

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

VOLUME V

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Chapter 523**(Senate Bill 560)**

AN ACT concerning

Carroll County – Alcoholic Beverages – License Fees

FOR the purpose of increasing the fees for certain beer, beer and light wine, and beer, wine and liquor licenses in Carroll County in a certain manner; and generally relating to alcoholic beverages licenses in Carroll County.

BY repealing and reenacting, without amendments,

Article 2B – Alcoholic Beverages

Section 3–101(a)(1), 3–401(a)(1), 5–101(a)(1), 5–401(a)(1), and 6–101(a)(1)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article 2B – Alcoholic Beverages

Section 3–101(h), 3–401(h), 5–101(h), 5–401(h), and 6–101(h)

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

3–101.

(a) (1) A Class A beer license shall be issued by the license issuing authority of the county in which the place of business is located. The holder of the license may keep for sale and sell beer at retail in any quantity to any consumers at the place described in the license. The holder shall deliver the beer in a sealed package or container, which may not be opened nor its contents consumed on the premises where sold.

(h) In Carroll County the annual license fee is **[\$100]:**

(1) FROM JULY 1, 2014, TO JUNE 30, 2017, \$200; AND

(2) BEGINNING ON JULY 1, 2017, \$250.

3–401.

(a) (1) A Class D beer license shall be issued by the license issuing authority of the county in which the place of business is located. The holder of the license may keep for sale and sell beer at retail at the place described in the license. The beer may be consumed on the premises or elsewhere, but a license may not be issued for any drugstore.

(h) In Carroll County the annual license fee is [~~\$130~~] **\$250**.

5–101.

(a) (1) A Class A beer and light wine license shall be issued by the license issuing authority of the county in which the place of business is located. The holder of the license may keep for sale and sell beer and light wines at retail, in any quantity to any consumers, at the place described in the license. The holder shall deliver the beer and light wines in a sealed package or container, which package or container may not be opened nor its contents consumed on the premises where sold.

(h) In Carroll County the annual license fee is [~~\$140~~]:

(1) FROM JULY 1, 2014, TO JUNE 30, 2017, \$340; AND

(2) BEGINNING ON JULY 1, 2017, \$500.

5–401.

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

(h) (1) This subsection applies only to Carroll County.

(2) The privileges conferred by a Class D beer and light wine license may be exercised from 11 a.m. to 11 p.m. on Sunday.

(3) The annual license fee is [~~\$160~~] **\$250**.

6–101.

(a) (1) A Class A beer, wine and liquor license shall be issued by the license issuing authority of the county in which the place of business is located. The license authorizes the holder to keep for sale and to sell all alcoholic beverages at retail, in any quantity, at the place described in the license. The licensee shall deliver the alcoholic beverages in a sealed package or container and the package or container may not be opened nor its contents consumed on the premises where sold.

(h) In Carroll County the annual license fee is [\$650]:

(1) FROM JULY 1, 2014, TO JUNE 30, 2017, \$850; AND

(2) BEGINNING ON JULY 1, 2017, \$1,000.

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

Approved by the Governor, May 15, 2014.

Chapter 524

(House Bill 156)

AN ACT concerning

Carroll County – Alcoholic Beverages – License Fee Increases

FOR the purpose of increasing the fees for certain beer, beer and light wine, and beer, wine and liquor licenses in Carroll County in a certain manner; and generally relating to alcoholic beverages licenses in Carroll County.

BY repealing and reenacting, without amendments,

Article 2B – Alcoholic Beverages

Section 3–101(a)(1), 3–401(a)(1), 5–101(a)(1), 5–401(a)(1), and 6–101(a)(1)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article 2B – Alcoholic Beverages

Section 3–101(h), 3–401(h), 5–101(h), 5–401(h), and 6–101(h)

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

3–101.

(a) (1) A Class A beer license shall be issued by the license issuing authority of the county in which the place of business is located. The holder of the license may keep for sale and sell beer at retail in any quantity to any consumers at the place described in the license. The holder shall deliver the beer in a sealed package or container, which may not be opened nor its contents consumed on the premises where sold.

(h) In Carroll County the annual license fee is **[\$100]:**

(1) FROM JULY 1, 2014, TO JUNE 30, 2017, \$200; AND

(2) BEGINNING ON JULY 1, 2017, \$250.

3–401.

(a) (1) A Class D beer license shall be issued by the license issuing authority of the county in which the place of business is located. The holder of the license may keep for sale and sell beer at retail at the place described in the license. The beer may be consumed on the premises or elsewhere, but a license may not be issued for any drugstore.

(h) In Carroll County the annual license fee is **[\$130] \$250.**

5–101.

(a) (1) A Class A beer and light wine license shall be issued by the license issuing authority of the county in which the place of business is located. The holder of the license may keep for sale and sell beer and light wines at retail, in any quantity to any consumers, at the place described in the license. The holder shall deliver the beer and light wines in a sealed package or container, which package or container may not be opened nor its contents consumed on the premises where sold.

(h) In Carroll County the annual license fee is **[\$140]:**

(1) FROM JULY 1, 2014, TO JUNE 30, 2017, \$340; AND

(2) BEGINNING ON JULY 1, 2017, \$500.

5–401.

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

(h) (1) This subsection applies only to Carroll County.

(2) The privileges conferred by a Class D beer and light wine license may be exercised from 11 a.m. to 11 p.m. on Sunday.

(3) The annual license fee is [~~\$160~~] **\$250**.

6–101.

(a) (1) A Class A beer, wine and liquor license shall be issued by the license issuing authority of the county in which the place of business is located. The license authorizes the holder to keep for sale and to sell all alcoholic beverages at retail, in any quantity, at the place described in the license. The licensee shall deliver the alcoholic beverages in a sealed package or container and the package or container may not be opened nor its contents consumed on the premises where sold.

(h) In Carroll County the annual license fee is [~~\$650~~]:

(1) FROM JULY 1, 2014, TO JUNE 30, 2017, \$850; AND

(2) BEGINNING ON JULY 1, 2017, \$1,000.

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

Approved by the Governor, May 15, 2014.

Chapter 525

(Senate Bill 570)

AN ACT concerning

Income Tax Credit – Qualified Research and Development Expenses – Credit Amounts

FOR the purpose of altering the total amount of research and development tax credits that the Department of Business and Economic Development may approve in a calendar year; providing for the application of this Act; and generally relating to certain credits against the State income tax based on certain expenses paid or incurred for certain research and development conducted in the State.

BY repealing and reenacting, without amendments,
Article – Tax – General

Section 10–721(b)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–721(c)
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

10–721.

(b) Subject to the limitations of this section, an individual or a corporation may claim credits against the State income tax in an amount equal to:

(1) 3% of the Maryland qualified research and development expenses, not exceeding the Maryland base amount for the individual or corporation, paid or incurred by the individual or corporation during the taxable year; and

(2) 10% of the amount by which the Maryland qualified research and development expenses paid or incurred by the individual or corporation during the taxable year exceed the Maryland base amount for the individual or corporation.

(c) (1) By September 15 of the calendar year following the end of the taxable year in which the Maryland qualified research and development expenses were incurred, an individual or corporation shall submit an application to the Department for the credits allowed under subsection (b)(1) and (2) of this section.

(2) (i) Except as provided under paragraph (4) of this subsection, the total amount of credits approved by the Department under subsection (b)(1) of this section may not exceed ~~[\$4,000,000] \$5,000,000~~ \$4,500,000 for any calendar year.

(ii) Subject to paragraph (4) of this subsection, if the total amount of credits applied for by all individuals and corporations under subsection (b)(1) of this section exceeds the maximum specified under subparagraph (i) of this paragraph, the Department shall approve a credit under subsection (b)(1) of this section for each applicant in an amount equal to the product of multiplying the credit applied for by the applicant times a fraction:

1. the numerator of which is the maximum specified under subparagraph (i) of this paragraph; and

2. the denominator of which is the total of all credits applied for by all applicants under subsection (b)(1) of this section in the calendar year.

(3) (i) Except as provided in paragraph (4) of this subsection, the total amount of credits approved by the Department under subsection (b)(2) of this section may not exceed [~~\$4,000,000~~] ~~\$5,000,000~~ \$4,500,000 for any calendar year.

(ii) Subject to paragraph (4) of this subsection, if the total amount of credits applied for by all individuals and corporations under subsection (b)(2) of this section exceeds the maximum specified under subparagraph (i) of this paragraph, the Department shall approve a credit under subsection (b)(2) of this section for each applicant in an amount equal to the product of multiplying the credit applied for by the applicant times a fraction:

1. the numerator of which is the maximum specified under subparagraph (i) of this paragraph; and

2. the denominator of which is the total of all credits applied for by all applicants under subsection (b)(2) of this section in the calendar year.

(4) (i) For any calendar year, if the maximum specified under paragraph (2)(i) of this subsection exceeds the total amount of credits applied for by all individuals and corporations under subsection (b)(1) of this section, the maximum specified under paragraph (3)(i) of this subsection shall be increased for that calendar year by an amount equal to the amount by which the maximum specified under paragraph (2)(i) of this subsection exceeds the total amount of credits applied for by all individuals and corporations under subsection (b)(1) of this section.

(ii) For any calendar year, if the maximum specified under paragraph (3)(i) of this subsection exceeds the total amount of credits applied for by all individuals and corporations under subsection (b)(2) of this section, the maximum specified under paragraph (2)(i) of this subsection shall be increased for that calendar year by an amount equal to the amount by which the maximum specified under paragraph (3)(i) of this subsection exceeds the total amount of credits applied for by all individuals and corporations under subsection (b)(2) of this section.

(5) By December 15 of the calendar year following the end of the taxable year in which the Maryland qualified research and development expenses were incurred, the Department shall certify to the individual or corporation the amount of the research and development tax credits approved by the Department for the individual or corporation under subsection (b)(1) and (2) of this section.

(6) To claim the approved credits allowed under this section, an individual or corporation shall:

(i) file an amended income tax return for the taxable year in which the Maryland qualified research and development expense was incurred; and

(ii) attach a copy of the Department's certification of the approved credit amount to the amended income tax return.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014, and shall be applicable to all Maryland research and development tax credits certified after December 15, 2013.

Approved by the Governor, May 15, 2014.

Chapter 526

(Senate Bill 572)

AN ACT concerning

Homestead Tax Credit – Eligibility – Definition of Legal Interest

FOR the purpose of altering the definition of “legal interest” to include an interest in a dwelling as a settlor, grantor, or beneficiary of a trust under certain circumstances so as to include certain settlors, grantors, or beneficiaries of trusts as eligible to apply for the homestead property tax credit; ~~providing for the application of this Act;~~ and generally relating to the homestead property tax credit.

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 9–105(a)(1), (5), and (7) and (b)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–105(a)(8)
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

9–105.

- (a) (1) In this section the following words have the meanings indicated.
- (5) (i) “Dwelling” means:
1. a house that is:
 - A. used as the principal residence of the homeowner; and
 - B. actually occupied or expected to be actually occupied by the homeowner for more than 6 months of a 12-month period beginning with the date of finality for the taxable year for which the property tax credit under this section is sought; and
 2. the lot or curtilage on which the house is erected.
- (ii) “Dwelling” includes:
1. a condominium unit that is occupied by an individual who has a legal interest in the condominium;
 2. an apartment in a cooperative apartment corporation that is occupied by an individual who has a legal interest in the apartment; and
 3. a part of real property used other than primarily for residential purposes, if the real property is used as a principal residence by an individual who has a legal interest in the real property.
- (7) “Homeowner” means an individual who has a legal interest in a dwelling or who is an active member of an agricultural ownership entity that has a legal interest in a dwelling.
- (8) “Legal interest” means an interest in a dwelling:
- (i) as a sole owner;
 - (ii) as a joint tenant;
 - (iii) as a tenant in common;
 - (iv) as a tenant by the entireties;
 - (v) through membership in a cooperative;
 - (vi) under a land installment contract, as defined in § 10–101 of the Real Property Article; [or]

(vii) as a holder of a life estate; OR

(VIII) AS A SETTLOR, GRANTOR, OR BENEFICIARY OF A TRUST

IF:

1. THE SETTLOR, GRANTOR, OR BENEFICIARY OF THE TRUST DOES NOT PAY RENT OR OTHER REMUNERATION TO RESIDE IN THE DWELLING; AND

2. LEGAL TITLE TO THE DWELLING IS HELD IN THE NAME OF THE TRUST OR IN THE NAMES OF THE TRUSTEES FOR THE TRUST.

(b) (1) If there is an increase in property assessment as calculated under this section, the State and the governing body of each county and of each municipal corporation shall grant a property tax credit under this section against the State, county, and municipal corporation property tax imposed on real property by the State, county, or municipal corporation.

(2) A property tax credit granted under this section shall be applicable to any State, county, or municipal corporation property tax and any property tax imposed for a bicounty commission.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively and shall be applied to all taxable years beginning after June 30, 2007.~~

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

Approved by the Governor, May 15, 2014.

Chapter 527

(House Bill 227)

AN ACT concerning

Homestead Tax Credit – Eligibility – Definition of Legal Interest

FOR the purpose of altering the definition of “legal interest” to include an interest in a dwelling as a settlor, grantor, or beneficiary of a trust under certain circumstances so as to include certain settlors, grantors, or beneficiaries of trusts as eligible to apply for the homestead property tax credit; ~~providing for~~

~~the application of this Act;~~ and generally relating to the homestead property tax credit.

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 9–105(a)(1), (5), and (7) and (b)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–105(a)(8)
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

9–105.

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

(5) (i) “Dwelling” means:

1. a house that is:

A. used as the principal residence of the homeowner; and

B. actually occupied or expected to be actually occupied by the homeowner for more than 6 months of a 12–month period beginning with the date of finality for the taxable year for which the property tax credit under this section is sought; and

2. the lot or curtilage on which the house is erected.

(ii) “Dwelling” includes:

1. a condominium unit that is occupied by an individual who has a legal interest in the condominium;

2. an apartment in a cooperative apartment corporation that is occupied by an individual who has a legal interest in the apartment; and

3. a part of real property used other than primarily for residential purposes, if the real property is used as a principal residence by an individual who has a legal interest in the real property.

(7) “Homeowner” means an individual who has a legal interest in a dwelling or who is an active member of an agricultural ownership entity that has a legal interest in a dwelling.

(8) “Legal interest” means an interest in a dwelling:

(i) as a sole owner;

(ii) as a joint tenant;

(iii) as a tenant in common;

(iv) as a tenant by the entireties;

(v) through membership in a cooperative;

(vi) under a land installment contract, as defined in § 10–101 of the Real Property Article; [or]

(vii) as a holder of a life estate; OR

(VIII) AS A SETTLOR, GRANTOR, OR BENEFICIARY OF A TRUST

IF:

1. THE SETTLOR, GRANTOR, OR BENEFICIARY OF THE TRUST DOES NOT PAY RENT OR OTHER REMUNERATION TO RESIDE IN THE DWELLING; AND

2. LEGAL TITLE TO THE DWELLING IS HELD IN THE NAME OF THE TRUST OR IN THE NAMES OF THE TRUSTEES FOR THE TRUST.

(b) (1) If there is an increase in property assessment as calculated under this section, the State and the governing body of each county and of each municipal corporation shall grant a property tax credit under this section against the State, county, and municipal corporation property tax imposed on real property by the State, county, or municipal corporation.

(2) A property tax credit granted under this section shall be applicable to any State, county, or municipal corporation property tax and any property tax imposed for a bicounty commission.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively and shall be applied to all taxable years beginning after June 30, 2007.~~

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

Approved by the Governor, May 15, 2014.

Chapter 528

(Senate Bill 596)

AN ACT concerning

Income Tax Subtraction Modification – Mortgage Forgiveness Debt Relief – Extension

FOR the purpose of extending certain termination provisions relating to a certain income tax subtraction modification for certain discharged mortgage debt; altering the amount of a certain subtraction modification; and generally relating to an income tax subtraction modification for mortgage forgiveness debt relief.

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

BY repealing and reenacting, with amendments,
Chapter 545 of the Acts of the General Assembly of 2012
Section 3

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.

(y) (1) The subtraction under subsection (a) of this section includes the amount that would have been allowed for indebtedness discharged for qualified principal residence indebtedness under the federal Mortgage Forgiveness Debt Relief Act of 2007, as amended, prior to its expiration on December 31, 2012, and without regard to the date limitation in § 108(a)(1)(e) of the Internal Revenue Code.

(2) The subtraction under paragraph (1) of this subsection applies only to an owner-occupied principal residence.

(3) The subtraction under paragraph (1) of this subsection may not exceed:

(i) ~~\$1,000,000~~ **\$100,000** for an individual; or

(ii) ~~\$2,000,000~~ **\$200,000** for a married couple filing a joint return or an individual described in § 2 of the Internal Revenue Code as a head of household or as a surviving spouse.

Chapter 545 of the Acts of 2012

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2012, and shall be applicable to all taxable years beginning after December 31, 2012, but before January 1, [2014] **2016**. It shall remain effective for a period of [2] 4 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 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 529

(House Bill 923)

AN ACT concerning

Income Tax Subtraction Modification – Mortgage Forgiveness Debt Relief – Extension

FOR the purpose of extending certain termination provisions relating to a certain income tax subtraction modification for certain discharged mortgage debt; altering the amount of a certain subtraction modification; and generally relating to an income tax subtraction modification for mortgage forgiveness debt relief.

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

BY repealing and reenacting, with amendments,
 Chapter 545 of the Acts of the General Assembly of 2012
 Section 3

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.

(y) (1) The subtraction under subsection (a) of this section includes the amount that would have been allowed for indebtedness discharged for qualified principal residence indebtedness under the federal Mortgage Forgiveness Debt Relief Act of 2007, as amended, prior to its expiration on December 31, 2012, and without regard to the date limitation in § 108(a)(1)(e) of the Internal Revenue Code.

(2) The subtraction under paragraph (1) of this subsection applies only to an owner–occupied principal residence.

(3) The subtraction under paragraph (1) of this subsection may not exceed:

(i) ~~\$1,000,000~~ **\$100,000** for an individual; or

(ii) ~~\$2,000,000~~ **\$200,000** for a married couple filing a joint return or an individual described in § 2 of the Internal Revenue Code as a head of household or as a surviving spouse.

Chapter 545 of the Acts of 2012

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2012, and shall be applicable to all taxable years beginning after December 31, 2012, but before January 1, [2014] **2016**. It shall remain effective for a period of [2] **4** 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 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 530

(Senate Bill 600)

AN ACT concerning

Regional Institution Strategic Enterprise Zone Program

FOR the purpose of establishing the Regional Institution Strategic Enterprise Zone Program to access institutional assets that have a strong and demonstrated history of commitment to economic development and revitalization in the communities in which they are located; ~~authorizing certain public schools or~~ institutions of higher education that meet certain criteria to apply to the Secretary of Business and Economic Development to be designated as a qualified institution; requiring the Secretary to approve or reject an application for designation as a qualified institution within a certain number of days after the application is submitted; ~~authorizing a qualified institution to apply to the Secretary to have a certain area of the State designated as a Regional Institution Strategic Enterprise (RISE) zone; authorizing a qualified institution to make a joint application with a county, a municipal corporation, or a certain entity of a county or a municipal corporation to the Secretary to have a certain area in the State designated as a ~~RISE~~ Regional Institution Strategic Enterprise (RISE) zone; prohibiting certain counties and municipalities from authorizing certain property tax credits;~~ requiring the Secretary to approve or reject a RISE zone application and define the boundaries of a RISE zone within a certain number of days on or after a certain date after the application is submitted; requiring the Secretary to provide certain notice a certain number of days before approving or rejecting ~~an application~~ certain applications; authorizing certain entities to provide certain advice to the Secretary; providing that the Secretary may not approve more than a certain number of RISE zones in a county or municipal corporation ~~for which the county did not make a certain application;~~ providing that a qualified institution may not be required to be in the immediate vicinity of a proposed RISE zone in a rural part of the State; ~~authorizing the governing body of a county, under certain circumstances, to establish the percentage of a certain property tax credit; providing that the designation of a RISE zone is for a certain number of years; providing that a RISE zone may be renewed for a certain number of years under certain~~

circumstances; prohibiting the Secretary from designating a RISE zone in certain areas; requiring the Secretary to assign a RISE zone a business development concierge; requiring the business development concierge to assist entities locating in a RISE zone with certain activities; authorizing a business entity that locates in a RISE zone to receive certain tax incentives and financial assistance if the entity or its location receives a certain certification; requiring the Department and the Comptroller, each year, to jointly make certain assessments and submit certain reports; authorizing certain political subdivisions to identify certain zones and pledge certain property taxes in certain zones; authorizing certain political subdivisions to use the proceeds from certain bond issues for certain purposes; authorizing the governing body of certain political subdivisions to create a special fund for certain purposes; authorizing the governing body of certain political subdivisions to pledge certain tax revenue generated within certain zones; requiring that a political subdivision that leases as a lessor certain property within a certain zone be assessed and taxed in a certain manner; requiring the governing body of a county or municipal corporation to grant a property tax credit on a certain assessment of qualified properties located in the RISE zone; providing for the amount of the credit; requiring the State Department of Assessments and Taxation to allocate the amount of credit based on the use of the property; providing for an enhanced credit for properties located in certain enterprise zones or certain focus areas; authorizing the governing body of a county, ~~under certain circumstances,~~ or municipal corporation to alter the calculation of a certain amount of the credit; providing that the governing body of a municipal corporation, ~~under certain circumstances,~~ may not alter the calculation of a certain credit; authorizing a county and a municipal corporation, ~~under certain circumstances,~~ to propose the percentage to be used for the calculation and duration of a certain tax credit; providing that the credit may not be claimed for more than a certain number of years; requiring the Secretary to make certain certifications; requiring the State Department of Assessments and Taxation to submit a certain list to the Secretary; ~~allowing entities locating in certain zones to alter the calculation of a certain Maryland income tax modification for depreciation of certain property to provide an additional allowance for the taxable year the property is placed in service;~~ making entities that locate in certain zones eligible to claim certain income tax credits for entities that employ qualified individuals in enterprise zones or focus areas; authorizing the Mayor and City Council of Baltimore City to use certain authority granted under State law to a political subdivision for tax increment financing in a certain zone; requiring the Comptroller to prepare a certain report; requiring the Department of Business and Economic Development to convene a certain group to provide certain advice; altering, subject to certain approval, the taxable year in which certain property initially becomes qualified property for certain enterprise zone property tax credits; authorizing and requiring the Secretary to adopt certain regulations; providing for the application of certain provisions of this Act; declaring the intent of the General Assembly; defining certain terms; and generally relating to the creation of the Regional Institution Strategic Enterprise Zone Program.

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 5–102(9) and (10), 12–203(a) and (c), 12–207(a), 12–208(a), 12–209,
12–210, and 12–211
Annotated Code of Maryland
(2008 Volume and 2013 Supplement)

BY adding to
Article – Economic Development
Section 5–102(10); ~~and 5–1401 through 5–1406~~ 5–1407 to be under the new
subtitle “Subtitle 14. Regional Institution Strategic Enterprise Zone
Program”; 12–201(n–1) and 12–207(e)
Annotated Code of Maryland
(2008 Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 12–201(a)
Annotated Code of Maryland
(2008 Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–103(e)(1)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY adding to
Article – Tax – Property
Section 9–103.1
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

~~BY adding to~~
~~Article – Tax – General~~
~~Section 10–210.1(e)~~
~~Annotated Code of Maryland~~
~~(2010 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, without amendments,~~
~~Article – Tax – General~~
~~Section 10–310~~
~~Annotated Code of Maryland~~
~~(2010 Replacement Volume and 2013 Supplement)~~

BY repealing and reenacting, with amendments,

Article – Tax – General
 Section 10–702
 Annotated Code of Maryland
 (2010 Replacement Volume and 2013 Supplement)

BY adding to

The Charter of Baltimore City
Article II
Section (62)(L) and (62A)(U)
(2007 Replacement Volume, as amended)

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

Article – Economic Development

5–102.

The Department shall administer the State's economic development and financial assistance programs and funds including:

(9) jointly with the Department of Housing and Community Development, the Community Development Block Grant for Economic Development; [and]

(10) THE REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE PROGRAM UNDER SUBTITLE 14 OF THIS TITLE; AND

[(10)] **(11)** any other programs or funds designated by statute, the Governor, or the Secretary.

SUBTITLE 14. REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE PROGRAM.

5–1401.

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

(B) “AREA” MEANS A GEOGRAPHIC AREA IN ONE OR MORE POLITICAL SUBDIVISIONS IN THE STATE DESCRIBED BY A CLOSED PERIMETER BOUNDARY.

(C) “NONPROFIT ORGANIZATION” MEANS AN ORGANIZATION THAT IS EXEMPT OR ELIGIBLE FOR EXEMPTION FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

~~(D) “PUBLIC SCHOOL” HAS THE MEANING STATED IN § 1-101 OF THE EDUCATION ARTICLE.~~

~~(E)~~ (D) “QUALIFIED INSTITUTION” MEANS AN ENTITY THAT IS DESIGNATED AS A QUALIFIED INSTITUTION UNDER § 5-1403 OF THIS SUBTITLE AND MAY INCLUDE:

~~(1) A PUBLIC SCHOOL;~~

~~(2) (1) A NONPROFIT ORGANIZATION THAT IS AFFILIATED WITH NEW CONSTRUCTION OR RENOVATION OF A PUBLIC SCHOOL A REGIONAL HIGHER EDUCATION CENTER AS DEFINED UNDER § 10-101 OF THE EDUCATION ARTICLE;~~

~~(3) (2) AN INSTITUTION OF HIGHER EDUCATION AS DEFINED UNDER § 10-101 OF THE EDUCATION ARTICLE; OR~~

~~(4) (3) A NONPROFIT ORGANIZATION THAT IS AFFILIATED WITH A FEDERAL AGENCY.~~

~~(E)~~ (E) “RISE ZONE” MEANS ~~AN~~ A GEOGRAPHIC AREA IN IMMEDIATE PROXIMITY TO A QUALIFIED INSTITUTION THAT IS TARGETED FOR INCREASED ECONOMIC AND COMMUNITY DEVELOPMENT THAT MEETS THE REQUIREMENTS OF § 5-1404 OF THIS SUBTITLE AND IS DESIGNATED AS A ~~RISE~~ REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE BY THE SECRETARY UNDER § 5-1404 OF THIS SUBTITLE.

5-1402.

THE PURPOSE OF THE REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE PROGRAM IS TO ACCESS INSTITUTIONAL ASSETS THAT HAVE A STRONG AND DEMONSTRATED HISTORY OF COMMITMENT TO ECONOMIC DEVELOPMENT AND REVITALIZATION IN THE COMMUNITIES IN WHICH THEY ARE LOCATED.

5-1403.

(A) AN INSTITUTION MAY APPLY TO THE SECRETARY TO BE DESIGNATED AS A QUALIFIED INSTITUTION.

(B) TO BE ELIGIBLE FOR DESIGNATION AS A QUALIFIED INSTITUTION, THE APPLICANT SHALL:

(1) EVIDENCE AN INTENTION:

(I) TO MAKE A SIGNIFICANT FINANCIAL INVESTMENT OR COMMITMENT IN AN AREA OF THE STATE THAT THE APPLICANT INTENDS TO BECOME A RISE ZONE;

(II) TO USE THE RESOURCES AND EXPERTISE OF THE APPLICANT TO SPUR ECONOMIC DEVELOPMENT AND COMMUNITY REVITALIZATION IN AN AREA OF THE STATE THAT THE APPLICANT INTENDS TO BECOME A RISE ZONE; AND

(III) TO CREATE A SIGNIFICANT NUMBER OF NEW JOBS WITHIN AN AREA OF THE STATE THAT THE APPLICANT INTENDS TO BECOME A RISE ZONE;

(2) HAVE A DEMONSTRATED HISTORY OF COMMUNITY INVOLVEMENT AND ECONOMIC DEVELOPMENT WITHIN THE COMMUNITIES THAT THE APPLICANT SERVES; AND

(3) MEET THE MINIMUM FINANCIAL QUALIFICATIONS ESTABLISHED BY THE SECRETARY.

(C) IF THE APPLICANT IS A NONPROFIT ORGANIZATION THAT IS NOT AN INSTITUTION OF HIGHER EDUCATION, THE APPLICATION SHALL DEMONSTRATE ~~AND ESTABLISH~~ AN AFFILIATION WITH:

~~(1) A FEDERAL AGENCY; OR~~

~~(2) THE PROPOSED CONSTRUCTION OR RENOVATION OF A PUBLIC SCHOOL.~~

(D) (1) IN ADDITION TO THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE SECRETARY MAY ESTABLISH BY REGULATION ANY OTHER REQUIREMENTS NECESSARY AND APPROPRIATE IN ORDER FOR AN APPLICANT TO BE DESIGNATED AS A QUALIFIED INSTITUTION.

(2) THE SECRETARY SHALL ADOPT REGULATIONS THAT ESTABLISH FACTORS FOR EVALUATING APPLICATIONS UNDER SUBSECTION (B) OF THIS SECTION.

(E) IN THE FORM AND CONTENT ACCEPTABLE TO THE SECRETARY, AN APPLICANT SHALL SUBMIT TO THE SECRETARY AN APPLICATION THAT CONTAINS THE INFORMATION THAT THE SECRETARY CONSIDERS NECESSARY TO EVALUATE THE REQUEST FOR DESIGNATION AS A QUALIFIED INSTITUTION.

(F) (1) WITHIN 90 DAYS AFTER SUBMISSION OF AN APPLICATION UNDER THIS SECTION, THE SECRETARY SHALL APPROVE OR REJECT THE APPLICATION OF AN INSTITUTION TO BE DESIGNATED AS A QUALIFIED INSTITUTION.

(2) AT LEAST 30 DAYS BEFORE APPROVAL OR REJECTION OF AN APPLICATION UNDER THIS SECTION, THE SECRETARY SHALL NOTIFY THE LEGISLATIVE POLICY COMMITTEE.

(3) THE LEGISLATIVE POLICY COMMITTEE MAY PROVIDE ADVICE TO THE SECRETARY REGARDING THE APPROVAL OR REJECTION OF AN INSTITUTION AS A QUALIFIED INSTITUTION.

5-1404.

(A) ~~(1)~~ ON OR AFTER JULY 1, 2015, A QUALIFIED INSTITUTION ~~MAY~~ SHALL APPLY JOINTLY WITH A COUNTY, A MUNICIPAL CORPORATION, OR THE ECONOMIC DEVELOPMENT AGENCY OF A COUNTY OR MUNICIPAL CORPORATION TO THE SECRETARY TO DESIGNATE AN AREA AS A ~~RISE~~ REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE.

~~(2) A QUALIFIED INSTITUTION MAY APPLY JOINTLY WITH A COUNTY, A MUNICIPAL CORPORATION, OR THE ECONOMIC DEVELOPMENT AGENCY OF A COUNTY OR A MUNICIPAL CORPORATION.~~

(B) THE APPLICATION SHALL:

(1) BE IN THE FORM AND CONTAIN THE INFORMATION THAT THE SECRETARY REQUIRES BY REGULATION;

(2) STATE THE BOUNDARIES OF THE AREA OF THE PROPOSED RISE ZONE; ~~AND~~

(3) DESCRIBE THE NEXUS OF THE RISE ZONE WITH THE QUALIFIED INSTITUTION; AND

~~(3)~~ (4) CONTAIN A PLAN THAT IDENTIFIES THE TARGET STRATEGY FOR AND ANTICIPATED ECONOMIC IMPACTS OF THE RISE ZONE.

(C) THE SECRETARY MAY ESTABLISH, BY REGULATION, ANY OTHER REQUIREMENTS NECESSARY AND APPROPRIATE FOR AN AREA TO BE DESIGNATED AS A RISE ZONE.

(D) (1) UNLESS A COUNTY IN WHICH A MUNICIPAL CORPORATION IS LOCATED AGREES TO DESIGNATION OF A RISE ZONE IN THE MUNICIPAL CORPORATION, QUALIFIED PROPERTY IN THE MUNICIPAL CORPORATION MAY NOT RECEIVE A TAX CREDIT AGAINST COUNTY PROPERTY TAX.

(2) UNLESS A MUNICIPAL CORPORATION LOCATED WITHIN A COUNTY AGREES TO DESIGNATION OF A RISE ZONE WITHIN ITS BOUNDARIES, QUALIFIED PROPERTY IN THE COUNTY MAY NOT RECEIVE A TAX CREDIT AGAINST THE MUNICIPAL PROPERTY TAX.

~~(D)~~ (E) (1) WITHIN ~~90~~ 120 DAYS AFTER SUBMISSION OF AN APPLICATION UNDER THIS SECTION, THE SECRETARY SHALL:

(I) APPROVE OR REJECT AN APPLICATION FOR DESIGNATION OF A RISE ZONE, INCLUDING APPROVAL OR MODIFICATION OF THE PROPOSED BOUNDARIES OF THE RISE ZONE; AND

(II) DEFINE THE BOUNDARIES OF THE APPROVED RISE ZONE.

(2) AT LEAST ~~60~~ 45 DAYS BEFORE APPROVAL OR REJECTION OF AN APPLICATION UNDER THIS SECTION, THE SECRETARY SHALL NOTIFY:

~~(I)~~ THE LEGISLATIVE POLICY COMMITTEE; AND

~~(II) THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION IN WHICH THE PROPOSED RISE ZONE IS LOCATED.~~

(3) THE LEGISLATIVE POLICY COMMITTEE ~~OR THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION IN WHICH THE RISE ZONE IS LOCATED~~ MAY PROVIDE ADVICE TO THE SECRETARY REGARDING:

(I) THE APPROVAL OR REJECTION OF THE RISE ZONE; OR

(II) THE BOUNDARIES OF THE ~~PROPOSED~~ RISE ZONE PROPOSED BY THE SECRETARY.

~~(4) THE SECRETARY MAY NOT APPROVE MORE THAN 3 RISE ZONES IN A COUNTY FOR WHICH THE COUNTY DID NOT APPLY JOINTLY UNDER SUBSECTION (A)(2) OF THIS SECTION.~~

(F) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE DESIGNATION OF AN AREA AS A RISE ZONE IS EFFECTIVE FOR 5 YEARS.

(II) UPON A JOINT APPLICATION OF A QUALIFIED INSTITUTION, A COUNTY AND, IF APPLICABLE, A MUNICIPAL CORPORATION, OR THE ECONOMIC DEVELOPMENT AGENCY OF A COUNTY OR MUNICIPAL CORPORATION, THE SECRETARY MAY RENEW A RISE ZONE FOR AN ADDITIONAL 5 YEARS.

(2) THE SECRETARY MAY NOT APPROVE MORE THAN THREE RISE ZONES IN A SINGLE COUNTY OR MUNICIPAL CORPORATION.

~~(E)~~ (G) (1) A RISE ZONE MAY NOT BE REQUIRED TO BE IN THE IMMEDIATE GEOGRAPHIC PROXIMITY OF A QUALIFIED INSTITUTION IF AN APPROPRIATE NEXUS FOR THE INCREASED ECONOMIC AND COMMUNITY DEVELOPMENT IS ESTABLISHED WITH THE QUALIFIED ORGANIZATION.

(2) IF THE PROPOSED RISE ZONE IS IN A RURAL PART OF THE STATE, A QUALIFIED INSTITUTION MAY NOT BE REQUIRED TO BE IN THE IMMEDIATE AREA OF THE RISE ZONE.

~~(F) SUBJECT TO § 9-103.1(C)(5) OF THE TAX – PROPERTY ARTICLE, IF A QUALIFIED INSTITUTION DOES NOT APPLY FOR THE DESIGNATION OF A RISE ZONE JOINTLY WITH A COUNTY OR THE ECONOMIC DEVELOPMENT AGENCY OF A COUNTY, THE GOVERNING BODY OF THE COUNTY MAY ESTABLISH THE PERCENTAGE OF THE AMOUNT OF THE PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY TO WHICH THE PROPERTY TAX CREDIT ESTABLISHED UNDER § 9-103.1 OF THE TAX – PROPERTY ARTICLE APPLIES.~~

(H) THE SECRETARY MAY NOT DESIGNATE A RISE ZONE IN:

(1) A DEVELOPMENT DISTRICT ESTABLISHED UNDER TITLE 12, SUBTITLE 2 OF THIS ARTICLE; OR

(2) A SPECIAL TAXING DISTRICT ESTABLISHED UNDER TITLE 21 OF THE LOCAL GOVERNMENT ARTICLE OR SECTION 62A OF THE BALTIMORE CITY CHARTER.

(I) THE DESIGNATION OF AN AREA AS A RISE ZONE MAY NOT BE CONSTRUED TO LIMIT OR SUPERSEDE A PROVISION OF A COMPREHENSIVE PLAN, ZONING ORDINANCE, OR OTHER LAND USE POLICY ADOPTED BY A COUNTY, MUNICIPAL CORPORATION, OR BICOUNTY AGENCY WITH LAND USE AUTHORITY OVER THE AREA DESIGNATED AS A RISE ZONE.

(A) THE SECRETARY SHALL ASSIGN TO A RISE ZONE A BUSINESS AND COMMUNITY DEVELOPMENT CONCIERGE WHO IS AN EMPLOYEE OF THE DEPARTMENT.

(B) A BUSINESS AND COMMUNITY DEVELOPMENT CONCIERGE SHALL ASSIST ENTITIES LOCATING IN THE RISE ZONE WITH:

(1) STATE, COUNTY, OR MUNICIPAL CORPORATION PERMIT AND LICENSE APPLICATIONS;

(2) ACCESSING EXISTING PROGRAMS AT THE DEPARTMENT, THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION, THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, OR THE DEPARTMENT OF TRANSPORTATION; AND

(3) ANY OTHER ACTIVITIES THE SECRETARY AUTHORIZES THAT RELATE TO THE DEVELOPMENT OF THE RISE ZONE.

5-1406.

(A) (1) TO THE EXTENT PROVIDED FOR IN THIS SECTION, A BUSINESS ENTITY THAT LOCATES IN A RISE ZONE IS ENTITLED TO:

(I) THE PROPERTY TAX CREDIT UNDER § 9-103.1 OF THE TAX – PROPERTY ARTICLE;

(II) THE INCOME TAX CREDIT UNDER § 10-702 OF THE TAX – GENERAL ARTICLE; AND

~~(III) THE INCOME TAX MODIFICATION UNDER § 10-210.1(C) OF THE TAX – GENERAL ARTICLE; AND~~

~~(IV)~~ (III) PRIORITY CONSIDERATION FOR FINANCIAL ASSISTANCE FROM PROGRAMS IN SUBTITLE 1 OF THIS TITLE.

(2) FOR PURPOSES OF THE INCOME TAX CREDIT AUTHORIZED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, THE BUSINESS ENTITY IS TREATED AS BEING LOCATED IN AN ENTERPRISE ZONE.

(B) A BUSINESS ENTITY THAT MOVES INTO OR LOCATES IN A RISE ZONE ON OR AFTER THE DATE THAT THE ZONE IS DESIGNATED UNDER THIS SUBTITLE MAY QUALIFY FOR THE INCENTIVES UNDER THIS SECTION.

(C) A BUSINESS ENTITY MAY NOT QUALIFY FOR THE INCENTIVES UNDER SUBSECTION (A) OF THIS SECTION UNLESS THE DEPARTMENT, IN CONSULTATION WITH THE COUNTY OR MUNICIPAL CORPORATION IN WHICH A RISE ZONE IS LOCATED, CERTIFIES THE BUSINESS ENTITY AND ITS LOCATION AS CONSISTENT WITH THE TARGET STRATEGY OF THE RISE ZONE.

(D) (1) UNLESS A BUSINESS ENTITY MAKES A SIGNIFICANT CAPITAL INVESTMENT OR EXPANSION OF ITS LABOR FORCE AFTER A RISE ZONE IS DESIGNATED, THE INCENTIVES UNDER THIS SECTION ARE NOT AVAILABLE TO A BUSINESS ENTITY THAT WAS IN A RISE ZONE BEFORE THE DATE THAT THE ZONE IS DESIGNATED.

(2) THE DEPARTMENT SHALL ADOPT REGULATIONS ESTABLISHING FACTORS TO DETERMINE IF A BUSINESS ENTITY MAKES A SIGNIFICANT CAPITAL INVESTMENT OR EXPANSION OF ITS LABOR FORCE UNDER PARAGRAPH (1) OF THIS SUBSECTION.

5-1407.

(A) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL ASSESS EACH YEAR THE EFFECTIVENESS OF THE TAX INCENTIVES PROVIDED TO BUSINESS ENTITIES IN RISE ZONES, INCLUDING:

(1) THE NUMBER AND AMOUNTS OF TAX INCENTIVES GRANTED EACH YEAR; AND

(2) THE SUCCESS OF THE TAX INCENTIVES IN ATTRACTING AND RETAINING BUSINESS ENTITIES IN RISE ZONES.

(B) ON OR BEFORE DECEMBER 15 OF EACH YEAR, THE DEPARTMENT AND THE COMPTROLLER SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE ~~GENERAL ASSEMBLY~~ SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE COMMITTEE ON WAYS AND MEANS, AND THE TAX CREDIT EVALUATION COMMITTEE A REPORT OUTLINING THE FINDINGS OF THE DEPARTMENT AND THE COMPTROLLER AND ANY OTHER INFORMATION OF VALUE IN DETERMINING THE EFFECTIVENESS OF THE TAX INCENTIVES AUTHORIZED UNDER THIS SUBTITLE.

12-201.

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

(N-1) "RISE ZONE" MEANS AN AREA DESIGNATED AS A ~~RISE~~ REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE UNDER § 5-1404 OF THIS ARTICLE.

12-203.

(a) Before issuing bonds, the governing body of the political subdivision shall:

(1) by resolution:

(i) designate a contiguous area within its jurisdiction as a development district; [or]

(ii) identify an area that has been designated a sustainable community; OR

(III) IDENTIFY AN AREA THAT HAS BEEN DESIGNATED A RISE ZONE;

(2) receive from the Supervisor of Assessments a certification of the amount of the original base, or if applicable, the adjusted assessable base; and

(3) pledge that until the bonds are fully paid, or a longer period, the real property taxes in the development district, A RISE ZONE, or a sustainable community shall be divided as follows:

(i) the portion of the taxes that would be produced at the current tax rate on the original taxable value base shall be paid to the respective taxing authorities in the same manner as taxes on other property are paid; and

(ii) the portion of the taxes on the tax increment that normally would be paid into the general fund of the political subdivision shall be paid into the special fund established under § 12-208 of this subtitle and applied in accordance with § 12-209 of this subtitle.

(c) The establishment or identification by a county of a development district, A RISE ZONE, or a sustainable community that is wholly or partly in a municipal corporation shall also require a resolution approving the development district, RISE ZONE, or sustainable community by the governing body of the municipal corporation.

12-207.

(a) Except as provided in [subsection (b)] SUBSECTIONS (B) AND (E) of this section, bond proceeds may be used only:

(1) to buy, lease, condemn, or otherwise acquire property, or an interest in property:

- (i) in the development district, A RISE ZONE, or a sustainable community; or
- (ii) needed for a right-of-way or other easement to or from the development district, A RISE ZONE, or a sustainable community;
- (2) for site removal;
- (3) for surveys and studies;
- (4) to relocate businesses or residents;
- (5) to install utilities, construct parks and playgrounds, and for other needed improvements including:
 - (i) roads to, from, or in the development district;
 - (ii) parking; and
 - (iii) lighting;
- (6) to construct or rehabilitate buildings for a governmental purpose or use;
- (7) for reserves or capitalized interest;
- (8) for necessary costs to issue bonds; and
- (9) to pay the principal of and interest on loans, advances, or indebtedness that a political subdivision incurs for a purpose specified in this section.

(E) (1) THIS SUBSECTION APPLIES TO A RISE ZONE IDENTIFIED UNDER § 12-203 OF THIS SUBTITLE.

(2) IN ADDITION TO THE PURPOSES UNDER SUBSECTION (A) OF THIS SECTION AND WITHOUT LIMITING THE PURPOSES IN SUBSECTION (A) OF THIS SECTION, BOND PROCEEDS MAY BE USED IN A RISE ZONE FOR:

- (I) HISTORIC PRESERVATION OR REHABILITATION;**
- (II) ENVIRONMENTAL REMEDIATION, DEMOLITION, AND SITE PREPARATION;**
- (III) PARKING LOTS, FACILITIES, OR STRUCTURES OF ANY TYPE WHETHER FOR PUBLIC OR PRIVATE USE;**

(IV) SCHOOLS;

(V) AFFORDABLE OR MIXED INCOME HOUSING;

(VI) STORMWATER MANAGEMENT AND STORM DRAIN FACILITIES;

(VII) INNOVATION CENTERS AND LABORATORY FACILITIES, OR STRUCTURES OF ANY TYPE WHETHER FOR PUBLIC OR PRIVATE USE, INCLUDING MAINTENANCE AND INSTALLATION OF IMPROVEMENTS IN THE STRUCTURES AND SERVICES THAT SUPPORT THE PURPOSES OF THE RISE ZONE PROGRAM; AND

(VIII) ANY OTHER FACILITIES OR STRUCTURES OF ANY TYPE WHETHER FOR PUBLIC OR PRIVATE USE THAT SUPPORT THE PURPOSES OF THE RISE ZONE PROGRAM.

12-208.

(a) The governing body of a political subdivision may adopt a resolution creating a special fund for a development district, A RISE ZONE, or a sustainable community even though no bonds:

(1) have been issued for the development district, THE RISE ZONE, or the sustainable community; or

(2) are outstanding at the time of adoption.

12-209.

(a) Subject to subsection (c) of this section, the special fund for the development district, THE RISE ZONE, or the sustainable community may be used for any of the following purposes as determined by the governing body of the political subdivision:

(1) a purpose specified in § 12-207 of this subtitle;

(2) accumulated to pay debt service on bonds to be issued later;

(3) payment or reimbursement of debt service, or payments under an agreement described in subsection (b) of this section, that the political subdivision is obliged under a general or limited obligation to pay, or has paid, on or relating to bonds issued by the State, a political subdivision, or the revenue authority of Prince George's County if the proceeds were used for a purpose specified in § 12-207 of this subtitle; or

(4) payment to the political subdivision for any other legal purpose.

(b) (1) Subject to paragraph (2) of this subsection, the political subdivision that has created a special fund for a development district, A **RISE ZONE**, or a sustainable community may pledge under an agreement that amounts deposited to the special fund shall be paid over to secure payment on MEDCO obligations.

(2) The agreement shall:

(i) be in writing;

(ii) be executed by the political subdivision making the pledge, the Maryland Economic Development Corporation, and the other persons that the governing body of the political subdivision determines; and

(iii) run to the benefit of and be enforceable on behalf of the holders of the MEDCO obligations secured by the agreement.

(c) If bonds are outstanding with respect to a development district, A **RISE ZONE**, or a sustainable community, the special fund may be used as described in subsection (a) of this section in any fiscal year only if:

(1) the balance of the special fund exceeds the unpaid debt service payable on the bonds in the fiscal year; and

(2) the special fund is not restricted so as to prohibit the use.

(d) The issuance of bonds pledging the full faith and credit of the political subdivision shall comply with appropriate county or municipal charter requirements.

12-210.

(a) (1) Subject to paragraph (2) of this subsection, the governing body of a political subdivision that is not the issuer may pledge under an agreement that its property taxes levied on the tax increment shall be paid into the special fund for the development district, A **RISE ZONE**, or a sustainable community.

(2) The agreement shall:

(i) be in writing;

(ii) be executed by the governing bodies of the issuer and the political subdivision making the pledge; and

(iii) run to the benefit of and be enforceable on behalf of any bondholder.

(b) The governing body of Prince George's County may also pledge hotel rental tax revenues to the special fund.

(c) The governing body of a political subdivision, including the issuer, may pledge by or under a resolution, including by an agreement with the issuer, as applicable, that alternative local tax revenues generated within, or that are otherwise determined to be attributable to, a development district that is a transit-oriented development, A **RISE ZONE**, a sustainable community, or a State hospital redevelopment be paid, as provided in the resolution, into the special fund to:

(1) secure the payment of debt service on bonds or MEDCO obligations; or

(2) be applied to the other purposes stated in § 12-209 of this subtitle.

12-211.

(a) The principal amount of bonds, interest payable on bonds, the transfer of bonds, and income from bonds, including profit made in the sale or transfer of bonds, are exempt from State and local taxes.

(b) If a political subdivision leases as a lessor its property within a development district, A **RISE ZONE**, or a sustainable community:

(1) the property shall be assessed and taxed in the same manner as privately owned property; and

(2) the lease shall require the lessee to pay taxes or payments in lieu of taxes on the assessed value of the entire property and not only on the assessed value of the leasehold interest.

Article – Tax – Property

9-103.1.

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

(2) “BASE YEAR” MEANS THE TAXABLE YEAR IMMEDIATELY BEFORE THE TAXABLE YEAR IN WHICH A PROPERTY TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

(3) (I) “BASE YEAR VALUE” MEANS THE VALUE OF THE PROPERTY USED TO DETERMINE THE ASSESSMENT ON WHICH THE PROPERTY TAX ON REAL PROPERTY WAS IMPOSED FOR THE BASE YEAR.

(II) “BASE YEAR VALUE” DOES NOT INCLUDE ANY NEW REAL PROPERTY THAT WAS FIRST ASSESSED IN THE BASE YEAR.

(4) (I) “BUSINESS ENTITY” MEANS A PERSON WHO OPERATES OR CONDUCTS A TRADE OR BUSINESS.

(II) “BUSINESS ENTITY” INCLUDES A PERSON WHO OWNS, OPERATES, DEVELOPS, CONSTRUCTS, OR REHABILITATES REAL PROPERTY IF THE REAL PROPERTY:

1. IS INTENDED FOR USE PRIMARILY AS SINGLE OR MULTIFAMILY RESIDENTIAL PROPERTY LOCATED IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE THAT IS DESIGNATED UNDER TITLE 5, SUBTITLE 14 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

2. IS PARTIALLY DEVOTED TO A NONRESIDENTIAL USE.

(5) (I) “ELIGIBLE ASSESSMENT” MEANS THE DIFFERENCE BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

(II) FOR A BUSINESS ENTITY THAT IS LOCATED ON LAND OR WITHIN IMPROVEMENTS OWNED BY THE FEDERAL, STATE, COUNTY, OR MUNICIPAL GOVERNMENT, “ELIGIBLE ASSESSMENT” MEANS THE DIFFERENCE BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE REDUCED BY THE VALUE OF ANY PROPERTY ENTITLED TO AN EXEMPTION UNDER TITLE 7 OF THIS ARTICLE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

(6) “QUALIFIED PROPERTY” MEANS REAL PROPERTY THAT IS:

(I) NOT USED FOR RESIDENTIAL PURPOSES;

(II) USED IN A TRADE OR BUSINESS BY A BUSINESS ENTITY;

AND

(III) LOCATED IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE THAT IS DESIGNATED UNDER TITLE 5, SUBTITLE 14 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(B) THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION SHALL GRANT A TAX CREDIT UNDER THIS SECTION AGAINST THE PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED PROPERTY.

(C) (1) ~~THE EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPHS (4) AND (5) OF THIS SUBSECTION, THE~~ APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO A PERCENTAGE OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY AS FOLLOWS:

(I) ~~80% IN AT LEAST 50% EACH OF IN~~ THE FIRST ~~5~~ TAXABLE ~~YEARS~~ YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY; AND

(II) ~~70% IN THE SIXTH TAXABLE YEAR; AT LEAST 10% IN~~ THE SECOND THROUGH FIFTH TAXABLE YEARS.

~~(III) 60% IN THE SEVENTH TAXABLE YEAR;~~

~~(IV) 50% IN THE EIGHTH TAXABLE YEAR;~~

~~(V) 40% IN THE NINTH TAXABLE YEAR; AND~~

~~(VI) 30% IN THE TENTH TAXABLE YEAR.~~

(2) THE DEPARTMENT SHALL ALLOCATE THE ELIGIBLE ASSESSMENT TO THE NONRESIDENTIAL PART OF THE QUALIFIED PROPERTY AT THE SAME PERCENTAGE AS THE SQUARE FOOTAGE OF THE NONRESIDENTIAL PART IS TO THE TOTAL SQUARE FOOTAGE OF THE BUILDING.

(3) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION, THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT SHALL BE CALCULATED WITHOUT REDUCTION FOR ANY CREDITS ALLOWED UNDER THIS TITLE.

(4) (I) FOR QUALIFIED PROPERTY LOCATED IN AN ENTERPRISE ZONE DESIGNATED UNDER TITLE 5, SUBTITLE 7 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO 80% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR EACH OF THE ~~10~~ 5 TAXABLE YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

(II) FOR QUALIFIED PROPERTY LOCATED IN A FOCUS AREA DESIGNATED UNDER § 5-706 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO 100% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR EACH OF THE ~~10~~ 5 TAXABLE YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

(III) 1. IF A BUSINESS ENTITY IS CERTIFIED AS CONSISTENT WITH THE TARGET STRATEGY OF THE RISE ZONE AND THE QUALIFIED PROPERTY IS LOCATED IN AN ENTERPRISE ZONE OR FOCUS AREA, THE AMOUNT OF THE REQUIRED REIMBURSEMENT UNDER § 9-103(H) OF THIS SUBTITLE MAY ONLY BE FOR THE AMOUNT REQUIRED FOR THE REQUIRED PROPERTY TAX CREDITS UNDER § 9-103 OF THIS SUBTITLE.

2. THE PROPERTY TAX CREDITS REQUIRED UNDER SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH DO NOT ALTER THE AMOUNT OF FUNDS REQUIRED TO BE REIMBURSED UNDER § 9-103(H) OF THIS SUBTITLE.

~~(5) (I) IF THE QUALIFIED PROPERTY IS LOCATED IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE THAT A COUNTY OR THE ECONOMIC DEVELOPMENT AGENCY OF A COUNTY DID NOT JOINTLY APPLY FOR UNDER § 5-1404 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE AMOUNT OF THE PROPERTY TAX CREDIT IS EQUAL TO AT LEAST THE AMOUNT PROVIDED UNDER THIS PARAGRAPH.~~

~~(II) THE APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO 50% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR EACH OF THE 5 TAXABLE YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES QUALIFIED PROPERTY.~~

~~(III) (5) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY INCREASE, BY LOCAL LAW, THE PERCENTAGE UNDER SUBPARAGRAPH (II) PARAGRAPH (1) OF THIS PARAGRAPH SUBSECTION.~~

(6) (I) IF A RISE ZONE IS RENEWED AS PROVIDED UNDER § 5-1404 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO AT LEAST 10% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR THE SIXTH THROUGH TENTH TAXABLE YEARS.

(II) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY INCREASE, BY LOCAL LAW, THE PERCENTAGE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

~~(IV) THE GOVERNING BODY OF A MUNICIPAL CORPORATION MAY NOT ALTER THE PERCENTAGE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.~~

~~(6) IF THE QUALIFIED PROPERTY IS LOCATED IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE THAT A COUNTY, A MUNICIPAL CORPORATION, OR THE ECONOMIC DEVELOPMENT AGENCY OF A COUNTY OR MUNICIPAL CORPORATION JOINTLY APPLIED FOR UNDER § 5-1404 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE COUNTY AND, IF THE QUALIFIED PROPERTY IS LOCATED IN A MUNICIPAL CORPORATION THAT WAS PART OF THE JOINT APPLICATION, THE MUNICIPAL CORPORATION MAY PROPOSE THE PERCENTAGE TO BE USED TO CALCULATE THE TAX CREDIT UNDER THIS SECTION AND THE DURATION OF THE TAX CREDIT.~~

(D) (1) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (C)(6) OF THIS SECTION, A TAX CREDIT UNDER THIS SECTION IS AVAILABLE TO A QUALIFIED PROPERTY FOR NO MORE THAN ~~10~~ 5 CONSECUTIVE YEARS BEGINNING WITH THE TAXABLE YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE REAL PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

(2) IF THE DESIGNATION OF A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE EXPIRES, THE TAX CREDIT UNDER THIS SECTION CONTINUES TO BE AVAILABLE TO A QUALIFIED PROPERTY.

(3) STATE PROPERTY TAX IMPOSED ON REAL PROPERTY IS NOT AFFECTED BY THIS SECTION.

(E) WHEN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE IS DESIGNATED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, THE SECRETARY SHALL CERTIFY TO THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION:

(1) THE REAL PROPERTIES IN THE ZONE THAT ARE QUALIFIED PROPERTIES FOR EACH TAXABLE YEAR FOR WHICH THE PROPERTY TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED; AND

(2) THE DATE THAT THE REAL PROPERTIES BECAME QUALIFIED PROPERTIES.

(F) BEFORE PROPERTY TAX BILLS ARE SENT, THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL SUBMIT TO THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT A LIST CONTAINING:

- (1) THE LOCATION OF EACH QUALIFIED PROPERTY;
- (2) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED PROPERTY; AND
- (3) THE AMOUNT OF THE ELIGIBLE ASSESSMENT FOR EACH QUALIFIED PROPERTY.

Article – Tax – General

~~10-210.1.~~

~~(C) IN ADDITION TO THE MODIFICATIONS UNDER §§ 10-204 THROUGH 10-210 OF THIS SUBTITLE AND SUBSECTION (B) OF THIS SECTION, TO DETERMINE MARYLAND ADJUSTED GROSS INCOME OF AN INDIVIDUAL THAT LOCATES IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE AND SATISFIES THE REQUIREMENTS OF § 5-1406 OF THE ECONOMIC DEVELOPMENT ARTICLE, AN AMOUNT IS ADDED TO OR SUBTRACTED FROM FEDERAL ADJUSTED GROSS INCOME TO REFLECT THE DETERMINATION OF THE DEPRECIATION DEDUCTION PROVIDED UNDER § 167(A) OF THE INTERNAL REVENUE CODE AS IF THE DEPRECIATION DEDUCTION PROVIDED IN § 167(A) OF THE INTERNAL REVENUE CODE FOR THE TAXABLE YEAR THE PROPERTY IS PLACED IN SERVICE IN THE REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE INCLUDES AN ALLOWANCE EQUAL TO 100% OF THE ADJUSTED BASIS OF THE PROPERTY.~~

~~10-310.~~

~~In addition to the modifications under §§ 10-305 through 10-309 of this subtitle, to determine Maryland modified income the federal taxable income of a corporation shall be adjusted as provided for an individual under § 10-210.1 of this title.~~

10-702.

- (a) (1) In this section the following words have the meanings indicated.
- (2) (i) “Business entity” means:
 1. a person conducting or operating a trade or business;

or

2. an organization that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code.

(ii) “Business entity” does not include a person owning, operating, developing, constructing, or rehabilitating property intended for use primarily as single or multifamily residential property located within the enterprise zone.

(3) (I) “Enterprise zone” has the meaning stated in § 5–701 of the Economic Development Article.

(II) **“ENTERPRISE ZONE” INCLUDES A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE ESTABLISHED UNDER TITLE 5, SUBTITLE 14 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

(4) “Qualified employee” means an individual who:

(i) is a new employee or an employee rehired after being laid off for more than one year by a business entity;

(ii) is employed by a business entity at least 35 hours each week for at least 6 months before or during the taxable year for which the entity claims a credit;

(iii) spends at least 50% of the hours under item (ii) of this paragraph, either in the enterprise zone or on activities of the business entity resulting directly from its location in the enterprise zone;

(iv) earns at least 150% of the federal minimum wage; and

(v) is hired by the business entity after the later of:

1. the date on which the enterprise zone is designated;

or

2. the date on which the business entity locates in the enterprise zone.

(5) “Economically disadvantaged individual” means an individual who is certified by provisions that the Department of Labor, Licensing, and Regulation adopts as an individual who, before becoming employed by a business entity in an enterprise zone:

(i) was both unemployed for at least 30 consecutive days and qualified to participate in training activities for the economically disadvantaged under Title II, Part B of the federal Workforce Investment Act or its successor; or

(ii) in the absence of an applicable federal act, met the criteria for an economically disadvantaged individual that the Secretary of Labor, Licensing, and Regulation sets.

(6) “Focus area” has the meaning stated in § 5–701 of the Economic Development Article.

(7) “Focus area employee” means an individual who:

(i) is a new employee or an employee rehired after being laid off for more than 1 year by a business entity;

(ii) is employed by a business entity at least 35 hours each week for at least 12 months before or during the taxable year for which the entity claims a credit;

(iii) spends at least 50 percent of the hours under item (ii) of this paragraph either in the focus area or on activities of the business entity resulting directly from its location in the focus area;

(iv) is hired by the business entity after the later of:

1. the date on which the focus area is designated; or
2. the date on which the business entity located in the focus area; and

(v) earns at least 150 percent of the federal minimum wage.

(b) (1) Any business entity that is located in an enterprise zone and satisfies the requirements of § 5–707 of the Economic Development Article may claim a credit only against the State income tax for the wages specified in subsections (c) and (d) of this section that are paid in the taxable year for which the entity claims the credit.

(2) A business entity that is located in a focus area and satisfies the requirements of § 5–707 of the Economic Development Article may claim a credit only against the State income tax for the wages specified in subsection (e) of this section that are paid to a focus area employee in the taxable year for which the entity claims the credit.

(3) An organization that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code may apply the credit under this section as a credit against income tax due on unrelated business taxable income as provided under §§ 10–304 and 10–812 of this title.

(c) If a business entity does not claim an enhanced tax credit under subsection (e) of this section for a focus area employee, for the taxable year in which a business entity satisfies the requirements of § 5-707 OR § 5-1406 of the Economic Development Article, a credit is allowed that equals:

- (1) up to \$3,000 of the wages paid to each qualified employee who:
 - (i) is an economically disadvantaged individual; and
 - (ii) is not hired to replace an individual whom the business entity employed in that or any of the 3 preceding taxable years; and
- (2) up to \$1,000 of the wages paid to each qualified employee who:
 - (i) is not an economically disadvantaged individual; and
 - (ii) is not hired to replace an individual whom the business entity employed in that or any of the 3 preceding taxable years.

(d) (1) If a business entity does not claim an enhanced tax credit under subsection (e) of this section for a focus area employee, for each taxable year after the taxable year described in subsection (c) of this section, while the area is designated an enterprise zone, a credit is allowed that equals:

- (i) up to \$3,000 of the wages paid to each qualified employee who:
 1. is an economically disadvantaged individual;
 2. became a qualified employee during the taxable year to which the credit applies; and
 3. is not hired to replace an individual whom the business entity employed in that or any of the 3 preceding taxable years;
- (ii) up to \$2,000 of the wages paid to each qualified employee who is an economically disadvantaged individual, if the business entity received a credit under subsection (c)(1) of this section for the qualified employee in the immediately preceding taxable year; and
- (iii) up to \$1,000 of the wages paid to each qualified employee who is not hired to replace an individual whom the business entity employed in that or any of the 3 preceding taxable years if the qualified employee:
 1. is an economically disadvantaged individual for whom the business entity received a credit under subsection (c)(1) of this section or item (i) of

this paragraph and a credit under item (ii) of this paragraph in the 2 immediately preceding taxable years; or

2. is not an economically disadvantaged individual but became a qualified employee during the taxable year to which the credit applies.

(2) A business entity that hires a qualified employee to replace another qualified employee for whom the business entity received a credit under subsection (c)(1) of this section and paragraph (1)(ii) of this subsection in the immediately preceding taxable year may treat the new qualified employee as the replacement for the other qualified employee to determine any credit that may be available to the business entity under paragraph (1)(ii) or (iii) of this subsection.

(e) (1) For the taxable year in which a business entity satisfies the requirements of §§ 5–706 and 5–707 **OR § 5–1406** of the Economic Development Article, a credit is allowed that equals:

(i) up to \$4,500 of the wages paid to each focus area employee who:

1. is an economically disadvantaged individual; and
2. is not hired to replace an individual whom the business entity employed in that year or any of the 3 preceding taxable years; and

(ii) up to \$1,500 of the wages paid to each focus area employee who:

1. is not an economically disadvantaged individual; and
2. is not hired to replace an individual whom the business entity employed in that year or any of the 3 preceding taxable years.

(2) For each taxable year after the taxable year described in paragraph (1) of this subsection, while the area is designated a focus area, a credit is allowed that equals:

(i) up to \$4,500 of the wages paid to each focus area employee who:

1. is an economically disadvantaged individual;
2. became a focus area employee during the taxable year to which the credit applies; and

3. is not hired to replace an individual whom the business entity employed in that year or any of the 3 preceding taxable years;

(ii) up to \$3,000 of the wages paid to each focus area employee who is an economically disadvantaged individual, if the business entity received a credit under paragraph (1)(i) of this subsection for the focus area employee in the immediately preceding taxable year; and

(iii) up to \$1,500 of the wages paid to each focus area employee who is not hired to replace an individual whom the business entity employed in that year or any of the 3 preceding taxable years if the focus area employee:

1. is an economically disadvantaged individual for whom the business entity received a credit under item (ii) of this paragraph in the 2 immediately preceding taxable years and under:

A. paragraph (1)(i) of this subsection; or

B. item (i) of this paragraph; or

2. is not an economically disadvantaged individual but became a focus area employee during the taxable year to which the credit applies.

(3) A business entity that hires a focus area employee to replace another focus area employee for whom the business entity received a credit under paragraph (1)(i) of this subsection and paragraph (2)(ii) of this subsection in the immediately preceding taxable year may treat the focus area employee as the replacement for the other focus area employee to determine any credit that may be available to the business entity under paragraph (2)(ii) or (iii) of this subsection.

(f) If the credit allowed under this section in any taxable year exceeds the State income tax for that taxable year, a business entity may apply the excess as a credit against the State income tax for succeeding taxable years until the earlier of:

(1) the full amount of the excess is used; or

(2) the expiration of the 5th taxable year from the date on which the business entity hired the qualified employee to whom the credit first applies.

(g) If a credit is claimed under this section, the claimant must make the addition required in § 10–205, § 10–206, or § 10–306 of this title.

The Charter of Baltimore City

Article II – General Powers

The Mayor and City Council of Baltimore shall have full power and authority to exercise all of the powers heretofore or hereafter granted to it by the Constitution of Maryland or by any Public General or Public Local Laws of the State of Maryland; and

in particular, without limitation upon the foregoing, shall have power by ordinance, or such other method as may be provided for in its Charter, subject to the provisions of said Constitution and Public General Laws:

(62)

(L) IN ADDITION TO THE POWERS IN THIS SECTION, THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY USE THE AUTHORITY GRANTED TO A POLITICAL SUBDIVISION FOR TAX INCREMENT FINANCING IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE AS PROVIDED FOR IN TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

(62A)

(U) IN ADDITION TO THE POWERS IN THIS SECTION, THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY USE THE AUTHORITY GRANTED TO A POLITICAL SUBDIVISION FOR TAX INCREMENT FINANCING IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE AS PROVIDED FOR IN TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

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

Article – Tax – Property

9-103.

(e) (1) A tax credit under this section is available to a qualified property for no more than 10 consecutive years beginning with:

(I) the taxable year following the calendar year in which the real property initially becomes a qualified property; OR

(II) THE TAXABLE YEAR IN WHICH THE REAL PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY, SUBJECT TO THE APPROVAL OF THE APPROPRIATE LOCAL GOVERNING BODY AND THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That, before adopting regulations to implement the provisions of Section 1 of this Act, the Department of Business and Economic Development shall organize a group of interested parties, stakeholders, and experts in community development to provide advice on the regulations, standards, and guidelines needed to implement Section 1 of this Act.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That, on or before January 1, 2017, the Comptroller shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on ~~the cost and impact of the tax incentive for depreciation under § 10-210.1(e) of the Tax – General Article:~~

(1) *the estimated cost and impact of the income tax credit provided to businesses in RISE zones under § 10-702 of the Tax – General Article; and*

(2) *the potential cost and impact of providing an income tax depreciation incentive for businesses within RISE zones.*

SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that in the RISE zone application and designation processes, a county and municipal corporation shall confer in order to reach agreement on the desired RISE zone location and boundaries and the amount of property tax credits offered.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after June 30, 2013.

SECTION ~~2~~ ~~4~~ 7. AND BE IT FURTHER ENACTED, That, subject to Section 6 of this Act, this Act shall take effect ~~October~~ June 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 531

(House Bill 742)

AN ACT concerning

Regional Institution Strategic Enterprise Zone Program

FOR the purpose of establishing the Regional Institution Strategic Enterprise Zone Program to access institutional assets that have a strong and demonstrated history of commitment to economic development and revitalization in the communities in which they are located; authorizing certain ~~public schools or~~ institutions of higher education that meet certain criteria to apply to the Secretary of Business and Economic Development to be designated as a qualified institution; requiring the Secretary to approve or reject an application for designation as a qualified institution within a certain number of days after the application is submitted; ~~authorizing a qualified institution to apply to the Secretary to have a certain area of the State designated as a Regional Institution Strategic Enterprise zone;~~ authorizing a qualified institution to make a joint application with a county, a municipal corporation, or a certain

entity of a county or a municipal corporation to the Secretary to have a certain area in the State designated as a Regional Institution Strategic Enterprise (RISE) zone; prohibiting certain counties and municipalities from authorizing certain property tax credits; requiring the Secretary to approve or reject a RISE zone application and define the boundaries of a RISE zone within a certain number of days on or after a certain date after the application is submitted; requiring the Secretary to provide certain notice a certain number of days before approving or rejecting an application certain applications; authorizing certain entities to provide certain advice to the Secretary; providing that the Secretary may not approve more than a certain number of RISE zones in a county or municipal corporation; providing that a qualified institution may not be required to be in the immediate vicinity of a proposed RISE zone in a rural part of the State; providing that the designation of a RISE zone is for a certain number of years; providing that a RISE zone may be renewed for a certain number of years under certain circumstances; prohibiting the Secretary from designating a RISE zone in certain areas; requiring the Secretary to assign a RISE zone a business development concierge; requiring the business development concierge to assist entities locating in a RISE zone with certain activities; authorizing a business entity that locates in a RISE zone to receive certain tax incentives and financial assistance if the entity or its location receives a certain certification; requiring the Department and the Comptroller, each year, to jointly make certain assessments and submit certain reports; authorizing certain political subdivisions to identify certain zones and pledge certain property taxes in certain zones; authorizing certain political subdivisions to use the proceeds from certain bond issues for certain purposes; authorizing the governing body of certain political subdivisions to create a special fund for certain purposes; authorizing the governing body of certain political subdivisions to pledge certain tax revenue generated within certain zones; requiring that a political subdivision that leases as a lessor certain property within a certain zone be assessed and taxed in a certain manner; requiring the governing body of a county or municipal corporation to grant a property tax credit on a certain assessment of qualified properties located in the RISE zone; providing for the amount of the credit; requiring the State Department of Assessments and Taxation to allocate the amount of credit based on the use of the property; providing for an enhanced credit for properties located in certain enterprise zones or certain focus areas; authorizing the governing body of a county or municipal corporation to alter the amount of the credit; providing that the credit may not be claimed for more than a certain number of years; requiring the Secretary to make certain certifications; requiring the State Department of Assessments and Taxation to submit a certain list to the Secretary; ~~allowing entities locating in certain zones to alter the calculation of a certain Maryland income tax modification for depreciation of certain property to provide an additional allowance for the taxable year the property is placed in service;~~ making entities that locate in certain zones eligible to claim certain income tax credits for entities that employ qualified individuals in enterprise zones or focus areas; authorizing the Mayor and City Council of Baltimore City to use certain authority granted under State law to a political

subdivision for tax increment financing in a certain zone; requiring the Comptroller to prepare a certain report; requiring the Department of Business and Economic Development to convene a certain group to provide certain advice; altering, subject to certain approval, the taxable year in which certain property initially becomes qualified property for certain enterprise zone property tax credits; authorizing and requiring the Secretary to adopt certain regulations; providing for the application of certain provisions of this Act; declaring the intent of the General Assembly; defining certain terms; and generally relating to the creation of the Regional Institution Strategic Enterprise Zone Program.

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 5–102(9) and (10), 12–203(a) and (c), 12–207(a), 12–208(a), 12–209, 12–210, and 12–211

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

BY adding to

Article – Economic Development

Section 5–102(10); ~~and 5–1401 through 5–1406~~ 5–1407 to be under the new subtitle “Subtitle 14. Regional Institution Strategic Enterprise Zone Program”; 12–201(n–1) and 12–207(e)

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 12–201(a)

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 9–103(e)(1)

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

BY adding to

Article – Tax – Property

Section 9–103.1

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

~~BY adding to~~

~~Article – Tax – General~~

~~Section 10–210.1(e)~~

~~Annotated Code of Maryland~~

~~(2010 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, without amendments,~~

~~Article – Tax – General~~

~~Section 10–310~~

~~Annotated Code of Maryland~~

~~(2010 Replacement Volume and 2013 Supplement)~~

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 10–702

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY adding to

The Charter of Baltimore City

Article II

Section (62)(l) and (62A)(u)

(2007 Replacement Volume, as amended)

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

Article – Economic Development

5–102.

The Department shall administer the State’s economic development and financial assistance programs and funds including:

(9) jointly with the Department of Housing and Community Development, the Community Development Block Grant for Economic Development; [and]

(10) THE REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE PROGRAM UNDER SUBTITLE 14 OF THIS TITLE; AND

[(10)] **(11)** any other programs or funds designated by statute, the Governor, or the Secretary.

SUBTITLE 14. REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE PROGRAM.

5–1401.

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

(B) "AREA" MEANS A GEOGRAPHIC AREA IN ONE OR MORE POLITICAL SUBDIVISIONS IN THE STATE DESCRIBED BY A CLOSED PERIMETER BOUNDARY.

(C) "NONPROFIT ORGANIZATION" MEANS AN ORGANIZATION THAT IS EXEMPT OR ELIGIBLE FOR EXEMPTION FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

~~(D) "PUBLIC SCHOOL" HAS THE MEANING STATED IN § 1-101 OF THE EDUCATION ARTICLE.~~

~~(E)~~ (D) "QUALIFIED INSTITUTION" MEANS AN ENTITY THAT IS DESIGNATED AS A QUALIFIED INSTITUTION UNDER § 5-1403 OF THIS SUBTITLE AND MAY INCLUDE:

(1) ~~A PUBLIC SCHOOL;~~

~~(2) A NONPROFIT ORGANIZATION THAT IS AFFILIATED WITH NEW CONSTRUCTION OR RENOVATION OF A PUBLIC SCHOOL~~ A REGIONAL HIGHER EDUCATION CENTER AS DEFINED UNDER § 10-101 OF THE EDUCATION ARTICLE;

~~(3)~~ (2) AN INSTITUTION OF HIGHER EDUCATION AS DEFINED UNDER § 10-101 OF THE EDUCATION ARTICLE; OR

~~(4)~~ (3) A NONPROFIT ORGANIZATION THAT IS AFFILIATED WITH A FEDERAL AGENCY.

~~(F)~~ (E) "RISE ZONE" MEANS ~~AN~~ A GEOGRAPHIC AREA IN IMMEDIATE PROXIMITY TO A QUALIFIED INSTITUTION THAT IS TARGETED FOR INCREASED ECONOMIC AND COMMUNITY DEVELOPMENT THAT MEETS THE REQUIREMENTS OF § 5-1404 OF THIS SUBTITLE AND IS DESIGNATED AS A RISE REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE BY THE SECRETARY UNDER § 5-1404 OF THIS SUBTITLE.

5-1402.

THE PURPOSE OF THE REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE PROGRAM IS TO ACCESS INSTITUTIONAL ASSETS THAT HAVE A STRONG AND DEMONSTRATED HISTORY OF COMMITMENT TO ECONOMIC DEVELOPMENT AND REVITALIZATION IN THE COMMUNITIES IN WHICH THEY ARE LOCATED.

5-1403.

(A) AN INSTITUTION MAY APPLY TO THE SECRETARY TO BE DESIGNATED AS A QUALIFIED INSTITUTION.

(B) TO BE ELIGIBLE FOR DESIGNATION AS A QUALIFIED INSTITUTION, THE APPLICANT SHALL:

(1) EVIDENCE AN INTENTION:

(I) TO MAKE A SIGNIFICANT FINANCIAL INVESTMENT OR COMMITMENT IN AN AREA OF THE STATE THAT THE APPLICANT INTENDS TO BECOME A RISE ZONE;

(II) TO USE THE RESOURCES AND EXPERTISE OF THE APPLICANT TO SPUR ECONOMIC DEVELOPMENT AND COMMUNITY REVITALIZATION IN AN AREA OF THE STATE THAT THE APPLICANT INTENDS TO BECOME A RISE ZONE; AND

(III) TO CREATE A SIGNIFICANT NUMBER OF NEW JOBS WITHIN AN AREA OF THE STATE THAT THE APPLICANT INTENDS TO BECOME A RISE ZONE;

(2) HAVE A DEMONSTRATED HISTORY OF COMMUNITY INVOLVEMENT AND ECONOMIC DEVELOPMENT WITHIN THE COMMUNITIES THAT THE APPLICANT SERVES; AND

(3) MEET THE MINIMUM FINANCIAL QUALIFICATIONS ESTABLISHED BY THE SECRETARY.

(C) IF THE APPLICANT IS A NONPROFIT ORGANIZATION THAT IS NOT AN INSTITUTION OF HIGHER EDUCATION, THE APPLICATION SHALL DEMONSTRATE ~~AND ESTABLISH~~ AN AFFILIATION WITH:

~~(1) A FEDERAL AGENCY; OR~~

~~(2) THE PROPOSED CONSTRUCTION OR RENOVATION OF A PUBLIC SCHOOL.~~

(D) (1) IN ADDITION TO THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE SECRETARY MAY ESTABLISH BY REGULATION ANY OTHER REQUIREMENTS NECESSARY AND APPROPRIATE IN ORDER FOR AN APPLICANT TO BE DESIGNATED AS A QUALIFIED INSTITUTION.

(2) THE SECRETARY SHALL ADOPT REGULATIONS THAT ESTABLISH FACTORS FOR EVALUATING APPLICATIONS UNDER SUBSECTION (B) OF THIS SECTION.

(E) IN THE FORM AND CONTENT ACCEPTABLE TO THE SECRETARY, AN APPLICANT SHALL SUBMIT TO THE SECRETARY AN APPLICATION THAT CONTAINS THE INFORMATION THAT THE SECRETARY CONSIDERS NECESSARY TO EVALUATE THE REQUEST FOR DESIGNATION AS A QUALIFIED INSTITUTION.

(F) (1) WITHIN 90 DAYS AFTER SUBMISSION OF AN APPLICATION UNDER THIS SECTION, THE SECRETARY SHALL APPROVE OR REJECT THE APPLICATION OF AN INSTITUTION TO BE DESIGNATED AS A QUALIFIED INSTITUTION.

(2) AT LEAST 30 DAYS BEFORE APPROVAL OR REJECTION OF AN APPLICATION UNDER THIS SECTION, THE SECRETARY SHALL NOTIFY THE LEGISLATIVE POLICY COMMITTEE.

(3) THE LEGISLATIVE POLICY COMMITTEE MAY PROVIDE ADVICE TO THE SECRETARY REGARDING THE APPROVAL OR REJECTION OF AN INSTITUTION AS A QUALIFIED INSTITUTION.

5-1404.

(A) ON OR AFTER JULY 1, 2015, A QUALIFIED INSTITUTION ~~MAY~~ SHALL APPLY JOINTLY WITH A COUNTY, A MUNICIPAL CORPORATION, OR THE ECONOMIC DEVELOPMENT AGENCY OF A COUNTY OR MUNICIPAL CORPORATION TO THE SECRETARY TO DESIGNATE AN AREA AS A ~~RISE~~ REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE.

(B) THE APPLICATION SHALL:

(1) BE IN THE FORM AND CONTAIN THE INFORMATION THAT THE SECRETARY REQUIRES BY REGULATION;

(2) STATE THE BOUNDARIES OF THE AREA OF THE PROPOSED RISE ZONE; ~~AND~~

(3) DESCRIBE THE NEXUS OF THE RISE ZONE WITH THE QUALIFIED INSTITUTION; AND

~~(3)~~ (4) CONTAIN A PLAN THAT IDENTIFIES THE TARGET STRATEGY ~~FOR~~ AND ANTICIPATED ECONOMIC IMPACTS OF THE RISE ZONE.

(C) THE SECRETARY MAY ESTABLISH, BY REGULATION, ANY OTHER REQUIREMENTS NECESSARY AND APPROPRIATE FOR AN AREA TO BE DESIGNATED AS A RISE ZONE.

(D) (1) UNLESS A COUNTY IN WHICH A MUNICIPAL CORPORATION IS LOCATED AGREES TO DESIGNATION OF A RISE ZONE IN THE MUNICIPAL CORPORATION, QUALIFIED PROPERTY IN THE MUNICIPAL CORPORATION MAY NOT RECEIVE A TAX CREDIT AGAINST COUNTY PROPERTY TAX.

(2) UNLESS A MUNICIPAL CORPORATION LOCATED WITHIN A COUNTY AGREES TO DESIGNATION OF A RISE ZONE WITHIN ITS BOUNDARIES, QUALIFIED PROPERTY IN THE COUNTY MAY NOT RECEIVE A TAX CREDIT AGAINST THE MUNICIPAL PROPERTY TAX.

~~(D)~~ (E) (1) WITHIN ~~90~~ 120 DAYS AFTER SUBMISSION OF AN APPLICATION UNDER THIS SECTION, THE SECRETARY SHALL:

(I) APPROVE OR REJECT AN APPLICATION FOR DESIGNATION OF A RISE ZONE, INCLUDING APPROVAL OR MODIFICATION OF THE PROPOSED BOUNDARIES OF THE RISE ZONE; AND

(II) DEFINE THE BOUNDARIES OF THE APPROVED RISE ZONE.

(2) AT LEAST ~~60~~ 45 DAYS BEFORE APPROVAL OR REJECTION OF AN APPLICATION UNDER THIS SECTION, THE SECRETARY SHALL NOTIFY:

~~(I) THE LEGISLATIVE POLICY COMMITTEE; AND~~

~~(II) THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION IN WHICH THE PROPOSED RISE ZONE IS LOCATED.~~

(3) THE LEGISLATIVE POLICY COMMITTEE ~~OR THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION IN WHICH THE RISE ZONE IS LOCATED~~ MAY PROVIDE ADVICE TO THE SECRETARY REGARDING:

(I) THE APPROVAL OR REJECTION OF THE RISE ZONE; OR

(II) THE BOUNDARIES OF THE RISE ZONE PROPOSED BY THE SECRETARY.

(F) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE DESIGNATION OF AN AREA AS A RISE ZONE IS EFFECTIVE FOR 5 YEARS.

(II) UPON A JOINT APPLICATION OF A QUALIFIED INSTITUTION, A COUNTY AND, IF APPLICABLE, A MUNICIPAL CORPORATION, OR THE ECONOMIC DEVELOPMENT AGENCY OF A COUNTY OR MUNICIPAL CORPORATION, THE SECRETARY MAY RENEW A RISE ZONE FOR AN ADDITIONAL 5 YEARS.

(2) THE SECRETARY MAY NOT APPROVE MORE THAN THREE RISE ZONES IN A SINGLE COUNTY OR MUNICIPAL CORPORATION.

(G) (1) A RISE ZONE MAY NOT BE REQUIRED TO BE IN THE IMMEDIATE GEOGRAPHIC PROXIMITY OF A QUALIFIED INSTITUTION IF AN APPROPRIATE NEXUS FOR THE INCREASED ECONOMIC AND COMMUNITY DEVELOPMENT IS ESTABLISHED WITH THE QUALIFIED ORGANIZATION.

(2) IF THE PROPOSED RISE ZONE IS IN A RURAL PART OF THE STATE, A QUALIFIED INSTITUTION MAY NOT BE REQUIRED TO BE IN THE IMMEDIATE AREA OF THE RISE ZONE.

(H) THE SECRETARY MAY NOT DESIGNATE A RISE ZONE IN:

(1) A DEVELOPMENT DISTRICT ESTABLISHED UNDER TITLE 12, SUBTITLE 2 OF THIS ARTICLE; OR

(2) A SPECIAL TAXING DISTRICT ESTABLISHED UNDER TITLE 21 OF THE LOCAL GOVERNMENT ARTICLE OR SECTION 62A OF THE BALTIMORE CITY CHARTER.

(I) THE DESIGNATION OF AN AREA AS A RISE ZONE MAY NOT BE CONSTRUED TO LIMIT OR SUPERSEDE A PROVISION OF A COMPREHENSIVE PLAN, ZONING ORDINANCE, OR OTHER LAND USE POLICY ADOPTED BY A COUNTY, MUNICIPAL CORPORATION, OR BICOUNTY AGENCY WITH LAND USE AUTHORITY OVER THE AREA DESIGNATED AS A RISE ZONE.

5-1405.

(A) THE SECRETARY SHALL ASSIGN TO A RISE ZONE A BUSINESS AND COMMUNITY DEVELOPMENT CONCIERGE WHO IS AN EMPLOYEE OF THE DEPARTMENT.

(B) A BUSINESS AND COMMUNITY DEVELOPMENT CONCIERGE SHALL ASSIST ENTITIES LOCATING IN THE RISE ZONE WITH:

(1) STATE, COUNTY, OR MUNICIPAL CORPORATION PERMIT AND LICENSE APPLICATIONS;

(2) ACCESSING EXISTING PROGRAMS AT THE DEPARTMENT, THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION, THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, OR THE DEPARTMENT OF TRANSPORTATION; AND

(3) ANY OTHER ACTIVITIES THE SECRETARY AUTHORIZES THAT RELATE TO THE DEVELOPMENT OF THE RISE ZONE.

5-1406.

(A) (1) TO THE EXTENT PROVIDED FOR IN THIS SECTION, A BUSINESS ENTITY THAT LOCATES IN A RISE ZONE IS ENTITLED TO:

(I) THE PROPERTY TAX CREDIT UNDER § 9-103.1 OF THE TAX – PROPERTY ARTICLE;

(II) THE INCOME TAX CREDIT UNDER § 10-702 OF THE TAX – GENERAL ARTICLE; AND

~~(III) THE INCOME TAX MODIFICATION UNDER § 10-210.1(C) OF THE TAX – GENERAL ARTICLE; AND~~

~~(IV)~~ (III) PRIORITY CONSIDERATION FOR FINANCIAL ASSISTANCE FROM PROGRAMS IN SUBTITLE 1 OF THIS TITLE.

(2) FOR PURPOSES OF THE INCOME TAX CREDIT AUTHORIZED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, THE BUSINESS ENTITY IS TREATED AS BEING LOCATED IN AN ENTERPRISE ZONE.

(B) A BUSINESS ENTITY THAT MOVES INTO OR LOCATES IN A RISE ZONE ON OR AFTER THE DATE THAT THE ZONE IS DESIGNATED UNDER THIS SUBTITLE MAY QUALIFY FOR THE INCENTIVES UNDER THIS SECTION.

(C) A BUSINESS ENTITY MAY NOT QUALIFY FOR THE INCENTIVES UNDER SUBSECTION (A) OF THIS SECTION UNLESS THE DEPARTMENT, IN CONSULTATION WITH THE COUNTY OR MUNICIPAL CORPORATION IN WHICH A RISE ZONE IS LOCATED, CERTIFIES THE BUSINESS ENTITY AND ITS LOCATION AS CONSISTENT WITH THE TARGET STRATEGY OF THE RISE ZONE.

(D) (1) UNLESS A BUSINESS ENTITY MAKES A SIGNIFICANT CAPITAL INVESTMENT OR EXPANSION OF ITS LABOR FORCE AFTER A RISE ZONE IS DESIGNATED, THE INCENTIVES UNDER THIS SECTION ARE NOT AVAILABLE TO A

BUSINESS ENTITY THAT WAS IN A RISE ZONE BEFORE THE DATE THAT THE ZONE IS DESIGNATED.

(2) THE DEPARTMENT SHALL ADOPT REGULATIONS ESTABLISHING FACTORS TO DETERMINE IF A BUSINESS ENTITY MAKES A SIGNIFICANT CAPITAL INVESTMENT OR EXPANSION OF ITS LABOR FORCE UNDER PARAGRAPH (1) OF THIS SUBSECTION.

5-1407.

(A) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL ASSESS EACH YEAR THE EFFECTIVENESS OF THE TAX INCENTIVES PROVIDED TO BUSINESS ENTITIES IN RISE ZONES, INCLUDING:

(1) THE NUMBER AND AMOUNTS OF TAX INCENTIVES GRANTED EACH YEAR; AND

(2) THE SUCCESS OF THE TAX INCENTIVES IN ATTRACTING AND RETAINING BUSINESS ENTITIES IN RISE ZONES.

(B) ON OR BEFORE DECEMBER 15 OF EACH YEAR, THE DEPARTMENT AND THE COMPTROLLER SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE COMMITTEE ON WAYS AND MEANS, AND THE TAX CREDIT EVALUATION COMMITTEE A REPORT OUTLINING THE FINDINGS OF THE DEPARTMENT AND THE COMPTROLLER AND ANY OTHER INFORMATION OF VALUE IN DETERMINING THE EFFECTIVENESS OF THE TAX INCENTIVES AUTHORIZED UNDER THIS SUBTITLE.

12-201.

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

(N-1) "RISE ZONE" MEANS AN AREA DESIGNATED AS A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE UNDER § 5-1404 OF THIS ARTICLE.

12-203.

(a) Before issuing bonds, the governing body of the political subdivision shall:

(1) by resolution:

(i) designate a contiguous area within its jurisdiction as a development district; [or]

(ii) identify an area that has been designated a sustainable community; OR

(III) IDENTIFY AN AREA THAT HAS BEEN DESIGNATED A RISE ZONE;

(2) receive from the Supervisor of Assessments a certification of the amount of the original base, or if applicable, the adjusted assessable base; and

(3) pledge that until the bonds are fully paid, or a longer period, the real property taxes in the development district, A RISE ZONE, or a sustainable community shall be divided as follows:

(i) the portion of the taxes that would be produced at the current tax rate on the original taxable value base shall be paid to the respective taxing authorities in the same manner as taxes on other property are paid; and

(ii) the portion of the taxes on the tax increment that normally would be paid into the general fund of the political subdivision shall be paid into the special fund established under § 12–208 of this subtitle and applied in accordance with § 12–209 of this subtitle.

(c) The establishment or identification by a county of a development district, A RISE ZONE, or a sustainable community that is wholly or partly in a municipal corporation shall also require a resolution approving the development district, RISE ZONE, or sustainable community by the governing body of the municipal corporation.

12–207.

(a) Except as provided in [subsection (b)] SUBSECTIONS (B) AND (E) of this section, bond proceeds may be used only:

(1) to buy, lease, condemn, or otherwise acquire property, or an interest in property:

(i) in the development district, A RISE ZONE, or a sustainable community; or

(ii) needed for a right-of-way or other easement to or from the development district, A RISE ZONE, or a sustainable community;

(2) for site removal;

(3) for surveys and studies;

(4) to relocate businesses or residents;

(5) to install utilities, construct parks and playgrounds, and for other needed improvements including:

(i) roads to, from, or in the development district;

(ii) parking; and

(iii) lighting;

(6) to construct or rehabilitate buildings for a governmental purpose or use;

(7) for reserves or capitalized interest;

(8) for necessary costs to issue bonds; and

(9) to pay the principal of and interest on loans, advances, or indebtedness that a political subdivision incurs for a purpose specified in this section.

(E) (1) THIS SUBSECTION APPLIES TO A RISE ZONE IDENTIFIED UNDER § 12-203 OF THIS SUBTITLE.

(2) IN ADDITION TO THE PURPOSES UNDER SUBSECTION (A) OF THIS SECTION AND WITHOUT LIMITING THE PURPOSES IN SUBSECTION (A) OF THIS SECTION, BOND PROCEEDS MAY BE USED IN A RISE ZONE FOR:

(I) HISTORIC PRESERVATION OR REHABILITATION;

(II) ENVIRONMENTAL REMEDIATION, DEMOLITION, AND SITE PREPARATION;

(III) PARKING LOTS, FACILITIES, OR STRUCTURES OF ANY TYPE WHETHER FOR PUBLIC OR PRIVATE USE;

(IV) SCHOOLS;

(V) AFFORDABLE OR MIXED INCOME HOUSING;

(VI) STORMWATER MANAGEMENT AND STORM DRAIN FACILITIES;

(VII) INNOVATION CENTERS AND LABORATORY FACILITIES, OR STRUCTURES OF ANY TYPE WHETHER FOR PUBLIC OR PRIVATE USE, INCLUDING MAINTENANCE AND INSTALLATION OF IMPROVEMENTS IN THE

STRUCTURES AND SERVICES THAT SUPPORT THE PURPOSES OF THE RISE ZONE PROGRAM; AND

(VIII) ANY OTHER FACILITIES OR STRUCTURES OF ANY TYPE WHETHER FOR PUBLIC OR PRIVATE USE THAT SUPPORT THE PURPOSES OF THE RISE ZONE PROGRAM.

12-208.

(a) The governing body of a political subdivision may adopt a resolution creating a special fund for a development district, A RISE ZONE, or a sustainable community even though no bonds:

(1) have been issued for the development district, THE RISE ZONE, or the sustainable community; or

(2) are outstanding at the time of adoption.

12-209.

(a) Subject to subsection (c) of this section, the special fund for the development district, THE RISE ZONE, or the sustainable community may be used for any of the following purposes as determined by the governing body of the political subdivision:

(1) a purpose specified in § 12-207 of this subtitle;

(2) accumulated to pay debt service on bonds to be issued later;

(3) payment or reimbursement of debt service, or payments under an agreement described in subsection (b) of this section, that the political subdivision is obliged under a general or limited obligation to pay, or has paid, on or relating to bonds issued by the State, a political subdivision, or the revenue authority of Prince George's County if the proceeds were used for a purpose specified in § 12-207 of this subtitle; or

(4) payment to the political subdivision for any other legal purpose.

(b) (1) Subject to paragraph (2) of this subsection, the political subdivision that has created a special fund for a development district, A RISE ZONE, or a sustainable community may pledge under an agreement that amounts deposited to the special fund shall be paid over to secure payment on MEDCO obligations.

(2) The agreement shall:

(i) be in writing;

(ii) be executed by the political subdivision making the pledge, the Maryland Economic Development Corporation, and the other persons that the governing body of the political subdivision determines; and

(iii) run to the benefit of and be enforceable on behalf of the holders of the MEDCO obligations secured by the agreement.

(c) If bonds are outstanding with respect to a development district, A RISE ZONE, or a sustainable community, the special fund may be used as described in subsection (a) of this section in any fiscal year only if:

(1) the balance of the special fund exceeds the unpaid debt service payable on the bonds in the fiscal year; and

(2) the special fund is not restricted so as to prohibit the use.

(d) The issuance of bonds pledging the full faith and credit of the political subdivision shall comply with appropriate county or municipal charter requirements.

12-210.

(a) (1) Subject to paragraph (2) of this subsection, the governing body of a political subdivision that is not the issuer may pledge under an agreement that its property taxes levied on the tax increment shall be paid into the special fund for the development district, A RISE ZONE, or a sustainable community.

(2) The agreement shall:

(i) be in writing;

(ii) be executed by the governing bodies of the issuer and the political subdivision making the pledge; and

(iii) run to the benefit of and be enforceable on behalf of any bondholder.

(b) The governing body of Prince George's County may also pledge hotel rental tax revenues to the special fund.

(c) The governing body of a political subdivision, including the issuer, may pledge by or under a resolution, including by an agreement with the issuer, as applicable, that alternative local tax revenues generated within, or that are otherwise determined to be attributable to, a development district that is a transit-oriented development, A RISE ZONE, a sustainable community, or a State hospital redevelopment be paid, as provided in the resolution, into the special fund to:

(1) secure the payment of debt service on bonds or MEDCO obligations; or

(2) be applied to the other purposes stated in § 12–209 of this subtitle.

12–211.

(a) The principal amount of bonds, interest payable on bonds, the transfer of bonds, and income from bonds, including profit made in the sale or transfer of bonds, are exempt from State and local taxes.

(b) If a political subdivision leases as a lessor its property within a development district, A RISE ZONE, or a sustainable community:

(1) the property shall be assessed and taxed in the same manner as privately owned property; and

(2) the lease shall require the lessee to pay taxes or payments in lieu of taxes on the assessed value of the entire property and not only on the assessed value of the leasehold interest.

Article – Tax – Property

9–103.1.

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

(2) “BASE YEAR” MEANS THE TAXABLE YEAR IMMEDIATELY BEFORE THE TAXABLE YEAR IN WHICH A PROPERTY TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

(3) (I) “BASE YEAR VALUE” MEANS THE VALUE OF THE PROPERTY USED TO DETERMINE THE ASSESSMENT ON WHICH THE PROPERTY TAX ON REAL PROPERTY WAS IMPOSED FOR THE BASE YEAR.

(II) “BASE YEAR VALUE” DOES NOT INCLUDE ANY NEW REAL PROPERTY THAT WAS FIRST ASSESSED IN THE BASE YEAR.

(4) (I) “BUSINESS ENTITY” MEANS A PERSON WHO OPERATES OR CONDUCTS A TRADE OR BUSINESS.

(II) “BUSINESS ENTITY” INCLUDES A PERSON WHO OWNS, OPERATES, DEVELOPS, CONSTRUCTS, OR REHABILITATES REAL PROPERTY IF THE REAL PROPERTY:

1. IS INTENDED FOR USE PRIMARILY AS SINGLE OR MULTIFAMILY RESIDENTIAL PROPERTY LOCATED IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE THAT IS DESIGNATED UNDER TITLE 5, SUBTITLE 14 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

2. IS PARTIALLY DEVOTED TO A NONRESIDENTIAL USE.

(5) (I) "ELIGIBLE ASSESSMENT" MEANS THE DIFFERENCE BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

(II) FOR A BUSINESS ENTITY THAT IS LOCATED ON LAND OR WITHIN IMPROVEMENTS OWNED BY THE FEDERAL, STATE, COUNTY, OR MUNICIPAL GOVERNMENT, "ELIGIBLE ASSESSMENT" MEANS THE DIFFERENCE BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE REDUCED BY THE VALUE OF ANY PROPERTY ENTITLED TO AN EXEMPTION UNDER TITLE 7 OF THIS ARTICLE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

(6) "QUALIFIED PROPERTY" MEANS REAL PROPERTY THAT IS:

(I) NOT USED FOR RESIDENTIAL PURPOSES;

(II) USED IN A TRADE OR BUSINESS BY A BUSINESS ENTITY;

AND

(III) LOCATED IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE THAT IS DESIGNATED UNDER TITLE 5, SUBTITLE 14 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(B) THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION SHALL GRANT A TAX CREDIT UNDER THIS SECTION AGAINST THE PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED PROPERTY.

(C) (1) ~~THE~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, ~~THE~~ APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO A PERCENTAGE OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY AS FOLLOWS:

(I) ~~80% IN AT LEAST 50% EACH OF~~ IN THE FIRST 5 TAXABLE YEARS YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY; AND

(II) ~~70% IN THE SIXTH TAXABLE YEAR;~~ AT LEAST 10% IN THE SECOND THROUGH FIFTH TAXABLE YEARS.

~~(III) 60% IN THE SEVENTH TAXABLE YEAR;~~

~~(IV) 50% IN THE EIGHTH TAXABLE YEAR;~~

~~(V) 40% IN THE NINTH TAXABLE YEAR; AND~~

~~(VI) 30% IN THE TENTH TAXABLE YEAR.~~

(2) THE DEPARTMENT SHALL ALLOCATE THE ELIGIBLE ASSESSMENT TO THE NONRESIDENTIAL PART OF THE QUALIFIED PROPERTY AT THE SAME PERCENTAGE AS THE SQUARE FOOTAGE OF THE NONRESIDENTIAL PART IS TO THE TOTAL SQUARE FOOTAGE OF THE BUILDING.

(3) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION, THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT SHALL BE CALCULATED WITHOUT REDUCTION FOR ANY CREDITS ALLOWED UNDER THIS TITLE.

