FORM OF POLICY INTO WHICH THE CONTINGENCIES AND CONDITIONS FOR INSURING WILL BE INSERTED:**

(1) CONSTITUTES A STATEMENT OF THE TERMS AND CONDITIONS ON WHICH A TITLE INSURER IS WILLING TO ISSUE A POLICY OF TITLE INSURANCE IF THE TITLE INSURER ACCEPTS THE PREMIUM FOR THE POLICY;

(2) IS NOT A REPRESENTATION AS TO THE STATE OF TITLE; AND

(3) DOES NOT CONSTITUTE AN ABSTRACT OF TITLE ~~OR A REPORT OF TITLE.~~

(B) THE RIGHTS, DUTIES, AND RESPONSIBILITIES APPLICABLE TO THE PREPARATION OR ISSUANCE OF AN ABSTRACT OF TITLE ~~OR A REPORT OF TITLE~~ DO NOT APPLY TO THE ISSUANCE OF A TITLE INSURANCE COMMITMENT OR SAMPLE OF THE FORM OF POLICY INTO WHICH THE CONTINGENCIES AND CONDITIONS FOR INSURING WILL BE INSERTED.

(C) A TITLE INSURANCE COMMITMENT OR SAMPLE OF THE FORM OF POLICY INTO WHICH THE CONTINGENCIES AND CONDITIONS FOR INSURING WILL BE INSERTED SHALL CONTAIN THE FOLLOWING STATEMENT:

“THIS DOCUMENT CONSTITUTES A STATEMENT OF THE TERMS AND CONDITIONS ON WHICH A TITLE INSURER IS WILLING TO ISSUE A POLICY OF TITLE INSURANCE IF THE TITLE INSURER ACCEPTS THE PREMIUM FOR THE POLICY. IT IS NOT A REPRESENTATION AS TO THE STATE OF TITLE AND DOES NOT CONSTITUTE AN ABSTRACT OF TITLE.”

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any abstract of title or title insurance commitment completed before the effective date of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 319

(House Bill 679)

AN ACT concerning

**Insurance – Title Insurers – Title Insurance Commitment and Binders**

FOR the purpose of altering the information that a title insurer is required to include in a certain notice; requiring a title insurer to disclose certain information relating to the effect of certain documents in a certain manner; providing that a certain title insurance commitment or sample form constitutes a certain written statement, is not a representation as to the state of title, and does not constitute a certain abstract ~~or report of title~~; providing that certain rights, duties, and responsibilities applicable to the preparation or issuance of certain documents do not apply to the issuance of certain other documents; requiring a certain title insurance commitment or sample form to contain a certain statement; defining certain terms; making certain conforming changes; providing for the application of this Act; and generally relating to title insurance and title insurance commitments.

BY renumbering

Article – Insurance

Section 22–101, 22–102, and 22–103, respectively  
to be Section 22–102, 22–103, and 22–105, respectively  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article – Insurance

Section 22–101 and 22–104  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 22–103  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)  
(As enacted by Section 1 of this Act)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 22–101, 22–102, and 22–103, respectively, of Article – Insurance of the Annotated Code of Maryland be renumbered to be Section(s) 22–102, 22–103, and 22–105, respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

### **Article – Insurance**

#### **22–101.**

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) (1) “ABSTRACT OF TITLE” MEANS A REPRESENTATION OF THE STATE OF TITLE TO PROPERTY BASED ON A REVIEW OF THE RECORDS THAT IMPART CONSTRUCTIVE NOTICE RELATING TO TITLE TO PROPERTY IN THE STATE.**

**(2) “ABSTRACT OF TITLE” INCLUDES A REPORT OF TITLE AND ANY OTHER WRITTEN OR ELECTRONICALLY CREATED OR PRESERVED REPRESENTATION OF THE STATE OF TITLE TO PROPERTY.**

**(C) (1) “TITLE INSURANCE COMMITMENT” MEANS A WRITTEN STATEMENT OF THE TERMS AND CONDITIONS ON WHICH A TITLE INSURER IS WILLING TO ISSUE A POLICY OF TITLE INSURANCE IF THE TITLE INSURER ACCEPTS A PREMIUM FOR THE POLICY.**

**(2) “TITLE INSURANCE COMMITMENT” INCLUDES A BINDER.**

22–103.

(a) Except as provided in subsection (d) of this section, when, in connection with a real estate transaction that involves a purchase money mortgage or deed of trust on land in the State, a title insurer accepts a premium for a policy that insures the title to the property or the title insurer, its agent, or employee accepts a premium for mortgagee title insurance, the person first accepting the premium:

(1) shall insert the name of each insured in the [binder] **TITLE INSURANCE COMMITMENT** for the title insurance [or the title report]; and

(2) immediately on receipt of the premium, shall deliver to the buyer or agent or attorney of the buyer written notice:

(i) of the name of each insured under the policy;

(ii) of the face amount of the policy;

(iii) of the buyer’s right and opportunity to obtain simultaneous title insurance in the buyer’s favor;

(iv) of the additional premium that will be required for purchase of simultaneous title insurance in the buyer’s favor;

(v) that the buyer’s title insurance will be subject only to the contingencies and conditions contained in the [binder, title report,] **TITLE INSURANCE COMMITMENT** and policy;

(vi) of the buyer's right to review **THE TITLE INSURANCE COMMITMENT OR** a sample of the form of policy in which the contingencies and conditions will be inserted; [and]

(vii) that contains a clear statement of the contingencies that must be satisfied to make the buyer's policy effective, if the buyer's policy is not effective on payment of the premium; **AND**

**(VIII) THAT THE TITLE INSURANCE COMMITMENT OR SAMPLE OF THE FORM OF POLICY INTO WHICH THE CONTINGENCIES AND CONDITIONS FOR INSURING WILL BE INSERTED:**

**1. DOES CONSTITUTE A STATEMENT OF THE TERMS AND CONDITIONS ON WHICH THE TITLE INSURER IS WILLING TO ISSUE ITS POLICY OF TITLE INSURANCE IF THE TITLE INSURER ACCEPTS A PREMIUM FOR THE POLICY;**

**2. IS NOT A REPRESENTATION AS TO THE STATE OF TITLE; AND**

**3. DOES NOT CONSTITUTE AN ABSTRACT OF TITLE ~~OR A REPORT OF TITLE.~~**

(b) Before disbursing any funds, the person required to give notice under subsection (a) of this section shall obtain from the buyer, at the time the person delivers the notice, a statement in writing that the buyer has received the notice described in subsection (a) of this section and that the buyer wants or does not want owner's title insurance.

(c) (1) The person required to give notice under subsection (a) of this section shall retain the original signed statement of receipt required by subsection (b) of this section and a copy of the notice required by subsection (a) of this section for 3 years.

(2) The statement of receipt and notice shall be available for inspection by the Commissioner on request.

(d) This section does not apply to a real estate transaction involving a mortgage or deed of trust securing an extension of credit made:

(1) solely to acquire an interest in or to carry on a business or commercial enterprise; or

(2) to any business or commercial organization.

(A) A TITLE INSURANCE COMMITMENT OR SAMPLE OF THE FORM OF POLICY INTO WHICH THE CONTINGENCIES AND CONDITIONS FOR INSURING WILL BE INSERTED:

(1) CONSTITUTES A STATEMENT OF THE TERMS AND CONDITIONS ON WHICH A TITLE INSURER IS WILLING TO ISSUE A POLICY OF TITLE INSURANCE IF THE TITLE INSURER ACCEPTS THE PREMIUM FOR THE POLICY;

(2) IS NOT A REPRESENTATION AS TO THE STATE OF TITLE; AND

(3) DOES NOT CONSTITUTE AN ABSTRACT OF TITLE ~~OR A REPORT OF TITLE.~~

(B) THE RIGHTS, DUTIES, AND RESPONSIBILITIES APPLICABLE TO THE PREPARATION OR ISSUANCE OF AN ABSTRACT OF TITLE ~~OR A REPORT OF TITLE~~ DO NOT APPLY TO THE ISSUANCE OF A TITLE INSURANCE COMMITMENT OR SAMPLE OF THE FORM OF POLICY INTO WHICH THE CONTINGENCIES AND CONDITIONS FOR INSURING WILL BE INSERTED.

(C) A TITLE INSURANCE COMMITMENT OR SAMPLE OF THE FORM OF POLICY INTO WHICH THE CONTINGENCIES AND CONDITIONS FOR INSURING WILL BE INSERTED SHALL CONTAIN THE FOLLOWING STATEMENT:

“THIS DOCUMENT CONSTITUTES A STATEMENT OF THE TERMS AND CONDITIONS ON WHICH A TITLE INSURER IS WILLING TO ISSUE A POLICY OF TITLE INSURANCE IF THE TITLE INSURER ACCEPTS THE PREMIUM FOR THE POLICY. IT IS NOT A REPRESENTATION AS TO THE STATE OF TITLE AND DOES NOT CONSTITUTE AN ABSTRACT OF TITLE.”

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any abstract of title or title insurance commitment completed before the effective date of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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Chapter 320

(Senate Bill 630)

AN ACT concerning

**Income Tax – Subtraction Modification – Student Loan Debt**

FOR the purpose of allowing a subtraction modification under the Maryland income tax for certain income of certain individuals from the discharge of student loan indebtedness under certain circumstances; requiring an individual to submit certain documentation to qualify for the subtraction modification; providing for the application of this Act; and generally relating to a subtraction modification under the Maryland income tax for certain income from the discharge of certain indebtedness.

BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 10–207(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Tax – General  
Section 10–207(bb)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

10–207.

(a) To the extent included in federal adjusted gross income, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

**(BB) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF STUDENT LOAN INDEBTEDNESS DISCHARGED DUE TO TOTAL AND PERMANENT DISABILITY OR DEATH.**

**(2) TO QUALIFY FOR THE SUBTRACTION MODIFICATION PROVIDED UNDER THIS SUBSECTION, AN INDIVIDUAL MUST ATTACH TO THE INDIVIDUAL’S INCOME TAX RETURN OR OTHERWISE FILE WITH THE COMPTROLLER A COPY OF THE NOTICE STATING THAT THE LOANS HAVE BEEN DISCHARGED DUE TO TOTAL AND PERMANENT DISABILITY OR DEATH.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2013.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 321**

**(House Bill 264)**

AN ACT concerning

### **Income Tax – Subtraction Modification – Student Loan Debt**

FOR the purpose of allowing a subtraction modification under the Maryland income tax for certain income of certain individuals from the discharge of student loan indebtedness under certain circumstances; requiring an individual to submit certain documentation to qualify for the subtraction modification; providing for the application of this Act; and generally relating to a subtraction modification under the Maryland income tax for certain income from the discharge of certain indebtedness.

BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 10–207(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Tax – General  
Section 10–207(bb)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Tax – General**

10–207.

(a) To the extent included in federal adjusted gross income, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(BB) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF STUDENT LOAN INDEBTEDNESS DISCHARGED DUE TO TOTAL AND PERMANENT DISABILITY OR DEATH.

(2) TO QUALIFY FOR THE SUBTRACTION MODIFICATION PROVIDED UNDER THIS SUBSECTION, AN INDIVIDUAL MUST ATTACH TO THE INDIVIDUAL'S INCOME TAX RETURN OR OTHERWISE FILE WITH THE COMPTROLLER A COPY OF THE NOTICE STATING THAT THE LOANS HAVE BEEN DISCHARGED DUE TO TOTAL AND PERMANENT DISABILITY OR DEATH.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2013.

Approved by the Governor, May 5, 2014.

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## Chapter 322

(Senate Bill 648)

AN ACT concerning

### **State Board of Morticians and Funeral Directors – Funeral Establishments Owned by a Single Owner – Pre-Need Trustee Licenses and Public Notification of Death**

FOR the purpose of requiring the State Board of Morticians and Funeral Directors to issue an executor license to an applicant if the applicant is the appointed personal representative of a deceased surviving spouse's estate under certain circumstances; requiring a certain personal representative of a surviving spouse's estate to be licensed by the Board; ~~altering the number of days after the death of a licensed mortician, funeral director, or surviving spouse that certain documentation is required to be submitted to the Board by an applicant for an executor license;~~ requiring an applicant for an executor license to submit to the Board, within a certain time period, the name of a licensed funeral director or mortician who has agreed to apply for a certain pre-need trustee license; ~~altering the number of months for which an executor license is valid;~~ requiring the Board to provide for the term of an executor license, rather than specifying the term in a certain provision of law; providing that the term of an executor license may not exceed a certain number of months; authorizing the Board to renew an executor license for a certain time period under certain circumstances; establishing a pre-need trustee license; requiring the Board to issue a pre-need trustee license to an applicant under certain circumstances; providing that a pre-need trustee license authorizes the license holder to

manage pre-need accounts held by a funeral establishment until the closing or sale of the funeral establishment; establishing the term of a pre-need trustee license; providing that a pre-need trustee license holder may be the supervising mortician in a funeral establishment; applying a certain section of law to a certain owner of a funeral establishment; requiring a certain mortician to post a certain notice ~~and record a certain message within a certain period of time after the death of a certain owner~~; requiring a licensed pre-need trustee to send a letter to certain holders of certain pre-need contracts regarding certain options available under certain provisions of law; requiring a certain letter to be returned within a certain period of time after receipt and to include certain information; ~~requiring that for any letter not returned within a certain period of time, certain pre-need funds be considered unclaimed property~~; requiring a licensed pre-need trustee, within a certain time period, to identify to the Board and the licensed executor certain pre-need bank trust money; requiring the licensed pre-need trustee to make a certain claim against a certain estate; requiring the licensed executor to transfer certain money to the abandoned property office in the Office of the Comptroller; requiring a licensed pre-need trustee to send a certain list to the Board containing certain information regarding pre-need accounts within a certain period of time after the death of a certain owner; requiring a licensed pre-need trustee to send a certain list to the Board containing certain information regarding unclaimed cremains within a certain period of time after the death of a certain owner; requiring the Board to work with the State Anatomy Board to ensure proper distribution of certain cremains; requiring a licensed pre-need trustee to send certain information to the Board in a certain format; and generally relating to the State Board of Morticians and Funeral Directors and the regulation of morticians, funeral directors, and funeral establishments.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 7-308.1(a), (b), and (f)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations

Section 7-308.2 and 7-308.3

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Health Occupations**

7-308.1.

(a) A personal representative of a deceased mortician's [or], funeral director's, **OR SURVIVING SPOUSE'S** estate shall be licensed by the Board before continuing operation of the mortuary science business.

(b) The Board shall issue an executor license to an applicant if the applicant:

(1) Is the appointed personal representative of a deceased mortician's [or], funeral director's, **OR SURVIVING SPOUSE'S** estate in accordance with the requirements established in Title 5 of the Estates and Trusts Article;

(2) Submits to the Board, within ~~{30}~~ **14** days of the death of the licensed mortician [or], funeral director, **[written] OR SURVIVING SPOUSE:**

(I) **WRITTEN** verification of the death of the licensee[, written];

(II) **WRITTEN** verification of appointment as a personal representative[, and the]; **AND**

(III) **THE** application required by the Board; ~~and~~

~~(IV)~~ **(3) THE WITHIN 14 DAYS AFTER THE DEATH OF THE LICENSED MORTICIAN, FUNERAL DIRECTOR, OR SURVIVING SPOUSE, SUBMITS TO THE BOARD THE NAME OF A LICENSED FUNERAL DIRECTOR OR MORTICIAN WHO HAS AGREED TO APPLY FOR A PRE-NEED TRUSTEE LICENSE ISSUED UNDER § 7-308.2 OF THIS SUBTITLE; AND**

~~(3)~~ **(4)** Pays a fee set by the Board.

(f) **(1) (I) Notwithstanding the provisions of § 7-314 of this subtitle, THE BOARD SHALL PROVIDE FOR THE TERM OF AN EXECUTOR LICENSE.**

**(II) THE TERM OF an executor license is valid for ~~[six] 9~~ months from the date of issuance [and may not be renewed or reinstated after expiration] MAY NOT BE MORE THAN 12 MONTHS.**

**(2) AN EXECUTOR LICENSE MAY BE RENEWED FOR ONE ADDITIONAL 3-MONTH PERIOD ~~PROVIDED IF:~~**

**(I) A BUYER OF THE FUNERAL ESTABLISHMENT HAS BEEN IDENTIFIED AND HAS ENTERED INTO A SALES CONTRACT, BUT THE SALE OF THE FUNERAL ESTABLISHMENT HAS NOT BEEN COMPLETED; ~~OR~~**

**(II) A PRE-NEED ACCOUNT AUDIT HAS NOT BEEN COMPLETED AND EVIDENCE IS PRESENTED TO THE BOARD THAT FAILURE TO**

COMPLETE THE AUDIT IS DUE TO CIRCUMSTANCES BEYOND THE CONTROL OF THE FUNERAL ESTABLISHMENT; OR

(III) THE BOARD DETERMINES THAT A RENEWAL IS NEEDED DUE TO UNFORESEEN CIRCUMSTANCES.

7-308.2.

(A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE BOARD SHALL ISSUE A PRE-NEED TRUSTEE LICENSE TO AN APPLICANT IF THE APPLICANT:

(1) APPLIES TO THE BOARD ON AN APPLICATION PROVIDED BY THE BOARD;

(2) HAS BEEN ACTIVELY LICENSED IN GOOD STANDING BY THE BOARD FOR A MINIMUM OF 5 YEARS WHILE WORKING IN A FACILITY THAT HAS ACCEPTED PRE-NEED CONTRACTS AND WHO CAN PROVIDE PROOF TO THE BOARD THAT THESE SERVICES HAVE BEEN PROVIDED BY THE APPLICANT;

(3) HAS BEEN APPOINTED AS A PRE-NEED TRUSTEE BY THE HOLDER OF AN EXECUTOR LICENSE ISSUED UNDER § 7-308.1 OF THIS SUBTITLE;

(4) IS OF GOOD MORAL CHARACTER; AND

(5) PAYS THE REQUIRED FEE.

(B) (1) WHILE A PRE-NEED TRUSTEE LICENSE IS EFFECTIVE, THE LICENSE AUTHORIZES THE LICENSE HOLDER TO MANAGE PRE-NEED ACCOUNTS HELD BY A FUNERAL ESTABLISHMENT UNTIL THE CLOSING OR SALE OF THE FUNERAL ESTABLISHMENT.

(2) NOTWITHSTANDING THE PROVISIONS OF § 7-314 OF THIS SUBTITLE, A PRE-NEED TRUSTEE LICENSE IS VALID FROM THE DATE OF ISSUANCE UNTIL THE DATE OF EXPIRATION OF THE LICENSE OF THE EXECUTOR WHO APPOINTED THE LICENSE HOLDER AS A PRE-NEED TRUSTEE UNDER SUBSECTION (A)(3) OF THIS SECTION.

(C) THE HOLDER OF A PRE-NEED TRUSTEE LICENSE ISSUED UNDER THIS SECTION MAY BE THE SUPERVISING MORTICIAN IN A FUNERAL ESTABLISHMENT.

7-308.3.

(A) THIS SECTION APPLIES TO A FUNERAL ESTABLISHMENT OWNED BY A FUNERAL DIRECTOR, MORTICIAN, OR SURVIVING SPOUSE WHO WAS THE SINGLE OWNER AND SOLE LICENSEE OF A FUNERAL ESTABLISHMENT.

~~(B) WITHIN 24 HOURS AFTER THE DEATH OF A SINGLE OWNER OF A FUNERAL ESTABLISHMENT, A SIGN SHALL BE PROMINENTLY POSTED BY THE SUPERVISING MORTICIAN ON ALL PUBLIC ENTRANCES TO THE FUNERAL ESTABLISHMENT NOTIFYING THE PUBLIC OF THE DEATH OF THE SINGLE OWNER.~~

~~(C)~~ (B) WITHIN 7 DAYS AFTER THE DEATH OF THE SINGLE OWNER AND SOLE LICENSEE OF A FUNERAL ESTABLISHMENT, THE SUPERVISING MORTICIAN SHALL:

(1) PLACE AN OBITUARY FOR THE DECEASED SINGLE OWNER AND SOLE LICENSEE IN THE DEATH NOTICES SECTION OF A NEWSPAPER WITH GENERAL CIRCULATION IN THE AREA OF THE FUNERAL ESTABLISHMENT; AND

~~(2) RECORD A MESSAGE ON THE ANSWERING MACHINE NOTIFYING THE PUBLIC OF THE DEATH OF THE SINGLE OWNER; AND~~

~~(3)~~ (2) PLACE A NOTICE TO THE PUBLIC OF THE DEATH OF THE SINGLE OWNER AND SOLE LICENSEE ON ANY WEB SITE MAINTAINED BY THE FUNERAL ESTABLISHMENT.

~~(D)~~ (C) (1) WITHIN ~~30~~ 90 DAYS AFTER THE DEATH OF A SINGLE OWNER OF A FUNERAL ESTABLISHMENT, THE PRE-NEED TRUSTEE LICENSED UNDER § 7-308.2 OF THIS SUBTITLE SHALL SEND A LETTER TO ALL PRE-NEED CONTRACT HOLDERS WHO HAVE FUNDS IN TRUST WITH OR AN INSURANCE PRODUCT ASSIGNED TO THE FUNERAL ESTABLISHMENT STATING THE OPTIONS AVAILABLE UNDER § 7-405 OF THIS TITLE.

(2) THE LETTER REQUIRED BY PARAGRAPH (1) OF THIS SUBSECTION SHALL BE RETURNED WITHIN 5 DAYS AFTER RECEIPT AND SHALL INCLUDE THE FULL SIGNATURE OF THE PRE-NEED CONTRACT HOLDER NEXT TO THE OPTION CHOSEN FROM THOSE AVAILABLE UNDER § 7-405 OF THIS TITLE.

~~(3) FOR ANY LETTER NOT RETURNED WITHIN 30 DAYS AFTER THE DAY THE LETTER IS DATED, THE PRE-NEED FUNDS OF THE BENEFICIARY OF THE PRE-NEED CONTRACT SHALL BE CONSIDERED UNCLAIMED PROPERTY AND THE LICENSED PRE-NEED TRUSTEE SHALL SEND THE FUNDS TO UNCLAIMED PROPERTY IN THE OFFICE OF THE COMPTROLLER.~~

**(D) (1) WITHIN 90 DAYS AFTER THE DEATH OF A SINGLE OWNER AND SOLE LICENSEE OF A FUNERAL ESTABLISHMENT, THE PRE-NEED TRUSTEE LICENSED UNDER § 7-308.2 OF THIS SUBTITLE SHALL IDENTIFY TO THE BOARD AND THE EXECUTOR LICENSED UNDER § 7-308.1 OF THIS SUBTITLE ALL PRE-NEED BANK TRUST MONEY THAT ~~HAVE~~ HAS BEEN DEPOSITED UNDER THE FEDERAL IDENTIFICATION NUMBER OF THE FUNERAL ESTABLISHMENT OR THE SOCIAL SECURITY NUMBER OF THE DECEASED SINGLE OWNER AND SOLE LICENSEE, INSTEAD OF THE SOCIAL SECURITY NUMBER OF THE BENEFICIARY OR BUYER OF THE PRE-NEED CONTRACT.**

**(2) THE PRE-NEED TRUSTEE LICENSED UNDER § 7-308.2 OF THIS SUBTITLE SHALL MAKE A CLAIM AGAINST THE ESTATE OF THE DECEASED SINGLE OWNER AND SOLE LICENSEE OF THE ESTABLISHMENT WHICH THE LICENSEE PREVIOUSLY OWNED FOR THE MONEY IDENTIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

**(3) THE EXECUTOR LICENSED UNDER § 7-308.1 OF THIS SUBTITLE SHALL TRANSFER ALL MONEY IDENTIFIED IN PARAGRAPH (1) OF THIS SUBSECTION TO THE ABANDONED PROPERTY OFFICE IN THE OFFICE OF THE COMPTROLLER IN THE PROPER NAME OF THE BENEFICIARY OR BUYER OF THE PRE-NEED CONTRACT.**

**(E) WITHIN ~~45~~ 90 DAYS AFTER THE DEATH OF THE SINGLE OWNER OF A FUNERAL ESTABLISHMENT, THE PRE-NEED TRUSTEE LICENSED UNDER § 7-308.2 OF THIS SUBTITLE SHALL SEND TO THE BOARD A LIST THAT INCLUDES:**

- (1) THE NAMES OF ALL FUNDED PRE-NEED CONTRACT HOLDERS;**
- (2) THE AMOUNT OF THE FUNDS ENTRUSTED TO THE FUNERAL ESTABLISHMENT THROUGH A BANK ACCOUNT OR INSURANCE PRODUCT; AND**
- (3) THE LOCATION WHERE THE FUNDS CURRENTLY ARE MAINTAINED.**

**(F) (1) WITHIN ~~60~~ 90 DAYS AFTER THE DEATH OF THE SINGLE OWNER OF A FUNERAL ESTABLISHMENT, THE PRE-NEED TRUSTEE LICENSED UNDER § 7-308.2 OF THIS SUBTITLE SHALL SEND TO THE BOARD A LIST OF ALL UNCLAIMED CREMAINS, INCLUDING:**

**(I) ~~THE DATE OF BIRTH AND DATE OF DEATH OF A COPY OF THE FILED DEATH CERTIFICATE FOR EACH CREMATED DECEDENT; AND~~**

**(II) THE CREMATORY CERTIFICATE FOR EACH CREMAINS;**  
**AND**

~~(H) THE CONTACT INFORMATION FOR THE NEXT OF KIN FOR EACH CREMATED DECEDENT.~~

(2) THE BOARD SHALL WORK COLLABORATIVELY WITH THE STATE ANATOMY BOARD TO ENSURE PROPER DISPOSITION OF THE CREMAINS.

(G) THE PRE-NEED TRUSTEE LICENSED UNDER § 7-308.2 OF THIS SUBTITLE SHALL SUBMIT TO THE BOARD A DIGITAL IMAGE ON REMOVABLE MEDIA OR ON CLOUD-BASED STORAGE THAT INCLUDES:

(1) ALL SIGNED PRE-NEED CONTRACTS; AND

(2) ANY ASSOCIATED PAPERWORK DATING FROM THE SIGNING OF THE PRE-NEED CONTRACT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 323

(Senate Bill 654)

AN ACT concerning

### Health – Down Syndrome – Required Information

FOR the purpose of requiring the Department of Health and Mental Hygiene to identify certain information about Down syndrome; requiring the Department to make available certain information on the Department’s Web site and to provide certain information to certain health care facilities and certain health care providers; ~~requiring~~ *authorizing* certain health care facilities and certain health care providers to provide to certain individuals certain information under certain circumstances; defining certain terms; and generally relating to the identification and provision of information about Down syndrome.

BY adding to

Article – Health – General

Section 20-1501 and 20-1502 to be under the new subtitle “Subtitle 15. Down Syndrome Information”

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

**SUBTITLE 15. DOWN SYNDROME INFORMATION.**

**20–1501.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “DOWN SYNDROME” MEANS A CHROMOSOMAL CONDITION CAUSED BY AN ERROR IN CELL DIVISION THAT RESULTS IN THE PRESENCE OF AN EXTRA WHOLE OR PARTIAL COPY OF CHROMOSOME 21.

(C) (1) “HEALTH CARE FACILITY” MEANS A FACILITY OR AN OFFICE WHERE HEALTH OR MEDICAL CARE IS PROVIDED TO PATIENTS BY A HEALTH CARE PROVIDER.

(2) “HEALTH CARE FACILITY” INCLUDES A HOSPITAL AND A LIMITED SERVICE HOSPITAL.

(D) (1) “HEALTH CARE PROVIDER” MEANS A PERSON WHO IS LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH OCCUPATIONS ARTICLE TO PROVIDE HEALTH OR MEDICAL CARE IN THE ORDINARY COURSE OF BUSINESS OR PRACTICE OF A PROFESSION.

(2) “HEALTH CARE PROVIDER” INCLUDES A GENETIC COUNSELOR.

(E) “HOSPITAL” HAS THE MEANING STATED IN § 19–301 OF THIS ARTICLE.

(F) “LIMITED SERVICE HOSPITAL” HAS THE MEANING STATED IN § 19–301 OF THIS ARTICLE.

**20–1502.**

(A) THE DEPARTMENT SHALL IDENTIFY UP-TO-DATE, EVIDENCE-BASED, WRITTEN INFORMATION ABOUT DOWN SYNDROME THAT:

(1) HAS BEEN REVIEWED BY MEDICAL EXPERTS AND NATIONAL AND LOCAL DOWN SYNDROME ORGANIZATIONS;

(2) IS DESIGNED FOR USE BY AN EXPECTANT PARENT WHO RECEIVES A PRENATAL TEST RESULT FOR DOWN SYNDROME OR A PARENT OF A CHILD WHO RECEIVES A DIAGNOSIS OF DOWN SYNDROME;

(3) IS CULTURALLY AND LINGUISTICALLY APPROPRIATE FOR POTENTIAL RECIPIENTS OF THE INFORMATION; AND

(4) INCLUDES:

(I) INFORMATION ADDRESSING PHYSICAL, DEVELOPMENTAL, EDUCATIONAL, AND PSYCHOSOCIAL OUTCOMES, LIFE EXPECTANCY, CLINICAL COURSE, AND INTELLECTUAL AND FUNCTIONAL DEVELOPMENT AND TREATMENT OPTIONS FOR INDIVIDUALS WITH DOWN SYNDROME; AND

(II) CONTACT INFORMATION FOR NATIONAL AND LOCAL DOWN SYNDROME EDUCATION AND SUPPORT PROGRAMS AND SERVICES, INCLUDING INFORMATION HOTLINES, RESOURCE CENTERS, AND CLEARINGHOUSES.

(B) THE DEPARTMENT SHALL:

(1) PROVIDE THE INFORMATION IDENTIFIED BY THE DEPARTMENT UNDER SUBSECTION (A) OF THIS SECTION TO HEALTH CARE FACILITIES AND HEALTH CARE PROVIDERS THAT PROVIDE PRENATAL CARE, POSTNATAL CARE, OR GENETIC COUNSELING TO EXPECTANT PARENTS WHO RECEIVE A PRENATAL TEST RESULT FOR DOWN SYNDROME AND PARENTS OF A CHILD DIAGNOSED WITH DOWN SYNDROME; AND

(2) MAKE AVAILABLE THE INFORMATION IDENTIFIED BY THE DEPARTMENT UNDER SUBSECTION (A) OF THIS SECTION ON THE DEPARTMENT'S WEB SITE.

(C) (1) ON RECEIPT OF A POSITIVE TEST RESULT FROM A TEST FOR DOWN SYNDROME, A HEALTH CARE FACILITY OR HEALTH CARE PROVIDER ~~SHALL~~ MAY PROVIDE TO THE EXPECTANT PARENT WHO RECEIVES A PRENATAL TEST RESULT FOR DOWN SYNDROME OR THE PARENT OF THE CHILD DIAGNOSED WITH DOWN SYNDROME THE WRITTEN INFORMATION PROVIDED OR MADE AVAILABLE BY THE DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION.

(2) THE INFORMATION PROVIDED UNDER THIS SUBSECTION SHALL BE CULTURALLY AND LINGUISTICALLY APPROPRIATE FOR THE RECIPIENT OF THE INFORMATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 324

(Senate Bill 657)

AN ACT concerning

### Montgomery County – Alcoholic Beverages – Beer, Wine and Liquor Licenses

FOR the purpose of establishing in Montgomery County a Class D beer, wine and liquor (on-sale) license; requiring an applicant for a Class D beer, wine and liquor (on-sale) license to attest to a certain proportion of future food and alcoholic beverages sales during certain hours, based on gross receipts, as a prerequisite to obtaining the license; requiring an applicant for a Class D beer, wine and liquor (on-sale) license to attest to a certain proportion of ~~future~~ food and alcoholic beverages sales during certain hours, based on gross receipts from sales during a certain time, as a prerequisite to renewing the license; requiring the Board of License Commissioners to adopt certain regulations providing for the inspection of certain premises; authorizing the Board to revoke a Class D beer, wine and liquor (on-sale) license under certain circumstances; requiring an applicant to pay a certain fee in order to obtain a Class D beer, wine and liquor (on-sale) license; altering the hours that a holder of a Class B-BWL or Class B-BWL (H-M) license may sell alcoholic beverages on a Sunday; authorizing a holder of a Class D beer, wine and liquor license to sell alcoholic beverages during certain hours on a Sunday; altering the hours that a holder of a Class B-BWL or Class B-BWL (H-M) license may sell alcoholic beverages on Monday, Tuesday, Wednesday, Thursday, and certain Sundays; altering the hours that a holder of a Class B-BWL or Class B-BWL (H-M) license may sell alcoholic beverages on Friday, Saturday, and certain Sundays; authorizing a holder of a Class D beer, wine and liquor license to sell alcoholic beverages during certain hours on ~~Friday, Saturday, and certain Sundays~~ certain days; making stylistic changes; and generally relating to alcoholic beverages in Montgomery County.

BY repealing and reenacting, without amendments,  
Article 2B – Alcoholic Beverages  
Section 6-401(a)

Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article 2B – Alcoholic Beverages  
Section 6–401(q) and 11–516(a) and (c)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,  
Article 2B – Alcoholic Beverages  
Section 11–303(b)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)  
(As enacted by Chapters 302 and 303 of the Acts of the General Assembly of  
2010)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
MARYLAND, That the Laws of Maryland read as follows:

### **Article 2B – Alcoholic Beverages**

6–401.

(a) (1) A Class D beer, wine and liquor license shall be issued by the license issuing authority of the county in which the place of business is located. It authorizes the holder to keep for sale and sell all alcoholic beverages at retail at the place described in it, for consumption on the premises or elsewhere. A license may not be issued for any drugstore.

(2) The annual license fee shall be paid to the local collecting agent before any license is issued, for distribution as provided.

(3) In this section, “Board” means the Board of License Commissioners for the jurisdiction to which the subsection applies.

(q) (1) This [section does not apply in] **SUBSECTION APPLIES ONLY IN** Montgomery County.

(2) **A CLASS D BEER, WINE AND LIQUOR (ON–SALE) LICENSE MAY BE ISSUED FOR ON–PREMISES CONSUMPTION.**

(3) (1) **AS A PREREQUISITE FOR THE INITIAL ISSUANCE OF A LICENSE UNDER THIS SUBSECTION, THE OWNER SHALL ATTEST IN A SWORN STATEMENT THAT GROSS RECEIPTS FROM FOOD SALES WILL BE AT LEAST**

EQUAL TO 40% OF THE GROSS RECEIPTS FROM THE SALE OF FOOD AND ALCOHOLIC BEVERAGES:

1. FROM 9 A.M. TO 9 P.M. ON MONDAY, TUESDAY, WEDNESDAY, THURSDAY, FRIDAY, AND SATURDAY; AND

2. FROM 10 A.M. TO 9 P.M. ON SUNDAY.

(II) AS A PREREQUISITE FOR EACH RENEWAL OF A LICENSE ISSUED UNDER THIS SUBSECTION, THE OWNER SHALL ATTEST IN A SWORN STATEMENT THAT THE GROSS RECEIPTS FROM FOOD SALES FOR THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE APPLICATION FOR RENEWAL HAVE BEEN AT LEAST EQUAL TO 40% OF THE GROSS RECEIPTS FROM THE SALE OF FOOD AND ALCOHOLIC BEVERAGES:

1. FROM 9 A.M. TO 9 P.M. ON MONDAY, TUESDAY, WEDNESDAY, THURSDAY, FRIDAY, AND SATURDAY; AND

2. FROM 10 A.M. TO 9 P.M. ON SUNDAY.

(III) THE BOARD BY REGULATION SHALL PROVIDE FOR PERIODIC INSPECTION OF THE PREMISES AND FOR AUDITS TO DETERMINE THE RATIO OF GROSS RECEIPTS FROM THE SALE OF FOOD TO GROSS RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES.

(IV) REGULATIONS ADOPTED BY THE BOARD SHALL INCLUDE A REQUIREMENT OF:

1. AT LEAST MONTHLY PHYSICAL INSPECTIONS OF THE PREMISES DURING THE INITIAL LICENSE YEAR OF ANY LICENSEE; AND

2. THE SUBMISSION BY THE LICENSEE TO THE BOARD, DURING THE INITIAL LICENSE YEAR, OF MONTHLY STATEMENTS SHOWING GROSS RECEIPTS FROM THE SALE OF FOOD AND GROSS RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES FOR THE IMMEDIATELY PRECEDING MONTH.

(V) 1. IF A LICENSEE DURING THE INITIAL LICENSE YEAR FAILS TO MAINTAIN THE SALES RATIO REQUIREMENT PROVIDED IN THIS PARAGRAPH FOR 3 CONSECUTIVE MONTHS OR AFTER THE INITIAL LICENSE YEAR FOR EACH LICENSE OR CALENDAR YEAR, THE BOARD MAY REVOKE THE LICENSE.

**2. THE BOARD MAY REQUIRE A LICENSEE TO PROVIDE SUPPORTING DATA AS THE BOARD CONSIDERS NECESSARY TO ESTABLISH THAT THE REQUIREMENTS OF THIS SECTION RELATING TO THE RATIO OF GROSS RECEIPTS FROM THE SALE OF FOOD TO THOSE FROM THE SALE OF ALCOHOLIC BEVERAGES HAVE BEEN MET.**

**(4) THE ANNUAL LICENSE FEE IS \$3,000.**

11-303.

(b) (1) The hours during which the privileges conferred by a Class B beer, wine and liquor license may be exercised are from 6 a.m. to 2 a.m. on the following day.

(2) In Annapolis, the hours shall be as fixed by the Mayor, Counselor, and Aldermen of the City of Annapolis.

(3) In Montgomery County, except as provided in § 11-516 of this article, the hours are from 9 a.m. on any day to 1 a.m. on the following day.

(4) In the 47th alcoholic beverages district in Baltimore City, the hours for off-sales under a Class B beer, wine and liquor license for use in a restaurant are as provided for in § 6-201(d) of this article.

(5) In the Park Heights Redevelopment Area that is specified in the Park Heights Master Plan adopted by Baltimore City in 2006, the hours of sale begin at 9 a.m. each day.

11-516.

(a) In Montgomery County, notwithstanding any other provisions of this subtitle, a holder of an alcoholic beverage license may not sell any alcoholic beverages [between]:

**(1) BETWEEN** the hours of 1 a.m. and 10 a.m. on Sunday, except holders of Class A (off-sale) beer licenses and Class A (off-sale) beer and light wine licenses and [Class B-BWL, Class B-BWL (H-M) and] Class C, beer, wine and liquor licenses; Class B and Class D beer licenses and Class B and Class D beer and light wine licenses; **AND**

**(2) BETWEEN THE HOURS OF 3 A.M. AND 10 A.M. ON SUNDAY, EXCEPT HOLDERS OF CLASS B-BWL, CLASS B-BWL (H-M), AND CLASS D BEER, WINE AND LIQUOR LICENSES.**

(c) The privileges conferred by a Class B beer, wine and liquor license (on-sale generally), [and] a Class B beer, wine and liquor (H-M) license, **AND A**

**CLASS D BEER, WINE AND LIQUOR (ON-SALE) LICENSE** may be exercised during the following hours, provided that the licensed establishment sells or makes available food for consumption on the premises during the hours that alcoholic beverages are permitted to be served:

(1) [On Monday, Tuesday, Wednesday, and Thursday sales are permitted from 9 a.m. to 1 a.m. on the following day] **FROM 9 A.M. TO ~~1 A.M.~~ 2 A.M. THE FOLLOWING DAY, ON MONDAY, TUESDAY, WEDNESDAY, AND THURSDAY;**

(2) [On Friday and Saturday, sales are permitted from 9 a.m. to 2 a.m. on the following day] **FROM 9 A.M. TO 3 A.M. THE FOLLOWING DAY, ON FRIDAY AND SATURDAY;**

(3) [On Sunday, sales are permitted from 10 a.m. to 1 a.m. on the following day; provided, however, that sales are permitted until 2 a.m. on the following day when the following day (Monday) has been designated by the federal government as one of the following holidays: Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans Day and Christmas] **FROM 10 A.M. TO 3 A.M. THE FOLLOWING DAY, ON SUNDAY WHEN THE FOLLOWING DAY HAS BEEN DESIGNATED BY THE FEDERAL GOVERNMENT AS ONE OF THE FOLLOWING HOLIDAYS:**

(I) **WASHINGTON'S BIRTHDAY;**

(II) **MEMORIAL DAY;**

(III) **INDEPENDENCE DAY;**

(IV) **LABOR DAY;**

(V) **VETERANS DAY; OR**

(VI) **CHRISTMAS; OR**

(4) **FROM 10 A.M. TO ~~1 A.M.~~ 2 A.M. THE FOLLOWING DAY, ON A SUNDAY THAT IS NOT REFERENCED IN ITEM (3) OF THIS SUBSECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 325****(Senate Bill 678)**

AN ACT concerning

**Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund**

FOR the purpose of altering the basis for calculating a certain license fee credited to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund; altering the date by which the Department of the Environment is required to report annually to certain subcommittees of the General Assembly; extending the deadline by which the owner of a certain eligible heating oil tank may apply for reimbursement of certain costs from the Oil Contaminated Site Environmental Cleanup Fund; requiring the Secretary of the Environment to convene a certain workgroup for a certain purpose; requiring, by a certain date, the Department to report to certain committees of the General Assembly; making stylistic changes; and generally relating to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and the Oil Contaminated Site Environmental Cleanup Fund.

BY repealing and reenacting, with amendments,  
Article – Environment  
Section 4-411 and 4-705  
Annotated Code of Maryland  
(2013 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Environment**

4-411.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Barrel” means any measure of petroleum products or its by-products which consists of 42.0 U.S. gallons of liquid measure.
- (3) “Fund” means the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund.
- (4) “Transfer” means the offloading or onloading of oil in the State from or to any commercial vessel, barge, tank truck, tank car, pipeline, or any other means used for transporting oil.

(b) A person other than a vessel or barge may not transfer oil in the State without a license.

(c) (1) A license required under this section shall be secured from the Department of the Environment subject to the terms and conditions set forth in this section. The fee on any barrel shall be imposed only once, at the point of first transfer in the State. The license fee shall be:

(i) Credited to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and based on:

1. Before [July 1, 2013, a 5.75] **JULY 1, 2017, A 7.75** cents per barrel fee for oil transferred in the State; and

2. On or after [July 1, 2013, a 3] **JULY 1, 2017, A 5** cents per barrel fee for oil transferred in the State; and

(ii) Until [July 1, 2010] **JULY 1, 2017**, based on an additional [1.75 cents] **0.25 CENT** per barrel fee for oil transferred in the State and credited to the Oil Contaminated Site Environmental Cleanup Fund as described in Subtitle 7 of this title.

(2) The license fee shall be paid quarterly to the Department and on receipt by the Comptroller, credited to the proper fund. The licensee shall certify to the Department, on forms as may be prescribed by the Department, the number of barrels of oil transferred by the licensee during the fee quarter no later than the last day of the month following the fee quarter. These records shall be kept confidential by the Department.

(3) When the balance in the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund from the monthly license fees paid under paragraph (1)(i) of this subsection into the Fund equals or exceeds a maximum limit of \$5,000,000, collection of subsequent monthly license fees under paragraph (1)(i) of this subsection shall be abated until:

(i) The balance in the Fund from the license fees becomes less than or equal to \$4,000,000; or

(ii) There is evidence that the balance in the Fund could be significantly reduced by the recent occurrence of a major discharge or series of discharges.

(4) If a licensee fails to remit the fee and accompanying certification required by this section, the amount of the license fee due shall be determined by the Department from information as may be available. Notice of this determination shall be given to the licensee liable for payment of the license fee. The determination shall finally and irrevocably fix the fee unless the licensee against whom it is assessed,

within 30 days after receiving notice of the determination, shall apply to the Department for a hearing or unless the Department, on its own, shall redetermine the fee.

(5) The Department shall promulgate rules and regulations, establish audit procedures for the audit of licensees, and prescribe and publish forms as may be necessary to effectuate the purposes of this section.

(d) As a condition precedent to the issuance or renewal of a license, the Department shall require satisfactory evidence that the applicant has implemented or is in the process of implementing State and federal plans and regulations to control pollution related to oil, petroleum products, and their by-products and the abatement thereof when a discharge occurs.

(e) Any person who violates subsection (b) or subsection (c) of this section is guilty of a misdemeanor and upon conviction in a court of competent jurisdiction is subject to a fine not exceeding \$10,000 plus any accrued but unpaid license fees.

(f) There is a Maryland Oil Disaster Containment, Clean-Up and Contingency Fund for the Department to use to develop equipment, personnel, and plans; for contingency actions to respond to, contain, clean-up, and remove from the land and waters of the State discharges of oil, petroleum products, and their by-products into, upon, or adjacent to the waters of the State; and restore natural resources damaged by discharges. The Fund may also be used by the Department for oil-related activities in water pollution control programs. The cost of containment, clean-up, removal, and restoration, including attorneys' fees and litigation costs, shall be reimbursed to the State by the person responsible for the discharge. The reimbursement shall be credited to the Fund. The Fund shall be limited in accordance with the limits set forth in this section. To this sum shall be credited every license fee, fine, if imposed by the circuit court for any county, and any other charge related to this subtitle. To this Fund shall be charged every expense the Department of the Environment has which relates to this section.

(g) Money in the Fund not needed currently to meet the Department of the Environment's obligations in the exercise of its responsibility under this section shall be deposited with the State Treasurer to the credit of the Fund, and may be invested as provided by law. Interest received on the investment shall be credited to the Fund. The Secretary of the Environment shall determine the proper allocation of the moneys credited to the Fund only for the following purposes:

(1) Administrative expenses, personnel expenses, and equipment costs of the Department related to the purposes of this section;

(2) Prevention, control, containment, clean-up, and removal of discharges into, upon, or adjacent to waters of the State of discharges of oil, petroleum products and their by-products, and the restoration of natural resources damaged by such discharges;

(3) Development of containment and clean-up equipment, plans, and procedures in accordance with the purposes of this section;

(4) Paying insurance costs by the State to extend or implement the benefits of the Fund; and

(5) Expenses related to oil-related activities in the Department's water pollution control programs.

(h) The Department shall provide the standing committees of the Maryland General Assembly with primary jurisdiction over this section with a status report on the Fund on or before [October 1] **JANUARY 1** of each year **IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE**. The report shall include an accounting of all moneys expended for each of the purposes specified in subsection (g) of this section.

4-705.

(a) The owner or operator of an underground oil storage tank eligible under § 4-704(b)(1)(ii) of this subtitle may apply to the Fund for reimbursement, until December 31, 2007, for usual, customary, and reasonable costs incurred on or after October 1, 2000 in performing site rehabilitation.

(b) **[The] UNTIL JUNE 30, 2017, THE** owner of a heating oil tank eligible under § 4-704(b)(1)(iii) of this subtitle may apply to the Fund **FOR REIMBURSEMENT** no later than 6 months after **THE COMPLETION OF** rehabilitation [completion for reimbursement, until June 30, 2013,] for usual, customary, and reasonable costs incurred on or after October 1, 2000 in performing site rehabilitation.

(c) (1) Any reimbursement from the Fund for applications approved on or after July 1, 1996 is subject to:

(i) For owners or operators of six tanks or fewer, a deductible of \$7,500;

(ii) For owners or operators of more than 6 but not more than 15 tanks, a deductible of \$10,000;

(iii) For owners or operators of more than 15 but not more than 30 tanks, a deductible of \$15,000;

(iv) For owners or operators of more than 30 tanks, a deductible of \$20,000; and

(v) For residential owners of heating oil tanks, a deductible of \$500; and

(2) The maximum amount to be reimbursed from the Fund shall be:

(i) \$125,000 for underground oil storage tanks per occurrence; and

(ii) \$20,000 for heating oil tanks per occurrence.

(d) To be eligible for reimbursement from the Fund, an owner or operator shall:

(1) Certify that the discharge is not the result of a willful or deliberate act;

(2) Submit a corrective action plan, schedule, and cost estimate to the Department that shall include provisions for the environmentally sound treatment or disposal of contaminated soils that meet all federal and State requirements and standards; and

(3) Except for heating oil tanks, certify that the discharge is from a tank registered under § 4-411.1 of this title.

(e) If the owner or operator knowingly submits a false certification under subsection (d) of this section, that owner or operator is not eligible for reimbursement under this subtitle.

(f) Only expenses that are cost-effective, reasonable, and consistent with a corrective action plan approved by the Department may be eligible for reimbursement from the Fund.

(g) The cost for replacement or retrofitting of underground oil storage tanks or heating oil tanks and associated piping is not eligible for reimbursement, and the Department may not incur these costs or expend moneys from the Fund for these purposes.

**SECTION 2. AND BE IT FURTHER ENACTED, That:**

(a) The Secretary of the Environment shall convene a workgroup consisting of representatives of the various sectors of the petroleum marketing industry and representatives from appropriate public and private entities to review and assess the long-term funding needs of the oil pollution programs in the State.

(b) On or before December 31, 2016, the Department of the Environment shall report the findings and recommendations of the workgroup, in accordance with § 2-1246 of the State Government Article, to the Legislative Policy Committee, the

House Environmental Matters Committee, the Senate Finance Committee, and the Senate Education, Health, and Environmental Affairs Committee.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 326

(Senate Bill 687)

AN ACT concerning

### **Vehicle Laws – Manufacturers, Distributors, Factory Branches, and Affiliates – Relationship With Dealers**

FOR the purpose of prohibiting, except under certain circumstances, a manufacturer, distributor, factory branch, or one of its affiliates from requiring, ~~attempting to require, coercing, or attempting to coerce~~ or coercing a dealer to purchase certain goods or services from certain vendors under certain circumstances; providing for the construction of a certain prohibition under this Act; repealing a requirement that certain factors be considered in determining whether a dealer has been reasonably compensated; requiring a manufacturer, distributor, or factory branch licensed in the State to specify in writing to each of its motor vehicle dealers in the State certain dealer obligations and certain information relating to the compensation of dealers for certain parts and labor; establishing certain requirements for the reasonable compensation of dealers with respect to certain parts and labor; requiring a dealer to make a certain submission to a licensee; providing for the calculation of a dealer's labor rate and parts mark-up percentage for certain purposes; establishing requirements for a certain schedule of compensation; providing that certain repair orders for labor and parts do not constitute qualifying repair orders under this Act; requiring a licensee to compensate a dealer for certain parts given to a dealer at no cost; establishing that a certain schedule of compensation will be presumed to be accurate; requiring a licensee to begin compensation of a dealer under the schedule within certain periods of time under certain circumstances; providing for certain rebuttal of the presumption of accuracy of the schedule of compensation; providing for the resolution of certain matters relating to the schedule of compensation; prohibiting a licensee from making or requiring certain calculations or establishing certain special parts or component numbers; prohibiting a licensee from requiring, ~~influencing, or attempting to influence~~ or coercing a dealer to change certain prices; prohibiting a licensee from taking certain adverse action against a dealer under certain circumstances; and

generally relating to relationships between motor vehicle dealers and motor vehicle manufacturers, distributors, factory branches, and their affiliates.

BY adding to

Article – Transportation  
Section 15–207(k)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation  
Section 15–212  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Transportation

15–207.

**(K) (1) THIS SUBSECTION DOES NOT APPLY TO ~~THE PURCHASE OR PROCUREMENT OF:~~**

**(I) THE PURCHASE OR PROCUREMENT OF:**

~~(I)~~ **1. MOVEABLE DISPLAYS;**

~~(II)~~ **2. BROCHURES OR OTHER PROMOTIONAL MATERIALS;**

~~(III)~~ **3. SPECIAL TOOLS AND TRAINING AS REQUIRED BY THE MANUFACTURER; ~~OR~~**

~~(IV)~~ **4. PARTS FOR REPAIRS MADE UNDER WARRANTY OBLIGATIONS OF A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH; OR**

**5. ANY GOODS OR SERVICES FOR WHICH A MANUFACTURER, A DISTRIBUTOR, A FACTORY BRANCH, OR AN AFFILIATE PROVIDES A CREDIT, STIPEND, PAYMENT, OR REIMBURSEMENT TO THE DEALER THAT COVERS ALL OR A SUBSTANTIAL PORTION OF THE DEALER'S PROGRAM COSTS;**

**(II) OPTIONAL PROGRAMS;**

(III) A PROGRAM, OR THE RENEWAL OR MODIFICATION OF A PROGRAM, IN EXISTENCE ON OCTOBER 1, 2014; OR

(IV) AN AGREEMENT BETWEEN THE MANUFACTURER, DISTRIBUTOR, FACTORY BRANCH, OR AFFILIATE AND THE DEALER THAT IS DIRECTLY RELATED TO THE DEALER'S COMPLETION OF A PROGRAM IF SEPARATE AND VALUABLE CONSIDERATION HAS BEEN OFFERED TO THE DEALER AND ACCEPTED.

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A MANUFACTURER, DISTRIBUTOR, FACTORY BRANCH, OR ONE OF ITS AFFILIATES MAY NOT, DIRECTLY OR THROUGH AN AGENT, AN EMPLOYEE, AN AFFILIATE, OR A REPRESENTATIVE, REQUIRE, ~~ATTEMPT TO REQUIRE, COERCE, OR ATTEMPT TO~~ OR COERCE BY AGREEMENT, PROGRAM, OR INCENTIVE PROVISION, ~~OR OTHERWISE,~~ A DEALER TO PURCHASE GOODS OR SERVICES ~~FOR THE MODIFICATION OF A FACILITY~~ FROM A VENDOR THAT IS SELECTED, IDENTIFIED, OR DESIGNATED BY THE MANUFACTURER, DISTRIBUTOR, FACTORY BRANCH, OR ONE OF ITS AFFILIATES.

(II) A MANUFACTURER, DISTRIBUTOR, FACTORY BRANCH, OR ONE OF ITS AFFILIATES MAY OFFER A DEALER THE OPTION TO OBTAIN GOODS OR SERVICES UNDER THIS SUBSECTION OF SUBSTANTIALLY SIMILAR QUALITY AND DESIGN FROM A VENDOR CHOSEN BY THE DEALER SUBJECT TO THE ADVANCED APPROVAL OF THE MANUFACTURER, DISTRIBUTOR, FACTORY BRANCH, OR ONE OF ITS AFFILIATES.

(3) A MANUFACTURER, DISTRIBUTOR, FACTORY BRANCH, OR ONE OF ITS AFFILIATES MAY NOT UNREASONABLY WITHHOLD THE APPROVAL REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(4) NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO ALLOW A DEALER OR VENDOR TO:

(I) DIRECTLY OR INDIRECTLY ELIMINATE OR IMPAIR IN ANY WAY A MANUFACTURER'S INTELLECTUAL PROPERTY ~~RIGHTS OR REASONABLE BUSINESS REQUIREMENTS,~~ TRADEMARK, OR TRADE DRESS RIGHTS; OR

(II) ERECT OR MAINTAIN SIGNS THAT DO NOT CONFORM TO THE INTELLECTUAL PROPERTY USAGE GUIDELINES OF THE MANUFACTURER, DISTRIBUTOR, FACTORY BRANCH, OR ONE OF ITS AFFILIATES.

**(5) (I) A MANUFACTURER, DISTRIBUTOR, FACTORY BRANCH, OR ONE OF ITS AFFILIATES MAY NOT PENALIZE A DEALER FOR FAILURE TO PARTICIPATE IN AN OPTIONAL PROGRAM.**

**(II) WITHHOLDING THE BENEFITS OF AN OPTIONAL PROGRAM IN WHICH THE DEALER FAILED TO PARTICIPATE MAY NOT BE CONSTRUED TO BE A PENALTY IMPOSED BY THE MANUFACTURER, DISTRIBUTOR, FACTORY BRANCH, OR AFFILIATE.**

15–212.

(a) In this section, “motor home” means a motor vehicle that:

(1) Is designed to provide temporary living quarters, built into as an integral part of, or permanently attached to, a self-propelled motor vehicle chassis or van; and

(2) Contains permanently installed independent life support systems which provide at least four of the following facilities:

- (i) Cooking;
- (ii) Refrigeration or ice box;
- (iii) Self-contained toilet;
- (iv) Heating, air-conditioning, or both;
- (v) A potable water supply system including a faucet and sink;
- (vi) Separate 110–125 volt electrical power supply; or
- (vii) An LP gas supply.

(b) In addition to the other grounds specified in Subtitle 1 of this title for refusal, suspension, or revocation of a license, the Administration may refuse to grant a license under this subtitle to any person and may suspend, revoke, or refuse to renew the license of any person if it finds that the person has:

(1) Made any material misrepresentation in transferring a vehicle or truck component part to a dealer or distributor;

(2) Failed to comply with any written warranty agreement; or

(3) Failed to reasonably compensate any franchised dealer who does work under:

(i) The vehicle preparation and delivery obligations of the dealer; or

(ii) Any outstanding express or implied new vehicle or truck component parts warranty.

(c) (1) [The following factors, as they exist in the city or community in which the dealer is doing business, shall be included among those considered in determining under subsection (b)(3) of this section whether a dealer has been reasonably compensated:

(i) The compensation being paid by other licensees to their dealers;

(ii) The prevailing wage rate being paid by these dealers; and

(iii) The prevailing labor rate being charged by these dealers.

(2) Notwithstanding paragraph (1) of this subsection and except as provided in paragraph (3) of this subsection, a licensee may not compensate its dealers for work performed under any warranty under subsection (b)(3)(ii) of this section in an amount that is less than the average amount charged by the dealer to retail customers for nonwarranty work of like kind during the preceding 12 months as long as this amount is reasonable.] **A LICENSEE SHALL SPECIFY IN WRITING TO EACH OF ITS MOTOR VEHICLE DEALERS LICENSED IN THE STATE:**

**(I) THE DEALER'S OBLIGATION FOR VEHICLE PREPARATION, DELIVERY, WARRANTIES, AND RECALLS, ~~GOODWILL, CERTIFICATION OF PRE-OWNED STATUS, AND FACTORY CAMPAIGN SERVICE ON ITS PRODUCTS;~~**

**(II) THE SCHEDULE OF COMPENSATION TO BE PAID TO THE DEALERS FOR PARTS, INCLUDING PARTS ASSEMBLIES, AND LABOR, INCLUDING DIAGNOSTIC LABOR AND ASSOCIATED ADMINISTRATIVE REQUIREMENTS, IN CONNECTION WITH THE SERVICE OBLIGATIONS ESTABLISHED UNDER ITEM (I) OF THIS PARAGRAPH; AND**

**(III) A TIME ALLOWANCE FOR THE PERFORMANCE OF LABOR DESCRIBED IN THIS PARAGRAPH THAT IS REASONABLE AND ADEQUATE.**

**(2) REASONABLE COMPENSATION UNDER THIS SECTION MAY NOT BE LESS THAN:**

(I) WITH RESPECT TO LABOR FOR WARRANTY OR RECALL REPAIRS, THE DEALER'S CURRENT LABOR RATE ~~CALCULATED UNDER ITEM (3)(I)1 OF THIS SUBSECTION~~ FOR NONWARRANTY REPAIRS OF A LIKE KIND FOR RETAIL CUSTOMERS; AND

(II) WITH RESPECT TO ANY PART, THE DEALER'S COST PLUS ITS CURRENT RETAIL MARK-UP PERCENTAGE CHARGED TO RETAIL CUSTOMERS FOR NONWARRANTY REPAIRS OF A LIKE KIND.

(3) (I) FOR PURPOSES OF PARAGRAPH (2) OF THIS SUBSECTION, THE DEALER'S LABOR RATE OR PARTS MARK-UP PERCENTAGE SHALL BE ESTABLISHED BY A SUBMISSION TO THE LICENSEE OF WHICHEVER OF THE FOLLOWING PRODUCES FEWER REPAIR ORDERS CLOSED, AS OF THE DATE OF SUBMISSION, WITHIN THE PRECEDING 180 DAYS:

1. 100 QUALIFYING SEQUENTIAL CUSTOMER-PAID REPAIR ORDERS; OR
2. 90 DAYS OF QUALIFYING CUSTOMER-PAID REPAIR ORDERS.

(II) ~~A~~ WITH RESPECT TO PARTS, A SCHEDULE OF COMPENSATION ESTABLISHED UNDER THIS SUBSECTION SHALL BE EQUAL TO:

~~1. WITH RESPECT TO LABOR, THE SUM OF THE TOTAL CUSTOMER LABOR CHARGES AS REFLECTED IN QUALIFYING REPAIR ORDERS DIVIDED BY THE TOTAL NUMBER OF HOURS THAT WOULD BE ALLOWED FOR THE REPAIRS IF THE REPAIRS WERE MADE UNDER THE MANUFACTURER'S TIME ALLOWANCES USED TO COMPENSATE THE DEALER FOR WARRANTY WORK; AND~~

~~2. WITH RESPECT TO PARTS, THE ARITHMETIC MEAN OF THE PARTS MARK-UP PERCENTAGE AS REFLECTED IN QUALIFYING REPAIR ORDERS, CALCULATED BY DIVIDING THE TOTAL CHARGES FOR PARTS IN THE REPAIR ORDERS BY THE TOTAL DEALER COST FOR THE PARTS MINUS ONE.~~

(III) 1. A DEALER MAY NOT MAKE A SUBMISSION UNDER THIS SUBSECTION MORE THAN ONCE IN 1 YEAR.

2. FOR PURPOSES OF SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, A REVISION OR SUPPLEMENT TO A SUBMISSION TO CORRECT OR CLARIFY THE SUBMISSION DOES NOT CONSTITUTE A NEW SUBMISSION.

(4) REPAIR ORDERS FOR LABOR OR PARTS IN CONNECTION WITH ANY OF THE FOLLOWING MAY NOT CONSTITUTE A QUALIFYING REPAIR ORDER UNDER PARAGRAPH (2) OF THIS SUBSECTION:

- (I) ACCESSORIES;
- (II) REPAIRS FOR MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH SPECIAL EVENTS, PROMOTIONS, OR SERVICE CAMPAIGNS;
- (III) REPAIRS RELATED TO COLLISION;
- (IV) VEHICLE EMISSION OR SAFETY INSPECTIONS REQUIRED BY LAW;
- (V) PARTS SOLD, OR REPAIRS PERFORMED, AT WHOLESALE OR FOR INSURANCE CARRIERS, OR OTHER THIRD-PARTY PAYORS;
- (VI) ROUTINE MAINTENANCE NOT COVERED UNDER ANY WARRANTY, INCLUDING MAINTENANCE INVOLVING FLUIDS, FILTERS, AND BELTS NOT PROVIDED IN THE COURSE OF REPAIRS;
- (VII) NUTS, BOLTS, FASTENERS, AND SIMILAR ITEMS THAT DO NOT HAVE AN INDIVIDUAL PARTS NUMBER;
- (VIII) TIRES;
- (IX) VEHICLE RECONDITIONING;
- (X) GOODWILL OR POLICY REPAIRS OR REPLACEMENTS; OR
- (XI) REPAIRS ON ~~VEHICLE MAKES NOT SOLD AS NEW BY THE DEALER~~ VEHICLES FROM A DIFFERENT LINE-MAKE.

(5) IF A LICENSEE GIVES A DEALER A PART AT NO COST TO USE IN PERFORMING A REPAIR UNDER A RECALL, CAMPAIGN SERVICE ACTION, OR WARRANTY REPAIR, THE LICENSEE SHALL COMPENSATE THE DEALER FOR THE PART BY PAYING THE DEALER THE PARTS MARK-UP PERCENTAGE ESTABLISHED UNDER THIS SUBSECTION ON THE COST FOR THE PART LISTED ON THE LICENSEE'S PRICE SCHEDULE.

(6) (I) THE SCHEDULE OF COMPENSATION SUBMITTED UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL BE PRESUMED TO BE ACCURATE AND REASONABLE.

(II) THE LICENSEE SHALL APPROVE OR REBUT THE DEALER'S SUBMISSION WITHIN 30 DAYS OF RECEIPT.

(III) IF THE LICENSEE APPROVES A DEALER'S SUBMISSION, THE LICENSEE SHALL BEGIN COMPENSATING THE DEALER UNDER THE SCHEDULE ~~ON~~ WITHIN 30 DAYS AFTER THE DATE OF APPROVAL.

(IV) IN THE ABSENCE OF A TIMELY REBUTTAL BY THE LICENSEE, THE SCHEDULE OF COMPENSATION SUBMITTED BY THE DEALER SHALL GO INTO EFFECT ON THE 31ST DAY FOLLOWING THE LICENSEE'S RECEIPT OF THE SCHEDULE.

(V) ANY REBUTTAL OF THE SCHEDULE OF COMPENSATION BY THE LICENSEE SHALL:

1. BE DELIVERED TO THE DEALER WITHIN 30 DAYS OF THE LICENSEE'S RECEIPT OF THE SCHEDULE; AND

2. CONSIST OF ~~CLEAR AND CONVINCING~~ REASONABLE SUBSTANTIATING EVIDENCE THAT THE DECLARED RATE IS MATERIALLY INACCURATE.

(VI) IN THE EVENT OF A TIMELY REBUTTAL, ON RESOLUTION OF THE MATTER BY AGREEMENT OF THE PARTIES OR BY ADMINISTRATIVE, JUDICIAL, OR OTHER ACTION, A LICENSEE'S PAYMENT OBLIGATIONS UNDER THE RESULTING SCHEDULE OF COMPENSATION SHALL BEGIN ON THE 31ST DAY FOLLOWING ~~THE MANUFACTURER'S RECEIPT OF THE SCHEDULE~~ A FINAL ORDER UNLESS OTHERWISE PROVIDED FOR BY THE FACT FINDER.

(VII) 1. TO THE EXTENT THAT ANY ACTION COMMENCED UNDER SUBSECTION (D) OF THIS SECTION OR § 15-213 OR § 15-214 OF THIS SUBTITLE INVOLVES THE APPLICATION OF PARAGRAPH (3) OF THIS SUBSECTION, THE ISSUES SHALL BE LIMITED TO WHETHER THE LABOR RATE OR PARTS MARK-UP PERCENTAGE STATED IN THE DEALER'S SUBMISSION WAS MATERIALLY INACCURATE.

2. A LICENSEE SHALL HAVE THE BURDEN OF PROVING UNDER THIS SUBPARAGRAPH THAT THE DEALER'S SUBMISSION WAS MATERIALLY INACCURATE.

(VIII) 1. A LICENSEE MAY VERIFY A DEALER'S EFFECTIVE RATES ONCE ANNUALLY.

2. IF A LICENSEE FINDS THAT A DEALER'S EFFECTIVE RATES HAVE INCREASED OR DECREASED, THE LICENSEE MAY INCREASE OR DECREASE, RESPECTIVELY, THE WARRANTY REIMBURSEMENT RATE PROSPECTIVELY.

(7) A LICENSEE MAY NOT DIRECTLY OR INDIRECTLY:

(I) ~~DIRECTLY OR INDIRECTLY CALCULATE~~ CALCULATE ITS OWN LABOR RATE OR PARTS MARK-UP PERCENTAGE ON A WARRANTY REIMBURSEMENT RATE SUBMISSION BY THE LICENSEE'S DEALER UNDER THIS SECTION, OR REQUIRE A DEALER TO CALCULATE A LABOR RATE OR PARTS MARK-UP PERCENTAGE, BY ANY METHOD NOT REQUIRED UNDER THIS SECTION, INCLUDING A METHOD THAT IS UNDULY BURDENSOME OR TIME-CONSUMING OR THAT REQUIRES INFORMATION THAT IS UNDULY BURDENSOME OR TIME-CONSUMING TO PROVIDE SUCH AS:

1. A PART-BY-PART OR TRANSACTION BY TRANSACTION CALCULATION; OR

2. PRESENTATION OF INFORMATION AS TO, OR CALCULATIONS BASED ON, THE DEALER'S OR OTHER DEALERS' WARRANTY COMPENSATION ~~OR FINANCIAL STATEMENTS~~;

(II) ESTABLISH OR IMPLEMENT A SPECIAL PART OR COMPONENT NUMBER FOR PARTS USED IN WARRANTY FULFILLMENT, IF THE SPECIAL PART OR COMPONENT NUMBER RESULTS IN REDUCED COMPENSATION FOR THE DEALER UNLESS THE PART IS USED FOR SPECIFIC, LIMITED REPAIR SITUATIONS;

(III) ~~REQUIRE, INFLUENCE, OR ATTEMPT TO INFLUENCE OR~~ COERCE A DEALER TO CHANGE THE PRICES FOR WHICH IT SELLS PARTS OR LABOR FOR RETAIL CUSTOMER REPAIRS;

(IV) TAKE ADVERSE ACTION AGAINST A DEALER ~~THAT~~ BECAUSE THE DEALER SEEKS COMPENSATION UNDER THIS SECTION, BY ~~ANY MEANS INCLUDING~~:

1. ~~CREATING AN OBSTACLE OR IMPLEMENTING~~ IMPLEMENTING A PROCESS THAT IS INCONSISTENT WITH THE LICENSEE'S OBLIGATIONS TO THE DEALER UNDER THIS SUBTITLE; OR

2. ~~ACTING OR FAILING TO ACT, EXCEPT~~ FAILING TO ACT IN GOOD FAITH;

(v) CONDUCT ANY WARRANTY OR RETAIL CUSTOMER REPAIR AUDIT, OR OTHER SERVICE-RELATED AUDIT, SOLELY BECAUSE THE DEALER MAKES A REQUEST FOR WARRANTY REIMBURSEMENT AT RETAIL RATES IN THE ORDINARY COURSE OF BUSINESS; OR

(vi) ESTABLISH, IMPLEMENT, ENFORCE, OR APPLY ANY POLICY, STANDARD, RULE, PROGRAM, OR INCENTIVE REGARDING THE COMPENSATION DUE UNDER THIS SECTION OTHER THAN IN A UNIFORM MANNER AMONG THE LICENSEE'S DEALERS IN THE STATE.

[(3)] (8) The provisions of [paragraph (2)] PARAGRAPHS (1) THROUGH (7) of this subsection do not apply to travel trailers or parts of systems, fixtures, appliances, furnishings, accessories, and features of motor homes that are not manufactured by the manufacturer of the motor home as a part of the unit.

[(4)] (9) (i) A claim filed under this section by a dealer with a manufacturer or distributor shall be:

1. In the manner and form REASONABLY prescribed by the manufacturer or distributor; and

2. Approved or disapproved within 30 days of receipt.

(ii) A claim not approved or disapproved within 30 days of receipt shall be deemed approved.

(iii) Payment of or credit issued on a claim filed under this section shall be made within 30 days of approval.

[(5)] (10) A dealer's failure to comply with ~~the specific requirements~~ A SPECIFIC REQUIREMENT of the manufacturer or distributor ~~for processing a claim~~ may not constitute grounds for denial of the claim or reduction of the amount of compensation paid to the dealer if the dealer presents ~~reasonable~~ documentation or other REASONABLE evidence to substantiate ~~the claim~~ THAT THE REPAIR AND THE CLAIM WERE DONE ACCORDING TO MANUFACTURER WARRANTY GUIDELINES.

[(6)] (11) (i) If a claim filed under this section is shown by the manufacturer or distributor to be false or unsubstantiated, the manufacturer or distributor may charge back the claim within 9 months from the date the claim was paid or credit issued.

(ii) This paragraph does not limit the right of a manufacturer or distributor to:

1. Conduct an audit of any claim filed under this section;  
or

2. Charge back for any claim that is proven to be fraudulent.

(iii) An audit under this paragraph shall be conducted according to generally accepted accounting principles.

(d) As to any person licensed under this subtitle, instead of or in addition to revocation, suspension, or nonrenewal of a license under this section, the Administrator:

(1) May order the licensee to pay a fine not exceeding \$50,000 for each violation of this subtitle; and

(2) May order the licensee to compensate any person for financial injury or other damage suffered as a result of the violation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 327

(Senate Bill 692)

AN ACT concerning

### **Washington County – Alcoholic Beverages – Restaurant Seating Capacity *and License Quota***

FOR the purpose of ~~reducing~~ setting the seating capacity requirement for Class B alcoholic beverages (on-sale) restaurants and Class P alcoholic beverages (on-sale) restaurants in Washington County; excepting Class P licenses rather than Class B licenses from calculations in determining whether the number of licenses within an election district exceeds the population ratio quota; and generally relating to alcoholic beverages licenses in Washington County.

BY repealing and reenacting, with amendments,

Article 2B – Alcoholic Beverages

Section 9-222(b)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

9–222.

(b) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Population ratio quota” means 1 license for each 1,000 individuals, excluding individuals detained or confined in a correctional facility as defined under § 1–101(d) of the Correctional Services Article, who reside in the election district where the license will be issued as determined by the last federal population census.

(iii) “Restaurant” means an establishment that:

1. Is located in a permanent building;
2. Regularly sells and serves food to the general public;
3. Has a seating capacity of at least ~~[75] 50 persons;~~

and:

**A. 75 PERSONS FOR A CLASS B ALCOHOLIC BEVERAGES (ON-SALE) LICENSE; OR**

**B. 50 PERSONS FOR A CLASS P ALCOHOLIC BEVERAGES (ON-SALE) LICENSE; AND**

4. Has on an annual basis, gross sales of food and nonalcoholic beverages that exceed its annual gross sales of alcoholic beverages.

(2) In Washington County, except for a Class ~~B~~ **P** alcoholic beverages (on-sale) license issued to a restaurant and any class of alcoholic beverages license renewed or transferred for the same premises, an alcoholic beverages license may not be issued within an election district if the number of alcoholic beverages licenses exceeds the population ratio quota.

(3) (i) If the Washington County Board of License Commissioners determines that there is a public need including governmentally sanctioned economic revitalization for the issuance of a license notwithstanding the population ratio quota, the license may be issued by the Board.

(ii) The Board shall state in the order granting the issuance of the license the reasons for its decision to exceed the population ratio quota.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 328

### (Senate Bill 694)

AN ACT concerning

#### **Health Occupations – Maryland Behavior Analysts Act**

FOR the purpose of establishing the Behavior Analyst Advisory Committee within the State Board of Professional Counselors and Therapists; requiring the Board to adopt certain regulations and a certain code of ethics; requiring the Board to set certain fees for services provided by the Board to behavior analysts; requiring the Board to pay the fees to the Comptroller; requiring the Comptroller to distribute the fees to the Board; requiring the fees to be used to cover certain costs; providing for the composition, appointment, and terms of the Committee members; establishing certain powers and duties of the Committee; requiring certain persons to be licensed by the Board as behavior analysts before performing certain work in the State except under certain circumstances; establishing certain education and experience requirements to qualify for a license; establishing certain application fees and requirements for obtaining a license; establishing certain terms and procedures for the renewal and reinstatement of a license; requiring the Board to issue a license to certain applicants; specifying the contents of a license; prohibiting the Board from issuing a license if certain information has not been received; ~~requiring the Board to maintain a certain roster;~~ requiring the Board to place a licensee on inactive status under certain circumstances; prohibiting a licensee from surrendering a license under certain circumstances; requiring a licensee to notify the Board of a change of name or address in a certain manner and within a certain time period; authorizing the Board to deny a license to an applicant, reprimand a licensee, place a licensee on probation, or suspend or revoke a license under certain circumstances; establishing certain requirements for reinstatement of a revoked license; providing for certain criminal, civil, and administrative penalties; establishing certain hearing and appeal procedures for behavior analysts; authorizing the Board to issue a cease and desist order under certain circumstances; authorizing a certain action to be maintained to enjoin the unauthorized practice of behavior analysis or certain conduct; providing for a certain behavior analyst rehabilitation ~~committee~~ subcommittee; specifying

the functions of the behavior analyst rehabilitation ~~committee~~ subcommittee; providing that the proceedings, records, and files of the behavior analyst rehabilitation ~~committee~~ subcommittee are not discoverable or admissible in evidence in certain actions under certain circumstances; providing that a certain person is not civilly liable for certain action as a member of a behavior analyst rehabilitation ~~committee~~ subcommittee; prohibiting a person from practicing, attempting to practice, or offering to practice behavior analysis in the State unless licensed by the Board except under certain circumstances; prohibiting a person from representing to the public that the person is a licensed behavior analyst or using certain titles, abbreviations, signs, cards, or other representations except under certain circumstances; ~~requiring the Board to pay certain penalties into the State Board of Professional Counselors and Therapists Fund~~; establishing a certain short title; providing that the Committee is subject to the provisions of the Maryland Program Evaluation Act; requiring that an evaluation of the Committee and statutes and regulations that relate to the Committee be performed on or before a certain date; defining certain terms; specifying the terms of the initial members of the ~~Board~~ Committee; providing for the termination of certain provisions of this Act; and generally relating to the licensing and regulation of behavior analysts and the Behavior Analyst Advisory Committee.

BY renumbering

Article – State Government  
Section 8–403(b)(8) through (56), respectively  
to be Section 8–403(b)(9) through (57), respectively  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations  
Section 17–6A–01 through ~~17–6A–33~~ 17–6A–31 to be under the new subtitle  
“Subtitle 6A. Behavior Analysts”  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government  
Section 8–403(a)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Government  
Section 8–403(b)(8)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 8–403(b)(8) through (56), respectively, of Article – State Government of the Annotated Code of Maryland be renumbered to be Section(s) 8–403(b)(9) through (57), respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – Health Occupations**

**SUBTITLE 6A. BEHAVIOR ANALYSTS.**

**17–6A–01.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “COMMITTEE” MEANS THE BEHAVIOR ANALYST ADVISORY COMMITTEE ESTABLISHED UNDER § 17–6A–05 OF THIS SUBTITLE.

(C) “LICENSE” MEANS A LICENSE ISSUED BY THE BOARD TO PRACTICE BEHAVIOR ANALYSIS.

(D) “LICENSED BEHAVIOR ANALYST” MEANS AN INDIVIDUAL WHO IS LICENSED BY THE BOARD TO PRACTICE BEHAVIOR ANALYSIS.

(E) “LICENSEE” MEANS A LICENSED BEHAVIOR ANALYST.

(F) (1) “PRACTICE OF BEHAVIOR ANALYSIS” MEANS THE DESIGN, IMPLEMENTATION, AND EVALUATION OF SYSTEMATIC INSTRUCTIONAL AND ENVIRONMENTAL MODIFICATIONS TO PRODUCE SOCIALLY SIGNIFICANT IMPROVEMENTS IN HUMAN BEHAVIOR.

(2) “PRACTICE OF BEHAVIOR ANALYSIS” INCLUDES:

(I) THE EMPIRICAL IDENTIFICATION OF FUNCTIONAL RELATIONS BETWEEN BEHAVIOR AND ENVIRONMENTAL FACTORS, KNOWN AS FUNCTIONAL ASSESSMENT AND ANALYSIS; AND

(II) INTERVENTIONS BASED ON SCIENTIFIC RESEARCH AND THE DIRECT OBSERVATION AND MEASUREMENT OF BEHAVIOR AND ENVIRONMENT.

(3) “PRACTICE OF BEHAVIOR ANALYSIS” DOES NOT INCLUDE PSYCHOLOGICAL TESTING, DIAGNOSIS OF A MENTAL OR PHYSICAL DISORDER,

NEUROPSYCHOLOGY, PSYCHOTHERAPY, COGNITIVE THERAPY, SEX THERAPY, PSYCHOANALYSIS OR, HYPNOTHERAPY, OR LONG-TERM COUNSELING, OR ANY SUBDISCIPLINE OF PSYCHOLOGY AS TREATMENT MODALITIES.

**17-6A-02.**

~~UNLESS THE INDIVIDUAL USES AS A TITLE OR DESCRIBES THE SERVICES THE INDIVIDUAL PROVIDES BY USE OF THE WORDS “BEHAVIOR ANALYSIS” OR “BEHAVIOR ANALYST”, THIS~~

(A) THIS SUBTITLE DOES NOT LIMIT THE USE OF THE TERMS “BEHAVIOR ANALYSIS” OR “BEHAVIORAL ANALYSIS” BY AN INDIVIDUAL AUTHORIZED TO PRACTICE UNDER THIS ARTICLE WHO IS PRACTICING WITHIN THE INDIVIDUAL’S SCOPE OF PRACTICE.

(B) THIS SUBTITLE DOES NOT LIMIT THE RIGHT OF AN INDIVIDUAL TO PRACTICE A HEALTH OCCUPATION THAT THE INDIVIDUAL IS LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED TO PRACTICE UNDER THIS ARTICLE.

**17-6A-03.**

THE BOARD SHALL ADOPT:

(1) REGULATIONS FOR THE LICENSURE AND PRACTICE OF BEHAVIOR ANALYSIS; AND

(2) A CODE OF ETHICS FOR THE PRACTICE OF BEHAVIOR ANALYSIS.

**17-6A-04.**

(A) (1) THE BOARD SHALL SET REASONABLE FEES FOR THE ISSUANCE AND RENEWAL OF LICENSES AND THE OTHER SERVICES IT PROVIDES TO BEHAVIOR ANALYSTS.

(2) THE FEES CHARGED SHALL BE SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF MAINTAINING THE LICENSURE PROGRAM AND THE OTHER SERVICES PROVIDED TO BEHAVIOR ANALYSTS.

(B) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THE PROVISIONS OF THIS SUBTITLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE ALL FEES TO THE BOARD.

(C) THE FEES SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE BOARD AS PROVIDED BY THE PROVISIONS OF THIS SUBTITLE.

17-6A-05.

THERE IS A BEHAVIOR ANALYST ADVISORY COMMITTEE WITHIN THE BOARD.

17-6A-06.

(A) THE COMMITTEE CONSISTS OF FIVE MEMBERS APPOINTED BY THE BOARD AS FOLLOWS:

(1) (I) ON OR BEFORE ~~SEPTEMBER 30~~ DECEMBER 31, 2014, FOUR BEHAVIOR ANALYSTS WHO:

1. ARE CERTIFIED BY THE BEHAVIOR ANALYST CERTIFICATION BOARD; AND

2. HAVE A MINIMUM OF 5 YEARS OF CLINICAL EXPERIENCE; AND

(II) ON OR AFTER ~~OCTOBER 1, 2014~~ JANUARY 1, 2015, FOUR LICENSED BEHAVIOR ANALYSTS WHO:

1. ARE CERTIFIED BY THE BEHAVIOR ANALYST CERTIFICATION BOARD; AND

2. HAVE A MINIMUM OF 5 YEARS OF CLINICAL EXPERIENCE; AND

(2) ONE CONSUMER MEMBER WHO IS RECEIVING SERVICES, HAS RECEIVED SERVICES, OR HAS A CHILD WHO IS RECEIVING SERVICES FOR A BEHAVIORAL DISORDER, INCLUDING AN AUTISM SPECTRUM DISORDER.

(B) THE CONSUMER MEMBER OF THE COMMITTEE:

(1) SHALL BE A MEMBER OF THE GENERAL PUBLIC;

(2) MAY NOT BE OR EVER HAVE BEEN A BEHAVIOR ANALYST OR IN TRAINING TO BECOME A BEHAVIOR ANALYST;

**(3) MAY NOT HAVE A HOUSEHOLD MEMBER WHO IS A BEHAVIOR ANALYST OR IN TRAINING TO BECOME A BEHAVIOR ANALYST;**

**(4) MAY NOT PARTICIPATE OR EVER HAVE PARTICIPATED IN A COMMERCIAL OR PROFESSIONAL FIELD RELATED TO BEHAVIOR ANALYSIS;**

**(5) MAY NOT HAVE A HOUSEHOLD MEMBER WHO PARTICIPATES IN A COMMERCIAL OR PROFESSIONAL FIELD RELATED TO BEHAVIOR ANALYSIS; AND**

**(6) MAY NOT HAVE HAD WITHIN 2 YEARS BEFORE APPOINTMENT A SUBSTANTIAL FINANCIAL INTEREST IN A PERSON REGULATED BY THE BOARD.**

**(C) (1) THE TERM OF A MEMBER IS 4 YEARS.**

**(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE COMMITTEE ON OCTOBER 1, 2014.**

**(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

**(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

**(5) A MEMBER MAY NOT SERVE MORE THAN 2 CONSECUTIVE FULL TERMS.**

**(D) THE BOARD MAY REMOVE A MEMBER FOR INCOMPETENCE OR MISCONDUCT.**

**17-6A-07.**

**(A) FROM AMONG ITS MEMBERS, THE COMMITTEE ANNUALLY SHALL ELECT A CHAIR AND A VICE CHAIR.**

**(B) THE COMMITTEE SHALL DETERMINE:**

**(1) THE MANNER OF ELECTION OF OFFICERS; AND**

**(2) THE DUTIES OF EACH OFFICER.**

**17-6A-08.**

**(A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE COMMITTEE IS A QUORUM.**

**(B) (1) THE COMMITTEE SHALL MEET AT LEAST ONCE A YEAR, AT THE TIMES AND PLACES THAT IT DETERMINES.**

**(2) THE COMMITTEE MAY HOLD SPECIAL MEETINGS IF:**

**(I) REQUESTED BY THE BOARD; OR**

**(II) THE CHAIR OR A MAJORITY OF THE MEMBERS THEN SERVING ON THE COMMITTEE CONSIDER A MEETING TO BE NECESSARY OR ADVISABLE.**

**(3) REASONABLE NOTICE OF ALL COMMITTEE MEETINGS SHALL BE GIVEN IN THE MANNER DETERMINED BY THE COMMITTEE.**

**(C) A MEMBER OF THE COMMITTEE:**

**(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE COMMITTEE; BUT**

**(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

**17-6A-09.**

**IN ADDITION TO THE POWERS AND DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE, THE COMMITTEE SHALL:**

**(1) DEVELOP AND RECOMMEND TO THE BOARD REGULATIONS TO CARRY OUT THIS SUBTITLE;**

**(2) DEVELOP AND RECOMMEND TO THE BOARD A CODE OF ETHICS FOR THE PRACTICE OF BEHAVIOR ANALYSIS;**

**(3) DEVELOP AND RECOMMEND TO THE BOARD THE REQUIREMENTS FOR LICENSURE AS A BEHAVIOR ANALYST, INCLUDING:**

**(I) CRITERIA FOR THE EDUCATIONAL AND CLINICAL TRAINING OF LICENSED BEHAVIOR ANALYSTS; AND**

(II) CRITERIA FOR A PROFESSIONAL COMPETENCY EXAMINATION AND TESTING OF APPLICANTS FOR A LICENSE TO PRACTICE BEHAVIOR ANALYSIS;

(4) DEVELOP AND RECOMMEND TO THE BOARD CONTINUING EDUCATION REQUIREMENTS FOR LICENSE RENEWAL;

(5) PROVIDE THE BOARD WITH RECOMMENDATIONS CONCERNING THE PRACTICE OF BEHAVIOR ANALYSIS;

(6) KEEP A RECORD OF ITS PROCEEDINGS; AND

(7) ~~SUBMIT AN ANNUAL REPORT~~ REPORT TO THE BOARD AS REQUIRED IN REGULATIONS ADOPTED BY THE BOARD.

**17-6A-10.**

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, BEGINNING ~~OCTOBER 1, 2014~~ JANUARY 1, 2015, AN INDIVIDUAL SHALL BE LICENSED BY THE BOARD BEFORE THE INDIVIDUAL MAY PRACTICE BEHAVIOR ANALYSIS IN THE STATE.

(B) THIS SECTION DOES NOT APPLY TO A STUDENT ENROLLED IN AN EDUCATIONAL PROGRAM THAT MEETS THE CRITERIA OF § 17-6A-11(C)(2) OF THIS SUBTITLE WHILE ENGAGED IN AN UNPAID, CLINICAL EDUCATIONAL EXPERIENCE OF BEHAVIOR ANALYSIS.

**17-6A-11.**

(A) TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL BE AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION.

(B) THE APPLICANT SHALL:

(1) BE OF GOOD MORAL CHARACTER; AND

(2) BE AT LEAST 18 YEARS OLD.

(C) THE APPLICANT SHALL:

(1) HAVE A CURRENT CERTIFICATION BY THE BEHAVIOR ANALYST CERTIFICATION BOARD OR ITS SUCCESSOR ORGANIZATION;

(2) HAVE RECEIVED A ~~BACHELOR'S OR~~ MASTER'S DEGREE OR HIGHER FROM A BEHAVIOR ANALYSIS EDUCATIONAL PROGRAM THAT IS ACCREDITED BY THE BEHAVIOR ANALYST CERTIFICATION BOARD OR ITS SUCCESSOR ORGANIZATION;

(3) DEMONSTRATE ORAL AND WRITTEN COMPETENCY IN ENGLISH AS REQUIRED BY THE BOARD; AND

(4) MEET ANY OTHER REQUIREMENTS ESTABLISHED BY THE BOARD.

(D) THE BOARD SHALL WAIVE THE EDUCATION REQUIREMENTS UNDER SUBSECTION (C)(2) OF THIS SECTION IF AN INDIVIDUAL WAS CERTIFIED BY THE BEHAVIOR ANALYST CERTIFICATION BOARD ON OR BEFORE ~~SEPTEMBER 30~~ DECEMBER 31, 2014, AND IS CURRENTLY IN GOOD STANDING.

17-6A-12.

TO APPLY FOR A LICENSE, AN APPLICANT SHALL:

(1) SUBMIT AN APPLICATION TO THE BOARD ON THE FORM THAT THE BOARD REQUIRES;

(2) PAY TO THE BOARD THE APPLICATION FEE SET BY THE BOARD; AND

(3) SUBMIT TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 17-501.1 OF THIS TITLE.

17-6A-13.

(A) THE BOARD SHALL ISSUE A LICENSE TO ANY APPLICANT WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE.

(B) THE BOARD SHALL INCLUDE ON EACH LICENSE THAT THE BOARD ISSUES:

(1) THE FULL NAME OF THE LICENSED BEHAVIOR ANALYST;

(2) THE DATES OF ISSUANCE AND EXPIRATION;

(3) A SERIAL NUMBER;

(4) THE SIGNATURES OF THE CHAIR AND THE VICE CHAIR OF THE BOARD; AND

(5) THE SEAL OF THE BOARD.

(C) (1) ON RECEIPT OF THE CRIMINAL HISTORY RECORD INFORMATION OF AN APPLICANT FOR LICENSURE FORWARDED TO THE BOARD IN ACCORDANCE WITH § 17-501.1 OF THIS TITLE, IN DETERMINING WHETHER TO GRANT A LICENSE, THE BOARD SHALL CONSIDER:

(I) THE AGE AT WHICH THE CRIME WAS COMMITTED;

(II) THE CIRCUMSTANCES SURROUNDING THE CRIME;

(III) THE LENGTH OF TIME THAT HAS PASSED SINCE THE CRIME;

(IV) SUBSEQUENT WORK HISTORY;

(V) EMPLOYMENT AND CHARACTER REFERENCES; AND

(VI) OTHER EVIDENCE THAT DEMONSTRATES WHETHER THE APPLICANT POSES A THREAT TO THE PUBLIC HEALTH OR SAFETY.

(2) THE BOARD MAY NOT ISSUE A LICENSE IF THE CRIMINAL HISTORY RECORD INFORMATION REQUIRED UNDER § 17-501.1 OF THIS TITLE HAS NOT BEEN RECEIVED.

17-6A-14.

A BEHAVIOR ANALYST LICENSE AUTHORIZES THE LICENSEE TO PRACTICE BEHAVIOR ANALYSIS WHILE THE LICENSE IS EFFECTIVE.

~~17-6A-15.~~

~~(A) THE BOARD SHALL MAINTAIN A ROSTER THAT CONTAINS THE NAME AND ADDRESS OF EACH BEHAVIOR ANALYST CURRENTLY LICENSED, LISTED ALPHABETICALLY BY NAME AND GEOGRAPHICALLY BY ADDRESS.~~

~~(B) THE BOARD SHALL:~~

~~(1) RESPOND TO INQUIRIES FROM THE PUBLIC REGARDING INFORMATION CONTAINED IN THE ROSTER; AND~~

~~(2) ON REQUEST, PROVIDE COPIES OF THE ROSTER BY MAIL TO THE PUBLIC.~~

~~17-6A-16.~~ 17-6A-15.

(A) A LICENSE EXPIRES ON A DATE SET BY THE BOARD UNLESS THE LICENSE IS RENEWED FOR AN ADDITIONAL TERM AS PROVIDED IN THIS SECTION.

(B) AT LEAST 1 MONTH BEFORE A LICENSE EXPIRES, THE BOARD SHALL SEND TO THE LICENSEE, BY FIRST-CLASS MAIL OR ELECTRONIC MAIL TO THE LAST KNOWN ADDRESS OF THE LICENSEE, A RENEWAL NOTICE THAT STATES:

(1) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;

(2) THE DATE BY WHICH THE RENEWAL APPLICATION MUST BE RECEIVED BY THE BOARD FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE LICENSE EXPIRES; AND

(3) THE AMOUNT OF THE RENEWAL FEE.

(C) BEFORE A LICENSE EXPIRES, THE LICENSEE PERIODICALLY MAY RENEW THE LICENSE FOR AN ADDITIONAL TERM IF THE LICENSEE:

(1) OTHERWISE IS ENTITLED TO BE LICENSED;

(2) PAYS TO THE BOARD A RENEWAL FEE SET BY THE BOARD;  
AND

(3) SUBMITS TO THE BOARD:

(I) A RENEWAL APPLICATION ON THE FORM THAT THE BOARD REQUIRES; AND

(II) SATISFACTORY EVIDENCE OF COMPLIANCE WITH ANY CONTINUING EDUCATION REQUIREMENTS ESTABLISHED BY THE BOARD UNDER SUBSECTION (D) OF THIS SECTION.

(D) THE BOARD MAY ESTABLISH CONTINUING EDUCATION REQUIREMENTS AS A CONDITION OF THE RENEWAL OF LICENSES UNDER THIS SECTION.

(E) THE BOARD SHALL RENEW THE LICENSE OF EACH LICENSEE WHO MEETS THE REQUIREMENTS OF THIS SECTION.

~~17-6A-17.~~ 17-6A-16.

(A) (1) THE BOARD SHALL PLACE A LICENSEE ON INACTIVE STATUS IF THE LICENSEE SUBMITS TO THE BOARD:

(I) AN APPLICATION FOR INACTIVE STATUS ON THE FORM REQUIRED BY THE BOARD; AND

(II) THE INACTIVE STATUS FEE SET BY THE BOARD.

(2) (I) THE BOARD SHALL LICENSE AN INDIVIDUAL ON INACTIVE STATUS WHO APPLIES FOR A LICENSE IF THE INDIVIDUAL:

1. COMPLIES WITH THE RENEWAL REQUIREMENTS THAT EXIST AT THE TIME THE INDIVIDUAL CHANGES FROM INACTIVE STATUS TO ACTIVE STATUS; AND

2. MEETS ANY CONTINUING EDUCATION REQUIREMENTS ESTABLISHED BY THE BOARD.

(II) THE BOARD MAY NOT REQUIRE PAYMENT OF A LATE FEE BY AN INDIVIDUAL AS A CONDITION TO LICENSING UNDER THIS PARAGRAPH.

(B) THE BOARD SHALL REINSTATE THE LICENSE OF A BEHAVIOR ANALYST WHO HAS NOT BEEN PUT ON INACTIVE STATUS AND WHO HAS FAILED TO RENEW THE LICENSE FOR ANY REASON IF THE BEHAVIOR ANALYST:

(1) MEETS THE RENEWAL REQUIREMENTS OF ~~§ 17-6A-16~~ § 17-6A-15 OF THIS SUBTITLE;

(2) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD; AND

(3) APPLIES TO THE BOARD FOR REINSTATEMENT OF THE LICENSE WITHIN 5 YEARS AFTER THE LICENSE EXPIRES.

(C) (1) THE BOARD MAY NOT REINSTATE THE LICENSE OF A BEHAVIOR ANALYST WHO FAILS TO APPLY FOR REINSTATEMENT OF THE LICENSE WITHIN 5 YEARS AFTER THE LICENSE EXPIRES.

(2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION, A BEHAVIOR ANALYST MAY BECOME LICENSED BY MEETING

THE CURRENT REQUIREMENTS FOR OBTAINING A NEW LICENSE UNDER THIS SUBTITLE.

~~17-6A-18.~~ 17-6A-17.

(A) A LICENSEE SHALL NOTIFY THE BOARD IN WRITING OF A CHANGE IN NAME OR ADDRESS WITHIN 60 DAYS AFTER THE CHANGE.

(B) A LICENSEE WHO FAILS TO COMPLY WITH SUBSECTION (A) OF THIS SECTION IS SUBJECT TO AN ADMINISTRATIVE PENALTY OF \$100.

~~17-6A-19.~~ 17-6A-18.

UNLESS THE BOARD ACCEPTS THE SURRENDER OF A LICENSE, THE LICENSE MAY NOT LAPSE BY OPERATION OF LAW WHILE THE LICENSEE IS UNDER INVESTIGATION OR WHILE CHARGES ARE PENDING AGAINST THE LICENSEE.

~~17-6A-20.~~ 17-6A-19.

SUBJECT TO THE HEARING PROVISIONS OF § ~~17-6A-23~~ 17-6A-21 OF THIS SUBTITLE, THE BOARD, ON THE AFFIRMATIVE VOTE OF A MAJORITY OF ITS MEMBERS THEN SERVING, MAY DENY A LICENSE TO ANY APPLICANT, REPRIMAND ANY LICENSEE, PLACE ANY LICENSEE ON PROBATION, OR SUSPEND OR REVOKE A LICENSE OF ANY LICENSEE IF THE APPLICANT OR LICENSEE:

(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR ANOTHER;

(2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;

(3) IS CONVICTED OF OR PLEADS GUILTY OR NOLO CONTENDERE TO A FELONY OR A CRIME INVOLVING MORAL TURPITUDE, WHETHER OR NOT ANY APPEAL OR OTHER PROCEEDING IS PENDING TO HAVE THE CONVICTION OR PLEA SET ASIDE;

~~(4) IS OR HAS BEEN ADDICTED TO ANY NARCOTIC OR HABITUALLY INTOXICATED;~~

~~(5)~~ (4) AIDS OR ABETS AN UNAUTHORIZED PERSON IN PRACTICING BEHAVIOR ANALYSIS OR REPRESENTING ONESELF TO BE A BEHAVIOR ANALYST;

~~(6)~~ (5) PRACTICES BEHAVIOR ANALYSIS FRAUDULENTLY OR DECEITFULLY;

~~(7)~~ (6) VIOLATES THE CODE OF ETHICS ADOPTED BY THE BOARD UNDER § 17-6A-03 OF THIS SUBTITLE;

~~(8)~~ (7) WILLFULLY FAILS TO FILE OR RECORD ANY REPORT AS REQUIRED UNDER LAW, WILLFULLY IMPEDES OR OBSTRUCTS THE FILING OR RECORDING OF THE REPORT, OR INDUCES ANOTHER TO FAIL TO FILE OR RECORD THE REPORT;

~~(9)~~ (8) SUBMITS A FALSE STATEMENT TO COLLECT A FEE;

~~(10)~~ (9) WILLFULLY MAKES OR FILES A FALSE REPORT OR RECORD IN THE PRACTICE OF BEHAVIOR ANALYSIS;

~~(11)~~ (10) IS DISCIPLINED BY A LICENSING OR DISCIPLINARY AUTHORITY OF ANY STATE OR COUNTRY OR CONVICTED OR DISCIPLINED BY A COURT OF ANY STATE OR COUNTRY OR DISCIPLINED BY ANY BRANCH OF THE UNITED STATES UNIFORMED SERVICES OR THE UNITED STATES VETERANS ADMINISTRATION FOR AN ACT THAT WOULD BE GROUNDS FOR DISCIPLINARY ACTION UNDER THE BOARD'S DISCIPLINARY STATUTES;

~~(12)~~ (11) VIOLATES ANY PROVISION OF THIS SUBTITLE OR ANY REGULATION ADOPTED BY THE BOARD;

~~(13)~~ (12) USES OR PROMOTES OR CAUSES THE USE OF ANY MISLEADING, DECEIVING, OR UNTRUTHFUL ADVERTISING MATTER, PROMOTIONAL LITERATURE, OR TESTIMONIAL;

~~(14)~~ (13) IS PROFESSIONALLY, PHYSICALLY, OR MENTALLY INCOMPETENT;

~~(15)~~ (14) PROMOTES THE SALE OF DEVICES, APPLIANCES, OR GOODS TO A PATIENT SO AS TO EXPLOIT THE PATIENT FOR FINANCIAL GAIN;

~~(16)~~ (15) BEHAVES IMMORALLY IN THE PRACTICE OF BEHAVIOR ANALYSIS;

~~(17)~~ (16) COMMITS AN ACT OF UNPROFESSIONAL CONDUCT IN THE PRACTICE OF BEHAVIOR ANALYSIS;

~~(18)~~ (17) REFUSES, WITHHOLDS FROM, DENIES, OR DISCRIMINATES AGAINST AN INDIVIDUAL WITH REGARD TO THE PROVISION OF

PROFESSIONAL SERVICES FOR WHICH THE LICENSEE IS LICENSED AND QUALIFIED TO RENDER BECAUSE THE INDIVIDUAL IS HIV POSITIVE;

~~(19)~~ (18) FAILS TO COOPERATE WITH A LAWFUL INVESTIGATION CONDUCTED BY THE BOARD;

~~(20)~~ (19) COMMITS AN ACT THAT IS INCONSISTENT WITH GENERALLY ACCEPTED PROFESSIONAL STANDARDS IN THE PRACTICE OF BEHAVIOR ANALYSIS; ~~OR~~

~~(21)~~ (20) FAILS TO SUBMIT TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 17-501.1 OF THIS TITLE;

(21) HABITUALLY IS INTOXICATED;

(22) PROVIDES PROFESSIONAL SERVICES WHILE UNDER THE INFLUENCE OF ALCOHOL OR WHILE USING ANY NARCOTIC OR CONTROLLED DANGEROUS SUBSTANCE, AS DEFINED IN § 5-101 OF THE CRIMINAL LAW ARTICLE, OR OTHER DRUG THAT IS IN EXCESS OF THERAPEUTIC AMOUNTS OR WITHOUT VALID MEDICAL INDICATION; OR

(23) KNOWINGLY FAILS TO REPORT SUSPECTED CHILD ABUSE IN VIOLATION OF § 5-704 OF THE FAMILY LAW ARTICLE.

~~17-6A-21.~~ 17-6A-20.

(A) IF, AFTER A HEARING UNDER ~~§ 17-6A-23~~ § 17-6A-21 OF THIS SUBTITLE, THE BOARD FINDS THAT THERE ARE GROUNDS UNDER ~~§ 17-6A-20~~ § 17-6A-19 OF THIS SUBTITLE TO SUSPEND OR REVOKE A LICENSE OR TO REPRIMAND A LICENSEE, THE BOARD MAY IMPOSE A MONETARY PENALTY NOT EXCEEDING \$10,000:

(1) INSTEAD OF SUSPENDING THE LICENSE; OR

(2) IN ADDITION TO SUSPENDING OR REVOKING THE LICENSE.

(B) THE BOARD SHALL ADOPT REGULATIONS TO SET STANDARDS FOR THE IMPOSITION OF MONETARY PENALTIES UNDER THIS SECTION.

(C) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS SECTION INTO THE GENERAL FUND OF THE STATE.

~~17-6A-22.~~

~~(A) IF, IN INVESTIGATING AN ALLEGATION BROUGHT AGAINST A LICENSEE UNDER THIS SUBTITLE, THE BOARD HAS REASON TO BELIEVE THAT THE LICENSEE MAY CAUSE HARM TO PERSONS AFFECTED BY THE LICENSEE'S PRACTICE OF BEHAVIOR ANALYSIS, THE BOARD, ON ITS OWN INITIATIVE, MAY DIRECT THE LICENSEE TO SUBMIT TO AN APPROPRIATE EXAMINATION BY A PSYCHOLOGIST OR PHYSICIAN DESIGNATED BY THE BOARD.~~

~~(B) IN RETURN FOR THE PRIVILEGE GIVEN TO A LICENSEE TO PRACTICE BEHAVIOR ANALYSIS IN THE STATE, THE LICENSEE IS DEEMED TO HAVE:~~

~~(1) CONSENTED TO SUBMIT TO AN EXAMINATION UNDER THIS SECTION IF REQUESTED BY THE BOARD IN WRITING; AND~~

~~(2) WAIVED ANY CLAIM OF PRIVILEGE AS TO THE TESTIMONY OR EXAMINATION REPORTS OF THE EXAMINING PSYCHOLOGIST OR PHYSICIAN.~~

~~(C) THE FAILURE OR REFUSAL OF THE LICENSEE TO SUBMIT TO AN EXAMINATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION IS PRIMA FACIE EVIDENCE OF THE LICENSEE'S INABILITY TO PRACTICE BEHAVIOR ANALYSIS COMPETENTLY UNLESS THE BOARD FINDS THAT THE FAILURE OR REFUSAL WAS BEYOND THE CONTROL OF THE LICENSEE.~~

~~(D) THE BOARD SHALL PAY THE COST OF ANY EXAMINATION MADE UNDER THIS SECTION.~~

~~17-6A-23.~~ 17-6A-21.

(A) EXCEPT AS OTHERWISE PROVIDED IN THE ADMINISTRATIVE PROCEDURE ACT, BEFORE THE BOARD TAKES ANY ACTION UNDER ~~§ 17-6A-20~~ § 17-6A-19 OF THIS SUBTITLE, IT SHALL GIVE THE INDIVIDUAL AGAINST WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE THE BOARD.

(B) THE BOARD SHALL GIVE NOTICE AND HOLD THE HEARING IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURE ACT.

(C) THE HEARING NOTICE TO BE GIVEN TO THE INDIVIDUAL SHALL BE SERVED PERSONALLY OR BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES POSTAL SERVICE, TO THE LAST KNOWN ADDRESS OF THE INDIVIDUAL AT LEAST ~~10~~ 30 DAYS BEFORE THE HEARING.

(D) THE INDIVIDUAL MAY BE REPRESENTED AT THE HEARING BY COUNSEL.

(E) (1) OVER THE SIGNATURE OF AN OFFICER OR THE ADMINISTRATOR OF THE BOARD, THE BOARD MAY ISSUE SUBPOENAS AND ADMINISTER OATHS IN CONNECTION WITH ANY INVESTIGATION UNDER THIS SUBTITLE AND ANY HEARINGS OR PROCEEDINGS BEFORE THE BOARD.

(2) THE BOARD SHALL ISSUE SUBPOENAS ON BEHALF OF THE INDIVIDUAL IF THE INDIVIDUAL:

(I) REQUESTS THAT THE BOARD DO SO; AND

(II) STATES UNDER OATH THAT THE TESTIMONY OR EVIDENCE SOUGHT IS NECESSARY TO THE INDIVIDUAL'S DEFENSE.

(3) IF, WITHOUT LAWFUL EXCUSE, AN INDIVIDUAL DISOBEYS A SUBPOENA FROM THE BOARD OR AN ORDER BY THE BOARD TO TAKE AN OATH, TESTIFY, OR ANSWER A QUESTION, ON PETITION OF THE BOARD, A COURT OF COMPETENT JURISDICTION MAY COMPEL COMPLIANCE WITH THE SUBPOENA.

(F) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE ACTION IS CONTEMPLATED FAILS OR REFUSES TO APPEAR, NEVERTHELESS THE BOARD MAY HEAR AND DETERMINE THE MATTER.

(G) THE HEARING OF CHARGES MAY NOT BE STAYED OR CHALLENGED BY ANY PROCEDURAL DEFECTS ALLEGED TO HAVE OCCURRED BEFORE THE FILING OF CHARGES.

~~17-6A-24.~~ 17-6A-22.

(A) EXCEPT AS PROVIDED IN THIS SECTION FOR AN ACTION UNDER ~~§ 17-6A-20~~ § 17-6A-19 OF THIS SUBTITLE, ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A CONTESTED CASE, AS DEFINED IN THE ADMINISTRATIVE PROCEDURE ACT, MAY:

(1) APPEAL THAT DECISION TO THE BOARD OF REVIEW; AND

(2) THEN TAKE ANY FURTHER APPEAL ALLOWED BY THE ADMINISTRATIVE PROCEDURE ACT.

(B) (1) ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD UNDER ~~§ 17-6A-20~~ § 17-6A-19 OF THIS SUBTITLE MAY NOT APPEAL TO THE SECRETARY OR THE BOARD OF REVIEW BUT MAY TAKE A DIRECT JUDICIAL APPEAL.

(2) THE APPEAL SHALL BE MADE AS PROVIDED FOR JUDICIAL REVIEW OF FINAL DECISIONS IN THE ADMINISTRATIVE PROCEDURE ACT.

(C) A DECISION OF THE BOARD TO DENY A LICENSE, ENFORCE A SUSPENSION OF A LICENSE FOR MORE THAN 1 YEAR, OR REVOKE A LICENSE MAY NOT BE STAYED PENDING JUDICIAL REVIEW.

~~17-6A-25.~~ 17-6A-23.

FOR REASONS THE BOARD CONSIDERS SUFFICIENT, AND ON THE AFFIRMATIVE VOTE OF A MAJORITY OF ITS MEMBERS THEN SERVING, THE BOARD MAY:

- (1) REINSTATE A LICENSE THAT HAS BEEN REVOKED;
- (2) REDUCE THE PERIOD OF A SUSPENSION; OR
- (3) WITHDRAW A REPRIMAND.

~~17-6A-26.~~ 17-6A-24.

THE BOARD MAY ISSUE A CEASE AND DESIST ORDER FOR A VIOLATION OF THIS SUBTITLE.

~~17-6A-27.~~ 17-6A-25.

(A) AN ACTION MAY BE MAINTAINED IN THE NAME OF THE STATE OR THE BOARD TO ENJOIN:

- (1) THE UNAUTHORIZED PRACTICE OF BEHAVIOR ANALYSIS; OR
- (2) CONDUCT THAT IS A GROUND FOR DISCIPLINARY ACTION UNDER ~~§ 17-6A-20~~ § 17-6A-19 OF THIS SUBTITLE.

(B) AN ACTION UNDER THIS SECTION MAY BE BROUGHT BY:

- (1) THE BOARD, IN ITS OWN NAME;
- (2) THE ATTORNEY GENERAL, IN THE NAME OF THE STATE; OR
- (3) A STATE'S ATTORNEY, IN THE NAME OF THE STATE.

(C) AN ACTION UNDER THIS SECTION SHALL BE BROUGHT IN THE COUNTY WHERE THE DEFENDANT:

- (1) RESIDES; OR
- (2) ENGAGES IN THE ACTS SOUGHT TO BE ENJOINED.

(D) PROOF OF ACTUAL DAMAGE OR THAT ANY PERSON WILL SUSTAIN ANY DAMAGE IF AN INJUNCTION IS NOT GRANTED IS NOT REQUIRED FOR AN ACTION UNDER THIS SECTION.

(E) AN ACTION UNDER THIS SECTION IS IN ADDITION TO AND NOT INSTEAD OF CRIMINAL PROSECUTION FOR THE UNAUTHORIZED PRACTICE OF BEHAVIOR ANALYSIS UNDER ~~§ 17-6A-29~~ § 17-6A-27 OF THIS SUBTITLE OR DISCIPLINARY ACTION UNDER ~~§ 17-6A-20~~ § 17-6A-19 OF THIS SUBTITLE.

~~17-6A-28.~~ 17-6A-26.

(A) IN THIS SECTION, "BEHAVIOR ANALYST REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE" MEANS A ~~COMMITTEE~~ SUBCOMMITTEE THAT:

- (1) IS DEFINED IN SUBSECTION (B) OF THIS SECTION; AND
- (2) PERFORMS ANY OF THE FUNCTIONS LISTED IN SUBSECTION (D) OF THIS SECTION.

(B) FOR PURPOSES OF THIS SECTION, A BEHAVIOR ANALYST REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE IS A ~~COMMITTEE~~ SUBCOMMITTEE OF THE ~~BOARD~~ COMMITTEE THAT:

- (1) IS RECOGNIZED BY THE BOARD; AND
- (2) INCLUDES BUT IS NOT LIMITED TO BEHAVIOR ANALYSTS.

(C) A REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE OF THE ~~BOARD~~ COMMITTEE OR RECOGNIZED BY THE ~~BOARD~~ COMMITTEE MAY FUNCTION:

- (1) SOLELY FOR THE ~~BOARD~~ COMMITTEE; OR
- (2) JOINTLY WITH A REHABILITATION COMMITTEE REPRESENTING ANOTHER BOARD OR BOARDS.

(D) FOR PURPOSES OF THIS SECTION, A BEHAVIOR ANALYST REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE EVALUATES AND PROVIDES ASSISTANCE TO ANY BEHAVIOR ANALYST IN NEED OF TREATMENT AND REHABILITATION FOR ALCOHOLISM, DRUG ABUSE, CHEMICAL DEPENDENCY, OR OTHER PHYSICAL, EMOTIONAL, OR MENTAL CONDITION.

(E) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE PROCEEDINGS, RECORDS, AND FILES OF THE BEHAVIOR ANALYST REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE ARE NOT DISCOVERABLE AND ARE NOT ADMISSIBLE IN EVIDENCE IN ANY CIVIL ACTION ARISING OUT OF THE MATTERS THAT ARE BEING OR HAVE BEEN REVIEWED AND EVALUATED BY THE BEHAVIOR ANALYST REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE.

(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO ANY RECORD OR DOCUMENT THAT IS CONSIDERED BY THE BEHAVIOR ANALYST REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE AND THAT OTHERWISE WOULD BE SUBJECT TO DISCOVERY OR INTRODUCTION INTO EVIDENCE IN A CIVIL ACTION.

(3) FOR PURPOSES OF THIS SUBSECTION, CIVIL ACTION DOES NOT INCLUDE A PROCEEDING BEFORE THE BOARD OR JUDICIAL REVIEW OF A PROCEEDING BEFORE THE BOARD.

(F) A PERSON WHO ACTS IN GOOD FAITH AND WITHIN THE SCOPE OF JURISDICTION OF THE BEHAVIOR ANALYST REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE IS NOT CIVILLY LIABLE FOR ANY ACTION AS A MEMBER OF THE BEHAVIOR ANALYST REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE OR FOR GIVING INFORMATION TO, PARTICIPATING IN, OR CONTRIBUTING TO THE FUNCTION OF THE BEHAVIOR ANALYST REHABILITATION ~~COMMITTEE~~ SUBCOMMITTEE.

~~17-6A-29.~~ 17-6A-27.

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A PERSON MAY NOT PRACTICE, ATTEMPT TO PRACTICE, OR OFFER TO PRACTICE BEHAVIOR ANALYSIS IN THIS STATE UNLESS LICENSED BY THE BOARD.

(B) EACH VIOLATION OF THIS SECTION IS A SEPARATE OFFENSE.

~~17-6A-30.~~ 17-6A-28.

UNLESS AUTHORIZED TO PRACTICE BEHAVIOR ANALYSIS UNDER THIS SUBTITLE, A PERSON MAY NOT:

(1) REPRESENT TO THE PUBLIC THAT THE PERSON IS A LICENSED BEHAVIOR ANALYST; OR

(2) USE ANY TITLE, ABBREVIATION, SIGN, CARD, OR OTHER REPRESENTATION THAT THE PERSON IS A LICENSED BEHAVIOR ANALYST.

~~17-6A-31.~~ 17-6A-29.

(A) A PERSON WHO VIOLATES ANY PROVISION OF THIS SUBTITLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$10,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

(B) ~~(1)~~ A PERSON WHO VIOLATES ~~§ 17-6A-29~~ § 17-6A-27 OF THIS SUBTITLE IS SUBJECT TO A CIVIL FINE OF NOT MORE THAN \$50,000 TO BE ASSESSED BY THE BOARD IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD.

~~(2) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS SUBSECTION INTO THE STATE BOARD OF PROFESSIONAL COUNSELORS AND THERAPISTS FUND.~~

~~17-6A-32.~~ 17-6A-30.

THIS SUBTITLE MAY BE CITED AS THE MARYLAND BEHAVIOR ANALYSTS ACT.

~~17-6A-33.~~ 17-6A-31.

SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF THE PROGRAM EVALUATION ACT, THIS SUBTITLE AND ALL RULES AND REGULATIONS ADOPTED UNDER THIS SUBTITLE SHALL TERMINATE AND BE OF NO EFFECT AFTER JULY 1, 2024.

### Article – State Government

8-403.

(a) On or before December 15 of the evaluation year specified, the Department shall:

(1) conduct a preliminary evaluation of each governmental activity or unit to be evaluated under this section; and

(2) prepare a report on each preliminary evaluation conducted.

(b) Each of the following governmental activities or units and the statutes and regulations that relate to the governmental activities or units are subject to preliminary evaluation in the evaluation year specified:

**(8) BEHAVIOR ANALYST ADVISORY COMMITTEE (§ 17-6A-05 OF THE HEALTH OCCUPATIONS ARTICLE: 2021);**

SECTION 3. AND BE IT FURTHER ENACTED, That the terms of the initial members of the Behavior Analyst Advisory Committee shall expire as follows:

- (1) two behavior analyst members in 2015;
  - (2) one behavior analyst member and the consumer member in 2016;
- and
- (3) one behavior analyst member in 2017.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 329**

**(Senate Bill 701)**

AN ACT concerning

**Education – Children With Disabilities – Habilitative Services Information**

FOR the purpose of requiring a local school system to provide to the parents or ~~guardian~~ *guardians* of a child with a disability certain information about access to habilitative services at certain times; and generally relating to providing information on habilitative services for children with disabilities by a local school system.

BY adding to

Article – Education

Section 8-418

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

**8-418.**

A LOCAL SCHOOL SYSTEM SHALL PROVIDE TO THE PARENTS OR GUARDIAN GUARDIANS OF A CHILD WITH A DISABILITY VERBAL AND WRITTEN INFORMATION ABOUT ACCESS TO HABILITATIVE SERVICES, INCLUDING A COPY OF THE MARYLAND INSURANCE ADMINISTRATION'S PARENTS' GUIDE TO HABILITATIVE SERVICES, AT THE FOLLOWING TIMES:

- (1) THE TRANSITION MEETING FOR A CHILD MOVING FROM THE MARYLAND INFANTS AND TODDLERS PROGRAM TO A LOCAL SCHOOL SYSTEM;
- (2) A CHILD'S INITIAL INDIVIDUALIZED EDUCATION PROGRAM MEETING;
- (3) AT LEAST ONE TIME EACH YEAR AT A CHILD'S INDIVIDUALIZED EDUCATION PROGRAM MEETING; AND
- (4) ON THE APPROVAL OR DENIAL OF A PARENT'S OR GUARDIAN'S REQUEST FOR A RELATED SERVICE TO ENABLE A CHILD WITH A DISABILITY TO BENEFIT FROM SPECIAL EDUCATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 330

(House Bill 798)

AN ACT concerning

### Education – Children With Disabilities – Habilitative Services Information

FOR the purpose of requiring a local school system to provide to the parents or guardians of a child with a disability certain information about access to habilitative services at certain times; and generally relating to providing information on habilitative services for children with disabilities by a local school system.

BY adding to

Article – Education

Section 8–418

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

**8-418.**

**A LOCAL SCHOOL SYSTEM SHALL PROVIDE TO THE PARENTS OR GUARDIANS OF A CHILD WITH A DISABILITY VERBAL AND WRITTEN INFORMATION ABOUT ACCESS TO HABILITATIVE SERVICES, INCLUDING A COPY OF THE MARYLAND INSURANCE ADMINISTRATION'S PARENTS' GUIDE TO HABILITATIVE SERVICES, AT THE FOLLOWING TIMES:**

**(1) THE TRANSITION MEETING FOR A CHILD MOVING FROM THE MARYLAND INFANTS AND TODDLERS PROGRAM TO A LOCAL SCHOOL SYSTEM;**

**(2) A CHILD'S INITIAL INDIVIDUALIZED EDUCATION PROGRAM MEETING;**

**(3) AT LEAST ONE TIME EACH YEAR AT A CHILD'S INDIVIDUALIZED EDUCATION PROGRAM MEETING; AND**

**(4) ON THE APPROVAL OR DENIAL OF A PARENT'S OR GUARDIAN'S REQUEST FOR A RELATED SERVICE TO ENABLE A CHILD WITH A DISABILITY TO BENEFIT FROM SPECIAL EDUCATION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 331**

**(Senate Bill 716)**

AN ACT concerning

**Child Care Centers – Healthy Eating and Physical Activity Act**

FOR the purpose of requiring certain rules and regulations for licensing and operating child care centers to ~~require child care centers providing care to children under a certain age to have in attendance a certain individual who has had certain breast feeding education and training; requiring the regulations to contain certain provisions as to beverages served by a child care center to children in~~

~~the child care center's care; requiring the regulations to require a child care center to adopt limits on certain screen time; requiring the limits on screen time to contain certain provisions~~ promote proper nutrition and developmentally appropriate practices by establishing certain training and policies promoting breast-feeding, requiring compliance with certain standards for beverages served to children, and setting limits on screen time; and generally relating to rules and regulations for licensing and operating child care centers.

BY repealing and reenacting, with amendments,

Article – Family Law

Section 5–573

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Family Law**

5–573.

(a) The State Superintendent shall adopt rules and regulations for licensing and operating child care centers.

(b) These rules and regulations shall:

- (1) ensure safe and sanitary conditions in child care centers;
- (2) ensure proper care, protection, and supervision of children in child care centers;
- (3) ensure the health of children in child care centers by:
  - (i) monitoring children for signs and symptoms of child abuse;
  - (ii) instructing licensees and staff concerning child abuse detection and reporting;
  - (iii) monitoring health practices to help prevent the spread of disease; and
  - (iv) monitoring the care of infants and children with special needs;
- (4) promote the sound growth and development of children in child care centers;

**(5) PROMOTE PROPER NUTRITION AND DEVELOPMENTALLY APPROPRIATE PRACTICES BY:**

**(I) ESTABLISHING TRAINING AND POLICIES PROMOTING BREAST-FEEDING;**

**(II) 1. REQUIRING COMPLIANCE WITH THE UNITED STATES FOOD AND DRUG ADMINISTRATION CHILD AND ADULT CARE FOOD PROGRAM STANDARDS FOR BEVERAGES SERVED TO CHILDREN, EXCEPT THAT MILK THAT IS NOT NONFAT OR LOW FAT MAY BE ORDERED BY A HEALTH CARE PRACTITIONER OR REQUESTED BY A PARENT OR GUARDIAN; AND**

**2. INCLUDING PROHIBITING BEVERAGES OTHER THAN INFANT FORMULA THAT CONTAIN ADDED SWEETENER OR CAFFEINE; AND**

**(III) SETTING LIMITS ON SCREEN TIME;**

~~(5)~~ **(6)** carry out otherwise the purposes and requirements of this Part VII of this subtitle, including imposition of intermediate sanctions to ensure compliance;

~~(6)~~ **(7)** prohibit a child from remaining at a child care center for more than 14 hours in 1 day unless the Department issues an exception for that child based on guidelines set by the State Superintendent;

~~(7)~~ **(8)** (i) require that a child care center have in attendance at all times at least 1 individual who is responsible for supervision of children, including children on field trips, and who holds a current certificate indicating successful completion of approved:

1. basic first aid training through the American Red Cross or through a program with equivalent standards; and

2. cardiopulmonary resuscitation (CPR) training through the American Heart Association or through a program with equivalent standards appropriate for the ages of children for whom care is provided in the child care center; and

(ii) require that a child care center serving more than 20 children have in attendance certificate holders described in item (i) of this item in a ratio of at least 1 certificate holder for every 20 children;

~~**(8) REQUIRE THAT A CHILD CARE CENTER PROVIDING CARE TO ANY CHILD UNDER THE AGE OF 1 YEAR HAVE IN ATTENDANCE AT ALL TIMES AT**~~

~~LEAST 1 INDIVIDUAL WHO IS RESPONSIBLE FOR SUPERVISION OF CHILDREN AND WHO HAS HAD BREAST-FEEDING EDUCATION AND TRAINING IN:~~

~~(I) THE PROPER METHODS FOR PROVIDING EXPRESSED OR FROZEN BREAST MILK TO CHILDREN UNDER THE AGE OF 1 YEAR WHO ARE BEING BREAST FED;~~

~~(II) MAINTAINING A DAILY RECORD OF THE TIME AND AMOUNT OF EXPRESSED MILK OR FORMULA THAT A BREAST-FED CHILD UNDER THE AGE OF 1 YEAR RECEIVES; AND~~

~~(III) SUPPORTING MOTHERS WITH COMPLETE AND CULTURALLY COMPETENT INFORMATION AND MATERIALS ON BREAST FEEDING; AND~~

**[(8) (9)** (i) require that a child care center that receives notice of a contaminated drinking water supply from the child care center's supplier of water, in accordance with § 9-410 of the Environment Article or otherwise, send notice of the drinking water contamination to the parent or legal guardian of each child attending the child care center; and

(ii) require that the notice sent by the child care center shall:

1. be sent within 10 business days after receipt of the notice of contamination from the child care center's water supplier;
2. be in writing;
3. identify the contaminants and their levels in the center's water supply; and
4. describe the child care center's plan for dealing with the water contamination problem until the child care center's water is determined by the appropriate authority to be safe for consumption;

**[(9) (10)** (i) require a child care center to have a written emergency preparedness plan for emergency situations that require evacuation, sheltering in place, or other protection of children, such as in the event of fire, natural disaster, or other threatening situation that may pose a health or safety hazard to the children in the child care center;

(ii) require the plan under item (i) of this item to include:

1. a designated relocation site and evacuation route;

2. procedures for notifying parents or other adults responsible for the child of the relocation;

3. procedures to address the needs of individual children, including children with special needs;

4. procedures for the reassignment of staff duties during an emergency, as appropriate; and

5. procedures for communicating with local emergency management officials or other appropriate State or local authorities; and

(iii) require a child care center to train staff and ensure that staff are familiar with the plan; ~~and~~

~~[(10)]~~ (11) require a child care center to have window coverings in accordance with § 5-505 of this subtitle; .

~~(12) AS TO BEVERAGES SERVED BY A CHILD CARE CENTER TO CHILDREN IN THE CHILD CARE CENTER'S CARE:~~

~~(I) PROHIBIT BEVERAGES WITH ADDED SWEETENER, EITHER NATURAL OR ARTIFICIAL, OR CONTAINING CAFFEINE, EXCEPT FOR INFANT FORMULA OR COMPLETE BALANCED NUTRITIONAL PRODUCTS DESIGNED FOR CHILDREN;~~

~~(II) LIMIT JUICE TO NOT MORE THAN 6 OUNCES OF 100% FRUIT JUICE PER CHILD PER DAY;~~

~~(III) REQUIRE THAT, WHENEVER MILK IS SERVED, ONLY 1% OR NONFAT MILK BE SERVED TO CHILDREN AT LEAST 2 YEARS OLD, UNLESS OTHERWISE ORDERED BY A PHYSICIAN OR HEALTH PRACTITIONER; AND~~

~~(IV) REQUIRE THAT CLEAN AND SAFE DRINKING WATER BE READILY AVAILABLE AND ACCESSIBLE THROUGHOUT THE DAY; AND~~

~~(13) (I) REQUIRE A CHILD CARE CENTER TO ADOPT LIMITS ON SCREEN TIME OR TIME SPENT PASSIVELY WATCHING A DIGITAL MONITOR OR DISPLAY, INCLUDING A TELEVISION, A COMPUTER, A TABLET, A SMART BOARD, OR ANY OTHER SCREEN; AND~~

~~(II) REQUIRE THE LIMITS ON SCREEN TIME TO INCLUDE:~~

~~1. A PROHIBITION ON SCREEN TIME FOR CHILDREN UNDER THE AGE OF 2 YEARS; AND~~

~~2. A LIMIT OF 30 MINUTES PER DAY OF COMMERCIAL-FREE SCREEN TIME FOR CHILDREN AT LEAST 2 YEARS OLD IN HALF-DAY PROGRAMS AND 60 MINUTES PER DAY OF COMMERCIAL-FREE SCREEN TIME FOR CHILDREN AT LEAST 2 YEARS OLD IN FULL-DAY PROGRAMS.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 332

(House Bill 1276)

AN ACT concerning

### Child Care Centers – Healthy Eating and Physical Activity Act

FOR the purpose of requiring certain rules and regulations for licensing and operating child care centers to ~~require child care centers providing care to children under a certain age to have in attendance a certain individual who has had certain breast-feeding education and training; requiring the regulations to contain certain provisions as to beverages served by a child care center to children in the child care center's care; requiring the regulations to require a child care center to adopt limits on certain screen time; requiring the limits on screen time to contain certain provisions~~ promote proper nutrition and developmentally appropriate practices by establishing certain training and policies promoting breast-feeding, requiring compliance with certain standards for beverages served to children, and setting limits on screen time; and generally relating to rules and regulations for licensing and operating child care centers.

BY repealing and reenacting, with amendments,

Article – Family Law

Section 5-573

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Family Law

5-573.

(a) The State Superintendent shall adopt rules and regulations for licensing and operating child care centers.

(b) These rules and regulations shall:

- (1) ensure safe and sanitary conditions in child care centers;
- (2) ensure proper care, protection, and supervision of children in child care centers;
- (3) ensure the health of children in child care centers by:
  - (i) monitoring children for signs and symptoms of child abuse;
  - (ii) instructing licensees and staff concerning child abuse detection and reporting;
  - (iii) monitoring health practices to help prevent the spread of disease; and
  - (iv) monitoring the care of infants and children with special needs;
- (4) promote the sound growth and development of children in child care centers;

**(5) PROMOTE PROPER NUTRITION AND DEVELOPMENTALLY APPROPRIATE PRACTICES BY:**

**(I) ESTABLISHING TRAINING AND POLICIES PROMOTING BREAST-FEEDING;**

**(II) 1. REQUIRING COMPLIANCE WITH THE UNITED STATES FOOD AND DRUG ADMINISTRATION CHILD AND ADULT CARE FOOD PROGRAM STANDARDS FOR BEVERAGES SERVED TO CHILDREN, EXCEPT THAT MILK THAT IS NOT NONFAT OR LOW FAT MAY BE ORDERED BY A HEALTH CARE PRACTITIONER OR REQUESTED BY A PARENT OR GUARDIAN; AND**

**2. PROHIBITING BEVERAGES OTHER THAN INFANT FORMULA THAT CONTAIN ADDED SWEETENER OR CAFFEINE; AND**

**(III) SETTING LIMITS ON SCREEN TIME;**

~~(5)~~ **(6)** carry out otherwise the purposes and requirements of this Part VII of this subtitle, including imposition of intermediate sanctions to ensure compliance;

~~(6)~~ **(7)** prohibit a child from remaining at a child care center for more than 14 hours in 1 day unless the Department issues an exception for that child based on guidelines set by the State Superintendent;

~~(7)~~ **(8)** (i) require that a child care center have in attendance at all times at least 1 individual who is responsible for supervision of children, including children on field trips, and who holds a current certificate indicating successful completion of approved:

1. basic first aid training through the American Red Cross or through a program with equivalent standards; and

2. cardiopulmonary resuscitation (CPR) training through the American Heart Association or through a program with equivalent standards appropriate for the ages of children for whom care is provided in the child care center; and

(ii) require that a child care center serving more than 20 children have in attendance certificate holders described in item (i) of this item in a ratio of at least 1 certificate holder for every 20 children;

~~**(8)** REQUIRE THAT A CHILD CARE CENTER PROVIDING CARE TO ANY CHILD UNDER THE AGE OF 1 YEAR HAVE IN ATTENDANCE AT ALL TIMES AT LEAST 1 INDIVIDUAL WHO IS RESPONSIBLE FOR SUPERVISION OF CHILDREN AND WHO HAS HAD BREAST FEEDING EDUCATION AND TRAINING IN:~~

~~**(I)** THE PROPER METHODS FOR PROVIDING EXPRESSED OR FROZEN BREAST MILK TO CHILDREN UNDER THE AGE OF 1 YEAR WHO ARE BEING BREAST FED;~~

~~**(II)** MAINTAINING A DAILY RECORD OF THE TIME AND AMOUNT OF EXPRESSED MILK OR FORMULA THAT A BREAST FED CHILD UNDER THE AGE OF 1 YEAR RECEIVES; AND~~

~~**(III)** SUPPORTING MOTHERS WITH COMPLETE AND CULTURALLY COMPETENT INFORMATION AND MATERIALS ON BREAST FEEDING; AND~~

**[(8)] (9)** (i) require that a child care center that receives notice of a contaminated drinking water supply from the child care center's supplier of water, in accordance with § 9-410 of the Environment Article or otherwise, send notice of the drinking water contamination to the parent or legal guardian of each child attending the child care center; and

(ii) require that the notice sent by the child care center shall:

1. be sent within 10 business days after receipt of the notice of contamination from the child care center's water supplier;
2. be in writing;
3. identify the contaminants and their levels in the center's water supply; and
4. describe the child care center's plan for dealing with the water contamination problem until the child care center's water is determined by the appropriate authority to be safe for consumption;

**[(9)] (10)** (i) require a child care center to have a written emergency preparedness plan for emergency situations that require evacuation, sheltering in place, or other protection of children, such as in the event of fire, natural disaster, or other threatening situation that may pose a health or safety hazard to the children in the child care center;

(ii) require the plan under item (i) of this item to include:

1. a designated relocation site and evacuation route;
2. procedures for notifying parents or other adults responsible for the child of the relocation;
3. procedures to address the needs of individual children, including children with special needs;
4. procedures for the reassignment of staff duties during an emergency, as appropriate; and
5. procedures for communicating with local emergency management officials or other appropriate State or local authorities; and

(iii) require a child care center to train staff and ensure that staff are familiar with the plan; ~~and~~

**[(10)] (11)** require a child care center to have window coverings in accordance with § 5-505 of this subtitle.

~~**(12) AS TO BEVERAGES SERVED BY A CHILD CARE CENTER TO CHILDREN IN THE CHILD CARE CENTER'S CARE:**~~

~~**(i) PROHIBIT BEVERAGES WITH ADDED SWEETENER, EITHER NATURAL OR ARTIFICIAL, OR CONTAINING CAFFEINE, EXCEPT FOR**~~

~~INFANT FORMULA OR COMPLETE BALANCED NUTRITIONAL PRODUCTS DESIGNED FOR CHILDREN;~~

~~(H) LIMIT JUICE TO NOT MORE THAN 6 OUNCES OF 100% FRUIT JUICE PER CHILD PER DAY;~~

~~(HH) REQUIRE THAT, WHENEVER MILK IS SERVED, ONLY 1% OR NONFAT MILK BE SERVED TO CHILDREN AT LEAST 2 YEARS OLD, UNLESS OTHERWISE ORDERED BY A PHYSICIAN OR HEALTH PRACTITIONER; AND~~

~~(IV) REQUIRE THAT CLEAN AND SAFE DRINKING WATER BE READILY AVAILABLE AND ACCESSIBLE THROUGHOUT THE DAY; AND~~

~~(13) (I) REQUIRE A CHILD CARE CENTER TO ADOPT LIMITS ON SCREEN TIME OR TIME SPENT PASSIVELY WATCHING A DIGITAL MONITOR OR DISPLAY, INCLUDING A TELEVISION, A COMPUTER, A TABLET, A SMART BOARD, OR ANY OTHER SCREEN; AND~~

~~(H) REQUIRE THE LIMITS ON SCREEN TIME TO INCLUDE:~~

~~1. A PROHIBITION ON SCREEN TIME FOR CHILDREN UNDER THE AGE OF 2 YEARS; AND~~

~~2. A LIMIT OF 30 MINUTES PER DAY OF COMMERCIAL-FREE SCREEN TIME FOR CHILDREN AT LEAST 2 YEARS OLD IN HALF-DAY PROGRAMS AND 60 MINUTES PER DAY OF COMMERCIAL-FREE SCREEN TIME FOR CHILDREN AT LEAST 2 YEARS OLD IN FULL-DAY PROGRAMS.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 333

(Senate Bill 737)

AN ACT concerning

Labor and Employment – Unpaid Parental Leave – Birth or Adoption of a Child

FOR the purpose of providing certain employees a certain number of workweeks of unpaid parental leave in a certain period under certain circumstances; authorizing an employer to deny unpaid parental leave to an eligible employee under certain circumstances; authorizing, under certain circumstances, an employer to require an eligible employee, or an eligible employee to elect, to substitute paid leave for any part of or all of the period of parental leave; authorizing an employer to require an eligible employee to provide written notice of the eligible employee's intention to take parental leave under certain circumstances; requiring that an eligible employee returning to work after taking leave be restored to the position of employment held by the employee when the leave began under certain circumstances; authorizing an employer, during the period of parental leave, to terminate employment of an eligible employee only for cause; requiring an employer to maintain certain health coverage for the duration of the eligible employee's leave under certain circumstances; authorizing an employer, except under certain circumstances, to recover the premium for maintaining certain health coverage by deducting the amount of the premium from certain wages; requiring an employer to pay certain commissions to certain employees during any period of parental leave; requiring the Commissioner of Labor and Industry to adopt certain regulations; requiring the Commissioner to take certain actions regarding certain violations of certain provisions of law; authorizing the Attorney General to take a certain action under a certain provision of this Act; authorizing an employee to bring an action against an employer for certain damages under certain circumstances; prohibiting certain acts; ~~providing for certain penalties;~~ authorizing the Commissioner to conduct, under certain circumstances, an investigation regarding whether a certain provision of law has been violated; defining certain terms; providing for the construction of this Act; and generally relating to parental leave for the birth or adoption of a child.

BY adding to

Article – Labor and Employment

Section 3–103(i); and 3–1201 through 3–1211 to be under the new subtitle

“Subtitle 12. ~~Maryland Family and Medical~~ Parental Leave Act”

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Labor and Employment**

3–103.

**(I) THE COMMISSIONER MAY CONDUCT AN INVESTIGATION TO DETERMINE WHETHER SUBTITLE 12 OF THIS TITLE HAS BEEN VIOLATED ON RECEIPT OF A WRITTEN COMPLAINT OF AN EMPLOYEE.**

**SUBTITLE 12. ~~MARYLAND FAMILY AND MEDICAL~~ PARENTAL LEAVE ACT.****3-1201.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

~~(B) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.~~

~~(C)~~ (B) (1) "ELIGIBLE EMPLOYEE" MEANS AN INDIVIDUAL WHO HAS REQUESTED THAT AN EMPLOYER PROVIDE PARENTAL LEAVE AND WHO, AS OF THE DATE THAT THE REQUESTED PARENTAL LEAVE BEGINS, WILL HAVE BEEN EMPLOYED BY THAT EMPLOYER FOR AT LEAST:

(I) A 12-MONTH PERIOD; AND

(II) 1,250 HOURS DURING THE PREVIOUS 12 MONTHS.

(2) "ELIGIBLE EMPLOYEE" DOES NOT INCLUDE AN INDIVIDUAL:

(I) WHO IS EMPLOYED AT A WORK SITE AT WHICH THE EMPLOYER EMPLOYS FEWER THAN 15 EMPLOYEES IF THE TOTAL NUMBER OF EMPLOYEES EMPLOYED BY THAT EMPLOYER WITHIN 75 MILES OF THE WORK SITE IS ALSO FEWER THAN 15; OR

(II) WHO IS AN INDEPENDENT CONTRACTOR.

~~(D)~~ (C) (1) "EMPLOYER" MEANS A PERSON WHO EMPLOYS AT LEAST 15 BUT NOT MORE THAN 49 INDIVIDUALS IN THE STATE FOR EACH WORKING DAY DURING EACH OF 20 OR MORE CALENDAR WORKWEEKS IN THE CURRENT OR PRECEDING CALENDAR YEAR.

(2) "EMPLOYER" INCLUDES:

(I) A PERSON WHO ACTS, DIRECTLY OR INDIRECTLY, IN THE INTEREST OF AN EMPLOYER WITH RESPECT TO AN EMPLOYEE OF THE EMPLOYER; AND

(II) A SUCCESSOR IN INTEREST OF AN EMPLOYER.

~~(E)~~ (D) (1) "EMPLOYMENT BENEFITS" MEANS BENEFITS PROVIDED OR MADE AVAILABLE TO AN EMPLOYEE BY AN EMPLOYER.

(2) “EMPLOYMENT BENEFITS” INCLUDES GROUP LIFE INSURANCE, HEALTH INSURANCE, DISABILITY INSURANCE, SICK LEAVE, ANNUAL LEAVE, EDUCATIONAL BENEFITS, AND PENSIONS.

~~(F)~~ (E) “PARENTAL LEAVE” MEANS LEAVE DESCRIBED IN § 3-1202 OF THIS SUBTITLE.

~~(G) “SECRETARY” MEANS THE SECRETARY OF LABOR, LICENSING, AND REGULATION.~~

### 3-1202.

(A) ~~AN EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN~~ ELIGIBLE EMPLOYEE IS ENTITLED TO A TOTAL OF 6 WORKWEEKS OF UNPAID PARENTAL LEAVE DURING ANY 12-MONTH PERIOD FOR ONE OR MORE OF THE FOLLOWING:

(1) THE BIRTH OF A CHILD OF THE EMPLOYEE ~~FOR THE PURPOSE OF CARING FOR THE CHILD; OR~~

(2) THE PLACEMENT OF A CHILD WITH THE EMPLOYEE FOR ADOPTION OR FOSTER CARE.

(B) AN EMPLOYER MAY DENY UNPAID PARENTAL LEAVE TO AN ELIGIBLE EMPLOYEE IF:

(1) THE DENIAL IS NECESSARY TO PREVENT SUBSTANTIAL AND GRIEVOUS ECONOMIC INJURY TO THE OPERATIONS OF THE EMPLOYER; AND

(2) THE EMPLOYER NOTIFIES THE EMPLOYEE OF THE DENIAL BEFORE THE EMPLOYEE BEGINS TAKING THE LEAVE.

(C) IF AN EMPLOYER PROVIDES PAID LEAVE TO AN ELIGIBLE EMPLOYEE, THE EMPLOYER MAY REQUIRE THE ELIGIBLE EMPLOYEE, OR THE ELIGIBLE EMPLOYEE MAY ELECT, TO SUBSTITUTE THE PAID LEAVE FOR ANY PART OF OR ALL OF THE PERIOD OF PARENTAL LEAVE.

### 3-1203.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN EMPLOYER MAY REQUIRE AN ELIGIBLE EMPLOYEE TO GIVE THE EMPLOYER WRITTEN NOTICE OF THE EMPLOYEE’S INTENTION TO TAKE PARENTAL LEAVE AT LEAST 30 DAYS BEFORE COMMENCING PARENTAL LEAVE.

(B) AN ELIGIBLE EMPLOYEE MAY BEGIN TAKING PARENTAL LEAVE WITHOUT PRIOR NOTICE FOLLOWING A PREMATURE BIRTH, UNEXPECTED ADOPTION, OR UNEXPECTED FOSTER PLACEMENT.

3-1204.

(A) AN ELIGIBLE EMPLOYEE WHO RETURNS TO WORK AFTER TAKING PARENTAL LEAVE IS ENTITLED TO BE RESTORED BY AN EMPLOYER:

(1) TO THE POSITION OF EMPLOYMENT HELD BY THE EMPLOYEE WHEN THE PARENTAL LEAVE BEGAN; OR

(2) TO AN EQUIVALENT POSITION WITH EQUIVALENT EMPLOYMENT BENEFITS, PAY, AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

(B) AN EMPLOYER MAY:

(1) DENY RESTORATION OF THE ELIGIBLE EMPLOYEE'S POSITION OF EMPLOYMENT UNDER SUBSECTION (A) OF THIS SECTION IF:

~~(1)~~ (I) THE DENIAL IS NECESSARY TO PREVENT SUBSTANTIAL AND GRIEVOUS ECONOMIC INJURY TO THE OPERATIONS OF THE EMPLOYER;

~~(2)~~ (II) THE EMPLOYER NOTIFIES THE EMPLOYEE OF THE INTENT OF THE EMPLOYER TO DENY RESTORATION OF THE EMPLOYEE'S POSITION OF EMPLOYMENT AT THE TIME THE EMPLOYER DETERMINES THAT ECONOMIC INJURY WOULD OCCUR; AND

~~(3)~~ (III) IN A CASE OF PARENTAL LEAVE THAT HAS ALREADY BEGUN, THE EMPLOYEE ELECTS NOT TO RETURN TO EMPLOYMENT AFTER RECEIVING NOTICE OF THE EMPLOYER'S INTENTION TO DENY RESTORATION OF THE EMPLOYEE'S POSITION OF EMPLOYMENT; AND

(2) DURING THE PARENTAL LEAVE PERIOD, TERMINATE EMPLOYMENT OF AN ELIGIBLE EMPLOYEE ONLY FOR CAUSE.

3-1205.

(A) (1) ~~EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, DURING~~ DURING ANY PERIOD THAT AN ELIGIBLE EMPLOYEE TAKES PARENTAL LEAVE, AN EMPLOYER SHALL MAINTAIN COVERAGE OF A GROUP HEALTH PLAN FOR THE DURATION OF THE PARENTAL LEAVE AND IN THE SAME MANNER THAT

COVERAGE WOULD HAVE BEEN PROVIDED IF THE EMPLOYEE HAD CONTINUED IN EMPLOYMENT CONTINUOUSLY FOR THE DURATION OF THE PARENTAL LEAVE.

~~(B)~~ ~~(1)~~ ~~(2)~~ (1) AN EMPLOYER MAY RECOVER THE PREMIUM THAT THE EMPLOYER PAID FOR MAINTAINING COVERAGE FOR AN ELIGIBLE EMPLOYEE UNDER A GROUP HEALTH PLAN DURING THE PERIOD OF PARENTAL LEAVE IF THE EMPLOYEE FAILS TO RETURN TO EMPLOYMENT WITH THE EMPLOYER AFTER THE PERIOD OF PARENTAL LEAVE TO WHICH THE EMPLOYEE IS ENTITLED HAS EXPIRED.

~~(2)~~ (II) ~~THIS SUBSECTION PARAGRAPH~~ DOES NOT APPLY IN THE CASE OF AN EMPLOYEE WHO FAILS TO RETURN TO WORK BECAUSE OF OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE EMPLOYEE.

(3) AN EMPLOYER MAY RECOVER A PREMIUM UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION BY DEDUCTING THE AMOUNT OF THE PREMIUM FROM THE WAGES PAID TO THE EMPLOYEE ON THE TERMINATION OF EMPLOYMENT UNDER § 3-505 OF THIS TITLE.

(B) IF AN ELIGIBLE EMPLOYEE WORKS ON A COMMISSION BASIS, AN EMPLOYER SHALL PAY TO THE ELIGIBLE EMPLOYEE DURING ANY PERIOD OF PARENTAL LEAVE ANY COMMISSION THAT BECOMES DUE BECAUSE OF WORK THE ELIGIBLE EMPLOYEE PERFORMED BEFORE TAKING PARENTAL LEAVE.

3-1206.

THE COMMISSIONER SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SUBTITLE.

3-1207.

(A) WHENEVER THE COMMISSIONER DETERMINES THAT THIS SUBTITLE HAS BEEN VIOLATED, THE COMMISSIONER SHALL:

(1) TRY TO RESOLVE ANY ISSUE INVOLVED IN THE VIOLATION INFORMALLY BY MEDIATION; OR

(2) ASK THE ATTORNEY GENERAL TO BRING AN ACTION ON BEHALF OF THE ~~APPLICANT OR~~ EMPLOYEE.

(B) THE ATTORNEY GENERAL MAY BRING AN ACTION UNDER THIS SECTION IN THE COUNTY WHERE THE VIOLATION ALLEGEDLY OCCURRED FOR INJUNCTIVE RELIEF, DAMAGES, OR OTHER RELIEF.

## 3-1208.

(A) IF AN EMPLOYER VIOLATES THIS SUBTITLE, AN AFFECTED EMPLOYEE MAY BRING AN ACTION AGAINST THE EMPLOYER TO RECOVER DAMAGES EQUAL TO THE AMOUNT OF ANY WAGES, SALARY, EMPLOYMENT BENEFITS, OR OTHER COMPENSATION DENIED OR LOST ~~AND AN ADDITIONAL EQUAL AMOUNT AS LIQUIDATED DAMAGES.~~

~~(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN ACTION UNDER THIS SECTION SHALL BE FILED WITHIN 2 YEARS AFTER THE ACT ON WHICH THE ACTION IS BASED.~~

~~(2) AN ACTION FOR A WILLFUL VIOLATION OF § 3-1209 OF THIS SUBTITLE SHALL BE FILED WITHIN 3 YEARS AFTER THE ACT ON WHICH THE ACTION IS BASED.~~

~~(C) (B)~~ IF A COURT DETERMINES THAT AN EMPLOYEE IS ENTITLED TO JUDGMENT IN AN ACTION UNDER THIS SECTION, THE COURT SHALL ALLOW AGAINST THE EMPLOYER REASONABLE ATTORNEY'S FEES, ~~REASONABLE EXPERT WITNESS FEES,~~ AND OTHER COSTS OF THE ACTION.

~~(D) (C)~~ NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A SUPERVISORY EMPLOYEE OF AN EMPLOYER MAY NOT BE PERSONALLY LIABLE FOR A VIOLATION OF THIS SUBTITLE.

## 3-1209.

(A) AN EMPLOYER MAY NOT:

(1) VIOLATE ANY PROVISION OF THIS SUBTITLE;

(2) HINDER, DELAY, OR OTHERWISE INTERFERE WITH THE ~~SECRETARY~~ COMMISSIONER OR AN AUTHORIZED REPRESENTATIVE OF THE ~~SECRETARY~~ COMMISSIONER IN THE ENFORCEMENT OF THIS SUBTITLE; OR

(3) DISCHARGE OR OTHERWISE DISCRIMINATE AGAINST AN EMPLOYEE BECAUSE THE EMPLOYEE:

(I) HAS REQUESTED OR TAKEN PARENTAL LEAVE AUTHORIZED UNDER THIS SUBTITLE;

(II) MAKES A COMPLAINT TO THE EMPLOYER, THE SECRETARY, OR ANOTHER PERSON;

(III) BRINGS AN ACTION UNDER THIS SUBTITLE OR A PROCEEDING THAT RELATES TO THE SUBJECT OF THIS SUBTITLE OR CAUSES THE ACTION OR PROCEEDING TO BE BROUGHT; OR

(IV) HAS TESTIFIED OR WILL TESTIFY IN AN ACTION UNDER THIS SUBTITLE OR A PROCEEDING THAT RELATES TO THE SUBJECT OF THIS SUBTITLE.

(B) THE COMMISSIONER MAY BRING AN ACTION FOR INJUNCTIVE RELIEF AND DAMAGES AGAINST A PERSON WHO VIOLATES SUBSECTION (A)(1) OR (3) OF THIS SECTION.

~~(C) A PERSON WHO VIOLATES ANY PROVISION OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000 OR IMPRISONMENT NOT EXCEEDING 90 DAYS OR BOTH.~~

3-1210.

(A) THIS SUBTITLE MAY NOT BE CONSTRUED TO DIMINISH THE OBLIGATION OF AN EMPLOYER TO COMPLY WITH A COLLECTIVE BARGAINING AGREEMENT OR AN EMPLOYMENT BENEFIT PROGRAM OR PLAN THAT PROVIDES GREATER FAMILY OR MEDICAL LEAVE RIGHTS TO EMPLOYEES THAN THE RIGHTS ESTABLISHED UNDER THIS SUBTITLE.

(B) THE RIGHTS ESTABLISHED FOR EMPLOYEES UNDER THIS SUBTITLE MAY NOT BE DIMINISHED BY A COLLECTIVE BARGAINING AGREEMENT OR AN EMPLOYMENT BENEFIT PROGRAM OR PLAN.

3-1211.

THIS SUBTITLE MAY NOT BE CONSTRUED TO DISCOURAGE EMPLOYERS FROM ADOPTING OR RETAINING LEAVE POLICIES MORE GENEROUS THAN POLICIES THAT COMPLY WITH THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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Chapter 334

(House Bill 1026)

AN ACT concerning

**Labor and Employment – Unpaid Parental Leave – Birth or Adoption of a Child**

FOR the purpose of providing certain employees a certain number of workweeks of unpaid parental leave in a certain period under certain circumstances; authorizing an employer to deny unpaid parental leave to an eligible employee under certain circumstances; authorizing, under certain circumstances, an employer to require an eligible employee, or an eligible employee to elect, to substitute paid ~~vacation~~ leave for any part of or all of the period of parental leave; authorizing an employer to require an eligible employee to provide written notice of the eligible employee's intention to take parental leave under certain circumstances; requiring that an eligible employee returning to work after taking leave be restored to the position of employment held by the employee when the leave began under certain circumstances; authorizing an employer, during the period of parental leave, to terminate employment of an eligible employee only for cause; requiring an employer to maintain certain health coverage for the duration of the eligible employee's leave under certain circumstances; authorizing an employer, except under certain circumstances, to recover the premium for maintaining certain health coverage by deducting the amount of the premium from certain wages; requiring an employer to pay certain commissions to certain employees during any period of parental leave; requiring the Commissioner of Labor and Industry to adopt certain regulations; requiring the Commissioner to take certain actions regarding certain violations of certain provisions of law; authorizing the Attorney General to take a certain action under a certain provision of this Act; authorizing an employee to bring an action against an employer for certain damages under certain circumstances; prohibiting certain acts; authorizing the Commissioner to conduct, under certain circumstances, an investigation regarding whether a certain provision of law has been violated; defining certain terms; providing for the construction of this Act; and generally relating to parental leave for the birth or adoption of a child.

BY adding to

Article – Labor and Employment

Section 3–103(i); and 3–1201 through 3–1211 to be under the new subtitle  
“Subtitle 12. Parental Leave Act”

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Labor and Employment**

3–103.

(I) THE COMMISSIONER MAY CONDUCT AN INVESTIGATION TO DETERMINE WHETHER SUBTITLE 12 OF THIS TITLE HAS BEEN VIOLATED ON RECEIPT OF A WRITTEN COMPLAINT OF AN EMPLOYEE.

SUBTITLE 12. PARENTAL LEAVE ACT.

3-1201.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

~~(B) “DEPARTMENT” MEANS THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.~~

~~(C)~~ (B) (1) “ELIGIBLE EMPLOYEE” MEANS AN INDIVIDUAL WHO HAS REQUESTED THAT AN EMPLOYER PROVIDE PARENTAL LEAVE AND WHO, AS OF THE DATE THAT THE REQUESTED PARENTAL LEAVE BEGINS, WILL HAVE BEEN EMPLOYED BY THAT EMPLOYER FOR AT LEAST:

(I) A 12-MONTH PERIOD; AND

(II) 1,250 HOURS DURING THE PREVIOUS 12 MONTHS.

(2) “ELIGIBLE EMPLOYEE” DOES NOT INCLUDE AN INDIVIDUAL:

(I) WHO IS EMPLOYED AT A WORK SITE AT WHICH THE EMPLOYER EMPLOYS FEWER THAN 15 EMPLOYEES IF THE TOTAL NUMBER OF EMPLOYEES EMPLOYED BY THAT EMPLOYER WITHIN 75 MILES OF THE WORK SITE IS ALSO FEWER THAN 15; OR

(II) WHO IS AN INDEPENDENT CONTRACTOR.

~~(D)~~ (C) (1) “EMPLOYER” MEANS A PERSON WHO EMPLOYS AT LEAST 15 BUT NOT MORE THAN 49 INDIVIDUALS IN THE STATE FOR EACH WORKING DAY DURING EACH OF 20 OR MORE CALENDAR WORKWEEKS IN THE CURRENT OR PRECEDING CALENDAR YEAR.

(2) “EMPLOYER” INCLUDES:

(I) A PERSON WHO ACTS, DIRECTLY OR INDIRECTLY, IN THE INTEREST OF AN EMPLOYER WITH RESPECT TO AN EMPLOYEE OF THE EMPLOYER; AND

(II) A SUCCESSOR IN INTEREST OF AN EMPLOYER.

~~(E)~~ (D) (1) "EMPLOYMENT BENEFITS" MEANS BENEFITS PROVIDED OR MADE AVAILABLE TO AN EMPLOYEE BY AN EMPLOYER.

(2) "EMPLOYMENT BENEFITS" INCLUDES GROUP LIFE INSURANCE, HEALTH INSURANCE, DISABILITY INSURANCE, SICK LEAVE, ANNUAL LEAVE, EDUCATIONAL BENEFITS, AND PENSIONS.

~~(F)~~ (E) "PARENTAL LEAVE" MEANS LEAVE DESCRIBED IN § 3-1202 OF THIS SUBTITLE.

~~(G)~~ ~~(F)~~ "SECRETARY" MEANS THE SECRETARY OF LABOR, LICENSING, AND REGULATION.

3-1202.

(A) AN EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN ELIGIBLE EMPLOYEE IS ENTITLED TO A TOTAL OF 6 WORKWEEKS OF UNPAID PARENTAL LEAVE DURING ANY 12-MONTH PERIOD FOR ONE OR MORE OF THE FOLLOWING:

(1) THE BIRTH OF A CHILD OF THE EMPLOYEE; OR

(2) THE PLACEMENT OF A CHILD WITH THE EMPLOYEE FOR ADOPTION OR FOSTER CARE.

(B) AN EMPLOYER MAY DENY UNPAID PARENTAL LEAVE TO AN ELIGIBLE EMPLOYEE IF:

(1) THE DENIAL IS NECESSARY TO PREVENT SUBSTANTIAL AND GRIEVOUS ECONOMIC INJURY TO THE OPERATIONS OF THE EMPLOYER; AND

(2) THE EMPLOYER NOTIFIES THE EMPLOYEE OF THE DENIAL BEFORE THE EMPLOYEE BEGINS TAKING THE LEAVE.

(C) IF AN EMPLOYER PROVIDES PAID VACATION LEAVE TO AN ELIGIBLE EMPLOYEE, THE EMPLOYER MAY REQUIRE THE ELIGIBLE EMPLOYEE, OR THE ELIGIBLE EMPLOYEE MAY ELECT, TO SUBSTITUTE THE PAID VACATION LEAVE FOR ANY PART OF OR ALL OF THE PERIOD OF PARENTAL LEAVE.

3-1203.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN EMPLOYER MAY REQUIRE AN ELIGIBLE EMPLOYEE TO GIVE THE EMPLOYER WRITTEN NOTICE OF THE EMPLOYEE'S INTENTION TO TAKE PARENTAL LEAVE AT LEAST 30 DAYS BEFORE COMMENCING PARENTAL LEAVE.

(B) AN ELIGIBLE EMPLOYEE MAY BEGIN TAKING PARENTAL LEAVE WITHOUT PRIOR NOTICE FOLLOWING A PREMATURE BIRTH, UNEXPECTED ADOPTION, OR UNEXPECTED FOSTER PLACEMENT.

**3-1204.**

(A) AN ELIGIBLE EMPLOYEE WHO RETURNS TO WORK AFTER TAKING PARENTAL LEAVE IS ENTITLED TO BE RESTORED BY AN EMPLOYER:

(1) TO THE POSITION OF EMPLOYMENT HELD BY THE EMPLOYEE WHEN THE PARENTAL LEAVE BEGAN; OR

(2) TO AN EQUIVALENT POSITION WITH EQUIVALENT EMPLOYMENT BENEFITS, PAY, AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

(B) AN EMPLOYER MAY:

(1) DENY RESTORATION OF THE ELIGIBLE EMPLOYEE'S POSITION OF EMPLOYMENT UNDER SUBSECTION (A) OF THIS SECTION IF:

(I) THE DENIAL IS NECESSARY TO PREVENT SUBSTANTIAL AND GRIEVOUS ECONOMIC INJURY TO THE OPERATIONS OF THE EMPLOYER;

(II) THE EMPLOYER NOTIFIES THE EMPLOYEE OF THE INTENT OF THE EMPLOYER TO DENY RESTORATION OF THE EMPLOYEE'S POSITION OF EMPLOYMENT AT THE TIME THE EMPLOYER DETERMINES THAT ECONOMIC INJURY WOULD OCCUR; AND

(III) IN A CASE OF PARENTAL LEAVE THAT HAS ALREADY BEGUN, THE EMPLOYEE ELECTS NOT TO RETURN TO EMPLOYMENT AFTER RECEIVING NOTICE OF THE EMPLOYER'S INTENTION TO DENY RESTORATION OF THE EMPLOYEE'S POSITION OF EMPLOYMENT; AND

(2) DURING THE PARENTAL LEAVE PERIOD, TERMINATE EMPLOYMENT OF AN ELIGIBLE EMPLOYEE ~~USING PARENTAL LEAVE ONLY~~ FOR CAUSE.

**3-1205.**

(A) (1) ~~EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, DURING~~ DURING ANY PERIOD THAT AN ELIGIBLE EMPLOYEE TAKES PARENTAL LEAVE, AN EMPLOYER SHALL MAINTAIN COVERAGE OF A GROUP HEALTH PLAN FOR THE DURATION OF THE PARENTAL LEAVE AND IN THE SAME MANNER THAT COVERAGE WOULD HAVE BEEN PROVIDED IF THE EMPLOYEE HAD CONTINUED IN EMPLOYMENT CONTINUOUSLY FOR THE DURATION OF THE PARENTAL LEAVE.

~~(B)~~ ~~(1)~~ (2) (I) AN EMPLOYER MAY RECOVER THE PREMIUM THAT THE EMPLOYER PAID FOR MAINTAINING COVERAGE FOR AN ELIGIBLE EMPLOYEE UNDER A GROUP HEALTH PLAN DURING THE PERIOD OF PARENTAL LEAVE IF THE EMPLOYEE FAILS TO RETURN TO EMPLOYMENT WITH THE EMPLOYER AFTER THE PERIOD OF PARENTAL LEAVE TO WHICH THE EMPLOYEE IS ENTITLED HAS EXPIRED.

~~(2)~~ (II) ~~THIS SUBSECTION PARAGRAPH~~ DOES NOT APPLY IN THE CASE OF AN EMPLOYEE WHO FAILS TO RETURN TO WORK BECAUSE OF OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE EMPLOYEE.

(3) AN EMPLOYER MAY RECOVER A PREMIUM UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION BY DEDUCTING THE AMOUNT OF THE PREMIUM FROM THE WAGES PAID TO THE EMPLOYEE ON THE TERMINATION OF EMPLOYMENT UNDER § 3-505 OF THIS TITLE.

(B) IF AN ELIGIBLE EMPLOYEE WORKS ON A COMMISSION BASIS, AN EMPLOYER SHALL PAY TO THE ELIGIBLE EMPLOYEE DURING ANY PERIOD OF PARENTAL LEAVE ANY COMMISSION THAT BECOMES DUE BECAUSE OF WORK THE ELIGIBLE EMPLOYEE PERFORMED BEFORE TAKING PARENTAL LEAVE.

3-1206.

THE COMMISSIONER SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SUBTITLE.

3-1207.

(A) WHENEVER THE COMMISSIONER DETERMINES THAT THIS SUBTITLE HAS BEEN VIOLATED, THE COMMISSIONER SHALL:

(1) TRY TO RESOLVE ANY ISSUE INVOLVED IN THE VIOLATION INFORMALLY BY MEDIATION; OR

(2) ASK THE ATTORNEY GENERAL TO BRING AN ACTION ON BEHALF OF THE ~~APPLICANT OR~~ EMPLOYEE.

(B) THE ATTORNEY GENERAL MAY BRING AN ACTION UNDER THIS SECTION IN THE COUNTY WHERE THE VIOLATION ALLEGEDLY OCCURRED FOR INJUNCTIVE RELIEF, DAMAGES, OR OTHER RELIEF.

**3-1208.**

(A) IF AN EMPLOYER VIOLATES THIS SUBTITLE, AN AFFECTED EMPLOYEE MAY BRING AN ACTION AGAINST THE EMPLOYER TO RECOVER DAMAGES EQUAL TO THE AMOUNT OF ANY WAGES, SALARY, EMPLOYMENT BENEFITS, OR OTHER COMPENSATION DENIED OR LOST ~~AND AN ADDITIONAL EQUAL AMOUNT AS LIQUIDATED DAMAGES.~~

(B) IF A COURT DETERMINES THAT AN EMPLOYEE IS ENTITLED TO JUDGMENT IN AN ACTION UNDER THIS SECTION, THE COURT SHALL ALLOW AGAINST THE EMPLOYER REASONABLE ATTORNEY'S FEES AND OTHER COSTS OF THE ACTION.

(C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A SUPERVISORY EMPLOYEE OF AN EMPLOYER MAY NOT BE PERSONALLY LIABLE FOR A VIOLATION OF THIS SUBTITLE.

**3-1209.**

(A) AN EMPLOYER MAY NOT:

(1) VIOLATE ANY PROVISION OF THIS SUBTITLE;

(2) HINDER, DELAY, OR OTHERWISE INTERFERE WITH THE ~~SECRETARY~~ COMMISSIONER OR AN AUTHORIZED REPRESENTATIVE OF THE ~~SECRETARY~~ COMMISSIONER IN THE ENFORCEMENT OF THIS SUBTITLE; OR

(3) DISCHARGE OR OTHERWISE DISCRIMINATE AGAINST AN EMPLOYEE BECAUSE THE EMPLOYEE:

(I) HAS REQUESTED OR TAKEN PARENTAL LEAVE AUTHORIZED UNDER THIS SUBTITLE;

(II) MAKES A COMPLAINT TO THE EMPLOYER, THE SECRETARY, OR ANOTHER PERSON;

(III) BRINGS AN ACTION UNDER THIS SUBTITLE OR A PROCEEDING THAT RELATES TO THE SUBJECT OF THIS SUBTITLE OR CAUSES THE ACTION OR PROCEEDING TO BE BROUGHT; OR

(IV) HAS TESTIFIED OR WILL TESTIFY IN AN ACTION UNDER THIS SUBTITLE OR A PROCEEDING THAT RELATES TO THE SUBJECT OF THIS SUBTITLE.

(B) THE COMMISSIONER MAY BRING AN ACTION FOR INJUNCTIVE RELIEF AND DAMAGES AGAINST A PERSON WHO VIOLATES SUBSECTION (A)(1) OR (3) OF THIS SECTION.

**3-1210.**

(A) THIS SUBTITLE MAY NOT BE CONSTRUED TO DIMINISH THE OBLIGATION OF AN EMPLOYER TO COMPLY WITH A COLLECTIVE BARGAINING AGREEMENT OR AN EMPLOYMENT BENEFIT PROGRAM OR PLAN THAT PROVIDES GREATER FAMILY OR MEDICAL LEAVE RIGHTS TO EMPLOYEES THAN THE RIGHTS ESTABLISHED UNDER THIS SUBTITLE.

(B) THE RIGHTS ESTABLISHED FOR EMPLOYEES UNDER THIS SUBTITLE MAY NOT BE DIMINISHED BY A COLLECTIVE BARGAINING AGREEMENT OR AN EMPLOYMENT BENEFIT PROGRAM OR PLAN.

**3-1211.**

THIS SUBTITLE MAY NOT BE CONSTRUED TO DISCOURAGE EMPLOYERS FROM ADOPTING OR RETAINING LEAVE POLICIES MORE GENEROUS THAN POLICIES THAT COMPLY WITH THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 335**

**(Senate Bill 747)**

AN ACT concerning

### **Anne Arundel County – Superintendent of Schools – Compensation**

FOR the purpose of prohibiting the Anne Arundel County Board of Education from paying monetary compensation to the county superintendent of schools for sick leave benefits earned in a certain manner; authorizing the county board to allow

the county superintendent to use certain sick leave in a certain manner; and generally relating to the compensation for the Anne Arundel County superintendent of schools.

BY repealing and reenacting, with amendments,

Article – Education

Section 4–202

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Education

4–202.

(a) (1) Except as provided in paragraph (2) of this subsection, each county superintendent is entitled to the compensation set by the county board.

(2) In Prince George’s County, the Chief Executive Officer is entitled to the compensation set by the contract with the county board.

(b) (1) The salary of a county superintendent may not be decreased during his term of office.

(2) Each county superintendent shall devote full time to public school business.

**(c) IN ANNE ARUNDEL COUNTY, THE COUNTY BOARD MAY NOT PAY MONETARY COMPENSATION TO THE COUNTY SUPERINTENDENT FOR SICK LEAVE BENEFITS EARNED WHILE EMPLOYED BY ANY OTHER BOARD OF EDUCATION OR PUBLIC SCHOOL SYSTEM BUT MAY ALLOW THE COUNTY SUPERINTENDENT TO USE THE SICK LEAVE IN THE SAME MANNER AS SICK LEAVE ACCRUED WHILE EMPLOYED BY THE COUNTY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 336**

**(House Bill 87)**

AN ACT concerning

**Anne Arundel County – Superintendent of Schools – Compensation**

FOR the purpose of prohibiting the Anne Arundel County Board of Education from paying monetary compensation to the county superintendent of schools for sick leave benefits earned in a certain manner; authorizing the county board to allow the county superintendent to use certain sick leave in a certain manner; and generally relating to the compensation for the Anne Arundel County superintendent of schools.

BY repealing and reenacting, with amendments,

Article – Education

Section 4–202

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

4–202.

(a) (1) Except as provided in paragraph (2) of this subsection, each county superintendent is entitled to the compensation set by the county board.

(2) In Prince George's County, the Chief Executive Officer is entitled to the compensation set by the contract with the county board.

(b) (1) The salary of a county superintendent may not be decreased during his term of office.

(2) Each county superintendent shall devote full time to public school business.

**(c) IN ANNE ARUNDEL COUNTY, THE COUNTY BOARD MAY NOT PAY MONETARY COMPENSATION TO THE COUNTY SUPERINTENDENT FOR SICK LEAVE BENEFITS EARNED WHILE EMPLOYED BY ANY OTHER BOARD OF EDUCATION OR PUBLIC SCHOOL SYSTEM BUT MAY ALLOW THE COUNTY SUPERINTENDENT TO USE THE SICK LEAVE IN THE SAME MANNER AS SICK LEAVE ACCRUED WHILE EMPLOYED BY THE COUNTY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 337**

**(Senate Bill 764)**

AN ACT concerning

**Caroline County – Volunteer Fire Companies – Storage of Alcoholic Beverages**

FOR the purpose of authorizing volunteer fire companies in Caroline County to store alcoholic beverages on licensed premises in between certain licensed events under certain circumstances; requiring a license holder to keep certain records of certain alcoholic beverages on the licensed premises for a certain period of time; requiring that certain records be available for inspection by certain personnel; requiring certain records to include a certain inventory of certain alcoholic beverages; requiring certain personnel to be authorized to inspect the premises of a certain license holder ~~during a certain event and, with certain notice, on a certain day~~ as provided under a certain provision of law; and generally relating to alcoholic beverages in Caroline County.

BY repealing and reenacting, with amendments,  
Article 2B – Alcoholic Beverages  
Section 7–101(j)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

7–101.

- (j) (1) The provisions of this subsection apply only in Caroline County.
- (2) The Board of License Commissioners may grant special licenses of any class, except manufacturer's and wholesaler's, which entitle the holder to exercise any of the privileges conferred by the respective classes of licenses at any bona fide entertainment held or conducted by any club, society, or association.
- (3) The license shall be in the form prescribed by the Board, and the applicant shall sign and swear to the license.

(4) The fee for each license is \$50.

(5) Before a license is issued, the fee shall be paid to the Board for the use of the county.

(6) A special license may not be granted to any organization more than 12 times in any calendar year.

(7) (i) Instead of purchasing individual event licenses for a particular class of license, an applicant may purchase a special multiple event license for the same class of license.

(ii) Fees for a special multiple event license are:

1. \$250 for not more than 10 events per year;
2. \$500 for not more than 20 events per year;
3. \$750 for not more than 30 events per year; and
4. \$1,000 for not more than 40 events per year.

(iii) The total number of days for which special multiple event licenses may be issued to a single applicant may not exceed 40 days per calendar year.

(iv) 1. The applicant shall pay in advance the fee for a special multiple event license.

2. The Board may not issue a refund if the holder of the license in a calendar year holds fewer than the number of events that the holder is entitled to conduct.

(v) A special multiple event license shall be issued:

1. For one premises only; and
2. Subject to subparagraph (vi) of this paragraph, to the same applicant for all events for which the license is issued, unless the Board in writing approves a substitute applicant.

(vi) The Board may hold a hearing before approving a substitute applicant under subparagraph (v)2 of this paragraph.

(vii) A server who is currently certified as having completed an alcohol awareness program shall be on the premises for which a special multiple event license is issued whenever alcoholic beverages are served under the license.

(8) (I) THIS PARAGRAPH APPLIES ONLY TO VOLUNTEER FIRE COMPANIES.

(II) ALCOHOLIC BEVERAGES MAY BE STORED ON THE LICENSED PREMISES IN BETWEEN INDIVIDUAL LICENSED EVENTS IF THE ALCOHOLIC BEVERAGES:

1. ARE IN A SPECIALLY IDENTIFIED LOCKED AND SECURED LOCATION; AND

2. ARE NOT SOLD OR CONSUMED EXCEPT DURING LICENSED EVENT HOURS FOR LICENSED EVENT PURPOSES.

(III) 1. A LICENSE HOLDER SHALL KEEP COMPLETE AND ACCURATE RECORDS OF ALL ALCOHOLIC BEVERAGES PURCHASED AND SOLD ON THE LICENSED PREMISES.

2. THE RECORDS SHALL BE:

A. MAINTAINED ON THE LICENSED PREMISES FOR 2 YEARS; AND

B. AVAILABLE FOR INSPECTION BY AUTHORIZED PERSONNEL OF THE COMPTROLLER'S OFFICE AND THE BOARD OF LICENSE COMMISSIONERS.

3. THE RECORDS SHALL INCLUDE A COMPLETED PRE- AND POST-INVENTORY OF ALL ALCOHOLIC BEVERAGES FOR EACH INDIVIDUAL EVENT.

(IV) AUTHORIZED PERSONNEL OF THE COMPTROLLER'S OFFICE AND THE BOARD OF LICENSE COMMISSIONERS MAY INSPECT THE PREMISES OF A LICENSE HOLDER:

~~1. DURING AN EVENT; AND~~

~~2. WITH APPROPRIATE NOTICE TO THE LICENSE HOLDER, ON A DAY WHEN THERE IS NOT AN EVENT AS PROVIDED UNDER § 16-405 OF THIS ARTICLE.~~

(V) A LICENSE HOLDER WHO VIOLATES THIS PARAGRAPH IS SUBJECT TO:

1. FOR THE FIRST OFFENSE, A FINE OF \$100; AND
2. FOR THE SECOND OFFENSE, A FINE NOT EXCEEDING \$500 AND DENIAL OF FUTURE REQUESTS FOR A LICENSE FOR AN INDIVIDUAL EVENT OR A SPECIAL MULTIPLE EVENT LICENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 338

(Senate Bill 781)

AN ACT concerning

**Environment – Recycling – ~~Public and Commercial Buildings, Special Events, and Single-Family Residences~~**

FOR the purpose of requiring a county to address the collection and recycling of recyclable materials from ~~public and commercial buildings and special events in the county's recycling plan; requiring a county to address a strategy for providing single-stream, curbside recycling collection services to certain residences by a certain date in its recycling plan;~~ requiring a county to revise its recycling plan by a certain date to address certain requirements of this Act; ~~requiring the State government recycling plan to provide for the placement of a recycling receptacle immediately adjacent to each trash receptacle in State-owned or State-operated buildings; altering the date by which State agencies and units of State government are required to implement a certain recycling plan; requiring a certain public or commercial building to subscribe to a basic level of recycling service and to provide a recycling receptacle meeting certain requirements immediately adjacent to each trash receptacle located on the property of the public or commercial building; providing that a county may require a property owner or manager of a certain commercial building to report to the county on recycling activities in a certain manner; requiring that recycling required for a public or commercial building be carried out in accordance with a certain county recycling plan;~~ requiring the organizer of a certain special event to provide a recycling receptacle meeting certain requirements immediately adjacent to each trash receptacle at the special event; requiring the organizer of a certain special event to ensure that certain recyclable materials are collected for recycling; providing that a county may require the organizer of a certain special event to report to the county on recycling activities in a certain manner; requiring that recycling required for a special event be carried out in accordance with a certain county recycling plan;

establishing a certain penalty; providing for the enforcement of certain provisions of this Act; providing for the disposition of certain civil penalties collected under this Act; defining certain terms; and generally relating to recycling.

BY repealing and reenacting, ~~with~~ without amendments,

Article – Environment

Section ~~9–1701~~ 9–1701(a) and (m) through (o)

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

(As enacted by Chapter 686 of the Acts of the General Assembly of 2013)

BY repealing and reenacting, with amendments,

Article – Environment

Section ~~9–1703 and 9–1706~~

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

BY adding to

Article – Environment

Section ~~9–1712 and 9–1713~~

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Environment

9–1701.

(a) In this subtitle the following words have the meanings indicated.

~~(b) “Compost” means the product of composting in accordance with the standards established by the Secretary of Agriculture under § 6–221 of the Agriculture Article.~~

~~(c) “Composting” means the controlled aerobic biological decomposition of organic waste material in accordance with the standards established by the Secretary under this title.~~

~~(d) (1) “Composting facility” means a facility where composting takes place.~~

~~(2) “Composting facility” does not include a facility that is required to obtain~~

~~(i) A natural wood waste recycling facility permit in accordance with this title;~~

~~(ii) A sewage sludge utilization permit in accordance with this title; or~~

~~(iii) A refuse disposal permit in accordance with this title.~~

~~(e) (1) "Computer" means a desktop personal computer or laptop computer, including the computer monitor.~~

~~(2) "Computer" does not include:~~

~~(i) A personal digital assistant device;~~

~~(ii) A computer peripheral device, including:~~

~~1. A mouse or other similar pointing device;~~

~~2. A printer; or~~

~~3. A detachable keyboard.~~

~~(f) (1) "Covered electronic device" means a computer or video display device with a screen that is greater than 4 inches measured diagonally.~~

~~(2) "Covered electronic device" does not include a video display device that is part of a motor vehicle or that is contained within a household appliance or commercial, industrial, or medical equipment.~~

~~(g) "Covered electronic device takeback program" means a program, established by a covered electronic device manufacturer or a group of covered electronic device manufacturers, for the collection and recycling, refurbishing, or reuse of a covered electronic device labeled with the name of the manufacturer or the manufacturer's brand label, including:~~

~~(1) Providing, at no cost to the returner, a method of returning a covered electronic device to the manufacturer, including postage paid mailing packages or designated collection points throughout the State;~~

~~(2) Contracting with a recycler, local government, other manufacturer, or any other person; or~~

~~(3) Any other program approved by the Department.~~

~~(h) "Director" means the Director of the Office of Recycling.~~

~~(i) “Manufacturer” means a person that is the brand owner of a covered electronic device sold or offered for sale in the State, by any means, including transactions conducted through sales outlets, catalogs, or the Internet.~~

~~(j) (1) “Natural wood waste” means tree and other natural vegetative refuse.~~

~~(2) “Natural wood waste” includes tree stumps, brush and limbs, root mats, logs, and other natural vegetative material.~~

~~(k) (1) “Natural wood waste recycling facility” means a facility where recycling services for natural wood waste are provided.~~

~~(2) “Natural wood waste recycling facility” does not include a collection or processing facility operated by:~~

~~(i) A nonprofit or governmental organization located in the State; or~~

~~(ii) A single individual or business that provides recycling services for its own employees or for its own recyclable materials generated on its own premises.~~

~~(l) “Office” means the Office of Recycling within the Department.~~

(m) “Recyclable materials” means those materials that:

(1) Would otherwise become solid waste for disposal in a refuse disposal system; and

(2) May be collected, separated, composted, or processed and returned to the marketplace in the form of raw materials or products.

(n) (1) “Recycling” means any process in which recyclable materials are collected, separated, or processed and returned to the marketplace in the form of raw materials or products.

(2) “Recycling” includes composting.

(o) “Recycling services” means the services provided by persons engaged in the business of recycling, including the collection, processing, storage, purchase, sale, or disposition of recyclable materials.

~~(p) “Resource recovery facility” means a facility in existence as of January 1, 1988 that:~~

~~(1) Processes solid waste to produce valuable resources, including steam, electricity, metals, or refuse derived fuel; and~~

~~(2) Achieves a volume reduction of at least 50 percent of its solid waste stream.~~

~~(Q) "SINGLE STREAM" MEANS A SYSTEM IN WHICH ALL RECYCLABLE MATERIALS ARE COMMINGLED FOR COLLECTION INTO A SINGLE CONTAINER INSTEAD OF BEING SORTED INTO SEPARATE COMMODITIES AND MULTIPLE CONTAINERS.~~

~~[(q)] (R) (1) "Solid waste stream" means garbage or refuse that would, unless recycled, be disposed of in a refuse disposal system.~~

~~(2) "Solid waste stream" includes organic material capable of being composted that is not composted in accordance with regulations adopted under § 9-1725(b) of this subtitle.~~

~~(3) "Solid waste stream" does not include:~~

~~(i) Hospital waste;~~

~~(ii) Rubble;~~

~~(iii) Scrap material;~~

~~(iv) Land clearing debris;~~

~~(v) Sewage sludge; or~~

~~(vi) Waste generated by a single individual or business and disposed of in a facility dedicated solely for that entity's waste.~~

~~[(r)] (S) (1) "Video display device" means an electronic device with an output surface that displays or is capable of displaying moving graphical images or visual representations of image sequences or pictures that show a number of quickly changing images on a screen to create the illusion of motion.~~

~~(2) "Video display device" includes a device that is an integral part of the display and cannot easily be removed from the display by the consumer and that produces the moving image on the screen.~~

~~(3) A video display device may use a cathode ray tube (CRT), liquid crystal display (LCD), gas plasma, digital light processing, or other image projection technology.~~

~~[(c)] (T)~~ ~~“White goods” includes:~~

- ~~(1) Refrigerators;~~
- ~~(2) Stoves;~~
- ~~(3) Washing machines;~~
- ~~(4) Dryers;~~
- ~~(5) Water heaters; and~~
- ~~(6) Air conditioners.~~

~~[(t)] (U)~~ ~~(1) “Yard waste” means organic plant waste derived from gardening, landscaping, and tree trimming activities.~~

~~(2) “Yard waste” includes leaves, garden waste, lawn cuttings, weeds, and prunings.~~

9-1703.

(a) Each county shall submit a recycling plan to the Secretary for approval when the county submits its county plan to the Secretary in accordance with the provisions of § 9-505 of this title.

(b) In preparing the recycling plan as required in § 9-505 of this title, the county shall address:

- (1) Methods to meet the solid waste stream reduction;
- (2) The feasibility of source separation of the solid waste stream generated within the county;
- (3) The recyclable materials to be separated;
- (4) The strategy for the collection, processing, marketing, and disposition of recyclable materials, including the cost-effective use of recycling centers;
- (5) Methods of financing the recycling efforts proposed by the county;
- (6) Methods for the separate collection and composting of yard waste;
- (7) The feasibility of a system for the composting of mixed solid wastes;

(8) The feasibility of a system for the collection and recycling of white goods;

(9) The separate collection of other recyclable materials;

(10) The strategy for the collection, processing, marketing, and disposition of recyclable materials from county public schools;

(11) The strategy for the collection and recycling of fluorescent and compact fluorescent lights that contain mercury;

(12) The collection and recycling of recyclable materials from residents of apartment buildings and condominiums that contain 10 or more dwelling units by property owners or managers of apartment buildings and councils of unit owners of condominiums;

(13) If applicable, a method for implementing a reporting requirement for recyclable materials generated at apartment buildings and condominiums that contain 10 or more dwelling units; [and]

**(14) THE COLLECTION AND RECYCLING OF RECYCLABLE MATERIALS FROM ~~PUBLIC AND COMMERCIAL BUILDINGS AND~~ SPECIAL EVENTS; AND**

~~**(15) WHERE NOT ALREADY PROVIDED, A STRATEGY FOR PROVIDING SINGLE-STREAM, CURBSIDE RECYCLING COLLECTION SERVICES TO ALL SINGLE-FAMILY RESIDENCES BY OCTOBER 1, 2016; AND**~~

[(14)] ~~(16)~~ **(15)** Any other alternative methods of recycling that will attain or exceed the solid waste stream reduction goals determined by the county.

(c) (1) In preparing the recycling plan as required under § 9-505 of this title, the county may address methods for the separate collection and recycling of covered electronic devices, including efforts by the county to establish partnerships with covered electronic device manufacturers, recyclers, retailers, or other local governments for the collection and recycling of covered electronic devices.

(2) If a county elects to address methods for the separate collection and recycling of covered electronic devices in its recycling plan, any reduction in the county's solid waste stream attributable to the implementation of the methods shall count towards the county's required reduction through recycling of the solid waste stream under § 9-505 of this title.

(d) A county that achieves a reduction of at least 5 percent in the volume of its waste through the utilization of 1 or more resource recovery facilities in operation

as of January 1, 1988, shall be considered to have achieved a reduction by recycling of 5 percent of its solid waste stream.

(e) In preparing a recycling plan, a county may not calculate a tax or mandatory deposit on any beverage container that is enacted by a county or municipality to achieve the recycling goals required under § 9-505 of this title.

(f) For the purpose of determining weight, the Department may not preclude the use of portable weigh scales.

(g) A county shall revise its recycling plan by:

(1) October 1, 2010, to address the requirements of subsection (b)(10) of this section; [and]

(2) October 1, 2011, to address the requirements of subsection (b)(11) of this section; AND

**(3) OCTOBER 1, 2015, TO ADDRESS THE REQUIREMENTS OF SUBSECTION (B)(14) OF THIS SECTION AND, IF APPLICABLE, SUBSECTION (B)(15) OF THIS SECTION.**

~~9-1706.~~

~~(a) The Office of Recycling, in cooperation with the Department of General Services and other State agencies, shall develop a recycling plan that reduces by recycling the amount of the solid waste stream generated for disposal by the State government by at least 30% or to an amount that is determined practical and economically feasible, but in no case may the amount to be recycled be less than 15%.~~

~~(b) A recycling plan under subsection (a) of this section shall include a system for recycling aluminum, glass, paper, and plastic generated for disposal by the State government, including the placement of [collection bins in State-owned or State-operated office buildings in locations in the State where it is determined to be practical and economically feasible] **A RECYCLING RECEPTACLE IMMEDIATELY ADJACENT TO EACH TRASH RECEPTACLE IN STATE OWNED OR STATE OPERATED BUILDINGS.**~~

~~(c) By July 1, [2014] **2015**, each State agency and unit of State government shall implement the recycling plan required under this section.~~

~~9-1712.~~

~~(A) **(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**~~

~~(2) "COMMERCIAL BUILDING" MEANS THE INTERIOR AND EXTERIOR SPACE OF A BUILDING THAT:~~

~~(I) IS USED PRIMARILY TO CONDUCT A FOR-PROFIT OR NOT-FOR-PROFIT BUSINESS;~~

~~(II) IS NOT RESIDENTIAL; AND~~

~~(III) IS NOT USED PRIMARILY TO MANUFACTURE OR PRODUCE RAW MATERIALS, PRODUCTS, OR AGRICULTURAL COMMODITIES.~~

~~(3) "PUBLIC BUILDING" MEANS THE INTERIOR AND EXTERIOR SPACE OF A BUILDING OWNED BY A COUNTY OR MUNICIPAL CORPORATION OR BY A UNIT OF A COUNTY OR MUNICIPAL CORPORATION.~~

~~(B) (1) THIS SECTION APPLIES ONLY TO A PUBLIC OR COMMERCIAL BUILDING THAT GENERATES RECYCLABLE MATERIALS AS A RESULT OF ACTIVITIES CONDUCTED WITHIN THE PUBLIC OR COMMERCIAL BUILDING.~~

~~(2) THIS SECTION DOES NOT AFFECT THE AUTHORITY OF A COUNTY, A MUNICIPALITY, OR ANY OTHER LOCAL GOVERNMENT TO ENACT AND ENFORCE RECYCLING REQUIREMENTS, INCLUDING ESTABLISHING CIVIL PENALTIES, FOR A PUBLIC OR COMMERCIAL BUILDING THAT ARE MORE STRINGENT THAN THE REQUIREMENTS OF THIS SECTION.~~

~~(C) (1) ON OR BEFORE OCTOBER 1, 2016, EACH PROPERTY OWNER OR MANAGER OF A PUBLIC OR COMMERCIAL BUILDING SHALL:~~

~~(I) SUBSCRIBE TO A BASIC LEVEL OF RECYCLING SERVICE THAT INCLUDES, AT A MINIMUM, THE COLLECTION OF RECYCLABLE MATERIALS;~~

~~(II) PROVIDE A RECYCLING RECEPTACLE IMMEDIATELY ADJACENT TO EACH TRASH RECEPTACLE LOCATED ON THE PROPERTY OF THE PUBLIC OR COMMERCIAL BUILDING; AND~~

~~(III) ENSURE THAT ALL RECYCLING RECEPTACLES ARE CLEARLY DISTINGUISHED FROM TRASH RECEPTACLES BY COLOR OR SIGNAGE.~~

~~(2) A COUNTY MAY REQUIRE A PROPERTY OWNER OR MANAGER OF A COMMERCIAL BUILDING THAT PROVIDES FOR RECYCLING TO REPORT TO THE COUNTY ON RECYCLING ACTIVITIES IN A MANNER DETERMINED BY THE COUNTY.~~

~~(D) THE RECYCLING REQUIRED UNDER SUBSECTION (C) OF THIS SECTION SHALL BE CARRIED OUT IN ACCORDANCE WITH THE RECYCLING PLAN REQUIRED UNDER § 9-1703 OF THIS SUBTITLE FOR THE COUNTY IN WHICH THE PUBLIC OR COMMERCIAL BUILDING IS LOCATED.~~

~~(E) A PERSON THAT VIOLATES SUBSECTION (C) OR (D) OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY NOT EXCEEDING \$50 FOR EACH DAY ON WHICH THE VIOLATION EXISTS.~~

~~(F) AN ENFORCEMENT UNIT, OFFICER, OR OFFICIAL OF A COUNTY, A MUNICIPALITY, OR ANY OTHER LOCAL GOVERNMENT MAY CONDUCT INSPECTIONS OF A COMMERCIAL BUILDING TO ENFORCE SUBSECTION (C) OF THIS SECTION.~~

~~(G) ANY PENALTIES COLLECTED UNDER SUBSECTION (E) OF THIS SECTION SHALL BE PAID TO THE COUNTY, MUNICIPALITY, OR OTHER LOCAL GOVERNMENT THAT BROUGHT THE ENFORCEMENT ACTION.~~

~~9-1713. 9-1712.~~

(A) (1) THIS SECTION APPLIES TO ANY SPECIAL EVENT THAT:

(I) INCLUDES TEMPORARY OR PERIODIC USE OF A PUBLIC STREET, PUBLICLY OWNED SITE OR FACILITY, OR PUBLIC PARK;

(II) SERVES FOOD OR DRINK; AND

(III) IS EXPECTED TO HAVE 200 OR MORE PERSONS IN ATTENDANCE.

(2) THIS SECTION DOES NOT AFFECT THE AUTHORITY OF A COUNTY, A MUNICIPALITY, OR ANY OTHER LOCAL GOVERNMENT TO ENACT AND ENFORCE RECYCLING REQUIREMENTS, INCLUDING ESTABLISHING CIVIL PENALTIES, FOR A SPECIAL EVENT THAT ARE MORE STRINGENT THAN THE REQUIREMENTS OF THIS SECTION.

(B) (1) IN ADDITION TO ANY OTHER CONDITIONS REQUIRED AS PART OF A SPECIAL EVENTS OR OTHER PERMIT, THE ORGANIZER OF A SPECIAL EVENT SHALL:

(I) PROVIDE A RECYCLING RECEPTACLE IMMEDIATELY ADJACENT TO EACH TRASH RECEPTACLE AT THE SPECIAL EVENT;

(II) ENSURE THAT ALL RECYCLING RECEPTACLES ARE CLEARLY DISTINGUISHED FROM TRASH RECEPTACLES BY COLOR OR SIGNAGE; AND

(III) ENSURE THAT ALL RECYCLABLE MATERIALS DEPOSITED INTO RECYCLING RECEPTACLES AT THE SPECIAL EVENT ARE COLLECTED FOR RECYCLING.

(2) A COUNTY MAY REQUIRE THE ORGANIZER OF A SPECIAL EVENT THAT PROVIDES FOR RECYCLING TO REPORT TO THE COUNTY ON RECYCLING ACTIVITIES IN A MANNER DETERMINED BY THE COUNTY.

(C) THE RECYCLING REQUIRED UNDER SUBSECTION (B) OF THIS SECTION SHALL BE CARRIED OUT IN ACCORDANCE WITH THE RECYCLING PLAN REQUIRED UNDER § 9-1703 OF THIS SUBTITLE FOR THE COUNTY IN WHICH THE SPECIAL EVENT TAKES PLACE.

(D) A PERSON THAT VIOLATES SUBSECTION (B) OR (C) OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY NOT EXCEEDING \$50 FOR EACH DAY ON WHICH THE VIOLATION EXISTS.

(E) AN ENFORCEMENT UNIT, OFFICER, OR OFFICIAL OF A COUNTY, A MUNICIPALITY, OR ANY OTHER LOCAL GOVERNMENT MAY CONDUCT INSPECTIONS OF A SPECIAL EVENT LOCATION TO ENFORCE SUBSECTION (B) OF THIS SECTION.

(F) ANY PENALTIES COLLECTED UNDER SUBSECTION (D) OF THIS SECTION SHALL BE PAID TO THE COUNTY, MUNICIPALITY, OR OTHER LOCAL GOVERNMENT THAT BROUGHT THE ENFORCEMENT ACTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 339

(Senate Bill 785)

AN ACT concerning

Higher Education – 2+2 Transfer Scholarship

FOR the purpose of renaming the Community College Transfer Scholarship to be the 2+2 Transfer Scholarship and altering certain elements of the scholarship program; altering the ~~institutions at which the scholarship may be used~~, qualifications for the scholarship, and the annual amount of the award; specifying that the scholarship may be used for a certain period of time; altering the requirements for maintaining the award; repealing a certain employment obligation associated with the scholarship; requiring certain funds to be transferred from a certain fund for certain purposes under certain circumstances; and generally relating to the 2+2 Transfer Scholarship.

BY repealing and reenacting, without amendments,  
Article – Education  
Section 10–101(c) and (m) and 18–101(c)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Education  
Section 18–107(c); and 18–2501 through 18–2506 to be under the amended subtitle “Subtitle 25. HOPE for Nontraditional Students – 2+2 Transfer Scholarship Program”  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY repealing  
Article – Education  
Section 18–2507  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Education  
Section 18–2507  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

10–101.

- (c) “Commission” means the Maryland Higher Education Commission.
- (m) “Public senior higher education institution” means:

(1) The constituent institutions of the University System of Maryland and the University of Maryland Center for Environmental Science;

(2) Morgan State University; and

(3) St. Mary's College of Maryland.

18-101.

(c) "Office" means the Office of Student Financial Assistance.

18-107.

(c) (1) In this subsection, "Fund" means the Need-based Student Financial Assistance Fund.

(2) There is a Need-based Student Financial Assistance Fund.

(3) The purpose of the Fund is to allow money appropriated for student financial assistance programs that is not used in a fiscal year to be retained for need-based awards in future fiscal years.

(4) The Commission shall administer the Fund.

(5) (i) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(ii) The State Treasurer shall hold the Fund and the Comptroller shall account for the Fund.

(6) The Fund consists of:

(i) Money distributed to the Fund under subsection (b) of this section; and

(ii) Any other money from any other source accepted for the benefit of the Fund.

(7) (i) The Fund may be used only for making need-based financial assistance awards to students as provided in §§ 18-301, 18-601, 18-604, 18-706(f), 18-1401, 18-14A-01, 18-1501, **18-2507**, and 18-2601 of this title.

(ii) The Fund may not be used for administrative expenses.

(8) (i) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(ii) Any investment earnings on the funds in the account shall be paid into the General Fund of the State.

(9) Expenditures from the Fund may be made only in accordance with the State budget.

Subtitle 25. HOPE for Nontraditional Students – [Community College] 2+2 Transfer Scholarship Program.

18–2501.

There is a [Community College] 2+2 Transfer Scholarship Program in the State under which scholarships are awarded under this subtitle.

18–2502.

A [Community College] 2+2 Transfer Scholarship awarded under this subtitle may be used only at a [4–year public or private nonprofit institution of higher education] **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION** in the State.

18–2503.

To qualify for a [Community College] 2+2 Transfer Scholarship, an applicant shall:

- (1) Be a resident of the State;
- (2) Be a student at a community college in the State;
- (3) Maintain a cumulative [3.0] **2.5** grade point average on a 4.0 scale while a student at a community college in the State;
- (4) Have [completed at least 60 credits at a community college in the State or have] earned an associate’s degree **FROM A COMMUNITY COLLEGE IN THE STATE** by the end of the semester in which the applicant plans to transfer;
- (5) Be accepted for admission in a degree program at a [4–year public or private nonprofit institution of higher education in the State] **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE**;
- (6) Intend to enroll in a [4–year public or private nonprofit institution of higher education in the State] **PUBLIC SENIOR HIGHER EDUCATION**

INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE in order to complete a bachelor's degree program;

(7) [Enroll] **ON OR AFTER THE FALL SEMESTER OF 2014, ENROLL as a full-time student in [that 4-year institution] A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE BY THE FALL SEMESTER FOLLOWING COMPLETION OF THE ASSOCIATE'S DEGREE;**

[(8) Have an annual total family income of not more than \$95,000; and]

(8) **IN THE CASE OF AN INDIVIDUAL WHO IS REQUIRED TO REGISTER WITH THE SELECTIVE SERVICE SYSTEM, HAVE COMPLIED WITH THE REGISTRATION REQUIREMENT;**

(9) **HAVE COMPLETED THE FEDERAL FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA);**

(10) **HAVE DEMONSTRATED FINANCIAL NEED, DEFINED AS A FEDERALLY CALCULATED EXPECTED FAMILY CONTRIBUTION (EFC) OF \$10,000 OR LESS AS REPORTED ON THE STUDENT'S FAFSA; AND**

[(9) (11) Accept any other conditions or satisfy any additional criteria that the Commission or the Office may establish.

18-2504.

(a) (1) [The] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE annual amount of the [Community College] 2+2 Transfer Scholarship awarded under this subtitle shall be [\$3,000] \$1,000.**

(2) **FOR A STUDENT WHO ENROLLS IN A SCIENCE, TEACHING, ENGINEERING, COMPUTER SCIENCE, MATHEMATICS, OR NURSING PROGRAM AT A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE, THE ANNUAL AMOUNT OF THE 2+2 TRANSFER SCHOLARSHIP AWARDED UNDER THIS SUBTITLE SHALL BE \$2,000.**

(b) A [Community College] 2+2 Transfer Scholarship may be used for tuition and mandatory fees **FOR 3 YEARS OF STUDY, OR SIX SEMESTERS OF STUDY, WHICHEVER IS LONGER.**

(c) [(1) Subject to paragraphs (2) and (3) of this subsection, to] **TO retain a [Community College] 2+2 Transfer Scholarship, the recipient shall:**

[(i)] (1) Remain a resident of the State;

[(ii)] (2) Continue to be enrolled as an undergraduate student in a degree program at a [4–year public or private nonprofit institution of higher education in the State] **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE**;

[(iii)] (3) Maintain a [3.0] **2.5** grade point average on a 4.0 scale each academic year the individual is enrolled at a [4–year public or private nonprofit institution of higher education in the State] **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE** or provide evidence satisfactory to the Office of extenuating circumstances; and

[(iv)] (4) Maintain the standards of the eligible institution that the individual attends.

(2) A recipient of a Community College Transfer Scholarship awarded under this subtitle shall receive the award for each year that the recipient is eligible if the recipient signs an agreement at the time of the initial award to:

(i) Remain a resident of the State and:

1. Except as provided in paragraph (3)(ii) of this subsection, continue full–time employment in the State after completion of undergraduate studies for 1 year for each year that the Scholarship was awarded; or

2. Except as provided in paragraph (3)(ii) of this subsection, commence full–time employment in the State within 1 year after completion of undergraduate studies and thereafter continue employment in the State for 1 year for each year that the Scholarship was awarded; and

(ii) Repay the State the amounts awarded under this subtitle as set forth in § 18–112 of this title for any portion of the award if the recipient does not:

1. Satisfy the degree requirements of the eligible institution or fulfill other requirements as provided in this subtitle; and

2. Maintain State residency and satisfy the employment obligation required under this paragraph.

(3) (i) The residency and employment obligation required by paragraph (2) of this subsection begins after graduation and cannot be fulfilled prior to graduation from an eligible institution.

(ii) A recipient of a Community College Transfer Scholarship awarded under this subtitle may fulfill the employment obligation required under paragraph (2)(i)1 and 2 of this subsection out of State if the recipient:

1. Was employed out of State at the time the recipient received the Scholarship;
2. Continues employment with the same employer while receiving the Scholarship; and
3. Continues employment with the same employer after completion of the recipient's undergraduate studies.]

18-2505.

On or before July 1 of each year, the Office shall send to each member of the Maryland General Assembly a list of individuals in each legislative district to whom [Community College] 2+2 Transfer Scholarships are awarded.

18-2506.

The Office shall publicize the availability of [Community College] 2+2 Transfer Scholarships under this subtitle.

[18-2507.

Funds for the Community College Transfer Scholarship Program established under this subtitle shall be as provided in the annual budget of the Office.]

18-2507.

**(A) FUNDING FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE BUDGET.**

**(B) IF THE STATE BUDGET DOES NOT INCLUDE AT LEAST \$2,000,000 FOR THE 2+2 TRANSFER SCHOLARSHIP PROGRAM IN ANY FISCAL YEAR, FUNDS SHALL BE TRANSFERRED FROM THE NEED-BASED STUDENT FINANCIAL ASSISTANCE FUND, ESTABLISHED UNDER § 18-107 OF THIS TITLE, IN AN AMOUNT THAT PROVIDES A TOTAL OF AT LEAST \$2,000,000 TO MAKE AWARDS UNDER THE 2+2 TRANSFER SCHOLARSHIP PROGRAM EACH YEAR.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

**Chapter 340****(House Bill 1215)**

AN ACT concerning

**Higher Education – 2+2 Transfer Scholarship**

FOR the purpose of renaming the Community College Transfer Scholarship to be the 2+2 Transfer Scholarship and altering certain elements of the scholarship program; altering the ~~institutions at which the scholarship may be used~~, qualifications for the scholarship, and the annual amount of the award; specifying that the scholarship may be used for a certain period of time; altering the requirements for maintaining the award; repealing a certain employment obligation associated with the scholarship; requiring certain funds to be transferred from a certain fund for certain purposes under certain circumstances; and generally relating to the 2+2 Transfer Scholarship.

BY repealing and reenacting, without amendments,  
Article – Education  
Section 10–101(c) ~~and (m) and (n)~~ and 18–101(c)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Education  
Section 18–107(c); and 18–2501 through 18–2506 to be under the amended subtitle “Subtitle 25. HOPE for Nontraditional Students – 2+2 Transfer Scholarship Program”  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY repealing  
Article – Education  
Section 18–2507  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Education  
Section 18–2507  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

10–101.

(c) “Commission” means the Maryland Higher Education Commission.

~~(m) “Public senior higher education institution” means:~~

~~(1) The constituent institutions of the University System of Maryland and the University of Maryland Center for Environmental Science;~~

~~(2) Morgan State University; and~~

~~(3) St. Mary’s College of Maryland.~~

*(m) “Public senior higher education institution” means:*

*(1) The constituent institutions of the University System of Maryland and the University of Maryland Center for Environmental Science;*

*(2) Morgan State University; and*

*(3) St. Mary’s College of Maryland.*

18–101.

(c) “Office” means the Office of Student Financial Assistance.

18–107.

(c) (1) In this subsection, “Fund” means the Need–based Student Financial Assistance Fund.

(2) There is a Need–based Student Financial Assistance Fund.

(3) The purpose of the Fund is to allow money appropriated for student financial assistance programs that is not used in a fiscal year to be retained for need–based awards in future fiscal years.

(4) The Commission shall administer the Fund.

(5) (i) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(ii) The State Treasurer shall hold the Fund and the Comptroller shall account for the Fund.

(6) The Fund consists of:

(i) Money distributed to the Fund under subsection (b) of this section; and

(ii) Any other money from any other source accepted for the benefit of the Fund.

(7) (i) The Fund may be used only for making need-based financial assistance awards to students as provided in §§ 18-301, 18-601, 18-604, 18-706(f), 18-1401, 18-14A-01, 18-1501, **18-2507**, and 18-2601 of this title.

(ii) The Fund may not be used for administrative expenses.

(8) (i) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(ii) Any investment earnings on the funds in the account shall be paid into the General Fund of the State.

(9) Expenditures from the Fund may be made only in accordance with the State budget.

Subtitle 25. HOPE for Nontraditional Students – [Community College] **2+2** Transfer Scholarship Program.

18-2501.

There is a [Community College] **2+2** Transfer Scholarship Program in the State under which scholarships are awarded under this subtitle.

18-2502.

A [Community College] **2+2** Transfer Scholarship awarded under this subtitle may be used only at a ~~[4-year public or private nonprofit institution of higher education]~~ **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION**; ~~PUBLIC SENIOR HIGHER EDUCATION INSTITUTION~~ in the State.

18-2503.

To qualify for a [Community College] **2+2** Transfer Scholarship, an applicant shall:

(1) Be a resident of the State;

- (2) Be a student at a community college in the State;
- (3) Maintain a cumulative [3.0] **2.5** grade point average on a 4.0 scale while a student at a community college in the State;
- (4) Have [completed at least 60 credits at a community college in the State or have] earned an associate's degree **FROM A COMMUNITY COLLEGE IN THE STATE** by the end of the semester in which the applicant plans to transfer;
- (5) Be accepted for admission in a degree program at a [~~4-year public or private nonprofit institution of higher education~~ **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION** in the State] ~~PUBLIC SENIOR HIGHER EDUCATION INSTITUTION~~;
- (6) Intend to enroll in a [~~4-year public or private nonprofit institution of higher education~~ **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION** in the State] ~~PUBLIC SENIOR HIGHER EDUCATION INSTITUTION~~ in order to complete a bachelor's degree program;
- (7) [Enroll] **ON OR AFTER THE FALL SEMESTER OF 2014, ENROLL** as a full-time student in [~~that 4-year institution~~ **A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE**] ~~A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION~~ **BY THE FALL SEMESTER FOLLOWING COMPLETION OF THE ASSOCIATE'S DEGREE;**
- [(8) Have an annual total family income of not more than \$95,000; and]
- (8) **IN THE CASE OF AN INDIVIDUAL WHO IS REQUIRED TO REGISTER WITH THE SELECTIVE SERVICE SYSTEM, HAVE COMPLIED WITH THE REGISTRATION REQUIREMENT;**
- (9) **HAVE COMPLETED THE FEDERAL FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA);**
- (10) **HAVE DEMONSTRATED FINANCIAL NEED, DEFINED AS A FEDERALLY CALCULATED EXPECTED FAMILY CONTRIBUTION (EFC) OF \$10,000 OR LESS AS REPORTED ON THE STUDENT'S FAFSA; AND**
- [(9)] (11) Accept any other conditions or satisfy any additional criteria that the Commission or the Office may establish.

(a) (1) [The] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE** annual amount of the [Community College] **2+2 Transfer Scholarship** awarded under this subtitle shall be [~~\$3,000~~] **\$1,000**.

(2) **FOR A STUDENT WHO ENROLLS IN A SCIENCE, TEACHING, ENGINEERING, COMPUTER SCIENCE, MATHEMATICS, OR NURSING PROGRAM AT A ~~PUBLIC SENIOR HIGHER EDUCATION INSTITUTION 4-YEAR PUBLIC~~ PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE, THE ANNUAL AMOUNT OF THE 2+2 TRANSFER SCHOLARSHIP AWARDED UNDER THIS SUBTITLE SHALL BE \$2,000.**

(b) A [Community College] **2+2 Transfer Scholarship** may be used for tuition and mandatory fees **FOR 3 YEARS OF STUDY, OR SIX SEMESTERS OF STUDY, WHICHEVER IS LONGER.**

(c) [(1) Subject to paragraphs (2) and (3) of this subsection, to] **TO** retain a [Community College] **2+2 Transfer Scholarship**, the recipient shall:

[i] (1) Remain a resident of the State;

[ii] (2) Continue to be enrolled as an undergraduate student in a degree program at a [~~4-year public or private nonprofit institution of higher education~~ **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION** in the State] ~~**PUBLIC SENIOR HIGHER EDUCATION INSTITUTION**~~;

[iii] (3) Maintain a [~~3.0~~] **2.5** grade point average on a 4.0 scale each academic year the individual is enrolled at a [~~4-year public or private nonprofit institution of higher education~~ **PUBLIC SENIOR HIGHER EDUCATION INSTITUTION OR A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION** in the State] ~~**PUBLIC SENIOR HIGHER EDUCATION INSTITUTION**~~ or provide evidence satisfactory to the Office of extenuating circumstances; and

[iv] (4) Maintain the standards of the eligible institution that the individual attends.

[(2) A recipient of a Community College Transfer Scholarship awarded under this subtitle shall receive the award for each year that the recipient is eligible if the recipient signs an agreement at the time of the initial award to:

(i) Remain a resident of the State and:

1. Except as provided in paragraph (3)(ii) of this subsection, continue full-time employment in the State after completion of undergraduate studies for 1 year for each year that the Scholarship was awarded; or

2. Except as provided in paragraph (3)(ii) of this subsection, commence full-time employment in the State within 1 year after completion of undergraduate studies and thereafter continue employment in the State for 1 year for each year that the Scholarship was awarded; and

(ii) Repay the State the amounts awarded under this subtitle as set forth in § 18-112 of this title for any portion of the award if the recipient does not:

1. Satisfy the degree requirements of the eligible institution or fulfill other requirements as provided in this subtitle; and

2. Maintain State residency and satisfy the employment obligation required under this paragraph.

(3) (i) The residency and employment obligation required by paragraph (2) of this subsection begins after graduation and cannot be fulfilled prior to graduation from an eligible institution.

(ii) A recipient of a Community College Transfer Scholarship awarded under this subtitle may fulfill the employment obligation required under paragraph (2)(i)1 and 2 of this subsection out of State if the recipient:

1. Was employed out of State at the time the recipient received the Scholarship;

2. Continues employment with the same employer while receiving the Scholarship; and

3. Continues employment with the same employer after completion of the recipient's undergraduate studies.]

18-2505.

On or before July 1 of each year, the Office shall send to each member of the Maryland General Assembly a list of individuals in each legislative district to whom [Community College] 2+2 Transfer Scholarships are awarded.

18-2506.

The Office shall publicize the availability of [Community College] 2+2 Transfer Scholarships under this subtitle.

[18-2507.

Funds for the Community College Transfer Scholarship Program established under this subtitle shall be as provided in the annual budget of the Office.]

**18-2507.**

**(A) FUNDING FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE BUDGET.**

**(B) IF THE STATE BUDGET DOES NOT INCLUDE AT LEAST \$2,000,000 FOR THE 2+2 TRANSFER SCHOLARSHIP PROGRAM IN ANY FISCAL YEAR, FUNDS SHALL BE TRANSFERRED FROM THE NEED-BASED STUDENT FINANCIAL ASSISTANCE FUND, ESTABLISHED UNDER § 18-107 OF THIS TITLE, IN AN AMOUNT THAT PROVIDES A TOTAL OF AT LEAST \$2,000,000 TO MAKE AWARDS UNDER THE 2+2 TRANSFER SCHOLARSHIP PROGRAM EACH YEAR.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 341**

**(Senate Bill 796)**

AN ACT concerning

### **Human Services – Interagency Council on Homelessness**

FOR the purpose of repealing the Governor’s Advisory Board on Homelessness and establishing an Interagency Council on Homelessness; establishing the membership, staffing, chair, quorum, and meeting times of the Council; prohibiting a member of the Council from receiving certain compensation but authorizing the reimbursement of certain expenses; establishing certain duties of the Council; requiring the Department of Human Resources to adopt certain regulations; repealing certain provisions of law relating to the Advisory Board on Homelessness and the Shelter, Nutrition, and Service Program for Homeless Individuals and Families; defining certain terms; and generally relating to the Interagency Council on Homelessness.

BY repealing and reenacting, with amendments,  
Article – Human Services  
Section 6-417, 6-421 through 6-424, and 6-427  
Annotated Code of Maryland

(2007 Volume and 2013 Supplement)

BY repealing

Article – Human Services

Section 6–418 through 6–420, 6–425, and 6–426

Annotated Code of Maryland

(2007 Volume and 2013 Supplement)

BY adding to

Article – Human Services

Section 6–422 and 6–423

Annotated Code of Maryland

(2007 Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Human Services**

6–417.

(a) In this part the following words have the meanings indicated.

**(B) “CONTINUUM OF CARE” MEANS A REGIONAL OR LOCAL PLANNING BODY THAT COORDINATES HOUSING AND SERVICES FUNDING FOR HOMELESS FAMILIES AND INDIVIDUALS.**

**[(b)] (C) [“Advisory Board” means the Governor’s Advisory Board] “COUNCIL” MEANS THE INTERAGENCY COUNCIL on Homelessness.**

[(c) “Homeless individual” means an individual who:

- (1) is in need of housing or emergency shelter and proper nutrition;
- (2) cannot be placed immediately in another available housing, nutrition, and service program; and
- (3) is a resident of the State when the individual makes an application for housing.

(d) “Housing crisis” means a situation involving a family or individual who is:

- (1) threatened with the immediate loss of housing or other shelter;
- (2) without resources to avoid an impending eviction; or

(3) otherwise at risk of becoming homeless.

(e) “Program” means the Shelter, Nutrition, and Service Program for Homeless Individuals and Families.]

[6–418.

The General Assembly finds and declares that:

(1) an increasing number of individuals and families in the State are homeless and lack proper nutrition and adequate services;

(2) current State–operated programs do not adequately address these problems; and

(3) as a result, there is a lack of quality emergency public and private housing, nutrition, and service programs available for these individuals and families.]

[6–419.

The Governor may establish a shelter, nutrition, and service program for homeless individuals and families.]

[6–420.

The purposes of the Program are to provide facilities or programs that offer and provide:

(1) crisis and transition shelter, proper nutrition, and adequate services to homeless individuals and families, which may include linkage to multiple service components, centralized decision making regarding placement, case management, transportation, and follow–up services; and

(2) services to prevent individuals and families in a housing crisis from becoming homeless.]

[6–421.] **6–418.**

There is an [Advisory Board] **INTERAGENCY COUNCIL** on Homelessness.

[6–422.] **6–419.**

(a) The [Advisory Board] **COUNCIL** consists of [two members from each congressional district in the State appointed by the Governor.] **THE FOLLOWING MEMBERS:**

- (1) THE SECRETARY OF AGING, OR THE SECRETARY'S DESIGNEE;
- (2) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE SECRETARY'S DESIGNEE;
- (3) THE SECRETARY OF HEALTH AND MENTAL HYGIENE, OR THE SECRETARY'S DESIGNEE;
- (4) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;
- (5) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;
- (6) THE SECRETARY OF LABOR, LICENSING, AND REGULATION, OR THE SECRETARY'S DESIGNEE;
- (7) THE SECRETARY OF PUBLIC SAFETY AND CORRECTIONAL SERVICES, OR THE SECRETARY'S DESIGNEE;
- (8) THE STATE SUPERINTENDENT OF SCHOOLS, OR THE STATE SUPERINTENDENT'S DESIGNEE;
- (9) THE SECRETARY OF TRANSPORTATION, OR THE SECRETARY'S DESIGNEE;
- (10) THE SECRETARY OF VETERANS AFFAIRS, OR THE SECRETARY'S DESIGNEE; ~~AND~~
- (11) THE SECRETARY OF JUVENILE SERVICES, OR THE SECRETARY'S DESIGNEE; AND
- ~~(11)~~ (12) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR:
  - (I) ONE REPRESENTATIVE OF THE GOVERNOR'S OFFICE FOR CHILDREN;
  - (II) THREE REPRESENTATIVES OF LOCAL CONTINUUMS OF CARE; ~~AND~~
  - (III) ~~FIVE~~ SIX REPRESENTATIVES FROM DIVERSE GEOGRAPHICAL REGIONS OF THE STATE ENGAGED IN HOMELESS ADVOCACY WITH A FOCUS ON HOUSING, EMPLOYMENT, AND ACCESS TO HEALTHCARE; AND

**(IV) ONE COMMUNITY REPRESENTATIVE WHO HAS PERSONALLY EXPERIENCED HOMELESSNESS.**

- (b) [(1) The term of a member is 2 years.
- (2) The terms of the members are staggered as required by the terms provided for members of the Advisory Board on October 1, 2007.
- (3) At the end of a term, a member continues to serve until a successor is appointed.
- (4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed.
- (c) The Governor may remove a member for incompetence or misconduct.

**[6-423.] 6-420.**

(a) [(1) From among its members, the [Advisory Board annually] **COUNCIL** shall elect a chair.

[(2) The manner of the election of a chair shall be as the Advisory Board determines.]

(b) [The Advisory Board may employ a staff and make other expenditures in accordance with the State budget.] **AFTER THE ELECTION OF THE FIRST CHAIR, A CANDIDATE FOR CHAIR MUST BE A MEMBER OF THE COUNCIL WHO ATTENDED AT LEAST A MAJORITY OF THE COUNCIL'S MEETINGS DURING THE YEAR IMMEDIATELY PRECEDING THE ELECTION.**

**(C) THE TERM OF THE CHAIR IS 2 YEARS.**

**(D) THE CHAIR MAY NOT SERVE CONSECUTIVE TERMS.**

**[6-424.] 6-421.**

(a) A majority of the members then serving on the [Advisory Board] **COUNCIL** is a quorum.

(b) The [Advisory Board] **COUNCIL** shall determine the times and places of its meetings.

(c) A member of the [Advisory Board] **COUNCIL**:

(1) may not receive compensation as a member of the [Advisory Board] COUNCIL; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

**6-422.**

**THE DEPARTMENT SHALL PROVIDE STAFF FOR THE COUNCIL.**

**[6-425.**

The Advisory Board shall:

(1) advise the Department on the adoption of regulations to design and administer the Program;

(2) coordinate and monitor the operation of the Program;

(3) propose annually to the Department a budget and a funding request for the Program;

(4) advise the Department on:

(i) a plan to serve homeless individuals;

(ii) the distribution of funds;

(iii) the effectiveness of programs; and

(iv) the needs of the homeless;

(5) make recommendations to the Department on the allocation of any available federal funds, State funds, foundation grants, and private donations to establish, administer, and operate shelter, nutrition, and service programs for homeless individuals and families;

(6) make recommendations to the Department on the allocation of funds to the areas of the State considering unmet needs, the number of homeless individuals and families in those areas, proximity to similar services, availability of alternate sources of funds, and other relevant factors; and

(7) report annually to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on the activities of the Program, including:

- (i) financial reports;
- (ii) Advisory Board actions;
- (iii) distribution of funds; and
- (iv) service successes and failures.]

[6–426.

- (a) The Department shall:
  - (1) contract with nonprofit organizations to operate the Program;
  - (2) seek the recommendations of the Advisory Board about policy determinations, the allocation of funds, and the development of a plan to serve homeless individuals and families;
  - (3) allocate any available federal funds and State funds to establish, administer, and operate shelter, nutrition, and service programs for homeless individuals and families;
  - (4) allocate funds to the areas of the State, considering unmet needs and the number of homeless individuals and families in those areas;
  - (5) establish a housing counselor and aftercare program to assist families and individuals in obtaining and maintaining permanent housing;
  - (6) establish and implement a homelessness prevention program to provide services to families and individuals in a housing crisis, which may include:
    - (i) case management services;
    - (ii) counseling to detect households at risk of becoming homeless;
    - (iii) training on budgeting and other life skills;
    - (iv) education about tenants' rights and responsibilities; and
    - (v) cash assistance;
  - (7) establish uniform reporting criteria for providers of services to homeless individuals and families under this part;
  - (8) collect regional data on the number of homeless individuals and families that receive services under this part; and

(9) make recommendations on the resources necessary to provide adequate programs.

(b) (1) The Department shall report annually to the Governor on the extent of homelessness during the preceding year.

(2) The Department shall submit a report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on the effectiveness of the homelessness prevention program in preventing families and individuals from becoming homeless.]

### **6-423.**

#### **THE COUNCIL SHALL:**

(1) **COORDINATE STATE POLICY AND WORKING RELATIONSHIPS AMONG STATE, LOCAL, AND NONPROFIT AGENCIES CONCERNING EFFORTS TO REMEDY AND PREVENT HOMELESSNESS;**

(2) **COORDINATE DATA SHARING BETWEEN LOCAL CONTINUUMS OF CARE;**

(3) **COORDINATE OUTREACH TO EACH CONTINUUM OF CARE TO DEVELOP JOINT STRATEGIES THAT IMPACT STATE AND FEDERAL FUNDING EFFORTS TO REMEDY AND PREVENT HOMELESSNESS;**

(4) **DETERMINE COMPREHENSIVE AND EFFECTIVE COLLABORATIVE STRATEGIES AND BEST PRACTICES FOR REMEDIATION AND PREVENTION OF HOMELESSNESS IN THE STATE, IN PARTICULAR ADDRESSING THE DIFFERING NEEDS OF THE STATE'S GEOGRAPHIC AREAS;**

(5) **REVIEW AND ANALYZE THE NEED FOR AND AVAILABILITY OF AFFORDABLE AND ACCESSIBLE HOUSING RESOURCES TO ADDRESS THE NEEDS OF HOMELESS INDIVIDUALS THROUGHOUT THE STATE;**

(6) **RECOMMEND CHANGES NECESSARY TO ALLEVIATE OR PREVENT HOMELESSNESS, INCLUDING MAKING RECOMMENDATIONS ANNUALLY TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, AND APPROPRIATE STATE AGENCIES AND ORGANIZATIONS REGARDING EFFECTIVE POLICIES, EFFECTIVE DISTRIBUTION OF RESOURCES, AND ACCESS TO AVAILABLE SERVICES AND PROGRAMS;**

(7) IDENTIFY SUPPORTIVE SERVICES FOR SPECIAL POPULATIONS, INCLUDING VETERANS, YOUTH, FAMILIES, AND INDIVIDUALS WITH ~~MENTAL ILLNESSES~~ BEHAVIORAL HEALTH PROBLEMS;

(8) DISSEMINATE INFORMATION AND EDUCATE THE PUBLIC ABOUT THE PREVALENCE AND CAUSES OF AND RESPONSES TO HOMELESSNESS; AND

(9) SOLICIT INPUT FROM THE ADVOCACY COMMUNITY, THE BUSINESS COMMUNITY, THE FAITH COMMUNITY, AND CONSUMERS REGARDING POLICY AND PROGRAM DEVELOPMENT.

[6-427.] 6-424.

The Department shall adopt regulations[, with the advice and recommendations of the Advisory Board,] to govern the [implementation] **DEVELOPMENT, IMPLEMENTATION,** and evaluation of [the Program under this part] **POLICIES AND PROGRAMS TO MAKE HOMELESSNESS RARE AND, IF IT OCCURS, OF BRIEF DURATION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 342

(Senate Bill 805)

AN ACT concerning

### Maryland Uniform Collaborative Law Act

FOR the purpose of enacting the Maryland Uniform Collaborative Law Act; establishing requirements for a collaborative law participation agreement and the collaborative law process; specifying when a collaborative law process begins and concludes; establishing standards for the disclosure of information during the collaborative law process; authorizing parties to agree on the scope of confidentiality of collaborative law communications; establishing an evidentiary privilege for certain collaborative law communications and providing for certain waivers of and limited exceptions to the evidentiary privilege; authorizing a court or certain other body to enforce agreements that result from a collaborative process and to apply certain privileges under this Act; authorizing a tribunal to issue certain orders for a certain purpose during a collaborative

law process; defining certain terms; making the provisions of this Act severable; providing for the construction and application of this Act; and generally relating to the Maryland Uniform Collaborative Law Act.

BY adding to

Article – Courts and Judicial Proceedings

Section 3–1901 through 3–1915 to be under the new subtitle “Subtitle 19. Maryland Uniform Collaborative Law Act”

Annotated Code of Maryland

(2013 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Courts and Judicial Proceedings**

**SUBTITLE 19. MARYLAND UNIFORM COLLABORATIVE LAW ACT.**

**3–1901. DEFINITIONS.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “COLLABORATIVE LAW COMMUNICATION” MEANS A STATEMENT, WHETHER ORAL OR IN A RECORD OR VERBAL OR NONVERBAL, THAT:

(1) IS MADE TO CONDUCT, PARTICIPATE IN, CONTINUE, OR RECONVENE A COLLABORATIVE LAW PROCESS; AND

(2) OCCURS AFTER THE PARTIES SIGN A COLLABORATIVE LAW PARTICIPATION AGREEMENT AND BEFORE THE COLLABORATIVE LAW PROCESS IS CONCLUDED.

(C) “COLLABORATIVE LAW PARTICIPATION AGREEMENT” MEANS AN AGREEMENT BY PERSONS TO PARTICIPATE IN A COLLABORATIVE LAW PROCESS.

(D) “COLLABORATIVE LAW PROCESS” MEANS A PROCEDURE INTENDED TO RESOLVE A COLLABORATIVE MATTER WITHOUT INTERVENTION BY A TRIBUNAL IN WHICH PERSONS:

(1) SIGN A COLLABORATIVE LAW PARTICIPATION AGREEMENT;  
AND

(2) ARE REPRESENTED BY COLLABORATIVE LAWYERS.

(E) “COLLABORATIVE LAWYER” MEANS A LAWYER WHO REPRESENTS A PARTY IN A COLLABORATIVE LAW PROCESS.

(F) (1) “COLLABORATIVE MATTER” MEANS A DISPUTE, A TRANSACTION, A CLAIM, A PROBLEM, OR AN ISSUE FOR RESOLUTION DESCRIBED IN A COLLABORATIVE LAW PARTICIPATION AGREEMENT.

(2) “COLLABORATIVE MATTER” INCLUDES A DISPUTE, A CLAIM, AND AN ISSUE IN A PROCEEDING.

(G) “NONPARTY PARTICIPANT” MEANS A PERSON OTHER THAN A PARTY AND THE PARTY’S COLLABORATIVE LAWYER THAT PARTICIPATES IN A COLLABORATIVE LAW PROCESS.

(H) “PARTY” MEANS A PERSON THAT SIGNS A COLLABORATIVE LAW PARTICIPATION AGREEMENT AND WHOSE CONSENT IS NECESSARY TO RESOLVE A COLLABORATIVE MATTER.

(I) “PERSON” MEANS AN INDIVIDUAL, A CORPORATION, A BUSINESS TRUST, AN ESTATE, A TRUST, A PARTNERSHIP, A LIMITED LIABILITY COMPANY, AN ASSOCIATION, A JOINT VENTURE, A PUBLIC CORPORATION, A GOVERNMENT OR GOVERNMENTAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY OR ANY OTHER LEGAL OR COMMERCIAL ENTITY.

(J) “PERSON ELIGIBLE FOR RELIEF” INCLUDES:

(1) THE CURRENT OR FORMER SPOUSE OF A RESPONDENT;

(2) A COHABITANT OF A RESPONDENT;

(3) A PERSON RELATED TO A RESPONDENT BY BLOOD, MARRIAGE, OR ADOPTION;

(4) A PARENT, STEPPARENT, CHILD, OR STEPCHILD OF A RESPONDENT OR PERSON ELIGIBLE FOR RELIEF WHO RESIDES OR RESIDED WITH THE RESPONDENT OR PERSON ELIGIBLE FOR RELIEF FOR AT LEAST 90 DAYS WITHIN 1 YEAR BEFORE THE FILING OF A PETITION FOR RELIEF UNDER TITLE 4, SUBTITLE 5 OF THE FAMILY LAW ARTICLE;

(5) A VULNERABLE ADULT; AND

(6) A PERSON WHO HAS A CHILD IN COMMON WITH THE RESPONDENT.

**(K) "PROCEEDING" MEANS:**

**(1) A JUDICIAL, AN ADMINISTRATIVE, AN ARBITRAL, OR ANY OTHER ADJUDICATIVE PROCESS BEFORE A TRIBUNAL, INCLUDING RELATED PREHEARING AND POSTHEARING MOTIONS, CONFERENCES, AND DISCOVERY; OR**

**(2) A LEGISLATIVE HEARING OR SIMILAR PROCESS.**

**(L) "PROSPECTIVE PARTY" MEANS A PERSON THAT DISCUSSES WITH A PROSPECTIVE COLLABORATIVE LAWYER THE POSSIBILITY OF SIGNING A COLLABORATIVE LAW PARTICIPATION AGREEMENT.**

**(M) "RECORD" MEANS INFORMATION THAT IS INSCRIBED ON A TANGIBLE MEDIUM OR THAT IS STORED IN AN ELECTRONIC OR ANY OTHER MEDIUM AND IS RETRIEVABLE IN PERCEIVABLE FORM.**

**(N) "RELATED TO A COLLABORATIVE MATTER" MEANS INVOLVING THE SAME PARTIES, TRANSACTION OR OCCURRENCE, NUCLEUS OF OPERATIVE FACT, DISPUTE, CLAIM, OR ISSUE AS THE COLLABORATIVE MATTER.**

**(O) "SIGN" MEANS, WITH PRESENT INTENT TO AUTHENTICATE OR ADOPT A RECORD, TO:**

**(1) EXECUTE OR ADOPT A TANGIBLE SYMBOL; OR**

**(2) ATTACH TO OR LOGICALLY ASSOCIATE WITH THE RECORD AN ELECTRONIC SYMBOL, SOUND, OR PROCESS.**

**(P) "TRIBUNAL" MEANS:**

**(1) A COURT, AN ARBITRATOR, AN ADMINISTRATIVE AGENCY, OR ANY OTHER BODY ACTING IN AN ADJUDICATIVE CAPACITY THAT, AFTER PRESENTATION OF EVIDENCE OR LEGAL ARGUMENT, HAS JURISDICTION TO RENDER A DECISION AFFECTING A PARTY'S INTERESTS IN A MATTER; OR**

**(2) A LEGISLATIVE BODY CONDUCTING A HEARING OR SIMILAR PROCESS.**

**3-1902. COLLABORATIVE LAW PARTICIPATION AGREEMENT; REQUIREMENTS.**

**(A) A COLLABORATIVE LAW PARTICIPATION AGREEMENT SHALL:**

- (1) BE IN A RECORD;
- (2) BE SIGNED BY THE PARTIES;
- (3) STATE THE PARTIES' INTENTION TO RESOLVE A COLLABORATIVE MATTER THROUGH A COLLABORATIVE LAW PROCESS UNDER THIS SUBTITLE;
- (4) DESCRIBE THE NATURE AND SCOPE OF THE MATTER;
- (5) IDENTIFY THE COLLABORATIVE LAWYER WHO REPRESENTS EACH PARTY IN THE PROCESS; AND
- (6) CONTAIN A STATEMENT BY EACH COLLABORATIVE LAWYER CONFIRMING THE LAWYER'S REPRESENTATION OF A PARTY IN THE COLLABORATIVE LAW PROCESS.

(B) THE PARTIES MAY AGREE TO INCLUDE IN A COLLABORATIVE LAW PARTICIPATION AGREEMENT ADDITIONAL PROVISIONS CONSISTENT WITH THIS SUBTITLE.

### **3-1903. BEGINNING AND CONCLUDING A COLLABORATIVE LAW PROCESS.**

(A) A COLLABORATIVE LAW PROCESS BEGINS WHEN THE PARTIES SIGN A COLLABORATIVE LAW PARTICIPATION AGREEMENT.

(B) A TRIBUNAL MAY NOT ORDER A PARTY TO PARTICIPATE IN A COLLABORATIVE LAW PROCESS OVER THAT PARTY'S OBJECTION.

(C) A COLLABORATIVE LAW PROCESS IS CONCLUDED BY:

(1) A RESOLUTION OF A COLLABORATIVE MATTER AS EVIDENCED BY A SIGNED RECORD;

(2) A RESOLUTION OF A PART OF THE COLLABORATIVE MATTER, EVIDENCED BY A SIGNED RECORD, IN WHICH THE PARTIES AGREE THAT THE REMAINING PARTS OF THE MATTER WILL NOT BE RESOLVED IN THE PROCESS; OR

(3) A TERMINATION OF THE PROCESS.

(D) A COLLABORATIVE LAW PROCESS TERMINATES:

**(1) WHEN A PARTY GIVES NOTICE TO OTHER PARTIES IN A RECORD THAT THE PROCESS IS ENDED;**

**(2) WHEN A PARTY:**

**(I) BEGINS A PROCEEDING RELATED TO A COLLABORATIVE MATTER WITHOUT THE AGREEMENT OF ALL PARTIES; OR**

**(II) IN A PENDING PROCEEDING RELATED TO THE MATTER:**

**1. INITIATES A PLEADING, A MOTION, AN ORDER TO SHOW CAUSE, OR A REQUEST FOR A CONFERENCE WITH THE TRIBUNAL;**

**2. REQUESTS THAT THE PROCEEDING BE PUT ON THE TRIBUNAL'S CALENDAR; OR**

**3. TAKES SIMILAR ACTION REQUIRING NOTICE TO BE SENT TO THE PARTIES; OR**

**(3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (G) OF THIS SECTION, WHEN A PARTY DISCHARGES A COLLABORATIVE LAWYER OR A COLLABORATIVE LAWYER WITHDRAWS FROM FURTHER REPRESENTATION OF A PARTY.**

**(E) A PARTY'S COLLABORATIVE LAWYER SHALL GIVE PROMPT NOTICE TO ALL OTHER PARTIES IN A RECORD OF A DISCHARGE OR WITHDRAWAL.**

**(F) A PARTY MAY TERMINATE A COLLABORATIVE LAW PROCESS WITH OR WITHOUT CAUSE.**

**(G) NOTWITHSTANDING THE DISCHARGE OR WITHDRAWAL OF A COLLABORATIVE LAWYER, A COLLABORATIVE LAW PROCESS CONTINUES IF, WITHIN 30 DAYS AFTER THE DATE THAT THE NOTICE OF DISCHARGE OR WITHDRAWAL OF A COLLABORATIVE LAWYER REQUIRED BY SUBSECTION (E) OF THIS SECTION IS SENT TO THE PARTIES:**

**(1) THE UNREPRESENTED PARTY ENGAGES A SUCCESSOR COLLABORATIVE LAWYER; AND**

**(2) IN A SIGNED RECORD:**

**(I) THE PARTIES CONSENT TO CONTINUE THE PROCESS BY REAFFIRMING THE COLLABORATIVE LAW PARTICIPATION AGREEMENT;**

**(II) THE AGREEMENT IS AMENDED TO IDENTIFY THE SUCCESSOR COLLABORATIVE LAWYER; AND**

**(III) THE SUCCESSOR COLLABORATIVE LAWYER CONFIRMS THE LAWYER'S REPRESENTATION OF A PARTY IN THE COLLABORATIVE PROCESS.**

**(H) A COLLABORATIVE LAW PROCESS DOES NOT CONCLUDE IF, WITH THE CONSENT OF THE PARTIES, A PARTY REQUESTS A TRIBUNAL TO APPROVE A RESOLUTION OF THE COLLABORATIVE MATTER OR ANY PART OF THE COLLABORATIVE MATTER AS EVIDENCED BY A SIGNED RECORD.**

**(I) A COLLABORATIVE LAW PARTICIPATION AGREEMENT MAY PROVIDE ADDITIONAL METHODS OF CONCLUDING A COLLABORATIVE LAW PROCESS.**

### **3-1904. EMERGENCY ORDER.**

**DURING A COLLABORATIVE LAW PROCESS, A TRIBUNAL MAY ISSUE EMERGENCY ORDERS TO PROTECT THE HEALTH, SAFETY, WELFARE, OR INTEREST OF A PERSON ELIGIBLE FOR RELIEF.**

### **3-1905. APPROVAL OF AGREEMENT BY TRIBUNAL.**

**A TRIBUNAL MAY APPROVE AN AGREEMENT RESULTING FROM A COLLABORATIVE LAW PROCESS.**

### **3-1906. DISCLOSURE OF INFORMATION.**

**(A) EXCEPT AS PROVIDED BY LAW OTHER THAN THIS SUBTITLE, DURING THE COLLABORATIVE LAW PROCESS A PARTY SHALL:**

**(1) ON THE REQUEST OF ANOTHER PARTY, MAKE TIMELY, FULL, CANDID, AND INFORMAL DISCLOSURE OF INFORMATION RELATED TO THE COLLABORATIVE MATTER WITHOUT FORMAL DISCOVERY; AND**

**(2) UPDATE PROMPTLY PREVIOUSLY DISCLOSED INFORMATION THAT HAS MATERIALLY CHANGED.**

**(B) PARTIES MAY DEFINE THE SCOPE OF DISCLOSURE DURING THE COLLABORATIVE LAW PROCESS.**

**3-1907. STANDARDS OF PROFESSIONAL RESPONSIBILITY AND REPORTING NOT AFFECTED.**

**THIS SUBTITLE DOES NOT AFFECT:**

**(1) THE PROFESSIONAL RESPONSIBILITY OBLIGATIONS AND STANDARDS APPLICABLE TO A LAWYER OR OTHER LICENSED PROFESSIONAL; OR**

**(2) THE OBLIGATION OF A PERSON TO REPORT ABUSE OR NEGLECT, ABANDONMENT, OR EXPLOITATION OF A CHILD OR AN ADULT UNDER STATE LAW.**

**3-1908. CONFIDENTIALITY OF COLLABORATIVE LAW COMMUNICATION.**

**A COLLABORATIVE LAW COMMUNICATION IS CONFIDENTIAL TO THE EXTENT AGREED BY THE PARTIES IN A SIGNED RECORD OR AS PROVIDED BY STATE LAW OTHER THAN IN THIS SUBTITLE.**

**3-1909. PRIVILEGE AGAINST DISCLOSURE FOR COLLABORATIVE LAW COMMUNICATION; ADMISSIBILITY; DISCOVERY.**

**(A) SUBJECT TO §§ 3-1911 AND 3-1912 OF THIS SUBTITLE, A COLLABORATIVE LAW COMMUNICATION IS PRIVILEGED UNDER SUBSECTION (B) OF THIS SECTION, IS NOT SUBJECT TO DISCOVERY, AND IS NOT ADMISSIBLE IN EVIDENCE.**

**(B) IN A PROCEEDING, THE FOLLOWING PRIVILEGES APPLY:**

**(1) A PARTY MAY REFUSE TO DISCLOSE AND MAY PREVENT ANY OTHER PERSON FROM DISCLOSING A COLLABORATIVE LAW COMMUNICATION; AND**

**(2) A NONPARTY PARTICIPANT MAY REFUSE TO DISCLOSE AND MAY PREVENT ANY OTHER PERSON FROM DISCLOSING A COLLABORATIVE LAW COMMUNICATION OF THE NONPARTY PARTICIPANT.**

**(C) EVIDENCE OR INFORMATION THAT IS OTHERWISE ADMISSIBLE OR SUBJECT TO DISCOVERY DOES NOT BECOME INADMISSIBLE OR PROTECTED FROM DISCOVERY SOLELY BECAUSE OF ITS DISCLOSURE OR USE IN A COLLABORATIVE LAW PROCESS.**

**3-1910. WAIVER AND PRECLUSION OF PRIVILEGE.**

(A) A PRIVILEGE UNDER § 3-1909 OF THIS SUBTITLE MAY BE WAIVED IN A RECORD OR ORALLY DURING A PROCEEDING IF IT IS EXPRESSLY WAIVED BY EACH PARTY AND, IN THE CASE OF THE PRIVILEGE OF A NONPARTY PARTICIPANT, THE PRIVILEGE IS ALSO EXPRESSLY WAIVED BY THE NONPARTY PARTICIPANT.

(B) A PERSON THAT MAKES A DISCLOSURE OR REPRESENTATION ABOUT A COLLABORATIVE LAW COMMUNICATION THAT PREJUDICES ANOTHER PERSON IN A PROCEEDING MAY NOT ASSERT A PRIVILEGE UNDER § 3-1909 OF THIS SUBTITLE, BUT THIS PRECLUSION APPLIES ONLY TO THE EXTENT NECESSARY FOR THE PERSON PREJUDICED TO RESPOND TO THE DISCLOSURE OR REPRESENTATION.

### 3-1911. LIMITS OF PRIVILEGE.

(A) THERE IS NO PRIVILEGE UNDER § 3-1909 OF THIS SUBTITLE FOR A COLLABORATIVE LAW COMMUNICATION THAT IS:

(1) AVAILABLE TO THE PUBLIC UNDER TITLE 10, SUBTITLE 6 OF THE STATE GOVERNMENT ARTICLE OR MADE DURING A SESSION OF A COLLABORATIVE LAW PROCESS THAT IS OPEN OR IS REQUIRED BY LAW TO BE OPEN TO THE PUBLIC;

(2) A THREAT OR STATEMENT OF A PLAN TO INFLICT BODILY INJURY OR COMMIT A CRIME OF VIOLENCE;

(3) INTENTIONALLY USED TO PLAN A CRIME, COMMIT OR ATTEMPT TO COMMIT A CRIME, OR CONCEAL AN ONGOING CRIME OR ONGOING CRIMINAL ACTIVITY; OR

(4) IN AN AGREEMENT RESULTING FROM THE COLLABORATIVE LAW PROCESS, EVIDENCED BY A RECORD SIGNED BY ALL PARTIES TO THE AGREEMENT.

(B) THE PRIVILEGES UNDER § 3-1909 OF THIS SUBTITLE FOR A COLLABORATIVE LAW COMMUNICATION DO NOT APPLY TO THE EXTENT THAT A COMMUNICATION IS SOUGHT OR OFFERED TO PROVE OR DISPROVE:

(1) A CLAIM OR COMPLAINT OF PROFESSIONAL MISCONDUCT OR MALPRACTICE ARISING FROM OR RELATED TO A COLLABORATIVE LAW PROCESS; OR

(2) ABUSE, NEGLECT, ABANDONMENT, OR EXPLOITATION OF A CHILD OR AN ADULT, UNLESS THE DEPARTMENT OF SOCIAL SERVICES FOR THE COUNTY IN WHICH THE CHILD OR ADULT RESIDES IS A PARTY TO OR OTHERWISE PARTICIPATES IN THE PROCESS.

(C) THERE IS NO PRIVILEGE UNDER § 3-1909 OF THIS SUBTITLE IF A TRIBUNAL FINDS, AFTER A HEARING IN CAMERA, THAT THE PARTY SEEKING DISCOVERY OR THE PROPONENT OF THE EVIDENCE HAS SHOWN THE EVIDENCE IS NOT OTHERWISE AVAILABLE, THE NEED FOR THE EVIDENCE SUBSTANTIALLY OUTWEIGHS THE INTEREST IN PROTECTING CONFIDENTIALITY, AND THE COLLABORATIVE LAW COMMUNICATION IS SOUGHT OR OFFERED IN:

(1) A COURT PROCEEDING INVOLVING A FELONY OR MISDEMEANOR; OR

(2) A PROCEEDING SEEKING RESCISSION OR REFORMATION OF A CONTRACT ARISING OUT OF THE COLLABORATIVE LAW PROCESS OR IN WHICH A DEFENSE TO AVOID LIABILITY ON THE CONTRACT IS ASSERTED.

(D) IF A COLLABORATIVE LAW COMMUNICATION IS SUBJECT TO AN EXCEPTION UNDER SUBSECTION (B) OR (C) OF THIS SECTION, ONLY THE PART OF THE COMMUNICATION NECESSARY FOR THE APPLICATION OF THE EXCEPTION MAY BE DISCLOSED OR ADMITTED.

(E) DISCLOSURE OR ADMISSION OF EVIDENCE EXCEPTED FROM THE PRIVILEGE UNDER SUBSECTION (B) OR (C) OF THIS SECTION DOES NOT MAKE THE EVIDENCE OR ANY OTHER COLLABORATIVE LAW COMMUNICATION DISCOVERABLE OR ADMISSIBLE FOR ANY OTHER PURPOSE.

(F) (1) THE PRIVILEGES UNDER § 3-1909 OF THIS SUBTITLE DO NOT APPLY IF THE PARTIES AGREE IN ADVANCE IN A SIGNED RECORD OR, IF A RECORD OF A PROCEEDING REFLECTS AGREEMENT BY THE PARTIES, THAT ALL OR PART OF A COLLABORATIVE LAW PROCESS IS NOT PRIVILEGED.

(2) THIS SUBSECTION DOES NOT APPLY TO A COLLABORATIVE LAW COMMUNICATION MADE BY A PERSON THAT DID NOT RECEIVE ACTUAL NOTICE OF THE AGREEMENT BEFORE THE COMMUNICATION WAS MADE.

### **3-1912. AUTHORITY OF TRIBUNAL IN CASE OF NONCOMPLIANCE.**

(A) NOTWITHSTANDING THE FAILURE OF AN AGREEMENT TO MEET THE REQUIREMENTS OF § 3-1902 OF THIS SUBTITLE, A TRIBUNAL MAY FIND THAT

THE PARTIES INTENDED TO ENTER INTO A COLLABORATIVE LAW PARTICIPATION AGREEMENT IF THE PARTIES:

(1) SIGNED A RECORD INDICATING AN INTENTION TO ENTER INTO A COLLABORATIVE LAW PARTICIPATION AGREEMENT; AND

(2) REASONABLY BELIEVED THEY WERE PARTICIPATING IN A COLLABORATIVE LAW PROCESS.

(B) IF A TRIBUNAL MAKES THE FINDINGS SPECIFIED IN SUBSECTION (A) OF THIS SECTION AND THE INTERESTS OF JUSTICE REQUIRE, THE TRIBUNAL MAY:

(1) ENFORCE AN AGREEMENT EVIDENCED BY A RECORD RESULTING FROM THE PROCESS IN WHICH THE PARTIES PARTICIPATED; AND

(2) APPLY THE PRIVILEGES UNDER § 3–1909 OF THIS SUBTITLE.

### **3–1913. UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

IN APPLYING AND CONSTRUING THIS UNIFORM ACT, CONSIDERATION SHALL BE GIVEN TO THE NEED TO PROMOTE UNIFORMITY OF THE LAW WITH RESPECT TO ITS SUBJECT MATTER AMONG STATES THAT ENACT IT.

### **3–1914. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.**

THIS SUBTITLE MODIFIES, LIMITS, AND SUPERSEDES THE FEDERAL ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT, 15 U.S.C.A. § 7001 ET SEQ., BUT DOES NOT MODIFY, LIMIT, OR SUPERSEDE § 101(C) OF THAT ACT, 15 U.S.C.A. § 7001(C), OR AUTHORIZE ELECTRONIC DELIVERY OF ANY OF THE NOTICES DESCRIBED IN § 103(B) OF THAT ACT, 15 U.S.C.A. § 7003(B).

### **3–1915. SHORT TITLE.**

THIS SUBTITLE MAY BE CITED AS THE MARYLAND UNIFORM COLLABORATIVE LAW ACT.

SECTION 2. AND BE IT FURTHER ENACTED, That if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act which can be given effect without the

invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to a collaborative law participation agreement that meets the requirements of § 3-1902 of the Courts Article, as enacted by Section 1 of this Act, on or after the effective date of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That the catchlines or captions contained in this Act are not law and may not be considered to have been enacted as a part of this Act.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 343**

### **(Senate Bill 813)**

AN ACT concerning

#### **Motor Vehicle Administration – Drivers' Licenses and Identification Cards – Organ Donor Designation**

FOR the purpose of requiring, rather than authorizing, the Motor Vehicle Administration to make a certain notation on a driver's license or identification card of an applicant who selects designation as an organ donor; requiring the Administration to notify applicants who select designation as a donor that the designation will remain effective until the applicant requests that the designation be removed and that the designation may be removed by the applicant through specified means; altering the manner in which a donor designation may be removed from a driver's license or identification card; requiring the Administration to note an applicant's designation as a donor on certain subsequently issued documents under certain circumstances; making certain stylistic and conforming changes; and generally relating to the designation of organ donor status on drivers' licenses and identification cards.

BY repealing and reenacting, with amendments,

Article – Transportation

Section 12-303

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Transportation**

12–303.

(a) The Administration shall provide for a method by which an applicant for a driver's license or identification card can designate that the applicant consents to the gift of all body organs or parts for the purposes of transplantation, therapy, or medical research and education.

(b) If an applicant [designates that he is such donor] **SELECTS DESIGNATION AS A DONOR UNDER SUBSECTION (A) OF THIS SECTION**, the Administration [may] **SHALL** make a notation of this fact on the driver's license or identification card issued to the applicant.

(c) **THE ADMINISTRATION SHALL NOTIFY AN APPLICANT WHO SELECTS DESIGNATION AS A DONOR THAT THE DESIGNATION:**

**(1) WILL REMAIN EFFECTIVE UNTIL THE APPLICANT REQUESTS THAT THE DESIGNATION BE REMOVED; AND**

**(2) MAY BE REMOVED BY THE APPLICANT:**

**(I) BY REQUESTING A REPLACEMENT DRIVER'S LICENSE OR IDENTIFICATION CARD:**

**1. THROUGH THE ADMINISTRATION'S WEB SITE; OR**

**2. IN PERSON AT ANY FULL-SERVICE ADMINISTRATION OFFICE; OR**

**(II) THROUGH THE STATE DONOR REGISTRY ESTABLISHED UNDER § 4–516 OF THE ESTATES AND TRUSTS ARTICLE.**

**(D) UNLESS REMOVED AS PROVIDED IN SUBSECTION (C)(2) OF THIS SECTION, THE ADMINISTRATION SHALL NOTE AN APPLICANT'S DESIGNATION AS A DONOR ON ALL SUBSEQUENTLY ISSUED DRIVERS' LICENSES OR IDENTIFICATION CARDS.**

**(E) The donor designation noted on the driver's license or identification card:**

**(1) Is sufficient legal authority for the removal of a body organ or part on the death of the donor; and**

(2) [May be removed only on written notice to the Administration by the donor.

(d) Notwithstanding any other provision of law, [the donor designation noted on the driver's license or identification card] is valid and effective for all purposes under Title 4, Subtitle 5 of the Estates and Trusts Article, including the immunity from civil or criminal liability set forth in § 4–514 of the Estates and Trusts Article.

[(e) At the time the donor authorizes the donor designation to appear on his driver's license or identification card, the Administration shall notify the donor that the designation can be removed only on written notice to the Administration.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 344**

**(Senate Bill 818)**

AN ACT concerning

### **State Government – Human Trafficking Address Confidentiality Program**

FOR the purpose of requiring the Secretary of State to establish the Human Trafficking Address Confidentiality Program for victims of human trafficking; stating the purpose of the Program; establishing eligibility requirements of the Program; establishing application and participation requirements of the Program; requiring an applicant to provide a certain release and waiver of future claims against the State; prohibiting false statements in an application; establishing penalties for a violation of certain provisions of this Act; establishing participation cancellation procedures; authorizing a Program participant to request that certain agencies use a substitute address designated under the Program as the Program participant's address; establishing a method for certain agencies to apply for a waiver from the requirements of the Program; requiring that a certain address be used for voter registration and election-related purposes; prohibiting certain disclosures of a Program participant's address; providing a penalty for certain unauthorized disclosures of a Program participant's address; requiring the Secretary of State to adopt regulations to carry out this Act; defining certain terms; and generally relating to the Human Trafficking Address Confidentiality Program.

BY repealing and reenacting, with amendments,

Article – Election Law

Section 3–505

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Government

Section 7–301 through 7–312 to be under the new subtitle “Subtitle 3. Human Trafficking Address Confidentiality Program”

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Election Law**

3–505.

(a) The State Board shall adopt regulations for the retention and storage of and reasonable access to original voter registration applications and other voter registration records the State Board considers appropriate.

(b) (1) Voter registration records stored and retained in a local board office shall be open to public inspection.

(2) For the purpose of public inspection, original voter registration records:

(i) subject to § 4–527(b) of the Family Law Article **AND § 7–309(B) OF THE STATE GOVERNMENT ARTICLE** and except upon the special order of the local board, shall be available at all times when a local board is open; and

(ii) may not be removed from the office of the local board except:

1. on order of a court; or
2. for temporary removal solely for purposes of data processing.

(c) (1) Consistent with regulations adopted by the State Board, local boards shall maintain for at least 2 years all records concerning programs to ensure the accuracy and currency of the statewide voter registration list.

(2) Except for records concerning a declination to register or the identity of a voter registration agency through which a particular voter applies for

registration, the records described in paragraph (1) of this subsection are accessible under Title 10, Subtitle 6, Part III of the State Government Article (Access to Public Records).

### **Article – State Government**

#### **SUBTITLE 3. HUMAN TRAFFICKING ADDRESS CONFIDENTIALITY PROGRAM.**

##### **7-301.**

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) “ACTUAL ADDRESS” MEANS A RESIDENTIAL STREET ADDRESS, SCHOOL ADDRESS, OR WORK ADDRESS OF AN INDIVIDUAL AS SPECIFIED ON THE INDIVIDUAL’S APPLICATION TO BE A PROGRAM PARTICIPANT UNDER THIS SUBTITLE.**

**(C) “DISABLED PERSON” HAS THE MEANING STATED IN § 13-101 OF THE ESTATES AND TRUSTS ARTICLE.**

**(D) “PROGRAM” MEANS THE HUMAN TRAFFICKING ADDRESS CONFIDENTIALITY PROGRAM.**

**(E) “PROGRAM PARTICIPANT” MEANS AN INDIVIDUAL DESIGNATED AS A PROGRAM PARTICIPANT UNDER THIS SUBTITLE.**

**(F) “VICTIM OF HUMAN TRAFFICKING” MEANS AN INDIVIDUAL WHO HAS BEEN RECRUITED, HARBORED, TRANSPORTED, PROVIDED, OR OBTAINED FOR LABOR, SERVICES, OR A SEXUAL ACT THROUGH THE USE OF FORCE, FRAUD, OR COERCION.**

##### **7-302.**

**THE PURPOSE OF THIS SUBTITLE IS TO ENABLE:**

**(1) STATE AND LOCAL AGENCIES TO RESPOND TO REQUESTS FOR PUBLIC RECORDS WITHOUT DISCLOSING THE LOCATION OF A VICTIM OF HUMAN TRAFFICKING;**

**(2) INTERAGENCY COOPERATION IN PROVIDING ADDRESS CONFIDENTIALITY FOR VICTIMS OF HUMAN TRAFFICKING; AND**

**(3) STATE AND LOCAL AGENCIES TO ACCEPT A PROGRAM PARTICIPANT'S USE OF AN ADDRESS DESIGNATED BY THE OFFICE OF THE SECRETARY OF STATE AS A SUBSTITUTE ADDRESS.**

**7-303.**

**THE SECRETARY OF STATE SHALL ESTABLISH AND ADMINISTER A HUMAN TRAFFICKING ADDRESS CONFIDENTIALITY PROGRAM FOR VICTIMS OF HUMAN TRAFFICKING.**

**7-304.**

**(A) THE FOLLOWING INDIVIDUALS MAY APPLY TO PARTICIPATE IN THE PROGRAM:**

**(1) AN INDIVIDUAL ACTING ON THE INDIVIDUAL'S OWN BEHALF;**

**(2) A PARENT OR GUARDIAN ACTING ON BEHALF OF A MINOR WHO RESIDES WITH THE PARENT OR GUARDIAN; OR**

**(3) A GUARDIAN ACTING ON BEHALF OF A DISABLED PERSON.**

**(B) AN APPLICATION TO PARTICIPATE IN THE PROGRAM SHALL BE IN THE FORM REQUIRED BY THE SECRETARY OF STATE AND SHALL CONTAIN:**

**(1) A STATEMENT THAT:**

**(I) THE APPLICANT IS A VICTIM OF HUMAN TRAFFICKING;**

**AND**

**(II) THE APPLICANT FEARS FOR THE APPLICANT'S SAFETY OR THE SAFETY OF THE APPLICANT'S CHILD;**

**(2) EVIDENCE THAT THE APPLICANT IS A VICTIM OF HUMAN TRAFFICKING, INCLUDING:**

**(I) CERTIFIED LAW ENFORCEMENT, COURT, OR OTHER FEDERAL OR STATE AGENCY RECORDS OR FILES;**

**(II) DOCUMENTATION FROM A HUMAN TRAFFICKING PREVENTION OR ASSISTANCE PROGRAM; OR**

(III) DOCUMENTATION FROM A RELIGIOUS, MEDICAL, OR OTHER PROFESSIONAL FROM WHOM THE APPLICANT HAS SOUGHT ASSISTANCE OR TREATMENT AS A VICTIM OF HUMAN TRAFFICKING;

(3) A STATEMENT THAT DISCLOSURE OF THE APPLICANT'S ACTUAL ADDRESS WOULD ENDANGER THE APPLICANT'S SAFETY OR THE SAFETY OF THE APPLICANT'S CHILD;

(4) A KNOWING AND VOLUNTARY DESIGNATION OF THE SECRETARY OF STATE AS AGENT FOR PURPOSES OF SERVICE OF PROCESS AND RECEIPT OF FIRST-CLASS, CERTIFIED, OR REGISTERED MAIL;

(5) THE MAILING ADDRESS AND TELEPHONE NUMBER AT WHICH THE APPLICANT MAY BE CONTACTED BY THE SECRETARY OF STATE;

(6) THE ACTUAL ADDRESS THAT THE APPLICANT REQUESTS NOT BE DISCLOSED BY THE SECRETARY OF STATE BECAUSE IT WOULD INCREASE THE RISK OF HUMAN TRAFFICKING OR OTHER CRIMES;

(7) A SWORN STATEMENT BY THE APPLICANT THAT, TO THE BEST OF THE APPLICANT'S KNOWLEDGE, ALL THE INFORMATION CONTAINED IN THE APPLICATION IS TRUE;

(8) THE SIGNATURE OF THE APPLICANT AND THE DATE ON WHICH THE APPLICANT SIGNED THE APPLICATION; AND

(9) A VOLUNTARY RELEASE AND WAIVER OF ALL FUTURE CLAIMS AGAINST THE STATE THAT MAY ARISE FROM PARTICIPATION IN THE PROGRAM EXCEPT FOR A CLAIM BASED ON GROSS NEGLIGENCE.

(C) (1) (I) ON THE FILING OF A PROPERLY COMPLETED APPLICATION AND RELEASE, THE SECRETARY OF STATE SHALL:

1. REVIEW THE APPLICATION AND RELEASE; AND
2. IF THE APPLICATION AND RELEASE ARE PROPERLY COMPLETED AND ACCURATE, DESIGNATE THE APPLICANT AS A PROGRAM PARTICIPANT.

(II) AN APPLICANT SHALL BE A PARTICIPANT FOR 4 YEARS FROM THE DATE OF FILING UNLESS THE PARTICIPATION IS CANCELED OR WITHDRAWN PRIOR TO THE END OF THE 4-YEAR PERIOD.

**(2) A PROGRAM PARTICIPANT MAY WITHDRAW FROM PARTICIPATION BY FILING A SIGNED, NOTARIZED REQUEST FOR WITHDRAWAL WITH THE SECRETARY OF STATE.**

**7-305.**

**(A) IF AN APPLICANT FALSELY ATTESTS IN AN APPLICATION THAT DISCLOSURE OF THE APPLICANT'S ACTUAL ADDRESS WOULD ENDANGER THE APPLICANT'S SAFETY OR THE SAFETY OF THE APPLICANT'S CHILD OR KNOWINGLY PROVIDES FALSE INFORMATION WHEN APPLYING FOR PARTICIPATION OR RENEWAL OF PARTICIPATION IN THE PROGRAM, THE APPLICANT SHALL NO LONGER BE ALLOWED TO PARTICIPATE IN THE PROGRAM.**

**(B) A PERSON MAY NOT KNOWINGLY MAKE A FALSE ATTESTATION OR KNOWINGLY PROVIDE FALSE INFORMATION IN AN APPLICATION IN VIOLATION OF SUBSECTION (A) OF THIS SECTION.**

**(C) A PERSON WHO VIOLATES SUBSECTION (B) OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 6 MONTHS OR A FINE NOT EXCEEDING \$500 OR BOTH.**

**7-306.**

**(A) IF A PROGRAM PARTICIPANT OBTAINS A LEGAL NAME CHANGE, THE PROGRAM PARTICIPANT SHALL NOTIFY THE SECRETARY OF STATE WITHIN 30 DAYS AND PROVIDE THE SECRETARY OF STATE WITH A CERTIFIED COPY OF ANY JUDGMENT OR ORDER EVIDENCING THE CHANGE OR ANY OTHER DOCUMENTATION THE SECRETARY OF STATE CONSIDERS TO BE SUFFICIENT EVIDENCE OF THE CHANGE.**

**(B) IF A PROGRAM PARTICIPANT MAKES A CHANGE IN ADDRESS OR TELEPHONE NUMBER FROM AN ADDRESS OR A TELEPHONE NUMBER LISTED ON THE PROGRAM PARTICIPANT'S APPLICATION, THE PROGRAM PARTICIPANT SHALL NOTIFY THE SECRETARY OF STATE AT LEAST 7 DAYS BEFORE THE CHANGE OCCURS.**

**7-307.**

**(A) THE SECRETARY OF STATE SHALL CANCEL THE PARTICIPATION OF A PROGRAM PARTICIPANT IF:**

(1) THE PROGRAM PARTICIPANT FAILS TO NOTIFY THE SECRETARY OF STATE OF ANY LEGAL NAME CHANGE OR CHANGE IN ADDRESS OR TELEPHONE NUMBER IN THE MANNER REQUIRED BY § 7-306 OF THIS SUBTITLE;

(2) THE PROGRAM PARTICIPANT FILES A REQUEST FOR WITHDRAWAL OF PARTICIPATION UNDER § 7-304(C)(2) OF THIS SUBTITLE;

(3) THE PROGRAM PARTICIPANT SUBMITS FALSE INFORMATION IN APPLYING FOR PARTICIPATION IN THE PROGRAM IN VIOLATION OF § 7-305 OF THIS SUBTITLE; OR

(4) THE SECRETARY OF STATE FORWARDS MAIL TO THE PROGRAM PARTICIPANT AND THE MAIL IS RETURNED AS UNDELIVERABLE.

(B) THE SECRETARY OF STATE SHALL SEND NOTICE OF ANY CANCELLATION OF PARTICIPATION IN THE PROGRAM TO THE PARTICIPANT AND SHALL SET FORTH THE REASON FOR CANCELLATION.

(C) A PROGRAM PARTICIPANT MAY APPEAL ANY CANCELLATION DECISION BY FILING AN APPEAL WITH THE SECRETARY OF STATE WITHIN 30 DAYS AFTER THE DATE OF THE NOTICE OF CANCELLATION IN ACCORDANCE WITH PROCEDURES DEVELOPED BY THE SECRETARY OF STATE.

(D) AN INDIVIDUAL WHO CEASES TO BE A PROGRAM PARTICIPANT IS RESPONSIBLE FOR NOTIFYING ANY PERSON WHO USES THE SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE THAT THE SUBSTITUTE ADDRESS IS NO LONGER VALID.

#### 7-308.

(A) A PROGRAM PARTICIPANT MAY MAKE A REQUEST TO ANY STATE OR LOCAL AGENCY TO USE A SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE AS THE PROGRAM PARTICIPANT'S ADDRESS.

(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, WHEN A PROGRAM PARTICIPANT HAS MADE A REQUEST TO A STATE OR LOCAL AGENCY UNDER SUBSECTION (A) OF THIS SECTION, THE STATE OR LOCAL AGENCY SHALL USE THE SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE AS A PROGRAM PARTICIPANT'S ADDRESS.

(C) (1) A STATE OR LOCAL AGENCY THAT HAS A BONA FIDE STATUTORY OR ADMINISTRATIVE REQUIREMENT FOR USING A PROGRAM

PARTICIPANT'S ACTUAL ADDRESS MAY APPLY TO THE SECRETARY OF STATE FOR A WAIVER FROM THE REQUIREMENTS OF THE PROGRAM.

(2) IF THE SECRETARY OF STATE APPROVES THE WAIVER, THE STATE OR LOCAL AGENCY SHALL USE THE PROGRAM PARTICIPANT'S ACTUAL ADDRESS ONLY FOR THE REQUIRED STATUTORY OR ADMINISTRATIVE PURPOSES.

**7-309.**

(A) (1) EACH LOCAL BOARD OF ELECTIONS SHALL USE A PROGRAM PARTICIPANT'S ACTUAL ADDRESS FOR ALL ELECTION-RELATED PURPOSES.

(2) A PROGRAM PARTICIPANT MAY NOT USE THE SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE AS THE PROGRAM PARTICIPANT'S ADDRESS FOR VOTER REGISTRATION PURPOSES.

(B) A LOCAL BOARD OF ELECTIONS MAY NOT MAKE A PROGRAM PARTICIPANT'S ADDRESS CONTAINED IN VOTER REGISTRATION RECORDS AVAILABLE FOR PUBLIC INSPECTION OR COPYING EXCEPT:

(1) ON REQUEST BY A LAW ENFORCEMENT AGENCY FOR LAW ENFORCEMENT PURPOSES; AND

(2) AS DIRECTED BY A COURT ORDER TO DISCLOSE THE ADDRESS.

**7-310.**

(A) EXCEPT AS OTHERWISE PROVIDED BY THIS SUBTITLE, A RECORD OF A PROGRAM PARTICIPANT'S ACTUAL ADDRESS AND TELEPHONE NUMBER MAINTAINED BY THE SECRETARY OF STATE OR A STATE OR LOCAL AGENCY IS NOT A PUBLIC RECORD WITHIN THE MEANING OF § 10-611 OF THIS ARTICLE.

(B) THE SECRETARY OF STATE MAY NOT DISCLOSE A PROGRAM PARTICIPANT'S ACTUAL ADDRESS OR TELEPHONE NUMBER OR SUBSTITUTE ADDRESS EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION AND:

(1) (I) ON REQUEST BY A LAW ENFORCEMENT AGENCY FOR LAW ENFORCEMENT PURPOSES; AND

(II) AS DIRECTED BY A COURT ORDER; OR

(2) ON REQUEST BY A STATE OR LOCAL AGENCY TO VERIFY A PROGRAM PARTICIPANT'S PARTICIPATION IN THE PROGRAM OR SUBSTITUTE ADDRESS FOR USE UNDER § 7-308 OF THIS SUBTITLE.

(C) THE SECRETARY OF STATE SHALL NOTIFY THE APPROPRIATE COURT OF A PROGRAM PARTICIPANT'S PARTICIPATION IN THE PROGRAM AND OF THE SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE IF THE PROGRAM PARTICIPANT:

(1) IS SUBJECT TO A COURT ORDER OR AN ADMINISTRATIVE ORDER;

(2) IS INVOLVED IN A COURT ACTION OR AN ADMINISTRATIVE ACTION; OR

(3) IS A WITNESS OR A PARTY IN A CIVIL OR CRIMINAL PROCEEDING.

7-311.

(A) A PERSON MAY NOT KNOWINGLY AND INTENTIONALLY OBTAIN A PROGRAM PARTICIPANT'S ACTUAL ADDRESS OR TELEPHONE NUMBER FROM THE SECRETARY OF STATE OR ANY AGENCY WITHOUT AUTHORIZATION TO OBTAIN THE INFORMATION.

(B) (1) THIS SUBSECTION APPLIES ONLY WHEN AN EMPLOYEE OF THE SECRETARY OF STATE:

(I) OBTAINS A PROGRAM PARTICIPANT'S ACTUAL ADDRESS OR TELEPHONE NUMBER DURING THE COURSE OF THE EMPLOYEE'S OFFICIAL DUTIES; AND

(II) AT THE TIME OF DISCLOSURE, HAS SPECIFIC KNOWLEDGE THAT THE ACTUAL ADDRESS OR TELEPHONE NUMBER BELONGS TO A PROGRAM PARTICIPANT.

(2) AN EMPLOYEE OF THE SECRETARY OF STATE OR ANY STATE OR LOCAL AGENCY MAY NOT KNOWINGLY AND INTENTIONALLY DISCLOSE A PROGRAM PARTICIPANT'S ACTUAL ADDRESS OR TELEPHONE NUMBER TO ANOTHER PERSON UNLESS THE DISCLOSURE IS AUTHORIZED BY LAW.

(C) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$2,500.

7-312.

**THE SECRETARY OF STATE SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 345**

**(House Bill 559)**

AN ACT concerning

### **State Government – Human Trafficking Address Confidentiality Program**

FOR the purpose of requiring the Secretary of State to establish the Human Trafficking Address Confidentiality Program for victims of human trafficking; stating the purpose of the Program; establishing eligibility requirements of the Program; establishing application and participation requirements of the Program; requiring an applicant to provide a certain release and waiver of future claims against the State; prohibiting false statements in an application; establishing penalties for a violation of certain provisions of this Act; establishing participation cancellation procedures; authorizing a Program participant to request that certain agencies use a substitute address designated under the Program as the Program participant's address; establishing a method for certain agencies to apply for a waiver from the requirements of the Program; requiring that a certain address be used for voter registration and election-related purposes; prohibiting certain disclosures of a Program participant's address; providing a penalty for certain unauthorized disclosures of a Program participant's address; requiring the Secretary of State to adopt regulations to carry out this Act; defining certain terms; and generally relating to the Human Trafficking Address Confidentiality Program.

BY repealing and reenacting, with amendments,

Article – Election Law

Section 3-505

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Government

Section 7–301 through 7–312 to be under the new subtitle “Subtitle 3. Human Trafficking Address Confidentiality Program”  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Election Law

3–505.

(a) The State Board shall adopt regulations for the retention and storage of and reasonable access to original voter registration applications and other voter registration records the State Board considers appropriate.

(b) (1) Voter registration records stored and retained in a local board office shall be open to public inspection.

(2) For the purpose of public inspection, original voter registration records:

(i) subject to § 4–527(b) of the Family Law Article AND § **7–309(B) OF THE STATE GOVERNMENT ARTICLE** and except upon the special order of the local board, shall be available at all times when a local board is open; and

(ii) may not be removed from the office of the local board except:

1. on order of a court; or
2. for temporary removal solely for purposes of data processing.

(c) (1) Consistent with regulations adopted by the State Board, local boards shall maintain for at least 2 years all records concerning programs to ensure the accuracy and currency of the statewide voter registration list.

(2) Except for records concerning a declination to register or the identity of a voter registration agency through which a particular voter applies for registration, the records described in paragraph (1) of this subsection are accessible under Title 10, Subtitle 6, Part III of the State Government Article (Access to Public Records).

### Article – State Government

#### SUBTITLE 3. HUMAN TRAFFICKING ADDRESS CONFIDENTIALITY PROGRAM.

**7-301.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “ACTUAL ADDRESS” MEANS A RESIDENTIAL STREET ADDRESS, SCHOOL ADDRESS, OR WORK ADDRESS OF AN INDIVIDUAL AS SPECIFIED ON THE INDIVIDUAL’S APPLICATION TO BE A PROGRAM PARTICIPANT UNDER THIS SUBTITLE.

(C) “DISABLED PERSON” HAS THE MEANING STATED IN § 13-101 OF THE ESTATES AND TRUSTS ARTICLE.

(D) “PROGRAM” MEANS THE HUMAN TRAFFICKING ADDRESS CONFIDENTIALITY PROGRAM.

(E) “PROGRAM PARTICIPANT” MEANS AN INDIVIDUAL DESIGNATED AS A PROGRAM PARTICIPANT UNDER THIS SUBTITLE.

(F) “VICTIM OF HUMAN TRAFFICKING” MEANS AN INDIVIDUAL WHO HAS BEEN RECRUITED, HARBORED, TRANSPORTED, PROVIDED, OR OBTAINED FOR LABOR, SERVICES, OR A SEXUAL ACT THROUGH THE USE OF FORCE, FRAUD, OR COERCION.

**7-302.**

THE PURPOSE OF THIS SUBTITLE IS TO ENABLE:

(1) STATE AND LOCAL AGENCIES TO RESPOND TO REQUESTS FOR PUBLIC RECORDS WITHOUT DISCLOSING THE LOCATION OF A VICTIM OF HUMAN TRAFFICKING;

(2) INTERAGENCY COOPERATION IN PROVIDING ADDRESS CONFIDENTIALITY FOR VICTIMS OF HUMAN TRAFFICKING; AND

(3) STATE AND LOCAL AGENCIES TO ACCEPT A PROGRAM PARTICIPANT’S USE OF AN ADDRESS DESIGNATED BY THE OFFICE OF THE SECRETARY OF STATE AS A SUBSTITUTE ADDRESS.

**7-303.**

**THE SECRETARY OF STATE SHALL ESTABLISH AND ADMINISTER A HUMAN TRAFFICKING ADDRESS CONFIDENTIALITY PROGRAM FOR VICTIMS OF HUMAN TRAFFICKING.**

**7-304.**

**(A) THE FOLLOWING INDIVIDUALS MAY APPLY TO PARTICIPATE IN THE PROGRAM:**

- (1) AN INDIVIDUAL ACTING ON THE INDIVIDUAL'S OWN BEHALF;**
- (2) A PARENT OR GUARDIAN ACTING ON BEHALF OF A MINOR WHO RESIDES WITH THE PARENT OR GUARDIAN; OR**
- (3) A GUARDIAN ACTING ON BEHALF OF A DISABLED PERSON.**

**(B) AN APPLICATION TO PARTICIPATE IN THE PROGRAM SHALL BE IN THE FORM REQUIRED BY THE SECRETARY OF STATE AND SHALL CONTAIN:**

- (1) A STATEMENT THAT:**
  - (I) THE APPLICANT IS A VICTIM OF HUMAN TRAFFICKING;**

**AND**

  - (II) THE APPLICANT FEARS FOR THE APPLICANT'S SAFETY OR THE SAFETY OF THE APPLICANT'S CHILD;**
- (2) EVIDENCE THAT THE APPLICANT IS A VICTIM OF HUMAN TRAFFICKING, INCLUDING:**
  - (I) CERTIFIED LAW ENFORCEMENT, COURT, OR OTHER FEDERAL OR STATE AGENCY RECORDS OR FILES;**
  - (II) DOCUMENTATION FROM A HUMAN TRAFFICKING PREVENTION OR ASSISTANCE PROGRAM; OR**
  - (III) DOCUMENTATION FROM A RELIGIOUS, MEDICAL, OR OTHER PROFESSIONAL FROM WHOM THE APPLICANT HAS SOUGHT ASSISTANCE OR TREATMENT AS A VICTIM OF HUMAN TRAFFICKING;**
- (3) A STATEMENT THAT DISCLOSURE OF THE APPLICANT'S ACTUAL ADDRESS WOULD ENDANGER THE APPLICANT'S SAFETY OR THE SAFETY OF THE APPLICANT'S CHILD;**

(4) A KNOWING AND VOLUNTARY DESIGNATION OF THE SECRETARY OF STATE AS AGENT FOR PURPOSES OF SERVICE OF PROCESS AND RECEIPT OF FIRST-CLASS, CERTIFIED, OR REGISTERED MAIL;

(5) THE MAILING ADDRESS AND TELEPHONE NUMBER AT WHICH THE APPLICANT MAY BE CONTACTED BY THE SECRETARY OF STATE;

(6) THE ACTUAL ADDRESS THAT THE APPLICANT REQUESTS NOT BE DISCLOSED BY THE SECRETARY OF STATE BECAUSE IT WOULD INCREASE THE RISK OF HUMAN TRAFFICKING OR OTHER CRIMES;

(7) A SWORN STATEMENT BY THE APPLICANT THAT, TO THE BEST OF THE APPLICANT'S KNOWLEDGE, ALL THE INFORMATION CONTAINED IN THE APPLICATION IS TRUE;

(8) THE SIGNATURE OF THE APPLICANT AND THE DATE ON WHICH THE APPLICANT SIGNED THE APPLICATION; AND

(9) A VOLUNTARY RELEASE AND WAIVER OF ALL FUTURE CLAIMS AGAINST THE STATE THAT MAY ARISE FROM PARTICIPATION IN THE PROGRAM EXCEPT FOR A CLAIM BASED ON GROSS NEGLIGENCE.

(c) (1) (i) ON THE FILING OF A PROPERLY COMPLETED APPLICATION AND RELEASE, THE SECRETARY OF STATE SHALL:

1. REVIEW THE APPLICATION AND RELEASE; AND

2. IF THE APPLICATION AND RELEASE ARE PROPERLY COMPLETED AND ACCURATE, DESIGNATE THE APPLICANT AS A PROGRAM PARTICIPANT.

(ii) AN APPLICANT SHALL BE A PARTICIPANT FOR 4 YEARS FROM THE DATE OF FILING UNLESS THE PARTICIPATION IS CANCELED OR WITHDRAWN PRIOR TO THE END OF THE 4-YEAR PERIOD.

(2) A PROGRAM PARTICIPANT MAY WITHDRAW FROM PARTICIPATION BY FILING A SIGNED, NOTARIZED REQUEST FOR WITHDRAWAL WITH THE SECRETARY OF STATE.

(A) IF AN APPLICANT FALSELY ATTESTS IN AN APPLICATION THAT DISCLOSURE OF THE APPLICANT'S ACTUAL ADDRESS WOULD ENDANGER THE APPLICANT'S SAFETY OR THE SAFETY OF THE APPLICANT'S CHILD OR KNOWINGLY PROVIDES FALSE INFORMATION WHEN APPLYING FOR PARTICIPATION OR RENEWAL OF PARTICIPATION IN THE PROGRAM, THE APPLICANT SHALL NO LONGER BE ALLOWED TO PARTICIPATE IN THE PROGRAM.

(B) A PERSON MAY NOT KNOWINGLY MAKE A FALSE ATTESTATION OR KNOWINGLY PROVIDE FALSE INFORMATION IN AN APPLICATION IN VIOLATION OF SUBSECTION (A) OF THIS SECTION.

(C) A PERSON WHO VIOLATES SUBSECTION (B) OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 6 MONTHS OR A FINE NOT EXCEEDING \$500 OR BOTH.

**7-306.**

(A) IF A PROGRAM PARTICIPANT OBTAINS A LEGAL NAME CHANGE, THE PROGRAM PARTICIPANT SHALL NOTIFY THE SECRETARY OF STATE WITHIN 30 DAYS AND PROVIDE THE SECRETARY OF STATE WITH A CERTIFIED COPY OF ANY JUDGMENT OR ORDER EVIDENCING THE CHANGE OR ANY OTHER DOCUMENTATION THE SECRETARY OF STATE CONSIDERS TO BE SUFFICIENT EVIDENCE OF THE CHANGE.

(B) IF A PROGRAM PARTICIPANT MAKES A CHANGE IN ADDRESS OR TELEPHONE NUMBER FROM AN ADDRESS OR A TELEPHONE NUMBER LISTED ON THE PROGRAM PARTICIPANT'S APPLICATION, THE PROGRAM PARTICIPANT SHALL NOTIFY THE SECRETARY OF STATE AT LEAST 7 DAYS BEFORE THE CHANGE OCCURS.

**7-307.**

(A) THE SECRETARY OF STATE SHALL CANCEL THE PARTICIPATION OF A PROGRAM PARTICIPANT IF:

(1) THE PROGRAM PARTICIPANT FAILS TO NOTIFY THE SECRETARY OF STATE OF ANY LEGAL NAME CHANGE OR CHANGE IN ADDRESS OR TELEPHONE NUMBER IN THE MANNER REQUIRED BY § 7-306 OF THIS SUBTITLE;

(2) THE PROGRAM PARTICIPANT FILES A REQUEST FOR WITHDRAWAL OF PARTICIPATION UNDER § 7-304(C)(2) OF THIS SUBTITLE;

(3) THE PROGRAM PARTICIPANT SUBMITS FALSE INFORMATION IN APPLYING FOR PARTICIPATION IN THE PROGRAM IN VIOLATION OF § 7-305 OF THIS SUBTITLE; OR

(4) THE SECRETARY OF STATE FORWARDS MAIL TO THE PROGRAM PARTICIPANT AND THE MAIL IS RETURNED AS UNDELIVERABLE.

(B) THE SECRETARY OF STATE SHALL SEND NOTICE OF ANY CANCELLATION OF PARTICIPATION IN THE PROGRAM TO THE PARTICIPANT AND SHALL SET FORTH THE REASON FOR CANCELLATION.

(C) A PROGRAM PARTICIPANT MAY APPEAL ANY CANCELLATION DECISION BY FILING AN APPEAL WITH THE SECRETARY OF STATE WITHIN 30 DAYS AFTER THE DATE OF THE NOTICE OF CANCELLATION IN ACCORDANCE WITH PROCEDURES DEVELOPED BY THE SECRETARY OF STATE.

(D) AN INDIVIDUAL WHO CEASES TO BE A PROGRAM PARTICIPANT IS RESPONSIBLE FOR NOTIFYING ANY PERSON WHO USES THE SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE THAT THE SUBSTITUTE ADDRESS IS NO LONGER VALID.

#### 7-308.

(A) A PROGRAM PARTICIPANT MAY MAKE A REQUEST TO ANY STATE OR LOCAL AGENCY TO USE A SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE AS THE PROGRAM PARTICIPANT'S ADDRESS.

(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, WHEN A PROGRAM PARTICIPANT HAS MADE A REQUEST TO A STATE OR LOCAL AGENCY UNDER SUBSECTION (A) OF THIS SECTION, THE STATE OR LOCAL AGENCY SHALL USE THE SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE AS A PROGRAM PARTICIPANT'S ADDRESS.

(C) (1) A STATE OR LOCAL AGENCY THAT HAS A BONA FIDE STATUTORY OR ADMINISTRATIVE REQUIREMENT FOR USING A PROGRAM PARTICIPANT'S ACTUAL ADDRESS MAY APPLY TO THE SECRETARY OF STATE FOR A WAIVER FROM THE REQUIREMENTS OF THE PROGRAM.

(2) IF THE SECRETARY OF STATE APPROVES THE WAIVER, THE STATE OR LOCAL AGENCY SHALL USE THE PROGRAM PARTICIPANT'S ACTUAL

ADDRESS ONLY FOR THE REQUIRED STATUTORY OR ADMINISTRATIVE PURPOSES.

**7-309.**

(A) (1) EACH LOCAL BOARD OF ELECTIONS SHALL USE A PROGRAM PARTICIPANT'S ACTUAL ADDRESS FOR ALL ELECTION-RELATED PURPOSES.

(2) A PROGRAM PARTICIPANT MAY NOT USE THE SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE AS THE PROGRAM PARTICIPANT'S ADDRESS FOR VOTER REGISTRATION PURPOSES.

(B) A LOCAL BOARD OF ELECTIONS MAY NOT MAKE A PROGRAM PARTICIPANT'S ADDRESS CONTAINED IN VOTER REGISTRATION RECORDS AVAILABLE FOR PUBLIC INSPECTION OR COPYING EXCEPT:

(1) ON REQUEST BY A LAW ENFORCEMENT AGENCY FOR LAW ENFORCEMENT PURPOSES; AND

(2) AS DIRECTED BY A COURT ORDER TO DISCLOSE THE ADDRESS.

**7-310.**

(A) EXCEPT AS OTHERWISE PROVIDED BY THIS SUBTITLE, A RECORD OF A PROGRAM PARTICIPANT'S ACTUAL ADDRESS AND TELEPHONE NUMBER MAINTAINED BY THE SECRETARY OF STATE OR A STATE OR LOCAL AGENCY IS NOT A PUBLIC RECORD WITHIN THE MEANING OF § 10-611 OF THIS ARTICLE.

(B) THE SECRETARY OF STATE MAY NOT DISCLOSE A PROGRAM PARTICIPANT'S ACTUAL ADDRESS OR TELEPHONE NUMBER OR SUBSTITUTE ADDRESS EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION AND:

(1) (I) ON REQUEST BY A LAW ENFORCEMENT AGENCY FOR LAW ENFORCEMENT PURPOSES; AND

(II) AS DIRECTED BY A COURT ORDER; OR

(2) ON REQUEST BY A STATE OR LOCAL AGENCY TO VERIFY A PROGRAM PARTICIPANT'S PARTICIPATION IN THE PROGRAM OR SUBSTITUTE ADDRESS FOR USE UNDER § 7-308 OF THIS SUBTITLE.

(C) THE SECRETARY OF STATE SHALL NOTIFY THE APPROPRIATE COURT OF A PROGRAM PARTICIPANT'S PARTICIPATION IN THE PROGRAM AND

OF THE SUBSTITUTE ADDRESS DESIGNATED BY THE SECRETARY OF STATE IF THE PROGRAM PARTICIPANT:

(1) IS SUBJECT TO A COURT ORDER OR AN ADMINISTRATIVE ORDER;

(2) IS INVOLVED IN A COURT ACTION OR AN ADMINISTRATIVE ACTION; OR

(3) IS A WITNESS OR A PARTY IN A CIVIL OR CRIMINAL PROCEEDING.

7-311.

(A) A PERSON MAY NOT KNOWINGLY AND INTENTIONALLY OBTAIN A PROGRAM PARTICIPANT'S ACTUAL ADDRESS OR TELEPHONE NUMBER FROM THE SECRETARY OF STATE OR ANY AGENCY WITHOUT AUTHORIZATION TO OBTAIN THE INFORMATION.

(B) (1) THIS SUBSECTION APPLIES ONLY WHEN AN EMPLOYEE OF THE SECRETARY OF STATE:

(I) OBTAINS A PROGRAM PARTICIPANT'S ACTUAL ADDRESS OR TELEPHONE NUMBER DURING THE COURSE OF THE EMPLOYEE'S OFFICIAL DUTIES; AND

(II) AT THE TIME OF DISCLOSURE, HAS SPECIFIC KNOWLEDGE THAT THE ACTUAL ADDRESS OR TELEPHONE NUMBER BELONGS TO A PROGRAM PARTICIPANT.

(2) AN EMPLOYEE OF THE SECRETARY OF STATE OR ANY STATE OR LOCAL AGENCY MAY NOT KNOWINGLY AND INTENTIONALLY DISCLOSE A PROGRAM PARTICIPANT'S ACTUAL ADDRESS OR TELEPHONE NUMBER TO ANOTHER PERSON UNLESS THE DISCLOSURE IS AUTHORIZED BY LAW.

(C) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$2,500.

7-312.

THE SECRETARY OF STATE SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 346

(Senate Bill 846)

AN ACT concerning

### **Baltimore City – Alcoholic Beverages Act of 2014**

FOR the purpose of authorizing the Board of Liquor License Commissioners for Baltimore City to waive a certain food requirement for a restaurant owned and operated by a not-for-profit organization in a certain area of the City; ~~prohibiting the issuance of certain licenses and the removal of certain licenses to sell alcoholic beverages in certain buildings within a certain distance of a substance abuse treatment center;~~ authorizing the Board to waive certain restrictions on license transfers in certain areas under certain circumstances; ~~prohibiting, beginning on a certain date, certain alcoholic beverages licenses from being issued within or transferred into a certain area;~~ requiring the Board or its designee to examine each application for the issuance or transfer of a license within a certain time; specifying requirements to be met before an application for the issuance, transfer, or renewal of a license may be considered complete; specifying certain requirements to be met before a certain hearing; providing procedures for making changes to an application; requiring the Board to digitize and post online certain records by a certain date and adopt certain regulations; requiring that certain revenue be payable to the director of finance; requiring the Board to submit a budget request to the City annually in a certain form and to provide certain other material to the City; requiring the Board to ensure that each fee or fine that the Board imposes and collects is prominently listed on the Web site of the Board; requiring the Mayor and City Council to pay, from the general fund of the City that includes revenue from the Board, the salaries and expenses of the Board and its employees and devote the balance of the revenue from the Board to the general purposes of the City; requiring the Board annually to establish performance measures for certain activities; requiring the Board to make the performance measures available to the public on a certain Web site; requiring that on request, the Board submit certain reports to the Office of Legislative Audits; providing for certain salaries and benefits for members of the Board; requiring the Board to employ an executive secretary and deputy executive secretary based on certain criteria; repealing certain restrictions concerning the removal of the executive secretary and deputy executive secretary; repealing a requirement that the executive

secretary or the deputy executive secretary be a member of the State Bar; prohibiting a member or employee of the Board from having certain financial interests or soliciting or receiving certain items from certain persons; requiring a member of the Board to resign under certain circumstances; requiring, under certain circumstances, a member of the Board to certify to the City Board of Elections that the individual is no longer a member of the Board; specifying that the Board or its designee performs certain tasks, including reviewing the zoning of licenses; requiring a certain period for public comment before the Board may adopt a regulation; requiring that regulations adopted by the Board be posted online; requiring the Board to review its regulations at a certain time for a certain purpose; repealing the requirement that the Board employ and set salaries for certain part-time inspectors; requiring the Board to employ certain individuals; providing for the salary of the position of attorney; specifying that certain employees of the Board are in the classified civil service of the City; requiring that, to the extent possible, all employees of the Board be residents of the City; requiring the Board to provide to the director of finance certain information; requiring the Board to determine the salaries of the employees of the Board under certain circumstances; specifying that the Board may consider an employee's performance and experience in determining the appropriate salary level; repealing a certain pay schedule for certain employees of the Board; specifying that the Board consists of a certain number of regular and alternate members; providing for the qualifications, term, and appointment of the members; defining certain terms; altering a certain definition; making certain stylistic *and conforming* changes; making this Act an emergency measure; providing for the effective date of certain provisions of this Act; providing for the termination of certain provisions of this Act; and generally relating to alcoholic beverages and the Board of Liquor License Commissioners for Baltimore City.

BY repealing and reenacting, without amendments,

Article 2B – Alcoholic Beverages

Section 1–102(a)(1)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article 2B – Alcoholic Beverages

Section 1–102(a)(22)(i), 9–204.3, 10–204(d), 15–101(d), 15–109(d), and 15–112(d)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article 2B – Alcoholic Beverages

Section 9–204.1(i) and 10–202(a)(4)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – State Government  
Section 15–807(a)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – General Provisions  
Section 5–801(c)(1)  
Annotated Code of Maryland  
(As enacted by Chapter 94 (H.B. 270) of the Acts of the General Assembly of  
2014)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article 2B – Alcoholic Beverages**

1–102.

(a) (1) In this article the following words have the meanings indicated.

(22) (i) 1. “Restaurant” means an establishment:

A. Which accommodates the public;

B. Which is equipped with a dining room with facilities for preparing and serving regular meals; and

C. In which the average daily receipts from the sale of foods exceed the average daily receipts from the sale of alcoholic beverages.

2. However the board of license commissioners in any county by regulation may prescribe a different standard as to what constitutes a restaurant.

3. **[For] SUBJECT TO SUBSUBPARAGRAPH 4 OF THIS SUBPARAGRAPH, FOR** a restaurant in Baltimore City, the average daily receipts from the sale of food must be at least 40% of the total daily receipts of the establishment.

**4. THE BOARD OF LIQUOR LICENSE COMMISSIONERS FOR BALTIMORE CITY MAY WAIVE THE FOOD REQUIREMENT SPECIFIED UNDER SUBSUBPARAGRAPH 3 OF THIS SUBPARAGRAPH FOR A RESTAURANT OWNED AND OPERATED BY A NOT-FOR-PROFIT ORGANIZATION IN THE AREA BOUNDED BY SOUTH ELLWOOD AVENUE ON THE WEST, BANK**

STREET ON THE NORTH, SOUTH BOULDIN STREET ON THE EAST, AND FLEET STREET ON THE SOUTH.

9-204.1.

(I) BEGINNING JULY 1, ~~2014~~ 2015, A NEW ALCOHOLIC BEVERAGES LICENSE MAY NOT BE ISSUED WITHIN AND AN EXISTING LICENSE MAY NOT BE TRANSFERRED INTO THE AREA ~~SURROUNDED~~ BOUNDED BY NORTHERN PARKWAY ~~TO~~ ON THE NORTH, BELLONA AVENUE ON THE WEST, ORKNEY ROAD ~~TO~~ ON THE SOUTH, AND EVESHAM AVENUE ON THE EAST.

9-204.3.

~~(a) (1) Except as OTHERWISE provided in [paragraph (2) of this subsection] THIS SECTION, in Baltimore City, no new license, or removal of an existing license, shall be granted to sell alcoholic beverages in any building located within 300 feet of the nearest point of the buildings of a church or school, but the license of any person now holding a license for any building located within such distance of the building grounds of a church or school may be renewed or extended for the same building.~~

~~(I) A NEW LICENSE MAY NOT BE ISSUED FOR AND AN EXISTING LICENSE MAY NOT BE MOVED TO A BUILDING WITHIN 300 FEET OF THE NEAREST POINT OF A BUILDING OF A PLACE OF WORSHIP OR SCHOOL; AND~~

~~(II) A NEW LICENSE OTHER THAN A CLASS B RESTAURANT LICENSE MAY NOT BE ISSUED FOR AND AN EXISTING LICENSE OTHER THAN A CLASS B RESTAURANT LICENSE MAY NOT BE MOVED TO A BUILDING WITHIN 300 FEET OF THE NEAREST POINT OF A SUBSTANCE ABUSE TREATMENT CENTER.~~

*(a) (1) Except as OTHERWISE provided in [paragraph (2) of this subsection] THIS SECTION, in Baltimore City, no new license, or removal of an existing license, shall be granted to sell alcoholic beverages in any building located within 300 feet of the nearest point of the buildings of a church or school, but the license of any person now holding a license for any building located within such distance of the building grounds of a church or school may be renewed or extended for the same building.*

(2) In the 45th Legislative District in Baltimore City, a new Class A license of any type may not be issued for the sale of alcoholic beverages in a building located within 500 feet of the nearest point of the building of a place of worship or school.

(b) The restrictions regarding distance in subsection (a)(1) of this section do not apply to the following licenses, which may be issued within the 300 feet limitation:

- (1) Except in the 46th Legislative District, Class B beer and wine;
- (2) Except in the 46th Legislative District, Class B beer, wine and liquor;
- (3) Class C beer and wine; and
- (4) Class C beer, wine and liquor.

(c) Except in the 46th Legislative District, the governing body of any church in writing may waive the restrictions of this section regarding licenses not specified in subsection (b) with respect to cafes or restaurants located within 250 feet of a theater having a capacity of not less than 300 seats, which theater is operated by a nonprofit theater association.

**(D) (1) THIS SUBSECTION APPLIES ONLY TO AN AREA BOUNDED BY:**

**(I) HIGH STREET ON THE WEST, FAWN STREET ON THE NORTH, CENTRAL AVENUE ON THE EAST, AND EASTERN AVENUE ON THE SOUTH; OR**

**(II) WEST CROSS STREET ON THE WEST, CLIFFORD STREET ON THE NORTH, SCOTT STREET ON THE EAST, AND CARROLL STREET ON THE SOUTH.**

**(2) THE BOARD OF LIQUOR LICENSE COMMISSIONERS FOR BALTIMORE CITY MAY WAIVE THE RESTRICTIONS OF THIS SECTION REGARDING DISTANCE IN SUBSECTION (A)(1) OF THIS SECTION FOR AN APPLICATION FOR A LICENSE TRANSFER INTO AN AREA SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION IF:**

**(I) THE APPLICATION IS APPROVED BY:**

- 1. EACH COMMUNITY ASSOCIATION REPRESENTING THE AREA;**
- 2. EACH BUSINESS ASSOCIATION IN THE AREA; AND**
- 3. THE PASTOR AND CHURCH BOARD OF DIRECTORS OR PASTORAL COUNCIL FOR EACH CHURCH WITHIN 300 FEET OF THE PROPOSED LOCATION FOR THE ESTABLISHMENT FOR WHICH THE LICENSE TRANSFER IS SOUGHT; AND**

**(II) A MEMORANDUM OF UNDERSTANDING IS EXECUTED BY THE APPLICANT FOR THE LICENSE TRANSFER AND EACH COMMUNITY ASSOCIATION IN THE AREA.**

10-202.

**(a) (4) (I) THIS PARAGRAPH APPLIES ONLY IN BALTIMORE CITY.**

**(II) IN THIS PARAGRAPH, “BOARD” MEANS THE BOARD OF LIQUOR LICENSE COMMISSIONERS.**

**(III) THE BOARD OR THE BOARD’S DESIGNEE SHALL EXAMINE EACH APPLICATION FOR THE ISSUANCE OR TRANSFER OF A LICENSE WITHIN 45 DAYS OF RECEIPT OF THE APPLICATION TO DETERMINE WHETHER THE APPLICATION IS COMPLETE.**

**(IV) AN APPLICATION FOR THE ISSUANCE, TRANSFER, OR RENEWAL IS NOT COMPLETE UNLESS THE APPLICANT HAS:**

- 1. OBTAINED ZONING APPROVAL OR VERIFICATION OF ZONING IF THE APPLICATION IS FOR RENEWAL;**
- 2. SUBMITTED ALL DOCUMENTS REQUIRED IN THE APPLICATION; AND**
- 3. PAID ALL FINES AND FEES THAT ARE DUE.**

**(V) 1. A LICENSE HEARING MAY NOT BE SCHEDULED UNLESS THE BOARD DETERMINES THAT THE APPLICATION IS COMPLETE.**

**2. A COMPLETE APPLICATION WITH ALL SUBMITTED DOCUMENTS SHALL BE POSTED ONLINE AT LEAST 14 DAYS BEFORE THE HEARING DATE.**

**(VI) THE POSTPONEMENT OF A HEARING SHALL BE POSTED ONLINE NOT LESS THAN 72 HOURS BEFORE THE HEARING DATE.**

**(VII) 1. TO INCORPORATE A CHANGE IN THE APPLICATION DOCUMENT AFTER THE BOARD OR THE BOARD’S DESIGNEE HAS DETERMINED THE APPLICATION TO BE COMPLETE, THE APPLICANT SHALL SUBMIT THE CHANGE TO THE BOARD NOT LATER THAN 15 DAYS BEFORE THE SCHEDULED HEARING.**

~~2. AN APPLICANT MAY OFFER A LATER CHANGE TO THE APPLICATION ON THE RECORD AT THE HEARING.~~

~~2.~~ 2. AFTER THE HEARING ON THE APPLICATION, AN APPLICANT MAY CHANGE THE APPLICATION ONLY AT A NEW HEARING.

(VIII) THE BOARD SHALL:

1. STARTING ON JULY 1, 2015, DIGITIZE AND POST ONLINE ALL RECORDS FOR PUBLIC REVIEW; AND

2. ADOPT REGULATIONS TO CARRY OUT THIS SUBPARAGRAPH.

(IX) THE BOARD SHALL IMPOSE A FINE THAT IT DETERMINES FOR FAILURE TO COMPLY WITH THE REQUIREMENTS UNDER THIS PARAGRAPH.

10-204.

(d) (1) IN THIS SUBSECTION, "BOARD" MEANS THE BOARD OF LIQUOR LICENSE COMMISSIONERS OF BALTIMORE CITY.