(4) (I) FOR QUALIFIED PROPERTY LOCATED IN AN ENTERPRISE ZONE DESIGNATED UNDER TITLE 5, SUBTITLE 7 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO 80% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR EACH OF THE ~~10~~ 5 TAXABLE YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

(II) FOR QUALIFIED PROPERTY LOCATED IN A FOCUS AREA DESIGNATED UNDER § 5-706 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO 100% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR EACH OF THE ~~10~~ 5 TAXABLE YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

(III) 1. IF A BUSINESS ENTITY IS CERTIFIED AS CONSISTENT WITH THE TARGET STRATEGY OF THE RISE ZONE AND THE

QUALIFIED PROPERTY IS LOCATED IN AN ENTERPRISE ZONE OR FOCUS AREA, THE AMOUNT OF THE REQUIRED REIMBURSEMENT UNDER § 9-103(H) OF THIS SUBTITLE MAY ONLY BE FOR THE AMOUNT REQUIRED FOR THE REQUIRED PROPERTY TAX CREDITS UNDER § 9-103 OF THIS SUBTITLE.

2. THE PROPERTY TAX CREDITS REQUIRED UNDER SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH DO NOT ALTER THE AMOUNT OF FUNDS REQUIRED TO BE REIMBURSED UNDER § 9-103(H) OF THIS SUBTITLE.

(5) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY INCREASE, BY LOCAL LAW, THE PERCENTAGE UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(6) (I) IF A RISE ZONE IS RENEWED AS PROVIDED UNDER § 5-1404 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO AT LEAST 10% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR THE SIXTH THROUGH TENTH TAXABLE YEARS.

(II) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY INCREASE, BY LOCAL LAW, THE PERCENTAGE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(D) (1) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (C)(6) OF THIS SECTION, A TAX CREDIT UNDER THIS SECTION IS AVAILABLE TO A QUALIFIED PROPERTY FOR NO MORE THAN ~~10~~ 5 CONSECUTIVE YEARS BEGINNING WITH THE TAXABLE YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE REAL PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

(2) IF THE DESIGNATION OF A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE EXPIRES, THE TAX CREDIT UNDER THIS SECTION CONTINUES TO BE AVAILABLE TO A QUALIFIED PROPERTY.

(3) STATE PROPERTY TAX IMPOSED ON REAL PROPERTY IS NOT AFFECTED BY THIS SECTION.

(E) WHEN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE IS DESIGNATED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, THE SECRETARY SHALL CERTIFY TO THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION:

(1) THE REAL PROPERTIES IN THE ZONE THAT ARE QUALIFIED PROPERTIES FOR EACH TAXABLE YEAR FOR WHICH THE PROPERTY TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED; AND

(2) THE DATE THAT THE REAL PROPERTIES BECAME QUALIFIED PROPERTIES.

(F) BEFORE PROPERTY TAX BILLS ARE SENT, THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL SUBMIT TO THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT A LIST CONTAINING:

(1) THE LOCATION OF EACH QUALIFIED PROPERTY;

(2) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED PROPERTY; AND

(3) THE AMOUNT OF THE ELIGIBLE ASSESSMENT FOR EACH QUALIFIED PROPERTY.

Article – Tax – General

~~10-210.1.~~

~~(c) IN ADDITION TO THE MODIFICATIONS UNDER §§ 10-204 THROUGH 10-210 OF THIS SUBTITLE AND SUBSECTION (b) OF THIS SECTION, TO DETERMINE MARYLAND ADJUSTED GROSS INCOME OF AN INDIVIDUAL THAT LOCATES IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE AND SATISFIES THE REQUIREMENTS OF § 5-1406 OF THE ECONOMIC DEVELOPMENT ARTICLE, AN AMOUNT IS ADDED TO OR SUBTRACTED FROM FEDERAL ADJUSTED GROSS INCOME TO REFLECT THE DETERMINATION OF THE DEPRECIATION DEDUCTION PROVIDED UNDER § 167(A) OF THE INTERNAL REVENUE CODE AS IF THE DEPRECIATION DEDUCTION PROVIDED IN § 167(A) OF THE INTERNAL REVENUE CODE FOR THE TAXABLE YEAR THE PROPERTY IS PLACED IN SERVICE IN THE REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE INCLUDES AN ALLOWANCE EQUAL TO 100% OF THE ADJUSTED BASIS OF THE PROPERTY.~~

~~10-310.~~

~~In addition to the modifications under §§ 10-305 through 10-309 of this subtitle, to determine Maryland modified income the federal taxable income of a corporation shall be adjusted as provided for an individual under § 10-210.1 of this title.~~

10-702.

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

(2) (i) "Business entity" means:

1. a person conducting or operating a trade or business;

or

2. an organization that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code.

(ii) "Business entity" does not include a person owning, operating, developing, constructing, or rehabilitating property intended for use primarily as single or multifamily residential property located within the enterprise zone.

(3) (I) "Enterprise zone" has the meaning stated in § 5-701 of the Economic Development Article.

(II) "ENTERPRISE ZONE" INCLUDES A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE ESTABLISHED UNDER TITLE 5, SUBTITLE 14 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(4) "Qualified employee" means an individual who:

(i) is a new employee or an employee rehired after being laid off for more than one year by a business entity;

(ii) is employed by a business entity at least 35 hours each week for at least 6 months before or during the taxable year for which the entity claims a credit;

(iii) spends at least 50% of the hours under item (ii) of this paragraph, either in the enterprise zone or on activities of the business entity resulting directly from its location in the enterprise zone;

(iv) earns at least 150% of the federal minimum wage; and

(v) is hired by the business entity after the later of:

1. the date on which the enterprise zone is designated;

or

2. the date on which the business entity locates in the enterprise zone.

(5) "Economically disadvantaged individual" means an individual who is certified by provisions that the Department of Labor, Licensing, and Regulation

adopts as an individual who, before becoming employed by a business entity in an enterprise zone:

(i) was both unemployed for at least 30 consecutive days and qualified to participate in training activities for the economically disadvantaged under Title II, Part B of the federal Workforce Investment Act or its successor; or

(ii) in the absence of an applicable federal act, met the criteria for an economically disadvantaged individual that the Secretary of Labor, Licensing, and Regulation sets.

(6) “Focus area” has the meaning stated in § 5–701 of the Economic Development Article.

(7) “Focus area employee” means an individual who:

(i) is a new employee or an employee rehired after being laid off for more than 1 year by a business entity;

(ii) is employed by a business entity at least 35 hours each week for at least 12 months before or during the taxable year for which the entity claims a credit;

(iii) spends at least 50 percent of the hours under item (ii) of this paragraph either in the focus area or on activities of the business entity resulting directly from its location in the focus area;

(iv) is hired by the business entity after the later of:

1. the date on which the focus area is designated; or
2. the date on which the business entity located in the focus area; and

(v) earns at least 150 percent of the federal minimum wage.

(b) (1) Any business entity that is located in an enterprise zone and satisfies the requirements of § 5–707 of the Economic Development Article may claim a credit only against the State income tax for the wages specified in subsections (c) and (d) of this section that are paid in the taxable year for which the entity claims the credit.

(2) A business entity that is located in a focus area and satisfies the requirements of § 5–707 of the Economic Development Article may claim a credit only against the State income tax for the wages specified in subsection (e) of this section that are paid to a focus area employee in the taxable year for which the entity claims the credit.

(3) An organization that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code may apply the credit under this section as a credit against income tax due on unrelated business taxable income as provided under §§ 10–304 and 10–812 of this title.

(c) If a business entity does not claim an enhanced tax credit under subsection (e) of this section for a focus area employee, for the taxable year in which a business entity satisfies the requirements of § 5–707 OR § 5–1406 of the Economic Development Article, a credit is allowed that equals:

(1) up to \$3,000 of the wages paid to each qualified employee who:

(i) is an economically disadvantaged individual; and

(ii) is not hired to replace an individual whom the business entity employed in that or any of the 3 preceding taxable years; and

(2) up to \$1,000 of the wages paid to each qualified employee who:

(i) is not an economically disadvantaged individual; and

(ii) is not hired to replace an individual whom the business entity employed in that or any of the 3 preceding taxable years.

(d) (1) If a business entity does not claim an enhanced tax credit under subsection (e) of this section for a focus area employee, for each taxable year after the taxable year described in subsection (c) of this section, while the area is designated an enterprise zone, a credit is allowed that equals:

(i) up to \$3,000 of the wages paid to each qualified employee who:

1. is an economically disadvantaged individual;

2. became a qualified employee during the taxable year to which the credit applies; and

3. is not hired to replace an individual whom the business entity employed in that or any of the 3 preceding taxable years;

(ii) up to \$2,000 of the wages paid to each qualified employee who is an economically disadvantaged individual, if the business entity received a credit under subsection (c)(1) of this section for the qualified employee in the immediately preceding taxable year; and

(iii) up to \$1,000 of the wages paid to each qualified employee who is not hired to replace an individual whom the business entity employed in that or any of the 3 preceding taxable years if the qualified employee:

1. is an economically disadvantaged individual for whom the business entity received a credit under subsection (c)(1) of this section or item (i) of this paragraph and a credit under item (ii) of this paragraph in the 2 immediately preceding taxable years; or

2. is not an economically disadvantaged individual but became a qualified employee during the taxable year to which the credit applies.

(2) A business entity that hires a qualified employee to replace another qualified employee for whom the business entity received a credit under subsection (c)(1) of this section and paragraph (1)(ii) of this subsection in the immediately preceding taxable year may treat the new qualified employee as the replacement for the other qualified employee to determine any credit that may be available to the business entity under paragraph (1)(ii) or (iii) of this subsection.

(e) (1) For the taxable year in which a business entity satisfies the requirements of §§ 5-706 and 5-707 **OR § 5-1406** of the Economic Development Article, a credit is allowed that equals:

(i) up to \$4,500 of the wages paid to each focus area employee who:

1. is an economically disadvantaged individual; and

2. is not hired to replace an individual whom the business entity employed in that year or any of the 3 preceding taxable years; and

(ii) up to \$1,500 of the wages paid to each focus area employee who:

1. is not an economically disadvantaged individual; and

2. is not hired to replace an individual whom the business entity employed in that year or any of the 3 preceding taxable years.

(2) For each taxable year after the taxable year described in paragraph (1) of this subsection, while the area is designated a focus area, a credit is allowed that equals:

(i) up to \$4,500 of the wages paid to each focus area employee who:

1. is an economically disadvantaged individual;

2. became a focus area employee during the taxable year to which the credit applies; and

3. is not hired to replace an individual whom the business entity employed in that year or any of the 3 preceding taxable years;

(ii) up to \$3,000 of the wages paid to each focus area employee who is an economically disadvantaged individual, if the business entity received a credit under paragraph (1)(i) of this subsection for the focus area employee in the immediately preceding taxable year; and

(iii) up to \$1,500 of the wages paid to each focus area employee who is not hired to replace an individual whom the business entity employed in that year or any of the 3 preceding taxable years if the focus area employee:

1. is an economically disadvantaged individual for whom the business entity received a credit under item (ii) of this paragraph in the 2 immediately preceding taxable years and under:

A. paragraph (1)(i) of this subsection; or

B. item (i) of this paragraph; or

2. is not an economically disadvantaged individual but became a focus area employee during the taxable year to which the credit applies.

(3) A business entity that hires a focus area employee to replace another focus area employee for whom the business entity received a credit under paragraph (1)(i) of this subsection and paragraph (2)(ii) of this subsection in the immediately preceding taxable year may treat the focus area employee as the replacement for the other focus area employee to determine any credit that may be available to the business entity under paragraph (2)(ii) or (iii) of this subsection.

(f) If the credit allowed under this section in any taxable year exceeds the State income tax for that taxable year, a business entity may apply the excess as a credit against the State income tax for succeeding taxable years until the earlier of:

(1) the full amount of the excess is used; or

(2) the expiration of the 5th taxable year from the date on which the business entity hired the qualified employee to whom the credit first applies.

(g) If a credit is claimed under this section, the claimant must make the addition required in § 10–205, § 10–206, or § 10–306 of this title.

Article II – General Powers

The Mayor and City Council of Baltimore shall have full power and authority to exercise all of the powers heretofore or hereafter granted to it by the Constitution of Maryland or by any Public General or Public Local Laws of the State of Maryland; and in particular, without limitation upon the foregoing, shall have power by ordinance, or such other method as may be provided for in its Charter, subject to the provisions of said Constitution and Public General Laws:

(62)

(L) IN ADDITION TO THE POWERS IN THIS SECTION, THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY USE THE AUTHORITY GRANTED TO A POLITICAL SUBDIVISION FOR TAX INCREMENT FINANCING IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE AS PROVIDED FOR IN TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

(62A)

(U) IN ADDITION TO THE POWERS IN THIS SECTION, THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY USE THE AUTHORITY GRANTED TO A POLITICAL SUBDIVISION FOR TAX INCREMENT FINANCING IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE AS PROVIDED FOR IN TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

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

Article – Tax – Property

9–103.

(e) (1) A tax credit under this section is available to a qualified property for no more than 10 consecutive years beginning with:

(I) the taxable year following the calendar year in which the real property initially becomes a qualified property; OR

(II) THE TAXABLE YEAR IN WHICH THE REAL PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY, SUBJECT TO THE APPROVAL OF THE APPROPRIATE LOCAL GOVERNING BODY AND THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT.

SECTION 3. AND BE IT FURTHER ENACTED, That, before adopting regulations to implement the provisions of Section 1 of this Act, the Department of Business and Economic Development shall organize a group of interested parties, stakeholders, and experts in community development to provide advice on the regulations, standards, and guidelines needed to implement Section 1 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before January 1, 2017, the Comptroller shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on:

(1) the estimated cost and impact of the income tax credit provided to businesses in RISE zones under § 10-702 of the Tax – General Article; and

(2) the potential cost and impact of providing an income tax depreciation incentive for businesses within RISE zones.

SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that in the RISE zone application and designation processes, a county and municipal corporation shall confer in order to reach agreement on the desired RISE zone location and boundaries and the amount of property tax credits offered.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after June 30, 2013.

SECTION ~~2~~ 7. AND BE IT FURTHER ENACTED, That, subject to Section 6 of this Act, this Act shall take effect ~~October~~ June 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 532

(Senate Bill 601)

AN ACT concerning

Business and Economic Development – Maryland E–Nnovation Initiative Program

FOR the purpose of establishing a Maryland E–Nnovation Initiative Program for certain purposes; establishing a Maryland E–Nnovation Initiative Fund in the Department of Business and Economic Development for certain purposes; establishing a Maryland E–Nnovation Initiative Fund Authority in the Department for certain purposes; requiring the Governor to include in the

~~annual budget bill certain appropriations to the Fund for certain fiscal years; providing for the investment of money in and expenditures from the Fund; providing for the membership and duties of the Authority; allowing certain persons to purchase credits against the insurance premium tax or Maryland corporate income tax in order to fund certain research at certain institutions of higher education; providing for the duties of the Department in connection with the Program; requiring the Authority to obtain the services of an independent third party to conduct a bidding process for the purchase of certain tax credits for certain purposes; establishing certain requirements for certain offers for certain tax credit bids; limiting the total tax credits that may be allowed for all years; requiring certain dedicated capital to be paid to the Fund in certain amounts in accordance with certain procedures; requiring the Department to issue certain tax credit certificates in a certain manner; providing for certain penalties under certain circumstances; authorizing the Department to purchase certain insurance for certain purposes; authorizing a purchaser of certain tax credits to claim the credits for certain taxable years in a certain manner; providing for the transfer of certain tax credits under certain circumstances; providing for the creation and administration of certain research endowments by certain governing bodies of certain institutions of higher education; requiring certain institutions of higher education to obtain certain qualified donations in order to receive certain matching funds; requiring certain reports on the receipt of qualified donations; providing for the expenditure of endowment proceeds under certain circumstances; establishing certain requirements for certain individuals in certain positions funded by endowment proceeds; requiring the Authority to issue certain eligibility criteria; requiring the governing body of a certain institution of higher education to submit certain research endowment plans to the Authority; requiring the Authority to make available a certain amount of funds to match qualified donations; requiring the Authority to review certain requests and distribute certain funds under certain circumstances; requiring a certain institution of higher education to deposit certain qualified donations into certain research endowments by a certain date within a certain time period; providing for the reallocation of certain funds under certain circumstances; requiring that certain designated capital be treated in a certain manner under certain circumstances; requiring the Department to submit certain information to the Maryland Insurance Administration; providing for the application of certain laws to certain services and transactions under this Act; requiring the Department to administer the Program and to adopt certain regulations; requiring the Department to submit an annual report to the Governor and certain committees of the General Assembly on certain matters; requiring the Department to publish the report on the Department's Web site in a certain format; prohibiting a certain publication from including any proprietary or confidential information; altering the distribution of certain revenue from a certain tax in a certain manner; defining certain terms; and generally relating to ~~tax credits, higher education,~~ higher education and the Maryland E-Innovation Initiative Program.~~

Article – Economic Development

Section 6–601 through ~~6–631~~ 6–623 to be under the new subtitle “Subtitle 6.
Maryland E–Nnovation Initiative Program”

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article – Insurance~~

~~Section 6–122~~

~~Annotated Code of Maryland~~

~~(2011 Replacement 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,

Article – Tax – General

Section 2–202(a)(1)

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

Preamble

WHEREAS, The State of Maryland is home to world–class research universities, national federal laboratories, and businesses; and

WHEREAS, Our region is home to the White House, U.S. Congress, federal agencies, embassies, trade associations, regulatory agencies, foundations, corporate headquarters, and other technology and policy resources; and

WHEREAS, By recruiting and retaining top university researchers and encouraging collaboration among Maryland research universities and federal agencies,

the Maryland General Assembly can enhance the economic competitiveness of the State and build on existing clusters of research and innovation; and

WHEREAS, By stimulating corporate, foundation, and private donor support for university professorships, endowed chairs, and related public-private partnerships, Maryland can spur progress on key national technical and scientific issues facing the nation while supporting job growth and economic development in Maryland; and

WHEREAS, Leveraging the impact of State funds through matching funds from the private sector to create a \$100 million Maryland E-Innovation Initiative Program will provide Maryland with a tremendous advantage in the global competition for the best minds in the world and the opportunities, jobs, and industries created by their work; now, therefore,

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

Article – Economic Development

SUBTITLE 6. MARYLAND E-INNOVATION INITIATIVE PROGRAM.

PART I. DEFINITIONS.

6-601.

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

~~(B) “ALLOCATION AMOUNT” MEANS THE TOTAL AMOUNT OF TAX CREDITS ALLOCATED TO A PURCHASER.~~

~~(C) “ALLOCATION DATE” MEANS THE DATE ON WHICH TAX CREDITS ARE ALLOCATED TO A PURCHASER UNDER § 6-614 OF THIS SUBTITLE.~~

~~(D)~~ (B) “AUTHORITY” MEANS THE MARYLAND E-INNOVATION INITIATIVE FUND AUTHORITY ESTABLISHED UNDER § 6-605 OF THIS SUBTITLE.

~~(E) “DESIGNATED CAPITAL” MEANS THE AMOUNT OF MONEY THAT A PURCHASER INVESTS UNDER THE PROGRAM.~~

~~(F)~~ (C) “ENDOWMENT PROCEEDS” MEANS THOSE INVESTMENT EARNINGS ACCRUING TO A RESEARCH ENDOWMENT OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION AND AVAILABLE FOR EXPENDITURE BY THE INSTITUTION IN ACCORDANCE WITH ~~§ 6-618~~ § 6-612 OF THIS SUBTITLE.

~~(C)~~ (D) “FUND” MEANS THE MARYLAND E-NOVATION INITIATIVE FUND CREATED UNDER § 6-604 OF THIS SUBTITLE.

~~(H)~~ (E) “GOVERNING BOARD” HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.

~~(H)~~ (F) “GOVERNING BODY” MEANS:

- (1) A GOVERNING BOARD;
- (2) THE GOVERNING ENTITY OF PRIVATE NONPROFIT INSTITUTIONS OF HIGHER EDUCATION; OR
- (3) THE GOVERNING ENTITY OF A REGIONAL HIGHER EDUCATION CENTER.

~~(J)~~ ~~“INSURANCE PREMIUM TAX LIABILITY” MEANS:~~

~~(1) ANY LIABILITY INCURRED BY AN INSURANCE COMPANY UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE AS OF OCTOBER 1, 2014; OR~~

~~(2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS SUBSECTION IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS BEEN IMPOSED BY THE STATE ON THE INSURANCE COMPANY AS OF OCTOBER 1, 2014, NOT TO EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR REDUCED.~~

~~(K)~~ ~~“MARYLAND CORPORATE INCOME TAX LIABILITY” MEANS:~~

~~(1) ANY LIABILITY INCURRED BY A CORPORATION UNDER TITLE 10, SUBTITLE 1 OF THE TAX GENERAL ARTICLE AS OF OCTOBER 1, 2014; OR~~

~~(2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS SUBSECTION IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS BEEN IMPOSED BY THE STATE ON THE CORPORATION AS OF OCTOBER 1, 2014, NOT TO EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR REDUCED.~~

~~(H)~~ (G) (1) “NONPROFIT INSTITUTION OF HIGHER EDUCATION” MEANS AN INSTITUTION OF POSTSECONDARY EDUCATION LOCATED IN THE STATE THAT RECEIVES STATE FUNDS IN THE ANNUAL OPERATING BUDGET AND THAT GENERALLY LIMITS ENROLLMENT TO GRADUATES OF SECONDARY SCHOOLS AND AWARDS DEGREES AT EITHER THE ASSOCIATE, BACCALAUREATE, OR GRADUATE LEVEL.

(2) “NONPROFIT INSTITUTION OF HIGHER EDUCATION” INCLUDES PUBLIC AND PRIVATE NONPROFIT INSTITUTIONS OF HIGHER EDUCATION LOCATED IN THE STATE.

~~(M)~~ (H) “PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.

~~(N)~~ (I) “PROGRAM” MEANS THE MARYLAND E-NOVATION INITIATIVE PROGRAM UNDER THIS SUBTITLE.

~~(O)~~ “PURCHASER” MEANS:

~~(1) AN INSURANCE COMPANY THAT:~~

~~(I) IS AUTHORIZED TO DO BUSINESS IN THE STATE;~~

~~(II) HAS INSURANCE PREMIUM TAX LIABILITY; AND~~

~~(III) CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN ALLOCATION OF PREMIUM TAX CREDITS UNDER THE PROGRAM;~~

~~(2) A HOLDING COMPANY THAT:~~

~~(I) HAS AT LEAST ONE INSURANCE COMPANY SUBSIDIARY AUTHORIZED TO DO BUSINESS IN THE STATE; AND~~

~~(II) IS CONTRIBUTING DESIGNATED CAPITAL ON BEHALF OF ONE OR MORE OF THESE SUBSIDIARIES; OR~~

~~(3) A CORPORATION THAT:~~

~~(I) HAS MARYLAND CORPORATE INCOME TAX LIABILITY;~~
AND

~~(II) CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN ALLOCATION OF MARYLAND CORPORATE INCOME TAX CREDITS UNDER THE PROGRAM.~~

~~(P)~~ (J) “QUALIFIED DONATION” MEANS ANY PRIVATE DONATION, GIFT, IRREVOCABLE PLEDGE, OR BEQUEST TO A RESEARCH ENDOWMENT IN ACCORDANCE WITH ~~§ 6-619~~ § 6-613 OF THIS SUBTITLE.

~~(Q)~~ *(K)* “REGIONAL HIGHER EDUCATION CENTER” HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.

~~(R)~~ *(L)* “RESEARCH ENDOWMENT” MEANS AN ACCOUNT ESTABLISHED AT OR ADMINISTERED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION IN ACCORDANCE WITH ~~§ 6-618~~ § 6-612 OF THIS SUBTITLE.

~~(S)~~ ~~“TAX CREDIT” MEANS A CREDIT AGAINST INSURANCE PREMIUM TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY OFFERED TO A PURCHASER UNDER THE PROGRAM.~~

6-602. RESERVED.

6-603. RESERVED.

PART II. MARYLAND E-NNOVATION INITIATIVE FUND AND AUTHORITY.

6-604.

(A) THERE IS A MARYLAND E-NNOVATION INITIATIVE FUND IN THE DEPARTMENT.

(B) THE SECRETARY SHALL MANAGE AND SUPERVISE 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) ~~DESIGNATED CAPITAL REVENUE~~ REVENUE DISTRIBUTED TO THE FUND UNDER ~~§ 6-612 OF THIS SUBTITLE;~~ 2-202(A)(1) OF THE TAX - GENERAL ARTICLE;

(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
AND

(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(E) FOR EACH OF FISCAL YEARS 2016 THROUGH 2021, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE FUND IN AN

AMOUNT THAT WHEN COMBINED WITH THE AMOUNT ESTIMATED TO BE DISTRIBUTED TO THE FUND UNDER SUBSECTION (D)(1) OF THIS SECTION EQUALS AT LEAST \$8,500,000.

~~(E)~~ (F) THE DEPARTMENT MAY USE THE FUND TO:

(1) FINANCE RESEARCH ENDOWMENTS AT NONPROFIT INSTITUTIONS OF HIGHER EDUCATION IN SCIENTIFIC AND TECHNICAL FIELDS OF STUDY; AND

(2) PAY THE RELATED ADMINISTRATIVE, LEGAL, AND ACTUARIAL EXPENSES OF THE DEPARTMENT.

~~(F)~~ (G) (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 CREDITED TO THE FUND.

~~(G)~~ (H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

6-605.

THERE IS A MARYLAND E-NOVATION INITIATIVE FUND AUTHORITY IN THE DEPARTMENT.

6-606.

~~THE AUTHORITY CONSISTS OF THOSE MEMBERS APPOINTED TO THE MARYLAND VENTURE FUND AUTHORITY ESTABLISHED UNDER SUBTITLE 5 OF THIS TITLE.~~

THE AUTHORITY CONSISTS OF:

(1) THE EXECUTIVE DIRECTOR OF THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

(2) THE EXECUTIVE VICE PRESIDENT OF THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, OR THE EXECUTIVE VICE PRESIDENT'S DESIGNEE;

(3) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;

(4) THE MANAGING DIRECTOR OF THE MARYLAND VENTURE FUND, OR THE MANAGING DIRECTOR'S DESIGNEE;

(5) THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF MARYLAND, OR THE CHANCELLOR'S DESIGNEE; AND

(6) TWO INDIVIDUALS FROM THE PRIVATE SECTOR NOT AFFILIATED WITH HIGHER EDUCATION APPOINTED BY THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE TO THE MARYLAND INNOVATION INITIATIVE UNDER § 10-455 OF THIS ARTICLE.

6-607.

(A) THE CHAIR OF THE ~~MARYLAND VENTURE FUND~~ AUTHORITY SHALL ~~SERVE AS THE CHAIR~~ BE CHOSEN BY THE MEMBERS OF THE AUTHORITY.

(B) THE AUTHORITY SHALL DETERMINE THE MANNER OF ELECTION OF OFFICERS AND THEIR TERMS OF OFFICE.

6-608.

(A) (1) ~~FIVE~~ FOUR MEMBERS OF THE AUTHORITY ARE A QUORUM.

(2) AN ACT OF THE AUTHORITY SHALL BE APPROVED BY A MAJORITY VOTE OF THE MEMBERS ATTENDING A MEETING AT WHICH A QUORUM IS PRESENT.

(B) A MEMBER OF THE AUTHORITY:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE AUTHORITY; BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

6-609.

THE AUTHORITY SHALL PROVIDE ADVICE TO AND CONSULT WITH THE DEPARTMENT IN CONNECTION WITH THE ADMINISTRATION OF THE PROGRAM UNDER THIS SUBTITLE.

6-610. RESERVED.

6-611. RESERVED.

~~PART III. DESIGNATED CAPITAL.~~

~~6-612.~~

~~(A) (1) ALL DESIGNATED CAPITAL FROM PURCHASERS SHALL BE DEPOSITED INTO THE FUND TO BE INVESTED AS PROVIDED IN THIS SUBTITLE THE DEPARTMENT SHALL ALLOCATE:~~

~~(i) \$50,000,000 OF THE DESIGNATED CAPITAL TO THE FUND TO BE INVESTED AND DISTRIBUTED AS PROVIDED IN THIS SUBTITLE; AND~~

~~(ii) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE REMAINING DESIGNATED CAPITAL TO THE ENTERPRISE FUND AS PROVIDED UNDER TITLE 5, SUBTITLE 6 OF THIS ARTICLE.~~

~~(2) (i) THE DEPARTMENT MAY NOT ALLOCATE FUNDS UNDER PARAGRAPH (1)(ii) OF THIS SUBSECTION UNTIL THE INVEST MARYLAND PROGRAM ESTABLISHED UNDER TITLE 5, SUBTITLE 6 OF THIS ARTICLE HAS BEEN REAUTHORIZED OR ANOTHER ECONOMIC DEVELOPMENT PROGRAM FOR WHICH THE FUNDS MAY BE USED HAS BEEN AUTHORIZED.~~

~~(ii) IF THE INVEST MARYLAND PROGRAM OR OTHER ECONOMIC DEVELOPMENT PROGRAM HAS NOT BEEN AUTHORIZED BY JUNE 1, 2016, THEN THE REMAINING DESIGNATED CAPITAL SHALL BE ALLOCATED TO THE FUND TO BE INVESTED AND DISTRIBUTED AS PROVIDED IN THIS SUBTITLE.~~

~~(B) AS SOON AS PRACTICABLE AFTER THE DEPARTMENT RECEIVES EACH INSTALLMENT OF DESIGNATED CAPITAL AND A NONPROFIT INSTITUTION OF HIGHER EDUCATION RECEIVES AN EQUIVALENT AMOUNT IN QUALIFIED DONATIONS, THE DEPARTMENT AND EACH INSTITUTION THAT HAS BEEN ALLOCATED FUNDING FROM THE FUND SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING UNDER WHICH THE ALLOCATED AMOUNT OF FUNDING WILL BE TRANSFERRED BY THE DEPARTMENT TO THE INSTITUTION FOR USE AS PROVIDED IN THIS SUBTITLE.~~

~~(C) THE DEPARTMENT SHALL SECURE THE COMMITMENT OF THE PURCHASERS IN ACCORDANCE WITH § 6-613 OF THIS SUBTITLE.~~

~~6-613.~~

~~(A) THE AUTHORITY SHALL OBTAIN THE SERVICES OF AN INDEPENDENT THIRD PARTY TO CONDUCT A BIDDING PROCESS IN ORDER TO SECURE PURCHASERS FOR THE PROGRAM AS PROVIDED IN THIS SECTION.~~

~~(B) USING THE PROCEDURES ADOPTED BY THE INDEPENDENT THIRD PARTY, EACH POTENTIAL PURCHASER SHALL MAKE A TIMELY AND IRREVOCABLE OFFER, SUBJECT ONLY TO THE DEPARTMENT'S ISSUANCE TO THE PURCHASER OF TAX CREDIT CERTIFICATES, TO MAKE SPECIFIED CONTRIBUTIONS OF DESIGNATED CAPITAL TO THE DEPARTMENT ON THE DATES SPECIFIED IN § 6-614(A) OF THIS SUBTITLE.~~

~~(C) THE OFFER SHALL INCLUDE:~~

~~(1) THE REQUESTED AMOUNT OF TAX CREDITS, WHICH MAY NOT BE LESS THAN \$5,000,000;~~

~~(2) THE POTENTIAL PURCHASER'S SPECIFIED CONTRIBUTION FOR EACH TAX CREDIT DOLLAR REQUESTED, WHICH MAY NOT BE LESS THAN THE GREATER OF:~~

~~(i) 70% OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS; OR~~

~~(ii) THE PERCENTAGE OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS THAT THE SECRETARY, ON THE RECOMMENDATION OF THE INDEPENDENT THIRD PARTY, DETERMINES TO BE CONSISTENT WITH MARKET CONDITIONS AS OF THE OFFER DATE; AND~~

~~(3) ANY OTHER INFORMATION THE INDEPENDENT THIRD PARTY REQUIRES.~~

~~(D) THE MAXIMUM AMOUNT OF TAX CREDITS THAT MAY BE ALLOCATED UNDER THIS SUBTITLE FOR ALL YEARS IN WHICH TAX CREDITS ARE ALLOCATED IS: \$100,000,000.~~

~~(1) \$25,000,000 FOR CALENDAR YEAR 2014; AND~~

~~(2) \$25,000,000 FOR CALENDAR YEAR 2016.~~

~~(E) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014:~~

~~(1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX CREDITS IS FEBRUARY 1, 2015; AND~~

~~(2) EACH POTENTIAL PURCHASER SHALL RECEIVE A WRITTEN NOTICE FROM THE DEPARTMENT NOT LATER THAN MAY 1, 2015, INDICATING WHETHER OR NOT IT HAS BEEN APPROVED AS A PURCHASER AND, IF SO, THE AMOUNT OF TAX CREDITS ALLOCATED.~~

~~(F) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016:~~

~~(1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX CREDITS IS FEBRUARY 1, 2017; AND~~

~~(2) EACH POTENTIAL PURCHASER SHALL RECEIVE A WRITTEN NOTICE FROM THE DEPARTMENT NOT LATER THAN MAY 1, 2017, INDICATING WHETHER OR NOT IT HAS BEEN APPROVED AS A PURCHASER AND, IF SO, THE AMOUNT OF TAX CREDITS ALLOCATED.~~

~~6-614.~~

~~(A) (1) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014, DESIGNATED CAPITAL COMMITTED BY A PURCHASER SHALL BE PAID TO THE FUND OF THE DEPARTMENT IN THREE EQUAL YEARLY INSTALLMENTS DUE ON JUNE 1 OF 2015, 2016, AND 2017.~~

~~(2) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016, DESIGNATED CAPITAL COMMITTED BY A PURCHASER SHALL BE PAID TO THE FUND OF THE DEPARTMENT IN THREE EQUAL YEARLY INSTALLMENTS DUE ON JUNE 1 OF 2017, 2018, AND 2019.~~

~~(B) ON RECEIPT OF EACH INSTALLMENT OF DESIGNATED CAPITAL, THE DEPARTMENT SHALL ISSUE TO EACH PURCHASER A TAX CREDIT CERTIFICATE REPRESENTING A FULLY VESTED CREDIT AGAINST INSURANCE PREMIUM TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EQUAL TO ONE THIRD OF THE TOTAL TAX CREDITS ALLOCATED TO THE PURCHASER.~~

~~(C) THE DEPARTMENT SHALL ISSUE TAX CREDIT CERTIFICATES TO PURCHASERS IN ACCORDANCE WITH THE BIDDING PROCESS SELECTED BY THE INDEPENDENT THIRD PARTY ON BEHALF OF THE AUTHORITY UNDER § 6-613 OF THIS SUBTITLE.~~

~~(D) THE TAX CREDIT CERTIFICATE SHALL STATE:~~

~~(1) THE TOTAL AMOUNT OF TAX CREDITS THAT THE PURCHASER MAY CLAIM;~~

~~(2) THE AMOUNT OF DESIGNATED CAPITAL THAT THE PURCHASER HAS CONTRIBUTED IN RETURN FOR THE ISSUANCE OF THE TAX CREDIT CERTIFICATE;~~

~~(3) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE FOR USE BY THE PURCHASER;~~

~~(4) ANY PENALTIES OR OTHER REMEDIES FOR NONCOMPLIANCE;~~

~~(5) THE PROCEDURES TO BE USED FOR TRANSFERRING THE TAX CREDITS; AND~~

~~(6) ANY OTHER REQUIREMENTS THE DEPARTMENT CONSIDERS NECESSARY.~~

~~(E) (1) A TAX CREDIT CERTIFICATE MAY NOT BE ISSUED TO ANY PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF DESIGNATED CAPITAL WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES.~~

~~(2) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF DESIGNATED CAPITAL WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES SHALL BE SUBJECT TO A PENALTY EQUAL TO 10% OF THE AMOUNT OF DESIGNATED CAPITAL THAT REMAINS UNPAID, PAYABLE TO THE DEPARTMENT WITHIN 30 DAYS AFTER DEMAND BY THE DEPARTMENT.~~

~~(3) THE DEPARTMENT MAY OFFER TO REALLOCATE THE DEFAULTED DESIGNATED CAPITAL AMONG THE OTHER PURCHASERS, SO THAT THE RESULT AFTER REALLOCATION IS THE SAME AS IF THE INITIAL ALLOCATION HAD BEEN PERFORMED WITHOUT CONSIDERING THE TAX CREDIT ALLOCATION TO THE DEFAULTING PURCHASER.~~

~~(4) IF THE REALLOCATION OF DESIGNATED CAPITAL RESULTS IN THE CONTRIBUTION BY ANOTHER PURCHASER OR PURCHASERS OF THE AMOUNT OF DESIGNATED CAPITAL NOT CONTRIBUTED BY THE DEFAULTING PURCHASER, THEN THE DEPARTMENT MAY WAIVE THE PENALTY PROVIDED UNDER THIS SUBSECTION.~~

~~(5) (I) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF DESIGNATED CAPITAL WITHIN THE TIME PERIOD SPECIFIED MAY AVOID THE IMPOSITION OF THE PENALTY BY TRANSFERRING THE ALLOCATION OF TAX CREDITS TO A NEW OR EXISTING PURCHASER WITHIN 30 DAYS AFTER THE DUE DATE OF THE DEFAULTED INSTALLMENT.~~

~~(H) ANY TRANSFEREE OF AN ALLOCATION OF TAX CREDITS FROM A DEFAULTING PURCHASER UNDER THIS SECTION SHALL AGREE TO MAKE THE REQUIRED CONTRIBUTION OF DESIGNATED CAPITAL WITHIN 30 DAYS AFTER THE DATE OF THE TRANSFER.~~

~~(6) (I) THE DEPARTMENT IN ITS SOLE DISCRETION MAY PURCHASE INSURANCE OR MAKE OTHER FINANCIAL ARRANGEMENTS IN ORDER TO ENSURE THE AVAILABILITY OF THE FULL AMOUNT OF DESIGNATED CAPITAL COMMITTED BY PURCHASERS.~~

~~(II) THE DEPARTMENT SHALL DISCLOSE ANY PURCHASE OF INSURANCE OR OTHER SIMILAR FINANCIAL ARRANGEMENT UNDER THIS PARAGRAPH IN THE ANNUAL REPORT REQUIRED UNDER § 6-631 OF THIS SUBTITLE.~~

~~6-615.~~

~~(A) (1) SUBJECT TO THE RESTRICTION IN PARAGRAPH (2) OF THIS SUBSECTION, A PURCHASER MAY CLAIM THE TAX CREDIT ON A TAX RETURN FILED AFTER DECEMBER 31, 2017, FOR A TAXABLE YEAR THAT BEGINS ON OR AFTER JANUARY 1, 2017.~~

~~(2) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014, A PURCHASER MAY CLAIM UP TO 20% OF THE TAX CREDIT ALLOCATED TO THAT PURCHASER IN EACH CALENDAR YEAR FROM 2018 THROUGH 2022.~~

~~(3) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016, A PURCHASER MAY CLAIM UP TO 20% OF THE TAX CREDIT ALLOCATED TO THAT PURCHASER IN EACH CALENDAR YEAR FROM 2020 THROUGH 2024.~~

~~(B) (1) THE CREDIT TO BE APPLIED AGAINST INSURANCE PREMIUM TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY IN ANY TAXABLE YEAR MAY NOT EXCEED THE TAX LIABILITY OF THE PURCHASER FOR THAT TAXABLE YEAR.~~

~~(2) ANY UNUSED CREDIT AGAINST TAX LIABILITY MAY BE:~~

~~(I) CARRIED FORWARD INDEFINITELY UNTIL THE TAX CREDITS ARE USED; AND~~

~~(H) 1. FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014, USED BY THE PURCHASER WITHOUT RESTRICTION DURING ANY CALENDAR YEAR AFTER 2022; OR,~~

~~2. FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016, USED BY THE PURCHASER WITHOUT RESTRICTION DURING ANY CALENDAR YEAR AFTER 2024.~~

~~(3) ON 30 DAYS' ADVANCE NOTICE TO THE DEPARTMENT, TAX CREDITS ALLOCATED TO A PURCHASER UNDER THIS SUBTITLE MAY BE TRANSFERRED WITHOUT FURTHER RESTRICTION TO ANY OTHER ENTITY THAT:~~

~~(I) MEETS THE DEFINITION OF A PURCHASER;~~

~~(II) IS IN GOOD STANDING WITH THE MARYLAND INSURANCE ADMINISTRATION, IF THE PURCHASER IS AN INSURANCE COMPANY OR HOLDING COMPANY; AND~~

~~(III) AGREES TO ASSUME ALL OF THE TRANSFEROR'S OBLIGATIONS UNDER THE PROGRAM.~~

~~(C) A PURCHASER CLAIMING A CREDIT AGAINST INSURANCE PREMIUM TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EARNED THROUGH AN INVESTMENT UNDER THE PROGRAM IS NOT REQUIRED TO PAY ANY ADDITIONAL TAX AS A RESULT OF CLAIMING THE CREDIT.~~

~~(D) A PURCHASER IS NOT REQUIRED TO REDUCE THE AMOUNT OF PREMIUM TAX INCLUDED BY THE PURCHASER IN CONNECTION WITH RATE MAKING FOR ANY INSURANCE CONTRACT WRITTEN IN THE STATE BECAUSE OF A REDUCTION IN THE PURCHASER'S INSURANCE PREMIUM TAX DERIVED FROM THE CREDIT GRANTED UNDER THIS SUBTITLE.~~

~~6-616. RESERVED.~~

~~6-617. RESERVED.~~

~~PART IV.~~ III. RESEARCH ENDOWMENTS.

~~6-618.~~ 6-612.

(A) THE GOVERNING BODY OF EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY CREATE AND ADMINISTER ONE OR MORE RESEARCH ENDOWMENTS TO RECEIVE FUNDING FROM THE FUND.

(B) A RESEARCH ENDOWMENT CONSISTS OF FUNDS DISTRIBUTED BY THE AUTHORITY FROM THE FUND IN ACCORDANCE WITH ~~§ 6-624~~ § 6-618 OF THIS SUBTITLE AND QUALIFIED DONATIONS.

(C) (1) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY INVEST FUNDS DEPOSITED INTO THE RESEARCH ENDOWMENT IN A MANNER CONSISTENT WITH OTHER INSTITUTIONAL ENDOWMENTS MANAGED BY THE INSTITUTION.

(2) ANY INTEREST OR OTHER INVESTMENT EARNINGS ON THE FUNDS INVESTED ARE RETAINED BY THE NONPROFIT INSTITUTION OF HIGHER EDUCATION TO BE USED FOR THE PURPOSES SET FORTH IN THIS SUBTITLE.

(D) INVESTMENT EARNINGS ACCRUING TO THE RESEARCH ENDOWMENT OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY BE EXPENDED BY THE GOVERNING BODY OF THE INSTITUTION ~~IF THE INVESTMENT EARNINGS ARE EXPENDED~~ ONLY FOR THE ELIGIBLE USES ~~DESIGNATED~~ UNDER ~~§ 6-620~~ § 6-614 OF THIS SUBTITLE.

(E) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION IS EXEMPT FROM LIABILITY FOR ANY LOSS OR DECREASE IN VALUE OF THE ASSETS OR INCOME OF A RESEARCH ENDOWMENT, UNLESS THE LOSSES OR DECREASES IN VALUE RESULT FROM BAD FAITH, GROSS NEGLIGENCE, OR INTENTIONAL MISCONDUCT.

(F) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL ISSUE RULES FOR THE ADMINISTRATION OF RESEARCH ENDOWMENTS THAT FULFILL THE PURPOSES AND REQUIREMENTS OF THIS SUBTITLE.

~~6-619.~~ 6-613.

(A) PRIVATE DONATIONS TO A RESEARCH ENDOWMENT SHALL BE CONSIDERED A QUALIFIED DONATION IF:

(1) THE DONATION OR PLEDGE IS EXPRESSLY OR SPECIFICALLY RESTRICTED BY THE DONOR FOR ONE OR MORE OF THE ELIGIBLE USES UNDER ~~§ 6-620~~ § 6-614 OF THIS SUBTITLE;

(2) THE INDIVIDUAL DONATION OR PLEDGE IS A MINIMUM OF \$500,000 OR IS BUNDLED WITH OTHER QUALIFIED DONATIONS TO MEET THE \$500,000 THRESHOLD; AND

(3) THE NONPROFIT INSTITUTION OF HIGHER EDUCATION ACCEPTS THE DONATION FROM INDIVIDUALS, PARTNERSHIPS, ASSOCIATIONS, PUBLIC OR PRIVATE FOR-PROFIT AND NONPROFIT CORPORATIONS, OR NONGOVERNMENTAL FOUNDATIONS.

(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY DESIGNATE UNRESTRICTED GIFTS OR BEQUESTS, OR A PORTION OF AN UNRESTRICTED GIFT OR BEQUEST, FOR USE AS A QUALIFIED DONATION.

(C) A QUALIFIED DONATION EXCLUDES:

(1) ANY DONATION RECEIVED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION PRIOR TO OCTOBER 1, 2014;

(2) EDUCATIONAL OR GENERAL FEES, AUXILIARY FEES, OR OTHER STUDENT FEES GENERATED BY THE INSTITUTION;

(3) PROCEEDS FROM PROMISSORY NOTES, BONDS, LOANS, OR OTHER INSTRUMENTS EVIDENCING AN INDEBTEDNESS OR ANY OTHER OBLIGATION OF REPAYMENT BY THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION TO THE MAKER OF THE INSTRUMENT; OR

(4) ANY OTHER FUNDS RECEIVED FROM THE STATE OR FEDERAL GOVERNMENT.

(D) (1) THE PRESIDENT OF EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION OR THE PRESIDENT'S DESIGNEE SHALL MAKE THE INITIAL DETERMINATION OF WHETHER A DONATION CONSTITUTES A QUALIFIED DONATION.

(2) THE PRESIDENT OF THE NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL PROVIDE A REPORT TO THE GOVERNING BODY OF THE INSTITUTION AT LEAST ONCE EACH FISCAL YEAR REGARDING THE AMOUNT OF QUALIFIED DONATIONS THE INSTITUTION HAS RECEIVED.

~~6-620.~~ 6-614.

(A) ENDOWMENT PROCEEDS SHALL BE EXPENDED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION TO FURTHER BASIC AND APPLIED RESEARCH IN SCIENTIFIC ~~AREAS~~ AND TECHNICAL FIELDS OF STUDY AS DESIGNATED BY THE AUTHORITY THAT OFFER PROMISING AND SIGNIFICANT ECONOMIC IMPACTS AND THE OPPORTUNITY TO DEVELOP CLUSTERS OF TECHNOLOGICAL INNOVATION IN THE STATE, INCLUDING:

- ~~(1) CYBER TECHNOLOGY;~~
 - ~~(2) ENERGY AND ENVIRONMENTAL SCIENCES;~~
 - ~~(3) NANOTECHNOLOGY AND MATERIALS SCIENCE;~~
 - ~~(4) ADVANCED MEDICAL AND PUBLIC HEALTH SCIENCE;~~
 - ~~(5) QUANTUM COMPUTING AND QUANTUM ENGINEERING;~~
 - ~~(6) TRANSPORTATION TECHNOLOGY, LOGISTICS, AND AUTONOMOUS SYSTEMS INTEGRATION;~~
 - ~~(7) SPACE AND AEROSPACE SCIENCES;~~
 - ~~(8) BIOMETRICS, SECURITY, SENSING, AND RELATED IDENTIFICATION TECHNOLOGIES;~~
 - ~~(9) GERONTOLOGY;~~
 - ~~(10) NEUROSCIENCES; OR~~
 - ~~(11) LANGUAGE SCIENCES; OR~~
 - ~~(12) HIGH-TECH MANUFACTURING PROCESSES.~~
- (1) PHYSICAL SCIENCES;*
 - (2) LIFE AND NEURO SCIENCES;*
 - (3) ENGINEERING;*
 - (4) MATHEMATICAL AND COMPUTATIONAL SCIENCES;*
 - (5) REGULATORY SCIENCE;*
 - (6) AUTONOMOUS SYSTEMS;*
 - (7) AERONAUTICAL AND SPACE SCIENCE;*
 - (8) ENVIRONMENTAL SCIENCES;*
 - (9) BEHAVIORAL AND LANGUAGE SCIENCE;*

(10) HEALTH SCIENCES;

(11) AGRICULTURE; OR

(12) CYBERSECURITY.

(B) ENDOWMENT PROCEEDS MAY BE EXPENDED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION FOR:

(1) THE PAYMENT OF THE BASE SALARIES OF NEWLY ENDOWED DEPARTMENT CHAIRS, NEW PROFESSORSHIP POSITIONS, NEW RESEARCH SCIENTISTS, OR NEW RESEARCH STAFF POSITIONS, INCLUDING RESEARCH TECHNICIANS AND SUPPORT PERSONNEL, AND TO FUND AFFILIATED GRADUATE OR UNDERGRADUATE STUDENT RESEARCH FELLOWSHIPS, IF THE POSITIONS OR FELLOWSHIPS ARE ENGAGED IN THE AREAS OF RESEARCH IDENTIFIED IN SUBSECTION (A) OF THIS SECTION; OR

(2) THE PURCHASE OF BASIC INFRASTRUCTURE, INCLUDING LABORATORY AND SCIENTIFIC EQUIPMENT OR OTHER ESSENTIAL EQUIPMENT AND MATERIALS, RELATED TO AN AREA OF RESEARCH IDENTIFIED IN SUBSECTION (A) OF THIS SECTION.

(C) AN INDIVIDUAL IN A POSITION THAT IS FUNDED BY ENDOWMENT PROCEEDS UNDER SUBSECTION (B)(1) OF THIS SECTION SHALL:

(1) WORK AT LEAST ONE DAY EACH WEEK IN SUPPORT OF A FEDERAL LABORATORY OR ASSOCIATED FEDERAL LABORATORY RESEARCH SUPPORT ORGANIZATION; ~~OR~~

(2) HOLD A JOINT APPOINTMENT OR SECONDARY POSITION AT ANOTHER NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE; OR

(3) WORK AT LEAST ONE DAY EACH WEEK IN SUPPORT OF ENTREPRENEURIAL ACTIVITIES WITH A COMPANY ENGAGED IN ONE OR MORE OF THE RESEARCH AREAS IDENTIFIED IN SUBSECTION (A) OF THIS SECTION.

(D) THE AUTHORITY SHALL ISSUE ELIGIBILITY CRITERIA REGARDING THE EXPENDITURE OF ENDOWMENT PROCEEDS TO PAY THE BASE SALARIES OF PERSONNEL, FUND STUDENT FELLOWSHIPS, AND PURCHASE BASIC INFRASTRUCTURE.

~~6-621.~~ 6-615.

(A) THE GOVERNING BODY OF EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL SUBMIT A RESEARCH ENDOWMENT PLAN TO THE AUTHORITY PRIOR TO SUBMITTING ITS FIRST REQUEST FOR A DISTRIBUTION OF MATCHING FUNDS FROM THE FUND.

(B) THE RESEARCH PLAN SHALL INCLUDE:

(1) ANY INFORMATION REQUESTED BY THE AUTHORITY TO ENSURE COMPLIANCE WITH THE REQUIREMENTS OF THIS SUBTITLE; AND

(2) A DEMONSTRATION OF INTEREST FROM QUALIFIED PRIVATE DONORS TO MEET THE CRITERIA ESTABLISHED BY THE AUTHORITY.

~~6-622.~~ 6-616. RESERVED.

~~6-623.~~ 6-617. RESERVED.

PART ~~V.~~ IV. DISTRIBUTIONS FROM THE MARYLAND E-NOVATION INITIATIVE FUND.

~~6-624.~~ 6-618.

(A) EXCEPT AS PROVIDED IN ~~§ 6-625~~ §6-619 OF THIS SUBTITLE, THE AUTHORITY SHALL MAKE AVAILABLE NO MORE THAN 25% OF CUMULATIVE PROGRAM FUNDS ~~IN~~ FROM THE FUND TO A SINGLE NONPROFIT INSTITUTION OF HIGHER EDUCATION TO MATCH QUALIFIED DONATIONS.

(B) A NONPROFIT INSTITUTION OF HIGHER EDUCATION SEEKING A DISTRIBUTION OF MATCHING FUNDS FROM THE FUND SHALL FIRST OBTAIN QUALIFIED DONATIONS IN AN AMOUNT EQUAL TO THE AMOUNT OF MATCHING FUNDS REQUESTED FOR DISTRIBUTION AND SHALL SUBMIT A REQUEST TO THE AUTHORITY.

(C) THE REQUEST SHALL INCLUDE:

(1) THE AMOUNT REQUESTED FOR DISTRIBUTION TO THE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION;

(2) THE AMOUNT OF QUALIFIED DONATIONS DESIGNATED FOR USE IN REQUESTING THE DISTRIBUTION OF MATCHING FUNDS FROM THE FUND;

(3) AN EXPLANATION OF HOW THE PROPOSED USE SATISFIES THE CRITERIA FOR ELIGIBLE USES OF ENDOWMENT PROCEEDS UNDER ~~§ 6-620~~ § 6-614 OF THIS SUBTITLE;

(4) AN EXPLANATION OF HOW THE PROPOSED USE OF THE ENDOWMENT PROCEEDS FURTHERS THE PURPOSES OF THIS SUBTITLE AND ADDRESSES THE RESEARCH NEEDS OF THE INSTITUTION AS IDENTIFIED IN THE RESEARCH PLAN; AND

(5) A DESIGNATION OF THE APPLICABLE RESEARCH ENDOWMENT INTO WHICH THE REQUESTED MATCHING FUNDS ARE TO BE DEPOSITED.

(D) THE AUTHORITY SHALL REVIEW EACH REQUEST FOR DISTRIBUTION OF MATCHING FUNDS FROM THE FUND FOR COMPLIANCE WITH THE PROVISIONS OF THIS SUBTITLE AND DEPARTMENT REGULATIONS.

(E) IF THE AUTHORITY APPROVES THE REQUEST OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION, THE AUTHORITY SHALL DISTRIBUTE MATCHING FUNDS TO THE APPLICABLE RESEARCH ENDOWMENT IN AN AMOUNT EQUAL TO THE AMOUNT OF QUALIFIED DONATIONS.

~~6-625.~~ 6-619.

(A) ~~EACH~~ WITHIN 90 DAYS AFTER APPROVAL BY THE AUTHORITY OF A REQUEST FOR MATCHING FUNDS UNDER § 6-618 OF THIS SUBTITLE, EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL DEPOSIT ~~BY JULY 1, 2018, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014 OR BY JULY 1, 2020, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016~~ AN AMOUNT OF QUALIFIED DONATIONS EQUAL TO OR GREATER THAN THE TOTAL AMOUNT OF FUNDS ALLOCATED FOR DISTRIBUTION TO THE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN ACCORDANCE WITH ~~§ 6-624~~ § 6-618 OF THIS SUBTITLE.

(B) IF A NONPROFIT INSTITUTION OF HIGHER EDUCATION FAILS TO HAVE DEPOSITED INTO ITS RESEARCH ENDOWMENTS THE REQUIRED AMOUNT OF QUALIFIED DONATIONS ~~BY JULY 1, 2018, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014 OR BY JULY 1, 2020, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016~~ THE DATE AS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, ANY PORTION OF THE FUNDS ALLOCATED TO THE INSTITUTION THAT HAS NOT BEEN DISTRIBUTED SHALL BE REALLOCATED TO ANOTHER NONPROFIT INSTITUTION OF HIGHER EDUCATION IN ACCORDANCE WITH THIS SUBTITLE.

~~(C) IF THE AUTHORITY FAILS TO ALLOCATE THE FUNDS IN THE FUND DERIVED FROM THE PURCHASES OF TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEARS 2014 OR 2016 BY JULY 1, 2018, OR JULY 1, 2020, RESPECTIVELY, AND A NONPROFIT INSTITUTION OF HIGHER EDUCATION HAS PREVIOUSLY RECEIVED 25% OF THE FUNDS IN THE FUND CUMULATIVE PROGRAM FUNDS FROM THE FUND, THE AUTHORITY MAY DISTRIBUTE ADDITIONAL FUNDS TO THE NONPROFIT INSTITUTION IN ACCORDANCE WITH THIS SUBTITLE.~~

~~6-626. 6-620.~~ RESERVED.

~~6-627. 6-621.~~ RESERVED.

~~PART VI.~~ V. MISCELLANEOUS.

~~6-628.~~

~~(A) IN ANY CASE UNDER THE INSURANCE LAW OF THE STATE IN WHICH THE ASSETS OF A PURCHASER ARE EXAMINED OR CONSIDERED, THE DESIGNATED CAPITAL SHALL BE TREATED AS AN ADMITTED ASSET, SUBJECT TO THE SAME FINANCIAL RATING AS THAT HELD BY THE STATE.~~

~~(B) THE DEPARTMENT SHALL SUBMIT THE FOLLOWING TO THE MARYLAND INSURANCE ADMINISTRATION:~~

~~(1) THE NAMES, ADDRESSES, AND AMOUNT OF DESIGNATED CAPITAL TO BE CONTRIBUTED AND PREMIUM TAX CREDITS EARNED BY EACH SUCCESSFUL BIDDER WITHIN 30 DAYS AFTER THE CLOSE OF THE BIDDING PROCESS UNDER § 6-613 OF THIS SUBTITLE;~~

~~(2) A COPY OF THE TAX CREDIT CERTIFICATE ISSUED TO EACH PURCHASER WITHIN 30 DAYS AFTER THE ISSUANCE OF THE CERTIFICATE UNDER § 6-614 OF THIS SUBTITLE;~~

~~(3) THE OCCURRENCE OF A DEFAULT BY A PURCHASER; AND~~

~~(4) THE TRANSFER OF PREMIUM TAX CREDITS BY A PURCHASER.~~

~~6-629.~~

~~(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE DOES NOT APPLY TO A SERVICE THAT THE DEPARTMENT OBTAINS THAT IS RELATED TO~~

~~THE INVESTMENT, MANAGEMENT, ANALYSIS, PURCHASE, OR SALE OF AN ASSET OF THE DEPARTMENT IN A TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.~~

~~(B) THE DEPARTMENT IS SUBJECT TO TITLE 12, SUBTITLE 4 OF THE STATE FINANCE AND PROCUREMENT ARTICLE FOR SERVICES RELATED TO THE INVESTMENT, MANAGEMENT, ANALYSIS, PURCHASE, OR SALE OF ASSETS OF THE DEPARTMENT IN ANY TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.~~

~~(C) SECTION 10 305 OF THE STATE FINANCE AND PROCUREMENT ARTICLE DOES NOT APPLY TO THE SALE, LEASE, TRANSFER, EXCHANGE, OR OTHER DISPOSITION OF REAL OR PERSONAL PROPERTY, INCLUDING A SHARE OF STOCK IN A BUSINESS ENTITY, THAT THE DEPARTMENT ACQUIRES IN A TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.~~

~~6-630. 6-622.~~

THE DEPARTMENT SHALL ADMINISTER THIS SUBTITLE AND SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

~~6-631. 6-623.~~

(A) (1) ON OR BEFORE JANUARY 1, 2016, AND JANUARY 1 OF EACH SUBSEQUENT YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT ON THE IMPLEMENTATION OF THE PROGRAM TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE.

(2) THE DEPARTMENT SHALL PUBLISH THE REPORT ON THE DEPARTMENT'S WEB SITE IN A PUBLICLY AVAILABLE FORMAT.

(3) THE REPORT PUBLISHED ON THE WEB SITE MAY NOT INCLUDE ANY PROPRIETARY OR CONFIDENTIAL INFORMATION.

(B) THE REPORT SHALL INCLUDE:

~~(1) WITH RESPECT TO EACH PURCHASER OF TAX CREDITS UNDER THE PROGRAM:~~

~~(I) THE NAME OF THE PURCHASER OF THE TAX CREDITS;~~

~~(II) THE AMOUNT OF TAX CREDITS ALLOCATED TO THE PURCHASER;~~

~~(III) THE AMOUNT OF DESIGNATED CAPITAL THE PURCHASER CONTRIBUTED FOR THE ISSUANCE OF THE TAX CREDIT CERTIFICATE; AND~~

~~(IV) THE AMOUNT OF ANY TAX CREDITS THAT HAVE BEEN TRANSFERRED UNDER § 6-615 OF THIS SUBTITLE; AND~~

~~(2)~~, WITH RESPECT TO EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION THAT HAS RECEIVED AN ALLOCATION OF FUNDS FROM THE FUND:

~~(I)~~ (1) THE NAME AND ADDRESS OF THE INSTITUTION;

~~(II)~~ (2) THE NAMES OF THE INDIVIDUALS MAKING DECISIONS ON BEHALF OF THE INSTITUTION REGARDING EXPENDITURE OF THE FUNDS ALLOCATED;

~~(III)~~ (3) THE AMOUNT OF FUNDS RECEIVED DURING THE PREVIOUS FISCAL YEAR;

~~(IV)~~ (4) THE CUMULATIVE AMOUNT OF FUNDS RECEIVED;
AND

~~(V)~~ (5) THE AMOUNT OF FUNDS REMAINING UNSPENT AT THE END OF THE PREVIOUS FISCAL YEAR.

~~Article – Insurance~~

~~6-122.~~

~~An insurer may claim a tax credit for an investment of designated capital as provided under Title 6, Subtitle 5 OR 6 of the Economic Development Article.~~

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 E-NNOVATION INITIATIVE FUND.

Article – Tax – General

2-202.

(a) After making the distribution required under § 2-201 of this subtitle, within 20 days after the end of each quarter, the Comptroller shall distribute:

(1) except as provided in subsection (b) of this section, from the revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars under § 4-102(e) of this article:

*(i) 1. **FOR FISCAL YEARS 2016 THROUGH 2021, the revenue attributable to a tax rate of 20% to the [General Fund of the State] MARYLAND E-NNOVATION INITIATIVE FUND UNDER § 6-604 OF THE ECONOMIC DEVELOPMENT ARTICLE;***

*2. **IN FISCAL YEAR 2022 AND IN EACH FISCAL YEAR THEREAFTER, THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 20% TO THE GENERAL FUND OF THE STATE; and***

(ii) the revenue attributable to a tax rate of 5% to the Special Fund for Preservation of Cultural Arts in Maryland, as provided in § 4-801 of the Economic Development Article; and

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

Approved by the Governor, May 15, 2014.

Chapter 533

(House Bill 741)

AN ACT concerning

Business and Economic Development – Maryland E–Nnovation Initiative Program

FOR the purpose of establishing a Maryland E–Nnovation Initiative Program for certain purposes; establishing a Maryland E–Nnovation Initiative Fund in the Department of Business and Economic Development for certain purposes; establishing a Maryland E–Nnovation Initiative Fund Authority in the Department for certain purposes; requiring the Governor to include in the annual budget bill certain appropriations to the Fund for certain fiscal years; providing for the investment of money in and expenditures from the Fund; providing for the membership and duties of the Authority; ~~allowing certain persons to purchase credits against the insurance premium tax or Maryland corporate income tax in order to fund certain research at certain institutions of higher education~~; providing for the duties of the Department in connection with the Program; ~~requiring the Authority to obtain the services of an independent third party to conduct a bidding process for the purchase of certain tax credits for certain purposes~~; ~~establishing certain requirements for certain offers for certain tax credit bids~~; ~~limiting the total tax credits that may be allowed for all years~~; ~~requiring certain dedicated capital to be paid to the Fund in certain amounts in accordance with certain procedures~~; ~~requiring the Department to issue certain tax credit certificates in a certain manner~~; ~~providing for certain penalties under certain circumstances~~; ~~authorizing the Department to purchase certain insurance for certain purposes~~; ~~authorizing a purchaser of certain tax credits to claim the credits for certain taxable years in a certain manner~~; ~~providing for the transfer of certain tax credits under certain circumstances~~; providing for the creation and administration of certain research endowments by certain governing bodies of certain institutions of higher education; requiring certain institutions of higher education to obtain certain qualified donations in order to receive certain matching funds; requiring certain reports on the receipt of qualified donations; providing for the expenditure of endowment proceeds under certain circumstances; establishing certain requirements for certain individuals in certain positions funded by endowment proceeds; requiring the Authority to issue certain eligibility criteria; requiring the governing body of a certain institution of higher education to submit certain research endowment plans to the Authority; requiring the Authority to make available a certain amount of funds to match qualified donations; requiring the Authority to review certain requests and distribute certain funds under certain circumstances; requiring a certain institution of higher education to deposit certain qualified donations into certain research endowments by a certain date within a certain time period; providing for the reallocation of certain funds under certain circumstances; ~~requiring that certain designated capital be treated in a certain manner under certain circumstances~~; ~~requiring the Department to submit certain information to the Maryland Insurance Administration~~; ~~providing for the application of certain laws to certain services and transactions under this Act~~; requiring the Department to administer the Program and to adopt certain regulations; requiring the Department to submit an annual report to the Governor and certain committees of the General Assembly on certain matters;

requiring the Department to publish the report on the Department's Web site in a certain format; prohibiting a certain publication from including any proprietary or confidential information; altering the distribution of certain revenue from a certain tax in a certain manner; defining certain terms; and generally relating to ~~tax credits, higher education,~~ higher education and the Maryland E–Nnovation Initiative Program.

BY adding to

Article – Economic Development

Section 6–601 through ~~6–631~~ 6–623 to be under the new subtitle “Subtitle 6. Maryland E–Nnovation Initiative Program”

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article – Insurance~~

~~Section 6–122~~

~~Annotated Code of Maryland~~

~~(2011 Replacement 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,

Article – Tax – General

Section 2–202(a)(1)

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

WHEREAS, The State of Maryland is home to world-class research universities, national federal laboratories, and businesses; and

WHEREAS, Our region is home to the White House, U.S. Congress, federal agencies, embassies, trade associations, regulatory agencies, foundations, corporate headquarters, and other technology and policy resources; and

WHEREAS, By recruiting and retaining top university researchers and encouraging collaboration among Maryland research universities and federal agencies, the Maryland General Assembly can enhance the economic competitiveness of the State and build on existing clusters of research and innovation; and

WHEREAS, By stimulating corporate, foundation, and private donor support for university professorships, endowed chairs, and related public-private partnerships, Maryland can spur progress on key national technical and scientific issues facing the nation while supporting job growth and economic development in Maryland; and

WHEREAS, Leveraging the impact of State funds through matching funds from the private sector to create a \$100 million Maryland E-Innovation Initiative Program will provide Maryland with a tremendous advantage in the global competition for the best minds in the world and the opportunities, jobs, and industries created by their work; now, therefore,

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

Article – Economic Development

SUBTITLE 6. MARYLAND E-INNOVATION INITIATIVE PROGRAM.

PART I. DEFINITIONS.

6-601.

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

~~(B) “ALLOCATION AMOUNT” MEANS THE TOTAL AMOUNT OF TAX CREDITS ALLOCATED TO A PURCHASER.~~

~~(C) “ALLOCATION DATE” MEANS THE DATE ON WHICH TAX CREDITS ARE ALLOCATED TO A PURCHASER UNDER § 6-614 OF THIS SUBTITLE.~~

~~(D)~~ (B) “AUTHORITY” MEANS THE MARYLAND E-INNOVATION INITIATIVE FUND AUTHORITY ESTABLISHED UNDER § 6-605 OF THIS SUBTITLE.

~~(E) “DESIGNATED CAPITAL” MEANS THE AMOUNT OF MONEY THAT A PURCHASER INVESTS UNDER THE PROGRAM.~~

~~(F)~~ (C) “ENDOWMENT PROCEEDS” MEANS THOSE INVESTMENT EARNINGS ACCRUING TO A RESEARCH ENDOWMENT OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION AND AVAILABLE FOR EXPENDITURE BY THE INSTITUTION IN ACCORDANCE WITH ~~§ 6-618~~ § 6-612 OF THIS SUBTITLE.

~~(G)~~ (D) “FUND” MEANS THE MARYLAND E-INNOVATION INITIATIVE FUND CREATED UNDER § 6-604 OF THIS SUBTITLE.

~~(H)~~ (E) “GOVERNING BOARD” HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.

~~(I)~~ (F) “GOVERNING BODY” MEANS:

- (1) A GOVERNING BOARD;
- (2) THE GOVERNING ENTITY OF PRIVATE NONPROFIT INSTITUTIONS OF HIGHER EDUCATION; OR
- (3) THE GOVERNING ENTITY OF A REGIONAL HIGHER EDUCATION CENTER.

~~(J) “INSURANCE PREMIUM TAX LIABILITY” MEANS:~~

~~(1) ANY LIABILITY INCURRED BY AN INSURANCE COMPANY UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE AS OF OCTOBER 1, 2014; OR~~

~~(2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS SUBSECTION IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS BEEN IMPOSED BY THE STATE ON THE INSURANCE COMPANY AS OF OCTOBER 1, 2014, NOT TO EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR REDUCED.~~

~~(K) “MARYLAND CORPORATE INCOME TAX LIABILITY” MEANS:~~

~~(1) ANY LIABILITY INCURRED BY A CORPORATION UNDER TITLE 10, SUBTITLE 1 OF THE TAX GENERAL ARTICLE AS OF OCTOBER 1, 2014; OR~~

~~(2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS SUBSECTION IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS~~

~~BEEN IMPOSED BY THE STATE ON THE CORPORATION AS OF OCTOBER 1, 2014,
NOT TO EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR REDUCED.~~

~~(H)~~ (G) (1) “NONPROFIT INSTITUTION OF HIGHER EDUCATION” MEANS AN INSTITUTION OF POSTSECONDARY EDUCATION LOCATED IN THE STATE, THAT RECEIVES STATE FUNDS IN THE ANNUAL OPERATING BUDGET AND THAT GENERALLY LIMITS ENROLLMENT TO GRADUATES OF SECONDARY SCHOOLS AND AWARDS DEGREES AT EITHER THE ASSOCIATE, BACCALAUREATE, OR GRADUATE LEVEL.

(2) “NONPROFIT INSTITUTION OF HIGHER EDUCATION” INCLUDES PUBLIC AND PRIVATE NONPROFIT INSTITUTIONS OF HIGHER EDUCATION LOCATED IN THE STATE.

~~(M)~~ (H) “PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.

~~(N)~~ (I) “PROGRAM” MEANS THE MARYLAND E-NNOVATION INITIATIVE PROGRAM UNDER THIS SUBTITLE.

~~(O)~~ ~~“PURCHASER” MEANS:~~

~~(1) AN INSURANCE COMPANY THAT:~~

~~(I) IS AUTHORIZED TO DO BUSINESS IN THE STATE;~~

~~(II) HAS INSURANCE PREMIUM TAX LIABILITY; AND~~

~~(III) CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN ALLOCATION OF PREMIUM TAX CREDITS UNDER THE PROGRAM;~~

~~(2) A HOLDING COMPANY THAT:~~

~~(I) HAS AT LEAST ONE INSURANCE COMPANY SUBSIDIARY AUTHORIZED TO DO BUSINESS IN THE STATE; AND~~

~~(II) IS CONTRIBUTING DESIGNATED CAPITAL ON BEHALF OF ONE OR MORE OF THESE SUBSIDIARIES; OR~~

~~(3) A CORPORATION THAT:~~

~~(I) HAS MARYLAND CORPORATE INCOME TAX LIABILITY;~~

~~AND~~

~~(H) CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN ALLOCATION OF MARYLAND CORPORATE INCOME TAX CREDITS UNDER THE PROGRAM.~~

~~(P)~~ (J) "QUALIFIED DONATION" MEANS ANY PRIVATE DONATION, GIFT, IRREVOCABLE PLEDGE, OR BEQUEST TO A RESEARCH ENDOWMENT IN ACCORDANCE WITH ~~§ 6-619~~ § 6-613 OF THIS SUBTITLE.

~~(Q)~~ (K) "REGIONAL HIGHER EDUCATION CENTER" HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.

~~(R)~~ (L) "RESEARCH ENDOWMENT" MEANS AN ACCOUNT ESTABLISHED AT OR ADMINISTERED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION IN ACCORDANCE WITH ~~§ 6-618~~ § 6-612 OF THIS SUBTITLE.

~~(S) "TAX CREDIT" MEANS A CREDIT AGAINST INSURANCE PREMIUM TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY OFFERED TO A PURCHASER UNDER THE PROGRAM.~~

6-602. RESERVED.

6-603. RESERVED.

PART II. MARYLAND E-NOVATION INITIATIVE FUND AND AUTHORITY.

6-604.

(A) THERE IS A MARYLAND E-NOVATION INITIATIVE FUND IN THE DEPARTMENT.

(B) THE SECRETARY SHALL MANAGE AND SUPERVISE 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) ~~DESIGNATED CAPITAL REVENUE~~ DISTRIBUTED TO THE FUND UNDER ~~§ 6-612 OF THIS SUBTITLE;~~ 2-202(A)(1) OF THE TAX - GENERAL ARTICLE;

(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
AND

(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(E) FOR EACH OF FISCAL YEARS 2016 THROUGH 2021, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE FUND IN AN AMOUNT THAT WHEN COMBINED WITH THE AMOUNT ESTIMATED TO BE DISTRIBUTED TO THE FUND UNDER SUBSECTION (D)(1) OF THIS SECTION EQUALS AT LEAST \$8,500,000.

~~(E)~~ (F) THE DEPARTMENT MAY USE THE FUND TO:

(1) FINANCE RESEARCH ENDOWMENTS AT NONPROFIT INSTITUTIONS OF HIGHER EDUCATION IN SCIENTIFIC AND TECHNICAL FIELDS OF STUDY; AND

(2) PAY THE RELATED ADMINISTRATIVE, LEGAL, AND ACTUARIAL EXPENSES OF THE DEPARTMENT.

~~(E)~~ (G) (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 CREDITED TO THE FUND.

~~(G)~~ (H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

6-605.

THERE IS A MARYLAND E-NOVATION INITIATIVE FUND AUTHORITY IN THE DEPARTMENT.

6-606.

~~THE AUTHORITY CONSISTS OF THOSE MEMBERS APPOINTED TO THE MARYLAND VENTURE FUND AUTHORITY ESTABLISHED UNDER SUBTITLE 5 OF THIS TITLE.~~

THE AUTHORITY CONSISTS OF:

(1) THE EXECUTIVE DIRECTOR OF THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

(2) THE EXECUTIVE VICE PRESIDENT OF THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, OR THE EXECUTIVE VICE PRESIDENT'S DESIGNEE;

(3) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;

(4) THE MANAGING DIRECTOR OF THE MARYLAND VENTURE FUND, OR THE MANAGING DIRECTOR'S DESIGNEE;

(5) THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF MARYLAND, OR THE CHANCELLOR'S DESIGNEE; AND

(6) TWO INDIVIDUALS FROM THE PRIVATE SECTOR NOT AFFILIATED WITH HIGHER EDUCATION APPOINTED BY THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE TO THE MARYLAND INNOVATION INITIATIVE UNDER § 10-455 OF THIS ARTICLE.

6-607.

(A) ~~THE CHAIR OF THE MARYLAND VENTURE FUND AUTHORITY SHALL SERVE AS THE CHAIR~~ BE CHOSEN BY THE MEMBERS OF THE AUTHORITY.

(B) THE AUTHORITY SHALL DETERMINE THE MANNER OF ELECTION OF OFFICERS AND THEIR TERMS OF OFFICE.

6-608.

(A) (1) ~~FIVE~~ FOUR MEMBERS OF THE AUTHORITY ARE A QUORUM.

(2) AN ACT OF THE AUTHORITY SHALL BE APPROVED BY A MAJORITY VOTE OF THE MEMBERS ATTENDING A MEETING AT WHICH A QUORUM IS PRESENT.

(B) A MEMBER OF THE AUTHORITY:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE AUTHORITY; BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

6-609.

THE AUTHORITY SHALL PROVIDE ADVICE TO AND CONSULT WITH THE DEPARTMENT IN CONNECTION WITH THE ADMINISTRATION OF THE PROGRAM UNDER THIS SUBTITLE.

6-610. RESERVED.

6-611. RESERVED.

~~PART III. DESIGNATED CAPITAL.~~

~~6-612.~~

~~(A) ALL DESIGNATED CAPITAL FROM PURCHASERS SHALL BE DEPOSITED INTO THE FUND TO BE INVESTED AS PROVIDED IN THIS SUBTITLE.~~

~~(B) AS SOON AS PRACTICABLE AFTER THE DEPARTMENT RECEIVES EACH INSTALLMENT OF DESIGNATED CAPITAL AND A NONPROFIT INSTITUTION OF HIGHER EDUCATION RECEIVES AN EQUIVALENT AMOUNT IN QUALIFIED DONATIONS, THE DEPARTMENT AND EACH INSTITUTION THAT HAS BEEN ALLOCATED FUNDING FROM THE FUND SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING UNDER WHICH THE ALLOCATED AMOUNT OF FUNDING WILL BE TRANSFERRED BY THE DEPARTMENT TO THE INSTITUTION FOR USE AS PROVIDED IN THIS SUBTITLE.~~

~~(C) THE DEPARTMENT SHALL SECURE THE COMMITMENT OF THE PURCHASERS IN ACCORDANCE WITH § 6-613 OF THIS SUBTITLE.~~

~~6-613.~~

~~(A) THE AUTHORITY SHALL OBTAIN THE SERVICES OF AN INDEPENDENT THIRD PARTY TO CONDUCT A BIDDING PROCESS IN ORDER TO SECURE PURCHASERS FOR THE PROGRAM AS PROVIDED IN THIS SECTION.~~

~~(B) USING THE PROCEDURES ADOPTED BY THE INDEPENDENT THIRD PARTY, EACH POTENTIAL PURCHASER SHALL MAKE A TIMELY AND IRREVOCABLE OFFER, SUBJECT ONLY TO THE DEPARTMENT'S ISSUANCE TO THE PURCHASER OF TAX CREDIT CERTIFICATES, TO MAKE SPECIFIED~~

~~CONTRIBUTIONS OF DESIGNATED CAPITAL TO THE DEPARTMENT ON THE DATES SPECIFIED IN § 6-614(A) OF THIS SUBTITLE.~~

~~(C) THE OFFER SHALL INCLUDE:~~

~~(1) THE REQUESTED AMOUNT OF TAX CREDITS, WHICH MAY NOT BE LESS THAN \$5,000,000;~~

~~(2) THE POTENTIAL PURCHASER'S SPECIFIED CONTRIBUTION FOR EACH TAX CREDIT DOLLAR REQUESTED, WHICH MAY NOT BE LESS THAN THE GREATER OF:~~

~~(I) 70% OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS; OR~~

~~(II) THE PERCENTAGE OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS THAT THE SECRETARY, ON THE RECOMMENDATION OF THE INDEPENDENT THIRD PARTY, DETERMINES TO BE CONSISTENT WITH MARKET CONDITIONS AS OF THE OFFER DATE; AND~~

~~(3) ANY OTHER INFORMATION THE INDEPENDENT THIRD PARTY REQUIRES.~~

~~(D) THE MAXIMUM AMOUNT OF TAX CREDITS THAT MAY BE ALLOCATED UNDER THIS SUBTITLE FOR ALL YEARS IN WHICH TAX CREDITS ARE ALLOCATED IS:~~

~~(1) \$25,000,000 FOR CALENDAR YEAR 2014; AND~~

~~(2) \$25,000,000 FOR CALENDAR YEAR 2016.~~

~~(E) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014:~~

~~(1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX CREDITS IS FEBRUARY 1, 2015; AND~~

~~(2) EACH POTENTIAL PURCHASER SHALL RECEIVE A WRITTEN NOTICE FROM THE DEPARTMENT NOT LATER THAN MAY 1, 2015, INDICATING WHETHER OR NOT IT HAS BEEN APPROVED AS A PURCHASER AND, IF SO, THE AMOUNT OF TAX CREDITS ALLOCATED.~~

~~(F) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016:~~

~~(1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX CREDITS IS FEBRUARY 1, 2017; AND~~

~~(2) EACH POTENTIAL PURCHASER SHALL RECEIVE A WRITTEN NOTICE FROM THE DEPARTMENT NOT LATER THAN MAY 1, 2017, INDICATING WHETHER OR NOT IT HAS BEEN APPROVED AS A PURCHASER AND, IF SO, THE AMOUNT OF TAX CREDITS ALLOCATED.~~

~~6-614.~~

~~(A) (1) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014, DESIGNATED CAPITAL COMMITTED BY A PURCHASER SHALL BE PAID TO THE FUND OF THE DEPARTMENT IN THREE EQUAL YEARLY INSTALLMENTS DUE ON JUNE 1 OF 2015, 2016, AND 2017.~~

~~(2) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016, DESIGNATED CAPITAL COMMITTED BY A PURCHASER SHALL BE PAID TO THE FUND OF THE DEPARTMENT IN THREE EQUAL YEARLY INSTALLMENTS DUE ON JUNE 1 OF 2017, 2018, AND 2019.~~

~~(B) ON RECEIPT OF EACH INSTALLMENT OF DESIGNATED CAPITAL, THE DEPARTMENT SHALL ISSUE TO EACH PURCHASER A TAX CREDIT CERTIFICATE REPRESENTING A FULLY VESTED CREDIT AGAINST INSURANCE PREMIUM TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EQUAL TO ONE THIRD OF THE TOTAL TAX CREDITS ALLOCATED TO THE PURCHASER.~~

~~(C) THE DEPARTMENT SHALL ISSUE TAX CREDIT CERTIFICATES TO PURCHASERS IN ACCORDANCE WITH THE BIDDING PROCESS SELECTED BY THE INDEPENDENT THIRD PARTY ON BEHALF OF THE AUTHORITY UNDER § 6-613 OF THIS SUBTITLE.~~

~~(D) THE TAX CREDIT CERTIFICATE SHALL STATE:~~

~~(1) THE TOTAL AMOUNT OF TAX CREDITS THAT THE PURCHASER MAY CLAIM;~~

~~(2) THE AMOUNT OF DESIGNATED CAPITAL THAT THE PURCHASER HAS CONTRIBUTED IN RETURN FOR THE ISSUANCE OF THE TAX CREDIT CERTIFICATE;~~

~~(3) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE FOR USE BY THE PURCHASER;~~

- ~~(4) ANY PENALTIES OR OTHER REMEDIES FOR NONCOMPLIANCE;~~
- ~~(5) THE PROCEDURES TO BE USED FOR TRANSFERRING THE TAX CREDITS; AND~~
- ~~(6) ANY OTHER REQUIREMENTS THE DEPARTMENT CONSIDERS NECESSARY.~~

~~(E) (1) A TAX CREDIT CERTIFICATE MAY NOT BE ISSUED TO ANY PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF DESIGNATED CAPITAL WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES.~~

~~(2) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF DESIGNATED CAPITAL WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES SHALL BE SUBJECT TO A PENALTY EQUAL TO 10% OF THE AMOUNT OF DESIGNATED CAPITAL THAT REMAINS UNPAID, PAYABLE TO THE DEPARTMENT WITHIN 30 DAYS AFTER DEMAND BY THE DEPARTMENT.~~

~~(3) THE DEPARTMENT MAY OFFER TO REALLOCATE THE DEFAULTED DESIGNATED CAPITAL AMONG THE OTHER PURCHASERS, SO THAT THE RESULT AFTER REALLOCATION IS THE SAME AS IF THE INITIAL ALLOCATION HAD BEEN PERFORMED WITHOUT CONSIDERING THE TAX CREDIT ALLOCATION TO THE DEFAULTING PURCHASER.~~

~~(4) IF THE REALLOCATION OF DESIGNATED CAPITAL RESULTS IN THE CONTRIBUTION BY ANOTHER PURCHASER OR PURCHASERS OF THE AMOUNT OF DESIGNATED CAPITAL NOT CONTRIBUTED BY THE DEFAULTING PURCHASER, THEN THE DEPARTMENT MAY WAIVE THE PENALTY PROVIDED UNDER THIS SUBSECTION.~~

~~(5) (I) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF DESIGNATED CAPITAL WITHIN THE TIME PERIOD SPECIFIED MAY AVOID THE IMPOSITION OF THE PENALTY BY TRANSFERRING THE ALLOCATION OF TAX CREDITS TO A NEW OR EXISTING PURCHASER WITHIN 30 DAYS AFTER THE DUE DATE OF THE DEFAULTED INSTALLMENT.~~

~~(II) ANY TRANSFEREE OF AN ALLOCATION OF TAX CREDITS FROM A DEFAULTING PURCHASER UNDER THIS SECTION SHALL AGREE TO MAKE THE REQUIRED CONTRIBUTION OF DESIGNATED CAPITAL WITHIN 30 DAYS AFTER THE DATE OF THE TRANSFER.~~

~~(6) (I) THE DEPARTMENT IN ITS SOLE DISCRETION MAY PURCHASE INSURANCE OR MAKE OTHER FINANCIAL ARRANGEMENTS IN ORDER~~

~~TO ENSURE THE AVAILABILITY OF THE FULL AMOUNT OF DESIGNATED CAPITAL COMMITTED BY PURCHASERS.~~

~~(H) THE DEPARTMENT SHALL DISCLOSE ANY PURCHASE OF INSURANCE OR OTHER SIMILAR FINANCIAL ARRANGEMENT UNDER THIS PARAGRAPH IN THE ANNUAL REPORT REQUIRED UNDER § 6-631 OF THIS SUBTITLE.~~

~~6-615.~~

~~(A) (1) SUBJECT TO THE RESTRICTION IN PARAGRAPH (2) OF THIS SUBSECTION, A PURCHASER MAY CLAIM THE TAX CREDIT ON A TAX RETURN FILED AFTER DECEMBER 31, 2017, FOR A TAXABLE YEAR THAT BEGINS ON OR AFTER JANUARY 1, 2017.~~

~~(2) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014, A PURCHASER MAY CLAIM UP TO 20% OF THE TAX CREDIT ALLOCATED TO THAT PURCHASER IN EACH CALENDAR YEAR FROM 2018 THROUGH 2022.~~

~~(3) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016, A PURCHASER MAY CLAIM UP TO 20% OF THE TAX CREDIT ALLOCATED TO THAT PURCHASER IN EACH CALENDAR YEAR FROM 2020 THROUGH 2024.~~

~~(B) (1) THE CREDIT TO BE APPLIED AGAINST INSURANCE PREMIUM TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY IN ANY TAXABLE YEAR MAY NOT EXCEED THE TAX LIABILITY OF THE PURCHASER FOR THAT TAXABLE YEAR.~~

~~(2) ANY UNUSED CREDIT AGAINST TAX LIABILITY MAY BE:~~

~~(i) CARRIED FORWARD INDEFINITELY UNTIL THE TAX CREDITS ARE USED; AND~~

~~(H) 1. FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014, USED BY THE PURCHASER WITHOUT RESTRICTION DURING ANY CALENDAR YEAR AFTER 2022; OR~~

~~2. FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016, USED BY THE PURCHASER WITHOUT RESTRICTION DURING ANY CALENDAR YEAR AFTER 2024.~~

~~(3) ON 30 DAYS' ADVANCE NOTICE TO THE DEPARTMENT, TAX CREDITS ALLOCATED TO A PURCHASER UNDER THIS SUBTITLE MAY BE TRANSFERRED WITHOUT FURTHER RESTRICTION TO ANY OTHER ENTITY THAT:~~

~~(I) MEETS THE DEFINITION OF A PURCHASER;~~

~~(II) IS IN GOOD STANDING WITH THE MARYLAND INSURANCE ADMINISTRATION, IF THE PURCHASER IS AN INSURANCE COMPANY OR HOLDING COMPANY; AND~~

~~(III) AGREES TO ASSUME ALL OF THE TRANSFEROR'S OBLIGATIONS UNDER THE PROGRAM.~~

~~(C) A PURCHASER CLAIMING A CREDIT AGAINST INSURANCE PREMIUM TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EARNED THROUGH AN INVESTMENT UNDER THE PROGRAM IS NOT REQUIRED TO PAY ANY ADDITIONAL TAX AS A RESULT OF CLAIMING THE CREDIT.~~

~~(D) A PURCHASER IS NOT REQUIRED TO REDUCE THE AMOUNT OF PREMIUM TAX INCLUDED BY THE PURCHASER IN CONNECTION WITH RATE MAKING FOR ANY INSURANCE CONTRACT WRITTEN IN THE STATE BECAUSE OF A REDUCTION IN THE PURCHASER'S INSURANCE PREMIUM TAX DERIVED FROM THE CREDIT GRANTED UNDER THIS SUBTITLE.~~

~~6-616. RESERVED.~~

~~6-617. RESERVED.~~

~~PART IV.~~ III. RESEARCH ENDOWMENTS.

~~6-618.~~ 6-612.

(A) THE GOVERNING BODY OF EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY CREATE AND ADMINISTER ONE OR MORE RESEARCH ENDOWMENTS TO RECEIVE FUNDING FROM THE FUND.

(B) A RESEARCH ENDOWMENT CONSISTS OF FUNDS DISTRIBUTED BY THE AUTHORITY FROM THE FUND IN ACCORDANCE WITH ~~§ 6-624~~ § 6-618 OF THIS SUBTITLE AND QUALIFIED DONATIONS.

(C) (1) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY INVEST FUNDS DEPOSITED INTO THE RESEARCH ENDOWMENT IN A MANNER CONSISTENT WITH OTHER INSTITUTIONAL ENDOWMENTS MANAGED BY THE INSTITUTION.

(2) ANY INTEREST OR OTHER INVESTMENT EARNINGS ON THE FUNDS INVESTED ARE RETAINED BY THE NONPROFIT INSTITUTION OF HIGHER EDUCATION TO BE USED FOR THE PURPOSES SET FORTH IN THIS SUBTITLE.

(D) INVESTMENT EARNINGS ACCRUING TO THE RESEARCH ENDOWMENT OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY BE EXPENDED BY THE GOVERNING BODY OF THE INSTITUTION ~~IF THE INVESTMENT EARNINGS ARE EXPENDED~~ ONLY FOR THE ELIGIBLE USES ~~DESIGNATED~~ UNDER § 6-614 OF THIS SUBTITLE.

(E) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION IS EXEMPT FROM LIABILITY FOR ANY LOSS OR DECREASE IN VALUE OF THE ASSETS OR INCOME OF A RESEARCH ENDOWMENT, UNLESS THE LOSSES OR DECREASES IN VALUE RESULT FROM BAD FAITH, GROSS NEGLIGENCE, OR INTENTIONAL MISCONDUCT.

(F) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL ISSUE RULES FOR THE ADMINISTRATION OF RESEARCH ENDOWMENTS THAT FULFILL THE PURPOSES AND REQUIREMENTS OF THIS SUBTITLE.

~~6-619.~~ 6-613.

(A) PRIVATE DONATIONS TO A RESEARCH ENDOWMENT SHALL BE CONSIDERED A QUALIFIED DONATION IF:

(1) THE DONATION OR PLEDGE IS EXPRESSLY OR SPECIFICALLY RESTRICTED BY THE DONOR FOR ONE OR MORE OF THE ELIGIBLE USES UNDER ~~§ 6-620~~ § 6-614 OF THIS SUBTITLE;

(2) THE INDIVIDUAL DONATION OR PLEDGE IS A MINIMUM OF \$500,000 OR IS BUNDLED WITH OTHER QUALIFIED DONATIONS TO MEET THE \$500,000 THRESHOLD; AND

(3) THE NONPROFIT INSTITUTION OF HIGHER EDUCATION ACCEPTS THE DONATION FROM INDIVIDUALS, PARTNERSHIPS, ASSOCIATIONS, PUBLIC OR PRIVATE FOR-PROFIT AND NONPROFIT CORPORATIONS, OR NONGOVERNMENTAL FOUNDATIONS.

(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY DESIGNATE UNRESTRICTED GIFTS OR BEQUESTS, OR A PORTION OF AN UNRESTRICTED GIFT OR BEQUEST, FOR USE AS A QUALIFIED DONATION.

(C) A QUALIFIED DONATION EXCLUDES:

(1) ANY DONATION RECEIVED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION PRIOR TO OCTOBER 1, 2014;

(2) EDUCATIONAL OR GENERAL FEES, AUXILIARY FEES, OR OTHER STUDENT FEES GENERATED BY THE INSTITUTION;

(3) PROCEEDS FROM PROMISSORY NOTES, BONDS, LOANS, OR OTHER INSTRUMENTS EVIDENCING AN INDEBTEDNESS OR ANY OTHER OBLIGATION OF REPAYMENT BY THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION TO THE MAKER OF THE INSTRUMENT; OR

(4) ANY OTHER FUNDS RECEIVED FROM THE STATE OR FEDERAL GOVERNMENT.

(D) (1) THE PRESIDENT OF EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION OR THE PRESIDENT'S DESIGNEE SHALL MAKE THE INITIAL DETERMINATION OF WHETHER A DONATION CONSTITUTES A QUALIFIED DONATION.

(2) THE PRESIDENT OF THE NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL PROVIDE A REPORT TO THE GOVERNING BODY OF THE INSTITUTION AT LEAST ONCE EACH FISCAL YEAR REGARDING THE AMOUNT OF QUALIFIED DONATIONS THE INSTITUTION HAS RECEIVED.

~~6-620.~~ 6-614.

(A) ENDOWMENT PROCEEDS SHALL BE EXPENDED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION TO FURTHER BASIC AND APPLIED RESEARCH IN SCIENTIFIC ~~AREAS~~ AND TECHNICAL FIELDS OF STUDY AS DESIGNATED BY THE AUTHORITY THAT OFFER PROMISING AND SIGNIFICANT ECONOMIC IMPACTS AND THE OPPORTUNITY TO DEVELOP CLUSTERS OF TECHNOLOGICAL INNOVATION IN THE STATE, INCLUDING:

~~(1) CYBER TECHNOLOGY;~~

~~(2) ENERGY AND ENVIRONMENTAL SCIENCES;~~

~~(3) NANOTECHNOLOGY AND MATERIALS SCIENCE;~~

~~(4) ADVANCED MEDICAL AND PUBLIC HEALTH SCIENCE;~~

- ~~(5) QUANTUM COMPUTING AND QUANTUM ENGINEERING;~~
- ~~(6) TRANSPORTATION TECHNOLOGY, LOGISTICS, AND AUTONOMOUS SYSTEMS INTEGRATION;~~
- ~~(7) SPACE AND AEROSPACE SCIENCES;~~
- ~~(8) BIOMETRICS, SECURITY, SENSING, AND RELATED IDENTIFICATION TECHNOLOGIES;~~
- ~~(9) GERONTOLOGY;~~
- ~~(10) NEUROSCIENCES; OR~~
- ~~(11) LANGUAGE SCIENCES.~~
- (1) PHYSICAL SCIENCES;
- (2) LIFE AND NEURO SCIENCES;
- (3) ENGINEERING;
- (4) MATHEMATICAL AND COMPUTATIONAL SCIENCES;
- (5) REGULATORY SCIENCE;
- (6) AUTONOMOUS SYSTEMS;
- (7) AERONAUTICAL AND SPACE SCIENCE;
- (8) ENVIRONMENTAL SCIENCES;
- (9) BEHAVIORAL AND LANGUAGE SCIENCE;
- (10) HEALTH SCIENCES;
- (11) AGRICULTURE; OR
- (12) CYBERSECURITY.

(B) ENDOWMENT PROCEEDS MAY BE EXPENDED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION FOR:

- (1) THE PAYMENT OF THE BASE SALARIES OF NEWLY ENDOWED DEPARTMENT CHAIRS, NEW PROFESSORSHIP POSITIONS, NEW RESEARCH

SCIENTISTS, OR NEW RESEARCH STAFF POSITIONS, INCLUDING RESEARCH TECHNICIANS AND SUPPORT PERSONNEL, AND TO FUND AFFILIATED GRADUATE OR UNDERGRADUATE STUDENT RESEARCH FELLOWSHIPS, IF THE POSITIONS OR FELLOWSHIPS ARE ENGAGED IN THE AREAS OF RESEARCH IDENTIFIED IN SUBSECTION (A) OF THIS SECTION; OR

(2) THE PURCHASE OF BASIC INFRASTRUCTURE, INCLUDING LABORATORY AND SCIENTIFIC EQUIPMENT OR OTHER ESSENTIAL EQUIPMENT AND MATERIALS, RELATED TO AN AREA OF RESEARCH IDENTIFIED IN SUBSECTION (A) OF THIS SECTION.

(C) AN INDIVIDUAL IN A POSITION THAT IS FUNDED BY ENDOWMENT PROCEEDS UNDER SUBSECTION (B)(1) OF THIS SECTION SHALL:

(1) WORK AT LEAST ONE DAY EACH WEEK IN SUPPORT OF A FEDERAL LABORATORY OR ASSOCIATED FEDERAL LABORATORY RESEARCH SUPPORT ORGANIZATION; ~~OR~~

(2) HOLD A JOINT APPOINTMENT OR SECONDARY POSITION AT ANOTHER NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE; OR

(3) WORK AT LEAST ONE DAY EACH WEEK IN SUPPORT OF ENTREPRENEURIAL ACTIVITIES WITH A COMPANY ENGAGED IN ONE OR MORE OF THE RESEARCH AREAS IDENTIFIED IN SUBSECTION (A) OF THIS SECTION.

(D) THE AUTHORITY SHALL ISSUE ELIGIBILITY CRITERIA REGARDING THE EXPENDITURE OF ENDOWMENT PROCEEDS TO PAY THE BASE SALARIES OF PERSONNEL, FUND STUDENT FELLOWSHIPS, AND PURCHASE BASIC INFRASTRUCTURE.

~~6-621, 6-615.~~

(A) THE GOVERNING BODY OF EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL SUBMIT A RESEARCH ENDOWMENT PLAN TO THE AUTHORITY PRIOR TO SUBMITTING ITS FIRST REQUEST FOR A DISTRIBUTION OF MATCHING FUNDS FROM THE FUND.

(B) THE RESEARCH PLAN SHALL INCLUDE:

(1) ANY INFORMATION REQUESTED BY THE AUTHORITY TO ENSURE COMPLIANCE WITH THE REQUIREMENTS OF THIS SUBTITLE; AND

(2) A DEMONSTRATION OF INTEREST FROM QUALIFIED PRIVATE DONORS TO MEET THE CRITERIA ESTABLISHED BY THE AUTHORITY.

~~6-622.~~ 6-616. RESERVED.

~~6-623.~~ 6-617. RESERVED.

PART ~~V.~~ IV. DISTRIBUTIONS FROM THE MARYLAND E-NOVATION INITIATIVE FUND.

~~6-624.~~ 6-618.

(A) EXCEPT AS PROVIDED IN ~~§ 6-625~~ § 6-619 OF THIS SUBTITLE, THE AUTHORITY SHALL MAKE AVAILABLE NO MORE THAN 25% OF CUMULATIVE PROGRAM FUNDS ~~IN~~ FROM THE FUND TO A SINGLE NONPROFIT INSTITUTION OF HIGHER EDUCATION TO MATCH QUALIFIED DONATIONS.

(B) A NONPROFIT INSTITUTION OF HIGHER EDUCATION SEEKING A DISTRIBUTION OF MATCHING FUNDS FROM THE FUND SHALL FIRST OBTAIN QUALIFIED DONATIONS IN AN AMOUNT EQUAL TO THE AMOUNT OF MATCHING FUNDS REQUESTED FOR DISTRIBUTION AND SHALL SUBMIT A REQUEST TO THE AUTHORITY.

(C) THE REQUEST SHALL INCLUDE:

(1) THE AMOUNT REQUESTED FOR DISTRIBUTION TO THE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION;

(2) THE AMOUNT OF QUALIFIED DONATIONS DESIGNATED FOR USE IN REQUESTING THE DISTRIBUTION OF MATCHING FUNDS FROM THE FUND;

(3) AN EXPLANATION OF HOW THE PROPOSED USE SATISFIES THE CRITERIA FOR ELIGIBLE USES OF ENDOWMENT PROCEEDS UNDER ~~§ 6-620~~ § 6-614 OF THIS SUBTITLE;

(4) AN EXPLANATION OF HOW THE PROPOSED USE OF THE ENDOWMENT PROCEEDS FURTHERS THE PURPOSES OF THIS SUBTITLE AND ADDRESSES THE RESEARCH NEEDS OF THE INSTITUTION AS IDENTIFIED IN THE RESEARCH PLAN; AND

(5) A DESIGNATION OF THE APPLICABLE RESEARCH ENDOWMENT INTO WHICH THE REQUESTED MATCHING FUNDS ARE TO BE DEPOSITED.

(D) THE AUTHORITY SHALL REVIEW EACH REQUEST FOR DISTRIBUTION OF MATCHING FUNDS FROM THE FUND FOR COMPLIANCE WITH THE PROVISIONS OF THIS SUBTITLE AND DEPARTMENT REGULATIONS.