(2) THIS SUBSECTION APPLIES ONLY IN BALTIMORE CITY.

(3) THE REVENUE FROM LICENSE FEES, PERMIT FEES, FINES, AND ADVERTISING FEES SHALL BE PAYABLE TO THE DIRECTOR OF FINANCE.

(4) THE BOARD SHALL:

(i) SUBMIT A BUDGET REQUEST TO BALTIMORE CITY ANNUALLY IN THE FORM THAT THE DIRECTOR OF FINANCE REQUIRES; AND

(ii) PROVIDE ADDITIONAL BUDGET JUSTIFICATION MATERIAL THAT THE DIRECTOR OF FINANCE REQUESTS.

(5) THE BOARD SHALL ENSURE THAT EACH FEE OR FINE THAT THE BOARD IMPOSES AND COLLECTS IS PROMINENTLY LISTED ON THE WEB SITE OF THE BOARD.

(6) [In Baltimore City the] THE Mayor and City Council of Baltimore shall [pay]:

**(I) PAY from the [receipts] GENERAL FUND OF BALTIMORE CITY THAT INCLUDES REVENUE FROM THE BOARD, the salaries and EXPENSES of the Board [of License Commissioners of Baltimore City] and its employees[, as approved by the State Comptroller]; AND**

**(II) DEVOTE THE BALANCE OF THE REVENUE FROM THE BOARD TO THE GENERAL PURPOSES OF THE CITY.**

**(7) (I) THE BOARD ANNUALLY SHALL ESTABLISH PERFORMANCE MEASURES USING THE CITISTAT PROGRAM OF THE CITY OF BALTIMORE FOR SUCH ACTIVITIES AS:**

- 1. FINANCIAL MANAGEMENT;**
- 2. ISSUANCE OF LICENSES; AND**
- 3. ENFORCEMENT OF ALCOHOLIC BEVERAGES LAWS.**

**(II) THE BOARD SHALL MAKE THE PERFORMANCE MEASURES AVAILABLE TO THE PUBLIC ON THE OPEN BALTIMORE WEB SITE.**

**(8) ON REQUEST, THE BOARD SHALL SUBMIT TO THE OFFICE OF LEGISLATIVE AUDITS PERFORMANCE ACCOUNTABILITY REPORTS TO ENSURE THAT THE BOARD IS ON TRACK TO MEET ITS ANNUAL PERFORMANCE MEASURES.**

15-109.

(d) In Baltimore City:

**(1) (I) The chairman AND EACH OTHER REGULAR MEMBER of the Board shall receive an annual salary [of] THAT:**

- 1. IS NOT LESS THAN \$28,500[, and the other members of the Board shall receive an annual salary of \$28,000];**
- 2. IS SET IN THE ORDINANCE OF ESTIMATES; AND**
- 3. INCLUDES ANY COST OF LIVING INCREASE AVAILABLE TO MEMBERS OF THE CITY COUNCIL.**

**(II) THE ALTERNATE MEMBER OF THE BOARD SHALL RECEIVE AN ANNUAL SALARY OF \$16,000.**

(2) The chairman and the other members of the Board **EXCEPT THE ALTERNATE MEMBER** are eligible to receive the same health benefits that full-time [liquor inspectors] **EMPLOYEES** of the Board receive.

(3) The Board shall [appoint] **EMPLOY** an executive secretary and a deputy executive secretary whose salaries shall be fixed by the Board[, subject to approval by the State Comptroller].

(4) The executive secretary and the deputy executive secretary shall be residents of Baltimore City and of high character and integrity.

(5) The executive secretary and the deputy executive secretary shall be [appointed] **EMPLOYED** upon the basis of their executive skill and [ability and once appointed shall hold office during good behavior regardless of changes in members constituting the Board. They shall be removed only for incompetency or immorality upon charges furnished in writing by the Board setting forth the grounds for dismissal and after opportunity for hearing] **EXPERIENCE**.

~~(6) Either the executive secretary or the deputy executive secretary shall be a member of the Bar of this State.~~

15-112.

(d) (1) This subsection applies only in Baltimore City.

(2) A [commissioner] **MEMBER** or employee of the Board:

(i) May not have any [interest,] direct or indirect[, either proprietary or by means of any loan, mortgage or lien, or in any other manner,] **INTEREST** in or on any premises where alcoholic beverages are manufactured, distributed, or sold **WHETHER THE INTEREST IS:**

1. **PROPRIETARY;**
2. **HELD BY MEANS OF A LOAN, MORTGAGE, OR LIEN;**
3. **BENEFICIALLY OWNED THROUGH AN INVESTMENT VEHICLE, ESTATE, TRUST, OR OTHER INTERMEDIARY WHEN THE BENEFICIARY DOES NOT CONTROL THE INTERMEDIARY OR MAY SUPERVISE OR PARTICIPATE IN THE INTERMEDIARY'S INVESTMENT DECISIONS; OR**
4. **HELD IN ANY OTHER MANNER;**

(ii) May not have any interest, direct or indirect, in any business wholly or partially devoted to the manufacture, distribution, or sale of alcoholic beverages;

(iii) May not own any stock in any corporation which has any interest, proprietary or otherwise, direct or indirect, in any premises where alcoholic beverages are manufactured, distributed, or sold or in any business wholly or partially devoted to the manufacture, distribution, or sale of alcoholic beverages; [or]

(iv) May not receive any salary or other compensation or any other thing of value from a business engaged in the manufacture, distribution, or sale of alcoholic beverages;

**(V) MAY NOT SOLICIT OR RECEIVE DIRECTLY OR INDIRECTLY OR ON BEHALF OF ANOTHER PERSON, A COMMISSION, POLITICAL CONTRIBUTION, REMUNERATION OR GIFT, FROM:**

**1. A PERSON WHO IS ENGAGED IN THE MANUFACTURE, DISTRIBUTION, OR SALE OF ALCOHOLIC BEVERAGES; OR**

**2. AN AGENT OR EMPLOYEE OF A PERSON WHO IS ENGAGED IN THE MANUFACTURE, DISTRIBUTION, OR SALE OF ALCOHOLIC BEVERAGES; AND**

**(VI) SHALL COMPLY WITH BALTIMORE CITY PUBLIC ETHICS LAWS AND FINANCIAL DISCLOSURE PROVISIONS ENACTED BY THE MAYOR AND CITY COUNCIL.**

(3) [An employee of the Board may not hold any other federal, State, or local public office or employment.

(4)] A [commissioner] MEMBER OR AN EMPLOYEE of the Board may hold any other public office or employment, federal, State or local, unless that public office or employment would pose a conflict of interest.

**(4) A MEMBER OF THE BOARD WHO APPLIES FOR GOVERNMENT EMPLOYMENT THAT WOULD POSE A CONFLICT OF INTEREST AS DETERMINED BY THE BALTIMORE CITY BOARD OF ETHICS SHALL RESIGN FROM THE BOARD BY A LETTER ADDRESSED TO THE GOVERNOR.**

**(5) (I) ON FILING A CERTIFICATE OF CANDIDACY FOR ELECTION TO A PUBLIC OFFICE OR WITHIN 30 DAYS BEFORE THE FILING DEADLINE FOR THE PRIMARY ELECTION FOR THE PUBLIC OFFICE SOUGHT, WHICHEVER OCCURS LATER, AN INDIVIDUAL WHO IS A MEMBER OF THE BOARD OR AN EMPLOYEE OF THE BOARD SHALL CERTIFY TO THE CITY BOARD OF**

**ELECTIONS UNDER OATH THAT THE INDIVIDUAL IS NO LONGER A MEMBER OF THE BOARD.**

**(II) THE CERTIFICATION SHALL BE ACCOMPANIED BY A LETTER ADDRESSED TO THE GOVERNOR CONTAINING THE RESIGNATION OF THE MEMBER OF THE BOARD.**

**[(5)] (6) (i)** Every employee of the Board:

1. Shall devote that employee's whole time and attention to the business of the Board during the hours designated by the Board for the performance of official duties;

2. May not engage in any occupation, business or profession in any way connected or associated, directly or indirectly, with the manufacture or sale of alcoholic beverages; and

3. May not transact business of any kind whatsoever beyond his or her official duties with any licensee, or in connection with the operation of any establishment licensed for the manufacture or sale of alcoholic beverages.

(ii) Any employee of the Board who violates any of the provisions of this subsection shall be removed.

**[(6)] (7) (i)** As to any entity licensed under the provisions of this article, a [commissioner] **MEMBER** or AN employee of the Board may not solicit or receive directly or indirectly any commission, remuneration or gift whatsoever from any:

1. Person or corporation engaged in the manufacture or sale of beer or other alcoholic beverages;

2. Agent or employee of that person or corporation; or

3. Licensee licensed under the provisions of this article.

(ii) A person or corporation engaged in the manufacture or sale of beer or other alcoholic beverages, any agent or employee of that person or corporation, and a licensee licensed under the provisions of this article may not, either directly or indirectly, offer to pay any commission, profit or remuneration or make any gift to any [commissioner] **MEMBER** or employee of the Board or to anyone on behalf of that [commissioner] **MEMBER** or employee of the Board.

**[(7)] (8)** The [chairman of the] Board[:

(i) Is its administrative officer and is charged with the duty of enforcing] **OR THE BOARD'S DESIGNEE GOVERNS, ADMINISTERS, AND ENFORCES** the provisions of this article[;] **IN BALTIMORE CITY, INCLUDING PERFORMING SUCH TASKS AS:**

**[(ii) (I) [Shall personally supervise] SUPERVISING** the activities and investigations of the several inspectors and other employees of the Board;

**[(iii) (II) [Shall examine] EXAMINING** the location and general character of the licensees in the City; **[and]**

**(III) REVIEWING THE ZONING OF LICENSES DURING THE LICENSE APPLICATION, LICENSE TRANSFER, AND LICENSE RENEWAL PROCESSES; AND**

(iv) **[Shall make recommendations to the Board] ADOPTING REGULATIONS** concerning zoning of licensees[,] **AND** methods of enforcement[, and promulgation of regulations] to carry out the purposes **AND ENFORCEMENT** of this article.

**[(8) (9) (I) BEFORE THE BOARD MAY ADOPT A REGULATION:**

**1. THE BOARD SHALL PROVIDE A PERIOD OF AT LEAST 30 DAYS FOR PUBLIC COMMENT; AND**

**2. THE CITY SOLICITOR SHALL REVIEW THE REGULATIONS TO ENSURE THAT THE REGULATIONS COMPLY WITH THE AUTHORITY GRANTED TO THE BOARD BY THE STATE.**

**(II) Regulations adopted by the Board shall be published, POSTED ONLINE, and distributed to whichever licensees are affected by them.**

**(III) The Board may require any licensee to display prominently in the licensee's place of business any regulation of the Board, or any excerpt or statement from this article.**

**(IV) THE BOARD SHALL REVIEW ITS REGULATIONS ON OR BEFORE OCTOBER 31, 2015, AND AT LEAST ONCE EVERY 5 YEARS THEREAFTER, TO ENSURE THAT THE REGULATIONS COMPLY WITH:**

**1. CURRENT POLICIES AND PRACTICES OF THE BOARD; AND**

**2. FEDERAL, STATE, AND LOCAL LAW.**

[(9) The Board shall:

- (i) Employ 12 permanent part-time inspectors; and
- (ii) Set the annual salary for permanent part-time inspectors at not less than \$3,600.]

(10) The Board shall:

(i) [Employ] **SUBJECT TO PARAGRAPH (13) OF THIS SUBSECTION, EMPLOY** a qualified attorney to serve as appellate counsel for the Board in actions of appeal; [and]

(ii) [Set for appellate counsel the same compensation and benefits as are set for the Assistant Chief Inspector-Grade 097 or the Chief Inspector-Grade 099] **USE AS NEEDED THE ADVICE OF THE BALTIMORE CITY LAW DEPARTMENT;**

**(III) EMPLOY AN EXECUTIVE SECRETARY AND A DEPUTY EXECUTIVE SECRETARY, WHO BOTH SHALL SERVE AT THE PLEASURE OF THE BOARD; AND**

**(IV) EMPLOY INSPECTORS, CLERICAL STAFF, AND OTHER ASSISTANTS AS NECESSARY TO FULFILL THE MISSION OF THE BOARD AND ENFORCE THE ALCOHOLIC BEVERAGES LAWS OF THE STATE.**

[(11) (i) 1. In this paragraph, "inspectors" means full-time inspectors who are employees of the Board. "Inspectors" does not include an inspector supervisor or assistant inspector supervisor.

2. Inspectors who were appointed prior to October 1, 1997, shall continue their appointment after that date unless removed in accordance with classified civil service procedures.

(ii) As of October 1, 1997:

1. Inspectors are part of the classified civil service of the City;

2. The Board may appoint and remove inspectors only in accordance with the provisions of law that govern classified civil service employees of the City;

3. An employee of the Board may not solicit or receive, directly or indirectly or on behalf of another person, a commission, political contribution, remuneration, or gift from:

A. A licensee or other person who is engaged in the manufacture or sale of alcoholic beverages; or

B. An agent or employee of a licensee or other person who is engaged in the manufacture or sale of alcoholic beverages; and

4. An employee or other person specified in subparagraph 3 of this subparagraph who violates the provisions of that subparagraph is subject to the penalties specified in § 16–503 of this article.

(iii) The provisions of this paragraph do not alter the process by which inspectors' salaries are funded.

(iv) The inspector supervisor and assistant inspector supervisor shall be residents of Baltimore City.

(v) The inspector supervisor, assistant inspector supervisor, office assistant, accounting assistant, secretary III, office supervisor, and applications investigator appointed prior to October 1, 1998 shall continue their appointment after that date unless removed in accordance with classified civil service procedures.

(vi) As of October 1, 1998:

1. The inspector supervisor, assistant inspector supervisor, office assistant, accounting assistant, secretary III, and office supervisor are part of the classified civil service of Baltimore City.

2. There shall be an assistant executive secretary which position shall replace the position of administrative coordinator. The assistant executive secretary shall be part of the classified civil service of Baltimore City.]

**(11) THE SALARY FOR THE POSITION OF ATTORNEY SPECIFIED UNDER PARAGRAPH (I) OF THIS SUBSECTION SHALL BE AT LEAST THE SALARY ASSIGNED ON MAY 30, 2014, TO THAT POSITION.**

**(12) ALL EMPLOYEES OF THE BOARD, EXCEPT FOR THE EXECUTIVE SECRETARY AND THE DEPUTY EXECUTIVE SECRETARY, ARE IN THE CLASSIFIED CIVIL SERVICE OF THE CITY AND MAY BE HIRED AND REMOVED ONLY IN ACCORDANCE WITH THE LAW THAT GOVERNS CLASSIFIED CIVIL SERVICE EMPLOYEES OF THE CITY.**

**(13) TO THE EXTENT POSSIBLE, ALL EMPLOYEES OF THE BOARD SHALL BE RESIDENTS OF BALTIMORE CITY.**

[(12) (i) Subject to the provisions in subparagraph (ii) of this paragraph, the salaries of employees of the Board shall be determined by the members of the Board with the advice and consent of the senators from Baltimore City.]

**(14) (I) THE BOARD SHALL PROVIDE TO THE DIRECTOR OF FINANCE THE ESTIMATES OF THE BOARD FOR THE NEXT FISCAL YEAR OF THE APPROPRIATIONS NEEDED TO EFFECTIVELY AND EFFICIENTLY ACHIEVE THE MISSION AND GOALS OF THE BOARD, IN ACCORDANCE WITH ART. VI, SECTION 4 OF THE BALTIMORE CITY CHARTER.**

**(II) SUBJECT TO SUBPARAGRAPHS (III) AND (IV) OF THIS PARAGRAPH, THE MEMBERS OF THE BOARD SHALL DETERMINE THE SALARIES OF EMPLOYEES OF THE BOARD.**

**(III) FOR CIVIL SERVICE EMPLOYEES, SALARY LEVELS AND ADJUSTMENTS SHALL CONFORM TO THE POLICIES OF THE CITY'S BOARD OF ESTIMATES, CIVIL SERVICE COMMISSION, AND DEPARTMENT OF HUMAN RESOURCES, INCLUDING THE CITY UNION OF BALTIMORE SALARY SCALES.**

[(ii) (IV) The Board may consider an employee's ~~length of service~~ **PERFORMANCE, PERFORMANCE, AND EXPERIENCE** in determining the appropriate salary level.

[(13) The following is the schedule of City Union of Baltimore (CUB) salary grade levels for employees of the Board:

- (i) Office Assistant – Grade 082;
- (ii) Inspector I – Grade 082;
- (iii) Inspection Division Office Assistant – Grade 082;
- (iv) Inspector II – Grade 085;
- (v) Accounting Assistant II – Grade 085;
- (vi) Secretary III – Grade 086;
- (vii) 311 Call Center Supervisor – Grade 093;
- (viii) Inspector III – Grade 088;

- (ix) Assistant Executive Secretary – Grade 099;
- (x) Assistant Chief Inspector – Grade 097; and
- (xi) Chief Inspector – Grade 099.]

[(14)] **(15)** (i) Subject to subparagraph (ii) of this paragraph, each inspector employed by the Board may examine any identification used as proof of age by a person for the purchase of alcoholic beverages in the City.

(ii) An examination shall be made on the premises of the licensed establishment where the purchase is attempted.

[(15)] **(16)** An action of a [commissioner] **MEMBER** or employee of the Board is subject to State requirements for open or public meetings, including requirements for open sessions under Title 10, Subtitle 5 of the State Government Article.

**(17) A PERSON WHO VIOLATES THIS SUBSECTION IS SUBJECT TO THE PENALTIES SPECIFIED IN § 16–503 OF THIS ARTICLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

#### **Article – State Government**

15–807.

(a) In Baltimore City, “local official” includes:

(1) city employees and officials of the Baltimore City Health Department;

**(2) EMPLOYEES AND MEMBERS OF THE BALTIMORE CITY BOARD OF LIQUOR LICENSE COMMISSIONERS;**

[(2)] **(3)** the Police Commissioner of Baltimore City and the civilian employees and police officers of the Police Department of Baltimore City; and

[(3)] **(4)** each member of and the employees of the Civilian Review Board.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

#### **Article – General Provisions**

5-801.

(c) (1) In Baltimore City, "local official" includes:

(i) city employees and officials of the Baltimore City Health Department;

**(II) EMPLOYEES AND MEMBERS OF THE BALTIMORE CITY BOARD OF LIQUOR LICENSE COMMISSIONERS;**

**[(ii)] (III) the Police Commissioner of Baltimore City and the civilian employees and police officers of the Police Department of Baltimore City; and**

**[(iii)] (IV) members and employees of the Civilian Review Board.**

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

15-101.

(d) (1) [The provisions of this section apply] **THIS SUBSECTION APPLIES in Baltimore City.**

**(2) (I) THE BOARD OF LIQUOR LICENSE COMMISSIONERS CONSISTS OF THREE REGULAR MEMBERS AND ONE ALTERNATE MEMBER.**

**(II) THE GOVERNOR SHALL APPOINT ALL OF THE MEMBERS OF THE BOARD.**

**(III) THE APPOINTMENTS SHALL BE MADE:**

**1. IF THE SENATE IS IN SESSION, WITH THE ADVICE AND CONSENT OF THE SENATE; OR**

**2. IF THE SENATE IS NOT IN SESSION, BY THE GOVERNOR ALONE.**

**(IV) THE ALTERNATE MEMBER MAY SERVE ON THE BOARD IF ANY PERMANENT MEMBER OF THE BOARD IS ABSENT OR RECUSED.**

(V) EACH APPOINTEE SHALL BE A RESIDENT AND VOTER OF BALTIMORE CITY AND BE AN INDIVIDUAL OF HIGH CHARACTER AND INTEGRITY AND OF RECOGNIZED BUSINESS CAPACITY.

(VI) AT LEAST ONE APPOINTEE SHALL BE A MEMBER OF THE BAR OF THE COURT OF APPEALS OF MARYLAND.

(3) (I) THE TERM OF A MEMBER OF THE BOARD IS 2 YEARS AND BEGINS ON JULY 1.

(II) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON JULY 1, 2014.

(III) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED.

(IV) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED.

SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That:

(1) the Governor shall make the initial appointments to the Board of Liquor License Commissioners for Baltimore City required under Section 2 of this Act on or before May 30, 2014; and

(2) the terms of the members of the Board of Liquor License Commissioners for Baltimore City serving on July 1, 2014, end as follows:

(i) two regular members on June 30, 2015; and

(ii) one regular member and the alternate member on June 30, 2016.

SECTION ~~4~~ 6. AND BE IT FURTHER ENACTED, That ~~Section 1~~ Sections 1 and 2 of this Act shall take effect July 1, 2014.

SECTION 7. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect on the taking effect of Chapter 94 (H.B. 270) of the Acts of the General Assembly of 2014. If Section 3 of this Act takes effect, Section 2 of this Act shall be abrogated and of no further force and effect.

SECTION ~~5~~ 8. AND BE IT FURTHER ENACTED, That, except as provided in ~~Section 4~~ Sections 6 and 7 of this Act, this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea

and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

**Approved by the Governor, May 5, 2014.**

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## Chapter 347

### (House Bill 831)

AN ACT concerning

#### **Baltimore City – Alcoholic Beverages Act of 2014**

FOR the purpose of authorizing the Board of Liquor License Commissioners for Baltimore City to waive a certain food requirement for a restaurant owned and operated by a not-for-profit organization in a certain area of the City; authorizing the Board to waive certain restrictions on license transfers in certain areas under certain circumstances; *prohibiting, beginning on a certain date, certain alcoholic beverages licenses from being issued within or transferred into a certain area*; requiring the Board or its designee to examine each application for the issuance or transfer of a license within a certain time; specifying requirements to be met before an application for the issuance, transfer, or renewal of a license may be considered complete; specifying certain requirements to be met before a certain hearing; providing procedures for making changes to an application; requiring the Board to digitize and post online certain records by a certain date and adopt certain regulations; requiring that certain revenue be payable to the director of finance; requiring the Board to submit a budget request to the City annually in a certain form and to provide certain other material to the City; requiring the Board to ensure that each fee or fine that the Board imposes and collects is prominently listed on the Web site of the Board; requiring the Mayor and City Council to pay, from the general fund of the City that includes revenue from the Board, the salaries and expenses of the Board and its employees and devote the balance of the revenue from the Board to the general purposes of the City; requiring the Board annually to establish performance measures for certain activities; requiring the Board to make the performance measures available to the public on a certain Web site; requiring that on request, the Board submit certain reports to the Office of Legislative Audits; providing for certain salaries and benefits for members of the Board; requiring the Board to employ an executive secretary and deputy executive secretary *based on certain criteria*; repealing certain restrictions concerning the removal of the executive secretary and deputy executive secretary; ~~repealing the requirement that the executive secretary or deputy executive secretary be a member of the Bar of the State~~; *repealing a requirement that the executive secretary or the deputy executive secretary be a member of the State Bar*; prohibiting a member or employee of the Board from having certain

financial interests or soliciting or receiving certain items from certain persons; requiring a member of the Board to resign under certain circumstances; requiring, under certain circumstances, a member of the Board to certify to the City Board of Elections that the individual is no longer a member of the Board; specifying that the Board or its designee performs certain tasks, including reviewing the zoning of licenses; requiring a certain period for public comment before the Board may adopt a regulation; ~~requiring the Board to post certain regulations online~~ requiring that regulations adopted by the Board be posted online; requiring the Board to review its regulations at a certain time for a certain purpose; repealing the requirement that the Board employ and set salaries for certain part-time inspectors; requiring the Board to employ certain individuals; providing for the salary of the position of attorney; specifying that certain employees of the Board are in the classified civil service of the City; requiring that, to the extent possible, all employees of the Board be residents of the City; requiring the Board to provide to the director of finance certain information; requiring the Board to determine the salaries of the employees of the Board under certain circumstances; specifying that the Board may consider an employee's performance and experience in determining the appropriate salary level; repealing a certain pay schedule for certain employees of the Board; specifying that the Board consists of a certain number of regular and alternate members; providing for the qualifications, term, and appointment of the members; defining certain terms; altering a certain definition; making certain stylistic and conforming changes; making this Act an emergency measure; providing for the effective date of certain provisions of this Act; providing for the termination of certain provisions of this Act; and generally relating to alcoholic beverages and the Board of Liquor License Commissioners for Baltimore City.

BY repealing and reenacting, without amendments,

Article 2B – Alcoholic Beverages

Section 1-102(a)(1)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article 2B – Alcoholic Beverages

Section 1-102(a)(22)(i), 9-204.3, 10-204(d), 15-101(d), 15-109(d), and 15-112(d)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article 2B – Alcoholic Beverages

Section ~~9-204.1(i)~~ and 10-202(a)(4)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – State Government  
Section 15–807(a)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – General Provisions  
Section 5–801(c)(1)  
Annotated Code of Maryland  
(As enacted by Chapter (H.B. 270) of the Acts of the General Assembly of  
2014)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article 2B – Alcoholic Beverages

1–102.

(a) (1) In this article the following words have the meanings indicated.

(22) (i) 1. “Restaurant” means an establishment:

A. Which accommodates the public;

B. Which is equipped with a dining room with facilities for preparing and serving regular meals; and

C. In which the average daily receipts from the sale of foods exceed the average daily receipts from the sale of alcoholic beverages.

2. However the board of license commissioners in any county by regulation may prescribe a different standard as to what constitutes a restaurant.

3. **[For] SUBJECT TO SUBSUBPARAGRAPH 4 OF THIS SUBPARAGRAPH, FOR** a restaurant in Baltimore City, the average daily receipts from the sale of food must be at least 40% of the total daily receipts of the establishment.

**4. THE BOARD OF LIQUOR LICENSE COMMISSIONERS FOR BALTIMORE CITY MAY WAIVE THE FOOD REQUIREMENT SPECIFIED UNDER SUBSUBPARAGRAPH 3 OF THIS SUBPARAGRAPH FOR A RESTAURANT OWNED AND OPERATED BY A NOT-FOR-PROFIT ORGANIZATION IN THE AREA BOUNDED BY SOUTH ELLWOOD AVENUE ON THE WEST, BANK**

STREET ON THE NORTH, SOUTH BOULDIN STREET ON THE EAST, AND FLEET STREET ON THE SOUTH.

9-204.1.

**(I) BEGINNING JULY 1, 2015, A NEW ALCOHOLIC BEVERAGES LICENSE MAY NOT BE ISSUED WITHIN AND AN EXISTING LICENSE MAY NOT BE TRANSFERRED INTO THE AREA BOUNDED BY NORTHERN PARKWAY ON THE NORTH, BELLONA AVENUE ON THE WEST, ORKNEY ROAD ON THE SOUTH, AND EVESHAM AVENUE ON THE EAST.**

9-204.3.

(a) (1) Except as **OTHERWISE** provided in [paragraph (2) of this subsection] **THIS SECTION**, in Baltimore City, no new license, or removal of an existing license, shall be granted to sell alcoholic beverages in any building located within 300 feet of the nearest point of the buildings of a church or school, but the license of any person now holding a license for any building located within such distance of the building grounds of a church or school may be renewed or extended for the same building.

(2) In the 45th Legislative District in Baltimore City, a new Class A license of any type may not be issued for the sale of alcoholic beverages in a building located within 500 feet of the nearest point of the building of a place of worship or school.

(b) The restrictions regarding distance in subsection (a)(1) of this section do not apply to the following licenses, which may be issued within the 300 feet limitation:

- (1) Except in the 46th Legislative District, Class B beer and wine;
- (2) Except in the 46th Legislative District, Class B beer, wine and liquor;
- (3) Class C beer and wine; and
- (4) Class C beer, wine and liquor.

(c) Except in the 46th Legislative District, the governing body of any church in writing may waive the restrictions of this section regarding licenses not specified in subsection (b) with respect to cafes or restaurants located within 250 feet of a theater having a capacity of not less than 300 seats, which theater is operated by a nonprofit theater association.

**(D) (1) THIS SUBSECTION APPLIES ONLY TO AN AREA BOUNDED BY:**

(I) HIGH STREET ON THE WEST, FAWN STREET ON THE NORTH, CENTRAL AVENUE ON THE EAST, AND EASTERN AVENUE ON THE SOUTH; OR

(II) WEST CROSS STREET ON THE WEST, CLIFFORD STREET ON THE NORTH, SCOTT STREET ON THE EAST, AND CARROLL STREET ON THE SOUTH.

(2) THE BOARD OF LIQUOR LICENSE COMMISSIONERS FOR BALTIMORE CITY MAY WAIVE THE RESTRICTIONS OF THIS SECTION REGARDING DISTANCE IN SUBSECTION (A)(1) OF THIS SECTION FOR AN APPLICATION FOR A LICENSE TRANSFER INTO AN AREA SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION IF:

(I) THE APPLICATION IS APPROVED BY:

1. EACH COMMUNITY ASSOCIATION REPRESENTING THE AREA;
2. EACH BUSINESS ASSOCIATION IN THE AREA; AND
3. THE PASTOR AND CHURCH BOARD OF DIRECTORS OR PASTORAL COUNCIL FOR EACH CHURCH WITHIN 300 FEET OF THE PROPOSED LOCATION FOR THE ESTABLISHMENT FOR WHICH THE LICENSE TRANSFER IS SOUGHT; AND

(II) A MEMORANDUM OF UNDERSTANDING IS EXECUTED BY THE APPLICANT FOR THE LICENSE TRANSFER AND EACH COMMUNITY ASSOCIATION IN THE AREA.

10-202.

(a) (4) (I) THIS PARAGRAPH APPLIES ONLY IN BALTIMORE CITY.

(II) IN THIS PARAGRAPH, "BOARD" MEANS THE BOARD OF LIQUOR LICENSE COMMISSIONERS.

(III) THE BOARD OR THE BOARD'S DESIGNEE SHALL EXAMINE EACH APPLICATION FOR THE ISSUANCE OR TRANSFER OF A LICENSE WITHIN 45 DAYS OF RECEIPT OF THE APPLICATION TO DETERMINE WHETHER THE APPLICATION IS COMPLETE.

(IV) AN APPLICATION FOR THE ISSUANCE, TRANSFER, OR RENEWAL IS NOT COMPLETE UNLESS THE APPLICANT HAS:

1. OBTAINED ZONING APPROVAL OR VERIFICATION OF ZONING IF THE APPLICATION IS FOR RENEWAL;
2. SUBMITTED ALL DOCUMENTS REQUIRED IN THE APPLICATION; AND
3. PAID ALL FINES AND FEES THAT ARE DUE.

(V) 1. A LICENSE HEARING MAY NOT BE SCHEDULED UNLESS THE BOARD DETERMINES THAT THE APPLICATION IS COMPLETE.

2. A COMPLETE APPLICATION WITH ALL SUBMITTED DOCUMENTS SHALL BE POSTED ONLINE AT LEAST 14 DAYS BEFORE THE HEARING DATE.

(VI) THE POSTPONEMENT OF A HEARING SHALL BE POSTED ONLINE NOT LESS THAN 72 HOURS BEFORE THE HEARING DATE.

(VII) 1. TO INCORPORATE A CHANGE IN THE APPLICATION DOCUMENT AFTER THE BOARD OR THE BOARD'S DESIGNEE HAS DETERMINED THE APPLICATION TO BE COMPLETE, THE APPLICANT SHALL SUBMIT THE CHANGE TO THE BOARD NOT LATER THAN 15 DAYS BEFORE THE SCHEDULED HEARING.

~~2. AN APPLICANT MAY OFFER A LATER CHANGE TO THE APPLICATION ON THE RECORD AT THE HEARING.~~

~~3.~~ 2. AFTER THE HEARING ON THE APPLICATION, AN APPLICANT MAY CHANGE THE APPLICATION ONLY AT A NEW HEARING.

(VIII) THE BOARD SHALL:

1. STARTING ON JULY 1, 2015, DIGITIZE AND POST ONLINE ALL RECORDS FOR PUBLIC REVIEW; AND
2. ADOPT REGULATIONS TO CARRY OUT THIS SUBPARAGRAPH.

(IX) THE BOARD SHALL IMPOSE A FINE THAT IT DETERMINES FOR FAILURE TO COMPLY WITH THE REQUIREMENTS UNDER THIS PARAGRAPH.

(d) (1) IN THIS SUBSECTION, "BOARD" MEANS THE BOARD OF LIQUOR LICENSE COMMISSIONERS OF BALTIMORE CITY.

(2) THIS SUBSECTION APPLIES ONLY IN BALTIMORE CITY.

(3) THE REVENUE FROM LICENSE FEES, PERMIT FEES, FINES, AND ADVERTISING FEES SHALL BE PAYABLE TO THE DIRECTOR OF FINANCE.

(4) THE BOARD SHALL:

(I) SUBMIT A BUDGET REQUEST TO BALTIMORE CITY ANNUALLY IN THE FORM THAT THE DIRECTOR OF FINANCE REQUIRES; AND

(II) PROVIDE ADDITIONAL BUDGET JUSTIFICATION MATERIAL THAT THE DIRECTOR OF FINANCE REQUESTS.

(5) THE BOARD SHALL ENSURE THAT EACH FEE OR FINE THAT THE BOARD IMPOSES AND COLLECTS IS PROMINENTLY LISTED ON THE WEB SITE OF THE BOARD.

(6) [In Baltimore City the] THE Mayor and City Council of Baltimore shall [pay]:

(I) PAY from the [receipts] GENERAL FUND OF BALTIMORE CITY THAT INCLUDES REVENUE FROM THE BOARD, the salaries and EXPENSES of the Board [of License Commissioners of Baltimore City] and its employees[, as approved by the State Comptroller]; AND

(II) DEVOTE THE BALANCE OF THE REVENUE FROM THE BOARD TO THE GENERAL PURPOSES OF THE CITY.

(7) (I) THE BOARD ANNUALLY SHALL ESTABLISH PERFORMANCE MEASURES USING THE CITISTAT PROGRAM OF THE CITY OF BALTIMORE FOR SUCH ACTIVITIES AS:

1. FINANCIAL MANAGEMENT;
2. ISSUANCE OF LICENSES; AND
3. ENFORCEMENT OF ALCOHOLIC BEVERAGES LAWS.

(II) THE BOARD SHALL MAKE THE PERFORMANCE MEASURES AVAILABLE TO THE PUBLIC ON THE OPEN BALTIMORE WEB SITE.

(8) ON REQUEST, THE BOARD SHALL SUBMIT TO THE OFFICE OF LEGISLATIVE AUDITS PERFORMANCE ACCOUNTABILITY REPORTS TO ENSURE THAT THE BOARD IS ON TRACK TO MEET ITS ANNUAL PERFORMANCE MEASURES.

15-109.

(d) In Baltimore City:

(1) (I) The chairman AND EACH OTHER REGULAR MEMBER of the Board shall receive an annual salary [of] THAT:

1. IS NOT LESS THAN \$28,500[, and the other members of the Board shall receive an annual salary of \$28,000];

2. IS SET IN THE ORDINANCE OF ESTIMATES; AND

3. INCLUDES ANY COST OF LIVING INCREASE AVAILABLE TO MEMBERS OF THE CITY COUNCIL.

(II) THE ALTERNATE MEMBER OF THE BOARD SHALL RECEIVE AN ANNUAL SALARY OF \$16,000.

(2) The chairman and the other members of the Board EXCEPT THE ALTERNATE MEMBER are eligible to receive the same health benefits that full-time [liquor inspectors] EMPLOYEES of the Board receive.

(3) The Board shall [appoint] EMPLOY an executive secretary and a deputy executive secretary whose salaries shall be fixed by the Board[, subject to approval by the State Comptroller].

(4) The executive secretary and the deputy executive secretary shall be residents of Baltimore City and of high character and integrity.

~~[(5) The executive secretary and the deputy executive secretary shall be appointed EMPLOYED upon the basis of their executive skill and ability and once appointed shall hold office during good behavior regardless of changes in members constituting the Board. They shall be removed only for incompetency or immorality upon charges furnished in writing by the Board setting forth the grounds for dismissal and after opportunity for hearing EXPERIENCE.]~~

~~(6) (5) Either the executive secretary or the deputy executive secretary shall be a member of the Bar of this State.]~~

15-112.

(d) (1) This subsection applies only in Baltimore City.

(2) A [commissioner] **MEMBER** or employee of the Board:

(i) May not have any [interest,] direct or indirect[, either proprietary or by means of any loan, mortgage or lien, or in any other manner,] **INTEREST** in or on any premises where alcoholic beverages are manufactured, distributed, or sold **WHETHER THE INTEREST IS:**

**1. PROPRIETARY;**

**2. HELD BY MEANS OF A LOAN, MORTGAGE, OR LIEN;**

**3. BENEFICIALLY OWNED THROUGH AN INVESTMENT VEHICLE, ESTATE, TRUST, OR OTHER INTERMEDIARY WHEN THE BENEFICIARY DOES NOT CONTROL THE INTERMEDIARY OR MAY SUPERVISE OR PARTICIPATE IN THE INTERMEDIARY'S INVESTMENT DECISIONS; OR**

**4. HELD IN ANY OTHER MANNER;**

(ii) May not have any interest, direct or indirect, in any business wholly or partially devoted to the manufacture, distribution, or sale of alcoholic beverages;

(iii) May not own any stock in any corporation which has any interest, proprietary or otherwise, direct or indirect, in any premises where alcoholic beverages are manufactured, distributed, or sold or in any business wholly or partially devoted to the manufacture, distribution, or sale of alcoholic beverages; [or]

(iv) May not receive any salary or other compensation or any other thing of value from a business engaged in the manufacture, distribution, or sale of alcoholic beverages;

**(V) MAY NOT SOLICIT OR RECEIVE DIRECTLY OR INDIRECTLY OR ON BEHALF OF ANOTHER PERSON, A COMMISSION, POLITICAL CONTRIBUTION, REMUNERATION OR GIFT, FROM:**

**1. A PERSON WHO IS ENGAGED IN THE MANUFACTURE, DISTRIBUTION, OR SALE OF ALCOHOLIC BEVERAGES; OR**

**2. AN AGENT OR EMPLOYEE OF A PERSON WHO IS ENGAGED IN THE MANUFACTURE, DISTRIBUTION, OR SALE OF ALCOHOLIC BEVERAGES; AND**

**(VI) SHALL COMPLY WITH BALTIMORE CITY PUBLIC ETHICS LAWS AND FINANCIAL DISCLOSURE PROVISIONS ENACTED BY THE MAYOR AND CITY COUNCIL.**

(3) [An employee of the Board may not hold any other federal, State, or local public office or employment.

(4) A [commissioner] **MEMBER OR AN EMPLOYEE** of the Board may hold any other public office or employment, federal, State or local, unless that public office or employment would pose a conflict of interest.

**(4) A MEMBER OF THE BOARD WHO APPLIES FOR GOVERNMENT EMPLOYMENT THAT WOULD POSE A CONFLICT OF INTEREST AS DETERMINED BY THE BALTIMORE CITY BOARD OF ETHICS SHALL RESIGN FROM THE BOARD BY A LETTER ADDRESSED TO THE GOVERNOR.**

**(5) (I) ON FILING A CERTIFICATE OF CANDIDACY FOR ELECTION TO A PUBLIC OFFICE OR WITHIN 30 DAYS BEFORE THE FILING DEADLINE FOR THE PRIMARY ELECTION FOR THE PUBLIC OFFICE SOUGHT, WHICHEVER OCCURS LATER, AN INDIVIDUAL WHO IS A MEMBER OF THE BOARD OR AN EMPLOYEE OF THE BOARD SHALL CERTIFY TO THE CITY BOARD OF ELECTIONS UNDER OATH THAT THE INDIVIDUAL IS NO LONGER A MEMBER OF THE BOARD.**

**(II) THE CERTIFICATION SHALL BE ACCOMPANIED BY A LETTER ADDRESSED TO THE GOVERNOR CONTAINING THE RESIGNATION OF THE MEMBER OF THE BOARD.**

**[(5)] (6) (i) Every employee of the Board:**

1. Shall devote that employee's whole time and attention to the business of the Board during the hours designated by the Board for the performance of official duties;

2. May not engage in any occupation, business or profession in any way connected or associated, directly or indirectly, with the manufacture or sale of alcoholic beverages; and

3. May not transact business of any kind whatsoever beyond his or her official duties with any licensee, or in connection with the operation of any establishment licensed for the manufacture or sale of alcoholic beverages.

(ii) Any employee of the Board who violates any of the provisions of this subsection shall be removed.

**[(6)] (7)** (i) As to any entity licensed under the provisions of this article, a **[commissioner] MEMBER** or **AN** employee of the Board may not solicit or receive directly or indirectly any commission, remuneration or gift whatsoever from any:

1. Person or corporation engaged in the manufacture or sale of beer or other alcoholic beverages;
2. Agent or employee of that person or corporation; or
3. Licensee licensed under the provisions of this article.

(ii) A person or corporation engaged in the manufacture or sale of beer or other alcoholic beverages, any agent or employee of that person or corporation, and a licensee licensed under the provisions of this article may not, either directly or indirectly, offer to pay any commission, profit or remuneration or make any gift to any **[commissioner] MEMBER** or employee of the Board or to anyone on behalf of that **[commissioner] MEMBER** or employee of the Board.

**[(7)] (8)** The **[chairman of the] Board**:

(i) Is its administrative officer and is charged with the duty of enforcing] **OR THE BOARD'S DESIGNEE GOVERNS, ADMINISTERS, AND ENFORCES** the provisions of this article[.] **IN BALTIMORE CITY, INCLUDING PERFORMING SUCH TASKS AS:**

**[(ii)] (I)** **[Shall personally supervise] SUPERVISING** the activities and investigations of the several inspectors and other employees of the Board;

**[(iii)] (II)** **[Shall examine] EXAMINING** the location and general character of the licensees in the City; **[and]**

**(III) REVIEWING THE ZONING OF LICENSES DURING THE LICENSE APPLICATION, LICENSE TRANSFER, AND LICENSE RENEWAL PROCESSES; AND**

(iv) **[Shall make recommendations to the Board] ADOPTING REGULATIONS** concerning zoning of licensees[.] **AND** methods of enforcement[, and promulgation of regulations] to carry out the purposes **AND ENFORCEMENT** of this article.

**[(8)] (9) (I) BEFORE THE BOARD MAY ADOPT A REGULATION:**

**1. THE BOARD SHALL PROVIDE A PERIOD OF AT LEAST 30 DAYS FOR PUBLIC COMMENT; AND**

**2. THE CITY SOLICITOR SHALL REVIEW THE REGULATIONS TO ENSURE THAT THE REGULATIONS COMPLY WITH THE AUTHORITY GRANTED TO THE BOARD BY THE STATE.**

**(II) Regulations adopted by the Board shall be published, POSTED ONLINE, and distributed to whichever licensees are affected by them.**

**(III) The Board may require any licensee to display prominently in the licensee's place of business any regulation of the Board, or any excerpt or statement from this article.**

**(IV) THE BOARD SHALL REVIEW ITS REGULATIONS ON OR BEFORE OCTOBER 31, 2015, AND AT LEAST ONCE EVERY 5 YEARS THEREAFTER, TO ENSURE THAT THE REGULATIONS COMPLY WITH:**

**1. CURRENT POLICIES AND PRACTICES OF THE BOARD; AND**

**2. FEDERAL, STATE, AND LOCAL LAW.**

**[(9) The Board shall:**

**(i) Employ 12 permanent part-time inspectors; and**

**(ii) Set the annual salary for permanent part-time inspectors at not less than \$3,600.]**

**(10) The Board shall:**

**(i) [Employ] SUBJECT TO PARAGRAPH (13) OF THIS SUBSECTION, EMPLOY a qualified attorney to serve as appellate counsel for the Board in actions of appeal; [and]**

**(ii) [Set for appellate counsel the same compensation and benefits as are set for the Assistant Chief Inspector-Grade 097 or the Chief Inspector-Grade 099] USE AS NEEDED THE ADVICE OF THE BALTIMORE CITY LAW DEPARTMENT;**

**(III) EMPLOY AN EXECUTIVE SECRETARY AND A DEPUTY EXECUTIVE SECRETARY, WHO BOTH SHALL SERVE AT THE PLEASURE OF THE BOARD; AND**

**(IV) EMPLOY INSPECTORS, CLERICAL STAFF, AND OTHER ASSISTANTS AS NECESSARY TO FULFILL THE MISSION OF THE BOARD AND ENFORCE THE ALCOHOLIC BEVERAGES LAWS OF THE STATE.**

[(11) (i) 1. In this paragraph, "inspectors" means full-time inspectors who are employees of the Board. "Inspectors" does not include an inspector supervisor or assistant inspector supervisor.

2. Inspectors who were appointed prior to October 1, 1997, shall continue their appointment after that date unless removed in accordance with classified civil service procedures.

(ii) As of October 1, 1997:

1. Inspectors are part of the classified civil service of the City;

2. The Board may appoint and remove inspectors only in accordance with the provisions of law that govern classified civil service employees of the City;

3. An employee of the Board may not solicit or receive, directly or indirectly or on behalf of another person, a commission, political contribution, remuneration, or gift from:

A. A licensee or other person who is engaged in the manufacture or sale of alcoholic beverages; or

B. An agent or employee of a licensee or other person who is engaged in the manufacture or sale of alcoholic beverages; and

4. An employee or other person specified in subparagraph 3 of this subparagraph who violates the provisions of that subparagraph is subject to the penalties specified in § 16-503 of this article.

(iii) The provisions of this paragraph do not alter the process by which inspectors' salaries are funded.

(iv) The inspector supervisor and assistant inspector supervisor shall be residents of Baltimore City.

(v) The inspector supervisor, assistant inspector supervisor, office assistant, accounting assistant, secretary III, office supervisor, and applications investigator appointed prior to October 1, 1998 shall continue their appointment after that date unless removed in accordance with classified civil service procedures.

(vi) As of October 1, 1998:

1. The inspector supervisor, assistant inspector supervisor, office assistant, accounting assistant, secretary III, and office supervisor are part of the classified civil service of Baltimore City.

2. There shall be an assistant executive secretary which position shall replace the position of administrative coordinator. The assistant executive secretary shall be part of the classified civil service of Baltimore City.]

**(11) THE SALARY FOR THE POSITION OF ATTORNEY SPECIFIED UNDER PARAGRAPH (I) OF THIS SUBSECTION SHALL BE AT LEAST THE SALARY ASSIGNED ON MAY 30, 2014, TO THAT POSITION.**

**(12) ALL EMPLOYEES OF THE BOARD, EXCEPT FOR THE EXECUTIVE SECRETARY AND THE DEPUTY EXECUTIVE SECRETARY, ARE IN THE CLASSIFIED CIVIL SERVICE OF THE CITY AND MAY BE HIRED AND REMOVED ONLY IN ACCORDANCE WITH THE LAW THAT GOVERNS CLASSIFIED CIVIL SERVICE EMPLOYEES OF THE CITY.**

**(13) TO THE EXTENT POSSIBLE, ALL EMPLOYEES OF THE BOARD SHALL BE RESIDENTS OF BALTIMORE CITY.**

[(12) (i) Subject to the provisions in subparagraph (ii) of this paragraph, the salaries of employees of the Board shall be determined by the members of the Board with the advice and consent of the senators from Baltimore City.]

**(14) (I) THE BOARD SHALL PROVIDE TO THE DIRECTOR OF FINANCE THE ESTIMATES OF THE BOARD FOR THE NEXT FISCAL YEAR OF THE APPROPRIATIONS NEEDED TO EFFECTIVELY AND EFFICIENTLY ACHIEVE THE MISSION AND GOALS OF THE BOARD, IN ACCORDANCE WITH ART. VI, SECTION 4 OF THE BALTIMORE CITY CHARTER.**

**(II) SUBJECT TO SUBPARAGRAPHS (III) AND (IV) OF THIS PARAGRAPH, THE MEMBERS OF THE BOARD SHALL DETERMINE THE SALARIES OF EMPLOYEES OF THE BOARD.**

**(III) FOR CIVIL SERVICE EMPLOYEES, SALARY LEVELS AND ADJUSTMENTS SHALL CONFORM TO THE POLICIES OF THE CITY'S BOARD OF**

**ESTIMATES, CIVIL SERVICE COMMISSION, AND DEPARTMENT OF HUMAN RESOURCES, INCLUDING THE CITY UNION OF BALTIMORE SALARY SCALES.**

~~[(ii)] (IV)~~ The Board may consider an employee's ~~length of service]~~ **PERFORMANCE, PERFORMANCE, AND EXPERIENCE** in determining the appropriate salary level.

[(13)] The following is the schedule of City Union of Baltimore (CUB) salary grade levels for employees of the Board:

- (i) Office Assistant – Grade 082;
- (ii) Inspector I – Grade 082;
- (iii) Inspection Division Office Assistant – Grade 082;
- (iv) Inspector II – Grade 085;
- (v) Accounting Assistant II – Grade 085;
- (vi) Secretary III – Grade 086;
- (vii) 311 Call Center Supervisor – Grade 093;
- (viii) Inspector III – Grade 088;
- (ix) Assistant Executive Secretary – Grade 099;
- (x) Assistant Chief Inspector – Grade 097; and
- (xi) Chief Inspector – Grade 099.]

[(14)] (15) (i) Subject to subparagraph (ii) of this paragraph, each inspector employed by the Board may examine any identification used as proof of age by a person for the purchase of alcoholic beverages in the City.

(ii) An examination shall be made on the premises of the licensed establishment where the purchase is attempted.

[(15)] (16) An action of a [commissioner] **MEMBER** or employee of the Board is subject to State requirements for open or public meetings, including requirements for open sessions under Title 10, Subtitle 5 of the State Government Article.

**(17) A PERSON WHO VIOLATES THIS SUBSECTION IS SUBJECT TO THE PENALTIES SPECIFIED IN § 16-503 OF THIS ARTICLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – State Government**

15–807.

(a) In Baltimore City, “local official” includes:

(1) city employees and officials of the Baltimore City Health Department;

**(2) EMPLOYEES AND MEMBERS OF THE BALTIMORE CITY BOARD OF LIQUOR LICENSE COMMISSIONERS;**

~~[(2)] (3)~~ the Police Commissioner of Baltimore City and the civilian employees and police officers of the Police Department of Baltimore City; and

~~[(3)] (4)~~ each member of and the employees of the Civilian Review Board.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – General Provisions**

5–801.

(c) (1) In Baltimore City, “local official” includes:

(i) city employees and officials of the Baltimore City Health Department;

**(ii) EMPLOYEES AND MEMBERS OF THE BALTIMORE CITY BOARD OF LIQUOR LICENSE COMMISSIONERS;**

[(ii)] (iii) the Police Commissioner of Baltimore City and the civilian employees and police officers of the Police Department of Baltimore City; and

[(iii)] (iv) members and employees of the Civilian Review Board.

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

15-101.

(d) (1) [The provisions of this section apply] **THIS SUBSECTION APPLIES** in Baltimore City.

(2) (I) **THE BOARD OF LIQUOR LICENSE COMMISSIONERS CONSISTS OF THREE REGULAR MEMBERS AND ONE ALTERNATE MEMBER.**

(II) **THE GOVERNOR SHALL APPOINT ALL OF THE MEMBERS OF THE BOARD.**

(III) **THE APPOINTMENTS SHALL BE MADE:**

1. **IF THE SENATE IS IN SESSION, WITH THE ADVICE AND CONSENT OF THE SENATE; OR**

2. **IF THE SENATE IS NOT IN SESSION, BY THE GOVERNOR ALONE.**

(IV) **THE ALTERNATE MEMBER MAY SERVE ON THE BOARD IF ANY PERMANENT MEMBER OF THE BOARD IS ABSENT OR RECUSED.**

(V) **EACH APPOINTEE SHALL BE A RESIDENT AND VOTER OF BALTIMORE CITY AND BE AN INDIVIDUAL OF HIGH CHARACTER AND INTEGRITY AND OF RECOGNIZED BUSINESS CAPACITY.**

(VI) **AT LEAST ONE APPOINTEE SHALL BE A MEMBER OF THE BAR OF THE COURT OF APPEALS OF MARYLAND.**

(3) (I) **THE TERM OF A MEMBER OF THE BOARD IS 2 YEARS AND BEGINS ON JULY 1.**

(II) **THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON JULY 1, 2014.**

(III) **AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED.**

(IV) **A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED.**

SECTION ~~3~~ 5. AND BE IT FURTHER ENACTED, That:

(1) the Governor shall make the initial appointments to the Board of Liquor License Commissioners for Baltimore City required under Section 2 of this Act on or before May 30, 2014; and

(2) the terms of the members of the Board of Liquor License Commissioners for Baltimore City serving on July 1, 2014, end as follows:

(i) two regular members on June 30, 2015; and

(ii) one regular member and the alternate member on June 30, 2016.

SECTION ~~4~~ 6. AND BE IT FURTHER ENACTED, That ~~Section 4~~ Sections 1 and 2 of this Act shall take effect July 1, 2014.

SECTION 7. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect on the taking effect of Chapter \_\_\_\_ (H.B. 270) of the Acts of the General Assembly of 2014. If Section 3 of this Act takes effect, Section 2 of this Act shall be abrogated and of no further force and effect.

SECTION ~~5~~ 8. AND BE IT FURTHER ENACTED, That, except as provided in ~~Section 4~~ Sections 6 and 7 of this Act, this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

**Approved by the Governor, May 5, 2014.**

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## Chapter 348

(Senate Bill 875)

AN ACT concerning

### Jane E. Lawton Conservation Loan Program

FOR the purpose of altering the purpose of the Jane E. Lawton Conservation Loan Program; requiring an application for a loan under the Program to include certain information; requiring a borrower to document that certain anticipated energy cost savings according to a certain methodology after the completion of the project are greater than the total cost of the project to the borrower; repealing certain provisions relating to the deposit of a loan under the Jane E. Lawton Conservation Fund into a certain revolving loan fund of a county's economic development commission under certain circumstances; authorizing the

Fund to be used to enhance the credit of financings offered by certain eligible banks and other financial institutions for projects; altering the period of time that the Maryland Energy Administration is required to reserve a certain portion of the money from the Fund for certain purposes; repealing certain provisions relating to the sale of excess electricity through certain markets generated by a certain project; authorizing the Administration to use the Fund to enhance the credit of a financing offered by a certain bank or other financial institution for a project; requiring that a certain credit enhancement be used for a certain purpose, facilitate the financing of a certain project, and be offered only to a certain bank or other financial institution; authorizing the Administration to assess a reasonable fee for a certain purpose; requiring the Administration to adopt certain regulations; altering certain definitions; repealing a certain definition; and generally relating to the Jane E. Lawton Conservation Fund.

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–20A–01, 9–20A–03, 9–20A–05(b), 9–20A–06, and 9–20A–07

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing

Article – State Government

Section 9–20A–09

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Government

Section 9–20A–09

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – State Government**

9–20A–01.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Administration” means the Maryland Energy Administration.
- (c) “Borrower” means an eligible local jurisdiction, nonprofit organization, or eligible business that applies and qualifies for a loan under this Program.

(d) “Eligible business” means a commercial enterprise or business **THAT IS IN GOOD STANDING WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AND IS:**

(1) [that is] incorporated in the State; or

(2) [whose principal owners are State residents and the business of which is principally carried out] **REGISTERED TO DO BUSINESS** in the State.

(e) “Energy cost savings” means the actual reduction in operating expenses resulting from the [improved energy efficiency generated by an energy conservation] **INSTALLATION, OPERATION, AND MAINTENANCE OF A** project financed under the Program.

(f) “Fund” means the Jane E. Lawton Conservation Fund.

(g) (1) “Local jurisdiction” means any county or municipality of the State.

(2) “Local jurisdiction” includes:

(i) a board of education of a county or municipality;

(ii) a special district that is established by State law and that operates within a single county;

(iii) a special district that is established by a county under public general law; and

(iv) an office, board, or department that is established in a county under State law and that is funded, under State law, at least in part by the county governing body.

(h) “Municipality” means any municipal corporation in the State that is subject to the provisions of Article XI–E of the Maryland Constitution or any duly authorized agency or instrumentality of the municipality.

(i) “Nonprofit organization” means a corporation, foundation, school, hospital, or other legal entity, no part of the net earnings of which inure to the benefit of any private shareholder or individual holding an interest in the entity.

(j) “Program” means the Jane E. Lawton Conservation Loan Program.

(k) (1) “Project” means[:

(i)] one or more improvements or modifications that enhance the energy efficiency and reduce the operating expenses of a structure[; or

(ii) installation of infrastructure for renewable energy generation by local jurisdictions and nonprofit organizations] **LOCATED IN MARYLAND.**

(2) ["Project" includes:

(i) start-up opportunities for new businesses if the loan would enhance the energy efficiency of the borrower's business;

(ii) installation of equipment to make buildings self-sustaining and of emergency generating units that use renewable energy resources; and

(iii) implementation of methane removal at landfills.

(3) "Project" does not include improvements or modifications for energy conservation or renewable energy generation in structures used primarily for religious or fraternal activities.

[(1) "Renewable energy resource" has the meaning stated in § 1-101 of the Public Utilities Article.]

9-20A-03.

The purpose of the Program is to provide financial assistance in the form of low interest loans to nonprofit organizations, local jurisdictions, and eligible businesses for projects in order to:

(1) promote[:

(i) energy conservation;

[(ii) the development and use of renewable energy resources in the State;

(iii) self-sustaining buildings and emergency generating units that use renewable energy resources; and

(iv) the infrastructure for renewable energy generation in the State;]

(2) reduce consumption of fossil fuels;

(3) improve energy efficiency; and

(4) enhance energy-related economic development and stability in [business] THE NONPROFIT, commercial, and industrial sectors.

9–20A–05.

(b) The application shall contain any information the Administration determines is necessary, including:

(1) the projected cost to accomplish a proposed project;

(2) [if applicable,] the amount of energy or fuel a proposed project is expected to save over a defined period of time after completion of the project;

(3) the anticipated environmental benefits in the form of reduced emissions or pollution attributable to the proposed project;

(4) the amount of cost savings expected to be generated over a defined period of time after completion of the proposed project;

(5) a description of the borrower's contribution to a proposed project as required by § 9–20A–06 of this subtitle; and

(6) any additional information relating to the borrower or the proposed project that may be required by the Administration in order to administer the Program.

9–20A–06.

(a) Loans from the Fund may be used for:

(1) the costs of implementing projects, including the costs of all necessary:

(i) technical assessments;

(ii) studies;

(iii) surveys;

(iv) plans and specifications; and

(v) start-up, architectural, engineering, or other special services;

(2) the costs of procuring necessary technology, equipment, licenses, or materials; and

(3) the costs of construction, rehabilitation, or modification, including the purchase and installation of any necessary machinery, equipment, or furnishings.

(b) Each borrower shall make a contribution to a project that is of a type and amount acceptable to the Administration.

(c) [If the sole or primary purpose of the project is to reduce energy consumption, the] **THE** borrower must document that the anticipated energy cost savings **TO THE BORROWER** over a defined period **ACCORDING TO A METHODOLOGY ACCEPTABLE TO THE ADMINISTRATION** after the completion of the project are greater than the **TOTAL** cost of the project **TO THE BORROWER**.

(d) Loans made under the Program shall:

(1) be repayable by the borrower from specified revenues that may include the energy cost savings generated by a project;

(2) bear interest at a rate that the Administration determines to be necessary and reasonable for the project; and

(3) be repayable in accordance with a schedule that the Administration sets, which may be on a deferred payment basis.

(e) (1) A borrower shall provide assurances for the repayment of a loan.

(2) The assurances:

(i) shall include a promissory note; and

(ii) may include superior or subordinate mortgage liens, guarantees of repayment, or other forms of collateral.

(f) Loans may be made in conjunction with, or in addition to, financial assistance provided through other State or federal programs.

[(g) (1) A loan under the Fund may be deposited into a revolving loan fund of a county's economic development commission if the county approves the transaction and project for the local jurisdiction.

(2) If a county accepts a loan under paragraph (1) of this subsection, the funds deposited from the Fund may be used only for purposes of providing capital for renewable energy infrastructure projects under this subtitle.]

9-20A-07.

(a) There is a Jane E. Lawton Conservation Fund.

- (b) The Administration shall administer the Fund.
- (c) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.
- (2) The State Treasurer shall hold the Fund and the Comptroller shall account for the Fund.
- (d) The Fund consists of:
- (1) money appropriated in the State budget to the Program;
  - (2) money received from any public or private source;
  - (3) interest and investment earnings on the Fund; and
  - (4) repayments and prepayments of principal and interest on loans made from the Fund.
- (e) The Fund may be used only:
- (1) to pay the expenses of the Program; [and]
  - (2) to provide loans to eligible borrowers and projects; AND
  - (3) TO ENHANCE THE CREDIT OF A FINANCING OFFERED BY ELIGIBLE BANKS AND OTHER FINANCIAL INSTITUTIONS FOR PROJECTS.**
- (f) (1) The State Treasurer shall invest and reinvest the money of the Fund in the same manner as other State money may be invested.
- (2) Any investment earnings of the Fund shall be paid into the Fund.
- (3) Any repayment of principal and interest on loans made from the Fund shall be paid into the Fund.
- (g) (1) The Administration shall annually reserve **FOR AT LEAST 90 DAYS** a portion of the money from the Fund that is available for financial assistance under the Program for loans to nonprofit organizations.
- (2) In a fiscal year in which requests for financial assistance from nonprofit organizations are less than the amount of money reserved under paragraph (1) of this subsection **FOR THE PERIOD DETERMINED BY THE ADMINISTRATION**, the Administration may make the unencumbered or noncommitted portion of the reserve available to other borrowers in the Program.

[9-20A-09.

(a) A project implemented by a local jurisdiction financed by a loan from the Fund, such as a self-sustaining emergency generating unit, that generates electricity in excess of the amount needed for sustaining the unit may offer the extra electricity for trade through markets operated by PJM Interconnection, LLC.

(b) A local jurisdiction that trades electricity under subsection (a) of this section shall use the proceeds to repay its loan obligations under this subtitle.]

**9-20A-09.**

**(A) THE ADMINISTRATION MAY USE THE FUND TO ENHANCE THE CREDIT OF A FINANCING OFFERED BY A BANK OR OTHER FINANCIAL INSTITUTION FOR A PROJECT.**

**(B) A CREDIT ENHANCEMENT ISSUED IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION SHALL:**

**(1) CARRY OUT THE PURPOSE OF THE PROGRAM IN A MANNER THE ADMINISTRATION CONSIDERS APPROPRIATE;**

**(2) FACILITATE FINANCING OF AT LEAST ONE PROJECT OF A LOCAL JURISDICTION, NONPROFIT ORGANIZATION, OR ELIGIBLE BUSINESS; AND**

**(3) BE OFFERED ONLY TO A BANK OR OTHER FINANCIAL INSTITUTION IN GOOD STANDING WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION THAT IS:**

**(I) INCORPORATED IN THE STATE; OR**

**(II) REGISTERED TO DO BUSINESS IN THE STATE.**

**(C) THE ADMINISTRATION MAY ASSESS A REASONABLE FEE TO A PARTICIPATING BANK OR FINANCIAL INSTITUTION FOR THE ADMINISTRATION OF THIS SECTION.**

**(D) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2014.

**Approved by the Governor, May 5, 2014.**

**Chapter 349****(House Bill 1165)**

AN ACT concerning

**Jane E. Lawton Conservation Loan Program**

FOR the purpose of altering the purpose of the Jane E. Lawton Conservation Loan Program; requiring an application for a loan under the Program to include certain information; requiring a borrower to document that certain anticipated energy cost savings according to a certain methodology after the completion of the project are greater than the total cost of the project to the borrower; repealing certain provisions relating to the deposit of a loan under the Jane E. Lawton Conservation Fund into a certain revolving loan fund of a county's economic development commission under certain circumstances; authorizing the Fund to be used to enhance the credit of financings offered by certain eligible banks and other financial institutions for projects; altering the period of time that the Maryland Energy Administration is required to reserve a certain portion of the money from the Fund for certain purposes; repealing certain provisions relating to the sale of excess electricity through certain markets generated by a certain project; authorizing the Administration to use the Fund to enhance the credit of a financing offered by a certain bank or other financial institution for a project; requiring that a certain credit enhancement be used for a certain purpose, facilitate the financing of a certain project, and be offered only to a certain bank or other financial institution; authorizing the Administration to assess a reasonable fee for a certain purpose; requiring the Administration to adopt certain regulations; altering certain definitions; repealing a certain definition; and generally relating to the Jane E. Lawton Conservation Fund.

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–20A–01, 9–20A–03, 9–20A–05(b), 9–20A–06, and 9–20A–07

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing

Article – State Government

Section 9–20A–09

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Government

Section 9–20A–09

Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – State Government**

9–20A–01.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Administration” means the Maryland Energy Administration.
- (c) “Borrower” means an eligible local jurisdiction, nonprofit organization, or eligible business that applies and qualifies for a loan under this Program.
- (d) “Eligible business” means a commercial enterprise or business **THAT IS IN GOOD STANDING WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AND IS:**
  - (1) [that is] incorporated in the State; or
  - (2) [whose principal owners are State residents and the business of which is principally carried out] **REGISTERED TO DO BUSINESS** in the State.
- (e) “Energy cost savings” means the actual reduction in operating expenses resulting from the [improved energy efficiency generated by an energy conservation] **INSTALLATION, OPERATION, AND MAINTENANCE OF A** project financed under the Program.
- (f) “Fund” means the Jane E. Lawton Conservation Fund.
- (g) (1) “Local jurisdiction” means any county or municipality of the State.
  - (2) “Local jurisdiction” includes:
    - (i) a board of education of a county or municipality;
    - (ii) a special district that is established by State law and that operates within a single county;
    - (iii) a special district that is established by a county under public general law; and

(iv) an office, board, or department that is established in a county under State law and that is funded, under State law, at least in part by the county governing body.

(h) “Municipality” means any municipal corporation in the State that is subject to the provisions of Article XI–E of the Maryland Constitution or any duly authorized agency or instrumentality of the municipality.

(i) “Nonprofit organization” means a corporation, foundation, school, hospital, or other legal entity, no part of the net earnings of which inure to the benefit of any private shareholder or individual holding an interest in the entity.

(j) “Program” means the Jane E. Lawton Conservation Loan Program.

(k) (1) “Project” means[:

(i)] one or more improvements or modifications that enhance the energy efficiency and reduce the operating expenses of a structure[; or

(ii) installation of infrastructure for renewable energy generation by local jurisdictions and nonprofit organizations] **LOCATED IN MARYLAND.**

(2) [“Project” includes:

(i) start–up opportunities for new businesses if the loan would enhance the energy efficiency of the borrower’s business;

(ii) installation of equipment to make buildings self–sustaining and of emergency generating units that use renewable energy resources; and

(iii) implementation of methane removal at landfills.

(3)] “Project” does not include improvements or modifications for energy conservation or renewable energy generation in structures used primarily for religious or fraternal activities.

[(l) “Renewable energy resource” has the meaning stated in § 1–101 of the Public Utilities Article.]

9–20A–03.

The purpose of the Program is to provide financial assistance in the form of low interest loans to nonprofit organizations, local jurisdictions, and eligible businesses for projects in order to:

- (1) promote[:
  - (i)] energy conservation;
  - the State; [(ii) the development and use of renewable energy resources in
  - (iii) self-sustaining buildings and emergency generating units that use renewable energy resources; and
  - State;] (iv) the infrastructure for renewable energy generation in the
- (2) reduce consumption of fossil fuels;
- (3) improve energy efficiency; and
- (4) enhance energy-related economic development and stability in [business] THE NONPROFIT, commercial, and industrial sectors.

## 9-20A-05.

(b) The application shall contain any information the Administration determines is necessary, including:

- (1) the projected cost to accomplish a proposed project;
- (2) [if applicable,] the amount of energy or fuel a proposed project is expected to save over a defined period of time after completion of the project;
- (3) the anticipated environmental benefits in the form of reduced emissions or pollution attributable to the proposed project;
- (4) the amount of cost savings expected to be generated over a defined period of time after completion of the proposed project;
- (5) a description of the borrower's contribution to a proposed project as required by § 9-20A-06 of this subtitle; and
- (6) any additional information relating to the borrower or the proposed project that may be required by the Administration in order to administer the Program.

## 9-20A-06.

- (a) Loans from the Fund may be used for:

(1) the costs of implementing projects, including the costs of all necessary:

(i) technical assessments;

(ii) studies;

(iii) surveys;

(iv) plans and specifications; and

(v) start-up, architectural, engineering, or other special services;

(2) the costs of procuring necessary technology, equipment, licenses, or materials; and

(3) the costs of construction, rehabilitation, or modification, including the purchase and installation of any necessary machinery, equipment, or furnishings.

(b) Each borrower shall make a contribution to a project that is of a type and amount acceptable to the Administration.

(c) [If the sole or primary purpose of the project is to reduce energy consumption, the] **THE** borrower must document that the anticipated energy cost savings **TO THE BORROWER** over a defined period **ACCORDING TO A METHODOLOGY ACCEPTABLE TO THE ADMINISTRATION** after the completion of the project are greater than the **TOTAL** cost of the project **TO THE BORROWER**.

(d) Loans made under the Program shall:

(1) be repayable by the borrower from specified revenues that may include the energy cost savings generated by a project;

(2) bear interest at a rate that the Administration determines to be necessary and reasonable for the project; and

(3) be repayable in accordance with a schedule that the Administration sets, which may be on a deferred payment basis.

(e) (1) A borrower shall provide assurances for the repayment of a loan.

(2) The assurances:

(i) shall include a promissory note; and

(ii) may include superior or subordinate mortgage liens, guarantees of repayment, or other forms of collateral.

(f) Loans may be made in conjunction with, or in addition to, financial assistance provided through other State or federal programs.

[(g) (1) A loan under the Fund may be deposited into a revolving loan fund of a county's economic development commission if the county approves the transaction and project for the local jurisdiction.

(2) If a county accepts a loan under paragraph (1) of this subsection, the funds deposited from the Fund may be used only for purposes of providing capital for renewable energy infrastructure projects under this subtitle.]

9-20A-07.

(a) There is a Jane E. Lawton Conservation Fund.

(b) The Administration shall administer the Fund.

(c) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund and the Comptroller shall account for the Fund.

(d) The Fund consists of:

(1) money appropriated in the State budget to the Program;

(2) money received from any public or private source;

(3) interest and investment earnings on the Fund; and

(4) repayments and prepayments of principal and interest on loans made from the Fund.

(e) The Fund may be used only:

(1) to pay the expenses of the Program; [and]

(2) to provide loans to eligible borrowers and projects; AND

**(3) TO ENHANCE THE CREDIT OF A FINANCING OFFERED BY ELIGIBLE BANKS AND OTHER FINANCIAL INSTITUTIONS FOR PROJECTS.**

(f) (1) The State Treasurer shall invest and reinvest the money of the Fund in the same manner as other State money may be invested.

(2) Any investment earnings of the Fund shall be paid into the Fund.

(3) Any repayment of principal and interest on loans made from the Fund shall be paid into the Fund.

(g) (1) The Administration shall annually reserve **FOR AT LEAST 90 DAYS** a portion of the money from the Fund that is available for financial assistance under the Program for loans to nonprofit organizations.

(2) In a fiscal year in which requests for financial assistance from nonprofit organizations are less than the amount of money reserved under paragraph (1) of this subsection **FOR THE PERIOD DETERMINED BY THE ADMINISTRATION**, the Administration may make the unencumbered or noncommitted portion of the reserve available to other borrowers in the Program.

[9–20A–09.

(a) A project implemented by a local jurisdiction financed by a loan from the Fund, such as a self-sustaining emergency generating unit, that generates electricity in excess of the amount needed for sustaining the unit may offer the extra electricity for trade through markets operated by PJM Interconnection, LLC.

(b) A local jurisdiction that trades electricity under subsection (a) of this section shall use the proceeds to repay its loan obligations under this subtitle.]

**9–20A–09.**

**(A) THE ADMINISTRATION MAY USE THE FUND TO ENHANCE THE CREDIT OF A FINANCING OFFERED BY A BANK OR OTHER FINANCIAL INSTITUTION FOR A PROJECT.**

**(B) A CREDIT ENHANCEMENT ISSUED IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION SHALL:**

**(1) CARRY OUT THE PURPOSE OF THE PROGRAM IN A MANNER THE ADMINISTRATION CONSIDERS APPROPRIATE;**

**(2) FACILITATE FINANCING OF AT LEAST ONE PROJECT OF A LOCAL JURISDICTION, NONPROFIT ORGANIZATION, OR ELIGIBLE BUSINESS; AND**

(3) BE OFFERED ONLY TO A BANK OR OTHER FINANCIAL INSTITUTION IN GOOD STANDING WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION THAT IS:

(I) INCORPORATED IN THE STATE; OR

(II) REGISTERED TO DO BUSINESS IN THE STATE.

(C) THE ADMINISTRATION MAY ASSESS A REASONABLE FEE TO A PARTICIPATING BANK OR FINANCIAL INSTITUTION FOR THE ADMINISTRATION OF THIS SECTION.

(D) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 350

(Senate Bill 881)

AN ACT concerning

### **Title Insurers – Statutory or Unearned Premium ~~Reserve for Escrow Losses~~ Reserves**

FOR the purpose of altering the formula in accordance with which a title insurer domiciled in the State shall reduce the reserves applicable to certain contracts of title insurance for purposes of a certain statutory or unearned premium reserve; ~~altering the percent of the total amount of certain risk premiums for title insurance contracts that must be assigned originally to certain reserves; altering the date on, and the method by which, a title insurer must calculate and recalculate a certain reserve; requiring that a certain sum of certain excess reserves be assigned immediately to a certain statutory reserve for escrow losses; requiring a title insurer domiciled in the State to maintain a certain statutory reserve or unearned premium reserve for escrow losses of at least a certain amount computed in a certain manner; altering the circumstances under which certain unearned premium reserves may be released; requiring that certain unearned premium reserves be retained for the protection of policyholders; authorizing, if a certain title insurer becomes insolvent or is in the process of liquidation or dissolution, the use of a certain amount of certain~~

~~assets for a certain purpose and the transfer of a certain balance to certain assets; providing that certain assets shall be available to pay claims for certain losses under certain circumstances and that the balance of the claims shall be paid out of certain assets under certain circumstances; providing that the unearned premium reserve shall constitute a trust fund for certain purposes under certain circumstances; providing that the amount of unearned premium reserve for escrow losses does not limit the amount of liability of a domestic title insurer; altering a certain provision of law relating to a certain certification a title insurer is required to file with its annual report; defining a certain term; making ~~stylistic and conforming changes~~ a clarifying change; repealing certain obsolete provisions of law; providing that certain provisions of this Act apply retroactively to certain title insurance contracts; ~~providing for a delayed effective date for certain provisions of this Act~~; and generally relating to statutory or unearned premium reserves of title insurers.~~

BY repealing and reenacting, with amendments,  
Article – Insurance  
Section 5–206  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

~~BY repealing and reenacting, with amendments,  
Article – Insurance  
Section 5–206  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)  
(As enacted by Section 1 of this Act)~~

#### Preamble

~~WHEREAS, Defalcations and theft from real property escrow accounts are a continuing and growing financial problem in the real estate and title insurance business; and~~

~~WHEREAS, In an effort to address the problem, the General Assembly enacted Chapters 356 and 357 of the Acts of the General Assembly of 2008, creating the Commission to Study the Title Insurance Industry in Maryland; and~~

~~WHEREAS, In its February 2010 report, the Commission’s first recommendation was that the Maryland Insurance Commissioner “study, in consultation with the title insurance industry, the feasibility and structure of a guaranty fund and other avenues of remuneration for consumers and title insurers in a real estate transaction who are victims of theft of moneys held in escrow by a licensed title insurance producer”; and~~

~~WHEREAS, Homeowners and title insurers have been harmed as a result of the theft of moneys held in escrow; now, therefore,~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Insurance**

5–206.

(a) **(1) IN THIS SECTION, “RISK PREMIUMS” MEANS THE AMOUNT CHARGED FOR THE ASSUMPTION OF RISK.**

**(2) “RISK PREMIUMS” INCLUDES TITLE INSURANCE PRODUCER COMMISSIONS.**

**(3) “RISK PREMIUMS” DOES NOT INCLUDE CHARGES FOR SERVICES RENDERED IN THE PREPARATION OF DOCUMENTS, SEARCHING, UNDERWRITING, RECORDING OF DOCUMENTS, OR CLOSING OF A RISK.**

**(B) ~~(A)~~ In addition to adequate reserves required by § 5–103 of this title for outstanding losses, a title insurer DOMICILED IN THE STATE shall maintain a statutory reserve or unearned premium reserve of at least an amount computed as follows:**

~~(i)~~ **(1)** 8% of the total amount of the risk premiums written in the calendar year for **THE RETAINED LIABILITY FOR** title insurance contracts shall be as assigned originally to the reserves; and

~~(ii)~~ **(2)** during each of the 20 years that follow the year in which the contract is issued, the reserves applicable to the contract shall be reduced **IN EQUAL 12–MONTH INSTALLMENTS** in accordance with the following formula:

~~1.~~ **(I)** 35% of the aggregate sum [on July 1 of] **IN** the year [next] succeeding the year of addition;

~~2.~~ **(II)** 15% of the aggregate sum [on July 1 of] **IN** each of the succeeding 2 years;

~~3.~~ **(III)** 10% of the aggregate sum [on July 1 of] **IN** the succeeding year;

~~4.~~ **(IV)** 3% of the aggregate sum [on July 1 of] **IN** each of the succeeding 3 years;

~~5.~~ **(V)** 2% of the aggregate sum [on July 1 of] **IN** each of the succeeding 3 years; and

~~6. (VI)~~ 1% of the aggregate sum [on July 1 of] IN each of the succeeding 10 years.

~~(2) (i) The title insurer shall calculate retroactive adjusted statutory reserve or unearned premium reserve on an aggregate basis on January 1, 2010.~~

~~(ii) The adjusted aggregate reserve shall be recalculated as if paragraph (1)(i) of this subsection had been in effect during the 20 years preceding January 1, 2010.~~

~~(3) Subject to subsection [(e)] (D) of this section, the aggregate sum of any excess reserves resulting from a recalculation under this subsection shall be released over a 3 year period in equal installments of one third each year, beginning with the 2010 calendar year.~~

[b] (C) (1) Each title insurer shall file with its annual statement required under § 4-116 of this article a certification by a member in good standing of the CASUALTY ACTUARIAL SOCIETY, OR A MEMBER IN GOOD STANDING OF THE American Academy of Actuaries WHO HAS BEEN APPROVED AS QUALIFIED FOR SIGNING CASUALTY LOSS RESERVE OPINIONS BY THE CASUALTY PRACTICE COUNCIL OF THE AMERICAN ACADEMY OF ACTUARIES, as to the adequacy of its reserves required under this section and § 5-103 of this title.

(2) The actuarial certification required of a title insurer must conform to the National Association of Insurance Commissioners' annual statement instructions for title insurers.

[(c)] (D) (1) Unearned premium reserves may not be released under subsection (a) of this section to the extent that the release would result in the aggregate reserve falling below the amount required under this section and § 5-103 of this title.

(2) Any amount of unearned premium reserves that may not be released under paragraph (1) of this subsection shall be considered an unearned premium reserve and may not be considered a supplemental reserve.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~Article Insurance~~

~~(a) (1) In this section, "risk premiums" means the amount charged for the assumption of risk.~~

~~(2) "Risk premiums" includes title insurance producer commissions.~~

~~(3) "Risk premiums" does not include charges for services rendered in the preparation of documents, searching, underwriting, recording of documents, or closing of a risk.~~

~~(b) (1) In addition to adequate reserves required by § 5-103 of this title for outstanding losses, a title insurer domiciled in the State shall maintain a statutory reserve or unearned premium reserve of at least an amount computed as follows:~~

~~(i) ~~[8%] 6%~~ of the total amount of the risk premiums written in the calendar year for ~~THE NET RETAINED LIABILITY FOR~~ title insurance contracts shall be as assigned originally to the reserves; and~~

~~(ii) during each of the 20 years that follow the year in which the contract is issued, the reserves applicable to the contract shall be reduced in equal 12-month installments in accordance with the following formula:~~

~~1. 35% of the aggregate sum in the year succeeding the year of addition;~~

~~2. 15% of the aggregate sum in each of the succeeding 2 years;~~

~~3. 10% of the aggregate sum in the succeeding year;~~

~~4. 3% of the aggregate sum in each of the succeeding 3 years;~~

~~5. 2% of the aggregate sum in each of the succeeding 3 years; and~~

~~6. 1% of the aggregate sum in each of the succeeding 10 years.~~

~~(2) (i) The title insurer shall calculate retroactive adjusted statutory reserve or unearned premium reserve on an aggregate basis on January 1, ~~[2010] 2015.~~~~

~~(ii) The adjusted aggregate reserve shall be recalculated as if paragraph ~~[(1)(ii)] (1)(I) AND (II)~~ of this subsection had been in effect during the 20 years preceding January 1, ~~[2010] 2015.~~~~

~~(3) [Subject to subsection (d) of this section, the] THE aggregate sum of any excess reserves resulting from a recalculation under this subsection shall be [released over a 3-year period in equal installments of one-third each year, beginning with the 2010 calendar year] ASSIGNED IMMEDIATELY TO A STATUTORY RESERVE FOR ESCROW LOSSES AS REQUIRED BY SUBSECTION (C) OF THIS SECTION.~~

~~(C) IN ADDITION TO THE STATUTORY RESERVE OR UNEARNED PREMIUM RESERVE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, A TITLE INSURER DOMICILED IN THE STATE SHALL MAINTAIN A STATUTORY RESERVE OR UNEARNED PREMIUM RESERVE FOR ESCROW LOSSES OF AT LEAST AN AMOUNT COMPUTED AS FOLLOWS:~~

~~(1) 2% OF THE TOTAL AMOUNT OF THE RISK PREMIUMS WRITTEN IN THE CALENDAR YEAR FOR TITLE INSURANCE CONTRACTS SHALL BE AS ASSIGNED ORIGINALLY TO THE RESERVES; AND~~

~~(2) THE AMOUNT SET ASIDE IN RESERVE SHALL BE RELEASED IN ACCORDANCE WITH THE FOLLOWING:~~

~~(I) IMMEDIATELY ON THE OCCURRENCE OF A LOSS ARISING OUT OF THEFT OF ESCROW FUNDS IN AN AMOUNT NOT TO EXCEED THE AMOUNT OF THE LOSS; AND~~

~~(II) IF THE TITLE INSURER BECOMES INSOLVENT OR IS IN THE PROCESS OF LIQUIDATION:~~

~~1. THE BALANCE OF THE RESERVE THEN REMAINING SHALL BE ASSIGNED TO THE RESERVE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION; AND~~

~~2. THE FUNDS SHALL BE WITHDRAWN IN ACCORDANCE WITH SUBSECTION (B)(1)(II) OF THIS SECTION, TREATING THE YEAR OF ADDITION AS THE YEAR THE FUNDS WERE ASSIGNED.~~

~~[(c)](D) (1) Each title insurer shall file with its annual statement required under § 4-116 of this article a certification by a member in good standing of the American Academy of Actuaries as to the adequacy of its reserves required under this section and § 5-103 of this title.~~

~~(2) The actuarial certification required of a title insurer must conform to the National Association of Insurance Commissioners' annual statement instructions for title insurers.~~

~~[(d)](E) (1) Unearned premium reserves may not be released under subsection [(a)](B) OR (C) of this section to the extent that the release would result in~~

~~the aggregate reserve, WHEN COMBINED WITH THE AMOUNT REQUIRED UNDER § 5-103 OF THIS TITLE, falling below the amount required under this section and § 5-103 of this title.~~

~~(2) Any amount of unearned premium reserves that may not be released under paragraph (1) of this subsection shall be considered an unearned premium reserve and may not be considered a supplemental reserve.~~

~~(F) (1) THE UNEARNED PREMIUM RESERVES ESTABLISHED UNDER THIS SECTION SHALL BE RETAINED FOR THE PROTECTION OF POLICYHOLDERS.~~

~~(2) IF A TITLE INSURER SUBJECT TO THIS SECTION BECOMES INSOLVENT OR IS IN THE PROCESS OF LIQUIDATION OR DISSOLUTION:~~

~~(I) 1. AN AMOUNT OF THE ASSETS OF THE TITLE INSURER EQUAL TO THE UNEARNED PREMIUM RESERVES AS IS NECESSARY MAY BE USED TO PAY FOR REINSURANCE OF THE TITLE INSURER'S OUTSTANDING LIABILITIES ON ALL IN-FORCE POLICIES OR REINSURANCE AGREEMENTS OF TITLE INSURANCE, AS TO WHICH CLAIMS FOR LOSSES BY POLICYHOLDERS ARE NOT THEN PENDING; AND~~

~~2. THE BALANCE, IF ANY, OF THE UNEARNED PREMIUM RESERVE FUND SHALL THEN BE TRANSFERRED TO THE GENERAL ASSETS OF THE TITLE INSURER;~~

~~(II) 1. THE ASSETS OF THE TITLE INSURER OTHER THAN THE UNEARNED PREMIUM RESERVE SHALL BE AVAILABLE TO PAY CLAIMS FOR LOSSES SUSTAINED BY POLICYHOLDERS THEN PENDING OR ARISING UP TO THE TIME REINSURANCE IS PLACED; OR~~

~~2. IF CLAIMS FOR LOSSES ARE IN EXCESS OF THE ASSETS OF THE TITLE INSURER, THE BALANCE OF THE CLAIMS SHALL BE PAID OUT OF THE ASSETS ATTRIBUTABLE TO THE UNEARNED PREMIUM RESERVE; AND~~

~~(III) IF REINSURANCE IS UNAVAILABLE, THE UNEARNED PREMIUM RESERVE SHALL CONSTITUTE A TRUST FUND OUT OF WHICH POLICYHOLDER LOSSES SHALL BE PAID AS FUNDS ARE RELEASED IN ACCORDANCE WITH SUBSECTION (B)(1)(II) OF THIS SECTION.~~

~~(G) THE AMOUNT OF UNEARNED PREMIUM RESERVE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION DOES NOT LIMIT THE AMOUNT OF LIABILITY OF A DOMESTIC TITLE INSURER.~~

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That ~~Section 1~~ of this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect title insurance contracts in effect on the effective date of this Act.

~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2015.~~

SECTION ~~5~~ 3. AND BE IT FURTHER ENACTED, That, ~~except as provided in Section 4 of this Act~~, this Act shall take effect June 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 351

### (House Bill 1082)

AN ACT concerning

#### **Title Insurers – Statutory or Unearned Premium ~~Reserve for Escrow Losses~~ Reserves**

FOR the purpose of altering the formula in accordance with which a title insurer domiciled in the State shall reduce the reserves applicable to certain contracts of title insurance for purposes of a certain statutory or unearned premium reserve; ~~altering the percent of the total amount of certain risk premiums for title insurance contracts that must be assigned originally to certain reserves; altering the date on, and the method by which, a title insurer must calculate and recalculate a certain reserve; requiring that a certain sum of certain excess reserves be assigned immediately to a certain statutory reserve for escrow losses; requiring a title insurer domiciled in the State to maintain a certain statutory reserve or unearned premium reserve for escrow losses of at least a certain amount computed in a certain manner; altering the circumstances under which certain unearned premium reserves may be released; requiring that certain unearned premium reserves be retained for the protection of policyholders; authorizing, if a certain title insurer becomes insolvent or is in the process of liquidation or dissolution, the use of a certain amount of certain assets for a certain purpose and the transfer of a certain balance to certain assets; providing that certain assets shall be available to pay claims for certain losses under certain circumstances and that the balance of the claims shall be paid out of certain assets under certain circumstances; providing that the unearned premium reserve shall constitute a trust fund for certain purposes under certain circumstances; providing that the amount of unearned premium reserve for escrow losses does not limit the amount of liability of a domestic title insurer; altering a certain provision of law relating to a certain certification a title insurer is required to file with its annual report; defining a certain term;~~

making ~~stylistic and conforming changes~~ a clarifying change; repealing certain obsolete provisions of law; providing that certain provisions of this Act apply retroactively to certain title insurance contracts; ~~providing for a delayed effective date for certain provisions of this Act~~; and generally relating to statutory or unearned premium reserves of title insurers.

BY repealing and reenacting, with amendments,  
 Article – Insurance  
 Section 5–206  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)

~~BY repealing and reenacting, with amendments,  
 Article – Insurance  
 Section 5–206  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)  
 (As enacted by Section 1 of this Act)~~

#### Preamble

~~WHEREAS, Defalcations and theft from real property escrow accounts are a continuing and growing financial problem in the real estate and title insurance business; and~~

~~WHEREAS, In an effort to address the problem, the General Assembly enacted Chapters 356 and 357 of the Acts of the General Assembly of 2008, creating the Commission to Study the Title Insurance Industry in Maryland; and~~

~~WHEREAS, In its February 2010 report, the Commission's first recommendation was that the Maryland Insurance Commissioner "study, in consultation with the title insurance industry, the feasibility and structure of a guaranty fund and other avenues of remuneration for consumers and title insurers in a real estate transaction who are victims of theft of moneys held in escrow by a licensed title insurance producer"; and~~

~~WHEREAS, Homeowners and title insurers have been harmed as a result of the theft of moneys held in escrow; now, therefore,~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Insurance**

5–206.

(a) (1) IN THIS SECTION, “RISK PREMIUMS” MEANS THE AMOUNT CHARGED FOR THE ASSUMPTION OF RISK.

(2) “RISK PREMIUMS” INCLUDES TITLE INSURANCE PRODUCER COMMISSIONS.

(3) “RISK PREMIUMS” DOES NOT INCLUDE CHARGES FOR SERVICES RENDERED IN THE PREPARATION OF DOCUMENTS, SEARCHING, UNDERWRITING, RECORDING OF DOCUMENTS, OR CLOSING OF A RISK.

(B) ~~(1)~~ In addition to adequate reserves required by § 5–103 of this title for outstanding losses, a title insurer **DOMICILED IN THE STATE** shall maintain a statutory reserve or unearned premium reserve of at least an amount computed as follows:

~~(i)~~ (1) 8% of the total amount of the risk premiums written in the calendar year for **THE RETAINED LIABILITY FOR** title insurance contracts shall be as assigned originally to the reserves; and

~~(ii)~~ (2) during each of the 20 years that follow the year in which the contract is issued, the reserves applicable to the contract shall be reduced **IN EQUAL 12-MONTH INSTALLMENTS** in accordance with the following formula:

~~1.~~ (I) 35% of the aggregate sum [on July 1 of] **IN** the year [next] succeeding the year of addition;

~~2.~~ (II) 15% of the aggregate sum [on July 1 of] **IN** each of the succeeding 2 years;

~~3.~~ (III) 10% of the aggregate sum [on July 1 of] **IN** the succeeding year;

~~4.~~ (IV) 3% of the aggregate sum [on July 1 of] **IN** each of the succeeding 3 years;

~~5.~~ (V) 2% of the aggregate sum [on July 1 of] **IN** each of the succeeding 3 years; and

~~6.~~ (VI) 1% of the aggregate sum [on July 1 of] **IN** each of the succeeding 10 years.

~~(2) (i) The title insurer shall calculate retroactive adjusted statutory reserve or unearned premium reserve on an aggregate basis on January 1, 2010.~~

~~(ii) The adjusted aggregate reserve shall be recalculated as if paragraph (1)(ii) of this subsection had been in effect during the 20 years preceding January 1, 2010.~~

~~(3) Subject to subsection [(e)] (D) of this section, the aggregate sum of any excess reserves resulting from a recalculation under this subsection shall be released over a 3 year period in equal installments of one third each year, beginning with the 2010 calendar year.~~

**[(b)] (C)** (1) Each title insurer shall file with its annual statement required under § 4-116 of this article a certification by a member in good standing of the CASUALTY ACTUARIAL SOCIETY, OR A MEMBER IN GOOD STANDING OF THE American Academy of Actuaries WHO HAS BEEN APPROVED AS QUALIFIED FOR SIGNING CASUALTY LOSS RESERVE OPINIONS BY THE CASUALTY PRACTICE COUNCIL OF THE AMERICAN ACADEMY OF ACTUARIES, as to the adequacy of its reserves required under this section and § 5-103 of this title.

(2) The actuarial certification required of a title insurer must conform to the National Association of Insurance Commissioners' annual statement instructions for title insurers.

**[(c)] (D)** (1) Unearned premium reserves may not be released under subsection (a) of this section to the extent that the release would result in the aggregate reserve falling below the amount required under this section and § 5-103 of this title.

(2) Any amount of unearned premium reserves that may not be released under paragraph (1) of this subsection shall be considered an unearned premium reserve and may not be considered a supplemental reserve.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

### ~~Article Insurance~~

~~5-206.~~

~~(a) (1) In this section, "risk premiums" means the amount charged for the assumption of risk.~~

~~(2) "Risk premiums" includes title insurance producer commissions.~~

~~(3) "Risk premiums" does not include charges for services rendered in the preparation of documents, searching, underwriting, recording of documents, or closing of a risk.~~

~~(b) (1) In addition to adequate reserves required by § 5-103 of this title for outstanding losses, a title insurer domiciled in the State shall maintain a statutory reserve or unearned premium reserve of at least an amount computed as follows:~~

~~(i) ~~[8%] 6%~~ of the total amount of the risk premiums written in the calendar year for ~~THE NET RETAINED LIABILITY FOR~~ title insurance contracts shall be as assigned originally to the reserves; and~~

~~(ii) during each of the 20 years that follow the year in which the contract is issued, the reserves applicable to the contract shall be reduced in equal 12-month installments in accordance with the following formula:~~

~~1. 35% of the aggregate sum in the year succeeding the year of addition;~~

~~2. 15% of the aggregate sum in each of the succeeding 2 years;~~

~~3. 10% of the aggregate sum in the succeeding year;~~

~~4. 3% of the aggregate sum in each of the succeeding 3 years;~~

~~5. 2% of the aggregate sum in each of the succeeding 3 years; and~~

~~6. 1% of the aggregate sum in each of the succeeding 10 years.~~

~~(2) (i) The title insurer shall calculate retroactive adjusted statutory reserve or unearned premium reserve on an aggregate basis on January 1, ~~[2010] 2015.~~~~

~~(ii) The adjusted aggregate reserve shall be recalculated as if paragraph ~~[(1)(ii)] (1)(I) AND (II)~~ of this subsection had been in effect during the 20 years preceding January 1, ~~[2010] 2015.~~~~

~~(3) ~~[Subject to subsection (d) of this section, the] THE~~ aggregate sum of any excess reserves resulting from a recalculation under this subsection shall be ~~[released over a 3-year period in equal installments of one third each year, beginning with the 2010 calendar year] ASSIGNED IMMEDIATELY TO A STATUTORY RESERVE FOR ESCROW LOSSES AS REQUIRED BY SUBSECTION (C) OF THIS SECTION.~~~~

~~(C) IN ADDITION TO THE STATUTORY RESERVE OR UNEARNED PREMIUM RESERVE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, A TITLE INSURER DOMICILED IN THE STATE SHALL MAINTAIN A STATUTORY RESERVE~~

~~OR UNEARNED PREMIUM RESERVE FOR ESCROW LOSSES OF AT LEAST AN AMOUNT COMPUTED AS FOLLOWS:~~

~~(1) 2% OF THE TOTAL AMOUNT OF THE RISK PREMIUMS WRITTEN IN THE CALENDAR YEAR FOR TITLE INSURANCE CONTRACTS SHALL BE AS ASSIGNED ORIGINALLY TO THE RESERVES; AND~~

~~(2) THE AMOUNT SET ASIDE IN RESERVE SHALL BE RELEASED IN ACCORDANCE WITH THE FOLLOWING:~~

~~(i) IMMEDIATELY ON THE OCCURRENCE OF A LOSS ARISING OUT OF THEFT OF ESCROW FUNDS IN AN AMOUNT NOT TO EXCEED THE AMOUNT OF THE LOSS; AND~~

~~(ii) IF THE TITLE INSURER BECOMES INSOLVENT OR IS IN THE PROCESS OF LIQUIDATION:~~

~~1. THE BALANCE OF THE RESERVE THEN REMAINING SHALL BE ASSIGNED TO THE RESERVE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION; AND~~

~~2. THE FUNDS SHALL BE WITHDRAWN IN ACCORDANCE WITH SUBSECTION (B)(1)(ii) OF THIS SECTION, TREATING THE YEAR OF ADDITION AS THE YEAR THE FUNDS WERE ASSIGNED.~~

~~[(c)] (D) (1) Each title insurer shall file with its annual statement required under § 4-116 of this article a certification by a member in good standing of the American Academy of Actuaries as to the adequacy of its reserves required under this section and § 5-103 of this title.~~

~~(2) The actuarial certification required of a title insurer must conform to the National Association of Insurance Commissioners' annual statement instructions for title insurers.~~

~~[(d)] (E) (1) Unearned premium reserves may not be released under subsection [(a)] (B) OR (C) of this section to the extent that the release would result in the aggregate reserve, WHEN COMBINED WITH THE AMOUNT REQUIRED UNDER § 5-103 OF THIS TITLE, falling below the amount required under this section and § 5-103 of this title.~~

~~(2) Any amount of unearned premium reserves that may not be released under paragraph (1) of this subsection shall be considered an unearned premium reserve and may not be considered a supplemental reserve.~~

~~(F) (1) THE UNEARNED PREMIUM RESERVES ESTABLISHED UNDER THIS SECTION SHALL BE RETAINED FOR THE PROTECTION OF POLICYHOLDERS.~~

~~(2) IF A TITLE INSURER SUBJECT TO THIS SECTION BECOMES INSOLVENT OR IS IN THE PROCESS OF LIQUIDATION OR DISSOLUTION:~~

~~(i) 1. AN AMOUNT OF THE ASSETS OF THE TITLE INSURER EQUAL TO THE UNEARNED PREMIUM RESERVES AS IS NECESSARY MAY BE USED TO PAY FOR REINSURANCE OF THE TITLE INSURER'S OUTSTANDING LIABILITIES ON ALL IN FORCE POLICIES OR REINSURANCE AGREEMENTS OF TITLE INSURANCE, AS TO WHICH CLAIMS FOR LOSSES BY POLICYHOLDERS ARE NOT THEN PENDING; AND~~

~~2. THE BALANCE, IF ANY, OF THE UNEARNED PREMIUM RESERVE FUND SHALL THEN BE TRANSFERRED TO THE GENERAL ASSETS OF THE TITLE INSURER;~~

~~(ii) 1. THE ASSETS OF THE TITLE INSURER OTHER THAN THE UNEARNED PREMIUM RESERVE SHALL BE AVAILABLE TO PAY CLAIMS FOR LOSSES SUSTAINED BY POLICYHOLDERS THEN PENDING OR ARISING UP TO THE TIME REINSURANCE IS PLACED; OR~~

~~2. IF CLAIMS FOR LOSSES ARE IN EXCESS OF THE ASSETS OF THE TITLE INSURER, THE BALANCE OF THE CLAIMS SHALL BE PAID OUT OF THE ASSETS ATTRIBUTABLE TO THE UNEARNED PREMIUM RESERVE; AND~~

~~(iii) IF REINSURANCE IS UNAVAILABLE, THE UNEARNED PREMIUM RESERVE SHALL CONSTITUTE A TRUST FUND OUT OF WHICH POLICYHOLDER LOSSES SHALL BE PAID AS FUNDS ARE RELEASED IN ACCORDANCE WITH SUBSECTION (B)(1)(ii) OF THIS SECTION.~~

~~(G) THE AMOUNT OF UNEARNED PREMIUM RESERVE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION DOES NOT LIMIT THE AMOUNT OF LIABILITY OF A DOMESTIC TITLE INSURER.~~

SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That ~~Section 1~~ of this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect title insurance contracts in effect on the effective date of this Act.

~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2015.~~

SECTION ~~5~~ 3. AND BE IT FURTHER ENACTED, That, ~~except as provided in Section 4 of this Act,~~ this Act shall take effect June 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 352

(Senate Bill 882)

AN ACT concerning

~~Assertive Community Treatment (ACT) Targeted Outreach, Engagement, and Services~~  
~~Department of Health and Mental Hygiene – Continuity of Care Advisory Panel~~  
~~Outpatient Services Programs Stakeholder Workgroup~~

FOR the purpose of requiring the Secretary of Health and Mental Hygiene to convene a stakeholder workgroup to examine certain outpatient services programs, develop a certain proposal, and evaluate a certain standard; requiring the Department of Health and Mental Hygiene to recommend certain draft legislation; requiring the Secretary to submit a certain report to certain committees of the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to a stakeholder workgroup on the treatment of individuals with mental illness. ~~establishing the Targeted Outreach, Engagement, and ACT Services Program in the Department of Health and Mental Hygiene; requiring the Program to provide certain services and supports to certain individuals; requiring the Department to identify certain individuals and to develop a certain petition and process; establishing eligibility criteria for the Program; authorizing certain individuals to file a petition; requiring a petition to be filed with the Department and to contain certain information; requiring the Department to make a certain determination; requiring the Department to arrange for a certain Program provider to initiate contact with an eligible individual within a certain time period; requiring the Department to develop certain guidelines; requiring a Program provider to contact or attempt to contact an eligible individual until the individual enrolls in the Program or no longer meets eligibility criteria; requiring the Program to meet certain behavioral health needs of an eligible individual in a certain manner; requiring the development of a certain service plan for certain individuals within a certain time period; authorizing the Department to provide certain services and supports before the adoption of a service plan; requiring a service plan to be reviewed and modified periodically to make a certain determination; requiring the Program to use certain funds for certain services and in a certain manner; establishing requirements for certain meetings; requiring a client to be informed of certain services and to be a full partner in the creation and implementation of a certain plan; requiring a client to be informed about a certain directive and to be offered assistance in completing the directive under certain circumstances; providing that a certain directive shall be enforceable in~~

~~accordance with certain laws; prohibiting the Department from discontinuing outreach if the Department has certain knowledge; prohibiting the Department from discharging a client until the client takes certain action; requiring a Program provider seeking to discharge a client to take certain action; requiring certain clients to be reinstated to the Program under certain circumstances; requiring a Program provider to use certain services in a certain manner and ensure that a client enrolls in certain programs; requiring the Department to develop and provide a certain rate for certain services; requiring the Department to provide certain funds to local mental health authorities; requiring the Department to document certain information, monitor certain outcome data using a certain collection system, ensure that certain services and supports are provided without disruption, expand the content and coverage of a certain system for a certain purpose, and establish a certain committee to make certain recommendations; authorizing a client to appeal certain adverse actions; authorizing a client to appeal certain actions in accordance with a certain law; providing that a client shall continue to receive certain services and supports under certain circumstances; requiring the Department to secure the services of an alternate provider under certain circumstances; requiring the Department, in consultation with stakeholders, to adopt certain regulations; defining certain terms; and generally relating to the Targeted Outreach, Engagement, and ACT Services Program.~~

~~BY adding to~~

~~Article Health General~~

~~Section 10-1501 through 10-1510 to be under the new subtitle “Subtitle 15-~~

~~Targeted Outreach, Engagement, and ACT Services Program”~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

~~requiring the Secretary of Health and Mental Hygiene to reconvene the Continuity of Care Advisory Panel; requiring the Panel to examine certain matters, develop a certain proposal, consult with certain individuals for a certain purpose, and recommend certain draft legislation; requiring the Secretary to submit a certain report to certain legislative committees on or before a certain date; providing for the termination of this Act; and generally relating to the Continuity of Care Advisory Panel.~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

*(a) The Secretary of Health and Mental Hygiene shall convene a stakeholder workgroup to:*

*(1) examine assisted outpatient programs, assertive community treatment programs, and other outpatient services programs with targeted outreach, engagement, and services;*

(2) develop a proposal for a program that:

(i) best serves individuals with mental illness who are at high risk for disruptions in the continuity of care;

(ii) respects the civil liberties of individuals to be served;

(iii) addresses the potential for racial bias and health disparities in program implementation;

(iv) is based on evidence of the effectiveness of assisted outpatient treatment programs, assertive community treatment programs, and other outpatient services programs with targeted outreach, engagement, and services in other jurisdictions;

(v) includes a data-monitoring strategy;

(vi) promotes parity between public and private insurers;

(vii) addresses the potential for variance in program implementation among urban and rural jurisdictions; and

(viii) assesses the cost of the program to the Department of Health and Mental Hygiene and other State agencies, including the feasibility of securing federal funding for services provided by the program; and

(3) evaluate the dangerousness standard for involuntary admissions and emergency evaluations of individuals with mental disorders, including:

(i) how the standard should be clarified in statute or in regulations adopted by the Department; and

(ii) initiatives the Department should adopt and implement to promote the appropriate and consistent application of the standard by health care professionals, administrative law judges, the Office of the Public Defender, consumers, and other individuals.

(b) The Department of Health and Mental Hygiene shall recommend draft legislation as necessary to implement the program included in the proposal developed under subsection (a)(2) of this section.

(c) On or before November 1, 2014, the Secretary of Health and Mental Hygiene shall submit, in accordance with § 2-1246 of the State Government Article, a report of the findings and recommendations of the workgroup, including the proposal developed under subsection (a)(2) of this section and the draft legislation recommended by the Department under subsection (b) of this section, to the Senate Finance Committee and the House Health and Government Operations Committee.

~~Article – Health – General~~~~SUBTITLE 15. TARGETED OUTREACH, ENGAGEMENT, AND ACT SERVICES PROGRAM.~~~~10-1501.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) “ACT” MEANS ASSERTIVE COMMUNITY TREATMENT THAT:~~

~~(1) USES AN EVIDENCE-BASED TRANSDISCIPLINARY TEAM;~~

~~(2) MEETS FIDELITY STANDARDS ESTABLISHED BY THE DEPARTMENT; AND~~

~~(3) IS DESIGNED TO PROVIDE COMPREHENSIVE, COMMUNITY-BASED, AND INTEGRATED BEHAVIORAL HEALTH TREATMENT, REHABILITATION, AND SUPPORT SERVICES, INCLUDING:~~

~~(I) CRISIS ASSESSMENT AND INTERVENTION;~~

~~(II) COMPREHENSIVE ASSESSMENT;~~

~~(III) ILLNESS MANAGEMENT AND RECOVERY SKILLS;~~

~~(IV) INDIVIDUAL SUPPORTIVE THERAPY, INCLUDING TRAUMA THERAPY AS APPROPRIATE;~~

~~(V) SUBSTANCE ABUSE TREATMENT;~~

~~(VI) EMPLOYMENT SUPPORT SERVICES;~~

~~(VII) SIDE-BY-SIDE ASSISTANCE WITH ACTIVITIES OF DAILY LIVING;~~

~~(VIII) INTERVENTION WITH SUPPORT NETWORKS;~~

~~(IX) HOUSING, MEDICAL CARE, BENEFITS, AND TRANSPORTATION;~~

~~(X) CASE MANAGEMENT; AND~~

~~(XI) MEDICATION PRESCRIPTION, ADMINISTRATION, AND MONITORING.~~

~~(C) (1) "ACT TEAM" MEANS THE REQUIRED MEMBERS OF EACH TEAM SERVING PROGRAM CLIENTS.~~

~~(2) "ACT TEAM" INCLUDES:~~

~~(I) AN ACT LEADER;~~

~~(II) A PSYCHIATRIST;~~

~~(III) A PSYCHIATRIC NURSE;~~

~~(IV) A SOCIAL WORKER;~~

~~(V) A CASE MANAGER;~~

~~(VI) AN EMPLOYMENT SPECIALIST;~~

~~(VII) A SUBSTANCE ABUSE SPECIALIST;~~

~~(VIII) A PEER SUPPORT SPECIALIST; AND~~

~~(IX) A PROGRAM ASSISTANT.~~

~~(D) "CLIENT" MEANS AN INDIVIDUAL ENROLLED IN THE PROGRAM.~~

~~(E) "ELIGIBLE INDIVIDUAL" MEANS AN INDIVIDUAL WHO HAS BEEN DETERMINED TO MEET THE ELIGIBILITY CRITERIA IN § 10-1503 OF THIS SUBTITLE.~~

~~(F) "FLEXIBLE USE FUNDS" MEANS FUNDING THAT IS PROVIDED TO A CLIENT AND USED TO PROVIDE NEEDED SUPPORTS, INCLUDING HOUSING, FOOD, CLOTHING, AND TRANSPORTATION.~~

~~(G) "PERSON CENTERED" MEANS SERVICES AND SUPPORTS THAT ARE CENTERED ON THE NEEDS AND DESIRES OF AN INDIVIDUAL.~~

~~(H) "PETITION" MEANS A WRITTEN REQUEST FOR PROGRAM SERVICES MADE TO THE DEPARTMENT.~~

~~(I) "PROGRAM" MEANS THE TARGETED OUTREACH, ENGAGEMENT, AND ACT SERVICES PROGRAM.~~

~~10-1502.~~

~~(A) THERE IS A TARGETED OUTREACH, ENGAGEMENT, AND ACT SERVICES PROGRAM IN THE DEPARTMENT.~~

~~(B) THE PROGRAM SHALL PROVIDE ACT SERVICES AND SUPPORTS TO ELIGIBLE INDIVIDUALS AND CLIENTS USING AN ACT TEAM.~~

~~10-1503.~~

~~(A) THE DEPARTMENT SHALL:~~

~~(1) IDENTIFY INDIVIDUALS WHO ARE ELIGIBLE FOR THE PROGRAM;~~

~~(2) DEVELOP A PETITION THAT LISTS THE PROGRAM ELIGIBILITY CRITERIA PROVIDED IN SUBSECTION (B) OF THIS SECTION; AND~~

~~(3) PUBLICIZE THE AVAILABILITY OF THE PETITION PROCESS.~~

~~(B) AN INDIVIDUAL IS ELIGIBLE FOR THE PROGRAM IF THE DEPARTMENT DETERMINES THAT THE INDIVIDUAL:~~

~~(1) IS AN ADULT;~~

~~(2) HAS BEHAVIORAL HEALTH NEEDS;~~

~~(3) IS UNLIKELY TO SURVIVE SAFELY IN THE COMMUNITY WITHOUT ASSISTANCE;~~

~~(4) IS UNLIKELY TO SEEK OUT OR TO PARTICIPATE VOLUNTARILY IN BEHAVIORAL HEALTH TREATMENT DUE TO:~~

~~(i) HOMELESSNESS;~~

~~(ii) LACK OF SOCIAL SUPPORTS;~~

~~(iii) BEHAVIORAL HEALTH SYMPTOMS THAT ARE IMPACTING THE ABILITY OR WILLINGNESS OF THE INDIVIDUAL TO ENGAGE IN TREATMENT; OR~~

~~(iv) A PRIOR HISTORY OF DISENGAGEMENT FROM TREATMENT;~~

~~(5) DURING THE 12 MONTH PERIOD BEFORE IDENTIFICATION BY THE DEPARTMENT OR THE FILING OF A PETITION UNDER THIS SECTION:~~

~~(I) HAS HAD SIX OR MORE VISITS TO AN EMERGENCY DEPARTMENT FOR BEHAVIORAL HEALTH REASONS; OR~~

~~(II) DUE TO A BEHAVIORAL HEALTH DISORDER, HAS COMMITTED, ATTEMPTED, OR THREATENED A SERIOUS ACT OF VIOLENCE TOWARDS SELF OR OTHERS THAT HAS RESULTED IN HOSPITALIZATION OR INCARCERATION; AND~~

~~(6) IS LIKELY TO BENEFIT FROM THE PROGRAM.~~

~~(C) THE PETITION DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION MAY BE FILED BY:~~

~~(1) AN ADULT WHO RESIDES WITH THE SUBJECT OF THE PETITION;~~

~~(2) THE PARENT, SPOUSE, ADULT SIBLING, OR ADULT CHILD OF THE SUBJECT OF THE PETITION;~~

~~(3) THE DIRECTOR OF A FACILITY IN WHICH THE SUBJECT OF THE PETITION IS RECEIVING BEHAVIORAL HEALTH SERVICES;~~

~~(4) THE DIRECTOR OF A CORRECTIONAL FACILITY IN WHICH THE SUBJECT OF THE PETITION IS INCARCERATED;~~

~~(5) A PSYCHIATRIST, PSYCHOLOGIST, OR SOCIAL WORKER LICENSED IN THE STATE WHO IS TREATING OR SUPERVISING THE TREATMENT OF THE SUBJECT OF THE PETITION; OR~~

~~(6) A PAROLE OFFICER OR PROBATION OFFICER ASSIGNED TO SUPERVISE THE SUBJECT OF THE PETITION.~~

~~(D) THE PETITION DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION SHALL:~~

~~(1) BE FILED WITH THE DEPARTMENT;~~

~~(2) SET FORTH THE FACTS THAT SUPPORT A REASONABLE BELIEF THAT THE SUBJECT OF THE PETITION IS AN ELIGIBLE INDIVIDUAL; AND~~

~~(3) PROVIDE THE LOCATION WHERE THE SUBJECT OF THE PETITION IS PRESENT OR BELIEVED TO BE PRESENT.~~

~~(E) THE DEPARTMENT SHALL DETERMINE WHETHER THE SUBJECT OF THE PETITION IS ELIGIBLE FOR THE PROGRAM WITHIN 24 HOURS AFTER RECEIPT OF THE PETITION.~~

~~10-1504.~~

~~(A) THE DEPARTMENT SHALL ARRANGE FOR THE APPROPRIATE PROGRAM PROVIDER TO INITIATE CONTACT WITH AN ELIGIBLE INDIVIDUAL WITHIN 24 HOURS AFTER THE DEPARTMENT DETERMINES THAT AN INDIVIDUAL IS ELIGIBLE FOR THE PROGRAM.~~

~~(B) THE DEPARTMENT SHALL DEVELOP GUIDELINES BASED ON RISK CATEGORIES THAT SET FORTH THE REQUIRED FREQUENCY OF CONTACT AND ATTEMPTED CONTACT WITH AN ELIGIBLE INDIVIDUAL.~~

~~(C) A PROGRAM PROVIDER SHALL CONTINUE TO CONTACT OR ATTEMPT TO CONTACT AN ELIGIBLE INDIVIDUAL UNTIL THE INDIVIDUAL:~~

~~(1) HAS ENROLLED IN THE PROGRAM; OR~~

~~(2) NO LONGER MEETS THE ELIGIBILITY CRITERIA.~~

~~10-1505.~~

~~(A) THE PROGRAM SHALL MEET THE URGENT BEHAVIORAL HEALTH NEEDS OF AN ELIGIBLE INDIVIDUAL IMMEDIATELY WITHOUT THE NEED FOR THE DEVELOPMENT OF A SERVICE PLAN.~~

~~(B) (1) A PERSON-CENTERED SERVICE PLAN SHALL BE DEVELOPED BY THE ACT TEAM FOR EACH CLIENT WITHIN 5 BUSINESS DAYS FOLLOWING ENROLLMENT.~~

~~(2) SERVICES AND SUPPORTS MAY BE PROVIDED BEFORE THE ADOPTION OF A SERVICE PLAN, AS APPROPRIATE.~~

~~(3) A SERVICE PLAN SHALL BE REVIEWED AND MODIFIED PERIODICALLY BY THE ACT TEAM TO DETERMINE WHETHER THE CLIENT IS SATISFIED WITH THE SERVICES AND SUPPORTS PROVIDED AND IS MAKING PROGRESS TOWARDS THE GOALS LISTED IN THE PLAN.~~

~~(C) (1) THE PROGRAM SHALL USE FLEXIBLE USE FUNDS AS NECESSARY TO:~~

~~(I) SECURE SUPPORTED HOUSING; AND~~

~~(II) PROVIDE THE CLIENT WITH BASIC NECESSITIES, INCLUDING FOOD, CLOTHING, AND TRANSPORTATION.~~

~~(2) FLEXIBLE USE FUNDS:~~

~~(I) SHALL BE ASSIGNED TO THE CLIENT AND NOT TO THE PROVIDER OF SERVICES;~~

~~(II) MAY NOT BE CONTINGENT ON THE CLIENT'S ENGAGEMENT IN ANY PARTICULAR INDIVIDUAL PROGRAM SERVICE; AND~~

~~(III) SHALL FOLLOW THE CLIENT AS THE CLIENT MOVES THROUGH TREATMENT SERVICES REGARDLESS OF THE LEVEL OF INTENSITY OF THE SERVICES.~~

~~(D) ANY MEETING HELD FOR THE PURPOSE OF ADOPTING OR CHANGING A SERVICE PLAN SHALL:~~

~~(1) INCLUDE THE CLIENT AND ANY OTHER INDIVIDUAL DESIGNATED BY THE CLIENT, INCLUDING PEERS OR FAMILY MEMBERS;~~

~~(2) BE HELD IN A MANNER AND LOCATION THAT REASONABLY ACCOMMODATES THE CLIENT AND ALLOWS THE CLIENT TO PARTICIPATE EFFECTIVELY IN THE SERVICE PLANNING PROCESS; AND~~

~~(3) FOCUS ON THE INDIVIDUAL STRENGTHS AND LIFE GOALS OF THE CLIENT AND ON THE MENTAL HEALTH SERVICES AND SUPPORTS THAT THE CLIENT NEEDS TO MEET THE GOALS.~~

~~(E) A CLIENT SHALL BE INFORMED FULLY OF AVAILABLE SERVICES AND SUPPORTS AND SHALL BE A FULL PARTNER IN THE CREATION AND IMPLEMENTATION OF THE CLIENT'S SERVICE PLAN.~~

~~(F) (1) A CLIENT SHALL BE INFORMED ABOUT MENTAL HEALTH ADVANCE DIRECTIVES AND, IF THE CLIENT CHOOSES TO COMPLETE AN ADVANCE DIRECTIVE, SHALL BE OFFERED ASSISTANCE IN COMPLETING AND EXECUTING THE ADVANCE DIRECTIVE.~~

~~(2) AN ADVANCE DIRECTIVE COMPLETED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ENFORCEABLE IN ACCORDANCE WITH STATE AND FEDERAL LAW.~~

~~10-1506.~~

~~(A) IF THE DEPARTMENT HAS KNOWLEDGE OF THE LOCATION OF AN ELIGIBLE INDIVIDUAL, THE DEPARTMENT MAY NOT DISCONTINUE OUTREACH TO THE INDIVIDUAL.~~

~~(B) THE DEPARTMENT MAY NOT DISCHARGE A CLIENT FROM THE PROGRAM UNTIL THE INDIVIDUAL:~~

~~(1) HAS NOT USED ANY PROGRAM SERVICE FOR A CONTINUOUS 12-MONTH PERIOD, DESPITE ASSERTIVE OUTREACH;~~

~~(2) HAS BEEN ADMITTED TO AN INPATIENT FACILITY FOR LONGER THAN 3 MONTHS;~~

~~(3) HAS MOVED FROM THE AREA AND IS RECEIVING SERVICES FROM A PROGRAM IN ANOTHER JURISDICTION IN THE STATE OR HAS MOVED OUT OF THE STATE; OR~~

~~(4) HAS TRANSITIONED SUCCESSFULLY TO LESS INTENSIVE COMMUNITY SERVICES AS DEMONSTRATED BY AN ABILITY TO FUNCTION INDEPENDENTLY IN ALL MAJOR ROLES, INCLUDING WORK, SOCIAL, AND SELF CARE, OVER THE PRECEDING 24-MONTH PERIOD.~~

~~(C) A PROGRAM PROVIDER SEEKING TO DISCHARGE A CLIENT SHALL:~~

~~(1) DOCUMENT THE BASIS FOR THE DISCHARGE;~~

~~(2) DEVELOP A PLAN TO TRANSITION THE CLIENT TO OTHER APPROPRIATE SERVICES THAT MEET THE NEEDS OF THE INDIVIDUAL; AND~~

~~(3) OBTAIN PRIOR APPROVAL FROM THE DEPARTMENT.~~

~~(D) A CLIENT WHO IS DISCHARGED FROM THE PROGRAM SHALL BE REINSTATED AUTOMATICALLY ON THE REQUEST OF THE FORMER CLIENT.~~

~~10-1507.~~

~~(A) A PROGRAM PROVIDER SHALL:~~

~~(1) ENSURE THAT A CLIENT ENROLLS IN ANY ENTITLEMENT PROGRAM FOR WHICH THE CLIENT IS ELIGIBLE; AND~~

~~(2) USE MEDICAID REIMBURSABLE SERVICES TO THE GREATEST EXTENT POSSIBLE.~~

~~(B) THE DEPARTMENT SHALL DEVELOP AND PROVIDE AN ENHANCED RATE FOR ACT SERVICES AT A LEVEL THAT ALLOWS FOR INCREASED FREQUENCY OF CONTACT AND DECREASED STAFF TO CLIENT RATIOS.~~

~~(C) THE DEPARTMENT SHALL PROVIDE LOCAL MENTAL HEALTH AUTHORITIES WITH FLEXIBLE USE FUNDS FOR EACH CLIENT IN AN AMOUNT SUFFICIENT TO ADDRESS HOUSING, FOOD, CLOTHING, AND TRANSPORTATION NEEDS.~~

~~10-1508.~~

~~THE DEPARTMENT SHALL:~~

~~(1) DOCUMENT THE NUMBER OF CONTACTS MADE WITH EACH ELIGIBLE INDIVIDUAL AND THE OUTCOMES OF THE CONTACTS;~~

~~(2) MONITOR OUTCOME DATA FOR EACH CLIENT USING THE ASSERTIVE COMMUNITY TREATMENT OUTCOMES DATA COLLECTION SYSTEM THAT SHALL INCLUDE:~~

~~(I) THE NUMBER AND LENGTH OF STAY OF INPATIENT PSYCHIATRIC HOSPITALIZATIONS;~~

~~(II) THE NUMBER OF EMERGENCY ROOM VISITS FOR PSYCHIATRIC REASONS; AND~~

~~(III) MEASURES FOR CRIMINAL JUSTICE SYSTEM INVOLVEMENT, HOUSING STABILITY, AND FAMILY INVOLVEMENT;~~

~~(3) ENSURE THAT PROGRAM SERVICES AND SUPPORTS ARE PROVIDED WITHOUT DISRUPTION;~~

~~(4) EXPAND THE CONTENT AND COVERAGE OF THE OUTCOMES MEASUREMENT SYSTEM TO ESTABLISH THE BASIS OF A SYSTEM OF CONTINUOUS QUALITY IMPROVEMENT FOR ALL SERVICES PROVIDED UNDER THIS SUBTITLE; AND~~

~~(5) ESTABLISH A COMMITTEE OF STAKEHOLDERS, INCLUDING CURRENT OR FORMER MENTAL HEALTH SERVICE RECIPIENTS, FAMILY MEMBERS, ADVOCATES, PROVIDERS, AND QUALITY ASSURANCE PROFESSIONALS, TO RECOMMEND:~~

~~(I) REVISIONS TO AND EXPANSION OF THE OUTCOMES MEASUREMENT SYSTEM AND THE ASSERTIVE COMMUNITY TREATMENT OUTCOMES DATA COLLECTION SYSTEM;~~

~~(II) ACCOUNTABILITY MEASURES; AND~~

~~(III) EVALUATION TOOLS.~~

~~10-1509.~~

~~(A) A CLIENT MAY APPEAL THE FOLLOWING ADVERSE ACTIONS BY THE DEPARTMENT:~~

~~(1) DENIAL, REDUCTION, IRREGULARITY, OR TERMINATION OF SERVICES, INCLUDING FAILURE TO PROVIDE THE SERVICES LISTED IN THE SERVICE PLAN; AND~~

~~(2) FAILURE TO PROVIDE MENTAL HEALTH SERVICES OR SUPPORTS SUFFICIENT IN AMOUNT, SCOPE, OR QUALITY TO SUPPORT RECOVERY, COMMUNITY INTEGRATION, AND ECONOMIC SELF-SUFFICIENCY.~~

~~(B) A CLIENT MAY APPEAL AN ADVERSE ACTION DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.~~

~~(C) (1) A CLIENT SHALL CONTINUE TO RECEIVE ANY SERVICE OR SUPPORT LISTED IN THE SERVICE PLAN THAT WAS IN EFFECT PENDING THE OUTCOME OF AN APPEAL UNDER THIS SECTION.~~

~~(2) IF A PROGRAM PROVIDER HAS PROVIDED NOTICE AND DOCUMENTED THAT THE NEEDS OF THE CLIENT EXCEED THE CAPABILITY OF THE PROGRAM PROVIDER TO SERVE THE CLIENT SAFELY AND APPROPRIATELY, THE DEPARTMENT SHALL SECURE THE SERVICES OF AN ALTERNATE PROVIDER FOR THE CLIENT DURING THE APPEAL OF AN ADVERSE ACTION.~~

~~10-1510.~~

~~(A) THE DEPARTMENT, IN CONSULTATION WITH STAKEHOLDERS, SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE.~~

~~(B) THE REGULATIONS ADOPTED UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:~~

~~(1) THE RESPONSIBILITIES OF A PROGRAM PROVIDER WHEN DISCHARGING CLIENTS;~~

~~(2) PROCEDURES FOR LOCATING ELIGIBLE INDIVIDUALS;~~

~~(3) PROCEDURES FOR LOCATING CLIENTS WHEN THE LOCATION OF THE CLIENTS IS UNKNOWN;~~

~~(4) A REIMBURSEMENT METHODOLOGY TO ACCOUNT FOR OUTREACH AND ENGAGEMENT SERVICES PROVIDED THROUGH THE PROGRAM;~~

~~(5) A PROCESS FOR FILING A PETITION WITH THE DEPARTMENT;~~

~~(6) A PROCESS FOR APPEALING PETITION DENIALS; AND~~

~~(7) ANY OTHER ITEM NECESSARY TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE.~~

~~(a) The Secretary of Health and Mental Hygiene shall reconvene the Continuity of Care Advisory Panel.~~

~~(b) (1) The Continuity of Care Advisory Panel shall:~~

~~(i) examine the development and implementation of an assisted outpatient treatment program in the State; and~~

~~(ii) develop a proposal for an assisted outpatient treatment program that:~~

~~1. respects the civil liberties of individuals to be served;~~

~~2. addresses the potential for racial bias and health disparities in program implementation;~~

~~3. is based on evidence of the effectiveness of assisted outpatient treatment programs in other jurisdictions;~~

~~4. includes a data monitoring strategy;~~

~~5. promotes parity between public and private insurers;~~

~~6. addresses the potential for variance in program implementation among urban and rural jurisdictions; and~~

~~7. assesses the cost of the program to the Department of Health and Mental Hygiene and other State agencies, including the feasibility of securing federal funding for services provided by the program.~~

~~(2) The proposal required under this subsection shall include an analysis of the development and implementation of alternatives to assisted outpatient treatment, including assertive community treatment.~~

~~(e) The Continuity of Care Advisory Panel shall:~~

~~(1) consult with representatives of the Maryland Judiciary and other stakeholders in developing the proposal required under subsection (b) of this section; and~~

~~(2) recommend draft legislation necessary to implement an assisted outpatient treatment program or any alternatives included in the proposal.~~

~~(d) On or before November 1, 2014, the Secretary of Health and Mental Hygiene, in accordance with § 2-1246 of the State Government Article, shall submit a report of the Continuity of Care Advisory Panel that includes the proposal required under subsection (b) of this section to the Senate Finance Committee and the House Health and Government Operations Committee.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2014. It shall remain effective for a period of 1 year and, at the end of June 30, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 5, 2014.

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## Chapter 353

(House Bill 1267)

AN ACT concerning

~~Assertive Community Treatment (ACT) – Targeted Outreach, Engagement, and Department of Health and Mental Hygiene – Outpatient Services Programs Stakeholder Workgroup~~

FOR the purpose of requiring the Secretary of Health and Mental Hygiene to convene a stakeholder workgroup to examine certain outpatient services programs and,

~~develop a certain proposal, and evaluate a certain standard; requiring the Department of Health and Mental Hygiene to recommend certain draft legislation; requiring the Secretary to submit a certain report to certain committees of the General Assembly on or before a certain date; providing for the termination of this Act; establishing the Targeted Outreach, Engagement, and ACT Services Program in the Department of Health and Mental Hygiene; requiring the Program to provide certain services and supports to certain individuals; requiring the Department to identify certain individuals and to develop a certain petition and process; establishing eligibility criteria for the Program; authorizing certain individuals to file a petition; requiring a petition to be filed with the Department and to contain certain information; requiring the Department to make a certain determination; requiring the Department to arrange for a certain Program provider to initiate contact with an eligible individual within a certain time period; requiring the Department to develop certain guidelines; requiring a Program provider to contact or attempt to contact an eligible individual until the individual enrolls in the Program or no longer meets eligibility criteria; requiring the Program to meet certain behavioral health needs of an eligible individual in a certain manner; requiring the development of a certain service plan for certain individuals within a certain time period; authorizing the Department to provide certain services and supports before the adoption of a service plan; requiring a service plan to be reviewed and modified periodically to make a certain determination; requiring the Program to use certain funds for certain services and in a certain manner; establishing requirements for certain meetings; requiring a client to be informed of certain services and to be a full partner in the creation and implementation of a certain plan; requiring a client to be informed about a certain directive and to be offered assistance in completing the directive under certain circumstances; providing that a certain directive shall be enforceable in accordance with certain laws; prohibiting the Department from discontinuing outreach if the Department has certain knowledge; prohibiting the Department from discharging a client until the client takes certain action; requiring a Program provider seeking to discharge a client to take certain action; requiring certain clients to be reinstated to the Program under certain circumstances; requiring a Program provider to use certain services in a certain manner and ensure that a client enrolls in certain programs; requiring the Department to develop and provide a certain rate for certain services; requiring the Department to provide certain funds to local mental health authorities; requiring the Department to document certain information, monitor certain outcome data using a certain collection system, ensure that certain services and supports are provided without disruption, expand the content and coverage of a certain system for a certain purpose, and establish a certain committee to make certain recommendations; authorizing a client to appeal certain adverse actions; authorizing a client to appeal certain actions in accordance with a certain law; providing that a client shall continue to receive certain services and supports under certain circumstances; requiring the Department to secure the services of an alternate provider under certain circumstances; requiring the Department, in consultation with stakeholders, to adopt certain regulations; defining certain~~

~~terms; and generally relating to the Targeted Outreach, Engagement, and ACT Services Program an outpatient services programs a stakeholder workgroup on the treatment of individuals with mental illness.~~

~~BY adding to~~

~~Article – Health – General~~

~~Section 10-1501 through 10-1510 to be under the new subtitle “Subtitle 15-~~

~~Targeted Outreach, Engagement, and ACT Services Program”~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That ~~the Laws of Maryland read as follows:~~

(a) The Secretary of Health and Mental Hygiene shall convene a stakeholder workgroup to:

(1) examine assisted outpatient programs, assertive community treatment programs, and other outpatient services programs with targeted outreach, engagement, and services; and

(2) develop a proposal for a program that:

(i) best serves individuals with mental illness who are at high risk for disruptions in the continuity of care;

(ii) respects the civil liberties of individuals to be served;

(iii) addresses the potential for racial bias and health disparities in program implementation;

(iv) is based on evidence of the effectiveness of assisted outpatient treatment programs, assertive community treatment programs, and other outpatient services programs with targeted outreach, engagement, and services in other jurisdictions;

(v) includes a data-monitoring strategy;

(vi) promotes parity between public and private insurers;

(vii) addresses the potential for variance in program implementation among urban and rural jurisdictions; and

(viii) assesses the cost of the program to the Department of Health and Mental Hygiene and other State agencies, including the feasibility of securing federal funding for services provided by the program; and

(3) evaluate the dangerousness standard for involuntary admissions and emergency evaluations of individuals with mental disorders, including:

(i) how the standard should be clarified in statute or in regulations adopted by the Department; and

(ii) initiatives the Department should adopt and implement to promote the appropriate and consistent application of the standard by health care professionals, administrative law judges, the Office of the Public Defender, consumers, and other individuals.

(b) The Department of Health and Mental Hygiene shall recommend draft legislation as necessary to implement the program included in the proposal developed under subsection (a)(2) of this section.

(c) On or before November 1, 2014, the Secretary of Health and Mental Hygiene shall submit, in accordance with § 2-1246 of the State Government Article, a report ~~that includes~~ of the findings and recommendations of the workgroup, including the proposal developed under subsection (a)(2) of this section and the draft legislation recommended by the Department under subsection (b) of this section, to the Senate Finance Committee and the House Health and Government Operations Committee.

### ~~Article Health General~~

#### ~~SUBTITLE 15. TARGETED OUTREACH, ENGAGEMENT, AND ACT SERVICES PROGRAM.~~

#### ~~10-1501.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) "ACT" MEANS ASSERTIVE COMMUNITY TREATMENT THAT:~~

~~(1) USES AN EVIDENCE-BASED TRANSDISCIPLINARY TEAM;~~

~~(2) MEETS FIDELITY STANDARDS ESTABLISHED BY THE DEPARTMENT; AND~~

~~(3) IS DESIGNED TO PROVIDE COMPREHENSIVE, COMMUNITY-BASED, AND INTEGRATED BEHAVIORAL HEALTH TREATMENT, REHABILITATION, AND SUPPORT SERVICES, INCLUDING:~~

~~(i) CRISIS ASSESSMENT AND INTERVENTION;~~

~~(ii) COMPREHENSIVE ASSESSMENT;~~

- ~~(III) ILLNESS MANAGEMENT AND RECOVERY SKILLS;~~
- ~~(IV) INDIVIDUAL SUPPORTIVE THERAPY, INCLUDING TRAUMA THERAPY AS APPROPRIATE;~~
- ~~(V) SUBSTANCE ABUSE TREATMENT;~~
- ~~(VI) EMPLOYMENT SUPPORT SERVICES;~~
- ~~(VII) SIDE-BY-SIDE ASSISTANCE WITH ACTIVITIES OF DAILY LIVING;~~
- ~~(VIII) INTERVENTION WITH SUPPORT NETWORKS;~~
- ~~(IX) HOUSING, MEDICAL CARE, BENEFITS, AND TRANSPORTATION;~~
- ~~(X) CASE MANAGEMENT; AND~~
- ~~(XI) MEDICATION PRESCRIPTION, ADMINISTRATION, AND MONITORING.~~

~~(c) (1) "ACT TEAM" MEANS THE REQUIRED MEMBERS OF EACH TEAM SERVING PROGRAM CLIENTS.~~

~~(2) "ACT TEAM" INCLUDES:~~

- ~~(i) AN ACT LEADER;~~
- ~~(ii) A PSYCHIATRIST;~~
- ~~(iii) A PSYCHIATRIC NURSE;~~
- ~~(iv) A SOCIAL WORKER;~~
- ~~(v) A CASE MANAGER;~~
- ~~(vi) AN EMPLOYMENT SPECIALIST;~~
- ~~(vii) A SUBSTANCE ABUSE SPECIALIST;~~
- ~~(viii) A PEER SUPPORT SPECIALIST; AND~~
- ~~(ix) A PROGRAM ASSISTANT.~~

~~(D) "CLIENT" MEANS AN INDIVIDUAL ENROLLED IN THE PROGRAM.~~

~~(E) "ELIGIBLE INDIVIDUAL" MEANS AN INDIVIDUAL WHO HAS BEEN DETERMINED TO MEET THE ELIGIBILITY CRITERIA IN § 10-1503 OF THIS SUBTITLE.~~

~~(F) "FLEXIBLE USE FUNDS" MEANS FUNDING THAT IS PROVIDED TO A CLIENT AND USED TO PROVIDE NEEDED SUPPORTS, INCLUDING HOUSING, FOOD, CLOTHING, AND TRANSPORTATION.~~

~~(G) "PERSON-CENTERED" MEANS SERVICES AND SUPPORTS THAT ARE CENTERED ON THE NEEDS AND DESIRES OF AN INDIVIDUAL.~~

~~(H) "PETITION" MEANS A WRITTEN REQUEST FOR PROGRAM SERVICES MADE TO THE DEPARTMENT.~~

~~(I) "PROGRAM" MEANS THE TARGETED OUTREACH, ENGAGEMENT, AND ACT SERVICES PROGRAM.~~

~~10-1502.~~

~~(A) THERE IS A TARGETED OUTREACH, ENGAGEMENT, AND ACT SERVICES PROGRAM IN THE DEPARTMENT.~~

~~(B) THE PROGRAM SHALL PROVIDE ACT SERVICES AND SUPPORTS TO ELIGIBLE INDIVIDUALS AND CLIENTS USING AN ACT TEAM.~~

~~10-1503.~~

~~(A) THE DEPARTMENT SHALL:~~

~~(1) IDENTIFY INDIVIDUALS WHO ARE ELIGIBLE FOR THE PROGRAM;~~

~~(2) DEVELOP A PETITION THAT LISTS THE PROGRAM ELIGIBILITY CRITERIA PROVIDED IN SUBSECTION (B) OF THIS SECTION; AND~~

~~(3) PUBLICIZE THE AVAILABILITY OF THE PETITION PROCESS.~~

~~(B) AN INDIVIDUAL IS ELIGIBLE FOR THE PROGRAM IF THE DEPARTMENT DETERMINES THAT THE INDIVIDUAL:~~

~~(1) IS AN ADULT;~~

~~(2) HAS BEHAVIORAL HEALTH NEEDS;~~

~~(3) IS UNLIKELY TO SURVIVE SAFELY IN THE COMMUNITY WITHOUT ASSISTANCE;~~

~~(4) IS UNLIKELY TO SEEK OUT OR TO PARTICIPATE VOLUNTARILY IN BEHAVIORAL HEALTH TREATMENT DUE TO:~~

~~(I) HOMELESSNESS;~~

~~(II) LACK OF SOCIAL SUPPORTS;~~

~~(III) BEHAVIORAL HEALTH SYMPTOMS THAT ARE IMPACTING THE ABILITY OR WILLINGNESS OF THE INDIVIDUAL TO ENGAGE IN TREATMENT; OR~~

~~(IV) A PRIOR HISTORY OF DISENGAGEMENT FROM TREATMENT;~~

~~(5) DURING THE 12 MONTH PERIOD BEFORE IDENTIFICATION BY THE DEPARTMENT OR THE FILING OF A PETITION UNDER THIS SECTION:~~

~~(I) HAS HAD SIX OR MORE VISITS TO AN EMERGENCY DEPARTMENT FOR BEHAVIORAL HEALTH REASONS; OR~~

~~(II) DUE TO A BEHAVIORAL HEALTH DISORDER, HAS COMMITTED, ATTEMPTED, OR THREATENED A SERIOUS ACT OF VIOLENCE TOWARDS SELF OR OTHERS THAT HAS RESULTED IN HOSPITALIZATION OR INCARCERATION; AND~~

~~(6) IS LIKELY TO BENEFIT FROM THE PROGRAM.~~

~~(C) THE PETITION DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION MAY BE FILED BY:~~

~~(1) AN ADULT WHO RESIDES WITH THE SUBJECT OF THE PETITION;~~

~~(2) THE PARENT, SPOUSE, ADULT SIBLING, OR ADULT CHILD OF THE SUBJECT OF THE PETITION;~~

~~(3) THE DIRECTOR OF A FACILITY IN WHICH THE SUBJECT OF THE PETITION IS RECEIVING BEHAVIORAL HEALTH SERVICES;~~

~~(4) THE DIRECTOR OF A CORRECTIONAL FACILITY IN WHICH THE SUBJECT OF THE PETITION IS INCARCERATED;~~

~~(5) A PSYCHIATRIST, PSYCHOLOGIST, OR SOCIAL WORKER LICENSED IN THE STATE WHO IS TREATING OR SUPERVISING THE TREATMENT OF THE SUBJECT OF THE PETITION; OR~~

~~(6) A PAROLE OFFICER OR PROBATION OFFICER ASSIGNED TO SUPERVISE THE SUBJECT OF THE PETITION.~~

~~(D) THE PETITION DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION SHALL:~~

~~(1) BE FILED WITH THE DEPARTMENT;~~

~~(2) SET FORTH THE FACTS THAT SUPPORT A REASONABLE BELIEF THAT THE SUBJECT OF THE PETITION IS AN ELIGIBLE INDIVIDUAL; AND~~

~~(3) PROVIDE THE LOCATION WHERE THE SUBJECT OF THE PETITION IS PRESENT OR BELIEVED TO BE PRESENT.~~

~~(E) THE DEPARTMENT SHALL DETERMINE WHETHER THE SUBJECT OF THE PETITION IS ELIGIBLE FOR THE PROGRAM WITHIN 24 HOURS AFTER RECEIPT OF THE PETITION.~~

~~10-1504.~~

~~(A) THE DEPARTMENT SHALL ARRANGE FOR THE APPROPRIATE PROGRAM PROVIDER TO INITIATE CONTACT WITH AN ELIGIBLE INDIVIDUAL WITHIN 24 HOURS AFTER THE DEPARTMENT DETERMINES THAT AN INDIVIDUAL IS ELIGIBLE FOR THE PROGRAM.~~

~~(B) THE DEPARTMENT SHALL DEVELOP GUIDELINES BASED ON RISK CATEGORIES THAT SET FORTH THE REQUIRED FREQUENCY OF CONTACT AND ATTEMPTED CONTACT WITH AN ELIGIBLE INDIVIDUAL.~~

~~(C) A PROGRAM PROVIDER SHALL CONTINUE TO CONTACT OR ATTEMPT TO CONTACT AN ELIGIBLE INDIVIDUAL UNTIL THE INDIVIDUAL:~~

~~(1) HAS ENROLLED IN THE PROGRAM; OR~~

~~(2) NO LONGER MEETS THE ELIGIBILITY CRITERIA.~~

~~10-1505.~~

~~(A) THE PROGRAM SHALL MEET THE URGENT BEHAVIORAL HEALTH NEEDS OF AN ELIGIBLE INDIVIDUAL IMMEDIATELY WITHOUT THE NEED FOR THE DEVELOPMENT OF A SERVICE PLAN.~~

~~(B) (1) A PERSON-CENTERED SERVICE PLAN SHALL BE DEVELOPED BY THE ACT TEAM FOR EACH CLIENT WITHIN 5 BUSINESS DAYS FOLLOWING ENROLLMENT.~~

~~(2) SERVICES AND SUPPORTS MAY BE PROVIDED BEFORE THE ADOPTION OF A SERVICE PLAN, AS APPROPRIATE.~~

~~(3) A SERVICE PLAN SHALL BE REVIEWED AND MODIFIED PERIODICALLY BY THE ACT TEAM TO DETERMINE WHETHER THE CLIENT IS SATISFIED WITH THE SERVICES AND SUPPORTS PROVIDED AND IS MAKING PROGRESS TOWARDS THE GOALS LISTED IN THE PLAN.~~

~~(C) (1) THE PROGRAM SHALL USE FLEXIBLE USE FUNDS AS NECESSARY TO:~~

~~(I) SECURE SUPPORTED HOUSING; AND~~

~~(II) PROVIDE THE CLIENT WITH BASIC NECESSITIES, INCLUDING FOOD, CLOTHING, AND TRANSPORTATION.~~

~~(2) FLEXIBLE USE FUNDS:~~

~~(I) SHALL BE ASSIGNED TO THE CLIENT AND NOT TO THE PROVIDER OF SERVICES;~~

~~(II) MAY NOT BE CONTINGENT ON THE CLIENT'S ENGAGEMENT IN ANY PARTICULAR INDIVIDUAL PROGRAM SERVICE; AND~~

~~(III) SHALL FOLLOW THE CLIENT AS THE CLIENT MOVES THROUGH TREATMENT SERVICES REGARDLESS OF THE LEVEL OF INTENSITY OF THE SERVICES.~~

~~(D) ANY MEETING HELD FOR THE PURPOSE OF ADOPTING OR CHANGING A SERVICE PLAN SHALL:~~

~~(1) INCLUDE THE CLIENT AND ANY OTHER INDIVIDUAL DESIGNATED BY THE CLIENT, INCLUDING PEERS OR FAMILY MEMBERS;~~

~~(2) BE HELD IN A MANNER AND LOCATION THAT REASONABLY ACCOMMODATES THE CLIENT AND ALLOWS THE CLIENT TO PARTICIPATE EFFECTIVELY IN THE SERVICE PLANNING PROCESS; AND~~

~~(3) FOCUS ON THE INDIVIDUAL STRENGTHS AND LIFE GOALS OF THE CLIENT AND ON THE MENTAL HEALTH SERVICES AND SUPPORTS THAT THE CLIENT NEEDS TO MEET THE GOALS.~~

~~(E) A CLIENT SHALL BE INFORMED FULLY OF AVAILABLE SERVICES AND SUPPORTS AND SHALL BE A FULL PARTNER IN THE CREATION AND IMPLEMENTATION OF THE CLIENT'S SERVICE PLAN.~~

~~(F) (1) A CLIENT SHALL BE INFORMED ABOUT MENTAL HEALTH ADVANCE DIRECTIVES AND, IF THE CLIENT CHOOSES TO COMPLETE AN ADVANCE DIRECTIVE, SHALL BE OFFERED ASSISTANCE IN COMPLETING AND EXECUTING THE ADVANCE DIRECTIVE.~~

~~(2) AN ADVANCE DIRECTIVE COMPLETED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ENFORCEABLE IN ACCORDANCE WITH STATE AND FEDERAL LAW.~~

~~10-1506.~~

~~(A) IF THE DEPARTMENT HAS KNOWLEDGE OF THE LOCATION OF AN ELIGIBLE INDIVIDUAL, THE DEPARTMENT MAY NOT DISCONTINUE OUTREACH TO THE INDIVIDUAL.~~

~~(B) THE DEPARTMENT MAY NOT DISCHARGE A CLIENT FROM THE PROGRAM UNTIL THE INDIVIDUAL:~~

~~(1) HAS NOT USED ANY PROGRAM SERVICE FOR A CONTINUOUS 12 MONTH PERIOD, DESPITE ASSERTIVE OUTREACH;~~

~~(2) HAS BEEN ADMITTED TO AN INPATIENT FACILITY FOR LONGER THAN 3 MONTHS;~~

~~(3) HAS MOVED FROM THE AREA AND IS RECEIVING SERVICES FROM A PROGRAM IN ANOTHER JURISDICTION IN THE STATE OR HAS MOVED OUT OF THE STATE; OR~~

~~(4) HAS TRANSITIONED SUCCESSFULLY TO LESS INTENSIVE COMMUNITY SERVICES AS DEMONSTRATED BY AN ABILITY TO FUNCTION INDEPENDENTLY IN ALL MAJOR ROLES, INCLUDING WORK, SOCIAL, AND SELF CARE, OVER THE PRECEDING 24 MONTH PERIOD.~~

~~(C) A PROGRAM PROVIDER SEEKING TO DISCHARGE A CLIENT SHALL:~~

~~(1) DOCUMENT THE BASIS FOR THE DISCHARGE;~~

~~(2) DEVELOP A PLAN TO TRANSITION THE CLIENT TO OTHER APPROPRIATE SERVICES THAT MEET THE NEEDS OF THE INDIVIDUAL; AND~~

~~(3) OBTAIN PRIOR APPROVAL FROM THE DEPARTMENT.~~

~~(D) A CLIENT WHO IS DISCHARGED FROM THE PROGRAM SHALL BE REINSTATED AUTOMATICALLY ON THE REQUEST OF THE FORMER CLIENT.~~

~~10-1507.~~

~~(A) A PROGRAM PROVIDER SHALL:~~

~~(1) ENSURE THAT A CLIENT ENROLLS IN ANY ENTITLEMENT PROGRAM FOR WHICH THE CLIENT IS ELIGIBLE; AND~~

~~(2) USE MEDICAID REIMBURSABLE SERVICES TO THE GREATEST EXTENT POSSIBLE.~~

~~(B) THE DEPARTMENT SHALL DEVELOP AND PROVIDE AN ENHANCED RATE FOR ACT SERVICES AT A LEVEL THAT ALLOWS FOR INCREASED FREQUENCY OF CONTACT AND DECREASED STAFF TO CLIENT RATIOS.~~

~~(C) THE DEPARTMENT SHALL PROVIDE LOCAL MENTAL HEALTH AUTHORITIES WITH FLEXIBLE USE FUNDS FOR EACH CLIENT IN AN AMOUNT SUFFICIENT TO ADDRESS HOUSING, FOOD, CLOTHING, AND TRANSPORTATION NEEDS.~~

~~10-1508.~~

~~THE DEPARTMENT SHALL:~~

~~(1) DOCUMENT THE NUMBER OF CONTACTS MADE WITH EACH ELIGIBLE INDIVIDUAL AND THE OUTCOMES OF THE CONTACTS;~~

~~(2) MONITOR OUTCOME DATA FOR EACH CLIENT USING THE ASSERTIVE COMMUNITY TREATMENT OUTCOMES DATA COLLECTION SYSTEM THAT SHALL INCLUDE:~~

~~(I) THE NUMBER AND LENGTH OF STAY OF INPATIENT PSYCHIATRIC HOSPITALIZATIONS;~~

~~(II) THE NUMBER OF EMERGENCY ROOM VISITS FOR PSYCHIATRIC REASONS; AND~~

~~(III) MEASURES FOR CRIMINAL JUSTICE SYSTEM INVOLVEMENT, HOUSING STABILITY, AND FAMILY INVOLVEMENT;~~

~~(3) ENSURE THAT PROGRAM SERVICES AND SUPPORTS ARE PROVIDED WITHOUT DISRUPTION;~~

~~(4) EXPAND THE CONTENT AND COVERAGE OF THE OUTCOMES MEASUREMENT SYSTEM TO ESTABLISH THE BASIS OF A SYSTEM OF CONTINUOUS QUALITY IMPROVEMENT FOR ALL SERVICES PROVIDED UNDER THIS SUBTITLE; AND~~

~~(5) ESTABLISH A COMMITTEE OF STAKEHOLDERS, INCLUDING CURRENT OR FORMER MENTAL HEALTH SERVICE RECIPIENTS, FAMILY MEMBERS, ADVOCATES, PROVIDERS, AND QUALITY ASSURANCE PROFESSIONALS, TO RECOMMEND:~~

~~(I) REVISIONS TO AND EXPANSION OF THE OUTCOMES MEASUREMENT SYSTEM AND THE ASSERTIVE COMMUNITY TREATMENT OUTCOMES DATA COLLECTION SYSTEM;~~

~~(II) ACCOUNTABILITY MEASURES; AND~~

~~(III) EVALUATION TOOLS.~~

~~10-1509.~~

~~(A) A CLIENT MAY APPEAL THE FOLLOWING ADVERSE ACTIONS BY THE DEPARTMENT:~~

~~(1) DENIAL, REDUCTION, IRREGULARITY, OR TERMINATION OF SERVICES, INCLUDING FAILURE TO PROVIDE THE SERVICES LISTED IN THE SERVICE PLAN; AND~~

~~(2) FAILURE TO PROVIDE MENTAL HEALTH SERVICES OR SUPPORTS SUFFICIENT IN AMOUNT, SCOPE, OR QUALITY TO SUPPORT RECOVERY, COMMUNITY INTEGRATION, AND ECONOMIC SELF-SUFFICIENCY.~~

~~(B) A CLIENT MAY APPEAL AN ADVERSE ACTION DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.~~

~~(C) (1) A CLIENT SHALL CONTINUE TO RECEIVE ANY SERVICE OR SUPPORT LISTED IN THE SERVICE PLAN THAT WAS IN EFFECT PENDING THE OUTCOME OF AN APPEAL UNDER THIS SECTION.~~

~~(2) IF A PROGRAM PROVIDER HAS PROVIDED NOTICE AND DOCUMENTED THAT THE NEEDS OF THE CLIENT EXCEED THE CAPABILITY OF THE PROGRAM PROVIDER TO SERVE THE CLIENT SAFELY AND APPROPRIATELY, THE DEPARTMENT SHALL SECURE THE SERVICES OF AN ALTERNATE PROVIDER FOR THE CLIENT DURING THE APPEAL OF AN ADVERSE ACTION.~~

~~10-1510.~~

~~(A) THE DEPARTMENT, IN CONSULTATION WITH STAKEHOLDERS, SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE.~~

~~(B) THE REGULATIONS ADOPTED UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:~~

~~(1) THE RESPONSIBILITIES OF A PROGRAM PROVIDER WHEN DISCHARGING CLIENTS;~~

~~(2) PROCEDURES FOR LOCATING ELIGIBLE INDIVIDUALS;~~

~~(3) PROCEDURES FOR LOCATING CLIENTS WHEN THE LOCATION OF THE CLIENTS IS UNKNOWN;~~

~~(4) A REIMBURSEMENT METHODOLOGY TO ACCOUNT FOR OUTREACH AND ENGAGEMENT SERVICES PROVIDED THROUGH THE PROGRAM;~~

~~(5) A PROCESS FOR FILING A PETITION WITH THE DEPARTMENT;~~

~~(6) A PROCESS FOR APPEALING PETITION DENIALS; AND~~

~~(7) ANY OTHER ITEM NECESSARY TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2014. It shall remain effective for a period of 1 year and, at the end of June 30, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 5, 2014.

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## Chapter 354

(Senate Bill 886)

AN ACT concerning

### Legal Mutual Liability Insurance Society of Maryland – Conservatorship and Transfer

FOR the purpose of providing for the assumption and exercise of certain powers of the Legal Mutual Liability Insurance Society of Maryland by the Minnesota Lawyers Mutual Insurance Company (Minnesota Mutual) in a certain manner for certain purposes; stating certain findings of the General Assembly; appointing Minnesota Mutual as conservator of the Society for a certain period for certain purposes; providing certain powers to Minnesota Mutual for certain purposes; requiring Minnesota Mutual to provide public notice in certain manners of its appointment as conservator, of certain processes and the transfer of certain policies, assets, and liabilities of the Society to the Property and Casualty Insurance Guaranty Corporation, of a certain bar date, and of certain effects of the conservatorship and transfer; authorizing the referral of certain claims to the Guaranty Corporation under certain circumstances after the occurrence of a certain event; authorizing the transfer of certain assets *and certain liabilities* to the Guaranty Corporation in a certain manner as of a certain date; providing for the termination of the conservatorship; prohibiting Minnesota Mutual from receiving certain compensation for certain actions but authorizing the reimbursement of certain expenses; requiring Minnesota Mutual to report to the Maryland Insurance Commissioner on certain matters at a certain frequency; defining certain terms; providing for the construction of a portion of this Act; dissolving the Board of Directors of the Society and terminating the terms of the directors and officers of the Society as of a certain date; requiring the reimbursement of Minnesota Mutual for certain costs as of a certain date; requiring the transfer of certain assets and liabilities of the Society to the Guaranty Corporation on the earlier of certain dates; providing for the continuity of certain transactions, rights, duties, assets, liabilities, and causes of action; requiring Minnesota Mutual to study and report on certain matters to the Commissioner, the Guaranty Corporation, and certain committees of the General Assembly on or before a certain date; requiring Minnesota Mutual to consult with certain entities for a certain purpose; repealing provisions of law relating to the Society as of a certain date; providing that existing obligations or contract rights may not be impaired by this Act; providing for a delayed effective date for certain provisions of this Act; and generally relating to the Legal Mutual Liability Insurance Society of Maryland and its conservatorship.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 24–101 and 24–104

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing

Article – Insurance

Section 24–102

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article – Insurance

Section 24–102 and 24–110

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing

Article – Insurance

Section 24–101 through 24–110, inclusive, and the subtitle “Subtitle 1. Legal Mutual Liability Insurance Society of Maryland”

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

(As enacted by Section 1 of this Act)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Insurance**

24–101.

(a) In this subtitle the following words have the meanings indicated.

(b) **“GUARANTY CORPORATION” MEANS THE PROPERTY AND CASUALTY INSURANCE GUARANTY CORPORATION ESTABLISHED UNDER TITLE 9, SUBTITLE 3 OF THIS ARTICLE.**

(c) “Lawyer” means an individual who is admitted to the Bar of the Court of Appeals of Maryland.

**[(c)] (D) “MINNESOTA MUTUAL” MEANS THE MINNESOTA LAWYERS MUTUAL INSURANCE COMPANY.**

(E) (1) “Practice law” has the meaning stated by the Court of Appeals of Maryland.

(2) “Practice law” includes the meaning stated in § 10–101(h) of the Business Occupations and Professions Article.

[(d)] (F) “Society” means the Legal Mutual Liability Insurance Society of Maryland.

[24–102.

Subject to the limitations and immunities of this subtitle, the purpose of this subtitle is to provide:

(1) a means to pay indemnities to persons that suffer injuries arising out of the rendering of or failure to render professional services by lawyers;

(2) a means for lawyers to obtain insurance against liability for injuries arising out of the rendering of or failure to render professional services; and

(3) property insurance and casualty insurance related or incidental to practicing law.]

24–102.

**THE GENERAL ASSEMBLY FINDS THAT:**

(1) AT THE TIME THAT IT WAS ESTABLISHED IN 1986, THE LEGAL MUTUAL LIABILITY INSURANCE SOCIETY OF MARYLAND PROVIDED A VALUABLE SERVICE TO THE LEGAL COMMUNITY OF THE STATE BY PROVIDING OTHERWISE UNAVAILABLE AFFORDABLE LEGAL PROFESSIONAL LIABILITY INSURANCE;

(2) IN 2006, THE SOCIETY ENTERED INTO A MANAGEMENT AGREEMENT WITH MINNESOTA LAWYERS MUTUAL INSURANCE COMPANY, A “BAR-RELATED” INSURANCE COMPANY THAT IS DOMICILED IN MINNESOTA AND WRITES LEGAL PROFESSIONAL LIABILITY INSURANCE IN 14 ADDITIONAL STATES, UNDER WHICH MINNESOTA MUTUAL ASSUMED RESPONSIBILITY FOR THE DAY-TO-DAY OPERATIONS OF THE SOCIETY;

(3) IN THE INTERVENING YEARS, OTHER LIABILITY INSURERS HAVE ENTERED THE MARYLAND MARKET, MAKING AFFORDABLE LEGAL PROFESSIONAL LIABILITY INSURANCE AVAILABLE TO LAWYERS IN THE STATE, AND AS A RESULT THE SOCIETY IS NO LONGER NEEDED FOR ITS ORIGINAL PURPOSE;

**(4) THE SOCIETY IS A MEMBER OF THE PROPERTY AND CASUALTY INSURANCE GUARANTY CORPORATION, ~~THE INSURER OF LAST RESORT FOR PROPERTY AND CASUALTY INSURERS IN THE STATE;~~**

**(5) AT THIS TIME, THE SOCIETY HAS NO ACTIVE INSURANCE POLICIES IN FORCE; AND**

**(6) ALTHOUGH THE SOCIETY REMAINS ~~FULLY~~ SOLVENT AND IS NOT AN IMPAIRED INSURER IT IS DESIRABLE TO WIND UP THE AFFAIRS OF THE SOCIETY IN A REGULAR MANNER AND TO TRANSFER ITS REMAINING POLICIES AND ASSETS TO ANOTHER INSURER BY APPOINTING MINNESOTA MUTUAL IN THE MANNER OF A CONSERVATOR OF THE SOCIETY.**

24-104.

(a) [There is a Board of Directors of the Society.

(b) (1) There shall be at least 11 directors on the Board.

(2) The directors shall be elected by the members of the Society in accordance with the articles of incorporation and bylaws of the Society.

(c) The Board of Directors] **DURING THE CONSERVATORSHIP AND TRANSFER UNDER § 24-110 OF THIS SUBTITLE, MINNESOTA LAWYERS MUTUAL INSURANCE COMPANY governs the Society and exercises the powers of the Society IN THE PLACE OF THE FORMER BOARD OF DIRECTORS OF THE SOCIETY.**

**(B) (1) MINNESOTA MUTUAL SHALL EXERCISE THE POWERS OF THE SOCIETY IN THE MANNER OF A CONSERVATOR TO WIND UP THE AFFAIRS OF THE SOCIETY AND TRANSFER ANY REMAINING ASSETS AND LIABILITIES OF THE SOCIETY TO THE PROPERTY AND CASUALTY INSURANCE GUARANTY CORPORATION IN ACCORDANCE WITH § 24-110 OF THIS SUBTITLE.**

**(2) IN EXERCISING THESE POWERS, MINNESOTA MUTUAL SHALL EXERCISE A DUTY OF CARE AND FIDUCIARY RESPONSIBILITY TO THE GUARANTY CORPORATION AND TO THOSE INSUREDS WHO CONTINUE TO HAVE COVERAGE FROM THE SOCIETY.**

24-110.

**(A) IN THIS SECTION, “BAR DATE” MEANS DECEMBER 31, 2015.**

(B) (1) MINNESOTA MUTUAL IS APPOINTED AS A CONSERVATOR TO WIND UP THE AFFAIRS OF THE SOCIETY AND TRANSFER ANY REMAINING ASSETS AND LIABILITIES OF THE SOCIETY TO THE GUARANTY CORPORATION.

(2) IN PERFORMING ITS DUTIES UNDER THIS SECTION, MINNESOTA MUTUAL MAY:

(I) SUBJECT TO SUBSECTION (G) OF THIS SECTION, CONTINUE TO MANAGE THE AFFAIRS OF THE SOCIETY IN THE MANNER AUTHORIZED BY CONTRACT UNDER § 24-105 OF THIS SUBTITLE;

(II) SETTLE CLAIMS, INCLUDING PAYING THE EXPENSES OF SETTLEMENT;

(III) INVEST AND DISPOSE OF ASSETS;

(IV) MAINTAIN FINANCIAL RECORDS; AND

(V) TAKE ANY OTHER ACTION THAT MAY BE NECESSARY OR DESIRABLE TO FURTHER THE PURPOSES OF THIS SECTION.

(C) (1) MINNESOTA MUTUAL SHALL PROVIDE PUBLIC NOTICE OF:

(I) ITS APPOINTMENT AS CONSERVATOR UNDER THIS SECTION;

(II) THE PROCESS OF THE CONSERVATORSHIP AND THE TRANSFER OF THE POLICIES, ASSETS, AND LIABILITIES OF THE SOCIETY TO THE GUARANTY CORPORATION;

(III) THE BAR DATE; AND

(IV) THE EFFECTS OF THE CONSERVATORSHIP AND TRANSFER, INCLUDING:

1. THE NEED FOR ANY PERSON WISHING TO ASSERT ANY CLAIM ARISING UNDER ANY INSURANCE POLICY ISSUED BY THE SOCIETY TO DO SO BEFORE THE BAR DATE;

2. THE BAR AND ESTOPPEL AGAINST ASSERTING A CLAIM AGAINST THE SOCIETY AFTER THE BAR DATE; AND

3. THE REQUIREMENT TO PURSUE THE CLAIM THROUGH THE GUARANTY CORPORATION AFTER THE BAR DATE.

**(2) THE NOTICE SHALL BE PUBLISHED:**

**(I) IN AT LEAST TWO NEWSPAPERS OF GENERAL CIRCULATION IN THE STATE, INCLUDING AT LEAST ONE NEWSPAPER THAT PRINCIPALLY SERVES THE LEGAL COMMUNITY OF THE STATE, ONCE EVERY 6 MONTHS BEGINNING ON JULY 1, 2014, AND ENDING ON JANUARY 1, 2016;**

**(II) ON THE WEB SITES OF THE SOCIETY, MINNESOTA MUTUAL, AND THE GUARANTY CORPORATION; AND**

**(III) IN ANY OTHER MANNER AND FREQUENCY THAT THE COMMISSIONER REQUIRES.**

**(D) DURING THE CONSERVATORSHIP UNDER THIS SECTION, IF THE ASSETS OF THE SOCIETY ARE EXHAUSTED BEFORE ALL CLAIMS ARE SATISFIED, ANY UNSATISFIED CLAIMS SHALL BE REFERRED TO THE GUARANTY CORPORATION.**

**(E) IF ASSETS OF THE SOCIETY REMAIN AFTER ALL FILED CLAIMS HAVE BEEN SATISFIED AS OF THE BAR DATE, THOSE REMAINING ASSETS SHALL BE TRANSFERRED TO THE GUARANTY CORPORATION FREE AND CLEAR OF ANY FURTHER CLAIM OR ENCUMBRANCE.**

**(F) (1) THE CONSERVATORSHIP UNDER THIS SECTION SHALL TERMINATE ON THE EARLIER OF:**

**(I) THE EXHAUSTION OF THE ASSETS OF THE SOCIETY UNDER SUBSECTION (D) OF THIS SECTION; AND**

**(II) THE DATE WHEN ALL CLAIMS ASSERTED AGAINST THE SOCIETY BEFORE THE BAR DATE ARE SATISFIED OR OTHERWISE SETTLED.**

**(2) IF THE CONSERVATORSHIP UNDER THIS SECTION TERMINATES BEFORE THE BAR DATE, MINNESOTA MUTUAL SHALL TRANSFER ALL POLICIES, ASSETS, AND LIABILITIES TO THE GUARANTY CORPORATION AS OF THE TERMINATION DATE.**

**(G) NOTWITHSTANDING § 24-105 OF THIS SUBTITLE, MINNESOTA MUTUAL:**

**(1) MAY NOT RECEIVE ANY FEE FOR ADMINISTERING THE SOCIETY DURING THE CONSERVATORSHIP AND TRANSFER UNDER THIS SECTION; BUT**

(2) IS ENTITLED TO REIMBURSEMENT FOR JUST AND REASONABLE EXPENSES THAT MINNESOTA MUTUAL INCURS IN CONNECTION WITH THE CONSERVATORSHIP AND TRANSFER.

(H) DURING THE CONSERVATORSHIP UNDER THIS SECTION, MINNESOTA MUTUAL SHALL REPORT AT LEAST ONCE EVERY 3 MONTHS TO THE COMMISSIONER ON THE STATUS AND PROGRESS OF THE CONSERVATORSHIP AND THE PREPARATION FOR TRANSFER OF ANY REMAINING POLICIES, ASSETS OF THE SOCIETY, AND LIABILITIES ~~OF~~ UNDER POLICIES ISSUED BY THE SOCIETY TO THE GUARANTY CORPORATION.

(I) SUBJECT TO § 24-104(B) OF THIS SUBTITLE, THIS SECTION MAY NOT BE CONSTRUED TO PREVENT THE TRANSFER OF ANY POLICY OR OTHER LIABILITY OF A PRESENT OR FORMER POLICYHOLDER OF THE SOCIETY TO MINNESOTA MUTUAL OR TO ANY OTHER INSURER THAT HAS A CERTIFICATE OF AUTHORITY FROM THE ADMINISTRATION UNDER THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That the Board of Directors of the Legal Mutual Liability Insurance Society of Maryland and the term of each of its members and the officers of the Society shall terminate on July 1, 2014.

SECTION 3. AND BE IT FURTHER ENACTED, That on the earlier of January 1, 2016, and the termination date of the conservatorship under § 24-110(f) of the Insurance Article as enacted by Section 1 of this Act:

(1) the Minnesota Lawyers Mutual Insurance Company shall be reimbursed all just and reasonable costs incurred by it in the performance of its duties under this Act and under contract in accordance with § 24-105 of the Insurance Article through the earlier of December 31, 2015, and the termination date; and

(2) all net remaining assets of the Society and liabilities ~~of~~ under policies issued by the Society, whether positive or negative, including any coverage provided by the Society under a "tail" policy and any balance in the Rate Stabilization Reserve Fund of the Society, shall be transferred to the Property and Casualty Insurance Guaranty Corporation.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as expressly provided to the contrary in this Act, any transaction affected by or flowing from any statute here amended or repealed and validly entered into before the effective date of this Act and every right, duty, or interest following from it remain valid after the effective date of this Act and may be terminated, completed, consummated, or enforced pursuant to law.

SECTION 5. AND BE IT FURTHER ENACTED, That, except as expressly provided to the contrary in this Act, all standards and guidelines, proposed standards

and guidelines, orders and other directives, forms, plans, memberships, contracts, properties, rights to sue and be sued, and all other duties and responsibilities associated with those assets and liabilities of the Legal Mutual Liability Insurance Society of Maryland transferred by this Act shall continue in effect under the Property and Casualty Insurance Guaranty Corporation until completed, withdrawn, canceled, modified, or otherwise changed pursuant to law.

SECTION 6. AND BE IT FURTHER ENACTED, That:

(a) In addition to the quarterly reports required under § 24–110 of the Insurance Article, as enacted by Section 1 of this Act, on or before January 1, 2015, the Minnesota Lawyers Mutual Insurance Company shall report to the Maryland Insurance Commissioner, the Property and Casualty Insurance Guaranty Corporation, and, subject to § 2–1246 of the State Government Article, the Senate Finance Committee and the House Economic Matters Committee on the status of the conservatorship of the Legal Mutual Liability Insurance Society of Maryland, the winding up of its affairs, and the progress of the transfer of its policies, assets, and liabilities to the Guaranty Corporation.

(b) (1) In connection with the report required under subsection (a) of this section, Minnesota Mutual shall consult with the Maryland Insurance Administration and the Guaranty Corporation on the status of the Society, on the most efficient and appropriate means to wind up the affairs of the Society, and on the most suitable continuation of coverage for the Society’s remaining liabilities along with the best protection for the Society’s insureds and the Guaranty Corporation ~~as the insurer of last resort.~~

(2) The report required under subsection (a) of this section shall include any recommended changes to this Act, including any changes in the ultimate disposition of the Society’s assets and liabilities to the Guaranty Corporation, to Minnesota Mutual, or to another insurer or insurers, developed by Minnesota Mutual through the consultation under paragraph (1) of this subsection.

SECTION 7. AND BE IT FURTHER ENACTED, That a presently existing obligation or contract right may not be impaired in any way by this Act.

SECTION 8. AND BE IT FURTHER ENACTED, That Section(s) 24–101 through 24–110, and the subtitle “Subtitle 1. Legal Mutual Liability Insurance Society of Maryland” of Article – Insurance of the Annotated Code of Maryland be repealed.

SECTION 9. AND BE IT FURTHER ENACTED, That Section 8 of this Act shall take effect January 1, 2016.

SECTION 10. AND BE IT FURTHER ENACTED, That, except as provided in Section 9 of this Act, this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

**Chapter 355****(Senate Bill 893)**

AN ACT concerning

**Health Insurance – Insurance Laws That Apply to Health Maintenance Organizations – Consolidation and Clarification**

FOR the purpose of consolidating the insurance laws of the State that apply to health maintenance organizations; clarifying the application of the insurance laws of the State to health maintenance organizations; repealing certain obsolete provisions of law; declaring the intent of the General Assembly; making conforming changes; and generally relating to health maintenance organizations and the insurance laws of the State.

BY repealing and reenacting, with amendments,  
Article – Health – General  
Section 19–706  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Insurance  
Section 2–112, 5–608(t), 15–118, 15–401 through 15–403.1, 15–803, 15–818,  
15–823, 15–903, 15–1501, 27–209, 27–302 through 27–304, 27–305(c),  
27–504, and 27–606  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

19–706.

(a) Each health maintenance organization that is issued a certificate of authority by the Commissioner shall be regulated under this subtitle.

(b) (1) Any health maintenance organization that is regulated by Title 14, Subtitle 1 of the Insurance Article is subject also to this subtitle.

(2) This subsection applies to a corporation described in Title 14, Subtitle 1 of the Insurance Article, but only if it is a health maintenance organization.

(c) Except as otherwise provided in this subtitle **OR EXPRESSLY PROVIDED IN THE INSURANCE ARTICLE**, a health maintenance organization is not subject to the insurance laws of this State.

**DRAFTER'S NOTE:**

HG, § 19–706(c) is revised to expand the applicability of the insurance laws of the State to provisions in the Insurance Article that expressly apply to health maintenance organizations (HMOs). The revision is necessary in light of the repeal, as enacted by this Act, of cross–references in HG, § 19–706 to provisions of the Insurance Article.

[(d) (1) The provisions of § 9–231 and Title 9, Subtitle 1 and Title 10, Subtitle 1 of the Insurance Article shall apply to health maintenance organizations.

(2) The provisions of § 15–815 of the Insurance Article shall apply to health maintenance organizations.]

**DRAFTER'S NOTE:**

HG, § 19–706(d)(1) is repealed in light of IN, § 9–231(b)(4), which provides that the provisions of § 9–231 that apply to insurers also apply to HMOs; IN, § 9–101, which provides that the provisions of Title 9, Subtitle 1 that apply to authorized insurers also apply to HMOs; and IN, § 10–102(a)(3), which provides that Title 10, Subtitle 1 applies to all types of insurers, including HMOs.

HG, § 19–706(d)(2) is repealed in light of IN, § 15–815(b)(2), which provides that § 15–815 applies to contracts issued by HMOs.

[(e) A health maintenance organization which enrolls members eligible for Medicare benefits under Title XVIII of the Social Security Act shall be subject to the requirements of Title 15, Subtitle 9 of the Insurance Article, to the extent any of the provisions of Title 15, Subtitle 9 of the Insurance Article are applicable to the Medicare eligible members.]

**DRAFTER'S NOTE:**

HG, § 19–706(e) is repealed in light of IN, § 15–903(c) which, as enacted by Section 2 of this Act, is substantively identical to § 19–706(e).

[(f) (D) Only the Commissioner may issue, suspend, or revoke a certificate of authority of a health maintenance organization.

[(g) The provisions of § 27–504 and Title 27, Subtitle 3 of the Insurance Article shall apply to health maintenance organizations.]

**DRAFTER'S NOTE:**

HG, § 19-706(g) is repealed in light of the inclusion of HMOs in the substantive provisions of IN, § 27-504(b) and, as enacted by Section 2 of this Act, IN, § 27-504(e); IN, § 27-302(a), which, as enacted by Section 2 of this Act, provides that Title 27, Subtitle 3 applies to each individual or group contract or certificate of an HMO; and the inclusion of HMOs in the substantive provisions of IN, §§ 27-303, 27-304, and 27-305(c)(1), as enacted by Section 2 of this Act.

Note that the application of all provisions of IN, § 27-504 to HMOs under HG, § 19-706(g) is overly broad in that § 27-504(c) and (d) apply only to the issuance of life and disability insurance.

**[(h) The provisions of §§ 15-401, 15-402, 15-403, 15-403.1, and 15-405 of the Insurance Article shall apply to health maintenance organizations.]**

**DRAFTER'S NOTE:**

HG, § 19-706(h) is repealed in light of IN, § 15-401(b)(1)(iv) and (v), which, as enacted by Section 2 of this Act, provides that § 15-401(b) applies to each individual and group contract that provides certain coverage and is delivered, issued for delivery, or renewed in the State by an HMO; the inclusion of HMOs in the substantive provisions of IN, § 15-401(c), (d), (g), and (h), as enacted by Section 2 of this Act; IN, § 15-402(a)(2), which, as enacted by Section 2 of this Act, provides that IN, § 15-402 applies to each contract that is issued in the State by an HMO; IN, § 15-403(a)(4) and (5), which, as enacted by Section 2 of this Act, provides that § 15-403 applies to each individual and group contract that provides certain coverage and is issued by an HMO; the inclusion of HMOs in the substantive provisions of IN, § 15-403(c) and (d), as enacted by Section 2 of this Act; IN, § 15-403.1(a)(4) and (5), which, as enacted by Section 2 of this Act, provides that § 15-403.1 applies to each individual and group contract that provides certain coverage and is issued by an HMO; the inclusion of HMOs in the substantive provisions of IN, § 15-403.1(c) and (d), as enacted by Section 2 of this Act; IN, § 15-405(a)(2), which includes an HMO in the defined term "carrier" for purposes of § 15-405; and IN, § 15-405(b)(1), which provides that § 15-405 applies to HMOs.

**[(i) The provisions of §§ 12-203(g), 15-105, 15-112, 15-112.2, 15-113, 15-804, 15-812, 15-826, 15-828, and 15-836 of the Insurance Article shall apply to health maintenance organizations.]**

**DRAFTER'S NOTE:**

HG, § 19-706(i) is repealed in light of the inclusion of HMOs in the substantive provisions of IN, § 12-203(g); IN, § 15-105(b)(2), which provides that § 15-105 applies to HMOs; IN, §§ 15-112(a)(4)(i), 15-112.2(a)(3), and 15-113(a)(2), which include an HMO in the defined term "carrier" for purposes of §§ 15-112, 15-112.2, and 15-113;

IN, § 15–804(c)(1), which provides that § 15–804(c) applies to a contract issued by an HMO; the inclusion of HMOs in the substantive provisions of IN, § 15–804(d); and IN, §§ 15–812(b)(2), 15–826(a)(2), 15–828(a)(2), and 15–836(a)(2), which provide that §§ 15–812, 15–826, 15–828, and 15–836 apply to HMOs.

[(j) The provisions of Title 15, Subtitle 12 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(j) is repealed in light of IN, § 15–1201(c), which includes an HMO in the defined term “carrier” for purposes of Title 15, Subtitle 12; IN, § 15–1201(i)(1), which includes an HMO subscriber or group master contract in the defined term “health benefit plan” for purposes of Title 15, Subtitle 12; and the inclusion of HMOs in the substantive provisions of IN, §§ 15–1204(f), 15–1205(e)(2), 15–1210(b), 15–1212(b)(5), 15–1216(c)(2), 15–1217(b), and 15–1221(c)(6).

[(k) The provisions of § 27–909 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(k) is repealed in light of the inclusion of HMOs in the substantive provisions of IN, § 27–909(c) and (f).

[(l) (1) A health maintenance organization shall:

(i) Classify an obstetrician/gynecologist as a primary care physician; or

(ii) If the obstetrician/gynecologist chooses not to be a primary care physician, permit a woman to receive gynecological care from an in-network obstetrician/gynecologist without requiring the woman to first visit a primary care provider, provided that:

1. The care is medically necessary, including, but not limited to, care that is routine;

2. Following each visit for gynecological care, the obstetrician/gynecologist communicates with the woman’s primary care physician concerning any diagnosis or treatment rendered; and

3. The obstetrician/gynecologist confers with the primary care physician before performing any diagnostic procedure that is not routine gynecological care rendered during an annual visit.

(2) If a health maintenance organization classifies an obstetrician/gynecologist as a primary care physician as provided under paragraph (1) of this subsection, and a woman does not choose an obstetrician/gynecologist as her primary care provider, the health maintenance organization shall permit the woman to receive an annual visit to an in-network obstetrician/gynecologist for routine gynecological care without requiring the woman to first visit her primary care provider, whether or not the primary care provider is qualified to and regularly provides routine gynecological care.

(3) (i) A health maintenance organization shall allow a woman to receive medically necessary, routine obstetric and gynecological care from an in-network, certified nurse midwife or any other in-network provider authorized under the Health Occupations Article to provide obstetric and gynecological services without first requiring the woman to visit a primary care provider.

(ii) A certified nurse midwife or other nonphysician provider authorized under the Health Occupations Article to provide obstetric and gynecological services shall consult with an obstetrician/gynecologist with whom the certified nurse midwife or other provider has a collaborative agreement, in accordance with the collaborative agreement, regarding any care rendered under this paragraph.]

**DRAFTER'S NOTE:**

HG, § 19-706(l) is repealed in light of IN, § 15-816, which is substantively identical to § 19-706(l) and that provides in § 15-816(a)(2) that § 15-816 applies to HMOs.

[(m) The provisions of § 15-116 of the Insurance Article apply to health maintenance organizations.]

**DRAFTER'S NOTE:**

HG, § 19-706(m) is repealed in light of IN, § 15-116(a)(2), which includes an HMO in the defined term "carrier" for purposes of § 15-116.

[(n) The provisions of § 15-121 of the Insurance Article shall apply to health maintenance organizations.]

**DRAFTER'S NOTE:**

HG, § 19-706(n) is repealed in light of IN, § 15-121(a)(2), which includes an HMO in the defined term "carrier" for purposes of § 15-121.

[(o) The provisions of §§ 15-1008 and 15-1009 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(o) is repealed in light of IN, §§ 15–1008(a)(2) and 15–1009(a), which include an HMO in the defined term “carrier” for purposes of §§ 15–1008 and 15–1009.

[(p) The provisions of § 15–823 of the Insurance Article shall apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(p) is repealed in light of IN, § 15–823(b)(4) which, as enacted by Section 2 of this Act, provides that § 15–823 applies to each individual or group contract of an HMO that is issued or delivered in the State.

[(q) The provisions of § 15–824 of the Insurance Article shall apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(q) is repealed in light of IN, § 15–824(b)(2), which provides that § 15–824 applies to HMOs.

[(r) The provisions of § 15–803 of the Insurance Article shall apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(r) is repealed in light of IN, § 15–803(a) which, as enacted by Section 2 of this Act, includes HMOs that issue or deliver individual or group contracts in the State in the substantive provisions of § 15–803(a).

[(s) The provisions of Title 15, Subtitles 13, 14, and 15 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(s) is repealed in light of IN, § 15–1301(e), which includes an HMO in the defined term “carrier” for purposes of Title 15, Subtitle 13; IN, § 15–1301(l)(1), which includes an HMO subscriber or group master contract in the defined term “health benefit plan” for purposes of Title 15, Subtitle 13; the inclusion of HMOs in the substantive provisions of IN, §§ 15–1308(g) and 15–1316(g); IN, § 15–1401(d), which includes an HMO in the defined term “carrier” for purposes of Title 15, Subtitle 14; IN, § 15–1401(j)(1), which includes an HMO subscriber or group master contract in the defined term “health benefit plan” for purposes of Title 15, Subtitle 14; the inclusion of HMOs in the substantive provisions of IN, §§ 15–1408(6) and 15–1409(d); IN, §

15-1501(a)(3)(i) which, as enacted by Section 2 of this Act, includes in the defined term “mandated health insurance service” a legislative proposal or statute that would require a particular health care service to be provided or offered in a health benefit plan by an HMO; and the inclusion of HMOs in the substantive provisions of IN, § 15-1501(c)(2)(iii)4, as enacted by Section 2 of this Act.

**[(t)]** The provisions of § 15-123 of the Insurance Article shall apply to health maintenance organizations.]

**DRAFTER’S NOTE:**

HG, § 19-706(t) is repealed in light of IN, § 15-123(a)(2), which includes an HMO in the defined term “carrier” for purposes of § 15-123.

**[(u)]** The provisions of § 15-825 of the Insurance Article shall apply to health maintenance organizations.]

**DRAFTER’S NOTE:**

HG, § 19-706(u) is repealed in light of IN, § 15-825(a)(2), which provides that § 15-825 applies to HMOs.

**[(v)] (E)** The provisions of **[Title 6, Subtitle 2 and]** Title 27, Subtitle 8 of the Insurance Article shall apply to health maintenance organizations.

**DRAFTER’S NOTE:**

The reference to IN, Title 6, Subtitle 2 in HG, § 19-706(v) is repealed in light of IN, § 6-203(a), which establishes the fraud prevention fee the Maryland Insurance Commissioner must collect from an HMO under Title 6, Subtitle 2.

The cross-reference to IN, Title 27, Subtitle 8 is retained in HG, § 19-706. Title 27, Subtitle 8 requires certain persons to report insurance fraud and an authorized insurer and a viatical settlement provider to have an insurance antifraud plan. There is no express reference to an HMO in Title 27, Subtitle 8, and it is unclear which provisions apply to HMOs, including whether an HMO’s insurance antifraud plan would need to comply with the requirements applicable to authorized insurers, which differ from those applicable to viatical settlement providers. Since the application of the provisions of Title 27, Subtitle 8 to HMOs is unclear, the cross-reference is retained to avoid any inadvertent substantive change in the application of State insurance laws to HMOs.

**[(w)]** The provisions of § 15-118 of the Insurance Article shall apply to health maintenance organizations.]

**DRAFTER’S NOTE:**

HG, § 19–706(w) is repealed in light of IN, § 15–118(b), which, as enacted by Section 2 of this Act, provides that § 15–118 applies to HMOs.

[(x) The provisions of § 15–822 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(x) is repealed in light of IN, § 15–822(a)(2), which provides that § 15–822 applies to HMOs.

[(y) (F) The provisions of Title 15, [Subtitles 10A, 10B, 10C, and 10D] **SUBTITLE 10B** of the Insurance Article shall apply to health maintenance organizations.

DRAFTER’S NOTE:

The reference to IN, Title 15, Subtitles 10A, 10C, and 10D in HG, § 19–706(y) is repealed in light of IN, § 15–10A–01(c), which includes an HMO in the defined term “carrier” for purposes of Title 15, Subtitle 10A; the inclusion of HMOs in the substantive provisions of IN, § 15–10A–04(c)(2) and (3); IN, § 15–10C–01(f)(1), which defines a “medical director” to mean a physician employed by or under contract with an HMO to perform specified duties related to quality assurance and utilization management; the inclusion of HMOs in the substantive provisions of IN, §§ 15–10C–03(b)(2) and 15–10C–04(a); IN, § 15–10D–01(d), which includes an HMO in the defined term “carrier” and § 15–10D–01(h)(i)(iii), which includes an HMO contract in the defined term “health benefit plan”, for purposes of Title 15, Subtitle 10D; and the inclusion of HMOs in the substantive provisions of IN, §§ 15–10D–02(e)(1) and 15–10D–03(b)(2)(ii).

The cross-reference to IN, Title 15, Subtitle 10B is retained in HG, § 19–706. While IN, §§ 15–10B–09(b) through (e) and 15–10B–17(a)(1)(i) specifically refer to HMOs, Subtitle 10B generally does not apply directly to any particular insurance carriers, but rather regulates the conduct of utilization review by private review agents. Since the extent to which other provisions of Title 15, Subtitle 10B apply to HMOs is unclear, the cross-reference is retained to avoid any inadvertent substantive change in the application of State insurance laws to HMOs.

[(z) The provisions of § 2–112.2 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(z) is repealed in light of IN, § 2–112.2(a)(2), which includes an HMO in the defined term “carrier”, and IN, § 2–112.2(a)(3)(i), which includes an HMO contract in the defined term “health benefit plan”, for purposes of § 2–112.2.

[(aa) The provisions of § 15–827 of the Insurance Article shall apply to health maintenance organizations.]

**DRAFTER’S NOTE:**

HG, § 19–706(aa) is repealed in light of IN, § 15–827(b)(2), which provides that § 15–827 applies to HMOs.

[(bb) The provisions of § 15–818 of the Insurance Article shall apply to health maintenance organizations.]

**DRAFTER’S NOTE:**

HG, § 19–706(bb) is repealed in light of IN, § 15–818(a)(3), which, as enacted by Section 2 of this Act, provides that § 15–818 applies to each contract that provides specified benefits and is issued or delivered in the State by an HMO.

[(cc)] **(G)** The provisions of Title 6.5 of the State Government Article shall apply to the acquisition of a health maintenance organization owned by a nonprofit entity.

[(dd) The provisions of § 15–125 of the Insurance Article apply to health maintenance organizations.]

**DRAFTER’S NOTE:**

HG, § 19–706(dd) is repealed in light of IN, § 15–125(a)(2)(i), which includes an HMO in the defined term “carrier” for purposes of § 15–125.

[(ee) The provisions of Title 2, Subtitle 5 and § 2–112 of the Insurance Article apply to health maintenance organizations.]

**DRAFTER’S NOTE:**

HG, § 19–706(ee) is repealed in light of IN, § 2–501(d)(2), which includes an HMO in the defined term “health insurer” and IN, § 2–501(f)(2), which includes an HMO in the defined term “insurer”, for purposes of Title 2, Subtitle 5; IN, § 2–112(a), which, as enacted by Section 2 of this Act, provides that the “appropriate persons” that must pay the fees collected by the Maryland Insurance Commissioner under § 2–112(a) includes an HMO; IN, § 2–112(a)(10), which, as enacted by Section 2 of this Act, includes a cross-reference to § 19–708(b)(12) of the Health – General Article, the legal service of process provision applicable to HMOs; and the inclusion of HMOs in

the substantive provisions of IN, § 2–112(b), as enacted by Section 2 of this Act. According to the Maryland Insurance Administration, the changes made to IN, § 2–112(a)(10) and (b) clarify current practice and are not substantive.

[(ff) The provisions of § 15–829 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(ff) is repealed in light of IN, § 15–829(b)(2), which provides that § 15–829 applies to HMOs.

[(gg) The provisions of §§ 15–830, 15–831, and 15–832 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(gg) is repealed in light of IN, § 15–830(a)(2), which includes an HMO in the defined term “carrier” for purposes of § 15–830; IN, § 15–831(b)(1)(ii) and (2), which provide that § 15–831 applies to HMOs and that HMOs are subject to the requirements of § 15–831; and IN, § 15–832(a)(2), which provides that § 15–832 applies to HMOs.

[(hh) The provisions of § 15–833 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(hh) is repealed in light of IN, § 15–833(b), which provides that § 15–833 applies to health benefit plans issued under IN, Title 15, Subtitle 12 (IN, § 15–1201(f)(1) includes an HMO subscriber or group master contract in the defined term “health benefit plan”), and IN, § 15–833(e)(1)(ii), (f)(1)(ii), (h)(1), and (j)(1), which provide that subsections (e), (f), (h), and (j) apply to HMOs.

Note that the application of all provisions of IN, § 15–833 to HMOs under HG, § 19–706(hh) is overly broad in that § 15–833(g) applies to policies that limit coverage to hospital or surgical benefits and hospital indemnity policies, and § 15–833(i) applies to insurers that provide accidental death or dismemberment benefits.

[(ii) The provisions of § 15–834 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(ii) is repealed in light of IN, § 15–834(a)(2), which provides that § 15–834 applies to HMOs.

[(jj) The provisions of § 15–126 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(jj) is repealed in light of IN, § 15–126(b)(2), which provides that § 15–126 applies to HMOs.

[(kk) The provisions of §§ 15–1003, 15–1004, and 15–1005 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(kk) is repealed in light of the inclusion of HMOs in the substantive provisions of IN, §§ 15–1003(d)(2)(ii), 15–1004(a) and (c) through (f), and 15–1005(b) through (f); and IN, § 15–1004(a)(1), which requires an HMO to accept the uniform claims form adopted by the Maryland Insurance Commissioner under IN, § 15–1003.

[(ll) The provisions of § 15–303(f) of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(ll) is repealed in light of Chapter 602 of the Acts of 1999, which repealed IN, § 15–303.

[(mm) The provisions of § 15–127 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(mm) is repealed in light of IN, § 15–127(a)(4), which includes an HMO in the defined term “carrier” for purposes of § 15–127.

[(nn) The provisions of § 15–835 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(nn) is repealed in light of IN, § 15–835(b)(2), which provides that § 15–835 applies to HMOs.

[(oo) The provisions of § 15–810 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(oo) is repealed in light of IN, § 15–810(a)(2), which provides that § 15–810 applies to HMOs, and the inclusion of HMOs in the substantive provisions of IN, § 15–810(b)(2)(ii).

[(pp) The provisions of § 27–913 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(pp) is repealed in light of IN, § 27–913(a)(2), which provides that § 27–913 applies to HMOs.

[(qq) The provisions of §§ 2–205, 2–207, 2–208, and 2–209 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(qq) is repealed in light of the inclusion of HMOs in the substantive provisions of IN, §§ 2–205(b), (c), and (f) and 2–207(a); IN, § 2–208, which requires the expense incurred in an examination made under IN, § 2–205 to be paid by the person examined in the manner specified in § 2–208; and IN, § 2–209(a), which requires a complete report of each examination made under IN, § 2–205.

[(rr) The provisions of § 15–837 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(rr) is repealed in light of IN, § 15–837(a)(2), which provides that § 15–837 applies to HMOs.

[(ss) The provisions of § 15–130 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(ss) is repealed in light of IN, § 15–130(a)(1)(ii), which provides that § 15–130 applies to HMOs, except the HMOs described in § 15–130(a)(2)(iii).

[(tt) The requirements of § 15–838 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(tt) is repealed in light of IN, § 15–838(a)(2), which provides that § 15–838 applies to HMOs.

[(uu) The provisions of § 15–839 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(uu) is repealed in light of IN, § 15–839(b)(2), which provides that § 15–839 applies to HMOs.

[(vv) The provisions of § 15–1001 of the Insurance Article shall apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(vv) is repealed in light of IN, § 15–1001(a)(3), which provides that § 15–1001 applies to HMOs.

[(ww) The provisions of § 27–606 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(ww) is repealed in light of the inclusion of HMOs in the substantive provisions of IN, § 27–606(g) and IN, § 27–606(h) which, as enacted by Section 2 of this Act, provides that the provisions of § 27–606(a)(3) and (b) through (f) that apply to insurers also apply to HMOs.

[(xx) The requirements of Title 27, Subtitle 4 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(xx) is repealed in light of IN, § 27–402(3), which provides that the provisions of Title 27, Subtitle 4 that apply to insurers also apply to HMOs.

[(yy) The provisions of § 15–840 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(yy) is repealed in light of IN, § 15–840(b)(2), which provides that § 15–840 applies to HMOs.

[(zz) The provisions of § 15–416 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(zz) is repealed in light of IN, § 15–416(a), which provides that § 15–416 applies to HMOs.

[(aaa) The provisions of § 27–501(h) of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(aaa) is repealed in light of the inclusion of HMOs in the substantive provisions of IN, § 27–501(h)(2) and (4).

[(bbb) The provisions of § 27–209 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(bbb) is repealed in light of IN, § 27–209, which, as enacted by Section 2 of this Act, provides that a “person” that is prohibited from taking the actions described in § 27–209 includes an HMO.

[(ccc) The provisions of § 15–713 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(ccc) is repealed in light of IN, § 15–713(a), which provides that § 15–713 applies to specified contracts delivered or issued for delivery in the State by HMOs.

[(ddd) The provisions of § 27–221 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(ddd) is repealed in light of IN, § 27–221(a)(2) and (4), which include an HMO in the defined term “carrier” and a contract issued or delivered in the State by an HMO in the defined term “health coverage”, for purposes of § 27–221.

[(eee) The provisions of § 15–841 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(eee) is repealed in light of IN, § 15–841(b)(1)(ii), which provides that § 15–841(b) applies to HMOs.

[(fff) The provisions of § 15–131 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(fff) is repealed in light of IN, § 15–131(a)(2), which provides that § 15–131 applies to HMOs.

[(ggg) The provisions of § 15–417 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(ggg) is repealed in light of IN, § 15–417(a)(2), which provides that § 15–417 applies to HMOs.

[(hhh) The provisions of § 27–222 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(hhh) applies the provisions of IN, § 27–222 to HMOs. IN, § 27–222 prohibits a person from violating IN, § 15–112(l). HG, § 19–706(hhh) is repealed in light of IN, § 15–112(a)(4)(i), which includes an HMO in the definition of “carrier” for purposes of § 15–112.

[(iii) The provisions of § 27–914 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(iii) is repealed in light of the inclusion of HMOs in the substantive provisions of IN, § 27–914(b).

[(jjj)] (H) The provisions of § 27–210 of the Insurance Article apply to health maintenance organizations.

DRAFTER’S NOTE:

The cross–reference to IN, § 27–210 is retained in HG, § 19–706. Section 27–210 establishes certain practices that may not be construed to be discriminatory under IN, § 27–208 or a rebate under § 27–209. The application of § 27–210 to HMOs is unclear since IN, § 27–208 does not apply to HMOs, either by its terms or by a cross–reference in HG, § 19–706 or elsewhere in Title 19, Subtitle 7, and § 27–210 does not contain any explicit references to HMOs. Section 27–210 does apply to HMOs to the extent that the section provides for the construction of IN, § 27–209 (which is revised in Section 2 of this Act to apply to HMOs), and in that § 27–210(h) establishes that it is not a rebate for a carrier to provide certain incentives for participation in a bona fide wellness program under IN, § 15–509, and that section defines a “carrier” to include an HMO. However, since the application of the other provisions of § 27–210 is unclear, the cross–reference is retained to avoid any inadvertent substantive change in the application of State insurance laws to HMOs.

[(kkk)] The provisions of Title 14, Subtitle 6 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(kkk) is repealed in light of IN, § 14–602(b), which requires an HMO to take several actions, including complying with specified sections of Title 14, Subtitle 6, and the inclusion of HMOs in the substantive provisions of IN, §§ 14–602(c) and 14–606(1)(i).

[(lll)] The provisions of § 15–842 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(lll) is repealed in light of IN, § 15–842(a)(1)(ii) and (2), which provide that § 15–842 applies to HMOs and that HMOs are subject to the requirements of § 15–842.

[(mmm)] The provisions of §§ 15–403.2 and 15–418 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(mmm) is repealed in light of IN, § 15–403.2(b)(2)(ii), which provides that § 14–403.2 applies to each individual or group contract issued by an HMO; the inclusion of HMOs in the substantive provisions of IN, § 15–403.2(d); IN, §

15-418(a)(2), which includes an HMO in the defined term “carrier” for purposes of § 15-418; and § 15-418(b)(1)(iii), which provides that § 15-418 applies to each contract that is issued in the State by an HMO.

[(nnn)] **(I)** The provisions of § 15-145 of this article apply to health maintenance organizations.

[(ooo) The provisions of § 2-115 of the Insurance Article apply to health maintenance organizations.]

**DRAFTER’S NOTE:**

HG, § 19-706(ooo) is repealed in light of IN, § 2-115(b)(1), which provides that the regulations the Maryland Insurance Commissioner is required to adopt under § 2-115 may apply to any person regulated by the Commissioner under Title 19, Subtitle 7 of the Health – General Article.

[(ppp)] **(J)** The provisions of Title 15, Subtitle 16 of the Insurance Article apply to health maintenance organizations.

**DRAFTER’S NOTE:**

The cross-reference to IN, Title 15, Subtitle 16 is retained in HG, § 19-706. Subtitle 16 governs pharmacy benefits managers and the provision of pharmacy benefits management services to purchasers. While an HMO is included in the defined term “purchaser”, and certain services of a nonprofit HMO are excluded from the definition of “pharmacy benefits management services”, the extent to which other provisions of Title 15, Subtitle 16 apply to HMOs is unclear. The cross-reference is retained to avoid any inadvertent substantive change in the application of State insurance laws to HMOs.

[(qqq)] **(K)** The provisions of § 2-517 of the State Personnel and Pensions Article apply to health maintenance organizations.

[(rrr) The provisions of § 15-843 of the Insurance Article apply to health maintenance organizations.]

**DRAFTER’S NOTE:**

HG, § 19-706(rrr) is repealed in light of IN, § 15-843(a)(2), which provides that § 15-843 applies to HMOs, and the inclusion of HMOs in the substantive provisions of IN, § 15-843(b)(3).

[(sss) The provisions of § 15-409.1 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(sss) is repealed in light of IN, § 15–409.1(a)(3), which includes an HMO in the defined term “carrier” for purposes of § 15–409.1, and IN, § 15–409.1(b), which provides that § 15–409.1 applies to carriers that issue health benefit plans to small employers under Title 15, Subtitle 12 of the Insurance Article.

[(ttt) The provisions of § 15–844 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(ttt) is repealed in light of IN, § 15–844(b)(2), which provides that § 15–844 applies to HMOs.

[(uuu) The provisions of § 15–1106 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(uuu) is repealed in light of IN, § 15–1106(a)(2), which includes an HMO in the defined term “carrier” for purposes of § 15–1106.

[(vvv) The provisions of § 15–832.1 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(vvv) is repealed in light of IN, § 15–832.1(b)(2), which provides that § 15–832.1 applies to HMOs.

[(www) The provisions of § 15–1105 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(www) is repealed in light of Chapter 368 of the Acts of 2013, which repealed IN, § 15–1105.

[(xxx) The provisions of § 15–814 of the Insurance Article apply to health maintenance organizations.]

## DRAFTER'S NOTE:

HG, § 19–706(xxx) is repealed in light of IN, § 15–814(a)(2), which provides that § 15–814 applies to HMOs.

[(yyy) The provisions of § 15–509 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(yyy) is repealed in light of IN, § 15–509(a)(3), which includes an HMO in the defined term “carrier” for purposes of § 15–509.

[(zzz) The provisions of § 15–132 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(zzz) is repealed in light of IN, § 15–132(a), which defines a “carrier” to have the meaning stated in § 19–142 of the Health – General Article for purposes of § 15–132. A “carrier” is defined in HG, § 19–142(b) to include an HMO.

[(aaaa) The provisions of Title 15, Subtitle 17 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(aaaa) is repealed in light of IN, § 15–1701(b), which defines a “carrier” to have the meaning stated in § 15–1301 of the Insurance Article for purposes of Title 15, Subtitle 17. A “carrier” is defined in IN, § 15–1301(e) to include an HMO.

[(bbbb) **(L)** The provisions of § 15–134 of the Insurance Article apply to health maintenance organizations.

DRAFTER'S NOTE:

The cross–reference to IN, § 15–134 is retained in HG, § 19–706. Section 15–134 governs the application of IN, Titles 14 and 15 to a group health plan or health insurance coverage that is a “grandfathered health plan”, as defined in the federal Patient Protection and Affordable Care Act, as amended by the federal Health Care and Education Reconciliation Act of 2010. This section does not by its terms apply to any particular insurance carriers, but rather to certain group health plans and health insurance coverage. Since the application of § 15–134 to HMOs is unclear, the cross–reference is retained to avoid any inadvertent substantive change in the application of State insurance laws to HMOs.

[(ccc) The provisions of § 5–608(t) of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19–706(cccc) is repealed in light of IN, § 5–608(t)(10), which, as enacted by Section 2 of this Act, provides that the provisions of § 5–608(t) that apply to insurers also apply to HMOs.

[(dddd) The requirements of § 15–135 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(dddd) is repealed in light of IN, § 15–135(b)(2), which provides that § 15–135 applies to HMOs.

[(eeee) The provisions of Title 15, Subtitle 19 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(eeee) is repealed in light of IN, § 15–1901(b), which includes an HMO in the defined term “carrier” for purposes of Title 15, Subtitle 19.

[(ffff) The provisions of § 15–136 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(ffff) is repealed in light of IN, § 15–136(a)(2), which includes an HMO in the defined term “carrier” for purposes of § 15–136.

[(gggg) The provisions of § 15–1314 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(gggg) is repealed in light of IN, § 15–1301(e), which includes an HMO in the defined term “carrier” for purposes of Title 15, Subtitle 13. Note that HG, § 19–706(s) provided that IN, Title 15, Subtitle 13 applies to HMOs, so that § 19–706(gggg) is unnecessary.

[(hhhh) The provisions of Title 15, Subtitle 18 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19-706(hhhh) is repealed in light of IN, § 15-1801(b), which includes an HMO in the defined term “carrier” for purposes of Title 15, Subtitle 18, and the inclusion of HMOs in the substantive provisions of IN, § 15-1802(b)(2).

[(iii) The provisions of § 15-137.1 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19-706(iiii) is repealed in light of the inclusion of HMOs in the substantive provisions of IN, § 15-137.1(a) and (b).

[(jjj) The provisions of § 15-845 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19-706(jjjj) is repealed in light of IN, § 15-845(a)(2), which provides that § 18-845 applies to HMOs.

[(kkkk) The provisions of § 15-138 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19-706(kkkk) is repealed in light of IN, § 15-138(a)(5), which includes an HMO in the defined term “carrier” for purposes of § 15-138, and the inclusion of HMOs in the substantive provisions of § 15-138(c) and (e)(1).

[(lll) The provisions of § 15-846 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19-706(llll) is repealed in light of IN, § 15-846(b)(2), which provides that § 15-846 applies to HMOs.

[(mmm) The provisions of § 15-139 of the Insurance Article apply to health maintenance organizations.]

DRAFTER'S NOTE:

HG, § 19-706(mmmm) is repealed in light of IN, § 15-139(b)(2), which provides that § 15-139 applies to HMOs.

[(nnnn) The provisions of § 15–135.1 of the Insurance Article apply to health maintenance organizations.]

DRAFTER’S NOTE:

HG, § 19–706(nnnn) is repealed in light of IN, § 15–135.1(a)(2), which includes an HMO in the defined term “carrier” for purposes of § 15–135.1.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Insurance

2–112.

(a) Fees for the following certificates, licenses, and services shall be collected in advance by the Commissioner, and shall be paid by the appropriate persons, **INCLUDING HEALTH MAINTENANCE ORGANIZATIONS**, to the Commissioner:

(1) fees for certificates of authority:

(i) application fee for initial certificate of authority, including filing the application, articles of incorporation and other charter documents, except as provided in item (2) of this subsection, bylaws, financial statement, examination report, power of attorney to the Commissioner, and all other documents and filings in connection with the application ..... \$1,000

(ii) fee for initial certificate of authority ..... \$200

(iii) fee for annual renewal of certificate of authority for all foreign insurers and for domestic insurers with their home or executive office in the State .....\$500

(iv) fee for annual renewal of certificate of authority for domestic insurers with their home or executive office outside the State, except those domestic insurers that had their home or executive office outside the State before January 1, 1929:

1. with premiums written in the most recent calendar year not exceeding \$500,000.....\$2,500

2. with premiums written in the most recent calendar year not exceeding \$1,000,000.....\$5,000

3. with premiums written in the most recent calendar year not exceeding \$2,000,000.....\$7,000

4. with premiums written in the most recent calendar year not exceeding \$5,000,000.....\$9,000

5. with premiums written in the most recent calendar year of more than \$5,000,000.....\$11,000

(v) reinstatement of certificate of authority..... \$500

(2) fees for articles of incorporation of a domestic insurer or foreign insurer, exclusive of fees required to be paid to the Department of Assessments and Taxation:

(i) fee for filing the articles of incorporation with the Commissioner for approval ..... \$25

(ii) fee for amendment of the articles of incorporation..... \$10

(3) fees for filing bylaws or amendments to bylaws with the Commissioner.....\$10

(4) fees for certificates of qualification:

(i) application fee ..... \$25

(ii) managing general agent certificate of qualification:

1. fee for initial certificate..... \$30

2. annual renewal fee..... \$30

(iii) surplus lines broker certificate of qualification:

1. fee for initial certificate within 1 year of renewal.....\$100

2. fee for initial certificate over 1 year from renewal.....\$100

3. biennial renewal fee ..... \$200

(5) fee for temporary insurance producer licenses and appointments.....\$27

(6) fees for licenses:

(i) public adjuster license:

1.	fee for initial license within 1 year of renewal.....	\$25
2.	fee for initial license over 1 year from renewal.....	\$50
3.	biennial renewal fee .....	\$50
(ii)	adviser license:	
1.	fee for initial license within 1 year of renewal.....	\$100
2.	fee for initial license over 1 year from renewal.....	\$200
3.	biennial renewal fee .....	\$200
(iii)	insurance producer license:	
1.	fee for initial license .....	\$54
2.	biennial renewal fee .....	\$54
(iv)	SHOP Exchange navigator license:	
1.	fee for initial license .....	\$54
2.	biennial renewal fee .....	\$54
3.	fee for reinstatement of license.....	\$100
(v)	application fee .....	\$25
(7)	fee for each insurance vending machine license, for each machine, every second year.....	\$50
(8)	fees for filing the annual statement by an unauthorized insurer applying for approval to become an accepted insurer or applying for approval to become an accepted reinsurer or surplus lines carrier or both.....	\$1,000
(9)	fees for required filings, including form and rate filings, under Title 11, Subtitles 2 through 4, Title 26, and §§ 12–203, 13–110, 14–126, and 27–613 of this article.....	\$125
(10)	service of legal process fee under §§ 3–318(d), 3–319(d), and 4–107 of this article <b>AND § 19–708(B)(12) OF THE HEALTH – GENERAL ARTICLE</b> .....	\$15

(b) A court may award reimbursement of a service of process fee imposed under subsection (a)(10) of this section to a prevailing plaintiff in any proceeding against an insurer [or], surplus lines broker, **OR HEALTH MAINTENANCE ORGANIZATION**.

5-608.

(t) (1) The reserve investments of an insurer may include securities lending, repurchase, reverse repurchase, and dollar roll transactions with business entities, subject to the requirements of paragraphs (2) through (9) of this subsection.

(2) (i) The insurer's board of directors shall adopt a written plan that specifies guidelines and objectives to be followed, such as:

1. a description of how cash received will be invested or used for general corporate purposes of the insurer;

2. operational procedures to manage interest rate risk, counterparty default risk, the conditions under which proceeds from reverse repurchase transactions may be used in the ordinary course of business, and the use of acceptable collateral in a manner that reflects the liquidity needs of the transaction; and

3. the extent to which the insurer may engage in these transactions.

(ii) The insurer shall file with the Commissioner the written plan including all changes and amendments to the written plan for use in the State on or before the date the plan becomes effective.

(3) (i) The insurer shall enter into a written agreement for all transactions authorized under this subsection other than dollar roll transactions.

(ii) The written agreement shall require that each transaction terminate no more than 1 year from its inception or on the earlier demand of the insurer.

(iii) The agreement shall be with the business entity counterparty, but for securities lending transactions, the agreement may be with an agent acting on behalf of the insurer, if the agent is a qualified business entity, and if the agreement:

1. requires the agent to enter into separate agreements with each counterparty that are consistent with the requirements of this section; and

2. prohibits securities lending transactions under the agreement with the agent or its affiliates.

(4) (i) Cash received in a transaction under this subsection shall be invested in accordance with this subtitle and in a manner that recognizes the liquidity needs of the transaction or used by the insurer for its general corporate purposes.

(ii) For so long as the transaction remains outstanding, the insurer, its agent, or its custodian shall maintain, as to acceptable collateral received in a transaction under this subsection, either physically or through the book entry systems of the Federal Reserve, Depository Trust Company, Participants Trust Company, or other securities depositories approved by the Commissioner:

1. possession of the acceptable collateral;
2. a perfected security interest in the acceptable collateral; or
3. in the case of a jurisdiction outside the United States, title to, or rights of a secured creditor to, the acceptable collateral.

(5) (i) The limitations of § 5–606(a) of this subtitle do not apply to the business entity counterparty exposure created by transactions under this subsection.

(ii) For purposes of calculations made to determine compliance with this subsection, no effect will be given to the insurer's future obligation to resell securities, in the case of a repurchase transaction, or to repurchase securities, in the case of a reverse repurchase transaction.

(iii) An insurer may not enter into a transaction under this subsection if, as a result of and after giving effect to the transaction:

1. A. the aggregate amount of securities then loaned, sold to, or purchased from any one business entity counterparty under this subsection would exceed 5% of its admitted assets; and

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- B. in calculating the amount sold to or purchased from a business entity counterparty under repurchase or reverse repurchase transactions, effect may be given to netting provisions under a master written agreement; or

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- 
2. the aggregate amount of all securities then loaned, sold to, or purchased from all business entities under this subsection would exceed 40% of its admitted assets.

(6) (i) In a securities lending transaction, the insurer shall receive acceptable collateral having a market value as of the transaction date at least equal to 102% of the market value of the securities loaned by the insurer in the transaction as of that date.

(ii) If at any time the market value of the acceptable collateral is less than the market value of the loaned securities, the business entity counterparty shall be obligated to deliver additional acceptable collateral, the market value of which, together with the market value of all acceptable collateral then held in connection with the transaction, at least equals 102% of the market value of the loaned securities.

(7) (i) In a reverse repurchase transaction, other than a dollar roll transaction, the insurer shall receive acceptable collateral having a market value as of the transaction date at least equal to 95% of the market value of the securities transferred by the insurer in the transaction as of that date.

(ii) If at any time the market value of the acceptable collateral is less than 95% of the market value of the securities so transferred, the business entity counterparty shall be obligated to deliver additional acceptable collateral, the market value of which, together with the market value of all acceptable collateral then held in connection with the transaction, at least equals 95% of the market value of the transferred securities.

(8) In a dollar roll transaction, the insurer shall receive cash in an amount at least equal to the market value of the securities transferred by the insurer in the transaction as of the transaction date.

(9) (i) In a repurchase transaction, the insurer shall receive as acceptable collateral transferred securities having a market value at least equal to 102% of the purchase price paid by the insurer for the securities.

(ii) If at any time the market value of the acceptable collateral is less than 100% of the purchase price paid by the insurer, the business entity counterparty shall be obligated to provide additional acceptable collateral, the market value of which, together with the market value of all acceptable collateral then held in connection with the transaction, at least equals 102% of the purchase price.

(iii) Securities acquired by an insurer in a repurchase transaction may not be sold in a reverse repurchase transaction, loaned in a securities lending transaction, or otherwise pledged.

**(10) THE PROVISIONS OF THIS SUBSECTION THAT APPLY TO INSURERS ALSO APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

15-118.

(a) (1) In this section the following words have the meanings indicated.

(2) "Health care service" means a health or medical care procedure or service rendered by a provider that:

(i) provides testing, diagnosis, or treatment of human disease or dysfunction; or

(ii) dispenses drugs, medical devices, medical appliances, or medical goods for the treatment of human disease or dysfunction.

(3) “Provider” means a physician, hospital, or other person that is licensed or otherwise authorized to provide health care services.

(b) This section applies to:

(1) insurers and nonprofit health service plans that provide coverage for health care services to individuals or groups on an expense-incurred basis under health insurance policies or contracts that are issued or delivered in the State; **AND**

(2) **HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE COVERAGE FOR HEALTH CARE SERVICES TO INDIVIDUALS OR GROUPS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.**

(c) If an entity subject to this section negotiates and enters into a contract with providers to render health care services to insureds, **SUBSCRIBERS, OR MEMBERS** at alternative rates of payment, and coinsurance payments are to be based on a percentage of the fee for health care services rendered by a provider, the entity shall calculate the amount of the coinsurance payment to be paid by the insured, **SUBSCRIBER, OR MEMBER** exclusively from the negotiated alternative rate for the health care service rendered.

(d) An entity subject to this section may not charge or collect from an insured, **A SUBSCRIBER, OR A MEMBER** a coinsurance payment amount that is greater than the amount calculated under subsection (c) of this section.

15-401.

(a) In this section, “date of adoption” means the earlier of:

(1) a judicial decree of adoption; or

(2) the assumption of custody, pending adoption, of a prospective adoptive child by a prospective adoptive parent.

(b) (1) This subsection applies to:

(i) each individual health insurance policy that:

State;

1. is delivered, issued for delivery, or renewed in the State;
2. provides coverage on an expense-incurred basis; and
3. provides coverage for a family member of the insured;

(ii) each group health insurance policy, including a contract issued by a nonprofit health service plan, that:

State;

1. is delivered, issued for delivery, or renewed in the State;
2. provides coverage on an expense-incurred basis for employees of an employer or employers or members of a union or unions; and
3. provides coverage for a family member of a covered employee or member; [and]

(iii) each individual service or indemnity contract that:

1. is delivered, issued for delivery, or renewed in the State by a nonprofit health service plan; and
2. provides coverage for a family member of the subscriber;

**(IV) EACH INDIVIDUAL CONTRACT THAT:**

- 1. IS DELIVERED, ISSUED FOR DELIVERY, OR RENEWED IN THE STATE BY A HEALTH MAINTENANCE ORGANIZATION; AND**
- 2. PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE SUBSCRIBER; AND**

**(V) EACH GROUP CONTRACT THAT:**

- 1. IS DELIVERED, ISSUED FOR DELIVERY, OR RENEWED IN THE STATE BY A HEALTH MAINTENANCE ORGANIZATION;**
- 2. PROVIDES COVERAGE FOR EMPLOYEES OF AN EMPLOYER OR EMPLOYERS OR MEMBERS OF A UNION OR UNIONS; AND**
- 3. PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE COVERED EMPLOYEE OR MEMBER.**

(2) Each policy or contract subject to this subsection shall provide that the health insurance benefits applicable:

(i) for children or grandchildren shall be payable for a newly born or newly adopted dependent child or grandchild from the moment of birth or date of adoption of the child or grandchild; and

(ii) for a minor for whom guardianship is granted by court or testamentary appointment shall be payable from the date of appointment.

(c) On request, an insurer or nonprofit health service plan that issues an individual or group health insurance policy that provides coverage on an expense-incurred basis, **OR A HEALTH MAINTENANCE ORGANIZATION THAT ISSUES AN INDIVIDUAL OR GROUP CONTRACT**, shall offer family members' coverage to an insured [or], subscriber, **OR MEMBER** regardless of the marital status of the insured [or], subscriber, **OR MEMBER**.

(d) Each insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** that issues a policy **OR CONTRACT** that does not provide family members' coverage shall:

(1) provide notice to the policyholder **OR CONTRACT HOLDER** that coverage for a newly born or newly adopted child or grandchild or a minor for whom guardianship is granted by court or testamentary appointment is not provided under the policy **OR CONTRACT**; and

(2) inform the insured, **SUBSCRIBER, OR MEMBER** of the right and conditions to purchase family members' coverage under this section.

(e) To be eligible for coverage under this section:

(1) a grandchild must be a dependent, and in the court-ordered custody, of the insured, **SUBSCRIBER, OR MEMBER**; and

(2) a minor must be a dependent and in the custody of the insured, **SUBSCRIBER, OR MEMBER** as a result of a guardianship, other than a temporary guardianship of less than 12 months duration, granted by court or testamentary appointment.

(f) Coverage for a newly born or newly adopted child or grandchild or a minor for whom guardianship is granted by court or testamentary appointment shall consist of coverage for injury or sickness, including the necessary care and treatment of medically diagnosed congenital defects and birth abnormalities.

(g) If payment of a specific premium or subscription fee is required to provide coverage for a child or grandchild or a minor for whom guardianship is granted by court or testamentary appointment, the policy or contract may require notification of a birth, adoption, or appointment and payment of the required premium or fee to the insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** within 31 days after the date of birth, date of adoption, or date of court or testamentary appointment in order to continue coverage beyond the 31-day period.

(h) (1) An insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** may require proof that the insured [or], subscriber, **OR MEMBER** is the parent or grandparent of a newly born or newly adopted child or grandchild or guardian of a minor under court or testamentary appointment.

(2) If the insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** requires proof under this subsection, the insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** shall pay the cost of the proof.

15-402.

(a) This section applies to:

(1) each individual or group health insurance policy that is issued in the State; and

(2) each contract that is issued in the State by a nonprofit health service plan **OR A HEALTH MAINTENANCE ORGANIZATION**.

(b) (1) Notwithstanding any limiting age stated in a policy or contract subject to this section, a child, grandchild, or individual for whom guardianship is granted by court or testamentary appointment shall continue to be covered under the policy or contract as a dependent of an employee, member, or other covered individual if the child, grandchild, or individual under guardianship:

(i) is unmarried;

(ii) is chiefly dependent for support on the employee, member, or other covered individual; and

(iii) at the time of reaching the limiting age, is incapable of self-support because of mental or physical incapacity that started before the child, grandchild, or individual under guardianship attained the limiting age.

(2) A child, grandchild, or individual under guardianship who is covered under this section shall continue to be covered while remaining unmarried,

dependent, and mentally or physically incapacitated until the coverage on the employee, member, or other covered individual on whom the child, grandchild, or individual under guardianship is dependent terminates.

(c) To be eligible for coverage under this section:

(1) a grandchild must be a dependent, and in the court-ordered custody, of the employee, member, or other covered individual; and

(2) an individual must be a dependent and in the custody of the employee, member, or other covered individual as a result of a guardianship, other than a temporary guardianship of less than 12 months duration, granted by court or testamentary appointment.

15-403.

(a) This section applies to:

(1) each individual health insurance policy that:

(i) provides coverage on an expense-incurred basis; and

(ii) provides coverage for a family member of the insured;

(2) each group health insurance policy that:

(i) provides coverage on an expense-incurred basis for employees of an employer or employers or members of a union or unions; and

(ii) provides coverage for a family member of a covered employee or member; [and]

(3) each individual service or indemnity contract that:

(i) is issued by a nonprofit health service plan; and

(ii) provides coverage for a family member of the subscriber;

**(4) EACH INDIVIDUAL CONTRACT THAT:**

**(I) IS ISSUED BY A HEALTH MAINTENANCE ORGANIZATION;**

**AND**

**(II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE SUBSCRIBER; AND**

**(5) EACH GROUP CONTRACT THAT:**

**(I) IS ISSUED BY A HEALTH MAINTENANCE ORGANIZATION;**

**(II) PROVIDES COVERAGE FOR EMPLOYEES OF AN EMPLOYER OR EMPLOYERS OR MEMBERS OF A UNION OR UNIONS; AND**

**(III) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE COVERED EMPLOYEE OR MEMBER.**

(b) Each policy or contract subject to this section shall provide that the same health insurance benefits and eligibility guidelines that apply to any covered dependent are available, on request of the insured, subscriber, employee, or member, to a grandchild who:

(1) is unmarried;

(2) is in the court-ordered custody of the insured, subscriber, employee, or member;

(3) resides with the insured, subscriber, employee, or member;

(4) is the dependent of the insured, subscriber, employee, or member;  
and

(5) has not attained the limiting age under the terms of the policy or contract.

(c) On request, an insurer that issues an individual or group health insurance policy that provides coverage on an expense-incurred basis [or], a nonprofit health service plan, **OR A HEALTH MAINTENANCE ORGANIZATION** shall offer family members' coverage to an insured or subscriber regardless of the marital status of the insured or subscriber.

(d) (1) An insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** may require proof that the insured or subscriber is the grandparent of the grandchild.

(2) If the insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** requires proof under this subsection, the insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** shall pay the cost of the proof.

15-403.1.

(a) This section applies to:

- (1) each individual health insurance policy that:
  - (i) provides coverage on an expense–incurred basis; and
  - (ii) provides coverage for a family member of the insured;
- (2) each group health insurance policy that:
  - (i) provides coverage on an expense–incurred basis for employees of an employer or employers or members of a union or unions; and
  - (ii) provides coverage for a family member of a covered employee or member; [and]
- (3) each individual service or indemnity contract that:
  - (i) is issued by a nonprofit health service plan; and
  - (ii) provides coverage for a family member of the subscriber;
- (4) EACH INDIVIDUAL CONTRACT THAT:**
  - (I) IS ISSUED BY A HEALTH MAINTENANCE ORGANIZATION;**

AND

  - (II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE SUBSCRIBER; AND**
- (5) EACH GROUP CONTRACT THAT:**
  - (I) IS ISSUED BY A HEALTH MAINTENANCE ORGANIZATION;**
  - (II) PROVIDES COVERAGE FOR EMPLOYEES OF AN EMPLOYER OR EMPLOYERS OR MEMBERS OF A UNION OR UNIONS; AND**
  - (III) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE COVERED EMPLOYEE OR MEMBER.**

(b) Each policy or contract subject to this section shall provide that the same health insurance benefits and eligibility guidelines that apply to any covered dependent are available, on request of the insured, subscriber, employee, or member, to an individual who:

- (1) is unmarried;

(2) is under testamentary or court appointed guardianship, other than temporary guardianship of less than 12 months duration, of the insured, subscriber, employee, or member;

(3) resides with the insured, subscriber, employee, or member;

(4) is the dependent of the insured, subscriber, employee, or member;

and

(5) has not attained the limiting age under the terms of the policy or contract.

(c) On request, an insurer that issues an individual or group health insurance policy that provides coverage on an expense-incurred basis [or], a nonprofit health service plan, **OR A HEALTH MAINTENANCE ORGANIZATION** shall offer family members' coverage to an insured or subscriber regardless of the marital status of the insured or subscriber.

(d) (1) An insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** may require proof that the insured or subscriber is a guardian under court or testamentary appointment.

(2) If the insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** requires proof under this subsection, the insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** shall pay the cost of the proof.

15-803.

(a) An insurer or nonprofit health service plan that issues or delivers an individual, group, or blanket health insurance policy or contract in the State, **OR A HEALTH MAINTENANCE ORGANIZATION THAT ISSUES OR DELIVERS AN INDIVIDUAL OR GROUP CONTRACT IN THE STATE**, may not exclude payments for blood products, both derivatives and components, that otherwise would be covered under the health insurance contract.

(b) This section does not apply to whole blood or concentrated red blood cells.

15-818.

(a) This section applies to:

(1) each individual or group hospital or major medical insurance policy or certificate that is delivered or issued for delivery in the State by an insurer and is written on an expense-incurred basis;

(2) each individual or group medical or major medical contract, policy, or certificate that is delivered or issued for delivery in the State by a nonprofit health service plan; and

(3) [health maintenance organizations] **EACH CONTRACT** that [provide] **PROVIDES** hospital, medical, or surgical benefits to individuals or groups [under contracts that are] **AND IS** issued or delivered in the State **BY A HEALTH MAINTENANCE ORGANIZATION**.

(b) A policy, contract, or certificate subject to this section shall include benefits for inpatient or outpatient expenses arising from orthodontics, oral surgery, and otologic, audiological, and speech/language treatment involved in the management of the birth defect known as cleft lip or cleft palate or both.

15–823.

(a) (1) In this section the following words have the meanings indicated.

(2) “Bone mass measurement” means a radiologic or radioisotopic procedure or other scientifically proven technology performed on a qualified individual for the purpose of identifying bone mass or detecting bone loss.

(3) “Qualified individual” means:

(i) an estrogen deficient individual at clinical risk for osteoporosis;

(ii) an individual with a specific sign suggestive of spinal osteoporosis, including roentgenographic osteopenia or roentgenographic evidence suggestive of collapse, wedging, or ballooning of one or more thoracic or lumbar vertebral bodies, who is a candidate for therapeutic intervention or for an extensive diagnostic evaluation for metabolic bone disease;

(iii) an individual receiving long-term glucocorticoid (steroid) therapy;

(iv) an individual with primary hyperparathyroidism; or

(v) an individual being monitored to assess the response to or efficacy of an approved osteoporosis drug therapy.

(b) This section applies to:

(1) each individual hospital or major medical insurance policy of an insurer that is delivered or issued for delivery in the State and is written on an expense-incurred basis;

(2) each group or blanket health insurance policy of an insurer that is issued or delivered in the State and is written on an expense-incurred basis; [and]

(3) each individual or group medical or major medical contract or certificate of a nonprofit health service plan that is issued or delivered in the State and is written on an expense-incurred basis; AND

**(4) EACH INDIVIDUAL OR GROUP CONTRACT OF A HEALTH MAINTENANCE ORGANIZATION THAT IS ISSUED OR DELIVERED IN THE STATE.**

(c) A policy, contract, or certificate subject to this section shall include coverage for qualified individuals for reimbursement for bone mass measurement for the prevention, diagnosis, and treatment of osteoporosis when the bone mass measurement is requested by a health care provider for the qualified individual.

15-903.

(a) Notwithstanding any other provision to the contrary, this subtitle applies to:

(1) Medicare supplement policies and subscriber contracts that are delivered or issued for delivery in the State after July 1, 1992;

(2) certificates that are issued under group Medicare supplement policies or subscriber contracts, which certificates have been delivered or issued for delivery in the State;

(3) individual or group Medicare supplement policies and certificates that are issued by nonprofit health service plans under Title 14, Subtitle 1 of this article;

(4) Medicare supplement policies and certificates that are issued by fraternal benefit societies under Title 8, Subtitle 4 of this article; and

(5) Medicare supplement group or blanket policies and certificates that are issued by insurers subject to Subtitle 3 of this title.

(b) This subtitle does not apply to a policy of:

(1) one or more employers or labor organizations; or

(2) the trustees of a fund established by one or more employers or labor organizations for employees, members, former employees, or former members.

**(C) A HEALTH MAINTENANCE ORGANIZATION THAT ENROLLS MEMBERS ELIGIBLE FOR MEDICARE BENEFITS UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT IS SUBJECT TO THE REQUIREMENTS OF THIS SUBTITLE TO THE EXTENT ANY OF THE PROVISIONS OF THIS SUBTITLE APPLY TO THE MEDICARE ELIGIBLE MEMBERS.**

15–1501.

(a) (1) In this subtitle the following words have the meanings indicated.

(2) “Commission” means the Maryland Health Care Commission.

(3) (i) “Mandated health insurance service” means a legislative proposal or statute that would require a particular health care service to be provided or offered in a health benefit plan, by a carrier, **INCLUDING A HEALTH MAINTENANCE ORGANIZATION**, or other organization authorized to provide health benefit plans in the State.

(ii) “Mandated health insurance service”, as applicable to all carriers, does not include services enumerated to describe a health maintenance organization under § 19–701(g)(2) of the Health – General Article.

(b) This subtitle does not affect the ability of the General Assembly to enact legislation on mandated health insurance services.

(c) (1) The Commission shall assess the social, medical, and financial impacts of a proposed mandated health insurance service.

(2) In assessing a proposed mandated health insurance service and to the extent that information is available, the Commission shall consider:

(i) social impacts, including:

1. the extent to which the service is generally utilized by a significant portion of the population;

2. the extent to which the insurance coverage is already generally available;

3. if coverage is not generally available, the extent to which the lack of coverage results in individuals avoiding necessary health care treatments;

4. if coverage is not generally available, the extent to which the lack of coverage results in unreasonable financial hardship;

5. the level of public demand for the service;
6. the level of public demand for insurance coverage of the service;
7. the level of interest of collective bargaining agents in negotiating privately for inclusion of this coverage in group contracts; and
8. the extent to which the mandated health insurance service is covered by self-funded employer groups of employers in the State who employ at least 500 employees;

(ii) medical impacts, including:

1. the extent to which the service is generally recognized by the medical community as being effective and efficacious in the treatment of patients;
2. the extent to which the service is generally recognized by the medical community as demonstrated by a review of scientific and peer review literature; and
3. the extent to which the service is generally available and utilized by treating physicians; and

(iii) financial impacts, including:

1. the extent to which the coverage will increase or decrease the cost of the service;
2. the extent to which the coverage will increase the appropriate use of the service;
3. the extent to which the mandated service will be a substitute for a more expensive service;
4. the extent to which the coverage will increase or decrease the administrative expenses of **[insurers] CARRIERS, INCLUDING HEALTH MAINTENANCE ORGANIZATIONS, OR OTHER ORGANIZATIONS AUTHORIZED TO PROVIDE HEALTH BENEFIT PLANS IN THE STATE,** and the premium and administrative expenses of policy holders **AND CONTRACT HOLDERS;**
5. the impact of this coverage on the total cost of health care; and

6. the impact of all mandated health insurance services on employers' ability to purchase health benefits policies meeting their employees' needs.

(d) Subject to the limitations of the State budget, the Commission may contract for actuarial services and other professional services to carry out the provisions of this section.

(e) (1) On or before December 31, 1998, and each December 31 thereafter, the Commission shall submit a report on its findings, including any recommendations, to the Governor and, subject to § 2–1246 of the State Government Article, the General Assembly.

(2) The annual report prepared by the Commission shall include an evaluation of any mandated health insurance service legislatively proposed or otherwise submitted to the Commission by a member of the General Assembly prior to July 1 of that year.

27–209.

Except as otherwise expressly provided by law, a person, **INCLUDING A HEALTH MAINTENANCE ORGANIZATION**, may not knowingly:

(1) allow, make, or offer to make a contract of life insurance or health insurance or an annuity contract or an agreement as to the contract other than as plainly expressed in the contract;

(2) pay, allow, give, or offer to pay, allow, or give directly or indirectly as an inducement to the insurance or annuity:

(i) a rebate of premiums payable on the contract;

(ii) a special favor or advantage in the dividends or other benefits under the contract;

(iii) paid employment or a contract for services of any kind; or

(iv) any valuable consideration or other inducement not specified in the contract;

(3) directly or indirectly give, sell, purchase, offer or agree to give, sell, or purchase, or allow as inducement to the insurance or annuity or in connection with the insurance or annuity, regardless of whether specified in the policy or contract, an agreement that promises returns and profits, or stocks, bonds, or other securities, or a present or contingent interest in or measured by stocks, bonds, or other securities, of an insurer or other corporation, association, or partnership, or dividends or profits accrued or to accrue on stocks, bonds, or other securities; or

(4) offer, promise, or give any valuable consideration not specified in the contract, except for educational materials, promotional materials, or articles of merchandise that cost no more than \$25, regardless of whether a policy is purchased.

27-302.

(a) This subtitle applies to each individual or group policy, contract, or certificate of an insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** that:

- (1) is delivered or issued in the State;
- (2) is issued to a group that has a main office in the State; or
- (3) covers individuals who reside or work in the State.

(b) This subtitle does not apply to:

- (1) reinsurance;
- (2) workers' compensation insurance; or
- (3) surety insurance.

27-303.

It is an unfair claim settlement practice and a violation of this subtitle for an insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** to:

- (1) misrepresent pertinent facts or policy provisions that relate to the claim or coverage at issue;
- (2) refuse to pay a claim for an arbitrary or capricious reason based on all available information;
- (3) attempt to settle a claim based on an application that is altered without notice to, or the knowledge or consent of, the insured;
- (4) fail to include with each claim paid to an insured or beneficiary a statement of the coverage under which payment is being made;
- (5) fail to settle a claim promptly whenever liability is reasonably clear under one part of a policy, in order to influence settlements under other parts of the policy;

(6) fail to provide promptly on request a reasonable explanation of the basis for a denial of a claim;

(7) fail to meet the requirements of Title 15, Subtitle 10B of this article for preauthorization for a health care service;

(8) fail to comply with the provisions of Title 15, Subtitle 10A of this article;

(9) fail to act in good faith, as defined under § 27–1001 of this title, in settling a first–party claim under a policy of property and casualty insurance; or

(10) fail to comply with the provisions of § 16–118 of this article.

27–304.

It is an unfair claim settlement practice and a violation of this subtitle for an insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION**, when committed with the frequency to indicate a general business practice, to:

(1) misrepresent pertinent facts or policy provisions that relate to the claim or coverage at issue;

(2) fail to acknowledge and act with reasonable promptness on communications about claims that arise under policies;

(3) fail to adopt and implement reasonable standards for the prompt investigation of claims that arise under policies;

(4) refuse to pay a claim without conducting a reasonable investigation based on all available information;

(5) fail to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;

(6) fail to make a prompt, fair, and equitable good faith attempt, to settle claims for which liability has become reasonably clear;

(7) compel insureds to institute litigation to recover amounts due under policies by offering substantially less than the amounts ultimately recovered in actions brought by the insureds;

(8) attempt to settle a claim for less than the amount to which a reasonable person would expect to be entitled after studying written or printed advertising material accompanying, or made part of, an application;

(9) attempt to settle a claim based on an application that is altered without notice to, or the knowledge or consent of, the insured;

(10) fail to include with each claim paid to an insured or beneficiary a statement of the coverage under which the payment is being made;

(11) make known to insureds or claimants a policy of appealing from arbitration awards in order to compel insureds or claimants to accept a settlement or compromise less than the amount awarded in arbitration;

(12) delay an investigation or payment of a claim by requiring a claimant or a claimant's licensed health care provider to submit a preliminary claim report and subsequently to submit formal proof of loss forms that contain substantially the same information;

(13) fail to settle a claim promptly whenever liability is reasonably clear under one part of a policy, in order to influence settlements under other parts of the policy;

(14) fail to provide promptly a reasonable explanation of the basis for denial of a claim or the offer of a compromise settlement;

(15) refuse to pay a claim for an arbitrary or capricious reason based on all available information;

(16) fail to meet the requirements of Title 15, Subtitle 10B of this article for preauthorization for a health care service;

(17) fail to comply with the provisions of Title 15, Subtitle 10A of this article; or

(18) fail to act in good faith, as defined under § 27-1001 of this title, in settling a first-party claim under a policy of property and casualty insurance.

27-305.

(c) (1) On finding a violation of this subtitle, the Commissioner may require an insurer [or], nonprofit health service plan, **OR HEALTH MAINTENANCE ORGANIZATION** to make restitution to each claimant who has suffered actual economic damage because of the violation.

(2) Subject to paragraph (3) of this subsection, restitution may not exceed the amount of actual economic damage sustained, subject to the limits of any applicable policy.

(3) For a violation of § 27-303(9) of this subtitle, the Commissioner may require restitution to an insured for the following:

(i) actual damages, which actual damages may not exceed the limits of any applicable policy;

(ii) expenses and litigation costs incurred by the insured in pursuing an administrative complaint under § 27–303(9) of this subtitle, including reasonable attorney’s fees; and

(iii) interest on all actual damages, expenses, and litigation costs incurred by the insured computed:

1. at the rate allowed under § 11–107(a) of the Courts Article; and

2. from the date on which the insured’s claim would have been paid if the insurer acted in good faith.

(4) The amount of attorney’s fees recovered from an insurer under paragraph (3) of this subsection may not exceed one-third of the actual damages recovered.

27–504.

(a) (1) In this section the following words have the meanings indicated.

(2) “Abuse” has the meaning stated in § 4–501 of the Family Law Article.

(3) “Cohabitant” means an individual who has had a sexual relationship with another individual with whom the individual has resided for a period of at least 90 days.

(4) “Victim of domestic violence” means an individual who:

(i) has received deliberate, severe, and demonstrable physical injury from a current or former spouse or current or former cohabitant; or

(ii) is in fear of imminent deliberate, severe, and demonstrable physical injury from a current or former spouse or current or former cohabitant.

(b) Except as otherwise provided in this article, if an individual is a victim of domestic violence or subject to abuse, an insurer, nonprofit health service plan, or health maintenance organization may not use information about abuse or the individual’s status as a victim of domestic violence to:

(1) cancel, refuse to underwrite or renew, or refuse to issue a policy of life insurance or health insurance or a health benefits plan;

(2) refuse to pay a claim, cancel, or otherwise terminate a policy of life insurance or health insurance or a health benefits plan;

(3) increase rates for life insurance, health insurance, or a health benefits plan; or

(4) for policies of life insurance or health benefits plans, add a surcharge, apply a rating factor, or use any other underwriting practice that adversely takes the information into account.

(c) If an insurer acts in good faith, the insurer is not subject to tort liability for a cause of action arising from the insurer's lawful issuance of and lawful compliance with a policy of life insurance on an insured who subsequently suffers abuse or is a victim of domestic violence.

(d) This section does not require an insurer:

(1) to make a payment to an individual who willfully caused an injury that gave rise to a loss under a policy of life insurance; or

(2) to issue, without the consent of the proposed insured, life insurance or disability income insurance to an applicant known to have abused the proposed insured.

(e) This section may not be interpreted to preclude an insurer **OR A HEALTH MAINTENANCE ORGANIZATION** from using mental or physical medical conditions, regardless of cause, in determining the eligibility, rate, or underwriting classification of the applicant [or], insured, **MEMBER, OR SUBSCRIBER**.

27-606.

(a) (1) Except for life insurance, health insurance, and annuities, an insurer that intends to cancel or not renew a line of business shall file a plan of withdrawal with the Commissioner at least 180 days before the date of the proposed withdrawal.

(2) Notwithstanding paragraph (1) of this subsection, the Commissioner may allow an insurer to file a plan of withdrawal at least 60 days before the date of proposed withdrawal if the Commissioner determines that compliance by the insurer with paragraph (1) of this subsection may result in:

(i) the impairment of the insurer;

(ii) the loss of or substantial changes in applicable reinsurance;

or

(iii) significant financial losses to the insurer.

(3) For health insurance:

(i) an insurer that intends to cancel or not renew a health insurance product, as defined by the Commissioner, for all of its covered insureds in the State shall file a plan of withdrawal with the Commissioner at least 90 days before the date of the proposed cancellation or nonrenewal; and

(ii) an insurer that intends to withdraw completely from the health insurance market in the State by canceling or not renewing all of its health insurance products in the State shall file a plan of withdrawal with the Commissioner at least 180 days before the date of the proposed withdrawal.

(b) The plan of withdrawal shall contain:

(1) a statement by an elected officer of the insurer that the cancellation or nonrenewal action is necessary as a result of:

(i) the loss of or substantial changes in applicable reinsurance;

(ii) financial losses of the insurer; or

(iii) another business or economic reason of the insurer;

(2) if the reason for cancellation or nonrenewal is loss of or substantial changes in reinsurance, a statement that explains:

(i) that the insurer made a good faith effort to obtain replacement reinsurance, but was unable to do so due to either the unavailability or unaffordability of replacement reinsurance;

(ii) how the loss of or reduction in reinsurance affects the insurer's risks throughout the entire line or category of insurance proposed for cancellation or nonrenewal; and

(iii) why cancellation or nonrenewal is necessary to cure the loss of or reduction in available reinsurance; and

(3) notwithstanding the reason for cancellation or nonrenewal, a statement that:

(i) identifies the category of risk, the total number of risks written by the insurer in that line of business, and the number of risks intended to be canceled or not renewed;

(ii) explains how the cancellation or nonrenewals, if approved, will be implemented with respect to individual risks and the steps that will be taken to ensure that the cancellation or nonrenewal decisions will not be applied in an arbitrary, capricious, or unfairly discriminatory manner or in violation of § 27–501 of this title; and

(iii) includes any other information that the Commissioner reasonably requires.

(c) If a plan of withdrawal filed with the Commissioner is not accompanied by the information required by this section, the Commissioner may so inform the insurer and the plan of withdrawal will be deemed filed when the information is provided to the Commissioner.

(d) After an insurer has filed a plan of withdrawal with the Commissioner, the insurer shall notify in writing each of its insurance producers in the State that the insurer has filed a plan of withdrawal.

(e) The Commissioner shall review each plan of withdrawal to determine its compliance with this section and § 27–501 of this title.

(f) (1) (i) The Commissioner shall disapprove each plan of withdrawal that does not comply with this section.

(ii) If the Commissioner disapproves a plan, the Commissioner shall issue an order of disapproval that includes specific reasons for the disapproval.

(2) (i) Subject to paragraph (3) of this subsection, a plan filed under this section is deemed approved if the Commissioner fails to approve or disapprove the plan within 60 days after the date of filing by the insurer.

(ii) If a filing is deemed approved under this paragraph, the filing becomes effective on the 60th day after the date of filing.

(3) If the Commissioner does not have sufficient information to determine whether a filing or amended filing meets the requirements of this section, the Commissioner:

(i) shall require the insurer to provide the necessary information; and

(ii) may extend the period for approval until the information is provided.

(4) A plan may be withdrawn or amended by the insurer at any time before approval.

(5) After approval or disapproval of a plan, the withdrawal or amendment of the plan is subject to the approval of the Commissioner.

(g) The Commissioner may disapprove a plan of withdrawal for health insurance if an insurer, nonprofit health service plan, or health maintenance organization has failed to demonstrate compliance with § 15–1212 or § 15–1308 of this article.

**(H) THE PROVISIONS OF SUBSECTIONS (A)(3) AND (B) THROUGH (F) OF THIS SECTION THAT APPLY TO INSURERS ALSO APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that this Act shall be construed as a nonsubstantive revision to consolidate and clarify provisions of the insurance laws of the State that apply to health maintenance organizations, and this Act may not be construed to make any substantive change in the laws of the State.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 356**

**(Senate Bill 897)**

AN ACT concerning

### **Frederick County – Orphans’ Court Judges – Salary**

FOR the purpose of increasing the salary of the Chief Judge and each associate judge of the Orphans’ Court for Frederick County; providing that this Act does not apply to the salary or compensation of the judges of the Orphans’ Court for Frederick County during a certain term of office; making stylistic changes; and generally relating to the Orphans’ Court for Frederick County.

BY repealing and reenacting, with amendments,

Article – Estates and Trusts

Section 2–108(l)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Estates and Trusts**

2–108.

(1) **(1)** The Chief Judge of the Court for Frederick County shall receive an annual compensation of [~~\$6,500~~] **\$11,000**.

**(2)** Each of the associate judges of the Court for Frederick County shall receive an annual compensation of [~~\$6,000~~] **\$10,000**.

**(3)** Each judge also shall receive reimbursement for expenses actually incurred in the performance of duties, up to \$700 per year, to be paid by the Board of County Commissioners each month upon presentation of an itemized voucher.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the judges of the Orphans' Court of Frederick County while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the judges of the Orphans' Court of Frederick County shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 357****(House Bill 1112)**

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**Frederick County – Orphans' Court Judges – Salary**

FOR the purpose of increasing the salary of the Chief Judge and each associate judge of the Orphans' Court for Frederick County; providing that this Act does not apply to the salary or compensation of the judges of the Orphans' Court for Frederick County during a certain term of office; making stylistic changes; and generally relating to the Orphans' Court for Frederick County.

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(1) **(1)** The Chief Judge of the Court for Frederick County shall receive an annual compensation of [~~\$6,500~~] **\$11,000**.

**(2)** Each of the associate judges of the Court for Frederick County shall receive an annual compensation of [~~\$6,000~~] **\$10,000**.

**(3)** Each judge also shall receive reimbursement for expenses actually incurred in the performance of duties, up to \$700 per year, to be paid by the Board of County Commissioners each month upon presentation of an itemized voucher.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the judges of the Orphans' Court of Frederick County while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the judges of the Orphans' Court of Frederick County shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 358**

**(Senate Bill 901)**

AN ACT concerning

**Kent County and Queen Anne's County – School Buses – Length of Operation**

FOR the purpose of altering the length of time a school bus may be operated in Kent County and Queen Anne's County; and generally relating to school bus operations in Kent County and Queen Anne's County.

BY repealing and reenacting, with amendments,

Article – Education

Section 7–804

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Education

7–804.

(a) In this section, “school vehicle” has the meaning stated in § 11–154 of the Transportation Article.

(b) (1) Except as provided in paragraphs (2) and (3) of this subsection, unless it fails to meet the applicable school bus and motor vehicle safety standards, a school vehicle may be operated for 12 years.

(2) (i) In Calvert, Caroline, Cecil, Charles, Dorchester, **KENT, QUEEN ANNE'S**, St. Mary's, Somerset, Talbot, Wicomico, and Worcester counties, unless it fails to meet the applicable school bus and motor vehicle safety standards, a school vehicle may be operated for 15 years.

(ii) A school vehicle operating under subparagraph (i) of this paragraph shall be maintained as provided in subsection (c) of this section.

(3) Any school vehicle in operation or accepted before July 1, 2004, or under contract to be purchased before July 1, 2004, that meets the specifications of the Department and of the Motor Vehicle Administration for transit style school vehicles may be operated for 15 years.

(c) Notwithstanding the 12–year limitation in subsection (b)(1) of this section, a school vehicle may be operated for additional years if:

(1) The school vehicle is maintained under a preventive maintenance plan approved by the Motor Vehicle Administration and the Automotive Safety Enforcement Division of the Department of State Police that includes an inspection at the end of the 12th year and a minimum of 2 inspections by the Motor Vehicle Administration each year thereafter;

(2) Any structural repairs to the school vehicle necessitated by accident, metal fatigue, or any other cause are certified by an independent expert approved by the Motor Vehicle Administration to meet or exceed the manufacturer's original manufacturing standards;

(3) The school vehicle is equipped with:

(i) The body originally placed on the chassis by the manufacturer;

(ii) An 8 light warning system;

(iii) A left side stop arm;

(iv) A fire-retardant driver's seat;

(v) Fire-retardant barriers in the case of a school vehicle with a front engine; and

(vi) A fire-retardant rear seating area in the case of a school vehicle with a rear engine; and

(4) The State Superintendent grants approval.

(d) If a school vehicle passes an inspection that is required under subsection (c)(1) of this section:

(1) The inspection shall be valid in the county in which the inspection was completed; and

(2) If ownership of the school vehicle is transferred to a person who operates the school vehicle in a county in which school vehicles are authorized under subsection (b)(2) of this section to be operated for 15 years, the inspection shall be valid in that county for the length of time that the inspection would have been valid in the county where the inspection was completed.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 359**

**(Senate Bill 908)**

AN ACT concerning

**Electric Vehicles and Recharging Equipment – Rebates and Tax Credits**

FOR the purpose of repealing the credit against the State income tax for the cost of certain qualified electric vehicle recharging equipment; establishing, for certain ~~calendar~~ fiscal years, the Electric Vehicle Recharging Equipment Rebate Program to provide certain rebates to certain individuals and ~~business~~ entities for the costs of acquiring and installing certain equipment; requiring the Maryland Energy Administration to administer the Program; providing for the amount of a rebate and a limit on the total amount of rebates that may be issued; limiting the number of rebates that an individual may claim; authorizing the Administration to adopt certain regulations; authorizing the Administration to use the Maryland Strategic Energy Investment Fund to pay for certain rebates; extending the credit against the motor vehicle excise tax for certain qualified plug-in electric drive vehicles for a certain period of time; altering the type of vehicle the credit applies to; altering the calculation of the credit; providing that the credit may not exceed a certain amount; altering a requirement to transfer certain amounts from the Fund during certain fiscal years; transferring certain money from the Fund to the Transportation Trust Fund in certain fiscal years; requiring the Maryland Energy Administration and the Maryland Department of Transportation to report to certain committees of the General Assembly on or before a certain date; defining certain terms; and generally relating to tax incentives for the purchase of electric vehicles and certain rebates for the purchase and installation of electric vehicle recharging equipment.

BY repealing

Article – Tax – General

Section 10-729

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government

Section 9-2001(a) and (b) and 9-20B-05(a)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Government

Section 9-2009 and 9-20B-05(f)(7)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–20B–05(f)(6) and (7)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Transportation  
Section 13–815  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Chapter 389 of the Acts of the General Assembly of 2013  
Section 2

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

[10–729.

(a) (1) In this section the following words have the meanings indicated.

(2) “Administration” means the Maryland Energy Administration.

(3) “Qualified electric vehicle recharging equipment” means property used for the recharging of motor vehicles propelled by electricity that meets the definition of “qualified alternative fuel vehicle refueling property” in § 30C of the Internal Revenue Code.

(b) For tax years 2011 through 2016 only, an individual or corporation that receives an initial credit certificate under subsection (d) of this section from the Administration may claim a credit against the State income tax for a taxable year in an amount equal to 20% of the cost of any qualified electric vehicle recharging equipment placed in service by the taxpayer during the taxable year.

(c) (1) For any taxable year, the credit allowed under this section may not exceed the lesser of:

(i) \$400 for each individual recharging system; or

(ii) the State income tax for that taxable year.

(2) The unused amount of the credit for any taxable year may not be carried over to any other taxable year.

(d) (1) On application by a taxpayer, the Administration shall issue an initial credit certificate in an amount equal to 20% of the estimated cost of the qualified electric vehicle recharging equipment to be placed in service in the State by the taxpayer during the taxable year.

(2) The initial credit certificate issued under this subsection shall state the maximum amount of credit that may be claimed by the taxpayer.

(3) The credit allowed under this section is limited to the acquisition of:

(i) 1 recharging system per individual; and

(ii) 30 recharging systems per business entity.

(4) The Administration may issue total credit certificates not to exceed the following amounts:

(i) for tax year 2011, \$400,000;

(ii) for tax year 2012, \$500,000; and

(iii) for tax years 2013 through 2016, inclusive, \$600,000 each tax year.

(5) On January 1, 2012, and each year the credit is authorized, the Administration shall provide to the Comptroller a list of all taxpayers in the prior tax year that have been issued an initial credit certificate and shall specify for each taxpayer the maximum amount of credit allowed.

(6) (i) The Administration may adopt regulations to administer the initial credit certificate required under this subsection.

(ii) The regulations adopted by the Administration may include a further limit on the maximum amount of credit that may be claimed by the taxpayer.]

### Article – State Government

9–2001.

(a) In this subtitle the following words have the meanings indicated.

(b) “Administration” means the Maryland Energy Administration.

9–2009.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE” MEANS A REBATE ISSUED BY THE ADMINISTRATION UNDER THIS SECTION FOR THE COST OF QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.

(3) “QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT” MEANS PROPERTY IN THE STATE THAT IS USED FOR RECHARGING MOTOR VEHICLES PROPELLED BY ELECTRICITY.

(4) “RETAIL SERVICE STATION DEALER” HAS THE MEANING STATED IN § 10–101 OF THE BUSINESS REGULATION ARTICLE.

(B) (1) THERE IS AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM.

(2) THE ADMINISTRATION SHALL ADMINISTER THE PROGRAM.

(C) (1) FOR ~~CALENDAR YEARS 2014~~ FISCAL YEARS 2015 THROUGH 2017, SUBJECT TO THE PROVISIONS OF THIS SECTION, AN ~~INDIVIDUAL OR INDIVIDUAL~~, A BUSINESS ENTITY, OR A UNIT OF STATE OR LOCAL GOVERNMENT MAY APPLY TO THE ADMINISTRATION FOR AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE FOR THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.

(2) FOR EACH ~~CALENDAR~~ FISCAL YEAR, THE TOTAL AMOUNT OF REBATES ISSUED BY THE ADMINISTRATION MAY NOT EXCEED \$600,000.

(3) THE ADMINISTRATION MAY ALLOW AN APPLICANT TO INCLUDE REASONABLE INSTALLATION COSTS IN THE COST OF QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT FOR THE PURPOSE OF CALCULATING THE AMOUNT OF AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE.

(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE ADMINISTRATION MAY ISSUE AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE TO:

(1) AN INDIVIDUAL IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR

(II) ~~\$900; OR~~

(2) EXCEPT AS PROVIDED IN ITEM (3) OF THIS SUBSECTION, A BUSINESS ENTITY OR UNIT OF STATE OR LOCAL GOVERNMENT IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR

(II) \$5,000; OR

(3) A RETAIL SERVICE STATION DEALER IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR

(II) \$7,500.

(E) AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE ISSUED UNDER THIS SECTION IS LIMITED TO THE ACQUISITION OF ONE RECHARGING SYSTEM PER INDIVIDUAL.

(F) (1) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION MAY INCLUDE:

(I) FURTHER LIMITATIONS ON THE MAXIMUM AMOUNT OF AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE THAT MAY BE CLAIMED BY AN APPLICANT UNDER SUBSECTION (D) OF THIS SECTION;

(II) A REQUIREMENT THAT AN APPLICANT DEMONSTRATE COMPLIANCE WITH A STATE, LOCAL, OR FEDERAL LAW THAT APPLIES TO THE INSTALLATION OR OPERATION OF THE QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; AND

(III) ANY ADDITIONAL APPLICATION AND QUALIFICATION REQUIREMENTS DEEMED APPROPRIATE BY THE ADMINISTRATION.

9-20B-05.

(a) There is a Maryland Strategic Energy Investment Fund.

(f) The Administration shall use the Fund:

(6) to implement energy-related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions; [and]

**(7) TO PROVIDE REBATES UNDER THE ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM ESTABLISHED UNDER § 9-2009 OF THIS TITLE; AND**

**[(7)] (8)** to pay the expenses of the Program.

### Article – Transportation

13-815.

(a) In this section, “excise tax” means the tax imposed under § 13-809 of this subtitle.

(b) This section applies only to a plug-in electric drive vehicle that:

(1) Has not been modified from original manufacturer specifications;

(2) Is acquired for use or lease by the taxpayer and not for resale; and

(3) Is [titled by the taxpayer] **PURCHASED NEW AND TITLED FOR THE FIRST TIME** on or after ~~October 1, 2010~~ **JULY 1, 2014**, but before July 1, [2014] **2017**.

(c) **[(1)]** Subject to available funding, a credit is allowed against the excise tax imposed for a plug-in electric drive vehicle.

**[(2)]** Subject to the limitations under subsections (d) through (f) of this section, the credit allowed under this section equals 100% of the excise tax imposed for a vehicle.]

(d) The credit allowed under this section may not exceed **THE LESSER OF:**

**[(1)]** \$600 for a vehicle with a battery capacity of at least 4.0 kilowatt-hours but not more than 10.0 kilowatt-hours;

**(2)** \$700 for a vehicle with a battery capacity of at least 10.1 kilowatt-hours but not more than 15.0 kilowatt-hours; and

**(3)** \$1,000 for a vehicle with a battery capacity of at least 15.0 kilowatt-hours.]

(1) THE PRODUCT OF \$125 TIMES THE NUMBER OF KILOWATT-HOURS OF BATTERY CAPACITY OF THE VEHICLE; OR

(2) \$3,000.

(e) The credit allowed under this section is limited to the acquisition of:

(1) One vehicle per individual; and

(2) 10 vehicles per business entity.

(f) A credit may not be claimed under this section:

(1) For a vehicle unless the vehicle is registered in the State; OR

(2) Unless the manufacturer has already conformed to any applicable State or federal laws or regulations governing clean-fuel vehicle or electric vehicle purchases applicable during the calendar year in which the vehicle is titled; ~~or~~

~~(3) For a vehicle that was initially registered in another state.~~

(g) The Motor Vehicle Administration shall administer the credit under this section.

### Chapter 389 of the Acts of 2013

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal [years 2016, 2017, and 2018, respectively,] **YEAR 2016**, the lesser of \$600,000 or the total amount of credit certificates issued in tax [years 2014, 2015, and 2016, respectively,] **YEAR 2014** shall be transferred from the Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article to the General Fund to offset a reduction in revenues from the tax credit for electric vehicle recharging equipment established under § 10-729 of the Tax – General Article as enacted by this Act.

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years 2015, 2016, and 2017, respectively, the lesser of \$1,287,000 or the actual total amount of credits allowed against the excise tax shall be transferred from the Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article to the Transportation Trust Fund to offset a reduction in revenues from the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13-815 of the Transportation Article, as enacted by this Act. The total amount of credits allowed against the excise tax may not exceed \$1,800,000 during the course of any fiscal year.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before January 1, 2015, the Maryland Energy Administration and the Maryland Department of Transportation shall report to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Committee on Ways and Means, in accordance with § 2–1246 of the State Government Article, on:

(1) the amount of Transportation Trust Fund revenue that is paid by owners of electric vehicles to the Transportation Trust Fund for the construction and maintenance of roadways in the State; and

(2) a plan for owners of electric vehicles to contribute to the Transportation Trust Fund for the construction and maintenance of roadways in the State.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 360

### (House Bill 1345)

AN ACT concerning

#### **Electric Vehicles and Recharging Equipment – Rebates and Tax Credits**

FOR the purpose of repealing the credit against the State income tax for the cost of certain qualified electric vehicle recharging equipment; establishing, for certain ~~calendar~~ fiscal years, the Electric Vehicle Recharging Equipment Rebate Program to provide certain rebates to certain individuals and ~~business~~ entities for the costs of acquiring and installing certain equipment; requiring the Maryland Energy Administration to administer the Program; providing for the amount of a rebate and a limit on the total amount of rebates that may be issued; limiting the number of rebates that an individual may claim; authorizing the Administration to adopt certain regulations; authorizing the Administration to use the Maryland Strategic Energy Investment Fund to pay for certain rebates; extending the credit against the motor vehicle excise tax for certain qualified plug-in electric drive vehicles for a certain period of time; altering the type of vehicle the credit applies to; altering the calculation of the credit; providing that the credit may not exceed a certain amount; altering a requirement to transfer certain amounts from the Fund during certain fiscal years; transferring certain money from the Fund to the Transportation Trust Fund in certain fiscal years; requiring the Maryland Energy Administration and the Maryland Department of Transportation to report to certain committees of

*the General Assembly on or before a certain date;* defining certain terms; and generally relating to tax incentives for the purchase of electric vehicles and certain rebates for the purchase and installation of electric vehicle recharging equipment.

BY repealing

Article – Tax – General  
Section 10–729  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government  
Section 9–2001(a) and (b) and 9–20B–05(a)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Government  
Section 9–2009 and 9–20B–05(f)(7)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government  
Section 9–20B–05(f)(6) and (7)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation  
Section 13–815  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Chapter 389 of the Acts of the General Assembly of 2013  
Section 2

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

[10–729.

(a) (1) In this section the following words have the meanings indicated.

(2) “Administration” means the Maryland Energy Administration.

(3) “Qualified electric vehicle recharging equipment” means property used for the recharging of motor vehicles propelled by electricity that meets the definition of “qualified alternative fuel vehicle refueling property” in § 30C of the Internal Revenue Code.

(b) For tax years 2011 through 2016 only, an individual or corporation that receives an initial credit certificate under subsection (d) of this section from the Administration may claim a credit against the State income tax for a taxable year in an amount equal to 20% of the cost of any qualified electric vehicle recharging equipment placed in service by the taxpayer during the taxable year.

(c) (1) For any taxable year, the credit allowed under this section may not exceed the lesser of:

- (i) \$400 for each individual recharging system; or
- (ii) the State income tax for that taxable year.

(2) The unused amount of the credit for any taxable year may not be carried over to any other taxable year.

(d) (1) On application by a taxpayer, the Administration shall issue an initial credit certificate in an amount equal to 20% of the estimated cost of the qualified electric vehicle recharging equipment to be placed in service in the State by the taxpayer during the taxable year.

(2) The initial credit certificate issued under this subsection shall state the maximum amount of credit that may be claimed by the taxpayer.

(3) The credit allowed under this section is limited to the acquisition of:

- (i) 1 recharging system per individual; and
- (ii) 30 recharging systems per business entity.

(4) The Administration may issue total credit certificates not to exceed the following amounts:

- (i) for tax year 2011, \$400,000;
- (ii) for tax year 2012, \$500,000; and

(iii) for tax years 2013 through 2016, inclusive, \$600,000 each tax year.

(5) On January 1, 2012, and each year the credit is authorized, the Administration shall provide to the Comptroller a list of all taxpayers in the prior tax year that have been issued an initial credit certificate and shall specify for each taxpayer the maximum amount of credit allowed.

(6) (i) The Administration may adopt regulations to administer the initial credit certificate required under this subsection.

(ii) The regulations adopted by the Administration may include a further limit on the maximum amount of credit that may be claimed by the taxpayer.]

### Article – State Government

9–2001.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Administration” means the Maryland Energy Administration.

9–2009.

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) “ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE” MEANS A REBATE ISSUED BY THE ADMINISTRATION UNDER THIS SECTION FOR THE COST OF QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.**

**(3) “QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT” MEANS PROPERTY IN THE STATE THAT IS USED FOR RECHARGING MOTOR VEHICLES PROPELLED BY ELECTRICITY.**

**(4) “RETAIL SERVICE STATION DEALER” HAS THE MEANING STATED IN § 10–101 OF THE BUSINESS REGULATION ARTICLE.**

**(B) (1) THERE IS AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM.**

**(2) THE ADMINISTRATION SHALL ADMINISTER THE PROGRAM.**

(C) (1) ~~FOR CALENDAR YEARS 2014~~ FISCAL YEARS 2015 THROUGH 2017, SUBJECT TO THE PROVISIONS OF THIS SECTION, AN ~~INDIVIDUAL OR INDIVIDUAL~~, A BUSINESS ENTITY, OR A UNIT OF STATE OR LOCAL GOVERNMENT MAY APPLY TO THE ADMINISTRATION FOR AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE FOR THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.

(2) FOR EACH ~~CALENDAR~~ FISCAL YEAR, THE TOTAL AMOUNT OF REBATES ISSUED BY THE ADMINISTRATION MAY NOT EXCEED \$600,000.

(3) THE ADMINISTRATION MAY ALLOW AN APPLICANT TO INCLUDE REASONABLE INSTALLATION COSTS IN THE COST OF QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT FOR THE PURPOSE OF CALCULATING THE AMOUNT OF AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE.

(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE ADMINISTRATION MAY ISSUE AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE TO:

(1) AN INDIVIDUAL IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR

(II) \$900; ~~OR~~

(2) EXCEPT AS PROVIDED IN ITEM (3) OF THIS SUBSECTION, A BUSINESS ENTITY OR UNIT OF STATE OR LOCAL GOVERNMENT IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR

(II) \$5,000; OR

(3) A RETAIL SERVICE STATION DEALER IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR

(II) \$7,500.

**(E) AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE ISSUED UNDER THIS SECTION IS LIMITED TO THE ACQUISITION OF ONE RECHARGING SYSTEM PER INDIVIDUAL.**

**(F) (1) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

**(2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION MAY INCLUDE:**

**(I) FURTHER LIMITATIONS ON THE MAXIMUM AMOUNT OF AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE THAT MAY BE CLAIMED BY AN APPLICANT UNDER SUBSECTION (D) OF THIS SECTION;**

**(II) A REQUIREMENT THAT AN APPLICANT DEMONSTRATE COMPLIANCE WITH A STATE, LOCAL, OR FEDERAL LAW THAT APPLIES TO THE INSTALLATION OR OPERATION OF THE QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; AND**

**(III) ANY ADDITIONAL APPLICATION AND QUALIFICATION REQUIREMENTS DEEMED APPROPRIATE BY THE ADMINISTRATION.**

9-20B-05.

(a) There is a Maryland Strategic Energy Investment Fund.

(f) The Administration shall use the Fund:

(6) to implement energy-related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions; [and]

**(7) TO PROVIDE REBATES UNDER THE ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM ESTABLISHED UNDER § 9-2009 OF THIS TITLE; AND**

**[(7)] (8) to pay the expenses of the Program.**

### **Article – Transportation**

13-815.

(a) In this section, “excise tax” means the tax imposed under § 13-809 of this subtitle.

(b) This section applies only to a plug-in electric drive vehicle that:

(1) Has not been modified from original manufacturer specifications;

(2) Is acquired for use or lease by the taxpayer and not for resale; and

(3) Is [titled by the taxpayer] **PURCHASED NEW AND TITLED FOR THE FIRST TIME** on or after ~~October 1, 2010~~ **JULY 1, 2014**, but before July 1, [2014] **2017**.

(c) [(1)] Subject to available funding, a credit is allowed against the excise tax imposed for a plug-in electric drive vehicle.

[(2)] Subject to the limitations under subsections (d) through (f) of this section, the credit allowed under this section equals 100% of the excise tax imposed for a vehicle.]

(d) The credit allowed under this section may not exceed **THE LESSER OF:**

[(1)] \$600 for a vehicle with a battery capacity of at least 4.0 kilowatt-hours but not more than 10.0 kilowatt-hours;

(2) \$700 for a vehicle with a battery capacity of at least 10.1 kilowatt-hours but not more than 15.0 kilowatt-hours; and

(3) \$1,000 for a vehicle with a battery capacity of at least 15.0 kilowatt-hours.]

**(1) THE PRODUCT OF \$125 TIMES THE NUMBER OF KILOWATT-HOURS OF BATTERY CAPACITY OF THE VEHICLE; OR**

**(2) \$3,000.**

(e) The credit allowed under this section is limited to the acquisition of:

(1) One vehicle per individual; and

(2) 10 vehicles per business entity.

(f) A credit may not be claimed under this section:

(1) For a vehicle unless the vehicle is registered in the State; **OR**

(2) Unless the manufacturer has already conformed to any applicable State or federal laws or regulations governing clean-fuel vehicle or electric vehicle purchases applicable during the calendar year in which the vehicle is titled; ~~or~~

~~(3) For a vehicle that was initially registered in another state.~~

(g) The Motor Vehicle Administration shall administer the credit under this section.

### Chapter 389 of the Acts of 2013

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal [years 2016, 2017, and 2018, respectively,] **YEAR 2016**, the lesser of \$600,000 or the total amount of credit certificates issued in tax [years 2014, 2015, and 2016, respectively,] **YEAR 2014** shall be transferred from the Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article to the General Fund to offset a reduction in revenues from the tax credit for electric vehicle recharging equipment established under § 10-729 of the Tax – General Article as enacted by this Act.

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years 2015, 2016, and 2017, respectively, the lesser of \$1,287,000 or the actual total amount of credits allowed against the excise tax shall be transferred from the Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article to the Transportation Trust Fund to offset a reduction in revenues from the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13-815 of the Transportation Article, as enacted by this Act. The total amount of credits allowed against the excise tax may not exceed \$1,800,000 during the course of any fiscal year.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before January 1, 2015, the Maryland Energy Administration and the Maryland Department of Transportation shall report to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Committee on Ways and Means, in accordance with § 2-1246 of the State Government Article, on:

(1) the amount of Transportation Trust Fund revenue that is paid by owners of electric vehicles to the Transportation Trust Fund for the construction and maintenance of roadways in the State; and

(2) a plan for owners of electric vehicles to contribute to the Transportation Trust Fund for the construction and maintenance of roadways in the State.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 361****(Senate Bill 909)**

AN ACT concerning

**Income Tax Checkoff – Developmental Disabilities Services and Support  
Fund – Designation**

FOR the purpose of altering the designation of the “Developmental Disabilities Waiting List Equity Fund Contribution” checkoff on the individual income tax return form; and generally relating to an income tax checkoff system for contributions to provide certain services for individuals with developmental disabilities.

BY repealing and reenacting, with amendments,  
Article – Tax – General  
Section 2–113(a)(1)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

2–113.

(a) (1) The Comptroller shall include on the individual income tax return form a checkoff designated as the “Developmental Disabilities [Waiting List Equity] **SERVICES AND SUPPORT** Fund Contribution”.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2013.

**Approved by the Governor, May 5, 2014.**

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**Chapter 362****(Senate Bill 939)**

AN ACT concerning

**State Retirement and Pension System – Service Credit for Leave of Absence –  
Extension of Purchase Period**

FOR the purpose of authorizing the Executive Director of the State Retirement Agency, under certain circumstances, to extend the period of time during which certain members of the State Retirement and Pension System who are separated from employment may purchase service credit for a certain leave of absence; requiring a certain purchase of service credit to be made within a certain time period; requiring the Board of Trustees for the State Retirement and Pension System to adopt certain regulations; providing for the retroactive application of this Act for certain individuals; and generally relating to the period of time during which service credit may be purchased for a leave of absence by certain members of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,  
Article – State Personnel and Pensions  
Section 23–304.1, 24–304.1, 25–304.1, and 26–306.1  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – State Personnel and Pensions**

23–304.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) **(1)** A member who is separated from employment may purchase service credit under this title for a leave of absence approved by the Board of Trustees under regulations that apply to all members, if the member purchases the service credit within 60 days after the expiration of the leave of absence.

~~**(2) THE PERIOD OF TIME DURING WHICH A MEMBER MAY PURCHASE SERVICE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE EXTENDED BY THE EXECUTIVE DIRECTOR IF:**~~

~~**(i) THE EXECUTIVE DIRECTOR DETERMINES THAT PROCEDURAL EXTENUATING CIRCUMSTANCES IMPACTED THE MEMBER'S ABILITY TO PURCHASE SERVICE CREDIT WITHIN 60 DAYS AFTER THE MEMBER'S LEAVE OF ABSENCE EXPIRED; AND**~~

~~(H) THE PURCHASED SERVICE CREDIT WOULD ALLOW THE MEMBER TO MEET THE ELIGIBILITY SERVICE REQUIREMENTS TO APPLY FOR AN ORDINARY DISABILITY RETIREMENT UNDER § 29-105(A) OF THIS ARTICLE.~~

(2) FOR GOOD CAUSE SHOWN, THE EXECUTIVE DIRECTOR, IN THE EXECUTIVE DIRECTOR'S SOLE DISCRETION, MAY EXTEND THE TIME PERIOD TO PURCHASE SERVICE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION IF:

(I) THE PURCHASED SERVICE CREDIT WOULD ALLOW THE MEMBER TO MEET THE ELIGIBILITY SERVICE REQUIREMENTS TO APPLY FOR AN ORDINARY DISABILITY RETIREMENT UNDER § 29-105(A) OF THIS ARTICLE; AND

(II) THE MEMBER COMPLETES THE PURCHASE OF THE SERVICE CREDIT BEFORE THE EARLIER OF:

1. 4 YEARS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE; OR

2. THE DATE MEMBERSHIP ENDS.

(3) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBSECTION.

24-304.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) (1) A member who is separated from employment may purchase service credit under this title for a leave of absence approved by the Board of Trustees under regulations that apply to all members, if the member purchases the service credit within 60 days after the expiration of the leave of absence.

~~(2) THE PERIOD OF TIME DURING WHICH A MEMBER MAY PURCHASE SERVICE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE EXTENDED BY THE EXECUTIVE DIRECTOR IF:~~

~~(i) THE EXECUTIVE DIRECTOR DETERMINES THAT PROCEDURAL EXTENUATING CIRCUMSTANCES IMPACTED THE MEMBER'S ABILITY TO PURCHASE SERVICE CREDIT WITHIN 60 DAYS AFTER THE MEMBER'S LEAVE OF ABSENCE EXPIRED; AND~~

~~(H) THE PURCHASED SERVICE CREDIT WOULD ALLOW THE MEMBER TO MEET THE ELIGIBILITY SERVICE REQUIREMENTS TO APPLY FOR AN ORDINARY DISABILITY RETIREMENT UNDER § 29-105(A) OF THIS ARTICLE.~~

(2) FOR GOOD CAUSE SHOWN, THE EXECUTIVE DIRECTOR, IN THE EXECUTIVE DIRECTOR'S SOLE DISCRETION, MAY EXTEND THE TIME PERIOD TO PURCHASE SERVICE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION IF:

(I) THE PURCHASED SERVICE CREDIT WOULD ALLOW THE MEMBER TO MEET THE ELIGIBILITY SERVICE REQUIREMENTS TO APPLY FOR AN ORDINARY DISABILITY RETIREMENT UNDER § 29-105(A) OF THIS ARTICLE; AND

(II) THE MEMBER COMPLETES THE PURCHASE OF THE SERVICE CREDIT BEFORE THE EARLIER OF:

1. 4 YEARS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE; OR

2. THE DATE MEMBERSHIP ENDS.

(3) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBSECTION.

25-304.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) (1) A member who is separated from employment may purchase service credit under this title for a leave of absence approved by the Board of Trustees under regulations that apply to all members, if the member purchases the service credit within 60 days after the expiration of the leave of absence.

~~(2) THE PERIOD OF TIME DURING WHICH A MEMBER MAY PURCHASE SERVICE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE EXTENDED BY THE EXECUTIVE DIRECTOR IF:~~

~~(i) THE EXECUTIVE DIRECTOR DETERMINES THAT PROCEDURAL EXTENUATING CIRCUMSTANCES IMPACTED THE MEMBER'S ABILITY TO PURCHASE SERVICE CREDIT WITHIN 60 DAYS AFTER THE MEMBER'S LEAVE OF ABSENCE EXPIRED; AND~~

~~(H) THE PURCHASED SERVICE CREDIT WOULD ALLOW THE MEMBER TO MEET THE ELIGIBILITY SERVICE REQUIREMENTS TO APPLY FOR AN ORDINARY DISABILITY RETIREMENT UNDER § 29-105(A) OF THIS ARTICLE.~~

(2) FOR GOOD CAUSE SHOWN, THE EXECUTIVE DIRECTOR, IN THE EXECUTIVE DIRECTOR'S SOLE DISCRETION, MAY EXTEND THE TIME PERIOD TO PURCHASE SERVICE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION IF:

(I) THE PURCHASED SERVICE CREDIT WOULD ALLOW THE MEMBER TO MEET THE ELIGIBILITY SERVICE REQUIREMENTS TO APPLY FOR AN ORDINARY DISABILITY RETIREMENT UNDER § 29-105(A) OF THIS ARTICLE; AND

(II) THE MEMBER COMPLETES THE PURCHASE OF THE SERVICE CREDIT BEFORE THE EARLIER OF:

1. 4 YEARS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE; OR

2. THE DATE MEMBERSHIP ENDS.

(3) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBSECTION.

26-306.1.

(a) Except as provided in subsection (b) of this section, a member may not purchase service credit under this title if the member is separated from employment.

(b) (1) A member who is separated from employment may purchase service credit under this title for a leave of absence approved by the Board of Trustees under regulations that apply to all members, if the member purchases the service credit within 60 days after the expiration of the leave of absence.

~~(2) THE PERIOD OF TIME DURING WHICH A MEMBER MAY PURCHASE SERVICE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE EXTENDED BY THE EXECUTIVE DIRECTOR IF:~~

~~(i) THE EXECUTIVE DIRECTOR DETERMINES THAT PROCEDURAL EXTENUATING CIRCUMSTANCES IMPACTED THE MEMBER'S ABILITY TO PURCHASE SERVICE CREDIT WITHIN 60 DAYS AFTER THE MEMBER'S LEAVE OF ABSENCE EXPIRED; AND~~

~~(H) THE PURCHASED SERVICE CREDIT WOULD ALLOW THE MEMBER TO MEET THE ELIGIBILITY SERVICE REQUIREMENTS TO APPLY FOR AN ORDINARY DISABILITY RETIREMENT UNDER § 29-105(A) OF THIS ARTICLE.~~

(2) FOR GOOD CAUSE SHOWN, THE EXECUTIVE DIRECTOR, IN THE EXECUTIVE DIRECTOR'S SOLE DISCRETION, MAY EXTEND THE TIME PERIOD TO PURCHASE SERVICE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION IF:

(I) THE PURCHASED SERVICE CREDIT WOULD ALLOW THE MEMBER TO MEET THE ELIGIBILITY SERVICE REQUIREMENTS TO APPLY FOR AN ORDINARY DISABILITY RETIREMENT UNDER § 29-105(A) OF THIS ARTICLE; AND

(II) THE MEMBER COMPLETES THE PURCHASE OF THE SERVICE CREDIT BEFORE THE EARLIER OF:

1. 4 YEARS AFTER THE EXPIRATION OF THE LEAVE OF ABSENCE; OR

2. THE DATE MEMBERSHIP ENDS.

**(3) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBSECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively to an individual who:

(1) enrolled as a member of the Correctional Officers' Retirement System on or after October 1, 2006;

(2) began a Board of Trustees approved leave of absence on or after September 1, 2011; and

(3) separated from employment with the State on or before April 1, 2012.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 363****(Senate Bill 952)**

AN ACT concerning

**Pharmacy Benefits Managers – Pharmacy Contracts – ~~Payments~~ Maximum Allowable Cost Pricing**

FOR the purpose of requiring a pharmacy benefits manager to include in ~~its contract with a pharmacy, a pharmacy services administration organization, or a group purchasing organization the methodology used by the pharmacy benefits manager to calculate a certain reimbursement paid for each drug, medical product, and device that is a covered pharmacy benefit administered by the pharmacy benefits manager;~~ requiring a pharmacy benefits manager to include in its contract with a pharmacy, a pharmacy services administration organization, or a group purchasing organization certain information and a certain methodology, make available to a contracted pharmacy a certain list and a certain maximum allowable cost, review and make certain adjustments to the maximum allowable cost, make available to a contracted pharmacy certain updates, allow a contracted pharmacy to resubmit a claim for payment under certain circumstances, and provide a process for a contracted pharmacy to appeal the maximum allowable cost; establishing certain requirements for the appeal process; requiring a pharmacy benefits manager, if it denies an appeal, to provide the reason for the denial and identify a certain national drug code product; requiring a pharmacy benefits manager to adjust the maximum allowable cost in a certain manner and provide a certain notice under certain circumstances; prohibiting a pharmacy benefits manager from requiring a pharmacy to dispense a prescription for a certain contractual reimbursement amount; defining certain terms; providing for the application of this Act; and generally relating to pharmacy benefits managers and payments to pharmacies for covered drugs, medical products, and devices each contract with a contracted pharmacy, the sources used to determine maximum allowable cost pricing; requiring the pharmacy benefits manager to update its pricing information with a certain frequency and provide a means by which contracted pharmacies may review pricing updates in a certain format; requiring a pharmacy benefits manager to maintain a procedure to eliminate products from a certain list for a certain purpose; requiring a pharmacy benefits manager to ensure that certain conditions are met before placing a prescription drug on a maximum allowable cost list; requiring each contract between a pharmacy benefits manager and a contracted pharmacy to include a certain process for appealing, investigating, and resolving disputes regarding maximum allowable cost pricing; defining certain terms; providing for a delayed effective date; and generally relating to contracts between pharmacy benefits managers and contracted pharmacies and maximum allowable cost pricing.

BY adding to

Article – Insurance

Section 15-1628.1 ~~and 15-1628.2~~

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Insurance**

**15-1628.1.**

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “CONTRACTED PHARMACY” MEANS A PHARMACY THAT PARTICIPATES IN THE NETWORK OF A PHARMACY BENEFITS MANAGER THROUGH A CONTRACT WITH:

(I) THE PHARMACY BENEFITS MANAGER; OR

(II) A PHARMACY SERVICES ADMINISTRATION ORGANIZATION OR A GROUP PURCHASING ORGANIZATION.

~~(3) (I) “DRUG PRODUCT REIMBURSEMENT” MEANS THE AMOUNT PAID BY A PHARMACY BENEFITS MANAGER TO A CONTRACTED PHARMACY FOR THE COST OF A DRUG, A MEDICAL PRODUCT, OR A DEVICE DISPENSED TO A BENEFICIARY.~~

~~(II) “DRUG PRODUCT REIMBURSEMENT” DOES NOT INCLUDE A DISPENSING FEE OR A PROFESSIONAL FEE.~~

(4) (3) “MAXIMUM ALLOWABLE COST” MEANS THE MAXIMUM AMOUNT THAT A PHARMACY BENEFITS MANAGER OR A PURCHASER WILL REIMBURSE A CONTRACTED PHARMACY FOR THE COST OF A MULTISOURCE GENERIC DRUG, A MEDICAL PRODUCT, OR A DEVICE.

(5) (4) “MAXIMUM ALLOWABLE COST LIST” MEANS A LIST OF MULTISOURCE GENERIC DRUGS, MEDICAL PRODUCTS, AND DEVICES FOR WHICH A MAXIMUM ALLOWABLE COST HAS BEEN ESTABLISHED BY A PHARMACY BENEFITS MANAGER OR A PURCHASER.

~~(B) A PHARMACY BENEFITS MANAGER SHALL INCLUDE IN ITS CONTRACT WITH A PHARMACY, A PHARMACY SERVICES ADMINISTRATION ORGANIZATION, OR A GROUP PURCHASING ORGANIZATION THE METHODOLOGY~~

~~USED BY THE PHARMACY BENEFITS MANAGER TO CALCULATE THE DRUG PRODUCT REIMBURSEMENT PAID FOR EACH DRUG, MEDICAL PRODUCT, AND DEVICE THAT IS A COVERED PHARMACY BENEFIT ADMINISTERED BY THE PHARMACY BENEFITS MANAGER.~~

~~(C) A PHARMACY BENEFITS MANAGER SHALL:~~

~~(1) INCLUDE IN ITS CONTRACT WITH A PHARMACY, A PHARMACY SERVICES ADMINISTRATION ORGANIZATION, OR A GROUP PURCHASING ORGANIZATION, FOR EVERY DRUG, MEDICAL PRODUCT, AND DEVICE FOR WHICH THE PHARMACY BENEFITS MANAGER ESTABLISHES A MAXIMUM ALLOWABLE COST TO DETERMINE THE DRUG PRODUCT REIMBURSEMENT;~~

~~(I) INFORMATION IDENTIFYING THE NATIONAL DRUG PRICING COMPENDIA OR OTHER SOURCE USED TO OBTAIN THE DRUG, MEDICAL PRODUCT, AND DEVICE PRICE DATA; AND~~

~~(H) THE METHODOLOGY USED TO CALCULATE THE MAXIMUM ALLOWABLE COST;~~

~~(2) MAKE AVAILABLE TO A CONTRACTED PHARMACY:~~

~~(I) THE MAXIMUM ALLOWABLE COST LIST OF THE PHARMACY BENEFITS MANAGER; AND~~

~~(H) THE MAXIMUM ALLOWABLE COST FOR EACH DRUG, MEDICAL PRODUCT, AND DEVICE ON THE MAXIMUM ALLOWABLE COST LIST;~~

~~(3) AT LEAST EVERY 7 DAYS, REVIEW AND MAKE ANY NECESSARY ADJUSTMENTS TO:~~

~~(I) THE DRUGS, MEDICAL PRODUCTS, AND DEVICES ON THE MAXIMUM ALLOWABLE COST LIST; AND~~

~~(H) THE MAXIMUM ALLOWABLE COST OF EACH DRUG, MEDICAL PRODUCT, AND DEVICE ON THE MAXIMUM ALLOWABLE COST LIST TO REFLECT THE CURRENT MANUFACTURER PRICE FOR THE DRUG, MEDICAL PRODUCT, AND DEVICE;~~

~~(4) AFTER REVIEWING AND MAKING NECESSARY ADJUSTMENTS, MAKE AVAILABLE TO A CONTRACTED PHARMACY WEEKLY UPDATES OF:~~

~~(I) THE MAXIMUM ALLOWABLE COST LIST; AND~~

~~(H) THE MAXIMUM ALLOWABLE COST FOR EACH DRUG, MEDICAL PRODUCT, AND DEVICE ON THE MAXIMUM ALLOWABLE COST LIST;~~

~~(5) ALLOW A CONTRACTED PHARMACY TO RESUBMIT A CLAIM FOR PAYMENT AT THE MAXIMUM ALLOWABLE COST IN EFFECT ON THE DATE OF THE ORIGINAL CLAIM SUBMISSION IF THE PHARMACY'S CLAIM WAS ORIGINALLY SUBMITTED AT A MAXIMUM ALLOWABLE COST THAT CHANGED ON OR BEFORE THE ORIGINAL CLAIM SUBMISSION DATE; AND~~

~~(6) PROVIDE A PROCESS FOR A CONTRACTED PHARMACY TO APPEAL A MAXIMUM ALLOWABLE COST.~~

~~(D) THE APPEAL PROCESS REQUIRED UNDER SUBSECTION (C)(6) OF THIS SECTION SHALL:~~

~~(1) ALLOW A CONTRACTED PHARMACY TO APPEAL A MAXIMUM ALLOWABLE COST WITHIN 60 DAYS AFTER THE DATE OF THE ORIGINAL CLAIM SUBMISSION; AND~~

~~(2) REQUIRE A PHARMACY BENEFITS MANAGER TO INVESTIGATE AND MAKE A DECISION ON AN APPEAL WITHIN 7 BUSINESS DAYS AFTER RECEIVING THE APPEAL.~~

~~(E) IF A PHARMACY BENEFITS MANAGER DENIES AN APPEAL, THE PHARMACY BENEFITS MANAGER SHALL:~~

~~(1) PROVIDE THE REASON FOR THE DENIAL; AND~~

~~(2) IDENTIFY THE NATIONAL DRUG CODE PRODUCT AVAILABLE TO PHARMACIES IN THE STATE THAT MAY BE PURCHASED AT A PRICE AT OR BELOW THE MAXIMUM ALLOWABLE COST.~~

~~(F) IF, AS A RESULT OF AN APPEAL, A PHARMACY BENEFITS MANAGER DETERMINES THAT THE MAXIMUM ALLOWABLE COST HAS BEEN APPLIED INCORRECTLY, THE PHARMACY BENEFITS MANAGER SHALL:~~

~~(1) ADJUST THE MAXIMUM ALLOWABLE COST RETROACTIVE TO THE DATE OF THE ORIGINAL CLAIM; AND~~

~~(2) NOTIFY THE CONTRACTED PHARMACY THAT ALL PAYMENT CLAIMS SUBMITTED AFTER THE EFFECTIVE DATE OF THE MAXIMUM ALLOWABLE COST ADJUSTMENT MAY BE RESUBMITTED, AT NO ADDITIONAL COST TO THE CONTRACTED PHARMACY, FOR PAYMENT AT THE ADJUSTED MAXIMUM ALLOWABLE COST.~~

~~15-1628.2.~~

~~A PHARMACY BENEFITS MANAGER MAY NOT REQUIRE A PHARMACY TO DISPENSE A PRESCRIPTION FOR A CONTRACTUAL REIMBURSEMENT AMOUNT THAT IS BELOW THE PHARMACY'S ACQUISITION COST.~~

(B) IN EACH CONTRACT BETWEEN A PHARMACY BENEFITS MANAGER AND A CONTRACTED PHARMACY, THE PHARMACY BENEFITS MANAGER SHALL INCLUDE THE SOURCES USED TO DETERMINE MAXIMUM ALLOWABLE COST PRICING.

(C) A PHARMACY BENEFITS MANAGER SHALL UPDATE ITS PRICING INFORMATION AT LEAST EVERY 7 DAYS AND PROVIDE A MEANS BY WHICH CONTRACTED PHARMACIES MAY PROMPTLY REVIEW PRICING UPDATES IN A FORMAT THAT IS READILY AVAILABLE AND ACCESSIBLE.

(D) A PHARMACY BENEFITS MANAGER SHALL MAINTAIN A PROCEDURE TO ELIMINATE PRODUCTS FROM THE LIST OF DRUGS SUBJECT TO MAXIMUM ALLOWABLE COST PRICING IN A TIMELY MANNER TO REMAIN CONSISTENT WITH PRICING CHANGES IN THE MARKETPLACE.

(E) BEFORE PLACING A PRESCRIPTION DRUG ON A MAXIMUM ALLOWABLE COST LIST, A PHARMACY BENEFITS MANAGER SHALL ENSURE THAT:

(1) THE DRUG IS LISTED AS "A" OR "B" RATED IN THE MOST RECENT VERSION OF THE U.S. FOOD AND DRUG ADMINISTRATION'S APPROVED DRUG PRODUCTS WITH THERAPEUTIC EQUIVALENCE EVALUATIONS, ALSO KNOWN AS THE ORANGE BOOK, OR HAS AN "NR" OR "NA" RATING OR SIMILAR RATING BY A NATIONALLY RECOGNIZED REFERENCE; AND

(2) THE DRUG IS GENERALLY AVAILABLE FOR PURCHASE BY CONTRACTED PHARMACIES IN THE STATE FROM A NATIONAL OR REGIONAL WHOLESALE DISTRIBUTOR AND IS NOT OBSOLETE.

(F) EACH CONTRACT BETWEEN A PHARMACY BENEFITS MANAGER AND A CONTRACTED PHARMACY MUST INCLUDE A PROCESS TO APPEAL, INVESTIGATE, AND RESOLVE DISPUTES REGARDING MAXIMUM ALLOWABLE COST PRICING THAT INCLUDES:

(1) A REQUIREMENT THAT AN APPEAL BE FILED NO LATER THAN 21 DAYS AFTER THE DATE OF THE INITIAL CLAIM;

**(2) A REQUIREMENT THAT AN APPEAL BE INVESTIGATED AND RESOLVED WITHIN 21 DAYS AFTER THE DATE THE APPEAL IS FILED;**

**(3) A TELEPHONE NUMBER AT WHICH THE CONTRACTED PHARMACY MAY CONTACT THE PHARMACY BENEFITS MANAGER TO SPEAK TO AN INDIVIDUAL RESPONSIBLE FOR PROCESSING APPEALS;**

**(4) A REQUIREMENT THAT A PHARMACY BENEFITS MANAGER PROVIDE:**

**(I) A REASON FOR ANY APPEAL DENIAL; AND**

**(II) THE NATIONAL DRUG CODE OF A DRUG THAT MAY BE PURCHASED BY THE CONTRACTED PHARMACY AT A PRICE AT OR BELOW THE BENCHMARK PRICE DETERMINED BY THE PHARMACY BENEFITS MANAGER; AND**

**(5) IF AN APPEAL IS UPHELD, A REQUIREMENT THAT A PHARMACY BENEFITS MANAGER:**

**(I) MAKE THE CHANGE IN THE MAXIMUM ALLOWABLE COST NO LATER THAN 1 BUSINESS DAY AFTER THE DATE OF DETERMINATION ON THE APPEAL; AND**

**(II) PERMIT THE APPEALING CONTRACTING PHARMACY TO REVERSE AND REBILL THE CLAIM, AND ANY SUBSEQUENT SIMILAR CLAIMS.**

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all contracts between a pharmacy benefits manager and a pharmacy, a pharmacy services administration organization, or a group purchasing organization entered into or renewed on or after July 1, 2014.~~

SECTION ~~2.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July 1, 2014~~ January 1, 2015.

Approved by the Governor, May 5, 2014.

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## Chapter 364

(Senate Bill 977)

AN ACT concerning

**Property and Casualty Insurance – Notices – Use of First-Class Mail  
Tracking Methods**

FOR the purpose of altering the manner in which certain insurers are required to notify certain persons of the rescission, cancellation, nonrenewal, or termination of certain policies or binders of certain property or casualty insurance, of the offer of certain coverage for water damage, of certain information about flood insurance, of certain optional coverages, of certain notices concerning portable electronics insurance, or of an increase in the total premium for a policy of private passenger motor vehicle liability insurance; making certain conforming changes; defining a certain term; and generally relating to notices required under policies of property or casualty insurance.

~~BY renumbering~~

~~Article – Insurance~~

~~Section 27-602(b) and (c), 27-603(b), (c), and (e), and 27-613(b), (c), (f), (g), (h), (i), and (j), respectively  
to be Section 27-602(e) and (d), 27-603(e), (d), and (f), and 27-613(e), (d), (g), (h), (i), (j), and (k), respectively~~

BY repealing and reenacting, without amendments,

Article – Insurance

Section 1-101(a)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article – Insurance

Section 1-101(m-1)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section ~~12-106(a), (f),~~ 12-106(f) and (j)(3), ~~27-602(a)~~ 19-202(b), 19-206(a)(2) and (c), 19-207(a)(2) and (c), 19-903(h)(2), 27-601.2(c), 27-602(c)(1) and (d), 27-603(a) and (d) 27-603(c)(1), (d), and (e)(1), 27-613(a), 27-613(b)(2), (c)(1), and (d), and (e), and 27-614(a) and (e)(1) 27-614(c)(1)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

~~BY repealing and reenacting, without amendments,~~

~~Article – Insurance~~

~~Section 12-106(b) and 27-614(b)~~

~~Annotated Code of Maryland~~

~~(2011 Replacement Volume and 2013 Supplement)~~

~~BY adding to~~

~~Article – Insurance~~

~~Section 27-602(a), 27-603(a), and 27-613(a)~~

~~Annotated Code of Maryland~~

~~(2011 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article – Insurance~~

~~Section 27-602(e)(1) and (d)(1), 27-603(e)(1), (d)(1), and (f)(1), and 27-613(e)(2),~~

~~(d)(1), and (g)(1)~~

~~Annotated Code of Maryland~~

~~(2011 Replacement Volume and 2013 Supplement)~~

~~(As enacted by Section 1 of this Act)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That ~~Section(s) 27-602(b) and (e), 27-603(b), (e), and (e), and 27-613(b), (e), (f), (g), (h), (i), and (j), respectively, of Article – Insurance of the Annotated Code of Maryland be renumbered to be Section(s) 27-602(e) and (d), 27-603(e) and (f), and 27-613(e), (d), (h), (i), (j), and (k), respectively.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That~~ the Laws of Maryland read as follows:

### Article – Insurance

1-101.

(a) In this article the following words have the meanings indicated.

(M-1) (1) “FIRST-CLASS MAIL TRACKING METHOD” MEANS A MAIL TRACKING METHOD THAT PROVIDES EVIDENCE OF THE DATE THAT A PIECE OF FIRST-CLASS MAIL WAS ACCEPTED FOR MAILING BY THE UNITED STATES POSTAL SERVICE.

(2) “FIRST-CLASS MAIL TRACKING METHOD” INCLUDES:

(I) A CERTIFICATE OF MAIL; AND

(II) AN ELECTRONIC MAIL TRACKING SYSTEM USED BY THE UNITED STATES POSTAL SERVICE.

(3) “FIRST-CLASS MAIL TRACKING METHOD” DOES NOT INCLUDE A CERTIFICATE OF BULK MAILING.

12-106.

~~(a) (1) In this section the following words have the meanings indicated:~~

~~(2) (i) “FIRST CLASS MAIL TRACKING METHOD” MEANS A MAIL TRACKING METHOD THAT PROVIDES EVIDENCE OF THE DATE THAT A PIECE OF FIRST CLASS MAIL WAS ACCEPTED FOR MAILING BY THE UNITED STATES POSTAL SERVICE.~~

~~(ii) “FIRST CLASS MAIL TRACKING METHOD” INCLUDES:~~

- ~~1. A CERTIFICATE OF MAIL; AND~~
- ~~2. AN ELECTRONIC MAIL TRACKING SYSTEM USED BY THE UNITED STATES POSTAL SERVICE.~~

~~(iii) “FIRST CLASS MAIL TRACKING METHOD” DOES NOT INCLUDE A CERTIFICATE OF BULK MAILING.~~

~~[(2)] (3) (i) “Material risk factor” means a risk factor that:~~

- ~~1. was incorrectly recorded or not disclosed by the insured in an application for insurance;~~
- ~~2. was in existence on the date of the application; and~~
- ~~3. modifies the premium charged on the policy or binder in accordance with the rates and supplementary rating information filed by the insurer under Title 11, Subtitle 3 of this article.~~

~~(ii) “Material risk factor” does not include:~~

- ~~1. information that constitutes a material misrepresentation; or~~
- ~~2. a change initiated by an insured, including any request by the insured that results in a change in coverage, change in deductible, or other change to a policy.~~

~~[(3)] (4) “Personal insurance” means property insurance or casualty insurance issued to an individual, trust, estate, or similar entity that is intended to insure against loss arising principally from the personal, noncommercial activities of the insured.~~

~~(b) This section applies only to a binder or policy, other than a renewal policy, of personal insurance, commercial property insurance, and commercial liability insurance.~~

(f) (1) Except as provided in paragraph (2) of this subsection, a notice of cancellation under this section shall:

- (i) be in writing;
- (ii) have an effective date not less than 15 days after mailing;
- (iii) state clearly and specifically the insurer's actual reason for the cancellation; and

(iv) be sent by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD** to the named insured's last known address.

(2) A notice of cancellation under this section for nonpayment of premium shall:

- (i) be in writing;
- (ii) have an effective date of not less than 10 days after mailing;
- (iii) state the insurer's intent to cancel for nonpayment of premium; and

(iv) be sent by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD** to the named insured's last known address.

(j) (3) To rescind a policy or binder, an insurer shall send, immediately or the next business day after receipt of a notice that the check or other remittance for the initial premium payment was not honored on presentation to the financial institution, written notice to the applicant and any secured creditor, by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD** and, if available, by electronic mail or other electronic means, to the applicant's and any secured creditor's last known address, stating that:

(i) 1. the policy or binder is rescinded as of its proposed effective date because the applicant's check or other remittance for the initial premium payment was not honored on presentation to the financial institution; and

2. no coverage is in effect under the policy or binder; but

(ii) the insurer shall continue or reinstate the policy or binder without a lapse in coverage if:

1. the financial institution erroneously failed to honor the check or other remittance and the applicant:

- A. promptly notifies the insurer of the error; and
  - B. provides documentation of the financial institution's error to the insurer as it becomes available and on request of the insurer; or
2. the applicant or any secured creditor pays the insurer the amount of the initial premium within 5 business days after the insurer has sent notice to the applicant and any secured creditor that the check or other remittance for the initial premium payment was not honored.

19-202.

*(b) If an application or renewal is made by telephone, the insurer is deemed to be in compliance with subsection (a) of this section if, within 7 calendar days after the date of application or renewal, the insurer sends [by certificate of mailing] the offer to the applicant or insured **BY A FIRST-CLASS MAIL TRACKING METHOD.***

19-206.

*(a) (2) If an application is made by telephone, the insurer is deemed to be in compliance with this section if, within 7 calendar days after the date of application, the insurer sends [by certificate of mailing] the notice to the applicant or insured **BY A FIRST-CLASS MAIL TRACKING METHOD.***

*(c) A notice required to be sent by [certificate of mailing] **A FIRST-CLASS MAIL TRACKING METHOD** under this section may be sent with the statement required under § 19-207 of this subtitle.*

19-207.

*(a) (2) If an application is made by telephone, the insurer is deemed to be in compliance with this section if, within 7 calendar days after the date of application, the insurer sends [by certificate of mailing] the statement to the applicant or insured **BY A FIRST-CLASS MAIL TRACKING METHOD.***

*(c) A statement required to be sent by [certificate of mailing] **A FIRST-CLASS MAIL TRACKING METHOD** under this section may be sent with the notice required under § 19-206 of this subtitle.*

19-903.