(E) IF THE AUTHORITY APPROVES THE REQUEST OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION, THE AUTHORITY SHALL DISTRIBUTE MATCHING FUNDS TO THE APPLICABLE RESEARCH ENDOWMENT IN AN AMOUNT EQUAL TO THE AMOUNT OF QUALIFIED DONATIONS.

~~6-625.~~ 6-619.

(A) ~~EACH~~ WITHIN 90 DAYS AFTER APPROVAL BY THE AUTHORITY OF A REQUEST FOR MATCHING FUNDS UNDER § 6-618 OF THIS SUBTITLE, EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL DEPOSIT BY JULY 1, 2018, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014 OR BY JULY 1, 2020, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016 AN AMOUNT OF QUALIFIED DONATIONS EQUAL TO OR GREATER THAN THE TOTAL AMOUNT OF FUNDS ALLOCATED FOR DISTRIBUTION TO THE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN ACCORDANCE WITH ~~§ 6-624~~ § 6-618 OF THIS SUBTITLE.

(B) IF A NONPROFIT INSTITUTION OF HIGHER EDUCATION FAILS TO HAVE DEPOSITED INTO ITS RESEARCH ENDOWMENTS THE REQUIRED AMOUNT OF QUALIFIED DONATIONS ~~BY JULY 1, 2018, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014 OR BY JULY 1, 2020, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016~~ AS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, ANY PORTION OF THE FUNDS ALLOCATED TO THE INSTITUTION THAT HAS NOT BEEN DISTRIBUTED SHALL BE REALLOCATED TO ANOTHER NONPROFIT INSTITUTION OF HIGHER EDUCATION IN ACCORDANCE WITH THIS SUBTITLE.

(C) IF THE AUTHORITY FAILS TO ALLOCATE THE FUNDS IN THE FUND ~~DERIVED FROM THE PURCHASES OF TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEARS 2014 OR 2016 BY JULY 1, 2018, OR JULY 1, 2020, RESPECTIVELY,~~ AND A NONPROFIT INSTITUTION OF HIGHER EDUCATION HAS PREVIOUSLY RECEIVED 25% OF THE FUNDS IN THE FUND CUMULATIVE PROGRAM FUNDS FROM THE FUND, THE AUTHORITY MAY DISTRIBUTE ADDITIONAL FUNDS TO THE NONPROFIT INSTITUTION IN ACCORDANCE WITH THIS SUBTITLE.

~~6-626.~~ 6-620. RESERVED.

~~6-627.~~ 6-621. RESERVED.

PART ~~VI.~~ V. MISCELLANEOUS.~~6-628.~~

~~(A) IN ANY CASE UNDER THE INSURANCE LAW OF THE STATE IN WHICH THE ASSETS OF A PURCHASER ARE EXAMINED OR CONSIDERED, THE DESIGNATED CAPITAL SHALL BE TREATED AS AN ADMITTED ASSET, SUBJECT TO THE SAME FINANCIAL RATING AS THAT HELD BY THE STATE.~~

~~(B) THE DEPARTMENT SHALL SUBMIT THE FOLLOWING TO THE MARYLAND INSURANCE ADMINISTRATION:~~

~~(1) THE NAMES, ADDRESSES, AND AMOUNT OF DESIGNATED CAPITAL TO BE CONTRIBUTED AND PREMIUM TAX CREDITS EARNED BY EACH SUCCESSFUL BIDDER WITHIN 30 DAYS AFTER THE CLOSE OF THE BIDDING PROCESS UNDER § 6-613 OF THIS SUBTITLE;~~

~~(2) A COPY OF THE TAX CREDIT CERTIFICATE ISSUED TO EACH PURCHASER WITHIN 30 DAYS AFTER THE ISSUANCE OF THE CERTIFICATE UNDER § 6-614 OF THIS SUBTITLE;~~

~~(3) THE OCCURRENCE OF A DEFAULT BY A PURCHASER; AND~~

~~(4) THE TRANSFER OF PREMIUM TAX CREDITS BY A PURCHASER.~~

~~6-629.~~

~~(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE DOES NOT APPLY TO A SERVICE THAT THE DEPARTMENT OBTAINS THAT IS RELATED TO THE INVESTMENT, MANAGEMENT, ANALYSIS, PURCHASE, OR SALE OF AN ASSET OF THE DEPARTMENT IN A TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.~~

~~(B) THE DEPARTMENT IS SUBJECT TO TITLE 12, SUBTITLE 4 OF THE STATE FINANCE AND PROCUREMENT ARTICLE FOR SERVICES RELATED TO THE INVESTMENT, MANAGEMENT, ANALYSIS, PURCHASE, OR SALE OF ASSETS OF THE DEPARTMENT IN ANY TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.~~

~~(C) SECTION 10-305 OF THE STATE FINANCE AND PROCUREMENT ARTICLE DOES NOT APPLY TO THE SALE, LEASE, TRANSFER, EXCHANGE, OR OTHER DISPOSITION OF REAL OR PERSONAL PROPERTY, INCLUDING A SHARE OF STOCK IN A BUSINESS ENTITY, THAT THE DEPARTMENT ACQUIRES IN A TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.~~

~~6-630.~~ 6-622.

THE DEPARTMENT SHALL ADMINISTER THIS SUBTITLE AND SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

~~6-631.~~ 6-623.

(A) (1) ON OR BEFORE JANUARY 1, 2016, AND JANUARY 1 OF EACH SUBSEQUENT YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT ON THE IMPLEMENTATION OF THE PROGRAM TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE.

(2) THE DEPARTMENT SHALL PUBLISH THE REPORT ON THE DEPARTMENT'S WEB SITE IN A PUBLICLY AVAILABLE FORMAT.

(3) THE REPORT PUBLISHED ON THE WEB SITE MAY NOT INCLUDE ANY PROPRIETARY OR CONFIDENTIAL INFORMATION.

(B) THE REPORT SHALL INCLUDE:

~~(1) WITH RESPECT TO EACH PURCHASER OF TAX CREDITS UNDER THE PROGRAM:~~

~~(I) THE NAME OF THE PURCHASER OF THE TAX CREDITS;~~

~~(II) THE AMOUNT OF TAX CREDITS ALLOCATED TO THE PURCHASER;~~

~~(III) THE AMOUNT OF DESIGNATED CAPITAL THE PURCHASER CONTRIBUTED FOR THE ISSUANCE OF THE TAX CREDIT CERTIFICATE; AND~~

~~(IV) THE AMOUNT OF ANY TAX CREDITS THAT HAVE BEEN TRANSFERRED UNDER § 6-615 OF THIS SUBTITLE; AND~~

~~(2),~~ WITH RESPECT TO EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION THAT HAS RECEIVED AN ALLOCATION OF FUNDS FROM THE FUND:

~~(I)~~ (1) THE NAME AND ADDRESS OF THE INSTITUTION;

~~(II)~~ (2) THE NAMES OF THE INDIVIDUALS MAKING DECISIONS ON BEHALF OF THE INSTITUTION REGARDING EXPENDITURE OF THE FUNDS ALLOCATED;

~~(III)~~ **(3)** THE AMOUNT OF FUNDS RECEIVED DURING THE PREVIOUS FISCAL YEAR;

~~(IV)~~ **(4)** THE CUMULATIVE AMOUNT OF FUNDS RECEIVED;
AND

~~(V)~~ **(5)** THE AMOUNT OF FUNDS REMAINING UNSPENT AT THE END OF THE PREVIOUS FISCAL YEAR.

~~Article – Insurance~~

~~6–122.~~

~~An insurer may claim a tax credit for an investment of designated capital as provided under Title 6, Subtitle 5 OR 6 of the Economic Development Article.~~

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 E–NNOVATION INITIATIVE FUND.**

Article – Tax – General

2–202.

(a) After making the distribution required under § 2–201 of this subtitle, within 20 days after the end of each quarter, the Comptroller shall distribute:

(1) except as provided in subsection (b) of this section, from the revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars under § 4-102(e) of this article:

(i) **1. FOR FISCAL YEARS 2016 THROUGH 2021, the revenue attributable to a tax rate of 20% to the [General Fund of the State] MARYLAND E-NOVATION INITIATIVE FUND UNDER § 6-604 OF THE ECONOMIC DEVELOPMENT ARTICLE;**

2. IN FISCAL YEAR 2022 AND IN EACH FISCAL YEAR THEREAFTER, THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 20% TO THE GENERAL FUND OF THE STATE; and

(ii) the revenue attributable to a tax rate of 5% to the Special Fund for Preservation of Cultural Arts in Maryland, as provided in § 4-801 of the Economic Development Article; and

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

Approved by the Governor, May 15, 2014.

Chapter 534

(Senate Bill 603)

AN ACT concerning

Economic Development – Maryland Technology Development Corporation – Cybersecurity Investment Fund

FOR the purpose of establishing the Cybersecurity Investment Fund in the Maryland Technology Development Corporation as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Corporation 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 for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; 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; requiring the Corporation to provide certain reports that include certain information; defining certain terms; and generally relating to economic development, commercialization of technology in the State, and the Cybersecurity Investment Fund.

BY adding to

Article – Economic Development

Section 10–463 through 10–465 to be under the new part “Part VI.
Cybersecurity Investment Fund”

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)

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

Article – Economic Development

10–461. RESERVED.

10–462. RESERVED.

PART VI. CYBERSECURITY INVESTMENT FUND.

10–463.

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

(B) “COMMERCIALIZATION” MEANS THE PROCESS OF INTRODUCING A NEW PRODUCT OR TECHNOLOGY INTO THE MARKET.

(C) “CORPORATION” MEANS THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION.

(D) (1) "CYBERSECURITY" MEANS INFORMATION TECHNOLOGY SECURITY.

(2) "CYBERSECURITY" INCLUDES THE PROTECTION OF ~~COMPUTERS~~ NETWORKED DEVICES, NETWORKS, PROGRAMS, AND DATA FROM UNINTENDED OR UNAUTHORIZED ACCESS, CHANGE, OR DESTRUCTION.

(E) "FUND" MEANS THE CYBERSECURITY INVESTMENT FUND ESTABLISHED UNDER § 10-464 OF THIS PART.

10-464.

(A) THERE IS A CYBERSECURITY INVESTMENT FUND.

(B) THE PURPOSE OF THE FUND IS TO:

(1) PROVIDE ~~EARLY-STAGE, SEED~~ SEED AND EARLY-STAGE FUNDING FOR EMERGING TECHNOLOGY COMPANIES LOCATED IN THE STATE FOCUSED ON CYBERSECURITY AND CYBERSECURITY TECHNOLOGY PRODUCT DEVELOPMENT;

(2) MAXIMIZE CORPORATION INVESTMENTS ~~TO ENABLE BY~~ SUPPORTING FUNDED EMERGING TECHNOLOGY COMPANIES TO ENABLE CORPORATE GROWTH AND TO OBTAIN THIRD-PARTY DOWNSTREAM FUNDING FOR COMMERCIALIZATION; AND

(3) LEVERAGE CORPORATION INVESTMENTS IN EARLY-STAGE CYBERSECURITY COMPANIES ~~TO CREATE ADDITIONAL BY TAKING ADVANTAGE~~ OF ECONOMIC DEVELOPMENT OPPORTUNITIES THROUGHOUT THE STATE.

(C) THE CORPORATION SHALL ADMINISTER THE FUND.

(D) THE FUND CONSISTS OF:

(1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

(2) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE CONTRIBUTIONS;

(3) REPAYMENT OF CAPITAL OR PRINCIPAL OR PAYMENT OF INTEREST ON A LOAN MADE ANY DEBT OR EQUITY INVESTMENTS FROM THE FUND;

(4) INVESTMENT EARNINGS OF THE FUND; AND

(5) ANY OTHER MONEY ACCEPTED BY THE CORPORATION FOR THE FUND.

(E) THE CORPORATION MAY USE THE FUND TO:

(1) CARRY OUT THE PURPOSES OF THE FUND RELATED TO THE COMMERCIALIZATION OF CYBERSECURITY RESEARCH AND CYBERSECURITY TECHNOLOGY PRODUCT DEVELOPMENT IN ACCORDANCE WITH THE TERMS OF THIS PART; AND

(2) PAY THE COSTS NECESSARY TO IMPLEMENT THIS PART AND TO ADMINISTER THE FUND.

(F) (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.

(3) THE STATE TREASURER SHALL INVEST THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(4) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

10-465.

THE CORPORATION SHALL INCLUDE, AS PART OF ITS ANNUAL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY UNDER § 10-415 OF THIS SUBTITLE, A DETAILED DESCRIPTION OF:

(1) THE NUMBER OF FUND PROPOSALS RECEIVED BY THE CORPORATION DURING THE PRECEDING FISCAL YEAR;

(2) THE NUMBER OF FUND TRANSACTIONS OR PROJECTS FOR WHICH THE CORPORATION PROVIDED FUNDING DURING THE PRECEDING FISCAL YEAR;

(3) THE AMOUNT OF MONEY AWARDED BY THE FUND IN THE PRECEDING FISCAL YEAR; AND

(4) THE TOTAL AMOUNT OF THIRD-PARTY DOWNSTREAM FUNDING OF COMPLETED INVESTMENTS SINCE FUND INCEPTION.

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 CYBERSECURITY INVESTMENT FUND.**

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

Approved by the Governor, May 15, 2014.

Chapter 535

(House Bill 740)

AN ACT concerning

Economic Development – Maryland Technology Development Corporation – Cybersecurity Investment Fund

FOR the purpose of establishing the Cybersecurity Investment Fund in the Maryland Technology Development Corporation as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Corporation 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 for which the Fund may be used; providing for the investment of money in and

expenditures from the Fund; 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; requiring the Corporation to provide certain reports that include certain information; defining certain terms; and generally relating to economic development, commercialization of technology in the State, and the Cybersecurity Investment Fund.

BY adding to

Article – Economic Development

Section 10–463 through 10–465 to be under the new part “Part VI. Cybersecurity Investment Fund”

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

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Section 6–226(a)(2)(ii)78.

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

Article – Economic Development

10–461. RESERVED.

10–462. RESERVED.

PART VI. CYBERSECURITY INVESTMENT FUND.

10–463.

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

(B) "COMMERCIALIZATION" MEANS THE PROCESS OF INTRODUCING A NEW PRODUCT OR TECHNOLOGY INTO THE MARKET.

(C) "CORPORATION" MEANS THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION.

(D) (1) "CYBERSECURITY" MEANS INFORMATION TECHNOLOGY SECURITY.

(2) "CYBERSECURITY" INCLUDES THE PROTECTION OF ~~COMPUTERS~~ NETWORKED DEVICES, NETWORKS, PROGRAMS, AND DATA FROM UNINTENDED OR UNAUTHORIZED ACCESS, CHANGE, OR DESTRUCTION.

(E) "FUND" MEANS THE CYBERSECURITY INVESTMENT FUND ESTABLISHED UNDER § 10-464 OF THIS PART.

10-464.

(A) THERE IS A CYBERSECURITY INVESTMENT FUND.

(B) THE PURPOSE OF THE FUND IS TO:

(1) PROVIDE ~~EARLY-STAGE, SEED~~ SEED AND EARLY-STAGE FUNDING FOR EMERGING TECHNOLOGY COMPANIES LOCATED IN THE STATE FOCUSED ON CYBERSECURITY AND CYBERSECURITY TECHNOLOGY PRODUCT DEVELOPMENT;

(2) MAXIMIZE CORPORATION INVESTMENTS ~~TO ENABLE BY SUPPORTING~~ FUNDED EMERGING TECHNOLOGY COMPANIES TO ENABLE CORPORATE GROWTH AND TO OBTAIN THIRD-PARTY DOWNSTREAM FUNDING FOR COMMERCIALIZATION; AND

(3) LEVERAGE CORPORATION INVESTMENTS IN EARLY-STAGE CYBERSECURITY COMPANIES ~~TO CREATE ADDITIONAL~~ BY TAKING ADVANTAGE OF ECONOMIC DEVELOPMENT OPPORTUNITIES THROUGHOUT THE STATE.

(C) THE CORPORATION SHALL ADMINISTER THE FUND.

(D) THE FUND CONSISTS OF:

(1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

(2) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE CONTRIBUTIONS;

(3) REPAYMENT OF CAPITAL OR PRINCIPAL OR PAYMENT OF INTEREST ON ~~A LOAN MADE~~ ANY DEBT OR EQUITY INVESTMENTS FROM THE FUND;

(4) INVESTMENT EARNINGS OF THE FUND; AND

(5) ANY OTHER MONEY ACCEPTED BY THE CORPORATION FOR THE FUND.

(E) THE CORPORATION MAY USE THE FUND TO:

(1) CARRY OUT THE PURPOSES OF THE FUND RELATED TO THE COMMERCIALIZATION OF CYBERSECURITY RESEARCH AND CYBERSECURITY TECHNOLOGY PRODUCT DEVELOPMENT IN ACCORDANCE WITH THE TERMS OF THIS PART; AND

(2) PAY THE COSTS NECESSARY TO IMPLEMENT THIS PART AND TO ADMINISTER THE FUND.

(F) (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.

(3) THE STATE TREASURER SHALL INVEST THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(4) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

10-465.

THE CORPORATION SHALL INCLUDE, AS PART OF ITS ANNUAL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY UNDER § 10-415 OF THIS SUBTITLE, A DETAILED DESCRIPTION OF:

(1) THE NUMBER OF FUND PROPOSALS RECEIVED BY THE CORPORATION DURING THE PRECEDING FISCAL YEAR;

(2) THE NUMBER OF FUND TRANSACTIONS OR PROJECTS FOR WHICH THE CORPORATION PROVIDED FUNDING DURING THE PRECEDING FISCAL YEAR;

(3) THE AMOUNT OF MONEY AWARDED BY THE FUND IN THE PRECEDING FISCAL YEAR; AND

(4) THE TOTAL AMOUNT OF THIRD-PARTY DOWNSTREAM FUNDING OF COMPLETED INVESTMENTS SINCE FUND INCEPTION.

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 CYBERSECURITY INVESTMENT FUND.

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

Approved by the Governor, May 15, 2014.

Chapter 536

(Senate Bill 604)

AN ACT concerning

Income Tax Forms – Graphical Representation of General Fund Expenditures

FOR the purpose of requiring the Comptroller to include on certain income tax forms a demonstrative representation of how much of each dollar that the General Fund receives is spent on certain categories; providing that the representation may be in graphical or pictorial form; requiring the Comptroller, in consultation with the Department of Budget and Management and the Department of Legislative Services, to make certain determinations; requiring the Comptroller to post the representation on the Comptroller's Web site and to include it in certain instructions on the Web site; and generally relating to a requirement that the Comptroller include certain information on certain tax forms.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 2–104(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

2–104.

(a) **(1)** Subject to the requirements of § 2–110 of this subtitle and subsection (b) of this section, the Comptroller shall design the returns and other forms that, on completion, provide the information required for the administration of the tax laws listed in § 2–102 of this subtitle.

(2) THE COMPTROLLER SHALL INCLUDE ON THE INCOME TAX FORMS REQUIRED UNDER PARAGRAPH (1) OF THIS SECTION THAT ARE UPDATED ON AN ANNUAL BASIS A DEMONSTRATIVE REPRESENTATION OF HOW MUCH OF EACH DOLLAR THAT THE GENERAL FUND RECEIVES IS SPENT ON THE FOLLOWING CATEGORIES:

(I) EDUCATION;

(II) HEALTH;

(III) PUBLIC SAFETY; AND

(IV) ANY OTHER CATEGORY INCLUDED BY THE COMPTROLLER.

(3) THE DEMONSTRATIVE REPRESENTATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY BE IN THE FORM OF A GRAPH OR PICTURE OR A COMBINATION OF GRAPH AND PICTURE.

(4) (I) ~~THE~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COMPTROLLER, IN CONSULTATION WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE DEPARTMENT OF LEGISLATIVE SERVICES, SHALL DETERMINE THE MANNER IN WHICH THE REPRESENTATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE PRESENTED AND WITH WHICH INCOME TAX FORMS THE REPRESENTATION IS TO BE INCLUDED.

(II) THE COMPTROLLER SHALL POST THE REPRESENTATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION ON THE COMPTROLLER'S WEB SITE AND SHALL INCLUDE IT IN INSTRUCTIONS ON THE WEB SITE FOR THE SAME INCOME TAX FORMS THAT ARE SELECTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO INCLUDE THE REPRESENTATION.

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

Approved by the Governor, May 15, 2014.

Chapter 537

(House Bill 743)

AN ACT concerning

~~Spending Transparency Act~~ Income Tax Forms – Graphical Representation of General Fund Expenditures

FOR the purpose of requiring the Comptroller to include on certain income tax forms a demonstrative representation of how much of each dollar that the General Fund receives is spent on certain categories; providing that the representation may be in graphical or pictorial form; requiring the Comptroller, in consultation with the Department of Budget and Management and the Department of Legislative Services, to make certain determinations; requiring the Comptroller to post the representation on the Comptroller's Web site and to include it in certain instructions on the Web site; and generally relating to a requirement that the Comptroller include certain information on certain tax forms.

BY repealing and reenacting, with amendments,
Article – Tax – General

Section 2–104(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

2–104.

(a) (1) Subject to the requirements of § 2–110 of this subtitle and subsection (b) of this section, the Comptroller shall design the returns and other forms that, on completion, provide the information required for the administration of the tax laws listed in § 2–102 of this subtitle.

(2) **THE COMPTROLLER SHALL INCLUDE ON THE INCOME TAX FORMS REQUIRED UNDER PARAGRAPH (1) OF THIS SECTION THAT ARE UPDATED ON AN ANNUAL BASIS A DEMONSTRATIVE REPRESENTATION OF HOW MUCH OF EACH DOLLAR THAT THE GENERAL FUND RECEIVES IS SPENT ON THE FOLLOWING CATEGORIES:**

(I) EDUCATION;

(II) HEALTH;

(III) PUBLIC SAFETY; AND

(IV) ANY OTHER CATEGORY INCLUDED BY THE COMPTROLLER.

(3) **THE DEMONSTRATIVE REPRESENTATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY BE IN THE FORM OF A GRAPH OR PICTURE OR A COMBINATION OF GRAPH AND PICTURE.**

(4) (I) THE SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COMPTROLLER, IN CONSULTATION WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE DEPARTMENT OF LEGISLATIVE SERVICES, SHALL DETERMINE THE MANNER IN WHICH THE REPRESENTATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE PRESENTED AND WITH WHICH INCOME TAX FORMS THE REPRESENTATION IS TO BE INCLUDED.

(II) THE COMPTROLLER SHALL POST THE REPRESENTATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION ON

THE COMPTROLLER'S WEB SITE AND SHALL INCLUDE IT IN INSTRUCTIONS ON THE WEB SITE FOR THE SAME INCOME TAX FORMS THAT ARE SELECTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO INCLUDE THE REPRESENTATION.

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

Approved by the Governor, May 15, 2014.

Chapter 538

(Senate Bill 605)

AN ACT concerning

**Property Tax Credit – ~~Upper Stories of~~ Commercial Structures –
Rehabilitation**

FOR the purpose of authorizing the governing body of Baltimore City, a county, or a municipal corporation to provide a property tax credit against the county or municipal corporation property tax imposed on an existing commercial structure in which a certain investment is made to allow for adaptive reuse ~~of the upper stories~~ of the structure; providing for the amount and duration of the tax credit; authorizing the governing body of Baltimore City, a county, or a municipal corporation to provide for certain matters relating to the tax credit; defining a certain term; providing for the application of this Act; and generally relating to a property tax credit for rehabilitation ~~of the upper stories~~ of existing commercial structures.

BY adding to

Article – Tax – Property

Section 9–256

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

9–256.

(A) (1) IN THIS SECTION, “QUALIFYING INVESTMENT” MEANS THE COST OF INSTALLATION OR REHABILITATION OF BUILDING FEATURES FOR THE

PURPOSE OF BRINGING ~~AN UPPER STORY OF~~ AN EXISTING COMMERCIAL STRUCTURE INTO COMPLIANCE WITH CURRENT BUILDING CODES RELATING TO SAFETY OR ACCESSIBILITY.

(2) “QUALIFYING INVESTMENT” INCLUDES COSTS INCURRED FOR:

(I) ELEVATORS;

(II) FIRE SUPPRESSION SYSTEMS;

(III) MEANS OF INGRESS OR EGRESS; OR

(IV) ARCHITECTURAL OR ENGINEERING SERVICES RELATED TO INSTALLATION OR REHABILITATION OF THESE OR SIMILAR BUILDING FEATURES.

(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON AN EXISTING COMMERCIAL STRUCTURE IN WHICH A QUALIFYING INVESTMENT IS MADE FOR THE PURPOSE OF ALLOWING FOR ADAPTIVE REUSE OF ~~THE UPPER STORIES OF~~ THE STRUCTURE.

(C) THE TAX CREDIT UNDER THIS SECTION ~~SHALL BE~~ MAY:

(1) ~~EQUAL TO~~ NOT EXCEED 50% OF THE AMOUNT OF QUALIFYING INVESTMENT IN A STRUCTURE; AND

(2) ~~GRANTED FOR~~ BE GRANTED FOR UP TO A 10-YEAR PERIOD IN AN EQUAL AMOUNT EACH YEAR.

(D) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE, BY LAW, FOR:

~~(1) THE SALE OF THE TAX CREDIT UNDER THIS SECTION BY THE ORIGINAL RECIPIENT OF THE CREDIT TO ANOTHER PERSON MAKING A QUALIFYING INVESTMENT IN AN EXISTING COMMERCIAL STRUCTURE IN THE SAME COUNTY OR MUNICIPALITY;~~

~~(2)~~ (1) THE MAXIMUM AMOUNT OF THE TAX CREDIT THAT MAY BE PROVIDED TO A SINGLE RECIPIENT OR ALL RECIPIENTS IN A TAXABLE YEAR;

~~(3)~~ (2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT;

~~(4)~~ (3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND

~~(5)~~ (4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX CREDIT.

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 15, 2014.

Chapter 539

(Senate Bill 606)

AN ACT concerning

Developmental Disabilities Administration – Deputy Secretary – Establishment

FOR the purpose of altering the number of deputy secretaries to be appointed by the Secretary of Health and Mental Hygiene with the approval of the Governor; requiring the Secretary to appoint, with the approval of the Governor, the Deputy Secretary for Developmental Disabilities; altering the name of a certain deputy secretary; eliminating the position of Director of the Developmental Disabilities Administration and establishing as the head of the Administration the Deputy Secretary for Developmental Disabilities; transferring certain authority and certain responsibilities of the Director to the Deputy Secretary; making conforming changes; defining a certain term; repealing a certain definition; requiring the publisher of the Annotated Code of Maryland, subject to the approval of the Department of Legislative Services, to correct any position titles throughout the Code that are rendered incorrect by this Act; and generally relating to the Developmental Disabilities Administration and the establishment of the position of Deputy Secretary for Developmental Disabilities.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 2–103(a)(1), 7–101(e), 7–202, 7–206(a)(1), 7–501, 7–502, 7–801,
7–903, 7–1003(m), 7–1005(d), 7–1007, 7–1010, and 7–1011

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – Health – General

Section 7–101(a), 7–201, and 7–1005(b) and (c)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health – General

Section 7–101(e)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing

Article – Health – General

Section 7–101(f)

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

2–103.

(a) (1) With the approval of the Governor, the Secretary shall appoint the following **[four] FIVE** deputy secretaries:

(i) The Deputy Secretary for Behavioral Health **[and Disabilities]**;

(ii) The Deputy Secretary for Health Care Financing;

(iii) The Deputy Secretary for Operations; **[and]**

(iv) The Deputy Secretary for Public Health Services; **AND**

(v) THE DEPUTY SECRETARY FOR DEVELOPMENTAL DISABILITIES.

7-101.

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

(E) “DEPUTY SECRETARY” MEANS THE DEPUTY SECRETARY FOR DEVELOPMENTAL DISABILITIES.

[(e)] (F) “Developmental disability” means a severe chronic disability of an individual that:

(1) Is attributable to a physical or mental impairment, other than the sole diagnosis of mental illness, or to a combination of mental and physical impairments;

(2) Is manifested before the individual attains the age of 22;

(3) Is likely to continue indefinitely;

(4) Results in an inability to live independently without external support or continuing and regular assistance; and

(5) Reflects the need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are individually planned and coordinated for the individual.

[(f) “Director” means the Director of the Developmental Disabilities Administration.]

7-201.

There is a Developmental Disabilities Administration in the Department.

7-202.

(a) The head of the Administration is the **[Director, who shall be appointed by the Secretary] DEPUTY SECRETARY.**

(b) The **[Director] DEPUTY SECRETARY** shall appoint the number of **[deputy] directors, assistant directors, and administrative heads** provided in the State budget.

7-206.

(a) (1) Upon notification of the death of an individual in a program or facility funded or operated by the Administration, the administrative head of the program or facility shall report the death:

- (i) Immediately to the sheriff, police, or chief law enforcement official in the jurisdiction in which the death occurred;
- (ii) Immediately to the Secretary; and
- (iii) By the close of business the next working day to:
 - 1. The [Director] **DEPUTY SECRETARY**;
 - 2. The health officer in the jurisdiction where the death occurred; and
 - 3. The designated State protection and advocacy system.

7–501.

(a) There are State residential centers for individuals with an intellectual disability in the Developmental Disabilities Administration.

(b) The [Director] **DEPUTY SECRETARY** shall appoint an administrative head for each State residential center.

7–502.

(a) The Secretary shall approve the admission of an individual to a State residential center only if:

- (1) The findings of the evaluation are that the individual:
 - (i) Has an intellectual disability; and
 - (ii) For adequate habilitation, needs residential services; and

(2) There is no less restrictive setting in which the needed services can be provided and that is available to the individual or will be available to the individual within a reasonable time.

(b) The Secretary may not approve the admission of an individual to a State residential center if:

- (1) The findings of the evaluation are that the individual:
 - (i) Does not have an intellectual disability; or
 - (ii) Has an intellectual disability but does not need residential services for adequate habilitation; or

(2) There is a less restrictive setting in which the needed services can be provided that is available to the individual or will be available to the individual within a reasonable time.

(c) The Secretary shall provide an individual with the appropriate least restrictive service consistent with the individual's welfare, safety, and plan of habilitation, if the individual:

(1) Has an application for services that has been approved under § 7-404(c) of this title; or

(2) Is considered eligible for transfer under Subtitle 8 of this title by the [Director] **DEPUTY SECRETARY** or the [Director's] **DEPUTY SECRETARY'S** designee.

7-801.

(a) The [Director] **DEPUTY SECRETARY** may transfer an individual with developmental disability from a public residential program or a public day program to another public residential program or public day program or, if a private provider of services agrees, to that private program, if the [Director] **DEPUTY SECRETARY** finds that:

(1) The individual with developmental disability either can receive better treatment in, or would be more likely to benefit from treatment at the other program; or

(2) The safety or welfare of other individuals with developmental disability would be furthered.

(b) The [Director] **DEPUTY SECRETARY** may transfer any individual with developmental disability who is a resident of another state to a residential facility in that state if the [Director] **DEPUTY SECRETARY** finds that the transfer is feasible.

(c) (1) Any finding that the [Director] **DEPUTY SECRETARY** makes under subsection (a) or (b) of this section shall be in writing and filed with the record of the individual with developmental disability.

(2) A copy of the finding and the notice to the private provider of services or program to which the individual with developmental disability is being transferred shall be sent to the proponent of admission, guardian of the person, next of kin, and counsel of the individual with developmental disability.

(3) The [Director] **DEPUTY SECRETARY** shall give the individual with developmental disability the opportunity for a hearing on the proposed transfer

under this section. A transfer may not take place until a decision is issued as a result of the hearing.

(4) The Board of Review of the Department does not have jurisdiction to review the determination of an administrative law judge made pursuant to a hearing under this subtitle.

(5) The determination of the administrative law judge is a final decision of the Department for the purpose of judicial review of final decisions under Title 10, Subtitle 2 of the State Government Article.

7–903.

(a) In addition to any other license required by law, a person shall be licensed by the Administration before the person may provide the following services to an individual with developmental disability or a recipient of individual support services:

- (1) Day habilitation services;
- (2) Residential services;
- (3) Services coordination;
- (4) Vocational services;
- (5) More than 1 family support service, as defined under § 7–701 of this title;
- (6) More than 1 individual support service; and
- (7) More than 1 community supported living arrangements service.

(b) (1) If a person is licensed or certified by another State agency or accredited by a national accreditation agency such as the Accreditation Council for Persons with Developmental Disabilities (ACDD) or the Council for Accreditation for Rehabilitation Facilities (CARF) to provide services to an individual with a developmental disability or a recipient of individual support services, the [Director] **DEPUTY SECRETARY** may waive the requirement for a license by the Administration.

(2) Upon a showing by the [Director] **DEPUTY SECRETARY** that the licensed, certified, or accredited person is out of compliance with licensing regulations adopted by the Secretary the [Director] **DEPUTY SECRETARY** may revoke the waiver.

7–1003.

(m) (1) A person who believes that the rights of an individual with developmental disability have been violated shall report the alleged violation to the executive director or administrative head of a licensee.

(2) The executive officer or administrative head of the licensee shall:

(i) Promptly send the report:

1. To the [Director] **DEPUTY SECRETARY**; and

2. To the State-designated protection and advocacy agency;

(ii) Investigate the report; and

(iii) After the investigation, report the findings:

1. To the complainant;

2. To the State-designated protection and advocacy agency; and

3. To the [Director] **DEPUTY SECRETARY**.

(3) The State-designated protection and advocacy agency shall seek redress of a violation of the rights stated in this section.

7-1005.

(b) (1) In addition to any other reporting requirement of law, a person who believes that an individual with developmental disability has been abused promptly shall report the alleged abuse to the executive officer or administrative head of the licensee.

(2) The executive officer or administrative head shall report the alleged abuse to an appropriate law-enforcement agency.

(3) A report to the executive officer or administrative head:

(i) May be oral or written; and

(ii) Shall contain as much information as the reporter is able to provide.

(c) (1) The law-enforcement agency shall:

(i) Investigate thoroughly each report of an alleged abuse; and

- (ii) Attempt to ensure the protection of the alleged victim.
- (2) The investigation shall include:
 - (i) A determination of the nature, extent, and cause of the abuse;
 - (ii) The identity of the alleged abuser or abusers; and
 - (iii) Any other pertinent fact or matter.

(d) As soon as possible, but no later than 10 working days after the completion of the investigation, the law-enforcement agency shall submit a written report of its findings to the State's Attorney, the [Director] **DEPUTY SECRETARY**, the State-designated protection and advocacy agency, and the executive officer or administrative head of the licensee.

7-1007.

On request, the licensee shall give to the [Director] **DEPUTY SECRETARY** or a designee of the [Director] **DEPUTY SECRETARY**:

- (1) Any information that the licensee has about an individual served by the licensee;
- (2) Access to the records of the licensee;
- (3) Access to any individual served;
- (4) Access to the records of individuals served by the licensee; and
- (5) Access to any part of the premises of the licensee.

7-1010.

(a) Except as otherwise expressly provided in this section, a licensee may not disclose any record that the licensee keeps on an individual who has been served by the licensee, unless the individual gives written, informed consent to the disclosure.

(b) (1) Subject to the limitations of this subsection, a licensee shall disclose a record of an individual who is served by a licensee to:

- (i) The individual with developmental disability, if:
 - 1. A person is not authorized to act on behalf of the individual with developmental disability; and

2. The executive officer or administrative head of the licensee determines that disclosure would not be detrimental to the individual with developmental disability;

(ii) A parent or guardian of the person with developmental disability who is:

1. A minor; or

2. Unless the individual with developmental disability asks that disclosure to the parent or guardian not be allowed, an adult;

(iii) A lawyer or other individual who is authorized:

1. By the individual with developmental disability; or

2. By another individual to whom, on behalf of the individual with developmental disability, disclosure of the record is authorized; or

(iv) To the executive director or a designee of the executive director of the State-designated protection and advocacy agency, if:

1. The agency has received a request for an investigation; and

2. There is no other person to whom, on behalf of the individual with developmental disability, the record may be disclosed under this paragraph; or

3. The individual with developmental disability is unable to give written informed consent and the [Director] **DEPUTY SECRETARY** determines that disclosure is necessary to protect the rights of the individual with developmental disability.

(2) A licensee shall comply within 14 days after an individual with developmental disability or a person who is authorized to act on behalf of that individual, asks in writing:

(i) To receive a copy of a record; or

(ii) To see and copy the record disclosed.

(c) If a licensee refuses to disclose a record under subsection (b)(1)(i) of this section, the executive officer or administrative head of a licensee shall apply, within 10 working days after the refusal, to the circuit court for the county where the individual making the request resides or where the site of services to the individual occurred for

an order to permit the executive officer or administrative head of the licensee to continue to refuse disclosure to the individual with developmental disability.

(d) A licensee shall disclose a record that is sought:

(1) By the staff of the licensee to carry out a purpose for which the record is kept;

(2) By any other person who provides or coordinates services in accordance with the individual's plan of habilitation;

(3) By the [Director] **DEPUTY SECRETARY** or a designee of the [Director] **DEPUTY SECRETARY**; and

(4) By a person to further the purposes of:

(i) A medical review committee;

(ii) An accreditation board or commission;

(iii) A licensing agency that is authorized by statute to review records;

(iv) A court order;

(v) A representative of the Division of Reimbursement of the Department;

(vi) An auditor of the Department;

(vii) An auditor of the Office of Legislative Audits of the Department of Legislative Services; or

(viii) The Clients' Rights Committee of the licensee unless the individual with developmental disability objects.

(e) (1) A licensee may require a person who asks for a copy of a record to pay a reasonable fee.

(2) The fee may not exceed the cost of copying the record.

(f) (1) Except for a disclosure that is made to the staff for its routine use under subsection (d)(1) of this section, a licensee shall keep a list of all disclosures of a record.

(2) The list shall state:

- (i) The date, nature, and purpose of each disclosure; and
- (ii) The name and address of each person to whom the disclosure is made.

7-1011.

(a) An individual with developmental disability or person who is authorized to act on behalf of the individual may:

- (1) Contest a record that the licensee keeps on the individual;
- (2) Ask for an addition to or other change in the record; and
- (3) Contest disclosure of the record.

(b) Within 14 days after a licensee receives a request to change a record, the licensee shall acknowledge receipt of the request.

(c) (1) Within 14 days after a licensee acknowledges receipt of the request, the licensee shall:

- (i) Make or refuse to make the requested change; and
- (ii) Give the person who requested the change written notice of the licensee's action.

(2) A notice of refusal shall contain:

- (i) Each reason for the refusal; and
- (ii) Any procedures that the [Director] **DEPUTY SECRETARY** has set for review of the refusal.

(d) (1) An individual with developmental disability or person who is authorized to act on behalf of the individual may ask the [Director] **DEPUTY SECRETARY** to review the refusal.

(2) Within 45 days after the request for review, the [Director] **DEPUTY SECRETARY** shall:

- (i) Complete the review;
- (ii) Make a final determination; and

(iii) Give the individual with developmental disability or person who is authorized to act on behalf of the individual written notice of the final determination.

(e) If the final determination of the [Director] **DEPUTY SECRETARY** is a refusal to change a record, the written notice shall include:

(1) Each reason for the refusal;

(2) The procedure for inserting in the record a concise statement of the reason that the individual with developmental disability or person who is authorized to act on behalf of the individual disagrees with that refusal; and

(3) Information on the right to seek judicial review of the decision of the [Director] **DEPUTY SECRETARY**.

SECTION 2. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, subject to the approval of the Department of Legislative Services, shall correct any position titles throughout the Code that are rendered incorrect by this Act.

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

Approved by the Governor, May 15, 2014.

Chapter 540

(Senate Bill 614)

AN ACT concerning

Frederick County – Payment of Wages

FOR the purpose of authorizing Frederick County to pay the wages of ~~an~~ a county employee by debit card and to require ~~an~~ a county employee to elect to receive the payment of wages by debit card or, subject to certain provisions of law, by direct deposit as a condition of employment; requiring the county, under certain circumstances, to provide certain employees with a certain statement; and generally relating to the payment of wages by debit card by Frederick County.

BY adding to

Article – Local Government

Section 12–109

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

12-109.

(A) FREDERICK COUNTY MAY:

(1) PAY THE WAGES OF ~~AN~~ A COUNTY EMPLOYEE BY DEBIT CARD AS PROVIDED IN SUBSECTION (B) OF THIS SECTION; AND

(2) ~~REQUIRE AN EMPLOYEE TO RECEIVE THE PAYMENT OF WAGES BY DEBIT CARD OR BY DIRECT DEPOSIT AS A CONDITION OF EMPLOYMENT~~ REQUIRE A COUNTY EMPLOYEE, AS A CONDITION OF EMPLOYMENT, TO ELECT TO RECEIVE THE PAYMENT OF WAGES BY DEBIT CARD OR, SUBJECT TO § 1-205(B) AND (C) OF THIS ARTICLE, BY DIRECT DEPOSIT.

(B) ~~IF FREDERICK COUNTY ELECTS TO PAY WAGES BY DEBIT CARD, THE COUNTY SHALL PROVIDE TO EACH EMPLOYEE WHOSE WAGES ARE PAID BY DEBIT CARD,~~ IF A COUNTY EMPLOYEE ELECTS TO RECEIVE THE PAYMENT OF WAGES BY DEBIT CARD, THE COUNTY SHALL PROVIDE TO THE EMPLOYEE A STATEMENT THAT INCLUDES:

(1) THE TOTAL AMOUNT OF THE EMPLOYEE'S WAGES;

(2) ANY AMOUNT DEDUCTED FROM THE WAGES; AND

(3) THE AMOUNT OF THE WAGES CREDITED TO THE DEBIT CARD.

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

Approved by the Governor, May 15, 2014.

Chapter 541

(House Bill 476)

AN ACT concerning

Frederick County – Payment of Wages

FOR the purpose of authorizing Frederick County to pay the wages of ~~an~~ a county employee by debit card and to require ~~an~~ a county employee to elect to receive the payment of wages by debit card or, subject to certain provisions of law, by direct deposit as a condition of employment; requiring the county, under certain circumstances, to provide certain employees with a certain statement; and generally relating to the payment of wages by debit card by Frederick County.

BY adding to

Article – Local Government
Section 12–109
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

12–109.

(A) **FREDERICK COUNTY MAY:**

(1) **PAY THE WAGES OF ~~AN~~ A COUNTY EMPLOYEE BY DEBIT CARD ~~AS PROVIDED IN SUBSECTION (B) OF THIS SECTION;~~ AND**

(2) **~~REQUIRE AN EMPLOYEE TO RECEIVE THE PAYMENT OF WAGES BY DEBIT CARD OR BY DIRECT DEPOSIT AS A CONDITION OF EMPLOYMENT~~ REQUIRE A COUNTY EMPLOYEE, AS A CONDITION OF EMPLOYMENT, TO ELECT TO RECEIVE THE PAYMENT OF WAGES BY DEBIT CARD OR, *SUBJECT TO § 1–205(B) AND (C) OF THIS ARTICLE*, BY DIRECT DEPOSIT.**

(B) **~~IF FREDERICK COUNTY ELECTS TO PAY WAGES BY DEBIT CARD, THE COUNTY SHALL PROVIDE TO EACH EMPLOYEE WHOSE WAGES ARE PAID BY DEBIT CARD~~ IF A COUNTY EMPLOYEE ELECTS TO RECEIVE THE PAYMENT OF WAGES BY DEBIT CARD, THE COUNTY SHALL PROVIDE TO THE EMPLOYEE A STATEMENT THAT INCLUDES:**

- (1) **THE TOTAL AMOUNT OF THE EMPLOYEE’S WAGES;**
- (2) **ANY AMOUNT DEDUCTED FROM THE WAGES; AND**
- (3) **THE AMOUNT OF THE WAGES CREDITED TO THE DEBIT CARD.**

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

Approved by the Governor, May 15, 2014.

Chapter 542

(Senate Bill 666)

AN ACT concerning

Teaching Fellows for Maryland Scholarship Program

FOR the purpose of renaming the Maryland Teacher Scholarship to be the Teaching Fellows for Maryland scholarship and altering certain elements of the scholarship program; requiring certain institutions of higher education to provide certain matching funds to participate in a certain program; altering the eligibility criteria and the service obligation for the scholarship; authorizing certain recipients to work in certain public schools and certain public prekindergarten programs to satisfy a certain service obligation under certain circumstances; altering the amount of a certain award; requiring certain institutions of higher education to develop and implement a certain honors program in response to certain dedication and accomplishment under certain circumstances; requiring the Governor annually to include certain funds in the State budget for the Maryland Higher Education Commission to make certain awards ~~under this Act; requiring certain awards to be made in certain years~~ under this Act; requiring the Office of Student Financial Assistance to award certain scholarships in a manner that reflects ethnic, gender, racial, and geographic diversity; altering certain definitions; making a stylistic change; and generally relating to scholarships for individuals who pledge to work as public school and public prekindergarten teachers.

BY repealing and reenacting, with amendments,

Article – Education

Section 18–2201 through 18–2207 and 18–2210

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY adding to

Article – Education

Section 18–2208 and 18–2209

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY repealing

Article – Education
Section 18–2209
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

18–2201.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Eligible institution” means a ~~public~~:

(1) PUBLIC SENIOR HIGHER EDUCATION [or private nonprofit] institution ~~of higher education~~ in [this] THE State that possesses a certificate of approval from the ~~Maryland Higher Education~~ Commission AND HAS A **DEPARTMENT, SCHOOL, OR COLLEGE OF EDUCATION; OR**

(2) PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT POSSESSES A CERTIFICATE OF APPROVAL FROM THE COMMISSION, HAS A DEPARTMENT, SCHOOL, OR COLLEGE OF EDUCATION, AND AGREES TO PROVIDE A MATCHING GRANT TO AN UNDERGRADUATE OR GRADUATE STUDENT, AS APPROPRIATE, WHO RECEIVES A TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP IN THE LESSER OF:

(i) 100% OF THE ANNUAL COST OF TUITION AND MANDATORY FEES AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK; OR

(ii) 50% OF THE COST OF TUITION AND MANDATORY FEES AT THE PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION.

(c) “Office” means the Office of Student Financial Assistance as defined in § 18–101(c) of this title.

(d) (1) “Service obligation” means to teach full time in the State as a teacher in a Maryland public ~~elementary or secondary~~ school **OR A PUBLIC PREKINDERGARTEN PROGRAM THAT HAS AT LEAST 50% OF ITS STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS (FRPM).**

(2) “Service obligation” does not mean employment as teaching assistants, volunteer service, paid fellowships, or internships.

18-2202.

There is a program of [Maryland Teacher Scholarships] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIPS** that are awarded under this subtitle for students who pledge to work as public ~~elementary and secondary~~ school **OR PUBLIC PREKINDERGARTEN** teachers in [this] **THE** State upon completion of their studies **AT SCHOOLS THAT HAVE AT LEAST 50% OF THE STUDENTS IN THE SCHOOL ELIGIBLE FOR FREE OR REDUCED PRICE MEALS (FRPM).**

18-2203.

(a) The Office shall annually select eligible students and offer a scholarship to each student selected to be used at an eligible institution of their choice.

(b) (1) Subject to paragraph (2) of this subsection, a recipient of the [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** shall:

(i) Be a Maryland resident **OR HAVE GRADUATED FROM A MARYLAND HIGH SCHOOL;**

(ii) Except as provided in subsection (c) of this section, be accepted for admission or currently enrolled at an eligible institution as a full-time or part-time undergraduate or graduate student pursuing a course of study or program in an academic discipline leading to a Maryland professional teacher's certificate;

(iii) 1. For a student currently enrolled in high school, have earned an overall grade point average of at least [3.0] **3.3** on a 4.0 scale or its equivalent after completion of the first semester of the senior year; or

2. For a student currently enrolled as a full-time undergraduate student, have maintained a grade point average of at least [3.0] **3.3** on a 4.0 scale and have been making satisfactory progress toward a degree in an academic discipline leading to a Maryland professional teacher's certificate;

(IV) HAVE ACHIEVED A SCORE OF AT LEAST:

1. 500 ON THE READING AND MATH PORTIONS OF THE SAT, WITH A COMBINED SCORE OF AT LEAST 1100 ON THE READING AND MATH PORTIONS OF THE SAT;

2. A COMPOSITE ACT SCORE OF 25; OR

3. 50% ON THE GRE;

[(iv)] (v) Sign a letter of intent to perform the service obligation upon completion of the recipient's required studies;

[(v)] (VI) Accept any other conditions attached to the award;
and

[(vi)] (VII) Satisfy any additional criteria the Commission may establish.

(2) Notwithstanding paragraph (1) of this subsection, an individual who, at the time the individual is scheduled to matriculate at an eligible institution, will have been employed as a teaching assistant at a public ~~elementary or secondary~~ school **OR PUBLIC PREKINDERGARTEN PROGRAM** in the State for at least 2 years:

(i) May apply for a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** under this subtitle; and

(ii) Is eligible to hold a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** as a full-time or part-time undergraduate or graduate student.

(c) A recipient of the [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** may not hold a Maryland professional teacher's certificate.

(d) (1) Applicants who are secondary school students shall provide a high school transcript after completion of the first semester of their senior year.

(2) Applicants who are currently enrolled in an eligible institution shall provide the most recent college transcript, or if not applicable, the applicant may submit a final high school transcript.

(3) Applicants who are not currently enrolled in an eligible institution, but who are high school graduates, shall provide a final high school transcript.

(4) Applicants who are high school graduates and are not currently enrolled in an eligible institution, but have completed some courses at an eligible institution, shall provide the most recent college transcript.

(5) Applicants who are not currently enrolled in an eligible institution, but who are college graduates, shall provide a final college transcript.

18-2204.

(a) Except as provided in subsection (b) of this section, the recipient of a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND**

SCHOLARSHIP shall repay the Commission the funds received as set forth in § 18–112 of this title if the recipient does not:

(1) Satisfy the degree requirements of the eligible course of study or program or fulfill other requirements as provided in this subtitle;

(2) [Perform] **SUBJECT TO SUBSECTION (B) OF THIS SECTION, PERFORM** the service obligation **TO TEACH IN A PUBLIC SCHOOL OR A PUBLIC PREKINDERGARTEN PROGRAM THAT HAS AT LEAST 50% OF ITS STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS (FRPM)** for 1 year for each year that the recipient has a scholarship awarded under this subtitle; and

(3) Become professionally certified to teach in the State of Maryland within the time period specified by the Commission in consultation with the Maryland Department of Education.

(B) IF A RECIPIENT IS UNABLE TO PERFORM THE SERVICE OBLIGATION REQUIRED UNDER THIS SUBTITLE BECAUSE THERE ARE NO AVAILABLE POSITIONS IN A PUBLIC SCHOOL OR PUBLIC PREKINDERGARTEN PROGRAM THAT HAS AT LEAST 50% OF ITS STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS (FRPM), THE RECIPIENT MAY WORK IN ANY PUBLIC SCHOOL OR PUBLIC PREKINDERGARTEN PROGRAM IN THE STATE.

[(b) (C)] The Office shall forgive a recipient of a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** for 2 years of an award if:

(1) The recipient has taken the teacher certification examination, approved by the State Board of Education, in 2 consecutive years; and

(2) The recipient fails to pass the teacher certification examination within the time period specified by the Commission in accordance with subsection (a)(3) of this section.

18–2205.

(A) The annual scholarship award shall be: [in the amount of:

(1) \$2,000 for a full-time undergraduate student, or \$1,000 for a part-time undergraduate student, enrolled at a 2-year eligible institution;

(2) \$5,000 for a full-time undergraduate or graduate student enrolled in a 4-year eligible institution; or

(3) \$2,500 for a part-time undergraduate or graduate student enrolled at a 4-year eligible institution]

(1) AT A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION IN THE STATE THAT HAS A DEPARTMENT, SCHOOL, OR COLLEGE OF EDUCATION, 100% OF THE EQUIVALENT ANNUAL TUITION, MANDATORY FEES, AND ROOM AND BOARD OF A RESIDENT UNDERGRADUATE STUDENT OR GRADUATE STUDENT, AS APPROPRIATE, AT A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT HAS A SCHOOL OF EDUCATION THE PUBLIC SENIOR HIGHER EDUCATION INSTITUTION; OR

(2) SUBJECT TO SUBSECTION (B) OF THIS SECTION, AT A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT HAS A DEPARTMENT, SCHOOL, OR COLLEGE OF EDUCATION, AN AMOUNT EQUAL TO:

(i) THE LESSER OF:

1. 100% OF THE EQUIVALENT ANNUAL TUITION AND MANDATORY FEES OF A RESIDENT UNDERGRADUATE STUDENT OR GRADUATE STUDENT, AS APPROPRIATE, AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK; OR

2. 50% OF THE EQUIVALENT ANNUAL TUITION AND MANDATORY FEES OF A RESIDENT UNDERGRADUATE OR GRADUATE STUDENT, AS APPROPRIATE, AT THE ELIGIBLE PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION; AND

(ii) 100% OF THE ROOM AND BOARD OF A RESIDENT UNDERGRADUATE STUDENT OR GRADUATE STUDENT, AS APPROPRIATE, AT THE ELIGIBLE PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE.

(B) A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL PROVIDE A MATCHING SCHOLARSHIP AWARD IN AN AMOUNT EQUAL TO THE AWARD CALCULATED IN SUBSECTION (A)(2)(i) OF THIS SECTION.

18-2206.

(a) Except as provided in subsection (b) of this section, each recipient of a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** may renew the award three times if the recipient:

(1) Continues to be a resident of the State **OR GRADUATED FROM A HIGH SCHOOL IN THE STATE;**

(2) Continues to be a full-time or part-time undergraduate or graduate student at an eligible institution as determined by the Office;

(3) Has achieved a cumulative grade point average of at least [3.0] **3.3** on a 4.0 scale and maintains this minimum cumulative grade point average throughout the remainder of this award, or failing to do so, provides evidence of extenuating circumstances;

(4) In the judgment of the institution, is making satisfactory progress toward a degree; and

(5) Maintains the standards of the institution.

(b) ~~(1) Each recipient of a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** who is enrolled in an associate degree program as permitted in this subtitle may renew the award two times if the recipient is enrolled in an associate degree program that, as determined by the institution, requires 3 years to complete.~~

~~(2)~~ Each recipient of the [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** may renew the annual award four times if the recipient is enrolled in a course of study that, as determined by the institution, requires 5 years to complete.

18-2207.

A [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** may be used for tuition ~~and~~, mandatory fees, **AND ROOM AND BOARD** at any eligible institution.

18-2208.

IF AN ELIGIBLE INSTITUTION HAS ENROLLED AT LEAST 15 RECIPIENTS OF A **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP, THE ELIGIBLE INSTITUTION SHALL DEVELOP AND IMPLEMENT AN ENRICHED HONORS PROGRAM OF EDUCATION THAT IS RESPONSIVE TO EXCEPTIONAL DEDICATION AND MERIT-BASED ACCOMPLISHMENT IN THE STUDY OF EDUCATION AND PREPARATION FOR THE TEACHING PROFESSION.**

[18-2209.

Funds for the Maryland Teacher Scholarship program shall be as provided in the annual budget of the Commission by the Governor.]

18-2209.

THE GOVERNOR ANNUALLY SHALL INCLUDE FUNDS IN THE STATE BUDGET FOR THE COMMISSION TO AWARD SCHOLARSHIPS UNDER THIS SUBTITLE:

~~(1) ON OR BEFORE MARCH 1, 2015 FOR THE 2015-2016 ACADEMIC YEAR, A SCHOLARSHIP TO 40 APPLICANTS;~~

~~(2) ON OR BEFORE MARCH 1, 2016 FOR THE 2016-2017 ACADEMIC YEAR, A SCHOLARSHIP TO 80 APPLICANTS;~~

~~(3) ON OR BEFORE MARCH 1, 2017 FOR THE 2017-2018 ACADEMIC YEAR, A SCHOLARSHIP TO 120 APPLICANTS; AND~~

~~(4) ON OR BEFORE MARCH 1, 2018 FOR THE 2018-2019 ACADEMIC YEAR, AND EACH ACADEMIC YEAR THEREAFTER, A SCHOLARSHIP TO 160 APPLICANTS.~~

18-2210.

The Office of Student Financial Assistance shall ~~publicize~~:

(1) PUBLICIZE the availability of [Maryland Teacher Scholarships] TEACHING FELLOWS FOR MARYLAND SCHOLARSHIPS; AND

(2) TO THE EXTENT PRACTICABLE, AWARD SCHOLARSHIPS UNDER THIS SUBTITLE IN A MANNER THAT REFLECTS ETHNIC, GENDER, RACIAL, AND GEOGRAPHIC DIVERSITY.

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

Approved by the Governor, May 15, 2014.

Chapter 543

(House Bill 1432)

AN ACT concerning

Teaching Fellows for Maryland Scholarship Program

FOR the purpose of renaming the Maryland Teacher Scholarship to be the Teaching Fellows for Maryland scholarship and altering certain elements of the scholarship program; requiring certain institutions of higher education to provide certain matching funds to participate in a certain program; altering the eligibility criteria and the service obligation for the scholarship; authorizing certain recipients to work in certain public schools and certain public prekindergarten programs to satisfy a certain service obligation under certain circumstances; altering the amount of a certain award; requiring certain institutions of higher education to develop and implement a certain honors program in response to certain dedication and accomplishment under certain circumstances; requiring the Governor annually to include certain funds in the State budget for the Maryland Higher Education Commission to make certain awards under this Act; ~~requiring certain awards to be made in certain years~~; requiring the Office of Student Financial Assistance to award certain scholarships in a manner that reflects ethnic, gender, racial, and geographic diversity; altering certain definitions; making a stylistic change; and generally relating to scholarships for individuals who pledge to work as public school and public prekindergarten teachers.

BY repealing and reenacting, with amendments,
 Article – Education
 Section 18–2201 through 18–2207 and 18–2210
 Annotated Code of Maryland
 (2008 Replacement Volume and 2013 Supplement)

BY adding to
 Article – Education
 Section 18–2208 and 18–2209
 Annotated Code of Maryland
 (2008 Replacement Volume and 2013 Supplement)

BY repealing
 Article – Education
 Section 18–2209
 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

18–2201.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Eligible institution” means a ~~public~~ public:

(1) PUBLIC SENIOR HIGHER EDUCATION [or private nonprofit] institution of ~~higher education~~ in [this] THE State that possesses a certificate of approval from the ~~Maryland Higher Education~~ Commission AND HAS A **DEPARTMENT, SCHOOL, OR COLLEGE OF EDUCATION; OR**

(2) PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT POSSESSES A CERTIFICATE OF APPROVAL FROM THE COMMISSION, HAS A DEPARTMENT, SCHOOL, OR COLLEGE OF EDUCATION, AND AGREES TO PROVIDE A MATCHING GRANT TO AN UNDERGRADUATE OR GRADUATE STUDENT, AS APPROPRIATE, WHO RECEIVES A TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP IN THE LESSER OF:

(I) 100% OF THE ANNUAL COST OF TUITION AND MANDATORY FEES AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK; OR

(II) 50% OF THE COST OF TUITION AND MANDATORY FEES AT THE PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION.

(c) “Office” means the Office of Student Financial Assistance as defined in § 18–101(c) of this title.

(d) (1) “Service obligation” means to teach full time in the State as a teacher in a Maryland public ~~elementary or secondary~~ school **OR A PUBLIC PREKINDERGARTEN PROGRAM THAT HAS AT LEAST 50% OF ITS STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS (FRPM).**

(2) “Service obligation” does not mean employment as teaching assistants, volunteer service, paid fellowships, or internships.

18–2202.

There is a program of [Maryland Teacher Scholarships] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIPS** that are awarded under this subtitle for students who pledge to work as public ~~elementary and secondary~~ school **OR PUBLIC PREKINDERGARTEN** teachers in [this] THE State upon completion of their studies **AT SCHOOLS THAT HAVE AT LEAST 50% OF THE STUDENTS IN THE SCHOOL ELIGIBLE FOR FREE OR REDUCED PRICE MEALS (FRPM).**

18–2203.

(a) The Office shall annually select eligible students and offer a scholarship to each student selected to be used at an eligible institution of their choice.

(b) (1) Subject to paragraph (2) of this subsection, a recipient of the [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** shall:

(i) Be a Maryland resident **OR HAVE GRADUATED FROM A MARYLAND HIGH SCHOOL;**

(ii) Except as provided in subsection (c) of this section, be accepted for admission or currently enrolled at an eligible institution as a full-time or part-time undergraduate or graduate student pursuing a course of study or program in an academic discipline leading to a Maryland professional teacher's certificate;

(iii) 1. For a student currently enrolled in high school, have earned an overall grade point average of at least [3.0] **3.3** on a 4.0 scale or its equivalent after completion of the first semester of the senior year; or

2. For a student currently enrolled as a full-time undergraduate student, have maintained a grade point average of at least [3.0] **3.3** on a 4.0 scale and have been making satisfactory progress toward a degree in an academic discipline leading to a Maryland professional teacher's certificate;

(IV) HAVE ACHIEVED A SCORE OF AT LEAST:

1. 500 ON THE READING AND MATH PORTIONS OF THE SAT, WITH A COMBINED SCORE OF AT LEAST 1100 ON THE READING AND MATH PORTIONS OF THE SAT;

2. A COMPOSITE ACT SCORE OF 25; OR

3. 50% ON THE GRE;

[(iv)] **(V)** Sign a letter of intent to perform the service obligation upon completion of the recipient's required studies;

[(v)] **(VI)** Accept any other conditions attached to the award;
and

[(vi)] **(VII)** Satisfy any additional criteria the Commission may establish.

(2) Notwithstanding paragraph (1) of this subsection, an individual who, at the time the individual is scheduled to matriculate at an eligible institution, will have been employed as a teaching assistant at a public ~~elementary or secondary~~ school **OR PUBLIC PREKINDERGARTEN PROGRAM** in the State for at least 2 years:

(i) May apply for a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** under this subtitle; and

(ii) Is eligible to hold a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** as a full-time or part-time undergraduate or graduate student.

(c) A recipient of the [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** may not hold a Maryland professional teacher's certificate.

(d) (1) Applicants who are secondary school students shall provide a high school transcript after completion of the first semester of their senior year.

(2) Applicants who are currently enrolled in an eligible institution shall provide the most recent college transcript, or if not applicable, the applicant may submit a final high school transcript.

(3) Applicants who are not currently enrolled in an eligible institution, but who are high school graduates, shall provide a final high school transcript.

(4) Applicants who are high school graduates and are not currently enrolled in an eligible institution, but have completed some courses at an eligible institution, shall provide the most recent college transcript.

(5) Applicants who are not currently enrolled in an eligible institution, but who are college graduates, shall provide a final college transcript.

18-2204.

(a) Except as provided in subsection (b) of this section, the recipient of a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** shall repay the Commission the funds received as set forth in § 18-112 of this title if the recipient does not:

(1) Satisfy the degree requirements of the eligible course of study or program or fulfill other requirements as provided in this subtitle;

(2) [Perform] **SUBJECT TO SUBSECTION (B) OF THIS SECTION, PERFORM** the service obligation **TO TEACH IN A PUBLIC SCHOOL OR A PUBLIC PREKINDERGARTEN PROGRAM THAT HAS AT LEAST 50% OF ITS STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS (FRPM)** for 1 year for each year that the recipient has a scholarship awarded under this subtitle; and

(3) Become professionally certified to teach in the State of Maryland within the time period specified by the Commission in consultation with the Maryland Department of Education.

(B) IF A RECIPIENT IS UNABLE TO PERFORM THE SERVICE OBLIGATION REQUIRED UNDER THIS SUBTITLE BECAUSE THERE ARE NO AVAILABLE POSITIONS IN A PUBLIC SCHOOL OR PUBLIC PREKINDERGARTEN PROGRAM THAT HAS AT LEAST 50% OF ITS STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS (FRPM), THE RECIPIENT MAY WORK IN ANY PUBLIC SCHOOL OR PUBLIC PREKINDERGARTEN PROGRAM IN THE STATE.

[(b)] (C) The Office shall forgive a recipient of a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** for 2 years of an award if:

(1) The recipient has taken the teacher certification examination, approved by the State Board of Education, in 2 consecutive years; and

(2) The recipient fails to pass the teacher certification examination within the time period specified by the Commission in accordance with subsection (a)(3) of this section.

18-2205.

(A) The annual scholarship award shall be: [in the amount of:

(1) \$2,000 for a full-time undergraduate student, or \$1,000 for a part-time undergraduate student, enrolled at a 2-year eligible institution;

(2) \$5,000 for a full-time undergraduate or graduate student enrolled in a 4-year eligible institution; or

(3) \$2,500 for a part-time undergraduate or graduate student enrolled at a 4-year eligible institution]

(1) AT A PUBLIC SENIOR HIGHER EDUCATION INSTITUTION IN THE STATE THAT HAS A DEPARTMENT, SCHOOL, OR COLLEGE OF EDUCATION, 100% OF THE EQUIVALENT ANNUAL TUITION, MANDATORY FEES, AND ROOM AND BOARD OF A RESIDENT UNDERGRADUATE STUDENT OR GRADUATE STUDENT, AS APPROPRIATE, AT A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT HAS A SCHOOL OF EDUCATION THE PUBLIC SENIOR HIGHER EDUCATION INSTITUTION; OR

(2) SUBJECT TO SUBSECTION (B) OF THIS SECTION, AT A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT HAS A DEPARTMENT, SCHOOL, OR COLLEGE OF EDUCATION, AN AMOUNT EQUAL TO:

(I) THE LESSER OF:

1. 100% OF THE EQUIVALENT ANNUAL TUITION AND MANDATORY FEES OF A RESIDENT UNDERGRADUATE STUDENT OR GRADUATE STUDENT, AS APPROPRIATE, AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK; OR

2. 50% OF THE EQUIVALENT ANNUAL TUITION AND MANDATORY FEES OF A RESIDENT UNDERGRADUATE OR GRADUATE STUDENT, AS APPROPRIATE, AT THE ELIGIBLE PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION; AND

(II) 100% OF THE ROOM AND BOARD OF A RESIDENT UNDERGRADUATE STUDENT OR GRADUATE STUDENT, AS APPROPRIATE, AT THE ELIGIBLE PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE.

(B) A PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL PROVIDE A MATCHING SCHOLARSHIP AWARD IN AN AMOUNT EQUAL TO THE AWARD CALCULATED IN SUBSECTION (A)(2)(I) OF THIS SECTION.

18–2206.

(a) Except as provided in subsection (b) of this section, each recipient of a [Maryland Teacher Scholarship] **TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP** may renew the award three times if the recipient:

(1) Continues to be a resident of the State **OR GRADUATED FROM A HIGH SCHOOL IN THE STATE;**

(2) Continues to be a full–time or part–time undergraduate or graduate student at an eligible institution as determined by the Office;

(3) Has achieved a cumulative grade point average of at least [3.0] **3.3** on a 4.0 scale and maintains this minimum cumulative grade point average throughout the remainder of this award, or failing to do so, provides evidence of extenuating circumstances;

(4) In the judgment of the institution, is making satisfactory progress toward a degree; and

(5) Maintains the standards of the institution.

(b) ~~(1) Each recipient of a [Maryland Teacher Scholarship] TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP who is enrolled in an associate degree program as permitted in this subtitle may renew the award two times if the recipient is enrolled in an associate degree program that, as determined by the institution, requires 3 years to complete.~~

~~(2)~~ Each recipient of the [Maryland Teacher Scholarship] TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP may renew the annual award four times if the recipient is enrolled in a course of study that, as determined by the institution, requires 5 years to complete.

18-2207.

A [Maryland Teacher Scholarship] TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP may be used for tuition ~~and~~, mandatory fees, AND ROOM AND BOARD at any eligible institution.

18-2208.

IF AN ELIGIBLE INSTITUTION HAS ENROLLED AT LEAST 15 RECIPIENTS OF A TEACHING FELLOWS FOR MARYLAND SCHOLARSHIP, THE ELIGIBLE INSTITUTION SHALL DEVELOP AND IMPLEMENT AN ENRICHED HONORS PROGRAM OF EDUCATION THAT IS RESPONSIVE TO EXCEPTIONAL DEDICATION AND MERIT-BASED ACCOMPLISHMENT IN THE STUDY OF EDUCATION AND PREPARATION FOR THE TEACHING PROFESSION.

[18-2209.

Funds for the Maryland Teacher Scholarship program shall be as provided in the annual budget of the Commission by the Governor.]

18-2209.

THE GOVERNOR ANNUALLY SHALL INCLUDE FUNDS IN THE STATE BUDGET FOR THE COMMISSION TO AWARD SCHOLARSHIPS UNDER THIS SUBTITLE.

~~(1) ON OR BEFORE MARCH 1, 2015, A SCHOLARSHIP TO 40 APPLICANTS;~~

~~(2) ON OR BEFORE MARCH 1, 2016, A SCHOLARSHIP TO 80 APPLICANTS;~~

~~(3) ON OR BEFORE MARCH 1, 2017, A SCHOLARSHIP TO 120 APPLICANTS; AND~~

~~(4) ON OR BEFORE MARCH 1, 2018, AND EACH YEAR THEREAFTER, A SCHOLARSHIP TO 160 APPLICANTS.~~

18–2210.

The Office of Student Financial Assistance shall ~~publicize~~:

(1) PUBLICIZE the availability of [Maryland Teacher Scholarships] TEACHING FELLOWS FOR MARYLAND SCHOLARSHIPS; AND

(2) TO THE EXTENT PRACTICABLE, AWARD SCHOLARSHIPS UNDER THIS SUBTITLE IN A MANNER THAT REFLECTS ETHNIC, GENDER, RACIAL, AND GEOGRAPHIC DIVERSITY.

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

Approved by the Governor, May 15, 2014.

Chapter 544

(Senate Bill 676)

AN ACT concerning

Teachers and Principals – Performance Evaluation Criteria – Use of Student Growth Data

FOR the purpose of renaming certain model performance evaluation criteria; prohibiting certain performance evaluation criteria from requiring the use of certain student growth data before a certain year; ~~prohibiting a county board of education from being required to adopt certain model performance evaluation criteria~~ providing for the application of this Act; and generally relating to the use of student growth data in performance evaluation criteria.

BY repealing and reenacting, with amendments,

Article – Education

Section 6–202(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

6–202.

(c) (1) In this subsection, “student growth” means student progress assessed by multiple measures and from a clearly articulated baseline to one or more points in time.

(2) (i) Subject to subparagraph (iii) of this paragraph, the State Board shall adopt regulations that establish general standards for performance evaluations for certificated teachers and principals that include observations, clear standards, rigor, and claims and evidence of observed instruction.

(ii) The regulations adopted under subparagraph (i) of this paragraph shall include **DEFAULT** model performance evaluation criteria.

(iii) Before the proposal of the regulations required under this paragraph, the State Board shall solicit information and recommendations from each local school system and convene a meeting wherein this information and these recommendations are discussed and considered.

(3) Subject to paragraph (6) of this subsection:

(i) A county board shall establish performance evaluation criteria for certificated teachers and principals in the local school system based on the general standards adopted under paragraph (2) of this subsection that are mutually agreed on by the local school system and the exclusive employee representative.

(ii) Nothing in this paragraph shall be construed to require mutual agreement under subparagraph (i) of this paragraph to be governed by Subtitles 4 and 5 of this title.

(4) **[The] SUBJECT TO PARAGRAPH (7) OF THIS SUBSECTION, THE** performance evaluation criteria developed under paragraph (3) of this subsection:

(i) Shall include data on student growth as a significant component of the evaluation and as one of multiple measures; and

(ii) May not be based solely on an existing or newly created single examination or assessment.

(5) (i) An existing or newly created single examination or assessment may be used as one of the multiple measures.

(ii) No single criterion shall account for more than 35% of the total performance evaluation criteria.

(6) If a local school system and the exclusive employee representative fail to mutually agree under paragraph (3) of this subsection, the DEFAULT model performance evaluation criteria adopted by the State Board under paragraph (2)(ii) of this subsection shall take effect in the local jurisdiction 6 months following the final adoption of the regulations.

(7) ANY PERFORMANCE EVALUATION CRITERIA DEVELOPED UNDER THIS SUBSECTION MAY NOT REQUIRE STUDENT GROWTH DATA BASED ON STATE ASSESSMENTS TO BE USED TO MAKE PERSONNEL DECISIONS BEFORE THE 2016–2017 SCHOOL YEAR.

~~**(8) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO REQUIRE A COUNTY BOARD TO ADOPT THE DEFAULT MODEL PERFORMANCE EVALUATION CRITERIA DEVELOPED UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.**~~

SECTION 2. AND BE IT FURTHER ENACTED, That § 6–202(c)(7) of the Education Article of the Annotated Code of Maryland, as enacted by Section 1 of this Act, does not apply to a local school system and an exclusive employee representative that mutually agree to use student growth data based on State assessments to make personnel decisions in accordance with an agreement executed on or after January 1, 2014, and before March 1, 2014.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 545

(House Bill 1167)

AN ACT concerning

Teachers and Principals – Performance Evaluation Criteria – Use of Student Growth Data

FOR the purpose of renaming certain model performance evaluation criteria; prohibiting certain performance evaluation criteria from requiring the use of certain student growth data before a certain year; ~~prohibiting a county board of education from being required to adopt certain model performance evaluation~~

~~criteria~~ providing for the application of this Act; and generally relating to the use of student growth data in performance evaluation criteria.

BY repealing and reenacting, with amendments,
 Article – Education
 Section 6–202(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

6–202.

(c) (1) In this subsection, “student growth” means student progress assessed by multiple measures and from a clearly articulated baseline to one or more points in time.

(2) (i) Subject to subparagraph (iii) of this paragraph, the State Board shall adopt regulations that establish general standards for performance evaluations for certificated teachers and principals that include observations, clear standards, rigor, and claims and evidence of observed instruction.

(ii) The regulations adopted under subparagraph (i) of this paragraph shall include **DEFAULT** model performance evaluation criteria.

(iii) Before the proposal of the regulations required under this paragraph, the State Board shall solicit information and recommendations from each local school system and convene a meeting wherein this information and these recommendations are discussed and considered.

(3) Subject to paragraph (6) of this subsection:

(i) A county board shall establish performance evaluation criteria for certificated teachers and principals in the local school system based on the general standards adopted under paragraph (2) of this subsection that are mutually agreed on by the local school system and the exclusive employee representative.

(ii) Nothing in this paragraph shall be construed to require mutual agreement under subparagraph (i) of this paragraph to be governed by Subtitles 4 and 5 of this title.

(4) **[The] SUBJECT TO PARAGRAPH (7) OF THIS SUBSECTION, THE** performance evaluation criteria developed under paragraph (3) of this subsection:

(i) Shall include data on student growth as a significant component of the evaluation and as one of multiple measures; and

(ii) May not be based solely on an existing or newly created single examination or assessment.

(5) (i) An existing or newly created single examination or assessment may be used as one of the multiple measures.

(ii) No single criterion shall account for more than 35% of the total performance evaluation criteria.

(6) If a local school system and the exclusive employee representative fail to mutually agree under paragraph (3) of this subsection, the **DEFAULT** model performance evaluation criteria adopted by the State Board under paragraph (2)(ii) of this subsection shall take effect in the local jurisdiction 6 months following the final adoption of the regulations.

(7) ANY PERFORMANCE EVALUATION CRITERIA DEVELOPED UNDER THIS SUBSECTION MAY NOT REQUIRE STUDENT GROWTH DATA BASED ON STATE ASSESSMENTS TO BE USED TO MAKE PERSONNEL DECISIONS BEFORE THE 2016–2017 SCHOOL YEAR.

~~**(8) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO REQUIRE A COUNTY BOARD TO ADOPT THE DEFAULT MODEL PERFORMANCE EVALUATION CRITERIA DEVELOPED UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.**~~

SECTION 2. AND BE IT FURTHER ENACTED, That § 6–202(c)(7) of the Education Article of the Annotated Code of Maryland, as enacted by Section 1 of this Act, does not apply to a local school system and an exclusive employee representative that mutually agree to use student growth data based on State assessments to make personnel decisions in accordance with an agreement executed on or after January 1, 2014, and before March 1, 2014.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.

Approved by the Governor, May 15, 2014.

AN ACT concerning

Registration of Pesticides – Fee Increase – Disposition of Fees

FOR the purpose of increasing certain pesticide registration fees; providing that at least a certain amount of certain pesticide registration fees may be used only for activities of the Department of Agriculture relating to the collection, analysis, and reporting of data on pesticide use in the State; specifying that money expended from the State Chemist Fund for a certain purpose is supplemental to and not intended to take the place of certain other funding; and generally relating to pesticide registration fees.

BY repealing and reenacting, without amendments,

Article – Agriculture

Section 5–105(a)

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Agriculture

Section 5–105(d) and 6–501

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 – Agriculture

5–105.

(a) Except as provided in subsection (g) of this section, a distributor shall register with the Secretary each brand or product name of a pesticide before distributing it in the State. The registration for each pesticide expires December 31 each year.

(d) **(1)** The applicant shall pay an annual fee of [~~\$100~~] **\$110** to the Secretary for each product registered.

(2) Unless the Secretary determines otherwise, each applicant also shall pay a terminal registration fee of [~~\$100~~] **\$110** for each discontinued pesticide each year for two years.

6–501.

(a) In this section, “Fund” means the State Chemist Fund.

(b) The Fund is created as a special, nonlapsing fund in the Department for the purpose specified in this section.

(c) The Fund shall consist of any registration, inspection, or late fees or any penalties collected under this title or under Title 5, Subtitle 1 of this article.

(d) **(1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE** Fund may be used only to defray partially the cost of inspection, sampling, analysis, and other expenses necessary for administering this title or Title 5, Subtitle 1 of this article.

(2) OF EACH ANNUAL REGISTRATION FEE AND EACH TERMINAL REGISTRATION FEE COLLECTED UNDER § 5–105 OF THIS ARTICLE, AT LEAST \$10 SHALL BE USED ONLY FOR ACTIVITIES OF THE DEPARTMENT RELATING TO THE COLLECTION, ANALYSIS, AND REPORTING OF DATA ON PESTICIDE USE IN THE STATE.

(e) At the end of a fiscal year, any unexpended or unencumbered money in the Fund, up to a maximum of \$375,000, may not revert to the General Fund of the State.

(F) MONEY EXPENDED FROM THE FUND FOR ACTIVITIES OF THE DEPARTMENT RELATING TO THE COLLECTION, ANALYSIS, AND REPORTING OF DATA ON PESTICIDE USE IN THE STATE IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR SUCH ACTIVITIES.

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

Approved by the Governor, May 15, 2014.

Chapter 547

(House Bill 621)

AN ACT concerning

Registration of Pesticides – Fee Increase – Disposition of Fees

FOR the purpose of increasing certain pesticide registration fees; providing that at least a certain amount of certain pesticide registration fees may be used only for activities of the Department of Agriculture relating to the collection, analysis, and reporting of data on pesticide use in the State; specifying that money

expended from the State Chemist Fund for a certain purpose is supplemental to and not intended to take the place of certain other funding; and generally relating to pesticide registration fees.

BY repealing and reenacting, without amendments,
Article – Agriculture
Section 5–105(a)
Annotated Code of Maryland
(2007 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Agriculture
Section 5–105(d) and 6–501
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 – Agriculture

5–105.

(a) Except as provided in subsection (g) of this section, a distributor shall register with the Secretary each brand or product name of a pesticide before distributing it in the State. The registration for each pesticide expires December 31 each year.

(d) **(1)** The applicant shall pay an annual fee of [~~\$100~~] **\$110** to the Secretary for each product registered.

(2) Unless the Secretary determines otherwise, each applicant also shall pay a terminal registration fee of [~~\$100~~] **\$110** for each discontinued pesticide each year for two years.

6–501.

(a) In this section, “Fund” means the State Chemist Fund.

(b) The Fund is created as a special, nonlapsing fund in the Department for the purpose specified in this section.

(c) The Fund shall consist of any registration, inspection, or late fees or any penalties collected under this title or under Title 5, Subtitle 1 of this article.

(d) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE Fund may be used only to defray partially the cost of inspection, sampling, analysis, and other expenses necessary for administering this title or Title 5, Subtitle 1 of this article.

(2) OF EACH ANNUAL REGISTRATION FEE AND EACH TERMINAL REGISTRATION FEE COLLECTED UNDER § 5–105 OF THIS ARTICLE, AT LEAST \$10 SHALL BE USED ONLY FOR ACTIVITIES OF THE DEPARTMENT RELATING TO THE COLLECTION, ANALYSIS, AND REPORTING OF DATA ON PESTICIDE USE IN THE STATE.

(e) At the end of a fiscal year, any unexpended or unencumbered money in the Fund, up to a maximum of \$375,000, may not revert to the General Fund of the State.

(F) MONEY EXPENDED FROM THE FUND FOR ACTIVITIES OF THE DEPARTMENT RELATING TO THE COLLECTION, ANALYSIS, AND REPORTING OF DATA ON PESTICIDE USE IN THE STATE IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR SUCH ACTIVITIES.

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

Approved by the Governor, May 15, 2014.

Chapter 548

(Senate Bill 711)

AN ACT concerning

**Maryland Occupational Safety and Health Act – Chemical Information List –
~~Submission to Department of the Environment – Repeal~~ Submission,
Maintenance, and Accessibility**

FOR the purpose of repealing obsolete language regarding the maintenance of and access to certain chemical information lists submitted to the Department of the Environment; ~~repealing the requirement that employers, under certain circumstances, submit a certain chemical list to the Department~~ requiring certain employers that cease to operate as a business or to take certain actions related to hazardous chemicals to submit a certain chemical information list to the Department of Labor, Licensing, and Regulation; requiring the Department of Labor, Licensing, and Regulation to keep the chemical information list for a

certain period of time; requiring an employer or, under certain circumstances, the Department of Labor, Licensing, and Regulation, to provide access to information on a certain chemical information list to certain individuals under certain circumstances; recodifying and revising certain provisions of law concerning access to certain chemical information lists; repealing the requirement that the Department of the Environment take certain actions regarding the chemical lists that are submitted to the Department of the Environment; and generally relating to the chemical information list employers are required to keep under the Maryland Occupational Safety and Health Act.

BY repealing

Article – Environment

Section 6–501 through 6–504 and the subtitle “Subtitle 5. Public Access to Information on Hazardous or Toxic Chemicals”

Annotated Code of Maryland
(2013 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Labor and Employment

Section 5–405 and 5–407

Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY repealing

Article – Labor and Employment

Section 5–406 and 5–408(d)

Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 6–501 through 6–504 and the subtitle “Subtitle 5. Public Access to Information on Hazardous or Toxic Chemicals” of Article – Environment of the Annotated Code of Maryland be repealed.

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

Article – Labor and Employment

5–405.

(a) This section does not apply to a consumer product or foodstuff that is:

(1) packaged for distribution to and intended for use by the general public; and

(2) handled unopened or stored unopened in a retail establishment, including its storeroom or warehouse.

(b) (1) To comply with the requirements of 29 C.F.R. 1910.1200(e)(1)(i) for a list of hazardous chemicals, each employer shall compile and maintain a chemical information list for each hazardous chemical that is formulated, handled, manufactured, packaged, processed, reacted, repackaged, stored, or transferred in the workplace of the employer.

(2) Within 30 days after a hazardous chemical is introduced into the workplace of an employer, the employer shall add the hazardous chemical to the chemical information list. The employer need not place the hazardous chemical alphabetically on the chemical information list until the employer next revises the list as required under paragraph (3) of this subsection.

(3) Every 2 years, an employer shall revise the chemical information list.

(c) For each hazardous chemical on a chemical information list, the list shall:

(1) contain its chemical and common names; and

(2) identify each work area where the hazardous chemical is found.

(d) Each compilation of a chemical information list and each revision under subsection (b) of this section shall list the hazardous chemicals on the list in alphabetical order according to common name.

(e) (1) Each employer shall keep, for at least 40 years, each chemical information list that the employer compiles or revises.

(2) (I) IF AN EMPLOYER'S BUSINESS CEASES TO OPERATE OR FORMULATE, HANDLE, MANUFACTURE, PACKAGE, PROCESS, REACT, REPACKAGE, STORE, OR TRANSFER HAZARDOUS CHEMICALS IN A WORKPLACE REGULATED UNDER THIS SUBTITLE, THE EMPLOYER PROMPTLY SHALL SUBMIT THE MOST RECENT CHEMICAL INFORMATION LIST TO THE DEPARTMENT OF ~~THE ENVIRONMENT~~ LABOR, LICENSING, AND REGULATION.

(II) THE DEPARTMENT OF ~~THE ENVIRONMENT~~ LABOR, LICENSING, AND REGULATION SHALL KEEP, FOR AT LEAST 40 YEARS, THE CHEMICAL INFORMATION LIST THAT THE EMPLOYER PROVIDES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(a) (1) Within 15 days after an employer prepares or revises a chemical information list, the employer shall submit a copy of the list to the Department of the Environment.

(2) Within 5 working days after an employer receives a written request from the Department of the Environment for a copy of a material safety data sheet, the employer shall submit to the Department a copy of that sheet.

(b) The Department of the Environment shall:

(1) review, for completeness and sufficiency, each:

(i) chemical information list that an employer submits under subsection (a) of this section; and

(ii) material safety data sheet that the Department requests; and

(2) give the Commissioner notice of any noncompliance.

(c) The Department of the Environment shall provide access to information on a chemical information list only to:

(1) a person who provides fire, ambulance, or rescue service for the appropriate geographic area;

(2) a nurse, physician, or physician assistant who is treating an individual in a medical emergency;

(3) a former employee of an inactive employer;

(4) the Commissioner; and

(5) an independent contractor or employer as provided in § 5-408 of this subtitle.

(d) Except as provided in subsections (b) and (c) of this section and § 6-503 of the Environment Article, the Department of the Environment:

(1) shall treat as confidential information in a chemical information list; and

(2) may not disclose the information:

(i) in any civil proceeding; or

(ii) to any person.]

5-407.

(a) (1) An employee or designated representative may ask an employer for:

(i) access to a chemical information list maintained by the employer; and

(ii) a copy of the chemical information list or any material safety data sheet in the workplace of the employee.

(2) An employer shall comply with a request under this subsection:

(i) for access, in the workplace of the employee, within 1 working day after a request; and

(ii) for a copy, within 5 days after a request.

(3) To comply with a request for a copy, an employer shall provide, without charge to the employee or designated representative, the copy or the mechanical means to produce the copy. If, during a calendar year, more than 1 copy is requested for an employee the employer may assess a reasonable charge for each additional copy.

(4) An employer shall make the material safety data sheet readily accessible in accordance with 29 C.F.R. 1910.1200(g)(8).

(5) If an employer fails to comply with this subsection, an employee who requests the information may refuse to work with the hazardous chemical for which the chemical information list or material safety data sheet was requested.

(b) [A person described in Title 6, Subtitle 5 of the Environment Article has access to a chemical information list or material safety data sheet in accordance with that subtitle.]

ON RECEIPT OF A WRITTEN REQUEST, AN EMPLOYER OR, IF THE EMPLOYER'S BUSINESS HAS CEASED OPERATING AS DESCRIBED IN § 5-405(E)(2) OF THIS SUBTITLE, THE DEPARTMENT OF ~~THE ENVIRONMENT~~ LABOR, LICENSING, AND REGULATION SHALL PROVIDE ACCESS TO INFORMATION ON A CHEMICAL INFORMATION LIST TO:

(1) AN INDIVIDUAL WHO PROVIDES FIRE, AMBULANCE, OR RESCUE SERVICE FOR THE APPROPRIATE GEOGRAPHIC AREA;

(2) A NURSE, PHYSICIAN, OR PHYSICIAN'S ASSISTANT WHO IS PROVIDING EMERGENCY MEDICAL TREATMENT;

(3) THE COMMISSIONER;

(4) A FORMER EMPLOYEE;

(5) AN INDEPENDENT CONTRACTOR OR EMPLOYER;

(6) ANY ENVIRONMENTAL, CIVIC, OR CONSUMER ORGANIZATION IN THE STATE; AND

(7) ANY INDIVIDUAL WHO LIVES:

(I) IN A LOCAL COMMUNITY WHERE A BUSINESS STORES, PRODUCES, OR LOCATES HAZARDOUS OR TOXIC CHEMICALS; OR

(II) IN THE NEAREST LOCAL COMMUNITY TO A BUSINESS THAT STORES, PRODUCES, OR LOCATES HAZARDOUS OR TOXIC CHEMICALS.

5-408.

[(d) An independent contractor or employer who is not given information as required under subsection (a) or (b) of this section may obtain the document from the Department of the Environment in accordance with § 5-406(c) of this subtitle.]

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

Approved by the Governor, May 15, 2014.

Chapter 549

(House Bill 189)

AN ACT concerning

Maryland Occupational Safety and Health Act – Chemical Information List – ~~Submission to Department of the Environment – Repeal~~ Submission, Maintenance, and Accessibility

FOR the purpose of repealing obsolete language regarding the maintenance of and access to certain chemical information lists submitted to the Department of the Environment; ~~repealing the requirement that employers, under certain~~

~~circumstances, submit a certain chemical list to the Department requiring certain employers that cease to operate as a business or to take certain actions related to hazardous chemicals to submit a certain chemical information list to the Department of Labor, Licensing, and Regulation; requiring the Department of Labor, Licensing, and Regulation to keep the chemical information list for a certain period of time; requiring an employer or, under certain circumstances, the Department of Labor, Licensing, and Regulation, to provide access to information on a certain chemical information list to certain individuals under certain circumstances; recodifying and revising certain provisions of law concerning access to certain chemical information lists; repealing the requirement that the Department of the Environment take certain actions regarding the chemical lists that are submitted to the Department of the Environment; and generally relating to the chemical information list employers are required to keep under the Maryland Occupational Safety and Health Act.~~

BY repealing

Article – Environment

Section 6–501 through 6–504 and the subtitle “Subtitle 5. Public Access to Information on Hazardous or Toxic Chemicals”

Annotated Code of Maryland

(2013 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Labor and Employment

Section 5–405 and 5–407

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY repealing

Article – Labor and Employment

Section 5–406 and 5–408(d)

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 6–501 through 6–504 and the subtitle “Subtitle 5. Public Access to Information on Hazardous or Toxic Chemicals” of Article – Environment of the Annotated Code of Maryland be repealed.

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

Article – Labor and Employment

5–405.

(a) This section does not apply to a consumer product or foodstuff that is:

(1) packaged for distribution to and intended for use by the general public; and

(2) handled unopened or stored unopened in a retail establishment, including its storeroom or warehouse.

(b) (1) To comply with the requirements of 29 C.F.R. 1910.1200(e)(1)(i) for a list of hazardous chemicals, each employer shall compile and maintain a chemical information list for each hazardous chemical that is formulated, handled, manufactured, packaged, processed, reacted, repackaged, stored, or transferred in the workplace of the employer.

(2) Within 30 days after a hazardous chemical is introduced into the workplace of an employer, the employer shall add the hazardous chemical to the chemical information list. The employer need not place the hazardous chemical alphabetically on the chemical information list until the employer next revises the list as required under paragraph (3) of this subsection.

(3) Every 2 years, an employer shall revise the chemical information list.

(c) For each hazardous chemical on a chemical information list, the list shall:

(1) contain its chemical and common names; and

(2) identify each work area where the hazardous chemical is found.

(d) Each compilation of a chemical information list and each revision under subsection (b) of this section shall list the hazardous chemicals on the list in alphabetical order according to common name.

(e) (1) Each employer shall keep, for at least 40 years, each chemical information list that the employer compiles or revises.

(2) (I) IF AN EMPLOYER'S BUSINESS CEASES TO OPERATE OR FORMULATE, HANDLE, MANUFACTURE, PACKAGE, PROCESS, REACT, REPACKAGE, STORE, OR TRANSFER HAZARDOUS CHEMICALS IN A WORKPLACE REGULATED UNDER THIS SUBTITLE, THE EMPLOYER PROMPTLY SHALL SUBMIT THE MOST RECENT CHEMICAL INFORMATION LIST TO THE DEPARTMENT OF ~~THE ENVIRONMENT~~ LABOR, LICENSING, AND REGULATION.

(II) THE DEPARTMENT OF ~~THE ENVIRONMENT~~ LABOR, LICENSING, AND REGULATION SHALL KEEP, FOR AT LEAST 40 YEARS, THE CHEMICAL INFORMATION LIST THAT THE EMPLOYER PROVIDES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

[5–406.

(a) (1) Within 15 days after an employer prepares or revises a chemical information list, the employer shall submit a copy of the list to the Department of the Environment.

(2) Within 5 working days after an employer receives a written request from the Department of the Environment for a copy of a material safety data sheet, the employer shall submit to the Department a copy of that sheet.

(b) The Department of the Environment shall:

(1) review, for completeness and sufficiency, each:

(i) chemical information list that an employer submits under subsection (a) of this section; and

(ii) material safety data sheet that the Department requests;
and

(2) give the Commissioner notice of any noncompliance.

(c) The Department of the Environment shall provide access to information on a chemical information list only to:

(1) a person who provides fire, ambulance, or rescue service for the appropriate geographic area;

(2) a nurse, physician, or physician assistant who is treating an individual in a medical emergency;

(3) a former employee of an inactive employer;

(4) the Commissioner; and

(5) an independent contractor or employer as provided in § 5–408 of this subtitle.

(d) Except as provided in subsections (b) and (c) of this section and § 6–503 of the Environment Article, the Department of the Environment:

(1) shall treat as confidential information in a chemical information list; and

(2) may not disclose the information:

- (i) in any civil proceeding; or
- (ii) to any person.]

5-407.

(a) (1) An employee or designated representative may ask an employer for:

(i) access to a chemical information list maintained by the employer; and

(ii) a copy of the chemical information list or any material safety data sheet in the workplace of the employee.

(2) An employer shall comply with a request under this subsection:

(i) for access, in the workplace of the employee, within 1 working day after a request; and

(ii) for a copy, within 5 days after a request.

(3) To comply with a request for a copy, an employer shall provide, without charge to the employee or designated representative, the copy or the mechanical means to produce the copy. If, during a calendar year, more than 1 copy is requested for an employee the employer may assess a reasonable charge for each additional copy.

(4) An employer shall make the material safety data sheet readily accessible in accordance with 29 C.F.R. 1910.1200(g)(8).

(5) If an employer fails to comply with this subsection, an employee who requests the information may refuse to work with the hazardous chemical for which the chemical information list or material safety data sheet was requested.

(b) [A person described in Title 6, Subtitle 5 of the Environment Article has access to a chemical information list or material safety data sheet in accordance with that subtitle.]

ON RECEIPT OF A WRITTEN REQUEST, AN EMPLOYER OR, IF THE EMPLOYER'S BUSINESS HAS CEASED OPERATING AS DESCRIBED IN § 5-405(E)(2) OF THIS SUBTITLE, THE DEPARTMENT OF ~~THE ENVIRONMENT~~ LABOR, LICENSING, AND REGULATION SHALL PROVIDE ACCESS TO INFORMATION ON A CHEMICAL INFORMATION LIST TO:

(1) AN INDIVIDUAL WHO PROVIDES FIRE, AMBULANCE, OR RESCUE SERVICE FOR THE APPROPRIATE GEOGRAPHIC AREA;

(2) A NURSE, PHYSICIAN, OR PHYSICIAN’S ASSISTANT WHO IS PROVIDING EMERGENCY MEDICAL TREATMENT;

(3) THE COMMISSIONER;

(4) A FORMER EMPLOYEE;

(5) AN INDEPENDENT CONTRACTOR OR EMPLOYER;

(6) ANY ENVIRONMENTAL, CIVIC, OR CONSUMER ORGANIZATION IN THE STATE; AND

(7) ANY INDIVIDUAL WHO LIVES:

(I) IN A LOCAL COMMUNITY WHERE A BUSINESS STORES, PRODUCES, OR LOCATES HAZARDOUS OR TOXIC CHEMICALS; OR

(II) IN THE NEAREST LOCAL COMMUNITY TO A BUSINESS THAT STORES, PRODUCES, OR LOCATES HAZARDOUS OR TOXIC CHEMICALS.

5–408.

[(d) An independent contractor or employer who is not given information as required under subsection (a) or (b) of this section may obtain the document from the Department of the Environment in accordance with § 5–406(c) of this subtitle.]

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

Approved by the Governor, May 15, 2014.

Chapter 550

(Senate Bill 713)

AN ACT concerning

Corporations and Real Estate Investment Trusts – Miscellaneous Provisions

FOR the purpose of providing that a Maryland corporation or a real estate investment trust has the power to renounce certain business opportunities in certain

documents or by certain resolutions; repealing certain provisions of law prohibiting the declaration or payment of a dividend payable in shares of one class of a corporation's stock to holders of shares of another class of the corporation's stock unless approved in a certain manner; altering the circumstances under which a corporation registered as an open-end company may redeem shares of its stock from any stockholder; requiring each nominee for director of a corporation to have the qualifications required by the charter or bylaws of the corporation; providing that a director of a corporation holds office until the time the director ceases to have certain qualifications under certain circumstances; specifying how the directors who hold over and continue to serve as directors must be determined under certain circumstances; clarifying the circumstances under which certain actions may be taken without a meeting of the board of directors or a committee of the board; clarifying that certain references to a majority or other proportion of directors refer to a majority or other proportion of votes entitled to be cast by the directors; establishing a certain limitation on a board's sole power to take certain actions relating to special meetings of stockholders; providing that a certain interest with which a proxy may be coupled includes an interest as a party to a certain voting agreement; authorizing two or more stockholders to enter into a written agreement requiring voting rights to be exercised in a certain manner under certain circumstances; altering the circumstances under which the approval of the stockholders and articles of transfer or share exchange are not required; altering the manner in which a certain merger of a Maryland corporation or Maryland real estate investment trust must be approved; establishing that a merger of a subject corporation with or into an acquiring entity may be effected under certain circumstances; requiring the board of directors of a certain Maryland corporation to adopt a certain resolution approving a certain merger under certain circumstances; requiring an other entity to advise, authorize, and approve a certain transaction in a certain manner under certain circumstances; requiring a certain acquiring entity to give a certain notice of a certain transaction to certain stockholders of record under certain circumstances; providing that a minority stockholder of a subject corporation has a right to demand and receive certain payment of shares under certain circumstances; altering the information that must be included in articles of consolidation, merger, share exchange, or transfer under certain circumstances; providing that certain information included in articles of consolidation, merger, share exchange, or transfer may be made dependent on facts ascertainable outside the articles; altering the basis for determining when fair value of the stock of a Maryland corporation is determined; altering the circumstances in which a certain stockholder is authorized to demand fair value of the stockholder's stock; altering the circumstances in which a certain stockholder must file a certain written objection to a certain transaction; repealing certain provisions of law requiring the president or director of a certain corporation, the charter of which has been revived, to call a meeting of the stockholders for a certain purpose; altering the manner in which an other entity converting to a certain Maryland corporation or a real estate investment trust must execute articles of incorporation or a declaration of trust; providing that a real estate investment

trust is a separate legal entity; providing that a real estate investment trust is formed by filing a declaration of trust for record with the State Department of Assessments and Taxation; defining certain terms; making certain conforming and stylistic changes; and generally relating to corporations and real estate investment trusts.

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 2–103, 2–309(c), 2–310.1, 2–403(a), 2–404(b), 2–405, 2–408(c) and (d),
2–502(e), 2–507(d), 3–104(a), 3–105(a), 3–109, 3–202, 3–203, 3–901(c),
8–102, 8–201, 8–301, 8–501.1(c), and 8–701(c)

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

BY adding to

Article – Corporations and Associations

Section 2–510.1 and 3–106.1

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

BY repealing

Article – Corporations and Associations

Section 3–511

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 – Corporations and Associations

2–103.