*(h) (2) (i) Unless notice by electronic means is authorized under paragraph (3) or (4) of this subsection, notice under this section shall be provided by [mail] **A FIRST-CLASS MAIL TRACKING METHOD** in accordance with subparagraphs (ii) and (iii) of this paragraph.*

(ii) Notice shall be mailed to the vendor at the vendor's last known mailing address on file with the insurer.

(iii) Notice shall be mailed to a covered customer at the covered customer's last known mailing address on file with the insurer or vendor.

(iv) The insurer or vendor responsible for mailing the notice under this section shall maintain proof of mailing.

27-601.2.

(c) Delivery of a notice in accordance with subsection (b) of this section shall be considered equivalent to any delivery method required under this subtitle, including delivery by first-class mail, certified mail, [certificate of mail, or certificate of mailing] OR A FIRST-CLASS MAIL TRACKING METHOD.

27-602.

~~(A) (1) IN THIS SECTION, "FIRST CLASS MAIL TRACKING METHOD" MEANS A MAIL TRACKING METHOD THAT PROVIDES EVIDENCE OF THE DATE THAT A PIECE OF FIRST CLASS MAIL WAS ACCEPTED FOR MAILING BY THE UNITED STATES POSTAL SERVICE.~~

~~(2) "FIRST CLASS MAIL TRACKING METHOD" INCLUDES:~~

~~(I) A CERTIFICATE OF MAIL; AND~~

~~(II) AN ELECTRONIC MAIL TRACKING SYSTEM USED BY THE UNITED STATES POSTAL SERVICE.~~

~~(3) "FIRST CLASS MAIL TRACKING METHOD" DOES NOT INCLUDE A CERTIFICATE OF BULK MAILING.~~

~~[(a)] (B) (1) This section applies only to policies of:~~

~~(i) personal insurance; and~~

~~(ii) homeowner's insurance under which a onetime guaranteed fully refundable deposit is required for a stated amount of coverage.~~

~~(2) This section does not apply to policies in effect for 45 days or less, as provided in § 12-106 of this article.~~

~~(e) (1) Whenever an insurer, as required by subsection [(e)] (D) of this section, gives notice of its intention to cancel or not to renew a policy subject to this~~

~~section issued in the State or before an insurer cancels a policy subject to this section issued in the State for a reason other than nonpayment of premium, the insurer shall notify the insured of the possible right of the insured to replace the insurance under the Maryland Property Insurance Availability Act or through another plan for which the insured may be eligible.~~

~~(d)~~ (c) (1) Subject to paragraph (5) of this subsection, at least 45 days before the date of the proposed cancellation or expiration of the policy, the insurer shall send to the named insured at the named insured's last known address, by [certificate of mail] A FIRST-CLASS MAIL TRACKING METHOD, a written notice of intention to cancel for a reason other than nonpayment of premium or notice of intention not to renew a policy issued in the State.

~~(d)~~ (E) At least 10 days before the date an insurer proposes to cancel a policy for nonpayment of premium, the insurer shall send to the named insured, at the named insured's last known address, by [certificate of mail] A FIRST-CLASS MAIL TRACKING METHOD, a written notice of intention to cancel for nonpayment of premium.

27-603.

~~(A) (1) IN THIS SECTION, "FIRST-CLASS MAIL TRACKING METHOD" MEANS A MAIL TRACKING METHOD THAT PROVIDES EVIDENCE OF THE DATE THAT A PIECE OF FIRST CLASS MAIL WAS ACCEPTED FOR MAILING BY THE UNITED STATES POSTAL SERVICE.~~

~~(2) "FIRST-CLASS MAIL TRACKING METHOD" INCLUDES:~~

~~(i) A CERTIFICATE OF MAIL; AND~~

~~(ii) AN ELECTRONIC MAIL TRACKING SYSTEM USED BY THE UNITED STATES POSTAL SERVICE.~~

~~(3) "FIRST-CLASS MAIL TRACKING METHOD" DOES NOT INCLUDE A CERTIFICATE OF BULK MAILING.~~

~~(a)~~ (B) (1) This section applies only to policies of commercial insurance.

~~(2) This section does not apply to:~~

~~(i) policies in effect for 45 days or less, as provided in § 12-106 of this article; or~~

~~(ii) policies issued to exempt commercial policyholders under § 11-206 of this article, if the policies provide for written notice of not less than 30 days of the insurer's intent to cancel or nonrenew.~~

~~(e) (1) Whenever an insurer, as required by subsection [(e)] (D) of this section, gives notice of its intention to cancel or not to renew a policy issued in this State for a reason other than nonpayment of premium, the insurer shall notify the insured of the possible right to replace the insurance under the Maryland Property Insurance Availability Act, through the Maryland Automobile Insurance Fund, or through another plan for which the insured may be eligible.~~

~~(d) (c) (1)~~ Subject to paragraph (5) of this subsection, at least 45 days before the date of the proposed cancellation or expiration of the policy, the insurer shall send to the insured, by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD** or by commercial mail delivery service, written notice of intention to cancel for a reason other than nonpayment of premium or notice of intention not to renew a policy issued in the State.

~~[(d)] (E)~~ At least 10 days before the date an insurer proposes to cancel a policy for nonpayment of premium, the insurer shall send to the insured, by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD**, a written notice of intention to cancel for nonpayment of premium.

~~(e) (e) (1)~~ If an insurer provides a renewal policy and notice of premium due to an insured at least 45 days before the renewal date of the policy and the insured fails to make the required payment by the renewal date, the insurer may terminate the policy on the renewal date for nonpayment of premium after sending to the insured, by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD**, a written offer to reinstate the renewal policy without lapse in coverage.

27-613.

~~(A) (1) IN THIS SECTION, “FIRST-CLASS MAIL TRACKING METHOD” MEANS A MAIL TRACKING METHOD THAT PROVIDES EVIDENCE OF THE DATE THAT A PIECE OF FIRST CLASS MAIL WAS ACCEPTED FOR MAILING BY THE UNITED STATES POSTAL SERVICE.~~

~~(2) “FIRST-CLASS MAIL TRACKING METHOD” INCLUDES:~~

~~(i) A CERTIFICATE OF MAIL; AND~~

~~(ii) AN ELECTRONIC MAIL TRACKING SYSTEM USED BY THE UNITED STATES POSTAL SERVICE.~~

~~(3) “FIRST-CLASS MAIL TRACKING METHOD” DOES NOT INCLUDE A CERTIFICATE OF BULK MAILING.~~

~~[(a)] (B) (1) This section applies only to private passenger motor vehicle liability insurance.~~

~~(2) This section does not apply to the Maryland Automobile Insurance Fund.~~

~~(b)~~ (2) Notwithstanding paragraph (1) of this subsection, the requirements of this section do not apply if:

(i) the reduction in coverage described in paragraph (1)(ii) of this subsection is part of a general reduction in coverage approved by the Commissioner or satisfies the requirements of Title 19, Subtitle 5 of this article; or

(ii) the failure to renew the policy takes place under a plan of withdrawal that:

1. is approved by the Commissioner under § 27–606 of this subtitle; and

2. provides that each insured affected by the plan of withdrawal shall be sent by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD** at least 45 days before the nonrenewal of the policy a written notice that states the date that the policy will be nonrenewed and that the nonrenewal is the result of the withdrawal of the insurer from the market.

~~(c)~~ (1) At least 45 days before the proposed effective date of the action, an insurer that intends to take an action subject to this section shall send written notice of its proposed action to the insured at the last known address of the insured:

(i) for notice of cancellation or nonrenewal, by certified mail; and

(ii) for all other notices of actions subject to this section, by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD**.

~~(d)~~ ~~(E)~~ At least 10 days before the date an insurer proposes to cancel a policy for nonpayment of premium, the insurer shall send to the insured, by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD**, a written notice of intention to cancel for nonpayment of premium.

~~(e)~~ ~~(F)~~ A statement of actual reason contained in the notice given under subsection ~~(e)~~ ~~(D)~~ of this section is privileged and does not constitute grounds for an action against the insurer, its representatives, or another person that in good faith provides to the insurer information on which the statement is based.

~~(g)~~ (1) This subsection does not apply to an action of an insurer taken under subsection ~~(d)~~ ~~(E)~~ of this section.

27-614.

(a) ~~(1) In this section, “increase”~~ ~~THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) (I) “FIRST CLASS MAIL TRACKING METHOD” MEANS A MAIL TRACKING METHOD THAT PROVIDES EVIDENCE OF THE DATE THAT A PIECE OF FIRST CLASS MAIL WAS ACCEPTED FOR MAILING BY THE UNITED STATES POSTAL SERVICE.~~

~~(II) “FIRST CLASS MAIL TRACKING METHOD” INCLUDES:~~

~~1. A CERTIFICATE OF MAIL; AND~~

~~2. AN ELECTRONIC MAIL TRACKING SYSTEM USED BY THE UNITED STATES POSTAL SERVICE.~~

~~(III) “FIRST CLASS MAIL TRACKING SYSTEM” DOES NOT INCLUDE A CERTIFICATE OF BULK MAILING.~~

~~(3) “INCREASE in premium” and “premium increase” include an increase in total premium for a policy due to:~~

~~[(1)] (I) a surcharge;~~

~~[(2)] (II) re-rating or other reclassification of an insured; or~~

~~[(3)] (III) removal or reduction of a discount.~~

~~(b) (1) This section applies only to private passenger motor vehicle liability insurance.~~

~~(2) This section does not apply to the Maryland Automobile Insurance Fund.~~

~~(3) This section does not apply to an increase in premium made by an insurer during the 45-day underwriting period in accordance with § 12-106(d)(2) and (3) of this article.~~

(c) (1) Except as provided in paragraph (2) of this subsection, at least 45 days before the effective date of an increase in the total premium for a policy of private passenger motor vehicle liability insurance, the insurer shall send written notice of the premium increase to the insured at the last known address of the insured by [certificate of mail] **A FIRST-CLASS MAIL TRACKING METHOD.**

SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 365

(Senate Bill 985)

AN ACT concerning

### **Maryland Clean Energy Center – Green Banks and Clean Bank Financing and Risk Management Program – Study**

FOR the purpose of ~~establishing the Maryland Clean Energy Financing and Risk Management Program; establishing the purposes of the Program; requiring the Maryland Clean Energy Center to administer the Program; requiring the Center to provide certain forms of financing support or risk management for certain projects that meet certain guidelines; requiring the Center to assess certain fees, ensure that certain bonds are sold in a certain manner, use certain networks and methods to identify certain projects, coordinate with certain other projects, and adopt certain regulations; authorizing the Center to take certain measures to cover certain risks and to facilitate certain transactions to carry out the purposes of the Program; requiring an applicant for financing support or risk management to submit a certain application to the Center in a certain manner; requiring the Center to consider certain criteria in evaluating an applicant for financing support or risk management; authorizing the Center to provide financing support or risk management for a clean energy project only under certain conditions; requiring the Executive Director of the Center to require an entity that receives certain financing support or risk management to provide a certain quarterly report and make the report available to the public; authorizing the Executive Director to establish additional reporting requirements; authorizing the Executive Director to deobligate certain financing support and award the funds to another applicant under certain circumstances; establishing the Maryland Clean Energy Center Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Center to administer the Fund; requiring the State Treasurer to hold the Fund and invest the money of the Fund in a certain manner; requiring that any investment earnings of the Fund be credited to the Fund; requiring the Comptroller to account for the Fund; specifying the contents of the Fund; providing for expenditures from the Fund; requiring a certain annual report to include certain information; exempting the Fund from a certain provision of law requiring interest on State money in special funds to accrue to the General Fund of the State; repealing a certain provision of law stating the intent of the General Assembly regarding funding from a certain source; clarifying the intent of the General Assembly~~

~~regarding certain financial assistance; defining certain terms; requiring the Maryland Clean Energy Center, in collaboration with the Maryland Energy Administration, to conduct a study of green banks and clean bank financing initiatives; requiring the Center, in collaboration with the Administration, to consult with certain persons or entities; requiring the Center, in collaboration with the Administration, to consider certain items in its analysis and make certain recommendations; requiring the Center, in collaboration with the Administration, to submit certain reports to certain committees of the General Assembly on or before certain dates; and generally relating to the Maryland Clean Energy Financing and Risk Management Program Center and a study of green banks and clean bank financing.~~

~~BY repealing and reenacting, without amendments,~~

~~Article — Economic Development~~

~~Section 10-801(a), (c), (f), (i), and (n), 10-802(b), 10-806(d), and 10-826~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — Economic Development~~

~~Section 10-802(e)~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2013 Supplement)~~

~~BY renumbering~~

~~Article — Economic Development~~

~~Section 10-854 and the part “Part V. Short Title”~~

~~to be Section 10-860 and the part “Part VI. Short Title”~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2013 Supplement)~~

~~BY adding to~~

~~Article — Economic Development~~

~~Section 10-854 through 10-866 to be under the new part “Part V. Maryland Clean Energy Financing and Risk Management Program”~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2013 Supplement)~~

~~BY repealing and reenacting, without amendments,~~

~~Article — State Finance and Procurement~~

~~Section 6-226(a)(2)(i)~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — State Finance and Procurement~~

~~Section 6-226(a)(2)(ii)76. and 77.~~

~~Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)~~

~~BY adding to~~

~~Article — State Finance and Procurement  
Section 6-226(a)(2)(ii)78.  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Chapter 137 of the Acts of the General Assembly of 2008  
Section 3~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That ~~Section(s) 10-854 and the part “Part V. Short Title”, respectively, of Article — Economic Development of the Annotated Code of Maryland be renumbered to be Section(s) 10-869 and the part “Part VI. Short Title”, respectively;~~

(a) The Maryland Clean Energy Center, in collaboration with the Maryland Energy Administration, shall conduct a study of green banks and clean bank financing initiatives, including aspects of implementation and funding, as specified under this section.

(b) In conducting the study, the Center, in collaboration with the Administration, shall consult with any person or entity that the Center determines appropriate, including utilities, industry representatives, financial organizations, and the Coalition for Green Capital.

(c) In conducting the study, the Center, in collaboration with the Administration, shall:

(1) review the structure and organization of green banks and clean bank financing initiatives established in other states;

(2) examine the method of capitalization of established green banks and clean bank financing initiatives;

(3) examine the sources, type, and amount of private capital leveraged or invested in connection with the establishment of a green bank or clean bank financing initiative;

(4) review the financial services provided by existing green banks and clean bank financing initiatives;

(5) review the need to provide low-cost financing to clean energy, renewable energy, and energy efficiency projects; consider whether to warehouse and securitize clean energy, renewable energy, and energy efficiency financial instruments;

and review any other gaps in the availability of financing for clean energy, renewable energy, and energy efficiency projects in the State;

(6) review the impact of existing Maryland financial programs on the renewable and energy conservation industries; and

(7) consider any other relevant information that the Center or Administration determines appropriate.

(d) Based on its analysis in conducting the study, the Center, in collaboration with the Administration, shall make recommendations as to:

(1) the need for a green bank or clean bank financing initiative in the State;

(2) the scope of a proposed green bank or clean bank financing initiative, including target industries and financing capabilities;

(3) the possible sources of capital for a green bank or clean bank financing initiative;

(4) the best method for establishing a green bank or clean bank financing initiative in the State; and

(5) any other relevant aspect relating to green banks and clean bank financing initiatives that the Center or Administration determines appropriate.

(e) (1) On or before December 1, 2014, the Center, in collaboration with the Administration, shall submit an interim report, in accordance with § 2-1246 of the State Government Article, on its findings and recommendations to the Senate Finance Committee and the House Economic Matters Committee.

(2) On or before December 1, 2015, the Center, in collaboration with the Administration, shall submit a final report, in accordance with § 2-1246 of the State Government Article, on its findings and recommendations to the Senate Finance Committee and the House Economic Matters Committee.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~**Article — Economic Development**~~

~~10-801.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

- (e) ~~“Center” means the Maryland Clean Energy Center.~~
- (f) ~~“Clean energy” includes:~~
- ~~(1) solar photovoltaic technology;~~
  - ~~(2) solar heating;~~
  - ~~(3) geothermal;~~
  - ~~(4) wind;~~
  - ~~(5) biofuels;~~
  - ~~(6) ethanol;~~
  - ~~(7) other qualifying biomass as defined in § 7-701 of the Public Utilities Article;~~
  - ~~(8) ocean, including energy from waves, tides, currents, and thermal differences;~~
  - ~~(9) a fuel cell that produces energy from biofuels, ethanol, or other qualifying biomass;~~
  - ~~(10) energy efficiency and conservation;~~
  - ~~(11) any other technology or service that the Center determines will contribute directly or indirectly to the production of energy from renewable or sustainable sources, or to the improvement of efficiency in the use of energy; and~~
  - ~~(12) deployment of any of the technologies or services listed in items (1) through (11) of this subsection.~~
- (i) ~~“Executive Director” means the Executive Director of the Maryland Clean Energy Center.~~
- (n) (1) ~~“Project” means any property, the acquisition or improvement of which the Board, in its sole discretion, determines by resolution will accomplish at least one of the purposes listed in § 10-802(b) of this subtitle, whether or not the property:~~
- ~~(i) is or will be used or operated for profit or not for profit;~~
  - ~~(ii) is or will be located on a single site or multiple sites; or~~

~~(iii) may be financed by bonds, the interest on which is exempt from income taxation under federal law.~~

~~(2) "Project" includes:~~

~~(i) land or an interest in land;~~

~~(ii) structures, equipment, furnishings, rail or motor vehicles, barges, and boats;~~

~~(iii) property and rights related to property, appurtenances, rights of way, franchises, and easements;~~

~~(iv) property that is functionally related and subordinate to a project; and~~

~~(v) patents, licenses, and other rights necessary or useful in the improvement or operation of a project.~~

~~10-802.~~

~~(b) The purposes of this subtitle are to:~~

~~(1) encourage the development of clean energy industries in the State;~~

~~(2) encourage the deployment of clean energy technologies in the State;~~

~~(3) help retain and attract business activity and commerce in the clean energy technology industry sector in the State;~~

~~(4) promote economic development; and~~

~~(5) promote the health, safety, and welfare of residents of the State.~~

~~(c) The General Assembly intends that:~~

~~(1) the Center operate and exercise its corporate powers in all areas of the State;~~

~~(2) without limiting its authority to otherwise exercise its corporate powers, the Center exercise its corporate powers to assist governmental units and State and local economic development agencies to contribute to the expansion, modernization, and retention of existing enterprises in the State as well as the attraction of new business to the State;~~

~~(3) the Center cooperate with private industries and local governments in maximizing new economic opportunities for residents of the State; and~~

~~(4) the Center accomplish at least one of the purposes listed in subsection (b) of this section and complement existing State marketing and financial assistance programs by:~~

~~(i) owning projects;~~

~~(ii) leasing projects to other persons; or~~

~~(iii) [lending the proceeds of bonds] PROVIDING RISK MANAGEMENT AND FINANCIAL SUPPORT, INCLUDING MAKING LOANS to other persons to finance the costs of acquiring or improving projects that the persons own or will own.~~

~~10-806.~~

~~(d) The purposes of the Center are to:~~

~~(1) promote economic development and jobs in the clean energy industry sector in the State;~~

~~(2) promote the deployment of clean energy technology in the State;~~

~~(3) serve as an incubator for the development of clean energy industry in the State;~~

~~(4) collect, analyze, and disseminate industry data; and~~

~~(5) provide outreach and technical support to further the clean energy industry in the State.~~

~~10-826.~~

~~(a) On or before October 1 of each year, the Center shall report to the Governor, the Administration, and, in accordance with § 2-1246 of the State Government Article, the General Assembly.~~

~~(b) The report shall include a complete operating and financial statement covering the Center's operations and a summary of the Center's activities during the preceding fiscal year.~~

~~**PART V. MARYLAND CLEAN ENERGY FINANCING AND RISK MANAGEMENT PROGRAM.**~~

~~10-854.~~

~~(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED:~~

~~(B) "CLEAN ENERGY INFRASTRUCTURE PROJECT" MEANS THE CONSTRUCTION, ALTERATION, OR REPAIR OF ANY INFRASTRUCTURE NECESSARY FOR THE DEPLOYMENT OF TECHNOLOGIES, PRODUCTS, OR SERVICES THAT AVOID OR REDUCE EMISSIONS OF AIR POLLUTANTS OR GREENHOUSE GASES, INCLUDING:~~

~~(1) ELECTRIC TRANSMISSION AND DISTRIBUTION FACILITIES INTERCONNECTED TO RENEWABLE ENERGY PROJECTS OR SYSTEM EFFICIENCY PROJECTS;~~

~~(2) NATURAL GAS TRANSPORTATION AND DISTRIBUTION SYSTEMS, INCLUDING NATURAL GAS VEHICLE FUELING STATIONS;~~

~~(3) HYDROGEN TRANSPORTATION AND DISTRIBUTION SYSTEMS, INCLUDING HYDROGEN VEHICLE FUELING STATIONS; AND~~

~~(4) ELECTRIC VEHICLE CHARGING STATIONS.~~

~~(C) (1) "CLEAN ENERGY PROJECT" MEANS AN ACTIVITY THE PRIMARY PURPOSE OF WHICH IS THE DEVELOPMENT OR DEPLOYMENT, INCLUDING MANUFACTURING, OF AN ENERGY TECHNOLOGY, PRODUCT, OR SERVICE THAT AVOIDS OR REDUCES EMISSIONS OF AIR POLLUTANTS OR GREENHOUSE GASES.~~

~~(2) "CLEAN ENERGY PROJECT" INCLUDES:~~

~~(I) A CLEAN ENERGY INFRASTRUCTURE PROJECT;~~

~~(II) AN ENERGY EFFICIENCY PROJECT;~~

~~(III) AN INNOVATIVE ENERGY TECHNOLOGY PROJECT;~~

~~(IV) A RENEWABLE ENERGY PROJECT;~~

~~(V) A SYSTEM EFFICIENCY PROJECT; AND~~

~~(VI) ANY COMBINATION OF THE PROJECTS LISTED IN ITEMS (I) THROUGH (V) OF THIS PARAGRAPH.~~

~~(D) (1) “ENERGY EFFICIENCY PROJECT” MEANS ANY PROJECT, TECHNOLOGY, PRODUCT, SERVICE, FUNCTION, OR MEASURE OR AN AGGREGATION OF PROJECTS, TECHNOLOGIES, PRODUCTS, SERVICES, FUNCTIONS, OR MEASURES THAT:~~

~~(I) RESULTS IN THE REDUCTION OF ENERGY USE REQUIRED TO ACHIEVE THE SAME LEVEL OF SERVICE OR OUTPUT AS THAT ACHIEVED BEFORE THE APPLICATION OF THE PROJECT, TECHNOLOGY, PRODUCT, SERVICE, FUNCTION, OR MEASURE; OR~~

~~(II) REDUCES EMISSIONS OF GREENHOUSE GAS RELATIVE TO EMISSIONS THAT WOULD HAVE OCCURRED BEFORE THE APPLICATION OF THE PROJECT, TECHNOLOGY, PRODUCT, SERVICE, FUNCTION, OR MEASURE.~~

~~(2) “ENERGY EFFICIENCY PROJECT” INCLUDES PROJECTS, TECHNOLOGIES, PRODUCTS, SERVICES, FUNCTIONS, OR MEASURES THAT REDUCE THE AMOUNT OF ENERGY ASSOCIATED WITH WATER CAPTURE, CONVEYANCE, USE, REUSE, RECYCLING, OR TREATMENT.~~

~~(E) “FUND” MEANS THE MARYLAND CLEAN ENERGY CENTER FUND.~~

~~(F) “INNOVATIVE ENERGY TECHNOLOGY PROJECT” MEANS AN ACTIVITY:~~

~~(1) (I) THE PRIMARY PURPOSE OF WHICH IS THE DEVELOPMENT OR DEPLOYMENT, INCLUDING MANUFACTURING, OF AN ENERGY TECHNOLOGY, PRODUCT, OR SERVICE THAT AVOIDS OR REDUCES EMISSIONS OF AIR POLLUTANTS OR GREENHOUSE GASES; AND~~

~~(II) THAT EMPLOYS NEW OR SIGNIFICANTLY IMPROVED TECHNOLOGIES COMPARED TO THE TECHNOLOGIES IN GENERAL USE IN THE COMMERCIAL MARKETPLACE IN THE UNITED STATES; OR~~

~~(2) (I) THE PRIMARY PURPOSE OF WHICH IS MANUFACTURING A COMMERCIALY READY ENERGY TECHNOLOGY OR PRODUCT THAT AVOIDS OR REDUCES EMISSIONS OF AIR POLLUTANTS OR GREENHOUSE GASES; AND~~

~~(II) THAT INCORPORATES AN INNOVATIVE MANUFACTURING PROCESS NOT IN GENERAL USE IN THE COMMERCIAL MARKETPLACE IN THE UNITED STATES.~~

~~(G) “PROGRAM” MEANS THE MARYLAND CLEAN ENERGY FINANCING AND RISK MANAGEMENT PROGRAM.~~

~~(H) "PROJECT" INCLUDES A CLEAN ENERGY PROJECT.~~

~~(I) "RENEWABLE ENERGY PROJECT" MEANS THE DEVELOPMENT, CONSTRUCTION, DEPLOYMENT, ALTERATION, OR REPAIR OF THE FOLLOWING TYPES OF ENERGY GENERATION FACILITIES:~~

- ~~(1) SOLAR;~~
- ~~(2) WIND;~~
- ~~(3) GEOTHERMAL;~~
- ~~(4) APPROPRIATELY SOURCED BIOMASS;~~
- ~~(5) NONCOMBUSTION WASTE TO ENERGY;~~
- ~~(6) SMALL HYDROPOWER;~~
- ~~(7) OCEAN OR TIDAL;~~
- ~~(8) FUEL CELL; OR~~
- ~~(9) ADVANCED BIOFUEL.~~

~~(J) "SYSTEM EFFICIENCY PROJECT" MEANS THE DEVELOPMENT, CONSTRUCTION, DEPLOYMENT, ALTERATION, OR REPAIR OF ANY DISTRIBUTED GENERATION, ENERGY STORAGE, SMART GRID TECHNOLOGY, ADVANCED BATTERY, MICROGRID, FUEL CELL, OR COMBINED HEAT AND POWER SYSTEMS.~~

~~10-855.~~

~~(A) THERE IS A MARYLAND CLEAN ENERGY FINANCING AND RISK MANAGEMENT PROGRAM.~~

~~(B) THE CENTER SHALL ADMINISTER THE PROGRAM.~~

~~10-856.~~

~~THE PURPOSES OF THE PROGRAM ARE TO:~~

~~(1) EVALUATE AND COORDINATE FINANCING SUPPORT AND INCREASE PRIVATE INVESTMENT IN CLEAN ENERGY PROJECTS WITH A FOCUS ON PARTICULAR PROJECTS THAT CANNOT BE FINANCED ON REASONABLE TERMS IN THE CURRENT CAPITAL MARKETS;~~

~~(2) REDUCE RATES AND DECREASE COSTS FOR UTILITY CUSTOMERS;~~

~~(3) EXPAND THE ACCESSIBILITY AND AFFORDABILITY OF CLEAN ENERGY FOR END USERS;~~

~~(4) ENSURE THE RELIABILITY AND SAFETY OF THE STATE'S ENERGY SUPPLY;~~

~~(5) INCREASE THE USE OF CLEAN ENERGY;~~

~~(6) PROMOTE ENERGY EFFICIENCY;~~

~~(7) ADVANCE THE STATE'S ENERGY AND INFRASTRUCTURE RELATED ECONOMY;~~

~~(8) FOSTER THE CREATION OF FINANCIAL PERFORMANCE DATA, STANDARDIZED CONTRACTS, UNDERWRITING STANDARDS, AND MEASUREMENT AND VERIFICATION PROTOCOLS FOR CLEAN ENERGY PROJECTS;~~

~~(9) PROVIDE CLEAN ENERGY PROJECTS WITH FINANCING SUPPORT AND RISK MANAGEMENT, INCLUDING BOND GUARANTEES, LOANS, LOAN GUARANTEES, LOAN WAREHOUSING, DEBT SECURITIZATION, INSURANCE, AND PORTFOLIO INSURANCE; AND~~

~~(10) ACHIEVE A LEVEL OF FINANCING SUPPORT FOR CLEAN ENERGY PROJECTS NECESSARY TO ADVANCE THE STATE'S POLICY OBJECTIVES, INCLUDING THE REDUCTION OF AIR POLLUTANTS AND GREENHOUSE GAS EMISSIONS.~~

~~10-857.~~

~~TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE CENTER SHALL:~~

~~(1) PROVIDE LOANS, LOAN GUARANTEES, LOAN WAREHOUSING, DEBT SECURITIZATION, INSURANCE, PORTFOLIO INSURANCE, AND OTHER FORMS OF FINANCING SUPPORT OR RISK MANAGEMENT ON A COMPETITIVE BASIS FOR QUALIFIED CLEAN ENERGY PROJECTS THAT MEET THE GUIDELINES ESTABLISHED BY THE CENTER;~~

~~(2) ASSESS REASONABLE FEES ON THE FINANCING SUPPORT AND RISK MANAGEMENT ACTIVITIES PROVIDED UNDER THE PROGRAM IN AMOUNTS SUFFICIENT TO COVER THE REASONABLE COSTS OF THE PROGRAM;~~

~~(3) ENSURE THAT ANY BONDS ISSUED UNDER THIS PART ARE SOLD THROUGH A COMPETITIVE BIDDING PROCESS;~~

~~(4) USE EXISTING CLEAN ENERGY DEVELOPMENT NETWORKS AND OTHER APPROPRIATE METHODS TO IDENTIFY CLEAN ENERGY PROJECTS;~~

~~(5) COORDINATE WITH OTHER CLEAN ENERGY RESEARCH, DEVELOPMENT, AND DEPLOYMENT PROGRAMS IN THE STATE; AND~~

~~(6) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS PART, INCLUDING:~~

~~(I) GUIDELINES AND PROCEDURES FOR THE SELECTION OF CLEAN ENERGY PROJECTS IN ACCORDANCE WITH THE CRITERIA SET OUT IN THIS PART AND ANY OTHER CRITERIA DEEMED NECESSARY AND APPROPRIATE FOR EVALUATING CLEAN ENERGY PROJECTS AS DETERMINED BY THE CENTER; AND~~

~~(II) ANY LENDING GUIDELINES, INCLUDING MATURITY DATES, INTEREST RATES, AND PENALTIES ESTABLISHED BY THE CENTER.~~

~~10-858.~~

~~TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE CENTER MAY:~~

~~(1) FIX AND COLLECT AN INSURANCE PREMIUM OR LOAN LOSS RESERVE CONTRIBUTION FROM AN APPLICANT IN AN AMOUNT ADEQUATE TO COVER THE FINANCIAL RISKS ASSOCIATED WITH THE PROGRAM; AND~~

~~(2) FACILITATE FINANCING TRANSACTIONS IN TAX EQUITY MARKETS AND LONG TERM PURCHASING OF CLEAN ENERGY BY NONPROFIT ENTITIES IF DETERMINED BY THE CENTER TO BE APPROPRIATE AND CONSISTENT WITH THE PROVISIONS OF THIS PART.~~

~~10-859.~~

~~EXCEPT AS OTHERWISE PROVIDED IN THIS PART, THE PROVISIONS OF PART IV OF THIS SUBTITLE APPLY TO BONDS ISSUED UNDER THIS PART.~~

~~10-860.~~

~~(A) AN APPLICANT FOR FINANCING SUPPORT OR RISK MANAGEMENT SHALL SUBMIT AN APPLICATION TO THE CENTER IN THE FORM AND MANNER DETERMINED BY THE CENTER.~~

~~(B) THE APPLICATION SHALL CONTAIN ANY INFORMATION THE CENTER DETERMINES IS NECESSARY.~~

~~10-861.~~

~~IN EVALUATING AN APPLICANT FOR FINANCING SUPPORT OR RISK MANAGEMENT, THE CENTER SHALL CONSIDER WHETHER THE CLEAN ENERGY PROJECT WILL:~~

~~(1) MAXIMIZE ECONOMIC AND ENVIRONMENTAL BENEFITS TO THE STATE;~~

~~(2) FOSTER JOB CREATION BY PROMOTING PROJECTS CARRIED OUT BY WORKERS AND BUSINESSES IN THE STATE;~~

~~(3) COMPLEMENT OTHER EFFORTS TO IMPROVE AIR QUALITY IN THE STATE;~~

~~(4) DIRECT INVESTMENT TO DISADVANTAGED COMMUNITIES AND HOUSEHOLDS IN THE STATE;~~

~~(5) PROVIDE OPPORTUNITIES FOR BUSINESSES, PUBLIC AGENCIES, NONPROFITS, AND OTHER COMMUNITY INSTITUTIONS TO PARTICIPATE IN AND BENEFIT FROM EFFORTS TO REDUCE AIR POLLUTANTS OR GREENHOUSE GAS EMISSIONS;~~

~~(6) IMPROVE ENERGY EFFICIENCY, CLEAN AND RENEWABLE ENERGY GENERATION, OR CLEAN AND RENEWABLE ENERGY DISTRIBUTION, TRANSMISSION, OR STORAGE THROUGH THE USE OF DISTRIBUTED GENERATION, SMART GRID TECHNOLOGY, ADVANCED BATTERY, MICROGRID, FUEL CELL, OR COMBINED HEAT AND POWER SYSTEMS;~~

~~(7) DEVELOP:~~

~~(I) STATE OF THE ART SYSTEMS TO MOVE GOODS AND FREIGHT;~~

~~(II) ADVANCED TECHNOLOGY VEHICLES AND TRANSPORTATION INFRASTRUCTURE;~~

~~(III) ADVANCED BIOFUELS; AND~~

~~(IV) LOW-CARBON AND EFFICIENT PUBLIC TRANSPORTATION;~~

~~(8) INVOLVE THE STRATEGIC PLANNING AND DEVELOPMENT OF SUSTAINABLE INFRASTRUCTURE PROJECTS, INCLUDING TRANSPORTATION AND HOUSING;~~

~~(9) INVEST IN PROGRAMS IMPLEMENTED BY LOCAL AND REGIONAL AGENCIES AND COLLABORATIVES, OR BY NONPROFIT ORGANIZATIONS COORDINATING WITH LOCAL GOVERNMENTS; OR~~

~~(10) FURTHER THE RESEARCH, DEVELOPMENT, AND DEPLOYMENT OF INNOVATIVE TECHNOLOGIES, MEASURES, AND PRACTICES RELATED TO PROGRAMS AND PROJECTS FUNDED UNDER THIS PART.~~

~~10-862.~~

~~THE CENTER MAY PROVIDE FINANCING SUPPORT OR RISK MANAGEMENT FOR A CLEAN ENERGY PROJECT ONLY IF:~~

~~(1) THE CLEAN ENERGY PROJECT IS LOCATED IN THE STATE;~~

~~(2) FOR A CLEAN ENERGY PROJECT OTHER THAN AN INNOVATIVE ENERGY TECHNOLOGY PROJECT, THE CLEAN ENERGY PROJECT CAN SUPPORT A COMMERCIAL RATE OF DEBT THAT IS ADJUSTED DOWNWARD TO ACCOUNT FOR THE PROGRAM'S LOWER COSTS AND ABILITY TO OFFER LONGER TENORS;~~

~~(3) FOR A CLEAN ENERGY PROJECT OTHER THAN AN ENERGY EFFICIENCY PROJECT OR AN INNOVATIVE ENERGY TECHNOLOGY PROJECT, THE REQUESTED FINANCING SUPPORT IS ADEQUATELY SECURED AS DETERMINED BY THE EXECUTIVE DIRECTOR;~~

~~(4) THE CLEAN ENERGY PROJECT IS CONSISTENT WITH ANY CRITERIA, PRIORITIES, AND GUIDELINES ESTABLISHED BY THE CENTER; AND~~

~~(5) AS DETERMINED BY THE CENTER:~~

~~(I) THE PRIVATE CAPITAL MARKET IS NOT PROVIDING ADEQUATELY LOW PRICED OR LONG TERM FINANCING TO ENABLE OTHERWISE CREDITWORTHY OR COMMERCIALY VIABLE ENTITIES TO DEPLOY CLEAN ENERGY PROJECTS AT A REASONABLE COST WITH A REASONABLE RATE OF RETURN OF AND ON INVESTED CAPITAL;~~

~~(II) THE FINANCING SUPPORT WOULD FACILITATE DEPLOYMENT OF A CLEAN ENERGY PROJECT AT AN ACCELERATED RATE; AND~~

~~(III) THE FINANCING SUPPORT:~~

~~1. WOULD STIMULATE, AID, OR OTHERWISE SUPPORT MANUFACTURING OF FINISHED PRODUCTS OR COMPONENT PARTS USED IN INNOVATIVE ENERGY TECHNOLOGY PROJECTS IN THE STATE;~~

~~2. IS NECESSARY TO CREATE LIQUID MARKETS FOR ENERGY SECURITIES; OR~~

~~3. OTHERWISE ADDRESSES BARRIERS THAT HAVE PREVENTED ADEQUATE COMMERCIAL FINANCING OF CLEAN ENERGY PROJECTS.~~

~~10-863.~~

~~(A) THE EXECUTIVE DIRECTOR SHALL:~~

~~(1) REQUIRE AN ENTITY THAT RECEIVES FINANCING SUPPORT OR RISK MANAGEMENT UNDER THIS PART TO REPORT QUARTERLY, IN A FORMAT DETERMINED BY THE EXECUTIVE DIRECTOR, ON THE USE OF THE FINANCING SUPPORT OR RISK MANAGEMENT AND THE PROGRESS MADE TOWARD FULFILLING THE OBJECTIVES OF THE PROGRAM; AND~~

~~(2) MAKE THE REPORTS REQUIRED UNDER ITEM (1) OF THIS SUBSECTION AVAILABLE TO THE PUBLIC.~~

~~(B) THE EXECUTIVE DIRECTOR MAY:~~

~~(1) ESTABLISH ADDITIONAL REPORTING OR INFORMATION REQUIREMENTS FOR A RECIPIENT OF FINANCING SUPPORT OR RISK MANAGEMENT UNDER THIS PART; AND~~

~~(2) IF A RECIPIENT OF FINANCING SUPPORT OR RISK MANAGEMENT UNDER THIS PART DEMONSTRATES AN INSUFFICIENT LEVEL OF PERFORMANCE OR WASTEFUL OR FRAUDULENT SPENDING, TO THE EXTENT CONSISTENT WITH OTHER PROVISIONS OF FEDERAL AND STATE LAW, DEOBLIGATE THE FINANCING SUPPORT AND AWARD THE FUNDS TO ANOTHER APPLICANT.~~

~~10-864.~~

- ~~(A) THERE IS A MARYLAND CLEAN ENERGY CENTER FUND.~~
- ~~(B) THE PURPOSE OF THE FUND IS TO IMPLEMENT THE MARYLAND CLEAN ENERGY FINANCING AND RISK MANAGEMENT PROGRAM.~~
- ~~(C) THE CENTER SHALL ADMINISTER THE FUND.~~
- ~~(D) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~
- ~~(E) (1) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY AND SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.~~
- ~~(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.~~
- ~~(F) THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.~~
- ~~(G) THE FUND CONSISTS OF:~~
- ~~(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;~~
- ~~(2) PROCEEDS OF BONDS THAT ARE ISSUED FOR THE PURPOSE OF CAPITALIZING THE FUND;~~
- ~~(3) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE CONTRIBUTIONS;~~
- ~~(4) PAYMENTS OF PRINCIPAL OF AND INTEREST ON LOANS MADE UNDER THIS PART;~~
- ~~(5) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL BY THE CENTER OF COLLATERAL RELATED TO FINANCING SUPPORT THAT THE CENTER PROVIDES UNDER THIS PART;~~
- ~~(6) INVESTMENT EARNINGS OF THE FUND; AND~~
- ~~(7) ANY OTHER MONEY FROM ANY OTHER SOURCE, PUBLIC OR PRIVATE, ACCEPTED FOR THE BENEFIT OF THE FUND.~~

~~(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE CENTER SHALL DETERMINE THE PROJECTS FOR WHICH FINANCING SUPPORT OR RISK MANAGEMENT MAY BE PROVIDED FROM THE FUND.~~

~~(B) IF MONEY IS MADE AVAILABLE TO THE FUND FOR THE EXPRESS PURPOSE OF PROVIDING FINANCING SUPPORT FOR A SPECIFIC CLEAN ENERGY PROJECT, THE MONEY SHALL BE USED ONLY FOR THAT CLEAN ENERGY PROJECT.~~

~~10-866.~~

~~THE ANNUAL REPORT REQUIRED UNDER § 10-826 OF THIS SUBTITLE SHALL INCLUDE A DESCRIPTION OF THE CENTER'S ACTIVITIES UNDER THIS PART, INCLUDING:~~

- ~~(1) A LIST OF APPLICATIONS ACCEPTED;~~
- ~~(2) THE NUMBER AND TYPES OF BONDS SOLD AND THE INTEREST RATES ON THE BONDS;~~
- ~~(3) THE AMOUNT OF OTHER PUBLIC AND PRIVATE FUNDS LEVERAGED BY THE PROVIDED ASSISTANCE;~~
- ~~(4) AN ACCOUNTING OF ALL REVENUES AND EXPENDITURES, SHOWN BY MAJOR CATEGORIES, INCLUDING THE AMOUNT AND SOURCE OF REVENUES AND THE AMOUNT AND TYPE OF EXPENDITURES;~~
- ~~(5) A PROJECTION OF PROGRAM REQUIREMENTS FOR THE FOLLOWING YEAR; AND~~
- ~~(6) ANY RECOMMENDATIONS FOR CHANGES IN STATE LAW TO MEET THE OBJECTIVES OF THIS PART.~~

~~10-867. RESERVED.~~

~~10-868. RESERVED.~~

~~Article – State Finance and Procurement~~

~~6-226.~~

~~(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise~~

~~entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.~~

~~(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:~~

~~76. the Baltimore City Public School Construction Financing Fund; [and]~~

~~77. the Spay/Neuter Fund; AND~~

~~78. THE MARYLAND CLEAN ENERGY CENTER FUND.~~

### ~~Chapter 137 of the Acts of 2008~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that [the Maryland Clean Energy Center established by this Act not rely on funding from appropriations made from the General Fund. Nothing] NOTHING in this Section may be construed to limit the ability of the MARYLAND CLEAN ENERGY Center ESTABLISHED BY THIS ACT to seek and obtain funding from the Department of Business and Economic Development and from other State units and programs for economic and community development, however funded, or from federal programs involving a requirement for matching State funds.~~

~~SECTION 3. 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.~~

Approved by the Governor, May 5, 2014.

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## Chapter 366

(Senate Bill 999)

AN ACT concerning

### Insurance – Reinsurance – Certification of Reinsurers

FOR the purpose of authorizing the Maryland Insurance Commissioner to use information provided by the National Association of Insurance Commissioners (NAIC) committee process to take certain actions relating to an applicant for certification as a reinsurer in Maryland; ~~authorizing the Commissioner, until a certain time,~~ requiring the Commissioner to consider the list of conditionally qualified jurisdictions published through the NAIC committee process ~~when in determining the jurisdictions under which an assuming insurer, licensed and~~

~~domiciled in a jurisdiction on the list, is eligible to be considered for certification as a reinsurer in Maryland~~ qualified jurisdictions in the State under certain circumstances; and generally relating to certification of reinsurers.

BY repealing and reenacting, without amendments,

Article – Insurance

Section 5–909(a)(1) ~~and (b)(1)~~

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 5–909(b)(1) and (2) and 5–910

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### Article – Insurance

5–909.

(a) (1) The Commissioner shall maintain and publish a list of qualified jurisdictions under which an assuming insurer, licensed and domiciled in that jurisdiction, is eligible to be considered for certification by the Commissioner as a certified reinsurer.

(b) (1) The Commissioner shall consider the list of **CONDITIONALLY QUALIFIED AND** qualified jurisdictions published through the National Association of Insurance Commissioners committee process in determining the qualified jurisdictions in this State.

(2) In determining whether a jurisdiction is a qualified jurisdiction, the Commissioner shall consider the National Association of Insurance Commissioners list **OF CONDITIONALLY QUALIFIED AND QUALIFIED JURISDICTIONS:**

(i) when the jurisdiction has been evaluated for inclusion on the list; and

(ii) whenever the list is amended.

5–910.

(a) (1) The Commissioner shall assign a rating to each certified reinsurer based on factors the Commissioner considers relevant, giving due consideration to the

financial strength ratings that have been assigned by rating agencies in accordance with regulations the Commissioner adopts.

(2) The Commissioner shall publish a list of all certified reinsurers and their ratings.

(b) If an applicant for certification has been certified as a reinsurer by the insurance regulatory agency of a state accredited by the National Association of Insurance Commissioners, the Commissioner may use information provided by that insurance regulatory agency **OR THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS COMMITTEE PROCESS** to:

(1) designate the assuming insurer as a certified reinsurer in this State;

(2) assign a rating to the assuming insurer; or

(3) both.

(c) (1) A certified reinsurer that ceases to assume new business in this State may request to maintain its certification in inactive status in order to continue to qualify for a reduction in security for its in-force business.

(2) An inactive certified reinsurer shall continue to comply with all applicable requirements of § 5-911 of this subtitle.

(3) The Commissioner shall assign a rating that takes into account, if relevant, the reasons why the reinsurer is not assuming new business.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Insurance Commissioner may consider the list of conditionally qualified jurisdictions published through the National Association of Insurance Commissioners committee process in determining the jurisdictions under which an assuming insurer, licensed and domiciled in a jurisdiction included on the list of conditionally qualified jurisdictions, is eligible to be considered for certification by the Commissioner as a certified reinsurer under Title 5, Subtitle 9 of the Insurance Article, until such time as a list of qualified jurisdictions is published through the National Association of Insurance Commissioners committee process.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.~~

**Approved by the Governor, May 5, 2014.**

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## Chapter 367

### (Senate Bill 1015)

AN ACT concerning

#### Anne Arundel County – Alcoholic Beverages – Tasting Licenses

FOR the purpose of creating in Anne Arundel County a BWLT beer, wine, and liquor (on-premises) tasting license; specifying that the BWLT ~~license~~ and BWT licenses may be issued to certain persons; creating a license fee schedule for a BWLT license and altering the fee schedule for a BWT beer and wine (on-premises) tasting license; specifying certain limitations on the amount of alcoholic beverages that may be offered for on-premises consumption; and generally relating to alcoholic beverages licenses in Anne Arundel County.

BY repealing and reenacting, with amendments,  
 Article 2B – Alcoholic Beverages  
 Section 8–402  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### Article 2B – Alcoholic Beverages

8–402.

(a) This section applies only in Anne Arundel County.

(b) In this section, “Board” means the Anne Arundel County Board of License Commissioners.

(c) There is a Class **BWLT BEER, WINE, AND LIQUOR (ON-PREMISES) TASTING LICENSE**, A BWT beer and wine (on-premises) tasting license, a WS wine sampling (on-premises) license, and a Class WT wine tasting (on-premises) license.

(d) (1) **(I) A CLASS BWLT LICENSE MAY BE ISSUED ONLY TO A HOLDER OF A CLASS ~~BWL A~~ BEER, WINE AND LIQUOR ~~(ON-PREMISES)~~ (OFF-PREMISES) LICENSE.**

**(II) A Class BWT license may only be issued to a holder of a Class ~~BWL A~~ beer, wine and liquor ~~(on-premises)~~ (OFF-PREMISES) license or a Class ~~BWL A~~ beer and wine ~~(on-sale)~~ (OFF-PREMISES) license.**

- (2) The annual fee for a Class BWT license is[:
- (i) \$50 for a holder of a Class BWL license; and
  - (ii) \$50 for a holder of a Class BW license] **\$150.**

**(3) THE ANNUAL FEE FOR A CLASS BWLT LICENSE IS \$500.**

~~[(3)]~~ **(4)** The annual fee for a Class **BWLT OR BWT** license is in addition to the Class ~~BWL or BW~~ **A** annual fee.

**(5) A CLASS BWLT LICENSE AUTHORIZES A HOLDER TO PERMIT THE ON-PREMISES CONSUMPTION OF THE FOLLOWING ALCOHOLIC BEVERAGES FOR TASTING OR SAMPLING PURPOSES ONLY:**

**(I) LIQUOR TO BE SERVED IN A QUANTITY OF NOT MORE THAN ONE-HALF OUNCE FROM EACH OF ANY OF FIVE BRANDS TO ANY ONE PERSON PER DAY;**

**(II) LIGHT WINE TO BE SERVED IN A QUANTITY OF NOT MORE THAN 1 OUNCE FROM EACH GIVEN BRAND TO ANY ONE PERSON; AND**

**(III) BEER TO BE SERVED IN A QUANTITY OF NOT MORE THAN 3 OUNCES TO ANY ONE PERSON.**

~~[(4)]~~ **(6)** The Class BWT license authorizes a holder to permit the on-premises consumption of the following alcoholic beverages for tasting or sampling purposes only:

(i) Light wine to be served in a quantity of not more than 1 ounce from each given brand to any one person; and

(ii) Beer to be served in a quantity of not more than 3 ounces to any one person.

(e) (1) The Board may issue a WS (wine sampling) license to bona fide nonprofit organizations.

(2) The WS license authorizes the consumption of wine for tasting or sampling purposes:

(i) On Class B beer and wine or beer, wine and liquor licensed premises with the consent of the licensee; or

(ii) On premises without a permanent alcoholic beverages license.

(3) The licensee may not serve more than 2 ounces from each brand to any 1 person.

(4) The bona fide nonprofit organization:

(i) Shall apply for a WS license at least 15 days prior to the day of issuance; and

(ii) May not be issued more than 12 WS licenses in any given license year.

(5) The daily license fee is \$15.

(6) The WS licensee may bring wine onto Class B licensed premises for sampling or tasting purposes only.

(f) (1) A Class WT wine tasting (on-premises) license may only be issued to a holder of a Class BWL license or a holder of a Class BW license.

(2) A Class WT wine tasting (on-premises) license authorizes a holder to permit the on-premises consumption for tasting or sampling purposes only of light wine to be served in a quantity of not more than 1 ounce from each given brand to any one person.

(3) The annual license fee is:

(i) \$150 for a holder of a Class BWL license; and

(ii) \$50 for a holder of a Class BW license.

(g) The provisions of this section are not restricted by:

(1) The provisions in subsection (b) of § 12–107 of this article; and

(2) The provisions of law under § 9–102 of this article prohibiting the issuance of 2 licenses for the same premises.

(h) In the City of Annapolis, the Mayor and City Council may approve the issuance of a BWT license or a WS license. The fees for the licenses shall be set by the Mayor and City Council.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 368

(Senate Bill 1040)

AN ACT concerning

### Maryland Community Health Resources Commission – Sunset Extension

FOR the purpose of extending the termination date for certain provisions of law related to the Maryland Community Health Resources Commission; and generally relating to the Maryland Community Health Resources Commission.

BY repealing and reenacting, with amendments,

Chapter 280 of the Acts of the General Assembly of 2005, as amended by Chapter 21 of the Acts of the General Assembly of 2006 and Chapter 624 of the Acts of the General Assembly of 2008

Section 14

BY repealing and reenacting, with amendments,

Chapter 280 of the Acts of the General Assembly of 2005, as amended by Chapter 21 of the Acts of the General Assembly of 2006 and Chapter 625 of the Acts of the General Assembly of 2008

Section 14

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Chapter 280 of the Acts of 2005, as amended by Chapter 21 of the Acts of 2006 and Chapter 624 of the Acts of 2008**

SECTION 14. AND BE IT FURTHER ENACTED, That, subject to Section 13 of this Act, this Act shall take effect July 1, 2005. Section 3 of this Act shall remain effective for a period of [10] **20** years and, at the end of June 30, [2015] **2025**, with no further action required by the General Assembly, Section 3 of this Act shall be abrogated and of no further force and effect. Section 5 of this Act shall remain effective for a period of 2 years and, at the end of June 30, 2007, with no further action required by the General Assembly, Section 5 of this Act shall be abrogated and of no further force and effect.

#### **Chapter 280 of the Acts of 2005, as amended by Chapter 21 of the Acts of 2006 and Chapter 625 of the Acts of 2008**

SECTION 14. AND BE IT FURTHER ENACTED, That, subject to Section 13 of this Act, this Act shall take effect July 1, 2005. Section 3 of this Act shall remain effective for a period of [10] **20** years and, at the end of June 30, [2015] **2025**, with no further action required by the General Assembly, Section 3 of this Act shall be abrogated and of no further force and effect. Section 5 of this Act shall remain effective for a period of 2 years and, at the end of June 30, 2007, with no further action required by the General Assembly, Section 5 of this Act shall be abrogated and of no further force and effect.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 369

(Senate Bill 1066)

AN ACT concerning

**Fairness in Negotiations Act and the Public School Labor Relations Board –  
Sunset Repeal and Reporting Requirements**

FOR the purpose of repealing the termination date of certain provisions relating to collective bargaining for public school employees and the Public School Labor Relations Board; requiring the Board to report to certain committees of the General Assembly on certain information and certain recommendations on or before a certain date; requiring the Board to report to certain committees of the General Assembly on or before a certain date on the Board's compliance with certain provisions of law concerning administrative procedures and open meetings; and generally relating to the Public School Labor Relations Board and collective bargaining for public school employees.

BY repealing and reenacting, with amendments,  
Chapter 325 of the Acts of the General Assembly of 2010  
Section 6

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Chapter 325 of the Acts of 2010

SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2010. [It shall remain effective for a period of 5 years and, at the end of June

30, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before August 1, 2018, the Public School Labor Relations Board, in accordance with § 2-1246 of the State Government Article, shall report to the Senate Finance Committee and the House Ways and Means Committee on:

(1) for the period of July 1, 2014, through June 30, 2018:

(i) the number and type of cases heard by the Board;

(ii) the disposition of the cases decided by the Board;

(iii) the dates on which the cases were heard; and

(iv) the cost of fully processing the cases;

(2) trend data for each item listed in item (1) of this section between July 1, 2014, and June 30, 2018; and

(3) any recommended legislation.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1, 2014, the Public School Labor Relations Board, in accordance with § 2-1246 of the State Government Article, shall report to the Senate Finance Committee and the House Ways and Means Committee on the Board's compliance with administrative procedures provisions and open meetings provisions in Title 10 of the State Government Article.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 370

(House Bill 1181)

AN ACT concerning

~~Fairness in Negotiations Act~~ *Fairness in Negotiations Act and the Public School Labor Relations Board – Sunset Repeal and Reporting Requirement Requirements*

FOR the purpose of repealing the termination date of certain provisions relating to collective bargaining for public school employees and the Public School Labor Relations Board; requiring the Board to report to certain committees of the General Assembly on certain information and certain recommendations on or before a certain date; requiring the Board to report to certain committees of the General Assembly on or before a certain date on the Board's compliance with certain provisions of law concerning administrative procedures and open meetings; and generally relating to the Public School Labor Relations Board and collective bargaining for public school employees.

BY repealing and reenacting, with amendments,  
Chapter 325 of the Acts of the General Assembly of 2010  
Section 6

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Chapter 325 of the Acts of 2010

SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2010. [It shall remain effective for a period of 5 years and, at the end of June 30, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before August 1, 2018, the Public School Labor Relations Board, in accordance with § 2-1246 of the State Government Article, shall report to the ~~General Assembly~~ Senate Finance Committee and the House Ways and Means Committee on:

- (1) for the period of July 1, 2014, through June 30, 2018:
  - (i) the number and type of cases heard by the Board;
  - (ii) the disposition of the cases decided by the Board;
  - (iii) the dates on which the cases were heard; and
  - (iv) the cost of fully processing the cases;

(2) trend data for each item listed in item (1) of this section between July 1, 2014, and June 30, 2018; and

- (3) any recommended legislation.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1, 2014, the Public School Labor Relations Board, in accordance with § 2-1246 of the State Government Article, shall report to the Senate Finance Committee and the House

Ways and Means Committee on the Board's compliance with administrative procedures provisions and open meetings provisions in Title 10 of the State Government Article.

SECTION ~~2~~ ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 371**

**(Senate Bill 1070)**

AN ACT concerning

**Income Tax – Subtraction Modification – Volunteer Fire, Rescue, and  
Emergency Medical Services Members**

FOR the purpose of altering the amount of a subtraction modification under the State income tax for certain qualifying volunteer fire, rescue, and emergency medical services members; and generally relating to a subtraction modification under the State income tax for certain qualifying volunteer fire, rescue, and emergency medical services members.

BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 10–208(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Tax – General  
Section 10–208(i–1)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(i-1) (1) The subtraction under subsection (a) of this section includes an amount equal to **[\$3,500] THE AMOUNT SPECIFIED IN PARAGRAPH (3) OF THIS SUBSECTION** if an individual is a qualifying volunteer fire, rescue, or emergency medical services member for the taxable year, as determined under paragraph (2) of this subsection.

(2) An individual is a qualifying volunteer fire, rescue, or emergency medical services member for the taxable year eligible for the subtraction modification under this subsection if the individual:

(i) is an active member of:

1. a bona fide Maryland fire, rescue, or emergency medical services organization;

2. an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization;

3. the United States Coast Guard Auxiliary; or

4. the Maryland Defense Force;

(ii) serves the organization in a volunteer capacity without compensation, except nominal expenses or meals;

(iii) 1. qualifies for active status during the taxable year under:

A. a volunteer fire, rescue, or emergency medical services personnel or auxiliary length of service award program operated by a county or municipal corporation of the State, if the length of service award program requires for active status qualification a minimum of 50 points per year and that points be earned in at least two different categories; or

B. a point system established by a county or municipal corporation that does not operate a volunteer fire, rescue, or emergency medical services personnel or auxiliary length of service award program or by the United States Coast Guard Auxiliary or the Maryland Defense Force, to identify active members of a volunteer fire, rescue, or emergency medical services organization or auxiliary organization, if the point system requires for active status qualification a minimum of 50 points per year and that points be earned in at least two different categories;

2. has maintained active status for at least 25 years under a volunteer fire, rescue, or emergency medical services personnel or auxiliary

length of service award program or a point system established in lieu of a length of service award program;

3. is a member of the National Guard or other reserve component of the United States armed forces who has been ordered into active military service and who serves on active duty in the armed forces of the United States during the taxable year; or

4. is a civilian or a member of the Merchant Marine on assignment in support of the armed forces of the United States during the taxable year in an area designated as a combat zone by executive order of the President; and

(iv) will have been an active member of a bona fide Maryland fire, rescue, or emergency medical services organization, an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization, or the United States Coast Guard Auxiliary or the Maryland Defense Force for at least 36 months during the last 10 calendar years by December 31 of the taxable year.

**(3) THE AMOUNT OF THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION IS EQUAL TO:**

**(I) ~~\$4,000~~ \$3,750 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2013, BUT BEFORE JANUARY 1, 2015;**

**(II) ~~\$4,500~~ \$4,000 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2014, BUT BEFORE JANUARY 1, 2016;**

**(III) ~~\$5,000~~ \$4,250 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2015, BUT BEFORE JANUARY 1, 2017;**

**(IV) ~~\$6,000~~ \$4,500 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2016, BUT BEFORE JANUARY 1, 2018; ~~AND~~**

**(V) ~~\$7,000~~ \$4,750 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2017, BUT BEFORE JANUARY 1, 2019; ~~AND~~**

**(VI) \$5,000 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2018.**

**(4) (i)** Each fire, rescue, or emergency medical services organization or auxiliary organization shall:

1. maintain a record of the points earned by each individual during each calendar year;

2. provide each member a report identifying the number of points earned in each category by February 15 of the following year; and

3. provide a report that includes the names, Social Security numbers, and points earned by those members qualifying for the subtraction modification under this subsection to the Maryland State Firemen's Association by May 1 of the following year.

(ii) An individual may not qualify for the subtraction under this subsection based on membership in the United States Coast Guard Auxiliary or the Maryland Defense Force unless the United States Coast Guard Auxiliary or the Maryland Defense Force:

1. maintains a record of the points earned by each individual during each calendar year;

2. provides each member a report identifying the number of points earned in each category by February 15 of the following year; and

3. provides a report that includes the names, Social Security numbers, and points earned by those members qualifying for the subtraction modification under this subsection to the Comptroller on or before October 1 of each year.

**[(4)] (5)** To qualify for the subtraction modification under this subsection, an individual shall attach to the individual's income tax return a copy of the report provided by the organization under paragraph **[(3)] (4)** of this subsection.

**[(5)] (6)** On or before October 1 of each year, the Maryland State Firemen's Association shall submit to the Department of Public Safety and Correctional Services and the Office of the Comptroller a report stating the participation in the point system by the various local subdivisions with the names and Social Security numbers of individuals who qualified for the subtraction modification under this subsection for the preceding taxable year.

**[(6)] (7)** (i) A person may not knowingly make or cause any false statement or report to be made in any application or in any document required under this subsection.

(ii) Any person who violates or attempts to violate any provision of subparagraph (i) of this paragraph shall be subject to a fine of \$1,000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 372****(House Bill 1228)**

AN ACT concerning

**Income Tax – Subtraction Modification – Volunteer Fire, Rescue, and  
Emergency Medical Services Members**

FOR the purpose of altering the amount of a subtraction modification under the State income tax for certain qualifying volunteer fire, rescue, and emergency medical services members; and generally relating to a subtraction modification under the State income tax for certain qualifying volunteer fire, rescue, and emergency medical services members.

BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 10–208(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Tax – General  
Section 10–208(i–1)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(i–1) (1) The subtraction under subsection (a) of this section includes an amount equal to **[\$3,500] THE AMOUNT SPECIFIED IN PARAGRAPH (3) OF THIS SUBSECTION** if an individual is a qualifying volunteer fire, rescue, or emergency medical services member for the taxable year, as determined under paragraph (2) of this subsection.

(2) An individual is a qualifying volunteer fire, rescue, or emergency medical services member for the taxable year eligible for the subtraction modification under this subsection if the individual:

(i) is an active member of:

1. a bona fide Maryland fire, rescue, or emergency medical services organization;

2. an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization;

3. the United States Coast Guard Auxiliary; or

4. the Maryland Defense Force;

(ii) serves the organization in a volunteer capacity without compensation, except nominal expenses or meals;

(iii) 1. qualifies for active status during the taxable year under:

A. a volunteer fire, rescue, or emergency medical services personnel or auxiliary length of service award program operated by a county or municipal corporation of the State, if the length of service award program requires for active status qualification a minimum of 50 points per year and that points be earned in at least two different categories; or

B. a point system established by a county or municipal corporation that does not operate a volunteer fire, rescue, or emergency medical services personnel or auxiliary length of service award program or by the United States Coast Guard Auxiliary or the Maryland Defense Force, to identify active members of a volunteer fire, rescue, or emergency medical services organization or auxiliary organization, if the point system requires for active status qualification a minimum of 50 points per year and that points be earned in at least two different categories;

2. has maintained active status for at least 25 years under a volunteer fire, rescue, or emergency medical services personnel or auxiliary length of service award program or a point system established in lieu of a length of service award program;

3. is a member of the National Guard or other reserve component of the United States armed forces who has been ordered into active military service and who serves on active duty in the armed forces of the United States during the taxable year; or

4. is a civilian or a member of the Merchant Marine on assignment in support of the armed forces of the United States during the taxable year in an area designated as a combat zone by executive order of the President; and

(iv) will have been an active member of a bona fide Maryland fire, rescue, or emergency medical services organization, an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization, or the United States Coast Guard Auxiliary or the Maryland Defense Force for at least 36 months during the last 10 calendar years by December 31 of the taxable year.

**(3) THE AMOUNT OF THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION IS EQUAL TO:**

**(I) ~~\$4,000~~ \$3,750 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2013, BUT BEFORE JANUARY 1, 2015;**

**(II) ~~\$4,500~~ \$4,000 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2014, BUT BEFORE JANUARY 1, 2016;**

**(III) ~~\$5,000~~ \$4,250 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2015, BUT BEFORE JANUARY 1, 2017;**

**(IV) ~~\$6,000~~ \$4,500 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2016, BUT BEFORE JANUARY 1, 2018; ~~AND~~**

**(V) ~~\$7,000~~ \$4,750 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2017, BUT BEFORE JANUARY 1, 2019; ~~AND~~**

**(VI) \$5,000 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2018.**

**(4) (i)** Each fire, rescue, or emergency medical services organization or auxiliary organization shall:

1. maintain a record of the points earned by each individual during each calendar year;

2. provide each member a report identifying the number of points earned in each category by February 15 of the following year; and

3. provide a report that includes the names, Social Security numbers, and points earned by those members qualifying for the subtraction modification under this subsection to the Maryland State Firemen's Association by May 1 of the following year.

(ii) An individual may not qualify for the subtraction under this subsection based on membership in the United States Coast Guard Auxiliary or the Maryland Defense Force unless the United States Coast Guard Auxiliary or the Maryland Defense Force:

1. maintains a record of the points earned by each individual during each calendar year;

2. provides each member a report identifying the number of points earned in each category by February 15 of the following year; and

3. provides a report that includes the names, Social Security numbers, and points earned by those members qualifying for the subtraction modification under this subsection to the Comptroller on or before October 1 of each year.

**[(4)] (5)** To qualify for the subtraction modification under this subsection, an individual shall attach to the individual's income tax return a copy of the report provided by the organization under paragraph **[(3)] (4)** of this subsection.

**[(5)] (6)** On or before October 1 of each year, the Maryland State Firemen's Association shall submit to the Department of Public Safety and Correctional Services and the Office of the Comptroller a report stating the participation in the point system by the various local subdivisions with the names and Social Security numbers of individuals who qualified for the subtraction modification under this subsection for the preceding taxable year.

**[(6)] (7)** (i) A person may not knowingly make or cause any false statement or report to be made in any application or in any document required under this subsection.

(ii) Any person who violates or attempts to violate any provision of subparagraph (i) of this paragraph shall be subject to a fine of \$1,000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 373

**(Senate Bill 1079)**

AN ACT concerning

**Worcester County – Alcoholic Beverages Licenses – ~~Town of Berlin~~**

FOR the purpose of authorizing the Worcester County Board of License Commissioners to issue a certain alcoholic beverages license within the corporate limits of the Town of Berlin, or the corporate limits of the Town of Snow Hill, or the corporate limits of the City of Pocomoke; making a clarifying change; and generally relating to the issuance of alcoholic beverages licenses in Worcester County.

BY repealing and reenacting, without amendments,  
 Article 2B – Alcoholic Beverages  
 Section 6–401(y)(1)  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 Article 2B – Alcoholic Beverages  
 Section 6–401(y)(2)  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

6–401.

- (y) (1) This subsection applies only in Worcester County.
- (2) (i) A Class D beer, wine and liquor license may be issued only within:
1. The corporate limits of Ocean City;
  2. The boundary lines of the 10th taxing district;
  3. The area bounded by U.S. Route 50 to the south, Turville Creek and Herring Creek to the east, St. Martin River to the north, and Maryland Route 589 to the west;
  4. The area bounded by Maryland Route 589 to the north and east, U.S. Route 50 to the south, and U.S. Route 113 to the west; [and]
  5. From the intersection of Maryland Route 589 and U.S. Route 50, an area bounded by a line that extends 1,500 feet south of U.S. Route 50, east to the boundary of the 10th taxing district, north along the 10th taxing

district boundary to U.S. Route 50, and west to the intersection of Maryland Route 589 and U.S. Route 50; ~~OR~~

**6. THE CORPORATE LIMITS OF THE TOWN OF BERLIN; OR**

**7. THE CORPORATE LIMITS OF THE TOWN OF SNOW HILL; OR**

**8. ~~THE CORPORATE LIMITS OF THE CITY OF POCOMOKE.~~**

(ii) The annual license fee for the six-day license set by the Worcester County Commissioners may not be less than \$3,000.

(iii) The annual license fee for the seven-day license set by the Worcester County Commissioners may not be less than \$3,500.

(iv) Seven-day license holders may sell beer, wine and liquor on-sale and off-sale.

(v) All license fees shall go to the general funds of the county. However, if the licensed premises are in a municipal corporation, 75 percent of the fees shall go to that municipal corporation.

(vi) 1. Except as provided in subparagraph 2 of this subparagraph, all licensees shall purchase all wines and liquors, except light wine and beer, from the Worcester County Department of Liquor Control. They shall be charged not more than 85 percent of the retail price or any special sale price or discount price, whichever is lower, set by the Department for wines and liquors. All licensees may purchase beer and light wine from licensed wholesalers.

2. Beginning on May 1, 2016, a licensee may elect to purchase wine and liquor from a licensed wholesaler under § 15-204(e) of this article.

(vii) The hours for sale are as provided in § 11-524 of this article.

(viii) With respect to the Ocean City Convention Hall, only the Convention Hall Commission and its successors may be issued an alcoholic beverages license. The Commission may permit its vendors to dispense alcoholic beverages pursuant to whatever license the Commission is granted. Further, the Commission may contract to receive some proportion of the revenue derived from the vendor's sale of alcoholic beverages. This license shall be subject to the following restrictions:

1. This monopoly may not impinge upon the provisions of § 7-101(u)(5) of this article;

2. Only on-sale transactions shall be permitted; and
3. Consumption of alcoholic beverages shall be restricted to the premises.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 374

(Senate Bill 1099)

AN ACT concerning

**Workers' Compensation – Occupational Disease Presumptions – Paid  
~~Emergency Medical Services Providers~~ Rescue Squad Members and Paid  
Advanced Life Support Unit Members**

FOR the purpose of extending the presumption of compensability under the workers' compensation law to include, under certain conditions, paid ~~emergency medical services providers~~ rescue squad members and paid advanced life support unit members who suffer from heart disease, hypertension, or lung disease resulting in partial or total disability or death; extending the presumption of compensability under the workers' compensation law to include, under certain conditions, paid ~~emergency medical services providers~~ rescue squad members and paid advanced life support unit members who suffer from certain cancers under certain circumstances; providing for the application of this Act; and generally relating to compensability of paid ~~emergency medical services providers~~ rescue squad members and paid advanced life support unit members under the workers' compensation law.

BY repealing and reenacting, with amendments,  
 Article – Labor and Employment  
 Section 9–503(a) and (c)  
 Annotated Code of Maryland  
 (2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Labor and Employment**

9–503.

(a) A paid firefighter, paid fire fighting instructor, ~~PAID EMERGENCY MEDICAL SERVICES PROVIDER~~ RESCUE SQUAD MEMBER, PAID ADVANCED LIFE SUPPORT UNIT MEMBER, or sworn member of the Office of the State Fire Marshal employed by an airport authority, a county, a fire control district, a municipality, or the State or a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member who is a covered employee under § 9–234 of this title is presumed to have an occupational disease that was suffered in the line of duty and is compensable under this title if:

- (1) the individual has heart disease, hypertension, or lung disease;
- (2) the heart disease, hypertension, or lung disease results in partial or total disability or death; and
- (3) in the case of a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member, the individual has met a suitable standard of physical examination before becoming a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member.

(c) A paid firefighter, paid fire fighting instructor, ~~PAID EMERGENCY MEDICAL SERVICES PROVIDER~~ RESCUE SQUAD MEMBER, PAID ADVANCED LIFE SUPPORT UNIT MEMBER, or a sworn member of the Office of the State Fire Marshal employed by an airport authority, a county, a fire control district, a municipality, or the State or a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member who is a covered employee under § 9–234 of this title is presumed to be suffering from an occupational disease that was suffered in the line of duty and is compensable under this title if the individual:

- (1) has leukemia or prostate, rectal, throat, multiple myeloma, non–Hodgkin’s lymphoma, brain, testicular, or breast cancer that is caused by contact with a toxic substance that the individual has encountered in the line of duty;
- (2) has completed at least 10 years of service as a firefighter, fire fighting instructor, ~~EMERGENCY MEDICAL SERVICES PROVIDER~~, rescue squad member, or advanced life support unit member or in a combination of those jobs in the department where the individual currently is employed or serves;
- (3) is unable to perform the normal duties of a firefighter, fire fighting instructor, ~~EMERGENCY MEDICAL SERVICES PROVIDER~~, rescue squad member, or advanced life support unit member in the department where the individual currently is employed or serves because of the cancer or leukemia disability; and

(4) in the case of a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member, has met a suitable standard of physical examination before becoming a firefighter, fire fighting instructor, rescue squad member, or advanced life support unit member.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any claim filed for an occupational disease before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 375

(Senate Bill 1104)

AN ACT concerning

### **University of Maryland Medical System Corporation – Governance – Medical Center Employees**

FOR the purpose of requiring the Board of Directors of the University of Maryland Medical System Corporation to establish a nonprofit subsidiary to operate all or a part of the University of Maryland Medical Center, to the extent approved by the University of Maryland in the annual contract, in order to bring certain Medical Center employees within the jurisdiction of the National Labor Relations Act; requiring the subsidiary to have certain powers and be formed in a certain manner to meet the jurisdictional requirements of the National Labor Relations Board; authorizing the Medical System Corporation, on or after a certain date, to amend its articles of incorporation to add certain voting members to the Board of Directors; establishing a certain process for adding certain voting members to the Board of Directors; clarifying that certain provisions of law that apply to employees of the Medical System Corporation apply to certain employees of a subsidiary established to operate all or a part of the Medical Center; establishing the intent of the General Assembly; providing for the construction of certain provisions of this Act; providing for the application of this Act; honoring certain collective bargaining agreements subject to certain terms and requirements; providing that certain individuals ~~represented by a certain entity~~ who have elected to be exclusively represented maintain certain representation under certain circumstances; and generally

relating to the governance of the University of Maryland Medical System Corporation and the employees of the University of Maryland Medical Center.

BY repealing and reenacting, with amendments,  
Article – Education  
Section 13–302, 13–303(k), 13–304(b), and 13–305(b)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,  
Article – Education  
Section 13–304(a) and (c)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Education**

13–302.

It is hereby found and determined that:

(1) The purposes of the medical system are to provide medical care of the type unique to University medical facilities for the citizens of the State and region and, in accomplishing this objective, to provide a clinical context for education and research conducted by the faculty of the University;

(2) The purposes extend to all citizens of the State, particularly regarding health care needs which only an academic medical institution can adequately meet such as extensive tertiary care, major shock trauma treatment, and sophisticated surgical techniques;

(3) The purposes also include rendering comprehensive health care to the community naturally served by University Hospital to assure its availability to citizens of that community;

(4) These purposes separately and collectively serve the highest public interest and are essential to the public health and welfare, but must be realized in the most efficient manner and at the lowest cost practicable and consistent with these purposes;

(5) It has proven unnecessarily costly and administratively cumbersome for the University to finance, manage, and carry out the patient care activities of an academic institution within the existing framework of a State agency, since many applicable laws, management structures, and procedures were developed

to implement types of governmental functions which differ from the operations of a major patient care facility in an environment of State and federal regulation; such patient care operations are more efficiently served by contemporary legal, management, and procedural structures utilized by similarly situated, private entities throughout the nation;

(6) It is fiscally desirable for the State of Maryland to separate the operations, revenues, and obligations of the medical system from the State to the end that, to the maximum extent practicable, the medical system be a self-supporting entity to which the State may make grants or with which the State may contract as may be deemed appropriate from time to time; this separation will segregate patient care costs and revenues from unrelated State activities;

(7) The interests of the citizens of the State, the region, and the community naturally served by University Hospital will be best met by granting and transferring State assets and liabilities related to the medical system to a private, nonprofit, nonstock corporation in order to create a separate legal and organizational structure for the medical system to provide independence and flexibility of management and funding, while assuring a compatible and mutually beneficial relationship with the University; [and]

(8) In order to maintain the highest quality patient care with the maximum efficiency practicable, the R Adams Cowley Shock Trauma Center will be part of the medical system and will be governed by the Board of Directors; AND

**(9) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT:**

**(I) EMPLOYEES OF THE MEDICAL SYSTEM CORPORATION AND ANY SUBSIDIARY OF THE MEDICAL SYSTEM CORPORATION WHO ARE NOT MEDICAL SYSTEM UNIVERSITY PERSONNEL ENJOY THE RIGHTS AND PROTECTIONS ASSOCIATED WITH FULL FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AFFORDED TO SIMILARLY SITUATED CITIZENS OF THE STATE; AND**

**(II) EACH SUBSIDIARY ESTABLISHED BY THE MEDICAL SYSTEM CORPORATION UNDER § 13-303(K) OF THIS SUBTITLE, INCLUDING A SUBSIDIARY ESTABLISHED FOR THE PURPOSE OF OPERATING ALL OR A PART OF THE UNIVERSITY OF MARYLAND MEDICAL CENTER, FALLS WITHIN THE JURISDICTION OF THE NATIONAL LABOR RELATIONS BOARD AND THE EMPLOYEES OF THE SUBSIDIARY ARE SUBJECT TO THE BENEFITS AND PROTECTIONS OF THE NATIONAL LABOR RELATIONS ACT.**

(k) (1) **THE BOARD OF DIRECTORS SHALL ESTABLISH A NONPROFIT SUBSIDIARY FOR THE PURPOSE OF OPERATING ALL OR A PART OF THE UNIVERSITY OF MARYLAND MEDICAL CENTER, TO THE EXTENT APPROVED BY THE UNIVERSITY IN THE ANNUAL CONTRACT, THAT SHALL:**

(i) **HAVE ALL POWERS AVAILABLE UNDER THE LAWS GOVERNING THE FORMATION OF THE SUBSIDIARY; AND**

(ii) **BE FORMED IN A MANNER SO THAT THE SUBSIDIARY, FOR THE PURPOSES OF MEETING THE JURISDICTIONAL REQUIREMENTS OF THE NATIONAL LABOR RELATIONS BOARD:**

1. **DOES NOT CONSTITUTE A DEPARTMENT OR ADMINISTRATIVE ARM OF THE STATE OR ANY AGENCY, POLITICAL SUBDIVISION, PUBLIC BODY, PUBLIC CORPORATION, OR MUNICIPAL CORPORATION; AND**

2. **IS NOT ADMINISTERED BY INDIVIDUALS WHO ARE RESPONSIBLE TO PUBLIC OFFICIALS OR TO THE GENERAL ELECTORATE.**

(2) [The] **IN ADDITION TO ESTABLISHING A SUBSIDIARY UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE Board of Directors may establish nonprofit or for-profit subsidiaries or related entities, to the extent approved by the University in the annual contract.**

13-304.

(a) The government of the Medical System Corporation is vested in the Board of Directors.

(b) (1) [The] **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE Board of Directors consists of 6 nonvoting members and not less than 22 and not more than 27 voting members appointed by the Governor.**

(2) (i) **ON OR AFTER OCTOBER 1, 2014, THE MEDICAL SYSTEM CORPORATION MAY AMEND ITS ARTICLES OF INCORPORATION TO ADD UP TO THREE VOTING MEMBERS TO THE BOARD OF DIRECTORS AS THE MEDICAL SYSTEM CORPORATION DETERMINES TO BE NECESSARY AND APPROPRIATE.**

(ii) **NOMINATIONS OF ADDITIONAL VOTING MEMBERS SHALL BE MADE BY THE BOARD OF DIRECTORS AND SUBMITTED TO THE BOARD OF REGENTS FOR COMMENT AND TO THE GOVERNOR FOR CONSIDERATION.**

(iii) **ANY MEMBER ADDED TO THE BOARD OF DIRECTORS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL:**

1. REPRESENT AN ENTITY THAT AFFILIATES WITH THE MEDICAL SYSTEM CORPORATION ON OR AFTER OCTOBER 1, 2014;
2. BE APPOINTED BY THE GOVERNOR; AND
3. BE DESIGNATED AS AN AFFILIATE BOARD MEMBER.

(IV) THE VOTING MEMBERSHIP OF THE BOARD OF DIRECTORS MAY NOT EXCEED 30 MEMBERS.

(V) NOTHING IN THIS PARAGRAPH MAY BE CONSTRUED TO REQUIRE THE MEDICAL SYSTEM CORPORATION TO NOMINATE A REPRESENTATIVE OF AN ENTITY THAT AFFILIATES WITH THE MEDICAL SYSTEM CORPORATION ON OR AFTER OCTOBER 1, 2014, TO BE AN ADDITIONAL BOARD MEMBER.

- (c)
- (1) Each member shall be a resident of this State.
  - (2) Three voting members shall be members of the Board of Regents.
  - (3) Two voting members shall be members of the General Assembly, 1 nominated by the President of the Senate and 1 nominated by the Speaker of the House of Delegates.
  - (4) At least 1 voting member of the Board shall be appointed by the Governor, upon nomination by the membership of the Community Advisory Council, from the membership of the Community Advisory Council.
  - (5) At least 1 voting member of the Board of Directors shall have expertise in the hospital field.
  - (6) In appointing the voting members of the Board of Directors, the Governor shall insure that the composition of the Board fairly represents the minority composition of the State.
  - (7) The nonvoting members shall be, ex officio, the Chancellor of the University System of Maryland, the President, the Chief Executive Officer, the Dean of the School of Medicine, the President of the medical staff organization of the medical system, and the Associate Director of nursing services for the medical system.

13-305.

(b) (1) IN THIS SUBSECTION, "MEDICAL SYSTEM CORPORATION EMPLOYEES" INCLUDE THE EMPLOYEES OF A SUBSIDIARY ESTABLISHED UNDER

**§ 13-303(K) OF THIS SUBTITLE FOR THE PURPOSE OF OPERATING ALL OR A PART OF THE UNIVERSITY OF MARYLAND MEDICAL CENTER.**

[(1)] (2) The Medical System Corporation shall utilize both Medical System Corporation employees and medical system University personnel.

[(2)] (3) Prior to the transfer date, each University employee working in the medical system shall elect to be either a Medical System Corporation employee or a part of medical system University personnel. No University employee may be required to become an employee of the Medical System Corporation as a condition of employment or promotion. All medical system University personnel are University employees in all respects.

[(3)] (4) With respect to promotion opportunities, the Medical System Corporation shall treat medical system University personnel on the same basis as Medical System Corporation employees.

[(4)] (5) The Medical System Corporation shall establish an integrated seniority list composed of Medical System Corporation employees and medical system University personnel. Each listed employee's seniority will be calculated by including all employment with the University or the Medical System Corporation or both.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(1) Nothing in Section 1 of this Act shall be construed to affect the recognition of bargaining representatives of employees working at the University of Maryland Medical Center that are in existence on the effective date of this Act;

(2) Following the effective date of this Act, any collective bargaining agreements shall continue to be honored by the subsidiary established in Section 1 of this Act, subject to the terms of the collective bargaining agreements and the requirements of the National Labor Relations Act; and

(3) Those individuals employed by the Medical System Corporation who ~~elected to be represented by AFSCME on the creation of the Medical System Corporation~~ have elected to be exclusively represented shall not have that representation affected by the creation of the new subsidiary established in Section 1 of this Act.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 376****(House Bill 1545)**

AN ACT concerning

**University of Maryland Medical System Corporation – Governance – Medical Center Employees**

FOR the purpose of requiring the Board of Directors of the University of Maryland Medical System Corporation to establish a nonprofit subsidiary to operate all or a part of the University of Maryland Medical Center, to the extent approved by the University of Maryland in the annual contract, in order to bring certain Medical Center employees within the jurisdiction of the National Labor Relations Act; requiring the subsidiary to have certain powers and be formed in a certain manner to meet the jurisdictional requirements of the National Labor Relations Board; authorizing the Medical System Corporation, on or after a certain date, to amend its articles of incorporation to add certain voting members to the Board of Directors; establishing a certain process for adding certain voting members to the Board of Directors; clarifying that certain provisions of law that apply to employees of the Medical System Corporation apply to certain employees of a subsidiary established to operate all or a part of the Medical Center; establishing the intent of the General Assembly; providing for the construction of certain provisions of this Act; providing for the application of this Act; honoring certain collective bargaining agreements subject to certain terms and requirements; providing that certain individuals exclusively represented maintain certain representation under certain circumstances; and generally relating to the governance of the University of Maryland Medical System Corporation and the employees of the University of Maryland Medical Center.

BY repealing and reenacting, with amendments,

Article – Education

Section 13–302, 13–303(k), 13–304(b), and 13–305(b)

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – Education

Section 13–304(a) and (c)

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

13–302.

It is hereby found and determined that:

(1) The purposes of the medical system are to provide medical care of the type unique to University medical facilities for the citizens of the State and region and, in accomplishing this objective, to provide a clinical context for education and research conducted by the faculty of the University;

(2) The purposes extend to all citizens of the State, particularly regarding health care needs which only an academic medical institution can adequately meet such as extensive tertiary care, major shock trauma treatment, and sophisticated surgical techniques;

(3) The purposes also include rendering comprehensive health care to the community naturally served by University Hospital to assure its availability to citizens of that community;

(4) These purposes separately and collectively serve the highest public interest and are essential to the public health and welfare, but must be realized in the most efficient manner and at the lowest cost practicable and consistent with these purposes;

(5) It has proven unnecessarily costly and administratively cumbersome for the University to finance, manage, and carry out the patient care activities of an academic institution within the existing framework of a State agency, since many applicable laws, management structures, and procedures were developed to implement types of governmental functions which differ from the operations of a major patient care facility in an environment of State and federal regulation; such patient care operations are more efficiently served by contemporary legal, management, and procedural structures utilized by similarly situated, private entities throughout the nation;

(6) It is fiscally desirable for the State of Maryland to separate the operations, revenues, and obligations of the medical system from the State to the end that, to the maximum extent practicable, the medical system be a self-supporting entity to which the State may make grants or with which the State may contract as may be deemed appropriate from time to time; this separation will segregate patient care costs and revenues from unrelated State activities;

(7) The interests of the citizens of the State, the region, and the community naturally served by University Hospital will be best met by granting and transferring State assets and liabilities related to the medical system to a private, nonprofit, nonstock corporation in order to create a separate legal and organizational structure for the medical system to provide independence and flexibility of

management and funding, while assuring a compatible and mutually beneficial relationship with the University; [and]

(8) In order to maintain the highest quality patient care with the maximum efficiency practicable, the R Adams Cowley Shock Trauma Center will be part of the medical system and will be governed by the Board of Directors; AND

**(9) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT:**

**(I) EMPLOYEES OF THE MEDICAL SYSTEM CORPORATION AND ANY SUBSIDIARY OF THE MEDICAL SYSTEM CORPORATION WHO ARE NOT MEDICAL SYSTEM UNIVERSITY PERSONNEL ENJOY THE RIGHTS AND PROTECTIONS ASSOCIATED WITH FULL FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AFFORDED TO SIMILARLY SITUATED CITIZENS OF THE STATE; AND**

**(II) EACH SUBSIDIARY ESTABLISHED BY THE MEDICAL SYSTEM CORPORATION UNDER § 13-303(K) OF THIS SUBTITLE, INCLUDING A SUBSIDIARY ESTABLISHED FOR THE PURPOSE OF OPERATING ALL OR A PART OF THE UNIVERSITY OF MARYLAND MEDICAL CENTER, FALLS WITHIN THE JURISDICTION OF THE NATIONAL LABOR RELATIONS BOARD AND THE EMPLOYEES OF THE SUBSIDIARY ARE SUBJECT TO THE BENEFITS AND PROTECTIONS OF THE NATIONAL LABOR RELATIONS ACT.**

13-303.

**(k) (1) THE BOARD OF DIRECTORS SHALL ESTABLISH A NONPROFIT SUBSIDIARY FOR THE PURPOSE OF OPERATING ALL OR A PART OF THE UNIVERSITY OF MARYLAND MEDICAL CENTER, TO THE EXTENT APPROVED BY THE UNIVERSITY IN THE ANNUAL CONTRACT, THAT SHALL:**

**(I) HAVE ALL POWERS AVAILABLE UNDER THE LAWS GOVERNING THE FORMATION OF THE SUBSIDIARY; AND**

**(II) BE FORMED IN A MANNER SO THAT THE SUBSIDIARY, FOR THE PURPOSES OF MEETING THE JURISDICTIONAL REQUIREMENTS OF THE NATIONAL LABOR RELATIONS BOARD:**

**1. DOES NOT CONSTITUTE A DEPARTMENT OR ADMINISTRATIVE ARM OF THE STATE OR ANY AGENCY, POLITICAL SUBDIVISION, PUBLIC BODY, PUBLIC CORPORATION, OR MUNICIPAL CORPORATION; AND**

**2. IS NOT ADMINISTERED BY INDIVIDUALS WHO ARE RESPONSIBLE TO PUBLIC OFFICIALS OR TO THE GENERAL ELECTORATE.**

**(2)** [The] **IN ADDITION TO ESTABLISHING A SUBSIDIARY UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE** Board of Directors may establish nonprofit or for-profit subsidiaries or related entities, to the extent approved by the University in the annual contract.

13-304.

(a) The government of the Medical System Corporation is vested in the Board of Directors.

(b) **(1)** [The] **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE** Board of Directors consists of 6 nonvoting members and not less than 22 and not more than 27 voting members appointed by the Governor.

**(2) (I) ON OR AFTER OCTOBER 1, 2014, THE MEDICAL SYSTEM CORPORATION MAY AMEND ITS ARTICLES OF INCORPORATION TO ADD UP TO THREE VOTING MEMBERS TO THE BOARD OF DIRECTORS AS THE MEDICAL SYSTEM CORPORATION DETERMINES TO BE NECESSARY AND APPROPRIATE.**

**(II) NOMINATIONS OF ADDITIONAL VOTING MEMBERS SHALL BE MADE BY THE BOARD OF DIRECTORS AND SUBMITTED TO THE BOARD OF REGENTS FOR COMMENT AND TO THE GOVERNOR FOR CONSIDERATION.**

**(III) ANY MEMBER ADDED TO THE BOARD OF DIRECTORS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL:**

- 1. REPRESENT AN ENTITY THAT AFFILIATES WITH THE MEDICAL SYSTEM CORPORATION ON OR AFTER OCTOBER 1, 2014;**
- 2. BE APPOINTED BY THE GOVERNOR; AND**
- 3. BE DESIGNATED AS AN AFFILIATE BOARD MEMBER.**

**(IV) THE VOTING MEMBERSHIP OF THE BOARD OF DIRECTORS MAY NOT EXCEED 30 MEMBERS.**

**(V) NOTHING IN THIS PARAGRAPH MAY BE CONSTRUED TO REQUIRE THE MEDICAL SYSTEM CORPORATION TO NOMINATE A REPRESENTATIVE OF AN ENTITY THAT AFFILIATES WITH THE MEDICAL SYSTEM CORPORATION ON OR AFTER OCTOBER 1, 2014, TO BE AN ADDITIONAL BOARD MEMBER.**

(c) (1) Each member shall be a resident of this State.

(2) Three voting members shall be members of the Board of Regents.

(3) Two voting members shall be members of the General Assembly, 1 nominated by the President of the Senate and 1 nominated by the Speaker of the House of Delegates.

(4) At least 1 voting member of the Board shall be appointed by the Governor, upon nomination by the membership of the Community Advisory Council, from the membership of the Community Advisory Council.

(5) At least 1 voting member of the Board of Directors shall have expertise in the hospital field.

(6) In appointing the voting members of the Board of Directors, the Governor shall insure that the composition of the Board fairly represents the minority composition of the State.

(7) The nonvoting members shall be, ex officio, the Chancellor of the University System of Maryland, the President, the Chief Executive Officer, the Dean of the School of Medicine, the President of the medical staff organization of the medical system, and the Associate Director of nursing services for the medical system.

13-305.

**(b) (1) IN THIS SUBSECTION, "MEDICAL SYSTEM CORPORATION EMPLOYEES" INCLUDE THE EMPLOYEES OF A SUBSIDIARY ESTABLISHED UNDER § 13-303(K) OF THIS SUBTITLE FOR THE PURPOSE OF OPERATING ALL OR A PART OF THE UNIVERSITY OF MARYLAND MEDICAL CENTER.**

**[(1)] (2)** The Medical System Corporation shall utilize both Medical System Corporation employees and medical system University personnel.

**[(2)] (3)** Prior to the transfer date, each University employee working in the medical system shall elect to be either a Medical System Corporation employee or a part of medical system University personnel. No University employee may be required to become an employee of the Medical System Corporation as a condition of employment or promotion. All medical system University personnel are University employees in all respects.

**[(3)] (4)** With respect to promotion opportunities, the Medical System Corporation shall treat medical system University personnel on the same basis as Medical System Corporation employees.

**[(4)] (5)** The Medical System Corporation shall establish an integrated seniority list composed of Medical System Corporation employees and

medical system University personnel. Each listed employee's seniority will be calculated by including all employment with the University or the Medical System Corporation or both.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(1) Nothing in Section 1 of this Act shall be construed to affect the recognition of bargaining representatives of employees working at the University of Maryland Medical Center that are in existence on the effective date of this Act;

(2) Following the effective date of this Act, any collective bargaining agreements shall continue to be honored by the subsidiary established in Section 1 of this Act, subject to the terms of the collective bargaining agreements and the requirements of the National Labor Relations Act; and

(3) Those individuals employed by the Medical System Corporation who have elected to be exclusively represented shall not have that representation affected by the creation of the new subsidiary established in Section 1 of this Act.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 377**

**(Senate Bill 1112)**

AN ACT concerning

**Howard County – Alcoholic Beverages – Population Restrictions on Class A Licenses**

FOR the purpose of limiting the number of Class A licenses of any type that the Board of License Commissioners of Howard County may issue based on a certain license-to-population ratio using county population data as determined by the latest federal census; providing a certain exception; and generally relating to alcoholic beverages licenses in Howard County.

BY repealing and reenacting, without amendments,  
Article 2B – Alcoholic Beverages  
Section 9-214(a)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article 2B – Alcoholic Beverages

Section 9–214(f)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

9–214.

(a) This section applies only in Howard County.

**(F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD OF LICENSE COMMISSIONERS MAY NOT ISSUE MORE THAN ONE CLASS A LICENSE OF ANY TYPE FOR EVERY 4,000 RESIDENTS OF THE COUNTY AS DETERMINED BY THE LATEST FEDERAL CENSUS.**

**(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO A LICENSE ISSUED FOR USE IN AN EXISTING SHOPPING CENTER OR IN A PROPOSED SHOPPING CENTER DEVELOPMENT FOR WHICH A BUILDING PERMIT HAS BEEN ISSUED THAT CONTAINS 200,000 OR MORE SQUARE FEET OF COMMERCIAL RETAIL SPACE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 378**

**(House Bill 4)**

AN ACT concerning

**Alcoholic Beverages – Vaportinis and Similar Devices – Prohibited**

FOR the purpose of expanding the definition of “AWOL machine” to include a Vaportini or any similar device, so as to prohibit a Vaportini or any similar device from being used to inhale alcohol vapor or otherwise introduce alcohol in any form into the human body; and generally relating to devices that may be

used to inhale alcohol vapor or otherwise introduce alcohol into the human body.

BY repealing and reenacting, with amendments,  
Article 2B – Alcoholic Beverages  
Section 16–505.1  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

16–505.1.

(a) In this section, “AWOL machine” means an Alcohol Without Liquid device, **A VAPORTINI, OR ANY SIMILAR DEVICE** that mixes an alcoholic product with pure oxygen or other gas to produce a vaporized product that can be inhaled.

(b) A person may not:

(1) Use an AWOL machine to inhale alcohol vapor or otherwise introduce alcohol in any form into the human body; or

(2) With the intent to introduce alcohol into the human body, possess, purchase, transfer, or offer for sale or use an AWOL machine.

(c) (1) A person who violates this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000.

(2) Each violation of this section is a separate offense.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 379**

**(House Bill 12)**

AN ACT concerning

**Bay Restoration Fund – Authorized Uses – Local Entities**

FOR the purpose of authorizing certain fee revenue collected for the Bay Restoration Fund to be used by certain local entities to implement certain on-site sewage disposal system regulations; and generally relating to authorized uses of the Bay Restoration Fund.

BY repealing and reenacting, without amendments,  
 Article – Environment  
 Section 9–1605.2(h)(1)  
 Annotated Code of Maryland  
 (2007 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Environment  
 Section 9–1605.2(h)(2)  
 Annotated Code of Maryland  
 (2007 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Environment**

9–1605.2.

(h) (1) With regard to the funds collected under subsection (b)(1)(i)1, from users of an onsite sewage disposal system or holding tank that receive a water bill, (i)2, and (i)3 of this section, beginning in fiscal year 2006, the Comptroller shall:

(i) Establish a separate account within the Bay Restoration Fund; and

(ii) Disburse the funds as provided under paragraph (2) of this subsection.

(2) The Comptroller shall:

(i) Deposit 60% of the funds in the separate account to be used for:

1. Subject to paragraph (3) of this subsection, with priority first given to failing systems and holding tanks located in the Chesapeake and Atlantic Coastal Bays Critical Area and then to failing systems that the Department determines are a threat to public health or water quality, grants or loans for up to 100% of:

A. The costs attributable to upgrading an onsite sewage disposal system to the best available technology for the removal of nitrogen;

B. The cost difference between a conventional onsite sewage disposal system and a system that utilizes the best available technology for the removal of nitrogen;

C. The cost of repairing or replacing a failing onsite sewage disposal system with a system that uses the best available technology for nitrogen removal;

D. The cost, up to the sum of the costs authorized under item B of this item for each individual system, of replacing multiple onsite sewage disposal systems located in the same community with a new community sewerage system that is owned by a local government and that meets enhanced nutrient removal standards; or

E. The cost, up to the sum of the costs authorized under item C of this item for each individual system, of connecting a property using an onsite sewage disposal system to an existing municipal wastewater facility that is achieving enhanced nutrient removal level treatment; [and]

2. The reasonable costs of the Department, not to exceed 8% of the funds deposited into the separate account, to:

A. Implement an education, outreach, and upgrade program to advise owners of onsite sewage disposal systems and holding tanks on the proper maintenance of the systems and tanks and the availability of grants and loans under item 1 of this item;

B. Review and approve the design and construction of onsite sewage disposal system or holding tank upgrades;

C. Issue grants or loans as provided under item 1 of this item; and

D. Provide technical support for owners of upgraded onsite sewage disposal systems or holding tanks to operate and maintain the upgraded systems; and

**3. A PORTION OF THE REASONABLE COSTS OF A LOCAL PUBLIC ENTITY THAT HAS BEEN DELEGATED BY THE DEPARTMENT UNDER § 1-301(B) OF THIS ARTICLE TO ADMINISTER AND ENFORCE ENVIRONMENTAL LAWS, NOT TO EXCEED 10% OF THE FUNDS DEPOSITED INTO THE SEPARATE ACCOUNT, TO IMPLEMENT REGULATIONS ADOPTED BY THE**

**DEPARTMENT FOR ON-SITE SEWAGE DISPOSAL SYSTEMS THAT UTILIZE THE BEST AVAILABLE TECHNOLOGY FOR THE REMOVAL OF NITROGEN; AND**

(ii) Transfer 40% of the funds to the Maryland Agriculture Water Quality Cost Share Program in the Department of Agriculture in order to fund cover crop activities.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 380**

**(House Bill 58)**

AN ACT concerning

**Talbot County – Chesapeake Bay Critical Area – Prosecution or Civil Suit for Certain Violations**

FOR the purpose of requiring a criminal prosecution or a suit for a civil penalty for ~~a certain offense~~ certain offenses occurring in the Chesapeake Bay Critical Area in Talbot County to be brought within a certain number of years after ~~the Critical Area Commission for the Chesapeake and Atlantic Coastal Bays or~~ the local authorities in fact knew or reasonably should have known of a certain violation; providing for the application of a certain exception in certain instances; providing for the application of this Act; and generally relating to prosecutions and civil suits for certain offenses occurring in Talbot County.

BY repealing and reenacting, ~~without~~ with amendments,  
 Article – Courts and Judicial Proceedings  
 Section 5–106(a) and 5–107  
 Annotated Code of Maryland  
 (2013 Replacement Volume and 2013 Supplement)

BY adding to  
 Article – Courts and Judicial Proceedings  
 Section 5–106(dd)  
 Annotated Code of Maryland  
 (2013 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Courts and Judicial Proceedings**

5–106.

(a) Except as provided by this section ~~and~~, § 1–303 of the Environment Article, **AND § 8–1815 OF THE NATURAL RESOURCES ARTICLE**, a prosecution for a misdemeanor shall be instituted within 1 year after the offense was committed.

**(DD) (1) THIS SUBSECTION APPLIES IN TALBOT COUNTY TO AN OFFENSE THAT:**

**(I) OCCURS IN THE CHESAPEAKE BAY CRITICAL AREA, AS DEFINED IN § 8–1807 OF THE NATURAL RESOURCES ARTICLE; AND**

**(II) IS A VIOLATION OF A LOCAL LAW THAT RELATES TO ENVIRONMENTAL PROTECTION OR NATURAL RESOURCE CONSERVATION, INCLUDING A LOCAL LAW REGULATING:**

- 1. GRADING;**
- 2. SEDIMENT CONTROL;**
- 3. STORMWATER MANAGEMENT;**
- 4. ZONING;**
- 5. CONSTRUCTION; OR**
- 6. HEALTH AND PUBLIC SAFETY.**

**(2) A CRIMINAL PROSECUTION OR A SUIT FOR A CIVIL PENALTY FOR AN OFFENSE DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE INSTITUTED WITHIN 3 YEARS AFTER ~~THE CRITICAL AREA COMMISSION FOR THE CHESAPEAKE AND ATLANTIC COASTAL BAYS OR~~ THE LOCAL AUTHORITIES IN FACT KNEW OR REASONABLY SHOULD HAVE KNOWN OF THE VIOLATION.**

5–107.

Except as provided in § 5–106 of this subtitle, [and] § 1–303 of the Environment Article, AND § 8–1815 OF THE NATURAL RESOURCES ARTICLE, a prosecution or suit for a fine, penalty, or forfeiture shall be instituted within one year after the offense was committed.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have

any effect on or application to any offense occurring before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 381**

### **(House Bill 100)**

AN ACT concerning

#### **Dental Hygienists – Practice in Long-Term Care Facilities – Repeal of Termination Date**

FOR the purpose of repealing the termination date of certain provisions of law relating to the authority of a dental hygienist to practice dental hygiene under general supervision in a long-term care facility; and generally relating to the practice of dental hygiene.

BY repealing and reenacting, without amendments,  
Article – Health Occupations  
Section 4–308(m)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Chapter 733 of the Acts of the General Assembly of 2010  
Section 3

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Health Occupations**

4–308.

(m) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Assisted living program” has the meaning stated in § 19–1801 of the Health – General Article.

(iii) “General supervision” means supervision of a dental hygienist by a dentist, where the dentist may or may not be present when the dental hygienist performs the dental hygiene procedures.

(iv) “Long-term care facility” means:

1. A nursing home; or
2. An assisted living program.

(v) “Nursing home” has the meaning stated in § 19-1401 of the Health – General Article.

(2) (i) While it is effective, a general license to practice dental hygiene issued under this title authorizes the licensee to practice dental hygiene under the general supervision of a licensed dentist in a long-term care facility in accordance with this subsection.

(ii) This subsection may not be construed to:

1. Authorize a dental hygienist to practice dental hygiene independent of a supervising dentist;
2. Prohibit a dentist from being available for personal consultation or on the premises where a dental hygienist is practicing;
3. Prohibit a dental hygienist, without the supervision of a dentist, from performing a preliminary dental examination with subsequent referral to a dentist; or
4. Require a waiver under subsection (f) of this section.

(3) Before a dental hygienist is authorized to practice dental hygiene under general supervision in a long-term care facility in accordance with this subsection, the dental hygienist shall:

- (i) Hold an active license to practice dental hygiene in the State;
- (ii) Hold a current certificate evidencing health provider level C proficiency, or its equivalent, in cardiopulmonary resuscitation;
- (iii) Have at least 2 years of active clinical practice in direct patient care; and
- (iv) Ensure that the long-term care facility where the dental hygienist will practice under general supervision has:

1. A written medical emergency plan in place;
2. Adequate equipment, including portable equipment and appropriate armamentarium, available for the appropriate delivery of dental hygiene services; and
3. Adequate safeguards to protect the patient's health and safety.

(4) Before a dental hygienist is authorized to practice dental hygiene under general supervision in a long-term care facility in accordance with this subsection, the supervising dentist shall:

- (i) Hold an active general license to practice dentistry in the State;
- (ii) Hold a current certificate evidencing health provider level C proficiency, or its equivalent, in cardiopulmonary resuscitation; and
- (iii) Have at least 2 years of active clinical practice in direct patient care.

(5) A dental hygienist practicing under the general supervision of a licensed dentist in a long-term care facility and performing an authorized dental hygiene service for a patient's initial appointment shall:

- (i) Have a written agreement between the supervising dentist and the dental hygienist that clearly sets forth the terms and conditions under which the dental hygienist may practice, including a statement that the dental hygienist may provide dental hygiene services without the supervising dentist on the premises;
- (ii) Ensure that the supervising dentist is available for consultation with the dental hygienist:
  1. In person;
  2. By telephone; or
  3. Electronically;
- (iii) Consult with the supervising dentist or a treating physician before proceeding with initial treatment if there is a change in a recall patient's medical history;

(iv) Assess the appropriate recall interval based on the individual needs of the patient, or as otherwise recommended by the supervising dentist;

(v) Limit dental hygiene tasks and procedures to:

1. Toothbrush prophylaxis;
2. Application of fluoride;
3. Dental hygiene instruction;
4. Assessment of the patient's apparent need for further evaluation by a dentist in order to diagnose the presence of dental disease; and
5. Other duties as may be delegated, verbally or in writing, by the supervising dentist; and

(vi) Submit findings of the initial assessment to the supervising dentist for a determination of future treatment.

(6) A dental hygienist may perform subsequent authorized dental hygiene services without the supervising dentist on the premises only if:

(i) The supervising dentist examines the patient and authorizes in the patient's record a prescription of specific treatment to be provided by the dental hygienist;

(ii) An authorized treatment is provided by the dental hygienist as soon as possible, but no later than 7 months from the date the patient was examined by the supervising dentist; and

(iii) Upon expiration of a prescribed treatment, the supervising dentist is responsible for determining future protocols for the treatment of the patient.

### **Chapter 733 of the Acts of 2010**

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2010. [It shall remain effective for a period of 4 years and, at the end of June 30, 2014, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 382****(House Bill 101)**

AN ACT concerning

**Dental Hygienists – Nitrous Oxide – Repeal of Termination Date**

FOR the purpose of repealing the termination date of certain provisions of law relating to the authority of a dental hygienist to monitor a patient to whom nitrous oxide is administered; and generally relating to the practice of dental hygiene.

BY repealing and reenacting, without amendments,  
Article – Health Occupations  
Section 4–101(k)(9), 4–205(a)(1)(ix), and 4–206.2  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Chapter 271 of the Acts of the General Assembly of 2011  
Section 2

BY repealing and reenacting, with amendments,  
Chapter 272 of the Acts of the General Assembly of 2011  
Section 2

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health Occupations**

4–101.

(k) “Practice dental hygiene” means to:

(9) Monitor, in accordance with § 4–206.2 of this title, a patient to whom nitrous oxide is administered; or

4–205.

(a) In addition to the powers set forth elsewhere in this title, the Board may:

(1) Adopt regulations governing:

(ix) Reasonable requirements for:

1. The education, training, evaluation, and examination of a dental hygienist before a dental hygienist may monitor a patient to whom nitrous oxide is being administered, subject to § 4–206.2 of this subtitle; and

2. Monitoring by a dental hygienist, in accordance with § 4–206.2 of this subtitle, of a patient to whom nitrous oxide is being administered;  
4–206.2.

(a) A dental hygienist may monitor a patient to whom nitrous oxide is administered provided the monitoring of the patient is under the supervision of a dentist who is physically present on the premises.

(b) Before a dental hygienist may monitor a patient to whom nitrous oxide is administered, the dental hygienist shall successfully complete the following:

- (1) Any educational requirements established by the Board; and
- (2) A written and clinical examination as required by the Board.

(c) A dental hygienist shall complete the educational requirements established by the Board under subsection (b)(1) of this section through an accredited dental hygiene program.

### **Chapter 271 of the Acts of 2011**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2011. [It shall remain effective for a period of 3 years and, at the end of September 30, 2014, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

### **Chapter 272 of the Acts of 2011**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2011. [It shall remain effective for a period of 3 years and, at the end of September 30, 2014, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 383

(House Bill 118)

AN ACT concerning

### ~~Greenhouse Gas Emissions Reductions Progress Report Ocean Acidification~~

#### Task Force to Study the Impact of Ocean Acidification on State Waters

FOR the purpose of ~~requiring the Department of the Environment to include an analysis of the best available science regarding ocean acidification and certain potential effects of acidification in a certain report; requiring the Department to make recommendations on potential strategies to mitigate certain effects of ocean acidification in a certain report; and generally relating to ocean acidification~~ establishing the Task Force to Study the Impact of Ocean Acidification on State Waters; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to analyze certain information and make recommendations regarding certain matters; requiring the Task Force to report its findings and recommendations to the Governor and the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the Task Force to Study the Impact of Ocean Acidification on State Waters.

~~BY repealing and reenacting, with amendments,  
Article Environment  
Section 2-1209  
Annotated Code of Maryland  
(2013 Replacement Volume)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, ~~That the Laws of Maryland read as follows:~~

#### ~~Article Environment~~

~~2-1209.~~

~~(a) On or before October 1, 2015, the Department shall submit a report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly that includes:~~

~~(1) A summary of the State's progress toward achieving the 2020 emissions reduction required by the plan under § 2-1205 of this subtitle;~~

~~(2) An update on emerging technologies to reduce greenhouse gas emissions;~~

~~(3) A review of the best available science, including updates by the Intergovernmental Panel on Climate Change, regarding the level and pace of greenhouse gas emissions reductions and sequestration needed to avoid dangerous anthropogenic changes to the Earth's climate system;~~

~~(4) Recommendations on the need for science based adjustments to the requirement to reduce statewide greenhouse gas emissions by 25% by 2020;~~

~~(5) A summary of additional or revised regulations, control programs, or incentives that are necessary to achieve the 25% reduction in statewide greenhouse gas emissions required under this subtitle, or a revised reduction recommended in accordance with item (4) of this subsection;~~

~~(6) The status of any federal program to reduce greenhouse gas emissions and any transition by the State from its participation in the Regional Greenhouse Gas Initiative to a comparable federal cap and trade program; [and]~~

~~(7) An analysis of the overall economic costs and benefits to the State's economy, environment, and public health of a continuation or modification of the requirement to achieve a reduction of 25% in statewide greenhouse gas emissions by 2020, including reductions in other air pollutants, diversification of energy sources, the impact on existing jobs, the creation of new jobs, and expansion of the State's low carbon economy;~~

~~(8) AN ANALYSIS OF THE BEST AVAILABLE SCIENCE REGARDING OCEAN ACIDIFICATION AND THE POTENTIAL EFFECTS OF ACIDIFICATION ON THE ECOLOGY OF STATE WATERS AND ON STATE FISHERIES; AND~~

~~(9) RECOMMENDATIONS ON POTENTIAL STRATEGIES TO MITIGATE THE EFFECTS OF ACIDIFICATION ON STATE WATERS AND ON STATE FISHERIES.~~

~~(b) The report required under subsection (a) of this section shall be subject to a public comment and hearing process conducted by the Department. That:~~

~~(a) There is a Task Force to Study the Impact of Ocean Acidification on State Waters.~~

~~(b) The Task Force consists of the following members:~~

~~(1) one member of the Senate of Maryland, appointed by the President of the Senate;~~

(2) one member of the House of Delegates, appointed by the Speaker of the House;

~~(1)~~ (3) the Secretary of Natural Resources, or the Secretary's designee;

~~(2)~~ (4) the Secretary of the Environment, or the Secretary's designee; and

~~(3)~~ (5) the following members, appointed by the Governor:

(i) one representative of the State's aquaculture industry;

(ii) one representative of the Maryland Watermen's Association;

(iii) one representative of the National Aquarium, Baltimore;

(iv) one representative of the University of Maryland Center for Environmental Science; and

(v) one representative of the Chesapeake Bay Foundation.

(c) The Governor shall designate the chair of the Task Force.

(d) The Department of Natural Resources shall provide staff for the Task Force.

(e) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Task Force shall:

(1) analyze the best available science regarding ocean acidification and the potential effects of acidification on the ecology of State waters and on State fisheries; and

(2) make recommendations regarding potential strategies to mitigate the effects of acidification on State waters and on State fisheries.

(g) On or before January 1, 2015, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2014~~ July 1, 2014. It shall remain effective for a period of 1 year and, at the

end of June 30, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 384**

### **(House Bill 127)**

AN ACT concerning

#### **Central Collection Unit – Debt Certification – Withholding of Income Tax Refunds**

FOR the purpose of altering the date by which the Central Collection Unit is required to provide a certain certification to the Comptroller of certain debts owed to the State; and generally relating to the withholding of certain debts owed to the State from certain income tax refunds.

BY repealing and reenacting, with amendments,  
Article – Tax – General  
Section 13–915(a)(1)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Tax – General**

13–915.

(a) (1) A certification by the Central Collection Unit to the Comptroller shall be made on or before [November 1] **JANUARY 1** of each calendar year in the form that the Comptroller prescribes.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 385****(House Bill 135)**

AN ACT concerning

**Montgomery County – Town of Kensington – Alcoholic Beverages – Special  
B–K Licenses**

**MC 15–14**

FOR the purpose of altering the description of commercial areas in the Town of Kensington in Montgomery County in which the Board of License Commissioners may issue special B–K alcoholic beverages licenses for use on the premises of restaurants located in those areas; prohibiting the holder of a certain license in a certain commercial area from serving alcoholic beverages after a certain time; and generally relating to alcoholic beverages licenses in the Town of Kensington in Montgomery County.

BY repealing and reenacting, with amendments,  
Article 2B – Alcoholic Beverages  
Section 8–216(a)(2)(iv)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

8–216.

(a) (2) (iv) 1. In the town of Kensington, the Montgomery County Board of License Commissioners may issue a special B–K beer and wine license or a special B–K beer, wine and liquor license for use on the premises of a restaurant located in the following commercial areas:

A. The west side of Connecticut Avenue between Knowles Avenue and Perry Avenue;

B. The east side of Connecticut Avenue between Knowles Avenue and Dupont Street and between University Boulevard and Perry Avenue;

C. The west side of University Boulevard West;

D. Dupont Avenue, west of Connecticut Avenue;

- E. Plyers Mill Road, west of Metropolitan Avenue;
- F. Summit Avenue between Knowles Avenue and Howard Avenue;
- G. Detrick Avenue between Knowles Avenue and Howard Avenue;
- H. The southwest side of Metropolitan Avenue between North Kensington Parkway and Plyers Mill Road;
- I. East Howard Avenue;
- J. Armory Avenue between Howard Avenue and Knowles Avenue;
- K. Montgomery Avenue between Howard Avenue and Kensington Parkway; [or]
- L. Kensington Parkway and Frederick Avenue, from Montgomery Avenue to Silver Creek; OR

**M. ~~10401 CONNECTICUT AVENUE~~ THE EAST SIDE OF CONNECTICUT AVENUE BETWEEN WARNER STREET AND KNOWLES AVENUE.**

2. A special B–K beer, wine and liquor license or a special B–K beer and wine license authorizes the holder to keep for sale and sell alcoholic beverages for consumption on the premises only.

3. A licensee shall maintain average daily receipts from the sale of food, not including carryout food, of at least 50% of the overall average daily receipts.

4. In addition to the restrictions in subparagraphs 2 and 3 of this subparagraph, the holder of a special B–K beer and wine license or a special B–K beer, wine and liquor license in the commercial areas specified in subparagraph 1I, J, K, ~~and L~~ L, AND M of this subparagraph may not serve alcoholic beverages after 11 p.m.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 386****(House Bill 136)**

AN ACT concerning

**Alcoholic Beverages – Montgomery County – Beer Festivals****MC 11-14**

FOR the purpose of authorizing Montgomery County to conduct a beer festival not more than a certain number of times each year under the supervision of the Montgomery County Department of Liquor Control; requiring the county, in selecting a nonprofit festival organization to organize the beer festival, to ensure that the organization has certain experience; specifying that the festival organization select the weekends during which the festival will be conducted; authorizing a festival organization to contract with holders of certain current alcoholic beverages licenses to sell and display beer at the festival; specifying that on the days and for the hours designated for the beer festival, beer may be displayed and sold at retail under certain conditions; requiring a festival organization to choose the festival location and ensure that the primary focus of the festival is the promotion of Maryland beer; requiring that a person hold a special beer festival license and contract with the festival organization before selling, offering for sale, or displaying beer at a festival; authorizing the Montgomery County Board of License Commissioners to issue a special beer festival license; establishing a license fee; allowing certain persons to hold a special beer festival license in addition to another license; providing for certain penalties; requiring certain license fees to be deposited into the general fund of the county; requiring the Montgomery County Board of License Commissioners to adopt certain regulations; defining certain terms; and generally relating to beer festivals in Montgomery County.

BY adding to

Article 2B – Alcoholic Beverages

Section 8-807

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

**8-807.**

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(2) “BOARD” MEANS THE MONTGOMERY COUNTY BOARD OF LICENSE COMMISSIONERS.

(3) “FESTIVAL” MEANS THE MONTGOMERY COUNTY BEER FESTIVAL.

(4) “FESTIVAL ORGANIZATION” MEANS A NONPROFIT ORGANIZATION THAT IS SELECTED BY MONTGOMERY COUNTY IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION TO ORGANIZE A FESTIVAL.

(B) IN SELECTING A NONPROFIT ORGANIZATION TO BE A FESTIVAL ORGANIZATION, MONTGOMERY COUNTY SHALL ENSURE THAT THE NONPROFIT ORGANIZATION HAS EXTENSIVE EXPERIENCE IN ORGANIZING AND MANAGING LARGE-SCALE PUBLIC EVENTS.

(C) UNDER THE SUPERVISION OF THE MONTGOMERY COUNTY DEPARTMENT OF LIQUOR CONTROL, THE COUNTY EACH YEAR MAY CONDUCT THE MONTGOMERY COUNTY BEER FESTIVAL ON NOT MORE THAN FOUR WEEKENDS THAT A FESTIVAL ORGANIZATION SELECTS.

(D) A FESTIVAL ORGANIZATION MAY CONTRACT WITH HOLDERS OF A CURRENT MONTGOMERY COUNTY RETAIL ALCOHOLIC BEVERAGES LICENSE, A STATE CLASS 5 BREWERY LICENSE, A STATE CLASS 6 PUB-BREWERY LICENSE, ~~OR~~ A STATE CLASS 7 MICRO-BREWERY LICENSE, OR A STATE CLASS 8 FARM BREWERY LICENSE TO SELL AND DISPLAY BEER AT THE FESTIVAL.

(E) ON THE DAYS AND FOR THE HOURS DESIGNATED FOR THE FESTIVAL, BEER MAY BE DISPLAYED AND SOLD AT RETAIL:

(1) FOR CONSUMPTION ON THE PREMISES; AND

(2) FOR CONSUMPTION OFF THE PREMISES IN SEALED CONTAINERS.

(F) A FESTIVAL ORGANIZATION:

(1) SHALL CHOOSE FOR THE FESTIVAL A LOCATION IN THE COUNTY THAT MAY BE A LICENSED OR AN UNLICENSED PREMISES; AND

(2) SHALL ENSURE THAT THE PRIMARY FOCUS OF THE FESTIVAL IS THE PROMOTION OF MARYLAND BEER.

(G) (1) BEFORE A PERSON MAY SELL, OFFER FOR SALE, OR DISPLAY BEER AT A FESTIVAL, THE PERSON MUST CONTRACT WITH THE FESTIVAL ORGANIZATION AND OBTAIN A SPECIAL BEER FESTIVAL LICENSE FROM THE BOARD.

(2) THE BOARD MAY ISSUE A SPECIAL BEER FESTIVAL LICENSE.

(3) THE LICENSE FEE IS \$30 FOR EACH DAY OF THE FESTIVAL.

(4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A PERSON MAY HOLD A SPECIAL BEER FESTIVAL LICENSE IN ADDITION TO ANOTHER LICENSE ISSUED UNDER THIS ARTICLE.

(5) THE BOARD MAY DENY A SPECIAL BEER FESTIVAL LICENSE TO ANY APPLICANT, SUSPEND OR REVOKE A SPECIAL BEER FESTIVAL LICENSE, OR IMPOSE A FINE NOT EXCEEDING \$20,000 IF THE APPLICANT OR LICENSE HOLDER VIOLATES A PROVISION OF THIS ARTICLE OR THE REGULATIONS OF THE BOARD.

(6) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ALL LICENSE FEES COLLECTED UNDER THIS SUBSECTION SHALL BE DEPOSITED INTO THE GENERAL FUND OF THE COUNTY.

(H) THE BOARD SHALL ADOPT REGULATIONS FOR IMPLEMENTING THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 387

(House Bill 137)

AN ACT concerning

Montgomery County ~~and St. Mary's County~~ – Alcoholic Beverages – Beauty Salon License

MC 9-14

FOR the purpose of establishing in Montgomery County ~~and St. Mary's County~~ a beauty salon beer and wine license; requiring that, ~~in Montgomery County,~~ a recipient of the license be a holder of a beauty salon permit; ~~requiring that, in St. Mary's County, a recipient of the license be a holder of a beauty salon permit and an operator of a beauty salon in a certain jurisdiction;~~ authorizing a holder of the license to provide beer and wine by the glass for consumption by a certain customer when a certain cosmetology service is provided or a certain fundraising event is held; prohibiting the license from being transferred to another location; specifying the hours that the license privilege may be exercised; specifying an annual license fee; providing that an establishment for which the license is issued is subject to certain alcohol awareness training requirements; and generally relating to alcoholic beverages licenses in Montgomery County ~~and St. Mary's County.~~

BY adding to

Article 2B – Alcoholic Beverages

Section 8–216.5 ~~and 8–219.1~~

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – Business Occupations and Professions

Section 5–101(a), (c), (d), (l), (m), (n), and (o) and 5–501

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article 2B – Alcoholic Beverages**

#### **8–216.5.**

**(A) THIS SECTION APPLIES ONLY IN MONTGOMERY COUNTY.**

**(B) THE BOARD OF LICENSE COMMISSIONERS MAY ISSUE A SPECIAL BEAUTY SALON BEER AND WINE LICENSE TO A HOLDER OF A BEAUTY SALON PERMIT UNDER § 5–501 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.**

**(C) A BEAUTY SALON LICENSE AUTHORIZES THE LICENSE HOLDER TO PROVIDE NO MORE THAN 5 OUNCES OF BEER ~~AND~~ OR WINE BY THE GLASS FOR ON-PREMISES CONSUMPTION BY A BEAUTY SALON CUSTOMER; ~~WHEN:~~**

(1) ~~A~~ WHEN THE CUSTOMER IS PROVIDED A COSMETOLOGY SERVICE UNDER § 5-101(L) OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE IS PROVIDED; OR

(2) ~~A~~ WHILE THE CUSTOMER IS ATTENDING A FUNDRAISING EVENT IS HELD AT THE BEAUTY SALON FOR WHICH A PERMIT FROM THE DEPARTMENT OF PERMITTING SERVICES IS HAS ISSUED A PERMIT.

(D) A BEAUTY SALON LICENSE MAY NOT BE TRANSFERRED TO ANOTHER LOCATION.

(E) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A HOLDER OF THE LICENSE MAY PROVIDE BEER AND WINE FOR ON-PREMISES CONSUMPTION DURING NORMAL BUSINESS HOURS BUT NOT LATER THAN MIDNIGHT, 9:00 P.M.

(F) THE ANNUAL LICENSE FEE IS \$100.

(G) AN ESTABLISHMENT FOR WHICH A BEAUTY SALON LICENSE IS ISSUED IS SUBJECT TO THE ALCOHOL AWARENESS TRAINING REQUIREMENTS UNDER § 13-101 OF THIS ARTICLE.

~~§ 219.1.~~

~~(A) THIS SECTION APPLIES ONLY IN ST. MARY'S COUNTY.~~

~~(B) THE BOARD OF LICENSE COMMISSIONERS FOR ST. MARY'S COUNTY MAY ISSUE A SPECIAL BEAUTY SALON BEER AND WINE LICENSE TO A PERSON WHO:~~

~~(1) HOLDS A BEAUTY SALON PERMIT UNDER § 5-501 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; AND~~

~~(2) OPERATES A BEAUTY SALON IN LEONARDTOWN.~~

~~(C) A BEAUTY SALON LICENSE AUTHORIZES THE LICENSE HOLDER TO PROVIDE NO MORE THAN 5 OUNCES OF BEER OR WINE BY THE GLASS FOR ON-PREMISES CONSUMPTION BY A BEAUTY SALON CUSTOMER;~~

~~(1) WHEN THE CUSTOMER IS PROVIDED A COSMETOLOGY SERVICE UNDER § 5-101(L) OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; OR~~

~~(2) WHILE THE CUSTOMER IS ATTENDING A FUNDRAISING EVENT AT THE BEAUTY SALON FOR WHICH THE COUNTY SHERIFF HAS ISSUED A PERMIT.~~

~~(D) A BEAUTY SALON LICENSE MAY NOT BE TRANSFERRED TO ANOTHER LOCATION.~~

~~(E) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A HOLDER OF THE LICENSE MAY PROVIDE BEER AND WINE FOR ON PREMISES CONSUMPTION DURING NORMAL BUSINESS HOURS BUT NOT LATER THAN 9:00 P.M.~~

~~(F) THE ANNUAL LICENSE FEE IS \$100.~~

~~(G) AN ESTABLISHMENT FOR WHICH A BEAUTY SALON LICENSE IS ISSUED IS SUBJECT TO THE ALCOHOL AWARENESS TRAINING REQUIREMENTS UNDER § 13-101 OF THIS ARTICLE.~~

### Article – Business Occupations and Professions

5–101.

(a) In this title the following words have the meanings indicated.

(c) (1) “Beauty salon” means any commercial establishment, except a barbershop, in which an individual practices cosmetology.

(2) “Beauty salon” does not include a clinic in a cosmetology school.

(d) “Beauty salon permit” means a permit issued by the Board to operate a beauty salon.

(l) (1) “Practice cosmetology” means to engage in any of the following for compensation:

(i) providing hair services;

(ii) arching or dyeing eyebrows;

(iii) dyeing eyelashes;

(iv) providing esthetic services; or

(v) providing nail technician services.

(2) The practice of cosmetology does not include:

- (i) the mere sale, fitting, or styling of wigs or hairpieces;
- (ii) the mere shampooing of hair; or

(iii) a service that results in tension on hair strands or roots by twisting, wrapping, weaving, extending, locking, or braiding by hand or mechanical device, provided that the service does not include the application of dyes, reactive chemicals, or other preparations to alter the color of the hair or to straighten, curl, or alter the structure of the hair.

(m) "Provide esthetic services" means to provide to an individual, for compensation, the service of:

(1) cleansing, exercising, massaging, stimulating, or performing any other similar procedure on the skin or scalp by electrical, mechanical, or any other means;

(2) applying to the face an alcohol, cream, lotion, astringent, or cosmetic preparation; or

(3) removing superfluous hair by the use of a depilatory, tweezers, or wax.

(n) "Provide hair services" means to provide to an individual for compensation the service of beautifying, cleaning, or embellishing the hair of the individual by:

- (1) arranging the hair;
- (2) bleaching the hair;
- (3) cleansing the hair;
- (4) coloring the hair;
- (5) curling the hair;
- (6) cutting the hair;
- (7) dressing the hair;
- (8) singeing the hair;
- (9) permanent waving the hair;
- (10) waving the hair; or

(11) performing any other similar procedure intended to beautify, clean, or embellish the hair.

(o) “Provide nail technician services” means to provide to an individual, for compensation, the service of:

- (1) manicuring or pedicuring the individual’s nails;
- (2) applying artificial nail enhancement products; or
- (3) maintaining artificial nail enhancement products.

5–501.

(a) A person shall hold a beauty salon permit issued by the Board before the person may operate a beauty salon in the State.

(b) A beauty salon may operate as a limited practice beauty salon by offering cosmetology services limited to:

- (1) providing esthetic services;
- (2) providing hair services; or
- (3) providing nail technician services.

(c) A separate beauty salon permit is required for each beauty salon that a person operates.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 388**

**(House Bill 146)**

AN ACT concerning

**Montgomery County – Alcoholic Beverages – Special BWL Community  
Performing Arts Facility License**

**MC 7–14**

FOR the purpose of establishing a Special BWL Community Performing Arts Facility alcoholic beverages license in Montgomery County; authorizing the Montgomery County Board of License Commissioners to issue a Special BWL Community Performing Arts Facility license to apply to a certain performing arts facility; authorizing the Board to issue the license to certain entities to host certain activities; authorizing the Board to impose certain conditions on the issuance or renewal of the license; prohibiting the Board from approving the transfer of the license to another location; authorizing holders of certain catering licenses to bring alcohol and food onto certain licensed premises under the terms of a certain contract; providing that certain violations of alcoholic beverages law apply to a certain caterer under certain circumstances; requiring a holder of the license to ensure that food is provided during a certain time; prohibiting the Board from issuing more than a certain number of licenses under this Act to a certain entity; establishing a certain license fee; defining a certain term; and generally relating to alcoholic beverages licenses in Montgomery County.

BY repealing and reenacting, without amendments,  
 Article 2B – Alcoholic Beverages  
 Section 6–201(q)(1)  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)

BY adding to  
 Article 2B – Alcoholic Beverages  
 Section 6–201(q)(5)  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

6–201.

- (q) (1) (i) This subsection applies only in Montgomery County.
- (ii) 1. In this subsection the following words have the meanings indicated.
2. “Board” means the Board of License Commissioners.
3. “Dining area” means the area occupied by patrons for the consumption of food and includes a cocktail area where food need not be served if there is no separate outdoor entrance to the cocktail area.

**(5) (I) IN THIS PARAGRAPH, “COMMUNITY PERFORMING ARTS FACILITY” MEANS A FACILITY THAT IS USED FOR SHOWS, LIVE PERFORMANCES, THEATER PRODUCTIONS, ART CLASSES, EXHIBITS, VISUAL ART SHOWS, WEDDINGS, BANQUETS, AND COMMUNITY-RELATED ACTIVITIES.**

**(II) THERE IS A SPECIAL BWL COMMUNITY PERFORMING ARTS FACILITY LICENSE.**

**(III) THE BOARD MAY ISSUE A SPECIAL BWL COMMUNITY PERFORMING ARTS FACILITY LICENSE TO APPLY ONLY TO A PERFORMING ARTS FACILITY THAT HAS A MINIMUM CAPACITY OF 200 PERSONS AND A MAXIMUM CAPACITY OF 1,499 PERSONS.**

**(IV) THE BOARD MAY ISSUE THE LICENSE FOR USE BY A NOT-FOR-PROFIT PARTNERSHIP, A LIMITED LIABILITY COMPANY, A CORPORATION, OR ANY OTHER ENTITY THAT OWNS OR LEASES THE PERFORMING ARTS FACILITY.**

**(V) 1. THE LICENSE AUTHORIZES THE HOLDER TO SELL BEER, WINE, AND LIQUOR BY THE DRINK FROM ONE OR MORE OUTLETS ON THE LICENSED PREMISES FOR CONSUMPTION ON THE LICENSED PREMISES.**

**2. A HOLDER OF THE LICENSE MAY EXERCISE THE PRIVILEGES UNDER THE LICENSE FROM 10 A.M. ON ANY DAY UNTIL 2 A.M. THE FOLLOWING DAY.**

**(VI) THE BOARD MAY IMPOSE CONDITIONS ON THE ISSUANCE OR RENEWAL OF THE LICENSE THAT ESTABLISH THE AREAS IN THE COMMUNITY PERFORMING ARTS FACILITY WHERE BEER, WINE, AND LIQUOR MAY BE SOLD, SERVED, POSSESSED, OR CONSUMED.**

**(VII) THE BOARD MAY NOT APPROVE THE TRANSFER OF THE LICENSE TO ANOTHER LOCATION.**

**(VIII) 1. A HOLDER OF A CLASS B-BWLHR LICENSE WITH CATERING AUTHORITY, A MONTGOMERY COUNTY CATERING LICENSE (CAT), OR A STATEWIDE CATERER LICENSE (SCAT) MAY BRING ALCOHOL AND FOOD ON THE LICENSED PREMISES UNDER THE TERMS OF A CONTRACT WITH A HOLDER OF A SPECIAL BWL COMMUNITY PERFORMING ARTS FACILITY LICENSE.**

**2. A VIOLATION OF THIS ARTICLE THAT OCCURS WHEN A CATERER BRINGS ALCOHOL ON LICENSED PREMISES AS PROVIDED**

UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH IS THE RESPONSIBILITY OF THE CATERER AND IS NOT THE RESPONSIBILITY OF THE HOLDER OF THE LICENSE.

(IX) A HOLDER OF THE LICENSE SHALL ENSURE THAT FOOD IS PROVIDED DURING THE HOURS ALCOHOLIC BEVERAGES ARE SOLD, SERVED, POSSESSED, OR CONSUMED.

(X) THE BOARD MAY ISSUE NO MORE THAN THREE LICENSES TO A NOT-FOR-PROFIT PARTNERSHIP, A LIMITED LIABILITY COMPANY, A CORPORATION, OR ANY OTHER ENTITY THAT OWNS OR LEASES PERFORMING ARTS FACILITIES IN SEPARATE LOCATIONS.

(XI) THE ANNUAL LICENSE FEE IS \$750.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 389

### (House Bill 198)

AN ACT concerning

#### **Income Tax – Earned Income Credit – Refundable Amount**

FOR the purpose of altering, for certain taxable years, the percentage of the federal earned income credit used for determining the amount that an individual may claim as a refund under the Maryland earned income credit under certain circumstances; and generally relating to the earned income credit allowed under the State income tax.

BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 10–704(a) and (b)(1)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Tax – General  
Section 10–704(b)(2)  
Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

10–704.

(a) (1) An individual may claim a credit against the State income tax for a taxable year in the amount determined under subsection (b) of this section for earned income.

(2) An individual may claim a credit against the county income tax for a taxable year in the amount determined under subsection (c) of this section for earned income.

(b) (1) Except as provided in paragraph (2) of this subsection and subject to subsection (d) of this section, the credit allowed against the State income tax under subsection (a)(1) of this section is the lesser of:

(i) 50% of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code; or

(ii) the State income tax for the taxable year.

(2) (I) An individual may claim a refund in the amount, if any, by which [25%] **THE APPLICABLE PERCENTAGE SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH** of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code exceeds the State income tax for the taxable year.

**(II) THE APPLICABLE PERCENTAGE OF THE EARNED INCOME CREDIT ALLOWABLE UNDER § 32 OF THE INTERNAL REVENUE CODE TO BE USED FOR PURPOSES OF DETERMINING THE REFUND PROVIDED UNDER THIS PARAGRAPH IS:**

1. ~~26%~~ **25.5%** FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, ~~2013~~ **2014**, BUT BEFORE JANUARY 1, ~~2015~~ **2016**;

2. ~~27%~~ **26%** FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, ~~2014~~ **2015**, BUT BEFORE JANUARY 1, ~~2016~~ **2017**;

3. ~~28%~~ **27%** FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, ~~2015~~ **2016**, BUT BEFORE JANUARY 1, ~~2017~~ **2018**; AND

4. ~~29%~~ 28% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2016, BUT BEFORE JANUARY 1, 2018; AND

~~5. 30% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2017.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 390

(House Bill 223)

AN ACT concerning

### Property Tax Credit – Urban Agricultural Property – Applicability

FOR the purpose of altering the eligibility criteria for a certain property tax credit for certain agricultural property; ~~authorizing the Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation to provide for a refund of certain property taxes paid for certain taxable years under certain circumstances;~~ altering a certain definition; providing for the application of this Act; and generally relating to a property tax credit for agricultural property.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 9–253

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Tax – Property

9–253.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Urban agricultural property” means real property that is:
  - (i) at least one–eighth of an acre and not more than 5 acres;

(ii) located in a priority funding area, as defined in § 5–7B–02 of the State Finance and Procurement Article; and

(iii) used [exclusively] for urban agricultural purposes.

(3) “Urban agricultural purposes” means:

(i) crop production activities, including the use of mulch or cover crops to ensure maximum productivity and minimize runoff and weed production;

(ii) environmental mitigation activities, including stormwater abatement and groundwater protection;

(iii) community development activities, including recreational activities, food donations, and food preparation and canning classes;

(iv) economic development activities, including employment and training opportunities, and direct sales to restaurants and institutions; and

(v) temporary produce stands used for the sale of produce raised on the premises.

(b) The Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may grant, by law, a tax credit against the county or municipal corporation property tax imposed on urban agricultural property.

(c) (1) Except as provided in paragraph (2) of this subsection, a tax credit under this section shall be granted for 5 years.

(2) (i) If the Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation grants a tax credit under this section, the jurisdiction granting a tax credit shall evaluate the effectiveness of the credit after 3 years.

(ii) If the jurisdiction granting the tax credit determines that the tax credit is ineffective in promoting urban agricultural purposes, the jurisdiction granting a tax credit may terminate the tax credit.

(iii) The jurisdiction granting a tax credit under this section may extend the tax credit for an additional 5 years.

(d) The Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may provide, by law, for:

(1) the amount of the tax credit under this section;

- (2) additional eligibility criteria for the tax credit under this section;
- (3) regulations and procedures for the application and uniform processing of requests for the tax credit; and
- (4) any other provision necessary to carry out the credit under this section.

(e) At any time during the period for which a property tax credit under this section is granted for urban agricultural property, if the property ceases to be used for urban agricultural purposes, the owner of the property shall be liable for all property taxes that would have been imposed if a property tax credit for urban agricultural property had not been granted.

~~(F) IF A PROPERTY TAX CREDIT IS GRANTED UNDER THIS SECTION ON OR AFTER JUNE 1, 2014, THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE A REFUND OF PROPERTY TAX PAID FOR TAXABLE YEARS BEGINNING ON OR AFTER JULY 1, 2010, ON PROPERTY USED FOR URBAN AGRICULTURAL PURPOSES THAT DID NOT QUALIFY FOR A PROPERTY TAX CREDIT UNDER THIS SECTION BEFORE JUNE 1, 2014.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014, and shall be applicable to all taxable years beginning after June 30, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 391

(House Bill 229)

AN ACT concerning

### Public Health – Child Care Products Containing Flame-Retardant Chemicals – TDCPP – Prohibition

FOR the purpose of prohibiting a person from importing, selling, or offering for sale certain child care products containing certain flame-retardant chemicals; authorizing the Secretary of Health and Mental Hygiene to suspend implementation of certain provisions of this Act if the Secretary makes a certain determination; requiring the Department of Health and Mental Hygiene to adopt certain regulations on or before a certain date; defining a certain term;

and generally relating to child care products containing flame-retardant chemicals known as TDCPP.

BY repealing and reenacting, with amendments,  
Article – Health – General  
Section 24–306  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

24–306.

(a) (1) In this section the following words have the meanings indicated.

(2) “Child care product” means a consumer product intended for use by a child under the age of 3 years, including a baby product, toy, car seat, nursing pillow, crib mattress, and stroller.

(3) “TCEP” means (tris (2–chloroethyl) phosphate).

**(4) “TDCPP” MEANS (TRIS (1, 3–DICHLORO–2–PROPYL) PHOSPHATE).**

(b) This section does not apply to the sale or distribution of a child care product that is resold, offered for resale, or distributed by a consumer for consumer use.

(c) A person may not import, sell, or offer for sale any child care product that:

(1) Contains more than one–tenth of 1% of TCEP **OR TDCPP** by mass; and

(2) Is intended for use by a child under the age of 3 years.

(d) (1) A person that violates this section is subject to:

(i) For a first violation, a civil penalty not exceeding \$1,000;  
and

(ii) For any subsequent violation, a civil penalty not exceeding \$2,500 for each violation.

(2) In addition to the civil penalties provided in paragraph (1) of this subsection, a court may enjoin an action prohibited by this section.

(e) The Secretary may suspend implementation of subsection (c) of this section if the Secretary determines that the fire safety benefits of TCEP OR TDCPP are greater than the health risks associated with TCEP OR TDCPP.

(f) On or before January 1, [2014] 2015, the Department shall adopt regulations to carry out this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 392

### (House Bill 250)

AN ACT concerning

#### Vehicle Laws – Definition of “Bicycle” – Mopeds

FOR the purpose of clarifying that a moped is a bicycle for the purposes of the Maryland Vehicle Law, subject to certain enumerated exceptions.

BY repealing and reenacting, with amendments,  
 Article – Transportation  
 Section 11–104  
 Annotated Code of Maryland  
 (2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,  
 Article – Transportation  
 Section 11–134.1, 13–102(7), and 21–1103(b)  
 Annotated Code of Maryland  
 (2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### Article – Transportation

11–104.

“Bicycle” means [a]:

(1) A vehicle that:

[(1)] (I) Is designed to be operated by human power;

[(2)] (II) Has two or three wheels, of which one is more than 14 inches in diameter; and

[(3)] (III) Has a drive mechanism other than by pedals directly attached to a drive wheel; OR

(2) A MOPED.

11–134.1.

“Moped” means a bicycle that:

(1) Is designed to be operated by human power with the assistance of a motor;

(2) Is equipped with pedals that mechanically drive the rear wheel or wheels;

(3) Has two or three wheels, of which one is more than 14 inches in diameter; and

(4) Has a motor with a rating of 1.5 brake horsepower or less and, if the motor is an internal combustion engine, a capacity of 50 cubic centimeters piston displacement or less.

13–102.

A certificate of title is not required for:

(7) A bicycle, except for a moped;

21–1103.

(b) (1) For the purposes of this subsection, “bicycle” does not include “moped”, as defined in § 11–134.1 of this article.

(2) Where allowed by local ordinance, a person may ride a bicycle, play vehicle, or unicycle on a sidewalk or sidewalk area.

(3) In a place where a person may ride a bicycle on a sidewalk or sidewalk area, a person may also ride a bicycle from the curb or edge of the roadway in or through a crosswalk to the opposite curb or edge of the roadway.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 393

(House Bill 288)

AN ACT concerning

### **Transportation – Metropolitan Planning Organizations – Notice and Public Hearing**

FOR the purpose of requiring the Department of Transportation to give certain notice to certain members of the General Assembly before beginning the process of establishing, altering, or eliminating a Metropolitan Planning Organization for transportation planning purposes for certain areas in the State; requiring the Department to hold a public hearing within a certain area of the State to address the establishment, alteration, or elimination of a Metropolitan Planning Organization if any of certain members of the General Assembly requests the public hearing within a certain time period; and generally relating to notice and public hearings with respect to the establishment, alteration, or elimination of a Metropolitan Planning Organization.

BY repealing and reenacting, without amendments,

Article – Transportation  
Section 2–103(e)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY adding to

Article – Transportation  
Section 2–103(e–1)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Transportation**

2–103.

(e) (1) The Secretary is responsible for all planning activities of the Department and for the development and maintenance of a continuing, comprehensive, and integrated transportation planning process.

(2) In accordance with § 2–103.1 of this subtitle, the Secretary shall develop and, with the approval of the Governor, shall adopt a State Report on Transportation to guide program development and to foster efficient and economical transportation services throughout the State.

(3) On or before the 3rd Wednesday of January of each year, the Secretary shall submit the State Report on Transportation to the General Assembly, subject to § 2–1246 of the State Government Article.

**(E–1) (1) BEFORE THE DEPARTMENT BEGINS THE PROCESS OF ESTABLISHING, ALTERING, OR ELIMINATING A METROPOLITAN PLANNING ORGANIZATION FOR TRANSPORTATION PLANNING PURPOSES FOR AN AREA IN THE STATE DESIGNATED UNDER FEDERAL LAW AS AN URBANIZED AREA, THE DEPARTMENT SHALL GIVE NOTICE OF THE PENDING PROCESS BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO EACH MEMBER OF THE GENERAL ASSEMBLY REPRESENTING:**

**(I) A STATE LEGISLATIVE DISTRICT, ANY PORTION OF WHICH IS LOCATED IN THE URBANIZED AREA; AND**

**(II) A STATE LEGISLATIVE DISTRICT THAT IS LOCATED WITHIN 1 MILE OF THE BORDER OF THE URBANIZED AREA.**

**(2) THE DEPARTMENT SHALL HOLD A PUBLIC HEARING IN THE DESIGNATED URBANIZED AREA TO ADDRESS ISSUES RELATED TO THE ESTABLISHMENT, ALTERATION, OR ELIMINATION OF A METROPOLITAN PLANNING ORGANIZATION IF A MEMBER OF THE GENERAL ASSEMBLY WHO IS PROVIDED NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION REQUESTS THE PUBLIC HEARING WITHIN 45 DAYS OF RECEIPT OF THE NOTICE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 394****(House Bill 337)**

AN ACT concerning

**Farm Breweries – Location and Self-Distribution**

FOR the purpose of authorizing the holder of a Class 8 farm brewery license to obtain a certain limited wholesaler's license for certain purposes; providing that a certain prohibition on location in certain areas of Frederick County does not apply to a Class 8 farm brewery license; and generally relating to beer and farm breweries.

BY repealing and reenacting, with amendments,  
Article 2B – Alcoholic Beverages  
Section 2–301(b) and 8–211(b)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

2–301.

(b) (1) Except as otherwise provided in this subsection, a wholesaler's license issued in accordance with the fee paid entitles the holder to acquire the alcoholic beverages indicated on the license from licensees and holders of nonresident dealer's permits and resident dealer's permits authorized by this State to make the sales and deliveries. The license authorizes the sale and delivery of those alcoholic beverages from the licensed premises to licensees and permit holders in Maryland and to persons outside of this State.

(2) A Class 6 limited wine wholesaler's license shall be issued only to a wine manufacturer that:

(i) Produces not more than 27,500 gallons of its own wine annually; and

(ii) Holds a Class 4 limited winery manufacturer's license issued under this article.

(3) A person who holds a Class 6 limited wine wholesaler's license, on approval of the application and payment of the fee:

(i) May sell and deliver its own brand of wine produced at the licensee's premises to a retail licensee or permit holder in the State authorized to acquire the wine; and

(ii) May not sell its wine to a licensed wholesaler.

(4) A Class 7 limited beer wholesaler's license shall be issued only to a person that:

(i) Produces in aggregate from all its locations not more than 22,500 barrels of beer annually; and

(ii) Holds a Class 5 manufacturer's license [or], Class 7 micro-brewery license, **OR CLASS 8 FARM BREWERY LICENSE.**

(5) On approval of the application and payment of the fee, a holder of a Class 7 limited beer wholesaler's license may:

(i) Sell and deliver its own beer produced at the holder's premises to a retail license holder or permit holder in the State authorized to acquire the beer; and

(ii) Distribute not more than 3,000 barrels of its own beer annually.

(6) In Allegany County the holder of a Class 1 or Class 2 wholesaler's license may not sell liquor in any size container smaller than 23 ounces or 680 milliliters to any holder of a special permit issued under § 7-101(h) of this article.

(7) A wholesaler's license of the appropriate class authorizes the holder to directly import beer, wine, or distilled spirits from sources outside the continental limits and possessions of the United States. However, any wholesale licensee that imports for subsequent distribution in or outside the State of Maryland shall be:

(i) The brand owner;

(ii) A wholesale licensee that purchases directly from the brand owner or the authorized agent of the brand owner; or

(iii) A wholesale licensee that purchases from the authorized United States importer.

(8) Paragraph (7) of this subsection only applies if the wholesale licensee's jurisdiction and authority to sell has been submitted to the Comptroller by the brand owner.

8-211.

(b) (1) **THIS SUBSECTION DOES NOT APPLY TO A CLASS 8 FARM BREWERY LICENSE ISSUED UNDER § 2-209 OF THIS ARTICLE.**

(2) A license for the sale of alcoholic beverages authorized by this article may not be issued for any place of business located in any of the following election districts:

- [(1)] (I) Catoctin (6th);
- [(2)] (II) Hauvers (10th);
- [(3)] (III) Jackson (16th);
- [(4)] (IV) Linganore (19th); and
- [(5)] (V) Ballenger (23rd).

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 395

(House Bill 344)

AN ACT concerning

**Charles County – Sunday Car ~~Sales~~ – Sales Blue Law Exemption – Enabling Authority**

FOR the purpose of authorizing the Charles County Commissioners, after a public hearing, to adopt an ordinance authorizing a new or used car dealer in Charles County to sell, barter, deliver, give away, show, or offer for sale a motor vehicle or certificate of title for a motor vehicle on Sunday; and generally relating to enabling authority for Sunday car sales in Charles County.

BY repealing and reenacting, with amendments,  
 Article – Business Regulation  
 Section 18-101  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Business Regulation**

18–101.

(a) (1) This section does not apply to the laws that relate to the sale of alcoholic beverages.

(2) This section does not apply in Wicomico County.

(b) Subject to this section and § 3–704 of the Labor and Employment Article, a retail or wholesale establishment may do business on Sunday.

(c) Notwithstanding an agreement to the contrary between a merchant and landlord:

(1) the landlord may not directly or indirectly require the merchant to open the merchant's place of business on Sunday; and

(2) a landlord may not directly or indirectly cancel or refuse to renew the merchant's lease because the merchant refuses to open the merchant's place of business on Sunday.

(d) Except in ~~CHARLES~~, Howard, Montgomery, and Prince George's counties, and except as provided in subsections (g) ~~and~~, (h), AND (I) of this section, a new or used car dealer may not sell, barter, deliver, give away, show, or offer for sale a motor vehicle or certificate of title for a motor vehicle on Sunday.