Unless otherwise provided by law or its charter, a Maryland corporation has the general powers, whether or not they are set forth in its charter, to:

- (1) Have perpetual existence, although existence may be limited to a specified period if the limitation is stated in a charter provision adopted after May 31, 1908;
- (2) Sue, be sued, complain, and defend in all courts;
- (3) Have, use, alter, or abandon a corporate seal;
- (4) Transact its business, carry on its operations, and exercise the powers granted by this article in any state, territory, district, and possession of the United States and in any foreign country;

(5) Make contracts and guarantees, incur liabilities, and borrow money;

(6) Sell, lease, exchange, transfer, convey, mortgage, pledge, and otherwise dispose of any or all of its assets;

(7) Issue bonds, notes, and other obligations and secure them by mortgage or deed of trust of any or all of its assets;

(8) Acquire by purchase or in any other manner, and take, receive, own, hold, use, employ, improve, and otherwise deal with any interest in real or personal property, wherever located;

(9) Purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of and otherwise use and deal in and with stock and other interests in and obligations of other Maryland and foreign corporations, associations, partnerships, and individuals;

(10) Subject to the limitations provided in this article, acquire any of its own stock, bonds, notes, and other obligations and securities;

(11) Invest its surplus funds, lend money from time to time in any manner which may be appropriate to enable it to carry on the operations or fulfill the purposes specified in its charter, and take and hold real and personal property as security for the payment of funds so invested or loaned;

(12) Be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other enterprise;

(13) Make gifts or contributions in cash, other property, or stock or other securities of the corporation to or for the use of:

(i) The United States, this State, another state of the United States, a territory, possession, or district of the United States, or any institution, agency, or political subdivision of any of them; and

(ii) Any governmental or other organization, whether inside or outside the United States, for religious, charitable, scientific, civic, public welfare, literary, or educational purposes;

(14) Elect its officers and appoint its agents, define their duties, determine their compensation, and adopt and carry into effect employee and officer benefit plans;

(15) RENOUNCE, IN ITS CHARTER OR BY RESOLUTION OF ITS BOARD OF DIRECTORS, ANY INTEREST OR EXPECTANCY OF THE CORPORATION

IN, OR IN BEING OFFERED AN OPPORTUNITY TO PARTICIPATE IN, BUSINESS OPPORTUNITIES OR CLASSES OR CATEGORIES OF BUSINESS OPPORTUNITIES THAT ARE:

(I) PRESENTED TO THE CORPORATION; OR

(II) DEVELOPED BY OR PRESENTED TO ONE OR MORE OF ITS DIRECTORS OR OFFICERS;

[(15)] (16) Adopt, alter, and repeal bylaws not inconsistent with law or its charter for the regulation and management of its affairs;

[(16)] (17) Exercise generally the powers set forth in its charter and those granted by law; and

[(17)] (18) Do every other act not inconsistent with law which is appropriate to promote and attain the purposes set forth in its charter.

2-309.

(c) (1) A division of issued shares into a greater number of shares of the same class without any change in the aggregate amount of stated capital is a stock split, and a division with a change in the aggregate amount of stated capital is a stock dividend within the meaning of this subsection.

(2) If authorized by its board of directors and unless the charter provides otherwise, shares may be issued by a corporation, without consideration to the holders of one or more classes or series of stock, as a stock split or a stock dividend.

(3) If a stock dividend is payable in a corporation's own stock with par value, the shares shall be issued at par value and, at the time the stock dividend is paid, the corporation shall transfer from surplus to stated capital an amount at least equal to the aggregate par value of the shares to be issued.

(4) If a stock dividend is payable in a corporation's own stock without par value, the board of directors shall adopt at the time the stock dividend is declared a resolution which sets the aggregate amount to be attributed to stated capital with respect to the shares that constitute the stock dividend and, at the time the stock dividend is paid, the corporation shall transfer at least that amount from surplus to stated capital.

[(5)] A dividend payable in shares of one class of a corporation's stock may not be declared or paid to the holders of shares of another class of stock unless the payment has been:

(i) Approved by the board of directors in accordance with specific authority in the charter; or

(ii) Approved at a meeting of stockholders by the affirmative vote of a majority of all the votes entitled to be cast on the matter of each class entitled to vote on it.]

2-310.1.

(a) This section applies only to a corporation registered as an open-end company under the Investment Company Act of 1940.

(b) Subject to the provisions of § 2-311 of this subtitle, [if authorized by its board of directors,] a corporation may redeem shares of its stock from any stockholder if [the]:

(1) THE corporation's charter expressly provides for the redemption of shares of its stock from any stockholder[.

(c) (1) Subject to the provisions of § 2-311 of this subtitle, unless prohibited by its charter, in the case of a corporation whose charter does not expressly provide for the redemption of shares of its stock, the corporation may redeem shares of its stock from any stockholder if:] **AND THE BOARD OF DIRECTORS AUTHORIZES THE REDEMPTION; OR**

(2) (I) THE CORPORATION'S CHARTER DOES NOT EXPRESSLY PROHIBIT THE REDEMPTION OF SHARES OF ITS STOCK;

[(i) (II) The aggregate net asset value of the shares to be redeemed from the stockholder is, as of the date of the redemption, **[\$1,000] \$2,000** or less; and

[(ii) (III) Written notice of the redemption to the stockholder of record:

1. Is mailed first-class to the stockholder's last known address of record;

2. States that all of the shares will be redeemed; and

3. Establishes a date for the redemption which is at least 45 days from the date of the notice.

[(2)] (C) The price to be paid for shares redeemed under **SUBSECTION (B)(2) OF** this [subsection] **SECTION** shall be the aggregate net asset value of the shares at the close of business on the date of the redemption.

[(3)] (D) If certificates representing the shares to be redeemed under **SUBSECTION (B)(2) OF** this [subsection] **SECTION** have been issued and are not surrendered for cancellation on the date of redemption:

[(i)] (1) The corporation may withhold payment for the redeemed shares until the certificates are surrendered for cancellation; and

[(ii)] (2) Except for the right to receive payment of the redemption price, the stockholder shall cease to have any rights as a stockholder of the corporation on the date of redemption.

[(4)] (E) If the aggregate net asset value of the shares to be redeemed under **SUBSECTION (B)(2) OF** this [subsection] **SECTION** should increase to an amount greater than **[\$1,000] \$2,000** between the date of the notice of redemption and the date of the redemption, then the notice of redemption shall have no further force or effect.

2-403.

(a) Each director **AND EACH NOMINEE FOR DIRECTOR** of a corporation shall have the qualifications required by the charter or bylaws of the corporation.

2-404.

(b) (1) Except as provided in paragraph (2) of this subsection, at each annual meeting of stockholders, the stockholders shall elect directors to hold office until the earlier of:

(i) The next annual meeting of stockholders and until their successors are elected and qualify; **[or]**

(ii) The time provided in the terms of any class or series of stock pursuant to which such directors are elected; **OR**

(III) THE TIME A DIRECTOR CEASES TO HAVE THE QUALIFICATIONS THAT WERE REQUIRED BY THE CHARTER OR BYLAWS OF THE CORPORATION AT THE TIME THE DIRECTOR WAS ELECTED, IF THE CHARTER OR BYLAWS AT THE TIME THE DIRECTOR WAS ELECTED REQUIRED THE DIRECTOR'S TERM TO END ON A FAILURE TO HAVE THOSE QUALIFICATIONS.

(2) Except for a corporation that has elected to be subject to § 3–803 of this article, if the directors are divided into classes, the term of office may be provided in the bylaws, except that:

(i) The term of office of a director may not be longer than 5 years or, except in the case of an initial or substitute director, shorter than the period between annual meetings; and

(ii) The term of office of at least one class shall expire each year.

2–405.

(a) **(1) [In] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IN case of failure to elect directors at the designated time, the directors holding over shall continue to [manage the business and affairs] SERVE AS DIRECTORS of the corporation until their successors are elected and qualify.**

(2) IF THE NUMBER OF DIRECTORS TO BE ELECTED AT THE DESIGNATED TIME, TOGETHER WITH THE NUMBER OF DIRECTORS WHO OTHERWISE WOULD HOLD OVER, EXCEEDS THE NUMBER OF DIRECTORS WHO WERE TO BE ELECTED, THEN THE DIRECTORS WHO WILL HOLD OVER AND CONTINUE TO SERVE AS DIRECTORS OF THE CORPORATION UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFY SHALL BE DETERMINED:

(I) BY A MAJORITY VOTE OF THE DIRECTORS ELECTED AT THE DESIGNATED TIME AND, IF THE BOARD IS CLASSIFIED, ANY DIRECTORS WHOSE TERMS DID NOT EXPIRE AT THE DESIGNATED TIME, WHETHER OR NOT SUFFICIENT TO CONSTITUTE A QUORUM; OR

(II) AS OTHERWISE PROVIDED IN THE CHARTER OR BYLAWS OF THE CORPORATION.

(b) A director not elected annually in accordance with § 2–501(b) of this title shall be deemed to be continuing in office and shall not be deemed to be holding over under subsection (a) of this section until after the time at which an annual meeting is required to be held under § 2–501(b) of this title or the charter or bylaws of the corporation.

2–408.

(c) Any action required or permitted to be taken at a meeting of the board of directors or of a committee of the board may be taken without a meeting if a unanimous consent which sets forth the action is:

(1) Given in writing or by electronic transmission by each member of the board or committee **ENTITLED TO VOTE ON THE MATTER**; and

(2) Filed in paper or electronic form with the minutes of proceedings of the board or committee.

(d) (1) The charter may provide that one or more directors or a class of directors shall have more or less than one vote per director on any matter.

(2) If the charter provides that one or more directors shall have more or less than one vote per director on any matter, every reference in this article to a majority or other proportion of directors shall refer to a majority or other proportion of votes [of] **ENTITLED TO BE CAST BY** the directors.

2-502.

(e) [The] **UNLESS THE CHARTER OR BYLAWS EXPRESSLY PROVIDE OTHERWISE, THE** board of directors has the sole power to fix:

(1) The record date for determining stockholders entitled to request a special meeting of the stockholders and the record date for determining stockholders entitled to notice of and to vote at the special meeting; and

(2) The date, time, and place, if any, and the means of remote communication, if any, by which stockholders and proxy holders may be considered present in person and may vote at the special meeting.

2-507.

(d) (1) A proxy is revocable by a stockholder at any time without condition or qualification unless:

(i) The proxy states that it is irrevocable; and

(ii) The proxy is coupled with an interest.

(2) A proxy may be made irrevocable for as long as it is coupled with an interest.

(3) The interest with which a proxy may be coupled includes an interest in the stock to be voted under the proxy, **AN INTEREST AS A PARTY TO A VOTING AGREEMENT CREATED IN ACCORDANCE WITH § 2-510.1 OF THIS SUBTITLE**, or another general interest in the corporation or its assets or liabilities.

2-510.1.

TWO OR MORE STOCKHOLDERS OF A CORPORATION MAY ENTER INTO A WRITTEN AGREEMENT THAT SPECIFIES THAT, IN EXERCISING ANY VOTING RIGHTS, THE STOCK HELD BY THE PARTIES TO THE AGREEMENT SHALL BE VOTED:

- (1) AS PROVIDED IN THE AGREEMENT;**
- (2) AS THE PARTIES MAY AGREE; OR**
- (3) BASED ON A PROCEDURE SET FORTH IN THE AGREEMENT.**

3-104.

(a) Notwithstanding any other provision of this subtitle, unless the charter or bylaws of a corporation provide otherwise **BY REFERENCE TO THIS SECTION OR THE SUBJECT MATTER OF THIS SECTION**, the approval of the stockholders and articles of transfer or share exchange, as the case may be, are not required for any:

(1) Transfer of assets by a corporation in the ordinary course of business actually conducted by it or as a distribution as defined in § 2-301 of this article;

(2) Mortgage, pledge, or creation of any other security interest in any or all of the assets of a corporation, whether or not in the ordinary course of its business;

(3) Exchange of shares of stock through voluntary action or under any agreement with the stockholders;

(4) Transfer of assets by a corporation to one or more persons if all of the equity interests of the person or persons are owned, directly or indirectly, by the corporation; or

(5) Transfer of assets by a corporation registered as an open-end investment company under the Investment Company Act of 1940.

3-105.

(a) A consolidation, merger, share exchange, or transfer of assets shall be approved in the manner provided by this section, except that:

(1) A merger of a 90 percent or more owned subsidiary with or into its parent need be approved only in accordance with the provisions of § 3-106 of this subtitle;

(2) A MERGER OF A MARYLAND CORPORATION IN ACCORDANCE WITH § 3–106.1 OF THIS SUBTITLE NEED BE APPROVED ONLY IN THE MANNER PROVIDED IN § 3–106.1 OF THIS SUBTITLE;

[(2)] (3) A share exchange need be approved by a Maryland successor only by its board of directors and by any other action required by its charter;

[(3)] (4) A transfer of assets need be approved by a Maryland transferee corporation only by its board of directors and by any other action required by its charter;

[(4)] (5) A foreign corporation party to the transaction shall have the transaction advised, authorized, and approved in the manner and by the vote required by its charter and the laws of the place where it is organized;

[(5)] (6) A merger need be approved by a Maryland successor corporation only by a majority of its entire board of directors if:

(i) The merger does not reclassify or change the terms of any class or series of its stock that is outstanding immediately before the merger becomes effective or otherwise amend its charter and the number of its shares of stock of such class or series outstanding immediately after the effective time of the merger does not increase by more than 20 percent of the number of its shares of the class or series of stock that is outstanding immediately before the merger becomes effective; or

(ii) There is no stock outstanding or subscribed for and entitled to be voted on the merger; and

[(6)] (7) A business trust party to a merger shall have the merger advised, authorized, and approved in the manner and by the vote required by its declaration of trust and the laws of the place where it is organized.

3–106.1.

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

(2) “ACQUIRING ENTITY” MEANS THE MARYLAND CORPORATION OR OTHER ENTITY, AS DEFINED IN § 3–901 OF THIS TITLE, CONSUMMATING A TENDER OR EXCHANGE OFFER UNDER THIS SECTION.

(3) “STOCKHOLDER” INCLUDES A SHAREHOLDER OF A REAL ESTATE INVESTMENT TRUST.

(4) (I) "SUBJECT CORPORATION" MEANS THE MARYLAND CORPORATION THAT IS THE SUBJECT OF A TENDER OR EXCHANGE OFFER UNDER THIS SECTION.

(II) "SUBJECT CORPORATION" INCLUDES A MARYLAND REAL ESTATE INVESTMENT TRUST AS DEFINED IN TITLE 8 OF THIS ARTICLE.

(B) THIS SECTION APPLIES ONLY TO AN AGREEMENT TO MERGE THAT PROVIDES FOR THE CONSUMMATION OF THE MERGER ON OR AFTER OCTOBER 1, 2014.

(C) NOTWITHSTANDING § 3-105 OF THIS SUBTITLE, UNLESS THE CHARTER OF A CORPORATION OR DECLARATION OF TRUST OF A REAL ESTATE INVESTMENT TRUST PROVIDES OTHERWISE, A MERGER OF A SUBJECT CORPORATION WITH OR INTO AN ACQUIRING ENTITY MAY BE EFFECTED UNDER THIS SECTION IF:

(1) THE SHARES OF THE SUBJECT CORPORATION ARE REGISTERED UNDER THE SECURITIES AND EXCHANGE ACT OF 1934 IMMEDIATELY PRIOR TO THE EXECUTION OF THE AGREEMENT TO MERGE BY THE SUBJECT CORPORATION;

(2) THE AGREEMENT TO MERGE EXPRESSLY PROVIDES THAT THE MERGER SHALL BE GOVERNED BY THIS SECTION AND SHALL BE EFFECTED FOLLOWING THE CONSUMMATION OF THE OFFER DESCRIBED IN ITEM (3) OF THIS SUBSECTION;

(3) AN ACQUIRING ENTITY CONSUMMATES A TENDER OR EXCHANGE OFFER FOR ANY AND ALL OF THE OUTSTANDING SHARES OF THE SUBJECT CORPORATION THAT WOULD, EXCEPT FOR THE APPLICATION OF THIS SECTION, ENTITLE THE HOLDER OF THE OUTSTANDING SHARES TO VOTE ON THE MERGER ON THE TERMS PROVIDED IN THE AGREEMENT TO MERGE;

(4) FOLLOWING THE CONSUMMATION OF THE OFFER, THE ACQUIRING ENTITY OWNS AT LEAST THAT PERCENTAGE OF THE SHARES, AND OF EACH CLASS OR SERIES OF THE SHARES, OF THE SUBJECT CORPORATION THAT WOULD, EXCEPT FOR THE APPLICATION OF THIS SECTION, BE REQUIRED TO APPROVE THE MERGER UNDER THIS ARTICLE AND THE CHARTER OF THE SUBJECT CORPORATION;

(5) THE ACQUIRING ENTITY MERGES WITH OR INTO THE SUBJECT CORPORATION; AND

(6) THE OUTSTANDING SHARES OF EACH CLASS OR SERIES OF SHARES OF THE SUBJECT CORPORATION NOT CANCELLED IN THE MERGER ARE CONVERTED IN THE MERGER INTO, OR INTO THE RIGHT TO RECEIVE, THE SAME AMOUNT AND KIND OF CASH, PROPERTY, RIGHTS, OR SECURITIES PAID FOR SHARES OF THE CLASS OR SERIES OF SHARES OF THE SUBJECT CORPORATION ON CONSUMMATION OF THE OFFER DESCRIBED IN ITEM (3) OF THIS SUBSECTION.

(D) (1) (I) THE BOARD OF DIRECTORS OF EACH MARYLAND CORPORATION PROPOSING TO BECOME A PARTY TO THE MERGER SHALL ADOPT A RESOLUTION THAT APPROVES THE PROPOSED MERGER ON SUBSTANTIALLY THE TERMS AND CONDITIONS SET FORTH OR REFERRED TO IN THE RESOLUTION.

(II) THE APPROVAL SHALL BE BY A MAJORITY VOTE OF THE ENTIRE BOARD OF DIRECTORS.

(III) A MEETING OF THE STOCKHOLDERS IS NOT NECESSARY.

(2) IF AN OTHER ENTITY, AS DEFINED IN § 3-901 OF THIS TITLE, IS A PARTY TO THE MERGER, THE TRANSACTION SHALL BE ADVISED, AUTHORIZED, AND APPROVED BY THE OTHER ENTITY IN THE MANNER AND BY THE VOTE REQUIRED BY ITS GOVERNING DOCUMENTS AND THE LAWS OF THE PLACE WHERE THE OTHER ENTITY IS ORGANIZED.

(E) (1) UNLESS WAIVED BY ALL STOCKHOLDERS WHO, EXCEPT FOR THE APPLICATION OF THIS SECTION, WOULD BE ENTITLED TO VOTE ON THE MERGER, AT LEAST 30 DAYS BEFORE THE ARTICLES ARE FILED WITH THE DEPARTMENT, AN ACQUIRING ENTITY THAT OWNS LESS THAN ALL OF THE OUTSTANDING SHARES OF THE SUBJECT CORPORATION AS OF IMMEDIATELY BEFORE THE EFFECTIVE TIME OF THE MERGER MUST HAVE GIVEN NOTICE OF THE TRANSACTION TO EACH OF THE SUBJECT CORPORATION'S STOCKHOLDERS OF RECORD WHO, EXCEPT FOR THE APPLICATION OF THIS SECTION, WOULD BE ENTITLED TO VOTE ON THE MERGER ON THE DATE THAT NOTICE IS GIVEN OR ON A RECORD DATE FIXED FOR THAT PURPOSE THAT IS NOT MORE THAN 10 DAYS BEFORE THE DATE THAT NOTICE IS GIVEN.

(2) A MINORITY STOCKHOLDER OF THE SUBJECT CORPORATION HAS THE RIGHT TO DEMAND AND RECEIVE PAYMENT OF THE FAIR VALUE OF THE MINORITY STOCKHOLDER'S SHARES AS, AND TO THE EXTENT, PROVIDED IN SUBTITLE 2 OF THIS TITLE RELATING TO OBJECTING STOCKHOLDERS.

(A) IN THIS SECTION, “FACTS ASCERTAINABLE OUTSIDE THE ARTICLES” INCLUDES:

(1) AN ACTION OR A DETERMINATION BY ANY PERSON, INCLUDING THE CORPORATION, ITS BOARD OF DIRECTORS, AN OFFICER OR AGENT OF THE CORPORATION, AND ANY OTHER PERSON AFFILIATED WITH THE CORPORATION;

(2) THE CONTENTS OF ANY AGREEMENT TO WHICH THE CORPORATION IS A PARTY OR ANY OTHER DOCUMENT; AND

(3) ANY OTHER EVENT.

[(a)] (B) Articles of consolidation, merger, share exchange, or transfer shall contain the terms and conditions of the transaction and the manner of carrying it into effect, including:

(1) A statement:

(i) In a merger, consolidation, or share exchange, that each party to the articles agrees to merge, to consolidate to form a new corporation, or to acquire stock or have its stock acquired in a share exchange, as the case may be; or

(ii) In a transfer, that the transferor agrees to sell, lease, exchange, or transfer all or substantially all of its property and assets;

(2) The name and place of incorporation or organization of:

(i) Each party to the articles; and

(ii) The successor corporation in a consolidation, merger, or share exchange or the successor domestic partnership, limited partnership or limited liability company in a merger;

(3) As to each foreign corporation:

(i) The date of its incorporation;

(ii) A statement whether it is incorporated under general law or by special act and, if incorporated by special act, the chapter number and year of passage; and

(iii) If the corporation is registered or qualified to do business in this State, the date of its registration or qualification;

- (4) As to each foreign business trust:
 - (i) The date of its organization; and
 - (ii) If the business trust is registered or qualified to do business in this State, the date of its registration or qualification;
 - (5) As to each foreign partnership, limited partnership or limited liability company:
 - (i) The date of its formation; and
 - (ii) If the foreign partnership, limited partnership or limited liability company is registered or qualified to do business in this State, the date of its registration or qualification;
 - (6) The name, address, and principal place of business of the transferee in a transfer of assets;
 - (7) Each county in this State where:
 - (i) Each corporation, partnership, limited partnership, limited liability company, and business trust party to the articles has its principal office; and
 - (ii) Any of the parties in a consolidation, merger, or transfer, other than the successor, owns an interest in land;
 - (8) If the successor is a foreign corporation, foreign partnership, limited partnership, limited liability company, or a foreign business trust:
 - (i) The location of its principal office in the place where it is organized; and
 - (ii) The name and address of its resident agent in [this State]
- THE PLACE WHERE IT IS ORGANIZED;**
- (9) A statement that the terms and conditions of the transaction set forth in the articles were advised, authorized, and approved by each corporation, partnership, limited partnership, limited liability company, or business trust party to the articles in the manner and by the vote required by its charter or declaration of trust and the laws of the place where it is organized, and a statement of the manner of approval; and
 - (10) Every other provision necessary to effect the consolidation, merger, share exchange, or transfer of assets.

[(b)] (C) In addition to the requirements of subsection **[(a)] (B)** of this section, articles of consolidation shall include:

(1) Every matter and fact required to be stated in articles of incorporation except the provisions about incorporators;

(2) As to each corporation party to the articles:

(i) The total number of shares of stock of all classes which the corporation has authority to issue;

(ii) The number of shares of stock of each class;

(iii) The par value of the shares of stock of each class or a statement that the shares are without par value; and

(iv) If there are any shares of stock with par value, the aggregate par value of all the shares of all classes; and

(3) The manner and basis of converting or exchanging issued stock of the consolidating corporations into different stock or other consideration, and the treatment of any issued stock of the consolidating corporations not to be converted or exchanged, **ANY OR ALL OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONSOLIDATION.**

[(c)] (D) In addition to the requirements of subsection **[(a)] (B)** of this section, articles of merger shall include:

(1) Any amendment to the charter, certificate of limited partnership, articles of organization of a limited liability company, or declaration of trust of the successor to be effected as part of the merger;

(2) As to each corporation party to the articles:

(i) The total number of shares of stock of all classes which the corporation has authority to issue;

(ii) The number of shares of stock of each class;

(iii) The par value of the shares of stock of each class or a statement that the shares are without par value; and

(iv) If there are any shares of stock with par value, the aggregate par value of all the shares of all classes;

(3) As to each business trust party to the articles:

(i) The total number of shares of beneficial interest of all classes which the business trust has authority to issue; and

(ii) The number of shares of beneficial interest of each class;

(4) As to each limited partnership party to the articles:

(i) The percentages of partnership interest of each class of partnership interest of the limited partnership; and

(ii) The class of partners and the respective percentage of partnership interests in each class of partnership interest;

(5) As to each limited liability company party to the articles:

(i) The percentages of membership interest of each class of membership interest of the limited liability company; and

(ii) The class of members and the respective percentage of membership interests in each class of membership interest;

(6) As to each partnership party to the articles:

(i) The percentages of partnership interest of each class of partnership interest of the partnership; and

(ii) The class of partners and the respective percentage of partnership interests in each class of partnership interest;

(7) If the charter, certificate of limited partnership, articles of organization of a limited liability company, or declaration of trust of the successor is amended in a manner which changes any of the information required by paragraphs (2) through (5) of this subsection, that information as it was both immediately before and as changed by the merger; and

(8) The manner and basis of converting or exchanging issued stock of the merging corporations, outstanding partnership interest of the merging partnership or limited partnership, or shares of beneficial interest of the merging business trusts into different stock of a corporation, partnership interest of a partnership or limited partnership, outstanding membership interest of a limited liability company, shares of beneficial interest of a business trust, or other consideration, and the treatment of any issued stock of the merging corporations, partnership interest of the merging partnership or limited partnerships, membership interest of the merging limited liability company, or shares of beneficial interest of the merging business trusts not to be converted or exchanged, **ANY OR ALL OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF MERGER.**

[(d)] (E) In addition to the requirements of subsection [(a)] (B) of this section, articles of share exchange shall include:

(1) As to the corporation the shares of which are to be acquired in the exchange:

(i) The total number of shares of stock of all classes which the corporation has authority to issue;

(ii) The number of shares of stock of each class;

(iii) The par value of the shares of stock of each class or a statement that the shares are without par value; and

(iv) If there are any shares of stock with par value, the aggregate par value of all the shares of all classes; and

(2) The manner and basis of exchanging the stock to be acquired for stock or other consideration to be issued or delivered by or on behalf of the successor, **ANY OR ALL OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF SHARE EXCHANGE.**

[(e)] (F) In addition to the requirements of subsection [(a)] (B) of this section, articles of transfer shall include:

(1) The nature and amount of the consideration to be paid, transferred, or issued for the assets of the transferor or a statement of the method by which the consideration is to be determined, **ANY OR ALL OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF TRANSFER;** and

(2) In the case of a noncorporate transferee which is a nonresident of the State, the name and address of a resident agent of the transferee in this State.

[(f)] (G) Articles of consolidation, merger, or share exchange may provide:

(1) The number and names of the directors or trustees of the successor, or of persons acting in similar positions, who will hold those positions as of the effective time of the consolidation, merger, or share exchange, if the persons serving in those positions will be changed in the consolidation, merger, or share exchange; and

(2) The titles and names of one or more officers of the successor, or of persons acting in similar positions, who will hold those positions as of the effective time of the consolidation, merger, or share exchange, if the persons serving in those positions will be changed in the consolidation, merger, or share exchange.

3–202.

(a) Except as provided in subsection (c) of this section, a stockholder of a Maryland corporation has the right to demand and receive payment of the fair value of the stockholder's stock from the successor if:

- (1) The corporation consolidates or merges with another corporation;
- (2) The stockholder's stock is to be acquired in a share exchange;
- (3) The corporation transfers its assets in a manner requiring action under § 3–105(e) of this title;

(4) The corporation amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the stockholder's rights, unless the right to do so is reserved by the charter of the corporation;

(5) The transaction is governed by § 3–602 of this title or exempted by § 3–603(b) of this title; or

(6) The corporation is converted in accordance with § 3–901 of this title.

(b) (1) Fair value is determined as of the close of business:

(i) With respect to a merger under § 3–106 **OR § 3–106.1** of this title [of a 90 percent or more owned subsidiary with or into its parent corporation], on the day notice is given or waived under § 3–106 **OR § 3–106.1** of this title; or

(ii) With respect to any other transaction, on the day the stockholders voted on the transaction objected to.

(2) Except as provided in paragraph (3) of this subsection, fair value may not include any appreciation or depreciation which directly or indirectly results from the transaction objected to or from its proposal.

(3) In any transaction governed by § 3–602 of this title or exempted by § 3–603(b) of this title, fair value shall be value determined in accordance with the requirements of § 3–603(b) of this title.

(c) Unless the transaction is governed by § 3–602 of this title or is exempted by § 3–603(b) of this title, a stockholder may not demand the fair value of the stockholder's stock and is bound by the terms of the transaction if:

(1) Except as provided in subsection (d) of this section, any shares of the class or series of the stock are listed on a national securities exchange:

(i) With respect to a merger under § 3-106 **OR § 3-106.1** of this title [of a 90 percent or more owned subsidiary with or into its parent corporation], on the date notice is given or waived under § 3-106 **OR § 3-106.1** of this title; or

(ii) With respect to any other transaction, on the record date for determining stockholders entitled to vote on the transaction objected to;

(2) The stock is that of the successor in a merger, unless:

(i) The merger alters the contract rights of the stock as expressly set forth in the charter, and the charter does not reserve the right to do so; or

(ii) The stock is to be changed or converted in whole or in part in the merger into something other than either stock in the successor or cash, scrip, or other rights or interests arising out of provisions for the treatment of fractional shares of stock in the successor;

(3) The stock is not entitled, other than solely because of § 3-106 **OR § 3-106.1** of this title, to be voted on the transaction or the stockholder did not own the shares of stock on the record date for determining stockholders entitled to vote on the transaction;

(4) The charter provides that the holders of the stock are not entitled to exercise the rights of an objecting stockholder under this subtitle; or

(5) The stock is that of an open-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and the value placed on the stock in the transaction is its net asset value.

(d) With respect to a merger, consolidation, or share exchange, a stockholder of a Maryland corporation who otherwise would be bound by the terms of the transaction under subsection (c)(1) of this section may demand the fair value of the stockholder's stock if:

(1) In the transaction, stock of the corporation is required to be converted into or exchanged for anything of value except:

(i) Stock of the corporation surviving or resulting from the merger, consolidation, or share exchange, stock of any other corporation, or depositary receipts for any stock described in this item;

(ii) Cash in lieu of fractional shares of stock or fractional depositary receipts described in item (i) of this item; or

(iii) Any combination of the stock, depositary receipts, and cash in lieu of fractional shares or fractional depositary receipts described in items (i) and (ii) of this item;

(2) The directors and executive officers of the corporation were the beneficial owners, in the aggregate, of 5 percent or more of the outstanding voting stock of the corporation at any time within the 1-year period ending on:

(i) The day the stockholders voted on the transaction objected to; or

(ii) With respect to a merger under § 3–106 OR § 3–106.1 of this title, the effective date of the merger; and

(3) Unless the stock is held in accordance with a compensatory plan or arrangement approved by the board of directors of the corporation and the treatment of the stock in the transaction is approved by the board of directors of the corporation, any stock held by persons described in item (2) of this subsection, as part of or in connection with the transaction and within the 1-year period described in item (2) of this subsection, will be or was converted into or exchanged for stock of a person, or an affiliate of a person, who is a party to the transaction on terms that are not available to all holders of stock of the same class or series.

(e) If directors or executive officers of the corporation are beneficial owners of stock in accordance with § 3–201(d)(2)(i) of this subtitle, the stock is considered outstanding for purposes of determining beneficial ownership by a person under subsection (d)(2) of this section.

3–203.

(a) A stockholder of a corporation who desires to receive payment of the fair value of the stockholder's stock under this subtitle:

(1) Shall file with the corporation a written objection to the proposed transaction:

(i) With respect to a merger under § 3–106 OR § 3–106.1 of this title [of a 90 percent or more owned subsidiary with or into its parent corporation], within 30 days after notice is given or waived under § 3–106 OR § 3–106.1 of this title; or

(ii) With respect to any other transaction, at or before the stockholders' meeting at which the transaction will be considered or, in the case of

action taken under § 2–505(b) of this article, within 10 days after the corporation gives the notice required by § 2–505(b) of this article;

(2) May not vote in favor of the transaction; and

(3) Within 20 days after the Department accepts the articles for record, shall make a written demand on the successor for payment for the stockholder's stock, stating the number and class of shares for which the stockholder demands payment.

(b) A stockholder who fails to comply with this section is bound by the terms of the consolidation, merger, share exchange, transfer of assets, or charter amendment.

[3–511.

(a) Except as provided in subsection (b) of this section, promptly after the charter of the corporation is revived, the president or a director of the corporation shall call a meeting of the stockholders to elect a full board of directors, giving notice in the manner required by Title 2 of this article.

(b) The president or a director of a corporation registered under the Investment Company Act of 1940 shall not be required to call a meeting of stockholders to elect a full board of directors until the corporation is required to hold an annual meeting under § 2–501 of this article.]

3–901.

(c) An other entity may convert to a Maryland corporation having capital stock by complying with § 3–902 of this subtitle and filing for record with the Department:

(1) Articles of conversion executed in the manner required by Title 1 of this article; and

(2) Articles of incorporation, which shall include the name of the converting other entity, executed in the manner required by Title [1] 2 of this article and otherwise complying with the Maryland General Corporation Law.

8–102.

A real estate investment trust [is]:

(1) IS a permitted form of unincorporated business trust or association[, and may];

(2) IS A SEPARATE LEGAL ENTITY; AND

(3) MAY conduct business in the State in accordance with this title.

8–201.

A real estate investment trust [may]:

(1) IS FORMED BY FILING A DECLARATION OF TRUST FOR RECORD WITH THE DEPARTMENT; AND

(2) MAY not do business in the State until it complies with this title.

8–301.

A real estate investment trust has the power to:

(1) Unless the declaration of trust provides otherwise, have perpetual existence unaffected by any rule against perpetuities;

(2) Sue, be sued, complain, and defend in all courts;

(3) Transact its business, carry on its operations, and exercise the powers granted by this title in any state, territory, district, or possession of the United States and in any foreign country;

(4) Make contracts, incur liabilities, and borrow money;

(5) Sell, mortgage, lease, pledge, exchange, convey, transfer, and otherwise dispose of all or any part of its assets;

(6) Issue bonds, notes, and other obligations and secure them by mortgage or deed of trust of all or any part of its assets;

(7) Acquire by purchase or in any other manner and take, receive, own, hold, use, employ, improve, encumber, and otherwise deal with any interest in real and personal property, wherever located;

(8) Purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of and deal in and with:

(i) Securities, shares, and other interests in any obligations of domestic and foreign corporations, other real estate investment trusts, associations, partnerships, and other persons; and

(ii) Direct and indirect obligations of the United States, any other government, state, territory, government district, and municipality, and any instrumentality of them;

(9) Elect or appoint trustees, officers, and agents of the trust for the period of time the declaration of trust or bylaws provide, define their duties, and determine their compensation;

(10) Adopt and implement employee and officer benefit plans;

(11) Make and alter bylaws not inconsistent with law or with its declaration of trust to regulate the government of the real estate investment trust and the administration of its affairs;

(12) Exercise these powers, including the power to take, hold, and dispose of the title to real and personal property in the name of the trust or in the name of its trustees, without the filing of any bond, except a bond required under § 8-204 of this title;

(13) Generally exercise the powers set forth in its declaration of trust which are not inconsistent with law and are appropriate to promote and attain the purposes set forth in its declaration of trust;

(14) Enter into a business combination subject to the provisions of Title 3, Subtitle 6 of this article; [and]

(15) Indemnify or advance expenses to trustees, officers, employees, and agents of the trust to the same extent as is permitted for directors, officers, employees, and agents of a Maryland corporation under § 2-418 of this article; AND

(16) RENOUNCE, IN ITS DECLARATION OF TRUST OR BY RESOLUTION OF ITS BOARD OF TRUSTEES, ANY INTEREST OR EXPECTANCY OF THE REAL ESTATE INVESTMENT TRUST IN, OR IN BEING OFFERED AN OPPORTUNITY TO PARTICIPATE IN, BUSINESS OPPORTUNITIES OR CLASSES OR CATEGORIES OF BUSINESS OPPORTUNITIES THAT ARE:

**(I) PRESENTED TO THE REAL ESTATE INVESTMENT TRUST;
OR**

(II) DEVELOPED BY OR PRESENTED TO ONE OR MORE OF ITS TRUSTEES OR OFFICERS.

8-501.1.

(c) A merger shall be approved in the manner provided by this section, except that:

(1) A foreign business trust, a Maryland business trust, other than a Maryland real estate investment trust, a corporation, a domestic or foreign partnership, or a domestic or foreign limited partnership party to the merger shall have the merger advised, authorized, and approved in the manner and by the vote required by its declaration of trust, governing instrument, charter, or partnership agreement and the laws of the place where it is organized;

(2) (i) A foreign limited liability company party to the merger shall have the merger advised, authorized, and approved in the manner and by the vote required by the laws of the place where it is organized; and

(ii) A domestic limited liability company shall have the merger approved in the manner provided under § 4A-703 of this article;

(3) A merger need be approved by a Maryland real estate investment trust successor only by a majority of its entire board of trustees if the merger does not reclassify or change the terms of any class or series of its shares that are outstanding immediately before the merger becomes effective or otherwise amend its declaration of trust and the number of shares of such class or series outstanding immediately after the effective time of the merger does not increase by more than 20 percent of the number of its shares of the class or series of shares outstanding immediately before the merger becomes effective; [and]

(4) A merger of a subsidiary with or into its parent need be approved only in the manner provided in § 3-106 of this article, provided the parent owns at least 90 percent of the subsidiary; AND

(5) A MERGER OF A MARYLAND REAL ESTATE INVESTMENT TRUST IN ACCORDANCE WITH § 3-106.1 OF THIS ARTICLE NEED BE APPROVED ONLY IN THE MANNER PROVIDED IN § 3-106.1 OF THIS ARTICLE.

8-701.

(c) An other entity may convert to a real estate investment trust by complying with § 8-702 of this subtitle and filing for record with the Department:

(1) Articles of conversion executed in the manner required by Title 1 of this article; and

(2) A declaration of trust, which shall include the name of the converting other entity, executed in the manner required by [Title 1 of this article] § 8-202 OF THIS TITLE and otherwise complying with this title.

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

Approved by the Governor, May 15, 2014.

Chapter 551

(House Bill 916)

AN ACT concerning

Corporations and Real Estate Investment Trusts – Miscellaneous Provisions

FOR the purpose of providing that a Maryland corporation or a real estate investment trust has the power to renounce certain business opportunities in certain documents or by certain resolutions; repealing certain provisions of law prohibiting the declaration or payment of a dividend payable in shares of one class of a corporation's stock to holders of shares of another class of the corporation's stock unless approved in a certain manner; altering the circumstances under which a corporation registered as an open-end company may redeem shares of its stock from any stockholder; requiring each nominee for director of a corporation to have the qualifications required by the charter or bylaws of the corporation; providing that a director of a corporation holds office until the time the director ceases to have certain qualifications under certain circumstances; specifying how the directors who hold over and continue to serve as directors must be determined under certain circumstances; clarifying the circumstances under which certain actions may be taken without a meeting of the board of directors or a committee of the board; clarifying that certain references to a majority or other proportion of directors refer to a majority or other proportion of votes entitled to be cast by the directors; establishing a certain limitation on a board's sole power to take certain actions relating to special meetings of stockholders; providing that a certain interest with which a proxy may be coupled includes an interest as a party to a certain voting agreement; authorizing two or more stockholders to enter into a written agreement requiring voting rights to be exercised in a certain manner under certain circumstances; altering the circumstances under which the approval of the stockholders and articles of transfer or share exchange are not required; altering the manner in which a certain merger of a Maryland corporation or Maryland real estate investment trust must be approved; establishing that a merger of a subject corporation with or into an acquiring entity may be effected under certain circumstances; requiring the board of directors of a certain Maryland corporation to adopt a certain resolution approving a certain merger under certain circumstances; requiring an other entity to advise, authorize, and approve a certain transaction in a certain manner under certain circumstances; requiring a certain acquiring entity to give a certain notice of a certain transaction to certain stockholders of record under certain circumstances; providing that a minority stockholder of a subject corporation has a right to

demand and receive certain payment of shares under certain circumstances; altering the information that must be included in articles of consolidation, merger, share exchange, or transfer under certain circumstances; providing that certain information included in articles of consolidation, merger, share exchange, or transfer may be made dependent on facts ascertainable outside the articles; altering the basis for determining when fair value of the stock of a Maryland corporation is determined; altering the circumstances in which a certain stockholder is authorized to demand fair value of the stockholder's stock; altering the circumstances in which a certain stockholder must file a certain written objection to a certain transaction; repealing certain provisions of law requiring the president or director of a certain corporation, the charter of which has been revived, to call a meeting of the stockholders for a certain purpose; altering the manner in which an other entity converting to a certain Maryland corporation or a real estate investment trust must execute articles of incorporation or a declaration of trust; providing that a real estate investment trust is a separate legal entity; providing that a real estate investment trust is formed by filing a declaration of trust for record with the State Department of Assessments and Taxation; defining certain terms; making certain conforming and stylistic changes; and generally relating to corporations and real estate investment trusts.

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 2–103, 2–309(c), 2–310.1, 2–403(a), 2–404(b), 2–405, 2–408(c) and (d),
2–502(e), 2–507(d), 3–104(a), 3–105(a), 3–109, 3–202, 3–203, 3–901(c),
8–102, 8–201, 8–301, 8–501.1(c), and 8–701(c)

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

BY adding to

Article – Corporations and Associations

Section 2–510.1 and 3–106.1

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

BY repealing

Article – Corporations and Associations

Section 3–511

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 – Corporations and Associations

2–103.

Unless otherwise provided by law or its charter, a Maryland corporation has the general powers, whether or not they are set forth in its charter, to:

(1) Have perpetual existence, although existence may be limited to a specified period if the limitation is stated in a charter provision adopted after May 31, 1908;

(2) Sue, be sued, complain, and defend in all courts;

(3) Have, use, alter, or abandon a corporate seal;

(4) Transact its business, carry on its operations, and exercise the powers granted by this article in any state, territory, district, and possession of the United States and in any foreign country;

(5) Make contracts and guarantees, incur liabilities, and borrow money;

(6) Sell, lease, exchange, transfer, convey, mortgage, pledge, and otherwise dispose of any or all of its assets;

(7) Issue bonds, notes, and other obligations and secure them by mortgage or deed of trust of any or all of its assets;

(8) Acquire by purchase or in any other manner, and take, receive, own, hold, use, employ, improve, and otherwise deal with any interest in real or personal property, wherever located;

(9) Purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of and otherwise use and deal in and with stock and other interests in and obligations of other Maryland and foreign corporations, associations, partnerships, and individuals;

(10) Subject to the limitations provided in this article, acquire any of its own stock, bonds, notes, and other obligations and securities;

(11) Invest its surplus funds, lend money from time to time in any manner which may be appropriate to enable it to carry on the operations or fulfill the purposes specified in its charter, and take and hold real and personal property as security for the payment of funds so invested or loaned;

(12) Be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other enterprise;

(13) Make gifts or contributions in cash, other property, or stock or other securities of the corporation to or for the use of:

(i) The United States, this State, another state of the United States, a territory, possession, or district of the United States, or any institution, agency, or political subdivision of any of them; and

(ii) Any governmental or other organization, whether inside or outside the United States, for religious, charitable, scientific, civic, public welfare, literary, or educational purposes;

(14) Elect its officers and appoint its agents, define their duties, determine their compensation, and adopt and carry into effect employee and officer benefit plans;

(15) RENOUNCE, IN ITS CHARTER OR BY RESOLUTION OF ITS BOARD OF DIRECTORS, ANY INTEREST OR EXPECTANCY OF THE CORPORATION IN, OR IN BEING OFFERED AN OPPORTUNITY TO PARTICIPATE IN, BUSINESS OPPORTUNITIES OR CLASSES OR CATEGORIES OF BUSINESS OPPORTUNITIES THAT ARE:

(I) PRESENTED TO THE CORPORATION; OR

(II) DEVELOPED BY OR PRESENTED TO ONE OR MORE OF ITS DIRECTORS OR OFFICERS;

~~[(15)]~~ **(16)** Adopt, alter, and repeal bylaws not inconsistent with law or its charter for the regulation and management of its affairs;

~~[(16)]~~ **(17)** Exercise generally the powers set forth in its charter and those granted by law; and

~~[(17)]~~ **(18)** Do every other act not inconsistent with law which is appropriate to promote and attain the purposes set forth in its charter.

2–309.

(c) (1) A division of issued shares into a greater number of shares of the same class without any change in the aggregate amount of stated capital is a stock split, and a division with a change in the aggregate amount of stated capital is a stock dividend within the meaning of this subsection.

(2) If authorized by its board of directors and unless the charter provides otherwise, shares may be issued by a corporation, without consideration to the holders of one or more classes or series of stock, as a stock split or a stock dividend.

(3) If a stock dividend is payable in a corporation's own stock with par value, the shares shall be issued at par value and, at the time the stock dividend is

paid, the corporation shall transfer from surplus to stated capital an amount at least equal to the aggregate par value of the shares to be issued.

(4) If a stock dividend is payable in a corporation's own stock without par value, the board of directors shall adopt at the time the stock dividend is declared a resolution which sets the aggregate amount to be attributed to stated capital with respect to the shares that constitute the stock dividend and, at the time the stock dividend is paid, the corporation shall transfer at least that amount from surplus to stated capital.

[(5) A dividend payable in shares of one class of a corporation's stock may not be declared or paid to the holders of shares of another class of stock unless the payment has been:

(i) Approved by the board of directors in accordance with specific authority in the charter; or

(ii) Approved at a meeting of stockholders by the affirmative vote of a majority of all the votes entitled to be cast on the matter of each class entitled to vote on it.]

2-310.1.

(a) This section applies only to a corporation registered as an open-end company under the Investment Company Act of 1940.

(b) Subject to the provisions of § 2-311 of this subtitle, [if authorized by its board of directors,] a corporation may redeem shares of its stock from any stockholder if [the]:

(1) THE corporation's charter expressly provides for the redemption of shares of its stock from any stockholder[.

(c) (1) Subject to the provisions of § 2-311 of this subtitle, unless prohibited by its charter, in the case of a corporation whose charter does not expressly provide for the redemption of shares of its stock, the corporation may redeem shares of its stock from any stockholder if:] **AND THE BOARD OF DIRECTORS AUTHORIZES THE REDEMPTION; OR**

(2) (I) THE CORPORATION'S CHARTER DOES NOT EXPRESSLY PROHIBIT THE REDEMPTION OF SHARES OF ITS STOCK;

[(i)] (II) The aggregate net asset value of the shares to be redeemed from the stockholder is, as of the date of the redemption, [\$1,000] \$2,000 or less; and

[(ii)] (III) Written notice of the redemption to the stockholder of record:

1. Is mailed first-class to the stockholder's last known address of record;
2. States that all of the shares will be redeemed; and
3. Establishes a date for the redemption which is at least 45 days from the date of the notice.

[(2)] (C) The price to be paid for shares redeemed under **SUBSECTION (B)(2) OF** this [subsection] **SECTION** shall be the aggregate net asset value of the shares at the close of business on the date of the redemption.

[(3)] (D) If certificates representing the shares to be redeemed under **SUBSECTION (B)(2) OF** this [subsection] **SECTION** have been issued and are not surrendered for cancellation on the date of redemption:

[(i)] (1) The corporation may withhold payment for the redeemed shares until the certificates are surrendered for cancellation; and

[(ii)] (2) Except for the right to receive payment of the redemption price, the stockholder shall cease to have any rights as a stockholder of the corporation on the date of redemption.

[(4)] (E) If the aggregate net asset value of the shares to be redeemed under **SUBSECTION (B)(2) OF** this [subsection] **SECTION** should increase to an amount greater than [\$1,000] **\$2,000** between the date of the notice of redemption and the date of the redemption, then the notice of redemption shall have no further force or effect.

2-403.

(a) Each director **AND EACH NOMINEE FOR DIRECTOR** of a corporation shall have the qualifications required by the charter or bylaws of the corporation.

2-404.

(b) (1) Except as provided in paragraph (2) of this subsection, at each annual meeting of stockholders, the stockholders shall elect directors to hold office until the earlier of:

(i) The next annual meeting of stockholders and until their successors are elected and qualify; [or]

(ii) The time provided in the terms of any class or series of stock pursuant to which such directors are elected; OR

(III) THE TIME A DIRECTOR CEASES TO HAVE THE QUALIFICATIONS THAT WERE REQUIRED BY THE CHARTER OR BYLAWS OF THE CORPORATION AT THE TIME THE DIRECTOR WAS ELECTED, IF THE CHARTER OR BYLAWS AT THE TIME THE DIRECTOR WAS ELECTED REQUIRED THE DIRECTOR'S TERM TO END ON A FAILURE TO HAVE THOSE QUALIFICATIONS.

(2) Except for a corporation that has elected to be subject to § 3-803 of this article, if the directors are divided into classes, the term of office may be provided in the bylaws, except that:

(i) The term of office of a director may not be longer than 5 years or, except in the case of an initial or substitute director, shorter than the period between annual meetings; and

(ii) The term of office of at least one class shall expire each year.

2-405.

(a) **(1) [In] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IN** case of failure to elect directors at the designated time, the directors holding over shall continue to [manage the business and affairs] **SERVE AS DIRECTORS** of the corporation until their successors are elected and qualify.

(2) IF THE NUMBER OF DIRECTORS TO BE ELECTED AT THE DESIGNATED TIME, TOGETHER WITH THE NUMBER OF DIRECTORS WHO OTHERWISE WOULD HOLD OVER, EXCEEDS THE NUMBER OF DIRECTORS WHO WERE TO BE ELECTED, THEN THE DIRECTORS WHO WILL HOLD OVER AND CONTINUE TO SERVE AS DIRECTORS OF THE CORPORATION UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFY SHALL BE DETERMINED:

(I) BY A MAJORITY VOTE OF THE DIRECTORS ELECTED AT THE DESIGNATED TIME AND, IF THE BOARD IS CLASSIFIED, ANY DIRECTORS WHOSE TERMS DID NOT EXPIRE AT THE DESIGNATED TIME, WHETHER OR NOT SUFFICIENT TO CONSTITUTE A QUORUM; OR

(II) AS OTHERWISE PROVIDED IN THE CHARTER OR BYLAWS OF THE CORPORATION.

(b) A director not elected annually in accordance with § 2-501(b) of this title shall be deemed to be continuing in office and shall not be deemed to be holding over under subsection (a) of this section until after the time at which an annual meeting is

required to be held under § 2–501(b) of this title or the charter or bylaws of the corporation.

2–408.

(c) Any action required or permitted to be taken at a meeting of the board of directors or of a committee of the board may be taken without a meeting if a unanimous consent which sets forth the action is:

(1) Given in writing or by electronic transmission by each member of the board or committee **ENTITLED TO VOTE ON THE MATTER**; and

(2) Filed in paper or electronic form with the minutes of proceedings of the board or committee.

(d) (1) The charter may provide that one or more directors or a class of directors shall have more or less than one vote per director on any matter.

(2) If the charter provides that one or more directors shall have more or less than one vote per director on any matter, every reference in this article to a majority or other proportion of directors shall refer to a majority or other proportion of votes [of] **ENTITLED TO BE CAST BY** the directors.

2–502.

(e) **[The] UNLESS THE CHARTER OR BYLAWS EXPRESSLY PROVIDE OTHERWISE, THE** board of directors has the sole power to fix:

(1) The record date for determining stockholders entitled to request a special meeting of the stockholders and the record date for determining stockholders entitled to notice of and to vote at the special meeting; and

(2) The date, time, and place, if any, and the means of remote communication, if any, by which stockholders and proxy holders may be considered present in person and may vote at the special meeting.

2–507.

(d) (1) A proxy is revocable by a stockholder at any time without condition or qualification unless:

(i) The proxy states that it is irrevocable; and

(ii) The proxy is coupled with an interest.

(2) A proxy may be made irrevocable for as long as it is coupled with an interest.

(3) The interest with which a proxy may be coupled includes an interest in the stock to be voted under the proxy, **AN INTEREST AS A PARTY TO A VOTING AGREEMENT CREATED IN ACCORDANCE WITH § 2-510.1 OF THIS SUBTITLE**, or another general interest in the corporation or its assets or liabilities.

2-510.1.

TWO OR MORE STOCKHOLDERS OF A CORPORATION MAY ENTER INTO A WRITTEN AGREEMENT THAT SPECIFIES THAT, IN EXERCISING ANY VOTING RIGHTS, THE STOCK HELD BY THE PARTIES TO THE AGREEMENT SHALL BE VOTED:

- (1) AS PROVIDED IN THE AGREEMENT;**
- (2) AS THE PARTIES MAY AGREE; OR**
- (3) BASED ON A PROCEDURE SET FORTH IN THE AGREEMENT.**

3-104.

(a) Notwithstanding any other provision of this subtitle, unless the charter or bylaws of a corporation provide otherwise **BY REFERENCE TO THIS SECTION OR THE SUBJECT MATTER OF THIS SECTION**, the approval of the stockholders and articles of transfer or share exchange, as the case may be, are not required for any:

(1) Transfer of assets by a corporation in the ordinary course of business actually conducted by it or as a distribution as defined in § 2-301 of this article;

(2) Mortgage, pledge, or creation of any other security interest in any or all of the assets of a corporation, whether or not in the ordinary course of its business;

(3) Exchange of shares of stock through voluntary action or under any agreement with the stockholders;

(4) Transfer of assets by a corporation to one or more persons if all of the equity interests of the person or persons are owned, directly or indirectly, by the corporation; or

(5) Transfer of assets by a corporation registered as an open-end investment company under the Investment Company Act of 1940.

3-105.

(a) A consolidation, merger, share exchange, or transfer of assets shall be approved in the manner provided by this section, except that:

(1) A merger of a 90 percent or more owned subsidiary with or into its parent need be approved only in accordance with the provisions of § 3–106 of this subtitle;

(2) A MERGER OF A MARYLAND CORPORATION IN ACCORDANCE WITH § 3–106.1 OF THIS SUBTITLE NEED BE APPROVED ONLY IN THE MANNER PROVIDED IN § 3–106.1 OF THIS SUBTITLE;

[(2)] (3) A share exchange need be approved by a Maryland successor only by its board of directors and by any other action required by its charter;

[(3)] (4) A transfer of assets need be approved by a Maryland transferee corporation only by its board of directors and by any other action required by its charter;

[(4)] (5) A foreign corporation party to the transaction shall have the transaction advised, authorized, and approved in the manner and by the vote required by its charter and the laws of the place where it is organized;

[(5)] (6) A merger need be approved by a Maryland successor corporation only by a majority of its entire board of directors if:

(i) The merger does not reclassify or change the terms of any class or series of its stock that is outstanding immediately before the merger becomes effective or otherwise amend its charter and the number of its shares of stock of such class or series outstanding immediately after the effective time of the merger does not increase by more than 20 percent of the number of its shares of the class or series of stock that is outstanding immediately before the merger becomes effective; or

(ii) There is no stock outstanding or subscribed for and entitled to be voted on the merger; and

[(6)] (7) A business trust party to a merger shall have the merger advised, authorized, and approved in the manner and by the vote required by its declaration of trust and the laws of the place where it is organized.

3–106.1.

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

(2) "ACQUIRING ENTITY" MEANS THE MARYLAND CORPORATION OR OTHER ENTITY, AS DEFINED IN § 3-901 OF THIS TITLE, CONSUMMATING A TENDER OR EXCHANGE OFFER UNDER THIS SECTION.

(3) "STOCKHOLDER" INCLUDES A SHAREHOLDER OF A REAL ESTATE INVESTMENT TRUST.

(4) (I) "SUBJECT CORPORATION" MEANS THE MARYLAND CORPORATION THAT IS THE SUBJECT OF A TENDER OR EXCHANGE OFFER UNDER THIS SECTION.

(II) "SUBJECT CORPORATION" INCLUDES A MARYLAND REAL ESTATE INVESTMENT TRUST AS DEFINED IN TITLE 8 OF THIS ARTICLE.

(B) THIS SECTION APPLIES ONLY TO AN AGREEMENT TO MERGE THAT PROVIDES FOR THE CONSUMMATION OF THE MERGER ON OR AFTER OCTOBER 1, 2014.

(C) NOTWITHSTANDING § 3-105 OF THIS SUBTITLE, UNLESS THE CHARTER OF A CORPORATION OR DECLARATION OF TRUST OF A REAL ESTATE INVESTMENT TRUST PROVIDES OTHERWISE, A MERGER OF A SUBJECT CORPORATION WITH OR INTO AN ACQUIRING ENTITY MAY BE EFFECTED UNDER THIS SECTION IF:

(1) THE SHARES OF THE SUBJECT CORPORATION ARE REGISTERED UNDER THE SECURITIES AND EXCHANGE ACT OF 1934 IMMEDIATELY PRIOR TO THE EXECUTION OF THE AGREEMENT TO MERGE BY THE SUBJECT CORPORATION;

(2) THE AGREEMENT TO MERGE EXPRESSLY PROVIDES THAT THE MERGER SHALL BE GOVERNED BY THIS SECTION AND SHALL BE EFFECTED FOLLOWING THE CONSUMMATION OF THE OFFER DESCRIBED IN ITEM (3) OF THIS SUBSECTION;

(3) AN ACQUIRING ENTITY CONSUMMATES A TENDER OR EXCHANGE OFFER FOR ANY AND ALL OF THE OUTSTANDING SHARES OF THE SUBJECT CORPORATION THAT WOULD, EXCEPT FOR THE APPLICATION OF THIS SECTION, ENTITLE THE HOLDER OF THE OUTSTANDING SHARES TO VOTE ON THE MERGER ON THE TERMS PROVIDED IN THE AGREEMENT TO MERGE;

(4) FOLLOWING THE CONSUMMATION OF THE OFFER, THE ACQUIRING ENTITY OWNS AT LEAST THAT PERCENTAGE OF THE SHARES, AND OF EACH CLASS OR SERIES OF THE SHARES, OF THE SUBJECT CORPORATION

THAT WOULD, EXCEPT FOR THE APPLICATION OF THIS SECTION, BE REQUIRED TO APPROVE THE MERGER UNDER THIS ARTICLE AND THE CHARTER OF THE SUBJECT CORPORATION;

(5) THE ACQUIRING ENTITY MERGES WITH OR INTO THE SUBJECT CORPORATION; AND

(6) THE OUTSTANDING SHARES OF EACH CLASS OR SERIES OF SHARES OF THE SUBJECT CORPORATION NOT CANCELLED IN THE MERGER ARE CONVERTED IN THE MERGER INTO, OR INTO THE RIGHT TO RECEIVE, THE SAME AMOUNT AND KIND OF CASH, PROPERTY, RIGHTS, OR SECURITIES PAID FOR SHARES OF THE CLASS OR SERIES OF SHARES OF THE SUBJECT CORPORATION ON CONSUMMATION OF THE OFFER DESCRIBED IN ITEM (3) OF THIS SUBSECTION.

(D) (1) (I) THE BOARD OF DIRECTORS OF EACH MARYLAND CORPORATION PROPOSING TO BECOME A PARTY TO THE MERGER SHALL ADOPT A RESOLUTION THAT APPROVES THE PROPOSED MERGER ON SUBSTANTIALLY THE TERMS AND CONDITIONS SET FORTH OR REFERRED TO IN THE RESOLUTION.

(II) THE APPROVAL SHALL BE BY A MAJORITY VOTE OF THE ENTIRE BOARD OF DIRECTORS.

(III) A MEETING OF THE STOCKHOLDERS IS NOT NECESSARY.

(2) IF AN OTHER ENTITY, AS DEFINED IN § 3-901 OF THIS TITLE, IS A PARTY TO THE MERGER, THE TRANSACTION SHALL BE ADVISED, AUTHORIZED, AND APPROVED BY THE OTHER ENTITY IN THE MANNER AND BY THE VOTE REQUIRED BY ITS GOVERNING DOCUMENTS AND THE LAWS OF THE PLACE WHERE THE OTHER ENTITY IS ORGANIZED.

(E) (1) UNLESS WAIVED BY ALL STOCKHOLDERS WHO, EXCEPT FOR THE APPLICATION OF THIS SECTION, WOULD BE ENTITLED TO VOTE ON THE MERGER, AT LEAST 30 DAYS BEFORE THE ARTICLES ARE FILED WITH THE DEPARTMENT, AN ACQUIRING ENTITY THAT OWNS LESS THAN ALL OF THE OUTSTANDING SHARES OF THE SUBJECT CORPORATION AS OF IMMEDIATELY BEFORE THE EFFECTIVE TIME OF THE MERGER MUST HAVE GIVEN NOTICE OF THE TRANSACTION TO EACH OF THE SUBJECT CORPORATION'S STOCKHOLDERS OF RECORD WHO, EXCEPT FOR THE APPLICATION OF THIS SECTION, WOULD BE ENTITLED TO VOTE ON THE MERGER ON THE DATE THAT NOTICE IS GIVEN OR ON A RECORD DATE FIXED FOR THAT PURPOSE THAT IS NOT MORE THAN 10 DAYS BEFORE THE DATE THAT NOTICE IS GIVEN.

(2) A MINORITY STOCKHOLDER OF THE SUBJECT CORPORATION HAS THE RIGHT TO DEMAND AND RECEIVE PAYMENT OF THE FAIR VALUE OF THE MINORITY STOCKHOLDER'S SHARES AS, AND TO THE EXTENT, PROVIDED IN SUBTITLE 2 OF THIS TITLE RELATING TO OBJECTING STOCKHOLDERS.

3-109.

(A) IN THIS SECTION, "FACTS ASCERTAINABLE OUTSIDE THE ARTICLES" INCLUDES:

(1) AN ACTION OR A DETERMINATION BY ANY PERSON, INCLUDING THE CORPORATION, ITS BOARD OF DIRECTORS, AN OFFICER OR AGENT OF THE CORPORATION, AND ANY OTHER PERSON AFFILIATED WITH THE CORPORATION;

(2) THE CONTENTS OF ANY AGREEMENT TO WHICH THE CORPORATION IS A PARTY OR ANY OTHER DOCUMENT; AND

(3) ANY OTHER EVENT.

[(a)] (B) Articles of consolidation, merger, share exchange, or transfer shall contain the terms and conditions of the transaction and the manner of carrying it into effect, including:

(1) A statement:

(i) In a merger, consolidation, or share exchange, that each party to the articles agrees to merge, to consolidate to form a new corporation, or to acquire stock or have its stock acquired in a share exchange, as the case may be; or

(ii) In a transfer, that the transferor agrees to sell, lease, exchange, or transfer all or substantially all of its property and assets;

(2) The name and place of incorporation or organization of:

(i) Each party to the articles; and

(ii) The successor corporation in a consolidation, merger, or share exchange or the successor domestic partnership, limited partnership or limited liability company in a merger;

(3) As to each foreign corporation:

(i) The date of its incorporation;

(ii) A statement whether it is incorporated under general law or by special act and, if incorporated by special act, the chapter number and year of passage; and

(iii) If the corporation is registered or qualified to do business in this State, the date of its registration or qualification;

(4) As to each foreign business trust:

(i) The date of its organization; and

(ii) If the business trust is registered or qualified to do business in this State, the date of its registration or qualification;

(5) As to each foreign partnership, limited partnership or limited liability company:

(i) The date of its formation; and

(ii) If the foreign partnership, limited partnership or limited liability company is registered or qualified to do business in this State, the date of its registration or qualification;

(6) The name, address, and principal place of business of the transferee in a transfer of assets;

(7) Each county in this State where:

(i) Each corporation, partnership, limited partnership, limited liability company, and business trust party to the articles has its principal office; and

(ii) Any of the parties in a consolidation, merger, or transfer, other than the successor, owns an interest in land;

(8) If the successor is a foreign corporation, foreign partnership, limited partnership, limited liability company, or a foreign business trust:

(i) The location of its principal office in the place where it is organized; and

(ii) The name and address of its resident agent in **[this State]**
THE PLACE WHERE IT IS ORGANIZED;

(9) A statement that the terms and conditions of the transaction set forth in the articles were advised, authorized, and approved by each corporation, partnership, limited partnership, limited liability company, or business trust party to

the articles in the manner and by the vote required by its charter or declaration of trust and the laws of the place where it is organized, and a statement of the manner of approval; and

(10) Every other provision necessary to effect the consolidation, merger, share exchange, or transfer of assets.

[(b)] (C) In addition to the requirements of subsection **[(a)] (B)** of this section, articles of consolidation shall include:

(1) Every matter and fact required to be stated in articles of incorporation except the provisions about incorporators;

(2) As to each corporation party to the articles:

(i) The total number of shares of stock of all classes which the corporation has authority to issue;

(ii) The number of shares of stock of each class;

(iii) The par value of the shares of stock of each class or a statement that the shares are without par value; and

(iv) If there are any shares of stock with par value, the aggregate par value of all the shares of all classes; and

(3) The manner and basis of converting or exchanging issued stock of the consolidating corporations into different stock or other consideration, and the treatment of any issued stock of the consolidating corporations not to be converted or exchanged, **ANY OR ALL OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONSOLIDATION.**

[(c)] (D) In addition to the requirements of subsection **[(a)] (B)** of this section, articles of merger shall include:

(1) Any amendment to the charter, certificate of limited partnership, articles of organization of a limited liability company, or declaration of trust of the successor to be effected as part of the merger;

(2) As to each corporation party to the articles:

(i) The total number of shares of stock of all classes which the corporation has authority to issue;

(ii) The number of shares of stock of each class;

(iii) The par value of the shares of stock of each class or a statement that the shares are without par value; and

(iv) If there are any shares of stock with par value, the aggregate par value of all the shares of all classes;

(3) As to each business trust party to the articles:

(i) The total number of shares of beneficial interest of all classes which the business trust has authority to issue; and

(ii) The number of shares of beneficial interest of each class;

(4) As to each limited partnership party to the articles:

(i) The percentages of partnership interest of each class of partnership interest of the limited partnership; and

(ii) The class of partners and the respective percentage of partnership interests in each class of partnership interest;

(5) As to each limited liability company party to the articles:

(i) The percentages of membership interest of each class of membership interest of the limited liability company; and

(ii) The class of members and the respective percentage of membership interests in each class of membership interest;

(6) As to each partnership party to the articles:

(i) The percentages of partnership interest of each class of partnership interest of the partnership; and

(ii) The class of partners and the respective percentage of partnership interests in each class of partnership interest;

(7) If the charter, certificate of limited partnership, articles of organization of a limited liability company, or declaration of trust of the successor is amended in a manner which changes any of the information required by paragraphs (2) through (5) of this subsection, that information as it was both immediately before and as changed by the merger; and

(8) The manner and basis of converting or exchanging issued stock of the merging corporations, outstanding partnership interest of the merging partnership or limited partnership, or shares of beneficial interest of the merging business trusts into different stock of a corporation, partnership interest of a partnership or limited

partnership, outstanding membership interest of a limited liability company, shares of beneficial interest of a business trust, or other consideration, and the treatment of any issued stock of the merging corporations, partnership interest of the merging partnership or limited partnerships, membership interest of the merging limited liability company, or shares of beneficial interest of the merging business trusts not to be converted or exchanged, **ANY OR ALL OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF MERGER.**

[(d)] (E) In addition to the requirements of subsection **[(a)] (B)** of this section, articles of share exchange shall include:

(1) As to the corporation the shares of which are to be acquired in the exchange:

(i) The total number of shares of stock of all classes which the corporation has authority to issue;

(ii) The number of shares of stock of each class;

(iii) The par value of the shares of stock of each class or a statement that the shares are without par value; and

(iv) If there are any shares of stock with par value, the aggregate par value of all the shares of all classes; and

(2) The manner and basis of exchanging the stock to be acquired for stock or other consideration to be issued or delivered by or on behalf of the successor, **ANY OR ALL OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF SHARE EXCHANGE.**

[(e)] (F) In addition to the requirements of subsection **[(a)] (B)** of this section, articles of transfer shall include:

(1) The nature and amount of the consideration to be paid, transferred, or issued for the assets of the transferor or a statement of the method by which the consideration is to be determined, **ANY OR ALL OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF TRANSFER;** and

(2) In the case of a noncorporate transferee which is a nonresident of the State, the name and address of a resident agent of the transferee in this State.

[(f)] (G) Articles of consolidation, merger, or share exchange may provide:

(1) The number and names of the directors or trustees of the successor, or of persons acting in similar positions, who will hold those positions as of

the effective time of the consolidation, merger, or share exchange, if the persons serving in those positions will be changed in the consolidation, merger, or share exchange; and

(2) The titles and names of one or more officers of the successor, or of persons acting in similar positions, who will hold those positions as of the effective time of the consolidation, merger, or share exchange, if the persons serving in those positions will be changed in the consolidation, merger, or share exchange.

3–202.

(a) Except as provided in subsection (c) of this section, a stockholder of a Maryland corporation has the right to demand and receive payment of the fair value of the stockholder's stock from the successor if:

(1) The corporation consolidates or merges with another corporation;

(2) The stockholder's stock is to be acquired in a share exchange;

(3) The corporation transfers its assets in a manner requiring action under § 3–105(e) of this title;

(4) The corporation amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the stockholder's rights, unless the right to do so is reserved by the charter of the corporation;

(5) The transaction is governed by § 3–602 of this title or exempted by § 3–603(b) of this title; or

(6) The corporation is converted in accordance with § 3–901 of this title.

(b) (1) Fair value is determined as of the close of business:

(i) With respect to a merger under § 3–106 **OR § 3–106.1** of this title [of a 90 percent or more owned subsidiary with or into its parent corporation], on the day notice is given or waived under § 3–106 **OR § 3–106.1** of this title; or

(ii) With respect to any other transaction, on the day the stockholders voted on the transaction objected to.

(2) Except as provided in paragraph (3) of this subsection, fair value may not include any appreciation or depreciation which directly or indirectly results from the transaction objected to or from its proposal.

(3) In any transaction governed by § 3–602 of this title or exempted by § 3–603(b) of this title, fair value shall be value determined in accordance with the requirements of § 3–603(b) of this title.

(c) Unless the transaction is governed by § 3–602 of this title or is exempted by § 3–603(b) of this title, a stockholder may not demand the fair value of the stockholder's stock and is bound by the terms of the transaction if:

(1) Except as provided in subsection (d) of this section, any shares of the class or series of the stock are listed on a national securities exchange:

(i) With respect to a merger under § 3–106 **OR § 3–106.1** of this title [of a 90 percent or more owned subsidiary with or into its parent corporation], on the date notice is given or waived under § 3–106 **OR § 3–106.1** of this title; or

(ii) With respect to any other transaction, on the record date for determining stockholders entitled to vote on the transaction objected to;

(2) The stock is that of the successor in a merger, unless:

(i) The merger alters the contract rights of the stock as expressly set forth in the charter, and the charter does not reserve the right to do so; or

(ii) The stock is to be changed or converted in whole or in part in the merger into something other than either stock in the successor or cash, scrip, or other rights or interests arising out of provisions for the treatment of fractional shares of stock in the successor;

(3) The stock is not entitled, other than solely because of § 3–106 **OR § 3–106.1** of this title, to be voted on the transaction or the stockholder did not own the shares of stock on the record date for determining stockholders entitled to vote on the transaction;

(4) The charter provides that the holders of the stock are not entitled to exercise the rights of an objecting stockholder under this subtitle; or

(5) The stock is that of an open-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and the value placed on the stock in the transaction is its net asset value.

(d) With respect to a merger, consolidation, or share exchange, a stockholder of a Maryland corporation who otherwise would be bound by the terms of the transaction under subsection (c)(1) of this section may demand the fair value of the stockholder's stock if:

(1) In the transaction, stock of the corporation is required to be converted into or exchanged for anything of value except:

(i) Stock of the corporation surviving or resulting from the merger, consolidation, or share exchange, stock of any other corporation, or depositary receipts for any stock described in this item;

(ii) Cash in lieu of fractional shares of stock or fractional depositary receipts described in item (i) of this item; or

(iii) Any combination of the stock, depositary receipts, and cash in lieu of fractional shares or fractional depositary receipts described in items (i) and (ii) of this item;

(2) The directors and executive officers of the corporation were the beneficial owners, in the aggregate, of 5 percent or more of the outstanding voting stock of the corporation at any time within the 1-year period ending on:

(i) The day the stockholders voted on the transaction objected to; or

(ii) With respect to a merger under § 3-106 OR § 3-106.1 of this title, the effective date of the merger; and

(3) Unless the stock is held in accordance with a compensatory plan or arrangement approved by the board of directors of the corporation and the treatment of the stock in the transaction is approved by the board of directors of the corporation, any stock held by persons described in item (2) of this subsection, as part of or in connection with the transaction and within the 1-year period described in item (2) of this subsection, will be or was converted into or exchanged for stock of a person, or an affiliate of a person, who is a party to the transaction on terms that are not available to all holders of stock of the same class or series.

(e) If directors or executive officers of the corporation are beneficial owners of stock in accordance with § 3-201(d)(2)(i) of this subtitle, the stock is considered outstanding for purposes of determining beneficial ownership by a person under subsection (d)(2) of this section.

3-203.

(a) A stockholder of a corporation who desires to receive payment of the fair value of the stockholder's stock under this subtitle:

(1) Shall file with the corporation a written objection to the proposed transaction:

(i) With respect to a merger under § 3-106 OR § 3-106.1 of this title [of a 90 percent or more owned subsidiary with or into its parent corporation], within 30 days after notice is given or waived under § 3-106 OR § 3-106.1 of this title; or

(ii) With respect to any other transaction, at or before the stockholders' meeting at which the transaction will be considered or, in the case of action taken under § 2-505(b) of this article, within 10 days after the corporation gives the notice required by § 2-505(b) of this article;

(2) May not vote in favor of the transaction; and

(3) Within 20 days after the Department accepts the articles for record, shall make a written demand on the successor for payment for the stockholder's stock, stating the number and class of shares for which the stockholder demands payment.

(b) A stockholder who fails to comply with this section is bound by the terms of the consolidation, merger, share exchange, transfer of assets, or charter amendment.

[3-511.

(a) Except as provided in subsection (b) of this section, promptly after the charter of the corporation is revived, the president or a director of the corporation shall call a meeting of the stockholders to elect a full board of directors, giving notice in the manner required by Title 2 of this article.

(b) The president or a director of a corporation registered under the Investment Company Act of 1940 shall not be required to call a meeting of stockholders to elect a full board of directors until the corporation is required to hold an annual meeting under § 2-501 of this article.]

3-901.

(c) An other entity may convert to a Maryland corporation having capital stock by complying with § 3-902 of this subtitle and filing for record with the Department:

(1) Articles of conversion executed in the manner required by Title 1 of this article; and

(2) Articles of incorporation, which shall include the name of the converting other entity, executed in the manner required by Title [1] 2 of this article and otherwise complying with the Maryland General Corporation Law.

8–102.

A real estate investment trust **[is]:**

- (1) **IS** a permitted form of unincorporated business trust or association[, and may];
- (2) **IS A SEPARATE LEGAL ENTITY; AND**
- (3) **MAY** conduct business in the State in accordance with this title.

8–201.

A real estate investment trust **[may]:**

- (1) **IS FORMED BY FILING A DECLARATION OF TRUST FOR RECORD WITH THE DEPARTMENT; AND**
- (2) **MAY** not do business in the State until it complies with this title.

8–301.

A real estate investment trust has the power to:

- (1) Unless the declaration of trust provides otherwise, have perpetual existence unaffected by any rule against perpetuities;
- (2) Sue, be sued, complain, and defend in all courts;
- (3) Transact its business, carry on its operations, and exercise the powers granted by this title in any state, territory, district, or possession of the United States and in any foreign country;
- (4) Make contracts, incur liabilities, and borrow money;
- (5) Sell, mortgage, lease, pledge, exchange, convey, transfer, and otherwise dispose of all or any part of its assets;
- (6) Issue bonds, notes, and other obligations and secure them by mortgage or deed of trust of all or any part of its assets;
- (7) Acquire by purchase or in any other manner and take, receive, own, hold, use, employ, improve, encumber, and otherwise deal with any interest in real and personal property, wherever located;

(8) Purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of and deal in and with:

(i) Securities, shares, and other interests in any obligations of domestic and foreign corporations, other real estate investment trusts, associations, partnerships, and other persons; and

(ii) Direct and indirect obligations of the United States, any other government, state, territory, government district, and municipality, and any instrumentality of them;

(9) Elect or appoint trustees, officers, and agents of the trust for the period of time the declaration of trust or bylaws provide, define their duties, and determine their compensation;

(10) Adopt and implement employee and officer benefit plans;

(11) Make and alter bylaws not inconsistent with law or with its declaration of trust to regulate the government of the real estate investment trust and the administration of its affairs;

(12) Exercise these powers, including the power to take, hold, and dispose of the title to real and personal property in the name of the trust or in the name of its trustees, without the filing of any bond, except a bond required under § 8–204 of this title;

(13) Generally exercise the powers set forth in its declaration of trust which are not inconsistent with law and are appropriate to promote and attain the purposes set forth in its declaration of trust;

(14) Enter into a business combination subject to the provisions of Title 3, Subtitle 6 of this article; [and]

(15) Indemnify or advance expenses to trustees, officers, employees, and agents of the trust to the same extent as is permitted for directors, officers, employees, and agents of a Maryland corporation under § 2–418 of this article; **AND**

(16) RENOUNCE, IN ITS DECLARATION OF TRUST OR BY RESOLUTION OF ITS BOARD OF TRUSTEES, ANY INTEREST OR EXPECTANCY OF THE REAL ESTATE INVESTMENT TRUST IN, OR IN BEING OFFERED AN OPPORTUNITY TO PARTICIPATE IN, BUSINESS OPPORTUNITIES OR CLASSES OR CATEGORIES OF BUSINESS OPPORTUNITIES THAT ARE:

(I) PRESENTED TO THE REAL ESTATE INVESTMENT TRUST;
OR

(II) DEVELOPED BY OR PRESENTED TO ONE OR MORE OF ITS TRUSTEES OR OFFICERS.

8–501.1.

(c) A merger shall be approved in the manner provided by this section, except that:

(1) A foreign business trust, a Maryland business trust, other than a Maryland real estate investment trust, a corporation, a domestic or foreign partnership, or a domestic or foreign limited partnership party to the merger shall have the merger advised, authorized, and approved in the manner and by the vote required by its declaration of trust, governing instrument, charter, or partnership agreement and the laws of the place where it is organized;

(2) (i) A foreign limited liability company party to the merger shall have the merger advised, authorized, and approved in the manner and by the vote required by the laws of the place where it is organized; and

(ii) A domestic limited liability company shall have the merger approved in the manner provided under § 4A–703 of this article;

(3) A merger need be approved by a Maryland real estate investment trust successor only by a majority of its entire board of trustees if the merger does not reclassify or change the terms of any class or series of its shares that are outstanding immediately before the merger becomes effective or otherwise amend its declaration of trust and the number of shares of such class or series outstanding immediately after the effective time of the merger does not increase by more than 20 percent of the number of its shares of the class or series of shares outstanding immediately before the merger becomes effective; [and]

(4) A merger of a subsidiary with or into its parent need be approved only in the manner provided in § 3–106 of this article, provided the parent owns at least 90 percent of the subsidiary; **AND**

(5) A MERGER OF A MARYLAND REAL ESTATE INVESTMENT TRUST IN ACCORDANCE WITH § 3–106.1 OF THIS ARTICLE NEED BE APPROVED ONLY IN THE MANNER PROVIDED IN § 3–106.1 OF THIS ARTICLE.

8–701.

(c) An other entity may convert to a real estate investment trust by complying with § 8–702 of this subtitle and filing for record with the Department:

(1) Articles of conversion executed in the manner required by Title 1 of this article; and

(2) A declaration of trust, which shall include the name of the converting other entity, executed in the manner required by [Title 1 of this article] § 8-202 OF THIS TITLE and otherwise complying with this title.

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

Approved by the Governor, May 15, 2014.

Chapter 552

(Senate Bill 763)

AN ACT concerning

Talbot County – Child Support Enforcement Administration – Transfer of Personnel

FOR the purpose of transferring ~~the functions, powers, duties, and personnel of the certain employees of Talbot County Department of Social Services Office of Child Support Enforcement to the Child Support Enforcement Administration of~~ who served as employees of the child support division of the Talbot County State's Attorney's Office as of a certain date to the Department of Human Resources on a certain date; providing that the transfer of personnel be done in accordance with a certain provision of law; requiring that certain position identification numbers be created in a certain manner; requiring that each transferred employee be given credit with the State for years of county employment for certain purposes and retain certain annual and sick leave credit and service credit in the Employees' Pension System; requiring that each transferred employee be subject to certain benefit selections in the Employees' Pension System; requiring Talbot County to pay certain compensation due as of a certain date; and generally relating to the transfer of personnel ~~to the Child Support Enforcement Administration of~~ of Talbot County to the Department of Human Resources.

~~BY repealing and reenacting, without amendments,
Article – Family Law
Section 10-117
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~~

~~10–117.~~

~~(a) A county or circuit court with a local support enforcement office may request that the responsibility for support enforcement be transferred to the Administration.~~

~~(b) A request for transfer of responsibility under this section must be made to the Department of Human Resources by September 1 of the year preceding the fiscal year for which responsibility will be transferred.~~

~~(c) Any personnel of the local support enforcement office involved in a transfer under this section shall be in the State Personnel Management System and shall be placed in the position that is comparable to or most closely compares to their former position, without further examination or qualification. These employees shall be credited with the years of service with the jurisdiction for purposes of seniority, including the determination of leave accumulation and the determination of layoff rights under Title 11, Subtitle 2 of the State Personnel and Pensions Article, and, except as provided under § 2–510 of the Courts Article, shall become members of the Employees’ Pension System of the State of Maryland. All previous pension contributions shall be transferred in accordance with Title 37 of the State Personnel and Pensions Article. These employees shall receive no diminution in compensation or accumulated leave solely as a result of the transfer. The salary grade of these employees shall be determined using a salary based on the same hourly rate of salary of the employee at the time of transfer. Annual leave in excess of that which may be retained annually in the State Personnel Management System may be retained at the time of transfer if that accumulation was permitted by the former employer.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on July 1, 2014, all the functions, powers, and duties of the Talbot County Department of Social Services Office of Child Support Enforcement and the personnel indicated in Section 3 of this Act shall be transferred to the Child Support Enforcement Administration of the Department of Human Resources.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That:~~

~~(a) All employees of the Talbot County Department of Social Services Office of Child Support Enforcement who served as employees of the child support division of the Talbot County State’s Attorney’s Office as of September 30, 2013, shall be transferred to the Child Support Enforcement Administration of the Department of Human Resources in accordance with § 10–117(c) of the Family Law Article.~~

(b) A Position Identification Number (PIN) shall be created for each transferred employee in a State classification commensurate with the employee's salary grade at the time of transfer, and the salary grade shall be determined using a salary based on the same hourly rate of salary of the employee at the time of transfer.

(c) Each transferred employee shall be given credit with the State for years of county employment for purposes of:

(1) seniority, including the determination of leave accumulation under Title 9 of the State Personnel and Pensions Article and the determination of layoff rights under Title 11, Subtitle 2 of the State Personnel and Pensions Article; and

(2) determining eligibility for participation as a retiree in the State Employee and Retiree Health and Welfare Benefits Program under § 2-508 of the State Personnel and Pensions Article, so that eligibility is based on the starting date for service with Talbot County instead of the starting date of employment with the State.

(d) Each transferred employee:

(1) shall retain:

(i) the amount of annual or sick leave to the employee's credit to the extent allowed by Talbot County; and

(ii) the service credit in the Employees' Pension System earned as a Talbot County employee; and

(2) be subject to:

(i) the Alternate Contributory Pension Selection of the Employees' Pension System as provided under Title 23, Subtitle 2, Part III of the State Personnel and Pensions Article, if the beginning date of the employee's employment with Talbot County was on or before June 30, 2011; or

(ii) the Reformed Contributory Pension Benefit of the Employees' Pension System as provided under Title 23, Subtitle 2, Part IV of the State Personnel and Pensions Article, if the beginning date of the employee's employment with Talbot County was on or after July 1, 2011.

(e) Talbot County shall pay to each employee transferred under this section any compensation due to the employee on termination of county employment as of June 30, 2014, except for any accumulated leave that the employee elects to transfer to the State.

SECTION ~~4~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 553

(House Bill 805)

AN ACT concerning

Talbot County – Child Support Enforcement ~~Administration~~ – Transfer of Personnel

FOR the purpose of transferring ~~the functions, powers, duties, and personnel of the certain employees of Talbot County Department of Social Services Office of Child Support Enforcement to the Child Support Enforcement Administration of who served as employees of the child support division of the Talbot County State's Attorney's Office as of a certain date to the Department of Human Resources on a certain date; providing that the transfer of personnel be done in accordance with a certain provision of law;~~ requiring that certain position identification numbers be created in a certain manner; requiring that each transferred employee be given credit with the State for years of county employment for certain purposes and retain certain annual and sick leave credit and service credit in the Employees' Pension System; requiring that each transferred employee be subject to certain benefit selections in the Employees' Pension System; requiring Talbot County to pay certain compensation due as of a certain date; and generally relating to the transfer of personnel ~~to the Child Support Enforcement Administration of~~ of Talbot County to the Department of Human Resources.

~~BY repealing and reenacting, without amendments,
Article – Family Law
Section 10-117
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~~

~~10-117.~~

~~(a) A county or circuit court with a local support enforcement office may request that the responsibility for support enforcement be transferred to the Administration.~~

~~(b) A request for transfer of responsibility under this section must be made to the Department of Human Resources by September 1 of the year preceding the fiscal year for which responsibility will be transferred.~~

~~(c) Any personnel of the local support enforcement office involved in a transfer under this section shall be in the State Personnel Management System and shall be placed in the position that is comparable to or most closely compares to their former position, without further examination or qualification. These employees shall be credited with the years of service with the jurisdiction for purposes of seniority, including the determination of leave accumulation and the determination of layoff rights under Title 11, Subtitle 2 of the State Personnel and Pensions Article, and, except as provided under § 2-510 of the Courts Article, shall become members of the Employees' Pension System of the State of Maryland. All previous pension contributions shall be transferred in accordance with Title 37 of the State Personnel and Pensions Article. These employees shall receive no diminution in compensation or accumulated leave solely as a result of the transfer. The salary grade of these employees shall be determined using a salary based on the same hourly rate of salary of the employee at the time of transfer. Annual leave in excess of that which may be retained annually in the State Personnel Management System may be retained at the time of transfer if that accumulation was permitted by the former employer.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on July 1, 2014, all the functions, powers, and duties of the Talbot County Department of Social Services Office of Child Support Enforcement and the personnel indicated in Section 3 of this Act shall be transferred to the Child Support Enforcement Administration of the Department of Human Resources.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That:~~

~~(a) All employees of the Talbot County Department of Social Services Office of Child Support Enforcement who served as employees of the child support division of the Talbot County State's Attorney's Office as of September 30, 2013, shall be transferred to the Child Support Enforcement Administration of the Department of Human Resources in accordance with § 10-117(e) of the Family Law Article.~~

(b) A Position Identification Number (PIN) shall be created for each transferred employee in a State classification commensurate with the employee's salary grade at the time of transfer, and the salary grade shall be determined using a salary based on the same hourly rate of salary of the employee at the time of transfer.

(c) Each transferred employee shall be given credit with the State for years of county employment for purposes of:

(1) seniority, including the determination of leave accumulation under Title 9 of the State Personnel and Pensions Article and the determination of layoff rights under Title 11, Subtitle 2 of the State Personnel and Pensions Article; and

(2) determining eligibility for participation as a retiree in the State Employee and Retiree Health and Welfare Benefits Program under § 2–508 of the State Personnel and Pensions Article, so that eligibility is based on the starting date for service with Talbot County instead of the starting date of employment with the State.

(d) Each transferred employee:

(1) shall retain:

(i) the amount of annual or sick leave to the employee's credit to the extent allowed by Talbot County; and

(ii) the service credit in the Employees' Pension System earned as a Talbot County employee; and

(2) be subject to:

(i) the Alternate Contributory Pension Selection of the Employees' Pension System as provided under Title 23, Subtitle 2, Part III of the State Personnel and Pensions Article, if the beginning date of the employee's employment with Talbot County was on or before June 30, 2011; or

(ii) the Reformed Contributory Pension Benefit of the Employees' Pension System as provided under Title 23, Subtitle 2, Part IV of the State Personnel and Pensions Article, if the beginning date of the employee's employment with Talbot County was on or after July 1, 2011.

(e) Talbot County shall pay to each employee transferred under this section any compensation due to the employee on termination of county employment as of June 30, 2014, except for any accumulated leave that the employee elects to transfer to the State.

SECTION ~~4~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 554

(Senate Bill 784)

AN ACT concerning

~~Education – Loan Assistance – Professional Counselors and Alcohol and Drug Counselors~~

Higher Education – Loan Assistance – Licensed Clinical Counselors

FOR the purpose of requiring the Office of Student Financial Assistance of the Maryland Higher Education Commission to assist in the repayment of certain higher education loans owed by ~~licensed clinical professional counselors or~~ licensed clinical alcohol and drug counselors, licensed clinical marriage and family therapy counselors, or licensed clinical professional counselors under certain circumstances; ~~requiring that funds for the Janet L. Hoffman Loan Assistance Repayment Program include certain money paid to the Program from certain fees collected by the State Board of Professional Counselors and Therapists; requiring the Comptroller to distribute a certain amount of the fees received from the State Board of Professional Counselors and Therapists to the Office of Student Financial Assistance;~~ and generally relating to the repayment of higher education loans owed by ~~licensed clinical professional counselors and~~ licensed clinical alcohol and drug counselors, licensed clinical marriage and family therapy counselors, and licensed clinical professional counselors.

BY repealing and reenacting, without amendments,
 Article – Education
 Section 18–1501
 Annotated Code of Maryland
 (2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
 Article – Education
 Section 18–1502 ~~and 18–1504~~
 Annotated Code of Maryland
 (2008 Replacement Volume and 2013 Supplement)

~~BY repealing and reenacting, with amendments,
 Article – Health Occupations
 Section 17–206
 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

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.

(G) 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 LICENSED CLINICAL PROFESSIONAL COUNSELOR OR~~ A LICENSED CLINICAL ALCOHOL AND DRUG COUNSELOR, A LICENSED CLINICAL MARRIAGE AND FAMILY THERAPY COUNSELOR, OR A LICENSED CLINICAL PROFESSIONAL COUNSELOR WHOSE PRACTICE IS LOCATED IN A HIGH-NEED GEOGRAPHIC AREA OF THE STATE AS DETERMINED BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

~~18-1504.~~

~~(a) Funds for the Janet L. Hoffman Loan Assistance Repayment Program described in subsection (b)(2) of this section shall be allocated by the Commission to an individual who:~~

~~(1) Has received a graduate degree from a school of law; and~~

~~(2) Has submitted an application for the Janet L. Hoffman Loan Assistance Repayment Program that the Commission disapproved due to insufficient funds.~~

~~(b) Funds for the Janet L. Hoffman Loan Assistance Repayment Program shall:~~

~~(1) Be provided on an annual basis in the State budget; [and]~~

~~(2) Include money paid to the Program from the fee charged for a special admission of an out of state attorney under § 7-202(e) of the Courts Article; AND~~

~~(3) INCLUDE MONEY PAID TO THE PROGRAM FROM THE FEES DISTRIBUTED BY THE COMPTROLLER TO THE OFFICE OF STUDENT FINANCIAL ASSISTANCE FROM FEES COLLECTED BY THE STATE BOARD OF PROFESSIONAL COUNSELORS AND THERAPISTS UNDER § 17-206(C) OF THE HEALTH OCCUPATIONS ARTICLE.~~

~~(e) If a federal matching grant loan program furnishes professional services in an eligible field of employment to low-income or underserved residents of the State, the Office may apply not more than 50 percent of the funds provided in the State budget for the Janet L. Hoffman Loan Assistance Repayment Program to the State's participation in the federal program.~~

~~Article – Health Occupations~~

~~17-206.~~

~~(a) There is a State Board of Professional Counselors and Therapists Fund.~~

~~(b) (1) The Board may set reasonable fees for the issuance and renewal of licenses or certificates and its other services.~~

~~(2) The fees charged shall be set to produce funds so as to approximate the cost of maintaining the Board.~~

~~(3) Funds to cover the expenses of the Board members shall be generated by fees set under this section.~~

~~(e) (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];~~

~~(i) DISTRIBUTE 12% OF THE FEES TO THE OFFICE OF STUDENT FINANCIAL ASSISTANCE OF THE MARYLAND HIGHER EDUCATION COMMISSION TO PROVIDE GRANTS TO LICENSED CLINICAL PROFESSIONAL COUNSELORS AND LICENSED CLINICAL ALCOHOL AND DRUG COUNSELORS UNDER THE JANET L. HOFFMAN LOAN ASSISTANCE REPAYMENT PROGRAM AS PROVIDED IN § 18-504 OF THE EDUCATION ARTICLE; AND~~

~~(ii) DISTRIBUTE THE REMAINDER OF THE FEES TO THE FUND.~~

~~(d) (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 as provided by the provisions of this article.~~

~~(2) The Fund is a continuing, nonlapsing fund, 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 article.~~

~~(4) No other State money may be used to support the Fund.~~

~~(e) (1) A designee of the Board shall administer the Fund.~~

~~(2) Moneys in the Fund may be expended only for any lawful purpose authorized under the provisions of this article.~~

~~(f) The Legislative Auditor shall audit the accounts and transactions of the Fund as provided in § 2-1220 of the State Government Article.~~

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

Approved by the Governor, May 15, 2014.

Chapter 555

(Senate Bill 793)

AN ACT concerning

**Baltimore City – 46th District – Alcoholic Beverages – Class B Beer, Wine and
Liquor ~~License Transfer~~ Licenses**

FOR the purpose of authorizing the Board of License Commissioners to issue or allow the transfer of a certain cumulative number of Class B beer, wine and liquor licenses into a certain area of the 46th Legislative District in Baltimore City, subject to certain limitations; requiring the Board to execute a certain memorandum of understanding between certain community associations and to enforce a certain memorandum of understanding for certain proposed actions before the Board issues or allows ~~a certain~~ the transfer of a certain license; prohibiting the Board from allowing a license issued for or transferred into a certain area to be subsequently transferred into a certain other area; and generally relating to alcoholic beverages in Baltimore City.

BY repealing and reenacting, without amendments,
Article 2B – Alcoholic Beverages
Section 9–204.1(a), (b), and (c)
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 9–204.1(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

9–204.1.

(a) In this section, “Board” means the Board of Liquor License Commissioners for Baltimore City.

(b) This section applies only in Baltimore City.

(c) The alcoholic beverages districts described in this section at all times shall be coterminous with the legislative districts in the Legislative Districting Plan of 2002 as ordered by the Maryland Court of Appeals on June 21, 2002.

(f) (1) This subsection applies only in the 46th alcoholic beverages district.

(2) Notwithstanding § 6–201(d)(1)(vii) of this article, and subject to paragraph (8) of this subsection, the Board may issue a Class B beer, wine and liquor license:

(i) For a restaurant in ward 26, precinct 8, if the restaurant has a minimum capital investment of \$700,000, a seating capacity exceeding 150 persons, and average daily receipts from the sale of food that are at least 65% of the total daily receipts of the restaurant;

(ii) For a restaurant in ward 4, precinct 1 or ward 22, precinct 1, if the restaurant has a minimum capital investment of \$700,000, a seating capacity that exceeds 75 persons, average daily receipts for the sale of food that are at least 65% of the total daily receipts of the restaurant, and no sales for off-premises consumption;

(iii) For not more than three restaurants in a residential planned unit development for Silo Point as approved by the Mayor and City Council of Baltimore City in Ordinance 04-697 on June 23, 2004, if the restaurant has a minimum capital investment of \$700,000, a seating capacity that exceeds 75 persons, average daily receipts from the sale of food that are at least 65% of the total daily receipts of the restaurant, and no sales for off-premises consumption; and

(iv) For not more than three restaurants in a business planned unit development in ward 24, precinct 5 of the 46th alcoholic beverages district, which at all times shall be coterminous with the 46th Legislative District in the Legislative Districting Plan of 2002 as ordered by the Maryland Court of Appeals on June 21, 2002, if each restaurant has a minimum capital investment of \$700,000, a seating capacity that exceeds 75 persons but is not more than 150 persons, average daily receipts from the sale of food that are at least 65% of the total daily receipts of the restaurant, and no sales for off-premises consumption.

(3) (i) Except as provided in [subparagraph] **SUBPARAGRAPHS (ii) AND (iii)** of this paragraph, the Board may not issue an alcoholic beverages license or transfer a license into ward 1, precincts 4 and 5, ward 23, precinct 1, or ward 24, precinct 5.

(ii) The Board may allow the transfer of one Class D license into the residential planned unit development for Silo Point located in ward 24, precinct 5 which was enacted by the Mayor and City Council of Baltimore City in Ordinance 04-697 on June 23, 2004, provided that the Class D license holder operates the establishment in accordance with the provisions of Ordinance 04-697.

(iii) 1. SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, AND NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE BOARD MAY ISSUE OR ALLOW THE TRANSFER OF NO MORE THAN TWO CLASS B BEER, WINE AND LIQUOR LICENSES SO THAT THE CUMULATIVE NUMBER OF LICENSES ISSUED OR TRANSFERRED IS TWO, INTO THE AREA ~~BOUNDED ON THE NORTH BY BOYLE STREET, THEN FOLLOWING E. HEATH STREET, THEN FOLLOWING E. FORT AVENUE, ON THE EAST BY LUDLOW STREET, ON THE~~

~~**SOUTH BY CLEMM STREET, AND ON THE WEST BY WEBSTER STREET OF 829 THROUGH 919 E. FORT AVENUE.**~~

2. THE BOARD MAY ISSUE OR ALLOW ~~THE~~ TRANSFER OF A LICENSE INTO THE AREA DESCRIBED IN SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH ONLY IF:

A. THE BOARD HAS EXECUTED A MEMORANDUM OF UNDERSTANDING BETWEEN THE COMMUNITY ASSOCIATIONS IN RIVERSIDE AND LOCUST POINT REGARDING THE NATURE OF THE PROPOSED ESTABLISHMENT; AND

B. THE BOARD ENFORCES THE MEMORANDUM OF UNDERSTANDING AGAINST ANY LICENSE HOLDER THAT OBTAINS A LICENSE UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH AND SEEKS TO RENEW OR TRANSFER THE LICENSE.

3. THE BOARD MAY NOT ALLOW A LICENSE TO BE TRANSFERRED OUT OF THE AREA DESCRIBED IN SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH AND INTO ANY OTHER AREA OF WARD 24, PRECINCT 5.

(4) Notwithstanding any other provision of law, a new Class B beer, wine and liquor license may not be transferred to another location or downgraded within the 46th alcoholic beverages district.

(5) A new Class B licensed restaurant must have average daily receipts from the sale of food that are at least 51% of the total daily receipts of the restaurant.

(6) (i) Except as provided in subparagraph (ii) of this paragraph, the Board may not transfer or issue a license if the transfer or issuance would result in:

1. The licensed premises being located within 300 feet of the nearest point of a church or a school; or

2. The licensed premises being located closer to the nearest point of a church or a school than the licensed premises was on June 1, 2004.

(ii) This paragraph does not apply to a licensed restaurant in:

1. Ward 4, precinct 1;

2. Ward 22, precinct 1; or

3. A residential planned unit development for Silo Point as approved by the Mayor and City Council of Baltimore City in Ordinance 04-697 on June 23, 2004.

(7) (i) Except as provided in subparagraph (ii) of this paragraph, a license for the sale of alcoholic beverages may not be transferred into, or transferred to a different location within, the following areas:

1. Ward 1, precincts 2 and 3;
2. Ward 2 in its entirety;
3. Ward 3, precinct 3; and
4. Ward 26, precincts 3 and 10.

(ii) This paragraph does not apply to an application for a new license or a transfer from within the areas described in subparagraph (i) of this paragraph if the new license or transfer is for:

1. A hotel;
2. An establishment located in a planned unit development if the application for the planned unit development was filed or approved before December 31, 1995;
3. An establishment located in an area governed by the Inner Harbor East Urban Renewal Plan; or
4. An establishment that has a seating capacity of fewer than 150 persons or in which the average daily receipts from the sale of food are at least 51% of the total daily receipts of the establishment.

(8) Notwithstanding paragraph (2)(ii) through (iv) of this subsection, a license specified under this subsection, including a license that allows no sales for off-premises consumption, may include an off-sale privilege for sales of refillable containers under a refillable container license issued in accordance with § 8-203(e) of this article.

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

Approved by the Governor, May 15, 2014.

Chapter 556**(Senate Bill 800)**

AN ACT concerning

**Landlord and Tenant – Retaliatory Actions – ~~Conditions for Relief and
Timing of Prohibited Actions~~ Conditions for Relief**

FOR the purpose of ~~altering the conditions under which relief may be provided to a tenant for certain retaliatory actions taken by a landlord of residential property under certain circumstances; altering the time after a tenant's protected action after which a certain action by a landlord may not be deemed to be retaliatory under certain circumstances;~~ altering the conditions under which relief may be provided to a tenant for certain retaliatory actions taken by a landlord of residential property under certain circumstances; and generally relating to retaliatory actions of a landlord of residential property.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 8–208.1
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 – Real Property

8–208.1.

(a) (1) For any reason listed in paragraph (2) of this subsection, a landlord of any residential property may not:

(i) Bring or threaten to bring an action for possession against a tenant;

(ii) Arbitrarily increase the rent or decrease the services to which a tenant has been entitled; or

(iii) Terminate a periodic tenancy.

(2) A landlord may not take an action that is listed under paragraph (1) of this subsection for any of the following reasons:

(i) Because the tenant or the tenant's agent has provided written or actual notice of a good faith complaint about an alleged violation of the

lease, violation of law, or condition on the leased premises that is a substantial threat to the health or safety of occupants to:

1. The landlord; or
 2. Any public agency against the landlord;
- (ii) Because the tenant or the tenant's agent has:
1. Filed a lawsuit against the landlord; or
 2. Testified or participated in a lawsuit involving the landlord; or
- (iii) Because the tenant has participated in any tenants' organization.

(b) (1) A landlord's violation of subsection (a) of this section is a "retaliatory action".

(2) A tenant may raise a retaliatory action of a landlord:

- (i) In defense to an action for possession; or
- (ii) As an affirmative claim for damages resulting from a retaliatory action of a landlord occurring during a tenancy.

(c) (1) If in any proceeding the court finds in favor of the tenant because the landlord engaged in a retaliatory action, the court may enter judgment against the landlord for damages not to exceed the equivalent of 3 months' rent, reasonable attorney fees, and court costs.

(2) If in any proceeding the court finds that a tenant's assertion of a retaliatory action was in bad faith or without substantial justification, the court may enter judgment against the tenant for damages not to exceed the equivalent of 3 months' rent, reasonable attorney fees, and court costs.

(d) The relief provided under this section is conditioned ~~upon~~

~~(1) The ON THE ~~ON THE~~ tenant being current on the rent due and owing to the landlord at the time of the alleged retaliatory action, unless the tenant withholds rent in accordance with the lease, § 8-211 of this subtitle, or a comparable local ordinance; and~~

~~(2) If the alleged retaliatory action is a landlord's termination of a periodic tenancy;~~

~~(i) In the case of tenancies measured by a period of one month or more, the court having not entered against the tenant more than 3 judgments of possession for rent due and unpaid in the 12-month period immediately prior to the initiation of the action by the tenant or by the landlord; or~~

~~(ii) In the case of tenancies requiring the weekly payment of rent, the court having not entered against the tenant more than 5 judgments of possession for rent due and unpaid in the 12-month period immediately prior to the initiation of the action by the tenant or by the landlord, or, if the tenant has lived on the premises 6 months or less, the court having not entered against the tenant 3 judgments of possession for rent due and unpaid.~~

(e) An action by a landlord may not be deemed to be retaliatory for purposes of this section if the alleged retaliatory action occurs more than ~~6~~ **12** months after a tenant's action that is protected under subsection (a)(2) of this section.

(f) As long as a landlord's termination of a tenancy is not the result of a retaliatory action, nothing in this section may be interpreted to alter the landlord's or the tenant's rights to terminate or not renew a tenancy.

(g) If any county has enacted or enacts an ordinance comparable in subject matter to this section, this section shall supersede the provisions of the ordinance to the extent that the ordinance provides less protection to a tenant.

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

Approved by the Governor, May 15, 2014.

Chapter 557

(Senate Bill 811)

AN ACT concerning

Corporations and Associations – Maryland Securities Act – Registration and Filing Exemptions

FOR the purpose of exempting a certain security issued by ~~a certain business entity to an individual purchaser who is a resident~~ an entity formed, organized, or existing under the laws of the State from certain registration and filing requirements under certain circumstances; ~~requiring the Division of Securities within the Office of the Attorney General to develop for the public a document containing certain information regarding crowdfunding and publish the document on the Web site of the Division on or before a certain date~~ requiring a

person required to submit a filing in accordance with a certain exemption to pay a certain fee for each filing; and generally relating to the Maryland Securities Act and registration and filing exemptions.

BY repealing and reenacting, without amendments,
Article – Corporations and Associations
Section 11–101(a), (d), (k), (m), (p), and (r), 11–205, and 11–501
Annotated Code of Maryland
(2007 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Corporations and Associations
Section 11–506 and 11–601(15) and (16)
Annotated Code of Maryland
(2007 Replacement Volume and 2013 Supplement)

BY adding to
Article – Corporations and Associations
Section 11–601(16)
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 – Corporations and Associations

11–101.

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

(d) “Commissioner” means the Securities Commissioner of the Division of Securities.

(k) “Issuer” means any person who issues or proposes to issue a security, except that:

(1) With respect to certificates of deposit, voting–trust certificates, or collateral–trust certificates or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors or persons performing similar functions or of the fixed, restricted management, or unit type, the term “issuer” means the person performing the acts and assuming the duties of depositor or manager under the provisions of the trust or other agreement or instrument under which the security is issued; and

(2) With respect to certificates of interest or participation in oil, gas, or mining titles or leases or in payments out of production under the titles or leases, there is not considered to be any “issuer”.

(m) “Offer” or “offer to sell”, except as provided in § 11–102(a) of this subtitle, includes every attempt or offer to dispose of or solicitation of an offer to buy, a security or interest in a security for value.

(p) “Sale” or “sell”, except as provided in § 11–102(a) of this subtitle, includes every contract of sale of, contract to sell, or disposition of a security or interest in a security for value.

(r) (1) “Security” means any:

- (i) Note;
- (ii) Stock;
- (iii) Treasury stock;
- (iv) Bond;
- (v) Debenture;
- (vi) Evidence of indebtedness;
- (vii) Certificate of interest or participation in any profit–sharing agreement;
- (viii) Collateral–trust certificate;
- (ix) Preorganization certificate or subscription;
- (x) Transferable share;
- (xi) Investment contract;
- (xii) Voting–trust certificate;
- (xiii) Certificate of deposit for a security;
- (xiv) Certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under the title or lease;
- (xv) In general, any interest or instrument commonly known as a “security”; or

(xvi) Certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase any of the preceding.

(2) "Security" does not include any insurance or endowment policy or annuity contract under which an insurance company promises to pay money either in a lump sum, periodically for life, or some other specified period.

11-205.

The Commissioner by rule or order may require the filing of any prospectus, pamphlet, circular, form letter, advertisement, or other sales literature or advertising communication, whether communicated in hard copy, electronic means, or otherwise, addressed or intended for distribution to prospective investors, including clients or prospective clients of an investment adviser, unless the security or transaction is exempted by Subtitle 6 of this title or the security is a federal covered security or the transaction is with respect to a federal covered security.

11-501.

A person may not offer or sell any security in this State unless:

- (1) The security is registered under this title;
- (2) The security or transaction is exempted under Subtitle 6 of this title; or
- (3) The security is a federal covered security.

11-506.

(a) Except as provided in § 11-510.1 of this subtitle, a person filing an application to register securities shall pay a fee of 0.1 percent of the maximum aggregate offering price at which the securities are to be offered in this State, but the fee may not be less than \$500 or more than \$1,500.

(b) (1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A person required to submit a filing in accordance with an exemption granted under this title shall pay a fee of \$400 for each filing.

(2) A PERSON REQUIRED TO SUBMIT A FILING IN ACCORDANCE WITH THE EXEMPTION GRANTED UNDER § 11-601(16) OF THIS TITLE SHALL PAY A FEE OF \$100 FOR EACH FILING.

~~[(2)]~~ **(3)** A person required to submit a notice of the offer or sale of federal covered securities under § 11–503.1(c) of this subtitle shall pay a fee of \$100 for each filing.

(c) The Commissioner shall retain the fee, if:

(1) An application to register securities is withdrawn before the effective date;

(2) A notice of the offer or sale of a federal covered security is withdrawn; or

(3) A preeffective stop order is entered under §§ 11–511 through 11–513 of this subtitle.

11–601.

The following securities are exempted from §§ 11–205 and 11–501 of this title:

(15) (i) A note, bond, or other evidence of indebtedness issued to the United States or an agency or instrumentality of the United States by a cooperative, as defined in § 5–601 of this article, or by a foreign corporation doing business in the State under Title 5, Subtitle 6 of this article;

(ii) A mortgage, deed of trust, or other instrument executed to secure a note, bond, or other evidence of indebtedness described in item (i) of this item; and

(iii) A membership certificate issued by a cooperative, as defined in § 5–601 of this article, or by a foreign corporation doing business in the State under Title 5, Subtitle 6 of this article; [and]

~~**(16) ANY NONEQUITY SECURITY ISSUED BY A CORPORATION, PROFESSIONAL CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP, OR OTHER LEGAL ENTITY FORMED, ORGANIZED, OR EXISTING UNDER THE LAWS OF THE STATE TO AN INDIVIDUAL PURCHASER WHO IS A RESIDENT OF THE STATE IF:**~~

~~**(I) THE ISSUER'S NAME, ADDRESS, AND FORM OF ORGANIZATION ARE SPECIFIED IN THE OFFER;**~~

~~**(II) THE CONSIDERATION PAID FOR THE NONEQUITY SECURITY DOES NOT EXCEED \$100;**~~

~~**(III) THE ISSUER DOES NOT HAVE MORE THAN ONE OFFERING FOR SECURITIES OPEN;**~~

~~(IV) THE ISSUER'S TOTAL OFFERING FOR SECURITIES DOES NOT EXCEED \$100,000;~~

~~(V) EACH DOCUMENT AND COMMUNICATION REGARDING THE OFFER CONTAINS:~~

~~1. AN INTERNET LINK TO A DOCUMENT PREPARED BY THE DIVISION OF SECURITIES THAT EXPLAINS CROWDFUNDING AND CROWDFUNDING RISKS; AND~~

~~2. A DISCLAIMER CLEARLY STATING THAT THE PURCHASER MAY LOSE THE ENTIRE AMOUNT PAID FOR THE NONEQUITY SECURITY AND THE PURCHASER SHOULD CAREFULLY EVALUATE EACH ISSUER'S TRUSTWORTHINESS; AND~~

~~(VI) WITHIN 10 DAYS AFTER THE ISSUER HAS SOLD 25 NONEQUITY SECURITIES UNDER THIS EXEMPTION, THE ISSUER NOTIFIES THE COMMISSIONER IN WRITING THAT THE ISSUER IS SELLING NONEQUITY SECURITIES TO PURCHASERS IN THE STATE; AND~~

(16) TO THE EXTENT THE COMMISSIONER BY RULE OR ORDER MAY PERMIT, ANY SECURITY ISSUED BY AN ENTITY FORMED, ORGANIZED, OR EXISTING UNDER THE LAWS OF THE STATE IF:

(I) THE OFFERING OF THE SECURITY IS CONDUCTED IN ACCORDANCE WITH § 3(A)(11) OF THE SECURITIES ACT OF 1933 AND RULE 147 ADOPTED UNDER THE SECURITIES ACT OF 1933;

(II) THE OFFER AND SALE OF THE SECURITY ARE MADE ONLY TO RESIDENTS OF THE STATE;

(III) THE AGGREGATE PRICE OF SECURITIES IN AN OFFERING UNDER THIS ITEM DOES NOT EXCEED \$100,000;

(IV) THE TOTAL CONSIDERATION PAID BY ANY PURCHASER OF SECURITIES IN AN OFFERING UNDER THIS ITEM DOES NOT EXCEED \$100;

(V) NO COMMISSION OR OTHER REMUNERATION IS PAID IN CONNECTION WITH AN OFFERING OF SECURITIES UNDER THIS ITEM TO ANY PERSON WHO IS NOT REGISTERED AS REQUIRED UNDER THIS TITLE;

(VI) NEITHER THE ISSUER NOR ANY OF ITS RELATED PERSONS IS SUBJECT TO A DISQUALIFICATION AS DEFINED BY THE COMMISSIONER BY RULE OR ORDER; AND

(VII) THE SECURITY IS SOLD IN AN OFFERING CONDUCTED IN COMPLIANCE WITH ANY CONDITIONS ESTABLISHED BY RULE OR ORDER OF THE COMMISSIONER, WHICH MAY INCLUDE:

1. RESTRICTIONS ON THE NATURE OF THE ISSUER;
2. LIMITATIONS ON THE NUMBER AND MANNER OF OFFERINGS;
3. REQUIRED DISCLOSURES TO INVESTORS, INCLUDING RISK FACTORS RELATED TO THE ISSUER AND THE OFFERING; AND
4. REQUIRED FILING WITH THE COMMISSIONER OF NOTICES AND OTHER MATERIALS RELATED TO THE OFFERING; AND

~~[(16)]~~ (17) Any security as to which the Commissioner by rule or order finds that:

(i) Compliance with §§ 11–205 and 11–501 of this title is not necessary or appropriate for the protection of investors; and

(ii) The exemption is consistent with the public interest and within the purposes fairly intended by the policy and provisions of this title.

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 31, 2014, the Division of Securities within the Office of the Attorney General shall:~~

~~(1) develop for the public a simple document explaining crowdfunding, crowdfunding risks, and methods of minimizing crowdfunding risks; and~~

~~(2) publish the document in item (1) of this section on the Division's Web site.~~

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

Approved by the Governor, May 15, 2014.

Chapter 558**(House Bill 1243)**

AN ACT concerning

Corporations and Associations – Maryland Securities Act – Registration and Filing Exemptions

FOR the purpose of exempting a certain security issued by ~~a certain business entity to an individual purchaser who is a resident~~ an entity formed, organized, or existing under the laws of the State from certain registration and filing requirements under certain circumstances; ~~requiring the Division of Securities within the Office of the Attorney General to develop for the public a document containing certain information regarding crowdfunding and publish the document on the Web site of the Division on or before a certain date~~ requiring a person required to submit a filing in accordance with a certain exemption to pay a certain fee for each filing; and generally relating to the Maryland Securities Act and registration and filing exemptions.

BY repealing and reenacting, without amendments,
Article – Corporations and Associations
Section 11–101(a), (d), (k), (m), (p), and (r), 11–205, and 11–501
Annotated Code of Maryland
(2007 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Corporations and Associations
Section 11–506 and 11–601(15) and (16)
Annotated Code of Maryland
(2007 Replacement Volume and 2013 Supplement)

BY adding to
Article – Corporations and Associations
Section 11–601(16)
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 – Corporations and Associations

11–101.

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

(d) “Commissioner” means the Securities Commissioner of the Division of Securities.

(k) “Issuer” means any person who issues or proposes to issue a security, except that:

(1) With respect to certificates of deposit, voting–trust certificates, or collateral–trust certificates or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors or persons performing similar functions or of the fixed, restricted management, or unit type, the term “issuer” means the person performing the acts and assuming the duties of depositor or manager under the provisions of the trust or other agreement or instrument under which the security is issued; and

(2) With respect to certificates of interest or participation in oil, gas, or mining titles or leases or in payments out of production under the titles or leases, there is not considered to be any “issuer”.

(m) “Offer” or “offer to sell”, except as provided in § 11–102(a) of this subtitle, includes every attempt or offer to dispose of or solicitation of an offer to buy, a security or interest in a security for value.

(p) “Sale” or “sell”, except as provided in § 11–102(a) of this subtitle, includes every contract of sale of, contract to sell, or disposition of a security or interest in a security for value.

(r) (1) “Security” means any:

- (i) Note;
- (ii) Stock;
- (iii) Treasury stock;
- (iv) Bond;
- (v) Debenture;
- (vi) Evidence of indebtedness;
- (vii) Certificate of interest or participation in any profit–sharing agreement;
- (viii) Collateral–trust certificate;
- (ix) Preorganization certificate or subscription;

- (x) Transferable share;
 - (xi) Investment contract;
 - (xii) Voting–trust certificate;
 - (xiii) Certificate of deposit for a security;
 - (xiv) Certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under the title or lease;
 - (xv) In general, any interest or instrument commonly known as a “security”; or
 - (xvi) Certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase any of the preceding.
- (2) “Security” does not include any insurance or endowment policy or annuity contract under which an insurance company promises to pay money either in a lump sum, periodically for life, or some other specified period.

11–205.

The Commissioner by rule or order may require the filing of any prospectus, pamphlet, circular, form letter, advertisement, or other sales literature or advertising communication, whether communicated in hard copy, electronic means, or otherwise, addressed or intended for distribution to prospective investors, including clients or prospective clients of an investment adviser, unless the security or transaction is exempted by Subtitle 6 of this title or the security is a federal covered security or the transaction is with respect to a federal covered security.

11–501.

A person may not offer or sell any security in this State unless:

- (1) The security is registered under this title;
- (2) The security or transaction is exempted under Subtitle 6 of this title; or
- (3) The security is a federal covered security.

11–506.

(a) Except as provided in § 11–510.1 of this subtitle, a person filing an application to register securities shall pay a fee of 0.1 percent of the maximum aggregate offering price at which the securities are to be offered in this State, but the fee may not be less than \$500 or more than \$1,500.

(b) (1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A person required to submit a filing in accordance with an exemption granted under this title shall pay a fee of \$400 for each filing.

(2) A PERSON REQUIRED TO SUBMIT A FILING IN ACCORDANCE WITH THE EXEMPTION GRANTED UNDER § 11–601(16) OF THIS TITLE SHALL PAY A FEE OF \$100 FOR EACH FILING.

[(2)] (3) A person required to submit a notice of the offer or sale of federal covered securities under § 11–503.1(c) of this subtitle shall pay a fee of \$100 for each filing.

(c) The Commissioner shall retain the fee, if:

(1) An application to register securities is withdrawn before the effective date;

(2) A notice of the offer or sale of a federal covered security is withdrawn; or

(3) A preeffective stop order is entered under §§ 11–511 through 11–513 of this subtitle.

11–601.

The following securities are exempted from §§ 11–205 and 11–501 of this title:

(15) (i) A note, bond, or other evidence of indebtedness issued to the United States or an agency or instrumentality of the United States by a cooperative, as defined in § 5–601 of this article, or by a foreign corporation doing business in the State under Title 5, Subtitle 6 of this article;

(ii) A mortgage, deed of trust, or other instrument executed to secure a note, bond, or other evidence of indebtedness described in item (i) of this item; and

(iii) A membership certificate issued by a cooperative, as defined in § 5–601 of this article, or by a foreign corporation doing business in the State under Title 5, Subtitle 6 of this article; [and]

~~(16) ANY NONEQUITY SECURITY ISSUED BY A CORPORATION, PROFESSIONAL CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP, OR OTHER LEGAL ENTITY FORMED, ORGANIZED, OR EXISTING UNDER THE LAWS OF THE STATE TO AN INDIVIDUAL PURCHASER WHO IS A RESIDENT OF THE STATE IF:~~

~~(I) THE ISSUER'S NAME, ADDRESS, AND FORM OF ORGANIZATION ARE SPECIFIED IN THE OFFER;~~

~~(II) THE CONSIDERATION PAID FOR THE NONEQUITY SECURITY DOES NOT EXCEED \$100;~~

~~(III) THE ISSUER DOES NOT HAVE MORE THAN ONE OFFERING FOR SECURITIES OPEN;~~

~~(IV) THE ISSUER'S TOTAL OFFERING FOR SECURITIES DOES NOT EXCEED \$100,000;~~

~~(V) EACH DOCUMENT AND COMMUNICATION REGARDING THE OFFER CONTAINS:~~

~~1. AN INTERNET LINK TO A DOCUMENT PREPARED BY THE DIVISION OF SECURITIES THAT EXPLAINS CROWDFUNDING AND CROWDFUNDING RISKS; AND~~

~~2. A DISCLAIMER CLEARLY STATING THAT THE PURCHASER MAY LOSE THE ENTIRE AMOUNT PAID FOR THE NONEQUITY SECURITY AND THE PURCHASER SHOULD CAREFULLY EVALUATE EACH ISSUER'S TRUSTWORTHINESS; AND~~

~~(VI) WITHIN 10 DAYS AFTER THE ISSUER HAS SOLD 25 NONEQUITY SECURITIES UNDER THIS EXEMPTION, THE ISSUER NOTIFIES THE COMMISSIONER IN WRITING THAT THE ISSUER IS SELLING NONEQUITY SECURITIES TO PURCHASERS IN THE STATE; AND~~

(16) TO THE EXTENT THE COMMISSIONER BY RULE OR ORDER MAY PERMIT, ANY SECURITY ISSUED BY AN ENTITY FORMED, ORGANIZED, OR EXISTING UNDER THE LAWS OF THE STATE IF:

(I) THE OFFERING OF THE SECURITY IS CONDUCTED IN ACCORDANCE WITH § 3(A)(11) OF THE SECURITIES ACT OF 1933 AND RULE 147 ADOPTED UNDER THE SECURITIES ACT OF 1933;

(II) THE OFFER AND SALE OF THE SECURITY ARE MADE ONLY TO RESIDENTS OF THE STATE;

(III) THE AGGREGATE PRICE OF SECURITIES IN AN OFFERING UNDER THIS ITEM DOES NOT EXCEED \$100,000;

(IV) THE TOTAL CONSIDERATION PAID BY ANY PURCHASER OF SECURITIES IN AN OFFERING UNDER THIS ITEM DOES NOT EXCEED \$100;

(V) NO COMMISSION OR OTHER REMUNERATION IS PAID IN CONNECTION WITH AN OFFERING OF SECURITIES UNDER THIS ITEM TO ANY PERSON WHO IS NOT REGISTERED AS REQUIRED UNDER THIS TITLE;

(VI) NEITHER THE ISSUER NOR ANY OF ITS RELATED PERSONS IS SUBJECT TO A DISQUALIFICATION AS DEFINED BY THE COMMISSIONER BY RULE OR ORDER; AND

(VII) THE SECURITY IS SOLD IN AN OFFERING CONDUCTED IN COMPLIANCE WITH ANY CONDITIONS ESTABLISHED BY RULE OR ORDER OF THE COMMISSIONER, WHICH MAY INCLUDE:

1. RESTRICTIONS ON THE NATURE OF THE ISSUER;
2. LIMITATIONS ON THE NUMBER AND MANNER OF OFFERINGS;
3. REQUIRED DISCLOSURES TO INVESTORS, INCLUDING RISK FACTORS RELATED TO THE ISSUER AND THE OFFERING; AND
4. REQUIRED FILING WITH THE COMMISSIONER OF NOTICES AND OTHER MATERIALS RELATED TO THE OFFERING; AND

[(16)] (17) Any security as to which the Commissioner by rule or order finds that:

- (i) Compliance with §§ 11–205 and 11–501 of this title is not necessary or appropriate for the protection of investors; and
- (ii) The exemption is consistent with the public interest and within the purposes fairly intended by the policy and provisions of this title.

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 31, 2014, the Division of Securities within the Office of the Attorney General shall:~~

~~(1) develop for the public a simple document explaining crowdfunding, crowdfunding risks, and methods of minimizing crowdfunding risks; and~~

~~(2) publish the document in item (1) of this section on the Division's Web site.~~

SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 559

(Senate Bill 849)

AN ACT concerning

State Board of Nursing – Nurses, Nursing Assistants, Medication Technicians, and Electrologists – Licensing, Certification, Regulation, Violations, and Penalties

FOR the purpose of requiring the State Board of Nursing to establish, on or before a certain date, a certain program through which the Criminal Justice Information System Central Repository reports to the Board certain criminal history information for certain applicants; requiring the Board to notify certain applicants that certain fingerprints will be retained by the Central Repository and certain criminal information will be reported to the Board; authorizing the Board to enter into a certain agreement; establishing requirements for the Board to place certain licensees and certificate holders on inactive status and to reactivate certain licenses and certificates if certain documentation of a medical condition is submitted to the Board; altering the duration of a certain application for inactive status; prohibiting the Board from charging a certain fee; providing that a certain inactive status may not be considered certain disciplinary action or reported to certain entities, employers, or insurance companies as certain disciplinary action; providing that certain licenses expire on a certain day; repealing certain prohibitions on the lapsing of certain licenses and certificates under certain circumstances; authorizing the Board to require terms on certain agreements to accept the surrender of certain licenses and certificates; providing that agreements to accept the surrender of certain licenses and certificates are final orders and public records; clarifying that the Board may deny or grant licenses or certificates subject to certain reprimand, probation, or suspension under certain circumstances; altering and adding certain grounds for disciplinary action for certain licensees and certificate holders; repealing certain requirements that certain individuals return certain licenses or certificates to the Board or file certain verified statements;

authorizing the Board to require certain licensees or certificate holders that receive certain sanctions to comply with certain terms and conditions determined by the Board; repealing a certain requirement that certain hearing notices bear certain postmarks; authorizing the Board to send certain advisory letters to holders of multistate licensing privileges; clarifying that certain Board decisions may not be stayed while judicial review is pending; altering certain reinstatement requirements for certain licenses and certificates; clarifying the Board's authority for certain licensure, practice on the multistate licensing privilege, and certification; ~~requiring criminal history records checks for certain applicants for certification as medication technicians and for certain medication technicians on or after a certain date;~~ clarifying certain requirements for hearings for certain certificate holders or applicants; authorizing the Board to suspend certain certificates under certain circumstances; repealing certain provisions and penalties for certain persons that fail to report certain employment or placement of registered nurses and licensed practical nurses; authorizing the Board to issue certain cease and desist orders and impose certain fines under certain circumstances; ~~requiring the Board to pay certain fines to the Board of Nursing Fund;~~ authorizing certain injunctive relief for certain conduct under certain circumstances; defining certain terms; making stylistic changes; and generally relating to the regulation by the State Board of Nursing of nurses, nursing assistants, medication technicians, and electrologists.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 8–101, 8–303, 8–309, 8–312(a) and (g)(1), 8–313, 8–314, 8–316 through 8–319, 8–6A–01, ~~8–6A–05(e)~~, 8–6A–08(g) ~~and (k)~~, 8–6A–10 through 8–6A–12, 8–6B–01, 8–6B–14(b), (h), and (i), 8–6B–15, 8–6B–18, 8–6B–19(c), 8–6B–22, 8–6B–27, 8–6B–29, and 8–710

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations

Section 8–322, 8–6A–08(l), 8–6A–10.1, 8–6A–17, 8–6B–29, 8–707, and 8–708

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing

Article – Health Occupations

Section 8–707

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

8–101.

- (a) In this title the following words have the meanings indicated.
- (b) “Advanced practice nurse” means an individual who:
 - (1) Is licensed by the Board to practice registered nursing; and
 - (2) Is certified by the Board to practice as:
 - (i) A nurse practitioner;
 - (ii) A nurse anesthetist;
 - (iii) A nurse midwife;
 - (iv) A nurse psychotherapist; or
 - (v) A clinical nurse specialist.

(C) “APPLICANT” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE:

(1) AN INDIVIDUAL APPLYING FOR AN INITIAL LICENSE BY EXAMINATION OR ENDORSEMENT;

(2) A LICENSEE APPLYING FOR RENEWAL OF A LICENSE; OR

(3) AN INDIVIDUAL APPLYING FOR REINSTATEMENT OF A LICENSE IN ACCORDANCE WITH § 8–319 OF THIS TITLE.

[(c)] (D) “Board” means the State Board of Nursing.

(E) “EXPIRED LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSE THAT WAS NOT RENEWED BEFORE THE EXPIRATION DATE OF THE LICENSE AS ESTABLISHED UNDER § 8–312(A) OF THIS TITLE.

(F) “LAPSED LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSE THAT WAS NOT RENEWED BECAUSE A LICENSEE FAILED TO RENEW THE LICENSE OR OTHERWISE DID NOT MEET THE RENEWAL REQUIREMENTS OF THIS TITLE.

[(d)] (G) “License” means, unless the context requires otherwise, a license issued by the Board to practice:

- (1) Registered nursing; or
- (2) Licensed practical nursing.

[(e)] (H) “Licensed practical nurse” means, unless the context requires otherwise, an individual who is licensed by the Board to practice licensed practical nursing.

(I) “LICENSEE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A REGISTERED NURSE OR LICENSED PRACTICAL NURSE WHO HAS:

- (1) AN ACTIVE LICENSE;**
- (2) AN INACTIVE LICENSE;**
- (3) A TEMPORARY LICENSE;**
- (4) AN EXPIRED TEMPORARY LICENSE;**
- (5) AN EXPIRED LICENSE;**
- (6) A LAPSED LICENSE;**
- (7) A SUSPENDED LICENSE; OR**
- (8) A LICENSE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION.**

[(f)] (J) “Nurse practitioner” means an individual who:

- (1) Is licensed by the Board to practice registered nursing; and
- (2) Is certified by the Board to practice as a nurse practitioner.

[(g)] (K) “Practice as a nurse practitioner” means to independently:

- (1) Perform an act under subsection **[(i)] (M)** of this section;
- (2) Conduct a comprehensive physical assessment of an individual;
- (3) Establish a medical diagnosis for common chronic stable or short-term health problems;
- (4) Order, perform, and interpret laboratory tests;

- (5) Prescribe drugs as provided under § 8–508 of this title;
- (6) Perform diagnostic, therapeutic, or corrective measures;
- (7) Refer an individual to an appropriate licensed physician or other health care provider; and
- (8) Provide emergency care.

[(h)] (L) “Practice licensed practical nursing” means to perform in a team relationship an act that requires specialized knowledge, judgment, and skill based on principles of biological, physiological, behavioral, or sociological science to:

- (1) Administer treatment or medication to an individual;
- (2) Aid in the rehabilitation of an individual;
- (3) Promote preventive measures in community health;
- (4) Give counsel to an individual;
- (5) Safeguard life and health;
- (6) Teach or supervise; or
- (7) Perform any additional acts authorized by the Board under § 8–205 of this title.

[(i)] (M) (1) “Practice registered nursing” means the performance of acts requiring substantial specialized knowledge, judgment, and skill based on the biological, physiological, behavioral, or sociological sciences as the basis for assessment, nursing diagnosis, planning, implementation, and evaluation of the practice of nursing in order to:

- (i) Maintain health;
 - (ii) Prevent illness; or
 - (iii) Care for or rehabilitate the ill, injured, or infirm.
- (2) For these purposes, “practice registered nursing” includes:
- (i) Administration;
 - (ii) Teaching;
 - (iii) Counseling;

- (iv) Supervision, delegation and evaluation of nursing practice;
- (v) Execution of therapeutic regimen, including the administration of medication and treatment;
- (vi) Independent nursing functions and delegated medical functions; and
- (vii) Performance of additional acts authorized by the Board under § 8–205 of this title.

[(j)] (N) “Registered nurse” means, unless the context requires otherwise, an individual who is licensed by the Board to practice registered nursing.

8–303.

(a) In this section, “Central Repository” means the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services.

(b) As part of an application to the Central Repository for a State and national criminal history records check, an applicant shall submit to the Central Repository:

- (1) Two complete sets of legible fingerprints taken on forms approved by the Director of the Central Repository and the Director of the Federal Bureau of Investigation;
- (2) The fee authorized under § 10–221(b)(7) of the Criminal Procedure Article for access to State criminal history records; and
- (3) The processing fee required by the Federal Bureau of Investigation for a national criminal history records check.

(c) In accordance with §§ 10–201 through 10–228 of the Criminal Procedure Article, the Central Repository shall forward to the Board and to the applicant the criminal history record information of the applicant.

(D) (1) BEGINNING JANUARY 1, 2015, THE BOARD SHALL ESTABLISH A RAP BACK PROGRAM THROUGH WHICH THE CENTRAL REPOSITORY REPORTS ALL NEW AND ADDITIONAL CRIMINAL HISTORY INFORMATION TO THE BOARD FOR AN APPLICANT WHO HAS BEEN FINGERPRINTED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.

(2) THE BOARD SHALL NOTIFY EACH APPLICANT THAT:

(I) THE APPLICANT'S FINGERPRINTS WILL BE RETAINED BY THE CENTRAL REPOSITORY; AND

(II) ALL NEW AND ADDITIONAL CRIMINAL INFORMATION WILL BE REPORTED TO THE BOARD.

(3) THE BOARD MAY ENTER INTO AN AGREEMENT WITH THE CENTRAL REPOSITORY AND THE FEDERAL BUREAU OF INVESTIGATION TO CARRY OUT THIS SUBSECTION.

[(d)] (E) If an applicant has made two or more unsuccessful attempts at securing legible fingerprints, the Board may accept an alternate method of criminal history records check as permitted by the Director of the Central Repository and the Director of the Federal Bureau of Investigation.

[(e)] (F) Information obtained from the Central Repository under this section shall be:

- (1) Confidential and may not be disseminated; and
- (2) Used only for the licensing purpose authorized by this title.

[(f)] (G) The subject of a criminal history records check under this section may contest the contents of the printed statement issued by the Central Repository as provided in § 10-223 of the Criminal Procedure Article.

8-309.

(a) If an individual has been licensed by the Board to practice registered nursing or licensed practical nursing in this State in accordance with the requirements of this subtitle, the individual may be subsequently licensed as a registered nurse or as a licensed practical nurse on inactive status.

(b) The Board shall place a licensee on inactive status and record the inactive status in the Board's database and on the Board's website if the licensee:

(1) (i) Has not satisfactorily completed 1,000 hours of active nursing practice within the 5-year period immediately preceding the date of anticipated renewal; [or]

(ii) Chooses inactive status; **OR**

(III) SUBMITS DOCUMENTATION OF A MEDICAL CONDITION THAT THE BOARD DETERMINES WILL PREVENT THE LICENSEE FROM PRACTICING AS A REGISTERED NURSE OR LICENSED PRACTICAL NURSE;

(2) (I) Completes the [annual] BIENNIAL application for inactive status; and

(II) IF APPLICABLE, PROVIDES DOCUMENTATION OF A CONTINUING MEDICAL CONDITION; AND

(3) Pays the [fee established] APPLICABLE FEES AS REQUIRED by the Board.

(c) A licensee on inactive status may not practice nursing in this State, but:

(1) A registered nurse on inactive status may use the title “Registered Nurse”, or the abbreviation “RN”; and

(2) A practical nurse on inactive status may use the title “Licensed Practical Nurse”, or the abbreviation “LPN”.

(d) (1) [If a] A licensee on inactive status [applies a] MAY APPLY for REACTIVATION OF THE license to practice nursing [and meets] IF THE LICENSEE:

(I) MEETS the renewal requirements of § 8–312 of this subtitle[.]; AND

(II) IF APPLICABLE, SUBMITS DOCUMENTATION SATISFACTORY TO THE BOARD THAT THE MEDICAL CONDITION FOR WHICH THE INACTIVE STATUS WAS GRANTED NO LONGER EXISTS.

(2) IF A LICENSEE MEETS THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, the Board shall:

[(1) Remove the licensee from inactive status;

(2) Void the licensee’s inactive status registration certificate; and]

(I) RECORD THE STATUS OF THE LICENSEE AS ACTIVE IN THE BOARD’S DATABASE AND ON THE BOARD’S WEB SITE; AND

[(3)] (II) [Renew] REACTIVATE the licensee’s license to practice nursing in this State.

(E) (1) IF A LICENSEE IS GRANTED INACTIVE STATUS BECAUSE OF A MEDICAL CONDITION, THE BOARD MAY NOT CHARGE A FEE TO PLACE THE LICENSEE ON OR REMOVE THE LICENSEE FROM INACTIVE STATUS.

(2) IF A LICENSEE IS GRANTED INACTIVE STATUS BECAUSE OF A MEDICAL CONDITION, THE INACTIVE STATUS:

(I) MAY NOT BE CONSIDERED A DISCIPLINARY ACTION UNDER § 8-316 OF THIS SUBTITLE; AND

(II) MAY NOT BE REPORTED TO ANY CERTIFYING ENTITY, EMPLOYER, OR INSURANCE COMPANY AS A DISCIPLINARY ACTION.

8-312.

(a) [(1) On or before December 31, 2012, a] **A** license expires on the 28th day of the birth month of the licensee[, unless the license is renewed for a 1-year term as provided in this section.

(2) On or after January 1, 2013, a license expires on the date set by the Board] and may not be renewed for a term longer than 2 years.

(g) (1) (i) Beginning July 2009, the Board shall begin a process requiring criminal history records checks in accordance with § 8-303 of this subtitle on:

1. Selected annual renewal applicants as determined by regulations adopted by the Board; and

2. Each [former] licensee who files for reinstatement under § 8-313 of this subtitle after failing to renew the license for a period of 1 year or more.

(ii) An additional criminal history records check shall be performed every 12 years thereafter.

8-313.

The Board shall reinstate the license of a [former] licensee who has failed to renew the license for any reason if the [former] licensee meets the renewal requirements of § 8-312 of this subtitle.

8-314.

(a) Unless the Board agrees to accept the surrender of a license, a licensed registered nurse, licensed practical nurse, or holder of a temporary license 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] **REQUIRE TERMS AND** conditions on [its] **AN** agreement with the licensee [under investigation or against whom charges are pending] to accept surrender of the license.

(C) AN AGREEMENT TO ACCEPT THE SURRENDER OF A LICENSE IS A FINAL ORDER OF THE BOARD AND IS A PUBLIC RECORD.

8–316.

(a) Subject to the hearing provisions of § 8–317 of this subtitle, the Board may deny a license or grant a [probationary] license, **INCLUDING A LICENSE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION**, to any applicant, reprimand any licensee, place any licensee on probation, or suspend or revoke the license of a licensee if the applicant or licensee:

(1) Fraudulently or deceptively obtains or attempts to obtain a license for the applicant or for another;

(2) Fraudulently or deceptively uses a license;

(3) Is disciplined by a licensing, military, or disciplinary authority in this State or in any other state or country or convicted or disciplined by a court in this State or in any other state or country for an act that would be grounds for disciplinary action under the Board’s disciplinary statutes;

(4) Is convicted of or pleads guilty or nolo contendere to a felony or to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside;

(5) Willfully and knowingly:

(i) Files a false report or record of an individual under the licensee’s care;

(ii) Gives any false or misleading information about a material matter in an employment application;

(iii) Fails to file or record any health record that is required by law;

(iv) Obstructs the filing or recording of any health record as required by law; or

(v) Induces another person to fail to file or record any health record as required by law;

(6) Knowingly does any act that has been determined by the Board, in its rules and regulations, to exceed the scope of practice authorized to the individual under this title;

(7) Provides professional services while:

(i) Under the influence of alcohol; or

(ii) 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;

(8) Does an act that is inconsistent with generally accepted professional standards in the practice of registered nursing or licensed practical nursing;

(9) Is grossly negligent in the practice of registered nursing or licensed practical nursing;

(10) Has violated any provision of this title;

(11) Submits a false statement to collect a fee;

(12) Is physically or mentally incompetent;

(13) Knowingly fails to report suspected child abuse in violation of § 5–704 of the Family Law Article;

(14) 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;

(15) Except in an emergency life-threatening situation where it is not feasible or practicable, fails to comply with the Centers for Disease Control and Prevention's guidelines on universal precautions;

(16) Is in independent practice and fails to display the notice required under § 8–506 of this title;

(17) Is in breach of a service obligation resulting from the applicant's or licensee's receipt of State or federal funding for the applicant's or licensee's nursing education;

(18) Is habitually intoxicated;

(19) Is addicted to, or habitually abuses, any narcotic or controlled dangerous substance as defined in § 5–101 of the Criminal Law Article;

(20) Fails to cooperate with a lawful investigation conducted by the Board;

(21) Is expelled from the rehabilitation program established pursuant to § 8–208 of this title for failure to comply with the conditions of the program;

(22) Delegates nursing acts or responsibilities to an individual that the applicant or licensee knows or has reason to know lacks the ability or knowledge to perform;

(23) Delegates to an unlicensed individual nursing acts or responsibilities the applicant or licensee knows or has reason to know are to be performed only by a registered nurse or licensed practical nurse;

(24) Fails to properly supervise individuals to whom nursing acts or responsibilities have been delegated;

(25) Engages in conduct that violates the professional code of ethics;

(26) Is professionally incompetent;

(27) Practices registered nursing or licensed practical nursing without a license before obtaining or renewing a license, including any period when [the license or a temporary license of the applicant or licensee has lapsed] **PRACTICING REGISTERED NURSING OR LICENSED PRACTICAL NURSING ON AN EXPIRED LICENSE OR A LAPSED LICENSE;**

(28) [After failing to renew a license] **WHEN HOLDING AN EXPIRED LICENSE OR A LAPSED LICENSE** or after a temporary license has [lapsed] **EXPIRED IN ACCORDANCE WITH § 8–315(D) OF THIS SUBTITLE**, commits any act that would be grounds for disciplinary action under this section;

(29) Practices registered nursing or licensed practical nursing on a nonrenewed license for a period of 16 months or longer;

(30) Violates regulations adopted by the Board or an order from the Board;

(31) Performs an act that is beyond the licensee's knowledge and skills;

(32) Fails to submit to a criminal history records check in accordance with § 8–303 of this subtitle;

(33) When acting in a supervisory position, directs another nurse to perform an act that is beyond the nurse's knowledge and skills; [or]

(34) When acting in a supervisory position, directs another nurse to delegate a nursing task to an individual when that nurse reasonably believes:

- (i) The individual lacks the knowledge and skills to perform the task; or
- (ii) The patient's condition does not allow delegation of the nursing task; **OR**

(35) HAS MISAPPROPRIATED THE PROPERTY OF A PATIENT OR A FACILITY.

(b) If, after a hearing under § 8–317 of this subtitle, the Board finds that there are grounds under subsection (a) of this section to suspend or revoke a license to practice registered nursing or licensed practical nursing, to reprimand a licensee, or place a licensee on probation, the Board may impose a penalty not exceeding \$5,000 instead of or in addition to suspending or revoking the license, reprimanding the licensee, or placing the licensee on probation.

[(c) An individual whose license has been suspended or revoked by the Board shall return the license to the Board. However, if the suspended or revoked license has been lost, the individual shall file with the Board a verified statement to that effect.]

(C) IN ADDITION TO ANY SANCTION AUTHORIZED UNDER THIS SECTION, THE BOARD MAY REQUIRE A LICENSEE TO COMPLY WITH SPECIFIED TERMS AND CONDITIONS DETERMINED BY THE BOARD.

8–317.

(a) Except as otherwise provided in the Administrative Procedure Act and in subsection (g) of this section, before the Board takes any action under § 8–312 or § 8–316 of this subtitle or § 8–404 [or § 8–6A–10] of this title, it shall give the person 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 person shall be sent by certified mail, return receipt requested, [bearing a postmark from the United States Postal Service,] to the last known address of the person at least 30 days before the hearing.

(d) The person may be represented at the hearing by counsel.

(e) 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.

(f) (1) Over the signature of the president, the executive director, or the deputy director as authorized by the executive director of the Board, the Board may issue subpoenas and administer oaths in connection with any investigation under this title and any hearings or proceedings before it.

(2) If a person, without lawful excuse, disobeys a subpoena from the Board or an order by the Board to take an oath, testify, or answer questions, on petition of the Board a court of competent jurisdiction may compel compliance with the subpoena and hold the individual in contempt of court.

(g) The Board may immediately suspend the license of a registered nurse or licensed practical nurse who is expelled from the rehabilitation program under § 8–208 of this title for noncompliance with the nurse’s agreement if:

(1) Prior to suspending the license, the Board provides the [nurse] **LICENSEE** with an opportunity to show cause by written communication or nontestimonial presentation as to why the suspension should not occur; and

(2) The Board provides the [nurse] **LICENSEE** with an opportunity for a hearing, which:

(i) Shall occur within 30 days of written request by the [nurse] **LICENSEE**; and

(ii) Shall impose on the licensee the burden of proving by a preponderance of the evidence that the licensee is not addicted to drugs or alcohol.

(h) (1) After the Board conducts an investigation under this title, the Board may issue an advisory letter to the licensee or [certificate] holder **OF A MULTISTATE LICENSING PRIVILEGE**.

(2) The Board may disclose an advisory letter issued under this subsection to the public.

(3) The issuance of an advisory letter under this subsection may not:

(i) Be considered a disciplinary action under [§§ 8–316 and 8–6A–10] **§ 8–316** of this [title] **SUBTITLE**; and

(ii) Be reported to any licensing entity, employer, or insurance company as a disciplinary action.

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 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.

8-319.

(A) If a license [is] WAS suspended or revoked for a period of more than 1 year, OR IF A PERIOD OF MORE THAN 1 YEAR HAS PASSED SINCE A LICENSE WAS SURRENDERED, the Board may reinstate the license [after 1 year] if the licensee:

(1) APPLIES TO THE BOARD FOR REINSTATEMENT;

[(1)] (2) Meets the requirements for RENEWAL UNDER § 8-312 OF THIS SUBTITLE;

(3) MEETS ANY OTHER REQUIREMENTS FOR reinstatement as established by the Board; and

[(2)] (4) Submits to a criminal history records check in accordance with § 8-303 of this subtitle.

(B) IF A LICENSEE MEETS THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION, THE BOARD MAY:

(1) REINSTATE THE LICENSE;

(2) REINSTATE THE LICENSE SUBJECT TO TERMS AND CONDITIONS THAT THE BOARD CONSIDERS NECESSARY, INCLUDING A PERIOD OF PROBATION; OR

(3) DENY REINSTATEMENT OF THE LICENSE.

8-322.

(A) THE AUTHORITY OF THE BOARD ESTABLISHED UNDER THIS SUBTITLE:

(1) VESTS WITH THE BOARD AT THE TIME AN INDIVIDUAL APPLIES FOR LICENSURE OR TO PRACTICE UNDER THE MULTISTATE LICENSING PRIVILEGE;

(2) CONTINUES DURING PERIODS OF LICENSURE; AND

(3) INCLUDES AUTHORITY OVER AN INDIVIDUAL HOLDING AN EXPIRED LICENSE, A LAPSED LICENSE, OR A TEMPORARY LICENSE THAT HAS EXPIRED UNDER § 8-315(D) OF THIS SUBTITLE.

(B) THE AUTHORITY OF THE BOARD SHALL BE CONTINUOUS OVER AN INDIVIDUAL APPLICANT, LICENSEE, OR HOLDER OF A MULTISTATE LICENSING PRIVILEGE AND MAY NOT BE DIVESTED BY WITHDRAWAL OF AN APPLICATION, WHEN A LICENSE EXPIRES OR LAPSES, OR WHEN A TEMPORARY LICENSE EXPIRES.

8-6A-01.

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

(B) “APPLICANT” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE:

(1) AN INDIVIDUAL APPLYING FOR AN INITIAL CERTIFICATE BY EXAMINATION OR ENDORSEMENT;

(2) A CERTIFICATE HOLDER APPLYING FOR RENEWAL OF A CERTIFICATE; OR

(3) AN INDIVIDUAL APPLYING FOR REINSTATEMENT OF A CERTIFICATE IN ACCORDANCE WITH § 8-6A-10 OF THIS SUBTITLE.

[(b)] **(C)** “Approved medication technician training program” means a course of training approved by the Board that meets the basic medication technician core curriculum and the medication technician content training specific to the setting in which the medication technician will work.

[(c)] (D) “Approved nursing assistant training program” means a course of training that meets the basic nursing assistant curriculum prescribed and approved by the Board.

[(d)] (E) “Board” means the State Board of Nursing.

[(e)] (F) “Certificate” means a certificate issued by the Board to practice as a certified nursing assistant or a certified medication technician in the State.

(G) “CERTIFICATE HOLDER” MEANS A CERTIFIED NURSING ASSISTANT OR MEDICATION TECHNICIAN WHO HAS:

- (1) AN ACTIVE CERTIFICATE;**
- (2) AN INACTIVE CERTIFICATE;**
- (3) A TEMPORARY CERTIFICATE;**
- (4) AN EXPIRED TEMPORARY CERTIFICATE;**
- (5) AN EXPIRED CERTIFICATE;**
- (6) A LAPSED CERTIFICATE;**
- (7) A SUSPENDED CERTIFICATE; OR**
- (8) A CERTIFICATE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION.**

[(f)] (H) “Certified medication technician” means an individual who:

- (1)** Has completed a Board–approved medication technician training program; and
- (2)** Is certified by the Board as a medication technician.

[(g)] (I) “Certified medicine aide” means a certified nursing assistant who has completed a Board–approved course in medication administration.

[(h)] (J) “Certified nursing assistant”:

- (1)** Means an individual regardless of title who routinely performs nursing tasks delegated by a registered nurse or licensed practical nurse for compensation; and

- (2) Does not include a certified medication technician.

~~[(i)]~~ (K) “Department” means the Department of Health and Mental Hygiene.

(L) “EXPIRED CERTIFICATE” MEANS A CERTIFICATE THAT WAS NOT RENEWED BEFORE THE EXPIRATION DATE OF THE CERTIFICATE AS ESTABLISHED UNDER § 8-6A-08(A) OF THIS TITLE.

~~[(j)]~~ (M) “Geriatric nursing assistant” means a certified nursing assistant who has successfully completed the requirements for geriatric nursing assistant mandated under federal law and the regulations of the Board.

(N) “LAPSED CERTIFICATE” MEANS A CERTIFICATE THAT WAS NOT RENEWED BECAUSE A CERTIFICATE HOLDER FAILED TO RENEW THE CERTIFICATE OR OTHERWISE DID NOT MEET THE RENEWAL REQUIREMENTS OF THIS SUBTITLE.

~~§ 6A-05.~~

- ~~(e)~~ (1) ~~An applicant for a certificate shall:~~
- ~~(i)~~ Submit an application to the Board on the form that the Board requires;
- ~~(ii)~~ Provide evidence, as required by the Board, of successful completion of:
- ~~1.~~ An approved nursing assistant training program;
 - ~~2.~~ An approved course in medication administration; or
 - ~~3.~~ A portion of an approved nursing education program that the Board determines meets the requirements of a nursing assistant training program or medication administration course;
- ~~(iii)~~ Pay to the Board an application fee set by the Board;
- ~~(iv)~~ Be of good moral character;
- ~~(v)~~ Be at least 16 years old to apply for certification as a nursing assistant; and
- ~~(vi)~~ Be at least 18 years old to apply for certification as a medication technician.

~~(2) Subject to paragraph (1) of this subsection [, an]:~~

~~(I) AN applicant for certification as a certified nursing assistant shall submit to the Board:~~

~~[(i)] 1. A criminal history records check in accordance with § 8-303 of this title and § 8-6A-08(k) of this subtitle; and~~

~~[(ii)] 2. On the form required by the Board, written, verified evidence that the requirement of [item (i) of this paragraph] ITEM 1 OF THIS ITEM is being met or has been met; AND~~

~~(II) BEGINNING JANUARY 1, 2015, AN APPLICANT FOR CERTIFICATION AS A CERTIFIED MEDICATION TECHNICIAN SHALL SUBMIT TO THE BOARD:~~

~~1. A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 8-303 OF THIS TITLE AND § 8-6A-08(K) OF THIS SUBTITLE; AND~~

~~2. ON THE FORM REQUIRED BY THE BOARD, WRITTEN, VERIFIED EVIDENCE THAT THE REQUIREMENT OF ITEM 1 OF THIS ITEM IS BEING MET OR HAS BEEN MET.~~

~~(3) An applicant for certification as a certified medicine aide, in addition to the requirements under paragraph (1) of this subsection, shall submit an additional application to that effect to the Board on the form that the Board requires.~~

~~(4) An applicant for a certificate may not:~~

~~(i) Have committed any act or omission that would be grounds for discipline or denial of certification under this subtitle; and~~

~~(ii) Have a record of abuse, negligence, misappropriation of a resident's property, or any disciplinary action taken or pending in any other state or territory of the United States against the certification of the nursing assistant or medication technician in the state or territory.~~

8-6A-08.

(g) The Board shall reinstate the certificate of a [former] certificate holder who has failed to renew the certificate for any reason if the [former] certificate holder meets the applicable renewal requirements of subsections (c) through (e) and (k)(1)(i)2 of this section.

~~(k) (1) (i) The Board shall require criminal history records checks in accordance with § 8-303 of this title on:~~

~~1. Selected applicants for certification as a certified nursing assistant who renew their certificates every 2 years as determined by regulations adopted by the Board; and~~

~~2. Each [former] certified nursing assistant who files for reinstatement under subsection (g) of this section after failing to renew the certificate for a period of 1 year or more.~~

~~(ii) An additional criminal history records check shall be performed every 12 years thereafter.~~

~~(2) (1) BEGINNING JANUARY 1, 2015, THE BOARD SHALL REQUIRE CRIMINAL HISTORY RECORDS CHECKS IN ACCORDANCE WITH § 8-303 OF THIS TITLE FOR:~~

~~1. SELECTED APPLICANTS FOR CERTIFICATION AS A CERTIFIED MEDICATION TECHNICIAN WHO RENEW THEIR CERTIFICATES EVERY 2 YEARS AS DETERMINED BY REGULATIONS ADOPTED BY THE BOARD; AND~~

~~2. EACH CERTIFIED MEDICATION TECHNICIAN WHO FILES FOR REINSTATEMENT OF A CERTIFICATE UNDER SUBSECTION (G) OF THIS SECTION AFTER FAILING TO RENEW THE CERTIFICATE FOR A PERIOD OF 1 YEAR OR MORE.~~

~~(II) AN ADDITIONAL CRIMINAL HISTORY RECORDS CHECK SHALL BE PERFORMED EVERY 12 YEARS THEREAFTER.~~

~~[(2)] (3) On receipt of the criminal history record information of a certificate holder forwarded to the Board in accordance with § 8-303 of this title, in determining whether to renew the certificate, 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 certificate holder poses a threat to the public health or safety.~~

~~[(3)](4) The Board may not renew a certificate if the criminal history record information required under § 8-303 of this title has not been received.~~

(L) (1) IF AN INDIVIDUAL HAS BEEN CERTIFIED BY THE BOARD TO PRACTICE AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN IN THE STATE IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SUBTITLE, THE INDIVIDUAL SUBSEQUENTLY MAY BE CERTIFIED AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN ON INACTIVE STATUS.

(2) THE BOARD SHALL PLACE A CERTIFICATE HOLDER ON INACTIVE STATUS AND RECORD THE INACTIVE STATUS IN THE BOARD'S DATABASE AND ON THE BOARD'S WEB SITE IF THE CERTIFICATE HOLDER:

(I) SUBMITS DOCUMENTATION OF A MEDICAL CONDITION THAT THE BOARD DETERMINES WILL PREVENT THE CERTIFICATE HOLDER FROM PRACTICING AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN; AND

(II) COMPLETES THE BIENNIAL APPLICATION FOR INACTIVE STATUS AND SUBMITS DOCUMENTATION OF A CONTINUING MEDICAL CONDITION.

(3) A CERTIFICATE HOLDER ON INACTIVE STATUS MAY APPLY FOR REACTIVATION OF THE CERTIFICATE IF THE CERTIFICATE HOLDER:

(I) SUBMITS DOCUMENTATION SATISFACTORY TO THE BOARD THAT THE MEDICAL CONDITION FOR WHICH THE INACTIVE STATUS WAS GRANTED NO LONGER EXISTS; AND

(II) MEETS THE RENEWAL REQUIREMENTS OF THIS SECTION.

(4) IF A CERTIFICATE HOLDER MEETS THE REQUIREMENTS OF PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD SHALL:

(I) RECORD THE STATUS OF THE CERTIFICATE HOLDER AS ACTIVE IN THE BOARD'S DATABASE AND ON THE BOARD'S WEB SITE; AND

(II) REACTIVATE THE CERTIFICATE HOLDER'S CERTIFICATE TO PRACTICE AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN IN THE STATE.

(5) THE BOARD MAY NOT CHARGE A FEE TO PLACE THE CERTIFICATE HOLDER ON OR REMOVE THE CERTIFICATE HOLDER FROM INACTIVE STATUS UNDER THIS SUBSECTION.

(6) INACTIVE STATUS:

(I) MAY NOT BE CONSIDERED A DISCIPLINARY ACTION UNDER § 8-6A-10 OF THIS SUBTITLE; AND

(II) MAY NOT BE REPORTED TO ANY CERTIFYING ENTITY, EMPLOYER, OR INSURANCE COMPANY AS A DISCIPLINARY ACTION.

8-6A-10.

(a) Subject to the hearing provisions of § 8-317 of this title **AND § 8-6A-10.1 OF THIS SUBTITLE**, the Board may deny a certificate or [issue a probationary] **GRANT A certificate, INCLUDING A CERTIFICATE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION**, to any applicant, reprimand any certificate holder, place any certificate holder on probation, or suspend or revoke the certificate of a certificate holder, if the applicant or certificate holder:

(1) Fraudulently or deceptively obtains or attempts to obtain a certificate for the applicant or for another;

(2) Fraudulently or deceptively uses a certificate;

(3) Is disciplined by a licensing, military, or disciplinary authority in this State or in any other state or country or convicted or disciplined by a court in this State or in any other state or country for an act that would be grounds for disciplinary action under the Board's disciplinary statutes;

(4) Is convicted of or pleads guilty or nolo contendere to a felony or to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside;

(5) Files a false report or record of an individual under the certificate holder's care;

(6) Gives any false or misleading information about a material matter in an employment application;

(7) Fails to file or record any health record that is required by law;

(8) Induces another person to fail to file or record any health record that is required by law;

- (9) Has violated any order, rule, or regulation of the Board relating to the practice or certification of a nursing assistant or medication technician;
- (10) Provides services as a nursing assistant or medication technician while:
 - (i) Under the influence of alcohol; or
 - (ii) 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;
- (11) Is habitually intoxicated;
- (12) Is addicted to, or habitually abuses, any narcotic or controlled dangerous substance as defined in § 5–101 of the Criminal Law Article;
- (13) Has acted in a manner inconsistent with the health or safety of a person under the applicant or certificate holder's care;
- (14) Has practiced as a nursing assistant or medication technician in a manner which fails to meet generally accepted standards for the practice of a nursing assistant or medication technician;
- (15) Has physically, verbally, or psychologically abused, neglected, or otherwise harmed a person under the applicant or certificate holder's care;
- (16) Has a physical or mental [disability] **CONDITION** which renders the applicant or certificate holder unable to practice as a certified nursing assistant or certified medication technician with reasonable skill and safety to the patients and which may endanger the health or safety of persons under the care of the applicant or certificate holder;
- (17) Has violated the confidentiality of information or knowledge as prescribed by law concerning any patient;
- (18) Has misappropriated patient or facility property;
- (19) Performs certified nursing assistant or certified medication technician functions incompetently;
- (20) Has violated any provision of this title or has aided or knowingly permitted any person to violate any provision of this title;
- (21) Submits a false statement to collect a fee;

(22) Refuses, withholds from, denies, or discriminates against an individual with regard to the provision of professional services for which the applicant or certificate holder is certified and qualified to render because the individual is HIV positive;

(23) Except in an emergency life-threatening situation where it is not feasible or practicable, fails to comply with the Centers for Disease Control and Prevention's guidelines on universal precautions;

(24) Fails to cooperate with a lawful investigation conducted by the Board;

(25) Fails to comply with instructions and directions of the supervising registered nurse or licensed practical nurse;

(26) [After failing to renew a certificate] **WHEN HOLDING AN EXPIRED CERTIFICATE OR A LAPSED CERTIFICATE**, commits any act that would be grounds for disciplinary action under this section;

(27) Practices as a nursing assistant or medication technician before obtaining or renewing the certificate, including any time period when [the certificate has lapsed] **PRACTICING AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN ON AN EXPIRED CERTIFICATE OR A LAPSED CERTIFICATE**;

(28) Impersonates another individual:

(i) Licensed under the provisions of this title; or

(ii) Who holds a certificate issued under the provisions of this title;

(29) Engages in conduct that violates the code of ethics;

(30) Performs activities that exceed the education and training of the certified nursing assistant or certified medication technician;

(31) Is expelled from the rehabilitation program established pursuant to § 8-208 of this title for failure to comply with the conditions of the program;

(32) Fails to submit to a criminal history records check in accordance with § 8-303 of this title as required under § 8-6A-05(c)(2) of this subtitle;

(33) Abandons a patient; or

(34) Is a director of nursing, or acts in the capacity of a director of nursing and knowingly employs an individual who is not authorized to perform delegated nursing duties under this subtitle.

(b) If, after a hearing under § 8-317 of this title **AND § 8-6A-10.1 OF THIS SUBTITLE**, the Board finds that there are grounds under subsection (a) of this section to suspend or revoke a certificate to practice as a certified nursing assistant or certified medication technician, to reprimand a certificate holder, or place a certificate holder on probation, the Board may impose a penalty not exceeding \$500 instead of or in addition to suspending or revoking the certificate, reprimanding the certificate holder, or placing the certificate holder on probation.

[(c) (1) An individual whose certificate has been suspended or revoked by the Board shall return the certificate to the Board.

(2) If the suspended or revoked certificate has been lost, the individual shall file with the Board a verified statement to that effect.]

[(d) (C) (1) If a certificate issued under this subtitle [is] **WAS** suspended or revoked for a period of more than 1 year, **OR IF A PERIOD OF MORE THAN 1 YEAR HAS PASSED SINCE A CERTIFICATE WAS SURRENDERED**, the Board may reinstate the certificate [after 1 year] if the certificate holder:

(I) **APPLIES TO THE BOARD FOR REINSTATEMENT;**

[(1) (II) Meets the requirements for **RENEWAL UNDER § 8-6A-08 OF THIS SUBTITLE;**

(III) **MEETS ANY OTHER REQUIREMENTS FOR** reinstatement as established by the Board in regulations; and

[(2) (IV) Submits to a criminal history records check in accordance with § 8-303 of this title.

(2) **IF A CERTIFICATE HOLDER MEETS THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE BOARD MAY:**

(I) **REINSTATE THE CERTIFICATE;**

(II) **REINSTATE THE CERTIFICATE SUBJECT TO TERMS AND CONDITIONS THAT THE BOARD CONSIDERS NECESSARY, INCLUDING A PERIOD OF PROBATION; OR**

(III) **DENY REINSTATEMENT OF THE CERTIFICATE.**

8-6A-10.1.

(A) EXCEPT AS OTHERWISE PROVIDED IN THE ADMINISTRATIVE PROCEDURE ACT AND IN SUBSECTION (G) OF THIS SECTION, BEFORE THE BOARD TAKES ANY ACTION UNDER § 8-6A-10 OF THIS SUBTITLE, THE BOARD 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 SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE LAST KNOWN ADDRESS OF THE INDIVIDUAL AT LEAST 30 DAYS BEFORE THE HEARING.

(D) THE INDIVIDUAL MAY BE REPRESENTED AT THE HEARING BY COUNSEL.

(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.

(F) (1) OVER THE SIGNATURE OF THE PRESIDENT, THE EXECUTIVE DIRECTOR, OR THE DEPUTY DIRECTOR AS AUTHORIZED BY THE EXECUTIVE DIRECTOR 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) IF AN INDIVIDUAL, WITHOUT LAWFUL EXCUSE, DISOBEYS A SUBPOENA FROM THE BOARD OR AN ORDER BY THE BOARD TO TAKE AN OATH, TESTIFY, OR ANSWER QUESTIONS, ON PETITION OF THE BOARD A COURT OF COMPETENT JURISDICTION MAY COMPEL COMPLIANCE WITH THE SUBPOENA AND HOLD THE INDIVIDUAL IN CONTEMPT OF COURT.

(G) THE BOARD IMMEDIATELY MAY SUSPEND THE CERTIFICATE OF A NURSING ASSISTANT OR MEDICATION TECHNICIAN WHO IS EXPELLED FROM THE REHABILITATION PROGRAM UNDER § 8-208 OF THIS TITLE FOR NONCOMPLIANCE WITH THE CERTIFICATE HOLDER'S AGREEMENT IF:

(1) BEFORE SUSPENDING THE CERTIFICATE, THE BOARD PROVIDES THE CERTIFICATE HOLDER WITH AN OPPORTUNITY TO SHOW CAUSE BY WRITTEN COMMUNICATION OR NONTTESTIMONIAL PRESENTATION AS TO WHY THE SUSPENSION SHOULD NOT OCCUR; AND

(2) THE BOARD PROVIDES THE CERTIFICATE HOLDER WITH AN OPPORTUNITY FOR A HEARING THAT SHALL:

(I) OCCUR WITHIN 30 DAYS AFTER WRITTEN REQUEST BY THE CERTIFICATE HOLDER; AND

(II) IMPOSE ON THE CERTIFICATE HOLDER THE BURDEN OF PROVING BY A PREPONDERANCE OF THE EVIDENCE THAT THE CERTIFICATE HOLDER IS NOT ADDICTED TO DRUGS OR ALCOHOL.

(H) (1) AFTER THE BOARD CONDUCTS AN INVESTIGATION UNDER THIS SUBTITLE, THE BOARD MAY ISSUE AN ADVISORY LETTER TO THE CERTIFICATE HOLDER.

(2) THE BOARD MAY DISCLOSE AN ADVISORY LETTER ISSUED UNDER THIS SUBSECTION TO THE PUBLIC.

(3) THE ISSUANCE OF AN ADVISORY LETTER UNDER THIS SUBSECTION:

(I) MAY NOT BE CONSIDERED A DISCIPLINARY ACTION UNDER § 8-6A-10 OF THIS SUBTITLE; AND

(II) MAY NOT BE REPORTED TO ANY CERTIFYING ENTITY, EMPLOYER, OR INSURANCE COMPANY AS A DISCIPLINARY ACTION.

8-6A-11.

(A) Any person aggrieved by a final decision of the Board under § 8-6A-10 of this subtitle may only take a direct judicial appeal as allowed by the Administrative Procedure Act.

(B) A BOARD DECISION MAY NOT BE STAYED WHILE JUDICIAL REVIEW IS PENDING.

8-6A-12.

(a) Unless the Board agrees to accept the surrender of a certificate, a certified nursing assistant or certified medication technician may not surrender the certificate [nor may the certificate lapse by operation of law while the certificate holder is under investigation or while charges are pending against the certified nursing assistant or certified medication technician].

(b) The Board may [set] **REQUIRE TERMS AND** conditions on [its] **AN** agreement with the certified nursing assistant or certified medication technician

[under investigation or against whom charges are pending] to accept surrender of the certificate.

(C) AN AGREEMENT TO ACCEPT THE SURRENDER OF A CERTIFICATE IS A FINAL ORDER OF THE BOARD AND IS A PUBLIC RECORD.

8-6A-17.

(A) THE AUTHORITY OF THE BOARD ESTABLISHED UNDER THIS SUBTITLE:

(1) VESTS WITH THE BOARD AT THE TIME AN INDIVIDUAL APPLIES FOR CERTIFICATION;

(2) CONTINUES DURING PERIODS OF CERTIFICATION; AND

(3) INCLUDES AUTHORITY OVER AN INDIVIDUAL HOLDING AN EXPIRED CERTIFICATE, A LAPSED CERTIFICATE, OR A TEMPORARY CERTIFICATE THAT HAS EXPIRED UNDER § 8-6A-07(F) OF THIS SUBTITLE.

(B) THE AUTHORITY OF THE BOARD SHALL BE CONTINUOUS OVER AN INDIVIDUAL APPLICANT OR CERTIFICATE HOLDER AND MAY NOT BE DIVESTED BY WITHDRAWAL OF AN APPLICATION, WHEN A CERTIFICATE EXPIRES OR LAPSES, OR WHEN A TEMPORARY CERTIFICATE EXPIRES.

8-6B-01.

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

(B) “APPLICANT” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE:

(1) AN INDIVIDUAL APPLYING FOR AN INITIAL LICENSE BY EXAMINATION OR ENDORSEMENT;

(2) A LICENSEE APPLYING FOR RENEWAL OF A LICENSE; OR

(3) AN INDIVIDUAL APPLYING FOR REINSTATEMENT OF A LICENSE IN ACCORDANCE WITH § 8-6B-14 OF THIS SUBTITLE.

[(b)] (C) “Board” means the State Board of Nursing.

[(c)] (D) “Committee” means the Electrology Practice Committee.

[(d)] (E) “Electrologist” means an individual who practices electrology.

[(e)] (F) “Electrology instructor” means an individual who practices electrology and teaches an electrology education program.

(G) “EXPIRED LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSE THAT WAS NOT RENEWED BEFORE THE EXPIRATION DATE OF THE LICENSE AS ESTABLISHED BY § 8-6B-14(A) OF THIS SUBTITLE.

(H) “LAPSED LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSE THAT WAS NOT RENEWED BECAUSE A LICENSEE FAILED TO RENEW THE LICENSED OR OTHERWISE DID NOT MEET THE RENEWAL REQUIREMENTS OF THIS SUBTITLE.

[(f)] (I) “License” means, unless the context requires otherwise, a license issued by the Board:

- (1) To practice electrology; or
- (2) To practice electrology and teach an electrology education program.

[(g)] (J) “Licensed electrologist” means, unless the context requires otherwise, an electrologist who is licensed by the Board to practice electrology.

[(h)] (K) “Licensed electrology instructor” means, unless the context requires otherwise, an electrologist who is licensed by the Board to practice electrology and teach an electrology education program.

(L) “LICENSEE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSED ELECTROLOGIST OR LICENSED ELECTROLOGY INSTRUCTOR WHO HAS:

- (1) AN ACTIVE LICENSE;**
- (2) AN INACTIVE LICENSE;**
- (3) AN EXPIRED LICENSE;**
- (4) A LAPSED LICENSE;**
- (5) A SUSPENDED LICENSE; OR**
- (6) A LICENSE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION.**

[(i)] (M) “Practice electrology” means to remove hair permanently through the use of electrical instruments.

8–6B–14.

(b) **[(1)** On or before December 31, 2012, a license may not be renewed for a term longer than 1 year.

(2) Beginning on January 1, 2013, **a]** A license may not be renewed for a term longer than 2 years.

(h) (1) The Board shall place a licensee on inactive status **AND RECORD THE INACTIVE STATUS IN THE BOARD’S DATABASE AND ON THE BOARD’S WEB SITE**, if the licensee submits to the Board:

(i) An application for inactive status on the form required by the Board;

(II) IF APPLICABLE, DOCUMENTATION OF A MEDICAL CONDITION THAT THE BOARD DETERMINES WILL PREVENT THE LICENSEE FROM PRACTICING ELECTROLOGY; and

[(ii)] (III) [The] IF APPLICABLE, THE inactive status fee set by the Board.

(2) The Board shall reactivate the license of an individual who is on inactive status **AND RECORD THE STATUS OF THE LICENSEE AS ACTIVE IN THE BOARD’S DATABASE AND ON THE BOARD’S WEB SITE**, if the individual:

(i) Complies with any continuing education requirement established by the Board for this purpose;

(II) IF APPLICABLE, SUBMITS DOCUMENTATION SATISFACTORY TO THE BOARD THAT THE MEDICAL CONDITION FOR WHICH THE INACTIVE STATUS WAS GRANTED NO LONGER EXISTS;

[(ii)] (III) [Pays] IF APPLICABLE, PAYS to the Board a reactivation fee set by the Board; and

[(iii)] (IV) Is otherwise entitled to be licensed.

(3) If the individual has been on inactive status for 5 years or more, before the Board may reactivate the license, the individual must pass an examination approved by the Board.

(4) (I) IF A LICENSEE IS GRANTED INACTIVE STATUS BECAUSE OF A MEDICAL CONDITION, THE BOARD MAY NOT CHARGE A FEE TO PLACE THE LICENSEE ON OR REMOVE THE LICENSEE FROM INACTIVE STATUS.

(II) IF A LICENSEE IS GRANTED INACTIVE STATUS BECAUSE OF A MEDICAL CONDITION, THE INACTIVE STATUS:

1. MAY NOT BE CONSIDERED A DISCIPLINARY ACTION UNDER § 8-6B-18 OF THIS SUBTITLE; AND

2. MAY NOT BE REPORTED TO ANY CERTIFYING ENTITY, EMPLOYER, OR INSURANCE COMPANY AS A DISCIPLINARY ACTION.

(i) The Board, in accordance with its rules and regulations, shall reinstate the license of an individual who has failed to renew the license for any reason if the individual:

(1) Is otherwise entitled to be licensed;

(2) Complies with any continuing education requirement established by the Board for this purpose;

(3) Pays to the Board a reinstatement fee set by the Board; [and]

(4) FOR AN EXPIRED LICENSE OR LAPSED LICENSE THAT HAS BEEN EXPIRED OR LAPSED FOR MORE THAN 1 YEAR, COMPLETES A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 8-303 OF THIS TITLE; AND

[(4)] (5) Applies to the Board for reinstatement of the license within 5 years after the license expires.

8-6B-15.

(a) Unless the Board agrees to accept the surrender of a license, a licensed electrologist or licensed electrology instructor 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] **REQUIRE TERMS AND** conditions on [its] **AN** agreement with the licensed electrologist or licensed electrology instructor [under investigation or against whom charges are pending] to accept surrender of the license.

(C) AN AGREEMENT TO ACCEPT THE SURRENDER OF A LICENSE IS A FINAL ORDER OF THE BOARD AND IS A PUBLIC RECORD.

8–6B–18.

(a) Subject to the hearing provisions of § 8–317 of this title and § 8–6B–19 of this subtitle, the Board may deny a license to an applicant, grant a [probationary] license, **INCLUDING A LICENSE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION**, to an applicant, reprimand a licensee, place a licensee on probation, or suspend or revoke a 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;

(2) Fraudulently or deceptively uses a license;

(3) As part of the practice of electrology, knowingly does an act that exceeds the scope of the practice of electrology;

(4) Is grossly negligent in practicing or teaching an electrology education program;

(5) Acts in a manner inconsistent with generally accepted standards for the practice of electrology;

(6) Is convicted of or pleads guilty or nolo contendere to a felony or to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside;

(7) Is disciplined by a licensing or disciplinary authority of any state or country, convicted or disciplined by a court of any state or country, or disciplined by any branch of the United States uniformed services or the Veterans Administration for an act that would be grounds for disciplinary action under the Board's disciplinary statutes;

(8) Provides professional services while:

(i) Under the influence of alcohol; or

(ii) 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;

(9) Uses types of instruments or procedures in the practice of electrology that are not approved by the Board;

(10) Advertises in a manner that violates this subtitle;

(11) Uses a title not authorized by § 8–6B–23 of this subtitle;

(12) Is currently adjudicated as being a disabled individual under Title 13 of the Estates and Trusts Article;

(13) Practices electrology with an unauthorized individual or supervises or aids an unauthorized individual in the practice of electrology;

(14) Willfully makes or files a false report or record in the practice of electrology;

(15) Willfully fails to file or record any report as required by law, willfully impedes or obstructs the filing or recording of the report, or induces another to fail to file or record the report;

(16) Submits a false statement to collect a fee;

(17) Violates a provision of this subtitle or a rule or regulation adopted by the Board;

(18) Uses or promotes or causes the use of a misleading, deceiving, or untruthful advertising matter, promotional literature, or testimonial;

(19) Is professionally, physically, or mentally incompetent;

(20) Promotes the sale of devices, appliances, or goods to a patient so as to exploit the patient for financial gain;

(21) Behaves immorally in the practice of electrology;

(22) Commits an act of unprofessional conduct in the practice of electrology;

(23) 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;

(24) Except in an emergency life-threatening situation where it is not feasible or practicable, fails to comply with the Centers for Disease Control and Prevention's guidelines on universal precautions;

(25) Fails to display the notice required under § 8-6B-26 of this subtitle;

(26) Fails to submit to a criminal history records check in accordance with § 8-303 of this title;

(27) Fails to allow an inspection under § 8-6B-06(10) and (11) of this subtitle;

(28) Fails to cooperate with a lawful investigation conducted by the Board;

(29) Practices electrology without a license before obtaining or renewing a license, including any period when [the license has lapsed] **PRACTICING ELECTROLOGY ON AN EXPIRED LICENSE OR A LAPSED LICENSE; or**

(30) After failing to renew a license, commits any act that would be grounds for disciplinary action under this section.

[(b) (1) An individual whose license has been revoked or suspended by the Board shall return the license to the Board.

(2) If at that time the license is lost, the individual shall send a sworn statement to this effect to the Board.]

(B) IN ADDITION TO ANY SANCTION AUTHORIZED UNDER THIS SECTION, THE BOARD MAY REQUIRE A LICENSEE TO COMPLY WITH SPECIFIED TERMS AND CONDITIONS DETERMINED BY THE BOARD.

8-6B-19.

(c) The hearing notice to be given to the person shall be sent by certified mail, return receipt requested, [bearing a postmark from the United States Postal Service,] to the last known address of the person at least 30 days before the hearing.

8-6B-22.

(A) [On the application of an individual whose license has been] IF A LICENSE WAS suspended or revoked for a period of more than 1 year, OR IF A PERIOD OF MORE THAN 1 YEAR HAS PASSED SINCE A LICENSE WAS SURRENDERED, the Board may reinstate the license [after 1 year] IF THE LICENSEE:

(1) APPLIES TO THE BOARD FOR REINSTATEMENT;

(2) MEETS THE REQUIREMENTS FOR RENEWAL UNDER § 8-6B-14 OF THIS SUBTITLE;

(3) MEETS ANY OTHER REQUIREMENTS FOR REINSTATEMENT AS ESTABLISHED BY THE BOARD; AND

(4) SUBMITS TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 8-303 OF THIS TITLE.

(B) IF A LICENSEE MEETS THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION, THE BOARD MAY:

(1) REINSTATE THE LICENSE;

(2) REINSTATE THE LICENSE SUBJECT TO TERMS AND CONDITIONS THAT THE BOARD CONSIDERS NECESSARY, INCLUDING A PERIOD OF PROBATION; OR

(3) DENY REINSTATEMENT OF THE LICENSE.

8-6B-27.

A person who violates any provision of **§ 8-6B-23** OF this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or both.

8-6B-29.

(A) THE AUTHORITY OF THE BOARD ESTABLISHED UNDER THIS SUBTITLE:

(1) VESTS WITH THE BOARD AT THE TIME AN INDIVIDUAL APPLIES FOR LICENSURE;

(2) CONTINUES DURING PERIODS OF LICENSURE; AND

(3) INCLUDES AUTHORITY OVER AN INDIVIDUAL HOLDING AN EXPIRED LICENSE OR A LAPSED LICENSE.

(B) THE AUTHORITY OF THE BOARD SHALL BE CONTINUOUS OVER AN INDIVIDUAL APPLICANT OR LICENSEE AND MAY NOT BE DIVESTED BY WITHDRAWAL OF AN APPLICATION OR WHEN A LICENSE EXPIRES OR LAPSES.

[8-6B-29.] 8-6B-30.

Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, and subject to the termination of this title under § 8-802 of this title, this subtitle and all rules and regulations adopted under this subtitle shall terminate and be of no effect after July 1, 2023.

[8-707.

(a) A person may not fail to report the employment or placement of a registered nurse to practice registered nursing as required under § 8–504 of this title.

(b) A person may not fail to report the employment or placement of a licensed practical nurse to practice licensed practical nursing as required under § 8–504 of this title.]

8–707.

(A) SUBJECT TO THE HEARING PROVISIONS OF § 8–317 OF THIS TITLE AND IN ADDITION TO ANY OTHER SANCTION AUTHORIZED FOR A VIOLATION OF §§ 8–701 THROUGH 8–706 OF THIS SUBTITLE, THE BOARD MAY ISSUE A PUBLIC CEASE AND DESIST ORDER, IMPOSE A CIVIL FINE OF NOT MORE THAN \$5,000 PER OFFENSE, OR BOTH.

(B) FOR THE PURPOSES OF THIS SECTION, EACH VIOLATION IS A SEPARATE OFFENSE IF THE VIOLATION OCCURS:

(1) AT A DIFFERENT TIME, DATE, OR LOCATION; OR

(2) ON THE SAME DATE AND LOCATION AT A DIFFERENT TIME.

~~(C) THE BOARD SHALL PAY ANY FINE COLLECTED UNDER THIS SECTION TO THE BOARD OF NURSING FUND.~~

~~(D) THE BOARD MAY REFER ALL CASES OF DELINQUENT PAYMENT TO THE CENTRAL COLLECTION UNIT OF THE DEPARTMENT OF BUDGET AND MANAGEMENT TO INSTITUTE AND MAINTAIN PROCEEDINGS TO ENSURE PROMPT PAYMENT.~~

8–708.

(A) AN ACTION MAY BE MAINTAINED IN THE NAME OF THE STATE OR THE BOARD TO ENJOIN CONDUCT:

(1) PROHIBITED UNDER §§ 8–701 THROUGH 8–706 OF THIS SUBTITLE; OR

(2) THAT IS GROUNDS FOR DISCIPLINARY ACTION UNDER § 8–316, § 8–6A–10, OR § 8–6B–18 OF THIS TITLE.

(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) ENGAGED IN THE ACTS SOUGHT TO BE ENJOINED.

8-710.

(a) Except for a violation of § 8-701(a) through (e) [and § 8-707] of this subtitle, a person who violates any provision of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or both.

[(b) A person who violates any provision of § 8-707 of this subtitle is guilty of a misdemeanor and on conviction is subject:

- (1) For a first offense, to a fine not exceeding \$100; and
- (2) For any subsequent violation of the same provision, to a fine not exceeding \$500 or imprisonment not exceeding 6 months or both.]

[(c) (B) (1) Except as otherwise provided in this section, subject to the appropriate hearing and appeals provisions, the Board, on the affirmative vote of the majority of its members, may reprimand a licensee or certificate holder, place a licensee or certificate holder on probation, or suspend or revoke a license or certificate of a person who violates any provision of this subtitle.

(2) A person who is licensed, certified, or otherwise authorized to provide health care services under this article is not subject to the penalty provided in subsections (a) and (b) of this section for a violation of § 8-701(f) and (g) of this subtitle.

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

Approved by the Governor, May 15, 2014.

Chapter 560**(House Bill 908)**

AN ACT concerning

**State Board of Nursing – Nurses, Nursing Assistants, Medication
Technicians, and Electrologists – Licensing, Certification, Regulation,
Violations, and Penalties**

FOR the purpose of requiring the State Board of Nursing to establish, on or before a certain date, a certain program through which the Criminal Justice Information System Central Repository reports to the Board certain criminal history information for certain applicants; requiring the Board to notify certain applicants that certain fingerprints will be retained by the Central Repository and certain criminal information will be reported to the Board; authorizing the Board to enter into a certain agreement; establishing requirements for the Board to place certain licensees and certificate holders on inactive status and to reactivate certain licenses and certificates if certain documentation of a medical condition is submitted to the Board; altering the duration of a certain application for inactive status; prohibiting the Board from charging a certain fee; providing that a certain inactive status may not be considered certain disciplinary action or reported to certain entities, employers, or insurance companies as certain disciplinary action; providing that certain licenses expire on a certain day; repealing certain prohibitions on the lapsing of certain licenses and certificates under certain circumstances; authorizing the Board to require terms on certain agreements to accept the surrender of certain licenses and certificates; providing that agreements to accept the surrender of certain licenses and certificates are final orders and public records; clarifying that the Board may deny or grant licenses or certificates subject to certain reprimand, probation, or suspension under certain circumstances; altering and adding certain grounds for disciplinary action for certain licensees and certificate holders; repealing certain requirements that certain individuals return certain licenses or certificates to the Board or file certain verified statements; authorizing the Board to require certain licensees or certificate holders that receive certain sanctions to comply with certain terms and conditions determined by the Board; repealing a certain requirement that certain hearing notices bear certain postmarks; authorizing the Board to send certain advisory letters to holders of multistate licensing privileges; clarifying that certain Board decisions may not be stayed while judicial review is pending; altering certain reinstatement requirements for certain licenses and certificates; clarifying the Board's authority for certain licensure, practice on the multistate licensing privilege, and certification; ~~requiring criminal history records checks for certain applicants for certification as medication technicians and for certain medication technicians on or after a certain date;~~ clarifying certain requirements for hearings for certain certificate holders or applicants; authorizing the Board to suspend certain certificates under certain circumstances; repealing certain

provisions and penalties for certain persons that fail to report certain employment or placement of registered nurses and licensed practical nurses; authorizing the Board to issue certain cease and desist orders and impose certain fines under certain circumstances; ~~requiring the Board to pay certain fines to the Board of Nursing Fund;~~ authorizing certain injunctive relief for certain conduct under certain circumstances; defining certain terms; making stylistic changes; and generally relating to the regulation by the State Board of Nursing of nurses, nursing assistants, medication technicians, and electrologists.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 8–101, 8–303, 8–309, 8–312(a) and (g)(1), 8–313, 8–314, 8–316 through 8–319, 8–6A–01, ~~8–6A–05(e)~~, 8–6A–08(g) ~~and (k)~~, 8–6A–10 through 8–6A–12, 8–6B–01, 8–6B–14(b), (h), and (i), 8–6B–15, 8–6B–18, 8–6B–19(c), 8–6B–22, 8–6B–27, 8–6B–29, and 8–710

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations

Section 8–322, 8–6A–08(l), 8–6A–10.1, 8–6A–17, 8–6B–29, 8–707, and 8–708

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing

Article – Health Occupations

Section 8–707

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

8–101.

- (a) In this title the following words have the meanings indicated.
- (b) “Advanced practice nurse” means an individual who:
 - (1) Is licensed by the Board to practice registered nursing; and
 - (2) Is certified by the Board to practice as:
 - (i) A nurse practitioner;

- (ii) A nurse anesthetist;
- (iii) A nurse midwife;
- (iv) A nurse psychotherapist; or
- (v) A clinical nurse specialist.

(C) “APPLICANT” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE:

(1) AN INDIVIDUAL APPLYING FOR AN INITIAL LICENSE BY EXAMINATION OR ENDORSEMENT;

(2) A LICENSEE APPLYING FOR RENEWAL OF A LICENSE; OR

(3) AN INDIVIDUAL APPLYING FOR REINSTATEMENT OF A LICENSE IN ACCORDANCE WITH § 8-319 OF THIS TITLE.

[(c)] (D) “Board” means the State Board of Nursing.

(E) “EXPIRED LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSE THAT WAS NOT RENEWED BEFORE THE EXPIRATION DATE OF THE LICENSE AS ESTABLISHED UNDER § 8-312(A) OF THIS TITLE.

(F) “LAPSED LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSE THAT WAS NOT RENEWED BECAUSE A LICENSEE FAILED TO RENEW THE LICENSE OR OTHERWISE DID NOT MEET THE RENEWAL REQUIREMENTS OF THIS TITLE.

[(d)] (G) “License” means, unless the context requires otherwise, a license issued by the Board to practice:

- (1) Registered nursing; or
- (2) Licensed practical nursing.

[(e)] (H) “Licensed practical nurse” means, unless the context requires otherwise, an individual who is licensed by the Board to practice licensed practical nursing.

(I) “LICENSEE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A REGISTERED NURSE OR LICENSED PRACTICAL NURSE WHO HAS:

- (1) AN ACTIVE LICENSE;
- (2) AN INACTIVE LICENSE;
- (3) A TEMPORARY LICENSE;
- (4) AN EXPIRED TEMPORARY LICENSE;
- (5) AN EXPIRED LICENSE;
- (6) A LAPSED LICENSE;
- (7) A SUSPENDED LICENSE; OR
- (8) A LICENSE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION.

[(f)] (J) “Nurse practitioner” means an individual who:

- (1) Is licensed by the Board to practice registered nursing; and
- (2) Is certified by the Board to practice as a nurse practitioner.

[(g)] (K) “Practice as a nurse practitioner” means to independently:

- (1) Perform an act under subsection **[(i)] (M)** of this section;
- (2) Conduct a comprehensive physical assessment of an individual;
- (3) Establish a medical diagnosis for common chronic stable or short-term health problems;
- (4) Order, perform, and interpret laboratory tests;
- (5) Prescribe drugs as provided under § 8-508 of this title;
- (6) Perform diagnostic, therapeutic, or corrective measures;
- (7) Refer an individual to an appropriate licensed physician or other health care provider; and
- (8) Provide emergency care.

[(h)] (L) “Practice licensed practical nursing” means to perform in a team relationship an act that requires specialized knowledge, judgment, and skill based on principles of biological, physiological, behavioral, or sociological science to:

- (1) Administer treatment or medication to an individual;
- (2) Aid in the rehabilitation of an individual;
- (3) Promote preventive measures in community health;
- (4) Give counsel to an individual;
- (5) Safeguard life and health;
- (6) Teach or supervise; or
- (7) Perform any additional acts authorized by the Board under § 8–205 of this title.

[(i)] (M) (1) “Practice registered nursing” means the performance of acts requiring substantial specialized knowledge, judgment, and skill based on the biological, physiological, behavioral, or sociological sciences as the basis for assessment, nursing diagnosis, planning, implementation, and evaluation of the practice of nursing in order to:

- (i) Maintain health;
 - (ii) Prevent illness; or
 - (iii) Care for or rehabilitate the ill, injured, or infirm.
- (2) For these purposes, “practice registered nursing” includes:
- (i) Administration;
 - (ii) Teaching;
 - (iii) Counseling;
 - (iv) Supervision, delegation and evaluation of nursing practice;
 - (v) Execution of therapeutic regimen, including the administration of medication and treatment;
 - (vi) Independent nursing functions and delegated medical functions; and
 - (vii) Performance of additional acts authorized by the Board under § 8–205 of this title.

[(j)] (N) “Registered nurse” means, unless the context requires otherwise, an individual who is licensed by the Board to practice registered nursing.

8–303.

(a) In this section, “Central Repository” means the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services.

(b) As part of an application to the Central Repository for a State and national criminal history records check, an applicant shall submit to the Central Repository:

(1) Two complete sets of legible fingerprints taken on forms approved by the Director of the Central Repository and the Director of the Federal Bureau of Investigation;

(2) The fee authorized under § 10–221(b)(7) of the Criminal Procedure Article for access to State criminal history records; and

(3) The processing fee required by the Federal Bureau of Investigation for a national criminal history records check.

(c) In accordance with §§ 10–201 through 10–228 of the Criminal Procedure Article, the Central Repository shall forward to the Board and to the applicant the criminal history record information of the applicant.

(D) (1) BEGINNING JANUARY 1, 2015, THE BOARD SHALL ESTABLISH A RAP BACK PROGRAM THROUGH WHICH THE CENTRAL REPOSITORY REPORTS ALL NEW AND ADDITIONAL CRIMINAL HISTORY INFORMATION TO THE BOARD FOR AN APPLICANT WHO HAS BEEN FINGERPRINTED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.

(2) THE BOARD SHALL NOTIFY EACH APPLICANT THAT:

(I) THE APPLICANT’S FINGERPRINTS WILL BE RETAINED BY THE CENTRAL REPOSITORY; AND

(II) ALL NEW AND ADDITIONAL CRIMINAL INFORMATION WILL BE REPORTED TO THE BOARD.

(3) THE BOARD MAY ENTER INTO AN AGREEMENT WITH THE CENTRAL REPOSITORY AND THE FEDERAL BUREAU OF INVESTIGATION TO CARRY OUT THIS SUBSECTION.

[(d)] (E) If an applicant has made two or more unsuccessful attempts at securing legible fingerprints, the Board may accept an alternate method of criminal history records check as permitted by the Director of the Central Repository and the Director of the Federal Bureau of Investigation.

[(e)] (F) Information obtained from the Central Repository under this section shall be:

- (1) Confidential and may not be disseminated; and
- (2) Used only for the licensing purpose authorized by this title.

[(f)] (G) The subject of a criminal history records check under this section may contest the contents of the printed statement issued by the Central Repository as provided in § 10–223 of the Criminal Procedure Article.

8–309.

(a) If an individual has been licensed by the Board to practice registered nursing or licensed practical nursing in this State in accordance with the requirements of this subtitle, the individual may be subsequently licensed as a registered nurse or as a licensed practical nurse on inactive status.

(b) The Board shall place a licensee on inactive status and record the inactive status in the Board's database and on the Board's website if the licensee:

(1) (i) Has not satisfactorily completed 1,000 hours of active nursing practice within the 5-year period immediately preceding the date of anticipated renewal; **[or]**

(ii) Chooses inactive status; **OR**

(III) SUBMITS DOCUMENTATION OF A MEDICAL CONDITION THAT THE BOARD DETERMINES WILL PREVENT THE LICENSEE FROM PRACTICING AS A REGISTERED NURSE OR LICENSED PRACTICAL NURSE;

(2) **(I)** Completes the **[annual] BIENNIAL** application for inactive status; and

(II) IF APPLICABLE, PROVIDES DOCUMENTATION OF A CONTINUING MEDICAL CONDITION; AND

(3) Pays the **[fee established] APPLICABLE FEES AS REQUIRED** by the Board.

(c) A licensee on inactive status may not practice nursing in this State, but:

(1) A registered nurse on inactive status may use the title "Registered Nurse", or the abbreviation "RN"; and

(2) A practical nurse on inactive status may use the title "Licensed Practical Nurse", or the abbreviation "LPN".

(d) **(1) [If a] A licensee on inactive status [applies a] MAY APPLY for REACTIVATION OF THE license to practice nursing [and meets] IF THE LICENSEE:**

(I) MEETS the renewal requirements of § 8-312 of this subtitle[.]; AND

(II) IF APPLICABLE, SUBMITS DOCUMENTATION SATISFACTORY TO THE BOARD THAT THE MEDICAL CONDITION FOR WHICH THE INACTIVE STATUS WAS GRANTED NO LONGER EXISTS.

(2) IF A LICENSEE MEETS THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, the Board shall:

[(1) Remove the licensee from inactive status;

(2) Void the licensee's inactive status registration certificate; and]

(I) RECORD THE STATUS OF THE LICENSEE AS ACTIVE IN THE BOARD'S DATABASE AND ON THE BOARD'S WEB SITE; AND

[(3)] (II) [Renew] REACTIVATE the licensee's license to practice nursing in this State.

(E) (1) IF A LICENSEE IS GRANTED INACTIVE STATUS BECAUSE OF A MEDICAL CONDITION, THE BOARD MAY NOT CHARGE A FEE TO PLACE THE LICENSEE ON OR REMOVE THE LICENSEE FROM INACTIVE STATUS.

(2) IF A LICENSEE IS GRANTED INACTIVE STATUS BECAUSE OF A MEDICAL CONDITION, THE INACTIVE STATUS:

(I) MAY NOT BE CONSIDERED A DISCIPLINARY ACTION UNDER § 8-316 OF THIS SUBTITLE; AND

(II) MAY NOT BE REPORTED TO ANY CERTIFYING ENTITY, EMPLOYER, OR INSURANCE COMPANY AS A DISCIPLINARY ACTION.

(a) [(1) On or before December 31, 2012, a] A license expires on the 28th day of the birth month of the licensee[, unless the license is renewed for a 1-year term as provided in this section.

(2) On or after January 1, 2013, a license expires on the date set by the Board] and may not be renewed for a term longer than 2 years.

(g) (1) (i) Beginning July 2009, the Board shall begin a process requiring criminal history records checks in accordance with § 8–303 of this subtitle on:

1. Selected annual renewal applicants as determined by regulations adopted by the Board; and

2. Each [former] licensee who files for reinstatement under § 8–313 of this subtitle after failing to renew the license for a period of 1 year or more.

(ii) An additional criminal history records check shall be performed every 12 years thereafter.

8–313.

The Board shall reinstate the license of a [former] licensee who has failed to renew the license for any reason if the [former] licensee meets the renewal requirements of § 8–312 of this subtitle.

8–314.

(a) Unless the Board agrees to accept the surrender of a license, a licensed registered nurse, licensed practical nurse, or holder of a temporary license 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] **REQUIRE TERMS AND** conditions on [its] **AN** agreement with the licensee [under investigation or against whom charges are pending] to accept surrender of the license.

(C) AN AGREEMENT TO ACCEPT THE SURRENDER OF A LICENSE IS A FINAL ORDER OF THE BOARD AND IS A PUBLIC RECORD.

8–316.

(a) Subject to the hearing provisions of § 8–317 of this subtitle, the Board may deny a license or grant a [probationary] license, **INCLUDING A LICENSE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION,** to any applicant,

reprimand any licensee, place any licensee on probation, or suspend or revoke the license of a licensee if the applicant or licensee:

- (1) Fraudulently or deceptively obtains or attempts to obtain a license for the applicant or for another;
- (2) Fraudulently or deceptively uses a license;
- (3) Is disciplined by a licensing, military, or disciplinary authority in this State or in any other state or country or convicted or disciplined by a court in this State or in any other state or country for an act that would be grounds for disciplinary action under the Board's disciplinary statutes;
- (4) Is convicted of or pleads guilty or nolo contendere to a felony or to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside;
- (5) Willfully and knowingly:
 - (i) Files a false report or record of an individual under the licensee's care;
 - (ii) Gives any false or misleading information about a material matter in an employment application;
 - (iii) Fails to file or record any health record that is required by law;
 - (iv) Obstructs the filing or recording of any health record as required by law; or
 - (v) Induces another person to fail to file or record any health record as required by law;
- (6) Knowingly does any act that has been determined by the Board, in its rules and regulations, to exceed the scope of practice authorized to the individual under this title;
- (7) Provides professional services while:
 - (i) Under the influence of alcohol; or
 - (ii) 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;

- (8) Does an act that is inconsistent with generally accepted professional standards in the practice of registered nursing or licensed practical nursing;
- (9) Is grossly negligent in the practice of registered nursing or licensed practical nursing;
- (10) Has violated any provision of this title;
- (11) Submits a false statement to collect a fee;
- (12) Is physically or mentally incompetent;
- (13) Knowingly fails to report suspected child abuse in violation of § 5–704 of the Family Law Article;
- (14) 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;
- (15) Except in an emergency life–threatening situation where it is not feasible or practicable, fails to comply with the Centers for Disease Control and Prevention’s guidelines on universal precautions;
- (16) Is in independent practice and fails to display the notice required under § 8–506 of this title;
- (17) Is in breach of a service obligation resulting from the applicant’s or licensee’s receipt of State or federal funding for the applicant’s or licensee’s nursing education;
- (18) Is habitually intoxicated;
- (19) Is addicted to, or habitually abuses, any narcotic or controlled dangerous substance as defined in § 5–101 of the Criminal Law Article;
- (20) Fails to cooperate with a lawful investigation conducted by the Board;
- (21) Is expelled from the rehabilitation program established pursuant to § 8–208 of this title for failure to comply with the conditions of the program;
- (22) Delegates nursing acts or responsibilities to an individual that the applicant or licensee knows or has reason to know lacks the ability or knowledge to perform;

(23) Delegates to an unlicensed individual nursing acts or responsibilities the applicant or licensee knows or has reason to know are to be performed only by a registered nurse or licensed practical nurse;

(24) Fails to properly supervise individuals to whom nursing acts or responsibilities have been delegated;

(25) Engages in conduct that violates the professional code of ethics;

(26) Is professionally incompetent;

(27) Practices registered nursing or licensed practical nursing without a license before obtaining or renewing a license, including any period when [the license or a temporary license of the applicant or licensee has lapsed] **PRACTICING REGISTERED NURSING OR LICENSED PRACTICAL NURSING ON AN EXPIRED LICENSE OR A LAPSED LICENSE;**

(28) [After failing to renew a license] **WHEN HOLDING AN EXPIRED LICENSE OR A LAPSED LICENSE** or after a temporary license has [lapsed] **EXPIRED IN ACCORDANCE WITH § 8-315(D) OF THIS SUBTITLE**, commits any act that would be grounds for disciplinary action under this section;

(29) Practices registered nursing or licensed practical nursing on a nonrenewed license for a period of 16 months or longer;

(30) Violates regulations adopted by the Board or an order from the Board;

(31) Performs an act that is beyond the licensee's knowledge and skills;

(32) Fails to submit to a criminal history records check in accordance with § 8-303 of this subtitle;

(33) When acting in a supervisory position, directs another nurse to perform an act that is beyond the nurse's knowledge and skills; [or]

(34) When acting in a supervisory position, directs another nurse to delegate a nursing task to an individual when that nurse reasonably believes:

(i) The individual lacks the knowledge and skills to perform the task; or

(ii) The patient's condition does not allow delegation of the nursing task; **OR**

(35) HAS MISAPPROPRIATED THE PROPERTY OF A PATIENT OR A FACILITY.

(b) If, after a hearing under § 8–317 of this subtitle, the Board finds that there are grounds under subsection (a) of this section to suspend or revoke a license to practice registered nursing or licensed practical nursing, to reprimand a licensee, or place a licensee on probation, the Board may impose a penalty not exceeding \$5,000 instead of or in addition to suspending or revoking the license, reprimanding the licensee, or placing the licensee on probation.

[(c) An individual whose license has been suspended or revoked by the Board shall return the license to the Board. However, if the suspended or revoked license has been lost, the individual shall file with the Board a verified statement to that effect.]