(e) In Anne Arundel County, a dealer may sell, barter, deliver, give away, show, or offer for sale on Sunday a new or used camping trailer, mobile home, or travel trailer, as those terms are defined in Title 11 of the Transportation Article.

(f) A new or used car dealer who violates subsection (d) of this section is guilty of a misdemeanor and, on conviction, is subject to a fine not exceeding \$10,000.

(g) In Anne Arundel County and Worcester County, a dealer may sell, barter, deliver, give away, show, or offer for sale a motorcycle, as defined in § 11–136 of the Transportation Article, or certificate of title for a motorcycle on Sunday.

(h) In Baltimore City, a used car dealer may sell, barter, deliver, give away, show, or offer for sale a motor vehicle or certificate of title for a motor vehicle on Sunday, instead of Saturday, if the dealer notifies the Motor Vehicle Administration in advance that the dealer intends to conduct business on Sunday, instead of Saturday.

**(I) IN CHARLES COUNTY, THE COUNTY COMMISSIONERS, AFTER A PUBLIC HEARING, MAY ADOPT AN ORDINANCE AUTHORIZING A NEW OR USED CAR DEALER TO SELL, BARTER, DELIVER, GIVE AWAY, SHOW, OR OFFER FOR SALE A MOTOR VEHICLE OR CERTIFICATE OF TITLE FOR A MOTOR VEHICLE ON SUNDAY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 396**

**(House Bill 354)**

AN ACT concerning

### **Baltimore City – AIDS Prevention Sterile Needle and Syringe Exchange Program**

FOR the purpose of repealing a requirement that the AIDS Prevention Sterile Needle and Syringe Exchange Pilot Program in Baltimore City provide for the exchange of used hypodermic needles and syringes for sterile hypodermic needles and syringes on a “one-for-one” basis; altering a requirement that the Program’s oversight committee provide advice to the Commissioner of Health and the Program Director on developing Program operating procedures for the exchange of hypodermic needles and syringes in a certain manner; repealing as obsolete a certain date by which the Director for the Program, with the advice and approval of a certain committee, is required to develop certain operating procedures; altering a requirement that Program operating procedures be developed to provide for the exchange of hypodermic needles and syringes to injecting users in a certain manner; requiring the Baltimore City Health Department, on or before a certain date each year, to report to the oversight committee, the Governor, and the General Assembly on the number of hypodermic needles and syringes exchanged as part of the Program; and generally relating to AIDS prevention and the use of hypodermic needles and syringes in Baltimore City.

BY repealing and reenacting, with amendments,  
Article – Health – General  
Section 24-802, 24-804(c), ~~and~~ 24-805(b), and 24-806  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

24–802.

(a) There is an AIDS Prevention Sterile Needle and Syringe Exchange Pilot Program in the Baltimore City Health Department.

(b) The Program shall:

(1) Provide for the ~~[one–for–one]~~ exchange by participants of used hypodermic needles and syringes for sterile hypodermic needles and syringes; and

(2) Operate in accordance with the procedures approved, with the advice and approval of the oversight committee, by the Commissioner of Health.

24–804.

(c) The oversight committee shall:

(1) Provide advice to the Commissioner of Health and the Program Director on developing:

(i) Program operating procedures for the furnishing and ~~[one–for–one]~~ exchange of hypodermic needles and syringes to injecting drug users;

(ii) A plan for community outreach and education;

(iii) A protocol for providing a linkage for Program participants to substance abuse treatment and rehabilitation; and

(iv) A plan for evaluating the Program;

(2) Before the Program begins operating, review and make a recommendation to the Commissioner of Health for the approval or disapproval of:

(i) The Program operating procedures for the furnishing and ~~one–for–one~~ exchange of hypodermic needles and syringes to injecting drug users;

(ii) The community outreach and education plan;

(iii) The protocol for providing a linkage for Program participants to substance abuse treatment and rehabilitation; and

(iv) The plan for evaluating the Program; and

(3) Provide ongoing oversight of the Program and make recommendations to the Program Director or the Commissioner of Health regarding any aspect of Program procedures, operation, or evaluation.

24-805.

(b) [On or before July 1, 1994, with] **WITH** the advice and approval of the oversight committee, the Director shall develop:

(1) Program operating procedures for the furnishing and [one-for-one] exchange of hypodermic needles and syringes to injecting drug users;

(2) A community outreach and education program; and

(3) A protocol for providing a linkage for Program participants to substance abuse treatment and rehabilitation.

24-806.

(a) The Baltimore City Health Department shall include in its Program operating procedures measures to collect the following data:

(1) The number of participants served by the Program;

(2) The length of time a participant is served by the Program;

(3) Demographic profiles of participants served by the Program that include:

(i) Age;

(ii) Sex;

(iii) Race;

(iv) Occupation;

(v) Zip code of residence;

(vi) Types of drugs used;

(vii) Length of drug use; and

(viii) Frequency of injection;

(4) The number of hypodermic needles and syringes exchanged;

(5) The number of participants entering drug counseling and treatment; and

(6) The number of referrals made by the Program for drug counseling and treatment.

(b) With the advice and approval of the oversight committee, the Baltimore City Health Department shall develop and implement a plan for Program evaluation that shall include the following issues:

(1) The prevalence of HIV among Program participants;

(2) Changes in the level of drug use among Program participants;

(3) Changes in the level of needle-sharing among Program participants;

(4) Changes in the use of condoms among Program participants;

(5) The status of treatment and recovery for Program participants who entered drug treatment programs;

(6) The impact of the Program on risk behaviors for the transmission of the HIV infection, the hepatitis B virus, and other life-threatening blood-borne diseases among injecting drug users;

(7) The cost-effectiveness of the Program versus the direct and indirect costs of the HIV infection in terms of medical treatment and other services normally required by HIV-infected individuals;

(8) The strengths and weaknesses of the Program; and

(9) The advisability of continuing the Program.

(c) As part of its plans for data collection and Program evaluation described under subsections (a) and (b) of this section, the Baltimore City Health Department shall develop and implement a methodology:

(1) For identifying Program hypodermic needles and syringes, such as through the use of bar coding or any other method approved by the oversight committee; and

(2) To perform HIV antibody testing on the residue left in a sample of hypodermic needles and syringes returned to the Program.

(D) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE BALTIMORE CITY HEALTH DEPARTMENT SHALL REPORT TO THE OVERSIGHT COMMITTEE, THE GOVERNOR, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, ON THE NUMBER OF HYPODERMIC NEEDLES AND SYRINGES EXCHANGED AS PART OF THE PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 397

(House Bill 389)

AN ACT concerning

### Maryland Transportation Authority – ~~Transportation Facilities Projects –~~ Cash Toll Lanes All-Electronic Tolling – Study

FOR the purpose of requiring the Maryland Transportation Authority to ~~maintain at certain transportation facilities projects at least one cash toll lane and as many additional cash toll lanes as necessary to ensure that motorists are not unduly delayed in passing through the toll plaza; and generally relating to cash toll lanes at transportation facilities projects~~ complete a study and submit a report on the status of its initiative to implement all-electronic tolling; requiring the study to include certain matters; requiring the Authority to submit a report of its findings and recommendations to certain persons on or before a certain date; prohibiting the Authority from implementing all-electronic tolling at a certain facility before a certain date; and generally relating to all-electronic tolling.

~~BY repealing and reenacting, without amendments,  
Article — Transportation  
Section 4-101(h)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)~~

~~BY adding to  
Article — Transportation  
Section 4-406  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That ~~the Laws of Maryland read as follows:~~

~~Article Transportation~~

~~4-101.~~

~~(h) “Transportation facilities project” includes:~~

~~(1) The Susquehanna River Bridge, the Harry W. Nice Memorial Potomac River Bridge, the William Preston Lane, Jr. Memorial Chesapeake Bay Bridge and parallel Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Fort McHenry Tunnel, the Francis Scott Key Bridge, and the John F. Kennedy Memorial Highway, together with their appurtenant causeways, approaches, interchanges, entrance plazas, toll stations, and service facilities;~~

~~(2) A vehicle parking facility located in a priority funding area as defined in § 5-7B-02 of the State Finance and Procurement Article;~~

~~(3) Any other project for transportation facilities that the Authority authorizes to be acquired or constructed; and~~

~~(4) Any additions, improvements, or enlargements to any of these projects, whenever authorized.~~

~~4-406.~~

~~AT EACH TRANSPORTATION FACILITIES PROJECT, EXCLUDING THE INTERCOUNTY CONNECTOR, INTERSTATE 95 EXPRESS TOLL LANES, OR A VEHICLE PARKING FACILITY, THE AUTHORITY SHALL MAINTAIN:~~

~~(1) AT LEAST ONE LANE WHERE MOTORISTS MAY PAY THE TOLL IN CASH; AND~~

~~(2) AS MANY ADDITIONAL LANES WHERE MOTORISTS MAY PAY THE TOLL IN CASH AS ARE NECESSARY TO ENSURE THAT MOTORISTS PAYING THE TOLL IN CASH ARE NOT UNDULY DELAYED IN PASSING THROUGH THE TOLL PLAZA.~~

~~(a) (1) In this section the following words have the meanings indicated.~~

~~(2) “All-electronic tolling” means electronic toll collection at highway speeds through the use of a transponder and video tolling, with no cash transactions occurring on the roadway.~~

~~(3) “Authority” means the Maryland Transportation Authority.~~

(4) “Project” means the:

- (i) Thomas J. Hatem Memorial Bridge;
- (ii) Harry W. Nice Memorial Potomac River Bridge;
- (iii) William Preston Lane, Jr. Memorial Chesapeake Bay Bridge and parallel Chesapeake Bay Bridge;
- (iv) Baltimore Harbor Tunnel;
- (v) Fort McHenry Tunnel;
- (vi) Francis Scott Key Bridge; or
- (vii) Millard Tydings Memorial Bridge.

(b) (1) The Authority shall complete a study and submit a report on the status of its initiative to implement all–electronic tolling in accordance with this subsection.

(2) The study shall include:

- (i) an analysis of all–electronic tolling in other states and a description of various all–electronic tolling programs;
- (ii) an analysis of electronic toll collection interoperability;
- (iii) an analysis of:
  - 1. alternative payment methods that do not exceed the existing cash toll rate at each project;
  - 2. a video toll rate based on an analysis of actual costs and potential savings to collect video tolls; and
  - 3. a toll rate needed to address concerns with video toll collection associated with trucks;
- (iv) an analysis of issues and factors related to all–electronic tolling that must be addressed before all–electronic tolling becomes effective at each project;
- (v) an overview of revisions, if any, to the Authority’s initial all–electronic tolling proposal; and

(vi) proposed legislation, if required, relating to the implementation of all–electronic tolling.

(3) The Authority shall submit a report of its findings and recommendations on or before January 1, 2016, to:

(i) the County Executive and County Council of Cecil County;

(ii) the County Executive and County Council of Harford County;

(iii) the Mayor and Town Commission of the Town of Perryville;

(iv) the Mayor and City Council of the City of Havre de Grace;  
and

(v) in accordance with § 2–1246 of the State Government Article, the House Committee on Ways and Means and the Senate Finance Committee.

(c) The Authority’s initial proposal for all–electronic tolling at the Thomas J. Hatem Memorial Bridge is withdrawn and the Authority may not implement all–electronic tolling at the Thomas J. Hatem Memorial Bridge before January 1, 2016.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 398

### (House Bill 399)

AN ACT concerning

#### **Public Health – Medical Records Charges – Medicaid Enrollees**

FOR the purpose of prohibiting a health care provider from charging a certain person who requests a copy of a medical record of an individual enrolled in the Maryland Medical Assistance Program a fee that exceeds a certain dollar amount; and generally relating to medical records charges for Maryland Medical Assistance Program enrollees.

BY repealing and reenacting, with amendments,

Article – Health – General  
 Section 4–304(c)  
 Annotated Code of Maryland  
 (2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,  
 Article – Health – General  
 Section 4–304(d)  
 Annotated Code of Maryland  
 (2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

4–304.

(c) (1) (i) In this subsection, “medical record” includes a copy of a medical bill that has been requested by an individual.

(ii) The provisions of this subsection do not apply to x-rays.

(2) A health care provider may require a person in interest or any other authorized person who requests a copy of a medical record to pay the cost of copying:

(i) For State facilities regulated by the Department of Health and Mental Hygiene, as provided in § 10–621 of the State Government Article; or

(ii) For all other health care providers, the reasonable cost of providing the information requested.

(3) (i) Subject to the provisions of paragraph (4) of this subsection, for a copy of a medical record requested by a person in interest or any other authorized person under paragraph (2)(ii) of this subsection, a health care provider may charge a fee for copying and mailing not exceeding 50 cents for each page of the medical record.

(ii) In addition to the fee charged under subparagraph (i) of this paragraph, a hospital or a health care provider may charge:

1. A preparation fee not to exceed \$15 for medical record retrieval and preparation; and

2. The actual cost for postage and handling of the medical record.

(4) On or after July 1, 1995, the fees charged under paragraph (3) of this subsection may be adjusted annually for inflation in accordance with the Consumer Price Index.

(5) (i) Except as provided in subparagraph (ii) of this paragraph, a health care provider may charge a fee, as authorized under paragraphs (3) and (4) of this subsection, for the retrieval, copying, preparation, mailing, and actual cost of postage and handling of a medical record disclosed under § 4–306 of this subtitle.

(ii) If a government unit or agency makes a request for the disclosure of a medical record under § 4–306 of this subtitle, a health care provider may not charge the government unit or agency a fee for the retrieval, copying, preparation, mailing, and actual cost of postage and handling of the medical record.

**(6) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A HEALTH CARE PROVIDER MAY NOT CHARGE A PERSON IN INTEREST ~~OR ANY OTHER AUTHORIZED PERSON~~, EXCEPT FOR AN ATTORNEY APPOINTED IN WRITING BY A PERSON IN INTEREST, WHO REQUESTS A COPY OF A MEDICAL RECORD OF AN INDIVIDUAL ENROLLED IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM A FEE THAT EXCEEDS \$20, ADJUSTED ANNUALLY FOR INFLATION IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, FOR EACH 100 PAGES OR PORTION OF 100 PAGES COPIED.**

**[(6)] (7)** Notwithstanding any other provision of law, any person or entity who is not subject to the provisions of this subsection and who obtains a medical record from a health care provider or the provider's agent may not charge a fee for any subsequent copies of that medical record that exceeds the fee authorized under paragraph (3)(i) of this subsection.

(d) Except for an emergency request from a unit of State or local government concerning a child protective services case or adult protective services case, a health care provider may withhold copying until the fee for copying is paid.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 399

(House Bill 402)

AN ACT concerning

**Health Occupations – State Board of Physicians – ~~Naturopathic Medicine~~  
Doctors**

FOR the purpose of establishing the ~~State Board of Naturopathic Medicine~~ Naturopathic Medicine Advisory Committee within the State Board of ~~Pharmacy~~ Physicians; ~~specifying providing for the composition of the Board Committee; specifying providing for the terms of a Board Committee member; requiring the Governor to appoint a new member, under certain circumstances, if a vacancy on the Board occurs; authorizing the Governor to remove a member of the Board under certain circumstances; requiring the Board Committee to elect a chair and any other officers from among its members; requiring the Board to make certain determinations relating to its officers; specifying that a majority of the members then serving on the Board is a quorum; requiring the Board to determine the times and places of its meetings; specifying that a Board member is entitled to certain compensation and reimbursement; authorizing the Board to employ a staff under certain circumstances; authorizing the Board to adopt certain regulations and appoint certain committees; specifying the duties of the Board Committee; establishing the State Board of Naturopathic Medicine Fund; authorizing the Board to set reasonable fees under certain circumstances; requiring the Board to pay the fees to the Comptroller and requiring the Comptroller to distribute the fees to the Fund; requiring the Fund to be used for certain purposes; specifying that the Fund is a continuing, nonlapsing fund, not subject to a certain provision of law; prohibiting unspent portions of the Fund from reverting to the General Fund; specifying that no other State money may be used to support the Fund, that a designee of the Board is to administer the Fund, and that money in the Fund may be used only for certain purposes; requiring the Legislative Auditor to audit the accounts and transactions of the Fund; requiring the Board to adopt certain regulations; requiring the Board to set certain fees; requiring the Board to pay the fees to the Comptroller; requiring the Comptroller to distribute the fees of the Board; requiring the fees to be used for a certain purpose; specifying that a person who gives information to the ~~Board~~ Board Committee or otherwise participates in its activities has a certain immunity from liability; requiring, beginning on a certain date, certain individuals to have a certain license before practicing naturopathic medicine in the State; prohibiting the Board from discriminating against an applicant or a licensee for certain reasons; requiring an individual to meet certain requirements to qualify for a license; requiring an applicant to submit certain information to the Board, complete and submit a certain written attestation, and pay a certain fee; requiring the Board to issue a license to any applicant who meets the requirements of this Act; specifying that a license authorizes a licensee to ~~order and perform certain examinations, order and interpret the reports of certain studies, and dispense, administer, order or perform certain other~~ dispense or order certain therapies and medicines, utilize certain routes of administration, provide certain education and counseling, and perform naturopathic musculoskeletal mobilization; specifying that a license does not authorize a licensee to prescribe or administer certain substances or devices, perform certain procedures, use certain anesthetics, practice or claim to practice~~

as a certain health care professional, or take certain other actions; ~~specifying that the Board may authorize a licensee to perform certain procedures under certain circumstances;~~ specifying the term of a license; requiring the Board to send certain information to licensees a certain time period before a license expires; requiring the Board to renew a license under certain circumstances; authorizing the Board to place a licensee on inactive status under certain circumstances; requiring the Board to issue a license to a naturopathic doctor who is on inactive status under certain circumstances; requiring the Board to reinstate the license of a naturopathic doctor who failed to renew the license under certain circumstances; prohibiting a licensed naturopathic doctor from surrendering a license under certain circumstances; authorizing the Board or a disciplinary panel to take certain disciplinary action against an applicant or a licensee for certain reasons; requiring certain persons to file a certain report with the Board within a certain time period; requiring the Board to investigate certain complaints; ~~authorizing the Board to commence disciplinary action under certain circumstances;~~ ~~specifying that certain investigations, reports, and recommendations are confidential under certain circumstances;~~ requiring the Board or a disciplinary panel to give a certain individual an opportunity for a hearing before the Board and to give certain notice and hold the hearing in accordance with certain provisions of law; requiring a disciplinary panel to order the suspension and the revocation of a license under certain circumstances; authorizing a certain individual to be represented by counsel; authorizing the Board to issue subpoenas, administer oaths, and issue certain orders under certain circumstances; authorizing a certain court to take certain action against an individual who disobeys a subpoena from the Board or an order by the Board; authorizing the Board to hear and determine a matter, under certain circumstances; requiring certain individuals to pay certain costs under certain circumstances; requiring the Board to pass an order under certain circumstances; ~~requiring the Board to expunge certain charges after a certain time period;~~ requiring the holder of a license to surrender the license to the Board under certain circumstances; requiring the Board to return a license under certain circumstances; authorizing a person aggrieved by a decision of the Board or a disciplinary panel to take certain action under certain circumstances; prohibiting an order of the Board or a disciplinary panel from being stayed pending judicial review; authorizing the Board to make a certain appeal; prohibiting the Board from reinstating a certain license under certain circumstances; requiring a licensed naturopathic doctor to follow certain federal, State, and local laws; authorizing a licensed naturopathic doctor to receive a certain fee; requiring a naturopathic doctor to display a certain notice under certain circumstances; prohibiting an individual from practicing, attempting to practice, or offering to practice naturopathic medicine in the State without a license; providing for certain penalties; prohibiting certain individuals from making certain representations to the public, using certain titles, and using certain initials; establishing a certain short title; specifying that this Act does not limit certain rights of certain individuals; specifying the purposes of certain provisions of this Act; providing that a person is not civilly liable for certain actions under certain circumstances; ~~requiring the Board to hold its first~~

~~Board meeting within a certain time period after the Governor has appointed the initial Board members; providing for the terms of the initial Board Committee members; stating the intent of the General Assembly regarding the initial funding of the Board; requiring the Board to reimburse the General Fund under certain circumstances; providing for the termination of this Act under certain circumstances; providing that the Committee is subject to a certain evaluation in a certain year; requiring the Board to convene a certain workgroup to study the development of a naturopathic formulary in the State and the routes of administration that may be used by a naturopathic doctor when administering natural medicines; providing for the membership of the workgroup; requiring the workgroup to conduct a certain review, make certain recommendations, and provide a certain report to certain committees of the General Assembly on or before a certain date; requiring the Board to conduct a certain examination and provide certain information to the Naturopathic Medicine Advisory Board; defining certain terms; and generally relating to the State Board of Naturopathic Medicine and the licensing of naturopathic doctors.~~

~~BY renumbering~~

~~Article – State Government  
Section ~~8-403(b)(36)~~ through ~~(56)~~, respectively  
to be Section ~~8-403(b)(37)~~ through ~~(57)~~, respectively  
Annotated Code of Maryland  
(~~2009 Replacement Volume and 2013 Supplement~~)~~

~~BY adding to~~

~~Article – Courts and Judicial Proceedings  
Section ~~5-725~~  
Annotated Code of Maryland  
(~~2013 Replacement Volume and 2013 Supplement~~)~~

BY adding to

Article – Health Occupations  
Section ~~7-5-101~~ through ~~7-5-702~~ 14-5F-01 through 14-5F-32 to be under the  
new ~~title~~ subtitle “Title 7.5. Subtitle 5F. Naturopathic Doctors”  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government  
Section ~~8-403(a)~~ 8-405(a)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY ~~adding to~~ repealing and reenacting, with amendments,

Article – State Government  
Section ~~8-403(b)(36)~~ 8-405(b)(5)  
Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 8-403(b)(36) through (56), respectively, of Article State Government of the Annotated Code of Maryland be renumbered to be Section(s) 8-403(b)(37) through (57), respectively.~~

~~SECTION 2. AND BE IT FURTHER ENACTED~~ 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

~~Article Courts and Judicial Proceedings~~

~~5-725.~~

~~(A) IN THIS SECTION, “BOARD” MEANS THE STATE BOARD OF NATUROPATHIC MEDICINE.~~

~~(B) A PERSON WHO ACTS IN GOOD FAITH AND WITHIN THE SCOPE OF THE JURISDICTION OF THE BOARD IS NOT CIVILLY LIABLE FOR GIVING INFORMATION TO THE BOARD OR OTHERWISE PARTICIPATING IN ITS ACTIVITIES.~~

Article – Health Occupations

~~TITLE 7.5. SUBTITLE 5F. NATUROPATHIC DOCTORS.~~

~~SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.~~

~~7.5-101. 14-5F-01.~~

(A) IN THIS ~~TITLE~~ SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “APPROVED NATUROPATHIC MEDICAL PROGRAM” MEANS A NATUROPATHIC MEDICAL EDUCATION PROGRAM:

(1) IN THE UNITED STATES THAT:

(I) PROVIDES THE DEGREE OF DOCTOR OF NATUROPATHY OR DOCTOR OF NATUROPATHIC MEDICINE;

(II) OFFERS A 4-YEAR GRADUATE-LEVEL, FULL-TIME DIDACTIC AND SUPERVISED CLINICAL TRAINING;

(III) IS ACCREDITED, OR HAS ACHIEVED CANDIDACY STATUS FOR ACCREDITATION, BY THE COUNCIL ON NATUROPATHIC MEDICAL EDUCATION OR AN EQUIVALENT FEDERALLY AND BOARD-RECOGNIZED ACCREDITING BODY FOR NATUROPATHIC MEDICAL PROGRAMS; AND

(IV) IS PART OF AN INSTITUTION OF HIGHER EDUCATION THAT IS EITHER ACCREDITED, OR IS A CANDIDATE FOR ACCREDITATION, BY A REGIONAL OR NATIONAL INSTITUTIONAL ACCREDITING AGENCY RECOGNIZED BY THE UNITED STATES SECRETARY OF EDUCATION; OR

(2) IN A DIPLOMA-GRANTING, DEGREE-EQUIVALENT COLLEGE OR UNIVERSITY IN CANADA THAT:

(I) OFFERS GRADUATE-LEVEL, FULL-TIME DIDACTIC AND SUPERVISED CLINICAL TRAINING;

(II) IS ACCREDITED, OR HAS ACHIEVED CANDIDACY STATUS FOR ACCREDITATION, BY THE COUNCIL ON NATUROPATHIC MEDICAL EDUCATION OR AN EQUIVALENT FEDERALLY AND BOARD-RECOGNIZED ACCREDITING BODY FOR NATUROPATHIC MEDICAL PROGRAMS; AND

(III) HAS PROVINCIAL APPROVAL FOR PARTICIPATION IN GOVERNMENT-FUNDED STUDENT AID PROGRAMS; ~~OR~~

~~(3) IN A DEGREE-GRANTING COLLEGE OR UNIVERSITY THAT:~~

~~(I) PRIOR TO THE EXISTENCE OF THE COUNCIL OF NATUROPATHIC MEDICAL EDUCATION:~~

~~1. OFFERED A FULL TIME STRUCTURED CURRICULUM IN BASIC SCIENCES AND SUPERVISED PATIENT CARE COMPRISING A DOCTORAL NATUROPATHIC MEDICAL EDUCATION;~~

~~2. REQUIRED AT LEAST 3 YEARS OF STUDY AS A PREREQUISITE FOR GRADUATION; AND~~

~~3. IF IN CANADA, HAD PROVINCIAL APPROVAL FOR PARTICIPATION IN GOVERNMENT-FUNDED STUDENT AID PROGRAMS;~~

~~(II) IS APPROVED BY THE BOARD; AND~~

~~(III) IF THE PROGRAM EXISTS WHEN THE APPLICANT APPLIES FOR A LICENSE;~~

~~1. IS ACCREDITED BY THE COUNCIL OF NATUROPATHIC MEDICAL EDUCATION OR A FEDERALLY RECOGNIZED EQUIVALENT ACCREDITING AGENCY; AND~~

~~2. IF IN CANADA, HAS PROVINCIAL APPROVAL FOR PARTICIPATION IN GOVERNMENT FUNDED STUDENT AID PROGRAMS.~~

~~(C) “BOARD” MEANS THE STATE BOARD OF NATUROPATHIC MEDICINE.~~

(C) “BOARD” MEANS THE STATE BOARD OF PHYSICIANS.

(D) “COMMITTEE” MEANS THE NATUROPATHIC MEDICINE ADVISORY COMMITTEE.

~~(D)~~ (E) “LICENSED NATUROPATHIC DOCTOR” MEANS A NATUROPATHIC DOCTOR WHO IS LICENSED TO PRACTICE NATUROPATHIC MEDICINE.

~~(E) “MINOR OFFICE PROCEDURES” MEANS THE METHODS FOR THE REPAIR AND CARE INCIDENTAL TO THE REPAIR OF SUPERFICIAL LACERATIONS AND ABRASIONS, SUPERFICIAL LESIONS, AND THE REMOVAL OF FOREIGN BODIES LOCATED IN THE SUPERFICIAL TISSUES NOT INCLUDING THE EYE.~~

(F) “NATUROPATHIC DOCTOR” MEANS AN INDIVIDUAL WHO PRACTICES NATUROPATHIC MEDICINE.

(G) (1) “NATUROPATHIC MEDICINE” MEANS THE PREVENTION, DIAGNOSIS, AND TREATMENT OF HUMAN HEALTH CONDITIONS, INJURY, AND DISEASE USING ONLY PATIENT EDUCATION AND NATUROPATHIC THERAPIES AND THERAPEUTIC SUBSTANCES RECOGNIZED BY THE COUNCIL OF NATUROPATHIC MEDICAL EDUCATION.

(2) “NATUROPATHIC MEDICINE” INCLUDES:

(I) COUNSELING;

(II) THE PRACTICE OF THE MECHANICAL SCIENCES OF HEALING, INCLUDING MECHANOTHERAPY, ARTICULAR MANIPULATION, CORRECTIVE AND ORTHOPEDIC GYMNASTICS, HYDROTHERAPY, ELECTROTHERAPY, AND PHOTOTHERAPY; AND

(III) THE PRACTICE OF THE MATERIAL SCIENCES OF HEALING, INCLUDING NUTRITION, PHYTOTHERAPY, TREATMENT BY NATURAL SUBSTANCES, AND EXTERNAL APPLICATIONS.

(H) "NATUROPATHIC MUSCULOSKELETAL MOBILIZATION" MEANS THE TREATMENT BY MANUAL AND OTHER MECHANICAL MEANS OF ALL BODY TISSUES EXCLUSIVE OF HIGH-VELOCITY THRUSTS AT OR BEYOND THE END RANGE OF NORMAL JOINT MOTION.

(I) "PRESCRIPTION DRUG" MEANS ANY DRUG DEFINED IN § 503(B) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT IF THE DRUG'S LABEL IS REQUIRED TO BEAR THE STATEMENT "RX ONLY".

~~7.5-102.~~ 14-5F-02.

THE PURPOSES OF THIS ~~TITLE~~ SUBTITLE ARE TO:

(1) PROTECT THE HEALTH, SAFETY, AND WELFARE OF THE PUBLIC, AND SPECIFICALLY PROTECT INDIVIDUALS WHO ARE THE DIRECT RECIPIENTS OF SERVICES REGULATED BY THIS ~~TITLE~~ SUBTITLE;

(2) MAINTAIN STANDARDS IN THE DELIVERY OF NATUROPATHIC MEDICAL SERVICES TO THE PUBLIC;

(3) ENSURE THAT THE HEALTH CARE PROVIDED BY QUALIFIED NATUROPATHIC DOCTORS IS ACCESSIBLE AND AVAILABLE TO THE RESIDENTS OF THE STATE; AND

(4) PROVIDE A MEANS OF IDENTIFYING QUALIFIED NATUROPATHIC DOCTORS IN THE STATE.

~~7.5-103.~~ 14-5F-03.

THIS ~~TITLE~~ SUBTITLE DOES NOT LIMIT THE RIGHT OF:

(1) AN INDIVIDUAL TO PRACTICE A HEALTH OCCUPATION THAT THE INDIVIDUAL IS AUTHORIZED TO PRACTICE UNDER THIS ARTICLE;

(2) AN INDIVIDUAL FROM TREATING THE INDIVIDUAL OR THE INDIVIDUAL'S FAMILY BASED ON THE INDIVIDUAL'S RELIGIOUS OR HEALTH BELIEFS; OR

(3) A PERSON THAT SELLS VITAMINS AND HERBS FROM PROVIDING INFORMATION ABOUT THE PERSON'S PRODUCTS.

14-5F-04.

THE BOARD SHALL ADOPT REGULATIONS FOR THE LICENSURE AND PRACTICE OF NATUROPATHIC MEDICINE.

14-5F-05.

(A) (1) THE BOARD SHALL SET REASONABLE FEES FOR THE ISSUANCE AND RENEWAL OF LICENSES AND THE OTHER SERVICES THE BOARD PROVIDES TO NATUROPATHIC DOCTORS.

(2) THE FEES CHARGED SHALL BE SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF MAINTAINING THE LICENSURE PROGRAM AND THE OTHER SERVICES PROVIDED TO NATUROPATHIC DOCTORS.

(B) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THE PROVISIONS OF THIS SUBTITLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE ALL FEES TO THE BOARD ESTABLISHED UNDER § 14-201 OF THIS TITLE.

(C) THE FEES SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE BOARD AS PROVIDED BY THE PROVISIONS OF THIS SUBTITLE.

~~SUBTITLE 2. STATE BOARD OF NATUROPATHIC MEDICINE.~~

~~7.5-201.~~

~~THERE IS A STATE BOARD OF NATUROPATHIC MEDICINE IN THE DEPARTMENT.~~

~~7.5-202.~~

~~(A) (1) THE BOARD CONSISTS OF FIVE MEMBERS.~~

~~(2) OF THE FIVE BOARD MEMBERS:~~

~~(i) THREE SHALL BE LICENSED NATUROPATHIC DOCTORS;~~

~~(ii) ONE SHALL BE A LICENSED PHYSICIAN; AND~~

~~(iii) ONE SHALL BE A CONSUMER MEMBER.~~

~~(3) (i) THE GOVERNOR SHALL APPOINT THE NATUROPATHIC DOCTOR MEMBERS, WITH THE ADVICE OF THE SECRETARY, FROM A LIST OF NAMES SUBMITTED BY THE MARYLAND ASSOCIATION OF NATUROPATHIC PHYSICIANS.~~

~~(ii) THE GOVERNOR SHALL APPOINT THE PHYSICIAN MEMBER, WITH THE ADVICE OF THE SECRETARY, FROM A LIST OF NAMES SUBMITTED BY MEDCH, THE MARYLAND STATE MEDICAL SOCIETY.~~

~~(4) THE GOVERNOR SHALL APPOINT THE CONSUMER MEMBER WITH THE ADVICE OF THE SECRETARY AND THE ADVICE AND CONSENT OF THE SENATE.~~

~~(b) EACH NATUROPATHIC DOCTOR MEMBER OF THE BOARD SHALL BE:~~

~~(1) IN GOOD STANDING WITH THE BOARD; AND~~

~~(2) A RESIDENT OF THE STATE WHO HAS BEEN ENGAGED ACTIVELY IN THE PRACTICE OR INSTRUCTION OF NATUROPATHIC MEDICINE FOR AT LEAST 5 YEARS IMMEDIATELY BEFORE APPOINTMENT.~~

~~(c) THE PHYSICIAN MEMBER OF THE BOARD SHALL BE:~~

~~(1) IN GOOD STANDING WITH THE BOARD OF PHYSICIANS; AND~~

~~(2) A RESIDENT OF THE STATE WHO HAS BEEN ENGAGED ACTIVELY IN THE PRACTICE OF MEDICINE IN THE STATE FOR AT LEAST 5 YEARS IMMEDIATELY BEFORE APPOINTMENT.~~

~~(d) THE CONSUMER MEMBER OF THE BOARD:~~

~~(1) SHALL BE A RESIDENT OF THE STATE AND A MEMBER OF THE GENERAL PUBLIC;~~

~~(2) MAY NOT BE OR EVER HAVE BEEN LICENSED TO PRACTICE A HEALTH OCCUPATION UNDER THIS ARTICLE; AND~~

~~(3) MAY NOT HAVE A SUBSTANTIAL PERSONAL, BUSINESS, PROFESSIONAL, OR PECUNIARY CONNECTION WITH NATUROPATHIC EDUCATION, BUSINESS, OR PRACTICE.~~

~~(e) (1) THE TERM OF A MEMBER IS 4 YEARS.~~

~~(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2014.~~

~~(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.~~

~~(4) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE FULL TERMS.~~

~~(F) (1) IF A VACANCY OCCURS ON THE BOARD, THE GOVERNOR SHALL APPOINT A NEW MEMBER TO SERVE ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.~~

~~(2) TO THE EXTENT PRACTICABLE, THE GOVERNOR SHALL FILL ANY VACANCY ON THE BOARD WITHIN 60 DAYS AFTER THE DATE OF VACANCY.~~

~~(G) THE GOVERNOR MAY REMOVE ANY MEMBER OF THE BOARD FOR CAUSE BEFORE EXPIRATION OF THE MEMBER'S TERM.~~

#### ~~7.5-203.~~

~~(A) FROM AMONG ITS MEMBERS, THE BOARD SHALL ELECT A CHAIR AND ANY OTHER OFFICERS THAT THE BOARD CONSIDERS NECESSARY.~~

~~(B) THE BOARD SHALL DETERMINE:~~

~~(1) THE MANNER OF ELECTION OF OFFICERS;~~

~~(2) THE TERM OF OFFICE OF EACH OFFICER; AND~~

~~(3) THE DUTIES OF EACH OFFICER.~~

#### ~~7.5-204.~~

~~(A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A QUORUM.~~

~~(B) THE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS MEETINGS.~~

~~(C) A MEMBER OF THE BOARD:~~

~~(1) MAY RECEIVE COMPENSATION AS PROVIDED IN THE STATE BUDGET; AND~~

~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

~~(D) THE BOARD MAY EMPLOY A STAFF IN ACCORDANCE WITH THE BUDGET OF THE BOARD.~~

~~7.5-205.~~

~~(A) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS TITLE, THE BOARD MAY:~~

~~(1) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS TITLE; AND~~

~~(2) APPOINT COMMITTEES AS THE BOARD CONSIDERS NECESSARY TO CARRY OUT ITS DUTIES.~~

~~(B) IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS TITLE, THE BOARD SHALL:~~

~~(1) EVALUATE THE CONTENT OF ANY CLINICAL, PRACTICAL, OR RESIDENCY REQUIREMENT FOR LICENSURE;~~

~~(2) PROVIDE ANY SERVICE AND PERFORM ANY FUNCTION THAT IS NECESSARY TO FULFILL ITS PURPOSES;~~

~~(3) ESTABLISH EXAMINATION STANDARDS, CONSISTENT WITH THE STANDARDS ENUMERATED IN THIS TITLE, FOR LICENSURE AND TIMES AT WHICH THE EXAMINATIONS WILL BE GIVEN; AND~~

~~(4) ADOPT A CODE OF ETHICS FOR LICENSED NATUROPATHIC DOCTORS.~~

~~7.5-206.~~

~~(A) IN THIS SECTION, "FUND" MEANS THE STATE BOARD OF NATUROPATHIC MEDICINE FUND.~~

~~(B) THERE IS A STATE BOARD OF NATUROPATHIC MEDICINE FUND.~~

~~(C) (1) THE BOARD MAY SET REASONABLE FEES FOR THE ISSUANCE AND RENEWAL OF LICENSES AND ITS OTHER SERVICES.~~

~~(2) THE FEES CHARGED SHALL BE SET SO AS TO APPROXIMATE THE COST OF MAINTAINING THE BOARD.~~

~~(3) FUNDS TO COVER THE COMPENSATION AND EXPENSES OF THE BOARD MEMBERS SHALL BE GENERATED BY FEES SET UNDER THIS SUBSECTION.~~

~~(D) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER OF THE STATE.~~

~~(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE FUND.~~

~~(E) (1) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE BOARD UNDER THIS TITLE.~~

~~(2) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

~~(3) ANY UNSPENT PORTIONS OF THE FUND MAY NOT BE TRANSFERRED OR REVERT TO THE GENERAL FUND OF THE STATE BUT SHALL REMAIN IN THE FUND TO BE USED FOR THE PURPOSES SPECIFIED IN THIS TITLE.~~

~~(4) NO OTHER STATE MONEY MAY BE USED TO SUPPORT THE FUND.~~

~~(F) (1) A DESIGNEE OF THE BOARD SHALL ADMINISTER THE FUND.~~

~~(2) MONEY IN THE FUND MAY BE EXPENDED ONLY:~~

~~(i) FOR ANY LAWFUL PURPOSE AUTHORIZED UNDER THIS TITLE; AND~~

~~(ii) IN ACCORDANCE WITH THE STATE BUDGET.~~

~~(G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.~~

14-5F-06.

THERE IS A NATUROPATHIC MEDICINE ADVISORY COMMITTEE WITHIN THE BOARD.

14-5F-07.

(A) (1) THE COMMITTEE CONSISTS OF FIVE MEMBERS APPOINTED BY THE BOARD AS FOLLOWS:

(I) TWO SHALL BE INDIVIDUALS WHO PRACTICE NATUROPATHIC MEDICINE AND WHO:

1. ON OR AFTER OCTOBER 1, 2014:

A. ARE CERTIFIED BY THE NORTH AMERICAN BOARD OF NATUROPATHIC EXAMINERS; AND

B. HAVE A MINIMUM OF 2 ~~YEARS~~ YEARS EXPERIENCE; AND

2. ON OR AFTER MARCH 1, 2016, ARE LICENSED NATUROPATHIC DOCTORS;

(II) ONE SHALL BE A PRACTICING LICENSED PHYSICIAN OR PRACTICING DOCTOR OF OSTEOPATHY WHO IS A MEMBER OF THE BOARD;

(III) ONE SHALL BE A PRACTICING LICENSED PHYSICIAN OR PRACTICING LICENSED DOCTOR OF OSTEOPATHY WITH EXPERIENCE WORKING WITH NATUROPATHIC DOCTORS; AND

(IV) ONE SHALL BE A CONSUMER MEMBER.

(2) THE BOARD SHALL APPOINT THE NATUROPATHIC DOCTOR MEMBERS FROM A LIST OF NAMES SUBMITTED BY THE MARYLAND ASSOCIATION OF NATUROPATHIC PHYSICIANS.

(B) EACH NATUROPATHIC DOCTOR MEMBER OF THE COMMITTEE SHALL BE:

(1) IN GOOD STANDING WITH THE BOARD; AND

(2) A RESIDENT OF THE STATE WHO HAS BEEN ENGAGED ACTIVELY IN THE PRACTICE OR INSTRUCTION OF NATUROPATHIC MEDICINE FOR AT LEAST 5 YEARS IMMEDIATELY BEFORE APPOINTMENT.

(C) THE PHYSICIAN OR DOCTOR OF OSTEOPATHY MEMBERS OF THE COMMITTEE SHALL BE IN GOOD STANDING WITH THE BOARD.

(D) THE CONSUMER MEMBER OF THE COMMITTEE:

(1) SHALL BE A RESIDENT OF THE STATE AND A MEMBER OF THE GENERAL PUBLIC;

(2) MAY NOT BE OR EVER HAVE BEEN LICENSED TO PRACTICE A HEALTH OCCUPATION UNDER THIS ARTICLE; AND

(3) MAY NOT HAVE A SUBSTANTIAL PERSONAL, BUSINESS, PROFESSIONAL, OR PECUNIARY CONNECTION WITH NATUROPATHIC EDUCATION, BUSINESS, OR PRACTICE.

(E) (1) THE TERM OF A MEMBER IS 4 YEARS.

(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE COMMITTEE ON OCTOBER 1, 2014.

(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(4) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE FULL TERMS.

(F) FROM AMONG ITS MEMBERS, THE COMMITTEE SHALL ELECT A CHAIR EVERY 2 YEARS.

14-5F-08.

~~(A)~~ IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS SUBTITLE, THE COMMITTEE SHALL:

(1) DEVELOP AND RECOMMEND TO THE BOARD REGULATIONS TO CARRY OUT THIS SUBTITLE;

(2) DEVELOP AND RECOMMEND TO THE BOARD PROCEDURES FOR THE ISSUANCE OF LICENSES TO APPLICANTS WHO QUALIFY FOR LICENSURE BY RECIPROCITY;

(3) EVALUATE THE CONTENT OF ANY CLINICAL, PRACTICAL, OR RESIDENCY REQUIREMENT FOR LICENSURE;

(4) PROVIDE ANY SERVICE AND PERFORM ANY FUNCTION THAT IS NECESSARY TO FULFILL ITS PURPOSES;

(5) DEVELOP AND RECOMMEND TO THE BOARD EXAMINATION STANDARDS, CONSISTENT WITH THE STANDARDS ENUMERATED IN THIS SUBTITLE, FOR LICENSURE AND TIMES AT WHICH THE EXAMINATIONS WILL BE GIVEN;

(6) DEVELOP AND RECOMMEND TO THE BOARD A CODE OF ETHICS FOR LICENSED NATUROPATHIC DOCTORS; AND

(7) DEVELOP AND RECOMMEND TO THE BOARD CONTINUING EDUCATION REQUIREMENTS FOR LICENSE RENEWAL.

~~7.5-207.~~ 14-5F-09.

A PERSON SHALL HAVE THE IMMUNITY FROM LIABILITY DESCRIBED UNDER § 5-725 OF THE COURTS AND JUDICIAL PROCEEDINGS ARTICLE FOR GIVING INFORMATION TO THE ~~BOARD~~ COMMITTEE OR OTHERWISE PARTICIPATING IN ITS ACTIVITIES.

~~SUBTITLE 3. LICENSING.~~

~~7.5-301.~~ 14-5F-10.

(A) BEGINNING ~~JANUARY~~ MARCH 1, 2016, EXCEPT AS OTHERWISE PROVIDED IN THIS ~~TITLE~~ SUBTITLE, AN INDIVIDUAL SHALL BE LICENSED BY THE BOARD BEFORE THE INDIVIDUAL MAY PRACTICE NATUROPATHIC MEDICINE IN THE STATE.

(B) THIS SECTION DOES NOT APPLY TO:

(1) AN INDIVIDUAL WHO IS EMPLOYED BY THE UNITED STATES GOVERNMENT TO PRACTICE NATUROPATHIC MEDICINE WHILE PRACTICING WITHIN THE SCOPE OF THAT EMPLOYMENT;

(2) A STUDENT WHO IS ENROLLED IN AN APPROVED NATUROPATHIC MEDICAL PROGRAM WHILE THE STUDENT IS PARTICIPATING IN A COURSE OF STUDY UNDER THE SUPERVISION OF A LICENSED NATUROPATHIC DOCTOR OR A LICENSED PROFESSIONAL IN THE FIELD OF STUDY; ~~OR~~

(3) AN INDIVIDUAL WHO IS LICENSED IN ANOTHER STATE TO PRACTICE NATUROPATHIC MEDICINE AND WHOSE PRACTICE OF NATUROPATHIC

MEDICINE IN THE STATE IS LIMITED TO EXAMINATION, RECOMMENDATION, OR TESTIMONY IN LITIGATION; OR

(4) A NATUROPATHIC DOCTOR LICENSED BY AND RESIDING IN ANOTHER JURISDICTION, IF THE NATUROPATHIC DOCTOR IS ENGAGED IN CONSULTATION WITH THE NATUROPATHIC DOCTOR IN THE STATE ABOUT A PARTICULAR PATIENT AND DOES NOT DIRECT PATIENT CARE.

(C) THE BOARD MAY NOT DISCRIMINATE, IN ANY MANNER, AGAINST ANY APPLICANT OR LICENSEE FOR REASON OF SEX, AGE, RACE, COLOR, CREED, SEXUAL ORIENTATION, GENDER IDENTITY, OR NATIONAL ORIGIN.

~~7.5-302.~~ 14-5F-11.

(A) TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL BE AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION.

(B) THE APPLICANT SHALL BE OF GOOD MORAL CHARACTER.

(C) THE APPLICANT SHALL BE AT LEAST 21 YEARS OLD.

(D) EXCEPT AS PROVIDED IN ~~§ 7.5-303~~ § 14-5F-12 OF THIS SUBTITLE, THE APPLICANT SHALL:

(1) HAVE A DOCTORATE IN NATUROPATHIC MEDICINE FROM AN APPROVED NATUROPATHIC MEDICAL PROGRAM; AND

(2) ~~(H)~~ PASS ~~A~~ THE COMPETENCY-BASED NATIONAL NATUROPATHIC LICENSING EXAMINATION PART I AND PART II ADMINISTERED BY THE NORTH AMERICAN BOARD OF NATUROPATHIC EXAMINERS, OR ITS SUCCESSOR AGENCY THAT HAS BEEN NATIONALLY RECOGNIZED TO ADMINISTER A NATUROPATHIC EXAMINATION THAT REPRESENTS FEDERAL STANDARDS OF EDUCATION AND TRAINING; ~~OR~~

~~(H) FOR GRADUATES OF AN APPROVED NATUROPATHIC MEDICAL PROGRAM, AS DEFINED IN § 7.5-101(B)(3) OF THIS TITLE, PASS A BOARD APPROVED STATE COMPETENCY EXAMINATION OR CANADIAN PROVINCIAL EXAMINATION.~~

(E) AN APPLICANT SHALL BE PHYSICALLY AND MENTALLY CAPABLE OF SAFELY PRACTICING NATUROPATHIC MEDICINE WITH OR WITHOUT REASONABLE ACCOMMODATION.

(F) IF AN APPLICANT IS LICENSED, CERTIFIED, OR REGISTERED TO PRACTICE NATUROPATHIC MEDICINE OR ANY OTHER HEALTH OCCUPATION IN ANOTHER STATE, THE APPLICANT SHALL BE IN GOOD STANDING WITH THE APPLICABLE STATE LICENSING, CERTIFICATION, OR REGISTRATION AUTHORITY.

~~7.5-303.~~ 14-5F-12.

TO APPLY FOR A LICENSE, AN APPLICANT SHALL:

(1) SUBMIT AN APPLICATION TO THE BOARD ON A FORM THAT THE BOARD REQUIRES;

(2) PAY TO THE BOARD AN APPLICATION FEE SET BY THE BOARD;  
~~AND~~

(3) IF THE APPLICANT HAS BEEN LICENSED, CERTIFIED, OR REGISTERED TO PRACTICE NATUROPATHIC MEDICINE IN ANOTHER STATE, SUBMIT ALL EVIDENCE RELATING TO:

(I) ANY DISCIPLINARY ACTION TAKEN OR ANY ADMINISTRATIVE PENALTIES ASSESSED AGAINST THE APPLICANT BY THE APPROPRIATE STATE LICENSING, CERTIFICATION, OR REGISTRATION AUTHORITY; AND

(II) ANY CONSENT AGREEMENTS THE APPLICANT ENTERED INTO THAT CONTAIN CONDITIONS PLACED ON THE APPLICANT'S PROFESSIONAL CONDUCT AND PRACTICE, INCLUDING ANY VOLUNTARY SURRENDER OF A LICENSE;

(4) COMPLETE AND SUBMIT TO THE BOARD A BOARD-APPROVED WRITTEN ATTESTATION THAT:

(I) STATES THAT THE APPLICANT HAS A COLLABORATION AND CONSULTATION AGREEMENT WITH A PHYSICIAN LICENSED UNDER THIS ARTICLE;

(II) INCLUDES THE NAME AND LICENSE NUMBER OF THE PHYSICIAN WITH WHOM THE APPLICANT HAS A COLLABORATION AND CONSULTATION AGREEMENT;

(III) STATES THAT THE APPLICANT WILL REFER PATIENTS TO AND CONSULT WITH PHYSICIANS AND OTHER HEALTH CARE PROVIDERS LICENSED OR CERTIFIED UNDER THIS ARTICLE AS NEEDED; AND

(IV) STATES THAT THE APPLICANT WILL REQUIRE PATIENTS TO SIGN A CONSENT FORM THAT STATES THAT THE APPLICANT'S PRACTICE OF NATUROPATHIC MEDICINE IS LIMITED TO THE SCOPE OF PRACTICE IDENTIFIED IN § 14-5F-14 OF THIS SUBTITLE; AND

(5) INFORM THE PHYSICIAN NAMED IN THE ATTESTATION THAT THE PHYSICIAN HAS BEEN NAMED.

~~7.5-304.~~ 14-5F-13.

THE BOARD SHALL ISSUE A LICENSE TO ANY APPLICANT WHO MEETS THE REQUIREMENTS OF THIS ~~TITLE~~ SUBTITLE.

~~7.5-305.~~ 14-5F-14.

(A) A LICENSE AUTHORIZES A LICENSEE, CONSISTENT WITH NATUROPATHIC EDUCATION AND TRAINING AND COMPETENCE DEMONSTRATED BY PASSING THE ~~NATUROPATHIC PHYSICIAN LICENSING EXAMINATION~~ NATUROPATHIC PHYSICIAN LICENSING EXAMINATION, TO:

(1) ORDER AND PERFORM PHYSICAL AND LABORATORY EXAMINATIONS FOR DIAGNOSTIC PURPOSES, INCLUDING PHLEBOTOMY, CLINICAL LABORATORY TESTS, ORIFICIAL EXAMINATIONS, ELECTROCARDIOGRAMS WITH OVERREAD BY A CARDIOLOGIST, AND PHYSIOLOGICAL FUNCTION TESTS;

(2) ORDER DIAGNOSTIC IMAGING STUDIES AND INTERPRET THE REPORTS OF DIAGNOSTIC IMAGING STUDIES;

(3) ~~DISPENSE, ORDER, OR ADMINISTER~~ DISPENSE OR ORDER NATURAL MEDICINES OF MINERAL, ANIMAL, OR BOTANICAL ORIGIN, INCLUDING FOOD, EXTRACTS OF FOOD, NUTRACEUTICALS, VITAMINS, AMINO ACIDS, MINERALS, ENZYMES, BOTANICALS AND THEIR EXTRACTS, BOTANICAL MEDICINES, HOMEOPATHIC MEDICINES, AND ALL DIETARY SUPPLEMENTS AND NONPRESCRIPTION DRUGS AS DEFINED BY THE FEDERAL FOOD, DRUG, AND COSMETIC ACT ~~USING~~ THAT USE VARIOUS ROUTES OF ADMINISTRATION, INCLUDING ORAL, NASAL, AURICULAR, OCULAR, RECTAL, VAGINAL, TRANSDERMAL, AND INTRAMUSCULAR;

(4) ADMINISTER NATURAL MEDICINES OF MINERAL, ANIMAL, OR BOTANICAL ORIGIN, INCLUDING FOOD, EXTRACTS OF FOOD, NUTRACEUTICALS, VITAMINS, AMINO ACIDS, MINERALS, ENZYMES, BOTANICALS AND THEIR EXTRACTS, BOTANICAL MEDICINES, HOMEOPATHIC MEDICINES, AND ALL

DIETARY SUPPLEMENTS AND NONPRESCRIPTION DRUGS AS DEFINED BY THE FEDERAL FOOD, DRUG, AND COSMETIC ACT USING TRANSDERMAL ROUTES OF ADMINISTRATION;

~~(4)~~ (5) ADMINISTER OR PERFORM HOT OR COLD HYDROTHERAPY, NATUROPATHIC PHYSICAL MEDICINE, ELECTROMAGNETIC ENERGY, ~~COLON HYDROTHERAPY~~, AND THERAPEUTIC EXERCISE FOR THE PURPOSE OF PROVIDING BASIC THERAPEUTIC CARE SERVICES, EXCEPT THAT IF A REFERRAL TO ANOTHER LICENSED PROVIDER IS APPROPRIATE FOR ONGOING REHABILITATION OR HABILITATION SERVICES, THE NATUROPATHIC DOCTOR SHALL MAKE THE REFERRAL;

~~(5) DISPENSE, ORDER, OR ADMINISTER DEVICES, INCLUDING THERAPEUTIC DEVICES FOR THE PURPOSE OF PROVIDING BARRIER CONTRACEPTION, AND DURABLE MEDICAL EQUIPMENT EXCEPT FOR THERAPEUTIC DEVICES IF REFERRAL TO ANOTHER LICENSED PROVIDER TO DISPENSE, ADMINISTER, OR ORDER THE DEVICE FOR ONGOING REHABILITATIVE OR HABILITATIVE SERVICES IS APPROPRIATE;~~

(6) PROVIDE HEALTH EDUCATION AND HEALTH COUNSELING;  
AND

(7) PERFORM NATUROPATHIC MUSCULOSKELETAL MOBILIZATION.

~~(B) A LICENSE AUTHORIZES A LICENSEE, CONSISTENT WITH NATUROPATHIC EDUCATION AND TRAINING AS DETERMINED BY THE BOARD, TO:~~

~~(1) PERFORM MINOR OFFICE PROCEDURES IF THE LICENSEE IS AUTHORIZED BY THE BOARD TO DO SO; AND~~

~~(2) USE ROUTES OF ADMINISTRATION, INCLUDING INTRADERMAL, SUBCUTANEOUS, AND INTRAVENOUS.~~

~~(C)~~ (B) A LICENSE DOES NOT AUTHORIZE A LICENSEE TO:

(1) PRESCRIBE, DISPENSE, OR ADMINISTER ANY PRESCRIPTION DRUG;

(2) PERFORM SURGICAL PROCEDURES ~~OTHER THAN MINOR OFFICE PROCEDURES, INCLUDING PROCEDURES USING A LASER DEVICE OR THAT INVOLVE THE EYE, EAR, TENDONS, NERVES, VEINS, OR ARTERIES EXTENDING BEYOND SUPERFICIAL TISSUE;~~

(3) PRACTICE OR CLAIM TO PRACTICE AS A MEDICAL DOCTOR OR PHYSICIAN, AN OSTEOPATH, A DENTIST, A PODIATRIST, AN OPTOMETRIST, A PSYCHOLOGIST, A NURSE PRACTITIONER, A PHYSICIAN ASSISTANT, A CHIROPRACTOR, A PHYSICAL THERAPIST, AN ACUPUNCTURIST, OR ANY OTHER HEALTH CARE PROFESSIONAL UNLESS LICENSED UNDER THIS ARTICLE;

(4) USE GENERAL OR SPINAL ANESTHETICS;

(5) ADMINISTER IONIZING RADIOACTIVE SUBSTANCES FOR THERAPEUTIC PURPOSES;

(6) PERFORM CHIROPRACTIC ADJUSTMENTS OR MANIPULATIONS THAT INCLUDE HIGH-VELOCITY THRUSTS AT OR BEYOND THE END RANGE OF NORMAL JOINT MOTION UNLESS THE LICENSEE IS ALSO A LICENSED CHIROPRACTOR; OR

(7) PERFORM ACUPUNCTURE UNLESS THE LICENSEE IS ALSO A LICENSED ACUPUNCTURIST; OR

~~(8) PERFORM MINOR OFFICE PROCEDURES UNLESS THE LICENSEE IS APPROVED BY THE BOARD TO DO SO.~~

~~(D) THE BOARD MAY APPROVE A LICENSEE TO PERFORM MINOR OFFICE PROCEDURES ONLY IF THE LICENSEE:~~

~~(1) GRADUATED FROM AN APPROVED NATUROPATHIC MEDICAL PROGRAM THAT INCLUDED MINOR OFFICE PROCEDURES AS PART OF ITS CURRICULUM; OR~~

~~(2) MEETS THE TRAINING REQUIREMENTS REGARDING MINOR OFFICE PROCEDURES ADOPTED BY THE BOARD.~~

~~7.5-306. 14-5F-15.~~

(A) (1) THE TERM OF A LICENSE ISSUED BY THE BOARD IS ~~1 YEAR~~ 2 YEARS.

(2) A LICENSE EXPIRES AT THE END OF ITS TERM UNLESS THE LICENSE IS RENEWED AS PROVIDED BY THE BOARD.

(B) AT LEAST 1 MONTH BEFORE THE LICENSE EXPIRES, THE BOARD SHALL SEND TO THE LICENSEE A RENEWAL NOTICE THAT STATES:

- (1) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;
  - (2) THE DATE BY WHICH THE RENEWAL APPLICATION MUST BE RECEIVED BY THE BOARD FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE LICENSE EXPIRES; AND
  - (3) THE AMOUNT OF THE RENEWAL FEE.
- (C) THE BOARD SHALL RENEW THE LICENSE OF A LICENSEE WHO:
- (1) SUBMITS A RENEWAL APPLICATION ON THE FORM THAT THE BOARD REQUIRES;
  - (2) PAYS A RENEWAL FEE SET BY THE BOARD;
  - (3) IS OTHERWISE ENTITLED TO BE LICENSED;
  - (4) MEETS THE CONTINUING EDUCATION REQUIREMENTS ADOPTED BY THE BOARD; AND
  - (5) PROVIDES EVIDENCE OF BIENNIAL CARDIOPULMONARY RESUSCITATION CERTIFICATION.

~~7.5-307.14-5F-16.~~

- (A) (1) THE BOARD MAY PLACE A LICENSEE ON INACTIVE STATUS IF THE LICENSEE SUBMITS TO THE BOARD:
- (I) AN APPLICATION FOR INACTIVE STATUS ON THE FORM REQUIRED BY THE BOARD; AND
  - (II) THE INACTIVE STATUS FEE SET BY THE BOARD.
- (2) THE BOARD SHALL ISSUE A LICENSE TO A NATUROPATHIC DOCTOR WHO IS ON INACTIVE STATUS IF THE INDIVIDUAL IS OTHERWISE ENTITLED TO BE LICENSED UNDER THIS ~~TITLE~~ SUBTITLE AND SUBMITS TO THE BOARD:
- (I) SATISFACTORY EVIDENCE OF COMPLIANCE WITH THE CONTINUING EDUCATION REQUIREMENTS THE BOARD ADOPTS FOR THIS PURPOSE; AND
  - (II) A REINSTATEMENT FEE SET BY THE BOARD.

(B) THE BOARD SHALL REINSTATE THE LICENSE OF A NATUROPATHIC DOCTOR WHO HAS FAILED TO RENEW THE LICENSE FOR ANY REASON IF THE NATUROPATHIC DOCTOR:

(1) MEETS THE RENEWAL REQUIREMENTS OF ~~§ 7.5-306~~ § 14-5F-15 OF THIS SUBTITLE;

(2) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD; AND

(3) SUBMITS TO THE BOARD SATISFACTORY EVIDENCE OF COMPLIANCE WITH THE QUALIFICATIONS AND REQUIREMENTS ADOPTED BY THE BOARD UNDER THIS ~~TITLE~~ SUBTITLE FOR LICENSE REINSTATEMENTS.

~~7.5-308.~~ 14-5F-17.

(A) UNLESS THE BOARD AGREES TO ACCEPT THE SURRENDER OF A LICENSE, A LICENSED NATUROPATHIC DOCTOR MAY NOT SURRENDER THE LICENSE NOR MAY THE LICENSE LAPSE BY OPERATION OF LAW WHILE THE LICENSEE IS UNDER INVESTIGATION OR WHILE CHARGES ARE PENDING AGAINST THE LICENSEE.

(B) THE BOARD MAY SET CONDITIONS ON ITS AGREEMENT WITH THE LICENSEE UNDER INVESTIGATION OR AGAINST WHOM CHARGES ARE PENDING TO ACCEPT SURRENDER OF THE LICENSE.

#### ~~SUBTITLE 4. DISCIPLINARY ACTIONS.~~

~~7.5-401.~~ 14-5F-18.

(A) SUBJECT TO THE HEARING PROVISIONS OF ~~§ 7.5-404~~ § 14-405 OF THIS ~~SUBTITLE~~ TITLE, THE BOARD, ON THE AFFIRMATIVE VOTE OF A MAJORITY ~~OF ITS MEMBERS THEN SERVING~~ OF A QUORUM OF THE BOARD, MAY DENY A LICENSE TO ANY APPLICANT, OR A DISCIPLINARY PANEL, ON THE AFFIRMATIVE VOTE OF A MAJORITY OF A QUORUM OF THE DISCIPLINARY PANEL, MAY REPRIMAND ANY LICENSEE, PLACE ANY LICENSEE ON PROBATION, OR SUSPEND OR REVOKE A LICENSE OF ANY LICENSEE IF THE APPLICANT OR LICENSEE:

~~(1) IS CONVICTED OF OR PLEADS GUILTY OR NOLO CONTENDERE TO A FELONY OR CRIME RELATING TO AN OFFENSE, THE CIRCUMSTANCES OF WHICH SUBSTANTIALLY RELATE TO THE PRACTICE OF NATUROPATHIC MEDICINE, WHETHER OR NOT ANY APPEAL OR OTHER PROCEEDING IS PENDING TO HAVE THE CONVICTION OR PLEA SET ASIDE;~~

~~(2) HAS AN IMPAIRMENT RELATED TO DRUGS OR ALCOHOL THAT WOULD LIMIT THE APPLICANT'S OR LICENSEE'S ABILITY TO UNDERTAKE THE PRACTICE OF NATUROPATHIC MEDICINE IN A MANNER CONSISTENT WITH THE SAFETY OF THE PUBLIC;~~

(1) IS HABITUALLY INTOXICATED, OR IS ADDICTED TO OR HABITUALLY ABUSES ANY NARCOTIC OR CONTROLLED DANGEROUS SUBSTANCE, AS DEFINED IN § 5-101 OF THE CRIMINAL LAW ARTICLE, OR ANY DRUG WITHOUT A VALID PRESCRIPTION OR INDICATION, OR PROVIDES PROFESSIONAL SERVICES WHILE UNDER THE INFLUENCE OF ALCOHOL OR USING ANY NARCOTIC OR CONTROLLED DANGEROUS SUBSTANCE, AS DEFINED IN § 5-101 OF THE CRIMINAL LAW ARTICLE;

~~(3)~~ (2) HAS BEEN FOUND TO BE MENTALLY INCOMPETENT BY A PHYSICIAN IF THE MENTAL INCOMPETENCE IMPAIRS THE ABILITY OF THE APPLICANT OR LICENSEE TO UNDERTAKE THE PRACTICE OF NATUROPATHIC MEDICINE IN A MANNER CONSISTENT WITH THE SAFETY OF THE PUBLIC;

~~(4)~~ (3) HAS ENTERED INTO A CONSENT AGREEMENT WITH OR HAS BEEN ASSESSED AN ADMINISTRATIVE PENALTY BY A LICENSING AUTHORITY IN ANOTHER STATE;

~~(5)~~ (4) FRAUDULENTLY OR DECEPTIVELY OBTAINS ~~OR,~~ ATTEMPTS TO OBTAIN, OR USES A LICENSE FOR THE APPLICANT, THE LICENSEE, OR ANOTHER;

~~(6)~~ (5) HAS A LICENSE REVOKED OR SUSPENDED, OR WAS OTHERWISE ACTED AGAINST, INCLUDING THE DENIAL OF LICENSURE, BY THE LICENSING AUTHORITY OF ANOTHER STATE;

~~(7)~~ (6) USES FALSE, DECEPTIVE, OR MISLEADING ADVERTISING;

~~(8)~~ (7) ADVERTISES, PRACTICES, OR ATTEMPTS TO PRACTICE UNDER A NAME OTHER THAN THE APPLICANT'S OR LICENSEE'S OWN NAME;

~~(9)~~ (8) AIDS, ASSISTS, EMPLOYS, OR ADVISES ANY UNLICENSED INDIVIDUAL TO PRACTICE NATUROPATHIC MEDICINE IN VIOLATION OF THIS ~~TITLE~~ SUBTITLE;

~~(10)~~ (9) WILLFULLY MAKES OR FILES A FALSE REPORT OR RECORD IN THE PRACTICE OF NATUROPATHIC MEDICINE;

~~(11)~~ (10) WILLFULLY OR NEGLIGENTLY FAILS TO FILE A REPORT OR RECORD AS REQUIRED BY LAW, WILLFULLY IMPEDES OR OBSTRUCTS THE FILING OR RECORDING OF A REPORT, OR INDUCES ANOTHER TO FAIL TO FILE OR RECORD A REPORT;

~~(12)~~ (11) PAYS OR RECEIVES ANY COMMISSION, BONUS, KICKBACK, OR REBATE, OR ENGAGES IN ANY SPLIT-FEE ARRANGEMENT IN ANY FORM WITH A LICENSED PHYSICIAN, ORGANIZATION, AGENCY, OR OTHER PERSON, EITHER DIRECTLY OR INDIRECTLY, FOR PATIENTS REFERRED TO HEALTH CARE PROVIDERS;

~~(13)~~ (12) EXERCISES INFLUENCE WITHIN A PATIENT-DOCTOR RELATIONSHIP FOR PURPOSES OF ENGAGING A PATIENT IN SEXUAL ACTIVITY;

~~(14)~~ (13) ENGAGES IN SEXUAL MISCONDUCT WITH A PATIENT;

~~(15)~~ (14) FAILS TO KEEP WRITTEN MEDICAL RECORDS JUSTIFYING THE COURSE OF TREATMENT OF A PATIENT;

~~(16)~~ ~~CROSSLY OR REPEATEDLY COMMITS MALPRACTICE OR FAILS TO PRACTICE NATUROPATHIC MEDICINE WITH THE LEVEL OF CARE, SKILL, AND TREATMENT THAT IS RECOGNIZED BY A REASONABLY PRUDENT LICENSED NATUROPATHIC DOCTOR AS BEING ACCEPTABLE UNDER SIMILAR CONDITIONS AND CIRCUMSTANCES;~~

(15) ENGAGES IN AN ACT OR OMISSION THAT DOES NOT MEET GENERALLY ACCEPTED STANDARDS OF PRACTICE OF NATUROPATHIC MEDICINE OR OF SAFE CARE OF PATIENTS, WHETHER OR NOT ACTUAL INJURY TO A PATIENT IS ESTABLISHED;

~~(17)~~ (16) DELEGATES PROFESSIONAL RESPONSIBILITIES TO AN INDIVIDUAL WHEN THE LICENSEE DELEGATING THE RESPONSIBILITIES KNOWS OR HAS REASON TO KNOW THAT THE INDIVIDUAL IS NOT QUALIFIED BY TRAINING, EXPERIENCE, OR LICENSURE TO PERFORM THE RESPONSIBILITIES;  
~~OR~~

(17) PROMOTES THE SALE OF SERVICES, DRUGS, DEVICES, APPLIANCES, OR GOODS TO A PATIENT SO AS TO EXPLOIT THE PATIENT FOR FINANCIAL GAIN;

(18) BREACHES PATIENT CONFIDENTIALITY;

(19) IS GUILTY OF UNPROFESSIONAL OR IMMORAL CONDUCT IN THE PRACTICE OF NATUROPATHIC MEDICINE;

(20) OFFERS, UNDERTAKES, OR AGREES TO CURE OR TREAT A DISEASE BY A SECRET METHOD, TREATMENT, OR MEDICINE;

(21) KNOWINGLY FAILS TO REPORT SUSPECTED CHILD ABUSE IN VIOLATION OF § 5-704 OF THE FAMILY LAW ARTICLE;

(22) SELLS, PRESCRIBES, GIVES AWAY, OR ADMINISTERS DRUGS FOR ILLEGAL OR ILLEGITIMATE PURPOSES;

(23) DENIES OR DISCRIMINATES AGAINST AN INDIVIDUAL WITH REGARD TO THE PROVISION OF PROFESSIONAL SERVICES FOR WHICH THE LICENSEE IS LICENSED AND QUALIFIED TO RENDER BECAUSE THE INDIVIDUAL IS HIV POSITIVE;

(24) FAILS TO COOPERATE WITH A LAWFUL INVESTIGATION OF THE BOARD;

(25) ABANDONS A PATIENT; OR

~~(18)~~ (26) VIOLATES ANY PROVISION OF THIS TITLE OR ANY REGULATION ADOPTED BY THE BOARD.

(B) EXCEPT AS OTHERWISE PROVIDED IN TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE, BEFORE THE BOARD OR A DISCIPLINARY PANEL TAKES ANY ACTION UNDER SUBSECTION (A) OF THIS SECTION, IT SHALL GIVE THE INDIVIDUAL AGAINST WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE THE BOARD OR THE DISCIPLINARY PANEL IN ACCORDANCE WITH THE HEARING REQUIREMENTS OF § 14-405 OF THIS TITLE.

(C) (1) ON THE FILING OF CERTIFIED DOCKET ENTRIES WITH THE BOARD BY THE OFFICE OF THE ATTORNEY GENERAL, A DISCIPLINARY PANEL SHALL ORDER THE SUSPENSION OF A LICENSE IF THE LICENSEE IS CONVICTED OF OR PLEADS GUILTY OR NOLO CONTENDERE WITH RESPECT TO A CRIME INVOLVING MORAL TURPITUDE, WHETHER OR NOT ANY APPEAL OR OTHER PROCEEDING IS PENDING TO HAVE THE CONVICTION OR PLEA SET ASIDE.

(2) AFTER COMPLETION OF THE APPELLATE PROCESS IF THE CONVICTION HAS NOT BEEN REVERSED OR THE PLEA HAS NOT BEEN SET ASIDE WITH RESPECT TO A CRIME INVOLVING MORAL TURPITUDE, A DISCIPLINARY PANEL SHALL ORDER THE REVOCATION OF A LICENSE ON THE CERTIFICATION BY THE OFFICE OF THE ATTORNEY GENERAL.

~~7.5-402.~~ 14-5F-19.**(A) THIS SECTION APPLIES TO:**

- (1) A LICENSED NATUROPATHIC DOCTOR;**
- (2) A LICENSED HEALTH CARE PRACTITIONER;**
- (3) A HEALTH CARE FACILITY, AS DEFINED IN § 19-114 OF THE HEALTH – GENERAL ARTICLE, LOCATED IN THE STATE; AND**
- (4) A STATE AGENCY; ~~AND~~**
- (5) ~~A STATE OR LOCAL LAW ENFORCEMENT AGENCY.~~**

**(B) A PERSON LISTED IN SUBSECTION (A) OF THIS SECTION SHALL FILE A WRITTEN REPORT WITH THE BOARD IF THE PERSON HAS INFORMATION THAT GIVES THE PERSON REASON TO BELIEVE THAT A LICENSED NATUROPATHIC DOCTOR IS OR MAY BE:**

- (1) MEDICALLY OR LEGALLY INCOMPETENT;**
- (2) ENGAGED IN THE UNAUTHORIZED PRACTICE OF NATUROPATHIC MEDICINE;**
- (3) GUILTY OF UNPROFESSIONAL CONDUCT; OR**
- (4) MENTALLY OR PHYSICALLY UNABLE TO ENGAGE SAFELY IN THE PRACTICE OF NATUROPATHIC MEDICINE.**

**(C) A PERSON REQUIRED TO FILE A REPORT UNDER SUBSECTION (B) OF THIS SECTION SHALL FILE THE REPORT WITHIN 30 DAYS AFTER BECOMING AWARE OF THE INFORMATION.**

**(D) A HEALTH CARE FACILITY SHALL REPORT PROMPTLY TO THE BOARD IF:**

- (1) A LICENSED NATUROPATHIC DOCTOR VOLUNTARILY RESIGNS FROM THE STAFF OF THE HEALTH CARE FACILITY, VOLUNTARILY LIMITS THE LICENSEE'S STAFF PRIVILEGES, OR FAILS TO REAPPLY FOR HOSPITAL PRIVILEGES AT THE HEALTH CARE FACILITY; AND**
- (2) THE ACTION OF THE LICENSEE OCCURS WHILE THE LICENSEE IS UNDER FORMAL OR INFORMAL INVESTIGATION BY THE HEALTH CARE**

FACILITY FOR POSSIBLE MEDICAL INCOMPETENCE, UNPROFESSIONAL CONDUCT, OR MENTAL OR PHYSICAL IMPAIRMENT.

~~7.5-403.~~ 14-5F-20.

(A) THE BOARD SHALL INVESTIGATE ANY COMPLAINT FILED WITH THE BOARD THAT ALLEGES THAT THERE ARE GROUNDS FOR ACTION UNDER ~~§ 7.5-401~~ § 14-5F-18 OF THIS SUBTITLE.

(B) AFTER ITS INVESTIGATION, THE BOARD, ON THE AFFIRMATIVE VOTE OF A MAJORITY OF ITS MEMBERS THEN SERVING, MAY COMMENCE ACTION ON ANY OF THE GROUNDS SET FORTH IN ~~§ 7.5-401~~ § 14-5F-18 OF THIS SUBTITLE.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, UNTIL THE BOARD PASSES AN ORDER UNDER ~~§ 7.5-405~~ § 14-5F-22 OF THIS SUBTITLE, EACH RELATED INVESTIGATION, REPORT, AND RECOMMENDATION IS CONFIDENTIAL.

(2) ON THE REQUEST OF A PERSON WHO HAS MADE A COMPLAINT TO THE BOARD, THE BOARD SHALL PROVIDE THE PERSON WITH INFORMATION ON THE STATUS OF THE COMPLAINT.

~~7.5-404.~~ 14-5F-21.

~~(A) EXCEPT AS OTHERWISE PROVIDED IN THE ADMINISTRATIVE PROCEDURE ACT, BEFORE THE BOARD TAKES ANY ACTION UNDER § 7.5-401 OF THIS SUBTITLE, IT SHALL GIVE THE INDIVIDUAL AGAINST WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE THE BOARD.~~

~~(B)~~ THE BOARD SHALL GIVE NOTICE AND HOLD ~~THE~~ A HEARING IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURE ACT.

~~(C)~~ (B) THE INDIVIDUAL MAY BE REPRESENTED AT THE HEARING BY COUNSEL.

~~(D)~~ (C) OVER THE SIGNATURE OF AN OFFICER OR THE ADMINISTRATOR OF THE BOARD, THE BOARD MAY ISSUE SUBPOENAS AND ADMINISTER OATHS IN CONNECTION WITH ANY INVESTIGATION UNDER THIS ~~TITLE~~ SUBTITLE AND ANY HEARINGS OR PROCEEDINGS BEFORE THE BOARD.

~~(E)~~ (D) IF, WITHOUT LAWFUL EXCUSE, A PERSON DISOBEYS A SUBPOENA FROM THE BOARD OR AN ORDER BY THE BOARD TO TAKE AN OATH OR TO TESTIFY OR ANSWER A QUESTION, THEN, ON PETITION OF THE BOARD, A

COURT OF COMPETENT JURISDICTION MAY PUNISH THE PERSON AS FOR CONTEMPT OF COURT.

~~(F)~~ (E) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE ACTION IS CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE BOARD MAY HEAR AND DETERMINE THE MATTER.

~~(G)~~ (F) IF, AFTER A HEARING, AN INDIVIDUAL IS FOUND IN VIOLATION OF ~~§ 7-5-401~~ § 14-5F-18 OF THIS SUBTITLE, THE INDIVIDUAL SHALL PAY THE COSTS OF THE HEARING AS SPECIFIED IN A REGULATION ADOPTED BY THE BOARD.

~~7.5-405.~~ 14-5F-22.

(A) ~~(1)~~ IF THE BOARD FINDS THAT THERE ARE GROUNDS FOR ACTION UNDER ~~§ 7-5-401~~ § 14-5F-18 OF THIS SUBTITLE, THE BOARD SHALL PASS AN ORDER IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURE ACT.

~~(2) IF THE BOARD DISMISSES ALL CHARGES, THE BOARD SHALL EXPUNGE ALL RECORD OF THE CHARGES 3 YEARS AFTER THE CHARGES ARE DISMISSED.~~

~~(3) IF THE BOARD ISSUES AN ADVISORY OPINION, THE BOARD, AT THE REQUEST OF THE LICENSEE, SHALL EXPUNGE ALL RECORD OF THE MATTER 5 YEARS AFTER THE ADVISORY OPINION IS ISSUED.~~

(B) (1) IF A LICENSE IS REVOKED OR SUSPENDED, THE HOLDER SHALL SURRENDER THE LICENSE TO THE BOARD ON DEMAND.

(2) AT THE END OF A SUSPENSION PERIOD, THE BOARD SHALL RETURN TO THE LICENSEE ANY LICENSE SURRENDERED UNDER THIS SECTION.

~~7.5-406.~~ 14-5F-23.

~~(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A CONTESTED CASE, AS DEFINED IN THE ADMINISTRATIVE PROCEDURE ACT, MAY:~~

~~(1) APPEAL THAT DECISION TO THE BOARD OF REVIEW; AND~~

~~(2) TAKE ANY FURTHER APPEAL ALLOWED BY THE ADMINISTRATIVE PROCEDURE ACT.~~

~~(B) (1) ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD UNDER § 7.5-401 OF THIS SUBTITLE MAY NOT APPEAL TO THE SECRETARY OR BOARD OF REVIEW BUT MAY TAKE A DIRECT JUDICIAL APPEAL.~~

(A) (1) ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD OR A DISCIPLINARY PANEL UNDER THIS SUBTITLE IN A CONTESTED CASE, AS DEFINED IN THE ADMINISTRATIVE PROCEDURE ACT, MAY TAKE A DIRECT JUDICIAL APPEAL.

(2) THE APPEAL SHALL BE MADE AS PROVIDED FOR JUDICIAL REVIEW OF FINAL DECISIONS IN THE ADMINISTRATIVE PROCEDURE ACT.

(B) AN ORDER OF THE BOARD OR A DISCIPLINARY PANEL MAY NOT BE STAYED PENDING JUDICIAL REVIEW.

(C) THE BOARD MAY APPEAL FROM ANY DECISION THAT REVERSES OR MODIFIES AN ORDER OF THE BOARD OR A DISCIPLINARY PANEL.

~~(2) THE APPEAL SHALL BE MADE AS PROVIDED FOR JUDICIAL REVIEW OF FINAL DECISIONS IN THE ADMINISTRATIVE PROCEDURE ACT.~~

~~7.5-407.~~ 14-5F-24.

(A) IF THE BOARD HAS REVOKED OR SUSPENDED THE LICENSE OF A LICENSEE, THE BOARD MAY NOT REINSTATE THE LICENSE UNTIL THE BOARD IS SATISFIED THAT THE INDIVIDUAL:

(1) HAS COMPLIED WITH ALL THE TERMS AND CONDITIONS IN THE FINAL ORDER; AND

(2) IS CAPABLE OF SAFELY ENGAGING IN THE PRACTICE OF NATUROPATHIC MEDICINE.

(B) THE BOARD MAY NOT REINSTATE THE LICENSE OF AN INDIVIDUAL WHOSE LICENSE WAS REVOKED BY THE BOARD WITHIN 6 MONTHS AFTER THE DATE OF THE REVOCATION.

~~7.5-408.~~ 14-5F-25.

THE BOARD MAY ISSUE A CEASE AND DESIST ORDER FOR:

(1) PRACTICING NATUROPATHIC MEDICINE WITHOUT A LICENSE OR WITH AN UNAUTHORIZED PERSON; OR

(2) SUPERVISING OR AIDING AN UNAUTHORIZED PERSON IN THE PRACTICE OF NATUROPATHIC MEDICINE.

~~SUBTITLE 5. MISCELLANEOUS PROVISIONS.~~

~~7.5-501. 14-5F-26.~~

A LICENSED NATUROPATHIC DOCTOR SHALL FOLLOW ANY FEDERAL, STATE, OR LOCAL LAW THAT GOVERNS:

(1) THE CONTROL OF CONTAGIOUS AND INFECTIOUS DISEASES;  
AND

(2) THE REPORTING OF BIRTHS AND DEATHS.

~~7.5-502. 14-5F-27.~~

A LICENSED NATUROPATHIC DOCTOR MAY RECEIVE A FEE FOR PROFESSIONAL CONSULTATION SERVICES.

~~7.5-503. 14-5F-28.~~

IF A NATUROPATHIC DOCTOR IS ENGAGED IN THE PRIVATE PRACTICE OF NATUROPATHIC MEDICINE IN THE STATE, THE NATUROPATHIC DOCTOR SHALL DISPLAY THE NOTICE DEVELOPED UNDER § 1-207 OF THIS ARTICLE CONSPICUOUSLY IN EACH OFFICE WHERE THE NATUROPATHIC DOCTOR IS ENGAGED IN PRACTICE.

~~SUBTITLE 6. PROHIBITED ACTS; PENALTIES.~~

~~7.5-601. 14-5F-29.~~

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS ~~TITLE~~ SUBTITLE, AN INDIVIDUAL MAY NOT PRACTICE, ATTEMPT TO PRACTICE, OR OFFER TO PRACTICE NATUROPATHIC MEDICINE IN THIS STATE WITHOUT A LICENSE.

(B) AN INDIVIDUAL WHO VIOLATES THIS SECTION IS GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO:

(1) A FINE NOT EXCEEDING \$10,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH; AND

(2) A CIVIL FINE OF NO MORE THAN \$50,000 TO BE LEVIED BY THE BOARD.

~~7.5-602. 14-5F-30.~~

**(A) UNLESS AN INDIVIDUAL IS LICENSED TO PRACTICE NATUROPATHIC MEDICINE, THE INDIVIDUAL MAY NOT:**

**(1) REPRESENT TO THE PUBLIC BY TITLE, BY DESCRIPTION OF SERVICES, METHODS, OR PROCEDURES, OR OTHERWISE, THAT THE INDIVIDUAL IS LICENSED BY THE BOARD TO PRACTICE NATUROPATHIC MEDICINE;**

**(2) USE THE TITLE “DOCTOR OF NATUROPATHIC MEDICINE”, “DOCTOR OF NATUROPATHY”, “NATUROPATHIC DOCTOR”, OR “NATUROPATH”; OR**

**(3) USE THE INITIALS “N.D.”, “ND”, “NMD”, OR “N.M.D.” AFTER THE NAME OF THE INDIVIDUAL.**

**(B) AN INDIVIDUAL LICENSED TO PRACTICE NATUROPATHIC MEDICINE IN THE STATE MAY NOT USE THE TITLE “PHYSICIAN”.**

~~SUBTITLE 7. SHORT TITLE; TERMINATION OF TITLE.~~~~7.5-701. 14-5F-31.~~

**THIS ~~TITLE~~ SUBTITLE MAY BE CITED AS THE MARYLAND NATUROPATHIC MEDICINE ACT.**

~~7.5-702. 14-5F-32.~~

**SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF THE PROGRAM EVALUATION ACT, THIS ~~TITLE~~ SUBTITLE AND ALL RULES AND REGULATIONS ADOPTED UNDER THIS ~~TITLE~~ SUBTITLE SHALL TERMINATE AND BE OF NO EFFECT AFTER JULY 1, ~~2024~~ 2018.**

## Article – State Government

~~§ 403.~~

~~(a) On or before December 15 of the evaluation year specified, the Department shall:~~

~~(1) conduct a preliminary evaluation of each governmental activity or unit to be evaluated under this section; and~~

~~(2) prepare a report on each preliminary evaluation conducted.~~

~~(b) Each of the following governmental activities or units and the statutes and regulations that relate to the governmental activities or units are subject to preliminary evaluation in the evaluation year specified:~~

~~**(36) NATUROPATHIC MEDICINE, STATE BOARD OF (§ 7.5-201 OF THE HEALTH OCCUPATIONS ARTICLE: 2021);**~~

8-405.

(a) The Department shall:

(1) conduct a full evaluation of each governmental activity or unit to be evaluated under this section; and

(2) prepare a report on each full evaluation conducted.

(b) Each of the following governmental activities or units and the statutes and regulations that relate to the governmental activities or units are subject to full evaluation, in the evaluation year specified, without the need for a preliminary evaluation:

(5) Physicians, State Board of (§ 14-201 of the Health Occupations Article: 2016), including:

(i) Athletic Training Advisory Committee (§ 14-5D-04 of the Health Occupations Article: 2016);

**(ii) NATUROPATHIC MEDICINE ADVISORY COMMITTEE (§ 14-5F-04 OF THE HEALTH OCCUPATIONS ARTICLE: 2016);**

**[(ii)] (iii) Perfusion Advisory Committee (§ 14-5E-05 of the Health Occupations Article: 2016);**

**[(iii)] (iv) Physician Assistant Advisory Committee (§ 15-201 of the Health Occupations Article: 2016);**

**[(iv)] (v) Polysomnography Professional Standards Committee (§ 14-5C-05 of the Health Occupations Article: 2016);**

**[(v)] (vi) Radiation Therapy, Radiography, Nuclear Medicine Technology Advisory, and Radiology Assistance Committee (§ 14-5B-05 of the Health Occupations Article: 2016); and**

**[(vi)] (vii) Respiratory Care Professional Standards Committee (§ 14-5A-05 of the Health Occupations Article: 2016).**

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That the terms of the initial members of the ~~State Board of Naturopathic Medicine~~ Naturopathic Medicine Advisory Committee shall expire as follows:

- (1) one member in 2016;
- (2) two members in 2017; and
- (3) two members in 2018.

~~SECTION 4. AND BE IT FURTHER ENACTED, That the State Board of Naturopathic Medicine shall hold its first board meeting within 30 days after the Governor has appointed the initial members of the Board.~~

~~SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Governor provide funds in the fiscal year 2015 budget at a level sufficient to allow the State Board of Naturopathic Medicine to begin operating as a regulatory board, and when special funds become available for the regulation of naturopathic doctors, special funds shall be used to reimburse the General Fund for the cost of starting up the Board.~~

SECTION ~~6~~ 3. AND BE IT FURTHER ENACTED, That:

(a) The State Board of Naturopathic Medicine Physicians shall convene a workgroup to study the development of a naturopathic formulary in the State and the routes of administration that may be used by a naturopathic doctor when administering natural medicines.

(b) The workgroup shall consist of stakeholders, including representatives of:

- (1) the Maryland Association of Naturopathic Physicians;
- (2) MedChi, the Maryland State Medical Society;
- (3) the Nurse Practitioner Association of Maryland;
- (4) the Maryland Pharmacists Association; ~~and~~
- (5) the Department of Health and Mental Hygiene, including one representative from the Maryland Medical Assistance Program;
- (6) the Maryland Board of Physicians;
- (7) the Maryland Board of Pharmacy; and
- ~~(5)~~ (8) any other stakeholder considered necessary by the Board.

(c) The workgroup shall:

(1) review the naturopathic formularies developed in other states;

(2) ~~make recommendations regarding the composition of a naturopathic formulary council; and~~

~~(2)~~ (2) make recommendations regarding the establishment of a naturopathic formulary, including the types of drugs, medicines, and devices to be included on the formulary and the method by which the ~~council will decide which~~ drugs, medicines, and devices will be included on the formulary; and

(3) make recommendations regarding the routes of administration that may be used by a naturopathic doctor when administering natural medicines.

(d) Nothing in this section shall be construed to authorize the establishment of a naturopathic formulary to regulate pharmaceuticals without further action by the General Assembly.

~~(d)~~ (e) On or before July 1, 2015, the workgroup shall report its findings and recommendations, in accordance with § 2-1246 of the State Government Article, to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee.

SECTION 4. AND BE IT FURTHER ENACTED, That the State Board of Physicians shall examine methods to identify physicians who are willing to collaborate with naturopathic doctors and provide information on the methods to the Naturopathic Medicine Advisory Committee established in Section 1 of this Act.

SECTION ~~7~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 400

(House Bill 413)

AN ACT concerning

**Special Education – Individualized Education Program Parental Notice  
Requirements and Service Models List**

FOR the purpose of requiring the parents of a child attending their initial individualized education program evaluation meeting to be provided a certain verbal and written explanation of their rights and responsibilities and a program procedural safeguards notice and providing the right for the parents to request this information at any meeting thereafter; requiring a certain verbal and written explanation to be given in plain language; requiring the State Department of Education to adopt certain regulations; requiring each county board of education to develop and publish on its Web site a certain list of special education service delivery models that includes a statement regarding how a child is placed; requiring a county board to provide a written copy of a certain list on request that includes certain information; and generally relating to information and requirements regarding special education programs.

BY repealing and reenacting, with amendments,  
Article – Education  
Section 8–405  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Education  
Section 8–418  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

8–405.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Accessible copy” includes a copy of a document provided to an individual in a format as defined in § 8–408 of this subtitle.
- (3) “Extenuating circumstance” means:
- (i) A death in the family;
  - (ii) A personal emergency;
  - (iii) A natural disaster; or
  - (iv) Any other similar situation defined by the Department.

(b) (1) When a team of qualified professionals and the parents meet for the purpose of discussing the identification, evaluation, educational program, or the provision of a free appropriate public education of a child with a disability:

[(1)] (I) The parents of the child shall be afforded the opportunity to participate and shall be provided reasonable notice in advance of the meeting; and

[(2)] (II) Reasonable notice shall be at least 10 calendar days in advance of the meeting, unless an expedited meeting is being conducted to:

[(i)] 1. Address disciplinary issues;

[(ii)] 2. Determine the placement of the child with a disability not currently receiving educational services; or

[(iii)] 3. Meet other urgent needs of a child with a disability to ensure the provision of a free appropriate public education.

**(2) (I) AT THE INITIAL EVALUATION MEETING, THE PARENTS OF THE CHILD SHALL BE PROVIDED, IN PLAIN LANGUAGE, A VERBAL AND WRITTEN EXPLANATION OF THE PARENTS' RIGHTS AND RESPONSIBILITIES IN THE INDIVIDUALIZED EDUCATION PROGRAM PROCESS AND A PROGRAM PROCEDURAL SAFEGUARDS NOTICE.**

**(II) THE PARENTS MAY REQUEST THE INFORMATION PROVIDED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AT ANY SUBSEQUENT MEETING.**

(c) The individualized education program team shall determine, on at least an annual basis, whether the child requires extended year services in order to ensure that the child is not deprived of a free appropriate public education by virtue of the normal break in the regular school year.

(d) (1) (i) Except as provided in paragraph (2) of this subsection, and subject to subparagraphs (ii) and (iii) of this paragraph, at least 5 business days before a scheduled meeting of the individualized education program team or other multidisciplinary education team for any purpose for a child with a disability, appropriate school personnel shall provide the parents of the child with an accessible copy of each assessment, report, data chart, draft individualized education program, or other document that either team plans to discuss at the meeting.

(ii) Subject to subparagraph (i) of this paragraph, an assessment, report, data chart, or other document prepared by a school psychologist or other medical professional that either team plans to discuss at the meeting may be provided to the parents of the child orally and in writing prior to the meeting.

(iii) The parents of a child may notify appropriate school personnel that they do not want to receive the documents required to be provided under subparagraph (i) of this paragraph.

(2) (i) Subject to subparagraph (ii) of this paragraph, appropriate school personnel are not required to comply with paragraph (1) of this subsection in the event of an extenuating circumstance.

(ii) In the event of an extenuating circumstance, appropriate school personnel who fail to comply with paragraph (1) of this subsection shall document the extenuating circumstance and communicate that information to the parents of the child.

(e) (1) Not later than 5 business days after a scheduled meeting of the individualized education program team or other multidisciplinary team for a child with a disability, appropriate school personnel shall provide the parents of the child with a copy of the completed individualized education program.

(2) If the individualized education program has not been completed by the 5th business day after the meeting, the parents shall be provided with the draft copy of the individualized education program.

(3) The completed or draft individualized education program shall be provided to the parents in an accessible format.

(f) To fulfill the purposes of this section, school personnel may provide the documents required under this subsection through:

- (1) Electronic delivery;
- (2) Home delivery with the student; or
- (3) Any other reasonable and legal method of delivery.

(g) Failure to comply with this section does not constitute a substantive violation of the requirement to provide a student with a free appropriate public education.

**(H) THE DEPARTMENT SHALL ADOPT:**

**(1) REGULATIONS THAT DEFINE WHAT INFORMATION SHOULD BE PROVIDED IN THE VERBAL AND WRITTEN EXPLANATIONS OF THE PARENTS' RIGHTS AND RESPONSIBILITIES IN THE INDIVIDUALIZED EDUCATION PROGRAM PROCESS; AND**

**(2) ANY OTHER REGULATIONS NECESSARY TO CARRY OUT SUBSECTION (B)(2) OF THIS SECTION.**

8-418.

(A) (1) EACH COUNTY BOARD SHALL DEVELOP AND PUBLISH ON ITS WEB SITE A LIST OF ALL SPECIAL EDUCATION SERVICE DELIVERY MODELS IN THE LOCAL SCHOOL SYSTEM.

(2) THE COUNTY BOARD SHALL CLEARLY STATE THAT ALL DECISIONS REGARDING THE PLACEMENT OF A CHILD WITH A DISABILITY IN A SPECIAL EDUCATION SERVICE DELIVERY MODEL UNDER PARAGRAPH (1) OF THIS SUBSECTION WILL BE MADE BY AN INDIVIDUALIZED EDUCATION PROGRAM TEAM IN CONSULTATION WITH THE PARENTS OR GUARDIANS OF THE CHILD AND CONSISTENT WITH THE LEAST RESTRICTIVE ENVIRONMENT REQUIREMENTS OF THE FEDERAL INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

(B) ON REQUEST, THE COUNTY BOARD SHALL PROVIDE A WRITTEN COPY OF THE INFORMATION PROVIDED UNDER SUBSECTION (A) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 401**

**(House Bill 416)**

AN ACT concerning

~~Courts~~ **Criminal Procedure – Limited Immunity – Alcohol- or Drug-Related  
Overdose Incidents Medical Emergencies**

FOR the purpose of providing ~~a certain person who seeks medical assistance for a person experiencing an alcohol- or a drug- related overdose certain immunity from civil liability or criminal prosecution under certain circumstances; providing that a certain person who seeks medical assistance for a person experiencing an alcohol- or a drug- related overdose may not be detained on or prosecuted in connection with a certain warrant under certain circumstances; providing a certain person experiencing an alcohol- or a drug- related overdose certain immunity from criminal prosecution under certain circumstances; providing that a certain person experiencing an alcohol- or a drug- related~~

~~overdose may not be detained on or prosecuted in connection with a certain warrant under certain circumstances; providing that the act of seeking medical assistance for a certain person may be used as a mitigating factor in a certain criminal prosecution that a person who, in good faith, seeks, provides, or assists with the provision of medical assistance for a person experiencing a medical emergency after ingesting or using alcohol or drugs shall be immune from a certain criminal prosecution if the evidence for the criminal prosecution was obtained solely as a result of a certain action; providing that a person who experiences a medical emergency after ingesting or using alcohol or drugs shall be immune from a certain criminal prosecution if the evidence for the criminal prosecution was obtained solely as a result of a certain action; establishing that the act of providing or assisting with the provision of medical assistance can be used as a certain mitigating factor; making clarifying changes; and generally relating to limited immunity for alcohol- or drug-related overdose incidents medical emergencies.~~

BY adding to

~~Article – Courts and Judicial Proceedings  
Section 5-642  
Annotated Code of Maryland  
(2013 Replacement Volume and 2013 Supplement)~~

BY repealing and reenacting, with amendments,

~~Article – Criminal Procedure  
Section 1-210  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

~~Article – Courts and Judicial Proceedings~~

~~5-642.~~

~~(A) A PERSON WHO, IN GOOD FAITH, SEEKS MEDICAL ASSISTANCE FOR A PERSON EXPERIENCING AN ALCOHOL OR A DRUG RELATED OVERDOSE;~~

~~(1) SHALL BE IMMUNE FROM CIVIL LIABILITY OR CRIMINAL PROSECUTION FOR A VIOLATION OF §§ 5-601, 5-619, 10-116, AND 10-117 OF THE CRIMINAL LAW ARTICLE IF THE EVIDENCE FOR THE CRIMINAL PROSECUTION WAS OBTAINED SOLELY AS A RESULT OF THE PERSON'S SEEKING MEDICAL ASSISTANCE; AND~~

~~(2) MAY NOT BE DETAINED ON OR PROSECUTED IN CONNECTION WITH AN OUTSTANDING WARRANT FOR ANOTHER NONVIOLENT CRIME IF THE~~

~~PERSON'S SEEKING MEDICAL ASSISTANCE IS THE REASON FOR THE PERSON'S ENCOUNTER WITH LAW ENFORCEMENT.~~

~~(B) A PERSON WHO EXPERIENCES AN ALCOHOL OR A DRUG RELATED OVERDOSE AND IS IN NEED OF MEDICAL ASSISTANCE:~~

~~(1) SHALL BE IMMUNE FROM CRIMINAL PROSECUTION FOR A VIOLATION OF §§ 5-601, 5-619, 10-116, AND 10-117 OF THE CRIMINAL LAW ARTICLE IF THE EVIDENCE FOR THE CRIMINAL PROSECUTION WAS OBTAINED SOLELY AS A RESULT OF THE PERSON'S SEEKING MEDICAL ASSISTANCE; AND~~

~~(2) MAY NOT BE DETAINED ON OR PROSECUTED IN CONNECTION WITH AN OUTSTANDING WARRANT FOR ANOTHER NONVIOLENT CRIME IF THE PERSON'S SEEKING MEDICAL ASSISTANCE IS THE REASON FOR THE PERSON'S ENCOUNTER WITH LAW ENFORCEMENT.~~

~~(C) THE ACT OF SEEKING MEDICAL ASSISTANCE FOR A PERSON WHO IS EXPERIENCING AN ALCOHOL OR A DRUG RELATED OVERDOSE MAY BE USED AS A MITIGATING FACTOR IN A CRIMINAL PROSECUTION.~~

#### Article – Criminal Procedure

1-210.

(A) The act of seeking, PROVIDING, OR ASSISTING WITH THE PROVISION OF medical assistance for another person who is experiencing a medical emergency after ingesting OR USING alcohol or drugs may be used as a mitigating factor in a criminal prosecution.

(B) A PERSON WHO, IN GOOD FAITH, SEEKS, PROVIDES, OR ASSISTS WITH THE PROVISION OF MEDICAL ASSISTANCE FOR A PERSON EXPERIENCING A MEDICAL EMERGENCY AFTER INGESTING OR USING ALCOHOL OR DRUGS SHALL BE IMMUNE FROM CRIMINAL PROSECUTION FOR A VIOLATION OF §§ 5-601, 5-619, 10-114, 10-116, AND 10-117 OF THE CRIMINAL LAW ARTICLE IF THE EVIDENCE FOR THE CRIMINAL PROSECUTION WAS OBTAINED SOLELY AS A RESULT OF THE PERSON'S SEEKING, PROVIDING, OR ASSISTING WITH THE PROVISION OF MEDICAL ASSISTANCE.

(C) A PERSON WHO EXPERIENCES A MEDICAL EMERGENCY AFTER INGESTING OR USING ALCOHOL OR DRUGS SHALL BE IMMUNE FROM CRIMINAL PROSECUTION FOR A VIOLATION OF §§ 5-601, 5-619, 10-114, 10-116, AND 10-117 OF THE CRIMINAL LAW ARTICLE IF THE EVIDENCE FOR THE CRIMINAL PROSECUTION WAS OBTAINED SOLELY AS A RESULT OF ANOTHER PERSON'S SEEKING MEDICAL ASSISTANCE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 402**

### **(House Bill 419)**

AN ACT concerning

#### **Charles County – Off-Sale Alcoholic Beverages Licenses – Population Quota in Sixth Election District**

FOR the purpose of altering the resident population quota used to determine the number of off-sale alcoholic beverages licenses that the Charles County Board of License Commissioners may issue in the sixth election district of the county; making a technical change; and generally relating to the issuance of alcoholic beverages licenses with an off-sale privilege in Charles County.

BY repealing and reenacting, without amendments,  
Article 2B – Alcoholic Beverages  
Section 9–209(a)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article 2B – Alcoholic Beverages  
Section 9–209(b)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article 2B – Alcoholic Beverages**

9–209.

(a) This section applies only in Charles County.

(b) (1) [The] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE** Board of License Commissioners may not issue more than 1 of any class of alcoholic beverages license with an off-sale privilege for each unit of 1,350

people, based on the RESIDENT population figures of the last federal census, within each election district in the county.

**(2) IN THE SIXTH ELECTION DISTRICT, THE BOARD OF LICENSE COMMISSIONERS MAY NOT ISSUE MORE THAN ONE OF ANY CLASS OF ALCOHOLIC BEVERAGES LICENSE WITH AN OFF-SALE PRIVILEGE FOR EACH UNIT OF 2,700 PEOPLE, BASED ON THE RESIDENT POPULATION FIGURES OF THE LAST FEDERAL CENSUS.**

[(2)] **(3)** A license issued under this subsection may not be transferred from one election district to another.

[(3)] **(4)** (i) This subsection may not be construed to require the forfeiture or revocation of any alcoholic beverages license issued and outstanding on October 1, 1992.

(ii) In any election district in which the quota is exceeded as of that date, the total number of licenses shall be reduced from time to time only by the voluntary relinquishment of licenses by the licensees, by bankruptcy, or by the workings of other provisions of this article. A new license may not be issued in any election district unless the issue may be made without exceeding the quota provided for in this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 403**

### **(House Bill 427)**

AN ACT concerning

#### **Education – Maryland Sudden Cardiac Arrest ~~Prevention~~ Awareness Act**

FOR the purpose of requiring the State Department of Education, in collaboration with certain entities, to develop certain policies and to implement a certain program to provide awareness to certain coaches, school personnel, students, and parents or guardians of students on the risk of sudden cardiac arrest; requiring a county board of education to provide certain information and a certain notice to a certain student and parent or guardian; requiring a student and parent or guardian to sign a certain statement; requiring the Department to create a certain information sheet and acknowledgment statement;

authorizing the Department to use certain materials; authorizing a public school to hold certain informational meetings; ~~requiring the removal from play of certain students or youth athletes under certain circumstances; prohibiting the return to play of certain students or youth athletes under certain circumstances until a certain condition is met; requiring certain coaches to attend a certain training course;~~ requiring a county board, or a third party, to provide certain information to certain individuals; requiring certain individuals to acknowledge receipt of certain information in a certain manner; requiring certain youth sports programs to provide certain statements of intent to comply to certain county boards of education or their agents; encouraging certain youth programs to follow certain guidelines; requiring a youth sports program to make certain information on sudden cardiac arrest available to certain coaches, youth athletes, and the parents or guardians of youth athletes; requiring a local government to provide a certain notice to a youth sports program under certain circumstances; ~~establishing certain penalties for certain coaches who do not comply with certain requirements;~~ defining certain terms; providing for the construction of this Act; and generally relating to the development of policies and the implementation of a program on sudden cardiac arrest awareness.

BY adding to

Article – Education

Section 7–436

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health – General

Section 14–501

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

**7–436.**

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) (I) “ATHLETIC ACTIVITY” MEANS:**

**1. INTERSCHOLASTIC ATHLETICS;**

2. AN ATHLETIC CONTEST OR COMPETITION THAT IS SPONSORED BY OR ASSOCIATED WITH A SCHOOL; AND

3. PRACTICES AND SCRIMMAGES.

(II) “ATHLETIC ACTIVITY” INCLUDES CHEERLEADING AND SPORTS SPONSORED BY SCHOOL–AFFILIATED ORGANIZATIONS.

(3) “SUDDEN CARDIAC ARREST” MEANS A CONDITION IN WHICH THE HEART SUDDENLY AND UNEXPECTEDLY STOPS BEATING.

(4) “YOUTH SPORTS PROGRAM” MEANS A PROGRAM ORGANIZED FOR RECREATIONAL ATHLETIC COMPETITION OR INSTRUCTION FOR PARTICIPANTS WHO ARE UNDER THE AGE OF 19 YEARS.

(B) NOTHING IN THIS SECTION MAY BE CONSTRUED TO CREATE, ESTABLISH, EXPAND, REDUCE, CONTRACT, OR ELIMINATE ANY CIVIL LIABILITY ON THE PART OF ~~ANY A~~ COUNTY BOARD ~~OR~~ EMPLOYEE, SCHOOL EMPLOYEE, OR YOUTH SPORTS PROGRAM VOLUNTEER.

(C) (1) THE DEPARTMENT SHALL DEVELOP POLICIES AND IMPLEMENT A PROGRAM TO PROVIDE AWARENESS TO COACHES, SCHOOL PERSONNEL, STUDENTS, AND THE PARENTS OR GUARDIANS OF STUDENTS, IN COLLABORATION WITH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, EACH COUNTY BOARD, THE MARYLAND PUBLIC SECONDARY SCHOOLS ATHLETIC ASSOCIATION, THE MARYLAND ATHLETIC TRAINERS’ ASSOCIATION, PARENT HEART WATCH, AND LICENSED HEALTH CARE PROVIDERS WHO TREAT HEART ISSUES, ON:

(I) THE NATURE AND WARNING SIGNS OF SUDDEN CARDIAC ARREST; INCLUDING FAINTING, DIFFICULTY BREATHING, CHEST PAINS, DIZZINESS, AND ABNORMAL HEART RATE; AND

~~(H) THE CRITERIA FOR REMOVAL FROM AND RETURN TO PLAY; AND~~

~~(HH)~~ (II) THE RISKS ASSOCIATED WITH CONTINUING TO PLAY OR PRACTICE AFTER EXPERIENCING A SYMPTOM OF SUDDEN CARDIAC ARREST.

(2) THE PROGRAM SHALL INCLUDE A PROCESS TO VERIFY THAT A COACH HAS:

~~(I) RECEIVED RECEIVED INFORMATION ON THE PROGRAM DEVELOPED UNDER PARAGRAPH (1) OF THIS SUBSECTION; AND~~

~~(II) COMPLETED THE REQUIRED TRAINING COURSE UNDER SUBSECTION (F)(1) OF THIS SECTION.~~

(3) (I) BEFORE A STUDENT ENROLLED IN A PUBLIC SCHOOL SYSTEM IN THE STATE MAY PARTICIPATE IN AN AUTHORIZED ATHLETIC ACTIVITY, THE COUNTY BOARD SHALL PROVIDE A SUDDEN CARDIAC ARREST SYMPTOMS AND WARNING SIGNS INFORMATION SHEET TO THE STUDENT AND A PARENT OR GUARDIAN OF THE STUDENT.

(II) THE STUDENT AND THE PARENT OR GUARDIAN OF THE STUDENT SHALL SIGN A STATEMENT ACKNOWLEDGING RECEIPT OF THE INFORMATION SHEET.

(III) THE DEPARTMENT SHALL CREATE THE INFORMATION SHEET AND ACKNOWLEDGMENT STATEMENT REQUIRED UNDER THIS PARAGRAPH.

(4) THE DEPARTMENT MAY USE MATERIALS AVAILABLE FROM THE CENTERS FOR DISEASE CONTROL AND PREVENTION, PARENT HEART WATCH, SUDDEN ARRHYTHMIA DEATH SYNDROMES FOUNDATION, OR ANY OTHER APPROPRIATE ENTITY TO CARRY OUT THE REQUIREMENTS OF THIS SUBSECTION.

(D) A PUBLIC SCHOOL MAY HOLD AN INFORMATIONAL MEETING BEFORE THE START OF EACH ATHLETIC SEASON REGARDING THE SYMPTOMS AND WARNING SIGNS OF SUDDEN CARDIAC ARREST.

~~(E) (1) IF A GAME OFFICIAL, A COACH, A CERTIFIED ATHLETIC TRAINER, A LICENSED PHYSICIAN, OR ANY OTHER OFFICIAL DESIGNATED BY THE COUNTY BOARD DETERMINES THAT A STUDENT IS SHOWING SIGNS OR SYMPTOMS OF SUDDEN CARDIAC ARREST WHILE PARTICIPATING IN AN ATHLETIC ACTIVITY, THE STUDENT SHALL BE REMOVED FROM PARTICIPATION AT THAT TIME.~~

~~(2) IF A STUDENT IS KNOWN TO HAVE SHOWN SIGNS OR SYMPTOMS OF SUDDEN CARDIAC ARREST AT ANY TIME BEFORE, DURING, OR AFTER AN ATHLETIC ACTIVITY, THE STUDENT SHALL BE PREVENTED FROM PARTICIPATING IN AN ATHLETIC ACTIVITY.~~

~~(3) A STUDENT REMOVED OR PREVENTED FROM PARTICIPATING IN AN ATHLETIC ACTIVITY MAY NOT PARTICIPATE UNTIL THE STUDENT IS~~

~~EVALUATED AND CLEARED FOR PARTICIPATION IN WRITING BY A LICENSED PHYSICIAN OR CERTIFIED REGISTERED NURSE PRACTITIONER.~~

~~(F) (1) AT LEAST ONCE EACH SCHOOL YEAR, A COACH SHALL COMPLETE A SUDDEN CARDIAC ARREST TRAINING COURSE OFFERED BY A PROVIDER APPROVED BY THE DEPARTMENT.~~

~~(2) A COACH MAY NOT COACH AN ATHLETIC ACTIVITY UNTIL THE COACH COMPLETES THE TRAINING COURSE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

~~(G)~~ (E) (1) BEFORE AN INDIVIDUAL PARTICIPATES IN AN AUTHORIZED ATHLETIC ACTIVITY ON SCHOOL PROPERTY, THE COUNTY BOARD SHALL PROVIDE, OR REQUIRE THAT A THIRD PARTY PROVIDE:

(I) INFORMATION ON SUDDEN CARDIAC ARREST TO THE INDIVIDUAL AND, IF APPLICABLE, A PARENT OR GUARDIAN OF THE INDIVIDUAL; AND

(II) NOTICE THAT ACKNOWLEDGMENT OF THE RECEIPT OF THE INFORMATION BY THE INDIVIDUAL AND, IF APPLICABLE, THE PARENT OR GUARDIAN OF THE INDIVIDUAL, IS REQUIRED.

(2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE IN THE FORM OF:

(I) A SEPARATE INFORMATION SHEET; OR

(II) A NOTICE ON THE REGISTRATION FORM FOR A YOUTH SPORTS PROGRAM STATING THAT INFORMATION ON SUDDEN CARDIAC ARREST IS AVAILABLE, INCLUDING DIRECTIONS ON HOW TO RECEIVE THE INFORMATION ELECTRONICALLY.

(3) THE INDIVIDUAL AND, IF APPLICABLE, THE PARENT OR GUARDIAN OF THE INDIVIDUAL SHALL:

(I) ACKNOWLEDGE RECEIPT OF THE INFORMATION BY:

1. SIGNATURE;

2. CHECKING AN ACKNOWLEDGMENT BOX ON THE REGISTRATION FORM; OR

**3. ANOTHER METHOD OF WRITTEN OR ELECTRONIC ACKNOWLEDGMENT; AND**

**(II) RETURN THE ACKNOWLEDGMENT TO THE COUNTY BOARD OR THIRD PARTY.**

~~(H)~~ **(F) (1) A YOUTH SPORTS PROGRAM THAT USES A PUBLIC SCHOOL FACILITY SHALL PROVIDE ANNUALLY TO THE COUNTY BOARD OR THE BOARD'S AGENT A STATEMENT OF INTENT TO COMPLY FOR ALL ITS ATHLETIC ACTIVITIES WITH THE REQUIREMENTS FOR THE MANAGEMENT OF SUDDEN CARDIAC ARREST OF A PARTICIPANT UNDER OF SUBSECTION (E) OF THIS SECTION.**

**(2) A YOUTH SPORTS PROGRAM THAT DOES NOT USE A PUBLIC SCHOOL FACILITY IS ENCOURAGED TO FOLLOW THE GUIDELINES OF THIS SECTION.**

~~(I) EACH COUNTY BOARD SHALL ESTABLISH THE FOLLOWING MINIMUM PENALTIES FOR A COACH FOUND IN VIOLATION OF THE REQUIREMENTS UNDER SUBSECTION (E) OF THIS SECTION:~~

~~(1) FOR A FIRST VIOLATION, SUSPENSION FROM COACHING ANY ATHLETIC ACTIVITY FOR THE REMAINDER OF THE SEASON;~~

~~(2) FOR A SECOND VIOLATION, SUSPENSION FROM COACHING ANY ATHLETIC ACTIVITY FOR THE REMAINDER OF THE SEASON AND FOR THE NEXT SEASON; AND~~

~~(3) FOR A THIRD VIOLATION, PERMANENT SUSPENSION FROM COACHING ANY ATHLETIC ACTIVITY.~~

**Article – Health – General**

14-501.

(a) (1) In this section the following words have the meanings indicated.

(2) “Concussion” means a traumatic injury to the brain causing an immediate and, usually, short-lived change in mental status or an alteration of normal consciousness resulting from:

(i) A fall;

(ii) A violent blow to the head or body; or

(iii) The shaking or spinning of the head or body.

**(3) “SUDDEN CARDIAC ARREST” MEANS A CONDITION IN WHICH THE HEART SUDDENLY AND UNEXPECTEDLY STOPS BEATING.**

**[(3)] (4)** “Youth athlete” means an individual who participates in an athletic activity in association with a youth sports program conducted:

- (i) At a public school facility; or
- (ii) By a recreational athletic organization.

**[(4)] (5)** “Youth sports program” means a program organized for recreational athletic competition or instruction for participants who are under the age of 19 years.

(b) (1) A youth sports program shall make available information on concussions [and], head injuries, **AND SUDDEN CARDIAC ARREST** developed by the State Department of Education under **[(§ 7-433)] §§ 7-433 AND 7-436** of the Education Article to coaches, youth athletes, and the parents or guardians of youth athletes.

(2) A coach of a youth sports program shall review the information provided in paragraph (1) of this subsection.

(c) (1) A youth athlete ~~who is suspected of sustaining a concussion or other head injury in a practice or game shall be removed from play at that time~~ **SHALL BE REMOVED FROM PLAY IF THE ATHLETE:**

~~(i) IS SUSPECTED OF SUSTAINING A CONCUSSION OR OTHER HEAD INJURY; OR~~

~~(ii) SHOWS SIGNS OR SYMPTOMS OF SUDDEN CARDIAC ARREST.~~

(2) A youth athlete who has been removed from play may not return to play until the youth athlete has obtained written clearance from a licensed health care provider trained in the evaluation and management of concussions ~~OR SUDDEN CARDIAC ARREST, AS APPROPRIATE.~~

(d) Before a youth sports program may use a facility owned or operated by a local government, the local government shall provide notice to the youth sports program of the requirements of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 404**

**(House Bill 428)**

AN ACT concerning

**Children – Maryland Infants and Toddlers Program – Eligibility**

FOR the purpose of altering the eligibility requirements for the Maryland Infants and Toddlers Program by allowing a child to participate until the beginning of the school year after the child turns a certain age; and generally relating to the Maryland Infants and Toddlers Program.

BY repealing and reenacting, with amendments,  
Article – Education  
Section 8–416(a)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

8–416.

(a) (1) There is a Maryland Infants and Toddlers Program in the Department.

(2) The purpose of the Program is to provide a statewide, community–based interagency system of comprehensive early intervention services to eligible infants and toddlers, **FROM birth through [age 2] UNTIL THE BEGINNING OF THE SCHOOL YEAR FOLLOWING A CHILD’S 4TH BIRTHDAY**, and their families.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 405****(House Bill 433)**

AN ACT concerning

**Frederick County – Alcoholic Beverages – ~~Organizational Licenses~~ Act of 2014**

FOR the purpose of authorizing the Board of License Commissioners of Frederick County to issue a certain alcoholic beverages license to certain organizations located in the county; requiring the net proceeds of the sale of alcoholic beverages under certain licenses to be used solely for certain purposes; altering a certain restriction on the number of bottles of wine that may remain open at any one time at a wine sampling or tasting event in the County; prohibiting a single individual at an event from consuming more than a certain amount of wine from all brands in a single day; requiring the Board to adopt certain regulations; and generally relating to alcoholic beverages licenses in Frederick County.

BY repealing and reenacting, without amendments,  
Article 2B – Alcoholic Beverages  
Section 7–101(g) and 8–211(a), (b), (c), and (d–1)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY adding to  
Article 2B – Alcoholic Beverages  
Section 8–211(g–1)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article 2B – Alcoholic Beverages  
Section 8–406  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

7–101.

(g) The special licenses provided for in this section may not be issued in any county or in Baltimore City, or in this State in case of application for statewide license, if the issuance of a regular license of the same class is not authorized by this article.

8-211.

(a) The provisions of this section apply only in Frederick County.

(b) A license for the sale of alcoholic beverages authorized by this article may not be issued for any place of business located in any of the following election districts:

- (1) Catoctin (6th);
- (2) Hauvers (10th);
- (3) Jackson (16th);
- (4) Linganore (19th); and
- (5) Ballenger (23rd).

(c) Class A, B, and C licenses for the sale of beer only, as authorized by this article, shall be issued for places of business located in any of the following election districts:

- (1) Jefferson (14th);
- (2) Johnsville (17th); and
- (3) Burkittsville (22nd).

(d-1) (1) The Board of License Commissioners may issue within the municipal boundaries of the municipal corporation of Middletown:

- (i) Class A, B, or C beer licenses;
- (ii) Class B beer, wine and liquor (on-sale) licenses if the licensed premises derive at least 70% of its monthly gross revenue from the sale of food; or
- (iii) Middletown Wine Festival licenses.

(2) In all other areas of the Middletown (3rd) election district, the Board of License Commissioners may only issue:

- (i) Class A, B, or C beer licenses; or

(ii) Middletown Wine Festival licenses.

**(G-1) (1) THE RESTRICTIONS IN THIS SECTION AND IN § 7-101(G) OF THIS ARTICLE DO NOT APPLY TO LICENSES ISSUED UNDER THIS SUBSECTION.**

**(2) THE BOARD OF LICENSE COMMISSIONERS MAY ISSUE A LICENSE FOR THE SALE OF BEER, WINE, AND LIQUOR FOR CONSUMPTION ON THE PREMISES ONLY TO AN ORGANIZATION LOCATED IN THE COUNTY THAT IS A BONA FIDE:**

**(I) RELIGIOUS ORGANIZATION;**

**(II) FRATERNAL ORGANIZATION;**

**(III) CIVIC ORGANIZATION;**

**(IV) WAR VETERANS' ORGANIZATION; OR**

**(V) PATRIOTIC ORGANIZATION.**

**(3) ALL NET PROCEEDS FROM THE SALE OF ALCOHOLIC BEVERAGES BY AN ORGANIZATION LICENSED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE USED SOLELY FOR CHARITABLE PURPOSES OR OTHERWISE TO FURTHER THE PURPOSES OF THE ORGANIZATION.**

8-406.

(a) This section applies only in Frederick County.

(b) A beer and wine sampling or tasting (BWST) license may only be issued to a holder of a Class A license.

(c) The annual license fee is \$200.

(d) (1) Applications for a BWST license shall be made on forms supplied by the Board of License Commissioners.

(2) Renewals of the license may be made at the time the regular license is renewed.

(3) A license may be granted without a hearing.

(4) If application for a license is denied, the applicant may request a public hearing before the Board.

(e) (1) A holder of a BWST license may allow consumption by a single individual for sampling or tasting purposes of:

(i) Not more than 1 ounce of a given brand of light wine; and

(ii) Not more than 3 ounces of a given brand of beer.

[(2) A maximum of six bottles of wine may be opened at any one time.]

**(2) THE BOTTLES OF WINE THAT MAY BE OPENED AT ANY ONE TIME AT A WINE SAMPLING OR TASTING EVENT ARE:**

**(I) ALL OF THE BOTTLES IN A WINE PRESERVATION SYSTEM THAT THE BOARD APPROVES; AND**

**(II) NOT MORE THAN SIX OTHER BOTTLES OF WINE OPENED BY A HOLDER OF A SOLICITOR'S PERMIT, THE HOLDER OF THE BWST LICENSE, OR AN EMPLOYEE OF THE LICENSE HOLDER.**

**(3) A SINGLE INDIVIDUAL MAY NOT CONSUME MORE THAN 6 OUNCES OF WINE FROM ALL BRANDS IN A SINGLE DAY.**

[(3)] (4) The licensee shall notify the Board in writing at least 5 days prior to each event.

[(4)] (5) Once opened, each bottle used for the beer and wine sampling or tasting event shall be marked that it is to be used for that purpose only.

[(5)] (6) The contents of each bottle may not be mixed with any other bottle and all bottles shall be destroyed once they are empty.

(f) (1) A BWST license is for on-premises consumption only.

(2) Sampling or tasting of beer or wine may not be conducted from a drive-through window.

**(G) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 406****(House Bill 436)**

AN ACT concerning

**Vehicle Laws – Operation of Vehicle When Approaching a Tow Truck ~~or~~  
~~Service Vehicle~~**

FOR the purpose of requiring drivers approaching ~~a tow truck or service vehicle that is~~ certain tow trucks that are stopped, standing, or parked on a highway and using certain visual signals, unless otherwise directed by a police officer or traffic control device, to make a lane change into an available lane not immediately adjacent to the tow truck ~~or service vehicle~~ under certain circumstances, or to slow to a reasonable and prudent speed that is safe for certain existing conditions under certain circumstances; and generally relating to the rules of the road when approaching tow trucks ~~or service vehicles.~~

BY repealing and reenacting, with amendments,  
Article – Transportation  
Section 21–405(e)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,  
Article – Transportation  
Section 22–218(c)(6) and (11)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Transportation**

21–405.

(e) Unless otherwise directed by a police officer or a traffic control device, when an emergency vehicle, ~~A TOW TRUCK, OR A SERVICE VEHICLE~~ OR A TOW TRUCK THAT IS PROPERLY REGISTERED IN ACCORDANCE WITH § 13–920 OF THIS ARTICLE using any visual signal that meets the requirements of § 22–218 of this article is stopped, standing, or parked on a highway, the driver of a motor vehicle approaching the emergency vehicle, ~~OR TOW TRUCK, OR SERVICE VEHICLE~~ from the rear shall:

(1) If practicable and not otherwise prohibited, make a lane change into an available lane not immediately adjacent to the emergency vehicle, ~~OR TOW TRUCK, OR SERVICE VEHICLE~~ with due regard for safety and traffic conditions; or

(2) If the driver of the motor vehicle is unable to make a lane change in accordance with item (1) of this subsection, slow to a reasonable and prudent speed that is safe for existing weather, road, and vehicular or pedestrian traffic conditions.

22-218.

(c) (6) Service vehicles, rural letter carrier vehicles, slow moving farm vehicles, and tow trucks may be equipped with or display yellow or amber lights or signal devices.

(11) The yellow or amber lights or signal devices permitted on vehicles under paragraph (6) of this subsection may be flashed or oscillated or otherwise used only in the course of official duties, to indicate to the public that the vehicle is a slow moving vehicle or otherwise is impeding traffic.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 407

(House Bill 464)

AN ACT concerning

### Alcoholic Beverages – Micro-Brewery Licenses – Retail Sale – Prepackaged Beer

FOR the purpose of authorizing the holder of a Class 7 micro-brewery (on- and off-sale) license to sell at retail beer brewed under the license to customers for consumption off the licensed premises as prepackaged beer in nonrefillable containers; and generally relating to the retail sale of beer brewed under a micro-brewery license for consumption off the licensed premises.

BY repealing and reenacting, without amendments,  
 Article 2B – Alcoholic Beverages  
 Section 2-208(a)  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article 2B – Alcoholic Beverages  
Section 2–208(d)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

2–208.

(a) There is a Class 7 micro–brewery (on– and off–sale) license.

(d) (1) The on–sale privilege authorizes the holder, each calendar year, to sell at retail up to 4,000 barrels of beer brewed under this license to customers for consumption on the licensed premises.

(2) The off–sale privilege authorizes the holder to sell and deliver beer brewed under this license to:

(i) Any wholesaler licensed under this article to sell beer in this State; or

(ii) Any person who is located in a state other than Maryland who is authorized under the laws of that state to receive brewed beverages.

(3) (i) This paragraph applies only in:

1. Allegany County;
2. The City of Annapolis;
3. Anne Arundel County;
4. Baltimore City;
5. Baltimore County;
6. Calvert County;
7. Caroline County;
8. Carroll County;
9. Charles County;

10. Dorchester County;
11. Frederick County;
12. Garrett County;
13. Harford County;
14. Howard County;
15. Kent County;
16. Montgomery County;
17. Prince George's County;
18. Queen Anne's County;
19. St. Mary's County;
20. Talbot County;
21. Washington County;
22. Wicomico County; and
23. Worcester County.

(ii) The holder may sell at retail beer brewed under this license to customers for consumption off the licensed premises [in]:

1. **IN** refillable containers that are sealed by the micro-brewery licensee at the time of each refill; **AND**

2. **AS PREPACKAGED BEER IN NONREFILLABLE CONTAINERS.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 408****(House Bill 511)**

AN ACT concerning

**State Board of Foresters – Sunset Extension and Program Evaluation**

FOR the purpose of continuing the State Board of Foresters in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to a certain date the termination provisions relating to the statutory and regulatory authority of the Board; requiring that a preliminary evaluation of the Board and the statutes and regulations that relate to the Board be conducted in a certain year; and generally relating to the State Board of Foresters.

BY repealing and reenacting, with amendments,  
Article – Business Occupations and Professions  
Section 7–602  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,  
Article – State Government  
Section 8–403(a)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – State Government  
Section 8–403(b)(21)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Business Occupations and Professions**

7–602.

Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, this title and all regulations adopted under this title shall terminate and be of no effect after July 1, [2015] **2025**.

**Article – State Government**

8-403.

(a) On or before December 15 of the evaluation year specified, the Department shall:

(1) conduct a preliminary evaluation of each governmental activity or unit to be evaluated under this section; and

(2) prepare a report on each preliminary evaluation conducted.

(b) Each of the following governmental activities or units and the statutes and regulations that relate to the governmental activities or units are subject to preliminary evaluation in the evaluation year specified:

(21) Foresters, State Board of (§ 7-201 of the Business Occupations and Professions Article: [2012] **2022**);

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 409

**(House Bill 546)**

AN ACT concerning

**Higher Education – Janet L. Hoffman Loan Assistance Repayment Program –  
Modifications**

FOR the purpose of altering the requirements for certain regulations adopted by the Office of Student Financial Assistance in the Maryland Higher Education Commission relating to the implementation of the Janet L. Hoffman Loan Assistance Repayment Program; and generally relating to modification of the Janet L. Hoffman Loan Assistance Repayment Program.

BY repealing and reenacting, without amendments,  
 Article – Education  
 Section 18-1501 and 18-1502  
 Annotated Code of Maryland  
 (2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Education

Section 18–1503  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

18–1501.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) “Eligible field of employment” means employment in the State by an organization, institution, association, society, or corporation that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

(2) “Eligible field of employment” includes employment by the State or any local government in the State, but does not include being employed as a judicial clerk in any court.

(c) “Higher education loan” means any loan for undergraduate or graduate study that is obtained for tuition, educational expenses, or living expenses from:

(1) A college or university, government, or commercial source; or

(2) An organization, institution, association, society, or corporation that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

(d) “Program” means the Janet L. Hoffman Loan Assistance Repayment Program.

18–1502.

(a) There is a program of loan assistance repayment known as the Janet L. Hoffman Loan Assistance Repayment Program in the State.

(b) The Office of Student Financial Assistance shall assist in the repayment of the amount of any higher education loan owed by an individual who:

(1) (i) Receives a graduate, professional, or undergraduate degree from:

1. A college or university in the State of Maryland; or

2. A school of law; or

(ii) Receives a Resident Teacher Certificate (RTC) from the Department after completing an alternative teaching preparation program approved by the State Superintendent;

(2) Obtains eligible employment;

(3) Receives an income that is less than the maximum eligible total income levels established by the Office, including any additional sources of income; and

(4) Satisfies any other criteria established by the Office.

(c) Subject to the provisions of subsection (b) of this section, the Office shall assist in the repayment of the amount of any higher education loan owed by a public school teacher in the State who:

(1) Has taught in Maryland for at least 2 years:

(i) In science, technology, engineering, or math subjects; or

(ii) In a school in which at least 75% of the students are enrolled in the free and reduced lunch program in the State; and

(2) Has received the highest performance evaluation rating for the most recent year available in the county in which the teacher taught.

(d) (1) A grant awarded under subsection (c) of this section shall be known as the Nancy Grasmick Teacher Award.

(2) A recipient of a Nancy Grasmick Teacher Award shall be known as a Nancy Grasmick Teacher Scholar.

(e) An applicant for assistance in the repayment of a commercial loan shall demonstrate to the Office that the commercial loan was used for tuition, educational expenses, or living expenses for graduate or undergraduate study.

(f) Assistance in the repayment of a loan from an entity set forth in § 18-1501(c)(2) of this subtitle shall require the approval of the Office.

18-1503.

(a) The Office of Student Financial Assistance shall adopt regulations to establish:

(1) The maximum starting income for eligibility in the Janet L. Hoffman Loan Assistance Repayment Program;

(2) The maximum total income for eligibility in the Janet L. Hoffman Loan Assistance Repayment Program, including any additional sources of income;

(3) That priority for participation in the Program shall be given to an individual who:

(i) Graduated from an institution of higher education in the last 3 years;

(ii) Is a resident of the State;

(iii) Is employed on a full-time basis; and

(iv) 1. Provides, as the principal part of the individual's employment, legal services to low-income residents in the State who cannot afford legal services, nursing services in nursing shortage areas in the State as defined in § 18-802 of this title, or other services in an eligible field of employment in which there is a shortage of qualified practitioners to low-income or underserved residents or areas of the State; or

2. For teacher applicants only, qualifies for a Nancy Grasmick Teacher Award;

(4) A limit on the total amount of assistance provided by the Office of Student Financial Assistance in repaying the loan of an eligible individual, based on the individual's total income and outstanding higher education loan balance;

(5) A procedure and schedule for the **MONTHLY OR ANNUAL** payment of the amount of loan assistance provided by the Office of Student Financial Assistance to the eligible individual, **AS APPROPRIATE TO ASSIST AN ELIGIBLE INDIVIDUAL IN MEETING LOAN FORGIVENESS PROGRAM REQUIREMENTS; [and]**

**(6) A REQUIREMENT THAT AN ELIGIBLE INDIVIDUAL APPLY TO FEDERAL LOAN FORGIVENESS PROGRAMS FOR WHICH THE INDIVIDUAL MAY QUALIFY;**

**(7) A REQUIREMENT THAT AN ELIGIBLE INDIVIDUAL NOTIFY THE OFFICE OF STUDENT FINANCIAL ASSISTANCE IF THE INDIVIDUAL RECEIVES OTHER LOAN REPAYMENT ASSISTANCE; AND**

**[(6)] (8)** An annual review of the eligibility of each individual participating in the Program.

(b) The Office of Student Financial Assistance may not approve more than 50% of the total number of awards for teacher applicants to Nancy Grasmick Teacher Scholars.

(c) The Office of Student Financial Assistance shall adopt any other regulations necessary to implement this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 410

### (House Bill 553)

AN ACT concerning

#### **Housing – Energy–Efficient Homes Construction Loan Program**

FOR the purpose of establishing the Energy–Efficient Homes Construction Loan Program; establishing the purpose of the Program; requiring and authorizing the Department of Housing and Community Development to perform certain duties; *requiring the Department to submit a certain periodic report to the General Assembly*; specifying the uses of a loan under the Program; setting certain requirements for a mortgage lien that secures a certain loan; requiring an applicant for a certain loan to submit certain documentation and information; prohibiting certain actions in connection with the Program; establishing certain penalties; establishing the Energy–Efficient Homes Construction Fund as a special, nonlapsing fund; requiring the Department to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the ~~purpose~~ purposes for which the Fund may be used; providing for the investment of money in the Fund; requiring the Department to adopt certain regulations; defining certain terms; and generally relating to construction financing for energy–efficient homes.

BY adding to

Article – Housing and Community Development

Section 4–2001 through 4–2006 to be under the new subtitle “Subtitle 20.

Energy–Efficient Homes Construction Loan Program”

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement  
Section 6–226(a)(2)(ii)76. and 77.  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY adding to  
Article – State Finance and Procurement  
Section 6–226(a)(2)(ii)78.  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Housing and Community Development**

**SUBTITLE 20. ENERGY–EFFICIENT HOMES CONSTRUCTION LOAN PROGRAM.**

**4–2001.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “FUND” MEANS THE ENERGY–EFFICIENT HOMES CONSTRUCTION FUND.

(C) “LOW–ENERGY HOME” MEANS A HOME THAT ~~IS DESIGNED TO BE AT LEAST 60% MORE ENERGY EFFICIENT THAN A HOME BUILT TO APPLICABLE BUILDING CODE STANDARDS IN EFFECT BEFORE JULY 1, 2014~~ ACHIEVES A HOME ENERGY RATING SYSTEM (HERS) INDEX RATING:

(1) OF 50 OR LOWER; OR

(2) AS DETERMINED BY THE DEPARTMENT IN REGULATIONS.

(D) “NET–ZERO HOME” MEANS A HOME THAT IS DESIGNED TO PRODUCE AN AMOUNT OF ENERGY IN 1 YEAR THAT IS EQUAL TO THE AMOUNT OF ENERGY THAT THE HOME USES IN 1 YEAR.

(E) “PROGRAM” MEANS THE ENERGY–EFFICIENT HOMES CONSTRUCTION LOAN PROGRAM.

~~(F) “SUSTAINABLE COMMUNITY” HAS THE MEANING STATED IN § 6–201 OF THIS ARTICLE.~~

## 4-2002.

(A) THERE IS AN ENERGY-EFFICIENT HOMES CONSTRUCTION LOAN PROGRAM.

(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE CONSTRUCTION LOANS TO PERSONS TO CONSTRUCT LOW-ENERGY HOMES AND NET-ZERO HOMES ~~IN SUSTAINABLE COMMUNITIES.~~

(C) THE PROGRAM SHALL BE OPERATED WITH MONEY IN THE FUND.

## 4-2003.

(A) THE DEPARTMENT SHALL:

(1) ADMINISTER THE PROGRAM;

(2) ATTACH TO A PROGRAM LOAN THE TERMS NEEDED TO CARRY OUT THE PROGRAM;

(3) ESTABLISH ELIGIBILITY STANDARDS FOR PROGRAM LOANS;

(4) ESTABLISH INTEREST RATES THAT MAY BE AS LOW AS 0% OR AS HIGH AS IS REASONABLE TO MAKE THE PROJECT VIABLE; AND

(5) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM, INCLUDING REGULATIONS DESIGNED TO INCREASE PARTICIPATION OF MINORITY BUSINESS ENTERPRISES IN THE PROGRAM.

(B) IN SETTING THE TERMS AND INTEREST RATES FOR PROGRAM LOANS, THE DEPARTMENT MAY:

(1) OFFER PREFERRED INTEREST RATES AND TERMS FOR LOANS USED TO FINANCE NET-ZERO HOMES; AND

(2) ESTABLISH DIFFERENT INTEREST RATES BASED ON THE PROJECTED ENERGY EFFICIENCY OF THE HOME TO BE CONSTRUCTED.

(C) THE DEPARTMENT MAY:

(1) CONTRACT FOR SERVICES RELATED TO THE PROGRAM;

(2) CONTRACT WITH PRIVATE MORTGAGE SERVICERS TO PERFORM ON BEHALF OF THE DEPARTMENT FUNCTIONS THE SERVICERS

ORDINARILY PERFORM, INCLUDING FORECLOSURE AND EMPLOYMENT OF COUNSEL;

(3) CHARGE A NONREFUNDABLE APPLICATION FEE AND OTHER CUSTOMARY LOAN FEES;

(4) ENTER INTO AGREEMENTS WITH LENDERS OR OTHER ENTITIES TO PROVIDE CREDIT ENHANCEMENT OR COLLECTIVELY LEND MONEY FOR THE CONSTRUCTION OF NET-ZERO AND LOW-ENERGY HOMES;

(5) PURCHASE OR COMMIT TO PURCHASE FROM MORTGAGE LENDERS NOTES OR MORTGAGES THAT MEET THE REQUIREMENTS OF THIS SUBTITLE, ANY REGULATIONS ADOPTED UNDER THIS SUBTITLE, AND APPROPRIATE PROGRAM DIRECTIVES;

(6) MODIFY THE INTEREST RATE, THE TIME OR AMOUNT OF PAYMENT, OR ANY OTHER TERM OF A PROGRAM LOAN TO FACILITATE REPAYMENT OF THE PROGRAM LOAN AND TO ACHIEVE THE PURPOSE OF THE PROGRAM; AND

(7) WITHOUT APPROVAL OR EXECUTION BY THE BOARD OF PUBLIC WORKS:

(I) ASSIGN A MORTGAGE FOR VALUE;

(II) RELEASE A MORTGAGE;

(III) FORECLOSE A MORTGAGE;

(IV) ACQUIRE PROPERTY THAT SECURES A LOAN IN DEFAULT; AND

(V) ENCUMBER, SELL, OR OTHERWISE DISPOSE OF PROPERTY ACQUIRED IN CONNECTION WITH A LOAN IN DEFAULT.

(D) EVERY 6 MONTHS BEGINNING JANUARY 1, 2015, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON REGULATIONS ADOPTED UNDER SUBSECTION (A)(5) OF THIS SECTION TO INCREASE PARTICIPATION OF MINORITY BUSINESSES IN THE PROGRAM AND THE OUTCOME OF THAT EFFORT.

4-2004.

(A) PROCEEDS OF A PROGRAM LOAN SHALL BE USED ONLY FOR:

(1) PROPERTY ACQUISITION AND DEVELOPMENT COSTS FOR THE CONSTRUCTION OF A NET-ZERO HOME OR LOW-ENERGY HOME ~~IN A SUSTAINABLE COMMUNITY~~; AND

(2) SETTLEMENT AND CLOSING COSTS.

(B) A PROGRAM LOAN SHALL BE SECURED BY A MORTGAGE LIEN THAT:

(1) MAY BE SUBORDINATE TO OTHER MORTGAGE LIENS; AND

(2) MAY INCLUDE TERMS, INCLUDING DEFERRED PAYMENT OF PRINCIPAL AND INTEREST, THAT THE DEPARTMENT CONSIDERS NECESSARY TO MAKE THE PROJECT VIABLE.

(C) TO APPLY FOR A LOAN UNDER THIS SUBTITLE, AN APPLICANT SHALL SUBMIT:

(1) A COMPLETED APPLICATION IN A FORM THAT THE DEPARTMENT REQUIRES;

(2) INFORMATION ON PROJECTED ENERGY USAGE, PROJECT DESIGN, AND MARKETING DATA; AND

(3) ANY OTHER INFORMATION OR DOCUMENTATION THAT THE DEPARTMENT CONSIDERS NECESSARY TO MAKE A DETERMINATION ON THE LOAN.

(D) THE DEPARTMENT MAY GIVE A PREFERENCE TO AN APPLICATION FOR:

(1) A NET-ZERO HOME; OR

(2) A PROJECT THAT INCLUDES FINANCING FROM OTHER SOURCES IN ADDITION TO THE PROGRAM LOAN.

4-2005.

(A) (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A FALSE STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE SUBMITTED TO THE DEPARTMENT UNDER AN AGREEMENT RELATING TO A PROGRAM LOAN.

(2) A LOAN APPLICANT MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE ANY FALSE STATEMENT OR REPORT TO INFLUENCE AN ACTION OF THE

DEPARTMENT ON A PROGRAM LOAN APPLICATION OR A PROGRAM LOAN ALREADY MADE.

(B) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 5 YEARS OR A FINE NOT EXCEEDING \$50,000 OR BOTH.

4–2006.

(A) THERE IS AN ENERGY–EFFICIENT HOMES CONSTRUCTION FUND.

(B) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(D) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(2) REPAYMENTS OR PREPAYMENTS OF PRINCIPAL AND PAYMENTS OF INTEREST ON LOANS MADE UNDER THE ENERGY–EFFICIENT HOMES CONSTRUCTION LOAN PROGRAM;

(3) INVESTMENT EARNINGS OF THE FUND; AND

(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(E) THE DEPARTMENT MAY USE THE FUND ONLY TO:

(1) PAY EXPENSES OF THE PROGRAM; ~~AND~~

(2) PROVIDE CREDIT ENHANCEMENT UNDER THE PROGRAM; AND

(3) MAKE OR PURCHASE LOANS UNDER THE PROGRAM.

(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO THE FUND.

**Article – State Finance and Procurement**

6–226.

(a) (2) (ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

76. the Baltimore City Public School Construction Financing Fund; [and]

77. the Spay/Neuter Fund; AND

78. **THE ENERGY–EFFICIENT HOMES CONSTRUCTION FUND.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 411**

**(House Bill 579)**

AN ACT concerning

**Commissioner of Labor and Industry – Authority – Enforcement of Local Minimum Wage Laws**

FOR the purpose of requiring the Commissioner of Labor and Industry to enforce a local minimum wage law; specifying that the Commissioner has the same powers and duties in enforcing a local minimum wage law as the Commissioner has to enforce certain provisions of State law; authorizing the Commissioner, on the Commissioner's own initiative or on receipt of a written complaint, to investigate whether a local minimum wage law has been violated; authorizing the Commissioner to delegate any power or duty of the Commissioner under a certain provision of this Act; and generally relating to the authority of the Commissioner of Labor and Industry to enforce local minimum wage laws.

BY repealing and reenacting, with amendments,

Article – Labor and Employment

Section 3–102 and 3–104

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY adding to

Article – Labor and Employment

Section 3–103(i)

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Labor and Employment**

3–102.

(a) In addition to any duties set forth elsewhere, the Commissioner shall:

- (1) enforce Subtitle 2 of this title;
- (2) carry out Subtitle 3 of this title;
- (3) enforce Subtitle 4 of this title; [and]
- (4) enforce Subtitle 9 of this title; **AND**
- (5) ENFORCE A LOCAL MINIMUM WAGE LAW.**

(b) If the Governor declares an emergency or disaster, then, with the consent of the Governor, the Commissioner may suspend enforcement of any provision of Subtitle 2 of this title until the emergency or disaster ends.

**(c) THE COMMISSIONER HAS THE SAME POWERS AND DUTIES IN ENFORCING A LOCAL MINIMUM WAGE LAW AS THE COMMISSIONER HAS IN ENFORCING SUBTITLE 4 OF THIS TITLE.**

3–103.

**(i) THE COMMISSIONER, ON THE COMMISSIONER’S OWN INITIATIVE OR ON RECEIPT OF A WRITTEN COMPLAINT, MAY CONDUCT AN INVESTIGATION OF WHETHER A LOCAL MINIMUM WAGE LAW HAS BEEN VIOLATED.**

3–104.

The Commissioner may delegate any power or duty of the Commissioner under **§ 3–102(c) OF THIS SUBTITLE AND** Subtitles 2, 4, 5, and 9 of this title.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 412

### (House Bill 589)

AN ACT concerning

**Governor's Office of Crime Control and Prevention – ~~State Corrections~~  
Juvenile Charged as Adult Population Forecast and ~~Juvenile Population~~  
Statistics**

FOR the purpose of requiring the Governor's Office of Crime Control and Prevention to report ~~a certain State corrections population forecast and certain juvenile population statistics~~ the Juvenile Charged as Adult Population Forecast to the Governor and General Assembly annually on or before a certain date; requiring the Office to consider ~~the certain~~ juvenile population statistics when calculating the forecast; providing for the termination of this Act; requiring certain State and local detention facilities to provide certain data to the Office; requiring the Office to develop a certain format that certain State and local detention facilities must use to report certain data; requiring certain data reported to the Office to include certain information; and generally relating to reporting the ~~State corrections population forecast and juvenile population statistics~~ Juvenile Charged as Adult Population Forecast.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) On or before December 1 of each year, the Governor's Office of Crime Control and Prevention shall report the Juvenile Charged as Adult Population Forecast to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly ~~on:~~

(1) ~~the State corrections population forecast for the next calendar year; and~~

(2) ~~the juvenile population statistics for the prior calendar year.~~

(b) (1) The ~~State corrections population~~ forecast shall include the expected population of each ~~prison,~~ State and local detention facility, ~~and juvenile facility~~ for the next calendar year and the methodology and assumptions used in developing the projection.

(2) In calculating the forecast, the Office shall consider the juvenile population statistics listed under subsection (c) of this section.

(c) The juvenile population statistics shall include:

(1) the total number of juveniles charged as adults in the State;

(2) the average daily population of juveniles charged as adults detained in each State and local detention facility; and

(3) the average length of stay of juveniles charged as adults detained in each State and local detention facility.

(d) (1) Each State and local detention facility shall provide juvenile population data to the Governor's Office of Crime Control and Prevention as requested by the Office to complete the annual report.

(2) The Governor's Office of Crime Control and Prevention shall develop a standardized format that each State and local detention facility must use in reporting data to the Office.

(3) The data reported to the Governor's Office of Crime Control and Prevention shall include the following information for each juvenile charged as an adult:

(i) the facility identification number for the detention facility where the juvenile was held;

(ii) the name of the juvenile;

(iii) the date of birth of the juvenile;

(iv) the age of the juvenile;

(v) the sex of the juvenile;

(vi) the race of the juvenile;

~~(vii)~~ the ethnicity of the juvenile;

~~(viii)~~ (vii) the date the juvenile was placed in the facility;

~~(ix)~~ (viii) the date the juvenile was released from the facility;

~~(x)~~ (ix) the total time the juvenile was held at the facility;

- the facility;
- ~~(xii)~~ (x) the offense for which the juvenile was being held at
- at the facility;
- ~~(xiii)~~ (xi) the offense type for which the juvenile was being held
- ~~(xiv)~~ (xii) whether there was a federal hold on the juvenile;
- ~~(xv)~~ (xiii) the case status for the juvenile;
- ~~(xvi)~~ (xiv) the case number for the juvenile; and
- ~~(xvii)~~ (xv) whether the juvenile court has waived its jurisdiction  
with respect to the juvenile.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014. It shall remain effective for a period of ~~4~~ 3 years and, at the end of September 30, ~~2018~~ 2017, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Approved by the Governor, May 5, 2014.**

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## Chapter 413

### (House Bill 590)

AN ACT concerning

#### **Maryland Medical Assistance Program – Waivers – Consolidation and Repeal**

FOR the purpose of repealing the Living at Home Waiver Program; altering the requirements for applicants, financial eligibility criteria, and services to be included in the home– and community–based services waiver in the Department of Health and Mental Hygiene (DHMH); repealing the requirement that DHMH work with the Maryland Health Care Commission to convert a certain percentage of nursing facility beds to assisted living program waiver beds; repealing the requirement that certain waiver services be jointly administered by DHMH and the Department of Aging; repealing a requirement that DHMH adopt certain regulations within a certain time period; repealing certain obsolete language; repealing and altering certain definitions; and generally relating to home– and community–based services waivers under the Maryland Medical Assistance Program.

BY repealing  
Article – Health – General

Section 15–801 through 15–809 and the subtitle “Subtitle 8. Living at Home Waiver Program”  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Health – General  
Section 15–132  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 15–801 through 15–809 and the subtitle “Subtitle 8. Living at Home Waiver Program” of Article – Health – General of the Annotated Code of Maryland be repealed.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

#### **Article – Health – General**

15–132.

- (a) (1) In this section the following terms have the meanings indicated.
- (2) “Assisted living program” has the meaning stated in § 19–1801 of this article.
- (3) “Assisted living services” means services provided by an assisted living program as defined in regulations adopted by the Department.
- (4) “Case management services” means services that assist waiver eligible individuals in gaining access to needed waiver services and other needed medical, social, housing, and other supportive services.
- [(5) “Dual eligibility” means simultaneous eligibility for health insurance coverage under both the Program and Medicare and for which the Department may obtain federal matching funds.]
- (6) “Environmental modifications” has the meaning stated in regulations adopted by the Department and includes those physical adaptations to the home or residence which are necessary to ensure the health, welfare, and safety of the individual or which enable the individual to function with greater independence and without which, the individual would require admission to or continued stay in a nursing facility.

(7) (5) “Health related care and services”[, for purposes of paragraph (9) of this subsection,] includes:

- (i) 24-hour supervision and observation by a licensed care provider;
- (ii) Medication administration;
- (iii) Inhalation therapy;
- (iv) Bladder and catheter management;
- (v) Assistance with suctioning; or
- (vi) Assistance with treatment of skin disorders and dressings.

[(8) (6) “Home health care services” means those services defined in § 19-401 of this article and in 42 C.F.R. 440.70.

[(9) “Intermediate level of care”, for purposes of paragraph (11)(ii) of this subsection, includes health related care and services provided to individuals who do not require hospital or a skilled level of nursing facility care but whose mental, physical, functional, or cognitive condition requires health services that:

- (i) Are above the level of room and board;
- (ii) Are provided on a regular basis at least 5 days in a 7-day period; and
- (iii) Can be made available to the individuals through institutional facilities.]

[(10) (7) “Medically and functionally impaired” means an individual who is assessed by the Department to require services provided by a nursing facility as defined in this section, and who, but for the receipt of these services, would require admission to a nursing facility within 30 days.

[(11) (8) [(i) “Nursing facility” means a facility that provides skilled nursing care and related services, rehabilitation services, and health related care and services above the level of room and board needed on a regular basis in accordance with § 1919 of the federal Social Security Act.

[(ii) “Nursing facility” includes a facility that provides services to individuals certified as requiring an intermediate level of care.

(12) “Personal care services” means those services as defined in accordance with 42 C.F.R. 440.167 and in regulations adopted by the Department.

(13) “Respite care services” has the meaning stated in regulations adopted by the Department and includes those services provided to individuals unable to care for themselves furnished on a short-term basis because of the absence or need for relief of those persons normally providing the care.

(14) **(9)** “Waiver” means a [home and community based] **HOME– AND COMMUNITY–BASED** services waiver under § 1915(c) of the federal Social Security Act, submitted by the Department to the Centers for Medicare and Medicaid Services[, as required by subsections (b) and (d) of this section].

**[(15)] (10)** “Waiver services” means the services covered under an approved waiver that:

- (i) Are needed and chosen by an eligible waiver participant as an alternative to admission to or continued stay in a nursing facility;
- (ii) Are part of a plan of [care] **SERVICE** approved by the program;
- (iii) Assure the waiver participant’s health and safety in the community; and
- (iv) Cost no more per capita to receive services in the community than in a nursing facility.

**[(b)]** On or before August 1, 1999, the Department shall apply to the Health Care Financing Administration of the United States Department of Health and Human Services for an amendment to the existing home and community based services waiver (Control Number 0265.90) under § 1915(c) of the federal Social Security Act to receive federal matching funds for waiver services received by eligible medically and functionally impaired individuals participating in the waiver.]

**[(c)] (B)** (1) If permitted by the Centers for Medicare and Medicaid Services, an individual shall be determined medically eligible to receive services [under the waiver under subsection (b) of this section] if the individual requires:

- (i) Skilled nursing [facility] care or other related services;
- (ii) Rehabilitation services; or
- (iii) Health-related services above the level of room and board that are available only through nursing facilities, including individuals who because of severe cognitive impairments or other conditions:

1. A. Are currently unable to perform at least two activities of daily living without hands-on assistance or standby assistance from another individual; and

B. Have been or will be unable to perform at least two activities of daily living for a period of at least 90 days due to a loss of functional capacity; or

2. Need substantial supervision for protection against threats to health and safety due to severe cognitive impairment.

(2) The Department shall adopt regulations to carry out the provisions of this subsection.

**[(d)] (C)** The Department's waiver [application] shall include the following:

(1) An initial cap on waiver participation at 7,500 individuals;

(2) A limit on annual waiver participation based on State General Fund support as provided in the budget bill;

**[(3)** Elimination of the current requirements that waiver applicants be at least 62 years old and be eligible for or already receive a subsidy for the senior assisted housing program;]

**[(4)] (3)** Financial eligibility criteria which include:

(i) The current federal and State medical assistance long-term care rules for using services provided by a nursing facility, per §§ 1902, 1919, and 1924 of the federal Social Security Act, and applicable regulations adopted by the Department;

(ii) Medically needy individuals using services provided by a nursing facility under the current federal and State medical assistance eligibility criteria governed by regulations adopted by the Department and § 1919 of the federal Social Security Act; **AND**

**[(iii)** If permitted by the Centers for Medicare and Medicaid Services under the waiver under subsection (b) of this section, medically needy individuals whose countable income exceeds 300% of the applicable payment rate for supplemental security income but is less than the average Medicaid reimbursement rate for long-term care after all deductions including the protection from spousal impoverishment provisions of the federal Social Security Act; and

(iv)] **(III)** Categorically needy individuals with income up to 300% of the applicable payment rate for supplemental security income;

**[(5)] (4)** Waiver services that include at least the following:

- (i) Assisted living services;
- (ii) Case management services;
- (iii) **[Personal care services and homemaker services;**
- (iv) Home health care services;
- (v) Respite care services;
- (vi) Assistive technology;
- (vii) Environmental modifications;
- (viii) Medically necessary over-the-counter supplies ordered by a physician and not otherwise covered by the program;
- (ix) Environmental assessments;
- (x) Family/consumer] **FAMILY** training;
- [(xi)** Personal emergency response systems;
- (xii) Home delivered meals and dietitian/nutrition services; and
- (xiii) Ambulance or other transportation services for individuals receiving assisted living services or home health care services for being transported to and from health care providers and facilities for medical diagnosis or medically necessary treatment or care;]

**(IV) DIETITIAN AND NUTRITIONIST SERVICES;**

**(V) MEDICAL DAY CARE SERVICES; AND**

**(VI) SENIOR CENTER PLUS SERVICES;**

**[(6)] (5)** The opportunity to provide eligible individuals with waiver services under this section as soon as they are available without waiting for placement slots to open in the next fiscal year;

**[(7)] (6)** An increase in participant satisfaction;

[(8)] (7) The forestalling of functional decline;

[(9)] (8) A reduction in Medicaid expenditures by reducing utilization of services; and

[(10)] (9) The enhancement of compliance with the decision of the United States Supreme Court in the case of *Olmstead v. L.C.* (1999) by offering cost-effective community-based services in the most appropriate setting.

[(e)] The Department shall work with the Maryland Health Care Commission to try to assure that 20% of assisted living program waiver beds are nursing facility beds that have been converted to assisted living beds.

[(f)] (D) This section may not be construed to affect, interfere with, or interrupt any services reimbursed through the Program under this title.

[(g)] (E) If a person determined to be eligible to receive waiver services under this section desires to receive waiver services and an appropriate placement is available, the Department shall authorize the placement.

[(h)] Waiver services shall be jointly administered by the Department and the Department of Aging.]

[(i)] (F) The Department, in consultation with representatives of the affected industry and advocates for waiver candidates, and with the approval of the Department of Aging, shall adopt regulations to implement this section [within 180 days of receipt of approval of the amended waiver application from the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services].

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 414

### (House Bill 600)

AN ACT concerning

**Alcoholic Beverages – Farmers' Market Permit – Establishment**

FOR the purpose of establishing a farmers' market permit; authorizing the Office of the Comptroller to issue the permit to a holder of a certain license under certain circumstances; requiring the permit holder to provide certain notice to the local licensing board of a certain jurisdiction; specifying the places and times in which a permit holder may use a farmers' market permit; prohibiting the Office of the Comptroller from issuing more than a certain number of permits for use at each farmers' market; authorizing a permit holder to take certain actions in connection with the farmers' market permit; requiring that all wine offered for sale or sampling by the permit holder be the product of a certain class of winery; defining a certain term; and generally relating to the sale and sampling of alcoholic beverages at farmers' markets.

BY adding to

Article 2B – Alcoholic Beverages

Section 2–101(y)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

2–101.

**(Y) (1) IN THIS SUBSECTION, “PERMIT” MEANS A FARMERS’ MARKET PERMIT.**

**(2) THERE IS A FARMERS’ MARKET PERMIT.**

**(3) THE OFFICE OF THE COMPTROLLER MAY ISSUE THE PERMIT TO A HOLDER OF A LICENSE:**

**(I) OTHER THAN A CLASS 4 LIMITED WINERY LICENSE, THAT ALLOWS THE HOLDER TO SELL ALCOHOLIC BEVERAGES TO THE PUBLIC FOR CONSUMPTION OFF THE LICENSED PREMISES; AND**

**(II) THAT WAS ISSUED BY THE LOCAL LICENSING BOARD OF THE JURISDICTION IN WHICH THE FARMERS’ MARKET WILL BE HELD.**

**(4) THE HOLDER OF A PERMIT SHALL NOTIFY THE LOCAL LICENSING BOARD OF THE JURISDICTION IN WHICH THE FARMERS’ MARKET WILL BE HELD THAT THE PERMIT HAS BEEN ISSUED.**

**(5) (I) A PERMIT MAY BE USED ONLY:**

1. AT A FARMERS' MARKET THAT IS LISTED IN THE FARMERS' MARKET DIRECTORY OF THE MARYLAND DEPARTMENT OF AGRICULTURE;

2. AT THE FARMERS' MARKET NAMED IN THE PERMIT; AND

3. DURING THE HOURS OF OPERATION OF THE FARMERS' MARKET FOR WHICH IT IS OBTAINED.

(II) THE OFFICE OF THE COMPTROLLER MAY ISSUE NOT MORE THAN ONE PERMIT FOR USE AT EACH FARMERS' MARKET.

(6) A PERMIT AUTHORIZES THE HOLDER TO:

(I) OCCUPY STALL SPACE AT A FARMERS' MARKET; AND

(II) SUBJECT TO PARAGRAPH (7) OF THIS SUBSECTION:

1. OFFER AND SELL SEALED CONTAINERS OF WINE TO CONSUMERS FOR CONSUMPTION OFF THE LICENSED PREMISES OF THE FARMERS' MARKET; AND

2. PROVIDE AT NO CHARGE SAMPLES OF WINE NOT TO EXCEED 1 FLUID OUNCE PER BRAND TO CONSUMERS FOR CONSUMPTION ON THE LICENSED PREMISES OF THE FARMERS' MARKET.

(7) ALL WINE OFFERED FOR SALE OR SAMPLINGS BY THE PERMIT HOLDER SHALL BE THE PRODUCT OF A CLASS 4 LIMITED WINERY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 415

(House Bill 615)

AN ACT concerning

~~Climate Risk Reduction Act~~Coast Smart Council

FOR the purpose of establishing a Coast Smart Council in the Department of Natural Resources; providing for the membership, chair, and staffing of the Council; establishing the membership term for certain members of the Council; prohibiting certain members of the Council from receiving certain compensation, but authorizing the reimbursement of certain expenses; providing for the duties of the Council; authorizing the chair of the Council to establish subcommittees under certain circumstances; requiring certain structures to be constructed in accordance with certain siting and design criteria established by the Council; requiring the Council, in consultation with the Department, to develop certain criteria in accordance with certain requirements on or before a certain date; declaring the intent of the General Assembly; requiring the Departments of Budget and Management, General Services, and Natural Resources to review and incorporate certain criteria established by the Council into certain instructions and policies; providing for the application of certain provisions of this Act; defining certain terms; and generally relating to the application of certain siting and design criteria related to sea level rise and coastal flood impacts to the construction or reconstruction of certain capital projects and the Coast Smart Council.

BY adding to

Article – Natural Resources

Section 3–1001 through 3–1004 to be under the new subtitle “Subtitle 10. Coast Smart Council”

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Finance and Procurement

Section 3–602.3

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Natural Resources**

**SUBTITLE 10. COAST SMART COUNCIL.**

**3–1001.**

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(B) (1) "COAST SMART" MEANS A CONSTRUCTION PRACTICE IN WHICH PRELIMINARY PLANNING, SITING, DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE, AND REPAIR OF A STRUCTURE AVOIDS OR MINIMIZES FUTURE IMPACTS ASSOCIATED WITH COASTAL FLOODING AND SEA LEVEL RISE.

(2) "COAST SMART" INCLUDES DESIGN CRITERIA AND SITING CRITERIA THAT ARE APPLICABLE THROUGHOUT THE ENTIRE LIFE CYCLE OF A PROJECT.

(C) "COUNCIL" MEANS THE COAST SMART COUNCIL.

(D) "DESIGN CRITERIA" MEANS STANDARD SPECIFICATIONS RELATED TO THE SHAPE, SIZE, OR FORM OF A CONSTRUCTION PRACTICE.

(E) "SITING CRITERIA" MEANS SPECIFICATIONS RELATED TO THE LOCATION OR USE OF A STRUCTURE.

### 3-1002.

(A) THERE IS A COAST SMART COUNCIL IN THE DEPARTMENT.

(B) THE DEPARTMENT SHALL PROVIDE STAFF SUPPORT FOR THE COUNCIL.

### 3-1003.

(A) THE COAST SMART COUNCIL SHALL INCLUDE:

(1) THE SECRETARY OF NATURAL RESOURCES, OR THE SECRETARY'S DESIGNEE;

(2) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE SECRETARY'S DESIGNEE;

(3) THE SECRETARY OF THE ENVIRONMENT, OR THE SECRETARY'S DESIGNEE;

(4) THE SECRETARY OF GENERAL SERVICES, OR THE SECRETARY'S DESIGNEE;

(5) THE SECRETARY OF PLANNING, OR THE SECRETARY'S DESIGNEE;

(6) THE SECRETARY OF TRANSPORTATION, OR THE SECRETARY'S DESIGNEE;

(7) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;

(8) THE CHAIR OF THE CRITICAL AREA COMMISSION FOR THE CHESAPEAKE AND ATLANTIC COASTAL BAYS, OR THE CHAIR'S DESIGNEE;

~~(7)~~ (9) THE DIRECTOR OF THE MARYLAND EMERGENCY MANAGEMENT AGENCY, OR THE DIRECTOR'S DESIGNEE;

~~(8)~~ (10) THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF MARYLAND, OR THE CHANCELLOR'S DESIGNEE; AND

~~(9)~~ (11) FIVE MEMBERS APPOINTED BY THE GOVERNOR TO REPRESENT LOCAL GOVERNMENT, ENVIRONMENTAL, AND BUSINESS INTERESTS.

(B) THE SECRETARY OF NATURAL RESOURCES OR THE SECRETARY'S DESIGNEE SHALL CHAIR THE COUNCIL.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE TERM OF A MEMBER APPOINTED BY THE GOVERNOR IS 2 YEARS.

~~(2)~~ THE GOVERNOR SHALL STAGGER THE TERMS OF THE INITIAL APPOINTED MEMBERS.

(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REMAINDER OF THAT TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(5) THE GOVERNOR MAY REMOVE AN APPOINTED MEMBER FOR INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE POSITION.

(D) A MEMBER APPOINTED BY THE GOVERNOR MAY NOT RECEIVE COMPENSATION BUT IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

**3-1004.****(A) THE COUNCIL SHALL:**

**(1) STUDY AND PROVIDE ANALYSIS REGARDING STANDARDS AND FACTORS RELEVANT TO THE ESTABLISHMENT OF COAST SMART SITING CRITERIA AND DESIGN CRITERIA;**

**(2) DEVELOP SITING AND DESIGN CRITERIA TO ESTABLISH AND IMPLEMENT COAST SMART PRACTICES AND REQUIREMENTS;**

**(3) DEVELOP ELIGIBILITY CRITERIA, STANDARDS, AND PROCEDURES FOR APPLYING FOR AND OBTAINING A WAIVER FROM COMPLIANCE WITH THE COAST SMART REQUIREMENTS; AND**

**(4) ESTABLISH PROCEDURES FOR EVALUATING COAST SMART WAIVER APPLICATIONS THAT INCLUDE THE CONSIDERATION OF PROPOSED CAPITAL PROJECTS WITH REGARD TO:**

**(I) THE ANTICIPATED NEED TO PREPARE FOR, RESPOND TO, AND RECOVER FROM EXTREME WEATHER EVENTS, SEA LEVEL RISE INUNDATION, COASTAL FLOODING, STORM SURGES, AND SHORELINE EROSION; AND**

**(II) THE NEED TO PREVENT DANGER TO LIFE AND PROPERTY AND TO AVOID ENVIRONMENTAL, SOCIO-ECONOMIC, AND ECONOMIC HARM.**

**(B) THE CHAIR OF THE COUNCIL MAY ESTABLISH SUBCOMMITTEES CONSISTING OF MEMBERS OF THE COUNCIL, EXPERTS IN FIELDS RELATED TO CLIMATE CHANGE AND SEA LEVEL RISE, AND INTERESTED PARTIES TO ADDRESS OR STUDY SPECIFIC ISSUES.**

**Article – State Finance and Procurement****3-602.3.**

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) “100-YEAR BASE FLOOD” MEANS A FLOOD HAVING A 1% CHANCE OF BEING EQUALED OR EXCEEDED IN ANY GIVEN YEAR.**

**(3) “BASE FLOOD ELEVATION” MEANS:**

**(I) THE WATER SURFACE ELEVATION OF THE 100-YEAR BASE FLOOD AS SPECIFIED ON FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAPS; OR**

**(II) IN AN AREA OF SHALLOW FLOODING:**

**1. THE HIGHEST ADJACENT NATURAL GRADE ADDED TO THE DEPTH NUMBER SPECIFIED IN FEET ON THE FLOOD INSURANCE RATE MAP; OR**

**2. IF THE DEPTH NUMBER IS NOT SPECIFIED ON THE FLOOD INSURANCE RATE MAP, 4 FEET.**

**(4) (I) “COAST SMART” MEANS A CONSTRUCTION PRACTICE IN WHICH PRELIMINARY PLANNING, SITING, DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE, AND REPAIR OF A STRUCTURE AVOIDS OR MINIMIZES FUTURE IMPACTS ASSOCIATED WITH COASTAL FLOODING AND SEA LEVEL RISE.**

**(II) “COAST SMART” INCLUDES DESIGN CRITERIA AND SITING CRITERIA THAT ARE APPLICABLE THROUGHOUT THE ENTIRE LIFE CYCLE OF A PROJECT.**

**(5) “DESIGN CRITERIA” MEANS STANDARD SPECIFICATIONS RELATED TO THE SHAPE, SIZE, OR FORM OF A CONSTRUCTION PRACTICE.**

**(6) (I) “REPLACEMENT COST” MEANS, AT THE TIME OF RECONSTRUCTION, THE COST OF RECONSTRUCTING A STRUCTURE AND ITS SURROUNDING PROPERTY TO FULL USE WITH MATERIALS OF THE SAME KIND AND QUALITY AS THE ORIGINAL MATERIALS.**

**(II) “REPLACEMENT COST” DOES NOT INCLUDE:**

**1. THE VALUE OF THE LAND ON WHICH A STRUCTURE IS LOCATED; OR**

**2. FOR TAX PURPOSES, A DEDUCTION FOR DEPRECIATION.**

**(7) “SITING CRITERIA” MEANS SPECIFICATIONS RELATED TO THE LOCATION OR USE OF A STRUCTURE.**

**(8) “SPECIAL FLOOD HAZARD AREA” MEANS LAND IN A TIDALLY INFLUENCED FLOODPLAIN THAT IS:**

(I) SUBJECT TO AT LEAST A 1% CHANCE OF FLOODING IN ANY GIVEN YEAR; AND

(II) DESIGNATED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY IN FLOOD INSURANCE STUDIES AND ON FLOOD INSURANCE RATE MAPS AS ZONE A, AE, AH, AO, A1-30, A99, VE, OR V1-30.

(9) "STRUCTURE" MEANS:

(I) A WALLED OR ROOFED BUILDING;

(II) A MANUFACTURED HOME; OR

(III) A GAS OR LIQUID STORAGE TANK THAT IS PRINCIPALLY ABOVE GROUND.

(10) "SUBSTANTIAL DAMAGE" MEANS DAMAGE CAUSED BY ANY SOURCE THAT IS SUSTAINED BY A STRUCTURE SUCH THAT THE COST OF RECONSTRUCTION TO ITS BEFORE-DAMAGED CONDITION IS AT LEAST HALF OF THE STRUCTURE'S REPLACEMENT COST BEFORE THE DAMAGE OCCURRED.

(B) (1) THIS SUBSECTION APPLIES TO STATE CAPITAL PROJECTS PLANNED AND BUILT BY UNITS OF STATE GOVERNMENT THAT ARE PARTIALLY OR FULLY FUNDED WITH STATE FUNDS.

(2) BEGINNING JULY 1, 2015, IF A STATE CAPITAL PROJECT INCLUDES THE CONSTRUCTION OF A STRUCTURE OR THE RECONSTRUCTION OF A STRUCTURE WITH SUBSTANTIAL DAMAGE, THE STRUCTURE SHALL BE CONSTRUCTED OR RECONSTRUCTED IN COMPLIANCE WITH SITING AND DESIGN CRITERIA ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION.

(C) (1) IN CONSULTATION WITH THE DEPARTMENT OF NATURAL RESOURCES, THE COAST SMART COUNCIL ESTABLISHED UNDER § 3-1002 OF THE NATURAL RESOURCES ARTICLE SHALL ESTABLISH COAST SMART SITING AND DESIGN CRITERIA TO ADDRESS SEA LEVEL RISE AND COASTAL FLOOD IMPACTS ON CAPITAL PROJECTS.

(2) THE CRITERIA ADOPTED UNDER THIS SUBSECTION SHALL INCLUDE:

(I) GUIDELINES, AND ANY OTHER DIRECTIVES APPLICABLE TO THE PRELIMINARY PLANNING AND CONSTRUCTION OF A PROPOSED CAPITAL PROJECT ~~THAT IS LOCATED WITHIN A SPECIAL FLOOD HAZARD AREA;~~

(II) A REQUIREMENT THAT THE LOWEST FLOOR ELEVATION OF EACH STRUCTURE LOCATED WITHIN A SPECIAL FLOOD HAZARD AREA IS BUILT AT AN ELEVATION OF AT LEAST 2 FEET ABOVE THE BASE FLOOD ELEVATION; AND

(III) PROVISIONS ESTABLISHING A PROCESS TO ALLOW A UNIT OF STATE GOVERNMENT TO OBTAIN A WAIVER FROM COMPLYING WITH THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the Coast Smart Council shall adopt initial criteria in accordance with the provisions of § 3–602.3(c) of the State Finance and Procurement Article, as enacted by this Act, on or before June 30, 2015.

SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that, until the Coast Smart Council has adopted criteria in accordance with the provisions of Section 2 of this Act, units of State government that propose capital projects for a new State structure or the reconstruction or rehabilitation of a substantially damaged State structure shall comply with the guidelines and requirements of Executive Order 01.01.2012.29.

SECTION 4. AND BE IT FURTHER ENACTED, That the Departments of Budget and Management, General Services, and Natural Resources shall review and incorporate criteria developed by the Coast Smart Council under the provisions of this Act in the appropriate instructions and policies.

SECTION 5. AND BE IT FURTHER ENACTED, That § 3–602.3(b) of the State Finance and Procurement Article, as enacted under Section 1 of this Act, shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any capital project approved by the General Assembly before July 1, 2015.

SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~ June 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 416

(House Bill 657)

AN ACT concerning

**State Board of Dental Examiners – Dentists and Dental Hygienists – Grounds  
for Discipline**

FOR the purpose of authorizing the State Board of Dental Examiners to take certain disciplinary actions against applicants for a license to practice dentistry or dental hygiene, licensed dentists, or licensed dental hygienists if the applicant or licensee demonstrates a certain course of conduct or provides a certain service that is inconsistent with certain standards of care under certain circumstances; and generally relating to the discipline of applicants for licensure and licensees of the State Board of Dental Examiners.

BY renumbering

Article – Health Occupations

Section 4–315(a)(18) through (32) and (b)(11) through (18), respectively  
to be Section 4–315(a)(20) through (34) and (b)(13) through (20), respectively

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations

Section 4–315(a)(18) and (19) and (b)(11) and (12)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 4–315(a)(18) through (32) and (b)(11) through (18), respectively, of Article – Health Occupations of the Annotated Code of Maryland be renumbered to be Section(s) 4–315(a)(20) through (34) and (b)(13) through (20), respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – Health Occupations**

4–315.

(a) Subject to the hearing provisions of § 4–318 of this subtitle, the Board may deny a general license to practice dentistry, a limited license to practice dentistry, or a teacher's license to practice dentistry to any applicant, reprimand any licensed dentist, place any licensed dentist on probation, or suspend or revoke the license of any licensed dentist, if the applicant or licensee:

**(18) DEMONSTRATES A COURSE OF CONDUCT OF PROVIDING DENTAL CARE THAT IS INCONSISTENT WITH GENERALLY ACCEPTED PROFESSIONAL STANDARDS OF CARE IN THE PRACTICE OF DENTISTRY, REGARDLESS OF WHETHER ACTUAL INJURY TO THE PATIENT OCCURS;**

**(19) PROVIDES A DENTAL SERVICE IN A MANNER THAT IS SIGNIFICANTLY INCONSISTENT WITH GENERALLY ACCEPTED PROFESSIONAL STANDARDS OF CARE IN THE PRACTICE OF DENTISTRY, REGARDLESS OF WHETHER ACTUAL INJURY TO THE PATIENT OCCURS;**

(b) Subject to the hearing provisions of § 4–318 of this subtitle, the Board may deny a general license to practice dental hygiene, a teacher’s license to practice dental hygiene, or a temporary license to practice dental hygiene to any applicant, reprimand any licensed dental hygienist, place any licensed dental hygienist on probation, or suspend or revoke the license of any licensed dental hygienist, if the applicant or licensee:

**(11) DEMONSTRATES A COURSE OF CONDUCT OF PROVIDING DENTAL HYGIENE CARE THAT IS INCONSISTENT WITH GENERALLY ACCEPTED PROFESSIONAL STANDARDS OF CARE IN THE PRACTICE OF DENTAL HYGIENE, REGARDLESS OF WHETHER ACTUAL INJURY TO THE PATIENT OCCURS;**

**(12) PROVIDES A DENTAL HYGIENE SERVICE IN A MANNER THAT IS SIGNIFICANTLY INCONSISTENT WITH GENERALLY ACCEPTED PROFESSIONAL STANDARDS OF CARE IN THE PRACTICE OF DENTAL HYGIENE, REGARDLESS OF WHETHER ACTUAL INJURY TO THE PATIENT OCCURS;**

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 417**

**(House Bill 668)**

AN ACT concerning

### **Income Tax Credit – Health Enterprise Zones – Modifications**

FOR the purpose of allowing certain Health Enterprise Zone employers a credit, in a certain amount, against the State income tax for hiring a qualified position in a Health Enterprise Zone; requiring the employer to create a certain number of jobs during a certain time period; requiring the Comptroller to certify the applicability of the credit for each employer; defining a certain term; extending the applicability of certain income tax credits to a certain taxable year; requiring the Department of Health and Mental Hygiene, in consultation with the Community Health Resources Commission, to give special consideration to

certain applicants when certifying applications for certain tax credits; extending the termination date of a certain Act to a certain date; and generally relating to income tax credits for certain initiatives within certain Health Enterprise Zones.

BY repealing and reenacting, with amendments,  
 Article – Tax – General  
 Section 10–731  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 Chapter 3 of the Acts of the General Assembly of 2012  
 Section 5 and 6

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

10–731.

(a) (1) In this section the following words have the meanings indicated.

(2) “Department” means the Department of Health and Mental Hygiene.

(3) “Fund” means the Health Enterprise Zone Reserve Fund established under § 20–1406 of the Health – General Article.

(4) “Health Enterprise Zone” has the meaning stated in § 20–1401 of the Health – General Article.

**(5) “HEALTH ENTERPRISE ZONE EMPLOYER” MEANS A HEALTH ENTERPRISE ZONE PRACTITIONER, A FOR–PROFIT ENTITY, OR A NONPROFIT ENTITY THAT EMPLOYS QUALIFIED EMPLOYEES AND PROVIDES HEALTH CARE SERVICES IN A HEALTH ENTERPRISE ZONE.**

**[(5)] (6)** “Health Enterprise Zone practitioner” has the meaning stated in § 20–1401 of the Health – General Article.

**[(6)] (7)** “Qualified employee” means a Health Enterprise Zone practitioner, community health worker, or interpreter who:

(i) provides direct support to a Health Enterprise Zone practitioner; and

(ii) expands access to services in a Health Enterprise Zone.

**[(7)] (8)** (i) “Qualified position” means a qualified employee position that:

1. pays at least 150% of the federal minimum wage;
2. is full time and of indefinite duration;
3. is located in a Health Enterprise Zone;
4. is newly created as a result of the establishment of, or expansion of services in, a Health Enterprise Zone; and
5. is filled.

(ii) “Qualified position” does not include a position that is filled for a period of less than 12 months.

(b) A Health Enterprise Zone practitioner who practices health care in a Health Enterprise Zone may be eligible for a tax credit against the State income tax in accordance with a proposal approved by the Secretary of Health and Mental Hygiene, if the individual:

- (1) demonstrates competency in cultural, linguistic, and health literacy in a manner determined by the Department;
- (2) accepts and provides care for patients enrolled in the Maryland Medical Assistance Program and for uninsured patients; and
- (3) meets any other criteria established by the Department.

(c) (1) A nonprofit community-based organization or a local government agency that submits a proposal to the Department and the Community Health Resources Commission under Title 20, Subtitle 14 of the Health – General Article may also submit to the Department a request for certification of eligibility for certain income tax credits on behalf of a Health Enterprise Zone practitioner practicing or seeking to practice in a Health Enterprise Zone.

(2) The proposal shall meet the requirements specified under Title 20, Subtitle 14 of the Health – General Article.

(d) (1) If the Department approves a request for certification submitted under this section, a Health Enterprise Zone practitioner may claim a credit against the State income tax in an amount equal to 100% of the amount of the State income tax expected to be due from the Health Enterprise Zone practitioner from income to be

derived from practice in the Health Enterprise Zone, as certified by the Department for the taxable year.

(2) (i) [In addition to the State income tax credit provided under paragraph (1) of this subsection, a] **A Health Enterprise Zone [practitioner] EMPLOYER** may claim a refundable credit of \$10,000 against the State income tax for hiring for a qualified position in the Health Enterprise Zone, as certified by the Department for the taxable year.

(ii) To be eligible for the credit provided under this paragraph, a Health Enterprise Zone [practitioner] **EMPLOYER** may create one or more qualified positions during any 24-month period.

(iii) The credit earned under this paragraph shall be taken over a 24-month period, with one-half for the credit amount allowed each year beginning with the first taxable year in which the credit is certified.

(iv) If the qualified position is filled for a period of less than 24 months, the tax credit shall be recaptured as follows:

1. the tax credit shall be recomputed and reduced on a prorated basis, based on the period of time the position was filled, as determined by the Department and reported to the Comptroller; and

2. the Health Enterprise Zone [practitioner] **EMPLOYER** who received the tax credit shall repay any amount of the credit that may have already been refunded to the [practitioner] **EMPLOYER** that exceeds the amount recomputed by the Department in accordance with item 1 of this subparagraph.

(3) (i) To be certified as eligible for the credits provided under this section, a Health Enterprise Zone practitioner **OR EMPLOYER** may apply for certification through the nonprofit community-based organization or local government that submits an approved proposal under Title 20, Subtitle 14 of the Health – General Article.

(ii) 1. Eligibility for the certification for the credits provided under this section is limited by availability of budgeted funds for that purpose, as determined by the Department.

2. Certificates of eligibility shall be subject to approval by the Department on a first-come, first-served basis, as determined by the Department in its sole discretion.

(e) **(1)** The Department shall certify to the Comptroller the applicability of the credit provided under **SUBSECTION (D)(1) OF** this section for each Health

Enterprise Zone practitioner and the amount of each credit assigned to a Health Enterprise Zone practitioner, for each taxable year.

**(2) THE DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER THE APPLICABILITY OF THE CREDIT PROVIDED UNDER SUBSECTION (D)(2) OF THIS SECTION FOR EACH HEALTH ENTERPRISE ZONE EMPLOYER AND THE AMOUNT OF EACH CREDIT ASSIGNED TO A HEALTH ENTERPRISE ZONE EMPLOYER, FOR EACH TAXABLE YEAR.**

**(F) WHEN CERTIFYING APPLICATIONS FOR TAX CREDITS PROVIDED UNDER SUBSECTION (D)(2) OF THIS SECTION, THE DEPARTMENT, IN CONSULTATION WITH THE COMMISSION, SHALL GIVE SPECIAL CONSIDERATION TO APPLICANTS THAT ARE COMMUNITY-BASED AND SERVE THE OVERALL GOALS OF THE HEALTH ENTERPRISE ZONE THAT THE APPLICANT IS SEEKING TO SERVE.**

~~(G)~~ **(G)** The credits allowed under this section for a fiscal year may not exceed the amount provided for in the State budget for that fiscal year.

~~(H)~~ **(H)** The Department, in consultation with the Comptroller, shall adopt regulations to implement the tax credit under this section.

### **Chapter 3 of the Acts of 2012**

SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be applicable to all taxable years beginning after December 31, 2012, but before January 1, [2016] **2017**.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect July 1, 2012. It shall remain effective for a period of [4] **5** years and, at the end of June 30, [2016] **2017**, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

**Approved by the Governor, May 5, 2014.**

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### **Chapter 418**

**(House Bill 690)**

AN ACT concerning

**Garrett County – Alcoholic Beverages – Sunday Sales for Off-Premises  
Consumption**

FOR the purpose of authorizing the holder of certain alcoholic beverages licenses in Garrett County to sell alcoholic beverages for consumption off the licensed premises on certain Sundays under certain circumstances; establishing the hours for sale on certain Sundays; establishing certain fees; submitting this Act to a referendum of the legally qualified voters of certain election districts and precincts of election districts in Garrett County; and generally relating to the sale of alcoholic beverages in Garrett County on Sundays.

BY repealing and reenacting, with amendments,  
 Article 2B – Alcoholic Beverages  
 Section 11–512  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

11–512.

(a) This section applies only in Garrett County.

(b) (1) Notwithstanding any other provisions of this subtitle and except on Sundays and New Year's Day, holders of any class of on- or off-sale licenses issued under this article may sell the alcoholic beverages authorized under their respective license from 6 a.m. to 2 a.m. the following day, but may not sell alcoholic beverages between the hours of 2 a.m. and 6 a.m. on any day of the week or, unless authorized under subsection (c) **OR (D)** of this section, at any time on Sunday after 2 a.m.

(2) The provisions of this subsection apply to a holder of a Class E steamboat license issued by the State Comptroller's Office for use on all State waters located within the county.

(3) However, this section is subject to the provisions of § 11–402(m) of this title regarding sales on New Year's Eve or New Year's Day regardless of the day of the week on which December 31 and January 1 fall.

(c) (1) The provisions of this subsection apply in:

(i) Election districts 11 and 15, in which the voters approved Sunday sales in the referendum authorized by law in November 1996; and

(ii) Any other election district or precinct of an election district in which the voters in a referendum authorized by law approve Sunday sales as specified in this subsection.

(2) This subsection only applies to on-premises sales by:

(i) A holder of a Class C service club license; and

(ii) Subject to paragraph (4) of this subsection a holder of a Class B license, special 2-day Class C license, special 6-day Class C license, or special 12-day Class C license; or

(iii) A holder of a Class D license operating an establishment that:

1. Is in a permanent building;

2. Has a seating capacity at tables, not including seats at bars or counters, for at least 20 persons;

3. Is equipped with a full-service commercial kitchen capable of preparing and serving full-course meals for at least 20 persons at one seating; and

4. Is approved by the county Board of License Commissioners, Department of Public Utilities, Health Department, and Planning and Land Development Office.

(3) Sunday sales may begin, where permitted, at 1 p.m. and continue until 10 p.m.

(4) (i) This paragraph does not apply to a holder of a Class C service club license.

(ii) Sunday sales may be made only when the consumer places an order for a meal simultaneously or prior to placing an order for an alcoholic beverage or the consumer is otherwise entitled to a meal on the premises as part of a prearranged event, such as a banquet, where the alcoholic beverage is served. Bar or counter sales may be made as long as the consumer complies with the requirement of this paragraph.

(5) In addition to the usual license fee, the holder of a Class C service club license, Class B license, or Class D license who wants to provide Sunday sales and who is otherwise eligible to provide Sunday sales under this subsection shall pay an additional \$250 for the privilege of Sunday sales.

(6) At the time the Class C service club license, Class B license, or Class D license is issued, the Board shall charge a \$250 issuing fee.

**(D) (1) THE PROVISIONS OF THIS SUBSECTION APPLY IN AN ELECTION DISTRICT OR A PRECINCT OF AN ELECTION DISTRICT IN WHICH THE VOTERS IN A REFERENDUM AUTHORIZED BY LAW APPROVE SUNDAY SALES AS SPECIFIED IN THIS SUBSECTION.**

**(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THIS SUBSECTION APPLIES ONLY TO OFF-PREMISES SALES BY:**

- 1. A HOLDER OF A CLASS A LICENSE;**
- 2. A HOLDER OF A CLASS B LICENSE;**
- 3. A HOLDER OF A SPECIAL 2-DAY CLASS C LICENSE, SPECIAL 6-DAY CLASS C LICENSE, OR SPECIAL 12-DAY CLASS C LICENSE; AND**
- 4. A HOLDER OF A CLASS D LICENSE.**

**(II) A HOLDER OF A LICENSE LISTED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY SELL ALCOHOLIC BEVERAGES FOR CONSUMPTION OFF THE LICENSED PREMISES ON A SUNDAY IF THE LICENSE HOLDER IS AUTHORIZED TO SELL ALCOHOLIC BEVERAGES FOR CONSUMPTION OFF THE LICENSED PREMISES FOR THE UNDERLYING LICENSE.**

**(3) SUNDAY SALES MAY BEGIN, WHERE AUTHORIZED, AT 1 P.M. AND CONTINUE UNTIL 10 P.M.**

**(4) (I) THIS PARAGRAPH DOES NOT APPLY TO A HOLDER OF A SPECIAL CLASS C LICENSE.**

**(II) IN ADDITION TO THE USUAL LICENSE FEE, THE HOLDER OF A CLASS A LICENSE, CLASS B LICENSE, OR CLASS D LICENSE WHO WANTS TO PROVIDE SUNDAY SALES AND WHO IS OTHERWISE ELIGIBLE TO PROVIDE SUNDAY SALES UNDER THIS SUBSECTION SHALL PAY AN ADDITIONAL \$250 FOR THE PRIVILEGE OF SUNDAY SALES.**

**(III) AT THE TIME THE CLASS A LICENSE, CLASS B LICENSE, OR CLASS D LICENSE IS ISSUED, THE BOARD SHALL CHARGE A \$250 ISSUING FEE.**

SECTION 2. AND BE IT FURTHER ENACTED, That before this Act becomes effective it shall first be submitted to a referendum of the legally qualified voters of the following election districts or precincts of election districts 1, 2, 3–1, 3–2, 4, 5, 6, 7, 8–1, 8–2, 9, 10, 11, 12, 13, 14–1, 14–2, 15, and 16 in Garrett County at the general election to be held in November of 2014. The Board of County Commissioners and the Board of Supervisors of Elections of Garrett County shall do those things necessary and proper to provide for and hold the referendum required by this section. If a majority of the votes cast on the question in an election district or a precinct of an election district are “For the referred law” the provisions of this Act shall become effective in that election district or precinct on December 15, 2014; but if a majority of the votes cast on the question in an election district or a precinct of an election district are “Against the referred law” the provisions of this Act are of no effect and null and void in that election district or precinct. The Board of Supervisors of Elections of Garrett County shall notify the Department of Legislative Services concerning the results of the referendum in each election district and precinct of an election district.

SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 2 of this Act and for the sole purpose of providing for the referendum required by Section 2 of this Act, this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 419

### (House Bill 699)

AN ACT concerning

#### **Income Tax – Subtraction Modification – Unreimbursed Expenses of Foster Parents**

FOR the purpose of allowing a subtraction modification under the Maryland income tax for certain unreimbursed expenses incurred by certain foster parents on behalf of a foster child; providing that only certain expenses may be included in the subtraction; prohibiting certain expenses from being included in the subtraction modification; requiring the Department of Human Resources, on or before a certain date, to submit a certain list to the Comptroller; providing that the subtraction may not exceed a certain amount; defining ~~a certain term~~ certain terms; providing for the application of this Act; and generally relating to a subtraction modification for unreimbursed foster child expenses.

BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 10–208(a)  
Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY adding to

Article – Tax – General

Section 10–208(u)

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

~~(U) (1) (I) IN THIS SUBSECTION, “FOSTER PARENT” MEANS AN APPROVED PUBLIC FOSTER PARENT OR A KINSHIP PARENT PROVIDING 24-HOUR SUBSTITUTE CARE FOR A CHILD UNDER THE CARE AND CUSTODY OF A LOCAL DEPARTMENT OF SOCIAL SERVICES.~~

(U) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) 1. “FOSTER PARENT” MEANS AN INDIVIDUAL APPROVED BY A LOCAL DEPARTMENT TO PROVIDE 24-HOUR CARE FOR A FOSTER CHILD IN THE HOME WHERE THE INDIVIDUAL RESIDES.

2. “FOSTER PARENT” INCLUDES A KINSHIP PARENT.

~~(H) 3. “FOSTER PARENT” DOES NOT INCLUDE A TREATMENT FOSTER PARENT LICENSED BY A CHILD PLACEMENT AGENCY.~~

(III) “KINSHIP PARENT” HAS THE MEANING STATED IN § 5–534 OF THE FAMILY LAW ARTICLE.

(IV) “LOCAL DEPARTMENT” MEANS A DEPARTMENT OF SOCIAL SERVICES IN A COUNTY OR THE MONTGOMERY COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(2) SUBJECT TO ~~PARAGRAPH (3)~~ THE REQUIREMENTS OF THIS SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION

INCLUDES 100% OF THE UNREIMBURSED EXPENSES THAT A FOSTER PARENT INCURS ON BEHALF OF A FOSTER CHILD.

**(3) (I) THE SUBTRACTION ALLOWED UNDER PARAGRAPH (2) OF THIS SUBSECTION INCLUDES ONLY AN EXPENSE THAT THE LOCAL DEPARTMENT APPROVES AS NECESSARY.**

**(II) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT INCLUDE AN EXPENSE FOR WHICH THE FOSTER PARENT RECEIVES AN ALLOWANCE OR A REIMBURSEMENT FROM ANY PUBLIC OR PRIVATE AGENCY.**

**(4) ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE DEPARTMENT OF HUMAN RESOURCES SHALL SUBMIT TO THE COMPTROLLER A LIST OF APPROVED FOSTER PARENTS.**

**(5) THE SUBTRACTION ALLOWED UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED \$1,500.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2013.

Approved by the Governor, May 5, 2014.

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## Chapter 420

(House Bill 701)

AN ACT concerning

### **Criminal Law – Child Kidnapping ~~and Prostitution~~ for the Purpose of Committing a Sexual Crime – Penalty**

FOR the purpose of ~~reclassifying as a felony a certain offense relating to child kidnapping and prostitution involving a child under a certain age; altering the penalty for a certain provision of law relating to child kidnapping and prostitution involving an individual under a certain age; altering the elements of a certain prohibition involving persuading or enticing from a certain place or knowingly secreting or harboring an individual under a certain age for purposes of prostitution or committing a certain sexual crime so as to prohibit the act of persuading or enticing from a certain place and knowingly secreting or harboring an individual under a certain age for the purpose of committing a certain sexual crime; reclassifying the offense as a felony and altering the~~

maximum penalty of imprisonment; making a conforming change; and generally relating to child kidnapping and prostitution.

BY repealing and reenacting, with amendments,  
 Article – Criminal Law  
 Section 11–305  
 Annotated Code of Maryland  
 (2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Criminal Law**

11–305.

(a) For ~~purposes of~~ **THE PURPOSE OF** ~~prostitution or~~ committing a crime under Title 3, Subtitle 3 of this article, a person may not:

(1) persuade or entice or aid in the persuasion or enticement of an individual under the age of 16 years from the individual's home or from the custody of the individual's parent or guardian; ~~or~~ **AND**

(2) knowingly secrete or harbor or aid in the secreting or harboring of ~~an~~ **THE** individual ~~under the age of 16 years~~ who has been persuaded or enticed in the manner described in item (1) of this subsection.

(b) A person who violates this section is guilty of a [misdemeanor] **FELONY** and on conviction is subject to imprisonment not exceeding [10] ~~30~~ **25** years or a fine not exceeding \$5,000 or both.

~~(c) A person who violates this section is subject to § 5–106(b) of the Courts Article.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 421**

**(House Bill 723)**

AN ACT concerning

**Money Transmission – Protection of Elder Adults From Financial Abuse and,  
Financial Exploitation – Training, and Fraud – Requirements**

FOR the purpose of requiring a licensee that engages in the business of money transmission to provide, on or before a certain date each year, certain training materials to certain agents on how to recognize financial abuse and financial exploitation of elder adults and how to respond appropriately to certain circumstances; requiring a licensee to provide the training materials to certain newly appointed agents within a certain period of time; ~~requiring certain agents to make a certain abuse report to certain persons in a certain manner under certain circumstances in which an elder adult may be the victim of financial abuse or financial exploitation; authorizing a licensee to make a certain report on behalf of a certain agent; requiring a licensee periodically to report certain information to the Commissioner of Financial Regulation; requiring a licensee to include a certain fraud warning on certain forms used by individuals to send money to other individuals; requiring the fraud warning to include a certain telephone number for a certain purpose; requiring a licensee to monitor certain activities of its agents; requiring a licensee to allow an individual to voluntarily be disqualified from sending money transmissions from or receiving money transmissions in the State; providing that a licensee may require an individual to provide written notice of disqualification to the licensee at a certain address; specifying the effective period of a disqualification; authorizing an individual to extend or terminate a disqualification;~~ requiring a licensee to retain certain records concerning certain training for a certain period of time; defining certain terms; providing for the application of certain provisions of this Act; making a stylistic change; and generally relating to ~~elder adults and money transmission~~ money transmission and protection from financial abuse, financial exploitation, and fraud.

BY repealing and reenacting, without amendments,

Article – Financial Institutions

Section 1–306(a)(1), (3), (4), and (5), 12–401(a), (c), and (m), 12–416(a), and 12–426

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 12–413, ~~12–416(a)~~, and 12–425(a)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article – Financial Institutions

Section 12–413.1

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Financial Institutions**

1–306.

(a) (1) In this section the following words have the meanings indicated.

(3) “Elder adult” means an individual who is believed to be:

(i) At least 65 years old; and

(ii) Residing in the State.

(4) “Financial abuse” means to take, appropriate, obtain, or retain, or assist in taking, appropriating, obtaining, or retaining, real or personal property of an elder adult by any means, including undue influence, for a wrongful purpose or with intent to defraud the elder adult.

(5) “Financial exploitation” means any action which involves the misuse of a customer’s funds or property.

12–401.

(a) In this subtitle the following words have the meanings indicated.

(c) (1) “Authorized delegate” means a person who is authorized by a licensee to engage in the business of money transmission under the name of the licensee at any location other than the place of business specified in the license.

(2) “Authorized delegate” does not include a branch location of a licensee.

(m) (1) “Money transmission” means the business of selling or issuing payment instruments or stored value devices, or receiving money or monetary value, for transmission to a location within or outside the United States by any means, including electronically or through the Internet.

(2) “Money transmission” includes:

(i) A bill payer service;

(ii) An accelerated mortgage payment service; and

(iii) Any informal money transfer system engaged in as a business for, or network of persons who engage as a business in, facilitating the transfer of money outside the conventional financial institutions system to a location within or outside the United States.

12-413.

(a) **(1)** Each authorized delegate that a licensee appoints under a license is the designated agent of the licensee for all purposes in connection with the licensee's business under that license.

**(2)** Each licensee under this subtitle is liable for the payment of all money transmitted and payment instruments sold by the licensee, in whatever form, directly or through an authorized delegate.

(b) Each authorized delegate that a licensee appoints under a license shall be authorized by an express written contract, which shall provide:

(1) That the licensee appoints the person as its authorized delegate with authority to engage in the business of money transmission on behalf of the licensee;

(2) That neither the licensee nor the authorized delegate may authorize subagents or subdelegates without written consent of the Commissioner;

(3) That the authorized delegate is subject to supervision, examination, and regulation by the Commissioner; and

(4) That the authorized delegate will operate in full compliance with all applicable laws and regulations.

(c) The licensee shall provide to each authorized delegate a written copy of the licensee's operating policies and procedures, which shall be updated on a reasonable periodic basis.

(d) Copies of all contracts required under this section shall be made available to the Commissioner, upon request.

**12-413.1.**

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) "AGENT" INCLUDES AN AUTHORIZED DELEGATE, A SUBAGENT, AND A SUBDELEGATE OF A LICENSEE.**

(3) "ELDER ADULT" HAS THE MEANING STATED IN § 1-306 OF THIS ARTICLE.

(4) "FINANCIAL ABUSE" HAS THE MEANING STATED IN § 1-306 OF THIS ARTICLE.

(5) "FINANCIAL EXPLOITATION" HAS THE MEANING STATED IN § 1-306 OF THIS ARTICLE.

(B) THIS SECTION DOES NOT APPLY TO A LICENSEE OR AN AGENT THAT:

~~(1) ENGAGES SOLELY IN SELLING OR ISSUING STORED VALUE DEVICES OR TRAVELER'S CHECKS; OR~~

~~(2) ENGAGES IN THE BUSINESS OF MONEY TRANSMISSION SOLELY THROUGH THE INTERNET; OR~~

(2) (I) ENGAGES IN:

1. SELLING OR ISSUING STORED VALUE DEVICES, TRAVELER'S CHECKS, OR MONEY ORDERS, OR PROVIDING BILL PAYER SERVICES; OR

2. ANY COMBINATION OF SELLING OR ISSUING STORED VALUE DEVICES, TRAVELER'S CHECKS, OR MONEY ORDERS, OR PROVIDING BILL PAYER SERVICES; AND

(II) DOES NOT ENGAGE IN ANY OTHER BUSINESS REGULATED UNDER THIS SUBTITLE.

(C) ON OR BEFORE APRIL 1 OF EACH YEAR, A LICENSEE SHALL PROVIDE TO EACH AGENT, THROUGH WHICH IT ENGAGES IN THE BUSINESS OF MONEY TRANSMISSION, TRAINING MATERIALS ON HOW TO:

(1) RECOGNIZE FINANCIAL ABUSE AND FINANCIAL EXPLOITATION OF AN ELDER ADULT; AND

(2) RESPOND APPROPRIATELY IF THE AGENT SUSPECTS THAT THE AGENT IS BEING ASKED TO ENGAGE IN THE BUSINESS OF MONEY TRANSMISSION FOR A FRAUDULENT TRANSACTION IN WHICH AN ELDER ADULT IS THE VICTIM OF FINANCIAL ABUSE OR FINANCIAL EXPLOITATION.

(D) A LICENSEE SHALL PROVIDE THE TRAINING MATERIALS REQUIRED UNDER SUBSECTION (C) OF THIS SECTION TO EACH NEWLY APPOINTED AGENT WITHIN 1 MONTH AFTER APPOINTMENT OF THE AGENT.

(E) (1) A LICENSEE SHALL INCLUDE A CLEAR, CONCISE, AND CONSPICUOUS FRAUD WARNING ON ALL TRANSMITTAL FORMS USED BY AN INDIVIDUAL TO SEND MONEY TO ANOTHER INDIVIDUAL.

(2) THE FRAUD WARNING SHALL INCLUDE A TOLL-FREE TELEPHONE NUMBER FOR INDIVIDUALS TO CALL TO REPORT FRAUD OR SUSPECTED FRAUD.

(3) A LICENSEE SHALL MONITOR THE ACTIVITIES OF ITS AGENTS RELATING TO TRANSMITTALS BY INDIVIDUALS.

(F) (1) (I) A LICENSEE SHALL ALLOW AN INDIVIDUAL TO VOLUNTARILY BE DISQUALIFIED FROM SENDING MONEY TRANSMISSIONS FROM OR RECEIVING MONEY TRANSMISSIONS IN THE STATE.

(II) A LICENSEE MAY REQUIRE AN INDIVIDUAL TO PROVIDE WRITTEN NOTICE OF THE INDIVIDUAL'S DISQUALIFICATION TO THE LICENSEE AT THE ADDRESS ON THE LICENSEE'S LICENSE.

(III) UNLESS EXTENDED UNDER PARAGRAPH (2) OF THIS SUBSECTION OR TERMINATED UNDER PARAGRAPH (3) OF THIS SUBSECTION, A DISQUALIFICATION IS EFFECTIVE UNTIL JANUARY 1 OF THE YEAR FOLLOWING THE YEAR IN WHICH NOTICE OF THE INDIVIDUAL'S DISQUALIFICATION IS GIVEN TO THE LICENSEE.

(2) (I) BEFORE A DISQUALIFICATION BECOMES INEFFECTIVE, AN INDIVIDUAL MAY EXTEND THE DISQUALIFICATION BY GIVING WRITTEN NOTICE OF THE EXTENSION TO THE LICENSEE AT THE ADDRESS ON THE LICENSEE'S LICENSE.

(II) AN EXTENSION OF A DISQUALIFICATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS EFFECTIVE UNTIL JANUARY 1 OF THE YEAR FOLLOWING THE YEAR IN WHICH NOTICE OF THE EXTENSION IS GIVEN TO THE LICENSEE.

(3) AN INDIVIDUAL MAY TERMINATE A DISQUALIFICATION AT ANY TIME BY GIVING WRITTEN NOTICE OF THE TERMINATION TO THE LICENSEE AT THE ADDRESS ON THE LICENSEE'S LICENSE.

~~(E) (1) AN AGENT SHALL MAKE AN ABUSE REPORT AS PROVIDED IN THIS SUBSECTION IF THE AGENT SUSPECTS THAT THE AGENT IS BEING ASKED TO ENGAGE IN THE BUSINESS OF MONEY TRANSMISSION FOR A TRANSACTION IN WHICH AN ELDER ADULT IS THE VICTIM OF FINANCIAL ABUSE OR FINANCIAL EXPLOITATION.~~

~~(2) THE ABUSE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE MADE:~~

~~(i) TO THE ADULT PROTECTIVE SERVICES AGENCY IN A LOCAL DEPARTMENT OF SOCIAL SERVICES, THE LOCAL LAW ENFORCEMENT AGENCY, OR A STATE'S ATTORNEY; AND~~

~~(ii) 1. BY TELEPHONE NOTIFICATION WITHIN 24 HOURS AFTER THE AGENT KNOWS OR HAS REASONABLE CAUSE TO SUSPECT THAT THE ELDER ADULT IS THE VICTIM OF FINANCIAL ABUSE OR FINANCIAL EXPLOITATION; AND~~

~~2. IN WRITING SENT WITHIN 3 BUSINESS DAYS AFTER THE AGENT KNOWS OR HAS REASONABLE CAUSE TO SUSPECT THAT THE ELDER ADULT IS THE VICTIM OF FINANCIAL ABUSE OR FINANCIAL EXPLOITATION.~~

~~(3) A LICENSEE MAY MAKE THE ABUSE REPORT ON BEHALF OF THE AGENT.~~

12-416.

(a) Within 45 days of the end of each calendar semiannual period ending June 30 and December 31, the licensee shall file with the Commissioner a report that includes the following information on a form that the Commissioner requires:

(1) An unaudited, unconsolidated financial statement, including a balance sheet, income statement, statement of changes in equity, and statement of cash flows;

(2) A schedule of the permissible investments that the licensee holds as required under § 12-418 of this subtitle;

(3) A statement of outstanding payment instruments;

(4) A report of all authorized delegates that includes:

(i) An alphabetical list of all currently authorized delegates appointed by the licensee that includes the name, business address, business phone

number, and business electronic mail address, if known to the licensee, of each authorized delegate;

(ii) An alphabetical list of all authorized delegates appointed by the licensee during the previous 6 months that includes the name, business address, business phone number, business electronic mail address, if known to the licensee, and date of appointment of each authorized delegate; and

(iii) An alphabetical list of all authorized delegates terminated by the licensee during the previous 6 months that includes the name, business address, business phone number, business electronic mail address, if known to the licensee, and date of termination of each authorized delegate; ~~and~~

~~(5) AN ALPHABETICAL LIST OF ALL CURRENTLY AUTHORIZED DELEGATES, AGENTS, AND SUBDELEGATES THAT INCLUDES THE LATEST DATE THAT THE TRAINING MATERIALS REQUIRED UNDER § 12-413.1 OF THIS SUBTITLE WERE PROVIDED TO EACH CURRENTLY AUTHORIZED DELEGATE, AGENT, AND SUBDELEGATE; AND~~

~~[(5)] (6)~~ A statement under oath by an executive officer of the licensee certifying the information to be true based on the executive officer's knowledge of the matters in the report.

12-425.

(a) Each licensee shall make and preserve the following books, accounts, and records for a period of at least 3 years:

- (1) A record of each payment instrument sold or issued;
- (2) A general ledger containing all assets, liability, capital, income, and expense accounts, which general ledger shall be posted at least monthly;
- (3) Settlement sheets received from each authorized delegate;
- (4) Bank statements and bank reconciliation records;
- (5) Records of outstanding payment instruments;
- (6) Records of each payment instrument paid within the 3-year period; ~~and~~
- (7) A list of the names and addresses of all the licensee's authorized delegates, past and present; **AND**

**(8) A LIST OF THE DATES THAT THE TRAINING MATERIALS REQUIRED UNDER § 12-413.1 OF THIS SUBTITLE WERE PROVIDED TO THE LICENSEE'S AUTHORIZED DELEGATES, AGENTS, AND SUBDELEGATES.**

12-426.

(a) Subject to the hearing provisions of § 12-428 of this subtitle, the Commissioner may suspend or revoke the license of any licensee if:

(1) The licensee or any owner, director, officer, member, coventurer, partner, stockholder, employee, or agent of the licensee:

(i) Makes any material misstatement in an application for a license;

(ii) Conducts the business of money transmission in an unsafe or unsound manner;

(iii) Refuses to permit the Commissioner to make an examination authorized under this subtitle;

(iv) Willfully fails to make a report required under this subtitle;

(v) Is convicted under the laws of the United States or any state of a felony or a misdemeanor that is directly related to the fitness and qualification of the person to engage in the business of money transmission;

(vi) In connection with any money transmission transaction:

1. Commits a fraud;

2. Engages in an illegal or dishonest activity; or

3. Misrepresents or fails to disclose a material fact to a governmental agency;

(vii) Violates any provision of this subtitle or any regulation adopted under this subtitle, or any other law regulating the business of money transmission; or

(viii) Otherwise demonstrates unworthiness, bad faith, dishonesty, or any other quality that indicates that the business of the licensee has not been or will not be conducted honestly, fairly, equitably, and efficiently; or

(2) The licensee:

(i) Has inadequate net worth and the licensee, after 10 days' written notice from the Commissioner, fails to take steps that the Commissioner deems necessary to remedy the deficiency;

(ii) Becomes insolvent;

(iii) Has suspended payment of its obligations, made an assignment for the benefit of its creditors, or admitted its inability to pay its debts as they become due; or

(iv) Has applied for an adjudication of bankruptcy, reorganization, arrangement, or other relief under any bankruptcy proceeding.

(b) In determining whether a license should be suspended or revoked for a reason identified in subsection (a)(1)(v) of this section, the Commissioner shall consider:

(1) The nature of the crime;

(2) The relationship of the crime to the activities authorized by the license;

(3) With respect to a felony, the relevance of the conviction to the fitness and qualification of the licensee to engage in the business of money transmission;

(4) The length of time since the conviction; and

(5) The behavior and activities of the licensee since the conviction.

(c) Subject to the hearing provisions of § 12–428 of this subtitle, the Commissioner may issue an order to the licensee to terminate its relationship with an authorized delegate if the Commissioner finds that:

(1) The authorized delegate or a director, officer, employee, or person that has control of the authorized delegate:

(i) Has violated any provision of this subtitle or any regulation adopted or order issued under this subtitle;

(ii) Has engaged or participated in an unsafe or unsound act with respect to the business of money transmission;

(iii) Has made or caused to be made in any application or report filed with the Commissioner or in a proceeding before the Commissioner, a statement which was at the time and in the circumstances under which it was made, false or

misleading with respect to a material fact, or has omitted to state in an application or report a material fact which is required to be stated; or

(iv) Has failed to cooperate with an examination or investigation by the Commissioner authorized by this subtitle; or

(2) The competence, experience, integrity, financial condition, or overall moral character of the authorized delegate, or a director, officer, employee, or person that has control of the authorized delegate, indicates that it would not be in the interest of the public to permit the person to engage in the business of money transmission.

(d) (1) The authorized delegate about whom an order is issued under this section may apply to the Commissioner to modify or rescind the order.

(2) The Commissioner may not grant an application filed under paragraph (1) of this subsection unless the Commissioner finds that:

(i) It is in the public interest to modify or rescind the order; and

(ii) It is reasonable to believe that the authorized delegate, if and when permitted to resume acting as an authorized delegate of a licensee, will comply with all applicable provisions of this subtitle and any regulation adopted or order issued under this subtitle.

(e) (1) The Commissioner may enforce the provisions of this subtitle by issuing an order:

(i) To cease and desist and to take affirmative action from the violation and any further similar violations; and

(ii) Requiring the violator to take affirmative action to correct the violation including the restitution of money or property to any person aggrieved by the violation.

(2) If a violator fails to comply with an order issued under paragraph (1) of this subsection, the Commissioner may impose a civil penalty of up to \$1,000 for the first violation and \$5,000 for each subsequent violation from which the violator failed to cease and desist or for which the violator failed to take affirmative action.

(f) The Commissioner may file a petition in the circuit court for any county seeking enforcement of an order issued under this section.

(g) In determining the amount of financial penalty to be imposed under subsection (e) of this section, the Commissioner shall consider the following:

(1) The seriousness of the violation;

- (2) The good faith of the violator;
- (3) The violator's history of previous violations;
- (4) The deleterious effect of the violation on the public;
- (5) The assets of the violator; and
- (6) Any other factors relevant to the determination of the financial penalty.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 422

### (House Bill 761)

AN ACT concerning

#### **Health Insurance – Specialty Drugs**

FOR the purpose of prohibiting certain insurers, nonprofit health service plans, and health maintenance organizations from imposing a copayment or coinsurance requirement on a covered specialty drug that exceeds a certain dollar amount; providing for an annual increase to the copayment or coinsurance requirement limit; providing that, under certain circumstances, certain provisions of law or certain regulations do not preclude certain insurers, nonprofit health service plans, and health maintenance organizations from requiring a covered specialty drug to be obtained through a certain source or a pharmacy participating in the provider network of the insurer, nonprofit health service plan, or health maintenance organization under certain conditions; authorizing a pharmacy registered under a certain provision of federal law to apply to be a designated pharmacy for a certain purpose, under certain conditions; prohibiting an insurer, nonprofit health service plan, or health maintenance organization from unreasonably withholding certain approval; authorizing certain insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for specialty drugs through a managed care system; providing that a certain determination is considered a coverage decision under certain provisions of law; authorizing the Maryland Insurance Commissioner to seek advice from certain persons relating to certain complaints filed with the Commissioner; requiring the expenses for the advice to be paid for as provided under certain

provisions of law; defining certain terms; making the provisions of this Act applicable to health maintenance organizations; providing for the application of this Act; and generally relating to specialty drugs.

BY adding to

Article – Insurance

Section 15–847

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health – General

Section 19–706(oooo)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Insurance**

**15–847.**

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) (I) “COMPLEX OR CHRONIC MEDICAL CONDITION” MEANS A PHYSICAL, BEHAVIORAL, OR DEVELOPMENTAL CONDITION THAT:**

- 1. MAY HAVE NO KNOWN CURE;**
- 2. IS PROGRESSIVE; OR**
- 3. CAN BE DEBILITATING OR FATAL IF LEFT UNTREATED OR UNDERTREATED.**

**(II) “COMPLEX OR CHRONIC MEDICAL CONDITION” INCLUDES:**

- 1. MULTIPLE SCLEROSIS;**
- 2. HEPATITIS C; AND**
- 3. RHEUMATOID ARTHRITIS.**

(3) “MANAGED CARE SYSTEM” MEANS A SYSTEM OF COST CONTAINMENT METHODS THAT AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION USES TO REVIEW AND PREAUTHORIZE DRUGS PRESCRIBED BY A HEALTH CARE PROVIDER FOR A COVERED INDIVIDUAL TO CONTROL UTILIZATION, QUALITY, AND CLAIMS.

(4) (I) “RARE MEDICAL CONDITION” MEANS A DISEASE OR CONDITION THAT AFFECTS FEWER THAN:

1. 200,000 INDIVIDUALS IN THE UNITED STATES; OR
2. APPROXIMATELY 1 IN 1,500 INDIVIDUALS WORLDWIDE.

(II) “RARE MEDICAL CONDITION” INCLUDES:

1. CYSTIC FIBROSIS;
2. HEMOPHILIA; AND
3. MULTIPLE MYELOMA.

(5) “SPECIALTY DRUG” MEANS A PRESCRIPTION DRUG THAT:

(I) IS PRESCRIBED FOR AN INDIVIDUAL WITH A COMPLEX OR CHRONIC MEDICAL CONDITION OR A RARE MEDICAL CONDITION;

(II) COSTS \$600 OR MORE FOR UP TO A 30-DAY SUPPLY;

(III) IS NOT TYPICALLY STOCKED AT RETAIL PHARMACIES;  
AND

(IV) 1. REQUIRES A DIFFICULT OR UNUSUAL PROCESS OF DELIVERY TO THE PATIENT IN THE PREPARATION, HANDLING, STORAGE, INVENTORY, OR DISTRIBUTION OF THE DRUG; OR

2. REQUIRES ENHANCED PATIENT EDUCATION, MANAGEMENT, OR SUPPORT, BEYOND THOSE REQUIRED FOR TRADITIONAL DISPENSING, BEFORE OR AFTER ADMINISTRATION OF THE DRUG.

(B) THIS SECTION APPLIES TO:

(1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS UNDER INDIVIDUAL, GROUP,

OR BLANKET HEALTH INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

(2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS UNDER INDIVIDUAL OR GROUP CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.

(c) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN ENTITY SUBJECT TO THIS SECTION MAY NOT IMPOSE A COPAYMENT OR COINSURANCE REQUIREMENT ON A COVERED SPECIALTY DRUG THAT EXCEEDS \$150 FOR UP TO A 30-DAY SUPPLY OF THE SPECIALTY DRUG.

(2) ON JULY 1 OF EACH YEAR, THE LIMIT ON THE COPAYMENT OR COINSURANCE REQUIREMENT ON A COVERED SPECIALTY DRUG SHALL INCREASE BY A PERCENTAGE EQUAL TO THE PERCENTAGE CHANGE FROM THE PRECEDING YEAR IN THE MEDICAL CARE COMPONENT OF THE MARCH CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, WASHINGTON-BALTIMORE, FROM THE U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

(d) SUBJECT TO § 15-805 OF THIS SUBTITLE AND NOTWITHSTANDING § 15-806 OF THIS SUBTITLE, NOTHING IN THIS ARTICLE OR REGULATIONS ADOPTED UNDER THIS ARTICLE PRECLUDES AN ENTITY SUBJECT TO THIS SECTION FROM REQUIRING A COVERED SPECIALTY DRUG TO BE OBTAINED THROUGH:

(1) A DESIGNATED PHARMACY OR OTHER SOURCE AUTHORIZED UNDER THE HEALTH OCCUPATIONS ARTICLE TO DISPENSE OR ADMINISTER PRESCRIPTION DRUGS; OR

(2) A PHARMACY PARTICIPATING IN THE ENTITY'S PROVIDER NETWORK, IF THE ENTITY DETERMINES THAT THE PHARMACY:

(i) MEETS THE ENTITY'S PERFORMANCE STANDARDS; AND

(ii) ACCEPTS THE ENTITY'S NETWORK REIMBURSEMENT RATES.

(e) (1) A PHARMACY REGISTERED UNDER § 340B OF THE FEDERAL PUBLIC HEALTH SERVICES ACT MAY APPLY TO AN ENTITY SUBJECT TO THIS SECTION TO BE A DESIGNATED PHARMACY UNDER SUBSECTION (D)(1) OF THIS SECTION FOR THE PURPOSE OF ENABLING THE PHARMACY'S PATIENTS WITH HIV, AIDS, OR HEPATITIS C TO RECEIVE THE COPAYMENT OR COINSURANCE MAXIMUM PROVIDED FOR IN SUBSECTION (C) OF THIS SECTION IF:

(I) THE PHARMACY IS OWNED BY A FEDERALLY QUALIFIED HEALTH CENTER, AS DEFINED IN 42 U.S.C. § 254B;

(II) THE FEDERALLY QUALIFIED HEALTH CENTER PROVIDES INTEGRATED AND COORDINATED MEDICAL AND PHARMACEUTICAL SERVICES TO HIV POSITIVE, AIDS, AND HEPATITIS C PATIENTS; AND

(III) THE PRESCRIPTION DRUGS ARE COVERED SPECIALTY DRUGS FOR THE TREATMENT OF HIV, AIDS, OR HEPATITIS C.

(2) AN ENTITY SUBJECT TO THIS SECTION MAY NOT UNREASONABLY WITHHOLD APPROVAL OF A PHARMACY'S APPLICATION UNDER PARAGRAPH (1) OF THIS SUBSECTION.

~~(E)~~ (F) AN ENTITY SUBJECT TO THIS SECTION MAY PROVIDE COVERAGE FOR SPECIALTY DRUGS THROUGH A MANAGED CARE SYSTEM.

(G) (1) A DETERMINATION BY AN ENTITY SUBJECT TO THIS SECTION THAT A PRESCRIPTION DRUG IS NOT A SPECIALTY DRUG IS CONSIDERED A COVERAGE DECISION UNDER § 15-10D-01 OF THIS TITLE.

(2) FOR COMPLAINTS FILED WITH THE COMMISSIONER UNDER THIS SUBSECTION, IF THE ENTITY MADE ITS DETERMINATION THAT A PRESCRIPTION DRUG IS NOT A SPECIALTY DRUG ON THE BASIS THAT THE PRESCRIPTION DRUG DID NOT MEET THE CRITERIA LISTED IN SUBSECTION (A)(5)(I) OF THIS SECTION:

(I) THE COMMISSIONER MAY SEEK ADVICE FROM AN INDEPENDENT REVIEW ORGANIZATION OR MEDICAL EXPERT ON THE LIST COMPILED UNDER § 15-10A-05(B) OF THIS TITLE; AND

(II) THE EXPENSES FOR ANY ADVICE PROVIDED BY AN INDEPENDENT REVIEW ORGANIZATION OR MEDICAL EXPERT SHALL BE PAID FOR AS PROVIDED UNDER § 15-10A-05(H) OF THIS TITLE.

#### Article – Health – General

19-706.

(0000) THE PROVISIONS OF § 15-847 OF THE INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after January 1, 2016.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 423**

**(House Bill 772)**

AN ACT concerning

### **Local Government Investments – Self-Insurance Funds and Trust Fund Accounts of Political Subdivisions**

FOR the purpose of authorizing the trustees or other officers in charge of a trust fund account or fund for self-insurance purposes of a political subdivision of the State or a unit of a political subdivision to make certain investments in a certain manner; and generally relating to investments by local governments.

BY repealing and reenacting, with amendments,  
Article – Local Government  
Section 17–102  
Annotated Code of Maryland  
(2013 Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Local Government**

17–102.

- (a) In this section, “other postemployment benefits” means:
- (1) postemployment health care benefits; and
  - (2) postemployment benefits provided separately from a pension plan.
- (b) Notwithstanding § 17–101 of this subtitle, the trustees or other officers in charge of a pension or retirement system or fund [or], other postemployment benefits

fund, TRUST FUND ACCOUNT, OR FUND FOR SELF-INSURANCE PURPOSES of a political subdivision of the State or a unit of a political subdivision of the State:

(1) may:

(i) invest and reinvest money in their custody or control as provided by a law enacted by the governing body of the political subdivision; and

(ii) sell, redeem, or exchange an investment or reinvestment made under this item; and

(2) shall comply with fiduciary standards that at least meet the standards in Title 21, Subtitle 2 of the State Personnel and Pensions Article in connection with money in their custody or control.

(c) (1) Notwithstanding any other law, a political subdivision of the State or a unit of a political subdivision of the State may enter into an agreement with a third party contractor or vendor for the management or investment of money intended for other postemployment benefits.

(2) An agreement entered into under this subsection includes the authority to:

(i) create pooled investments under the stewardship of:

1. a political subdivision of the State or a unit of a political subdivision of the State; or

2. a separate body under an agreement with a political subdivision of the State;

(ii) create one or more accounts to be managed in coordination with other funds or investments by a third party under an agreement with a political subdivision of the State; and

(iii) create distinct funding accounts for payment on behalf of employees of a unit of a political subdivision of the State under an agreement with the political subdivision.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 424****(House Bill 786)**

AN ACT concerning

**Sales and Use Tax – Tax-Free Weekend – Exemption for Light-Emitting Diode (LED) Lights**

FOR the purpose of adding light-emitting diode (LED) light bulbs to the list of Energy Star products exempt from the sales and use tax during a certain tax-free weekend; providing for the termination of this Act; and generally relating to the sales and use tax.

BY repealing and reenacting, with amendments,  
Article – Tax – General  
Section 11-226(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

11-226.

(a) (1) In this subsection, “Energy Star product” means an air conditioner, clothes washer or dryer, furnace, heat pump, standard size refrigerator, compact fluorescent light bulb, **LIGHT-EMITTING DIODE (LED) LIGHT BULB**, dehumidifier, boiler, or programmable thermostat that has been designated as meeting or exceeding the applicable Energy Star efficiency requirements developed by the United States Environmental Protection Agency and the United States Department of Energy.

(2) Beginning in calendar year 2011, the weekend that consists of the Saturday immediately preceding the third Monday in February through the third Monday in February each year shall be a tax-free weekend during which the exemption under paragraph (3) of this subsection shall apply.

(3) During the tax-free weekend established under paragraph (2) of this subsection, the sales and use tax does not apply to the sale of any:

- (i) Energy Star product; or
- (ii) solar water heater.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014. It shall remain effective for a period of 3 years and, at the end of June 30, 2017, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 5, 2014.

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## Chapter 425

(House Bill 794)

AN ACT concerning

~~Department of Planning~~ – **Maryland Unaccompanied Homeless Youth and Young Adult Count Demonstration Project**

FOR the purpose of establishing the Maryland Unaccompanied Homeless Youth and Young Adult Count Demonstration Project; requiring the Department of ~~Planning~~ Housing and Community Development to select and monitor a coordinating entity to oversee the ~~Maryland Unaccompanied Homeless Youth and Young Adult Count Demonstration~~ Project; establishing the purpose of the Project; requiring the coordinating entity to be selected through a competitive request for proposal or by sole source contract; requiring the coordinating entity to determine the number and characteristics of unaccompanied homeless youth and young adults in certain ~~jurisdictions~~ Continuums of Care using certain methods; requiring the coordinating entity to assign each youth participant a unique identifier; requiring the Department of Planning to provide certain technical assistance; requiring the ~~Department~~ Departments to make every effort to identify non-State sources of funding to fund the cost of the Project; ~~providing for the termination of this Act~~; requiring the coordinating entity to submit a certain report on or before a certain date; making this Act subject to a certain contingency; and generally relating to the ~~Unaccompanied~~ Unaccompanied Maryland Unaccompanied Homeless Youth and Young Adult Count Demonstration Project.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) ~~The Department of Planning shall select a coordinating entity to oversee the~~ There is a Maryland Unaccompanied Homeless Youth and Young Adult Count Demonstration Project.

(b) The purpose of the Project is to:

~~(1) conduct data collection and analysis to determine the number and characteristics of unaccompanied homeless youth and young adults in each jurisdiction; and.~~

(c) (1) The Department of Housing and Community Development shall select and monitor a coordinating entity to oversee the Project.

(2) The coordinating entity shall be selected through a competitive request for proposal or by sole source contract.

~~(2) on or before September 30, 2016, submit a report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the results of the Project.~~

~~(e) The coordinating entity shall be selected through a competitive request for proposal or by sole source contract.~~

(d) The Project shall require the coordinating entity to determine the number and characteristics of unaccompanied homeless youth and young adults in ~~the following jurisdictions:~~

~~(1) Anne Arundel County;~~

~~(2) Baltimore City; and~~

~~(3) Wicomico County~~ at least the following Continuums of Care established under Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11381 through 11389:

(1) MD 501 – Baltimore City Continuum of Care;

(2) MD 503 – Annapolis/Anne Arundel County Continuum of Care;

(3) MD 505 – Baltimore County Continuum of Care;

(4) MD 512 – Hagerstown/Washington County Continuum of Care;

(5) MD 513 – Wicomico/Somerset/Worcester County Continuum of Care; and

(6) MD 600 – Prince George's County Continuum of Care.

(e) (1) To determine the number of unaccompanied homeless youth and young adults in each jurisdiction, the coordinating entity, in partnership with Continuums of Care and local communities, shall:

- (i) utilize data on the number of homeless students in public schools reported under the federal McKinney–Vento Homeless Assistance Act;
- (ii) conduct a street count of unaccompanied homeless youth and young adults;
- ~~(iii) survey service providers; and~~
- (iii) conduct a service provider count of unaccompanied homeless youth; and
- (iv) conduct qualitative data collection, including conducting:
  - 1. surveys;
  - 2. focus groups; and
  - 3. in–depth interviews.

(2) The coordinating entity shall work with local ~~jurisdictions~~ communities to tailor data collection methodology used under paragraph (1) of this subsection, as appropriate.

(3) Any survey conducted under paragraph (1) of this subsection shall include a uniform set of questions but may include additional questions if the additional questions are agreed on by the local ~~jurisdictions~~ communities and the coordinating entity.

(4) The methods of data collection described under paragraph (1) of this subsection shall employ promising practices, including those identified through the federal Youth Count! Pilot Project, including:

- (i) employing youth outreach workers;
- (ii) using magnet events; and
- (iii) providing stipends to encourage participation.

(5) Data collection conducted under this subsection shall be conducted to coincide with the end of the K–12 school year and the reporting of data under the federal McKinney–Vento Homeless Assistance Act.

(6) To protect the anonymity of youth participants and avoid duplication, the coordinating entity shall assign each youth participant a unique identifier that does not reveal the participant’s identity.

(f) The Department of Planning shall:

(1) assist with presurvey data collection consultation and mapping support;

(2) analyze and compile data after the survey is completed; and

(3) provide a technical review of draft reports.

~~(f)~~ (g) The ~~Department~~ Departments shall make every effort to identify non-State sources of funding to fund the cost of the Project, including:

(1) applying for federal or university grants; and

(2) partnering with private entities to share the cost.

(h) On or before September 30, 2017, the coordinating entity shall submit a report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the results of the Project.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is contingent on the receipt of funding ~~from~~ through an appropriation in the State budget or through non-State sources of funding to select a coordinating entity to oversee the Maryland Unaccompanied Homeless Youth and Young Adult Count Demonstration Project. The Department of Housing and Community Development shall notify the Department of Legislative Services within 5 days after funding is received. If notice of the receipt of funding is not received by the Department of Legislative Services on or before June 30, 2018, this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 2 of this Act, this Act shall take effect ~~October~~ July 1, 2014. It shall remain effective for a period of 3 years and, at the end of September 30, 2017, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 5, 2014.

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## Chapter 426

(House Bill 802)

AN ACT concerning

**Maryland Medical Assistance Program – Telemedicine**

FOR the purpose of ~~requiring the Maryland Medical Assistance Program to provide certain reimbursement for certain services delivered by telemedicine~~ requiring, to the extent authorized by federal law or regulation, certain provisions of law relating to coverage of and reimbursement for health care services delivered through telemedicine to apply to the Maryland Medical Assistance Program and managed care organizations in a certain manner; authorizing the Department of Health and Mental Hygiene to allow coverage of and reimbursement for health care services delivered in a certain manner under certain circumstances; authorizing the Department to specify by regulation the types of health care providers eligible to receive certain reimbursement; repealing the limitations on the health care services delivered by telemedicine that are eligible for reimbursement; defining certain terms; and generally relating to the Maryland Medical Assistance Program and telemedicine.

BY repealing and reenacting, with amendments,  
Article – Health – General  
Section 15–105.2  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

~~BY repealing and reenacting, without amendments,  
Article – Insurance  
Section 15–130(a)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Health – General

15–105.2.

(a) The Program shall reimburse health care providers in accordance with the requirements of Title 19, Subtitle 1, Part IV of this article.

(b) ~~[(1) Subject to paragraph (2) of this subsection and unless] UNLESS otherwise specifically prohibited or limited by federal or State law, the Program shall reimburse a health care provider for a health care service delivered by telemedicine, as defined in § 15–130 of the Insurance Article, in the same manner as the same health care service is reimbursed when delivered in person.~~

~~[(2) Reimbursement under paragraph (1) of this subsection is required only for a health care service that:~~

~~(i) Is medically necessary; and~~

~~(ii) Is provided:~~

- ~~1. For the treatment of cardiovascular disease or stroke;~~
- ~~2. In an emergency department setting; and~~
- ~~3. When an appropriate specialist is not available~~

**(1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(ii) "HEALTH CARE PROVIDER" MEANS A PERSON WHO IS LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE IN THE ORDINARY COURSE OF BUSINESS OR PRACTICE OF A PROFESSION OR IN AN APPROVED EDUCATION OR TRAINING PROGRAM.**

**(iii) 1. "TELEMEDICINE" MEANS, AS IT RELATES TO THE DELIVERY OF HEALTH CARE SERVICES, THE USE OF INTERACTIVE AUDIO, VIDEO, OR OTHER TELECOMMUNICATIONS OR ELECTRONIC TECHNOLOGY:**

**A. BY A HEALTH CARE PROVIDER TO DELIVER A HEALTH CARE SERVICE THAT IS WITHIN THE SCOPE OF PRACTICE OF THE HEALTH CARE PROVIDER AT A SITE OTHER THAN THE SITE AT WHICH THE PATIENT IS LOCATED; AND**

**B. THAT ENABLES THE PATIENT TO SEE AND INTERACT WITH THE HEALTH CARE PROVIDER AT THE TIME THE HEALTH CARE SERVICE IS PROVIDED TO THE PATIENT.**

**2. "TELEMEDICINE" DOES NOT INCLUDE:**

**A. AN AUDIO-ONLY TELEPHONE CONVERSATION BETWEEN A HEALTH CARE PROVIDER AND A PATIENT;**

**B. AN ELECTRONIC MAIL MESSAGE BETWEEN A HEALTH CARE PROVIDER AND A PATIENT; OR**

**C. A FACSIMILE TRANSMISSION BETWEEN A HEALTH CARE PROVIDER AND A PATIENT.**

**(2) TO THE EXTENT AUTHORIZED BY FEDERAL LAW OR REGULATION, THE PROVISIONS OF § 15-139(C) THROUGH (F) OF THE INSURANCE ARTICLE RELATING TO COVERAGE OF AND REIMBURSEMENT FOR HEALTH CARE SERVICES DELIVERED THROUGH TELEMEDICINE SHALL APPLY**

TO THE PROGRAM AND MANAGED CARE ORGANIZATIONS IN THE SAME MANNER THEY APPLY TO CARRIERS.

(3) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET AND TO THE EXTENT AUTHORIZED BY FEDERAL LAW OR REGULATION, THE DEPARTMENT MAY AUTHORIZE COVERAGE OF AND REIMBURSEMENT FOR HEALTH CARE SERVICES THAT ARE DELIVERED THROUGH STORE AND FORWARD TECHNOLOGY OR REMOTE PATIENT MONITORING.

(4) THE DEPARTMENT MAY SPECIFY BY REGULATION THE TYPES OF HEALTH CARE PROVIDERS ELIGIBLE TO RECEIVE REIMBURSEMENT FOR HEALTH CARE SERVICES PROVIDED TO PROGRAM RECIPIENTS UNDER THIS SUBSECTION.

~~(3)~~ (5) The Department shall adopt regulations to carry out this subsection.†

#### ~~Article Insurance~~

~~15-139.~~

~~(a) (1) In this section, “telemedicine” means, as it relates to the delivery of health care services, the use of interactive audio, video, or other telecommunications or electronic technology by a licensed health care provider to deliver a health care service within the scope of practice of the health care provider at a site other than the site at which the patient is located.~~

~~(2) “Telemedicine” does not include:~~

~~(i) an audio only telephone conversation between a health care provider and a patient;~~

~~(ii) an electronic mail message between a health care provider and a patient; or~~

~~(iii) a facsimile transmission between a health care provider and a patient.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 427

### (House Bill 813)

AN ACT concerning

#### Joint Committee on Ending Homelessness

FOR the purpose of creating a Joint Committee on Ending Homelessness; specifying the membership of the Committee; providing that members of the Committee serve at the pleasure of the appointing officer; providing for the appointment of cochairmen of the Committee; establishing that a majority of the full authorized membership of the Committee is a quorum; providing staff for the Committee; requiring the Committee to hold certain meetings; authorizing the Committee to hold certain hearings and consider certain votes on certain bills or resolutions; establishing the powers and duties of the Committee; requiring the Governor's Interagency Council on Homelessness to cooperate fully with the Committee, keep the Committee fully informed as to the Council's priorities and progress, and submit a certain report to the Committee on or before a certain date each year; requiring the Committee to submit a certain report to the General Assembly ~~by~~ on or before a certain date each year; providing for a delayed effective date; and generally relating to the Joint Committee on Ending Homelessness.

BY adding to

Article – State Government

Section 2–10A–15

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### Article – State Government

#### 2–10A–15.

(A) **THERE IS A JOINT COMMITTEE ON ENDING HOMELESSNESS.**

(B) (1) **THE COMMITTEE CONSISTS OF 10 MEMBERS.**

(2) **OF THE 10 MEMBERS:**

(I) **FIVE SHALL BE MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE SENATE; AND**

(II) FIVE SHALL BE MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE.

(C) (1) THE MEMBERS OF THE COMMITTEE SERVE AT THE PLEASURE OF THE PRESIDING OFFICER WHO APPOINTED THEM.

(2) (I) IF A VACANCY OCCURS AMONG THE SENATORS ON THE COMMITTEE, A SUCCESSOR PROMPTLY SHALL BE APPOINTED BY THE PRESIDENT OF THE SENATE.

(II) IF A VACANCY OCCURS AMONG THE DELEGATES ON THE COMMITTEE, A SUCCESSOR PROMPTLY SHALL BE APPOINTED BY THE SPEAKER OF THE HOUSE.

(D) FROM AMONG THE MEMBERSHIP OF THE COMMITTEE, THE PRESIDENT OF THE SENATE SHALL APPOINT A SENATOR TO SERVE AS THE SENATE CHAIR OF THE COMMITTEE, AND THE SPEAKER OF THE HOUSE SHALL APPOINT A DELEGATE TO SERVE AS THE HOUSE CHAIR OF THE COMMITTEE.

(E) A MAJORITY OF THE FULL AUTHORIZED MEMBERSHIP OF THE COMMITTEE IS A QUORUM.

(F) THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL PROVIDE STAFF ASSISTANCE TO THE COMMITTEE.

(G) THE COMMITTEE SHALL HOLD:

(1) AN ORGANIZATIONAL MEETING PROMPTLY AFTER THE APPOINTMENT OF ITS MEMBERS; AND

(2) ~~QUARTERLY MEETINGS EACH YEAR; AND~~

~~(3)~~ ANY OTHER MEETINGS THAT THE COMMITTEE CONSIDERS NECESSARY TO CARRY OUT ITS DUTIES EFFICIENTLY.

(H) THE COMMITTEE MAY:

(1) HOLD A HEARING ON ANY MATTER RELATING TO THE FUNCTIONS OF THE COMMITTEE; AND

(2) CONSIDER A VOTE ON A BILL OR RESOLUTION REFERRED TO THE COMMITTEE BY THE PRESIDENT OF THE SENATE OR THE SPEAKER OF THE HOUSE.

**(I) TO ENSURE THAT PUBLIC RESOURCES, PROGRAMS, AND POLICIES ARE COORDINATED AND EFFECTIVE IN PREVENTING, MITIGATING THE EFFECTS OF, AND ENDING HOMELESSNESS IN MARYLAND, THE COMMITTEE SHALL:**

**(1) STUDY ISSUES RELATING TO HOMELESSNESS, INCLUDING:**

**(I) HOUSING;**

**(II) INCOME;**

**(III) HEALTH CARE;**

**(IV) EDUCATION; ~~AND~~**

**(V) GOVERNMENT SUPPORTS; AND**

**(VI) VETERANS EXPERIENCING HOMELESSNESS;**

**(2) CONSULT WITH GOVERNMENTAL AGENCIES, COMMUNITY-BASED ORGANIZATIONS, AND OTHER STAKEHOLDERS TO IDENTIFY STATE POLICIES, PROGRAMS, AND ACTIONS THAT SHOULD OR COULD PREVENT, MITIGATE THE EFFECTS OF, AND END HOMELESSNESS IN MARYLAND;**

**(3) REVIEW AND MAKE RECOMMENDATIONS TO ALIGN STATE STATUTES, REGULATIONS, PROGRAMS, SERVICES, AND BUDGETARY PRIORITIES WITH THE STATE POLICIES AND ACTIONS DESCRIBED IN ITEM (2) OF THIS SUBSECTION;**

**(4) SEARCH FOR ANY INTRADEPARTMENTAL OR INTERDEPARTMENTAL GAPS, INCONSISTENCIES, AND INEFFICIENCIES IN THE IMPLEMENTATION OR ATTAINMENT OF THE STATE POLICIES, PROGRAMS, AND ACTIONS DESCRIBED IN ITEM (2) OF THIS SUBSECTION; AND**

**(5) IDENTIFY NEW LAWS, REGULATIONS, PROGRAMS, SERVICES, AND BUDGETARY PRIORITIES THAT ARE NEEDED TO PREVENT, MITIGATE THE EFFECTS OF, AND END HOMELESSNESS IN MARYLAND.**

**(J) THE GOVERNOR'S INTERAGENCY COUNCIL ON HOMELESSNESS SHALL:**

**(1) COOPERATE FULLY WITH THE COMMITTEE;**

**(2) KEEP THE COMMITTEE FULLY INFORMED AS TO ITS PRIORITIES AND PROGRESS; AND**

(3) SUBMIT AN ANNUAL REPORT, SUBJECT TO § 2-1246 OF THIS TITLE, TO THE COMMITTEE ON OR BEFORE OCTOBER 1 OF EACH YEAR THAT INCLUDES:

(I) A DESCRIPTION OF THE COUNCIL'S WORK;

(II) A REPORT ON THE COUNCIL'S PRIORITIES AND PROGRESS; AND

(III) RECOMMENDATIONS FOR NEW LAWS, REGULATIONS, PROGRAMS, SERVICES, AND BUDGETARY PRIORITIES THAT ARE NEEDED TO PREVENT, MITIGATE THE EFFECTS OF, AND END HOMELESSNESS IN MARYLAND.

(K) (1) SUBJECT TO § 2-1246 OF THIS TITLE, THE COMMITTEE SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 1 EACH YEAR.

(2) THE REPORT SHALL INCLUDE:

(I) A DESCRIPTION OF THE WORK OF THE COMMITTEE; AND

(II) ANY RECOMMENDATIONS OF THE COMMITTEE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2014~~ June 1, 2015.

Approved by the Governor, May 5, 2014.

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## Chapter 428

(House Bill 836)

AN ACT concerning

### Garrett County – Alcoholic Beverages – Class A2 Light Wine Licenses – Repeal

FOR the purpose of repealing the authority of the Garrett County Board of License Commissioners to issue a Class A2 light wine license; repealing certain provisions of law relating to a Class A2 light wine license in Garrett County; and generally relating to alcoholic beverages in Garrett County.

BY repealing

Article 2B – Alcoholic Beverages  
Section 4–203  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

[4–203.

- (a) This section applies only in Garrett County.
- (b)
  - (1) The annual license fee is \$150.
  - (2) When the license is issued, there is a one–time issuing fee of \$150.
- (c) The Board of License Commissioners may issue Class A2 light wine (on– and off–sale) licenses.
- (d) To qualify for a Class A2 light wine (on– and off–sale) license, the applicant shall be a holder of a Class 3 winery manufacturer’s license or a Class 4 limited winery manufacturer’s license.
- (e) The privileges of a holder of a Class A2 light wine license are as follows:
  - (1) The (off–sale) privilege authorizes the holder to sell at retail the wine produced or bottled on the winery premises for off–premises consumption only; and
  - (2) The (on–sale) privilege authorizes the holder to sell at retail the wine produced or bottled on the winery premises by the drink in a restaurant owned and operated by the holder of the winery license that is located immediately adjacent to the winery premises.
- (f) Wine taxes shall be imposed as provided under Title 5 of the Tax – General Article.
- (g) The days and hours of sale under this license shall be in accordance with § 11–512(b)(1) of this article.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 429****(House Bill 838)**

AN ACT concerning

**Task Force to Study Vocational and Technical Education Programs in Harford County**

FOR the purpose of establishing the Task Force to Study Vocational and Technical Education Programs in Harford County; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force, in consultation with a certain committee, to study and make recommendations regarding certain matters; requiring the Task Force to report its findings and recommendations to the Governor, the Harford County Executive, the Harford County Board of Education, and the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the Task Force to Study Vocational and Technical Education Programs in Harford County.

Preamble

WHEREAS, The Harford Technical High School, which has served since 1978 as the “Home of Academic & Technical Excellence”, has a mission to ensure that every student will become a productive, responsible citizen while achieving mastery of academic, technical, and life skills; and

WHEREAS, The Harford Technical High School offers a rigorous menu of academic course work along with 18 State–approved Career and Technology Programs; and

WHEREAS, The Harford Technical High School offers work–based learning opportunities to eligible juniors and seniors, in their respective areas of career and technical study, which allows students to earn an income while earning credits toward graduation and gaining valuable career experience and industry contacts; and

WHEREAS, Annually, the number of applications the Harford Technical High School receives consistently exceeds the capacity of the school, resulting in numerous qualified applicants not being accepted for admission each year; and

WHEREAS, Efforts have been made to duplicate vocational and technical education programs in other high schools in Harford County; and

WHEREAS, Even with the success of Harford Technical High School and the duplication of some vocational and technical programs in other high schools, it is likely

that a great need for additional vocational and technical education programs still exists because of the great demand for skilled workers in numerous industries and trades in Harford County; and

WHEREAS, Harford County Public Schools has recently formed a committee to review the program offerings at Harford Technical High School; however, there is a need for a broad-based forum, with participation from many stakeholders, to examine the vocational and technical education programs offered in Harford County, explore options to expand the capacity of the programs, and ensure that the programs remain current with the demands of the economy and relevant to current and potential future employers; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Task Force to Study Vocational and Technical Education Programs in Harford County.

(b) The Task Force consists of the following members:

~~(1) one member of the Senate of Maryland, appointed by the President of the Senate;~~

~~(2) one member of the House of Delegates, appointed by the Speaker of the House;~~

~~(3)~~ (1) the Superintendent of Schools of Harford County, or the Superintendent's designee;

~~(4)~~ (2) the President of the Harford County Board of Education, or the President's designee;

~~(5)~~ (3) the County Executive of Harford County, or the County Executive's designee;

~~(6)~~ (4) the President of the Harford County Council, or the President's designee;

~~(7)~~ (5) the President of Harford Community College, or the President's designee;

~~(8)~~ (6) a representative from one of the four magnet programs in Harford County, appointed by the Superintendent of Schools of Harford County;

~~(9)~~ (7) one staff member of the Maryland State Department of Education, appointed by the State Superintendent of Schools;

~~(10)~~ (8) the President of the Harford County Education Association, or the President's designee;

~~(11)~~ (9) the President of the Harford County Chamber of Commerce, or the President's designee;

~~(12)~~ (10) the President of the Route 40 Business Association, or the President's designee;

~~(13)~~ (11) the President of the Board of Directors of the Army Alliance, or the President's designee; and

~~(14)~~ (12) the Chair of the Board of Directors of the Northeast Maryland Technology Council, or the Chair's designee.

(c) The members of the Task Force shall designate the chair from among the members of the Task Force.

(d) The Harford County Board of Education shall provide staff for the Task Force.

(e) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Task Force, in consultation with the Harford County Public Schools committee charged with reviewing the program offerings at Harford Technical High School, shall:

(1) examine the current capacity of vocational and technical education programs at Harford Technical High School and programs at other high schools in Harford County;

(2) evaluate how much additional capacity is necessary in vocational and technical education programs in Harford County;

(3) explore potential options to address the need for additional capacity in vocational and technical education programs in Harford County, including an option to establish a second vocational and technical high school in the county;

(4) study the vocational and technical education programs at other vocational and technical high schools in the State;

(5) evaluate whether the vocational and technical education programs offered in Harford County are current with the demands of the economy and relevant to current and potential future employers;

(6) examine the transportation needs of students in vocational and technical education programs; and

(7) make recommendations regarding:

(i) the additional capacity that is necessary in vocational and technical education programs in Harford County;

(ii) options to address the additional capacity needs; and

(iii) the appropriate vocational and technical education programs necessary to remain current with the demands of the economy and relevant to current and potential future employers.

(g) On or before December 1, 2014, the Task Force shall report its findings and recommendations to the Governor, the Harford County Executive, the Harford County Council, the Harford County Board of Education, and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014. It shall remain effective for a period of 1 year and, at the end of June 30, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 430**

**(House Bill 878)**

AN ACT concerning

### **State Highway Administration – Compost and Compost–Based Products – Specification**

FOR the purpose of establishing that the use of compost and compost–based products in State highway construction projects is a best management practice for certain pollution mitigation strategies; requiring the State Highway Administration to establish a specification for the acquisition and use of compost and compost–based products for certain pollution mitigation strategies on or before a certain date; requiring the Administration to update the

specification as necessary; requiring the Administration to post the specification on its Web site; requiring the Administration to report annually to the General Assembly on or before a certain date; requiring the Administration to ~~review certain specifications and~~ consult with other state highway and transportation agencies on the acquisition and use of compost and compost-based products for highway construction projects; requiring the Administration to assess how certain compost and compost-based products can be adapted and replicated by the Administration; requiring the Administration to review the Administration's existing specifications and identify compost-based product equivalents to add to the existing specifications; requiring the Administration to develop certain recommendations; requiring the Administration to report to the General Assembly on or before a certain date; defining certain terms; and generally relating to the use of compost and compost-based products by the State Highway Administration.

BY adding to

Article – Transportation

Section 8–609.3

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

#### Preamble

WHEREAS, Composting extends the life of a landfill by diverting organic material from the landfill and providing a less costly alternative to conventional methods of treating contaminated soil; and

WHEREAS, Composting the organic material that has been diverted from landfills reduces the formation of leachate and the production of methane, a potent greenhouse gas; and

WHEREAS, Composting filters some pollutants found in stormwater runoff, ~~preventing~~ and may prevent the pollutants from reaching surface water; and

WHEREAS, Composting has been shown to ~~prevent~~ reduce erosion and silting on embankments parallel to creeks, lakes, and rivers and to ~~prevent~~ reduce erosion and turf loss on roadsides, hillsides, playing fields, and golf courses; and

WHEREAS, Composting reduces or eliminates the need for chemical fertilizers and promotes higher yields of agricultural crops; and

WHEREAS, The composting process ~~degrades~~ may degrade, and in some cases may completely eliminate ~~eliminates~~ eliminate, wood preservatives, pesticides, chlorinated hydrocarbons, and nonchlorinated hydrocarbons in contaminated soils; and

WHEREAS, Composting ~~immobilizes and degrades pollutants and~~ has the ability to immobilize and degrade pollutants and to bind heavy metals, pesticides,

herbicides, and other contaminants, reducing their leachability and absorption by plants; and

WHEREAS, The use of compost-based products has been identified as a best management practice for controlling erosion and sediment in construction activities and postconstruction stormwater management; and

WHEREAS, Best management practices utilizing compost-based products include compost filter socks to trap sediment and stabilize slopes, compost vegetated cover, compost engineered soil, compost vegetated filter strips, and compost bioswales; and

~~WHEREAS, The use of compost-based products for erosion control and stormwater management can filter and remove up to 99% of bacteria, 73% of heavy metals, 92% of nutrients, and 99% of hydrocarbons from stormwater; and~~

WHEREAS, Numerous state highway and transportation agencies have specifications to expand the use of compost for landscaping, seeding, soil amendments, and erosion control applications; and

WHEREAS, When the Texas Department of Transportation established a specification for the use of compost in highway maintenance projects, it created a significant market for compost, giving rise to an entire new industry of contractors specializing in innovative methods to apply compost to roadsides; and

WHEREAS, New research indicates that utilizing 10,000 tons of manufactured compost annually in green infrastructure, such as rain gardens, bioswales, vegetated retaining walls, and compost blankets on steep highway embankments to control soil erosion, can sustain one new business; and

WHEREAS, When combined, composting, mulching, and natural wood waste recycling operations in Maryland provide more jobs than the State's three trash incinerators, which handle almost twice as much tonnage; and

WHEREAS, Jobs are created and sustained in the manufacturing stage and the use stage of the compost recovery cycle; and

WHEREAS, An emerging industry that uses compost and compost-based products for erosion control and watershed protection is looking to expand in Maryland and can benefit if policies that promote composting and compost use are implemented; and

WHEREAS, Three of the 15 recommendations made in the January 2013 report by the Department of the Environment's Composting Workgroup called on the State to endorse a variety of compost uses in its guidance and manuals, and specifically recommended that the State Highway Administration's Office of Materials Technology

maintain an up-to-date list of approved compost and compost-based products for use in highway projects and for other applications; and

WHEREAS, The State has a critical role in supporting and encouraging composting and compost use and should lead by example; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Transportation**

#### **8-609.3.**

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) (I) “COMPOST-BASED PRODUCT” MEANS AN ITEM THAT IS MANUFACTURED FROM COMPOST.**

**(II) “COMPOST-BASED PRODUCT” INCLUDES:**

- 1. COMPOST BERMS;**
- 2. COMPOST FILTER SOCKS; AND**
- 3. COMPOST BLANKETS.**

**(3) “SPECIFICATION” MEANS A STANDARD FOR THE COMPOST OR COMPOST-BASED PRODUCT USED BY THE ADMINISTRATION IN A HIGHWAY CONSTRUCTION PROJECT, INCLUDING:**

**(I) APPLICATION INSTRUCTIONS; AND**

**(II) COMPOST CHARACTERISTICS.**

**(B) TO PROMOTE THE USE OF COMPOST FOR LANDSCAPING AND AS A RECYCLED MATERIAL IN HIGHWAY CONSTRUCTION PROJECTS IN THE STATE, THE USE OF COMPOST AND COMPOST-BASED PRODUCTS IN HIGHWAY CONSTRUCTION PROJECTS IN THE STATE SHALL BE A BEST MANAGEMENT PRACTICE FOR:**

- (1) EROSION AND SEDIMENT CONTROL; AND**
- (2) POSTCONSTRUCTION STORMWATER MANAGEMENT.**

(c) THE ADMINISTRATION SHALL:

(1) ~~ESTABLISH~~ ON OR BEFORE DECEMBER 30, 2014, ESTABLISH A SPECIFICATION FOR THE ACQUISITION AND USE OF COMPOST AND COMPOST-BASED PRODUCTS FOR:

(i) EROSION AND SEDIMENT CONTROL PRACTICES IDENTIFIED IN THE MOST RECENT MARYLAND STANDARDS AND SPECIFICATIONS FOR SOIL EROSION AND SEDIMENT CONTROL; AND

(ii) POSTCONSTRUCTION STORMWATER MANAGEMENT PRACTICES IDENTIFIED IN THE MOST RECENT MARYLAND STORMWATER DESIGN MANUAL;

(2) UPDATE THE ~~SPECIFICATION~~ SPECIFICATIONS ESTABLISHED UNDER ITEM (1) OF THIS SUBSECTION AS NECESSARY, ~~INCLUDING MAKING UPDATES TO THE USE OF:~~

~~(i) COMPOST FILTER SOCKS FOR:~~

- ~~1. SEDIMENT CONTROL;~~
- ~~2. INLET PROTECTION;~~
- ~~3. CHECK DAMS;~~
- ~~4. CONCRETE WASHOUTS;~~
- ~~5. SLOPE INTERRUPTION;~~
- ~~6. RUNOFF DIVERSION;~~
- ~~7. SEDIMENT TRAPS;~~
- ~~8. RISER PIPE FILTERS;~~
- ~~9. CHANNEL PROTECTION;~~
- ~~10. BANK STABILIZATION;~~
- ~~11. BIOFILTRATION SYSTEMS;~~
- ~~12. SLOPE STABILIZATION;~~
- ~~13. LEVEL SPREADERS; OR~~

- ~~14. VEGETATED GABIONS;~~
- ~~(H) COMPOST VEGETATED COVERS;~~
- ~~(HH) COMPOST EROSION CONTROL BLANKETS;~~
- ~~(IV) COMPOST STORMWATER BLANKETS;~~
- ~~(V) COMPOST VEGETATED STRIPS;~~
- ~~(VI) COMPOST ENGINEERED SOIL;~~
- ~~(VII) COMPOST IN A RAIN GARDEN;~~
- ~~(VIII) COMPOST IN A GREEN ROOF SYSTEM;~~
- ~~(IX) COMPOST IN VEGETATED RETAINING WALLS;~~
- ~~(X) COMPOST GROUT;~~
- ~~(XI) COMPOST BIOSWALES;~~
- ~~(XII) COMPOST IN A BIOFILTRATION MIX; AND~~
- ~~(XIII) COMPOST IN LANDSCAPING; AND~~

(3) POST THE ~~SPECIFICATION~~ SPECIFICATIONS ESTABLISHED UNDER ITEM (1) OF THIS SUBSECTION ON THE ADMINISTRATION'S WEB SITE.

(D) BEGINNING DECEMBER 1, 2015, THE ADMINISTRATION SHALL REPORT EACH YEAR TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) THE VOLUME OF COMPOST USED IN STATE HIGHWAY CONSTRUCTION PROJECTS;

(2) THE STATUS OF COMPOST AND COMPOST-BASED PRODUCTS USED IN STATE HIGHWAY CONSTRUCTION PROJECTS; AND

(3) RECOMMENDATIONS TO MAXIMIZE THE USE OF COMPOST AS A RECYCLED MATERIAL IN STATE HIGHWAY CONSTRUCTION PROJECTS.

SECTION 2. AND BE IT FURTHER ENACTED, That,

(a) The State Highway Administration shall:

(1) ~~review the specifications associated with compost and compost-based products used in~~ consult with other state highway and transportation agencies, including specifications used in California, Iowa, New York, Oregon, South Carolina, Texas, and Washington, on the acquisition and use of compost and compost-based products for highway construction projects in the other states;

(2) assess how the ~~best specifications~~ compost and compost-based products used in other states can be adapted and replicated by the Administration; ~~and~~

(3) review the Administration's existing specifications and identify compost-based product equivalents to add to the existing specifications, including:

(i) compost blankets for soil stabilization mats and other types of compost erosion control blankets;

(ii) compost socks for slope interruption, inlet protection, and sediment control;

(iii) compost in a biofiltration soil mix; and

(iv) compost in biofiltration swales; and

(4) develop recommendations for ~~promoting~~ maximizing the use of compost as a recycled material in State highway construction projects, including new specifications that should be developed and any necessary programmatic, legislative, or regulatory changes.

(b) On or before ~~January~~ December 1, 2015, the Administration shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the findings and recommendations developed under this Act, including:

(1) a summary of the Administration's current and updated compost specifications;

(2) identification of any additional compost-based products for which the Administration could develop a specification;

(3) recommendations to maximize the use of compost as a recycled material in State highway construction projects;

(4) lessons learned from other states; and

~~(5)~~ (5) the potential market for using compost and compost-based products in highway construction projects.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 431

(House Bill 932)

AN ACT concerning

### **Charles County – Property Tax Credit – Senior Citizens Receiving Social Security Benefits**

FOR the purpose of authorizing the governing body of Charles County to grant a property tax credit against the county property tax imposed on real property that is owned and used as the principal residence of an individual who is at least a certain age and receives any benefit under the Social Security Act; authorizing the governing body of Charles County to provide for the amount, duration, additional eligibility criteria, application process, and other aspects of the credit; providing for the application of this Act; and generally relating to a property tax credit for senior citizens receiving Social Security benefits in Charles County.

BY adding to

Article – Tax – Property

Section 9–310(j)

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Tax – Property**

9–310.

**(J) (1) THE GOVERNING BODY OF CHARLES COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY PROPERTY TAX IMPOSED ON REAL PROPERTY THAT IS OWNED BY AND USED AS THE PRINCIPAL RESIDENCE OF AN INDIVIDUAL WHO IS AT LEAST 65 YEARS OLD AND RECEIVES ANY BENEFIT UNDER THE SOCIAL SECURITY ACT.**

**(2) THE GOVERNING BODY OF CHARLES COUNTY MAY PROVIDE, BY LAW, FOR:**

**(I) THE AMOUNT AND DURATION OF THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION;**

**(II) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT UNDER THIS SUBSECTION;**

**(III) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND**

**(IV) ANY OTHER PROVISIONS NECESSARY TO CARRY OUT THIS SUBSECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014, and shall be applicable to all taxable years beginning after June 30, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 432**

### **(House Bill 937)**

AN ACT concerning

#### **Wastewater Treatment Facilities – Distribution of Financial Assistance**

FOR the purpose of requiring the Maryland Water Quality Financing Administration in the Department of the Environment to ensure a certain distribution of certain financial assistance among certain wastewater treatment facilities; and generally relating to financial assistance to wastewater treatment facilities.

BY repealing and reenacting, without amendments,  
Article – Environment  
Section 9–1601(a), (b), (c), (ii), and (jj)  
Annotated Code of Maryland  
(2007 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Environment  
Section 9–1604

Annotated Code of Maryland  
(2007 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Environment**

9–1601.

(a) Unless the context clearly requires otherwise, in this subtitle the following words have the meanings indicated.

(b) “Administration” means the Maryland Water Quality Financing Administration.

(c) “Bay Restoration Fund” means the Bay Restoration Fund established under § 9–1605.2 of this subtitle.

(ii) “Wastewater facility” means any equipment, plant, treatment works, structure, machinery, apparatus, interest in land, or any combination of these, which is acquired, used, constructed, or operated for the storage, collection, treatment, neutralization, stabilization, reduction, recycling, reclamation, separation, or disposal of wastewater, or for the final disposal of residues resulting from the treatment of wastewater, including: treatment or disposal plants; outfall sewers, interceptor sewers, and collector sewers; pumping and ventilating stations, facilities, and works; programs and projects for controlling nonpoint sources of water pollution and for estuarine conservation and management; and other real or personal property and appurtenances incident to their development, use, or operation.

(jj) “Water Quality Fund” means the Maryland Water Quality Revolving Loan Fund.

9–1604.

(A) In addition to the powers set forth elsewhere in this subtitle, but subject to such rules or program directives as the Secretary may from time to time prescribe, the Administration may:

- (1) Adopt and alter an official seal;
- (2) Sue and be sued, plead, and be impleaded;
- (3) Adopt bylaws, rules, and regulations to carry out the provisions of this subtitle;
- (4) Maintain an office at such place as the Secretary may designate;

- (5) Employ consultants, accountants, attorneys, financial experts, and other personnel and agents as may be necessary in its judgment, and fix their compensation;
- (6) Establish regulations, criteria, or guidelines with respect to loans, loan agreements, loan obligations, grants, grant agreements, and grant obligations;
- (7) Receive and accept from any source, private or public, contributions, grants, or gifts of money or property;
- (8) Enter into contracts of any kind, and execute all instruments necessary or convenient with respect to carrying out the powers in this subtitle to accomplish the purposes of the Administration;
- (9) Make loans, enter into loan agreements, and accept and enforce loan obligations;
- (10) Award grants, enter into grant agreements, and accept and enforce grant obligations;
- (11) Subject to the prior approval of the Board and the Secretary, issue bonds under this subtitle; and
- (12) Do all acts and things necessary or convenient to carry out the powers granted by this subtitle.

**(B) (1) THIS SUBSECTION APPLIES TO FINANCIAL ASSISTANCE PROVIDED BY THE ADMINISTRATION UNDER:**

- (I) THE WATER QUALITY FUND;**
- (II) THE BAY RESTORATION FUND;**
- (III) THE BIOLOGICAL NUTRIENT REMOVAL PROGRAM; AND**
- (IV) THE SUPPLEMENTAL ASSISTANCE PROGRAM.**

**(2) THE ADMINISTRATION SHALL ENSURE THE FAIR AND EQUITABLE DISTRIBUTION OF FINANCIAL ASSISTANCE AMONG WASTEWATER TREATMENT FACILITIES WITH A DESIGN CAPACITY OF LESS THAN 500,000 GALLONS PER DAY AND WASTEWATER TREATMENT FACILITIES WITH A DESIGN CAPACITY OF 500,000 GALLONS OR MORE PER DAY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 433**

**(House Bill 950)**

AN ACT concerning

**Property Tax – Charitable, Educational, or Religious Properties – Tax on  
Formerly Exempt Property**

FOR the purpose of providing that, except under certain circumstances, when certain charitable, educational, or religious property that was formerly exempt from property tax under certain provisions of law is sold and the property is no longer entitled to the exemption, the property tax is payable for the remainder of the taxable year from the date of transfer; providing for the application of this Act; and generally relating to the property tax and certain exemptions for charitable, educational, or religious property.

BY repealing and reenacting, without amendments,  
Article – Tax – Property  
Section 7–202(b)(1) and 7–204  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Tax – Property  
Section ~~7–202(e)~~ 7–104(e)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

~~BY repealing and reenacting, with amendments,  
Article – Tax – Property  
Section 7–204  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – Property**

7–104.

**(E) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, WHEN ANY PROPERTY THAT WAS FORMERLY EXEMPT UNDER § 7-202 OR § 7-204 OF THIS TITLE IS SOLD AND THE PROPERTY IS NO LONGER ENTITLED TO AN EXEMPTION, THE PROPERTY TAX IS PAYABLE FOR THE REMAINDER OF THE TAXABLE YEAR FROM THE DATE OF TRANSFER.**

7-202.

(b) (1) Except as provided in subsection (c) of this section, property is not subject to property tax if the property:

(i) is necessary for and actually used exclusively for a charitable or educational purpose to promote the general welfare of the people of the State, including an activity or an athletic program of an educational institution; and

(ii) is owned by:

1. a nonprofit hospital;
2. a nonprofit charitable, fraternal, educational, or literary organization including:
  - A. a public library that is authorized under Title 23 of the Education Article; and
  - B. a men's or women's club that is a nonpolitical and nonstock club;
3. a corporation, limited liability company, or trustee that holds the property for the sole benefit of an organization that qualifies for an exemption under this section; or
4. a nonprofit housing corporation.

~~**(E) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, WHEN ANY PROPERTY THAT WAS FORMERLY EXEMPT UNDER THIS SECTION IS SOLD AND THE PROPERTY IS NO LONGER ENTITLED TO AN EXEMPTION, THE PROPERTY TAX IS PAYABLE FOR THE REMAINDER OF THE TAXABLE YEAR FROM THE DATE OF TRANSFER.**~~

7-204.

~~**(A)**~~ Property that is owned by a religious group or organization is not subject to property tax if the property is actually used exclusively for:

- (1) public religious worship;

- (2) a parsonage or convent; or
- (3) educational purposes.

~~(B) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, WHEN ANY PROPERTY THAT WAS FORMERLY EXEMPT UNDER THIS SECTION IS SOLD AND THE PROPERTY IS NO LONGER ENTITLED TO AN EXEMPTION, THE PROPERTY TAX IS PAYABLE FOR THE REMAINDER OF THE TAXABLE YEAR FROM THE DATE OF TRANSFER.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014, and shall be applicable to all taxable years beginning after June 30, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 434

(House Bill 988)

AN ACT concerning

### Maryland Horse Racing Act – Sunset Extension and Program Evaluation

FOR the purpose of extending the date on which the Maryland Horse Racing Act terminates; requiring that an evaluation in accordance with the Maryland Program Evaluation Act (sunset law) be made of the State Racing Commission, the Maryland–Bred Race Fund Advisory Committee, and the Maryland Standardbred Race Fund Advisory Committee and the related statutes and regulations on or before a certain date; and generally relating to the Maryland Horse Racing Act.

BY repealing and reenacting, without amendments,  
Article – Business Regulation  
Section 11–1101  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Business Regulation  
Section 11–1102  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,  
Article – State Government  
Section 8–403(a)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – State Government  
Section 8–403(b)(34), (47), and (53)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Business Regulation**

11–1101.

This title is the Maryland Horse Racing Act.

11–1102.

Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, this title and all regulations adopted under this title shall terminate on July 1, [2014] **2024**.

### **Article – State Government**

8–403.

(a) On or before December 15 of the evaluation year specified, the Department shall:

(1) conduct a preliminary evaluation of each governmental activity or unit to be evaluated under this section; and

(2) prepare a report on each preliminary evaluation conducted.

(b) Each of the following governmental activities or units and the statutes and regulations that relate to the governmental activities or units are subject to preliminary evaluation in the evaluation year specified:

(34) Maryland–Bred Race Fund Advisory Committee (§ 11–531 of the Business Regulation Article: [2011] **2021**);

(47) Racing Commission, State (§ 11–201 of the Business Regulation Article: [2011] **2021**);

(53) Standardbred Race Fund Advisory Committee, Maryland (§ 11–625 of the Business Regulation Article: [2011] **2021**);

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 435

### (House Bill 1004)

AN ACT concerning

#### **Estates and Trusts – Modified Administration – Objection**

FOR the purpose of clarifying that a modified administration of an estate shall be revoked by an interested person filing a written objection to modified administration; and generally relating to revocation of a modified administration of an estate.

BY repealing and reenacting, with amendments,  
Article – Estates and Trusts  
Section 5–708(a)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Estates and Trusts**

5–708.

- (a) A modified administration shall be revoked by the:
- (1) Filing of a timely request for judicial probate;
  - (2) Filing of a written objection **TO MODIFIED ADMINISTRATION** by an interested person;

(3) Filing of a withdrawal of the election for modified administration by a personal representative;

(4) Orphans' Court, on its own initiative, or for good cause shown by an interested person or by the register of wills;

(5) Failure to timely file the final report under modified administration and make timely distribution; or

(6) Failure by the personal representative to comply with any provision of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 436**

### **(House Bill 1006)**

AN ACT concerning

#### **Task Force to Study the Impact of Expanding Credit and Noncredit Courses for Students With Intellectual and Developmental Disabilities – Extension**

FOR the purpose of extending the termination date of the Task Force to Study the Impact of Expanding Credit and Noncredit Courses for Students With Intellectual and Developmental Disabilities; altering the date by which a certain report is due; and generally relating to the Task Force to Study the Impact of Expanding Credit and Noncredit Courses for Students With Intellectual and Developmental Disabilities.

BY repealing and reenacting, with amendments,  
Chapter 392 of the Acts of the General Assembly of 2013  
Section 1 and 2

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Chapter 392 of the Acts of 2013**

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Task Force to Study the Impact of Expanding Credit and Noncredit Courses for Students With Intellectual and Developmental Disabilities.

(b) The Task Force consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Secretary of Higher Education, or the Secretary's designee;

(4) the Chancellor of the University System of Maryland, or the Chancellor's designee;

(5) the President of Morgan State University, or the President's designee;

(6) the President of St. Mary's College of Maryland, or the President's designee;

(7) the President of a community college, appointed by the Maryland Association of Community Colleges, or the President's designee;

(8) the Executive Director of the Maryland Association of Community Colleges, or the Executive Director's designee;

(9) the Assistant State Superintendent for Rehabilitation Services, or the Assistant State Superintendent's designee;

(10) the Secretary of the Maryland Department of Disabilities, or the Secretary's designee;

(11) the Director of the Developmental Disabilities Administration, or the Director's designee; and

(12) the following members, appointed by the Governor:

(i) two individuals with an intellectual or a developmental disability;

(ii) one employer of individuals with intellectual or developmental disabilities; and

(iii) three representatives of organizations that represent individuals with intellectual and developmental disabilities.

- (c) The Governor shall designate the chair of the Task Force.
- (d) The Maryland Higher Education Commission shall provide staff for the Task Force.
- (e) A member of the Task Force:
  - (1) may not receive compensation as a member of the Task Force; but
  - (2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.
- (f) The Task Force shall:
  - (1) study the impact of credit and expanding the availability of credit and noncredit course offerings for students with intellectual and developmental disabilities at public institutions of higher education in the State, including costs, distance learning options, pathways to meaningful credentials or gainful employment, as defined in regulations adopted under Title IV of the federal Higher Education Act, barriers, and logistics; and
  - (2) make recommendations regarding the expansion of credit and noncredit course offerings for students with intellectual and developmental disabilities at public institutions of higher education in the State.
- (g) On or before January 1, [2014] **2016**, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2013. It shall remain effective for a period of [1 year] **3 YEARS** and, at the end of June 30, [2014] **2016**, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~ June 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 437**

**(House Bill 1017)**

AN ACT concerning

**Prince George’s County – Board of Education – Elected Member Vacancy –  
Approval of Appointment**

**PG 422–14**

FOR the purpose of requiring the County Executive of Prince George’s County to transmit to the clerk of the Prince George’s County Council the name of a certain appointee to fill a certain vacancy on the Prince George’s County Board of Education; altering a provision relating to County Council rejection of a certain appointment to establish that, if the County Council does not disapprove the appointment within a certain time period, the appointment shall be considered approved; and generally relating to the membership of the Prince George’s County Board of Education.

BY repealing and reenacting, without amendments,  
Article – Education  
Section 3–1002(a)(1) and (3) and (h)(1) and (2)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Education  
Section 3–1002(h)(6)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

3–1002.

(a) (1) In this subtitle the following words have the meanings indicated.

(3) “Elected member” means a member of the Prince George’s County Board elected from one of the nine school board districts described in § 3–1001 of this subtitle.

(h) (1) Except as provided in paragraph (2) of this subsection, an elected member serves for a term of 4 years beginning on the first Monday in December after the member’s election and until the member’s successor is elected and qualifies.

(2) The terms of the elected members are staggered as follows:

(i) The five elected members who received the lowest percentage of votes, as determined by the final vote count of the 2010 General Election as certified by the Board of Elections, shall serve for a term of 2 years; and

(ii) The other four members elected in the 2010 General Election shall serve for a term of 4 years.

(6) (i) Subject to subparagraph (ii) of this paragraph, if a seat held by an elected member of the county board becomes vacant, the County Executive shall [appoint]:

1. **APPOINT** a qualified individual to fill the seat for the remainder of the term; **AND**

2. **TRANSMIT THE NAME OF THE APPOINTEE TO THE CLERK OF THE COUNTY COUNCIL.**

(ii) [The] **IF THE** County Council [shall require] **DOES NOT DISAPPROVE AN APPOINTMENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BY** a two-thirds vote of all members of the County Council [to reject an appointment under subparagraph (i) of this paragraph] **WITHIN ~~30~~ 45 DAYS AFTER THE TRANSMITTAL OF THE NAME OF THE APPOINTEE, THE APPOINTMENT SHALL BE CONSIDERED APPROVED.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 438

(House Bill 1033)

AN ACT concerning

### **Queen Anne's County Board of Education – Filling a Vacancy in Membership**

FOR the purpose of altering provisions of law concerning the filling of a vacancy on the Queen Anne's County Board of Education; providing for the holding of an election to fill a vacancy on the county board under certain circumstances; providing that a member appointed by the Governor to fill a vacancy on the county board serves only for a certain period; and generally relating to the filling of a vacancy on the Queen Anne's County Board of Education.

BY repealing and reenacting, with amendments,  
Article – Education  
Section 3–10A–01  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Education**

3–10A–01.

(a) The Queen Anne’s County Board consists of:

- (1) Five voting, nonpartisan, elected members; and
- (2) One nonvoting student representative from each public high school in the county.

(b) The five voting, nonpartisan, elected members shall be elected by the voters of the entire county at a general election in accordance with subsection (c) of this section.

(c) (1) (i) One voting member shall reside in and be elected from each of the four county commissioner districts; and

(ii) One member shall reside in the county and be elected from the county at large.

(2) (i) A member from a county commissioner district who no longer resides in the district may not continue as a member of the county board.

(ii) A member at large who no longer resides in the county may not continue as a member of the county board.

(3) A candidate elected to the county board shall be a registered voter and resident of Queen Anne’s County for at least 3 years.

(d) (1) Subject to paragraph (2) of this subsection, each elected voting member serves for a term of 4 years beginning on the first Monday in December after the member’s election and until a successor is elected and qualifies.

(2) The initial terms of the elected voting members are staggered as follows:

(i) The three members elected to the county board at the general election in November 2008 who receive the highest number of votes cast from among the successful candidates at that election shall serve for a term of 6 years; and

(ii) The two members elected to the county board at the general election in November 2008 who receive the least number of votes cast from among the successful candidates at that election shall serve for a term of 4 years.

(3) **(I) [The] IN CASE OF A VACANCY ON THE COUNTY BOARD, THE Governor shall appoint a [new member to fill any vacancy on] QUALIFIED PERSON TO SERVE ON the county board [for the remainder of that term and] until a successor is elected and qualifies.**

**(II) IF THE VACANCY OCCURS BEFORE THE FILING DEADLINE FOR CANDIDATES FOR THE PRIMARY ELECTION THAT IS HELD IN THE SECOND YEAR OF THE TERM, THE INDIVIDUAL APPOINTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL SERVE UNTIL A SUCCESSOR IS ELECTED AT THE NEXT GENERAL ELECTION AND QUALIFIES.**

**(III) IF THE VACANCY OCCURS AFTER THE FILING DEADLINE FOR CANDIDATES FOR THE PRIMARY ELECTION THAT IS HELD IN THE SECOND YEAR OF THE TERM, THE INDIVIDUAL APPOINTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL SERVE FOR THE REMAINDER OF THE TERM OF THE VACATING MEMBER AND UNTIL A SUCCESSOR IS ELECTED AT THE NEXT GENERAL ELECTION AND QUALIFIES.**

(e) (1) The nonvoting student members of the county board shall be elected from each of the public high schools in the county by their respective student bodies.

(2) Each student member shall:

(i) Be an eleventh or twelfth grade student in good standing in the Queen Anne's County public school system;

(ii) Be a student government association representative at the student's high school;

(iii) Serve for 1 year beginning on July 1 after the election of the member;

(iv) Be nonvoting; and

(v) Advise the county board on the thoughts and feelings of students in the Queen Anne's County public schools.

(3) Unless invited to attend by an affirmative vote of a majority of the county board, the student member may not attend an executive session of the county board.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 439

(House Bill 1035)

AN ACT concerning

**Prince George's County Juvenile Court and School Safety Workgroup –  
~~Continuation, Membership, Membership and Duties~~**

**PG 305–14**

FOR the purpose of altering the membership and duties of the Prince George's County Juvenile Court and School Safety Workgroup; requiring the Workgroup to report its findings and recommendations to the Prince George's County Delegation on or before a certain date; ~~extending the termination date of the Workgroup;~~ and generally relating to the Prince George's County Juvenile Court and School Safety Workgroup.

BY repealing and reenacting, with amendments,  
Chapter 677 of the Acts of the General Assembly of 2013  
Section 1(b), (f), and (g) ~~and 2~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Chapter 677 of the Acts of 2013

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(b) The Workgroup consists of the following members:

(1) the Chair of the Prince George's County Delegation to the House of Delegates, or the Chair's designee;

(2) the Chair of the Prince George's County Delegation to the Senate, or the Chair's designee;

(3) the Chair of the Prince George's County Council, or the Chair's designee;

(4) a representative from the Prince George's County Police Department, appointed by the Prince George's County Chief of Police;

(5) a representative from Prince George's County Public Schools, appointed by the Superintendent of Prince George's County Public Schools;

(6) a representative from the Prince George's County Office of the Sheriff, appointed by the Sheriff of Prince George's County;

(7) a representative from the Department of Juvenile Services appointed to the Prince George's County region, appointed by the Secretary of Juvenile Services;

(8) a representative from the Office of the Public Defender serving District 5 who works in the Juvenile Protection Division, appointed by the District Public Defender;

(9) a representative from the Office of the State's Attorney for Prince George's County who works in the Juvenile Division, appointed by the Prince George's County State's Attorney;

(10) a member of the Prince George's County School Board, appointed by the chair of the School Board;

(11) a school psychologist working in Prince George's County, appointed by the President of the Maryland School Psychologists' Association;

(12) the Director of Security Services for Prince George's County Public Schools; and

(13) [the following] **TWO** members appointed by the Prince George's County Executive[:

(i) a representative from the Commission for Children, Youth and Families (Local Management Board); and

(ii) a representative of the Prince George's County Department of Family Services].

(f) The Workgroup shall:

(1) review and analyze school arrest and referral data collected by the Department of Juvenile Services and the Prince George's County school system and based on that data, identify the most common offenses for which students are arrested and referred to juvenile court;

(2) recommend interagency policies to reduce the number of school-based arrests and referrals for certain misdemeanor offenses to the Department of Juvenile Services and the juvenile court by diverting more youth to school- and community-based programs, with the goal to decrease the overrepresentation of African American youth in the juvenile justice system;

(3) recommend strategies to utilize more fully current resources and expand school- and community-based support services for youth who exhibit behavior problems in school;

(4) recommend a criteria-based, decision making process for referring students to school- or community-based programs and services instead of to the juvenile justice system for misdemeanor-type delinquent acts involving offenses identified by the Workgroup;

(5) recommend criteria for diversion programs developed for juveniles who have been charged with less serious delinquent acts and who the juvenile court believe would benefit from community alternatives in lieu of probation or commitment to the Department of Juvenile Services;

(6) [hold at least two public meetings before October 1, 2013, during which the Workgroup seeks testimony from the public and juvenile advocacy groups] **DEVELOP RECOMMENDATIONS ON OTHER RELEVANT ISSUES DETERMINED BY THE WORKGROUP TO WARRANT FURTHER REVIEW, STUDY, OR CHANGE;** and

(7) develop a Collaborative Action Plan to reduce the number of school-based arrests and referrals to the juvenile court.

(g) On or before December 15, [2013] **2014**, the Workgroup shall report its findings, action plan, and recommendations to the Prince George's County Delegation.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2013. It shall remain effective for a period of [1 year] **2 YEARS** and 7 months and, at the end of December 31, [2014] **2015**, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 440

### (House Bill 1040)

AN ACT concerning

#### **State Personnel – Disciplinary Appeal and Grievance Procedure Documents – Electronic Transmission**

FOR the purpose of authorizing the electronic transmission of certain disciplinary appeal documents and decisions to certain ~~appointing authorities, exclusive representatives, and employees~~ parties; requiring the Secretary of Budget and Management to make certain forms for initiating and processing grievances available on the Department of Budget and Management's Web site; authorizing the electronic transmission of certain copies of certain grievances and dispositions; and generally relating to electronic transmission of disciplinary appeal and grievance procedure documents.

BY adding to

Article – State Personnel and Pensions  
Section 11–103(e)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions  
Section 12–108 and 12–403  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – State Personnel and Pensions**

11–103.

**(E) ALL WRITTEN APPEAL DOCUMENTS AND ALL DECISIONS RENDERED UNDER THIS SUBTITLE MAY BE TRANSMITTED ELECTRONICALLY TO THE ~~APPOINTING AUTHORITY, THE EXCLUSIVE REPRESENTATIVE OF THE EMPLOYEE, AND THE EMPLOYEE~~ APPROPRIATE PARTIES.**

12–108.

The Secretary shall:

- (1) provide for forms for initiating and processing grievances; AND
- (2) **MAKE THE FORMS AVAILABLE ON THE DEPARTMENT'S WEB SITE.**

12-403.

(A) On conclusion of each step of a grievance proceeding, a copy of the grievance and its disposition shall be given to the grievant and the grievant's representative.

(B) **A COPY OF THE GRIEVANCE AND DISPOSITION REQUIRED TO BE PROVIDED UNDER SUBSECTION (A) OF THIS SECTION MAY BE TRANSMITTED ELECTRONICALLY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 441

**(House Bill 1043)**

AN ACT concerning

### **Prince George's County – Deferred Water and Sewer Charges Homeowner Disclosure Act of 2014**

**PG 413-14**

FOR the purpose of requiring a registered home builder in Prince George's County to include certain information relating to deferred water and sewer charges in certain sales contracts under certain circumstances; requiring a certain contract ~~of~~ for the initial sale of residential real property in the county to include certain information relating to deferred water and sewer charges; prohibiting a person or entity establishing certain water and sewer costs for the initial sale of residential real property from amortizing certain costs for more than a certain period of time; authorizing the purchaser to recover certain damages or take certain actions under certain circumstances; ~~prohibiting a person in the county that is incurring certain water and sewer costs from amortizing costs passed on to a purchaser for more than a certain period of time~~ applying certain provisions of law to existing single family residential property in Prince George's County;

requiring a certain person that imposes a deferred water and sewer charge to provide the property owner with a bill including certain information; authorizing the balance owed on a deferred water and sewer assessment to be redeemed for a certain amount; ~~authorizing a sales contract in the county to include the total amount of certain deferred water and sewer charges in the price of certain property;~~ requiring the county to study certain issues relating to deferred water and sewer charges and report its findings to the Prince George's County Senators and the House Delegation on or before ~~a certain date~~ dates; authorizing the county, in completing the studies required under this Act, to consult with certain water and sewer companies; and generally relating to deferred water and sewer charges in Prince George's County.

BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 4.5–603

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Real Property

Section 14–117(b) and (c)

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY adding to

Article – Real Property

Section 14–117.1 ~~and 14–117.2~~

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Business Regulation**

4.5–603.

A registrant shall include in any contract for the initial sale of a new home the information required under § [14–117(j)] **14–117(B)(3) AND (J)** of the Real Property Article, **IF APPLICABLE**.

### **Article – Real Property**

14–117.

(b) (1) In this subsection, “water and sewer authority” includes a person to which the duties and responsibilities of the Washington Suburban Sanitary

Commission have been delegated by a written agreement or in accordance with a local ordinance.

(2) A contract for the initial sale of improved, residential real property to a member of the public who intends to occupy or rent the property for residential purposes shall disclose the estimated cost, as established by the appropriate water and sewer authority, of any deferred water and sewer charges for which the purchaser may become liable.

(3) **(I) IN PRINCE GEORGE’S COUNTY, A CONTRACT FOR THE INITIAL SALE OF RESIDENTIAL REAL PROPERTY FOR WHICH THERE ARE DEFERRED PRIVATE WATER AND SEWER ASSESSMENTS RECORDED BY A COVENANT OR DECLARATION DEFERRING COSTS FOR WATER AND SEWER IMPROVEMENTS FOR WHICH THE PURCHASER MAY BE LIABLE SHALL CONTAIN A DISCLOSURE THAT INCLUDES:**

~~(I)~~ **1. THE EXISTENCE OF THE DEFERRED PRIVATE WATER AND SEWER ASSESSMENTS;**

~~(II)~~ **2. THE AMOUNT OF THE ANNUAL ASSESSMENT;**

~~(III)~~ **3. THE APPROXIMATE NUMBER OF ~~YEARS~~ PAYMENTS REMAINING ON THE ASSESSMENT;**

~~(IV)~~ **4. THE AMOUNT REMAINING ON THE ASSESSMENT, INCLUDING INTEREST;**

~~(V)~~ **5. THE NAME AND ADDRESS OF THE PERSON OR ENTITY MOST RECENTLY RESPONSIBLE FOR COLLECTION OF THE ASSESSMENT;**

~~(VI)~~ **6. THE INTEREST RATE ON THE ASSESSMENT;**

~~(VII)~~ **7. THE ESTIMATED PAYOFF AMOUNT OF THE ASSESSMENT; AND**

~~(VIII)~~ **8. A STATEMENT THAT PAYOFF OF THE ASSESSMENT IS ALLOWED WITHOUT PREPAYMENT PENALTY.**

**(II) A PERSON OR ENTITY ESTABLISHING WATER AND SEWER COSTS FOR THE INITIAL SALE OF RESIDENTIAL REAL PROPERTY MAY NOT AMORTIZE COSTS THAT ARE PASSED ON TO A PURCHASER BY IMPOSING A DEFERRED WATER AND SEWER CHARGE FOR A PERIOD LONGER THAN 20 YEARS AFTER THE DATE OF THE INITIAL SALE.**

(4) If the appropriate water and sewer authority has not established a schedule of charges for the water and sewer project that benefits the property or if a local jurisdiction has adopted a plan to benefit the property in the future, the contract of sale shall disclose that fact.

(c) (1) Violation of subsection [(b)] **(B)(2) OR (4)** of this section entitles the initial purchaser to recover from the seller:

[(1)] (I) Two times the amount of deferred charges the purchaser would be obligated to pay during the 5 years of payments following the sale;

[(2)] (II) No amount greater than actually paid thereafter; and

[(3)] (III) Any deposit moneys actually paid by the purchaser that were lost as a result of A violation of subsection [(b)] **(B)(2) OR (4)** of this section.

**(2) VIOLATION OF SUBSECTION (B)(3) OF THIS SECTION ENTITLES THE PURCHASER TO:**

**(I) RECOVER FROM THE SELLER THE TOTAL AMOUNT OF DEFERRED CHARGES THE PURCHASER WILL BE OBLIGATED TO PAY FOLLOWING THE SALE;**

**(II) RECOVER FROM THE SELLER ANY MONEY ACTUALLY PAID BY THE PURCHASER ON THE DEFERRED CHARGE THAT WAS LOST AS A RESULT OF A VIOLATION OF SUBSECTION (B)(3) OF THIS SECTION; ~~AND OR~~**

**(III) IF THE VIOLATION IS DISCOVERED BEFORE SETTLEMENT, RESCIND THE REAL ESTATE CONTRACT WITHOUT PENALTY.**

14-117.1.

**(A) THIS SECTION APPLIES ONLY TO ~~SALES OF~~ EXISTING SINGLE-FAMILY RESIDENTIAL REAL PROPERTY IN PRINCE GEORGE'S COUNTY ~~IMPROVED BY FOUR OR FEWER SINGLE-FAMILY UNITS.~~**

**~~(B) A PERSON INCURRING WATER AND SEWER COSTS MAY NOT AMORTIZE COSTS THAT ARE PASSED ON TO A PURCHASER BY IMPOSING A DEFERRED WATER AND SEWER CHARGE FOR A PERIOD LONGER THAN 20 YEARS AFTER THE DATE OF THE INITIAL SALE.~~**

**~~(C)~~ (B) A PERSON OR ENTITY THAT IMPOSES A DEFERRED WATER AND SEWER CHARGE SHALL INCLUDE WITH EACH BILL A STATEMENT THAT INCLUDES:**

- (1) THE AMOUNT OF THE ANNUAL ASSESSMENT;
- (2) THE APPROXIMATE NUMBER OF ~~YEARS~~ PAYMENTS REMAINING ON THE ASSESSMENT;
- (3) THE AMOUNT REMAINING ON THE ASSESSMENT, INCLUDING INTEREST;
- (4) THE NAME AND ADDRESS OF THE PERSON OR ENTITY MOST RECENTLY RESPONSIBLE FOR COLLECTION OF THE ASSESSMENT;
- (5) THE METHOD USED TO COMPUTE THE DEFERRED WATER AND SEWER CHARGE ON THE PROPERTY;
- (6) THE INTEREST RATE ON THE ASSESSMENT;
- (7) THE ESTIMATED PAYOFF AMOUNT OF THE ASSESSMENT; AND
- (8) A STATEMENT THAT PAYOFF OF THE ASSESSMENT IS ALLOWED WITHOUT PREPAYMENT PENALTY.

~~(D)~~ (C) THE BALANCE OWED ON A DEFERRED WATER AND SEWER ASSESSMENT MAY BE REDEEMED AT THE PRESENT VALUE OF THE ASSESSMENT.

~~14-117.2.~~

~~(A) THIS SECTION APPLIES ONLY TO SALES OF SINGLE FAMILY RESIDENTIAL PROPERTY IN PRINCE GEORGE'S COUNTY IMPROVED BY FOUR OR FEWER SINGLE FAMILY UNITS.~~

~~(B) A SALES CONTRACT MAY INCLUDE THE TOTAL AMOUNT OF DEFERRED WATER AND SEWER CHARGES THAT A PURCHASER WOULD BE REQUIRED TO PAY AFTER THE DATE OF THE SALE IN THE PRICE OF THE PROPERTY BEING SOLD.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

- (a) Prince George's County shall study:
  - (1) the feasibility of establishing a centralized clearinghouse for the registration of deferred water and sewer charges by private developers, including the feasibility of requiring recordation of deferred water and sewer charges in the county land records;

(2) methods to certify the accuracy of deferred water and sewer charges imposed by private developers; and

(3) methods to audit previously imposed deferred water and sewer charges.

(b) To complete the studies required under subsection (a) of this section, Prince George's County may consult with any water and sewer company operating within the county.

(c) If the establishment of a centralized clearinghouse for the registration of deferred water and sewer charges by private developers, including requiring recordation of deferred water and sewer charges in the county land records, is determined to be feasible, Prince George's County shall study the feasibility of requiring a contract for the sale of residential real property, that is not the initial sale of the property, for which there are deferred private water and sewer assessments recorded by a covenant or declaration deferring costs for water and sewer improvements for which the purchaser may be liable, to include a disclosure of:

(1) the existence of the assessments;

(2) the amount of the annual assessment;

(3) the approximate number of payments remaining on the assessment;

(4) the amount remaining on the assessment, including interest;

(5) the name and address of the person or entity most recently responsible for collection of the assessment;

(6) the interest rate of the assessment;

(7) the estimated payoff amount of the assessment; and

(8) a statement that payoff of the assessment is allowed without prepayment penalty.

~~(e)~~ (d) (1) On or before December 1, 2014, Prince George's County shall report its preliminary findings to the Prince George's County Senators and the House Delegation, in accordance with § 2-1246 of the State Government Article.

(2) On or before December 1, 2015, Prince George's County shall report its final findings to the Prince George's County Senators and the House Delegation, in accordance with § 2-1246 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 442**

**(House Bill 1057)**

AN ACT concerning

**Prince George's County – University of Maryland, College Park Bus Service –  
Motor Carrier Permit Exemption – Removal of Sunset**

**PG 403–14**

FOR the purpose of removing the termination provision applicable to a certain motor carrier permit exemption relating to bus service provided by the University of Maryland, College Park; and generally relating to bus service provided by the University of Maryland, College Park to its students and to the residents of a certain municipal corporation.

BY repealing and reenacting, without amendments,  
Article – Public Utilities  
Section 9–201  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Chapter 346 of the Acts of the General Assembly of 2008, as amended by  
Chapter 373 of the Acts of the General Assembly of 2011  
Section 3

BY repealing and reenacting, with amendments,  
Chapter 347 of the Acts of the General Assembly of 2008, as amended by  
Chapter 373 of the Acts of the General Assembly of 2011  
Section 3

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Public Utilities**

9–201.

(a) Except as provided in subsection (b) of this section, a motor carrier permit is required for a passenger motor vehicle used in the transportation of persons for hire.

(b) A motor carrier permit is not required for:

(1) a motor vehicle used exclusively for the transportation of pupils to and from public or private schools;

(2) a motor vehicle operated for a period of not more than 3 months in any registration year in the transportation of persons employed at a cannery located in a county;

(3) taxicabs;

(4) public transportation for hire authorized to operate on the boardwalk in Ocean City;

(5) a vanpool operation as defined in § 11-175.1 of the Transportation Article;

(6) a local public transportation system established under a law enacted by the local governing body of a county or municipal corporation;

(7) subject to subsection (c) of this section, a motor vehicle used by a privately owned transportation company exclusively to provide transportation system services under a contract with the governing body of a county or municipal corporation or with a unit of State government; or

(8) shuttle bus service operated by the University of Maryland, College Park for students enrolled at the University of Maryland, College Park and, in exchange for payment by a municipal corporation in which the University of Maryland, College Park operates shuttle bus service, transportation service on the shuttle bus to residents of the municipal corporation.

(c) A privately owned transportation company that provides transportation system services under a contract with the governing body of a county or municipal corporation or with a unit of State government shall obtain a motor carrier permit for motor vehicles that the company does not use exclusively to provide transportation system services under a contract with the governing body of a county or municipal corporation or with a unit of State government.

(d) The public duties of a common carrier may not be imposed on a person with respect to a vehicle for which a motor carrier permit is required under this section, if the vehicle is not actually engaged in public transportation.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2008. [It shall remain effective for a period of 6 years and, at the end of June 30, 2014, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

**Chapter 347 of the Acts of 2008, as amended by Chapter 373 of the Acts of 2011**

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2008. [It shall remain effective for a period of 6 years and, at the end of June 30, 2014, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 443**

**(House Bill 1091)**

AN ACT concerning

**Howard County – Alcoholic Beverages – Beer Festivals**

**Ho. Co. 09–14**

FOR the purpose of authorizing the Howard County Board of License Commissioners to issue a special beer festival license; specifying that a special beer festival license authorizes the holder to display and sell at retail beer for consumption on and off the licensed premises on certain days and hours; requiring an applicant for a special beer festival license to be the holder of a certain license; establishing a license fee; requiring the Howard County Board of License Commissioners to approve one weekend for the festival, approve a certain premises in Howard County for the festival, and ensure that the primary focus of the festival is the promotion of Maryland beer; allowing a certain person to hold a special beer festival license in addition to another license; requiring the Howard County Board of License Commissioners to adopt certain regulations; defining a certain term; and generally relating to beer festivals in Howard County.

BY adding to  
Article 2B – Alcoholic Beverages

Section 8-808  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

**8-808.**

(A) IN THIS SECTION, “BOARD” MEANS THE HOWARD COUNTY BOARD OF LICENSE COMMISSIONERS.

(B) THE BOARD MAY ISSUE A SPECIAL BEER FESTIVAL LICENSE.

(C) A SPECIAL BEER FESTIVAL LICENSE ENTITLES THE HOLDER TO DISPLAY AND SELL AT RETAIL BEER FOR CONSUMPTION ON OR OFF THE LICENSED PREMISES ON THE DAYS AND FOR THE HOURS DESIGNATED FOR THE SPECIAL BEER FESTIVAL IN HOWARD COUNTY.

(D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, AN APPLICANT FOR A SPECIAL BEER FESTIVAL LICENSE SHALL BE THE HOLDER OF A CURRENT RETAIL ALCOHOLIC BEVERAGES LICENSE ISSUED IN THE STATE, A CLASS 5 BREWERY LICENSE, ~~OR~~ A CLASS 7 MICRO-BREWERY LICENSE, OR A CLASS 8 FARM BREWERY LICENSE.

(E) THE LICENSE FEE IS \$50 FOR A 1-DAY OR 2-DAY FESTIVAL.

(F) THE BOARD SHALL:

(1) APPROVE ONE WEEKEND FOR THE SPECIAL BEER FESTIVAL;

(2) APPROVE AN UNLICENSED PREMISES IN HOWARD COUNTY FOR THE SPECIAL BEER FESTIVAL; AND

(3) ENSURE THAT THE PRIMARY FOCUS OF THE SPECIAL BEER FESTIVAL IS THE PROMOTION OF MARYLAND BEER.

(G) THIS SECTION DOES NOT PROHIBIT THE LICENSEE FROM HOLDING ANOTHER ALCOHOLIC BEVERAGES LICENSE OF A DIFFERENT CLASS OR NATURE.

(H) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 444

### (House Bill 1093)

AN ACT concerning

#### **Howard County Board of Education – Members – Salary Increase**

#### **Ho. Co. 2–14**

FOR the purpose of altering the amount of compensation of the chairman and other elected members of the Howard County Board of Education; establishing a certain scholarship for the student member of the board; specifying that the student member may be reimbursed for certain expenses; providing that this Act does not apply to the salary or compensation of the chairman or other elected members of the board during a certain term of office; clarifying certain language; and generally relating to the members of the Howard County Board of Education.

BY repealing and reenacting, with amendments,

Article – Education

Section 3–703

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Education**

3–703.

(a) The chairman of the county board is entitled to receive **[\$14,000] \$17,000** annually as compensation and the other **ELECTED** members are entitled to receive **[\$12,000] \$15,000** each annually as compensation.

(b) After submitting vouchers under the rules and regulations adopted by the county board, the chairman and the other **ELECTED** members are entitled to receive

reimbursement for travel and other expenses as provided in the Howard County budget.

(c) The employer's share for State retirement and pension contributions made on behalf of the chairman and other **ELECTED** board members may not be considered compensation for the purpose of calculating compensation under subsection (a) of this section.

(d) (1) The chairman and other **ELECTED** board members may participate in health insurance and other benefit programs sponsored by the board.

(2) **[A] AN ELECTED** board member's participation in a benefit program sponsored by the board under this subsection may not be considered compensation for the purpose of calculating compensation under subsection (a) of this section.