(C) IN ADDITION TO ANY SANCTION AUTHORIZED UNDER THIS SECTION, THE BOARD MAY REQUIRE A LICENSEE TO COMPLY WITH SPECIFIED TERMS AND CONDITIONS DETERMINED BY THE BOARD.

8–317.

(a) Except as otherwise provided in the Administrative Procedure Act and in subsection (g) of this section, before the Board takes any action under § 8–312 or § 8–316 of this subtitle or § 8–404 [or § 8–6A–10] of this title, it shall give the person 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 person shall be sent by certified mail, return receipt requested, [bearing a postmark from the United States Postal Service,] to the last known address of the person at least 30 days before the hearing.

(d) The person may be represented at the hearing by counsel.

(e) 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.

(f) (1) Over the signature of the president, the executive director, or the deputy director as authorized by the executive director of the Board, the Board may issue subpoenas and administer oaths in connection with any investigation under this title and any hearings or proceedings before it.

(2) If a person, without lawful excuse, disobeys a subpoena from the Board or an order by the Board to take an oath, testify, or answer questions, on

petition of the Board a court of competent jurisdiction may compel compliance with the subpoena and hold the individual in contempt of court.

(g) The Board may immediately suspend the license of a registered nurse or licensed practical nurse who is expelled from the rehabilitation program under § 8–208 of this title for noncompliance with the nurse's agreement if:

(1) Prior to suspending the license, the Board provides the [nurse] **LICENSEE** with an opportunity to show cause by written communication or nontestimonial presentation as to why the suspension should not occur; and

(2) The Board provides the [nurse] **LICENSEE** with an opportunity for a hearing, which:

(i) Shall occur within 30 days of written request by the [nurse] **LICENSEE**; and

(ii) Shall impose on the licensee the burden of proving by a preponderance of the evidence that the licensee is not addicted to drugs or alcohol.

(h) (1) After the Board conducts an investigation under this title, the Board may issue an advisory letter to the licensee or [certificate] holder **OF A MULTISTATE LICENSING PRIVILEGE**.

(2) The Board may disclose an advisory letter issued under this subsection to the public.

(3) The issuance of an advisory letter under this subsection may not:

(i) Be considered a disciplinary action under [§§ 8–316 and 8–6A–10] **§ 8–316** of this [title] **SUBTITLE**; and

(ii) Be reported to any licensing entity, employer, or insurance company as a disciplinary action.

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 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.

8–319.

(A) If a license [is] **WAS** suspended or revoked for a period of more than 1 year, **OR IF A PERIOD OF MORE THAN 1 YEAR HAS PASSED SINCE A LICENSE WAS SURRENDERED**, the Board may reinstate the license [after 1 year] if the licensee:

(1) APPLIES TO THE BOARD FOR REINSTATEMENT;

[(1)] (2) Meets the requirements for RENEWAL UNDER § 8–312 OF THIS SUBTITLE;

(3) MEETS ANY OTHER REQUIREMENTS FOR reinstatement as established by the Board; and

[(2)] (4) Submits to a criminal history records check in accordance with § 8–303 of this subtitle.

(B) IF A LICENSEE MEETS THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION, THE BOARD MAY:

(1) REINSTATE THE LICENSE;

(2) REINSTATE THE LICENSE SUBJECT TO TERMS AND CONDITIONS THAT THE BOARD CONSIDERS NECESSARY, INCLUDING A PERIOD OF PROBATION; OR

(3) DENY REINSTATEMENT OF THE LICENSE.

8–322.

(A) THE AUTHORITY OF THE BOARD ESTABLISHED UNDER THIS SUBTITLE:

(1) VESTS WITH THE BOARD AT THE TIME AN INDIVIDUAL APPLIES FOR LICENSURE OR TO PRACTICE UNDER THE MULTISTATE LICENSING PRIVILEGE;

(2) CONTINUES DURING PERIODS OF LICENSURE; AND

(3) INCLUDES AUTHORITY OVER AN INDIVIDUAL HOLDING AN EXPIRED LICENSE, A LAPSED LICENSE, OR A TEMPORARY LICENSE THAT HAS EXPIRED UNDER § 8-315(D) OF THIS SUBTITLE.

(B) THE AUTHORITY OF THE BOARD SHALL BE CONTINUOUS OVER AN INDIVIDUAL APPLICANT, LICENSEE, OR HOLDER OF A MULTISTATE LICENSING PRIVILEGE AND MAY NOT BE DIVESTED BY WITHDRAWAL OF AN APPLICATION, WHEN A LICENSE EXPIRES OR LAPSES, OR WHEN A TEMPORARY LICENSE EXPIRES.

8-6A-01.

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

(B) “APPLICANT” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE:

(1) AN INDIVIDUAL APPLYING FOR AN INITIAL CERTIFICATE BY EXAMINATION OR ENDORSEMENT;

(2) A CERTIFICATE HOLDER APPLYING FOR RENEWAL OF A CERTIFICATE; OR

(3) AN INDIVIDUAL APPLYING FOR REINSTATEMENT OF A CERTIFICATE IN ACCORDANCE WITH § 8-6A-10 OF THIS SUBTITLE.

[(b)] (C) “Approved medication technician training program” means a course of training approved by the Board that meets the basic medication technician core curriculum and the medication technician content training specific to the setting in which the medication technician will work.

[(c)] (D) “Approved nursing assistant training program” means a course of training that meets the basic nursing assistant curriculum prescribed and approved by the Board.

[(d)] (E) “Board” means the State Board of Nursing.

[(e)] (F) “Certificate” means a certificate issued by the Board to practice as a certified nursing assistant or a certified medication technician in the State.

(G) “CERTIFICATE HOLDER” MEANS A CERTIFIED NURSING ASSISTANT OR MEDICATION TECHNICIAN WHO HAS:

- (1) AN ACTIVE CERTIFICATE;**
- (2) AN INACTIVE CERTIFICATE;**
- (3) A TEMPORARY CERTIFICATE;**
- (4) AN EXPIRED TEMPORARY CERTIFICATE;**
- (5) AN EXPIRED CERTIFICATE;**
- (6) A LAPSED CERTIFICATE;**
- (7) A SUSPENDED CERTIFICATE; OR**
- (8) A CERTIFICATE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION.**

[(f)] (H) “Certified medication technician” means an individual who:

- (1) Has completed a Board–approved medication technician training program; and**
- (2) Is certified by the Board as a medication technician.**

[(g)] (I) “Certified medicine aide” means a certified nursing assistant who has completed a Board–approved course in medication administration.

[(h)] (J) “Certified nursing assistant”:

- (1) Means an individual regardless of title who routinely performs nursing tasks delegated by a registered nurse or licensed practical nurse for compensation; and**
- (2) Does not include a certified medication technician.**

[(i)] (K) “Department” means the Department of Health and Mental Hygiene.

(L) “EXPIRED CERTIFICATE” MEANS A CERTIFICATE THAT WAS NOT RENEWED BEFORE THE EXPIRATION DATE OF THE CERTIFICATE AS ESTABLISHED UNDER § 8–6A–08(A) OF THIS TITLE.

[(j)] (M) “Geriatric nursing assistant” means a certified nursing assistant who has successfully completed the requirements for geriatric nursing assistant mandated under federal law and the regulations of the Board.

(N) “LAPSED CERTIFICATE” MEANS A CERTIFICATE THAT WAS NOT RENEWED BECAUSE A CERTIFICATE HOLDER FAILED TO RENEW THE CERTIFICATE OR OTHERWISE DID NOT MEET THE RENEWAL REQUIREMENTS OF THIS SUBTITLE.

~~§ 6A-05.~~

- ~~(e) (1) An applicant for a certificate shall:~~
- ~~(i) Submit an application to the Board on the form that the Board requires;~~
 - ~~(ii) Provide evidence, as required by the Board, of successful completion of:

 - ~~1. An approved nursing assistant training program;~~
 - ~~2. An approved course in medication administration; or~~
 - ~~3. A portion of an approved nursing education program that the Board determines meets the requirements of a nursing assistant training program or medication administration course;~~~~
 - ~~(iii) Pay to the Board an application fee set by the Board;~~
 - ~~(iv) Be of good moral character;~~
 - ~~(v) Be at least 16 years old to apply for certification as a nursing assistant; and~~
 - ~~(vi) Be at least 18 years old to apply for certification as a medication technician.~~
- ~~(2) Subject to paragraph (1) of this subsection[, and]:~~
- ~~(I) AN applicant for certification as a certified nursing assistant shall submit to the Board:~~
- ~~[(i)] 1. A criminal history records check in accordance with § 8-303 of this title and § 8-6A-08(k) of this subtitle; and~~

~~[(ii)] 2. On the form required by the Board, written, verified evidence that the requirement of [item (i) of this paragraph] ITEM 1 OF THIS ITEM is being met or has been met; AND~~

~~(H) BEGINNING JANUARY 1, 2015, AN APPLICANT FOR CERTIFICATION AS A CERTIFIED MEDICATION TECHNICIAN SHALL SUBMIT TO THE BOARD:~~

~~1. A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 8-303 OF THIS TITLE AND § 8-6A-08(K) OF THIS SUBTITLE; AND~~

~~2. ON THE FORM REQUIRED BY THE BOARD, WRITTEN, VERIFIED EVIDENCE THAT THE REQUIREMENT OF ITEM 1 OF THIS ITEM IS BEING MET OR HAS BEEN MET.~~

~~(3) An applicant for certification as a certified medicine aide, in addition to the requirements under paragraph (1) of this subsection, shall submit an additional application to that effect to the Board on the form that the Board requires.~~

~~(4) An applicant for a certificate may not:~~

~~(i) Have committed any act or omission that would be grounds for discipline or denial of certification under this subtitle; and~~

~~(ii) Have a record of abuse, negligence, misappropriation of a resident's property, or any disciplinary action taken or pending in any other state or territory of the United States against the certification of the nursing assistant or medication technician in the state or territory.~~

8-6A-08.

(g) The Board shall reinstate the certificate of a [former] certificate holder who has failed to renew the certificate for any reason if the [former] certificate holder meets the applicable renewal requirements of subsections (c) through (e) and (k)(1)(i)2 of this section.

~~(k) (1) (i) The Board shall require criminal history records checks in accordance with § 8-303 of this title on:~~

~~1. Selected applicants for certification as a certified nursing assistant who renew their certificates every 2 years as determined by regulations adopted by the Board; and~~

~~2. Each [former] certified nursing assistant who files for reinstatement under subsection (g) of this section after failing to renew the certificate for a period of 1 year or more.~~

~~(ii) An additional criminal history records check shall be performed every 12 years thereafter.~~

~~(2) (I) BEGINNING JANUARY 1, 2015, THE BOARD SHALL REQUIRE CRIMINAL HISTORY RECORDS CHECKS IN ACCORDANCE WITH § 8-303 OF THIS TITLE FOR:~~

~~1. SELECTED APPLICANTS FOR CERTIFICATION AS A CERTIFIED MEDICATION TECHNICIAN WHO RENEW THEIR CERTIFICATES EVERY 2 YEARS AS DETERMINED BY REGULATIONS ADOPTED BY THE BOARD; AND~~

~~2. EACH CERTIFIED MEDICATION TECHNICIAN WHO FILES FOR REINSTATEMENT OF A CERTIFICATE UNDER SUBSECTION (G) OF THIS SECTION AFTER FAILING TO RENEW THE CERTIFICATE FOR A PERIOD OF 1 YEAR OR MORE.~~

~~(H) AN ADDITIONAL CRIMINAL HISTORY RECORDS CHECK SHALL BE PERFORMED EVERY 12 YEARS THEREAFTER.~~

~~[(2)] (3) On receipt of the criminal history record information of a certificate holder forwarded to the Board in accordance with § 8-303 of this title, in determining whether to renew the certificate, 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 certificate holder poses a threat to the public health or safety.~~

~~[(3)] (4) The Board may not renew a certificate if the criminal history record information required under § 8-303 of this title has not been received.~~

(L) (1) IF AN INDIVIDUAL HAS BEEN CERTIFIED BY THE BOARD TO PRACTICE AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN IN THE

STATE IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SUBTITLE, THE INDIVIDUAL SUBSEQUENTLY MAY BE CERTIFIED AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN ON INACTIVE STATUS.

(2) THE BOARD SHALL PLACE A CERTIFICATE HOLDER ON INACTIVE STATUS AND RECORD THE INACTIVE STATUS IN THE BOARD'S DATABASE AND ON THE BOARD'S WEB SITE IF THE CERTIFICATE HOLDER:

(I) SUBMITS DOCUMENTATION OF A MEDICAL CONDITION THAT THE BOARD DETERMINES WILL PREVENT THE CERTIFICATE HOLDER FROM PRACTICING AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN; AND

(II) COMPLETES THE BIENNIAL APPLICATION FOR INACTIVE STATUS AND SUBMITS DOCUMENTATION OF A CONTINUING MEDICAL CONDITION.

(3) A CERTIFICATE HOLDER ON INACTIVE STATUS MAY APPLY FOR REACTIVATION OF THE CERTIFICATE IF THE CERTIFICATE HOLDER:

(I) SUBMITS DOCUMENTATION SATISFACTORY TO THE BOARD THAT THE MEDICAL CONDITION FOR WHICH THE INACTIVE STATUS WAS GRANTED NO LONGER EXISTS; AND

(II) MEETS THE RENEWAL REQUIREMENTS OF THIS SECTION.

(4) IF A CERTIFICATE HOLDER MEETS THE REQUIREMENTS OF PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD SHALL:

(I) RECORD THE STATUS OF THE CERTIFICATE HOLDER AS ACTIVE IN THE BOARD'S DATABASE AND ON THE BOARD'S WEB SITE; AND

(II) REACTIVATE THE CERTIFICATE HOLDER'S CERTIFICATE TO PRACTICE AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN IN THE STATE.

(5) THE BOARD MAY NOT CHARGE A FEE TO PLACE THE CERTIFICATE HOLDER ON OR REMOVE THE CERTIFICATE HOLDER FROM INACTIVE STATUS UNDER THIS SUBSECTION.

(6) INACTIVE STATUS:

(I) MAY NOT BE CONSIDERED A DISCIPLINARY ACTION UNDER § 8-6A-10 OF THIS SUBTITLE; AND

(II) MAY NOT BE REPORTED TO ANY CERTIFYING ENTITY, EMPLOYER, OR INSURANCE COMPANY AS A DISCIPLINARY ACTION.

8-6A-10.

(a) Subject to the hearing provisions of § 8-317 of this title **AND § 8-6A-10.1 OF THIS SUBTITLE**, the Board may deny a certificate or [issue a probationary] **GRANT A certificate, INCLUDING A CERTIFICATE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION**, to any applicant, reprimand any certificate holder, place any certificate holder on probation, or suspend or revoke the certificate of a certificate holder, if the applicant or certificate holder:

(1) Fraudulently or deceptively obtains or attempts to obtain a certificate for the applicant or for another;

(2) Fraudulently or deceptively uses a certificate;

(3) Is disciplined by a licensing, military, or disciplinary authority in this State or in any other state or country or convicted or disciplined by a court in this State or in any other state or country for an act that would be grounds for disciplinary action under the Board's disciplinary statutes;

(4) Is convicted of or pleads guilty or nolo contendere to a felony or to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside;

(5) Files a false report or record of an individual under the certificate holder's care;

(6) Gives any false or misleading information about a material matter in an employment application;

(7) Fails to file or record any health record that is required by law;

(8) Induces another person to fail to file or record any health record that is required by law;

(9) Has violated any order, rule, or regulation of the Board relating to the practice or certification of a nursing assistant or medication technician;

(10) Provides services as a nursing assistant or medication technician while:

(i) Under the influence of alcohol; or

(ii) 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;

(11) Is habitually intoxicated;

(12) Is addicted to, or habitually abuses, any narcotic or controlled dangerous substance as defined in § 5–101 of the Criminal Law Article;

(13) Has acted in a manner inconsistent with the health or safety of a person under the applicant or certificate holder's care;

(14) Has practiced as a nursing assistant or medication technician in a manner which fails to meet generally accepted standards for the practice of a nursing assistant or medication technician;

(15) Has physically, verbally, or psychologically abused, neglected, or otherwise harmed a person under the applicant or certificate holder's care;

(16) Has a physical or mental [disability] **CONDITION** which renders the applicant or certificate holder unable to practice as a certified nursing assistant or certified medication technician with reasonable skill and safety to the patients and which may endanger the health or safety of persons under the care of the applicant or certificate holder;

(17) Has violated the confidentiality of information or knowledge as prescribed by law concerning any patient;

(18) Has misappropriated patient or facility property;

(19) Performs certified nursing assistant or certified medication technician functions incompetently;

(20) Has violated any provision of this title or has aided or knowingly permitted any person to violate any provision of this title;

(21) Submits a false statement to collect a fee;

(22) Refuses, withholds from, denies, or discriminates against an individual with regard to the provision of professional services for which the applicant or certificate holder is certified and qualified to render because the individual is HIV positive;

(23) Except in an emergency life-threatening situation where it is not feasible or practicable, fails to comply with the Centers for Disease Control and Prevention's guidelines on universal precautions;

(24) Fails to cooperate with a lawful investigation conducted by the Board;

(25) Fails to comply with instructions and directions of the supervising registered nurse or licensed practical nurse;

(26) [After failing to renew a certificate] **WHEN HOLDING AN EXPIRED CERTIFICATE OR A LAPSED CERTIFICATE**, commits any act that would be grounds for disciplinary action under this section;

(27) Practices as a nursing assistant or medication technician before obtaining or renewing the certificate, including any time period when [the certificate has lapsed] **PRACTICING AS A NURSING ASSISTANT OR MEDICATION TECHNICIAN ON AN EXPIRED CERTIFICATE OR A LAPSED CERTIFICATE**;

(28) Impersonates another individual:

(i) Licensed under the provisions of this title; or

(ii) Who holds a certificate issued under the provisions of this title;

(29) Engages in conduct that violates the code of ethics;

(30) Performs activities that exceed the education and training of the certified nursing assistant or certified medication technician;

(31) Is expelled from the rehabilitation program established pursuant to § 8–208 of this title for failure to comply with the conditions of the program;

(32) Fails to submit to a criminal history records check in accordance with § 8–303 of this title as required under § 8–6A–05(c)(2) of this subtitle;

(33) Abandons a patient; or

(34) Is a director of nursing, or acts in the capacity of a director of nursing and knowingly employs an individual who is not authorized to perform delegated nursing duties under this subtitle.

(b) If, after a hearing under § 8–317 of this title **AND § 8–6A–10.1 OF THIS SUBTITLE**, the Board finds that there are grounds under subsection (a) of this section to suspend or revoke a certificate to practice as a certified nursing assistant or certified medication technician, to reprimand a certificate holder, or place a certificate holder on probation, the Board may impose a penalty not exceeding \$500 instead of or in addition to suspending or revoking the certificate, reprimanding the certificate holder, or placing the certificate holder on probation.

[(c) (1) An individual whose certificate has been suspended or revoked by the Board shall return the certificate to the Board.

(2) If the suspended or revoked certificate has been lost, the individual shall file with the Board a verified statement to that effect.]

[(d)] (C) (1) If a certificate issued under this subtitle [is] **WAS** suspended or revoked for a period of more than 1 year, **OR IF A PERIOD OF MORE THAN 1 YEAR HAS PASSED SINCE A CERTIFICATE WAS SURRENDERED**, the Board may reinstate the certificate [after 1 year] if the certificate holder:

(I) **APPLIES TO THE BOARD FOR REINSTATEMENT;**

[(1)] (II) Meets the requirements for **RENEWAL UNDER § 8-6A-08 OF THIS SUBTITLE;**

(III) **MEETS ANY OTHER REQUIREMENTS FOR** reinstatement as established by the Board in regulations; and

[(2)] (IV) Submits to a criminal history records check in accordance with § 8-303 of this title.

(2) **IF A CERTIFICATE HOLDER MEETS THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE BOARD MAY:**

(I) **REINSTATE THE CERTIFICATE;**

(II) **REINSTATE THE CERTIFICATE SUBJECT TO TERMS AND CONDITIONS THAT THE BOARD CONSIDERS NECESSARY, INCLUDING A PERIOD OF PROBATION; OR**

(III) **DENY REINSTATEMENT OF THE CERTIFICATE.**

8-6A-10.1.

(A) **EXCEPT AS OTHERWISE PROVIDED IN THE ADMINISTRATIVE PROCEDURE ACT AND IN SUBSECTION (G) OF THIS SECTION, BEFORE THE BOARD TAKES ANY ACTION UNDER § 8-6A-10 OF THIS SUBTITLE, THE BOARD 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 SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE LAST KNOWN ADDRESS OF THE INDIVIDUAL AT LEAST 30 DAYS BEFORE THE HEARING.

(D) THE INDIVIDUAL MAY BE REPRESENTED AT THE HEARING BY COUNSEL.

(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.

(F) (1) OVER THE SIGNATURE OF THE PRESIDENT, THE EXECUTIVE DIRECTOR, OR THE DEPUTY DIRECTOR AS AUTHORIZED BY THE EXECUTIVE DIRECTOR 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) IF AN INDIVIDUAL, WITHOUT LAWFUL EXCUSE, DISOBEYS A SUBPOENA FROM THE BOARD OR AN ORDER BY THE BOARD TO TAKE AN OATH, TESTIFY, OR ANSWER QUESTIONS, ON PETITION OF THE BOARD A COURT OF COMPETENT JURISDICTION MAY COMPEL COMPLIANCE WITH THE SUBPOENA AND HOLD THE INDIVIDUAL IN CONTEMPT OF COURT.

(G) THE BOARD IMMEDIATELY MAY SUSPEND THE CERTIFICATE OF A NURSING ASSISTANT OR MEDICATION TECHNICIAN WHO IS EXPELLED FROM THE REHABILITATION PROGRAM UNDER § 8-208 OF THIS TITLE FOR NONCOMPLIANCE WITH THE CERTIFICATE HOLDER'S AGREEMENT IF:

(1) BEFORE SUSPENDING THE CERTIFICATE, THE BOARD PROVIDES THE CERTIFICATE HOLDER WITH AN OPPORTUNITY TO SHOW CAUSE BY WRITTEN COMMUNICATION OR NONTTESTIMONIAL PRESENTATION AS TO WHY THE SUSPENSION SHOULD NOT OCCUR; AND

(2) THE BOARD PROVIDES THE CERTIFICATE HOLDER WITH AN OPPORTUNITY FOR A HEARING THAT SHALL:

(I) OCCUR WITHIN 30 DAYS AFTER WRITTEN REQUEST BY THE CERTIFICATE HOLDER; AND

(II) IMPOSE ON THE CERTIFICATE HOLDER THE BURDEN OF PROVING BY A PREPONDERANCE OF THE EVIDENCE THAT THE CERTIFICATE HOLDER IS NOT ADDICTED TO DRUGS OR ALCOHOL.

(H) (1) AFTER THE BOARD CONDUCTS AN INVESTIGATION UNDER THIS SUBTITLE, THE BOARD MAY ISSUE AN ADVISORY LETTER TO THE CERTIFICATE HOLDER.

(2) THE BOARD MAY DISCLOSE AN ADVISORY LETTER ISSUED UNDER THIS SUBSECTION TO THE PUBLIC.

(3) THE ISSUANCE OF AN ADVISORY LETTER UNDER THIS SUBSECTION:

(I) MAY NOT BE CONSIDERED A DISCIPLINARY ACTION UNDER § 8-6A-10 OF THIS SUBTITLE; AND

(II) MAY NOT BE REPORTED TO ANY CERTIFYING ENTITY, EMPLOYER, OR INSURANCE COMPANY AS A DISCIPLINARY ACTION.

8-6A-11.

(A) Any person aggrieved by a final decision of the Board under § 8-6A-10 of this subtitle may only take a direct judicial appeal as allowed by the Administrative Procedure Act.

(B) A BOARD DECISION MAY NOT BE STAYED WHILE JUDICIAL REVIEW IS PENDING.

8-6A-12.

(a) Unless the Board agrees to accept the surrender of a certificate, a certified nursing assistant or certified medication technician may not surrender the certificate [nor may the certificate lapse by operation of law while the certificate holder is under investigation or while charges are pending against the certified nursing assistant or certified medication technician].

(b) The Board may [set] **REQUIRE TERMS AND** conditions on [its] **AN** agreement with the certified nursing assistant or certified medication technician [under investigation or against whom charges are pending] to accept surrender of the certificate.

(C) AN AGREEMENT TO ACCEPT THE SURRENDER OF A CERTIFICATE IS A FINAL ORDER OF THE BOARD AND IS A PUBLIC RECORD.

8-6A-17.

(A) THE AUTHORITY OF THE BOARD ESTABLISHED UNDER THIS SUBTITLE:

(1) VESTS WITH THE BOARD AT THE TIME AN INDIVIDUAL APPLIES FOR CERTIFICATION;

(2) CONTINUES DURING PERIODS OF CERTIFICATION; AND

(3) INCLUDES AUTHORITY OVER AN INDIVIDUAL HOLDING AN EXPIRED CERTIFICATE, A LAPSED CERTIFICATE, OR A TEMPORARY CERTIFICATE THAT HAS EXPIRED UNDER § 8-6A-07(F) OF THIS SUBTITLE.

(B) THE AUTHORITY OF THE BOARD SHALL BE CONTINUOUS OVER AN INDIVIDUAL APPLICANT OR CERTIFICATE HOLDER AND MAY NOT BE DIVESTED BY WITHDRAWAL OF AN APPLICATION, WHEN A CERTIFICATE EXPIRES OR LAPSES, OR WHEN A TEMPORARY CERTIFICATE EXPIRES.

8-6B-01.

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

(B) "APPLICANT" MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE:

(1) AN INDIVIDUAL APPLYING FOR AN INITIAL LICENSE BY EXAMINATION OR ENDORSEMENT;

(2) A LICENSEE APPLYING FOR RENEWAL OF A LICENSE; OR

(3) AN INDIVIDUAL APPLYING FOR REINSTATEMENT OF A LICENSE IN ACCORDANCE WITH § 8-6B-14 OF THIS SUBTITLE.

[(b)] (C) "Board" means the State Board of Nursing.

[(c)] (D) "Committee" means the Electrology Practice Committee.

[(d)] (E) "Electrologist" means an individual who practices electrology.

[(e)] (F) "Electrology instructor" means an individual who practices electrology and teaches an electrology education program.

(G) "EXPIRED LICENSE" MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSE THAT WAS NOT RENEWED BEFORE THE EXPIRATION DATE OF THE LICENSE AS ESTABLISHED BY § 8-6B-14(A) OF THIS SUBTITLE.

(H) "LAPSED LICENSE" MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSE THAT WAS NOT RENEWED BECAUSE A LICENSEE FAILED

TO RENEW THE LICENSED OR OTHERWISE DID NOT MEET THE RENEWAL REQUIREMENTS OF THIS SUBTITLE.

[(f)] (I) “License” means, unless the context requires otherwise, a license issued by the Board:

- (1) To practice electrology; or
- (2) To practice electrology and teach an electrology education program.

[(g)] (J) “Licensed electrologist” means, unless the context requires otherwise, an electrologist who is licensed by the Board to practice electrology.

[(h)] (K) “Licensed electrology instructor” means, unless the context requires otherwise, an electrologist who is licensed by the Board to practice electrology and teach an electrology education program.

(L) “LICENSEE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSED ELECTROLOGIST OR LICENSED ELECTROLOGY INSTRUCTOR WHO HAS:

- (1) AN ACTIVE LICENSE;**
- (2) AN INACTIVE LICENSE;**
- (3) AN EXPIRED LICENSE;**
- (4) A LAPSED LICENSE;**
- (5) A SUSPENDED LICENSE; OR**
- (6) A LICENSE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION.**

[(i)] (M) “Practice electrology” means to remove hair permanently through the use of electrical instruments.

8-6B-14.

(b) **[(1)** On or before December 31, 2012, a license may not be renewed for a term longer than 1 year.

(2) Beginning on January 1, 2013, **a] A** license may not be renewed for a term longer than 2 years.

(h) (1) The Board shall place a licensee on inactive status **AND RECORD THE INACTIVE STATUS IN THE BOARD'S DATABASE AND ON THE BOARD'S WEB SITE**, if the licensee submits to the Board:

(i) An application for inactive status on the form required by the Board;

(II) IF APPLICABLE, DOCUMENTATION OF A MEDICAL CONDITION THAT THE BOARD DETERMINES WILL PREVENT THE LICENSEE FROM PRACTICING ELECTROLOGY; and

[(ii)] (III) [The] IF APPLICABLE, THE inactive status fee set by the Board.

(2) The Board shall reactivate the license of an individual who is on inactive status **AND RECORD THE STATUS OF THE LICENSEE AS ACTIVE IN THE BOARD'S DATABASE AND ON THE BOARD'S WEB SITE**, if the individual:

(i) Complies with any continuing education requirement established by the Board for this purpose;

(II) IF APPLICABLE, SUBMITS DOCUMENTATION SATISFACTORY TO THE BOARD THAT THE MEDICAL CONDITION FOR WHICH THE INACTIVE STATUS WAS GRANTED NO LONGER EXISTS;

[(ii)] (III) [Pays] IF APPLICABLE, PAYS to the Board a reactivation fee set by the Board; and

[(iii)] (IV) Is otherwise entitled to be licensed.

(3) If the individual has been on inactive status for 5 years or more, before the Board may reactivate the license, the individual must pass an examination approved by the Board.

(4) (I) IF A LICENSEE IS GRANTED INACTIVE STATUS BECAUSE OF A MEDICAL CONDITION, THE BOARD MAY NOT CHARGE A FEE TO PLACE THE LICENSEE ON OR REMOVE THE LICENSEE FROM INACTIVE STATUS.

(II) IF A LICENSEE IS GRANTED INACTIVE STATUS BECAUSE OF A MEDICAL CONDITION, THE INACTIVE STATUS:

1. MAY NOT BE CONSIDERED A DISCIPLINARY ACTION UNDER § 8-6B-18 OF THIS SUBTITLE; AND

2. MAY NOT BE REPORTED TO ANY CERTIFYING ENTITY, EMPLOYER, OR INSURANCE COMPANY AS A DISCIPLINARY ACTION.

(i) The Board, in accordance with its rules and regulations, shall reinstate the license of an individual who has failed to renew the license for any reason if the individual:

(1) Is otherwise entitled to be licensed;

(2) Complies with any continuing education requirement established by the Board for this purpose;

(3) Pays to the Board a reinstatement fee set by the Board; [and]

(4) FOR AN EXPIRED LICENSE OR LAPSED LICENSE THAT HAS BEEN EXPIRED OR LAPSED FOR MORE THAN 1 YEAR, COMPLETES A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 8-303 OF THIS TITLE; AND

[(4)] (5) Applies to the Board for reinstatement of the license within 5 years after the license expires.

8-6B-15.

(a) Unless the Board agrees to accept the surrender of a license, a licensed electrologist or licensed electrology instructor 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] **REQUIRE TERMS AND** conditions on [its] **AN** agreement with the licensed electrologist or licensed electrology instructor [under investigation or against whom charges are pending] to accept surrender of the license.

(C) AN AGREEMENT TO ACCEPT THE SURRENDER OF A LICENSE IS A FINAL ORDER OF THE BOARD AND IS A PUBLIC RECORD.

8-6B-18.

(a) Subject to the hearing provisions of § 8-317 of this title and § 8-6B-19 of this subtitle, the Board may deny a license to an applicant, grant a [probationary] license, **INCLUDING A LICENSE SUBJECT TO A REPRIMAND, PROBATION, OR SUSPENSION**, to an applicant, reprimand a licensee, place a licensee on probation, or suspend or revoke a 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;

- (2) Fraudulently or deceptively uses a license;
- (3) As part of the practice of electrology, knowingly does an act that exceeds the scope of the practice of electrology;
- (4) Is grossly negligent in practicing or teaching an electrology education program;
- (5) Acts in a manner inconsistent with generally accepted standards for the practice of electrology;
- (6) Is convicted of or pleads guilty or nolo contendere to a felony or to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside;
- (7) Is disciplined by a licensing or disciplinary authority of any state or country, convicted or disciplined by a court of any state or country, or disciplined by any branch of the United States uniformed services or the Veterans Administration for an act that would be grounds for disciplinary action under the Board's disciplinary statutes;
- (8) Provides professional services while:
 - (i) Under the influence of alcohol; or
 - (ii) 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;
- (9) Uses types of instruments or procedures in the practice of electrology that are not approved by the Board;
- (10) Advertises in a manner that violates this subtitle;
- (11) Uses a title not authorized by § 8-6B-23 of this subtitle;
- (12) Is currently adjudicated as being a disabled individual under Title 13 of the Estates and Trusts Article;
- (13) Practices electrology with an unauthorized individual or supervises or aids an unauthorized individual in the practice of electrology;
- (14) Willfully makes or files a false report or record in the practice of electrology;

(15) Willfully fails to file or record any report as required by law, willfully impedes or obstructs the filing or recording of the report, or induces another to fail to file or record the report;

(16) Submits a false statement to collect a fee;

(17) Violates a provision of this subtitle or a rule or regulation adopted by the Board;

(18) Uses or promotes or causes the use of a misleading, deceiving, or untruthful advertising matter, promotional literature, or testimonial;

(19) Is professionally, physically, or mentally incompetent;

(20) Promotes the sale of devices, appliances, or goods to a patient so as to exploit the patient for financial gain;

(21) Behaves immorally in the practice of electrology;

(22) Commits an act of unprofessional conduct in the practice of electrology;

(23) 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;

(24) Except in an emergency life-threatening situation where it is not feasible or practicable, fails to comply with the Centers for Disease Control and Prevention's guidelines on universal precautions;

(25) Fails to display the notice required under § 8-6B-26 of this subtitle;

(26) Fails to submit to a criminal history records check in accordance with § 8-303 of this title;

(27) Fails to allow an inspection under § 8-6B-06(10) and (11) of this subtitle;

(28) Fails to cooperate with a lawful investigation conducted by the Board;

(29) Practices electrology without a license before obtaining or renewing a license, including any period when [the license has lapsed] **PRACTICING ELECTROLOGY ON AN EXPIRED LICENSE OR A LAPSED LICENSE**; or

(30) After failing to renew a license, commits any act that would be grounds for disciplinary action under this section.

[(b) (1) An individual whose license has been revoked or suspended by the Board shall return the license to the Board.

(2) If at that time the license is lost, the individual shall send a sworn statement to this effect to the Board.]

(B) IN ADDITION TO ANY SANCTION AUTHORIZED UNDER THIS SECTION, THE BOARD MAY REQUIRE A LICENSEE TO COMPLY WITH SPECIFIED TERMS AND CONDITIONS DETERMINED BY THE BOARD.

8-6B-19.

(c) The hearing notice to be given to the person shall be sent by certified mail, return receipt requested, [bearing a postmark from the United States Postal Service,] to the last known address of the person at least 30 days before the hearing.

8-6B-22.

(A) [On the application of an individual whose license has been] IF A LICENSE WAS suspended or revoked for a period of more than 1 year, OR IF A PERIOD OF MORE THAN 1 YEAR HAS PASSED SINCE A LICENSE WAS SURRENDERED, the Board may reinstate the license [after 1 year] IF THE LICENSEE:

(1) APPLIES TO THE BOARD FOR REINSTATEMENT;

(2) MEETS THE REQUIREMENTS FOR RENEWAL UNDER § 8-6B-14 OF THIS SUBTITLE;

(3) MEETS ANY OTHER REQUIREMENTS FOR REINSTATEMENT AS ESTABLISHED BY THE BOARD; AND

(4) SUBMITS TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 8-303 OF THIS TITLE.

(B) IF A LICENSEE MEETS THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION, THE BOARD MAY:

(1) REINSTATE THE LICENSE;

(2) REINSTATE THE LICENSE SUBJECT TO TERMS AND CONDITIONS THAT THE BOARD CONSIDERS NECESSARY, INCLUDING A PERIOD OF PROBATION; OR

(3) DENY REINSTATEMENT OF THE LICENSE.

8-6B-27.

A person who violates any provision of **§ 8-6B-23** OF this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or both.

8-6B-29.

(A) THE AUTHORITY OF THE BOARD ESTABLISHED UNDER THIS SUBTITLE:

(1) VESTS WITH THE BOARD AT THE TIME AN INDIVIDUAL APPLIES FOR LICENSURE;

(2) CONTINUES DURING PERIODS OF LICENSURE; AND

(3) INCLUDES AUTHORITY OVER AN INDIVIDUAL HOLDING AN EXPIRED LICENSE OR A LAPSED LICENSE.

(B) THE AUTHORITY OF THE BOARD SHALL BE CONTINUOUS OVER AN INDIVIDUAL APPLICANT OR LICENSEE AND MAY NOT BE DIVESTED BY WITHDRAWAL OF AN APPLICATION OR WHEN A LICENSE EXPIRES OR LAPSES.

[8-6B-29.] 8-6B-30.

Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, and subject to the termination of this title under § 8-802 of this title, this subtitle and all rules and regulations adopted under this subtitle shall terminate and be of no effect after July 1, 2023.

[8-707.

(a) A person may not fail to report the employment or placement of a registered nurse to practice registered nursing as required under § 8-504 of this title.

(b) A person may not fail to report the employment or placement of a licensed practical nurse to practice licensed practical nursing as required under § 8-504 of this title.]

8-707.

(A) SUBJECT TO THE HEARING PROVISIONS OF § 8-317 OF THIS TITLE AND IN ADDITION TO ANY OTHER SANCTION AUTHORIZED FOR A VIOLATION OF §§ 8-701 THROUGH 8-706 OF THIS SUBTITLE, THE BOARD MAY ISSUE A PUBLIC CEASE AND DESIST ORDER, IMPOSE A CIVIL FINE OF NOT MORE THAN \$5,000 PER OFFENSE, OR BOTH.

(B) FOR THE PURPOSES OF THIS SECTION, EACH VIOLATION IS A SEPARATE OFFENSE IF THE VIOLATION OCCURS:

- (1) AT A DIFFERENT TIME, DATE, OR LOCATION; OR
- (2) ON THE SAME DATE AND LOCATION AT A DIFFERENT TIME.

~~(C) THE BOARD SHALL PAY ANY FINE COLLECTED UNDER THIS SECTION TO THE BOARD OF NURSING FUND.~~

~~(D) THE BOARD MAY REFER ALL CASES OF DELINQUENT PAYMENT TO THE CENTRAL COLLECTION UNIT OF THE DEPARTMENT OF BUDGET AND MANAGEMENT TO INSTITUTE AND MAINTAIN PROCEEDINGS TO ENSURE PROMPT PAYMENT.~~

8-708.

(A) AN ACTION MAY BE MAINTAINED IN THE NAME OF THE STATE OR THE BOARD TO ENJOIN CONDUCT:

- (1) PROHIBITED UNDER §§ 8-701 THROUGH 8-706 OF THIS SUBTITLE; OR
- (2) THAT IS GROUNDS FOR DISCIPLINARY ACTION UNDER § 8-316, § 8-6A-10, OR § 8-6B-18 OF THIS TITLE.

(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) **ENGAGED IN THE ACTS SOUGHT TO BE ENJOINED.**

8–710.

(a) Except for a violation of § 8–701(a) through (e) [and § 8–707] of this subtitle, a person who violates any provision of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or both.

[(b) A person who violates any provision of § 8–707 of this subtitle is guilty of a misdemeanor and on conviction is subject:

- (1) For a first offense, to a fine not exceeding \$100; and
- (2) For any subsequent violation of the same provision, to a fine not exceeding \$500 or imprisonment not exceeding 6 months or both.]

[(c)] **(B)** (1) Except as otherwise provided in this section, subject to the appropriate hearing and appeals provisions, the Board, on the affirmative vote of the majority of its members, may reprimand a licensee or certificate holder, place a licensee or certificate holder on probation, or suspend or revoke a license or certificate of a person who violates any provision of this subtitle.

(2) A person who is licensed, certified, or otherwise authorized to provide health care services under this article is not subject to the penalty provided in subsections (a) and (b) of this section for a violation of § 8–701(f) and (g) of this subtitle.

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

Approved by the Governor, May 15, 2014.

Chapter 561

(Senate Bill 850)

AN ACT concerning

**Real Property – Prohibition on Acquiring Mortgages or Deeds of Trust by
Condemnation *and Related Study***

FOR the purpose of prohibiting the State or any of its instrumentalities or political subdivisions from acquiring mortgages or deeds of trust by condemnation during a certain period of time; requiring the Department of Housing and Community Development to conduct a certain study; specifying the contents of the study; requiring the Department to monitor certain developments; requiring the Department to hold a certain minimum number of public hearings as part of the study; requiring the Department to consult with certain persons in carrying out the study; requiring the Department to report to the General Assembly on or before a certain date; defining a certain term; and generally relating to mortgages and condemnation.

BY repealing and reenacting, with amendments,
 Article – Real Property
 Section 12–101
 Annotated Code of Maryland
 (2010 Replacement Volume and 2013 Supplement)

Preamble

~~WHEREAS, Proposals have been made in Maryland and other states for local governments to use their powers of eminent domain to acquire mortgages at discounted values for the purpose of restructuring mortgage loan contracts and selling the loans at a premium; and~~

~~WHEREAS, The use of eminent domain to acquire mortgages undermines the sanctity of the contractual relationship between a borrower and a creditor; and~~

~~WHEREAS, The Federal Housing Finance Agency and the U.S. Department of Housing and Urban Development have expressed serious concerns that the use of eminent domain to acquire mortgages, including mortgages whose underlying collateral values are less than the principals of the loans secured by the mortgages, would create great uncertainty for lenders and investors in the mortgage market; and~~

~~WHEREAS, Such uncertainty in the mortgage market could result in increased costs of credit to borrowers seeking to become homeowners, a contraction in credit in the communities where mortgages are acquired by eminent domain, and a reduced demand for housing that artificially depresses home values and lowers local tax bases; now, therefore,~~

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

Article – Real Property

12–101.

(A) All proceedings for the acquisition of private property for public use by condemnation are governed by the provisions of this title and of Title 12, Chapter 200 of the Maryland Rules.

(B) Nothing in this title prevents this State or any of its instrumentalities or political subdivisions, acting under statute or ordinance passed pursuant to Article III of the Maryland Constitution, from taking private property for public use immediately on making the required payment and giving any required security.

(C) [In addition, this] **THIS** title does not prevent the State Roads Commission from using the procedures set forth in Title 8, Subtitle 3 of the Transportation Article, or prevent Baltimore City from using the procedure set forth in the Charter of Baltimore City and §§ 21–12 through 21–22, inclusive, of the Public Local Laws of Baltimore City.

(D) **NOTWITHSTANDING ANY OTHER LAW, FROM JUNE 1, 2014, TO MAY 30, 2016, BOTH INCLUSIVE, THE STATE OR ANY OF ITS INSTRUMENTALITIES OR POLITICAL SUBDIVISIONS MAY NOT ACQUIRE A MORTGAGE OR DEED OF TRUST BY CONDEMNATION.**

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) In this section, “Department” means the Department of Housing and Community Development.

(b) The Department shall conduct a study of ways of restoring equity for underwater homeowners with private label securities.

(c) The study shall identify and evaluate methods, including the use of eminent domain by local governments, for restoring equity to homeowners with private label securities in their mortgages who have been unable to obtain mortgage loan modifications that would allow the homeowners to keep their homes.

(d) In conducting the study required by this section, the Department shall:

(1) monitor the development of and legal challenges to the use of eminent domain to assist underwater homeowners in other parts of the country;

(2) hold a minimum of two public hearings; and

(3) consult, as appropriate, with:

(i) housing counselors;

(ii) State and local elected officials;

- (iii) local housing departments;*
- (iv) local government legal counselors;*
- (v) homeowners and their advocates;*
- (vi) civil rights and community organizations;*
- (vii) legal experts; and*
- (viii) any other stakeholders identified by the Department.*

(e) On or before November 1, 2015, the Department shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the results of the study required under this section and on any recommendations the Department has on ways of restoring equity to underwater homeowners with private label securities.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 562

(Senate Bill 852)

AN ACT concerning

Health Occupations – Dispensers of Devices and Equipment – Exclusion From the Maryland Pharmacy Act

FOR the purpose of providing that the Maryland Pharmacy Act does not apply to a person who only dispenses certain prescription devices, certain durable medical equipment, or certain other medical devices and supplies; and generally relating to the exclusion of dispensers of devices and equipment from the Maryland Pharmacy Act.

BY adding to

Article – Health Occupations
Section 12-102(h)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Health Occupations

Section 12–102(h), (i), and (j)
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

12–102.

(H) THIS TITLE DOES NOT APPLY TO A PERSON WHO ONLY DISPENSES:

(1) PRESCRIPTION DEVICES THAT DO NOT CONTAIN A PRESCRIPTION DRUG;

(2) PRESCRIPTION DEVICES WITHIN WHICH THE ONLY PRESCRIPTION DRUG IS MEDICAL OXYGEN;

~~(2)~~ (3) DURABLE MEDICAL EQUIPMENT, AS DEFINED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES; OR

~~(3)~~ (4) PROSTHETICS, ORTHOTICS, AND RELATED SUPPLIES.

[(h)] (I) This title does not limit the right of a general merchant to sell:

- (1) Any nonprescription drug or device;
- (2) Any commonly used household or domestic remedy; or
- (3) Any farm remedy or ingredient for a spraying solution, in bulk or otherwise.

[(i)] (J) The Board of Pharmacy, the Board of Dental Examiners, the Board of Physicians, and the Board of Podiatric Medical Examiners annually shall report to the Division of Drug Control:

- (1) The names and addresses of its licensees who are authorized to personally prepare and dispense prescription drugs; and
- (2) The names and addresses of its licensees who have reported, in accordance with subsection (c)(2)(iv)12 of this section, that they have personally prepared and dispensed prescription drugs within the previous year.

[(j)] (K) A dentist, physician, or podiatrist who fails to comply with the provisions of this section governing the dispensing of prescription drugs or devices shall:

- (1) Have the dispensing permit revoked; and
- (2) Be subject to disciplinary actions by the appropriate licensing board.

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

Approved by the Governor, May 15, 2014.

Chapter 563

(House Bill 1029)

AN ACT concerning

Health Occupations – Dispensers of Devices and Equipment – Exclusion From the Maryland Pharmacy Act

FOR the purpose of providing that the Maryland Pharmacy Act does not apply to a person who only dispenses certain prescription devices, certain durable medical equipment, or certain other medical devices and supplies; and generally relating to the exclusion of dispensers of devices and equipment from the Maryland Pharmacy Act.

BY adding to

Article – Health Occupations
Section 12–102(h)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health Occupations
Section 12–102(h), (i), and (j)
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

12-102.

(H) THIS TITLE DOES NOT APPLY TO A PERSON WHO ONLY DISPENSES:

(1) PRESCRIPTION DEVICES THAT DO NOT CONTAIN A PRESCRIPTION DRUG;

(2) PRESCRIPTION DEVICES WITHIN WHICH THE ONLY PRESCRIPTION DRUG IS MEDICAL OXYGEN;

~~(2)~~ (3) DURABLE MEDICAL EQUIPMENT, AS DEFINED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES; OR

~~(3)~~ (4) PROSTHETICS, ORTHOTICS, AND RELATED SUPPLIES.

[h] (I) This title does not limit the right of a general merchant to sell:

- (1) Any nonprescription drug or device;
- (2) Any commonly used household or domestic remedy; or
- (3) Any farm remedy or ingredient for a spraying solution, in bulk or otherwise.

[i] (J) The Board of Pharmacy, the Board of Dental Examiners, the Board of Physicians, and the Board of Podiatric Medical Examiners annually shall report to the Division of Drug Control:

- (1) The names and addresses of its licensees who are authorized to personally prepare and dispense prescription drugs; and
- (2) The names and addresses of its licensees who have reported, in accordance with subsection (c)(2)(iv)12 of this section, that they have personally prepared and dispensed prescription drugs within the previous year.

[j] (K) A dentist, physician, or podiatrist who fails to comply with the provisions of this section governing the dispensing of prescription drugs or devices shall:

- (1) Have the dispensing permit revoked; and
- (2) Be subject to disciplinary actions by the appropriate licensing board.

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

Approved by the Governor, May 15, 2014.

Chapter 564

(Senate Bill 854)

AN ACT concerning

State Board of Pharmacy – Registered Pharmacy Interns

FOR the purpose of establishing a system of registration for pharmacy interns; requiring the State Board of Pharmacy to keep certain records; exempting certain pharmacy interns from certain provisions of law; altering certain grounds for discipline of certain applicants or licensees of the Board; authorizing certain appeals and judicial review under certain circumstances; altering the scope of certain rehabilitation committees; authorizing the Board to require a certain examination under certain circumstances; deeming certain pharmacy interns to have consented to submit to certain examinations and to have waived certain claims of privilege; specifying that certain refusals are prima facie evidence of certain incompetence under certain circumstances, subject to a certain exception; prohibiting certain pharmacies from participating in certain activities or allowing certain individuals to make certain representations; authorizing the Board to waive certain requirements for certain programs; altering the scope of a certain requirement for licensure; requiring certain individuals to register and be approved by the Board before practicing pharmacy as a pharmacy intern under the direct supervision of a certain pharmacist; providing the qualifications for a certain pharmacy intern registration; requiring certain pharmacy interns to submit to a certain criminal history records check; requiring certain applicants to the Board to submit certain sets of fingerprints and a certain fee to the Central Repository of the Criminal Justice Information System under certain circumstances; requiring the Central Repository to forward certain information to the Board and certain applicants; requiring the Board to make certain assurances regarding certain information; authorizing certain individuals to contest certain information; requiring certain applicants to provide certain information to the Board and pay a certain fee; requiring the Board to register certain individuals as pharmacy interns under certain circumstances; authorizing the Board to set certain fees under certain circumstances; prohibiting a certain pharmacist from supervising more than a certain number of pharmacy interns; requiring certain pharmacy interns to provide the Board with certain notifications within a certain number of days of a certain conviction or entry of a certain plea; providing for the scope of a pharmacy intern registration; specifying certain duties that a certain

pharmacy intern may not delegate or perform; providing for the expiration and renewal of the registration of a pharmacy intern; requiring the Board to send certain notices by certain methods within a certain period of time under certain circumstances; requiring certain pharmacy interns to display certain registrations and wear certain identification; authorizing the Board to deny certain applicants a registration, reprimand or place on probation certain pharmacy interns, or suspend or revoke certain registrations under certain circumstances; authorizing the Board to impose certain penalties under certain circumstances; requiring the Board to adopt certain regulations for certain purposes; requiring the Board to pay certain penalties into the General Fund under certain circumstances; prohibiting the surrender of certain registrations under certain circumstances; authorizing the Board to set certain conditions on certain surrenders under certain circumstances; prohibiting certain individuals from practicing, attempting to practice, or offering to practice as a certain pharmacy intern unless registered by the Board; prohibiting certain individuals from making certain representations unless registered by the Board; prohibiting the use of certain terms unless registered by the Board; subjecting certain persons to certain penalties under certain circumstances; defining certain terms; *altering a certain definition; making a certain technical correction*; and generally relating to the registration of pharmacy interns.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 12–101(g) and (t), 12–205(b), 12–301, 12–313(b)(3), (13), (31), and (32), 12–316, 12–317(b), 12–320, 12–403(b)(9) and (19) and (c)(1), 12–6B–01, and 12–707

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations

Section 12–101(t–1) and 12–313(b)(33); and 12–6D–01 through 12–6D–15 to be under the new subtitle “Subtitle 6D. Registered Pharmacy Interns”

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

12–101.

(g) “Direct supervision” means that a licensed pharmacist is physically available, ***NOTWITHSTANDING APPROPRIATE BREAKS***, on-site AND IN THE PRESCRIPTION AREA OR IN AN AREA WHERE PHARMACY SERVICES ARE

PROVIDED to supervise the [performance] **PRACTICE** of **PHARMACY AND** delegated pharmacy acts.

(t) (1) “Practice pharmacy” means to engage in any of the following activities:

(i) Providing pharmaceutical care;

(ii) Compounding, dispensing, or distributing prescription drugs or devices;

(iii) Compounding or dispensing nonprescription drugs or devices;

(iv) Monitoring prescriptions for prescription and nonprescription drugs or devices;

(v) Providing information, explanation, or recommendations to patients and health care practitioners about the safe and effective use of prescription or nonprescription drugs or devices;

(vi) Identifying and appraising problems concerning the use or monitoring of therapy with drugs or devices;

(vii) Acting within the parameters of a therapy management contract, as provided under Subtitle 6A of this title;

(viii) Administering [an influenza vaccination, a vaccination for pneumococcal pneumonia or herpes zoster, or any vaccination that has been determined by the Board, with the agreement of the Board of Physicians and the Board of Nursing, to be in the best health interests of the community] **VACCINATIONS** in accordance with § 12–508 of this title;

(ix) Delegating a pharmacy act to a registered pharmacy technician, pharmacy student, or an individual engaged in a Board approved pharmacy technician training program;

(x) Supervising a delegated pharmacy act performed by a registered pharmacy technician, pharmacy student, or an individual engaged in a Board approved pharmacy technician training program; or

(xi) Providing drug therapy management in accordance with § 19–713.6 of the Health – General Article.

(2) “Practice pharmacy” does not include the operations of a person who holds a permit issued under § 12–6C–03 of this title.

(T-1) “REGISTERED PHARMACY INTERN” MEANS AN INDIVIDUAL WHO IS REGISTERED WITH THE BOARD TO PRACTICE PHARMACY UNDER THE DIRECT SUPERVISION OF A PHARMACIST.

12-205.

(b) In addition to the duties set forth elsewhere in this title, the Board shall:

(1) Keep a record that includes:

(i) The name and place of the business or the home address of each licensed pharmacist [and], each registered pharmacy technician, **AND EACH REGISTERED PHARMACY INTERN;**

(ii) The facts concerning the issuance of that pharmacist’s license; [and]

(iii) The facts concerning the issuance of that pharmacy technician’s registration; **AND**

(IV) THE FACTS CONCERNING THE ISSUANCE OF THAT PHARMACY INTERN’S REGISTRATION;

(2) Prepare and deliver to the Governor, the Secretary, and the Maryland Pharmacists Association an annual report that:

(i) Summarizes the condition of pharmacy in this State; and

(ii) Includes a record of the proceedings of the Board; and

(3) Disclose any information contained in a record to any health occupations regulatory board or agency of this State or another state if the health occupations regulatory board or agency of this State or another state requests the information in writing.

12-301.

(a) Except as otherwise provided in this title, an individual shall be licensed by the Board before the individual may practice pharmacy in this State.

(b) This section does not apply to a pharmacy student participating in an experiential learning program of a college or school of pharmacy under the supervision of a licensed pharmacist.

(C) THIS SECTION DOES NOT APPLY TO A REGISTERED PHARMACY INTERN PRACTICING UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST.

12-313.

(b) Subject to the hearing provisions of § 12-315 of this subtitle, the Board, on the affirmative vote of a majority of its members then serving, may deny a license to any applicant for a pharmacist's license, reprimand any licensee, place any licensee on probation, or suspend or revoke a license of a pharmacist if the applicant or licensee:

(3) Aids an unauthorized individual to practice pharmacy or to represent that the individual is a pharmacist, **A REGISTERED PHARMACY INTERN**, or a registered pharmacy technician;

(13) Agrees with an authorized prescriber, **A REGISTERED PHARMACY INTERN**, or registered pharmacy technician to prepare or dispense a secret formula prescription;

(31) Delegates pharmacy acts that are inappropriate for a registered pharmacy technician, pharmacy student, or pharmacy technician trainee who does not have the education, training, or experience to perform the delegated pharmacy acts; [or]

(32) Fails to dispense or dispose of prescription drugs or medical supplies in accordance with Title 15, Subtitle 6 of the Health – General Article; **OR**

(33) FAILS TO APPROPRIATELY SUPERVISE A REGISTERED PHARMACY INTERN.

12-316.

(a) Except as provided in this section for an action under § 12-313 of this subtitle or § 12-6B-09 **OR § 12-6D-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 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 **OR § 12-6D-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.

12–317.

(b) For purposes of this section, a pharmacist rehabilitation committee evaluates and provides assistance to any pharmacist, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician in need of treatment and rehabilitation for alcoholism, drug abuse, chemical dependency, or other physical, emotional, or mental condition.

12–320.

(a) In investigating an allegation brought against a licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician under this title, if the Board has reason to believe that a licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician may cause harm to a person affected by the licensee's practice, **THE ACTS OF A REGISTERED PHARMACY INTERN**, or the acts of a registered pharmacy technician, the Board on its own initiative may direct the licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician to submit to an appropriate examination by a health care provider designated by the Board.

(b) In return for the privilege given to a licensee to practice pharmacy, **A REGISTERED PHARMACY INTERN TO PRACTICE PHARMACY UNDER THE DIRECT SUPERVISION OF A PHARMACIST**, or a registered pharmacy technician to perform delegated pharmacy acts in the State, the licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician 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 a health care provider.

(c) The failure or refusal of a licensee, **A REGISTERED PHARMACY INTERN**, or registered pharmacy technician to submit to an examination required under this section is prima facie evidence of the licensee's inability to practice pharmacy competently, **THE REGISTERED PHARMACY INTERN'S INABILITY TO PRACTICE PHARMACY COMPETENTLY UNDER THE DIRECT SUPERVISION OF A PHARMACIST**, or the registered pharmacy technician's inability to perform delegated pharmacy acts, unless the Board finds that the failure or refusal was beyond the control of the licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician.

- (d) The Board shall pay the cost of any examination made under this section.

12-403.

(b) Except as otherwise provided in this section, a pharmacy for which a pharmacy permit has been issued under this title:

(9) May not participate in any activity that is a ground for Board action against a licensed pharmacist under § 12-313 of this title [or], a registered pharmacy technician under § 12-6B-09 of this title, **OR A REGISTERED PHARMACY INTERN UNDER § 12-6D-11 OF THIS TITLE;**

(19) May not allow an unauthorized individual to represent that the individual is a pharmacist, **A REGISTERED PHARMACY INTERN,** or registered pharmacy technician;

(c) (1) The Board may waive any of the requirements of this section for [the University of Maryland School of Pharmacy,] **A SCHOOL OF PHARMACY LOCATED IN THE STATE, ACCREDITED BY THE ACCREDITATION COUNCIL FOR PHARMACY EDUCATION (ACPE),** for nuclear pharmacy and dental pharmacy experimental and teaching programs.

12-6B-01.

(a) Except as otherwise provided in this title, on or after January 1, 2007, an individual shall be registered and approved by the Board as a pharmacy technician before the individual may perform delegated pharmacy acts.

(b) This section does not apply to[:

(1) A pharmacy student performing delegated pharmacy acts under the direct supervision of a licensed pharmacist and in accordance with regulations adopted by the Board;

(2) **A]** A pharmacy technician trainee under the direct supervision of a licensed pharmacist provided that the individual does not perform delegated pharmacy acts for more than 6 months[; or

(3) An applicant for a license to practice pharmacy under the direct supervision of a licensed pharmacist provided that the applicant does not perform delegated pharmacy acts for more than 10 months].

SUBTITLE 6D. REGISTERED PHARMACY INTERNS.

12-6D-01.

IN THIS SUBTITLE, “ACPE” MEANS THE ACCREDITATION COUNCIL FOR PHARMACY EDUCATION.

12-6D-02.

EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL SHALL BE REGISTERED AND APPROVED BY THE BOARD AS A REGISTERED PHARMACY INTERN BEFORE THE INDIVIDUAL MAY PRACTICE PHARMACY UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST IN ACCORDANCE WITH THIS SUBTITLE.

12-6D-03.

(A) TO QUALIFY FOR REGISTRATION AN APPLICANT SHALL BE AN INDIVIDUAL WHO:

(1) IS CURRENTLY ENROLLED AND HAS COMPLETED 1 YEAR OF PROFESSIONAL PHARMACY EDUCATION IN A DOCTOR OF PHARMACY PROGRAM ACCREDITED BY THE ACPE;

(2) IS CURRENTLY ENROLLED AND HAS COMPLETED 1 YEAR OF PROFESSIONAL PHARMACY EDUCATION IN A DOCTOR OF PHARMACY PROGRAM UNDER ACCREDITATION REVIEW BY THE ACPE;

(3) HAS GRADUATED FROM A DOCTOR OF PHARMACY PROGRAM ACCREDITED BY THE ACPE AND HAS APPLIED FOR LICENSURE WITH THE BOARD; OR

(4) IS A GRADUATE OF A FOREIGN SCHOOL OF PHARMACY WHO:

(I) HAS ESTABLISHED EDUCATIONAL EQUIVALENCY AS DETERMINED BY THE BOARD; AND

(II) HAS PASSED AN EXAMINATION OF ORAL ENGLISH APPROVED BY THE BOARD.

(B) AN APPLICANT SHALL SUBMIT A REQUEST FOR A STATE CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 12-6D-04 OF THIS SUBTITLE.

(C) THE BOARD MAY NOT APPROVE AN APPLICATION UNTIL THE STATE CRIMINAL HISTORY RECORDS CHECK IS COMPLETED.

(D) THE APPLICANT SHALL BE OF GOOD MORAL CHARACTER.

12-6D-04.

(A) IN THIS SECTION, "CENTRAL REPOSITORY" MEANS THE CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES.

(B) AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE CRIMINAL HISTORY RECORDS CHECK, THE APPLICANT SHALL SUBMIT TO THE CENTRAL REPOSITORY:

(1) TWO COMPLETE SETS OF LEGIBLE FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY; AND

(2) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS.

(C) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD THE CRIMINAL HISTORY RECORDS INFORMATION OF THE APPLICANT TO THE BOARD AND THE APPLICANT.

(D) THE BOARD SHALL ENSURE THAT INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER THIS SUBSECTION:

(1) IS KEPT CONFIDENTIAL;

(2) IS NOT REDISSEMINATED; AND

(3) IS USED ONLY FOR THE REGISTRATION PURPOSE AUTHORIZED BY THIS SUBTITLE.

(E) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS SUBSECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL PROCEDURE ARTICLE.

12-6D-05.

(A) AN APPLICANT FOR REGISTRATION SHALL:

(1) SUBMIT AN APPLICATION TO THE BOARD ON THE FORM THAT THE BOARD REQUIRES;

(2) PROVIDE DOCUMENTATION OF:

(I) ENROLLMENT IN A DOCTOR OF PHARMACY PROGRAM;

(II) GRADUATION FROM AN APPROVED COLLEGE OF PHARMACY; OR

(III) FOR AN APPLICANT WHO SATISFIES THE REQUIREMENTS UNDER § 12-6D-02(A)(4) OF THIS SUBTITLE, PROOF OF:

1. EDUCATIONAL EQUIVALENCY; AND

2. ORAL ENGLISH COMPETENCY;

(3) SUBMIT TO A REQUEST FOR A STATE CRIMINAL HISTORY RECORDS CHECK; AND

(4) PAY THE APPLICATION FEES SET BY THE BOARD.

(B) THE APPLICATION SHALL BE SIGNED BY THE APPLICANT.

12-6D-06.

(A) THE BOARD SHALL REGISTER AS A PHARMACY INTERN ANY APPLICANT WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE.

(B) (1) THE BOARD MAY SET REASONABLE FEES FOR THE ISSUANCE AND RENEWAL OF REGISTRATIONS AND OTHER SERVICES.

(2) THE FEES CHARGED SHALL BE SET SO AS TO APPROXIMATE THE COST OF REGISTERING PHARMACY INTERNS.

(C) A LICENSED PHARMACIST MAY NOT DIRECTLY SUPERVISE MORE THAN TWO REGISTERED PHARMACY INTERNS AT ONE TIME.

12-6D-07.

(A) A REGISTERED PHARMACY INTERN SHALL NOTIFY THE BOARD OF EACH PLEA OF GUILTY FOR, CONVICTION OF, OR ENTRY OF A PLEA OF NOLO CONTENDERE FOR A FELONY OR A CRIME INVOLVING MORAL TURPITUDE, REGARDLESS OF WHETHER:

(1) AN ADJUDICATION OF GUILT OR SENTENCING OR IMPOSITION OF SENTENCE IS WITHHELD; OR

(2) ANY APPEAL OR OTHER PROCEEDING IS PENDING REGARDING THE MATTER.

(B) THE REGISTERED PHARMACY INTERN SHALL NOTIFY THE BOARD WITHIN 7 DAYS OF THE CONVICTION OR ENTRY OF THE PLEA.

12-6D-08.

(A) REGISTRATION AUTHORIZES A REGISTERED PHARMACY INTERN TO PRACTICE PHARMACY UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST WHILE THE REGISTRATION IS EFFECTIVE.

(B) A REGISTERED PHARMACY INTERN MAY ADMINISTER VACCINATIONS IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD.

(C) A REGISTERED PHARMACY INTERN MAY NOT:

(1) DELEGATE A PHARMACY ACT;

(2) PERFORM A FINAL VERIFICATION OF A PRESCRIPTION DRUG OR DEVICE BEFORE DISPENSING; OR

(3) PERFORM OTHER DUTIES PROHIBITED BY REGULATIONS ADOPTED BY THE BOARD.

12-6D-09.

(A) (1) REGISTRATION EXPIRES ON THE DATE SET BY THE BOARD.

(2) REGISTRATION IS VALID FOR UP TO 2 YEARS FROM THE DATE OF ISSUE.

(B) (1) A REGISTERED PHARMACY INTERN WHO QUALIFIED FOR REGISTRATION UNDER § 12-6D-03(A)(1) AND (2) OF THIS SUBTITLE MAY RENEW THE REGISTRATION ONE TIME IF THE REGISTERED PHARMACY INTERN IS:

(I) OTHERWISE ENTITLED TO BE REGISTERED AS A PHARMACY INTERN;

(II) SUBMITS TO THE BOARD A RENEWAL APPLICATION ON THE FORM THAT THE BOARD REQUIRES; AND

(III) PAYS TO THE BOARD A RENEWAL FEE SET BY THE BOARD.

(2) A REGISTERED PHARMACY INTERN WHO QUALIFIED FOR REGISTRATION UNDER § 12-6D-03(A)(3) AND (4) OF THIS SUBTITLE MAY NOT RENEW THE REGISTRATION.

(C) THE REGISTRATION OF A PHARMACY INTERN REGISTERED UNDER THIS SUBTITLE EXPIRES AND MAY NOT BE RENEWED ON THE DATE THAT THE REGISTERED PHARMACY INTERN BECOMES A LICENSED PHARMACIST.

(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD SHALL SEND TO EACH REGISTERED PHARMACY INTERN, AT LEAST 1 MONTH BEFORE A REGISTRATION EXPIRES, A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE REGISTERED PHARMACY INTERN.

(2) IF REQUESTED BY A REGISTERED PHARMACY INTERN, THE BOARD SHALL SEND TO THE REGISTERED PHARMACY INTERN, AT LEAST TWO TIMES WITHIN THE MONTH BEFORE A PHARMACY INTERN REGISTRATION EXPIRES, A RENEWAL NOTICE BY ELECTRONIC MEANS TO THE LAST KNOWN ELECTRONIC ADDRESS OF THE REGISTERED PHARMACY INTERN.

(3) IF A RENEWAL NOTICE SENT BY ELECTRONIC MEANS UNDER PARAGRAPH (2) OF THIS SUBSECTION IS RETURNED TO THE BOARD AS UNDELIVERABLE, THE BOARD SHALL SEND THE REGISTERED PHARMACY INTERN A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE REGISTERED PHARMACY INTERN.

(4) A RENEWAL NOTICE SENT UNDER THIS SUBSECTION SHALL STATE:

(I) THE DATE ON WHICH THE CURRENT REGISTRATION EXPIRES;

(II) THE DATE BY WHICH THE RENEWAL APPLICATION SHALL BE RECEIVED BY THE BOARD FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE REGISTRATION EXPIRES; AND

(III) THE AMOUNT OF THE RENEWAL FEE.

(E) THE BOARD SHALL RENEW THE REGISTRATION OF EACH PHARMACY INTERN WHO MEETS THE REQUIREMENTS OF THIS SECTION.

12-6D-10.**(A) EACH REGISTERED PHARMACY INTERN SHALL:**

(1) DISPLAY THE PHARMACY INTERN'S REGISTRATION IN THE OFFICE OR PLACE OF BUSINESS IN WHICH THE PHARMACY INTERN IS PRACTICING PHARMACY UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST; OR

(2) HAVE THE REGISTRATION ON THE PHARMACY INTERN'S PERSON AVAILABLE FOR VIEWING.

(B) WHEN PRACTICING PHARMACY UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST, THE REGISTERED PHARMACY INTERN SHALL WEAR IDENTIFICATION THAT CONSPICUOUSLY IDENTIFIES THE REGISTERED PHARMACY INTERN AS A REGISTERED PHARMACY INTERN.

12-6D-11.

SUBJECT TO THE HEARING PROVISION OF § 12-315 OF THIS TITLE, THE BOARD MAY DENY A PHARMACY INTERN'S REGISTRATION TO ANY APPLICANT, REPRIMAND A REGISTERED PHARMACY INTERN, PLACE ANY PHARMACY INTERN'S REGISTRATION ON PROBATION, OR SUSPEND OR REVOKE A PHARMACY INTERN'S REGISTRATION IF THE APPLICANT OR PHARMACY INTERN REGISTRANT:

(1) PERFORMS AN ACT THAT IS RESTRICTED TO A LICENSED PHARMACIST;

(2) PRACTICES PHARMACY WITHOUT THE DIRECT SUPERVISION OF A LICENSED PHARMACIST;

(3) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO OBTAIN A PHARMACY INTERN'S REGISTRATION FOR THE APPLICANT OR ASSISTS OR ATTEMPTS TO ASSIST ANOTHER IN FRAUDULENTLY OR DECEPTIVELY OBTAINING A PHARMACY INTERN'S REGISTRATION;

(4) FRAUDULENTLY USES A PHARMACY INTERN'S REGISTRATION;

(5) KNOWINGLY AIDS AN UNAUTHORIZED INDIVIDUAL TO PRACTICE PHARMACY OR TO REPRESENT THAT THE INDIVIDUAL IS A LICENSED PHARMACIST OR REGISTERED PHARMACY INTERN;

(6) PRACTICES PHARMACY WHILE:

- (I) UNDER THE INFLUENCE OF ALCOHOL; OR
 - (II) 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;
- (7) WILLFULLY MAKES OR FILES A FALSE REPORT OR RECORD AS PART OF THE REGISTERED PHARMACY INTERN'S DUTIES OR EMPLOYMENT;
- (8) WILLFULLY FAILS TO FILE OR RECORD ANY REPORT THAT IS REQUIRED BY LAW;
- (9) WILLFULLY IMPEDES OR OBSTRUCTS THE FILING OR RECORDING OF ANY REPORT THAT IS REQUIRED BY LAW;
- (10) WILLFULLY INDUCES ANOTHER TO FAIL TO FILE OR RECORD ANY REPORT THAT IS REQUIRED BY LAW;
- (11) PROVIDES OR CAUSES TO BE PROVIDED TO ANY AUTHORIZED PRESCRIBER PRESCRIPTION FORMS THAT BEAR THE NAME, ADDRESS, OR OTHER MEANS OF IDENTIFICATION OF A LICENSED PHARMACIST OR PHARMACY;
- (12) KNOWINGLY AIDS A LICENSED PHARMACIST IN DISPENSING ANY DRUG, DEVICE, OR DIAGNOSTIC FOR WHICH A PRESCRIPTION IS REQUIRED WITHOUT A WRITTEN, ORAL, OR ELECTRONICALLY TRANSMITTED PRESCRIPTION FROM AN AUTHORIZED PRESCRIBER;
- (13) UNLESS AN AUTHORIZED PRESCRIBER AUTHORIZES THE REFILL, REFILLS A PRESCRIPTION FOR ANY DRUG, DEVICE, OR DIAGNOSTIC FOR WHICH A PRESCRIPTION IS REQUIRED;
- (14) IS PHYSICALLY OR MENTALLY INCOMPETENT;
- (15) PLEADED GUILTY OR NOLO CONTENDERE TO, OR HAS BEEN FOUND GUILTY OF, A FELONY OR A CRIME INVOLVING MORAL TURPITUDE, REGARDLESS OF WHETHER:
- (I) AN ADJUDICATION OF GUILT OR SENTENCING OR IMPOSITION OF SENTENCE IS WITHHELD; OR
 - (II) ANY APPEAL OR OTHER PROCEEDING IS PENDING REGARDING THE MATTER;

(16) VIOLATES ANY PROVISION OF THIS TITLE;

(17) IS DISCIPLINED BY A LICENSING, REGISTERING, OR DISCIPLINARY AUTHORITY OF ANY STATE OR COUNTRY OR CONVICTED OR DISCIPLINED BY A COURT OF ANY STATE OR COUNTRY FOR AN ACT THAT WOULD BE GROUNDS FOR DISCIPLINARY ACTION UNDER THE BOARD'S DISCIPLINARY STATUTES;

(18) VIOLATES ANY REGULATION ADOPTED BY THE BOARD;

(19) REFUSES, WITHHOLDS FROM, DENIES, OR DISCRIMINATES AGAINST AN INDIVIDUAL WITH REGARD TO THE PROVISION OF PROFESSIONAL SERVICES FOR WHICH THE REGISTERED PHARMACY INTERN IS REGISTERED AND QUALIFIED TO RENDER BECAUSE THE INDIVIDUAL IS HIV POSITIVE;

(20) PARTICIPATES IN ANY ACTIVITY THAT IS GROUNDS FOR BOARD ACTION UNDER § 12-313, § 12-409, OR §12-6B-09 OF THIS TITLE;

(21) PROVIDES OR CAUSES TO BE PROVIDED CONFIDENTIAL PATIENT INFORMATION TO ANY PERSON WITHOUT FIRST HAVING OBTAINED THE PATIENT'S CONSENT, AS REQUIRED BY § 12-403(B)(13) OF THIS TITLE AND BY TITLE 4, SUBTITLE 3 OF THE HEALTH - GENERAL ARTICLE; OR

(22) FAILS TO COOPERATE WITH A LAWFUL INVESTIGATION CONDUCTED BY THE BOARD OR THE DIVISION OF DRUG CONTROL.

12-6D-12.

(A) IF AFTER A HEARING UNDER § 12-315 OF THIS TITLE, THE BOARD FINDS THAT THERE IS A GROUND UNDER § 12-6D-11 OF THIS SUBTITLE TO REPRIMAND A REGISTERED PHARMACY INTERN, PLACE A PHARMACY INTERN'S REGISTRATION ON PROBATION, OR SUSPEND OR REVOKE A PHARMACY INTERN'S REGISTRATION, THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING \$2,500:

(1) INSTEAD OF REPRIMANDING THE REGISTERED PHARMACY INTERN, PLACING THE REGISTERED PHARMACY INTERN ON PROBATION, OR SUSPENDING OR REVOKING THE PHARMACY INTERN'S REGISTRATION; OR

(2) IN ADDITION TO REPRIMANDING THE REGISTERED PHARMACY INTERN, PLACING THE REGISTERED PHARMACY INTERN ON PROBATION, OR SUSPENDING OR REVOKING THE PHARMACY INTERN'S REGISTRATION.

(B) THE BOARD SHALL ADOPT REGULATIONS TO SET STANDARDS FOR THE IMPOSITION OF PENALTIES UNDER THIS SECTION.

(C) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS SECTION INTO THE GENERAL FUND OF THE STATE.

12-6D-13.

(A) UNLESS THE BOARD AGREES TO ACCEPT THE SURRENDER OF A PHARMACY INTERN'S REGISTRATION, A REGISTERED PHARMACY INTERN MAY NOT SURRENDER THE PHARMACY INTERN'S REGISTRATION NOR MAY THE PHARMACY INTERN'S REGISTRATION LAPSE BY OPERATION OF LAW WHILE THE REGISTERED PHARMACY INTERN IS UNDER INVESTIGATION OR WHILE CHARGES ARE PENDING AGAINST THE REGISTERED PHARMACY INTERN.

(B) THE BOARD MAY SET CONDITIONS ON THE BOARD'S AGREEMENT WITH THE REGISTERED PHARMACY INTERN UNDER INVESTIGATION OR AGAINST WHOM CHARGES ARE PENDING TO ACCEPT THE SURRENDER OF THE PHARMACY INTERN'S REGISTRATION.

12-6D-14.

EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL MAY NOT PRACTICE, ATTEMPT TO PRACTICE, OR OFFER TO PRACTICE AS A REGISTERED PHARMACY INTERN IN THE STATE UNLESS REGISTERED WITH THE BOARD.

12-6D-15.

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, AN INDIVIDUAL MAY NOT REPRESENT TO THE PUBLIC BY TITLE, BY DESCRIPTION OF SERVICES, METHODS, OR PROCEDURES, OR OTHERWISE, THAT THE INDIVIDUAL IS REGISTERED TO PRACTICE AS A REGISTERED PHARMACY INTERN UNLESS REGISTERED IN ACCORDANCE WITH THIS SUBTITLE.

(B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, AN INDIVIDUAL MAY NOT USE THE TERMS "REGISTERED PHARMACY INTERN" OR "PHARMACY INTERN" WITH THE INTENT TO REPRESENT THAT THE INDIVIDUAL IS AUTHORIZED TO PRACTICE AS A REGISTERED PHARMACY INTERN UNLESS REGISTERED AS A PHARMACY INTERN UNDER THIS SUBTITLE.

12-707.

(a) A person who violates any provision of the following subtitles or sections of this title is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000:

- (1) § 12–311 (“Display of licenses”);
- (2) Subtitle 4 (“Pharmacy permits”);
- (3) § 12–502(b) (“Pharmaceutical information”);
- (4) § 12–505 (“Labeling requirements for prescription medicines”); and
- (5) § 12–604 (“General power to inspect drugs, devices, and other products”).

(b) A person who violates any provision of the following sections of this title is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year or both:

- (1) § 12–4A–10 (“Operating a sterile compounding facility without permit”);
- (2) § 12–701 (“Practicing pharmacy without license”);
- (3) § 12–702 (“License obtained by false representation”);
- (4) § 12–703 (“Operating a pharmacy without permit”);
- (5) § 12–704 (“Misrepresentations”); [and]
- (6) § 12–6B–12 (“Working as an unregistered pharmacy technician”);

AND

- (7) **§ 12–6D–15 (“PRACTICING AS AN UNREGISTERED PHARMACY INTERN”)**.

(c) Each day that a violation of any section of Subtitle 4 of this title continues constitutes a separate offense.

(d) Within 10 days after a court renders the conviction, the court shall report to the Board each conviction of a pharmacist or registered pharmacy technician for:

- (1) Any crime regarding the pharmacy or drug laws that involves professional misconduct; or

(2) Any crime that involves the State law regarding controlled dangerous substances or the federal narcotic laws.

(e) (1) Any person who violates § 12-4A-10 (“Operating a sterile compounding facility without permit”), § 12-701 (“Practicing pharmacy without a license”), § 12-703 (“Operating a pharmacy without a permit”), [or] § 12-6B-12 (“Working as an unregistered pharmacy technician”), **OR § 12-6D-15 (“PRACTICING AS AN UNREGISTERED PHARMACY INTERN”)** of this title is subject to a civil fine of not more than \$50,000 to be assessed by the Board.

(2) The Board shall pay any penalty collected under this subsection into the State Board of Pharmacy Fund.

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

Approved by the Governor, May 15, 2014.

Chapter 565

(House Bill 1218)

AN ACT concerning

State Board of Pharmacy – Registered Pharmacy Interns

FOR the purpose of establishing a system of registration for pharmacy interns; requiring the State Board of Pharmacy to keep certain records; exempting certain pharmacy interns from certain provisions of law; altering certain grounds for discipline of certain applicants or licensees of the Board; authorizing certain appeals and judicial review under certain circumstances; altering the scope of certain rehabilitation committees; authorizing the Board to require a certain examination under certain circumstances; deeming certain pharmacy interns to have consented to submit to certain examinations and to have waived certain claims of privilege; specifying that certain refusals are prima facie evidence of certain incompetence under certain circumstances, subject to a certain exception; prohibiting certain pharmacies from participating in certain activities or allowing certain individuals to make certain representations; authorizing the Board to waive certain requirements for certain programs; altering the scope of a certain requirement for licensure; requiring certain individuals to register and be approved by the Board before practicing pharmacy as a pharmacy intern under the direct supervision of a certain pharmacist; providing the qualifications for a certain pharmacy intern registration; requiring certain pharmacy interns to submit to a certain criminal history records check; requiring certain applicants to the Board to submit

certain sets of fingerprints and a certain fee to the Central Repository of the Criminal Justice Information System under certain circumstances; requiring the Central Repository to forward certain information to the Board and certain applicants; requiring the Board to make certain assurances regarding certain information; authorizing certain individuals to contest certain information; requiring certain applicants to provide certain information to the Board and pay a certain fee; requiring the Board to register certain individuals as pharmacy interns under certain circumstances; authorizing the Board to set certain fees under certain circumstances; prohibiting a certain pharmacist from supervising more than a certain number of pharmacy interns; requiring certain pharmacy interns to provide the Board with certain notifications within a certain number of days of a certain conviction or entry of a certain plea; providing for the scope of a pharmacy intern registration; specifying certain duties that a certain pharmacy intern may not delegate or perform; providing for the expiration and renewal of the registration of a pharmacy intern; requiring the Board to send certain notices by certain methods within a certain period of time under certain circumstances; requiring certain pharmacy interns to display certain registrations and wear certain identification; authorizing the Board to deny certain applicants a registration, reprimand or place on probation certain pharmacy interns, or suspend or revoke certain registrations under certain circumstances; authorizing the Board to impose certain penalties under certain circumstances; requiring the Board to adopt certain regulations for certain purposes; requiring the Board to pay certain penalties into the General Fund under certain circumstances; prohibiting the surrender of certain registrations under certain circumstances; authorizing the Board to set certain conditions on certain surrenders under certain circumstances; prohibiting certain individuals from practicing, attempting to practice, or offering to practice as a certain pharmacy intern unless registered by the Board; prohibiting certain individuals from making certain representations unless registered by the Board; prohibiting the use of certain terms unless registered by the Board; subjecting certain persons to certain penalties under certain circumstances; defining certain terms; altering a certain definition; making a certain technical correction; and generally relating to the registration of pharmacy interns.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 12–101(g) and (t), 12–205(b), 12–301, 12–313(b)(3), (13), (31), and (32),
12–316, 12–317(b), 12–320, 12–403(b)(9) and (19) and (c)(1), 12–6B–01,
and 12–707

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations

Section 12–101(t–1) and 12–313(b)(33); and 12–6D–01 through 12–6D–15 to be
under the new subtitle “Subtitle 6D. Registered Pharmacy Interns”

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

12–101.

(g) “Direct supervision” means that a licensed pharmacist is physically available, **NOTWITHSTANDING APPROPRIATE BREAKS**, on-site **AND IN THE PRESCRIPTION AREA OR IN AN AREA WHERE PHARMACY SERVICES ARE PROVIDED** to supervise the [performance] **PRACTICE** of **PHARMACY AND** delegated pharmacy acts.

(t) (1) “Practice pharmacy” means to engage in any of the following activities:

- (i) Providing pharmaceutical care;
- (ii) Compounding, dispensing, or distributing prescription drugs or devices;
- (iii) Compounding or dispensing nonprescription drugs or devices;
- (iv) Monitoring prescriptions for prescription and nonprescription drugs or devices;
- (v) Providing information, explanation, or recommendations to patients and health care practitioners about the safe and effective use of prescription or nonprescription drugs or devices;
- (vi) Identifying and appraising problems concerning the use or monitoring of therapy with drugs or devices;
- (vii) Acting within the parameters of a therapy management contract, as provided under Subtitle 6A of this title;
- (viii) Administering [an influenza vaccination, a vaccination for pneumococcal pneumonia or herpes zoster, or any vaccination that has been determined by the Board, with the agreement of the Board of Physicians and the Board of Nursing, to be in the best health interests of the community] **VACCINATIONS** in accordance with § 12–508 of this title;

(ix) Delegating a pharmacy act to a registered pharmacy technician, pharmacy student, or an individual engaged in a Board approved pharmacy technician training program;

(x) Supervising a delegated pharmacy act performed by a registered pharmacy technician, pharmacy student, or an individual engaged in a Board approved pharmacy technician training program; or

(xi) Providing drug therapy management in accordance with § 19-713.6 of the Health – General Article.

(2) “Practice pharmacy” does not include the operations of a person who holds a permit issued under § 12-6C-03 of this title.

(T-1) “REGISTERED PHARMACY INTERN” MEANS AN INDIVIDUAL WHO IS REGISTERED WITH THE BOARD TO PRACTICE PHARMACY UNDER THE DIRECT SUPERVISION OF A PHARMACIST.

12-205.

(b) In addition to the duties set forth elsewhere in this title, the Board shall:

(1) Keep a record that includes:

(i) The name and place of the business or the home address of each licensed pharmacist [and], each registered pharmacy technician, **AND EACH REGISTERED PHARMACY INTERN;**

(ii) The facts concerning the issuance of that pharmacist’s license; [and]

(iii) The facts concerning the issuance of that pharmacy technician’s registration; **AND**

(IV) THE FACTS CONCERNING THE ISSUANCE OF THAT PHARMACY INTERN’S REGISTRATION;

(2) Prepare and deliver to the Governor, the Secretary, and the Maryland Pharmacists Association an annual report that:

(i) Summarizes the condition of pharmacy in this State; and

(ii) Includes a record of the proceedings of the Board; and

(3) Disclose any information contained in a record to any health occupations regulatory board or agency of this State or another state if the health

occupations regulatory board or agency of this State or another state requests the information in writing.

12–301.

(a) Except as otherwise provided in this title, an individual shall be licensed by the Board before the individual may practice pharmacy in this State.

(b) This section does not apply to a pharmacy student participating in an experiential learning program of a college or school of pharmacy under the supervision of a licensed pharmacist.

(c) THIS SECTION DOES NOT APPLY TO A REGISTERED PHARMACY INTERN PRACTICING UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST.

12–313.

(b) Subject to the hearing provisions of § 12–315 of this subtitle, the Board, on the affirmative vote of a majority of its members then serving, may deny a license to any applicant for a pharmacist’s license, reprimand any licensee, place any licensee on probation, or suspend or revoke a license of a pharmacist if the applicant or licensee:

(3) Aids an unauthorized individual to practice pharmacy or to represent that the individual is a pharmacist, **A REGISTERED PHARMACY INTERN**, or a registered pharmacy technician;

(13) Agrees with an authorized prescriber, **A REGISTERED PHARMACY INTERN**, or registered pharmacy technician to prepare or dispense a secret formula prescription;

(31) Delegates pharmacy acts that are inappropriate for a registered pharmacy technician, pharmacy student, or pharmacy technician trainee who does not have the education, training, or experience to perform the delegated pharmacy acts; **[or]**

(32) Fails to dispense or dispose of prescription drugs or medical supplies in accordance with Title 15, Subtitle 6 of the Health – General Article; **OR**

(33) FAILS TO APPROPRIATELY SUPERVISE A REGISTERED PHARMACY INTERN.

12–316.

(a) Except as provided in this section for an action under § 12–313 of this subtitle or § 12–6B–09 **OR § 12–6D–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 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 **OR § 12–6D–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.

12–317.

(b) For purposes of this section, a pharmacist rehabilitation committee evaluates and provides assistance to any pharmacist, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician in need of treatment and rehabilitation for alcoholism, drug abuse, chemical dependency, or other physical, emotional, or mental condition.

12–320.

(a) In investigating an allegation brought against a licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician under this title, if the Board has reason to believe that a licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician may cause harm to a person affected by the licensee's practice, **THE ACTS OF A REGISTERED PHARMACY INTERN**, or the acts of a registered pharmacy technician, the Board on its own initiative may direct the licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician to submit to an appropriate examination by a health care provider designated by the Board.

(b) In return for the privilege given to a licensee to practice pharmacy, **A REGISTERED PHARMACY INTERN TO PRACTICE PHARMACY UNDER THE DIRECT SUPERVISION OF A PHARMACIST**, or a registered pharmacy technician to perform delegated pharmacy acts in the State, the licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician 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 a health care provider.

(c) The failure or refusal of a licensee, **A REGISTERED PHARMACY INTERN**, or registered pharmacy technician to submit to an examination required under this section is prima facie evidence of the licensee's inability to practice pharmacy competently, **THE REGISTERED PHARMACY INTERN'S INABILITY TO PRACTICE PHARMACY COMPETENTLY UNDER THE DIRECT SUPERVISION OF A PHARMACIST**, or the registered pharmacy technician's inability to perform delegated pharmacy acts, unless the Board finds that the failure or refusal was beyond the control of the licensee, **REGISTERED PHARMACY INTERN**, or registered pharmacy technician.

(d) The Board shall pay the cost of any examination made under this section.

12-403.

(b) Except as otherwise provided in this section, a pharmacy for which a pharmacy permit has been issued under this title:

(9) May not participate in any activity that is a ground for Board action against a licensed pharmacist under § 12-313 of this title [or], a registered pharmacy technician under § 12-6B-09 of this title, **OR A REGISTERED PHARMACY INTERN UNDER § 12-6D-11 OF THIS TITLE**;

(19) May not allow an unauthorized individual to represent that the individual is a pharmacist, **A REGISTERED PHARMACY INTERN**, or registered pharmacy technician;

(c) (1) The Board may waive any of the requirements of this section for [the University of Maryland School of Pharmacy,] **A SCHOOL OF PHARMACY LOCATED IN THE STATE, ACCREDITED BY THE ACCREDITATION COUNCIL FOR PHARMACY EDUCATION (ACPE)**, for nuclear pharmacy and dental pharmacy experimental and teaching programs.

12-6B-01.

(a) Except as otherwise provided in this title, on or after January 1, 2007, an individual shall be registered and approved by the Board as a pharmacy technician before the individual may perform delegated pharmacy acts.

(b) This section does not apply to[:

(1) A pharmacy student performing delegated pharmacy acts under the direct supervision of a licensed pharmacist and in accordance with regulations adopted by the Board;

(2) A] A pharmacy technician trainee under the direct supervision of a licensed pharmacist provided that the individual does not perform delegated pharmacy acts for more than 6 months[; or

(3) An applicant for a license to practice pharmacy under the direct supervision of a licensed pharmacist provided that the applicant does not perform delegated pharmacy acts for more than 10 months].

SUBTITLE 6D. REGISTERED PHARMACY INTERNS.

12-6D-01.

IN THIS SUBTITLE, "ACPE" MEANS THE ACCREDITATION COUNCIL FOR PHARMACY EDUCATION.

12-6D-02.

EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL SHALL BE REGISTERED AND APPROVED BY THE BOARD AS A REGISTERED PHARMACY INTERN BEFORE THE INDIVIDUAL MAY PRACTICE PHARMACY UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST IN ACCORDANCE WITH THIS SUBTITLE.

12-6D-03.

(A) TO QUALIFY FOR REGISTRATION AN APPLICANT SHALL BE AN INDIVIDUAL WHO:

(1) IS CURRENTLY ENROLLED AND HAS COMPLETED 1 YEAR OF PROFESSIONAL PHARMACY EDUCATION IN A DOCTOR OF PHARMACY PROGRAM ACCREDITED BY THE ACPE;

(2) IS CURRENTLY ENROLLED AND HAS COMPLETED 1 YEAR OF PROFESSIONAL PHARMACY EDUCATION IN A DOCTOR OF PHARMACY PROGRAM UNDER ACCREDITATION REVIEW BY THE ACPE;

(3) HAS GRADUATED FROM A DOCTOR OF PHARMACY PROGRAM ACCREDITED BY THE ACPE AND HAS APPLIED FOR LICENSURE WITH THE BOARD; OR

(4) IS A GRADUATE OF A FOREIGN SCHOOL OF PHARMACY WHO:

(I) HAS ESTABLISHED EDUCATIONAL EQUIVALENCY AS DETERMINED BY THE BOARD; AND

(II) HAS PASSED AN EXAMINATION OF ORAL ENGLISH APPROVED BY THE BOARD.

(B) AN APPLICANT SHALL SUBMIT A REQUEST FOR A STATE CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 12-6D-04 OF THIS SUBTITLE.

(C) THE BOARD MAY NOT APPROVE AN APPLICATION UNTIL THE STATE CRIMINAL HISTORY RECORDS CHECK IS COMPLETED.

(D) THE APPLICANT SHALL BE OF GOOD MORAL CHARACTER.

12-6D-04.

(A) IN THIS SECTION, “CENTRAL REPOSITORY” MEANS THE CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES.

(B) AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE CRIMINAL HISTORY RECORDS CHECK, THE APPLICANT SHALL SUBMIT TO THE CENTRAL REPOSITORY:

(1) TWO COMPLETE SETS OF LEGIBLE FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY; AND

(2) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS.

(C) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD THE CRIMINAL HISTORY RECORDS INFORMATION OF THE APPLICANT TO THE BOARD AND THE APPLICANT.

(D) THE BOARD SHALL ENSURE THAT INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER THIS SUBSECTION:

(1) IS KEPT CONFIDENTIAL;

(2) IS NOT REDISSEMINATED; AND

(3) IS USED ONLY FOR THE REGISTRATION PURPOSE AUTHORIZED BY THIS SUBTITLE.

(E) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS SUBSECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL PROCEDURE ARTICLE.

12-6D-05.

(A) AN APPLICANT FOR REGISTRATION SHALL:

(1) SUBMIT AN APPLICATION TO THE BOARD ON THE FORM THAT THE BOARD REQUIRES;

(2) PROVIDE DOCUMENTATION OF:

(I) ENROLLMENT IN A DOCTOR OF PHARMACY PROGRAM;

(II) GRADUATION FROM AN APPROVED COLLEGE OF PHARMACY; OR

(III) FOR AN APPLICANT WHO SATISFIES THE REQUIREMENTS UNDER § 12-6D-02(A)(4) OF THIS SUBTITLE, PROOF OF:

1. EDUCATIONAL EQUIVALENCY; AND

2. ORAL ENGLISH COMPETENCY;

(3) SUBMIT TO A REQUEST FOR A STATE CRIMINAL HISTORY RECORDS CHECK; AND

(4) PAY THE APPLICATION FEES SET BY THE BOARD.

(B) THE APPLICATION SHALL BE SIGNED BY THE APPLICANT.

12-6D-06.

(A) THE BOARD SHALL REGISTER AS A PHARMACY INTERN ANY APPLICANT WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE.

(B) (1) THE BOARD MAY SET REASONABLE FEES FOR THE ISSUANCE AND RENEWAL OF REGISTRATIONS AND OTHER SERVICES.

(2) THE FEES CHARGED SHALL BE SET SO AS TO APPROXIMATE THE COST OF REGISTERING PHARMACY INTERNS.

(C) A LICENSED PHARMACIST MAY NOT DIRECTLY SUPERVISE MORE THAN TWO REGISTERED PHARMACY INTERNS AT ONE TIME.

12-6D-07.

(A) A REGISTERED PHARMACY INTERN SHALL NOTIFY THE BOARD OF EACH PLEA OF GUILTY FOR, CONVICTION OF, OR ENTRY OF A PLEA OF NOLO CONTENDERE FOR A FELONY OR A CRIME INVOLVING MORAL TURPITUDE, REGARDLESS OF WHETHER:

(1) AN ADJUDICATION OF GUILT OR SENTENCING OR IMPOSITION OF SENTENCE IS WITHHELD; OR

(2) ANY APPEAL OR OTHER PROCEEDING IS PENDING REGARDING THE MATTER.

(B) THE REGISTERED PHARMACY INTERN SHALL NOTIFY THE BOARD WITHIN 7 DAYS OF THE CONVICTION OR ENTRY OF THE PLEA.

12-6D-08.

(A) REGISTRATION AUTHORIZES A REGISTERED PHARMACY INTERN TO PRACTICE PHARMACY UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST WHILE THE REGISTRATION IS EFFECTIVE.

(B) A REGISTERED PHARMACY INTERN MAY ADMINISTER VACCINATIONS IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD.

(C) A REGISTERED PHARMACY INTERN MAY NOT:

(1) DELEGATE A PHARMACY ACT;

(2) PERFORM A FINAL VERIFICATION OF A PRESCRIPTION DRUG OR DEVICE BEFORE DISPENSING; OR

(3) PERFORM OTHER DUTIES PROHIBITED BY REGULATIONS ADOPTED BY THE BOARD.

12-6D-09.

(A) (1) REGISTRATION EXPIRES ON THE DATE SET BY THE BOARD.

(2) REGISTRATION IS VALID FOR UP TO 2 YEARS FROM THE DATE OF ISSUE.

(B) (1) A REGISTERED PHARMACY INTERN WHO QUALIFIED FOR REGISTRATION UNDER § 12-6D-03(A)(1) AND (2) OF THIS SUBTITLE MAY RENEW THE REGISTRATION ONE TIME IF THE REGISTERED PHARMACY INTERN IS:

(I) OTHERWISE ENTITLED TO BE REGISTERED AS A PHARMACY INTERN;

(II) SUBMITS TO THE BOARD A RENEWAL APPLICATION ON THE FORM THAT THE BOARD REQUIRES; AND

(III) PAYS TO THE BOARD A RENEWAL FEE SET BY THE BOARD.

(2) A REGISTERED PHARMACY INTERN WHO QUALIFIED FOR REGISTRATION UNDER § 12-6D-03(A)(3) AND (4) OF THIS SUBTITLE MAY NOT RENEW THE REGISTRATION.

(C) THE REGISTRATION OF A PHARMACY INTERN REGISTERED UNDER THIS SUBTITLE EXPIRES AND MAY NOT BE RENEWED ON THE DATE THAT THE REGISTERED PHARMACY INTERN BECOMES A LICENSED PHARMACIST.

(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD SHALL SEND TO EACH REGISTERED PHARMACY INTERN, AT LEAST 1 MONTH BEFORE A REGISTRATION EXPIRES, A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE REGISTERED PHARMACY INTERN.

(2) IF REQUESTED BY A REGISTERED PHARMACY INTERN, THE BOARD SHALL SEND TO THE REGISTERED PHARMACY INTERN, AT LEAST TWO TIMES WITHIN THE MONTH BEFORE A PHARMACY INTERN REGISTRATION EXPIRES, A RENEWAL NOTICE BY ELECTRONIC MEANS TO THE LAST KNOWN ELECTRONIC ADDRESS OF THE REGISTERED PHARMACY INTERN.

(3) IF A RENEWAL NOTICE SENT BY ELECTRONIC MEANS UNDER PARAGRAPH (2) OF THIS SUBSECTION IS RETURNED TO THE BOARD AS UNDELIVERABLE, THE BOARD SHALL SEND THE REGISTERED PHARMACY INTERN A RENEWAL NOTICE BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF THE REGISTERED PHARMACY INTERN.

(4) A RENEWAL NOTICE SENT UNDER THIS SUBSECTION SHALL STATE:

(I) THE DATE ON WHICH THE CURRENT REGISTRATION EXPIRES;

(II) THE DATE BY WHICH THE RENEWAL APPLICATION SHALL BE RECEIVED BY THE BOARD FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE REGISTRATION EXPIRES; AND

(III) THE AMOUNT OF THE RENEWAL FEE.

(E) THE BOARD SHALL RENEW THE REGISTRATION OF EACH PHARMACY INTERN WHO MEETS THE REQUIREMENTS OF THIS SECTION.

12-6D-10.

(A) EACH REGISTERED PHARMACY INTERN SHALL:

(1) DISPLAY THE PHARMACY INTERN'S REGISTRATION IN THE OFFICE OR PLACE OF BUSINESS IN WHICH THE PHARMACY INTERN IS PRACTICING PHARMACY UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST; OR

(2) HAVE THE REGISTRATION ON THE PHARMACY INTERN'S PERSON AVAILABLE FOR VIEWING.

(B) WHEN PRACTICING PHARMACY UNDER THE DIRECT SUPERVISION OF A LICENSED PHARMACIST, THE REGISTERED PHARMACY INTERN SHALL WEAR IDENTIFICATION THAT CONSPICUOUSLY IDENTIFIES THE REGISTERED PHARMACY INTERN AS A REGISTERED PHARMACY INTERN.

12-6D-11.

SUBJECT TO THE HEARING PROVISION OF § 12-315 OF THIS TITLE, THE BOARD MAY DENY A PHARMACY INTERN'S REGISTRATION TO ANY APPLICANT, REPRIMAND A REGISTERED PHARMACY INTERN, PLACE ANY PHARMACY INTERN'S REGISTRATION ON PROBATION, OR SUSPEND OR REVOKE A PHARMACY INTERN'S REGISTRATION IF THE APPLICANT OR PHARMACY INTERN REGISTRANT:

(1) PERFORMS AN ACT THAT IS RESTRICTED TO A LICENSED PHARMACIST;

(2) PRACTICES PHARMACY WITHOUT THE DIRECT SUPERVISION OF A LICENSED PHARMACIST;

(3) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO OBTAIN A PHARMACY INTERN'S REGISTRATION FOR THE APPLICANT OR ASSISTS OR ATTEMPTS TO ASSIST ANOTHER IN FRAUDULENTLY OR DECEPTIVELY OBTAINING A PHARMACY INTERN'S REGISTRATION;

(4) FRAUDULENTLY USES A PHARMACY INTERN'S REGISTRATION;

(5) KNOWINGLY AIDS AN UNAUTHORIZED INDIVIDUAL TO PRACTICE PHARMACY OR TO REPRESENT THAT THE INDIVIDUAL IS A LICENSED PHARMACIST OR REGISTERED PHARMACY INTERN;

(6) PRACTICES PHARMACY WHILE:

(I) UNDER THE INFLUENCE OF ALCOHOL; OR

(II) 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;

(7) WILLFULLY MAKES OR FILES A FALSE REPORT OR RECORD AS PART OF THE REGISTERED PHARMACY INTERN'S DUTIES OR EMPLOYMENT;

(8) WILLFULLY FAILS TO FILE OR RECORD ANY REPORT THAT IS REQUIRED BY LAW;

(9) WILLFULLY IMPEDES OR OBSTRUCTS THE FILING OR RECORDING OF ANY REPORT THAT IS REQUIRED BY LAW;

(10) WILLFULLY INDUCES ANOTHER TO FAIL TO FILE OR RECORD ANY REPORT THAT IS REQUIRED BY LAW;

(11) PROVIDES OR CAUSES TO BE PROVIDED TO ANY AUTHORIZED PRESCRIBER PRESCRIPTION FORMS THAT BEAR THE NAME, ADDRESS, OR OTHER MEANS OF IDENTIFICATION OF A LICENSED PHARMACIST OR PHARMACY;

(12) KNOWINGLY AIDS A LICENSED PHARMACIST IN DISPENSING ANY DRUG, DEVICE, OR DIAGNOSTIC FOR WHICH A PRESCRIPTION IS REQUIRED WITHOUT A WRITTEN, ORAL, OR ELECTRONICALLY TRANSMITTED PRESCRIPTION FROM AN AUTHORIZED PRESCRIBER;

(13) UNLESS AN AUTHORIZED PRESCRIBER AUTHORIZES THE REFILL, REFILLS A PRESCRIPTION FOR ANY DRUG, DEVICE, OR DIAGNOSTIC FOR WHICH A PRESCRIPTION IS REQUIRED;

(14) IS PHYSICALLY OR MENTALLY INCOMPETENT;

(15) PLEADED GUILTY OR NOLO CONTENDERE TO, OR HAS BEEN FOUND GUILTY OF, A FELONY OR A CRIME INVOLVING MORAL TURPITUDE, REGARDLESS OF WHETHER:

(I) AN ADJUDICATION OF GUILT OR SENTENCING OR IMPOSITION OF SENTENCE IS WITHHELD; OR

(II) ANY APPEAL OR OTHER PROCEEDING IS PENDING REGARDING THE MATTER;

(16) VIOLATES ANY PROVISION OF THIS TITLE;

(17) IS DISCIPLINED BY A LICENSING, REGISTERING, OR DISCIPLINARY AUTHORITY OF ANY STATE OR COUNTRY OR CONVICTED OR DISCIPLINED BY A COURT OF ANY STATE OR COUNTRY FOR AN ACT THAT WOULD BE GROUNDS FOR DISCIPLINARY ACTION UNDER THE BOARD'S DISCIPLINARY STATUTES;

(18) VIOLATES ANY REGULATION ADOPTED BY THE BOARD;

(19) REFUSES, WITHHOLDS FROM, DENIES, OR DISCRIMINATES AGAINST AN INDIVIDUAL WITH REGARD TO THE PROVISION OF PROFESSIONAL SERVICES FOR WHICH THE REGISTERED PHARMACY INTERN IS REGISTERED AND QUALIFIED TO RENDER BECAUSE THE INDIVIDUAL IS HIV POSITIVE;

(20) PARTICIPATES IN ANY ACTIVITY THAT IS GROUNDS FOR BOARD ACTION UNDER § 12-313, § 12-409, OR §12-6B-09 OF THIS TITLE;

(21) PROVIDES OR CAUSES TO BE PROVIDED CONFIDENTIAL PATIENT INFORMATION TO ANY PERSON WITHOUT FIRST HAVING OBTAINED THE PATIENT'S CONSENT, AS REQUIRED BY § 12-403(B)(13) OF THIS TITLE AND BY TITLE 4, SUBTITLE 3 OF THE HEALTH – GENERAL ARTICLE; OR

(22) FAILS TO COOPERATE WITH A LAWFUL INVESTIGATION CONDUCTED BY THE BOARD OR THE DIVISION OF DRUG CONTROL.

12-6D-12.

(A) IF AFTER A HEARING UNDER § 12-315 OF THIS TITLE, THE BOARD FINDS THAT THERE IS A GROUND UNDER § 12-6D-11 OF THIS SUBTITLE TO REPRIMAND A REGISTERED PHARMACY INTERN, PLACE A PHARMACY INTERN'S

REGISTRATION ON PROBATION, OR SUSPEND OR REVOKE A PHARMACY INTERN'S REGISTRATION, THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING \$2,500:

(1) INSTEAD OF REPRIMANDING THE REGISTERED PHARMACY INTERN, PLACING THE REGISTERED PHARMACY INTERN ON PROBATION, OR SUSPENDING OR REVOKING THE PHARMACY INTERN'S REGISTRATION; OR

(2) IN ADDITION TO REPRIMANDING THE REGISTERED PHARMACY INTERN, PLACING THE REGISTERED PHARMACY INTERN ON PROBATION, OR SUSPENDING OR REVOKING THE PHARMACY INTERN'S REGISTRATION.

(B) THE BOARD SHALL ADOPT REGULATIONS TO SET STANDARDS FOR THE IMPOSITION OF PENALTIES UNDER THIS SECTION.

(C) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS SECTION INTO THE GENERAL FUND OF THE STATE.

12-6D-13.

(A) UNLESS THE BOARD AGREES TO ACCEPT THE SURRENDER OF A PHARMACY INTERN'S REGISTRATION, A REGISTERED PHARMACY INTERN MAY NOT SURRENDER THE PHARMACY INTERN'S REGISTRATION NOR MAY THE PHARMACY INTERN'S REGISTRATION LAPSE BY OPERATION OF LAW WHILE THE REGISTERED PHARMACY INTERN IS UNDER INVESTIGATION OR WHILE CHARGES ARE PENDING AGAINST THE REGISTERED PHARMACY INTERN.

(B) THE BOARD MAY SET CONDITIONS ON THE BOARD'S AGREEMENT WITH THE REGISTERED PHARMACY INTERN UNDER INVESTIGATION OR AGAINST WHOM CHARGES ARE PENDING TO ACCEPT THE SURRENDER OF THE PHARMACY INTERN'S REGISTRATION.

12-6D-14.

EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL MAY NOT PRACTICE, ATTEMPT TO PRACTICE, OR OFFER TO PRACTICE AS A REGISTERED PHARMACY INTERN IN THE STATE UNLESS REGISTERED WITH THE BOARD.

12-6D-15.

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, AN INDIVIDUAL MAY NOT REPRESENT TO THE PUBLIC BY TITLE, BY DESCRIPTION

OF SERVICES, METHODS, OR PROCEDURES, OR OTHERWISE, THAT THE INDIVIDUAL IS REGISTERED TO PRACTICE AS A REGISTERED PHARMACY INTERN UNLESS REGISTERED IN ACCORDANCE WITH THIS SUBTITLE.

(B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, AN INDIVIDUAL MAY NOT USE THE TERMS “REGISTERED PHARMACY INTERN” OR “PHARMACY INTERN” WITH THE INTENT TO REPRESENT THAT THE INDIVIDUAL IS AUTHORIZED TO PRACTICE AS A REGISTERED PHARMACY INTERN UNLESS REGISTERED AS A PHARMACY INTERN UNDER THIS SUBTITLE.

12-707.

(a) A person who violates any provision of the following subtitles or sections of this title is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000:

- (1) § 12-311 (“Display of licenses”);
- (2) Subtitle 4 (“Pharmacy permits”);
- (3) § 12-502(b) (“Pharmaceutical information”);
- (4) § 12-505 (“Labeling requirements for prescription medicines”); and
- (5) § 12-604 (“General power to inspect drugs, devices, and other products”).

(b) A person who violates any provision of the following sections of this title is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year or both:

- (1) § 12-4A-10 (“Operating a sterile compounding facility without permit”);
- (2) § 12-701 (“Practicing pharmacy without license”);
- (3) § 12-702 (“License obtained by false representation”);
- (4) § 12-703 (“Operating a pharmacy without permit”);
- (5) § 12-704 (“Misrepresentations”); [and]
- (6) § 12-6B-12 (“Working as an unregistered pharmacy technician”);

AND

(7) **§ 12-6D-15 (“PRACTICING AS AN UNREGISTERED PHARMACY INTERN”).**

(c) Each day that a violation of any section of Subtitle 4 of this title continues constitutes a separate offense.

(d) Within 10 days after a court renders the conviction, the court shall report to the Board each conviction of a pharmacist or registered pharmacy technician for:

(1) Any crime regarding the pharmacy or drug laws that involves professional misconduct; or

(2) Any crime that involves the State law regarding controlled dangerous substances or the federal narcotic laws.

(e) (1) Any person who violates § 12-4A-10 (“Operating a sterile compounding facility without permit”), § 12-701 (“Practicing pharmacy without a license”), § 12-703 (“Operating a pharmacy without a permit”), [or] § 12-6B-12 (“Working as an unregistered pharmacy technician”), **OR § 12-6D-15 (“PRACTICING AS AN UNREGISTERED PHARMACY INTERN”)** of this title is subject to a civil fine of not more than \$50,000 to be assessed by the Board.

(2) The Board shall pay any penalty collected under this subsection into the State Board of Pharmacy Fund.

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

Approved by the Governor, May 15, 2014.

Chapter 566

(Senate Bill 857)

AN ACT concerning

**~~Task Force to Study a Funding Formula for Corollary Athletic Programs
Physical Education and Athletic Programs for Students With Disabilities –
Funding~~**

FOR the purpose of ~~establishing the Task Force to Study a Funding Formula for Corollary Athletic Programs; 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 study and make recommendations regarding certain matters; requiring the Task Force to report its findings and recommendations to the Governor and certain legislative committees on or before a certain date; providing for the termination of this Act; and generally relating to the Task Force to Study a Funding Formula for Corollary Athletic Programs~~ requiring the State Board of Education and certain county boards of education to ensure that certain types of physical education and athletic programs are funded in a certain manner; and generally relating to the funding of certain physical education and athletic programs.

BY repealing and reenacting, with amendments,

Article – Education

Section 7-4B-02

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

Preamble

WHEREAS, In 2008 the General Assembly enacted the Fitness and Athletic Equity Law for Students with Disabilities Act; and

WHEREAS, Corollary Athletic Programs in the State are programs designed to combine groups of students with and without disabilities together in physical activity in accordance with the Fitness and Athletic Equity Law for Students with Disabilities Act; and

WHEREAS, Each local school system is required to develop a plan, policies, and procedures to promote and protect the inclusion of students with disabilities in school athletic programs; and

WHEREAS, Each local school system is required to provide students with disabilities equivalent opportunities for participation in either the Interscholastic Athletic Program or the Corollary Athletic Program; and

WHEREAS, Corollary Athletic Programs are required to provide for the diversity of abilities and interests of students with disabilities; and

WHEREAS, Each local school system is required to offer a Corollary Athletic Program in each of the fall, winter, and spring seasons; and

WHEREAS, Currently there is no funding for Corollary Athletic Programs in the State; and

WHEREAS, Certain organizations provide staffing and facilities for Corollary Athletic Program teams; and

WHEREAS, Certain organizations that provide staffing and facilities for the Corollary Athletic Programs are not reimbursed for their expenses; now, therefore,

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

~~(a) There is a Task Force to Study a Funding Formula for Corollary Athletic Programs.~~

~~(b) The Task Force consists of the following 14 members:~~

~~(1) two members of the Senate of Maryland, appointed by the President of the Senate;~~

~~(2) two members of the House of Delegates, appointed by the Speaker of the House;~~

~~(3) the Assistant Superintendent of the Division of Special Education/Early Intervention Services or the Assistant Superintendent's designee; and~~

~~(4) the following nine members, appointed by the Governor:~~

~~(i) one representative of the Maryland Association of Boards of Education;~~

~~(ii) one representative of the Public Schools Superintendents Association;~~

~~(iii) two representatives of the Special Olympics of Maryland, one of whom is a coach;~~

~~(iv) one representative of the ARC of Maryland;~~

~~(v) two local school system athletic directors;~~

~~(vi) one physical education teacher in a public school, recommended by the State Education Association; and~~

~~(vii) one adaptive physical education teacher in a public school, recommended by the State Department of Education.~~

~~(c) The Governor shall designate the chair of the Task Force.~~

~~(d) The State Department 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 shall study and make recommendations regarding a funding formula for Corollary Athletic Programs and the organizations providing staffing and facilities for these programs.~~
- ~~(g) On or before December 1, 2014, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee, the Senate Education, Health, and Environmental Affairs Committee, and the House Committee on Ways and Means.~~

Article – Education

7-4B-02.

- (a) Subject to subsection (b) of this section, the State Board and each county board shall:
- (1) Ensure that students with disabilities have an equal opportunity to:
- (i) Participate in mainstream physical education programs; and
- (ii) Try out for and, if selected, participate in mainstream athletic programs;
- (2) Ensure the provision of reasonable accommodations necessary to provide students with disabilities equal opportunity to participate, to the fullest extent possible, in mainstream physical education and mainstream athletic programs; and
- (3) Ensure that adapted, allied, or unified physical education and athletic programs are available AND ADEQUATELY FUNDED BY THE COUNTY BOARD.
- (b) An exception to the requirements under subsection (a) of this section may be made when the inclusion of a student:
- (1) Presents an objective safety risk to the student or to others, based on an individualized assessment of the student; or
- (2) Fundamentally alters the nature of the school's mainstream physical education or mainstream athletic program.

(c) The provision of adapted, allied, or unified programs for students with disabilities does not mitigate the duty of a county board to provide an individual student with a disability an equal opportunity to be fully included in mainstream physical education and mainstream athletic programs.

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 15, 2014.

Chapter 567

(Senate Bill 865)

AN ACT concerning

Maryland Cooperative Housing Act – Transparency Requirements and Member Rights

FOR the purpose of requiring certain meetings of a cooperative housing corporation to be open to the members of the cooperative housing corporation; requiring that members be given reasonable notice of certain meetings of the cooperative housing corporation; requiring the governing body of a cooperative housing corporation to provide a designated period of time during a meeting to allow members an opportunity to comment on certain matters, subject to certain rules and provisions of law; ~~requiring the governing body of a cooperative housing corporation to convene a certain number of meetings each year at which the agenda is open to any matter relating to the cooperative housing corporation;~~ specifying the reasons for which a cooperative housing corporation may hold a meeting in closed session; placing certain limitations on the actions that may be taken at a closed meeting of a cooperative housing corporation; requiring the minutes of a certain meeting of a cooperative housing corporation to include certain information relating to a closed meeting of the cooperative housing corporation; requiring a cooperative housing corporation to allow any member to distribute certain written information or materials in a certain place and in a certain manner; authorizing a cooperative housing corporation to place reasonable restrictions on the time of any distribution of written information or materials; authorizing the members of a cooperative housing corporation to meet in certain areas for certain purposes, subject to reasonable rules adopted by the governing body; requiring the governing body of a cooperative housing corporation to keep books and records in a certain manner; requiring the governing body of a cooperative housing corporation to cause an audit of the

~~books and records under certain circumstances; requiring certain cooperative housing corporations to deposit into a certain depository certain disclosures on or before a certain date or within a certain time frame; providing that certain disclosures are unenforceable until the time they are deposited; establishing a cooperative housing corporation depository in the office of the clerk of the court in each county and the City of Baltimore; requiring the clerk of court to establish and maintain the depository for a certain purpose, consistent with certain duties of a clerk of court; describing the form, contents, and availability of the depository; authorizing the clerk of court to regulate the form and manner of documents deposited into the depository, to collect certain fees, and to adopt certain regulations to implement the depository; requiring the clerk of court to permit the deposit of copies of disclosures, however reproduced; requiring the State Court Administrator to establish certain fees in order to cover certain costs related to the depository; requiring the clerk of court to maintain a depository index and to file certain disclosures in a certain manner; providing that material contained in the depository may not be viewed as recorded under certain circumstances; authorizing a proprietary lease or the bylaws of a cooperative housing corporation to provide for certain late charges, subject to certain requirements and limitations; establishing a certain dispute settlement mechanism for certain complaints or demands arising between certain cooperative housing corporations and their members; prohibiting the governing body of a cooperative housing corporation from taking certain actions with respect to the rights of a member for a violation of certain rules or provisions, unless the governing body follows certain procedures; authorizing a member to appeal a certain decision of the governing body of a cooperative housing corporation to the courts of Maryland; authorizing the governing body or certain members of a cooperative housing corporation to sue a certain member for certain damages or for injunctive relief, under certain circumstances; authorizing a court to award certain fees to the prevailing party in a certain proceeding; providing that the failure of a governing body to enforce certain provisions is not a waiver of the right to enforce the provision on other occasions; prohibiting the governing body of a certain cooperative housing corporation from bringing an action *in court* to evict a member based on the failure of the member to pay certain assessments, except under certain circumstances; defining certain terms; and generally relating to cooperative housing corporations.~~

BY renumbering

Article – Corporations and Associations

Section 5-6B-18.1 through 5-6B-18.6 and 5-6B-19 and 5-6B-20, respectively
to be Section 5-6B-22 through 5-6B-27 and ~~5-6B-33 and 5-6B-34~~ 5-6B-32
and 5-6B-33, respectively

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 5-6B-01 and 5-6B-27(d)
Annotated Code of Maryland
(2007 Replacement Volume and 2013 Supplement)

BY adding to

Article – Corporations and Associations
Section 5-6B-19 through 5-6B-21 and 5-6B-28 through ~~5-6B-32~~ 5-6B-31
Annotated Code of Maryland
(2007 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 5-6B-18.1 through 5-6B-18.6 and 5-6B-19 and 5-6B-20, respectively, of Article – Corporations and Associations of the Annotated Code of Maryland be renumbered to be Section(s) 5-6B-22 through 5-6B-27 and ~~5-6B-33 and 5-6B-34~~ 5-6B-32 and 5-6B-33, respectively.

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

Article – Corporations and Associations

5-6B-01.

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

(b) “Articles of incorporation” means the charter by which a cooperative housing corporation becomes incorporated under this article.

(C) “ASSESSMENT” MEANS ANY SHARE OF COMMON COSTS OR OTHER EXPENSE CHARGED TO A MEMBER BY A COOPERATIVE HOUSING CORPORATION.

[(c)] (D) “Blanket encumbrance” means any contract binding on a cooperative housing corporation and creating a lien or security interest or other encumbrance or imposing restrictions on any real or personal property owned by the cooperative housing corporation.

[(d)] (E) “Bylaws” means the document which details and governs the internal organization and operation of the cooperative housing corporation.

[(e)] (F) “Conversion” means the creation of a cooperative housing corporation from a property which was immediately previously a residential rental facility.

[(f)] (G) “Cooperative housing corporation” means a domestic or foreign corporation qualified in this State, either stock or nonstock, having only one class of

stock or membership, in which each stockholder or member, by virtue of such ownership or membership, has a cooperative interest in the corporation.

[(g)] (H) “Cooperative interest” means the ownership interest in a cooperative housing corporation which is coupled with a possessory interest in real or personal property or both and evidenced by a membership certificate.

[(h)] (I) “Cooperative project” means all the real and personal property in this State owned or leased by the cooperative housing corporation for the primary purpose of residential use.

~~(J) “DEPOSITORY” MEANS THE COOPERATIVE HOUSING CORPORATION DEPOSITORY CREATED BY THE CLERK OF THE COURT OF EACH COUNTY AND THE CITY OF BALTIMORE WHERE A COOPERATIVE HOUSING CORPORATION MAY DEPOSIT INFORMATION AS REQUIRED BY THIS SUBTITLE.~~

[(i)] ~~(K)~~ (J) (1) “Developer” means a person who:

(i) Owns an equitable interest, including a cooperative interest, in a unit prior to its initial sale to a member of the public;

(ii) Exercises control over cooperative interests before they are transferred to initial purchasers, excluding management agents and sales agents acting in their capacities as such; or

(iii) Receives a material portion of the sales proceeds, not including customary brokerage commissions or payment for indebtedness to an institutional banker, from the initial sale of a cooperative interest to a member of the public.

(2) “Developer” does not include a cooperative housing corporation.

[(j)] ~~(L)~~ (K) “Electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that:

(1) May be retained, retrieved, and reviewed by a recipient of the communication; and

(2) May be reproduced directly in paper form by a recipient through an automated process.

~~(M)~~ (L) “GOVERNING BODY” MEANS THE BOARD OF DIRECTORS OR OTHER ENTITY ESTABLISHED TO GOVERN THE COOPERATIVE HOUSING CORPORATION.

[(k)] ~~**(N)**~~ **(M)** “Initial purchaser” means a member of the public, not an affiliate of or a successor to the developer, who, for value, acquires a cooperative interest as part of the initial sale of a cooperative interest which is used for residential purposes.

[(l)] ~~**(O)**~~ **(N)** “Initial sale” means the first transfer of a cooperative interest to an initial purchaser.

[(m)] ~~**(P)**~~ **(O)** “Member” means a person who owns a cooperative interest.

[(n)] ~~**(Q)**~~ **(P)** “Membership certificate” means:

(1) A document, including a stock certificate issued by a cooperative housing corporation, evidencing ownership of a cooperative interest; or

(2) If there is no other document which satisfies paragraph (1) of this subsection, a proprietary lease.

[(o)] ~~**(R)**~~ **(Q)** “Moving expenses” means costs incurred to:

(1) Hire contractors, labor, trucks, or equipment for the transportation of personal property;

(2) Pack and unpack personal property;

(3) Disconnect and install personal property;

(4) Insure personal property to be moved; and

(5) Disconnect and reconnect utilities such as telephone service, gas, water, and electricity.

[(p)] ~~**(S)**~~ **(R)** “No-impact home-based business” means a business that:

(1) Is consistent with the residential character of the dwelling unit;

(2) Is subordinate to the use of the dwelling unit for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling unit;

(3) Uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors; and

(4) Does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation or the State or any local governing body designates as a hazardous material.

~~[(q)]~~ ~~(P)~~ (S) (1) “Proprietary lease” means an agreement with the cooperative housing corporation under which a member has an exclusive possessory interest in a unit and a possessory interest in common with other members in that portion of a cooperative project not constituting units and which creates a legal relationship of landlord and tenant between the cooperative housing corporation and the member, respectively.

(2) “Proprietary lease” includes, if there is no other document that satisfies paragraph (1) of this subsection, a membership certificate.

~~[(r)]~~ ~~(U)~~ (T) “Residential rental facility” means property containing at least 10 dwelling units leased for residential purposes.

~~[(s)]~~ ~~(V)~~ (U) “Unit” means a portion of the cooperative project leased for exclusive occupancy by a member under a proprietary lease.

5-6B-19.

(A) THIS SECTION APPLIES TO ANY MEETING OF A COOPERATIVE HOUSING CORPORATION, THE GOVERNING BODY OF A COOPERATIVE HOUSING CORPORATION, OR A COMMITTEE OF A COOPERATIVE HOUSING CORPORATION, NOTWITHSTANDING ANYTHING CONTAINED IN THE DOCUMENTS OF THE COOPERATIVE HOUSING CORPORATION.

(B) SUBJECT TO THE PROVISIONS OF SUBSECTION (E) OF THIS SECTION, ALL MEETINGS OF THE COOPERATIVE HOUSING CORPORATION SHALL BE OPEN TO THE MEMBERS OF THE COOPERATIVE HOUSING CORPORATION OR THEIR AGENTS.

(C) ALL MEMBERS SHALL BE GIVEN REASONABLE NOTICE OF ALL REGULARLY SCHEDULED OPEN MEETINGS OF THE COOPERATIVE HOUSING CORPORATION.

(D) (1) THIS SUBSECTION DOES NOT APPLY TO A MEETING OF A GOVERNING BODY THAT OCCURS AT ANY TIME BEFORE THE MEMBERS, OTHER THAN THE DEVELOPER, HAVE A MAJORITY OF VOTES IN THE COOPERATIVE HOUSING CORPORATION.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION AND TO REASONABLE RULES ADOPTED BY A GOVERNING BODY, A GOVERNING BODY SHALL PROVIDE A DESIGNATED PERIOD OF TIME DURING A MEETING TO ALLOW MEMBERS AN OPPORTUNITY TO COMMENT ON ANY MATTER RELATING TO THE COOPERATIVE HOUSING CORPORATION.

(3) DURING A MEETING AT WHICH THE AGENDA IS LIMITED TO SPECIFIC TOPICS OR AT A SPECIAL MEETING, THE COMMENTS OF MEMBERS MAY BE LIMITED TO THE TOPICS LISTED ON THE MEETING AGENDA.

~~(4) THE GOVERNING BODY SHALL CONVENE AT LEAST ONE MEETING EACH YEAR AT WHICH THE AGENDA IS OPEN TO ANY MATTER RELATING TO THE COOPERATIVE HOUSING CORPORATION.~~

(E) (1) A MEETING OF A COOPERATIVE HOUSING CORPORATION MAY BE HELD IN CLOSED SESSION ONLY FOR THE PURPOSE OF:

(I) DISCUSSING MATTERS PERTAINING TO EMPLOYEES AND PERSONNEL;

(II) PROTECTING THE PRIVACY OR REPUTATION OF INDIVIDUALS IN MATTERS NOT RELATED TO THE BUSINESS OF THE COOPERATIVE HOUSING CORPORATION;

(III) CONSULTING WITH LEGAL COUNSEL ON LEGAL MATTERS;

(IV) CONSULTING WITH STAFF PERSONNEL, CONSULTANTS, ATTORNEYS, BOARD MEMBERS, OR OTHER PERSONS IN CONNECTION WITH PENDING OR POTENTIAL LITIGATION OR OTHER LEGAL MATTERS;

(V) CONDUCTING INVESTIGATIVE PROCEEDINGS CONCERNING POSSIBLE OR ACTUAL CRIMINAL MISCONDUCT;

(VI) CONSIDERING THE TERMS OR CONDITIONS OF A BUSINESS TRANSACTION IN THE NEGOTIATION STAGE IF THE DISCLOSURE COULD ADVERSELY AFFECT THE ECONOMIC INTERESTS OF THE COOPERATIVE HOUSING CORPORATION;

(VII) COMPLYING WITH A SPECIFIC CONSTITUTIONAL, STATUTORY, OR JUDICIALLY IMPOSED REQUIREMENT PROTECTING PARTICULAR PROCEEDINGS OR MATTERS FROM PUBLIC DISCLOSURE; OR

(VIII) DISCUSSING INDIVIDUAL OWNER ASSESSMENT ACCOUNTS.

(2) IF A MEETING IS HELD IN CLOSED SESSION UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) AN ACTION MAY NOT BE TAKEN AND A MATTER MAY NOT BE DISCUSSED IF IT IS NOT PERMITTED BY PARAGRAPH (1) OF THIS SUBSECTION; AND

(II) THE MINUTES OF THE NEXT MEETING OF THE COOPERATIVE HOUSING CORPORATION SHALL INCLUDE:

1. A STATEMENT OF THE TIME, PLACE, AND PURPOSE OF A CLOSED MEETING;

2. A RECORD OF THE VOTE OF EACH BOARD OR COMMITTEE MEMBER BY WHICH THE MEETING WAS CLOSED; AND

3. A STATEMENT OF THE AUTHORITY UNDER THIS SUBSECTION FOR CLOSING THE MEETING.

5-6B-20.

(A) THIS SECTION DOES NOT APPLY TO THE DISTRIBUTION OF INFORMATION OR MATERIALS AT ANY TIME BEFORE THE MEMBERS, OTHER THAN THE DEVELOPER, HAVE A MAJORITY OF VOTES IN THE COOPERATIVE HOUSING CORPORATION.

(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, A COOPERATIVE HOUSING CORPORATION SHALL ALLOW ANY MEMBER TO DISTRIBUTE WRITTEN INFORMATION OR MATERIALS REGARDING MATTERS RELATING TO THE OPERATION OF THE COOPERATIVE HOUSING CORPORATION IN THE SAME PLACE AND MANNER AS THE GOVERNING BODY DISTRIBUTES WRITTEN INFORMATION OR MATERIALS OTHER THAN:

(1) INFORMATION OR MATERIALS REFLECTING ASSESSMENTS IMPOSED ON MEMBERS THAT THE GOVERNING BODY DISTRIBUTES DOOR-TO-DOOR; OR

(2) MEETING NOTICES THAT THE GOVERNING BODY DISTRIBUTES DOOR-TO-DOOR.

(C) A COOPERATIVE HOUSING CORPORATION MAY PLACE REASONABLE RESTRICTIONS ON THE TIME OF ANY DISTRIBUTION OF WRITTEN INFORMATION OR MATERIALS.

5-6B-21.

(A) THIS SECTION DOES NOT APPLY TO ANY MEETINGS OF MEMBERS OCCURRING AT ANY TIME BEFORE THE MEMBERS, OTHER THAN THE DEVELOPER, HAVE A MAJORITY OF THE VOTES IN THE COOPERATIVE HOUSING CORPORATION.

(B) SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING BODY, MEMBERS MAY MEET FOR THE PURPOSE OF CONSIDERING AND DISCUSSING MATTERS RELATING TO THE OPERATION OF THE COOPERATIVE HOUSING CORPORATION IN ~~THE AREA THAT THE GOVERNING BODY~~ ANY AREA THAT IS GENERALLY OPEN TO ALL MEMBERS OF THE COOPERATIVE HOUSING CORPORATION ~~USES FOR SCHEDULED MEETINGS.~~

5-6B-27.

(d) A copy of the fidelity insurance policy or fidelity bond shall be included in the books and records kept and made available by or on behalf of the cooperative housing corporation under [§ 5-6B-18.5] ~~§ 5-6B-26~~ of this subtitle.

5-6B-28.

(A) THE GOVERNING BODY SHALL KEEP BOOKS AND RECORDS IN ACCORDANCE WITH GOOD ACCOUNTING PRACTICES.

(B) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, ON THE REQUEST OF THE MEMBERS OF AT LEAST 5 PERCENT OF THE UNITS, THE GOVERNING BODY SHALL CAUSE AN AUDIT OF THE BOOKS AND RECORDS TO BE MADE BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.

(II) AN AUDIT MAY NOT BE MADE MORE THAN ONCE IN ANY CONSECUTIVE 12-MONTH PERIOD.

(2) THE COST OF THE AUDIT SHALL BE A COMMON EXPENSE.

~~(A) (1) ON OR BEFORE DECEMBER 31, 2015, EACH COOPERATIVE HOUSING CORPORATION THAT WAS IN EXISTENCE ON JUNE 30, 2015, SHALL DEPOSIT IN THE DEPOSITORY ALL DISCLOSURES REQUIRED BY PARAGRAPH (3) OF THIS SUBSECTION.~~

~~(2) EACH COOPERATIVE HOUSING CORPORATION ESTABLISHED AFTER JUNE 30, 2015, SHALL DEPOSIT IN THE DEPOSITORY ALL DISCLOSURES REQUIRED BY PARAGRAPH (3) OF THIS SUBSECTION BY THE LATER OF THE DATE 30 DAYS FOLLOWING THE ESTABLISHMENT OR DECEMBER 31, 2015.~~

~~(3) THE DISCLOSURES REQUIRED TO BE DEPOSITED UNDER THIS SUBSECTION INCLUDE:~~

~~(i) THE CONTENTS OF THE PUBLIC OFFERING STATEMENT, AS REQUIRED UNDER § 5-6B-02(B) OF THIS SUBTITLE; AND~~

~~(ii) THE CONTENTS OF PROPRIETARY LEASE AGREEMENTS ISSUED BY THE COOPERATIVE HOUSING CORPORATION.~~

~~(B) BEGINNING JANUARY 1, 2016, WITHIN 30 DAYS AFTER THE ADOPTION OF OR AMENDMENT TO ANY OF THE DISCLOSURES REQUIRED BY THIS TITLE TO BE DEPOSITED IN THE DEPOSITORY, A COOPERATIVE HOUSING CORPORATION SHALL DEPOSIT THE ADOPTED OR AMENDED DISCLOSURES IN THE DEPOSITORY.~~

~~(C) ANY DISCLOSURE REQUIRED TO BE DEPOSITED BY THIS SECTION SHALL BE UNENFORCEABLE UNTIL THE TIME THAT IT IS DEPOSITED.~~

~~5-6B-29.~~

~~(A) THERE IS A COOPERATIVE HOUSING CORPORATION DEPOSITORY IN THE OFFICE OF THE CLERK OF THE COURT IN EACH COUNTY AND THE CITY OF BALTIMORE.~~

~~(B) CONSISTENT WITH THE DUTIES OF A CLERK OF A COURT AS ENUMERATED IN § 2-201 OF THE COURTS AND JUDICIAL PROCEEDINGS ARTICLE, THE CLERK OF THE COURT SHALL ESTABLISH AND THEREAFTER MAINTAIN A DEPOSITORY FOR THE PURPOSE OF MAKING AVAILABLE TO THE PUBLIC ON REQUEST THE INFORMATION TO BE DEPOSITED BY COOPERATIVE HOUSING CORPORATIONS.~~

~~(C) THE DEPOSITORY SHALL:~~

~~(1) BE ESTABLISHED AND MAINTAINED IN EACH COUNTY AND THE CITY OF BALTIMORE AS A DOCUMENT FILE SEPARATE FROM THE LAND RECORDS OF THE COUNTY OR CITY;~~

~~(2) CONTAIN A RECORD OF THE NAMES OF ALL COOPERATIVE HOUSING CORPORATIONS FOR EACH COUNTY AND THE CITY OF BALTIMORE;~~

~~(3) CONTAIN ALL DISCLOSURES DEPOSITED BY A COOPERATIVE HOUSING CORPORATION; AND~~

~~(4) BE AVAILABLE TO THE PUBLIC FOR VIEWING AND FOR OBTAINING COPIES DURING THE REGULAR BUSINESS HOURS OF THE OFFICE OF THE CLERK.~~

~~(D) (1) THE CLERK OF THE COURT IS AUTHORIZED TO REGULATE THE FORM AND MANNER OF DOCUMENTS DEPOSITED INTO THE DEPOSITORY AND TO COLLECT FEES FOR A DEPOSIT.~~

~~(2) THE CLERK OF THE COURT SHALL PERMIT THE DEPOSIT OF COPIES OF DISCLOSURES, HOWEVER REPRODUCED.~~

~~(3) THE CLERK OF THE COURT MAY ADOPT REGULATIONS AS NECESSARY OR DESIRABLE TO IMPLEMENT THE DEPOSITORY.~~

~~(4) THE STATE COURT ADMINISTRATOR SHALL ESTABLISH, SO AS TO COVER THE REASONABLE AND ORDINARY EXPENSES OF MAINTAINING THE DEPOSITORY, THE AMOUNT OF THE FEES THAT THE CLERK OF THE COURT MAY CHARGE FOR DEPOSITS IN THE DEPOSITORY.~~

~~(5) (I) THE CLERK OF THE COURT SHALL MAINTAIN A DEPOSITORY INDEX; AND~~

~~(II) ALL DISCLOSURES SHALL BE FILED UNDER THE NAME OF THE COOPERATIVE HOUSING CORPORATION.~~

~~(E) MATERIAL CONTAINED IN THE DEPOSITORY MAY NOT BE VIEWED AS RECORDED UNDER TITLE 3 OF THE REAL PROPERTY ARTICLE.~~

~~5-6B-30. 5-6B-29.~~

(A) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, A PROPRIETARY LEASE OR THE BYLAWS OF A COOPERATIVE HOUSING CORPORATION MAY PROVIDE FOR A LATE CHARGE OF NO MORE THAN \$15 OR ONE-TENTH OF THE TOTAL AMOUNT OF ANY DELINQUENT ASSESSMENT OR INSTALLMENT OWED BY A MEMBER, WHICHEVER IS GREATER.

(B) A LATE CHARGE MAY NOT BE IMPOSED MORE THAN ONCE FOR THE SAME DELINQUENT ASSESSMENT OR INSTALLMENT.

(C) A LATE CHARGE MAY ONLY BE IMPOSED IF THE DELINQUENCY HAS CONTINUED FOR A PERIOD OF ~~15~~ 10 DAYS OR MORE.

~~5-6B-31. 5-6B-30.~~

(A) THE DISPUTE SETTLEMENT MECHANISM PROVIDED BY THIS SECTION APPLIES TO ANY COMPLAINT OR DEMAND FORMALLY ARISING ON OR AFTER JANUARY 1, 2015, UNLESS THE BYLAWS OF THE COOPERATIVE HOUSING CORPORATION OR THE PROPRIETARY LEASE OF THE MEMBER WHO ARE PARTIES TO THE DISPUTE STATE OTHERWISE.

(B) (1) EXCEPT AS PROVIDED IN THIS SUBSECTION, A GOVERNING BODY MAY NOT IMPOSE A FINE, SUSPEND VOTING, BRING AN ACTION *IN COURT* TO EVICT, OR INFRINGE ON ANY OTHER RIGHTS OF A MEMBER FOR A VIOLATION OF:

(I) THE RULES OF THE COOPERATIVE HOUSING CORPORATION; OR

(II) THE PROVISIONS OF THE MEMBER'S PROPRIETARY LEASE.

(2) THE GOVERNING BODY SHALL SERVE THE MEMBER WITH A WRITTEN DEMAND TO CEASE AND DESIST FROM THE ALLEGED VIOLATION SPECIFYING:

(I) THE ALLEGED VIOLATION;

(II) THE ACTION REQUIRED TO ABATE THE VIOLATION; AND

(III) 1. A TIME PERIOD OF NOT LESS THAN 10 DAYS DURING WHICH THE VIOLATION MAY BE ABATED WITHOUT FURTHER SANCTION IF THE VIOLATION IS A CONTINUING ONE; OR

2. A STATEMENT THAT ANY FURTHER VIOLATION OF THE SAME RULE MAY RESULT IN THE IMPOSITION OF SANCTION AFTER NOTICE AND HEARING IF THE VIOLATION IS NOT CONTINUING.

(3) (I) IF THE VIOLATION CONTINUES PAST THE PERIOD SPECIFIED UNDER PARAGRAPH (2)(III)1 OF THIS SUBSECTION, OR IF THE SAME RULE IS VIOLATED SUBSEQUENTLY, THE GOVERNING BODY SHALL SERVE THE MEMBER WITH WRITTEN NOTICE OF A HEARING TO BE HELD BY THE GOVERNING BODY IN SESSION.

(II) THE HEARING NOTICE SHALL SPECIFY:

1. THE NATURE OF THE ALLEGED VIOLATION;

2. THE TIME AND PLACE OF THE HEARING, WHICH TIME MAY BE NOT LESS THAN 10 DAYS FROM THE GIVING OF THE NOTICE;

3. AN INVITATION TO ATTEND THE HEARING AND PRODUCE ANY STATEMENT, EVIDENCE, AND WITNESSES ON BEHALF OF THE MEMBER; AND

4. THE PROPOSED SANCTION TO BE IMPOSED.

(4) (I) THE GOVERNING BODY SHALL HOLD A HEARING ON THE ALLEGED VIOLATION IN EXECUTIVE SESSION, IN ACCORDANCE WITH THE NOTICE PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

(II) AT THE HEARING, THE MEMBER SHALL HAVE THE RIGHT TO PRESENT EVIDENCE AND TO PRESENT AND CROSS-EXAMINE WITNESSES REGARDING THE ALLEGED VIOLATION.

(III) PRIOR TO IMPOSING ANY SANCTION ON THE MEMBER, THE GOVERNING BODY SHALL PLACE IN THE MINUTES OF THE MEETING PROOF OF THE NOTICE PROVIDED TO THE MEMBER UNDER PARAGRAPH (3) OF THIS SUBSECTION, WHICH SHALL INCLUDE:

1. A COPY OF THE NOTICE, TOGETHER WITH A STATEMENT OF THE DATE AND MANNER OF THE DELIVERY OF THE NOTICE; OR

2. A STATEMENT THAT THE MEMBER IN FACT APPEARED AT THE HEARING.

(IV) THE GOVERNING BODY SHALL PLACE IN THE MINUTES OF THE MEETING THE RESULTS OF THE HEARING AND THE SANCTION, IF ANY, IMPOSED ON THE MEMBER.

(C) A MEMBER MAY APPEAL A DECISION OF A GOVERNING BODY MADE IN ACCORDANCE WITH THE DISPUTE SETTLEMENT PROCEDURE DESCRIBED IN THIS SECTION TO THE COURTS OF MARYLAND.

(D) (1) IF A MEMBER FAILS TO COMPLY WITH THIS SUBTITLE, THE BYLAWS OF A COOPERATIVE HOUSING CORPORATION, OR A DECISION RENDERED BY THE GOVERNING BODY IN ACCORDANCE WITH THIS SECTION, THE GOVERNING BODY OR ANY OTHER MEMBER OF THE COOPERATIVE HOUSING CORPORATION MAY SUE THE MEMBER FOR ANY DAMAGES CAUSED BY THE FAILURE OR FOR INJUNCTIVE RELIEF.

(2) THE PREVAILING PARTY IN A PROCEEDING AUTHORIZED UNDER THIS SUBSECTION IS ENTITLED TO AN AWARD FOR ~~COUNSEL~~ REASONABLE ATTORNEY'S FEES AS DETERMINED BY COURT.

(E) THE FAILURE OF A GOVERNING BODY TO ENFORCE A PROVISION OF THIS TITLE, THE PROPRIETARY LEASE OF A MEMBER, OR THE BYLAWS OF THE COOPERATIVE HOUSING CORPORATION ON ANY OCCASION IS NOT A WAIVER OF THE RIGHT TO ENFORCE THE PROVISION ON ANY OTHER OCCASION.

~~5-6B-32.~~ 5-6B-31.

(A) THIS SECTION APPLIES ONLY TO A COOPERATIVE PROJECT THAT IS NO LONGER SUBJECT TO A MORTGAGE OR DEED OF TRUST.

(B) NOTWITHSTANDING THE ARTICLES OF INCORPORATION, BYLAWS, OR REGULATIONS OF A COOPERATIVE HOUSING CORPORATION OR THE PROPRIETARY LEASE OF ANY MEMBER, A GOVERNING BODY MAY NOT BRING AN ACTION *IN COURT* TO EVICT A MEMBER BASED SOLELY ON THE FAILURE OF THE MEMBER TO PAY ASSESSMENTS OWED TO THE COOPERATIVE HOUSING CORPORATION UNLESS:

(1) THE MEMBER HAS BEEN DELINQUENT IN PAYING ASSESSMENTS FOR A PERIOD OF ~~6~~ 3 MONTHS OR MORE;

(2) THE GOVERNING BODY HAS GIVEN THE MEMBER NOTICE AND AN OPPORTUNITY TO BE HEARD REGARDING THE DELINQUENCY, CONSISTENT WITH ~~§ 5-6B-31~~ § 5-6B-30 OF THIS SUBTITLE;

(3) THE GOVERNING BODY HAS GIVEN THE MEMBER AN OPPORTUNITY TO CURE THE DELINQUENCY; AND

(4) THE MEMBER HAS FAILED TO CURE THE DELINQUENCY.

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

Approved by the Governor, May 15, 2014.

Chapter 568

(Senate Bill 876)

AN ACT concerning

Education – Summer Career Academy Pilot Program

FOR the purpose of establishing the Summer Career Academy Pilot Program and identifying the purpose of the Program; providing for the duration of the Program; requiring the State Department of Education to develop certain criteria for the selection of eligible school systems and eligible students for participation in the Program; requiring the Department to collaborate with certain entities to develop criteria for eligible employers; authorizing the State Superintendent of Schools to select certain school systems to participate in the Program; prohibiting a certain school system from participating in the Program more than once; authorizing certain county superintendents to select a certain number of students in certain years to participate in the Program; requiring a student selected to participate in the Program to be assigned a certain counselor and a certain employment opportunity and to receive a certain stipend; authorizing certain students to choose to receive certain monetary awards on completion of the Program; providing that funding for the Program be as provided in the State budget; requiring the Department to reduce the number of participating students if sufficient funds are not provided; requiring the Department to submit a certain report on or before certain dates including certain information; providing for the termination of this Act; defining certain terms; and generally relating to the Summer Career Academy Pilot Program.

BY adding to

Article – Education

Section 7–205.2

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

7–205.2.

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

(2) “ELIGIBLE EMPLOYER” MEANS AN EMPLOYER THAT HAS A POSITION AVAILABLE FOR A HIGH SCHOOL STUDENT OVER THE SUMMER AND MEETS THE CRITERIA DEVELOPED UNDER SUBSECTION (C)(2) OF THIS SECTION.

(3) “ELIGIBLE SCHOOL SYSTEM” MEANS A LOCAL SCHOOL SYSTEM THAT HAS A LARGE NUMBER OF STUDENTS WHO ARE NOT ON TRACK TO

MEET THE MARYLAND COLLEGE AND CAREER READY STANDARDS IN HIGH SCHOOL, AS DETERMINED BY THE DEPARTMENT.

(4) “ELIGIBLE STUDENT” MEANS A STUDENT WHO IS INTERESTED IN OBTAINING WORKFORCE SKILLS AND TRAINING AND IS:

(I) REQUIRED TO TAKE A TRANSITION COURSE UNDER § 7-205.1 OF THIS SUBTITLE;

(II) STRUGGLING TO ACHIEVE MATHEMATICS COMPETENCY IN ALGEBRA II BEFORE GRADUATION, AS DETERMINED BY A GUIDANCE COUNSELOR AT THE STUDENT’S SCHOOL; OR

(III) STRUGGLING TO ACHIEVE COLLEGE AND CAREER READINESS BEFORE GRADUATION, AS DETERMINED BY A GUIDANCE COUNSELOR AT THE STUDENT’S SCHOOL, AND IN ACCORDANCE WITH CRITERIA DEVELOPED BY THE DEPARTMENT.

(5) “PROGRAM” MEANS THE SUMMER CAREER ACADEMY PILOT PROGRAM.

(B) (1) THERE IS A SUMMER CAREER ACADEMY PILOT PROGRAM IN THE STATE.

(2) THE PROGRAM SHALL BEGIN IN THE SUMMER OF 2015 AND LAST FOR 3 YEARS.

~~(2)~~ (3) THE PURPOSE OF THE PROGRAM IS TO PROVIDE STUDENTS WHO ARE INTERESTED IN OBTAINING WORKFORCE SKILLS AND TRAINING AND WHO ARE STRUGGLING ACADEMICALLY TO MEET GRADUATION REQUIREMENTS AN OPPORTUNITY TO ADVANCE THE SKILLS OF THE STATE’S WORKFORCE DURING SUMMER EMPLOYMENT AND TO GROW THE STATE’S ECONOMY THROUGH THE PROMOTION OF SUSTAINABLE EMPLOYMENT FOR STUDENTS AFTER GRADUATION.

(C) (1) THE DEPARTMENT SHALL DEVELOP CRITERIA FOR THE SELECTION OF:

(I) ELIGIBLE SCHOOL SYSTEMS; AND

(II) ELIGIBLE STUDENTS.

(2) THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION, THE DEPARTMENT OF

BUSINESS AND ECONOMIC DEVELOPMENT, AND REPRESENTATIVES OF THE BUSINESS COMMUNITY TO DEVELOP CRITERIA FOR AND IDENTIFY ELIGIBLE EMPLOYERS.

(D) (1) ~~(I)~~ THE STATE SUPERINTENDENT MAY SELECT UP TO FOUR ELIGIBLE SCHOOL SYSTEMS EACH YEAR TO PARTICIPATE IN THE PROGRAM ~~FOR A PERIOD OF 3 YEARS.~~

(II) EACH ELIGIBLE SCHOOL SYSTEM MAY ONLY BE SELECTED TO PARTICIPATE IN THE PROGRAM FOR 1 YEAR.

(2) (I) FOR THE SUMMER OF 2015, EACH COUNTY SUPERINTENDENT FROM AN ELIGIBLE SCHOOL SYSTEM MAY SELECT UP TO 60 STUDENTS TO PARTICIPATE IN THE PROGRAM.

(II) FOR THE SUMMERS OF 2016 AND 2017, EACH COUNTY SUPERINTENDENT FROM AN ELIGIBLE SCHOOL SYSTEM MAY SELECT UP TO 100 STUDENTS TO PARTICIPATE IN THE PROGRAM.

(E) A STUDENT SELECTED TO PARTICIPATE IN THE PROGRAM:

(1) SHALL BE ASSIGNED A SUMMER CAREER COUNSELOR TO ASSIST WITH THE PROGRAM;

(2) SHALL BE ASSIGNED A SUMMER EMPLOYMENT OPPORTUNITY WITH AN ELIGIBLE EMPLOYER;

~~(2)~~ (3) SHALL RECEIVE A STIPEND OF UP TO \$4,500 FOR THE SUMMER THAT IS PROPORTIONAL TO THE TIME WORKED; AND

~~(2)~~ (4) ON SUCCESSFUL COMPLETION OF THE PROGRAM, MAY CHOOSE TO RECEIVE:

(I) A \$500 COMPLETION GRANT; OR

(II) A \$2,000 SCHOLARSHIP TOWARD THE COST OF TUITION AT AN INSTITUTION OF HIGHER EDUCATION IN THE STATE.

(F) (1) FUNDING FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE BUDGET.

(2) IF IN ANY YEAR SUFFICIENT FUNDS ARE NOT PROVIDED IN THE STATE BUDGET TO FULLY FUND THE STIPENDS AND COMPLETION GRANTS OR SCHOLARSHIPS PROVIDED IN SUBSECTION (E) OF THIS SECTION, THE

DEPARTMENT SHALL REDUCE THE NUMBER OF STUDENTS PARTICIPATING IN THE PROGRAM ACCORDINGLY.

(G) ON OR BEFORE DECEMBER 1 OF THE YEARS 2015 THROUGH 2017, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, REGARDING THE EFFECTIVENESS OF THE PROGRAM INCLUDING:

(1) THE NUMBER OF STUDENTS PARTICIPATING IN THE PROGRAM FROM EACH ELIGIBLE SCHOOL SYSTEM;

(2) WAGE INFORMATION REGARDING PAYMENTS DISBURSED TO STUDENTS PARTICIPATING IN THE PROGRAM;

~~(2)~~ (3) FEEDBACK FROM STUDENTS PARTICIPATING IN THE PROGRAM ON WAYS TO IMPROVE THE PROGRAM;

~~(3)~~ (4) THE TYPES OF WORKFORCE SKILLS AND TRAINING THAT THE STUDENTS PARTICIPATING IN THE PROGRAM WERE ABLE TO ACQUIRE; AND

~~(4)~~ (5) RECOMMENDATIONS TO EXPAND OR DISCONTINUE THE PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014. It shall remain effective for a period of 4 years and, at the end of June 30, 2018, 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 15, 2014.

Chapter 569

(House Bill 811)

AN ACT concerning

Education – Summer Career Academy Pilot Program

FOR the purpose of establishing the Summer Career Academy Pilot Program and identifying the purpose of the Program; providing for the duration of the Program; requiring the State Department of Education to develop certain criteria for the selection of eligible school systems and eligible students for

participation in the Program; requiring the Department to collaborate with certain entities to develop criteria for eligible employers; authorizing the State Superintendent of Schools to select certain school systems to participate in the Program; prohibiting a certain school system from participating in the Program more than once; authorizing certain county superintendents to select a certain number of students in certain years to participate in the Program; requiring a student selected to participate in the Program to be assigned a certain counselor and a certain employment opportunity and to receive a certain stipend; authorizing certain students to choose to receive certain monetary awards on completion of the Program; providing that funding for the Program be as provided in the State budget; requiring the Department to reduce the number of participating students if sufficient funds are not provided; requiring the Department to submit a certain report on or before certain dates including certain information; providing for the termination of this Act; defining certain terms; and generally relating to the Summer Career Academy Pilot Program.

BY adding to

Article – Education

Section 7–205.2

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

7–205.2.

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

(2) “ELIGIBLE EMPLOYER” MEANS AN EMPLOYER THAT HAS A POSITION AVAILABLE FOR A HIGH SCHOOL STUDENT OVER THE SUMMER AND MEETS THE CRITERIA DEVELOPED UNDER SUBSECTION (C)(2) OF THIS SECTION.

(3) “ELIGIBLE SCHOOL SYSTEM” MEANS A LOCAL SCHOOL SYSTEM THAT HAS A LARGE NUMBER OF STUDENTS WHO ARE NOT ON TRACK TO MEET THE MARYLAND COLLEGE AND CAREER READY STANDARDS IN HIGH SCHOOL, AS DETERMINED BY THE DEPARTMENT.

(4) “ELIGIBLE STUDENT” MEANS A STUDENT WHO IS INTERESTED IN OBTAINING WORKFORCE SKILLS AND TRAINING AND IS:

(I) REQUIRED TO TAKE A TRANSITION COURSE UNDER § 7–205.1 OF THIS SUBTITLE;

(II) STRUGGLING TO ACHIEVE MATHEMATICS COMPETENCY IN ALGEBRA II BEFORE GRADUATION, AS DETERMINED BY A GUIDANCE COUNSELOR AT THE STUDENT'S SCHOOL; OR

(III) STRUGGLING TO ACHIEVE COLLEGE AND CAREER READINESS BEFORE GRADUATION, AS DETERMINED BY A GUIDANCE COUNSELOR AT THE STUDENT'S SCHOOL, AND IN ACCORDANCE WITH CRITERIA DEVELOPED BY THE DEPARTMENT.

(5) "PROGRAM" MEANS THE SUMMER CAREER ACADEMY PILOT PROGRAM.

(B) (1) THERE IS A SUMMER CAREER ACADEMY PILOT PROGRAM IN THE STATE.

(2) THE PROGRAM SHALL BEGIN IN THE SUMMER OF 2015 AND LAST FOR 3 YEARS.

~~(2)~~ (3) THE PURPOSE OF THE PROGRAM IS TO PROVIDE STUDENTS WHO ARE INTERESTED IN OBTAINING WORKFORCE SKILLS AND TRAINING AND WHO ARE STRUGGLING ACADEMICALLY TO MEET GRADUATION REQUIREMENTS AN OPPORTUNITY TO ADVANCE THE SKILLS OF THE STATE'S WORKFORCE DURING SUMMER EMPLOYMENT AND TO GROW THE STATE'S ECONOMY THROUGH THE PROMOTION OF SUSTAINABLE EMPLOYMENT FOR STUDENTS AFTER GRADUATION.

(C) (1) THE DEPARTMENT SHALL DEVELOP CRITERIA FOR THE SELECTION OF:

(I) ELIGIBLE SCHOOL SYSTEMS; AND

(II) ELIGIBLE STUDENTS.

(2) THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION, THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, AND REPRESENTATIVES OF THE BUSINESS COMMUNITY TO DEVELOP CRITERIA FOR AND IDENTIFY ELIGIBLE EMPLOYERS.

(D) (1) (I) THE STATE SUPERINTENDENT MAY SELECT UP TO FOUR ELIGIBLE SCHOOL SYSTEMS EACH YEAR TO PARTICIPATE IN THE PROGRAM ~~FOR A PERIOD OF 3 YEARS.~~

(II) EACH ELIGIBLE SCHOOL SYSTEM MAY ONLY BE SELECTED TO PARTICIPATE IN THE PROGRAM FOR 1 YEAR.

(2) (I) FOR THE SUMMER OF 2015, EACH COUNTY SUPERINTENDENT FROM AN ELIGIBLE SCHOOL SYSTEM MAY SELECT UP TO 60 STUDENTS TO PARTICIPATE IN THE PROGRAM.

(II) FOR THE SUMMERS OF 2016 AND 2017, EACH COUNTY SUPERINTENDENT FROM AN ELIGIBLE SCHOOL SYSTEM MAY SELECT UP TO 100 STUDENTS TO PARTICIPATE IN THE PROGRAM.

(E) A STUDENT SELECTED TO PARTICIPATE IN THE PROGRAM:

(1) SHALL BE ASSIGNED A SUMMER CAREER COUNSELOR TO ASSIST WITH THE PROGRAM;

(2) SHALL BE ASSIGNED A SUMMER EMPLOYMENT OPPORTUNITY WITH AN ELIGIBLE EMPLOYER;

~~(2)~~ (3) SHALL RECEIVE A STIPEND OF UP TO \$4,500 FOR THE SUMMER THAT IS PROPORTIONAL TO THE TIME WORKED; AND

~~(3)~~ (4) ON SUCCESSFUL COMPLETION OF THE PROGRAM, MAY CHOOSE TO RECEIVE:

(I) A \$500 COMPLETION GRANT; OR

(II) A \$2,000 SCHOLARSHIP TOWARD THE COST OF TUITION AT AN INSTITUTION OF HIGHER EDUCATION IN THE STATE.

(F) (1) FUNDING FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE BUDGET.

(2) IF IN ANY YEAR SUFFICIENT FUNDS ARE NOT PROVIDED IN THE STATE BUDGET TO FULLY FUND THE STIPENDS AND COMPLETION GRANTS OR SCHOLARSHIPS PROVIDED IN SUBSECTION (E) OF THIS SECTION, THE DEPARTMENT SHALL REDUCE THE NUMBER OF STUDENTS PARTICIPATING IN THE PROGRAM ACCORDINGLY.

(G) ON OR BEFORE DECEMBER 1 OF THE YEARS 2015 THROUGH 2017, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, REGARDING THE EFFECTIVENESS OF THE PROGRAM INCLUDING:

(1) THE NUMBER OF STUDENTS PARTICIPATING IN THE PROGRAM FROM EACH ELIGIBLE SCHOOL SYSTEM;

(2) WAGE INFORMATION REGARDING PAYMENTS DISBURSED TO STUDENTS PARTICIPATING IN THE PROGRAM;

~~(2)~~ (3) FEEDBACK FROM STUDENTS PARTICIPATING IN THE PROGRAM ON WAYS TO IMPROVE THE PROGRAM;

~~(3)~~ (4) THE TYPES OF WORKFORCE SKILLS AND TRAINING THAT THE STUDENTS PARTICIPATING IN THE PROGRAM WERE ABLE TO ACQUIRE; AND

~~(4)~~ (5) RECOMMENDATIONS TO EXPAND OR DISCONTINUE THE PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014. It shall remain effective for a period of 4 years and, at the end of June 30, 2018, 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 15, 2014.

Chapter 570

(Senate Bill 889)

AN ACT concerning

Northeastern Maryland Additive Manufacturing Innovation Authority

FOR the purpose of establishing the Northeastern Maryland Additive Manufacturing Innovation Authority; providing for the purposes of the Authority; establishing an Executive Board for the Authority; providing for the composition, chair, and meetings of the Board; requiring that, to the extent practicable, the members of the Board reasonably reflect the geographic, racial, ethnic, cultural, and gender diversity of the State; prohibiting a member of the Board from receiving certain compensation, but authorizing the reimbursement of certain expenses; authorizing the Board to establish certain committees; requiring the Board to appoint an Executive Director with certain duties; requiring the Department of Business and Economic Development, the Cecil County Office of Economic Development, and the Harford County Office of Economic Development jointly to provide staff, office space, and operational support for the Authority; authorizing the Authority to select and retain certain legal counsel, additional

staff, and professional consultants; authorizing the Authority to exercise certain powers; requiring the Authority to undertake certain activities to further the purposes of this Act; establishing the applicability of certain other provisions of law to the Authority and its officers and employees and to the Board; authorizing the State and Cecil and Harford counties jointly to finance the Authority and its activities; requiring the Authority to submit certain work programs and budget information to the Department on or before a certain date each year; requiring the Department to review and forward a certain submission and recommendation to the Department of Budget and Management; ~~requiring~~ authorizing the Governor, beginning with a certain fiscal year, to include in the State budget for each fiscal year, an appropriation of a certain amount to partially support the ~~Authority~~; ~~requiring~~ Authority, contingent on the commitment of Cecil and Harford counties to contribute funds to the Authority; specifying a certain legislative intent; authorizing the governing bodies of Cecil and Harford counties each year to appropriate funds to the Authority for a certain purpose; authorizing the Authority to accept additional money from certain sources; requiring the Authority to cooperate with certain governmental units; establishing the Northeastern Maryland Additive Manufacturing Innovation Authority Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Authority to administer the Fund; requiring the State Treasurer to hold the Fund separately and to make certain investments; requiring certain earnings to accrue to the Fund; requiring the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purposes for which the Fund may be used; requiring certain money not awarded to remain in the Fund; 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; defining certain terms; and generally relating to the Northeastern Maryland Additive Manufacturing Innovation Authority.

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 9–101(a) and (c)

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

BY adding to

Article – Economic Development

Section 13–1201 through 13–1212 to be under the new subtitle “Subtitle 12. Northeastern Maryland Additive Manufacturing Innovation Authority”

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)

Preamble

WHEREAS, In March 2012, President Obama announced plans to create the National Network for Manufacturing Innovation to revitalize the manufacturing base in the United States by establishing up to 15 centers for manufacturing innovation throughout the country; and

WHEREAS, In March 2013, the pilot project, the National Additive Manufacturing Innovation Institute, awarded funding totaling \$4,500,000 for seven applied research and development partnership projects and, in January 2014, awarded another \$9,000,000 toward 15 projects that will provide \$10,300,000 in matching cost share; and

WHEREAS, Legislation has been introduced in the United States Senate and House of Representatives to establish the Network for Manufacturing Innovation Program, with an appropriation of \$600,000,000, for up to 45 centers that are envisioned as regional consortia of businesses, educational institutions, and government agencies that will share existing resources and work together to pilot new products and manufacturing processes, attract jobs, and encourage investment and production in the United States; and

WHEREAS, Manufacturing plays a vital role in the economy and has a strong multiplier effect, with each manufacturing job estimated to create nearly three additional jobs in other sectors; and

WHEREAS, Additive manufacturing processes, including 3D printing, are already used in a variety of industries and have the potential for use in unlimited additional areas, including defense contracting, biomedical research and patient care, apparel design, and pharmaceutical production; and

WHEREAS, The northeastern region of Maryland has significant additive manufacturing technical expertise and infrastructure, including an additive manufacturing facility at Aberdeen Proving Ground, known as the Rapid Technologies

and Inspection Branch, which has been used to design, build, test, and advance new technologies quickly, as well as for training students in science, technology, engineering, and mathematics (STEM) fields; and

WHEREAS, The northeastern region of the State has leading educational institutions at all levels, including Towson University, Harford Community College, Cecil College, and the Cecil County and Harford County public school systems; and

WHEREAS, There is a need to improve the accessibility of and connections between the existing infrastructure, expertise, and educational resources in the region for entrepreneurs, innovators, and small businesses in the developing and growing area of additive manufacturing; now, therefore,

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

Article – Economic Development

9–101.

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

(c) “Department” means the Department of Business and Economic Development.

SUBTITLE 12. NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY.

13–1201.

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

(B) “ADDITIVE MANUFACTURING” MEANS A PROCESS OF JOINING MATERIALS TO MAKE OBJECTS FROM THREE–DIMENSIONAL MODEL DATA, USUALLY LAYER UPON LAYER, AS OPPOSED TO SUBTRACTIVE MANUFACTURING METHODOLOGIES.

(C) “AUTHORITY” MEANS THE NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY.

(D) “BOARD” MEANS THE EXECUTIVE BOARD OF THE AUTHORITY.

(E) “EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE AUTHORITY.

(F) “FUND” MEANS THE NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY FUND.

(G) “REGION” MEANS CECIL AND HARFORD COUNTIES.

13-1202.

(A) THERE IS A NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY.

(B) (1) THE AUTHORITY IS A TAX-EXEMPT BODY POLITIC AND CORPORATE.

(2) THE AUTHORITY IS AN INDEPENDENT UNIT THAT THE GOVERNOR MAY NOT PLACE IN A PRINCIPAL DEPARTMENT OF STATE GOVERNMENT.

(C) THE PURPOSES OF THE AUTHORITY ARE TO:

(1) FOSTER THE ECONOMIC DEVELOPMENT OF THE REGION BY:

(I) PROMOTING COLLABORATION AMONG GOVERNMENT, BUSINESSES, EDUCATIONAL INSTITUTIONS, AND ENTREPRENEURS AND INNOVATORS; AND

(II) LEVERAGING THE ESTABLISHED ADDITIVE MANUFACTURING INVESTMENTS IN THE REGION, INCLUDING THE FACILITIES AT ABERDEEN PROVING GROUND; AND

(2) POSITION THE STATE AS A LEADER IN ADDITIVE MANUFACTURING.

13-1203.

(A) AN EXECUTIVE BOARD SHALL MANAGE THE AUTHORITY AND EXERCISE ITS CORPORATE POWERS.

(B) (1) THE BOARD CONSISTS OF THE MEMBERS DESCRIBED IN THIS SUBSECTION.

(2) THE VOTING MEMBERS OF THE BOARD ARE:

(I) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR THE SECRETARY’S DESIGNEE;

(II) THE PRESIDENT OF HARFORD COMMUNITY COLLEGE, OR THE PRESIDENT'S DESIGNEE;

(III) THE PRESIDENT OF CECIL COLLEGE, OR THE PRESIDENT'S DESIGNEE;

(IV) THE PRESIDENT OF TOWSON UNIVERSITY, OR THE PRESIDENT'S DESIGNEE;

(V) ONE REPRESENTATIVE OF THE GOVERNOR'S WORKFORCE INVESTMENT BOARD, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE BOARD;

(VI) THE COMMANDING GENERAL OF ABERDEEN PROVING GROUND, OR THE COMMANDING GENERAL'S DESIGNEE;

(VII) THE DIRECTOR OF THE REGIONAL MANUFACTURING INSTITUTE, OR THE DIRECTOR'S DESIGNEE;

(VIII) THE SUPERINTENDENT OF THE HARFORD COUNTY PUBLIC SCHOOLS, OR THE SUPERINTENDENT'S DESIGNEE;

(IX) THE SUPERINTENDENT OF THE CECIL COUNTY PUBLIC SCHOOLS, OR THE SUPERINTENDENT'S DESIGNEE;

~~(X) ONE REPRESENTATIVE OF THE HARFORD COUNTY OFFICE OF ECONOMIC DEVELOPMENT, APPOINTED BY THE DIRECTOR OF THE OFFICE;~~

~~(XI) ONE REPRESENTATIVE OF THE CECIL COUNTY OFFICE OF ECONOMIC DEVELOPMENT, APPOINTED BY THE DIRECTOR OF THE OFFICE;~~

(X) THE COUNTY EXECUTIVE OF CECIL COUNTY, OR THE COUNTY EXECUTIVE'S DESIGNEE;

(XI) THE COUNTY EXECUTIVE OF HARFORD COUNTY, OR THE COUNTY EXECUTIVE'S DESIGNEE;

(XII) ONE REPRESENTATIVE OF THE SUSQUEHANNA WORKFORCE NETWORK, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE NETWORK;

(XIII) ONE REPRESENTATIVE OF THE ARMY ALLIANCE, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE ALLIANCE; ~~AND~~

(XIV) ONE REPRESENTATIVE OF THE NORTHEASTERN MARYLAND TECHNOLOGY COUNCIL, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE COUNCIL;

(XV) THE DIRECTOR OF THE CECIL COUNTY PUBLIC LIBRARY, OR THE DIRECTOR'S DESIGNEE;

(XVI) THE DIRECTOR OF THE HARFORD COUNTY PUBLIC LIBRARY, OR THE DIRECTOR'S DESIGNEE;

(XVII) ONE REPRESENTATIVE OF 3D MARYLAND, APPOINTED BY THE DIRECTOR OF 3D MARYLAND;

(XVIII) ONE REPRESENTATIVE OF THE MARYLAND ADVISORY COMMISSION ON MANUFACTURING COMPETITIVENESS, APPOINTED BY THE CHAIR OF THE COMMISSION; AND

(XIX) SIX REPRESENTATIVES OF INDUSTRY WHO REFLECT THE INFLUENTIAL AND EMERGING INDUSTRIES USING ADDITIVE MANUFACTURING AS DETERMINED BY THE DEPARTMENT, APPOINTED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT.

(3) IN ADDITION TO THE VOTING MEMBERS, THE EXECUTIVE DIRECTOR OF THE AUTHORITY SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER OF THE BOARD.

(4) TO THE EXTENT PRACTICABLE, THE MEMBERS OF THE BOARD SHALL REASONABLY REFLECT THE GEOGRAPHIC, RACIAL, ETHNIC, CULTURAL, AND GENDER DIVERSITY OF THE STATE.

(C) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.

(2) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(3) A MEMBER APPOINTED TO FILL A VACANCY IN AN UNEXPIRED TERM SERVES ONLY FOR THE REMAINDER OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(D) THE BOARD SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.

(E) A MEMBER OF THE BOARD:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD; BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(F) (1) BEGINNING ON OR BEFORE AUGUST 1, 2014, AND CONTINUING UNTIL JULY 1, 2015, THE BOARD SHALL HOLD AT LEAST ONE REGULAR MEETING EACH MONTH.

(2) AFTER JULY 1, 2015, THE BOARD SHALL HOLD MEETINGS QUARTERLY OR MORE OFTEN IF NECESSARY TO IMPLEMENT THE PURPOSES OF THIS SUBTITLE.

(G) (1) THE BOARD MAY ESTABLISH COMMITTEES TO CONDUCT ITS WORK.

(2) THE MEMBERSHIP OF A COMMITTEE MAY INCLUDE INDIVIDUALS WHO ARE NOT MEMBERS OF THE BOARD, INCLUDING REPRESENTATIVES OF DESIGN, MANUFACTURING, AND OTHER RELATED BUSINESSES.

13-1204.

(A) (1) THE BOARD SHALL APPOINT AN EXECUTIVE DIRECTOR.

(2) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE BOARD.

(3) THE BOARD SHALL DETERMINE THE SALARY OF THE EXECUTIVE DIRECTOR.

(B) (1) THE EXECUTIVE DIRECTOR IS THE CHIEF ADMINISTRATIVE OFFICER OF THE AUTHORITY.

(2) THE EXECUTIVE DIRECTOR SHALL MANAGE THE ADMINISTRATIVE AFFAIRS AND TECHNICAL ACTIVITIES OF THE AUTHORITY IN ACCORDANCE WITH THE POLICIES AND PROCEDURES THAT THE BOARD ESTABLISHES.

13-1205.

(A) THE DEPARTMENT, THE CECIL COUNTY OFFICE OF ECONOMIC DEVELOPMENT, AND THE HARFORD COUNTY OFFICE OF ECONOMIC DEVELOPMENT JOINTLY SHALL PROVIDE STAFF, OFFICE SPACE, AND OPERATIONAL SUPPORT FOR THE AUTHORITY.

(B) THE AUTHORITY MAY:

(1) (I) SELECT AND RETAIN ITS OWN LEGAL COUNSEL; OR

(II) USE THE ATTORNEY GENERAL AS ITS LEGAL COUNSEL;

(2) EMPLOY, AS REGULAR EMPLOYEES OR AS INDEPENDENT CONTRACTORS, ADDITIONAL STAFF THAT THE AUTHORITY CONSIDERS NECESSARY; AND

(3) RETAIN ANY PROFESSIONAL CONSULTANTS THAT THE AUTHORITY CONSIDERS NECESSARY.

13-1206.

THE AUTHORITY MAY:

(1) ADOPT A SEAL;

(2) SUE OR BE SUED;

(3) ADOPT BYLAWS AND RULES FOR THE CONDUCT OF ITS BUSINESS;

(4) ENTER INTO CONTRACTS AND OTHER LEGAL INSTRUMENTS;

(5) ACCEPT GRANTS, CONTRIBUTIONS, OR OTHER ASSISTANCE OF ANY KIND FROM THE FEDERAL GOVERNMENT, THE STATE, A LOCAL GOVERNMENT, A COLLEGE OR UNIVERSITY, OR OTHER PUBLIC OR PRIVATE SOURCE;

(6) INCLUDE IN ANY CONTRACT FOR FINANCIAL ASSISTANCE WITH THE FEDERAL GOVERNMENT ANY REASONABLE AND APPROPRIATE CONDITION IMPOSED UNDER FEDERAL LAW THAT IS NOT INCONSISTENT WITH THE PURPOSES OF THIS SUBTITLE;

(7) MAKE GRANTS FROM THE FUND TO FURTHER THE PURPOSES OF THIS SUBTITLE;

(8) CREATE, OWN, CONTROL, OR BE A MEMBER OF A CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, OR ANY OTHER ENTITY; AND

(9) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS SUBTITLE.

13-1207.

TO FURTHER THE PURPOSES OF THIS SUBTITLE, THE AUTHORITY SHALL:

(1) FOSTER COLLABORATIVE EFFORTS, INCLUDING PUBLIC-PRIVATE PARTNERSHIPS AND MEMORANDA OF UNDERSTANDING, AMONG GOVERNMENT AGENCIES, MILITARY INSTALLATIONS, EDUCATIONAL INSTITUTIONS, BUSINESSES, NONPROFIT ORGANIZATIONS, INDIVIDUALS, AND OTHER ENTITIES IN THE REGION TO:

(I) SHARE RESOURCES, INCLUDING EXISTING MANUFACTURING INFRASTRUCTURE;

(II) COOPERATE IN THE DEVELOPMENT OF NEW PRODUCTS AND PROCESSES; AND

(III) BRIDGE GAPS BETWEEN RESEARCH, PRODUCT DEVELOPMENT, AND THE COMMERCIAL APPLICATION OF NEW TECHNOLOGIES AND MANUFACTURING PROCESSES;

(2) FACILITATE THE INVOLVEMENT OF HARFORD COMMUNITY COLLEGE, CECIL COLLEGE, TOWSON UNIVERSITY, AND OTHER SEGMENTS OF THE HIGHER EDUCATION COMMUNITY IN DEVELOPING AND SUSTAINING A SKILLED ADDITIVE MANUFACTURING WORKFORCE THROUGH DEGREE, CERTIFICATION, SPECIALIZED TRAINING, AND CONTINUING EDUCATION PROGRAMS;

(3) ASSIST THE CECIL COUNTY AND HARFORD COUNTY PUBLIC SCHOOL SYSTEMS IN PREPARING STUDENTS FOR EMPLOYMENT IN THE ADDITIVE MANUFACTURING WORKFORCE;

(4) SUPPORT MANUFACTURING BUSINESSES IN RETAINING AND EXPANDING PRODUCTION AND JOBS;

(5) OBTAIN, COORDINATE, AND DISSEMINATE MARKETING RESOURCES TO PROMOTE AND ENHANCE ADDITIVE MANUFACTURING OPPORTUNITIES AND INVESTMENT IN THE REGION;

(6) SUPPORT PRIORITY ACCESS TO WORKFORCE TRAINING FUNDS AND ENTERPRISE INVESTMENT TAX CREDITS FOR ENTITIES THAT ARE INVESTING RESOURCES AND CREATING JOBS IN THE REGION;

(7) PURSUE FEDERAL, STATE, LOCAL, AND OTHER PUBLIC AND PRIVATE FUNDING AND COLLABORATION INITIATIVES; AND

(8) PERFORM ANY OTHER FUNCTION CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.

13-1208.

(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE AUTHORITY IS EXEMPT FROM TITLE 10 AND DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE AUTHORITY, ITS BOARD, AND ITS EMPLOYEES ARE SUBJECT TO TITLE 12, SUBTITLE 4 AND TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(B) THE OFFICERS AND EMPLOYEES OF THE AUTHORITY ARE NOT SUBJECT TO THE PROVISIONS OF DIVISION I OF THE STATE PERSONNEL AND PENSIONS ARTICLE THAT GOVERN THE STATE PERSONNEL MANAGEMENT SYSTEM.

(C) THE AUTHORITY IS SUBJECT TO THE PUBLIC INFORMATION ACT.

(D) THE BOARD AND THE OFFICERS AND EMPLOYEES OF THE AUTHORITY ARE SUBJECT TO THE PUBLIC ETHICS LAW.

13-1209.

(A) THE STATE AND CECIL AND HARFORD COUNTIES JOINTLY MAY FINANCE THE AUTHORITY AND ITS ACTIVITIES.

(B) (1) THE STATE MAY PROVIDE FINANCIAL SUPPORT TO THE AUTHORITY TO ASSIST IN CARRYING OUT THE ACTIVITIES OF THE AUTHORITY.

(2) (I) ON OR BEFORE AUGUST 1 OF EACH YEAR, THE AUTHORITY SHALL SUBMIT ITS PROPOSED WORK PROGRAMS AND OPERATING BUDGET FOR THE FOLLOWING FISCAL YEAR TO THE DEPARTMENT.

(II) THE SUBMISSION SHALL INCLUDE SUPPORTING SCHEDULES TO SHOW HOW THE BUDGET IS FINANCED AND TO PROVIDE FOR REVIEW AND RECOMMENDATIONS.

(III) AFTER REVIEW, THE DEPARTMENT SHALL FORWARD THE SUBMISSION AND ANY RECOMMENDATIONS TO THE DEPARTMENT OF BUDGET AND MANAGEMENT FOR CONSIDERATION.

(3) (I) ~~FOR SUBJECT TO~~ IN ACCORDANCE WITH SUBPARAGRAPH (II) OF THIS PARAGRAPH, FOR FISCAL YEAR 2016 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR ~~SHALL~~ MAY INCLUDE IN THE STATE BUDGET AN APPROPRIATION ~~OF AT LEAST \$150,000~~ TO PARTIALLY SUPPORT THE AUTHORITY.

(II) 1. ~~THE STATE ALLOCATION~~ ANY APPROPRIATION IN A FISCAL YEAR UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS SHALL BE CONTINGENT ON THE COMMITMENT OF CECIL AND HARFORD COUNTIES TO CONTRIBUTE FUNDS TO THE AUTHORITY DURING THE SAME FISCAL YEAR.

2. IN DETERMINING THE AMOUNT OF AN APPROPRIATION IN A FISCAL YEAR, IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE APPROPRIATION AND SHALL EQUAL AT LEAST TWO TIMES THE TOTAL AMOUNT COMMITTED TO BE CONTRIBUTED BY THE CECIL AND HARFORD COUNTIES IN THE SAME FISCAL YEAR.

(C) (1) THE GOVERNING BODIES OF CECIL AND HARFORD COUNTIES EACH YEAR ~~SHALL~~ MAY APPROPRIATE FUNDS TO THE AUTHORITY TO PROMOTE THE PURPOSES OF THE AUTHORITY.

(2) AN APPROPRIATION UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE A DESIGNATED PORTION OF THE BUDGET OF THE COUNTY OFFICE OF ECONOMIC DEVELOPMENT.

(D) THE AUTHORITY MAY ACCEPT ADDITIONAL MONEY FROM ANY OTHER PUBLIC OR PRIVATE SOURCE.

13-1210.

THE AUTHORITY SHALL COOPERATE WITH STATE AND LOCAL UNITS THAT HAVE RELEVANT STATUTORY FUNCTIONS AND DUTIES.

13-1211.

(A) THERE IS A NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY FUND.

(B) THE PURPOSE OF THE FUND IS TO IMPLEMENT THIS SUBTITLE.

(C) THE AUTHORITY SHALL ADMINISTER THE FUND.

(D) (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.

(E) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(2) MONEY APPROPRIATED BY CECIL AND HARFORD COUNTIES TO THE AUTHORITY;

(3) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS;

(4) INTEREST AND INVESTMENT EARNINGS OF THE FUND; AND

(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) THE FUND MAY BE USED ONLY TO:

(1) PROVIDE GRANTS FOR PROJECTS THAT FURTHER THE PURPOSES OF THIS SUBTITLE; AND

(2) PAY THE ADMINISTRATIVE AND OPERATIONAL EXPENSES OF THE AUTHORITY.

(G) (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.

(H) MONEY PROVIDED TO THE FUND THAT IS NOT AWARDED BY THE END OF THE FISCAL YEAR SHALL REMAIN IN THE FUND.

13-1212.

THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY:

(1) ON OR BEFORE DECEMBER 1, 2014, AN UPDATE ON THE ACTIVITIES OF THE AUTHORITY IN IMPLEMENTING THE PROVISIONS OF THIS SUBTITLE; AND

(2) ON OR BEFORE DECEMBER 1, 2015, AND EACH YEAR THEREAFTER, A COMPLETE OPERATING AND FINANCIAL STATEMENT COVERING THE AUTHORITY'S OPERATIONS AND A SUMMARY OF THE AUTHORITY'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.

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 NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY FUND.

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

Approved by the Governor, May 15, 2014.

Chapter 571**(House Bill 1060)**

AN ACT concerning

Northeastern Maryland Additive Manufacturing Innovation Authority

FOR the purpose of establishing the Northeastern Maryland Additive Manufacturing Innovation Authority; providing for the purposes of the Authority; establishing an Executive Board for the Authority; providing for the composition, chair, and meetings of the Board; requiring that, to the extent practicable, the members of the Board reasonably reflect the geographic, racial, ethnic, cultural, and gender diversity of the State; prohibiting a member of the Board from receiving certain compensation, but authorizing the reimbursement of certain expenses; authorizing the Board to establish certain committees; requiring the Board to appoint an Executive Director with certain duties; requiring the Department of Business and Economic Development, the Cecil County Office of Economic Development, and the Harford County Office of Economic Development jointly to provide staff, office space, and operational support for the Authority; authorizing the Authority to select and retain certain legal counsel, additional staff, and professional consultants; authorizing the Authority to exercise certain powers; requiring the Authority to undertake certain activities to further the purposes of this Act; establishing the applicability of certain other provisions of law to the Authority and its officers and employees and to the Board; authorizing the State and Cecil and Harford counties jointly to finance the Authority and its activities; requiring the Authority to submit certain work programs and budget information to the Department on or before a certain date each year; requiring the Department to review and forward a certain submission and recommendation to the Department of Budget and Management; ~~requiring~~ authorizing the Governor, beginning with a certain fiscal year, to include in the State budget for each fiscal year, an appropriation of a certain amount to partially support the ~~Authority~~; ~~requiring~~ Authority, contingent on the commitment of Cecil and Harford counties to contribute funds to the Authority; specifying a certain legislative intent; authorizing the governing bodies of Cecil and Harford counties each year to appropriate funds to the Authority for a certain purpose; authorizing the Authority to accept additional money from certain sources; requiring the Authority to cooperate with certain governmental units; establishing the Northeastern Maryland Additive Manufacturing Innovation Authority Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Authority to administer the Fund; requiring the State Treasurer to hold the Fund separately and to make certain investments; requiring certain earnings to accrue to the Fund; requiring the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purposes for which the Fund may be used; requiring certain money not awarded to remain in the Fund; 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; defining certain terms; and generally relating to the Northeastern Maryland Additive Manufacturing Innovation Authority.

BY repealing and reenacting, without amendments,

Article – Economic Development
Section 9–101(a) and (c)
Annotated Code of Maryland
(2008 Volume and 2013 Supplement)

BY adding to

Article – Economic Development
Section 13–1201 through 13–1212 to be under the new subtitle “Subtitle 12.
Northeastern Maryland Additive Manufacturing Innovation Authority”
Annotated Code of Maryland
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BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(i)
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BY repealing and reenacting, with amendments,

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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)

Preamble

WHEREAS, In March 2012, President Obama announced plans to create the National Network for Manufacturing Innovation to revitalize the manufacturing base in the United States by establishing up to 15 centers for manufacturing innovation throughout the country; and

WHEREAS, In March 2013, the pilot project, the National Additive Manufacturing Innovation Institute, awarded funding totaling \$4,500,000 for seven applied research and development partnership projects and, in January 2014, awarded another \$9,000,000 toward 15 projects that will provide \$10,300,000 in matching cost share; and

WHEREAS, Legislation has been introduced in the United States Senate and House of Representatives to establish the Network for Manufacturing Innovation Program, with an appropriation of \$600,000,000, for up to 45 centers that are envisioned as regional consortia of businesses, educational institutions, and government agencies that will share existing resources and work together to pilot new products and manufacturing processes, attract jobs, and encourage investment and production in the United States; and

WHEREAS, Manufacturing plays a vital role in the economy and has a strong multiplier effect, with each manufacturing job estimated to create nearly three additional jobs in other sectors; and

WHEREAS, Additive manufacturing processes, including 3D printing, are already used in a variety of industries and have the potential for use in unlimited additional areas, including defense contracting, biomedical research and patient care, apparel design, and pharmaceutical production; and

WHEREAS, The northeastern region of Maryland has significant additive manufacturing technical expertise and infrastructure, including an additive manufacturing facility at Aberdeen Proving Ground, known as the Rapid Technologies and Inspection Branch, which has been used to design, build, test, and advance new technologies quickly, as well as for training students in science, technology, engineering, and mathematics (STEM) fields; and

WHEREAS, The northeastern region of the State has leading educational institutions at all levels, including Towson University, Harford Community College, Cecil College, and the Cecil County and Harford County public school systems; and

WHEREAS, There is a need to improve the accessibility of and connections between the existing infrastructure, expertise, and educational resources in the region for entrepreneurs, innovators, and small businesses in the developing and growing area of additive manufacturing; now, therefore,

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

Article – Economic Development

9–101.

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

(c) “Department” means the Department of Business and Economic Development.

**SUBTITLE 12. NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING
INNOVATION AUTHORITY.**

13-1201.

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

(B) "ADDITIVE MANUFACTURING" MEANS A PROCESS OF JOINING MATERIALS TO MAKE OBJECTS FROM THREE-DIMENSIONAL MODEL DATA, USUALLY LAYER UPON LAYER, AS OPPOSED TO SUBTRACTIVE MANUFACTURING METHODOLOGIES.

(C) "AUTHORITY" MEANS THE NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY.

(D) "BOARD" MEANS THE EXECUTIVE BOARD OF THE AUTHORITY.

(E) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE AUTHORITY.

(F) "FUND" MEANS THE NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY FUND.

(G) "REGION" MEANS CECIL AND HARFORD COUNTIES.

13-1202.

(A) THERE IS A NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY.

(B) (1) THE AUTHORITY IS A TAX-EXEMPT BODY POLITIC AND CORPORATE.

(2) THE AUTHORITY IS AN INDEPENDENT UNIT THAT THE GOVERNOR MAY NOT PLACE IN A PRINCIPAL DEPARTMENT OF STATE GOVERNMENT.

(C) THE PURPOSES OF THE AUTHORITY ARE TO:

(1) FOSTER THE ECONOMIC DEVELOPMENT OF THE REGION BY:

(I) PROMOTING COLLABORATION AMONG GOVERNMENT, BUSINESSES, EDUCATIONAL INSTITUTIONS, AND ENTREPRENEURS AND INNOVATORS; AND

(II) LEVERAGING THE ESTABLISHED ADDITIVE MANUFACTURING INVESTMENTS IN THE REGION, INCLUDING THE FACILITIES AT ABERDEEN PROVING GROUND; AND

(2) POSITION THE STATE AS A LEADER IN ADDITIVE MANUFACTURING.

13-1203.

(A) AN EXECUTIVE BOARD SHALL MANAGE THE AUTHORITY AND EXERCISE ITS CORPORATE POWERS.

(B) (1) THE BOARD CONSISTS OF THE MEMBERS DESCRIBED IN THIS SUBSECTION.

(2) THE VOTING MEMBERS OF THE BOARD ARE:

(I) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;

(II) THE PRESIDENT OF HARFORD COMMUNITY COLLEGE, OR THE PRESIDENT'S DESIGNEE;

(III) THE PRESIDENT OF CECIL COLLEGE, OR THE PRESIDENT'S DESIGNEE;

(IV) THE PRESIDENT OF TOWSON UNIVERSITY, OR THE PRESIDENT'S DESIGNEE;

(V) ONE REPRESENTATIVE OF THE GOVERNOR'S WORKFORCE INVESTMENT BOARD, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE BOARD;

(VI) THE COMMANDING GENERAL OF ABERDEEN PROVING GROUND, OR THE COMMANDING GENERAL'S DESIGNEE;

(VII) THE DIRECTOR OF THE REGIONAL MANUFACTURING INSTITUTE, OR THE DIRECTOR'S DESIGNEE;

(VIII) THE SUPERINTENDENT OF THE HARFORD COUNTY PUBLIC SCHOOLS, OR THE SUPERINTENDENT'S DESIGNEE;

(IX) THE SUPERINTENDENT OF THE CECIL COUNTY PUBLIC SCHOOLS, OR THE SUPERINTENDENT'S DESIGNEE;

~~(X) ONE REPRESENTATIVE OF THE HARFORD COUNTY OFFICE OF ECONOMIC DEVELOPMENT, APPOINTED BY THE DIRECTOR OF THE OFFICE;~~

~~(XI) ONE REPRESENTATIVE OF THE CECIL COUNTY OFFICE OF ECONOMIC DEVELOPMENT, APPOINTED BY THE DIRECTOR OF THE OFFICE;~~

(X) THE COUNTY EXECUTIVE OF CECIL COUNTY, OR THE COUNTY EXECUTIVE'S DESIGNEE;

(XI) THE COUNTY EXECUTIVE OF HARFORD COUNTY, OR THE COUNTY EXECUTIVE'S DESIGNEE;

(XII) ONE REPRESENTATIVE OF THE SUSQUEHANNA WORKFORCE NETWORK, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE NETWORK;

(XIII) ONE REPRESENTATIVE OF THE ARMY ALLIANCE, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE ALLIANCE; ~~AND~~

(XIV) ONE REPRESENTATIVE OF THE NORTHEASTERN MARYLAND TECHNOLOGY COUNCIL, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE COUNCIL;

(XV) THE DIRECTOR OF THE CECIL COUNTY PUBLIC LIBRARY, OR THE DIRECTOR'S DESIGNEE;

(XVI) THE DIRECTOR OF THE HARFORD COUNTY PUBLIC LIBRARY, OR THE DIRECTOR'S DESIGNEE;

(XVII) ONE REPRESENTATIVE OF 3D MARYLAND, APPOINTED BY THE DIRECTOR OF 3D MARYLAND;

(XVIII) ONE REPRESENTATIVE OF THE MARYLAND ADVISORY COMMISSION ON MANUFACTURING COMPETITIVENESS, APPOINTED BY THE CHAIR OF THE COMMISSION; AND

(XIX) SIX REPRESENTATIVES OF INDUSTRY WHO REFLECT THE INFLUENTIAL AND EMERGING INDUSTRIES USING ADDITIVE MANUFACTURING AS DETERMINED BY THE DEPARTMENT, APPOINTED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT.

(3) IN ADDITION TO THE VOTING MEMBERS, THE EXECUTIVE DIRECTOR OF THE AUTHORITY SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER OF THE BOARD.

(4) TO THE EXTENT PRACTICABLE, THE MEMBERS OF THE BOARD SHALL REASONABLY REFLECT THE GEOGRAPHIC, RACIAL, ETHNIC, CULTURAL, AND GENDER DIVERSITY OF THE STATE.

(C) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.

(2) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(3) A MEMBER APPOINTED TO FILL A VACANCY IN AN UNEXPIRED TERM SERVES ONLY FOR THE REMAINDER OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(D) THE BOARD SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.

(E) A MEMBER OF THE BOARD:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD; BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(F) (1) BEGINNING ON OR BEFORE AUGUST 1, 2014, AND CONTINUING UNTIL JULY 1, 2015, THE BOARD SHALL HOLD AT LEAST ONE REGULAR MEETING EACH MONTH.

(2) AFTER JULY 1, 2015, THE BOARD SHALL HOLD MEETINGS QUARTERLY OR MORE OFTEN IF NECESSARY TO IMPLEMENT THE PURPOSES OF THIS SUBTITLE.

(G) (1) THE BOARD MAY ESTABLISH COMMITTEES TO CONDUCT ITS WORK.

(2) THE MEMBERSHIP OF A COMMITTEE MAY INCLUDE INDIVIDUALS WHO ARE NOT MEMBERS OF THE BOARD, INCLUDING REPRESENTATIVES OF DESIGN, MANUFACTURING, AND OTHER RELATED BUSINESSES.

13-1204.

(A) (1) THE BOARD SHALL APPOINT AN EXECUTIVE DIRECTOR.

(2) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE BOARD.

(3) THE BOARD SHALL DETERMINE THE SALARY OF THE EXECUTIVE DIRECTOR.

(B) (1) THE EXECUTIVE DIRECTOR IS THE CHIEF ADMINISTRATIVE OFFICER OF THE AUTHORITY.

(2) THE EXECUTIVE DIRECTOR SHALL MANAGE THE ADMINISTRATIVE AFFAIRS AND TECHNICAL ACTIVITIES OF THE AUTHORITY IN ACCORDANCE WITH THE POLICIES AND PROCEDURES THAT THE BOARD ESTABLISHES.

13-1205.

(A) THE DEPARTMENT, THE CECIL COUNTY OFFICE OF ECONOMIC DEVELOPMENT, AND THE HARFORD COUNTY OFFICE OF ECONOMIC DEVELOPMENT JOINTLY SHALL PROVIDE STAFF, OFFICE SPACE, AND OPERATIONAL SUPPORT FOR THE AUTHORITY.

(B) THE AUTHORITY MAY:

(1) (I) SELECT AND RETAIN ITS OWN LEGAL COUNSEL; OR

(II) USE THE ATTORNEY GENERAL AS ITS LEGAL COUNSEL;

(2) EMPLOY, AS REGULAR EMPLOYEES OR AS INDEPENDENT CONTRACTORS, ADDITIONAL STAFF THAT THE AUTHORITY CONSIDERS NECESSARY; AND

(3) RETAIN ANY PROFESSIONAL CONSULTANTS THAT THE AUTHORITY CONSIDERS NECESSARY.

13-1206.

THE AUTHORITY MAY:

- (1) ADOPT A SEAL;**
- (2) SUE OR BE SUED;**
- (3) ADOPT BYLAWS AND RULES FOR THE CONDUCT OF ITS BUSINESS;**
- (4) ENTER INTO CONTRACTS AND OTHER LEGAL INSTRUMENTS;**
- (5) ACCEPT GRANTS, CONTRIBUTIONS, OR OTHER ASSISTANCE OF ANY KIND FROM THE FEDERAL GOVERNMENT, THE STATE, A LOCAL GOVERNMENT, A COLLEGE OR UNIVERSITY, OR OTHER PUBLIC OR PRIVATE SOURCE;**
- (6) INCLUDE IN ANY CONTRACT FOR FINANCIAL ASSISTANCE WITH THE FEDERAL GOVERNMENT ANY REASONABLE AND APPROPRIATE CONDITION IMPOSED UNDER FEDERAL LAW THAT IS NOT INCONSISTENT WITH THE PURPOSES OF THIS SUBTITLE;**
- (7) MAKE GRANTS FROM THE FUND TO FURTHER THE PURPOSES OF THIS SUBTITLE;**
- (8) CREATE, OWN, CONTROL, OR BE A MEMBER OF A CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, OR ANY OTHER ENTITY; AND**
- (9) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS SUBTITLE.**

13-1207.

TO FURTHER THE PURPOSES OF THIS SUBTITLE, THE AUTHORITY SHALL:

- (1) FOSTER COLLABORATIVE EFFORTS, INCLUDING PUBLIC-PRIVATE PARTNERSHIPS AND MEMORANDA OF UNDERSTANDING, AMONG GOVERNMENT AGENCIES, MILITARY INSTALLATIONS, EDUCATIONAL INSTITUTIONS, BUSINESSES, NONPROFIT ORGANIZATIONS, INDIVIDUALS, AND OTHER ENTITIES IN THE REGION TO:**
 - (I) SHARE RESOURCES, INCLUDING EXISTING MANUFACTURING INFRASTRUCTURE;**

(II) COOPERATE IN THE DEVELOPMENT OF NEW PRODUCTS AND PROCESSES; AND

(III) BRIDGE GAPS BETWEEN RESEARCH, PRODUCT DEVELOPMENT, AND THE COMMERCIAL APPLICATION OF NEW TECHNOLOGIES AND MANUFACTURING PROCESSES;

(2) FACILITATE THE INVOLVEMENT OF HARFORD COMMUNITY COLLEGE, CECIL COLLEGE, TOWSON UNIVERSITY, AND OTHER SEGMENTS OF THE HIGHER EDUCATION COMMUNITY IN DEVELOPING AND SUSTAINING A SKILLED ADDITIVE MANUFACTURING WORKFORCE THROUGH DEGREE, CERTIFICATION, SPECIALIZED TRAINING, AND CONTINUING EDUCATION PROGRAMS;

(3) ASSIST THE CECIL COUNTY AND HARFORD COUNTY PUBLIC SCHOOL SYSTEMS IN PREPARING STUDENTS FOR EMPLOYMENT IN THE ADDITIVE MANUFACTURING WORKFORCE;

(4) SUPPORT MANUFACTURING BUSINESSES IN RETAINING AND EXPANDING PRODUCTION AND JOBS;

(5) OBTAIN, COORDINATE, AND DISSEMINATE MARKETING RESOURCES TO PROMOTE AND ENHANCE ADDITIVE MANUFACTURING OPPORTUNITIES AND INVESTMENT IN THE REGION;

(6) SUPPORT PRIORITY ACCESS TO WORKFORCE TRAINING FUNDS AND ENTERPRISE INVESTMENT TAX CREDITS FOR ENTITIES THAT ARE INVESTING RESOURCES AND CREATING JOBS IN THE REGION;

(7) PURSUE FEDERAL, STATE, LOCAL, AND OTHER PUBLIC AND PRIVATE FUNDING AND COLLABORATION INITIATIVES; AND

(8) PERFORM ANY OTHER FUNCTION CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.

13-1208.

(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE AUTHORITY IS EXEMPT FROM TITLE 10 AND DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE AUTHORITY, ITS BOARD, AND ITS EMPLOYEES ARE SUBJECT TO TITLE 12, SUBTITLE 4 AND TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(B) THE OFFICERS AND EMPLOYEES OF THE AUTHORITY ARE NOT SUBJECT TO THE PROVISIONS OF DIVISION I OF THE STATE PERSONNEL AND PENSIONS ARTICLE THAT GOVERN THE STATE PERSONNEL MANAGEMENT SYSTEM.

(C) THE AUTHORITY IS SUBJECT TO THE PUBLIC INFORMATION ACT.

(D) THE BOARD AND THE OFFICERS AND EMPLOYEES OF THE AUTHORITY ARE SUBJECT TO THE PUBLIC ETHICS LAW.

13-1209.

(A) THE STATE AND CECIL AND HARFORD COUNTIES JOINTLY MAY FINANCE THE AUTHORITY AND ITS ACTIVITIES.

(B) (1) THE STATE MAY PROVIDE FINANCIAL SUPPORT TO THE AUTHORITY TO ASSIST IN CARRYING OUT THE ACTIVITIES OF THE AUTHORITY.

(2) (I) ON OR BEFORE AUGUST 1 OF EACH YEAR, THE AUTHORITY SHALL SUBMIT ITS PROPOSED WORK PROGRAMS AND OPERATING BUDGET FOR THE FOLLOWING FISCAL YEAR TO THE DEPARTMENT.

(II) THE SUBMISSION SHALL INCLUDE SUPPORTING SCHEDULES TO SHOW HOW THE BUDGET IS FINANCED AND TO PROVIDE FOR REVIEW AND RECOMMENDATIONS.

(III) AFTER REVIEW, THE DEPARTMENT SHALL FORWARD THE SUBMISSION AND ANY RECOMMENDATIONS TO THE DEPARTMENT OF BUDGET AND MANAGEMENT FOR CONSIDERATION.

(3) (I) ~~FOR SUBJECT TO~~ IN ACCORDANCE WITH SUBPARAGRAPH (II) OF THIS PARAGRAPH, FOR FISCAL YEAR 2016 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR ~~SHALL~~ MAY INCLUDE IN THE STATE BUDGET AN APPROPRIATION ~~OF AT LEAST \$150,000~~ TO PARTIALLY SUPPORT THE AUTHORITY.