**(E) (1) (I) A STUDENT MEMBER WHO COMPLETES A FULL TERM ON THE BOARD SHALL BE ENTITLED TO A SCHOLARSHIP OF \$5,000 TO BE APPLIED TO THE STUDENT'S HIGHER EDUCATION COSTS.**

**(II) THE SCHOLARSHIP SHALL BE PAID DIRECTLY TO THE EDUCATIONAL INSTITUTION THAT THE STUDENT ATTENDS.**

**(III) A STUDENT MAY RECEIVE ONLY ONE SCHOLARSHIP REGARDLESS OF THE NUMBER OF TERMS THE STUDENT SERVES AS THE STUDENT MEMBER OF THE COUNTY BOARD.**

**(IV) THE SCHOLARSHIP MAY NOT BE CONSIDERED COMPENSATION FOR THE PURPOSE OF CALCULATING TAXABLE INCOME.**

**(2) ON THE SUBMISSION OF EXPENSE VOUCHERS, THE STUDENT MEMBER IS ENTITLED TO REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES INCURRED IN THE PERFORMANCE OF OFFICIAL DUTIES FOR THE COUNTY BOARD.**

**(3) THE STUDENT MEMBER IS NOT ENTITLED TO ANY COMPENSATION OR PAYMENT OTHER THAN THAT SPECIFIED UNDER PARAGRAPHS (1) AND (2) OF THIS SUBSECTION FOR THEIR WORK AS THE STUDENT MEMBER OF THE COUNTY BOARD.**

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the chairman and other elected members of the Howard County Board of Education while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the salary or

compensation of the chairman and other elected members of the Howard County Board of Education shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 445

### (House Bill 1097)

AN ACT concerning

#### **Garrett County – Alcoholic Beverages – Sunday Sales for On-Premises Consumption**

FOR the purpose of ~~authorizing the holder of certain alcoholic beverages licenses in Garrett County to sell alcoholic beverages for consumption on the licensed premises on certain Sundays under certain circumstances;~~ submitting ~~this Act~~ to a referendum of the qualified voters of certain election districts and precincts of election districts in Garrett County the question of whether the holder of certain alcoholic beverages licenses in Garrett County should be authorized to sell alcoholic beverages for consumption on the licensed premises on certain Sundays under certain circumstances; requiring the Board of County Commissioners and the Board of Supervisors of Elections of Garrett County to take certain actions regarding the referendum required under this Act; requiring the County Board of License Commissioners to report certain information to the Department of Legislative Services by a certain date; requiring the publishers of the Annotated Code of Maryland to list in the Annotated Code each district and precinct in Garrett County that has approved the sale of alcoholic beverages by certain license holders on Sundays; and generally relating to the sale of alcoholic beverages in Garrett County on Sundays.

BY repealing and reenacting, without amendments,  
Article 2B – Alcoholic Beverages  
Section 11–512  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 2B – Alcoholic Beverages**

11–512.

(a) This section applies only in Garrett County.

(b) (1) Notwithstanding any other provisions of this subtitle and except on Sundays and New Year's Day, holders of any class of on- or off-sale licenses issued under this article may sell the alcoholic beverages authorized under their respective license from 6 a.m. to 2 a.m. the following day, but may not sell alcoholic beverages between the hours of 2 a.m. and 6 a.m. on any day of the week or, unless authorized under subsection (c) of this section, at any time on Sunday after 2 a.m.

(2) The provisions of this subsection apply to a holder of a Class E steamboat license issued by the State Comptroller's Office for use on all State waters located within the county.

(3) However, this section is subject to the provisions of § 11–402(m) of this title regarding sales on New Year's Eve or New Year's Day regardless of the day of the week on which December 31 and January 1 fall.

(c) (1) The provisions of this subsection apply in:

(i) Election districts 11 and 15, in which the voters approved Sunday sales in the referendum authorized by law in November 1996; and

(ii) Any other election district or precinct of an election district in which the voters in a referendum authorized by law approve Sunday sales as specified in this subsection.

(2) This subsection only applies to on-premises sales by:

(i) A holder of a Class C service club license; and

(ii) Subject to paragraph (4) of this subsection a holder of a Class B license, special 2-day Class C license, special 6-day Class C license, or special 12-day Class C license; or

(iii) A holder of a Class D license operating an establishment that:

1. Is in a permanent building;

2. Has a seating capacity at tables, not including seats at bars or counters, for at least 20 persons;

3. Is equipped with a full-service commercial kitchen capable of preparing and serving full-course meals for at least 20 persons at one seating; and

4. Is approved by the county Board of License Commissioners, Department of Public Utilities, Health Department, and Planning and Land Development Office.

(3) Sunday sales may begin, where permitted, at 1 p.m. and continue until 10 p.m.

(4) (i) This paragraph does not apply to a holder of a Class C service club license.

(ii) Sunday sales may be made only when the consumer places an order for a meal simultaneously or prior to placing an order for an alcoholic beverage or the consumer is otherwise entitled to a meal on the premises as part of a prearranged event, such as a banquet, where the alcoholic beverage is served. Bar or counter sales may be made as long as the consumer complies with the requirement of this paragraph.

(5) In addition to the usual license fee, the holder of a Class C service club license, Class B license, or Class D license who wants to provide Sunday sales and who is otherwise eligible to provide Sunday sales under this subsection shall pay an additional \$250 for the privilege of Sunday sales.

(6) At the time the Class C service club license, Class B license, or Class D license is issued, the Board shall charge a \$250 issuing fee.

SECTION 2. AND BE IT FURTHER ENACTED, That ~~before this Act becomes effective it shall first:~~

(1) in accordance with Article 2B, § 11-512(c)(1)(ii) of the Annotated Code of Maryland, a question substantially similar to the following shall be submitted to a referendum of the qualified voters of the following election districts or precincts of election districts in Garrett County at the general election to be held in November of 2014: 2, 3-1, 3-2, 4, 5, 8-1, 8-2, 10, 12, 13, 14-2, and 16 in Garrett County at the general election to be held in November of 2014:

“Do you favor authorizing Sunday sales of alcoholic beverages with a meal, if applicable, in your election district by holders of Class B, Class C, and Class D alcoholic beverages licenses, in accordance with Article 2B, § 11-512 of the Annotated Code of Maryland, from 1 p.m. until 10 p.m. and requiring the payment of additional fees by Class B, Class C, and Class D license holders who wish to sell alcoholic beverages on Sundays?”.

(2) (i) The Board of County Commissioners and the Board of Supervisors of Elections of Garrett County shall do those things necessary and proper to provide for and hold the referendum required by this section. If a majority of the votes cast on the question in an election district or a precinct of an election district are “~~For the referred law Sunday sales of alcoholic beverages” the provisions of this Act,~~ the authority to sell alcoholic beverages on Sundays, in accordance with Article 2B, § 11-512 of the Annotated Code of Maryland, shall become effective in that election district or precinct on December 15, 2014; but if a majority of the votes cast on the question in an election district or a precinct of an election district are “Against ~~the referred law Sunday sales of alcoholic beverages” the provisions of this Act are of no effect and null and void,~~ the sale of alcoholic beverages on Sunday shall be prohibited in that election district or precinct.

(ii) The Board of Supervisors of Elections of Garrett County shall notify the State Department of Legislative Services concerning the results of the referendum required under this section in each election district and precinct of an election district.

(iii) The Garrett County Board of License Commissioners shall provide to the Department of Legislative Services, by December 1, 2014, a complete list of all election districts and precincts in Garrett County in which Sunday sales of alcoholic beverages are authorized.

SECTION 3. AND BE IT FURTHER ENACTED, That the publishers of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall list, in an annotation to Article 2B, § 11-512 of the Code, each district and precinct in Garrett County in which the voters have approved the sale of alcoholic beverages on Sundays.

~~SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 2 of this Act and for the sole purpose of providing for the referendum required by Section 2 of this Act, this Act shall take effect July 1, 2014.~~

Approved by the Governor, May 5, 2014.

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## Chapter 446

(House Bill 1148)

AN ACT concerning

**Recreational Striped Bass Fishery – Study on ~~Reporting Requirements~~  
Harvest Data**

FOR the purpose of requiring the Department of Natural Resources to conduct a study on ~~the establishment of reporting requirements~~ methods of obtaining more accurate harvest data for the recreational striped bass fishery; requiring the study to examine certain issues relevant to ~~the reporting requirements~~ obtaining more accurate harvest data for the recreational striped bass fishery; requiring the Department to report its findings and recommendations to the Governor and certain committees of the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the study on ~~the establishment of reporting requirements~~ methods of obtaining more accurate harvest data for the recreational striped bass fishery.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) The Department of Natural Resources shall conduct a study on ~~the establishment of reporting requirements~~ methods of obtaining more accurate harvest data for the recreational striped bass fishery.

(b) The study shall ~~examine~~:

(1) examine the benefits that ~~reporting by~~ more accurate harvest data for the recreational striped bass fishery would have on the scientific and management capabilities of the Department with respect to the entire striped bass fishery;

(2) consider the ~~type~~ types of information and level of detail that would be most beneficial ~~to~~ for the Department to ~~collect, including catch numbers, poundage, the date and time of catch, the location of catch, and any other information that the Department considers to be necessary~~ obtain for its scientific and management duties and capabilities;

(3) ~~the~~ consider the advantages, disadvantages, and feasibility of ~~implementing the reporting requirements, collecting and processing the reported data, and enforcing the reporting requirements~~ implementing various methods for obtaining more accurate harvest data for the recreational striped bass fishery;

(4) ~~the feasibility and desirability of implementing electronic or automated reporting requirements~~ recommend methods for obtaining more accurate harvest data for the recreational striped bass fishery; and

(5) recommend any enforcement measures that would need to be implemented to support ~~the reporting requirements~~ any methods recommended under paragraph (4) of this subsection.

(c) On or before December 1, 2014, the Department shall report its findings and recommendations with respect to ~~reporting requirements~~ obtaining more accurate harvest data for the recreational striped bass fishery to the Governor and, subject to §

2–1246 of the State Government Article, the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014. It shall remain effective for a period of 1 year and, at the end of May 31, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Approved by the Governor, May 5, 2014.**

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## Chapter 447

### (House Bill 1159)

AN ACT concerning

#### **Cigarettes – County Retail License Holder – Prohibited Sales**

FOR the purpose of prohibiting a person who holds a certain county license to sell cigarettes at retail from selling certain herbal incense or potpourri that includes a noncontrolled substance with a chemical structure that is substantially similar to the chemical structure of a controlled dangerous substance; authorizing the Comptroller to take certain disciplinary actions against certain license holders for a violation of this Act; establishing certain criminal penalties for a violation of this Act; authorizing certain employees of the Field Enforcement Bureau Division of the Comptroller's Office to enforce certain provisions of this Act; and generally relating to prohibited sales by county retail cigarette license holders.

BY repealing and reenacting, with amendments,  
 Article – Business Regulation  
 Section 16–306 and 16–309  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2013 Supplement)

BY adding to  
 Article – Business Regulation  
 Section 16–308.1  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Business Regulation**

16–306.

Subject to the hearing provisions of § 16–307 of this subtitle, the Comptroller may deny a county license to an applicant, reprimand a county licensee, or suspend or revoke a county license if the applicant or licensee:

(1) fraudulently or deceptively obtains or attempts to obtain a license for the applicant or licensee or for another person;

(2) fraudulently or deceptively uses a license; [or]

**(3) VIOLATES § 16–308.1 OF THIS SUBTITLE; OR**

**[(3)] (4)** fails to comply with the Maryland Cigarette Sales Below Cost Act and regulations adopted under it.

**16–308.1.**

**(A) A PERSON WHO HOLDS A COUNTY LICENSE MAY NOT SELL HERBAL INCENSE OR POTPOURRI THAT INCLUDES A NONCONTROLLED SUBSTANCE WITH A CHEMICAL STRUCTURE THAT IS SUBSTANTIALLY SIMILAR TO THE CHEMICAL STRUCTURE OF A CONTROLLED DANGEROUS SUBSTANCE AS DEFINED IN § 5–101 OF THE CRIMINAL LAW ARTICLE.**

**(B) AUTHORIZED EMPLOYEES OF THE FIELD ENFORCEMENT ~~BUREAU~~ DIVISION OF THE COMPTROLLER’S OFFICE MAY ENFORCE THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION.**

16–309.

**(A) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A person who violates this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of \$100.**

**(B) A PERSON WHO VIOLATES § 16–308.1 OF THIS SUBTITLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING:**

**(1) EXCEPT AS PROVIDED IN ITEMS (2) AND (3) OF THIS SUBSECTION, \$300;**

**(2) FOR A SECOND VIOLATION OCCURRING WITHIN 2 YEARS AFTER THE FIRST VIOLATION, \$1,000; AND**

**(3) FOR A THIRD OR SUBSEQUENT VIOLATION OCCURRING WITHIN 2 YEARS AFTER THE PRECEDING VIOLATION, \$3,000.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 448**

**(House Bill 1174)**

AN ACT concerning

### **Recreational Hunting or Fishing Licenses – Denial, Suspension, and Required Disclosure**

FOR the purpose of altering a certain definition to establish that certain provisions of law governing the denial or suspension of licenses for failure to pay child support apply to recreational hunting and fishing licenses; requiring the Department of Natural Resources to require an applicant to provide under certain circumstances only certain information related to the applicant's Social Security number on an application for a recreational hunting or fishing license; requiring the Department to record certain information on the application; exempting recreational hunting and fishing license applications from the requirements that a licensing authority require a license applicant to disclose the full Social Security number and record the Social Security number on the application; altering the information that a request for information from a recreational hunting or fishing license application made by the Child Support Enforcement Administration of the Department of Human Resources to the Department of Natural Resources is required to contain; altering the information from a recreational hunting or fishing license application that the Department of Natural Resources is required to submit to the Child Support Enforcement Administration after receiving a request for information; repealing the requirement that an application for a hunting license contain the occupation of the applicant; making certain stylistic changes; making certain provisions of this Act subject to a certain contingency; and generally relating to information required to be disclosed to or by the Department of Natural Resources on or from a recreational hunting or fishing license application.

BY repealing and reenacting, without amendments,  
Article – Family Law  
Section 10–119.3(a)(1)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Family Law  
Section 10–119.3(a)(2)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Family Law  
Section 10–119.3  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)  
(As enacted by Section 1 of this Act)

BY repealing and reenacting, without amendments,  
Article – Natural Resources  
Section 4–202  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Natural Resources  
Section 4–205(l), 4–604(d) and (e), and 10–301(d) and (e)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Family Law**

10–119.3.

(a) (1) In this section the following words have the meanings indicated.

(2) “License” means any license, certificate, registration, permit, or other authorization that:

(i) is issued by a licensing authority;

(ii) is subject to suspension, revocation, forfeiture, or termination by a licensing authority; and

(iii) is necessary for an individual to practice or engage in:

1. a particular business, occupation, or profession; **OR**

**2. RECREATIONAL HUNTING OR FISHING.**

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – Family Law**

10–119.3.

(a) (1) In this section the following words have the meanings indicated.

(2) “License” means any license, certificate, registration, permit, or other authorization that:

(i) is issued by a licensing authority;

(ii) is subject to suspension, revocation, forfeiture, or termination by a licensing authority; and

(iii) is necessary for an individual to practice or engage in:

1. a particular business, occupation, or profession; or
2. recreational hunting or fishing.

(3) (i) “Licensing authority” means a department, unit of a department, commission, board, office, or court of the State.

(ii) “Licensing authority” includes:

1. the Department of Labor, Licensing, and Regulation;
2. the Department of Health and Mental Hygiene;
3. the Department of Human Resources;
4. the Department of Transportation;
5. the Department of the Environment;
6. the Comptroller of the Treasury;
7. the Department of Agriculture;
8. the Maryland Insurance Administration;
9. the Public Service Commission;

10. the Secretary of State;
11. the State Department of Education;
12. the Department of Natural Resources;
13. the Office of the Attorney General;
14. the clerks of the court that are authorized to issue a license or certificate for professional services or recreational uses; and
15. the Court of Appeals.

(b) **(1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A** licensing authority shall:

**[(1)] (I)** require each applicant for a license to disclose the Social Security number of the applicant; and

**[(2)] (II)** record the applicant's Social Security number on the application.

**(2) THE DEPARTMENT OF NATURAL RESOURCES SHALL:**

**(I) REQUIRE AN APPLICANT FOR A RECREATIONAL HUNTING OR FISHING LICENSE TO DISCLOSE ONLY THE LAST FOUR DIGITS OF THE SOCIAL SECURITY NUMBER OF THE APPLICANT INSTEAD OF THE FULL SOCIAL SECURITY NUMBER; AND**

**(II) RECORD THE APPLICANT'S PARTIAL SOCIAL SECURITY NUMBER ON THE APPLICATION.**

(c) (1) To carry out its responsibility under State and federal law, the Administration may request from a licensing authority information concerning any obligor in arrears in paying child support through a support enforcement agency.

(2) A request for information by the Administration under paragraph (1) of this subsection:

(i) shall contain:

1. the full name of the obligor; and
2. the Social Security number **OR, AS APPROPRIATE, THE PARTIAL SOCIAL SECURITY NUMBER** of the obligor; and

(ii) may be transmitted to a licensing authority using an electronic format.

(3) A request for information may not be made by the Administration to a licensing authority more frequently than four times in each calendar year except with respect to an obligor whom the Administration has reason to believe is licensed by, or has applied for a license from, the licensing authority.

(4) In addition to requests for information under this subsection, the Administration may request a licensing authority to periodically share its licensing database with the Administration.

(d) (1) Upon receipt of a request for information under subsection (c) of this section, a licensing authority shall submit the following information to the Administration with respect to each obligor who is licensed by, or has applied for a license from, the licensing authority:

(i) the full name of the obligor;

(ii) the address of the obligor, if known;

(iii) the Social Security number **OR, AS APPROPRIATE, THE PARTIAL SOCIAL SECURITY NUMBER** of the obligor, if known; and

(iv) a description of the license held by the obligor.

(2) The information may be transmitted to the Administration in an electronic format.

(3) Except as otherwise provided by law, any record compiled under this subsection shall be made available only to a person who has a right to the record in an official capacity.

(e) (1) Except as provided in paragraph (3) of this subsection and subject to the provisions of subsection (f) of this section, the Administration may request a licensing authority to suspend or deny an individual's license if:

(i) 1. the individual is in arrears amounting to more than 120 days under the most recent order; and

2. A. the Administration has accepted an assignment of support under § 5-312(b)(2) of the Human Services Article; or

B. the recipient of support payments has filed an application for support enforcement services with the Administration; or

(ii) the individual has failed to comply with a subpoena issued by the Administration under § 10–108.6 of this subtitle.

(2) Except as provided in paragraph (3) of this subsection, upon notification by the Administration under this section, a licensing authority shall:

(i) suspend an individual's license; or

(ii) deny the license of an individual who is an applicant for a license from the licensing authority.

(3) (i) This paragraph applies if the licensing authority is the Court of Appeals.

(ii) If an individual meets the criteria specified in paragraph (1) of this subsection, the Administration may make a referral to the Attorney Grievance Commission for proceedings in accordance with the Maryland Rules governing attorney discipline.

(iii) On recommendation of the Attorney Grievance Commission, the Court of Appeals may suspend an individual's license or take other action against the individual as authorized by the Maryland Rules governing attorney discipline.

(iv) The Court of Appeals may adopt rules to implement the provisions of this paragraph.

(f) (1) At least 30 days before requesting a licensing authority to suspend or deny a license or at least 30 days before making a referral under subsection (e)(3) of this section, the Administration shall:

(i) send written notice of the proposed action to the individual whose license is subject to suspension under this section, including notice of the individual's right to request an investigation; and

(ii) give the individual a reasonable opportunity to contest the accuracy of the information.

(2) (i) Upon receipt of a request for investigation from an individual whose license is subject to suspension, the Administration shall conduct an investigation.

(ii) Upon completion of the investigation, the Administration shall notify the individual of the result of the investigation and the individual's right to appeal to the Office of Administrative Hearings.

(3) (i) An appeal under this section shall be conducted in accordance with Title 10, Subtitle 2 of the State Government Article.

(ii) An appeal shall be made in writing and shall be received by the Office of Administrative Hearings within 30 days after the notice to the individual whose license is subject to suspension of the results of the investigation.

(4) If, after the investigation or appeal to the Office of Administrative Hearings, the Administration finds that it erred in making a decision, the Administration may not send a notification about an individual to a licensing authority or make a referral under subsection (e)(3) of this section.

(g) The Administration may not send a notification about an individual to a licensing authority or make a referral under subsection (e)(3) of this section if:

(1) with respect to an individual with a child support arrearage:

(i) the Administration reaches an agreement with the individual regarding a scheduled payment of the child support arrearage or a court issues an order for a scheduled payment of the child support arrearage; and

(ii) the individual is complying with the agreement or court order; or

(2) with respect to an individual who failed to comply with a subpoena issued under § 10-108.5 of this subtitle, the individual has complied with the subpoena.

(h) (1) Except as provided in paragraph (2) of this subsection, prior to the suspension or denial of a license under subsection (e) of this section, a licensing authority shall send written notice of the proposed action to the individual whose license is subject to suspension or denial, including notice of the individual's right to contest the identity of the individual whose license or application is to be suspended or denied.

(2) If the licensing authority is the Court of Appeals, notice shall be as provided in the Maryland Rules governing attorney discipline.

(i) (1) (i) Except as provided in paragraph (2) of this subsection, an individual may appeal a decision of a licensing authority to suspend or deny the individual's license in accordance with Title 10, Subtitle 2 of the State Government Article.

(ii) At a hearing under this paragraph, the issue shall be limited to whether the Administration has mistaken the identity of the individual whose license has been suspended or denied.

(2) If the licensing authority is the Court of Appeals, an individual may appeal a decision in accordance with the Maryland Rules governing attorney discipline.

(j) The Administration shall notify the licensing authority to reinstate any license suspended or denied under this section within 10 days after the occurrence of any of the following events:

(1) the Administration receives a court order to reinstate the suspended license; or

(2) with respect to an individual with a child support arrearage, the individual has:

(i) paid the support arrearage in full; or

(ii) demonstrated good faith by paying the ordered amount of support for 4 consecutive months; or

(3) with respect to an individual whose license was suspended or denied because of a failure to comply with a subpoena issued under § 10–108.5 of this subtitle, the individual has complied with the subpoena.

(k) A licensing authority shall immediately reinstate any license suspended, or process an application for any license denied, under this section if:

(1) notified by the Administration that the license should be reinstated; and

(2) the individual otherwise qualifies for the license.

### Article – Natural Resources

4–202.

The Secretary is responsible for conservation management of the fish, fisheries, fish resources and aquatic life within the State.

4–205.

(1) (1) The Department shall require an applicant for any recreational license under this title to provide the **LAST FOUR DIGITS OF THE** applicant's Social Security number, if the applicant has a Social Security number.

(2) Except as provided in § 10–617 of the State Government Article, the **PARTIAL** Social Security number of an applicant may not be disclosed as part of the public record of the application.

4-604.

(d) (1) A person may apply for an angler's license to any person designated by the Department.

(2) The application shall be on a form the Department prepares and supplies.

(3) The applicant shall fill out, sign and submit the application to the person designated to issue an angler's license.

(4) A person may apply by mail.

(e) (1) An applicant for a license issued under this section shall provide all the information requested by the Department on forms issued by the Department.

(2) **THE DEPARTMENT SHALL REQUIRE AN APPLICANT FOR A LICENSE UNDER THIS SECTION TO PROVIDE THE LAST FOUR DIGITS OF THE APPLICANT'S SOCIAL SECURITY NUMBER, IF THE APPLICANT HAS A SOCIAL SECURITY NUMBER.**

10-301.

(d) (1) A person may apply for a hunter's license to any person designated by the Department.

(2) The application shall be on a form the Department prepares and supplies.

(3) The applicant shall fill out, sign, and submit the application to the person designated to issue the hunter's license.

(4) A person may apply by mail.

(e) (1) The application shall contain the applicant's name, height, color of eyes and hair, [occupation,] place of residence, and **THE LAST FOUR DIGITS OF THE APPLICANT'S Social Security number, IF THE APPLICANT HAS A SOCIAL SECURITY NUMBER.**

(2) If the applicant is a nonresident, the applicant also shall present the applicant's driver's license, voter's card, or resident hunter's license.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2014, the Maryland Department of Human Resources shall request an exemption from

the federal Department of Health and Human Services, Administration for Children and Families that would allow the State to collect only the last four digits of a recreational hunting or fishing license applicant's Social Security number, instead of the whole Social Security number, on the license application.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect contingent on the receipt by the Department of Human Resources of correspondence from the federal Department of Health and Human Services, Administration for Children and Families granting an exemption that would allow the State to collect only the last four digits of a recreational hunting or fishing license applicant's Social Security number, instead of the whole Social Security number, on the license application. If correspondence granting the exemption is received on or before July 1, 2015, Section 2 of this Act shall take effect on the date notice of the correspondence is received by the Department of Legislative Services in accordance with this section. If the Department of Human Resources does not receive correspondence granting the exemption on or before July 1, 2015, Section 2 of this Act, with no further action required by the General Assembly, shall be null and void and of no further force and effect. The Department of Human Resources, within 5 days after receiving the correspondence granting or denying the exemption from the Department of Health and Human Services, Administration for Children and Families, shall forward a copy of the correspondence to the Department of Legislative Services, 90 State Circle, Annapolis, Md. 21401.

SECTION 5. AND BE IT FURTHER ENACTED, That, subject to Section 4 of this Act, this Act shall take effect June 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 449

(House Bill 1235)

AN ACT concerning

**Community Integrated Medical Home Program and Patient-Centered  
Medical Home Program**

FOR the purpose of establishing the Community Integrated Medical Home Program; establishing the mission of the Community Integrated Medical Home Program; ~~requiring the Community Integrated Medical Home Program to take certain actions to carry out its mission; requiring the Community Integrated Medical Home Program to be administered jointly by the Maryland Health Care Commission and the Department of Health and Mental Hygiene; providing that the Commission and the Department shall have primary responsibility for certain elements of the Community Integrated Medical Home Program;~~

~~requiring the Department to identify and certify entities that provide certain services and supports; establishing the Community Integrated Medical Home Program advisory body; requiring the advisory body to provide make certain advice recommendations; requiring the advisory body to include certain stakeholders; requiring the Commission and the Secretary of Health and Mental Hygiene to appoint the members of the advisory body and determine the frequency and location of its meetings; ~~establishing the Patient Centered Medical Home Program; requiring the Patient Centered Medical Home Program to promote development of patient centered medical homes, require certain entities to meet certain standards, and be administered by the Commission, in consultation with the Department; requiring the Commission, in consultation with the Department, to establish certain requirements, certain metrics, a certain methodology, and certain goals; authorizing the Commission, in consultation with the Department, to require a carrier to implement a certain program; requiring a carrier and a managed care organization to participate in the Patient Centered Medical Home Program, under certain circumstances; prohibiting a group model health maintenance organization from being required to participate in the Patient Centered Medical Home Program; authorizing certain payors to participate in the Patient Centered Medical Home Program; requiring the Commission, in consultation with the Department, to adopt regulations for certain certification; requiring certification to meet certain requirements; requiring the Commission, in consultation with the Department, to establish a certain accreditation program; authorizing the Commission to establish and collect certain fees; requiring the Commission to pay certain funds into the Maryland Health Care Commission Fund; requiring a carrier that is participating in a certain program or that has been authorized by the Commission to implement a certain program to pay for coordination of certain services; extending the termination date of certain provisions of law relating to the Maryland Patient Centered Medical Home Program; establishing the intent of the General Assembly that the Commission discontinue a certain program before a certain date, under certain circumstances; requiring the Department, in consultation with the Commission, to develop a certain model and submit a report on the model recommendations of the advisory body and the development of the Community Integrated Medical Home Program to the Governor and certain legislative committees; defining certain terms; and generally relating to the Community Integrated Medical Home Program and the Patient Centered Medical Home Program.~~~~

BY adding to

Article – Health – General

Section 19-1B-01 through ~~19-1B-06~~ 19-1B-03 to be under the new subtitle  
“Subtitle 19-1B. Community Integrated Medical Home Program”

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

~~BY repealing and reenacting, without amendments,  
Article – Insurance~~

~~Section 15-1801  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Article – Insurance  
Section 15-1802  
Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Chapter 5 of the Acts of the General Assembly of 2010  
Section 3~~

~~BY repealing and reenacting, with amendments,  
Chapter 6 of the Acts of the General Assembly of 2010  
Section 3~~

#### Preamble

WHEREAS, Health care costs continue to increase, making it more difficult for individuals, families, and businesses to afford health insurance; and

WHEREAS, The increase in health care costs is, in part, attributable to inadequate coordination of care among health care providers, difficulties accessing primary care, and a lack of engagement among patients, their primary care providers, and community-based resources; and

WHEREAS, Patient centered medical homes enhance care coordination and promote high quality, cost-effective care by engaging patients and their primary care providers; and

~~WHEREAS, Patient centered medical homes have been shown to be most effective in improving quality and lowering costs when they can access community-based resources for their patients; and~~

~~WHEREAS, The standards for qualifying a primary care practice as a patient centered medical home, the quality measures that primary care practices must gather and report to demonstrate quality care, and the payment methodologies used to reimburse patient centered medical homes are inconsistent across payors, and that inconsistency presents a major barrier to developing effective patient centered medical homes; and~~

WHEREAS, The State has gained experience through the Maryland Patient Centered Medical Home Program and through patient centered medical home programs established by insurance carriers, Medicaid managed care organizations, and self-insured employers; and

WHEREAS, The community integrated medical home model moves away from a medical model for improving health to a personalized, team-based approach in the primary care practice that is integrated with an enhanced community health infrastructure; and

~~WHEREAS, It is desirable to have an ongoing process by which the effectiveness of the community integrated medical homes model can be evaluated; and~~

WHEREAS, Establishing ~~and promoting~~ the Community Integrated Medical Home Program in Maryland that brings together patient centered medical home programs and community-based services and supports will achieve higher quality health care for Maryland residents and help slow the continuing escalation of health care costs; and

WHEREAS, Better integration of community-based care and hospital care is essential for Maryland to meet the new requirements under the Maryland hospital payment system; and

WHEREAS, The Community Integrated Medical Home Program has been developed with the ~~broad~~ support of payors, health care providers, patients, and community organizations; and

WHEREAS, The Department of Health and Mental Hygiene seeks to obtain a federal Centers for Medicare and Medicaid Services State Innovation Model grant to implement a Community Integrated Medical Home Program; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Health – General**

#### **SUBTITLE 19–1B. COMMUNITY INTEGRATED MEDICAL HOME PROGRAM.**

##### **19–1B–01.**

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) “ADVISORY BODY” MEANS THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM ADVISORY BODY.**

**(C) “CARRIER” HAS THE MEANING STATED IN § 15–1801 OF THE INSURANCE ARTICLE.**

(D) “COMMISSION” MEANS THE MARYLAND HEALTH CARE COMMISSION.

(E) “COMMUNITY INTEGRATED MEDICAL HOME” MEANS A CERTIFIED PARTICIPATING PATIENT CENTERED MEDICAL HOME INTEGRATED WITH COMMUNITY-BASED SERVICES AND SUPPORTS PROVIDED BY CERTIFIED ENTITIES TO ADDRESS SOCIAL AS WELL AS MEDICAL DETERMINANTS OF HEALTH.

~~(F) “GROUP MODEL HEALTH MAINTENANCE ORGANIZATION” HAS THE MEANING STATED IN § 19-713.6 OF THIS TITLE.~~

~~(G) “HEALTH BENEFIT PLAN” HAS THE MEANING STATED IN § 15-1801 OF THE INSURANCE ARTICLE.~~

~~(H)~~ (F) “MANAGED CARE ORGANIZATION” HAS THE MEANING STATED IN § 15-101 OF THIS ARTICLE.

~~(I)~~ (G) “PATIENT CENTERED MEDICAL HOME” MEANS A PRIMARY CARE PRACTICE ORGANIZED TO PROVIDE A FIRST, COORDINATED, ONGOING, AND COMPREHENSIVE SOURCE OF CARE TO PATIENTS TO:

~~(1) FOSTER A PARTNERSHIP WITH A QUALIFYING INDIVIDUAL;~~

~~(2) COORDINATE HEALTH CARE SERVICES FOR A QUALIFYING INDIVIDUAL; AND~~

~~(3) EXCHANGE MEDICAL INFORMATION WITH CARRIERS, OTHER PROVIDERS, AND QUALIFYING INDIVIDUALS~~ HAS THE MEANING STATED IN § 19-1A-01 OF THIS TITLE.

~~(J) “PRIMARY CARE PRACTICE” MEANS A PRACTICE OR FEDERALLY QUALIFIED HEALTH CENTER ORGANIZED BY OR INCLUDING PEDIATRICIANS, GENERAL INTERNAL MEDICINE PHYSICIANS, FAMILY MEDICINE PHYSICIANS, OR NURSE PRACTITIONERS.~~

(K) (1) “PROMINENT CARRIER” MEANS A CARRIER REPORTING AT LEAST \$90,000,000 IN WRITTEN PREMIUMS FOR HEALTH BENEFIT PLANS IN THE STATE IN THE MOST RECENT MARYLAND HEALTH BENEFIT PLAN REPORT SUBMITTED TO THE INSURANCE COMMISSIONER AS REQUIRED UNDER § 15-605 OF THE INSURANCE ARTICLE.

(2) “PROMINENT CARRIER” DOES NOT INCLUDE A GROUP MODEL HEALTH MAINTENANCE ORGANIZATION.

~~(L) "QUALIFYING INDIVIDUAL" MEANS:~~

~~(1) AN INDIVIDUAL COVERED UNDER A HEALTH BENEFIT PLAN ISSUED BY A CARRIER;~~

~~(2) A MEMBER OF A MANAGED CARE ORGANIZATION; OR~~

~~(3) AN INDIVIDUAL COVERED UNDER A HEALTH PLAN ISSUED BY ANOTHER PAYOR, SUCH AS A SELF-INSURED EMPLOYER, MEDICARE, OR TRICARE.~~

~~(M) "SINGLE-CARRIER PATIENT-CENTERED MEDICAL HOME PROGRAM" HAS THE MEANING STATED IN § 15-1801 OF THE INSURANCE ARTICLE.~~

19-1B-02.

(A) THERE IS A COMMUNITY INTEGRATED MEDICAL HOME PROGRAM.

(B) THE MISSION OF THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM IS TO:

(1) KEEP MARYLAND FAMILIES HEALTHY THROUGH THE USE OF INNOVATIVE MAPPING TOOLS THAT ALLOW BETTER TARGETING OF RESOURCES TO THOSE IN NEED;

(2) COORDINATE COMPREHENSIVE SERVICES PROVIDED BY A PARTICIPATING PATIENT CENTERED MEDICAL HOME WITH PUBLIC HEALTH RESOURCES IN LOCAL COMMUNITIES ACROSS THE STATE; AND

(3) PROVIDE COMPLEMENTARY SUPPORT FOR QUALIFIED INDIVIDUALS BETWEEN OFFICE VISITS.

~~(C) TO CARRY OUT ITS MISSION, THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM SHALL:~~

~~(1) MONITOR THE PERFORMANCE OF:~~

~~(i) CERTIFIED ENTITIES THAT PROVIDE COMMUNITY-BASED SERVICES AND SUPPORTS, INTEGRATED WITH CERTIFIED PATIENT-CENTERED MEDICAL HOMES, TO QUALIFYING INDIVIDUALS;~~

~~(ii) CERTIFIED PATIENT-CENTERED MEDICAL HOMES; AND~~

~~(III) ACCREDITED CARRIERS, MANAGED CARE ORGANIZATIONS, AND OTHER PAYORS PARTICIPATING IN THE PATIENT CENTERED MEDICAL HOME PROGRAM; AND~~

~~(2) PROMOTE CONTINUOUS HEALTH CARE QUALITY IMPROVEMENT.~~

~~(D)~~ (1) THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM SHALL BE ADMINISTERED JOINTLY BY THE COMMISSION AND THE DEPARTMENT.

~~(2) THE COMMISSION SHALL HAVE PRIMARY RESPONSIBILITY FOR OVERSEEING THE PATIENT CENTERED MEDICAL HOME PROGRAM ELEMENTS OF THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM.~~

~~(3) THE DEPARTMENT SHALL HAVE PRIMARY RESPONSIBILITY FOR OVERSEEING THE INTEGRATED COMMUNITY BASED SERVICE AND SUPPORT ELEMENTS OF THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM.~~

~~(4) THE DEPARTMENT SHALL IDENTIFY AND CERTIFY ENTITIES THAT PROVIDE COMMUNITY BASED SERVICES AND SUPPORTS INTEGRATED WITH PATIENT CENTERED MEDICAL HOMES.~~

#### 19-1B-03.

(A) THERE IS A COMMUNITY INTEGRATED MEDICAL HOME PROGRAM ADVISORY BODY.

(B) THE ADVISORY BODY SHALL ~~PROVIDE ONGOING ADVICE TO THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM TO PROMOTE ALIGNMENT AND INTEGRATION OF ALL ASPECTS OF THE PROGRAM.~~ MAKE RECOMMENDATIONS CONCERNING:

(1) THE MODEL, STANDARDS, AND SCOPE OF SERVICES FOR THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM;

(2) THE ESSENTIAL ELEMENTS FOR IMPLEMENTING THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM, INCLUDING THOSE NECESSARY TO ATTRACT PATIENT CENTERED MEDICAL HOMES, CARRIERS, MANAGED CARE ORGANIZATIONS, AND OTHER PAYORS TO PARTICIPATE IN THE PROGRAM;

(3) THE EXTENT AND NATURE OF THE RELATIONSHIP BETWEEN THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM AND PATIENT CENTERED MEDICAL HOMES, CARRIERS, MANAGED CARE ORGANIZATIONS, AND OTHER PAYORS; AND

(4) HOW THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM CAN BE FINANCIALLY SELF-SUSTAINING.

(C) THE ADVISORY BODY SHALL INCLUDE INTERESTED STAKEHOLDERS REPRESENTING HEALTH CARE PROVIDER ORGANIZATIONS, CONSUMER ADVOCACY ORGANIZATIONS, HEALTH PROFESSIONAL ASSOCIATIONS, HEALTH OCCUPATIONS BOARDS, CARRIERS, AND MANAGED CARE ORGANIZATIONS.

~~(e)~~ (D) THE COMMISSION AND THE SECRETARY, IN CONSULTATION, SHALL:

(1) APPOINT THE MEMBERS OF THE ADVISORY BODY; AND

(2) DETERMINE THE FREQUENCY AND LOCATION OF MEETINGS OF THE ADVISORY BODY.

~~19-1B-04.~~

~~(A) THERE IS A PATIENT CENTERED MEDICAL HOME PROGRAM.~~

~~(B) THE PATIENT CENTERED MEDICAL HOME PROGRAM SHALL:~~

~~(1) PROMOTE DEVELOPMENT OF PATIENT CENTERED MEDICAL HOMES;~~

~~(2) BE ADMINISTERED BY THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT; AND~~

~~(3) REQUIRE PARTICIPATING CARRIERS, MANAGED CARE ORGANIZATIONS, OTHER PAYORS, AND PATIENT CENTERED MEDICAL HOMES TO MEET SPECIFIC STANDARDS.~~

~~(C) IN ADMINISTERING THE PATIENT CENTERED MEDICAL HOME PROGRAM, THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT, SHALL ESTABLISH:~~

~~(1) FOR PARTICIPATING CARRIERS, MANAGED CARE ORGANIZATIONS, AND OTHER PAYORS;~~

~~(I) ACCREDITATION AND ANNUAL REPORTING REQUIREMENTS; AND~~

~~(II) A CORE SET OF QUALITY AND COST METRICS; AND~~

~~(2) FOR PARTICIPATING PATIENT-CENTERED MEDICAL HOMES:~~

~~(I) A METHODOLOGY FOR PATIENT ATTRIBUTION; AND~~

~~(II) PRACTICE IMPROVEMENT GOALS.~~

~~(D) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT, MAY REQUIRE A CARRIER TO IMPLEMENT A SINGLE-CARRIER PATIENT-CENTERED MEDICAL HOME PROGRAM THAT PAYS COST-BASED INCENTIVES AND SHARES MEDICAL INFORMATION WITH A PATIENT-CENTERED MEDICAL HOME IN ACCORDANCE WITH § 15-1802 OF THE INSURANCE ARTICLE.~~

~~(E) (1) A CARRIER AND A MANAGED-CARE ORGANIZATION SHALL PARTICIPATE IN THE PATIENT-CENTERED MEDICAL HOME PROGRAM IF THE CARRIER OR MANAGED-CARE ORGANIZATION:~~

~~(I) IS A PROMINENT CARRIER;~~

~~(II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IS A CARRIER THAT OFFERS QUALIFIED HEALTH PLANS THROUGH THE MARYLAND HEALTH BENEFIT EXCHANGE; OR~~

~~(III) IS A MANAGED-CARE ORGANIZATION WITH 5,000 OR MORE MEDICAID ENROLLEES.~~

~~(2) A GROUP MODEL HEALTH MAINTENANCE ORGANIZATION MAY NOT BE REQUIRED TO PARTICIPATE IN THE PATIENT-CENTERED MEDICAL HOME PROGRAM.~~

~~(F) OTHER PAYORS, INCLUDING SELF-INSURED EMPLOYERS, MEDICARE, AND TRICARE, MAY PARTICIPATE IN THE PATIENT-CENTERED MEDICAL HOME PROGRAM AS AUTHORIZED BY THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT.~~

~~19-1B-05.~~

~~(A) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT, SHALL ADOPT REGULATIONS FOR CERTIFYING PRIMARY-CARE PRACTICES AS~~

~~PATIENT CENTERED MEDICAL HOMES IN THE PATIENT CENTERED MEDICAL HOME PROGRAM.~~

~~(B) CERTIFICATION SHALL:~~

~~(1) FOSTER PARTICIPATION OF PRIMARY CARE PRACTICES IN ADVANCED CARE MODELS, SUCH AS THE COMMUNITY INTEGRATED MEDICAL HOME PROGRAM, THAT CAN LEAD TO IMPROVED PATIENT OUTCOMES AND LOWER TOTAL COSTS OF CARE; AND~~

~~(2) RECOGNIZE ACHIEVEMENT BY A PRIMARY CARE PRACTICE OF COORDINATED, ONGOING, AND COMPREHENSIVE PATIENT CENTERED CARE IN A CULTURALLY AND LINGUISTICALLY SENSITIVE MANNER TO QUALIFYING INDIVIDUALS THROUGH:~~

~~(I) EVIDENCE BASED MEDICINE;~~

~~(II) EXPANDED ACCESS AND COMMUNICATION;~~

~~(III) CARE COORDINATION AND INTEGRATION;~~

~~(IV) CARE QUALITY AND SAFETY; AND~~

~~(V) EXCHANGE OF HEALTH INFORMATION WITH CARRIERS, OTHER PROVIDERS, AND QUALIFYING INDIVIDUALS.~~

~~19-1B-06.~~

~~(A) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT, SHALL ESTABLISH AN ACCREDITATION PROGRAM FOR CARRIERS, MANAGED CARE ORGANIZATIONS, AND OTHER PAYORS THAT PARTICIPATE IN THE PATIENT CENTERED MEDICAL HOME PROGRAM.~~

~~(B) (1) THE COMMISSION MAY ESTABLISH AND COLLECT FEES FROM PAYORS TO SUPPORT THE ACCREDITATION PROGRAM.~~

~~(2) THE COMMISSION SHALL PAY ALL FUNDS COLLECTED FROM THE FEES INTO THE MARYLAND HEALTH CARE COMMISSION FUND ESTABLISHED UNDER § 19-111 OF THIS TITLE.~~

~~Article Insurance~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(b) “Carrier” means:~~

~~(1) an insurer that holds a certificate of authority in the State and provides health benefit plans in the State;~~

~~(2) a health maintenance organization that is licensed to operate in the State; or~~

~~(3) a nonprofit health service plan that is licensed to operate in the State.~~

~~(c) “Commission” means the Maryland Health Care Commission established under Title 19, Subtitle 1 of the Health – General Article.~~

~~(d) “Covered medical services” means the health care services that are included as benefits under a health benefit plan issued by a carrier.~~

~~(e) “Health benefit plan” has the meaning stated in § 15-1301 of this title.~~

~~(f) “Qualifying individual” has the meaning stated in § 19-1A-01 of the Health – General Article.~~

~~(g) “Patient centered medical home” has the meaning stated in § 19-1A-01 of the Health – General Article.~~

~~(h) “Single carrier patient centered medical home program” means a program implemented by a carrier to promote the development of a patient centered medical home.~~

~~15-1802.~~

~~(a) Notwithstanding any other provision of this article or the Health – General Article, a carrier that is participating in the Maryland Patient Centered Medical Home Program under Title 19, Subtitle 1A of the Health – General Article or a carrier that has been authorized by the Commission to implement a single carrier patient centered medical home program [may]:~~

~~(1) [pay a patient centered medical home for services associated with] SHALL PAY FOR coordination of covered medical services to qualifying individuals;~~

~~(2) MAY pay a patient centered medical home provider a bonus, fee based incentive, bundled fees, or other incentives approved by the Commission; and~~

~~(3) MAY share medical information about a qualifying individual who has elected to participate in the patient centered medical home with the qualifying individual's patient centered medical home and other treating providers rendering health care services to the qualifying individual.~~

~~(b) Except as otherwise provided in this section:~~

~~(1) an insurer or nonprofit health service plan that participates in the Maryland Patient Centered Medical Home Program under Title 19, Subtitle 1A of the Health General Article or that is authorized by the Commission to implement a single carrier patient centered medical home program shall comply with this article; and~~

~~(2) a health maintenance organization that participates in the Maryland Patient Centered Medical Home Program under Title 19, Subtitle 1A of the Health General Article or that is authorized by the Commission to implement a single carrier patient centered medical home program shall comply with this article, where applicable, and Title 19, Subtitle 7 of the Health General Article.~~

SECTION 2. AND BE IT FURTHER ENACTED, That ~~the Laws of Maryland read as follows:~~

#### ~~Chapter 5 of the Acts of 2010~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2010. It shall remain effective for a period of [5] 8 years and 6 months and, at the end of December 31, [2015] 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

#### ~~Chapter 6 of the Acts of 2010~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2010. It shall remain effective for a period of [5] 8 years and 6 months and, at the end of December 31, [2015] 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding the extension of the termination date, from December 31, 2015, to December 31, 2018, of the Maryland Patient Centered Medical Home Program under Section 2 of this Act, it is the intent of the General Assembly that the Maryland Health Care Commission discontinue the Program before December 31, 2018, if the Commission determines that the major health insurance carriers and Medicaid managed care organizations have established single carrier patient centered medical home programs that support care management functions, use consistent quality measures, and apply common patient attribution methodologies.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That:~~

~~(a) The Department of Health and Mental Hygiene, in consultation with the Maryland Health Care Commission, shall develop a model for the community-based service and support elements of the Community Integrated Medical Home Program established under Section 1 of this Act.~~

~~(b) The model shall include:~~

~~(1) a process for identifying, and requirements for certifying, entities that provide community-based services and supports under the Community Integrated Medical Home Program;~~

~~(2) a process for monitoring the performance of certified entities; and~~

~~(3) a description of how the community-based services and supports are integrated with patient centered medical homes to fulfill the mission of the Community Integrated Medical Home Program.~~

~~(c) On or before October 1, 2015, the Department shall submit a report on the model to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Finance Committee and the House Health and Government Operations Committee, on the recommendations of the Community Integrated Medical Home Program advisory body established under Section 1 of this Act, and the development of the Community Integrated Medical Home Program based on those recommendations.~~

SECTION ~~5~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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Chapter 450

(House Bill 1246)

AN ACT concerning

**Motor Vehicles – Exceptional Milk Hauling Permit – Establishment**

FOR the purpose of authorizing the State Highway Administration to issue an exceptional milk hauling permit that authorizes certain axle configurations and certain increased weight limitations; establishing that the general exceptional hauling permit for farm products does not apply to the transportation of milk; providing for the repeal of certain provisions of this Act on a certain date;

requiring the Administration to enter into an agreement with a certain entity to collect certain data; requiring certain data to be compiled in an annual report; requiring the Administration to meet annually with a certain entity to review the annual report; providing for the effective dates of this Act; and generally relating to the establishment of the exceptional milk hauling permit.

BY repealing and reenacting, with amendments,  
 Article – Transportation  
 Section 24–113.2  
 Annotated Code of Maryland  
 (2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Transportation  
Section 24–113.2(b) and (c)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)  
(As enacted by Section 1 of this Act)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Transportation

24–113.2.

(a) Unless otherwise provided by federal law, an exceptional hauling permit issued under this section is not valid on the interstate highway system, as defined in § 8–101(j) of this article.

(b) Notwithstanding any other provision of this title, the State Highway Administration may issue an exceptional hauling permit for a combination of vehicles that:

(1) **(I)** Carries farm products as defined in § 10–601(c) of the Agriculture Article, **OTHER THAN MILK**, that:

[(i)] **1.** Are loaded in fields or other off-highway locations;  
 and

[(ii)] **2.** Are the only load of the vehicle; and

[(2)] **(II)** Has an axle configuration of not less than six axles and a front-to-rear centerline axle spacing of not less than 50 feet; ~~OR~~

(2) (I) CARRIES TO A PROCESSING PLANT RAW LIQUID MILK THAT IS THE ONLY LOAD ON THE VEHICLE AND IS LOADED FROM BULK LIQUID MILK STORAGE TANKS AT ONE OR MORE FARM LOCATIONS; AND

(II) HAS AN AXLE CONFIGURATION OF NOT LESS THAN ~~FIVE~~ SIX AXLES AND A DISTANCE OF AT LEAST 28 FEET BETWEEN THE LAST AXLE ON THE TRACTOR AND THE FIRST AXLE ON THE SEMITRAILER FRONT-TO-REAR CENTERLINE AXLE SPACING OF NOT LESS THAN 50 FEET; OR

(3) (I) CARRIES TO A PROCESSING PLANT FROM MARCH 1 UNTIL JUNE 30 RAW LIQUID MILK THAT IS THE ONLY LOAD ON THE VEHICLE AND IS LOADED FROM BULK LIQUID MILK STORAGE TANKS AT ONE OR MORE FARM LOCATIONS; AND

(II) HAS AN AXLE CONFIGURATION OF FIVE AXLES AND A DISTANCE OF AT LEAST 28 FEET BETWEEN THE LAST AXLE ON THE TRACTOR AND THE FIRST AXLE ON THE SEMITRAILER.

(c) A combination of vehicles operating under the authority of an exceptional hauling permit issued under subsection (b) of this section shall:

(1) Comply with the following weight limits:

(i) A maximum of 20,000 pounds gross weight on a single axle;

(ii) For any consecutive axle configuration of two or more axles on individual vehicles in the combination, the maximum gross weight specified in § 24-109(c) of this subtitle; and

(iii) A maximum of:

1. 87,000 pounds gross combination weight FOR A COMBINATION OF VEHICLES CARRYING FARM PRODUCTS OTHER THAN MILK; OR

2. ~~90,000~~ 95,000 POUNDS GROSS COMBINATION WEIGHT FOR A COMBINATION OF VEHICLES WITH AT LEAST 6 AXLES CARRYING MILK; OR

3. 88,000 POUNDS GROSS COMBINATION WEIGHT FOR A COMBINATION OF VEHICLES WITH 5 AXLES CARRYING MILK;

(2) Twice each year, submit to and pass a North American Standard Driver/Vehicle Level 1 inspection; and

(3) Be allowed a load limit tolerance of only 1,000 pounds for gross combination weight and 15% for axle weights.

(d) While operating a combination of vehicles under the authority of an exceptional hauling permit issued under subsection (b) of this section, a person may not:

(1) Violate a highway restriction issued by a competent authority;

(2) Operate the combination of vehicles on the interstate highway system, as defined in § 8–101(j) of this article;

(3) Operate the combination of vehicles if the combination of vehicles exceeds any tire weight rating or tire speed restriction adopted under § 25–111 of this article; or

(4) Fail to comply with the terms and conditions of the exceptional hauling permit.

(e) While operating a combination of vehicles under the authority of an exceptional hauling permit issued under subsection (b) of this section, a person shall have in the person's possession:

(1) The original exceptional hauling permit issued for the vehicle; and

(2) For each vehicle in the combination of vehicles, a copy of a valid North American Standard Driver/Vehicle Level 1 inspection report issued within the preceding 180 days that shows no out-of-service violations.

(f) (1) A violation of this section, regulations adopted to implement this section, or the terms and conditions of an exceptional hauling permit issued under subsection (b) of this section shall:

(i) Void the authority granted under the exceptional hauling permit;

(ii) Subject the vehicle to all weight requirements and tolerances specified in this article; and

(iii) For a violation of a weight restriction specified in this section that exceeds 5,000 pounds, subject the exceptional hauling permit to immediate confiscation by an officer or authorized civilian employee of the Department of State Police, an officer of the Maryland Transportation Authority Police, or any police officer.

(2) A person who confiscates an exceptional hauling permit under paragraph (1) of this subsection shall immediately notify the State Highway Administration.

(3) On notification of the confiscation of an exceptional hauling permit, the State Highway Administration shall review the confiscation, verify the violation of a weight restriction, and, if the State Highway Administration determines that a violation did occur, revoke the permit.

(4) An owner or operator of a combination of vehicles may appeal the revocation of an exceptional hauling permit to the State Highway Administrator or the Administrator's designee.

(g) (1) On request from the State Highway Administrator or the Administrator's designee, weight and delivery records of the holder of an exceptional hauling permit that are kept in the normal course of business shall be provided by:

(i) The holder of the exceptional hauling permit; or

(ii) A facility that receives farm products, as defined in § 10–601(c) of the Agriculture Article, delivered by a vehicle operating under the authority of an exceptional hauling permit.

(2) If the holder of an exceptional hauling permit or a facility that receives farm products does not comply with a request under this subsection, the State Highway Administration may:

(i) Suspend the holder's exceptional hauling permit; or

(ii) Prohibit a vehicle from delivering farm products under the authority of the exceptional hauling permit to the noncompliant facility.

(h) (1) An applicant for an exceptional hauling permit shall pay to the State Highway Administration:

(i) 1. \$250 for the issuance of a new annual permit or the annual renewal; or

2. \$30 for the issuance of a 30–day permit;

(ii) \$1,000 for the reinstatement of a permit that was revoked under subsection (f)(3) of this section for a first violation; and

(iii) \$5,000 for the reinstatement of a permit that was revoked under subsection (f)(3) of this section for a second or subsequent violation within the prior 24 months.

(2) A fee paid under this subsection is nonrefundable.

(i) Except as otherwise provided in this section, an exceptional hauling permit is valid for:

(1) 1 year from the date of issuance for an annual permit; or

(2) 30 consecutive days for a 30-day permit.

(j) In consultation with the Secretary of State Police, the State Highway Administration shall adopt regulations to implement this section.

(k) (1) An exceptional hauling permit is issued under this section at the discretion of the State Highway Administrator.

(2) The State Highway Administrator may stop issuing or renewing exceptional hauling permits under this section if the Administrator determines that the use of the permits is adversely affecting any part of the State highway system.

(3) The State Highway Administrator shall promptly report to the General Assembly, in accordance with § 2-1246 of the State Government Article, regarding any decision to stop issuing or renewing exceptional hauling permits under this section and the reason for the decision.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

### Article – Transportation

24-113.2.

(b) Notwithstanding any other provision of this title, the State Highway Administration may issue an exceptional hauling permit for a combination of vehicles that:

(1) (i) Carries farm products as defined in § 10-601(c) of the Agriculture Article, other than milk, that:

1. Are loaded in fields or other off-highway locations;  
and

2. Are the only load of the vehicle; and

(ii) Has an axle configuration of not less than six axles and a front-to-rear centerline axle spacing of not less than 50 feet; OR

(2) (i) Carries to a processing plant raw liquid milk that is the only load on the vehicle and is loaded from bulk liquid milk storage tanks at one or more farm locations; and

(ii) Has an axle configuration of not less than six axles and a distance of at least 28 feet between the last axle on the tractor and the first axle on the ~~semitrailer~~ front-to-rear centerline axle spacing of not less than 50 feet[; or

(3) (i) Carries to a processing plant from March 1 until June 30 raw liquid milk that is the only load on the vehicle and is loaded from bulk liquid milk storage tanks at one or more farm locations; and

(ii) Has an axle configuration of five axles and a distance of at least 28 feet between the last axle on the tractor and the first axle on the semitrailer].

(c) A combination of vehicles operating under the authority of an exceptional hauling permit issued under subsection (b) of this section shall:

(1) Comply with the following weight limits:

(i) A maximum of 20,000 pounds gross weight on a single axle;

(ii) For any consecutive axle configuration of two or more axles on individual vehicles in the combination, the maximum gross weight specified in § 24–109(c) of this subtitle; and

(iii) A maximum of:

1. 87,000 pounds gross combination weight for a combination of vehicles carrying farm products other than milk; OR

2. 95,000 pounds gross combination weight for a combination of vehicles [with at least 6 axles] carrying milk; [or]

[3. 88,000 pounds gross combination weight for a combination of vehicles with 5 axles carrying milk;]

(2) Twice each year, submit to and pass a North American Standard Driver/Vehicle Level 1 inspection; and

(3) Be allowed a load limit tolerance of only 1,000 pounds for gross combination weight and 15% for axle weights.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The State Highway Administration shall enter into an agreement with the Maryland and Virginia Milk Producers Cooperative Association to collect the following data:

(1) with respect to a permit issued under § 24-113.2(b)(2) of the Transportation Article, as enacted by this Act, the total number of vehicles or combination of vehicles operating under the permit with a gross combination weight:

- (i) under 90,000 pounds;
- (ii) between 90,000 and 95,000 pounds; and
- (iii) over 95,000 pounds; and

(2) with respect to a permit issued under § 24-113.2(b)(3) of the Transportation Article, as enacted by this Act, the total number of vehicles or combination of vehicles operating under the permit with a gross combination weight:

- (i) under 80,000 pounds;
- (ii) between 80,000 and 88,000 pounds; and
- (iii) over 88,000 pounds.

(b) Data collected under subsection (a) of this section shall be organized by month and compiled in an annual report.

(c) The State Highway Administration shall meet annually with the Maryland and Virginia Milk Producers Cooperative Association to review the most recent annual report compiled under this section.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2016.

SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That, except as provided in Section 4 of this Act, this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 451

**(House Bill 1307)**

AN ACT concerning

**Children in Out-of-Home Placement – Annual Notice of Benefits**

FOR the purpose of requiring the Social Services Administration to provide a certain child in out-of-home placement certain information at least once a year; specifying the contents of the information; authorizing the Administration to provide the information to the child at a certain hearing or by certified mail; requiring the Secretary of Human Resources to submit a report on the implementation of this Act to certain committees of the General Assembly by a certain date; and generally relating to children in out-of-home placement.

BY adding to

Article – Family Law

Section 5–525(k)

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Family Law**

5–525.

**(K) (1) AT LEAST ONE TIME EACH YEAR, THE ADMINISTRATION SHALL PROVIDE A CHILD IN AN OUT-OF-HOME PLACEMENT WHO IS AT LEAST 13 YEARS OLD INFORMATION REGARDING BENEFITS AVAILABLE TO THE CHILD ON LEAVING OUT-OF-HOME CARE.**

**(2) THE INFORMATION PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE INFORMATION REGARDING TUITION ASSISTANCE, HEALTH CARE BENEFITS, AND JOB TRAINING AND INTERNSHIP OPPORTUNITIES.**

**(3) THE ADMINISTRATION MAY PROVIDE THE CHILD THE INFORMATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION:**

**(I) AT A PERMANENCY PLANNING HEARING OR REVIEW HEARING HELD IN ACCORDANCE WITH § 3–823 OF THE COURTS ARTICLE; OR**

**(II) BY CERTIFIED MAIL.**

SECTION 2. AND BE IT FURTHER ENACTED, That the Secretary of Human Resources shall report on or before December 31, 2014, to the Senate ~~Finance~~ *Judicial Proceedings* Committee and the House Appropriations Committee, in accordance with § 2–1246 of the State Government Article, on how the Department of Human Resources has implemented the provisions of this Act.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 452

### (House Bill 1312)

AN ACT concerning

#### **Program Open Space Sites – Public Access**

FOR the purpose of authorizing a local governing body to use certain Program Open Space funds for the provision of certain public access to certain land; authorizing the Department of Natural Resources to use certain Program Open Space funds to provide or enhance certain public access to certain land; requiring the Department to ~~prepare a certain public access plan~~ consider the feasibility of providing certain public access for certain Program Open Space projects; authorizing the Department to use funds in the Bay Access Areas Fund under Program Open Space to enhance public access to certain bodies of water; requiring certain ~~local governing bodies~~ subdivisions to ~~prepare and submit for review and approval certain public access plans~~ consider the feasibility of providing certain public access for certain Program Open Space projects ~~and to propose certain public access projects for certain Program Open Space land; requiring certain State and local land use plans to include a certain public access plan for certain Program Open Space land;~~ altering a certain declaration of need made by the General Assembly for Program Open Space to include the provision of certain public access to certain facilities; altering a certain intent of the General Assembly; and generally relating to public access to Program Open Space sites.

BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 5–902(a) and (b), 5–903(b)(1) and (f), 5–904(a) and (c), and 5–905(a)(2)  
~~and (b)(2), and 5–906(b)~~

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – Natural Resources

Section 5–905(a)(1)

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Natural Resources**

5–902.

(a) The General Assembly declares that there is need for a program to make funds available to State agencies and any subdivision to:

(1) Expedite acquisition of outdoor recreation and open space areas before escalating cost of land prevents its purchase for public use and before potential areas are devoted to some other use; and

(2) Accelerate development and capital renewal of needed outdoor recreation facilities, **INCLUDING THE PROVISION OF ~~MAXIMUM~~ PUBLIC ACCESS TO THE FACILITIES.**

(b) This program is known as Program Open Space and carries out the recommendations of the 1968 Legislative Council committee on recreational areas. By enacting this program, the General Assembly intends to provide funds to the State and its subdivisions to enable them to acquire land for outdoor public recreation and open space use and develop **AND PROVIDE ~~MAXIMUM~~ PUBLIC ACCESS TO** the land for public recreation.

5–903.

(b) (1) The General Assembly shall appropriate the remaining funds not appropriated under subsection (a) of this section to assist local governing bodies in acquisition and development of land for recreation and open space purposes, **INCLUDING THE PROVISION OF ~~MAXIMUM~~ PUBLIC ACCESS TO THE LAND.**

(f) (1) Subject to the limitation under paragraph (2) of this subsection, the Department may use acquisition funds to:

(i) Stabilize the structural integrity of improvements existing on land at the time of acquisition;

(ii) Eliminate hazards to health and safety, including treatment and removal of hazardous materials; **[and]**

(iii) Protect water quality by implementing environmental improvements, including shore erosion control measures and vegetated buffers; **AND**

**(IV) PROVIDE PUBLIC ACCESS TO THE RECREATIONAL AND OPEN SPACE USES OF THE ACQUIRED LAND.**

(2) The costs to perform any of the activities described in paragraph (1) of this subsection may not exceed 10 percent of the purchase price of the land.

**(3) THE DEPARTMENT MAY USE ACQUISITION FUNDS TO ENHANCE PUBLIC ACCESS TO EXISTING RECREATIONAL AND OPEN SPACE SITES ~~TO THE MAXIMUM EXTENT FEASIBLE.~~**

5-904.

(a) (1) Each year the Department, in consultation with the Department of Planning, shall prepare a list of recommended State projects for funding under this program for the next fiscal year.

(2) In preparing the list, the Department shall give priority to properties in targeted areas.

(3) Prior to submitting the list to the Department of Budget and Management for inclusion in the budget, the legislators from the district within which the Department is proposing a State acquisition project shall be given an opportunity to review and comment on the project.

(4) The list shall be submitted to the General Assembly in a manner similar to other capital projects as provided in Title 3, Subtitle 6 of the State Finance and Procurement Article.

**(5) (I) THE DEPARTMENT, FOR EACH PROJECT RECOMMENDED UNDER THIS SUBSECTION, SHALL ~~PREPARE AND SUBMIT A PLAN~~ CONSIDER WHETHER IT IS FEASIBLE TO PROVIDE PUBLIC ACCESS TO THE RECREATIONAL AND OPEN SPACE SITE ~~TO THE MAXIMUM EXTENT FEASIBLE.~~**

**(II) WHEN CONSIDERING WHETHER IT IS FEASIBLE TO PROVIDE PUBLIC ACCESS TO A SITE UNDER THIS PARAGRAPH, THE DEPARTMENT MAY CONSIDER:**

**1. THE AVAILABILITY OF FUNDS AVAILABLE UNDER THIS PROGRAM OR FROM OTHER SOURCES TO PROVIDE PUBLIC ACCESS TO THE SITE;**

**2. PUBLIC SAFETY AND LIABILITY ISSUES IF PUBLIC ACCESS WERE PROVIDED TO THE SITE;**

**3. WHETHER THE SITE WAS ACQUIRED AS A PART OF A LARGER RECREATIONAL AND OPEN SPACE PROJECT THAT IS NOT YET COMPLETED AND READY FOR PUBLIC ACCESS; AND**

**4. THE EXISTENCE OF A CONTRACTUAL COMMITMENT ON THE SITE THAT WOULD LIMIT PUBLIC ACCESS FOR A PERIOD OF TIME, INCLUDING A HOME, AGRICULTURAL, OR HUNTING LEASE.**

(c) (1) There is a Bay Access Areas Fund.

(2) A portion of the funds available under this program for State projects may be appropriated in the State budget for the Bay Access Areas Fund.

(3) The Department may use funds available in the Bay Access Areas Fund to [purchase]:

(I) **PURCHASE** sites that provide public access to a body of water; **OR**

(II) **ENHANCE PUBLIC ACCESS TO A BODY OF WATER ON AN EXISTING RECREATIONAL AND OPEN SPACE SITE.**

(4) In purchasing sites under this subsection, the Department shall give preference to sites that:

(i) 1. Are directly on the bay; or

2. Are on a tributary of the bay and are near the bay;

(ii) Are near a population center;

(iii) Are readily accessible by the public; and

(iv) Would fulfill a need for public water access identified in the Maryland Land Preservation and Recreation Plan or a local land preservation and recreation plan.

(5) (i) Before the Department makes an expenditure from the Bay Access Areas Fund, the Department shall submit the proposed expenditure with complete supporting documentation to the budget committees of the General Assembly for review and comment by those committees.

(ii) The budget committees have 45 days after receipt of the documentation to submit comments to the Board of Public Works.

(6) Any expenditure of funds from the Bay Access Areas Fund is subject to the approval of the Board of Public Works.

5-905.

(a) (1) On or before May 1 of each year, the Department shall notify each local governing body of its allocation of local acquisition and development funds for the next fiscal year within the limits imposed by the formula developed for the apportionment of the annual appropriations for Program Open Space.

(2) (i) By the first of July each year, a participating local governing body shall submit an annual program of proposed acquisition and development projects, together with a list of projects submitted by any municipal corporation to the local governing body and not included in the local governing body's annual program, to the Department of Planning for review and to the Department for approval.

(ii) A municipal corporation may submit an annual program through its local governing body.

**(III) A PARTICIPATING LOCAL GOVERNING BODY SUBDIVISION, FOR EACH PROPOSED PROJECT UNDER THIS SUBSECTION SHALL CONSIDER WHETHER IT IS FEASIBLE TO PROVIDE PUBLIC ACCESS TO THE PROPOSED PROJECT.**

~~1. FOR EACH PROPOSED PROJECT UNDER THIS SUBSECTION PREPARE AND SUBMIT FOR REVIEW AND APPROVAL A PLAN TO PROVIDE PUBLIC ACCESS TO THE RECREATIONAL AND OPEN SPACE SITE TO THE MAXIMUM EXTENT FEASIBLE; AND~~

~~2. PROPOSE DEVELOPMENT PROJECTS TO ENHANCE PUBLIC ACCESS TO EXISTING RECREATIONAL AND OPEN SPACE SITES TO THE MAXIMUM EXTENT FEASIBLE.~~

**(IV) WHEN CONSIDERING WHETHER IT IS FEASIBLE TO PROVIDE PUBLIC ACCESS TO A PROPOSED PROJECT UNDER THIS PARAGRAPH, A SUBDIVISION MAY CONSIDER:**

**1. THE AVAILABILITY OF FUNDS AVAILABLE UNDER THIS PROGRAM OR FROM OTHER SOURCES TO PROVIDE PUBLIC ACCESS TO THE PROPOSED PROJECT;**

**2. PUBLIC SAFETY AND LIABILITY ISSUES IF PUBLIC ACCESS WERE PROVIDED TO THE SITE;**

3. WHETHER THE SITE FOR THE PROPOSED PROJECT WAS ACQUIRED AS A PART OF A LARGER RECREATIONAL AND OPEN SPACE PROJECT THAT IS NOT YET COMPLETED AND READY FOR PUBLIC ACCESS; AND

4. THE EXISTENCE OF A CONTRACTUAL COMMITMENT ON THE SITE FOR A PROPOSED PROJECT THAT WOULD LIMIT PUBLIC ACCESS FOR A PERIOD OF TIME, INCLUDING A HOME, AGRICULTURAL, OR HUNTING LEASE.

~~(b) (2) A local governing body shall prepare a local land preservation and recreation plan with acquisition goals based upon the most current population data available from the Department of Planning and submit it to the Department and to the Department of Planning for joint approval according to the criteria and goals set forth in guidelines prepared by the Department and the Department of Planning. A LOCAL LAND PRESERVATION AND RECREATION PLAN SHALL INCLUDE A PLAN TO ENHANCE PUBLIC ACCESS TO EXISTING RECREATIONAL AND OPEN SPACE SITES TO THE MAXIMUM EXTENT FEASIBLE. A local governing body shall revise its local land preservation and recreation plan at least every 5 years and submit the revised local plan to the Department and to the Department of Planning for joint approval 1 year prior to the revision of the Maryland Land Preservation and Recreation Plan. Prior to approval of a revised local plan, the Department shall provide the legislators from the district within which any part of the local jurisdiction is located the opportunity to review and comment on the revised local plan.~~

~~5-906.~~

~~(b) Every acquisition and development project funded by the State in whole or in part shall meet needs identified in the Maryland Land Preservation and Recreation Plan prepared and revised every 5 years by the Department in consultation with the Department of Planning and local governments. The document shall identify and recommend for State acquisition efforts those resource areas facing the most intense or immediate development pressure. These resource areas shall be designated as targeted areas. THE MARYLAND LAND PRESERVATION AND RECREATION PLAN SHALL INCLUDE A PLAN TO ENHANCE PUBLIC ACCESS TO EXISTING RECREATIONAL AND OPEN SPACE SITES TO THE MAXIMUM EXTENT FEASIBLE. The document and any changes to it shall be distributed to every local governing body.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.

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**Chapter 453****(House Bill 1351)**

AN ACT concerning

**Baltimore City – Special Police Officers and School Police Officers**

FOR the purpose of repealing a certain provision of law relating to the appointment of special police officers in Baltimore City; repealing an obsolete provision of law relating to Baltimore City school police officers; and generally relating to special police officers and school police officers in Baltimore City.

BY repealing

The Public Local Laws of Baltimore City

Section 16–16

Article 4 – Public Local Laws of Maryland

(1979 Edition and 1997 Supplement, and 2000 Supplement, as amended)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 4 – Baltimore City**

[16–16.

The Police Commissioner of Baltimore City is hereby authorized, in the exercise of his discretion, upon the application of any corporation, association, firm or person in the City of Baltimore that the said Commissioner may deem responsible, to appoint suitable persons as special police officers to serve without pay from the said City or the State of Maryland, and the corporation, association, firm or person applying for such appointment shall be liable for the official misconduct, wrongful or negligent acts of the officer appointed on such application. Every special police officer appointed under the provisions this section shall, upon the premises of the corporation, association, firm or person for which he may have been appointed, but not elsewhere, have power to preserve the public peace, prevent crime, arrest offenders, protect the rights and property in and upon such premises as fully as a regular police officer of Baltimore City. A record of such appointment shall be kept in the office of the said Commissioner, and any appointments so made may be revoked by the said Commissioner at any time; and the form of badge to be worn by such special police officer shall be prescribed by the said Police Commissioner and, additionally, such special police officers shall wear no uniform which does not have the approval of the Commissioner. Nothing herein shall be intended to permit private detectives licensed under the laws of Maryland to act or be appointed under the provisions of this section as a special police officer.

Baltimore City school police officers appointed under this section shall have power to preserve the public peace, prevent crime, arrest offenders, make arrests or issue traffic citations for violations of any of the provisions of the Maryland vehicle law or local traffic laws or regulations, including the parking area regulations adopted by a principal for school property, protect rights and property in, upon, and in the immediate vicinity of the premises of schools and other Department of Education properties as fully as regular police officers of Baltimore City. The Baltimore City school police officers shall have and enjoy the immunities and defenses of regular police officers in any suit, civil or criminal, brought against them in consequence of acts done in their official duties. The provision of this section that appointees there under shall serve without pay from the City or the State of Maryland shall not apply to Baltimore City school police officers.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## **Chapter 454**

### **(House Bill 1390)**

AN ACT concerning

#### **St. Mary's County – Public Officials – Salaries**

FOR the purpose of altering the salary of the Treasurer of St. Mary's County, the Sheriff of St. Mary's County, the Judges of the Orphans' Court for St. Mary's County, the President of the Board of County Commissioners of St. Mary's County, and the County Commissioners of St. Mary's County; providing for the application of this Act; and generally relating to the salaries of public officials of St. Mary's County.

BY repealing and reenacting, with amendments,  
Article – Local Government  
Section 16–203  
Annotated Code of Maryland  
(2013 Volume)

BY repealing and reenacting, with amendments,  
Article – Courts and Judicial Proceedings  
Section 2–309(t)  
Annotated Code of Maryland  
(2013 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Estates and Trusts  
 Section 2–108(s)  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 The Public Local Laws of St. Mary's County  
 Section 26–3A.  
 Article 19 – Public Local Laws of Maryland  
 (2007 Edition and February 2013 Supplement, as amended)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Local Government**

16–203.

(a) The annual salary of the County Treasurer of St. Mary's County is **[\$48,000]:**

- (1) \$50,000 FOR CALENDAR YEAR 2015;**
- (2) \$50,500 FOR CALENDAR YEAR 2016;**
- (3) \$51,005 FOR CALENDAR YEAR 2017; AND**
- (4) \$51,515 FOR CALENDAR YEAR 2018.**

(b) The County Treasurer of St. Mary's County shall devote full time to the duties of office.

#### **Article – Courts and Judicial Proceedings**

2–309.

- (t) (1) The annual salary of the Sheriff of St. Mary's County shall be:
- (i) **[\$76,000] \$100,000** for the calendar year **[2007] 2015;**
  - (ii) **[\$78,000] \$102,000** for the calendar year **[2008] 2016;**
  - (iii) **[\$80,000] \$104,040** for the calendar year **[2009] 2017;** and
  - (iv) **[\$82,000] \$106,120** for the calendar year **[2010] 2018.**

- (2) The Sheriff shall devote full time to the duties of office.

### Article – Estates and Trusts

2–108.

(s) (1) Each of the judges of the Court for St. Mary’s County shall receive an annual salary of:

- (i) ~~[\$6,000]~~ **\$9,000** for the calendar year ~~[2007]~~ **2015**;
- (ii) ~~[\$6,500]~~ **\$9,000** for the calendar year ~~[2008]~~ **2016**;
- (iii) ~~[\$7,000]~~ **\$9,000** for the calendar year ~~[2009]~~ **2017**; and
- (iv) ~~[\$7,500]~~ **\$9,000** for the calendar year ~~[2010]~~ **2018**.

(2) Each judge shall also be allowed \$1,000 annually for traveling expenses, payable quarterly.

### Article 19 – St. Mary’s County

26–3.

#### A. Salaries.

(1) The President of the County Commissioners shall receive a salary of:

(a) ~~[Twenty–four thousand dollars (\$24,000.00) for]~~ **\$43,430 FOR THE** calendar year ~~[1991]~~ **2015**;

(b) ~~[Twenty–five thousand dollars (\$25,000.00) for]~~ **\$43,864 FOR THE** calendar year ~~[1992]~~ **2016**;

(c) ~~[Twenty–six thousand dollars (\$26,000.00) for]~~ **\$44,303 FOR THE** calendar year ~~[1993]~~ **2017**; AND

(d) ~~[Twenty–seven thousand dollars (\$27,000.00) for]~~ **\$44,746 FOR THE** calendar year ~~[1994;]~~ **2018**.

(e) Forty thousand dollars (\$40,000.00) for the calendar year 2007;

(f) Forty-one thousand dollars (\$41,000.00) for the calendar year 2008;

(g) Forty-two thousand dollars (\$42,000.00) for the calendar year 2009; and

(h) Forty-three thousand dollars (\$43,000.00) for the calendar year 2010.]

(2) Each other Commissioner shall receive a salary of:

(a) [Eighteen thousand dollars (\$18,000.00) for] **\$38,380 FOR THE** calendar year [1991] **2015**;

(b) [Nineteen thousand dollars (\$19,000.00) for] **\$38,764 FOR THE** calendar year [1992] **2016**;

(c) [Twenty thousand dollars (\$20,000.00) for] **\$39,152 FOR THE** calendar year [1993] **2017**; AND

(d) [Twenty-one thousand dollars (\$21,000.00) for] **\$39,544 FOR THE** calendar year [1994;] **2018**.

[(e) Thirty-five thousand dollars (\$35,000.00) for calendar year 2007;

(f) Thirty-six thousand dollars (\$36,000.00) for calendar year 2008;

(g) Thirty-seven thousand dollars (\$37,000.00) for calendar year 2009; and

(h) Thirty-eight thousand dollars (\$38,000.00) for calendar year 2010.]

(3) The Attorney to the County Commissioners shall receive an annual salary as determined by the Commissioners.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the Treasurer of St. Mary's County, the Sheriff of St. Mary's County, the Judges of the Orphans' Court for St. Mary's County, the President of the Board of County Commissioners of St. Mary's County, or the County Commissioners of St. Mary's County while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the Treasurer of St. Mary's County, the Sheriff of St. Mary's County,

the Judges of the Orphans' Court for St. Mary's County, the President of the Board of County Commissioners of St. Mary's County, and the County Commissioners of St. Mary's County shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 455

### (House Bill 1393)

AN ACT concerning

**St. Mary's County – John Hanson Briscoe Circuit Courthouse for St. Mary's County**

FOR the purpose of renaming the St. Mary's County Circuit Courthouse, located in Leonardtown, St. Mary's County, the John Hanson Briscoe Circuit Courthouse for St. Mary's County; and generally relating to the renaming of the St. Mary's County Circuit Courthouse, located in Leonardtown, St. Mary's County.

BY adding to

The Public Local Laws of St. Mary's County  
Section 19–3.

Article 19 – Public Local Laws of Maryland  
(2007 Edition and February 2013 Supplement, as amended)

#### Preamble

WHEREAS, Judge John Hanson Briscoe was elected in 1962 to the Maryland House of Delegates, where he represented St. Mary's County and served as Chair of the Natural Resources Committee, the Environmental Matters Committee, and the Ways and Means Committee before he was elected Speaker of the House of Delegates in 1973; and

WHEREAS, As a legislator, Judge Briscoe was instrumental in the passage of State civil rights laws, the expansion of Point Lookout State Park, and the creation of Greenwell State Park and the College of Southern Maryland; and

WHEREAS, Judge Briscoe was respected for his powers of persuasion and mediation and served as Speaker of the House of Delegates from 1973 until his retirement in 1979; and

WHEREAS, Judge Briscoe was appointed in 1985 to the St. Mary's County Circuit Court, 7th Judicial Circuit, where he served with distinction until his retirement in 2002; and

WHEREAS, Judge Briscoe made historic and environmental preservation central tenets of his career; and

WHEREAS, Judge Briscoe spearheaded erosion mediation efforts to save St. Clement's Island, the birthplace of Maryland; and

WHEREAS, As President of the Historic Sotterley Foundation, Judge Briscoe dedicated himself to establishing Sotterley Plantation as a National Historic Landmark and to preserving Sotterley Plantation as a vital public museum and educational site; and

WHEREAS, Throughout his life, Judge Briscoe demonstrated an exceptional level of selfless service and essential humanity and decency, ensuring that his compassion and commitment would remain as a lasting legacy to the people of St. Mary's County and the State of Maryland; and

WHEREAS, The General Assembly wishes to express its profound respect for, and deep gratitude to, Judge John Hanson Briscoe, and to name the St. Mary's County Circuit Courthouse in his honor, and in honor of his service to St. Mary's County and the State of Maryland; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article 19 – St. Mary's County**

#### **19-3.**

**THE CIRCUIT COURTHOUSE, LOCATED AT 41605 COURTHOUSE DRIVE, LEONARDTOWN, ST. MARY'S COUNTY, MARYLAND, SHALL BE RENAMED THE JOHN HANSON BRISCOE CIRCUIT COURTHOUSE FOR ST. MARY'S COUNTY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 456****(House Bill 1409)**

AN ACT concerning

**Anne Arundel County – Collection of Hotel Taxes and Distribution of  
Revenues – City of Annapolis**

FOR the purpose of providing that Anne Arundel County may authorize the City of Annapolis to collect certain hotel tax revenue generated in the City of Annapolis; requiring the City of Annapolis to distribute and retain a certain percentage of the revenue under certain circumstances; and generally relating to the collection and distribution of hotel tax revenue generated in the City of Annapolis.

BY repealing and reenacting, without amendments,  
Article – Local Government  
Section 20–603(a)  
Annotated Code of Maryland  
(2013 Volume)

BY repealing and reenacting, with amendments,  
Article – Local Government  
Section 20–603(b)  
Annotated Code of Maryland  
(2013 Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Local Government**

20–603.

(a) By ordinance, Anne Arundel County may impose a sales or use tax on:

- (1) fuel and utilities used by commercial and industrial businesses;
- (2) residential, commercial, and industrial telephone service; and
- (3) space rentals other than space rentals for the docking or storing of boats.

(b) (1) Any revenues collected under subsection (a)(1) and (2) of this section in the City of Annapolis shall be allocated and distributed in equal amounts to the City of Annapolis and to Anne Arundel County.

(2) Except as otherwise provided in this subsection, any revenue generated in the City of Annapolis from the tax on space rentals shall be collected and retained by the City of Annapolis.

(3) [Any] **EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS SUBSECTION, ANY** revenue generated in the City of Annapolis from the hotel tax shall be collected by Anne Arundel County.

(4) From any revenue generated in the City of Annapolis from the hotel tax, Anne Arundel County shall distribute:

- (i) 3% to the Arts Council of Anne Arundel County, Inc.; and
- (ii) 17% to the Annapolis and Anne Arundel County Conference and Visitors Bureau.

(5) After making the distributions required under paragraph (4) of this subsection, the balance of the revenue generated in the City of Annapolis from the hotel tax shall be distributed to the City of Annapolis.

**(6) (I) ANNE ARUNDEL COUNTY MAY AUTHORIZE THE CITY OF ANNAPOLIS TO COLLECT REVENUE GENERATED IN THE CITY OF ANNAPOLIS FROM THE HOTEL TAX.**

**(II) IF ANNE ARUNDEL COUNTY AUTHORIZES THE CITY OF ANNAPOLIS TO COLLECT REVENUE GENERATED IN THE CITY OF ANNAPOLIS FROM THE HOTEL TAX, THE CITY OF ANNAPOLIS SHALL DISTRIBUTE A PERCENTAGE OF THE REVENUE IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION AND RETAIN THE BALANCE OF THE REVENUE GENERATED.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.

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## Chapter 457

(House Bill 1456)

AN ACT concerning

**Department of Health and Mental Hygiene – Board of Review – Jurisdiction**

FOR the purpose of limiting the jurisdiction of the Board of Review of the Department of Health and Mental Hygiene to hear and determine appeals from decisions of the Secretary of Health and Mental Hygiene and units in the Department; authorizing the Board to hear and determine any appeal from a decision of the Secretary in a contested case concerning an individual's eligibility for or participation in certain programs; excluding from the Board's review jurisdiction certain Maryland Medical Assistance Program eligibility decisions delegated by the Secretary to the Maryland Health Benefit Exchange; providing that a person aggrieved by a certain adverse determination subject to review by the Board forgo review by the Board and instead petition for judicial review; providing that certain decisions are affirmed if the Board does not issue a decision within a certain period of time after submitting the notice of appeal; providing that any party may seek an appeal from a decision of the Board; repealing certain obsolete provisions of law; requiring the Department to study the continued role of the Board and report its findings and recommendations to the Governor and certain committees of the General Assembly on or before a certain date; *providing for the application of this Act*; making conforming changes; and generally relating to the jurisdiction of the Board of Review of the Department of Health and Mental Hygiene.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 2–206, 2–207, 10–511, 10–524, 19–330, and 19–732

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 1A–311, 2–316, 3–316, 4–319, 5–313, 7–320, 8–318, 8–6B–21, 9–309,  
9–316, 10–317, 11–318, 12–316, 12–412, 13–318, 14–408, 15–313, 16–315,  
17–512, 18–316, 19–313, 20–308, and 20–315

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article – Health – General**

2–206.

(a) The Board shall make recommendations to the Secretary on the operation and administration of the Department as the Board considers necessary or desirable.

(b) If an advisory board for the Department is not created, the Board shall advise the Secretary on all matters affecting the Department that the Secretary submits to the Board for its consideration.

(c) (1) Except as [expressly] provided [otherwise] **IN PARAGRAPH (2) OF THIS SUBSECTION**, the Board shall hear and determine any appeal from[:

(1) A decision of the Secretary or any unit in the Department in a contested case that is subject to judicial review under § 10–222 of the State Government Article;

(2) A decision of the Secretary or any unit in the Department that is subject to judicial review under any provision of law other than §§ 10–125 and 10–222 of the State Government Article; and

(3) An action of or inaction by any unit in the Department for which the Secretary, by rule or regulation, provides for review by the Board.] **A DECISION OF THE SECRETARY IN A CONTESTED CASE CONCERNING AN INDIVIDUAL'S ELIGIBILITY FOR OR PARTICIPATION IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM, INCLUDING HOME- AND COMMUNITY-BASED WAIVER SERVICES PROGRAMS AND OTHER DEMONSTRATION WAIVER PROGRAMS.**

**(2) MARYLAND MEDICAL ASSISTANCE PROGRAM ELIGIBILITY DECISIONS MADE UNDER DELEGATION BY THE SECRETARY TO THE MARYLAND HEALTH BENEFIT EXCHANGE ARE NOT SUBJECT TO REVIEW BY THE BOARD.**

(d) The Board shall report at least annually to the Secretary. Its report shall include a summary by categories of appeals heard and determinations made.

(e) A Board member may not vote or otherwise participate in the Board's consideration of any matter in which the member has a direct or indirect private interest.

2–207.

(a) If any person is aggrieved by [any] **A decision OF THE SECRETARY THAT IS SUBJECT TO REVIEW BY THE BOARD UNDER § 2–206(C)(1) OF THIS SUBTITLE**[, action, or inaction on the part of the Secretary or of any unit in the Department for which an appeal to the Board is provided by this subtitle], that person is entitled to appeal as provided in this section.

[(b) Except as provided in subsection (e)(2) of this section, before beginning an appeal, the person aggrieved shall make known the basis of the complaint to the individual responsible for the decision, action, or inaction complained of, together with a request for review. If, within 30 days after the request, a resolution satisfactory to the complainant does not occur, the complainant may file a statement of complaint in accordance with subsection (c) of this section.

(c) The complainant shall file a detailed written statement of the complaint and all relevant facts and circumstances with the chief executive officer of the Department or unit in the Department to which application for review is made. If there is no chief executive officer, the statement may be filed with any member of the unit's governing body. The complaint shall be acknowledged promptly in writing, and a copy of the complaint and acknowledgment shall be sent to the Secretary.

(d) (1) The Department or unit then shall investigate the complaint. Subject to extensions of time to which the parties may agree, the Department or unit shall give a written decision and send a copy of it to the complainant within 30 days after the filing of the complaint.

(2) A record shall be kept of each complaint and its disposition. The record shall be open to public inspection during regular business hours.

(e) (1) If the matter is one for which an appeal to the Board is provided by this subtitle, a complainant aggrieved by an adverse decision or action or by inaction within the time required by subsection (d) of this section may file an appeal to the Board.

(2) Subject to § 10–222 of the State Government Article, any party aggrieved by a decision in a contested case for which an appeal is provided to the Board may appeal directly to the Board.]

**(B) ANY APPEAL AUTHORIZED BY THIS SUBTITLE MUST BE FILED WITH THE BOARD WITHIN 30 DAYS AFTER THE DATE OF THE DECISION FROM WHICH THE APPEAL IS BEING TAKEN.**

**[(f)] (C)** (1) The Board shall adopt procedural rules and regulations as provided in the Administrative Procedure Act and in all respects shall be governed by that Act. At least 3 members shall sit at each hearing of the Board when it sits as a board of appeal. Decisions shall be by a majority of the members sitting, shall be in writing, and shall state the Board's reasons. The Board shall keep minutes of its proceedings.

(2) A decision of the Board is a final agency decision for purposes of judicial review under the Administrative Procedure Act [or any other law that permits an appeal to the courts from a decision of a unit in the Department].

**(3) A PARTY AGGRIEVED BY A DECISION OF THE SECRETARY NEED NOT EXHAUST THE ADMINISTRATIVE REMEDY BEFORE THE BOARD AS PROVIDED IN THIS SECTION AND MAY PETITION FOR JUDICIAL REVIEW OF THE SECRETARY'S DECISION AS A FINAL AGENCY DECISION UNDER THE ADMINISTRATIVE PROCEDURE ACT.**

**(4) IF THE BOARD DOES NOT ISSUE A DECISION WITHIN 180 DAYS AFTER SUBMISSION OF THE NOTICE OF APPEAL, THE DECISION OF THE SECRETARY SHALL BE CONSIDERED AFFIRMED.**

**[(g)] (D)** (1) As to any issue for which the taking of evidence is authorized, the chairman or the acting chairman may administer oaths and issue subpoenas and orders for the attendance of witnesses and the production of evidence.

(2) If a person fails to comply with a lawful order or subpoena issued under this subsection, on the petition of the chairman or acting chairman, a court of competent jurisdiction may compel obedience to the order or subpoena or compel testimony or the production of evidence.

**[(h)] (E) (1) [Unless there is a special provision of law governing an appeal of a decision of a particular unit, each appeal] ANY PARTY MAY SEEK AN APPEAL FROM A DECISION OF THE BOARD.**

**(2) APPEALS** from a decision of the Board shall be governed by the Administrative Procedure Act.

10-511.

Any person aggrieved by a final decision of the Department in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review of the Department;  
and

(2) Take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

10-524.

Any person aggrieved by a final decision of the Secretary in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review of the Department;  
and

(2) Take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act to the circuit court for the county where the private group home is located or planned.

19-330.

(a) Except as provided in this section for an action under § 19–329(a) of this subtitle, any person aggrieved by a final decision of the Secretary in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review of the Department;  
and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) A person aggrieved by a final decision of the Secretary under § 19–329(a) of this subtitle may not appeal.

19–732.

(a) Except as otherwise provided in Title 15, Subtitle 10A of the Insurance Article, a party aggrieved by a final action of the Commissioner under this subtitle has the right to a hearing and the right to appeal from the action of the Commissioner under §§ 2–210 through 2–215 of the Insurance Article.

(b) A party aggrieved by an order of the Secretary under this subtitle may [appeal that order to the Board of Review of the Department and take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** provided by the [State Government Article] **ADMINISTRATIVE PROCEDURE ACT**.

### Article – Health Occupations

1A–311.

(a) Except as provided in this section for an action under § 1A–309 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined by the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 1A–309 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions in Title 10, Subtitle 2 of the State Government Article] **BY THE ADMINISTRATIVE PROCEDURE ACT**.

2–316.

(a) Except as provided in this section for an action under § 2–314 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 2–314 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

(c) An order of the Board may not be stayed pending review.

3–316.

(a) Except as provided in this section for an action under § 3–313 of this subtitle or § 3–5A–11 of this title, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 3–313 of this subtitle or § 3–5A–11 of this title may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

4–319.

(a) Except as provided in this section for an action under § 4–315 of this subtitle, a person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 4–315 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

5–313.

(a) Except as otherwise provided in this section for an action under § 5–311 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 5–311 of this subtitle may not appeal to the Secretary [or the Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made pursuant to the provisions on judicial review of final decisions in Title 10, Subtitle 2 of the State Government Article] **AS PROVIDED IN THE ADMINISTRATIVE PROCEDURE ACT.**

(c) An order of the Board may not be stayed pending review.

7–320.

(a) Except as provided in this section for an action against any health care professional under § 7–316 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any health care professional aggrieved by a final decision of the Board under § 7–316 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

(c) If a person notes an appeal from an order of suspension or revocation by the Board, the order is stayed.

8–318.

(a) Except as provided in this section for an action under § 8–316 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 8–316 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

(c) A Board decision to deny, suspend, or revoke a license may not be stayed while judicial review is pending.

8–6B–21.

(a) Except as provided in subsection (b) of this section, a person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] A person aggrieved by a final decision of the Board pursuant to § 8–6B–19 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

(c) An order of the Board may not be stayed pending review.

9–309.

The applicant may [appeal] **PETITION FOR JUDICIAL REVIEW OF** a decision of the Board that relates to issuing or renewing a license [to the Board of Review as provided in § 9–316(a) of this subtitle], **AS PROVIDED IN THE ADMINISTRATIVE PROCEDURE ACT.**

9–316.

(a) Except as provided in this section for an action under § 9–314 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 9–314 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

(c) An order of the Board may not be stayed pending judicial review.

10–317.

(a) Except as provided in this section for an action under § 10–315 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 10–315 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

11–318.

(a) Except as provided in this section for an action under § 11–313 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 11–313 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

(c) If an optometrist seeks judicial review of an order of suspension or revocation by the Board, the order shall be stayed until the optometrist's judicial remedies are exhausted.

12–316.

(a) Except as provided in this section for an action under § 12–313 of this subtitle or § 12–6B–09 of this title, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 12–313 of this subtitle or § 12–6B–09 of this title may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

12–412.

(a) Any person whose application for a pharmacy permit has been denied or whose pharmacy permit has been suspended or revoked under this title may[:

(1) Appeal that action to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) If an appeal is taken under this section, the Board may stay its order of suspension or revocation pending the decision of the court.

13–318.

(a) Except as provided in this section for an action under § 13–316 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 13–316 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

14–408.

(a) [(1)] Any person aggrieved by a final decision of the Board or a disciplinary panel in a contested case, as defined in the Administrative Procedure Act, may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

(b) An order of the Board or a disciplinary panel may not be stayed pending review.

(c) The Board may appeal from any decision that reverses or modifies an order of the Board or a disciplinary panel.

15–313.

(a) (1) Except as otherwise provided under § 10–226 of the State Government Article, before the Board takes any action to deny a license or to reject or modify a delegation agreement or advanced duty, the Board shall give the applicant or licensee the opportunity for a hearing before the Board.

(2) The Board shall give notice and hold the hearing under Title 10, Subtitle 2 of the State Government Article.

(3) The Board may administer oaths in connection with any proceeding under this section.

(4) At least 14 days before the hearing, the hearing notice shall be sent to the last known address of the applicant or licensee.

(b) Any applicant aggrieved under this subtitle by a final decision of the Board denying a license or rejecting or modifying a delegation agreement or advanced duty may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal allowed under Title 10, Subtitle 2 of the State Government Article] **PETITION FOR JUDICIAL REVIEW AS ALLOWED BY THE ADMINISTRATIVE PROCEDURE ACT.**

16–315.

(a) Except as provided in this section for an action under § 16–311 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 16–311 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

17–512.

(a) Except as provided in this section for an action under § 17–409 of this title, any person aggrieved by a final decision of the Board in a contested case, as defined in § 10–201 of the State Government Article, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by [Title 10, Subtitle 2 of the State Government Article] **THE ADMINISTRATIVE PROCEDURE ACT.**

(b) Any person aggrieved by a final decision of the Board under § 17–509 of this subtitle[:

(1) May not appeal to the Board of Review; but

(2) May] **MAY** take a direct judicial appeal as provided in [Title 10, Subtitle 2 of the State Government Article] **THE ADMINISTRATIVE PROCEDURE ACT.**

(c) An order of the Board may not be stayed pending judicial review.

(d) The Board may [appeal from] **PETITION FOR JUDICIAL REVIEW OF** any decision that reverses or modifies its order.

18–316.

(a) Except as provided in this section for an action under § 18–313 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 18–313 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

(c) A decision of the Board to deny a license, enforce a suspension of a license for more than 1 year, or revoke a license may not be stayed pending judicial review.

19-313.

(a) Except as provided in this section for an action under § 19-311 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 19-311 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

20-308.

The applicant may [appeal] **PETITION FOR JUDICIAL REVIEW OF** a decision of the Board that relates to issuing or renewing a certificate [to the Board of Review as provided in § 20-315(a) of this subtitle] **AS ALLOWED BY THE ADMINISTRATION PROCEDURE ACT.**

20-315.

(a) Except as provided in this section for an action under § 20-313 of this subtitle, any person aggrieved by a final decision of the Board in a contested case, as defined in the Administrative Procedure Act, may[:

(1) Appeal that decision to the Board of Review; and

(2) Then take any further appeal] **PETITION FOR JUDICIAL REVIEW AS** allowed by the Administrative Procedure Act.

(b) [(1)] Any person aggrieved by a final decision of the Board under § 20-314 of this subtitle may not appeal to the Secretary [or Board of Review] but may take a direct judicial appeal[.

(2) The appeal shall be made] as provided [for judicial review of final decisions] in the Administrative Procedure Act.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before November 1, 2015, the Department of Health and Mental Hygiene shall study the continued role of the Board of Review of the Department and report its findings and recommendations to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly on whether the appellate jurisdiction of the Board of Review should be further limited.

*SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to decisions of the Secretary of Health and Mental Hygiene issued on or after the effective date of this Act.*

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 458

(House Bill 1476)

AN ACT concerning

**Maryland Consolidated Capital Bond Loan of 2008 – Baltimore County –  
The Emmart–Pierpoint Safe House**

FOR the purpose of amending the Maryland Consolidated Capital Bond Loan of 2008 to alter the purpose for which a certain grant may be used; changing the name of a certain grantee; making this Act an emergency measure; and generally relating to amending the Maryland Consolidated Capital Bond Loan of 2008.

BY repealing and reenacting, with amendments,

Chapter 336 of the Acts of the General Assembly of 2008, as amended by  
Chapter 707 of the Acts of the General Assembly of 2009  
Section 1(3) Item ZA00(U)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Chapter 336 of the Acts of 2008, as amended by Chapter 707 of the Acts of  
2009**

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(3) ZA00 MISCELLANEOUS GRANT PROGRAMS

(U) [The Emmart–Pierpoint Safe House.] **CHERRY HILL CHURCH.** Provide a grant of \$100,000 to the ~~Board of Directors of The~~ Friends of ***HISTORICAL*** Cherry Hill AUMP, Inc. for the **ACQUISITION, PLANNING, DESIGN,** construction, **RECONSTRUCTION,** renovation, **RESTORATION,** and capital equipping of the [Emmart–Pierpoint Safe House,] **CHERRY HILL CHURCH,** located in Baltimore County. (Baltimore County) ..... 100,000

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 5, 2014.

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**Chapter 459**

**(House Bill 1506)**

AN ACT concerning

**Wicomico County – Northeast Maryland Waste Disposal Authority**

FOR the purpose of authorizing Wicomico County to become a participating county in the Northeast Maryland Waste Disposal Authority by the County Council of Wicomico County filing certified copies of a resolution of participation with the Secretary of State and the Department of Legislative Services; and generally relating to Wicomico County and the Northeast Maryland Waste Disposal Authority.

BY repealing and reenacting, with amendments,  
Article – Natural Resources  
Section 3–903(a)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Natural Resources**

3–903.

(a) (1) There is hereby created a body politic and corporate to be known as the “Northeast Maryland Waste Disposal Authority” which is constituted a public instrumentality of the State of Maryland. The exercise by the Authority of the powers conferred by this subtitle shall be deemed to be the performance of an essential public function.

(2) The Authority was organized and commenced its activities on October 21, 1980, when there were filed with the Secretary of State and the Department of Legislative Services certified copies of the resolutions of participation of at least two of the following four counties: Mayor and City Council of Baltimore, Baltimore County, Maryland, Anne Arundel County, Maryland, and Harford County, Maryland.

(3) Montgomery County, Maryland, also became a participating county in the Authority by filing certified copies of a resolution of participation with the Secretary of State and the Department of Legislative Services, whereupon Montgomery County, Maryland, had all of the rights, privileges, and powers under this subtitle that the other participating counties have or may have, including the power to participate in projects and to enter into contracts with the Authority, including the contracts relating to the Authority’s Southwest Resource Recovery Facility located in the City of Baltimore, in order to defray and provide for the Authority’s costs of acquiring, constructing, operating, or providing a project, including debt service requirements of the Authority relating to a project.

(4) Carroll County, Maryland, may also become a participating county in the Authority by the County Commissioners of Carroll County filing certified copies of a resolution of participation with the Secretary of State and the Department of Legislative Services, whereupon Carroll County, Maryland, shall have all of the rights, privileges, and powers under this subtitle that the other participating counties have or may have.

(5) Howard County, Maryland, may also become a participating county in the Authority by the County Council of Howard County filing certified copies of a resolution of participation with the Secretary of State and the Department of Legislative Services, whereupon Howard County, Maryland, shall have all of the rights, privileges, and powers under this subtitle that the other participating counties have or may have.

(6) Frederick County, Maryland, may also become a participating county in the Authority by the County Commissioners of Frederick County filing

certified copies of a resolution of participation with the Secretary of State and the Department of Legislative Services, whereupon Frederick County, Maryland, shall have all of the rights, privileges, and powers under this subtitle that the other participating counties have or may have.

(7) Cecil County, Maryland, may also become a participating county in the Authority by the Board of County Commissioners of Cecil County filing certified copies of a resolution of participation with the Secretary of State and the Department of Legislative Services, whereupon Cecil County, Maryland, shall have all of the rights, privileges, and powers under this subtitle that the other participating counties have or may have.

**(8) WICOMICO COUNTY, MARYLAND, MAY ALSO BECOME A PARTICIPATING COUNTY IN THE AUTHORITY BY THE COUNTY COUNCIL OF WICOMICO COUNTY FILING CERTIFIED COPIES OF A RESOLUTION OF PARTICIPATION WITH THE SECRETARY OF STATE AND THE DEPARTMENT OF LEGISLATIVE SERVICES, WHEREUPON WICOMICO COUNTY, MARYLAND, SHALL HAVE ALL OF THE RIGHTS, PRIVILEGES, AND POWERS UNDER THIS SUBTITLE THAT THE OTHER PARTICIPATING COUNTIES HAVE OR MAY HAVE.**

**[(8)] (9)** Each resolution of participation contained:

(i) A declaration by the county of its intention and consent to participate in the activities of the Authority; and

(ii) Such provisions, if any, as the participating counties approved and required as being necessary or desirable for the Authority to be an organization described in § 501(c)(3) of the Internal Revenue Code.

**[(9)] (10)** Each resolution of participation was presented by the chief executive officer of a county to the body exercising legislative powers of that county and was effective after adoption by such legislative body and approval by such chief executive officer.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**

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**Chapter 460**

**(House Bill 1510)**

AN ACT concerning

**Behavioral Health Administration – Establishment and Duties**

FOR the purpose of merging the Alcohol and Drug Abuse Administration and the Mental Hygiene Administration in the Department of Health and Mental Hygiene to establish the Behavioral Health Administration in the Department; establishing the ~~qualifications~~, responsibilities, powers, and duties of the Director of the Behavioral Health Administration; requiring certain substance use disorder programs and certain mental health programs to be licensed by the Secretary of Health and Mental Hygiene, with certain exceptions; requiring the Secretary to adopt certain regulations; repealing a prohibition on discrimination against an individual for certain reasons for certain services provided by the Alcohol and Drug Abuse Administration; authorizing the Secretary to require a substance use disorder program or a mental health program to be granted certain accreditation as a condition of licensure; repealing the position, powers, and duties of the Director of the Alcohol and Drug Abuse Administration; repealing the position, powers, and duties of the Director of Mental Hygiene; adding and altering certain defined terms; making conforming and stylistic changes; requiring the Secretary of Health and Mental Hygiene to convene a certain stakeholder workgroup to make certain recommendations; requiring the stakeholder workgroup to report certain findings and recommendations to the Governor and General Assembly on or before a certain date; and generally relating to behavioral health care and the Behavioral Health Administration in the Department of Health and Mental Hygiene.

BY repealing and reenacting, with amendments,  
Article – Correctional Services  
Section 9–603(b)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Criminal Law  
Section 5–502  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Criminal Procedure  
Section 6–229(c)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Education  
Section 2–303(h)(1), 8–412(a)(7), and 21–305(c)  
Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health – General

Section 2–106(a), 2–501(f), 2–601(m), 4–307(a)(3) and (4), 5–703(a)(12), 5–803, 5–804(f)(1), 5–805(a)(1), 5–808(b)(1), 7–403(d), and 7–802; 8–101(b), 8–402, 8–403, 8–404, 8–503, and 8–702 to be under the amended title “Title 8. Substance Use Disorders Law”; 10–101(b) and (d) and 10–901 to be under the amended title “Title 10. Mental Health Law”; and 19–2301(d)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health – General

Section 7.5–101 through 7.5–204, to be under the new title “Title 7.5. Behavioral Health Administration”; and 8–101(m)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 20–101(b) and 20–202(a)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Human Services

Section 5–314(h) and 8–406(a)

Annotated Code of Maryland

(2007 Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Safety

Section 1–401(b)(7)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 10–309

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–2802(a)(2) and 9–2806

Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
Article – Transportation  
Section 16–212(f)(1) and 16–212.1(a)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2013 Supplement)

BY repealing  
Article – Health – General  
Section 8–201 through 8–204, 8–405, and 10–201 through 10–204  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

#### **Article – Correctional Services**

9–603.

(b) The procedures and standards used to determine drug addiction and treatment of addicted inmates are subject to the guidelines and regulations adopted by the [Alcohol and Drug Abuse Administration in the] Department of Health and Mental Hygiene.

#### **Article – Criminal Law**

5–502.

An authorized provider may not dispense methadone, directly or by prescription, unless:

(1) the authorized provider is associated with a controlled drug therapy program authorized by the [Alcohol and Drug Abuse Administration of the] Department; or

(2) an emergency or medical situation exists under regulations that the Department adopts in cooperation with the Medical and Chirurgical Faculty of Maryland.

#### **Article – Criminal Procedure**

6–229.

(c) (1) The State's Attorney, on request of the defendant or on the State's Attorney's own motion, may make an offer to a defendant that if the defendant qualifies for drug or alcohol treatment the State's Attorney shall dismiss the charge by entering a nolle prosequi with the requirement of drug or alcohol treatment or move that the court indefinitely postpone trial of the charge by marking the charge stet with the requirement of drug or alcohol abuse treatment on the docket.

(2) In order to qualify for a nolle prosequi with the requirement of drug or alcohol treatment or a stet with the requirement of drug or alcohol abuse treatment, a defendant shall be evaluated for drug or alcohol abuse by the Department of Health and Mental Hygiene, a designee of the Department, or a private provider **LICENSED TO PROVIDE SUBSTANCE USE DISORDER TREATMENT** under regulations of the [Alcohol and Drug Abuse Administration] **DEPARTMENT OF HEALTH AND MENTAL HYGIENE** and the evaluation shall determine whether the defendant is amenable to treatment and, if so, recommend an appropriate treatment program.

(3) The drug or alcohol treatment program shall be approved under regulations of the [Alcohol and Drug Abuse Administration] **DEPARTMENT OF HEALTH AND MENTAL HYGIENE**.

(4) If a defendant qualified under this section accepts an offer described in paragraph (1) of this subsection:

(i) the defendant shall sign a consent to the disclosure of such treatment information as may be necessary to allow the disclosure of the disposition of nolle prosequi with the requirement of drug or alcohol treatment or stet with the requirement of drug or alcohol abuse treatment to criminal justice units; and

(ii) on successful completion of drug or alcohol treatment, the State's Attorney shall dismiss the charge by entering a nolle prosequi with the requirement of drug or alcohol treatment or move that the court indefinitely postpone trial of the charge by marking the charge stet with the requirement of drug or alcohol abuse treatment on the docket.

### Article – Education

2–303.

(h) (1) If the program is based on and complies with the standards established by the bylaws, rules, and regulations of the State Board, the State Superintendent shall approve any program of instruction offered by a State institution under the supervision of:

(i) The Department of Juvenile Services;

(ii) The Developmental Disabilities Administration or [Mental Hygiene Administration of] **THE BEHAVIORAL HEALTH ADMINISTRATION OF** the Department of Health and Mental Hygiene;

(iii) The Department of Public Safety and Correctional Services;  
or

(iv) The residential school located within the Institute of Psychiatry and Human Behavior of the University Hospital.

8–412.

(a) (7) “Public agency” includes the State Department of Education, local education agencies, and other agencies that are responsible for providing education to a child with a disability, including the Department of Health and Mental Hygiene, [Mental Hygiene Administration] **THE BEHAVIORAL HEALTH ADMINISTRATION**, the Developmental Disabilities Administration, the Department of Juvenile Services, and the Maryland School for the Deaf. For the purpose of this section the Maryland School for the Blind shall be considered a public agency.

21–305.

(c) (1) Each county board shall transmit to the Department information relating to the postsecondary anticipated services of the county’s transitioning students. The information shall be reported in the manner required by the Department.

(2) The Department shall aggregate the information provided under paragraph (1) of this subsection and forward the information annually to:

(i) The [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** of the Department of Health and Mental Hygiene;

(ii) The Developmental Disabilities Administration of the Department of Health and Mental Hygiene; and

(iii) Other appropriate State adult services agencies, as determined by the Department.

(3) The information under this section shall include, for each transitioning student:

(i) The student’s current age;

(ii) The projected year of exit of the student from school;

(iii) Anticipated needs of the student;

(iv) The student's county of residence; and

(v) Any other information that the Department considers appropriate.

### **Article – Health – General**

2–106.

- (a) The following units are in the Department:
- (1) [Alcohol and Drug Abuse Administration.
  - (2)] Anatomy Board.
  - (2) BEHAVIORAL HEALTH ADMINISTRATION.**
  - (3) Developmental Disabilities Administration.
  - (4) Health Services Cost Review Commission.
  - (5) Maryland Psychiatric Research Center.
  - (6) [Mental Hygiene Administration.
  - (7)] Postmortem Examiners Commission.
  - [(8)] **(7)** Board of Examiners for Audiologists.
  - [(9)] **(8)** Board of Chiropractic Examiners.
  - [(10)] **(9)** Board of Dental Examiners.
  - [(11)] **(10)** Board of Dietetic Practice.
  - [(12)] **(11)** Board of Electrologists.
  - [(13)] **(12)** Board of Morticians.
  - [(14)] **(13)** Board of Nursing.
  - [(15)] **(14)** Board of Examiners of Nursing Home Administrators.
  - [(16)] **(15)** Board of Occupational Therapy Practice.

- [(17)] **(16)** Board of Examiners in Optometry.
- [(18)] **(17)** Board of Pharmacy.
- [(19)] **(18)** Board of Physical Therapy Examiners.
- [(20)] **(19)** Board of Physicians.
- [(21)] **(20)** Board of Podiatry Examiners.
- [(22)] **(21)** Board of Professional Counselors and Therapists.
- [(23)] **(22)** Board of Examiners of Psychologists.
- [(24)] **(23)** Board of Social Work Examiners.
- [(25)] **(24)** Board of Examiners for Speech–Language Pathologists.
- [(26)] **(25)** Commission on Physical Fitness.
- [(27)] **(26)** Advisory Council on Infant Mortality.

2–501.

(f) “Program” means the Medical Assistance Program, the Cigarette Restitution Fund Program, [the Mental Hygiene Administration,] the Developmental Disabilities Administration, the [Alcohol and Drug Abuse Administration, the Family Health Administration, the Community Health Administration] **BEHAVIORAL HEALTH ADMINISTRATION, THE PREVENTION AND HEALTH PROMOTION ADMINISTRATION**, or any other unit of the Department that pays a provider for a service rendered or claimed to have been rendered to a recipient.

2–601.

(m) “State health program” means the Medical Assistance Program, the Cigarette Restitution Fund Program, [the Mental Hygiene Administration,] the Developmental Disabilities Administration, the [Alcohol and Drug Abuse Administration, the Family Health Administration, the Infectious Disease and Environmental Health Administration] **BEHAVIORAL HEALTH ADMINISTRATION, THE PREVENTION AND HEALTH PROMOTION ADMINISTRATION**, or any other unit of the Department that pays a provider for a service rendered or claimed to have been rendered to a recipient.

4–307.

(a) (3) “Core service agency” means an organization approved by the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** to manage mental health resources and services in a designated area or to a designated target population.

(4) “Director” means the Director of the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** or the designee of the Director.

5–703.

(a) The State Team shall be a multidisciplinary and multiagency review team, composed of at least 25 members, including:

(12) The Director of the [Alcohol and Drug Abuse Administration] **BEHAVIORAL HEALTH ADMINISTRATION** of the Department;

5–803.

The Committee shall:

(1) Evaluate causes or factors contributing to deaths in facilities or programs [operated]:

(I) **OPERATED** or licensed by the [Mental Hygiene Administration and the] Developmental Disabilities Administration [or operating];

(II) **LICENSED BY THE BEHAVIORAL HEALTH ADMINISTRATION TO PROVIDE MENTAL HEALTH SERVICES; OR**

(III) **OPERATING** by waiver under § 7–903(b) of this article;

(2) Review aggregate incident data regarding facilities or programs that are licensed or operated by the Developmental Disabilities Administration or operating by waiver under § 7–903(b) of this article;

(3) Identify patterns and systemic problems and ensure consistency in the review process; and

(4) Make recommendations to the Secretary and the Secretary of Disabilities to prevent avoidable injuries and avoidable deaths and improve quality of care.

5–804.

(f) (1) An employee of the Developmental Disabilities Administration or the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** may not be a member of the Committee or any subcommittee of the Committee.

5–805.

(a) (1) Except as provided in paragraph (3) of this subsection, the Office of Health Care Quality shall review each death of an individual with developmental disabilities or with a mental illness who, at the time of death, resided in or was receiving services from any program or facility licensed or operated by the Developmental Disabilities Administration or operating by waiver under § 7–903(b) of this article, or any program approved, licensed, or operated by the [Mental Hygiene Administration] **DEPARTMENT** under § 10–406, § 10–901, or § 10–902 of this article.

5–808.

(b) (1) In addition to the public report issued under subsection (a) of this section, the Committee or its subcommittee may at any time issue preliminary findings or make preliminary recommendations to the Secretary, the Secretary of Disabilities, the Director of the Developmental Disabilities Administration, the Director of the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION**, or to the Director of the Office of Health Care Quality.

7–403.

(d) If the Secretary determines, based on the application, that the individual has a sole diagnosis of mental disorder, the Secretary shall refer the individual to the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION**.

7–802.

(a) The Developmental Disabilities Administration may ask the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** to accept primary responsibility for an individual in or eligible for admission to a State residential center, if the Developmental Disabilities Administration finds that the individual would be provided for more appropriately in a program for individuals with mental disorders.

(b) The [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** shall determine whether transfer to a mental health program is appropriate.

(c) A dispute over a transfer of an individual from the Developmental Disabilities Administration to the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** shall be resolved, in accordance with procedures that the

Secretary sets, on request of the Developmental Disabilities Administration or the Mental Hygiene Administration.

(d) The Director shall give the individual with developmental disability the opportunity for a hearing on the proposed transfer under this section.

## **TITLE 7.5. BEHAVIORAL HEALTH ADMINISTRATION.**

### **SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.**

#### **7.5-101.**

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "ADMINISTRATION" MEANS THE BEHAVIORAL HEALTH ADMINISTRATION.

(C) "BEHAVIORAL HEALTH" INCLUDES SUBSTANCE USE DISORDERS, ADDICTIVE DISORDERS, AND MENTAL DISORDERS.

(D) "BEHAVIORAL HEALTH CARE" INCLUDES PREVENTION, SCREENING, EARLY INTERVENTION, TREATMENT, RECOVERY, SUPPORT, WRAPAROUND, AND REHABILITATION SERVICES, FOR INDIVIDUALS WITH SUBSTANCE USE DISORDERS, ADDICTIVE DISORDERS, MENTAL DISORDERS, OR A COMBINATION OF THESE DISORDERS.

~~(C)~~ (E) "DIRECTOR" MEANS THE DIRECTOR OF THE ADMINISTRATION.

#### ~~7.5-102.~~

~~IT IS THE POLICY OF THE STATE TO ENCOURAGE THE INTEGRATION OF BEHAVIORAL HEALTH CARE BY MERGING THE ALCOHOL AND DRUG ABUSE ADMINISTRATION WITH THE MENTAL HEALTH HYGIENE ADMINISTRATION, AND MANAGING ALL MEDICAID-FUNDED SERVICES UNDER ONE ADMINISTRATIVE SERVICES ORGANIZATION.~~

### **SUBTITLE 2. BEHAVIORAL HEALTH ADMINISTRATION.**

#### **7.5-201.**

THERE IS A BEHAVIORAL HEALTH ADMINISTRATION IN THE DEPARTMENT.

## 7.5–202.

(A) THE HEAD OF THE ADMINISTRATION IS THE DIRECTOR AND SHALL BE APPOINTED BY THE SECRETARY.

(B) THE DIRECTOR SERVES AT THE PLEASURE OF THE SECRETARY.

(C) ~~THE DIRECTOR SHALL:~~

~~(1) HAVE AT LEAST:~~

~~(i) A BACCALAUREATE DEGREE; AND~~

~~(ii) EXPERIENCE IN HEALTH ADMINISTRATION; AND~~

~~(2) BE KNOWLEDGEABLE ABOUT THE FUNCTIONS AND PROGRAMS OF THE ADMINISTRATION.~~

~~(D)~~ THE DIRECTOR IS ENTITLED TO THE SALARY PROVIDED IN THE STATE BUDGET.

## 7.5–203.

(A) (1) THE DIRECTOR EXERCISES THE POWERS, DUTIES, AND RESPONSIBILITIES OF OFFICE SUBJECT TO THE AUTHORITY OF THE SECRETARY.

(2) THE DIRECTOR SHALL REPORT TO THE DEPUTY SECRETARY FOR BEHAVIORAL HEALTH AND DISABILITIES.

(B) THE SECRETARY MAY EXERCISE ANY POWER OR PERFORM ANY DUTY OF THE ADMINISTRATION.

## 7.5–204.

(A) THE DIRECTOR IS RESPONSIBLE FOR CARRYING OUT THE POWERS, DUTIES, AND RESPONSIBILITIES OF THE ADMINISTRATION.

(B) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS TITLE, THE DIRECTOR MAY:

(1) WITHIN THE AMOUNTS MADE AVAILABLE BY APPROPRIATION, ~~GIFT,~~ OR GRANT, MAKE ANY AGREEMENT OR JOINT FINANCIAL ARRANGEMENT

TO DO OR HAVE DONE ANYTHING NECESSARY, DESIRABLE, OR PROPER TO CARRY OUT THE PURPOSES OF THIS TITLE;

(2) ORGANIZE AND MANAGE THE ADMINISTRATION IN A MANNER THAT WILL ENABLE IT BEST TO DISCHARGE THE DUTIES OF THE ADMINISTRATION;

(3) APPOINT THE NUMBER OF ASSISTANT DIRECTORS AND STAFF PROVIDED FOR IN THE STATE BUDGET;

(4) REMOVE AN ASSISTANT DIRECTOR FOR INCOMPETENCE OR MISCONDUCT; AND

(5) UNLESS EXPRESSLY PROVIDED OTHERWISE BY LAW, ASSIGN TO ANY SUBORDINATE UNIT OR INDIVIDUAL IN THE ADMINISTRATION ANY FUNCTION THAT IS IMPOSED BY LAW ON THE DIRECTOR.

(C) IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS TITLE, THE DIRECTOR SHALL:

(1) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS TITLE, INCLUDING PROVISIONS SETTING REASONABLE FEES FOR THE ISSUANCE AND RENEWAL OF ~~LICENSURE FOR THOSE PROGRAMS LICENSED TO PERFORM MEDICATION ASSISTED TREATMENT;~~ LICENSES; AND

(2) DO ANYTHING NECESSARY OR PROPER TO CARRY OUT THE SCOPE OF THIS TITLE.

(D) THE DIRECTOR IS RESPONSIBLE FOR SUPERVISING THE CUSTODY, CARE, AND TREATMENT OF INDIVIDUALS WHO HAVE MENTAL DISORDERS.

(E) THE DIRECTOR SHALL PROVIDE FACILITIES FOR THE CARE AND TREATMENT OF INDIVIDUALS WHO HAVE MENTAL DISORDERS.

(F) (1) THE DIRECTOR SHALL ESTABLISH PROGRAMS FOR RESEARCH AND DEVELOPMENT OF CARE AND TREATMENT FOR INDIVIDUALS WHO HAVE ~~MENTAL~~ BEHAVIORAL HEALTH DISORDERS.

(2) THE DIRECTOR MAY PROVIDE MONEY FOR A PUBLIC OR NONPROFIT ORGANIZATION TO CARRY OUT PILOT OR DEMONSTRATION PROJECTS REGARDING INDIVIDUALS WHO HAVE ~~MENTAL~~ BEHAVIORAL HEALTH DISORDERS.

Title 8. [Alcohol and Drug Abuse Administration] **SUBSTANCE USE DISORDERS**  
**LAW.**

8–101.

(b) “Administration” means the [Alcohol and Drug Abuse] **BEHAVIORAL HEALTH** Administration.

(M) **“SUBSTANCE USE DISORDER” MEANS ALCOHOL ABUSE, ALCOHOL DEPENDENCE, ALCOHOL MISUSE, DRUG ABUSE, DRUG DEPENDENCE, DRUG MISUSE, OR ANY COMBINATION OF THESE.**

8–402.

(a) The [Administration] **SECRETARY** shall:

(1) Plan and encourage development of, and coordinate the [facilities] **PROGRAMS** and services that offer treatment, care, or rehabilitation for [alcohol and drug abusers] **INDIVIDUALS WITH A SUBSTANCE USE DISORDER**; and

(2) Adopt regulations[:

(i) To set] **SETTING** standards for treatment, care, and rehabilitation of [alcohol and drug abusers; and

(ii) To ensure that before a facility is certified under this title to provide treatment, care, or rehabilitation of alcohol or drug abusers, an opportunity to comment, concerning whether the facility meets certification requirements, is provided to representatives of the county government and, if in a municipal corporation, the municipal government and to private citizens in the community where the facility is proposed to be located] **INDIVIDUALS WITH A SUBSTANCE USE DISORDER.**

(b) The [Administration] **SECRETARY** may establish and operate or identify [facilities] **PROGRAMS** and services, including evaluation [facilities] **SERVICES** to determine if [an individual is a drug abuser or alcohol abuser or dependent on drugs or alcohol] **AN INDIVIDUAL HAS A SUBSTANCE USE DISORDER.**

(c) A facility that the Administration operates or contracts to be operated is a health facility and is not, for any purpose, a correctional institution.

(d) ~~An individual may not be discriminated against based on an inability to pay for any services provided by the Administration either directly or by contract.~~

~~(e)~~ To carry out the purposes of this title, the [Administration] **SECRETARY** may contract with any appropriate public or private agency that has proper and

adequate [treatment facilities, services, and staff] **SUBSTANCE USE DISORDER PROGRAMS.**

~~(E)~~ **(E)** (1) The Administration annually shall evaluate all publicly funded substance [abuse] **USE DISORDER** treatment programs [certified] **LICENSED** under this subtitle using federal outcomes measures or other subsequently adopted federal standards ~~to determine the extent [that] **TO WHICH** individuals who have received treatment under these programs have:~~

- ~~(i) Been successfully retained in the treatment program;~~
- ~~(ii) Been successfully discharged from the treatment program;~~
- ~~(iii) Reduced substance use;~~
- ~~(iv) Successfully attained, maintained, or increased their employment;~~
- ~~(v) Demonstrated a decrease in engaging in criminal activity;~~
- ~~(vi) Successfully established or maintained stable living arrangements.~~

(2) The [Administration] **SECRETARY** shall adopt regulations necessary to allow [it] **THE SECRETARY DIRECTOR** to conduct the performance and outcome research required under paragraph (1) of this subsection.

8-403.

[(a) In this section, “alcohol abuse and drug abuse treatment program”:

(1) Means any individual or organization that provides treatment, care, or rehabilitation for individuals who show the effects of drug abuse or alcohol abuse, and represents or advertises itself as an alcohol abuse or drug abuse treatment program; and

(2) Includes a program or facility that is owned or operated by this State or any of its political subdivisions.]

**(A) (1) IN THIS SECTION, “SUBSTANCE USE DISORDER PROGRAM” MEANS A SET OF SERVICES THAT ARE COMMUNITY BASED AND CONSIST OF:**

**(I) ANY COMBINATION OF TREATMENT, CARE, OR REHABILITATION FOR INDIVIDUALS WITH A SUBSTANCE USE DISORDER; OR**

**(II) EDUCATION FOR INDIVIDUALS KNOWN TO BE AT RISK OF DEVELOPING A SUBSTANCE USE DISORDER.**

**(2) “SUBSTANCE USE DISORDER PROGRAM” INCLUDES A SET OF SERVICES DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION WHEN PROVIDED BY A PROGRAM OR FACILITY OWNED OR OPERATED BY THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS.**

(b) Except as otherwise provided in this section, [an alcohol abuse and drug abuse treatment program] **A SUBSTANCE USE DISORDER PROGRAM** shall be [certified] **LICENSED** by the [Department] **SECRETARY** before program services may be provided in this State.

(c) [This section does not apply to] ~~THE FOLLOWING PERSONS NEED NOT BE LICENSED~~ **THE SECRETARY MAY NOT REQUIRE THAT THE FOLLOWING PERSONS OBTAIN A LICENSE UNDER THIS SECTION IN ORDER TO PROVIDE SUBSTANCE USE DISORDER SERVICES IN THE STATE:**

(1) A health professional, **IN EITHER SOLO OR GROUP PRACTICE, WHO IS** licensed under the Health Occupations Article [who is treating patients within the scope of the professional’s practice and who does not advertise the practice as an alcohol abuse or drug abuse program] **AND WHO IS PROVIDING SUBSTANCE USE DISORDER SERVICES ACCORDING TO THE REQUIREMENTS OF THE APPROPRIATE PROFESSIONAL BOARD;**

(2) Alcoholics Anonymous, Narcotics Anonymous, [transitional] **RECOVERY** housing programs, or other similar organizations, if the organization holds meetings or provides support services to help individuals who show the effects of [drug abuse or alcohol abuse] **A SUBSTANCE USE DISORDER AND DOES NOT PROVIDE ANY TYPE OF SUBSTANCE USE DISORDER TREATMENT; [or]**

(3) An employees’ assistance program of a business entity; **OR**

(4) **SERVICES PROVIDED IN REGULATED SPACE IN A HOSPITAL, AS DEFINED IN § 19–301 OF THIS ARTICLE, IN AN OUTPATIENT SETTING TO TREAT A SUBSTANCE USE DISORDER IF THE HOSPITAL IS ACCREDITED BY ~~THE JOINT COMMISSION~~ AN APPROVED ACCREDITATION ORGANIZATION UNDER ITS BEHAVIORAL HEALTH STANDARDS.**

[(d) Unless requested, the certification requirements of this section do not apply to a hospital as defined in § 19–301 of this article accredited by the Joint Commission on Accreditation of Hospitals with a separately accredited alcohol and drug abuse program.

(e) An intermediate care facility, alcoholic (type C or D), shall be certified as an intermediate care alcohol abuse and drug abuse treatment facility.]

8-404.

[(a) The Department shall adopt regulations for establishing, operating, and certifying alcohol abuse and drug abuse treatment programs that include:

(1) Procedures for consulting with the Administration to set standards relating to alcohol abuse and drug abuse treatment care and rehabilitation services;

(2) Standards relating to environmental and safety requirements concerning physical plant, equipment, and structure;

(3) Standards relating to programmatic operations of alcohol and drug abuse treatment, care, and rehabilitation services; and

(4) Provisions for denials, suspensions, and revocations of certification.

(b) The Department may adopt regulations for certifying individuals providing alcohol abuse and drug abuse treatment.

(c) An applicant for certification shall submit an application to the Department on the form that the Department requires.

(d) The Department shall issue a certificate to an individual or organization providing alcohol abuse and drug abuse treatment, care, and rehabilitation services that meets the Department's certification requirements.

(e) Before the Department disapproves an application, the Department shall give the applicant an opportunity for a hearing.]

**(A) (1) THE SECRETARY SHALL ADOPT REGULATIONS FOR ESTABLISHING, OPERATING, AND LICENSING A SUBSTANCE USE DISORDER PROGRAM.**

**(2) REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL INCLUDE:**

**(I) THE REQUIREMENTS FOR LICENSURE OF A SUBSTANCE USE DISORDER PROGRAM;**

**(II) THE PROCESS FOR A SUBSTANCE USE DISORDER PROGRAM TO APPLY FOR A LICENSE;**

(III) A DESCRIPTION OF THE SUBSTANCE USE DISORDER PROGRAMS THAT ARE REQUIRED TO BE LICENSED;

(IV) ANY REQUIREMENTS FOR THE GOVERNANCE OF A SUBSTANCE USE DISORDER PROGRAM, INCLUDING A PROVISION PROHIBITING A CONFLICT OF INTEREST BETWEEN THE INTERESTS OF THE PROVIDER AND THOSE OF THE INDIVIDUALS RECEIVING SERVICES;

(V) PROVISIONS FOR ~~ANNOUNCED OR UNANNOUNCED~~ INSPECTIONS OF A SUBSTANCE USE DISORDER PROGRAM, INCLUDING INSPECTION AND COPYING OF THE RECORDS OF A SUBSTANCE USE DISORDER PROGRAM IN ACCORDANCE WITH STATE AND FEDERAL LAW; AND

(VI) PROVISIONS FOR DENIALS, SUSPENSIONS, AND REVOCATIONS OF LICENSES, INCLUDING NOTICE AND AN OPPORTUNITY TO BE HEARD.

(B) THE SECRETARY MAY REQUIRE A SUBSTANCE USE DISORDER PROGRAM TO BE GRANTED ACCREDITATION BY AN ACCREDITATION ORGANIZATION APPROVED BY THE SECRETARY UNDER TITLE 19, SUBTITLE 23 OF THIS ARTICLE AS A CONDITION OF LICENSURE UNDER REGULATIONS ADOPTED UNDER THIS SECTION.

[(f)] (C) Except as otherwise provided in this subtitle, [an individual or organization] A PERSON may not operate [or], attempt to operate [an alcohol abuse and drug abuse treatment program], OR PURPORT TO OPERATE A SUBSTANCE USE DISORDER PROGRAM in the State unless [certified] THE PROGRAM IS LICENSED by the [Department] SECRETARY.

[(g)] An individual or organization who operates an alcohol abuse and drug abuse treatment program in violation of this title is guilty of a misdemeanor.]

8-503.

(a) If, after the police arrest an intoxicated individual for a criminal offense, the individual seems to require emergency medical treatment, the police immediately shall take the individual to a detoxification center or other appropriate health care facility as defined in § 19-114(d) of this article.

(b) (1) If necessary, after medical treatment, the police shall transport the individual to a PROGRAM THAT PROVIDES detoxification [facility] SERVICES.

(2) The individual may be admitted to the [detoxification facility] A PROGRAM THAT PROVIDES DETOXIFICATION SERVICES in accordance with the provisions of § 8-501(d) of this subtitle.

8-702.

(a) [An individual or organization may not operate an alcohol abuse and drug abuse treatment] **A PERSON MAY NOT OPERATE A SUBSTANCE USE DISORDER** program in violation of this title.

(b) A person who violates any provision of this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$10,000.

Title 10. Mental [Hygiene] **HEALTH** Law.

10-101.

(b) "Administration" means the [Mental Hygiene] **BEHAVIORAL HEALTH** Administration.

(d) "Director" means the Director of [Mental Hygiene] **THE BEHAVIORAL HEALTH** Administration.

10-901.

[(a) (1) The Secretary shall adopt rules and regulations that set standards for:

(i) Eligibility for State funding of local mental health programs under Part I of this subtitle;

(ii) Qualifications of staff and quality of professional services of eligible programs;

(iii) Eligibility for receiving services under eligible programs;  
and

(iv) Accreditation of a facility as defined in § 10-101(e) of this title.

(2) The Secretary may consider accreditation by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or the Commission on Accreditation of Rehabilitation Facilities (CARF), whichever is appropriate, as meeting the rules and regulations adopted under this subtitle.

(3) The rules and regulations shall ensure:

(i) That an individual is not discriminated against based on an inability to pay for services; and

(ii) That an individual is not discriminated against or denied community-based mental health services based on the individual's lack of a fixed address or because the individual is homeless.

(4) The rules and regulations shall require that, prior to approval for receipt of State funding under Part I of this subtitle, a nonprofit organization or private community-based organization shall submit the following to the Department:

(i) A written list of the names of the members of the board of directors and corporate officers of the organization;

(ii) A business plan that clearly demonstrates the ability of the organization to provide services in accordance with Maryland regulations and funding requirements;

(iii) A summary of the organization's demonstrated experience in the field of mental health, in accordance with standards developed by the Department;

(iv) Prior licensing reports issued within the previous 10 years from any in-State or out-of-state entities associated with the organization, including deficiency reports and compliance records on which the State may make reasoned decisions about the qualifications of the organization; and

(v) A written quality assurance plan, approved by the Mental Hygiene Administration, to address how the organization will ensure the health and safety of the individuals served by the organization and the quality of services provided to individuals by the organization.

(5) In order for a nonprofit organization or private community-based organization to be eligible to receive funds under Part I of this subtitle:

(i) An immediate family member of an employee of an organization may not serve as a voting member of the governing body of the organization; and

(ii) A member of the governing body of the organization may not have served as a member of a governing body of an organization that has had a license revoked by the Department within the previous 10 years.

(6) Before determining that a nonprofit organization or private community-based organization is eligible to receive funds under Part I of this subtitle, the Department shall perform an on-site investigation of the organization.]

**(A) IN THIS SECTION, "MENTAL HEALTH PROGRAM" MEANS A SET OF SERVICES THAT CONSISTS OF COMMUNITY-BASED TREATMENT, CARE, OR**

REHABILITATION SERVICES, OR ANY COMBINATION OF THESE, FOR INDIVIDUALS WITH A MENTAL DISORDER.

(B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A MENTAL HEALTH PROGRAM SHALL BE LICENSED BY THE SECRETARY BEFORE PROGRAM SERVICES MAY BE PROVIDED IN THE STATE.

(C) ~~THE FOLLOWING PERSONS NEED NOT BE LICENSED~~ THE SECRETARY MAY NOT REQUIRE THAT THE FOLLOWING PERSONS OBTAIN A LICENSE UNDER THIS SECTION IN ORDER TO PROVIDE MENTAL HEALTH SERVICES IN THE STATE:

(1) A HEALTH PROFESSIONAL, IN EITHER SOLO OR GROUP PRACTICE, WHO IS LICENSED UNDER THE HEALTH OCCUPATIONS ARTICLE AND WHO IS PROVIDING MENTAL HEALTH SERVICES ACCORDING TO THE REQUIREMENTS OF THE APPROPRIATE PROFESSIONAL BOARD;

(2) OUTPATIENT MENTAL HEALTH SERVICES THAT ARE PROVIDED IN REGULATED SPACE IN A HOSPITAL, AS DEFINED UNDER § 19-301 OF THIS ARTICLE IF THE HOSPITAL IS ACCREDITED BY THE JOINT COMMISSION UNDER THE AN APPROVED ACCREDITATION ORGANIZATION UNDER ITS BEHAVIORAL HEALTH STANDARDS OF THE JOINT COMMISSION; OR

(3) A THERAPEUTIC GROUP HOME AS DEFINED UNDER § 10-920 OF THIS SUBTITLE.

(D) (1) THE SECRETARY SHALL ADOPT REGULATIONS FOR:

(I) ESTABLISHING, OPERATING, AND LICENSING A MENTAL HEALTH PROGRAM; AND

(II) ELIGIBILITY FOR STATE AND FEDERAL FUNDING FOR MENTAL HEALTH PROGRAMS UNDER PART I OF THIS SUBTITLE.

(2) THE SECRETARY MAY REQUIRE A MENTAL HEALTH PROGRAM TO BE GRANTED ACCREDITATION BY AN ACCREDITATION ORGANIZATION APPROVED BY THE SECRETARY UNDER TITLE 19, SUBTITLE 23 OF THIS ARTICLE AS A CONDITION OF LICENSURE UNDER REGULATIONS ADOPTED UNDER THIS SUBSECTION.

(3) REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL INCLUDE:

(I) THE REQUIREMENTS FOR LICENSURE OF A MENTAL HEALTH PROGRAM;

(II) THE PROCESS FOR A MENTAL HEALTH PROGRAM TO APPLY FOR A LICENSE;

(III) A DESCRIPTION OF THE MENTAL HEALTH PROGRAMS THAT ARE REQUIRED TO BE LICENSED;

(IV) ANY REQUIREMENTS FOR THE GOVERNANCE OF A MENTAL HEALTH PROGRAM, INCLUDING A PROVISION PROHIBITING A CONFLICT OF INTEREST BETWEEN THE INTERESTS OF THE PROVIDER AND THOSE OF THE INDIVIDUALS RECEIVING SERVICES;

(V) PROVISIONS FOR ~~ANNOUNCED OR UNANNOUNCED~~ INSPECTIONS OF A MENTAL HEALTH PROGRAM, INCLUDING INSPECTION AND COPYING OF THE RECORDS OF A MENTAL HEALTH PROGRAM IN ACCORDANCE WITH STATE AND FEDERAL LAW; AND

(VI) PROVISIONS FOR DENIALS, SUSPENSIONS, AND REVOCATIONS OF LICENSES, INCLUDING NOTICE AND AN OPPORTUNITY TO BE HEARD.

[(b)] (E) The Secretary shall:

(1) Through the regional mental health director, provide a county with consultative staff services to help ascertain local needs and plan and establish local mental health programs;

(2) Review and evaluate local programs and personnel practices;

(3) Make recommendations to the governing body, health officer of a county, and the director of the Montgomery County Department of Health and Human Services on the local program and personnel practices; AND

(4) Review and either approve or disapprove the plans and budgets that a county governing body submits for State funding under Part I of this subtitle[; and].

[(5)] (F) [Exercise] THE SECRETARY MAY EXERCISE any other power or duty required to carry out Part I of this subtitle.

19–2301.

(d) “Health care facility” means:

- (1) A hospital as defined in § 19–301 of this title;
- (2) A health maintenance organization as defined in § 19–701(g) of this title;
- (3) A freestanding ambulatory care facility as defined in § 19–3B–01 of this title;
- (4) An assisted living facility as defined in § 19–1801 of this title;
- (5) A laboratory as defined in § 17–201 of this article;
- (6) A home health agency as defined in § 19–401 of this title;
- (7) A residential treatment center as defined in § 19–301 of this title;
- (8) A comprehensive rehabilitation facility as defined in § 19–1201 of this title; [and]
- (9) A forensic laboratory as defined in § 17–2A–01 of this article;
- (10) A SUBSTANCE USE DISORDER PROGRAM AS DEFINED IN § 8–403 OF THIS ARTICLE; AND**
- (11) A MENTAL HEALTH PROGRAM AS DEFINED IN § 10–901 OF THIS ARTICLE.**

### **Article – Health Occupations**

20–101.

- (b) (1) “Agency” means:
- (i) The Developmental Disabilities Administration in the Department;
- (ii) The Department;
- (iii) The Department of Human Resources;
- (iv) The Department of Juvenile Services; and
- (v) The [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** in the Department.

- (2) “Agency” includes the State Superintendent of Schools.

20–202.

- (a) (1) The Board consists of 12 members.

- (2) Of the 12 Board members:

- (i) Six members shall be appointed as follows:

1. Two by the Secretary of Health and Mental Hygiene, one each for the Developmental Disabilities Administration and the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION**;

2. One by the Secretary of Juvenile Services for the agency;

3. One by the Secretary of Human Resources for the agency;

4. One by the State Superintendent of Schools; and

5. One by the Subcabinet; and

- (ii) Six shall be appointed by the Governor.

- (3) Of the six appointed by the Governor:

- (i) Three shall be program administrators;

- (ii) One shall be a residential child and youth care practitioner;

and

- (iii) Two shall be consumer members.

#### Article – Human Services

5–314.

(h) (1) The local department shall reduce the temporary cash assistance benefits of an adult or minor parent recipient and pay the remainder of the cash benefits to a third party payee or a compliant adult recipient as described in subsection (g) of this section, if:

(i) the recipient fails to complete a substance ~~abuse~~ **USE DISORDER** screening or assessment by an addictions specialist, as required under subsections (b)(2) and (c)(1)(i) of this section; or

(ii) the required screening and assessment or the results of any follow-up diagnostic testing or treatment reveal that the recipient ~~is~~ **HAS** a substance ~~abuse~~ **USE DISORDER** and the recipient refuses to enroll or maintain enrollment in available and appropriate substance ~~abuse~~ **USE DISORDER** treatment.

(2) The local department shall continue to make temporary cash assistance benefits payments to a third party payee or a compliant adult recipient until the local department receives notice from the addictions specialist that the recipient is actively enrolled, as defined by the [Alcohol and Drug Abuse Administration] **DEPARTMENT**, in the appropriate substance ~~abuse~~ **USE DISORDER** treatment indicated by the addictions specialist.

8-406.

(a) Each local care team shall include:

(1) at least one representative from:

(i) the Department of Juvenile Services;

(ii) the Developmental Disabilities Administration;

(iii) [the Alcohol and Drug Abuse Administration;

(iv) the Mental Hygiene Administration or the local core service agency] **THE BEHAVIORAL HEALTH ADMINISTRATION**;

**(IV) IF DETERMINED TO BE APPROPRIATE BY THE BEHAVIORAL HEALTH ADMINISTRATION, THE LOCAL CORE SERVICE AGENCY**;

(v) the local school system;

(vi) the local health department;

(vii) the local department of social services; and

(viii) the local management board;

(2) a parent, parent advocate, or both, appointed by the chair of the local care team in consultation with the child advocacy community; and

(3) a nonvoting representative of the local office of the division of rehabilitative services to represent individuals who are 16 years old and older.

1–401.

(b) The Board consists of the following members:

(7) the [Executive] Director of the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** of the Department of Health and Mental Hygiene, or the [Executive] Director’s designee;

#### **Article – State Finance and Procurement**

10–309.

(a) In this section, “State facility” means:

(1) a facility maintained by the [Mental Hygiene Administration] **BEHAVIORAL HEALTH ADMINISTRATION** of the Department of Health and Mental Hygiene and listed in § 10–406 of the Health – General Article; or

(2) a State residential center for individuals with an intellectual disability in the Developmental Disabilities Administration of the Department of Health and Mental Hygiene.

(b) A cemetery owned by the State and located on the grounds of a State facility may not be sold by the State if the State facility is downsized, consolidated, closed, or sold.

(c) A cemetery owned by the State shall be maintained by the State and marked with a monument commemorating the individuals interred in the cemetery.

(d) Any easement or right of entry to a cemetery owned by the State and located on the grounds of a State facility that has been recorded among the land records of the county where the cemetery is located on or before October 1, 2004 may not be transferred or sold.

(e) Notwithstanding subsections (b) and (d) of this section, a cemetery or an easement or right of entry to a cemetery owned by the State and located on the grounds of a State facility may be sold by the State if the deed for the property includes a restrictive covenant requiring the owner and any future owner to maintain the cemetery as provided under subsection (c) of this section.

#### **Article – State Government**

9–2802.

(a) (2) The Council consists of the following nonvoting members:

(i) the Director of the [Alcohol and Drug Abuse Administration of the Department of Health and Mental Hygiene;

(ii) the Director of Mental Hygiene of the Department of Health and Mental Hygiene] **BEHAVIORAL HEALTH ADMINISTRATION**;

[(iii)] **(II)** a representative of the Department of Public Safety and Correctional Services, designated by the Secretary of Public Safety and Correctional Services;

[(iv)] **(III)** a deputy Secretary of the Department of Public Safety and Correctional Services; and

[(v)] **(IV)** the President of the Maryland Addiction Directors' Council.

9-2806.

The [Alcohol and Drug Abuse Administration] **BEHAVIORAL HEALTH ADMINISTRATION** shall provide staff for the Council.

### **Article – Transportation**

16-212.

(f) (1) The Administration may waive attendance at an alcohol education program conducted by the Administration if an individual attends a private alcohol education program or an alcohol education program provided by a political subdivision of the State that is approved by the [Alcohol and Drug Abuse Administration] **BEHAVIORAL HEALTH ADMINISTRATION** and the Administration.

16-212.1.

(a) The Administration, in cooperation with the [Alcohol and Drug Abuse Administration] **BEHAVIORAL HEALTH ADMINISTRATION**, shall establish an alcohol and drug education program to educate driver's license applicants who are subject to the provisions of § 16-105(f)(3) of this title. This program also shall be included as part of the driver education course established under Subtitle 5 of this title.

**SECTION 2. AND BE IT FURTHER ENACTED**, That Section(s) 8-201 through 8-204, 8-405, and 10-201 through 10-204 of Article – Health – General of the Annotated Code of Maryland be repealed.

**SECTION 3. AND BE IT FURTHER ENACTED**, That:

(a) The Secretary of Health and Mental Hygiene shall convene a stakeholder workgroup to make recommendations on issues related to behavioral health, including statutory and regulatory changes to:

(1) fully integrate mental health and substance use disorder treatment and recovery support; and

(2) promote health services.

(b) The workgroup convened under subsection (a) of this section shall include representatives of the Department of Health and Mental Hygiene, providers, consumers, and advocacy organizations.

(c) On or before December 1, 2014, the Department of Health and Mental Hygiene shall report the findings and recommendations of the workgroup to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**

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## Chapter 461

**(House Bill 1522)**

AN ACT concerning

### **Residential Child Care Programs – Statement of Need – Exception for Temporary Relocation**

FOR the purpose of creating an exception to a certain statement of need requirement for the temporary relocation of an existing licensed residential child care program under certain circumstances; and generally relating to statements of need for residential child care programs in the State.

BY repealing and reenacting, with amendments,  
Article – Human Services  
Section 8-703.1  
Annotated Code of Maryland  
(2007 Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

## Article – Human Services

8–703.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “Licensing agency” means:

- (i) the Department of Human Resources; and
- (ii) the Department of Juvenile Services.

(3) “Statement of need” means an official certification of public need for the location and establishment of a residential child care program in a county issued by a licensing agency under this section.

(b) The licensing agencies shall adopt regulations governing the issuance of statements of need.

(c) In developing the regulations required under subsection (b) of this section, a licensing agency shall:

(1) consider the specialized mental, physical, and behavioral health and developmental needs of children in the county or region affected by the statement of need; and

(2) consult with stakeholders in the county or region affected by the statement of need, including:

- (i) State and local child–serving agencies;
- (ii) providers of residential and community–based services for children; and
- (iii) children, parents, and foster parents.

(d) An application may not be submitted to the office and a license may not be granted by a licensing agency for a residential child care program until a licensing agency issues a statement of need for a residential child care program in a county.

(e) **(1) [In] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IN** addition to the statement of need required under subsection (d) of this section, a statement of need is required before:

**[(1)] (I)** an existing or previously licensed residential child care program is relocated to another site;

**[(2)] (II)** the physical site of a residential child care program is expanded; or

[(3)] (III) the number of placements in a residential child care program is increased.

**(2) A STATEMENT OF NEED IS NOT REQUIRED BEFORE AN EXISTING LICENSED RESIDENTIAL CHILD CARE PROGRAM IS RELOCATED TO ANOTHER SITE ON A TEMPORARY BASIS IF:**

**(I) THE SITE OF THE EXISTING LICENSED RESIDENTIAL CHILD CARE PROGRAM IS IN A STATE OF DISREPAIR THAT NECESSITATES REHABILITATION FOR THE HEALTH, SAFETY, AND WELL-BEING OF THE RESIDENTS;**

~~**(II) THE TEMPORARY SITE IS SIMILAR IN SIZE TO THE SITE UNDERGOING REHABILITATION;**~~

~~**(III) THE LICENSING AGENCY DETERMINES THAT THE NUMBER OF PLACEMENTS AT THE TEMPORARY SITE IS NO GREATER THAN THE NUMBER OF PLACEMENTS AT THE SITE UNDERGOING REHABILITATION MEETS THE REQUIREMENTS OF THE RESIDENTIAL CHILD CARE PROGRAM'S LICENSE;**~~

~~**(IV)**~~ **(III) THE TEMPORARY SITE IS LOCATED:**

**1. WITHIN THE SAME JURISDICTION AS THE SITE UNDERGOING REHABILITATION; OR**

**2. WITHIN 10 MILES OF THE SITE UNDERGOING REHABILITATION; AND**

~~**(V)**~~ **(IV) THE REHABILITATION OF THE EXISTING SITE:**

**1. WILL BE COMPLETED WITHIN 180 DAYS; OR**

**2. IF NOT COMPLETED WITHIN 180 DAYS, WILL BE COMPLETED WITHIN A PERIOD OF TIME DETERMINED BY THE LICENSING AGENCY, ON REQUEST OF THE LICENSEE, NOT TO EXCEED AN ADDITIONAL 180 DAYS.**

(f) A licensing agency shall publish notice of the issuance of a statement of need in the Maryland Register.

(g) A licensing agency may not delegate its authority to issue a statement of need.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

**Approved by the Governor, May 5, 2014.**