(II) 1. ~~THE STATE ALLOCATION ANY APPROPRIATION IN A FISCAL YEAR UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS~~ SHALL BE CONTINGENT ON THE COMMITMENT OF CECIL AND HARFORD COUNTIES TO CONTRIBUTE FUNDS TO THE AUTHORITY DURING THE SAME FISCAL YEAR.

2. IN DETERMINING THE AMOUNT OF AN APPROPRIATION IN A FISCAL YEAR, IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE APPROPRIATION ~~AND~~ SHALL EQUAL AT LEAST TWO TIMES THE TOTAL AMOUNT COMMITTED TO BE CONTRIBUTED BY ~~THE~~ CECIL AND HARFORD COUNTIES IN THE SAME FISCAL YEAR.

(C) (1) THE GOVERNING BODIES OF CECIL AND HARFORD COUNTIES EACH YEAR ~~SHALL~~ MAY APPROPRIATE FUNDS TO THE AUTHORITY TO PROMOTE THE PURPOSES OF THE AUTHORITY.

(2) AN APPROPRIATION UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE A DESIGNATED PORTION OF THE BUDGET OF THE COUNTY OFFICE OF ECONOMIC DEVELOPMENT.

(D) THE AUTHORITY MAY ACCEPT ADDITIONAL MONEY FROM ANY OTHER PUBLIC OR PRIVATE SOURCE.

13-1210.

THE AUTHORITY SHALL COOPERATE WITH STATE AND LOCAL UNITS THAT HAVE RELEVANT STATUTORY FUNCTIONS AND DUTIES.

13-1211.

(A) THERE IS A NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY FUND.

(B) THE PURPOSE OF THE FUND IS TO IMPLEMENT THIS SUBTITLE.

(C) THE AUTHORITY SHALL ADMINISTER THE FUND.

(D) (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.

(E) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(2) MONEY APPROPRIATED BY CECIL AND HARFORD COUNTIES TO THE AUTHORITY;

(3) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS;

(4) INTEREST AND INVESTMENT EARNINGS OF THE FUND; AND

(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) THE FUND MAY BE USED ONLY TO:

(1) PROVIDE GRANTS FOR PROJECTS THAT FURTHER THE PURPOSES OF THIS SUBTITLE; AND

(2) PAY THE ADMINISTRATIVE AND OPERATIONAL EXPENSES OF THE AUTHORITY.

(G) (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.

(H) MONEY PROVIDED TO THE FUND THAT IS NOT AWARDED BY THE END OF THE FISCAL YEAR SHALL REMAIN IN THE FUND.

13-1212.

THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY:

(1) ON OR BEFORE DECEMBER 1, 2014, AN UPDATE ON THE ACTIVITIES OF THE AUTHORITY IN IMPLEMENTING THE PROVISIONS OF THIS SUBTITLE; AND

(2) ON OR BEFORE DECEMBER 1, 2015, AND EACH YEAR THEREAFTER, A COMPLETE OPERATING AND FINANCIAL STATEMENT COVERING THE AUTHORITY'S OPERATIONS AND A SUMMARY OF THE AUTHORITY'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.

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 NORTHEASTERN MARYLAND ADDITIVE MANUFACTURING INNOVATION AUTHORITY FUND.

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

Approved by the Governor, May 15, 2014.

Chapter 572

(Senate Bill 895)

AN ACT concerning

Election Law – Baltimore City Republican Party Central Committee – Filling of Vacancies

FOR the purpose of providing that an individual appointed to fill a vacancy of a member of the Baltimore City Republican Party Central Committee may reside anywhere in Baltimore City; and generally relating to the Baltimore City Republican Party Central Committee.

BY repealing and reenacting, with amendments,
 Article – Election Law
 Section 4–203(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 – Election Law

4–203.

(b) (2) (i) The members of the Republican Party Central Committee shall be elected from each councilmanic district of Baltimore City.

(ii) Two members shall be elected from each councilmanic district.

(III) AN INDIVIDUAL APPOINTED TO FILL A VACANCY OF A MEMBER OF THE REPUBLICAN PARTY CENTRAL COMMITTEE MAY RESIDE ANYWHERE IN BALTIMORE CITY.

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

Approved by the Governor, May 15, 2014.

Chapter 573**(Senate Bill 899)**

AN ACT concerning

Kent County – Gaming – Permits

FOR the purpose of increasing the number of gaming permits that the Board of County Commissioners of Kent County may issue in a single year to an organization that meets certain qualifications; and generally relating to gaming in Kent County.

BY repealing and reenacting, without amendments,
Article – Criminal Law
Section 13–1702 and 13–1703(a) through (c)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Law
Section 13–1703(e)(3)
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

13–1702.

- (a) This subtitle applies only in Kent County.
- (b) This subtitle does not authorize gambling using a slot machine or coin machine.

13–1703.

(a) The county commissioners may issue a permit to an organization specified in subsection (c) of this section to use two or more of the following gaming devices in conducting a fundraiser at which a prize of merchandise or money may be awarded:

- (1) a paddle wheel;
- (2) a wheel of fortune;
- (3) a chance book;
- (4) a card game;
- (5) a raffle; or
- (6) any other gaming device.

(b) Unless conducted at an event requiring a permit under subsection (a) of this section, a raffle is not a multiple gaming device regulated under this section.

(c) (1) In this subsection, “charity” means an organization, institution, association, society, or corporation that is exempt from taxation under § 501(c)(3) of the Internal Revenue Code.

(2) The county commissioners may issue a permit to use multiple gaming devices to:

(i) a bona fide religious organization that has conducted religious services at the same location in the county for at least 3 years before applying for a permit;

(ii) a county–supported or municipally supported volunteer fire company or an auxiliary unit whose members are directly associated with the volunteer fire company or auxiliary unit;

(iii) a nationally chartered veterans’ organization or an auxiliary unit whose members are directly associated with the veterans’ organization;

(iv) for the purpose of conducting a fundraiser for the benefit of a charity located in the county, a bona fide:

1. fraternal organization;
2. educational organization;
3. civic organization;
4. patriotic organization; or
5. charitable organization; or

(v) a bona fide nonprofit organization that:

1. has operated on a nonprofit basis in the county for at least 3 years before applying for a permit; and

2. intends to use the multiple gaming devices to raise money for an exclusively charitable, athletic, or educational purpose specifically described in the permit application.

(e) (3) The county commissioners may not issue more than [two] **SIX** permits to an organization in a single year.

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

Approved by the Governor, May 15, 2014.

Chapter 574

(Senate Bill 966)

AN ACT concerning

~~Calvert County,~~ Charles County, and St. Mary’s County – Deer Hunting

FOR the purpose of requiring the Department of Natural Resources to establish a program in certain counties to train rifle shooters to hunt deer for the purpose of controlling the deer population; requiring the Department to give certain applicants priority to participate in the program; authorizing the Department to terminate the program under certain circumstances; requiring the Department to provide a certain report to the General Assembly on or before a certain date; requiring the Department to adopt certain regulations; authorizing a person to hunt deer with a certain shotgun in certain counties during certain months; authorizing an individual who holds a Deer Management Permit in certain counties to hunt with a certain shotgun during deer season in certain locations, and to hunt deer on certain State lands under certain conditions; prohibiting the Department from requiring an individual who holds a Deer Management Permit in certain counties to renew the permit more frequently than at a certain interval; prohibiting the Department from authorizing an individual in certain counties to hunt deer on Sundays under a Deer Management Permit; ~~defining a certain term~~ authorizing the Department to terminate a certain deer season under certain circumstances; authorizing the Department to restrict the lands on which a person may hunt deer under certain circumstances; providing for the termination of this Act; and generally relating to deer hunting in ~~Calvert County,~~ Charles County, and St. Mary's County.

BY adding to

Article – Natural Resources
 Section 10–408.2 and 10–415(d)
 Annotated Code of Maryland
 (2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Natural Resources
 Section 10–415(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

10–408.2.

(A) THE DEPARTMENT SHALL ESTABLISH A PROGRAM IN ~~CALVERT COUNTY,~~ CHARLES COUNTY, AND ST. MARY'S COUNTY TO TRAIN RIFLE SHOOTERS TO HUNT DEER FOR THE PURPOSE OF CONTROLLING THE DEER POPULATION IN ~~CALVERT COUNTY,~~ CHARLES COUNTY, AND ST. MARY'S COUNTY.

(B) WHEN SELECTING APPLICANTS FOR PARTICIPATION IN THE PROGRAM UNDER SUBSECTION (A) OF THIS SECTION, THE DEPARTMENT SHALL GIVE PRIORITY TO AN APPLICANT WHO HOLDS A DEER MANAGEMENT PERMIT ISSUED BY THE DEPARTMENT.

(C) THE DEPARTMENT MAY TERMINATE THE PROGRAM TO PROTECT PUBLIC SAFETY AND WELFARE.

(D) ON OR BEFORE DECEMBER 1, 2016, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE IMPLEMENTATION OF THE PROGRAM.

~~(E)~~ (E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION, INCLUDING A SYSTEM FOR STAGGERING PARTICIPATION IN THE PROGRAM.

10-415.

(a) (1) There are the following 3 seasons to hunt deer:

[(1)] (I) Deer bow hunting season;

[(2)] (II) Deer firearms season; and

[(3)] (III) Deer muzzle loader season.

(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A PERSON MAY HUNT DEER WITH A SHOTGUN APPROVED BY THE DEPARTMENT FROM JANUARY THROUGH MARCH IN ~~CALVERT COUNTY~~, CHARLES COUNTY, AND ST. MARY'S COUNTY.

(D) (1) IN THIS SUBSECTION, "DEER MANAGEMENT PERMIT" MEANS A PERMIT ISSUED BY THE DEPARTMENT AUTHORIZING THE HOLDER TO HUNT DEER OUTSIDE OF DEER HUNTING SEASON FOR THE PURPOSE OF PREVENTING DAMAGE TO CROPS.

(2) IN ~~CALVERT COUNTY~~, CHARLES COUNTY, AND ST. MARY'S COUNTY, AN INDIVIDUAL WHO HOLDS A DEER MANAGEMENT PERMIT MAY:

(I) USE A SHOTGUN APPROVED BY THE DEPARTMENT TO HUNT DEER THROUGHOUT DEER SEASON IN THE LOCATIONS AND UNDER THE CONDITIONS SET FORTH IN THE PERMIT; AND

(II) HUNT DEER ON STATE AGRICULTURAL CROP LAND LOCATED IN ~~CALVERT COUNTY~~, CHARLES COUNTY, AND ST. MARY'S COUNTY TO THE SAME EXTENT AS THE PERSON IS AUTHORIZED UNDER THE DEER MANAGEMENT PERMIT TO HUNT ON PRIVATE LAND IN ~~CALVERT COUNTY~~, CHARLES COUNTY, AND ST. MARY'S COUNTY.

(3) THE DEPARTMENT MAY NOT REQUIRE AN INDIVIDUAL WHO HOLDS A DEER MANAGEMENT PERMIT IN ~~CALVERT COUNTY~~, CHARLES COUNTY, OR ST. MARY'S COUNTY TO APPLY FOR RENEWAL MORE THAN ONCE EVERY 3 YEARS.

(4) THE DEPARTMENT MAY NOT AUTHORIZE AN INDIVIDUAL IN ~~CALVERT COUNTY~~, CHARLES COUNTY, OR ST. MARY'S COUNTY TO HUNT DEER ON SUNDAYS UNDER A DEER MANAGEMENT PERMIT.

(5) TO PROTECT PUBLIC SAFETY AND WELFARE, THE DEPARTMENT MAY:

(I) TERMINATE THE DEER HUNTING SEASON ESTABLISHED UNDER SUBSECTION (A)(2) OF THIS SECTION; AND

(II) RESTRICT THE LANDS ON WHICH AN INDIVIDUAL MAY HUNT DEER.

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 15, 2014.

Chapter 575

(Senate Bill 998)

AN ACT concerning

Academic Facilities Bonding Authority

FOR the purpose of approving certain projects for the acquisition, development, and improvement of certain academic facilities for the University System of Maryland; approving the issuance of bonds by the University System of Maryland in a certain total principal amount for financing the projects;

providing that the bonds issued under the authority of this Act are not a debt or obligation of the State or any of its subdivisions; and generally relating to academic facilities bonding authority of the University System of Maryland and specified projects.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(1) In accordance with § 19–102(d) of the Education Article, each of the following projects is approved as a project for an academic facility, and the University System of Maryland may issue, sell, and deliver bonds in the total principal amount of \$15,000,000 for the purposes of financing and refinancing the costs of the following projects:

- (A) University of Maryland, College Park (Prince George’s County)
 - (i) Campuswide Building System and Infrastructure Improvements
 - (ii) H.J. Patterson Wing 1 Renovation

(2) In accordance with § 19–102(d) of the Education Article, such system–wide capital facilities renewal projects for the constituent institutions and centers of the University System of Maryland as are authorized by the Board are hereby approved as projects for academic facilities, and the University System of Maryland may issue, sell, and deliver bonds in the total principal amount of \$17,000,000 for the purposes of financing and refinancing the costs of those facilities renewal projects.

(3) The bonds issued under the authority of this Act do not create or constitute any indebtedness or obligation of the State or of any political subdivision thereof except for the University System of Maryland, and the bonds shall so state on their face. The bonds do not constitute a debt or obligation contracted by the General Assembly of Maryland or pledge the faith and credit of the State within the meaning of Article III, § 34 of the Maryland Constitution.

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

Approved by the Governor, May 15, 2014.

Chapter 576

(Senate Bill 1054)

AN ACT concerning

**Economic Development – Arts and Entertainment Districts – Qualifying
Residing Artists**

FOR the purpose of altering the definition of qualifying residing artist for an arts and entertainment district to include individuals who own or rent residential real property in the State and who conduct business and derive income in certain areas; altering the eligibility for certain individuals to claim certain tax incentives; and generally relating to qualifying residing artists in arts and entertainment districts.

BY repealing and reenacting, without amendments,

Article – Economic Development
Section 4–701(a) and (c) and 4–706(a)
Annotated Code of Maryland
(2008 Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development
Section 4–701(f)
Annotated Code of Maryland
(2008 Volume and 2013 Supplement)

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

Article – Economic Development

4–701.

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

(c) “Arts and entertainment district” means a developed district of public and private uses that:

(1) is distinguished by physical and cultural resources that play a vital role in the life and development of the community and contribute to the public through interpretive, educational, and recreational uses; and

(2) ranges in size from a portion of a political subdivision to a regional district with a special coherence.

(f) “Qualifying residing artist” means an individual who:

(1) owns or rents residential real property in the [county where the arts and entertainment district is located] **STATE**;

(2) conducts a business in [the] ANY arts and entertainment district;
and

(3) derives income from the sale or performance within [the] ANY arts and entertainment district of an artistic work that the individual wrote, composed, or executed, either alone or with others, in [the] ANY arts and entertainment district.

4–706.

(a) In an arts and entertainment district:

(1) each qualifying residing artist is eligible for the income tax subtraction modification under § 10–207(v) of the Tax – General Article;

(2) the property tax credit under § 9–240 of the Tax – Property Article applies; and

(3) the exemption from the admissions and amusement tax under § 4–104 of the Tax – General Article applies.

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 15, 2014.

Chapter 577

(Senate Bill 1082)

AN ACT concerning

State Reformed Contributory Employees' and Teachers' Pension Systems – Prior Eligibility Service

FOR the purpose of authorizing a member of the State Reformed Contributory Employees' Pension System or the State Reformed Contributory Teachers' Pension System who meets certain requirements to combine certain prior eligibility service in the Employees' Pension System or the Teachers' Pension System with the member's current service; making certain clarifying changes; and generally relating to prior eligibility service for members of the State Reformed Contributory Employees' Pension System and the State Reformed Contributory Teachers' Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 23–303.1
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

23–303.1.

(a) This section applies to a member of the Employees' Pension System or Teachers' Pension System who has prior service in a part of the Employees' Pension System or Teachers' Pension System that is subject to a different rate of member contributions and benefit accrual.

(b) A member who is subject to the contributory pension benefit [or], Alternate Contributory Pension Selection, **OR REFORMED CONTRIBUTORY PENSION BENEFIT** is entitled to combine the member's prior eligibility service with the member's current service if the member:

(1) at the time of separation from employment, was entitled to a vested allowance from:

- (i) the Employees' Pension System; or
- (ii) the Teachers' Pension System;

(2) did not transfer to the Employees' Pension System or the Teachers' Pension System from the Employees' Retirement System or Teachers' Retirement System after April 1, 1998; and

(3) has completed 1 year of employment as a member [who is subject to the contributory pension benefit under Subtitle 2, Part II of this title] **OF THE PENSION BENEFIT OR SELECTION IN WHICH THE MEMBER IS EARNING SERVICE CREDIT AS AN ACTIVE MEMBER AT THE TIME THE PRIOR SERVICE CREDIT IS COMBINED WITH THE CURRENT SERVICE CREDIT.**

(c) A member who is subject to the noncontributory pension benefit is entitled to combine the member's prior eligibility service with the member's current service if the member did not transfer to the Employees' Pension System or Teachers' Pension System from the Employees' Retirement System or Teachers' Retirement System after April 1, 1998.

(d) (1) A member may combine the member's prior credit for eligibility service with the member's current service under this section if the member:

(i) completes a claim for the service credit and files it with the Board of Trustees on the form that the Board of Trustees provides at any time before retirement; and

(ii) deposits into the annuity savings fund the member contributions, if any, that would have been due if the member had earned the prior service in the same part of the Employees' Pension System or Teachers' Pension System in which the member is currently enrolled, plus regular interest on the contributions.

(2) When a member combines credit for eligibility service under this section, the member has no further rights in the prior system.

(3) Subject to § 414(h)(2) of the Internal Revenue Code, an individual's accumulated contributions in excess of the amount determined under paragraph (1) of this subsection shall be refunded on request.

(e) If a member withdrew the member's accumulated contributions after the prior separation from employment, the member shall:

(1) redeposit any of the amounts withdrawn with regular interest to the date of redeposit; or

(2) on retirement, the individual's retirement allowance shall be reduced by the actuarial equivalent of the accumulated contributions withdrawn with regular interest to the date of retirement.

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

Approved by the Governor, May 15, 2014.

Chapter 578

(House Bill 1483)

AN ACT concerning

**State Reformed Contributory Employees' and Teachers' Pension Systems –
Prior Eligibility Service**

FOR the purpose of authorizing a member of the State Reformed Contributory Employees' Pension System or the State Reformed Contributory Teachers' Pension System who meets certain requirements to combine certain prior eligibility service in the Employees' Pension System or the Teachers' Pension System with the member's current service; making certain clarifying changes; and generally relating to prior eligibility service for members of the State Reformed Contributory Employees' Pension System and the State Reformed Contributory Teachers' Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 23–303.1
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

23–303.1.

(a) This section applies to a member of the Employees' Pension System or Teachers' Pension System who has prior service in a part of the Employees' Pension System or Teachers' Pension System that is subject to a different rate of member contributions and benefit accrual.

(b) A member who is subject to the contributory pension benefit [or], Alternate Contributory Pension Selection, **OR REFORMED CONTRIBUTORY PENSION BENEFIT** is entitled to combine the member's prior eligibility service with the member's current service if the member:

(1) at the time of separation from employment, was entitled to a vested allowance from:

- (i) the Employees' Pension System; or
- (ii) the Teachers' Pension System;

(2) did not transfer to the Employees' Pension System or the Teachers' Pension System from the Employees' Retirement System or Teachers' Retirement System after April 1, 1998; and

(3) has completed 1 year of employment as a member [who is subject to the contributory pension benefit under Subtitle 2, Part II of this title] **OF THE PENSION BENEFIT OR SELECTION IN WHICH THE MEMBER IS EARNING SERVICE**

CREDIT AS AN ACTIVE MEMBER AT THE TIME THE PRIOR SERVICE CREDIT IS COMBINED WITH THE CURRENT SERVICE CREDIT.

(c) A member who is subject to the noncontributory pension benefit is entitled to combine the member's prior eligibility service with the member's current service if the member did not transfer to the Employees' Pension System or Teachers' Pension System from the Employees' Retirement System or Teachers' Retirement System after April 1, 1998.

(d) (1) A member may combine the member's prior credit for eligibility service with the member's current service under this section if the member:

(i) completes a claim for the service credit and files it with the Board of Trustees on the form that the Board of Trustees provides at any time before retirement; and

(ii) deposits into the annuity savings fund the member contributions, if any, that would have been due if the member had earned the prior service in the same part of the Employees' Pension System or Teachers' Pension System in which the member is currently enrolled, plus regular interest on the contributions.

(2) When a member combines credit for eligibility service under this section, the member has no further rights in the prior system.

(3) Subject to § 414(h)(2) of the Internal Revenue Code, an individual's accumulated contributions in excess of the amount determined under paragraph (1) of this subsection shall be refunded on request.

(e) If a member withdrew the member's accumulated contributions after the prior separation from employment, the member shall:

(1) redeposit any of the amounts withdrawn with regular interest to the date of redeposit; or

(2) on retirement, the individual's retirement allowance shall be reduced by the actuarial equivalent of the accumulated contributions withdrawn with regular interest to the date of retirement.

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

Approved by the Governor, May 15, 2014.

Chapter 579

(Senate Bill 1091)

AN ACT concerning

Financial Institutions – ~~Transitional Registered Mortgage Loan Originator~~ Originators – Expedited Licenses

FOR the purpose of ~~authorizing~~ requiring the Commissioner of Financial Regulation to ~~issue a transitional mortgage loan originator license to certain individuals under certain circumstances; requiring an applicant for a license to submit a certain application to the Commissioner and comply with certain conditions and provisions of the application; requiring an applicant for a license to pay a certain fee; specifying the content of a certain application; requiring an applicant for a license to comply with certain fingerprinting, criminal history records check, and surety bond requirements; prohibiting the Commissioner from issuing a license unless the Commissioner makes certain findings; providing that a license issued by the Commissioner under certain provisions of this Act authorizes an individual to act as a mortgage loan originator for a certain transitional period, is limited to a certain term, and may not be renewed or extended by the Commissioner; defining a certain term; waive a State criminal history records check to expedite the issuance of a certain license to an applicant who was employed as a registered mortgage loan originator within a certain number of days before the date of application for the license under certain circumstances; requiring the Commissioner to publish prominently on a certain Web site the expedited process for the issuance of a certain license; authorizing the Commissioner to adopt certain regulations; and generally relating to the regulation of mortgage loan originators.~~

~~BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section ~~11-601~~
Annotated Code of Maryland
(~~2011 Replacement Volume and 2013 Supplement~~)~~

BY repealing and reenacting, without amendments,
Article – Financial Institutions
Section ~~11-602~~ 11-601
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

BY adding to
Article – Financial Institutions
Section ~~11-605.1~~ 11-612.3
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

11–601.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Borrower” has the meaning stated in § 11–501 of this title.
- (c) “Clerical or support duties” includes the following activities relating to the processing or underwriting of a mortgage loan when performed subsequent to the receipt of a loan application:
 - (1) The receipt, collection, distribution, and analysis of information usual and customary for the processing or underwriting of a mortgage loan; and
 - (2) Communication with a consumer to obtain information necessary for the processing or underwriting of a mortgage loan, to the extent that the communication does not include offering or negotiating mortgage loan rates or terms, or counseling consumers about mortgage loan rates or terms.
- (d) (1) “Depository institution” has the meaning stated in the Federal Deposit Insurance Act, 12 U.S.C. § 1813(c).
- (2) “Depository institution” includes credit unions.
- (e) “Federal banking agencies” means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Deposit Insurance Corporation.
- (f) “Fund” means the Mortgage Lender–Originator Fund established under § 11–610 of this subtitle.
- (g) “Immediate family member” means a spouse, child, sibling, parent, grandparent, grandchild, stepparent, stepchild, and stepsibling.
- (h) “Independent contractor” means a person whose compensation is paid without a deduction for federal or State income tax.
- (i) “Individual” means a natural person.
- (j) “Individual loan servicer” means an individual who on behalf of a note holder or mortgage loan servicer:

(1) Collects or receives payments, including payments of principal, interest, escrow amounts, and other amounts due on existing mortgage loan obligations owed to the note holder or mortgage loan servicer, at a time when the borrower is in default, or in reasonably foreseeable likelihood of default; and

(2) Working with the borrower and the note holder or mortgage loan servicer, collects data and makes decisions to modify, either temporarily or permanently, the terms of the mortgage loan obligations described in item (1) of this subsection or to proceed with collection efforts through foreclosure or other processes.

(k) "License" means a license issued by the Commissioner under this subtitle.

(l) "Licensee" means an individual who is licensed by the Commissioner under this subtitle.

(m) "Loan application" has the meaning stated in § 11-501 of this title.

(n) "Mortgage lender" means a person that is licensed as a mortgage lender under Subtitle 5 of this title.

(o) "Mortgage lending business" has the meaning stated in § 11-501 of this title.

(p) "Mortgage loan" has the meaning stated in § 11-501 of this title.

(q) (1) "Mortgage loan originator" means an individual who for compensation or gain, or in the expectation of compensation or gain:

(i) Takes a loan application; or

(ii) Offers or negotiates terms of a mortgage loan.

(2) "Mortgage loan originator" does not include an individual who:

(i) Acts solely as a mortgage loan processor or underwriter;

(ii) Performs only real estate brokerage activities and is licensed in accordance with Title 17 of the Business Occupations and Professions Article, unless the individual is compensated by a mortgage lender, mortgage broker, or other mortgage loan originator or by any agent of a mortgage lender, mortgage broker, or other mortgage loan originator; or

(iii) Is involved solely in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C. § 101(53d).

(r) (1) “Mortgage loan processor or underwriter” means an individual who performs clerical or support duties as an employee of, at the direction of, and subject to the supervision and instruction of a person licensed, or exempt from licensing, under Title 5 of this article.

(2) “Mortgage loan processor or underwriter” does not include an individual who:

(i) Represents to the public, through advertising or other means of communication including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator; or

(ii) Performs mortgage loan processing or underwriting activities as an independent contractor.

(s) “Nationwide Mortgage Licensing System and Registry” has the meaning stated in § 11–501 of this title.

(t) “Nontraditional mortgage product” means any mortgage product other than a 30–year fixed rate mortgage loan.

(u) “Person” has the meaning stated in § 11–501 of this title.

(v) “Real estate brokerage activity” means any activity for which a license is required under Title 17 of the Business Occupations and Professions Article.

(w) “Registered mortgage loan originator” means any individual who:

(1) Is a mortgage loan originator;

(2) Is an employee of:

(i) A depository institution;

(ii) A subsidiary that is:

1. Owned and controlled by a depository institution; and

2. Regulated by a federal banking agency; or

(iii) An institution regulated by the Farm Credit Administration;

and

(3) Is registered with, and maintains a unique identifier through, the Nationwide Mortgage Licensing System and Registry.

(x) “Residential real estate” has the meaning stated in § 11-501 of this title.

~~(y) “TRANSITIONAL MORTGAGE LOAN ORIGINATOR LICENSE” MEANS A LICENSE ISSUED BY THE COMMISSIONER UNDER § 11-605.1 OF THIS SUBTITLE.~~

~~{(y)}~~ ~~(z)~~ “Unique identifier” means a number or other identifier assigned by the Nationwide Mortgage Licensing System and Registry.

~~11-602.~~

~~(a) (1) The licensing provisions of this subtitle do not apply to independent contractors.~~

~~(2) Independent contractors are subject to the licensing provisions of Subtitle 5 of this title unless exempt from licensing under that subtitle.~~

~~(b) Unless exempted from this subtitle under subsection (d) of this section, an individual may not engage in the business of a mortgage loan originator unless the individual holds a valid license issued under this subtitle.~~

~~(c) Each licensee shall obtain and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry:~~

~~(1) On obtaining an initial or renewal license on or after July 1, 2009; or~~

~~(2) If the Commissioner has not joined the Nationwide Mortgage Licensing System and Registry as of July 1, 2009, on or after the date that the Commissioner joins, as instructed by the Commissioner by notice to the licensee.~~

~~(d) The following individuals are exempt from this subtitle:~~

~~(1) A registered mortgage loan originator, when acting for an entity described in § 11-601(w) of this subtitle;~~

~~(2) An individual who offers or negotiates the terms of a mortgage loan with or on behalf of an immediate family member of the individual;~~

~~(3) An individual who offers or negotiates the terms of a mortgage loan secured by a dwelling that served as the individual's residence;~~

~~(4) A licensed attorney who negotiates the terms of a mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a mortgage lender, a mortgage broker, or a mortgage loan originator, or by an agent of a mortgage lender, mortgage broker, or mortgage loan originator; and~~

~~(5) Subject to subsection (c) of this section, an individual loan servicer.~~

~~(c) The exemption under subsection (d)(5) of this section is subject to modification by regulations that are adopted by the Commissioner and consistent with any applicable written interpretations of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 by the United States Department of Housing and Urban Development presented through commentaries, guidelines, rules, regulations, or interpretive letters.~~

~~(f) The Commissioner may adopt regulations to carry out this subtitle.~~

~~11-605.1.~~

~~(A) IN ANTICIPATION OF THE SATISFACTION OF ALL OF THE REQUIREMENTS NECESSARY TO OBTAIN A LICENSE AS A MORTGAGE LOAN ORIGINATOR UNDER THIS SUBTITLE, THE COMMISSIONER MAY ISSUE A TRANSITIONAL MORTGAGE LOAN ORIGINATOR LICENSE TO:~~

~~(1) AN INDIVIDUAL WHO HAS MAINTAINED A LICENSE TO ORIGINATE MORTGAGE LOANS UNDER THE LAWS OF ANOTHER STATE; OR~~

~~(2) TO THE EXTENT PERMITTED UNDER THIS SUBTITLE OR ANY REGULATIONS ADOPTED TO IMPLEMENT THIS SUBTITLE, AN INDIVIDUAL WHO WAS FORMERLY REGISTERED TO ORIGINATE MORTGAGE LOANS ON BEHALF OF A FINANCIAL INSTITUTION.~~

~~(B) TO APPLY FOR A TRANSITIONAL MORTGAGE LOAN ORIGINATOR LICENSE, AN APPLICANT SHALL:~~

~~(1) COMPLETE, SIGN, AND SUBMIT TO THE COMMISSIONER AN APPLICATION MADE UNDER OATH ON THE FORM THAT THE COMMISSIONER REQUIRES; AND~~

~~(2) COMPLY WITH ALL CONDITIONS AND PROVISIONS OF THE APPLICATION FOR A LICENSE.~~

~~(C) WITH EACH APPLICATION, THE APPLICANT SHALL PAY TO THE COMMISSIONER A NONREFUNDABLE LICENSE FEE IN AN AMOUNT SET BY THE COMMISSIONER.~~

~~(D) THE APPLICATION SHALL INCLUDE:~~

~~(1) THE NAME AND RESIDENTIAL ADDRESS OF THE APPLICANT;~~

~~(2) THE ADDRESS OF THE APPLICANT'S EMPLOYER OR THE ADDRESS WHERE THE APPLICANT WILL ACT AS A TRANSITIONAL MORTGAGE LOAN ORIGINATOR;~~

~~(3) A CERTIFICATION THAT:~~

~~(i) 1. THE APPLICANT WAS LICENSED TO ORIGINATE MORTGAGE LOANS UNDER THE LAWS OF ANOTHER STATE; OR~~

~~2. TO THE EXTENT THE TRANSITIONAL MORTGAGE LOAN ORIGINATOR LICENSE IS BASED ON REGISTRATION UNDER FEDERAL LAW, THE APPLICANT WAS REGISTERED TO ORIGINATE MORTGAGE LOANS ON BEHALF OF A COVERED FINANCIAL INSTITUTION WITHIN THE 2 MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THE FILING OF THE APPLICATION; AND~~

~~(ii) THE APPLICANT ORIGINATED MORTGAGE LOANS UNDER A LICENSE OR REGISTRATION FOR A PERIOD OF NO LESS THAN 2 YEARS; AND~~

~~(4) AN ATTESTATION BY A SENIOR OFFICER OR PRINCIPAL OF A MORTGAGE LENDER OR MORTGAGE BROKER LICENSED UNDER SUBTITLE 5 OF THIS TITLE THAT THE APPLICANT CURRENTLY IS EMPLOYED BY THE LICENSEE.~~

~~(E) AN APPLICANT FOR A TRANSITIONAL MORTGAGE LOAN ORIGINATOR LICENSE SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS UNDER THIS SUBTITLE:~~

~~(1) FINGERPRINTING AND A CRIMINAL HISTORY RECORDS CHECK; AND~~

~~(2) SURETY BOND COVERAGE.~~

~~(F) THE COMMISSIONER MAY NOT ISSUE A TRANSITIONAL MORTGAGE LOAN ORIGINATOR LICENSE UNLESS THE COMMISSIONER MAKES, AT A MINIMUM, THE FOLLOWING FINDINGS:~~

~~(1) THE APPLICANT HAS NEVER HAD A MORTGAGE LOAN ORIGINATOR LICENSE DENIED, REVOKED, OR SUSPENDED IN ANY FEDERAL, STATE, OR LOCAL JURISDICTION;~~

~~(2) THE APPLICANT HAS NOT BEEN CONVICTED OF, OR PLED GUILTY OR NOLO CONTENDERE TO, A FELONY IN A DOMESTIC, FOREIGN, OR MILITARY COURT; AND~~

~~(3) THE APPLICANT HAS A VALID UNIQUE IDENTIFIER.~~

~~(G) A LICENSE ISSUED UNDER THIS SECTION:~~

~~(1) AUTHORIZES AN INDIVIDUAL TO ACT AS A MORTGAGE LOAN ORIGINATOR FOR A TRANSITIONAL PERIOD DURING WHICH THE INDIVIDUAL PURSUES THE REQUIREMENTS TO BECOME A LICENSEE UNDER THIS SUBTITLE; AND~~

~~(2) IS LIMITED TO A TERM OF NO MORE THAN 6 MONTHS AND MAY NOT BE RENEWED OR EXTENDED BY THE COMMISSIONER.~~

11-612.3.

(A) TO EXPEDITE THE ISSUANCE OF A LICENSE TO AN APPLICANT WHO, WITHIN 45 DAYS BEFORE THE DATE OF APPLICATION FOR THE LICENSE, WAS EMPLOYED AS A REGISTERED MORTGAGE LOAN ORIGINATOR, THE COMMISSIONER SHALL WAIVE, AS APPLICABLE, THE STATE CRIMINAL HISTORY RECORDS CHECK.

(B) THE COMMISSIONER SHALL PUBLISH PROMINENTLY ON THE COMMISSIONER'S WEB SITE, OR HAVE PUBLISHED ON A THIRD-PARTY WEB SITE USED FOR LICENSING MORTGAGE LOAN ORIGINATORS IN THE STATE, THE EXPEDITED PROCESS FOR THE ISSUANCE OF A LICENSE UNDER THIS SECTION.

(C) THE COMMISSIONER MAY 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 15, 2014.

Chapter 580

(Senate Bill 1108)

AN ACT concerning

Sterile Compounding Permits – Exemptions – Definition of “Compounding”,
Study, and Recommendations and Exemption for Sterile Compounding
Facilities That Compound Only for Immediate Use

FOR the purpose of altering the definition of “compounding” for purposes of provisions of law governing sterile compounding to exclude certain acts performed by or under the supervision of certain individuals and in accordance with certain directions; and guidance; requiring the Secretary of Health and Mental Hygiene to convene a workgroup, including representatives of certain health occupations boards, organizations, and other parties, to study certain standards for certain acts performed by, or under the supervision of, certain health care professionals in the treatment of certain conditions and to report, on or before a certain date, to the Governor and certain legislative committees on the results of the study and the Secretary’s recommendations; authorizing, under certain circumstances, the State Board of Pharmacy to exempt a certain sterile compounding facility from a certain permit requirement; providing that a sterile compounding facility that receives a certain exemption is subject to inspection by the Board; authorizing the Board to withdraw an exemption under certain circumstances; providing that, under certain circumstances, a licensed health care practitioner who performs sterile compounding in a sterile compounding facility that has received a certain exemption is subject to disciplinary action by the appropriate respective regulatory board; defining a certain term; and generally relating to exemptions from the sterile compounding permit requirement permits.

BY repealing and reenacting, with amendments,
 Article – Health Occupations
 Section 12-4A-01 and 12-4A-02
 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

12-4A-01.

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

(b) **(1)** “Compounding” means the preparation, mixing, assembling, packaging, or labeling of a drug only:

[(1)] (I) As the result of a practitioner’s prescription drug order or initiative based on the practitioner/patient relationship in the course of professional practice;

[(2)] (II) For the purpose of, or incidental to, research, teaching, or chemical analysis and not for the sale or dispensing of the drug or device; or

[(3)] (III) In anticipation of a prescription drug order based on routine, regularly observed prescribing patterns.

(2) “COMPOUNDING” DOES NOT INCLUDE MIXING, RECONSTITUTING, OR OTHER SIMILAR ACTS ROUTINELY PERFORMED:

(i) BY, OR UNDER THE SUPERVISION OF, AN ONCOLOGIST, A RHEUMATOLOGIST, OR A HEMATOLOGIST WHO ADMINISTERS CHEMOTHERAPY, BIOLOGIC THERAPY, SUPPORTIVE CARE MEDICATION, RHEUMATOLOGY THERAPY, OR ANY OTHER THERAPY IN THE TREATMENT OF CANCER, A RHEUMATOLOGY CONDITION, OR A BLOOD CONDITION; AND

(ii) IN ACCORDANCE WITH:

1. DIRECTIONS CONTAINED IN APPROVED LABELING PROVIDED BY THE PRODUCT’S MANUFACTURER; ~~AND~~

2. OTHER MANUFACTURER DIRECTIONS CONSISTENT WITH THE LABELING; AND

3. OTHER DIRECTION OR GUIDANCE FROM THE U.S. FOOD AND DRUG ADMINISTRATION RELATING TO THE ACTS DESCRIBED IN THIS PARAGRAPH.

(c) “Designee” means a public agency or private entity approved by the Board to conduct inspections of sterile compounding facilities or entities that prepare sterile drug products.

(d) “Sterile compounding” means compounding of biologics, diagnostics, drugs, nutrients, and radiopharmaceuticals that, under USP 797, must be prepared using aseptic techniques.

(e) “Sterile compounding facility” means a pharmacy, a health care practitioner’s office, or any other setting in which sterile compounding is performed.

(f) “Sterile drug product” means a drug product that:

(1) Must be prepared using aseptic techniques; and

(2) Is not required to be prepared in response to a patient specific prescription.

(g) “USP 797” means the standards set forth in the United States Pharmacopeia, General Chapter 797, “Pharmaceutical Compounding – Sterile Preparations”.

~~(a) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A sterile compounding facility shall hold a sterile compounding permit issued by the Board before the sterile compounding facility may perform sterile compounding in the State.~~

~~(B) (1) IN THIS SUBSECTION, "STERILE COMPOUNDING" DOES NOT INCLUDE MIXING, RECONSTITUTING, OR OTHER ACTS PERFORMED:~~

~~(I) BY, OR UNDER THE SUPERVISION OF, AN ONCOLOGIST OR A HEMATOLOGIST; AND~~

~~(II) IN ACCORDANCE WITH:~~

~~1. DIRECTIONS CONTAINED IN THE APPROVED PRODUCT LABELING PROVIDED BY THE MANUFACTURER; AND~~

~~2. OTHER MANUFACTURER DIRECTIONS THAT ARE CONSISTENT WITH THE APPROVED PRODUCT LABELING.~~

~~(2) (1) THE BOARD MAY EXEMPT A STERILE COMPOUNDING FACILITY THAT PERFORMS STERILE COMPOUNDING IN THE STATE ONLY FOR IMMEDIATE USE, AS DEFINED BY USP 797, FROM THE PERMIT REQUIREMENT IN SUBSECTION (A) OF THIS SECTION IF THE STERILE COMPOUNDING FACILITY:~~

~~(I) REQUESTS AN EXEMPTION ON A FORM THE BOARD REQUIRES;~~

~~(II) ATTESTS TO COMPLIANCE WITH USP 797 STANDARDS FOR IMMEDIATE USE, INCLUDING:~~

~~1. THE USE OF ASEPTIC TECHNIQUES;~~

~~2. THE USE OF QUALITY ASSURANCE MEASURES;~~

~~3. PERSONNEL TRAINING; AND~~

~~4. THE USE OF APPROPRIATE CARBING; AND~~

~~(III) PAYS A FEE SET BY THE BOARD FOR THE REVIEW OF THE REQUEST.~~

~~(3) (2) A STERILE COMPOUNDING FACILITY THAT RECEIVES AN EXEMPTION UNDER PARAGRAPH (2) (1) OF THIS SUBSECTION IS SUBJECT TO INSPECTION BY THE BOARD.~~

~~(4) (3) THE BOARD MAY WITHDRAW AN EXEMPTION IF A STERILE COMPOUNDING FACILITY:~~

~~(i) FAILS TO COMPLY WITH USP 797; OR~~

~~(ii) FAILS TO COOPERATE WITH A BOARD INSPECTION.~~

~~(5) (4) IF A STERILE COMPOUNDING FACILITY THAT RECEIVED AN EXEMPTION UNDER PARAGRAPH (2) (1) OF THIS SUBSECTION FAILS TO COMPLY WITH USP 797, THE LICENSED HEALTH CARE PRACTITIONER WHO PERFORMS STERILE COMPOUNDING IN THE STERILE COMPOUNDING FACILITY IS SUBJECT TO DISCIPLINARY ACTION BY THE APPROPRIATE RESPECTIVE REGULATORY BOARD.~~

~~[(b)] (C) A sterile compounding permit is required in addition to and does not replace any other permit or license a sterile compounding facility holds.~~

~~[(e)] (D) A sterile compounding facility that performs sterile compounding outside the State shall hold a sterile compounding permit issued by the Board before the sterile compounded preparations of the sterile compounding facility are dispensed in the State.~~

~~[(d)] (E) A separate sterile compounding permit is required for each site at which sterile compounding is performed.~~

~~[(e)] (F) A sterile compounding permit is not transferable.~~

~~[(f)] (G) A person that prepares and distributes sterile drug products into or within the State:~~

~~(1) Is not required to hold a sterile compounding permit under subsection (a) or [(e)] (D) of this section; and~~

~~(2) Shall hold:~~

~~(i) A manufacturer's permit or other permit designated by the U.S. Food and Drug Administration to ensure the safety of sterile drug products; and~~

~~(ii) A wholesale distributor's permit issued by the Board under Subtitle 6C of this title.~~

~~[(g)] (H) (1) The Board may waive any requirements of this subtitle, including the requirements of subsection [(f)] (G) of this section, in accordance with regulations adopted by the Board.~~

~~(2) A waiver may be issued to a sterile compounding facility or a person described in subsection [(f)] (G) of this section only:~~

~~(i) For specified sterile compounded preparations or sterile drug products for which there is a clinical need, as determined by the Board with input from health care providers in the State;~~

~~(ii) In exigent circumstances that, as determined by the Board, otherwise prevent health care providers from obtaining, in the size and strength needed, the specified sterile compounded preparations or sterile drug products under item (i) of this paragraph; and~~

~~(iii) If the sterile compounding facility or person described in subsection [(f)] (G) of this section meets requirements established by the Board, including:~~

~~1. Provision of:~~

~~A. Reports of inspections conducted by a designee or the U.S. Food and Drug Administration;~~

~~B. A statement of compliance with USP 797; and~~

~~C. A review of adverse regulatory action; and~~

~~2. Any other requirement as determined by the Board.~~

~~(3) (i) The Board shall post on its Web site any waiver issued under this subsection.~~

~~(ii) For each waiver posted on its Web site, the Board shall include:~~

~~1. The name of the sterile compounding facility or other person receiving the waiver;~~

~~2. The sterile compounded preparation or sterile drug product for which the waiver is issued;~~

~~3. The basis for issuing the waiver;~~

~~4. The duration of the waiver; and~~

~~5. Any other information relating to the waiver or limitations on the waiver determined appropriate by the Board.~~

~~(4) Any waiver issued by the Board:~~

~~(i) May not exceed 2 years in duration;~~
~~(ii) May be renewed by the Board; and~~
~~(iii) May be rescinded by the Board if the Board finds that any requirements of this subtitle are not met.~~

~~(5) (i) The Board shall include in the regulations adopted under paragraph (1) of this subsection requirements for documenting, in a record acceptable to the Board, the administration to a patient of a sterile compounded preparation or sterile drug product obtained under a waiver issued under this subsection.~~

~~(ii) The requirements shall include:~~

- ~~1. Documentation of the lot number or other mechanism for identifying the sterile compounded preparation or sterile drug product for the purpose of tracing the sterile compounded preparation or sterile drug product back to the sterile compounding facility or other person that prepared it; or~~
- ~~2. If documentation of the lot number or other identification mechanism is not feasible, documentation of the source of the sterile compounded preparation or sterile drug product for the purpose of tracking the sterile compounded preparation or sterile drug product back to the sterile compounding facility or other person that prepared it.~~

SECTION 2. AND BE IT FURTHER ENACTED, That *the Secretary of Health and Mental Hygiene shall:*

(1) convene a workgroup, including representatives of the Maryland Board of Physicians, the State Board of Pharmacy, the Maryland Society of Clinical Oncology, MedChi, and other interested parties, to study appropriate national safety standards for mixing, reconstituting, and other similar acts routinely performed by, or under the supervision of, an oncologist, a rheumatologist, or a hematologist who administers chemotherapy, biologic therapy, supportive care medication, rheumatology therapy, or any other therapy in the treatment of cancer, a rheumatology condition, or a blood condition; and

(2) on or before December 15, 2014, report to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee on:

(i) the results of the study; and
(ii) the Secretary's recommendations for appropriate oversight of the acts described in item (1) of this section.

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

Approved by the Governor, May 15, 2014.

Chapter 581

(House Bill 35)

AN ACT concerning

Electric Reliability – Priorities and Funding

FOR the purpose of requiring the Public Service Commission and certain electric companies to establish certain priorities for *targeting* certain remediation projects; establishing an Electric Reliability Remediation Fund in the Commission; providing for the purpose, administration, investment, sources, and permissible uses of the Fund; requiring that certain electric companies maintain the reliability of their distribution systems in accordance with certain standards; providing that certain civil penalties shall be paid into the Fund; defining certain terms; and generally relating to priorities and the reliability of the electric distribution system.

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 7–213, 7–506, and 13–201(e)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,
Article – Public Utilities
Section 13–201(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 – Public Utilities

7–213.

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

(2) (I) “ELIGIBLE RELIABILITY MEASURE” MEANS A REPLACEMENT OF OR AN IMPROVEMENT IN EXISTING INFRASTRUCTURE OF AN ELECTRIC COMPANY THAT:

- 1. IS MADE ON OR AFTER JUNE 1, 2014;**
- 2. IS DESIGNED TO IMPROVE PUBLIC SAFETY OR INFRASTRUCTURE RELIABILITY;**
- 3. DOES NOT INCREASE THE REVENUE OF AN ELECTRIC COMPANY BY CONNECTING AN IMPROVEMENT DIRECTLY TO NEW CUSTOMERS; AND**
- 4. IS NOT INCLUDED IN THE CURRENT RATE BASE OF THE ELECTRIC COMPANY AS DETERMINED IN THE ELECTRIC COMPANY’S MOST RECENT BASE RATE PROCEEDING.**

(II) “ELIGIBLE RELIABILITY MEASURE” INCLUDES VEGETATION MANAGEMENT MEASURES THAT ARE NECESSARY TO MEET APPLICABLE SERVICE QUALITY AND RELIABILITY STANDARDS UNDER THIS SECTION.

(3) “FUND” MEANS THE ELECTRIC RELIABILITY REMEDIATION FUND ESTABLISHED UNDER SUBSECTION (J) OF THIS SECTION.

[(2)] (4) “System–average interruption duration index” or “SAIDI” means the sum of the customer interruption hours divided by the total number of customers served.

[(3)] (5) “System–average interruption frequency index” or “SAIFT” means the sum of the number of customer interruptions divided by the total number of customers served.

(b) It is the goal of the State that each electric company provide its customers with high levels of service quality and reliability in a cost–effective manner, as measured by objective and verifiable standards, and that each electric company be held accountable if it fails to deliver reliable service according to those standards.

(c) This section does not apply to small rural electric cooperatives or municipal electric companies.

(d) On or before July 1, 2012, the Commission shall adopt regulations that implement service quality and reliability standards relating to the delivery of electricity to retail customers by electric companies through their distribution systems, using:

- (1) SAIFI;
- (2) SAIDI; and
- (3) any other performance measurement that the Commission determines to be reasonable.

- (e) (1) The regulations adopted under subsection (d) of this section shall:
 - (i) include service quality and reliability standards, including standards relating to:
 - 1. service interruption;
 - 2. downed wire response;
 - 3. customer communications;
 - 4. vegetation management;
 - 5. periodic equipment inspections;
 - 6. annual reliability reporting; and
 - 7. any other standards established by the Commission;
 - (ii) account for major outages caused by events outside the control of an electric company; and
 - (iii) for an electric company that fails to meet the applicable service quality and reliability standards, require the electric company to file a corrective action plan that details specific actions the company will take to meet the standards.

(2) The regulations adopted under subsection (d) of this section may include a separate reliability standard for each electric company in order to account for system reliability differentiating factors, including:

- (i) system design;
- (ii) existing infrastructure;
- (iii) customer density; and
- (iv) geography.

(3) In adopting the regulations required under subsection (d) of this section, the Commission shall:

(i) consider applicable standards of the Institute of Electrical and Electronics Engineers;

(ii) ensure that the service quality and reliability standards are cost-effective; and

(iii) with respect to standards relating to vegetation management, consider:

1. limitations on an electric company's right to access private property; and

2. customer acceptance of vegetation management initiatives.

(4) A county or municipal corporation may not adopt or enforce a local law, rule, or regulation or take any other action that interferes with, or materially increases the cost of the work of an electric company toward, compliance with the vegetation management standards adopted under subsection (d) of this section.

(f) (1) On or before September 1 of each year, the Commission shall determine whether each electric company has met the service quality and reliability standards adopted by the Commission for that electric company under subsection (d) of this section and under § 7-213.1(e) of this subtitle.

(2) (i) This paragraph does not apply to electric cooperatives.

(ii) The Commission shall take appropriate corrective action against an electric company that fails to meet any or all of the applicable service quality and reliability standards, including the imposition of appropriate civil penalties for noncompliance as provided in § 13-201 of this article.

(III) A CIVIL PENALTY ASSESSED UNDER § 13-201 OF THIS ARTICLE FOR A VIOLATION OF THE SERVICE QUALITY AND RELIABILITY STANDARDS UNDER THIS SECTION SHALL BE PAID INTO THE FUND.

[(iii)] (IV) An electric company may not recover the cost of any civil penalty paid under this section from ratepayers.

(g) (1) On or before April 1 of each year, each electric company shall submit to the Commission an annual performance report that summarizes the actual electric service reliability results for the preceding year.

(2) The annual performance report shall include:

(i) the electric company's average 3-year performance results;

(ii) actual year-end performance measure results;

(iii) an assessment of the results and effectiveness of the reliability objectives, planned actions and projects, programs, and load studies in achieving an acceptable reliability level; and

(iv) annual information that the Commission determines necessary to assess the electric company's efforts to maintain reliable electric service to all customers in the electric company's service territory, including:

1. current year expenditures, labor resource hours, and progress measures for each capital and maintenance program designed to support the maintenance of reliable electric service;

2. the number of outages by outage type;

3. the number of outages by outage cause;

4. the total number of customers that experienced an outage;

5. the total customer minutes of outage time; and

6. to the extent practicable, a breakdown, by the number of days each customer was without electric service, of the number of customers that experienced an outage.

(3) At the request of an electric company, the Commission shall hold a hearing to discuss the annual performance report of the electric company.

(h) This section may not be construed to limit the Commission's authority to adopt and enforce engineering and safety standards for electric companies.

(I) THE COMMISSION AND EACH ELECTRIC COMPANY ASSESSED A PENALTY FOR A VIOLATION OF SERVICE QUALITY AND RELIABILITY STANDARDS UNDER THIS SECTION SHALL ESTABLISH PRIORITIES FOR TARGETING REMEDIATION OF POORLY EFFORTS TO IMPROVE ELECTRIC SERVICE QUALITY AND RELIABILITY FOR THE WORST PERFORMING FEEDER LINES AND OTHER DISTRIBUTION LINES ~~THAT MAY BE PARTLY PAID FOR~~ AND EQUIPMENT THAT SHALL BE PAID FOR, IN WHOLE OR IN PART, USING THE FUND UNDER, AS AVAILABLE AND IN ACCORDANCE WITH SUBSECTION (J) OF THIS SECTION.

(J) (1) THERE IS AN ELECTRIC RELIABILITY REMEDIATION FUND IN THE COMMISSION.

(2) THE PURPOSE OF THE FUND IS TO PROVIDE RESOURCES TO TARGET REMEDIATION EFFORTS TO IMPROVE ELECTRIC SERVICE QUALITY AND RELIABILITY FOR THE WORST PERFORMING ELECTRIC DISTRIBUTION LINES IN THE STATE.

(3) THE COMMISSION SHALL ADMINISTER THE FUND.

(4) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(II) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(5) THE FUND CONSISTS OF:

(I) REVENUE DISTRIBUTED TO THE FUND UNDER § 13-201(E)(2) OF THIS ARTICLE FOR A VIOLATION OF THIS SECTION;

(II) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

(III) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(6) (I) THE FUND MAY BE USED ONLY FOR ELIGIBLE RELIABILITY MEASURES.

(II) THE CIVIL PENALTIES COLLECTED FROM AN ELECTRIC COMPANY:

1. MAY BE USED ONLY FOR ELIGIBLE RELIABILITY MEASURES AND PROJECTS IN THE SERVICE TERRITORY OF THAT ELECTRIC COMPANY; BUT

2. MAY NOT REPLACE OR SUBSTITUTE FOR MONEY ALREADY BUDGETED FOR OR SPENT ON ANY PROJECT, INCLUDING AN OTHERWISE ELIGIBLE RELIABILITY MEASURE, THAT THE ELECTRIC COMPANY IS REQUIRED TO IMPLEMENT UNDER THIS SECTION OR ANY OTHER LAW.

(7) (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 OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

7-506.

(a) The electric company in a distribution territory shall provide and be responsible for distribution services in the territory.

(b) The electric company shall provide distribution services in its distribution territory to all customers and electricity suppliers on rates, terms of access, and conditions that are comparable to the electric company's own use of its distribution system.

(c) Each electric company shall maintain the reliability of its distribution system in accordance with **§ 7-213 OF THIS TITLE AND** applicable orders, tariffs, and regulations of the Commission.

(d) The electric company shall connect customers and deliver electricity on behalf of electricity suppliers consistent with the provisions of this division.

(e) The electric company shall provide standard offer service under § 7-510(c) of this subtitle.

13-201.

(a) This section does not apply to a violation of the following provisions of this article:

- (1) Title 5, Subtitle 4;
- (2) Title 7, Subtitle 1;
- (3) § 7-213 as it applies to electric cooperatives;
- (4) Title 8, Subtitles 1 and 3;
- (5) Title 9, Subtitle 3; and
- (6) Title 8, Subtitle 4.

(e) **(1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A** civil penalty collected under this section shall be paid into the General Fund of the State.

(2) A CIVIL PENALTY ASSESSED FOR A VIOLATION OF A SERVICE QUALITY AND RELIABILITY STANDARD UNDER § 7-213 OF THIS ARTICLE SHALL BE PAID INTO THE ELECTRIC RELIABILITY REMEDIATION FUND UNDER § 7-213(J) OF THIS ARTICLE.

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

Approved by the Governor, May 15, 2014.

Chapter 582

(House Bill 40)

AN ACT concerning

State Government – Commemorative Months – ~~Native American~~ American Indian Heritage Month

FOR the purpose of requiring the Governor annually to proclaim a certain month as ~~Native American~~ American Indian Heritage Month; requiring the proclamation to urge certain organizations to observe the month with certain activities; and generally relating to ~~Native American~~ American Indian Heritage Month.

~~BY adding to~~

~~Article – State Government
Section 13-506
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)~~

BY adding to

Article – General Provisions
Section 7-506
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 – State Government~~

~~13-506.~~

Article – General Provisions

7-506.

(A) IN RECOGNITION OF THE CONTRIBUTIONS THAT ~~NATIVE AMERICANS~~ AMERICAN INDIANS HAVE MADE TO THE STATE, THE GOVERNOR ANNUALLY SHALL PROCLAIM NOVEMBER AS ~~NATIVE AMERICAN~~ AMERICAN INDIAN HERITAGE MONTH.

(B) THE PROCLAMATION SHALL URGE EDUCATIONAL AND CULTURAL ORGANIZATIONS TO OBSERVE ~~NATIVE AMERICAN~~ AMERICAN INDIAN HERITAGE MONTH PROPERLY WITH APPROPRIATE PROGRAMS, CEREMONIES, AND ACTIVITIES.

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

Approved by the Governor, May 15, 2014.

Chapter 583

(House Bill 43)

AN ACT concerning

Criminal Law – Harassment – Revenge Porn

FOR the purpose of prohibiting a person from ~~knowingly disclosing a certain image or recording of another person whose intimate parts are exposed or who is engaged in a certain act without the consent of the other person and with the intent to cause serious emotional distress~~ intentionally causing serious emotional distress to another by intentionally placing on the Internet a certain reproduction of the image of the other person knowing that the other person did not consent to the placement of the image on the Internet under certain circumstances; providing that a certain interactive computer service is not liable under this Act for content provided by another person; establishing penalties for a violation of this Act; defining certain terms; establishing the scope of this Act; and generally relating to harassment.

BY adding to

Article – Criminal Law

Section 3-809

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

3–809.

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

~~(2) “DISCLOSE” MEANS SELL, MANUFACTURE, GIVE, PROVIDE, LEND, TRADE, MAIL, DELIVER, TRANSFER, PUBLISH, DISTRIBUTE, CIRCULATE, DISSEMINATE, PRESENT, EXHIBIT, ADVERTISE, OR OFFER.~~

~~(3)~~ (2) “INTIMATE PARTS” MEANS THE NAKED GENITALS, PUBIC AREA, BUTTOCKS, OR FEMALE NIPPLE.

~~(4)~~ (3) “SEXUAL CONTACT” MEANS SEXUAL INTERCOURSE, INCLUDING GENITAL–GENITAL, ORAL–GENITAL, ANAL–GENITAL, OR ORAL–ANAL, WHETHER BETWEEN PERSONS OF THE SAME OR OPPOSITE SEX.

(B) (1) THIS SECTION DOES NOT APPLY TO:

~~(1)~~ (1) LAWFUL AND COMMON PRACTICES OF LAW ENFORCEMENT, THE REPORTING OF UNLAWFUL CONDUCT, OR LEGAL PROCEEDINGS; ~~OR~~ OR

~~(2)~~ (II) SITUATIONS INVOLVING VOLUNTARY EXPOSURE IN PUBLIC OR COMMERCIAL SETTINGS; ~~OR~~

~~(3)~~ (III) IMAGES CONCERNING MATTERS OF PUBLIC IMPORTANCE.

(2) AN INTERACTIVE COMPUTER SERVICE, AS DEFINED IN 47 U.S.C. § 230(F)(2), IS NOT LIABLE UNDER THIS SECTION FOR CONTENT PROVIDED BY ANOTHER PERSON.

(C) A PERSON MAY NOT ~~KNOWINGLY DISCLOSE A PHOTOGRAPH, FILM, VIDEOTAPE, RECORDING, OR ANY OTHER REPRODUCTION OF THE IMAGE OF ANOTHER PERSON WHOSE INTIMATE PARTS ARE EXPOSED OR WHO IS ENGAGED IN AN ACT OF SEXUAL CONTACT, WITHOUT THE CONSENT OF THE OTHER PERSON AND WITH THE INTENT TO CAUSE SERIOUS EMOTIONAL DISTRESS INTENTIONALLY CAUSE SERIOUS EMOTIONAL DISTRESS TO ANOTHER BY~~

INTENTIONALLY PLACING ON THE INTERNET ~~AN IDENTIFIABLE~~ A PHOTOGRAPH, FILM, VIDEOTAPE, RECORDING, OR ANY OTHER REPRODUCTION OF THE IMAGE OF THE OTHER PERSON *THAT REVEALS THE IDENTITY OF THE OTHER PERSON* WITH HIS OR HER INTIMATE PARTS EXPOSED OR WHILE ENGAGED IN AN ACT OF SEXUAL CONTACT:

(1) KNOWING THAT THE OTHER PERSON DID NOT CONSENT TO THE PLACEMENT OF THE IMAGE ON THE INTERNET; AND

(2) UNDER CIRCUMSTANCES IN WHICH THE OTHER PERSON HAD A REASONABLE EXPECTATION THAT THE IMAGE WOULD BE KEPT PRIVATE.

(D) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING ~~1 YEAR~~ 2 YEARS OR A FINE NOT EXCEEDING ~~\$500~~ \$5,000 OR BOTH.

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

Approved by the Governor, May 15, 2014.

Chapter 584

(House Bill 53)

AN ACT concerning

Public Records – Provision of Copies, Printouts, and Photographs – Required

FOR the purpose of requiring a custodian of a public record to provide a copy, printout, or photograph of a public record to an applicant under certain circumstances; authorizing a person or governmental unit that is not provided with a copy, printout, or photograph of a public record to file a complaint with a certain circuit court; providing that the defendant has the burden of sustaining a certain decision; authorizing the court to take certain action regarding the failure to provide a copy, printout, or photograph of a public record; providing that a defendant governmental unit is liable for certain damages under certain circumstances; requiring the court to send a certain copy of its finding regarding the failure to provide a copy, printout, or photograph of a public record to the appointing authority of the custodian of the public record; and generally relating to the provision of copies, printouts, and photographs of public records by custodians.

~~BY repealing and reenacting, with amendments,~~

~~Article – State Government
Section 10-620 and 10-623
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)~~

BY repealing and reenacting, with amendments,

Article – General Provisions

Section 4-205 and 4-362

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 – State Government~~

~~10-620.~~

~~(a) (1) Except as otherwise provided in this subsection, IF an applicant who is authorized to inspect a public record [may have] REQUESTS A COPY, PRINTOUT, OR PHOTOGRAPH OF THE PUBLIC RECORD, THE CUSTODIAN SHALL PROVIDE THE APPLICANT WITH:~~

~~(i) a copy, printout, or photograph of the public record; or~~

~~(ii) if the custodian does not have facilities to reproduce the public record, access to the public record to make the copy, printout, or photograph.~~

~~(2) (i) Except as provided in subparagraph (ii) of this paragraph, the custodian of a public record shall provide an applicant with a copy of the public record in a searchable and analyzable electronic format if:~~

~~1. the public record is in a searchable and analyzable electronic format;~~

~~2. the applicant requests a copy of the public record in a searchable and analyzable electronic format; and~~

~~3. the custodian is able to provide a copy of the public record, in whole or in part, in a searchable and analyzable electronic format that does not disclose:~~

~~A. confidential or protected information for which the custodian is required to deny inspection in accordance with §§ 10-615 through 10-617 of this subtitle; or~~

~~B. information for which a custodian has chosen to deny inspection in accordance with § 10-618 of this subtitle.~~

~~(ii) The Department of Assessments and Taxation is not required to provide an applicant with a copy of the public record in a searchable and analyzable electronic format if the Department of Assessments and Taxation has provided the public record to a contractor that will provide the applicant a copy of the public record in a searchable and analyzable electronic format for a reasonable cost.~~

~~(iii) A custodian may remove metadata from an electronic document before providing the electronic document to an applicant by:~~

- ~~1. using a software program or function; or~~
- ~~2. converting the electronic document into a different searchable and analyzable format.~~

~~(iv) This paragraph may not be construed to:~~

- ~~1. require the custodian to reconstruct a public record in an electronic format if the custodian no longer has the public record available in electronic format;~~
- ~~2. allow a custodian to make a public record available only in an electronic format;~~
- ~~3. require a custodian to create, compile, or program a new public record; or~~
- ~~4. require a custodian to release an electronic record in a format that would jeopardize or compromise the security or integrity of the original record or of any proprietary software in which it is maintained.~~

~~(v) If a public record exists in a searchable and analyzable electronic format, the act of a custodian providing a portion of the public record in a searchable and analyzable electronic format does not constitute creating a new public record.~~

~~(3) An applicant may not have a copy of a judgment until:~~

- ~~(i) the time for appeal expires; or~~
- ~~(ii) if an appeal is noted, the appeal is dismissed or adjudicated.~~

~~(b) (1) The copy, printout, or photograph shall be made:~~

~~and~~ (i) ~~while the public record is in the custody of the custodian;~~

(ii) ~~whenever practicable, where the public record is kept.~~

(2) ~~The official custodian may set a reasonable time schedule to make copies, printouts, or photographs.~~

~~10-623.~~

(a) ~~Whenever a person or governmental unit is denied inspection of a public record OR IS NOT PROVIDED WITH A COPY, PRINTOUT, OR PHOTOGRAPH OF A PUBLIC RECORD AS REQUESTED, the person or governmental unit may file a complaint with the circuit court for the county where:~~

(1) ~~the complainant resides or has a principal place of business; or~~

(2) ~~the public record is located.~~

(b) (1) ~~Unless, for good cause shown, the court otherwise directs and notwithstanding any other provision of law, the defendant shall serve an answer or otherwise plead to the complaint within 30 days after service of the complaint.~~

(2) ~~The defendant:~~

(i) ~~has the burden of sustaining a decision to:~~

~~1. deny inspection of a public record; OR~~

~~2. DENY THE PERSON OR GOVERNMENTAL UNIT A COPY, PRINTOUT, OR PHOTOGRAPH OF A PUBLIC RECORD; and~~

(ii) ~~in support of the decision, may submit a memorandum to the court.~~

(c) (1) ~~Except for cases that the court considers of greater importance, a proceeding under this section, including an appeal, shall:~~

(i) ~~take precedence on the docket;~~

(ii) ~~be heard at the earliest practicable date; and~~

(iii) ~~be expedited in every way.~~

(2) ~~The court may examine the public record in camera to determine whether any part of it may be withheld under this Part III of this subtitle.~~

~~(3) The court may:~~

~~(i) enjoin the State, a political subdivision, or a unit, official, or employee of the State or of a political subdivision from:~~

~~1. withholding the public record; OR~~

~~2. WITHHOLDING A COPY, PRINTOUT, OR PHOTOGRAPH OF THE PUBLIC RECORD;~~

~~(ii) pass an order for the production of the public record OR A COPY, PRINTOUT, OR PHOTOGRAPH OF THE PUBLIC RECORD that was withheld from the complainant; and~~

~~(iii) for noncompliance with the order, punish the responsible employee for contempt.~~

~~(d) (1) A defendant governmental unit is liable to the complainant for actual damages that the court considers appropriate if the court finds by clear and convincing evidence that any defendant knowingly and willfully failed to:~~

~~(I) disclose or fully to disclose a public record that the complainant was entitled to inspect under this Part III of this subtitle; OR~~

~~(II) PROVIDE A COPY, PRINTOUT, OR PHOTOGRAPH OF A PUBLIC RECORD THAT THE COMPLAINANT REQUESTED UNDER § 10-620 OF THIS SUBTITLE.~~

~~(2) An official custodian is liable for actual damages that the court considers appropriate if the court finds that, after temporarily denying inspection of a public record, the official custodian failed to petition a court for an order to continue the denial.~~

~~(e) (1) Whenever the court orders the production of a public record OR A COPY, PRINTOUT, OR PHOTOGRAPH OF A PUBLIC RECORD that was withheld from the applicant and, in addition, finds that the custodian acted arbitrarily or capriciously in withholding the public record OR THE COPY, PRINTOUT, OR PHOTOGRAPH OF THE PUBLIC RECORD, the court shall send a certified copy of its finding to the appointing authority of the custodian.~~

~~(2) On receipt of the statement of the court and after an appropriate investigation, the appointing authority shall take the disciplinary action that the circumstances warrant.~~

~~(f) If the court determines that the complainant has substantially prevailed, the court may assess against a defendant governmental unit reasonable counsel fees and other litigation costs that the complainant reasonably incurred.~~

Article – General Provisions

4–205.

(a) (1) In this section, “metadata” means information, generally not visible when an electronic document is printed, describing the history, tracking, or management of the electronic document, including information about data in the electronic document that describes how, when, and by whom the data is collected, created, accessed, or modified and how the data is formatted.

(2) “Metadata” does not include:

- (i) a spreadsheet formula;
- (ii) a database field;
- (iii) an externally or internally linked file; or
- (iv) a reference to an external file or a hyperlink.

(b) Except as otherwise provided in this section, IF an applicant who is authorized to inspect a public record [may have] REQUESTS A COPY, PRINTOUT, OR PHOTOGRAPH OF THE PUBLIC RECORD, THE CUSTODIAN SHALL PROVIDE THE APPLICANT WITH:

(1) a copy, printout, or photograph of the public record; or

(2) if the custodian does not have facilities to reproduce the public record, access to the public record to make the copy, printout, or photograph.

(c) (1) Except as provided in paragraph (2) of this subsection, the custodian of a public record shall provide an applicant with a copy of the public record in a searchable and analyzable electronic format if:

(i) the public record is in a searchable and analyzable electronic format;

(ii) the applicant requests a copy of the public record in a searchable and analyzable electronic format; and

(iii) the custodian is able to provide a copy of the public record, in whole or in part, in a searchable and analyzable electronic format that does not disclose:

1. confidential or protected information for which the custodian is required to deny inspection in accordance with Subtitle 3, Parts I through III of this title; or

2. information for which a custodian has chosen to deny inspection in accordance with Subtitle 3, Part IV of this title.

(2) The State Department of Assessments and Taxation is not required to provide an applicant with a copy of the public record in a searchable and analyzable electronic format if the State Department of Assessments and Taxation has provided the public record to a contractor that will provide the applicant a copy of the public record in a searchable and analyzable electronic format for a reasonable cost.

(3) A custodian may remove metadata from an electronic document before providing the electronic document to an applicant by:

(i) using a software program or function; or

(ii) converting the electronic document into a different searchable and analyzable format.

(4) This subsection may not be construed to:

(i) require the custodian to reconstruct a public record in an electronic format if the custodian no longer has the public record available in an electronic format;

(ii) allow a custodian to make a public record available only in an electronic format;

(iii) require a custodian to create, compile, or program a new public record; or

(iv) require a custodian to release an electronic record in a format that would jeopardize or compromise the security or integrity of the original record or of any proprietary software in which the record is maintained.

(5) If a public record exists in a searchable and analyzable electronic format, the act of a custodian providing a portion of the public record in a searchable and analyzable electronic format does not constitute creating a new public record.

(d) (1) The copy, printout, or photograph shall be made:

(i) while the public record is in the custody of the custodian;
and

(ii) whenever practicable, where the public record is kept.

(2) The official custodian may set a reasonable time schedule to make copies, printouts, or photographs.

(e) An applicant may not have a copy of a judgment until:

(1) the time for appeal expires; or

(2) if an appeal is noted, the appeal is dismissed or adjudicated.

4-362.

(a) Whenever a person or governmental unit is denied inspection of a public record OR IS NOT PROVIDED WITH A COPY, PRINTOUT, OR PHOTOGRAPH OF A PUBLIC RECORD AS REQUESTED, the person or governmental unit may file a complaint with the circuit court for the county where:

(1) the complainant resides or has a principal place of business; or

(2) the public record is located.

(b) (1) Unless, for good cause shown, the court otherwise directs, and notwithstanding any other provision of law, the defendant shall serve an answer or otherwise plead to the complaint within 30 days after service of the complaint.

(2) The defendant:

(i) has the burden of sustaining a decision to:

1. deny inspection of a public record; OR

2. DENY THE PERSON OR GOVERNMENTAL UNIT A COPY, PRINTOUT, OR PHOTOGRAPH OF A PUBLIC RECORD; and

(ii) in support of the decision, may submit a memorandum to the court.

(c) (1) Except for cases that the court considers of greater importance, a proceeding under this section, including an appeal, shall:

(i) take precedence on the docket;

(ii) be heard at the earliest practicable date; and

(iii) be expedited in every way.

(2) The court may examine the public record in camera to determine whether any part of the public record may be withheld under this title.

(3) The court may:

(i) enjoin the State, a political subdivision, or a unit, an official, or an employee of the State or of a political subdivision from:

1. withholding the public record; OR

2. WITHHOLDING A COPY, PRINTOUT, OR PHOTOGRAPH OF THE PUBLIC RECORD;

(ii) issue an order for the production of the public record OR A COPY, PRINTOUT, OR PHOTOGRAPH OF THE PUBLIC RECORD that was withheld from the complainant; and

(iii) for noncompliance with the order, punish the responsible employee for contempt.

(d) (1) A defendant governmental unit is liable to the complainant for actual damages that the court considers appropriate if the court finds by clear and convincing evidence that any defendant knowingly and willfully failed to:

(I) disclose or fully to disclose a public record that the complainant was entitled to inspect under this title; OR

(II) PROVIDE A COPY, PRINTOUT, OR PHOTOGRAPH OF A PUBLIC RECORD THAT THE COMPLAINANT REQUESTED UNDER § 4-205 OF THIS TITLE.

(2) An official custodian is liable for actual damages that the court considers appropriate if the court finds that, after temporarily denying inspection of a public record, the official custodian failed to petition a court for an order to continue the denial.

(e) (1) Whenever the court orders the production of a public record OR A COPY, PRINTOUT, OR PHOTOGRAPH OF A PUBLIC RECORD that was withheld from the applicant and, in addition, finds that the custodian acted arbitrarily or capriciously in withholding the public record OR THE COPY, PRINTOUT, OR PHOTOGRAPH OF THE PUBLIC RECORD, the court shall send a certified copy of its finding to the appointing authority of the custodian.

(2) On receipt of the statement of the court and after an appropriate investigation, the appointing authority shall take the disciplinary action that the circumstances warrant.

(f) If the court determines that the complainant has substantially prevailed, the court may assess against a defendant governmental unit reasonable counsel fees and other litigation costs that the complainant reasonably incurred.

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

Approved by the Governor, May 15, 2014.

Chapter 585

(House Bill 83)

AN ACT concerning

Maryland Trust Act

FOR the purpose of repealing and revising certain provisions of law relating to trusts; providing that this Act may be cited as the Maryland Trust Act; providing for the scope of this Act; providing for the construction of this Act; providing for the designation of the principal place of administration for a trust; establishing a standard for whether notice to a person under this Act must be accomplished and how notice may be waived; providing for the role of a court in the administration of a trust; providing that a trustee and the beneficiaries of a trust are subject to the jurisdiction of the courts of this State under certain circumstances; establishing standards for judicial review of the discretion of a trustee; providing for the consent of a person that may represent and bind another person under this Act; providing that the holder of a certain qualified power of appointment may represent and bind a certain person; providing that a certain person may represent a certain other person with respect to a particular question or dispute; authorizing a court to appoint a representative for a certain interest in certain circumstances; providing methods and requirements for creating a trust under this Act; establishing the method by which a trust for care of an animal may be created; providing certain rules for a certain noncharitable trust; providing for the modification or termination of a trust; authorizing a court to reform the terms of a certain trust; authorizing a court to modify the terms of a trust in a certain manner; authorizing a court to authorize a creditor or assignee of a beneficiary to reach a certain beneficiary's interest by attachment of certain distributions; establishing the rights of a certain beneficiary and a certain creditor to a trust interest that is subject to a discretionary distribution provision; providing that certain actions may not be taken with respect to a beneficial interest that is subject to a support provision; providing for the treatment of a spendthrift provision in a trust; authorizing a court to authorize a creditor or assignee of the beneficiary to attach certain

distributions in certain circumstances; providing for circumstances to create a certain general power of appointment or a power of withdrawal; establishing rules for the claim of a certain creditor; establishing that trust property is not subject to certain personal obligations of a trustee; prohibiting a creditor from taking certain actions to compel a certain distribution; providing for the transfer to trust of property held by tenants by the entirety; establishing the capacity of a settlor of a revocable trust to take certain actions; providing the manner by which the settlor may revoke or amend a revocable trust; establishing the rights of certain beneficiaries; establishing the method by which a person designated as trustee accepts or rejects the trusteeship; requiring a trustee to give a certain bond under certain circumstances; providing for circumstances in which a vacancy occurs in a cotrusteeship; authorizing a trustee to resign in certain circumstances; providing grounds for the removal of a trustee; establishing the duties and powers of a trustee who has resigned or been removed; providing that certain trustees are entitled to certain commissions and certain reimbursements; authorizing certain persons to exercise certain trust and fiduciary powers; prohibiting a certain person from serving as a trustee in certain circumstances; requiring a certain trustee to perform certain duties; authorizing a trustee to delegate certain duties and powers in certain circumstances; authorizing a certain trustee to follow a certain direction of the settlor; establishing that certain persons shall be considered advisers and fiduciaries in certain circumstances; requiring a certain trustee to act in accordance with the directions of a certain adviser in certain circumstances; providing that a certain trustee does not have certain liabilities and duties; providing that a certain adviser has the power to perform certain actions; requiring a trustee to take certain steps to take control of and protect the trust property, with a certain exception; requiring a trustee to do certain record keeping and to keep certain property in a certain manner; requiring a trustee to take certain steps in certain circumstances; requiring a trustee to respond promptly to a certain request for information; requiring a trustee to provide certain notice to certain beneficiaries; requiring a trustee to send a certain report to certain persons; prohibiting a trustee from exercising certain powers; authorizing a trustee to exercise certain powers in certain circumstances; providing for damages for which a certain trustee is or is not liable; authorizing a court to award costs and expenses in a certain judicial proceeding; providing that a certain trustee is not liable for a certain loss; providing that a certain term of a trust is unenforceable in certain circumstances; providing for the effect of an exculpatory term in a trust; providing for the liability of a trustee for breach of trust in certain circumstances; establishing limitations of personal liability of a trustee in certain circumstances; authorizing a trustee to furnish a certification of trust in certain circumstances; providing that the provisions of this Act relating to the use of electronic records and signatures conform to a certain federal statute; providing for the severability of provisions in this Act if held invalid; providing for the application of this Act to certain trusts and judicial proceedings; defining certain terms; providing for a delayed effective date; and generally relating to trusts.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 11–102(b)(12)
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

BY repealing
Article – Estates and Trusts
Section 14–101 through 14–116 and the subtitle “Subtitle 1. General Provisions”
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

BY adding to
Article – Estates and Trusts
Section 14.5–101 through 14.5–1006 to be under the new title “Title 14.5.
Maryland Trust Act”
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section 3–506(b)
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

Preamble

WHEREAS, Trusts serve many useful purposes and have a long history in the Anglo–American legal system; and

WHEREAS, Codification of Maryland’s trust laws will benefit both the public and practitioners; and

WHEREAS, The fact that a beneficiary cannot compel distribution from a discretionary trust has justified not counting the trust assets in determining the beneficiary’s eligibility for need–based programs such as Medicaid, and not subjecting them to the estate tax when the beneficiary dies; and

WHEREAS, These advantages, and the fact that Maryland trusts may have perpetual existence and no limits on size, make it reasonable to expect the popularity of discretionary trusts to increase substantially, as well as their impact on public revenues and expenses; and

WHEREAS, By contrast, a beneficiary who is not also a trustee of a discretionary trust has few rights and little recourse to address abuses of power by a trustee; and

WHEREAS, A trust with no enforceable rights for a beneficiary is a trust in name only; and

WHEREAS, The Judiciary must be able to intervene aggressively to protect all trust beneficiaries; now, therefore,

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

Article – Estates and Trusts

11–102.

(b) Subject to §§ 4–409 of this article and 11–103 of this subtitle, the common-law rule against perpetuities as now recognized in the State is preserved, but the rule does not apply to the following:

(12) A trust created under § [14–112] **14.5–407** of this article to provide for the care of an animal alive during the lifetime of the settlor; or

[Subtitle 1. General Provisions.]

[14–101.

A court having equity jurisdiction has general superintending power with respect to trusts. The provisions of Titles 1 through 13 of this article do not affect or supersede this power.]

[14–102.

In the absence of express language to the contrary, the rules contained in §§ 1–202, 1–203, 1–204, 1–205, 1–206, 1–207, 1–208, 1–209, and 1–210.1 of this article shall be applied in construing the terms of an inter vivos trust. Whenever any of those statutory sections refer to a “will,” “estate,” or similar terms relevant primarily to wills and estates or the takers under them, the terms shall be modified to mean “trust instrument,” “trust,” or similar terms to reflect the application of the principles of those sections to inter vivos trusts.]

[14–103.

(a) (1) A testamentary trustee and trustee of any other trust whose duties comprise the collection and distribution of income from property held under a trust agreement or the preservation and distribution of the property are entitled to commissions provided for in this section for their services in administering the trusts. The amount and source of payment of commissions are subject to the provisions of any valid agreement. Any court having jurisdiction over the administration of the trust

may increase or diminish commissions for sufficient cause or may allow special commissions or compensation for services of an unusual nature.

(2) A schedule of increased rates of income commissions and corpus commissions may be charged by a trustee whose activities are subject to State or federal supervision or who is a member of the Maryland Bar and who has:

(i) Filed a schedule of the increased rates of commissions with an appropriate agency; and

(ii) Given notice of the scheduled rates or revisions to the ascertained beneficiaries of the affected trust.

(3) The notice required under paragraph (2) of this subsection shall be delivered to the beneficiaries personally or sent to the beneficiaries at their last known address by registered or certified mail, postage prepaid, return receipt requested.

(b) Accounting from July 1, 1981, whether or not the trust was in existence at that time, income commissions are:

(1) 6 percent upon all income from real estate, ground rents, and mortgages collected in each year; and

(2) 6 1/2 percent upon the first \$10,000 of all other income collected in each year, 5 percent upon the next \$10,000, 4 percent upon the next \$10,000, and 3 percent upon any remainder.

Income commissions shall be paid from and chargeable against income. Income collected includes any portion of income payable to a trustee but withheld by the payor in compliance with any revenue law.

(c) Accounting from July 1, 1981, whether or not the trust was in existence at that time, commissions are payable at the end of each year upon the fair value of the corpus or principal held in trust at the end of each year as follows:

(1) Four tenths of one percent on the first \$250,000;

(2) One fourth of one percent on the next \$250,000;

(3) Three twentieths of one percent on the next \$500,000; and

(4) One tenth of one percent upon any excess. Corpus commissions shall be paid out of and chargeable against the corpus.

If a trust terminates, with respect to all or any part of the corpus held in trust in the course of any year, the commission for that year shall be reduced or prorated according to the part of the year elapsed and the amount of corpus as to which the

trust terminates, and be chargeable, for such part of a year (and with respect to any such part of the corpus) at such termination of the trust, upon the then value of the corpus.

(d) For selling real or leasehold property, a commission upon the proceeds of the sale is payable at the rate allowed by rule of court or statute to trustees appointed to make sales under decrees or orders of the circuit court for the county where the real or leasehold property is situated, or if the property is located outside Maryland, for selling similar property in the county where the trust is being administered. The commission is payable from the proceeds of the sale when collected.

(e) Upon the final distribution of any trust estate, or portion of it, an allowance is payable commensurate with the labor and responsibility involved in making the distribution, including the making of any division, the ascertainment of the parties entitled, the ascertainment and payment of taxes, and any necessary transfer of assets. The allowance is subject to revision or determination by any circuit court having jurisdiction. In the absence of special circumstances the allowance shall be equal to one half of one percent upon the fair value of the corpus distributed.

(f) In determining what is a single trust for the application of the rates provided in this section, all property held undivided under the terms of the will or other instrument creating the trust shall be considered as a single trust. After any shares have been set apart or divided, to be held in separate trust, each separate trust set apart shall be considered as a single trust.

(g) (1) Instead of the rates of income commissions and corpus commissions provided in subsections (b) and (c) of this section, a trustee may charge reasonable compensation calculated in accordance with a schedule of rates previously filed by the trustee with the appropriate agency as specified in paragraph (2) of this subsection, if the trustee is:

(i) A financial institution whose activities are subject to supervision by this State or the federal government or which is an instrumentality of the United States; or

(ii) A member of the Bar of this State.

(2) A trustee shall file a schedule of rates under this subsection as follows:

(i) For a savings and loan association, with the State Director of the Division of Savings and Loan Associations;

(ii) For all other trustees, including attorneys and State chartered and national banks, with the Commissioner of Financial Regulation; and

(iii) For a trustee administering an estate under the jurisdiction of a court, also with the trust clerk of the court.

(3) In a trust involving multiple trustees and more than one of the trustees may be entitled to file a schedule of increased rates, the controlling schedule will be the schedule filed by the trustee having custody of the assets and maintaining records of the trust.

(4) Whenever a trustee files a schedule of increased rates under this subsection, the trustee shall give notice to the ascertained beneficiaries of each affected trust. The notice required under this paragraph shall be delivered to the beneficiaries personally or sent to the beneficiaries at their last known address by registered or certified mail, postage prepaid, return receipt requested. Any beneficiary of a trust who objects to the schedule of rates to be charged to that trust, after notifying the trustee of the objection, may petition the appropriate circuit court to review the reasonableness of the rates to be charged. The notice required by this paragraph shall include a clear statement of the rights and procedures available to beneficiaries under this subsection. If the court finds that the rates in the schedule are unreasonable for the current fiscal year of the particular trust, the trustee's commissions for that trust for that fiscal year shall be limited to the rates charged that trust during the previous fiscal year.

(5) If a trustee does not file a schedule of rates with the appropriate agency under paragraph (2)(i) or (ii) of this subsection and does not notify ascertained beneficiaries as provided in paragraph (4) of this subsection, the trustee is limited to charging the rates set forth in subsections (b) and (c) of this section.

(h) An individual trustee who is not authorized to file a schedule of increased rates under this section is limited to charging the rates set forth in subsections (b) and (c) of this section unless the trustee petitions the circuit court for the county where the trustee is located and obtains approval of an increase in fee after giving notice of such action to the ascertained beneficiaries of the trusts affected.

(i) The schedule of increased rates of income commissions and corpus commissions which trustees are authorized to charge as provided in subsection (g) of this section is not applicable to guardians.

(j) The legal and court costs incurred by the trustee pursuant to any court review under subsection (g)(4) or (h) of this section shall be charged against trustees' fees and may not be assumed by the trust or the beneficiaries.]

[14–104.

A judge of any court established under the laws of the State or the United States or any clerk of court or register of wills, unless he is the surviving spouse of the grantor of the trust, or is related to the grantor within the third degree, may not serve as a trustee of any inter vivos or testamentary trust created by an instrument and

executed in Maryland by the grantor or any trustee, administered in the State or governed by the laws of the State, unless he was actually serving as a trustee of the trust on December 31, 1969.]

[14–105.

In the absence of actual knowledge or of reasonable cause to inquire as to whether a trustee is improperly exercising his power, a person dealing with a trustee need not inquire whether a trustee is properly exercising his power, and is protected as if the trustee properly exercised the power. A person need not see to the proper application of trust assets paid or delivered to a trustee.]

[14–106.

(a) In this section, “beneficiary” means a person in being who has a vested interest, whether:

- (1) Possessory or not; and
- (2) Subject to divestment or not.

(b) (1) Subject to the provisions of paragraph (2) of this subsection, on petition by a trustee, personal representative, beneficiary, or a party in interest, after notice as the court may direct to the trustees, personal representatives, beneficiaries, and parties in interest, and for good cause shown, a court may:

- (i) Divide a trust into 2 or more separate trusts; or
- (ii) Consolidate 2 or more trusts into a single trust.

(2) A court may divide a trust or consolidate trusts:

- (i) On terms and conditions as the court considers appropriate;

and

(ii) If the court is satisfied that a division of a trust or consolidation of trusts will not defeat or materially impair:

1. The accomplishment of trust purposes; or
2. The interests of the beneficiaries.

(3) A court may pass orders that the court considers proper or necessary to protect the interests of a:

- (i) Trustee;

- (ii) Personal representative;
 - (iii) Beneficiary; or
 - (iv) Party in interest.
- (c) This section applies to trusts:
- (1) Whenever created;
 - (2) Whether inter vivos or testamentary;
 - (3) Created by the same or different instruments;
 - (4) Created by the same or different persons; and
 - (5) Regardless of where created or administered.

(d) This section may not be construed to limit the right of a trustee or personal representative to divide a trust or consolidate trusts, without an order of a court, in accordance with the applicable provisions of the governing instrument.]

[14–107.

- (a) (1) In this section the following words have the meanings indicated.
- (2) (i) “Beneficiary” means an ascertainable person who has a present or future interest in a trust estate.
- (ii) “Beneficiary” includes:
- 1. If the beneficiary is a minor, the beneficiary’s natural or legal guardian; or
 - 2. If the beneficiary is a disabled person, as defined in § 13–101 of this article, any person acting on behalf of the beneficiary under a guardianship, conservatorship, or committee.
- (3) “Corporate fiduciary” has the meaning stated in § 15–1A–01 of this article.
- (4) “Life expectancy” means the life expectancy published in the life tables issued by the U.S. Department of Health and Human Services from time to time.

(5) "Net annual income" means the gross income of a trust estate during a fiscal year minus trust commissions and expenses attributable to income for that fiscal year.

(b) Subject to the provisions of this section, a corporate fiduciary acting as a trustee may terminate a trust without an order of court if the fair market value of the trust as of the trust's last anniversary date is \$100,000 or less.

(c) (1) A corporate fiduciary trustee proposing to terminate a trust under this section shall send notice of the proposed termination to each cotrustee and each beneficiary of the trust at the cotrustee's or beneficiary's last known address. The notice shall be:

(i) Personally delivered; or

(ii) Mailed by certified mail, postage prepaid, return receipt requested.

(2) The notice required under paragraph (1) of this subsection shall contain:

(i) The name of the trust;

(ii) The name of the person who created the trust;

(iii) The date on which the trust was established;

(iv) The name and address of the corporate fiduciary trustee seeking to terminate the trust;

(v) The name of any cotrustee;

(vi) A statement that the effective date of the termination shall be at least 90 days after the date on which notice under paragraph (1) of this subsection has been received by each cotrustee and each beneficiary;

(vii) A statement of the reasons for termination of the trust;

(viii) The approximate amount and the manner of calculation of each distribution of the trust estate; and

(ix) A statement of the right to object and the procedures to follow under subsection (d) of this section.

(d) (1) A person entitled to notice under subsection (c) of this section who objects to the termination of a trust shall send written objection to the termination.

(2) The written objection shall be personally delivered or mailed by certified mail, postage prepaid, return receipt requested, within 60 days after the date on which notice that is sent under subsection (c)(1) of this section is received by the objecting party, to the corporate fiduciary trustee proposing to terminate the trust at the address in the notice.

(e) (1) If no beneficiary or cotrustee delivers a timely objection in accordance with the provisions of subsection (d) of this section, the trust shall be terminated and the trust estate shall be distributed in accordance with the provisions of subsection (f) of this section.

(2) If a beneficiary or cotrustee delivers a timely written objection in accordance with the provisions of subsection (d) of this section, the trust shall not be terminated unless the objection is withdrawn in writing by the objecting party within 90 days after receipt of the notice by the objecting party.

(f) (1) A trust estate that is terminated under this section shall be distributed in any manner unanimously agreed upon by all beneficiaries.

(2) (i) If the beneficiaries do not unanimously agree to a manner of distribution, the distribution shall be made in accordance with the provisions of this paragraph.

(ii) A beneficiary who has a present interest in the trust estate shall receive an amount equal to the present value of an annuity equal to the beneficiary's proportionate share of the average net annual income of the trust as of its last 3 anniversary dates for a term equal to the life expectancy of the beneficiary, at the interest rate for valuing vested benefits provided by the Pension Benefit Guaranty Corporation for the month immediately preceding the date of which the notice under subsection (c)(1) of this section is sent.

(iii) The amount of the trust estate remaining after distribution to beneficiaries having a present interest in the trust estate shall be distributed to any beneficiaries having a future interest in the trust estate in whatever proportions are provided for under the terms of the governing instrument under which the trust was created.

(g) The existence of spendthrift or similar protective language in the governing instrument under which the trust was created may not prevent termination under this section.

(h) All expenses incurred by the trustee incident to the termination of a trust under this section shall be borne by the trust estate.

(i) A distribution to a minor beneficiary shall be made to the minor's custodian under the Maryland Uniform Gifts to Minors Act or the Maryland Uniform Transfers to Minors Act.

(j) This section may not be construed to limit the right of any trustee to terminate a trust in accordance with applicable provisions of the governing instrument under which the trust was created.

(k) A trust may be terminated under this section if:

(1) The trustee has determined that termination of the trust is in the best interests of the beneficiaries; and

(2) The governing instrument does not expressly prohibit termination of the trust regardless of its size.

(l) A trust may not be terminated under this section if:

(1) The provisions of the governing instrument make the trust eligible to qualify for the marital deduction for United States estate tax or for United States gift tax purposes under the Internal Revenue Code, unless all beneficiaries agree that all of the trust estate shall be distributed to the spouse of the creator of the trust; or

(2) The provisions of the governing instrument make the trust qualify, in whole or in part, for a charitable deduction for United States estate tax, United States gift tax, or United States income tax purposes under the Internal Revenue Code, unless all beneficiaries agree that all of the trust estate shall be distributed to one or more beneficiaries that qualify for the charitable deduction under the Internal Revenue Code.]

[14–108.

(a) (1) In this section, “environmental law” means a federal, State, or local law, rule, regulation, or ordinance that relates to the protection of the environment.

(2) “Environmental law” includes Title 16 of the Environment Article.

(b) (1) To comply with an environmental law, a trustee may:

(i) Inspect property held by the trustee, including any type of interest in a sole proprietorship, partnership, limited liability company, or corporation, and any assets owned by a sole proprietorship, partnership, limited liability company, or corporation, to determine compliance with an environmental law and respond to an actual or potential environmental liability relating to the property;

(ii) Before or after the initiation of a claim or a governmental enforcement action, take action necessary to prevent, abate, or otherwise remedy an actual or potential environmental liability that affects a trust asset;

(iii) Settle or compromise at any time a claim against the trust based on an alleged environmental liability that may be asserted by any person; and

(iv) Pay from the trust the costs of an inspection, review, study, abatement, response, cleanup, or other remedial action that involves an environmental liability.

(2) If a trustee acts prudently and in good faith, the trustee is not liable to a person with an interest in assets of the trust held by the trustee for a decrease in the value of the assets for taking action under this subsection or otherwise taking action to comply with an environmental law or reporting requirement.

(3) Acceptance by the trustee of property or failure by the trustee to take action under this subsection does not imply that there is or may be liability under an environmental law with respect to any property.]

[14–109.

(a) None of the following powers conferred upon a trustee by the governing instrument may be exercised by that trustee:

(1) The power to make any discretionary distributions of either principal or income to or for the benefit of the trustee in the trustee's individual capacity, unless limited by an ascertainable standard relating to the trustee's health, education, support and maintenance, as defined in 26 U.S.C. §§ 2041 and 2514 and the Treasury regulations promulgated under those sections;

(2) The power to make any discretionary distributions of either principal or income to satisfy any of the trustee's legal obligations in the trustee's individual capacity for support or other purposes;

(3) The power to make discretionary allocations in the trustee's favor of receipts or expenses as between income and principal;

(4) Any power, in whatever capacity held, to remove or replace any trustee who holds any of the powers proscribed in this subsection; or

(5) The power to exercise any of the powers proscribed in this subsection with regard to a beneficiary other than the trustee to the extent that such beneficiary could exercise a similar prohibited power in connection with a trust which benefits the trustee.

(b) If a trustee is prohibited by subsection (a)(1) of this section from exercising a power conferred upon the trustee, the trustee may nevertheless exercise the power except that the trustee's exercise of that power shall be limited by an ascertainable standard relating to the trustee's health, education, support and

maintenance, as defined in 26 U.S.C. §§ 2041 and 2514 and the Treasury regulations promulgated under those sections.

(c) If the governing instrument contains a power described under subsection (a) of this section, and there is no trustee who can exercise such power, upon application of any party in interest, a court may appoint a trustee who is not otherwise disqualified under this section to exercise any such power during the period of time that the court designates.

(d) This section does not apply if:

(1) As a result of application of subsection (a) of this section, a marital deduction for the trust property would not be allowed to a spouse who is a trustee and to whom a marital deduction would otherwise be allowed under the Internal Revenue Code; or

(2) The trust is revocable or amendable, during the time that the trust remains revocable or amendable.

(e) (1) In this subsection, "parties in interest" means:

(i) Each trustee then serving; and

(ii) Each income beneficiary and remainder beneficiary then in existence or, if such beneficiary has not attained majority or is otherwise incapacitated, the beneficiary's legal representative under applicable law or the beneficiary's donee under a durable power of attorney that is sufficient to grant such authority.

(2) Subject to the provisions of subsection (d) of this section, this section applies to:

(i) Any trust created under a governing instrument executed after September 30, 1995, unless the terms of the governing instrument provide expressly that this section does not apply; and

(ii) Any trust created under a governing instrument executed before October 1, 1995, unless all parties in interest elect affirmatively not to be subject to the application of this section on or before the later of October 1, 1998, or 3 years after the date on which the trust becomes irrevocable.

(f) The affirmative election required under subsection (e) of this section must be made through a written declaration signed by the interested person and delivered to the trustee.]

(a) The following persons may exercise trust or fiduciary powers in this State:

(1) An individual;

(2) A trust company as defined in § 1–101 of this article;

(3) An organization exempt from taxation under § 501(c) of the Internal Revenue Code; and

(4) Subject to subsection (b) of this section, a bank, trust company, or savings bank, other than one described in paragraph (2) of this subsection, that is:

(i) Organized under the laws of another state and authorized to exercise trust or fiduciary powers in the state where its principal place of business is located; or

(ii) Organized under the laws of the United States and authorized to exercise trust or fiduciary powers under federal law.

(b) (1) A bank, trust company, or savings bank described in subsection (a)(4) of this section may exercise trust or fiduciary powers in this State only if the laws of the state where its principal place of business is located authorize a bank, trust company, or savings bank from this State to exercise trust or fiduciary powers in that state.

(2) A bank, trust company, or savings bank authorized to exercise trust powers under subsection (a)(4) of this section shall file with the Commissioner of Financial Regulation, prior to exercising trust powers in this State, information sufficient to identify:

(i) The correct corporate name of the bank, trust company, or savings bank;

(ii) An address and telephone number of a contact person for the bank, trust company, or savings bank;

(iii) A resident agent; and

(iv) Any additional information considered necessary by the Commissioner for protection of the public.]

[14–111.

(a) (1) In this section, “beneficiary” means an ascertainable person who has a present or future interest in a trust estate.

(2) “Beneficiary” includes:

(i) If the beneficiary is a minor, the beneficiary’s natural or legal guardian; or

(ii) If the beneficiary is a disabled person, as defined in § 13–101 of this article, any person acting on behalf of the beneficiary under a guardianship, conservatorship, or committee.

(b) A trustee may donate a conservation easement on any real property, or consent to the donation of a conservation easement on any real property by a personal representative of an estate of which the trustee is a legatee, in order to obtain the benefit of the estate tax exclusion allowed under § 2031(c) of the United States Internal Revenue Code of 1986, as amended, if:

(1) The governing instrument authorizes or directs the donation of a conservation easement on the real property; or

(2) Each beneficiary who has an interest in the real property that would be affected by the conservation easement consents in writing to the donation.]

[14–112.

(a) A trust may be created to provide for the care of an animal alive during the lifetime of the settlor.

(b) A trust authorized by this section terminates:

(1) If created to provide for the care of one animal alive during the lifetime of the settlor, on the death of the animal; or

(2) If created to provide for the care of more than one animal alive during the lifetime of the settlor, on the death of the last surviving animal.

(c) (1) A trust authorized by this section may be enforced by a person appointed under the terms of the trust or, if no person is appointed, by a person appointed by the court.

(2) A person having an interest in the welfare of an animal the care for which a trust is established may request the court to appoint a person to enforce the trust or to remove a person appointed.

(d) (1) Except to the extent that the court may determine that the value of a trust authorized by this section exceeds the amount required for the use intended by the trust, the property of the trust may be applied only to the intended use of the trust.

(2) Except as otherwise provided under the terms of the trust, property not required for the intended use of the trust shall be distributed:

(i) To the settlor, if living; or

(ii) If the settlor is deceased, to the successors in interest of the settlor.]

[14–113.

(a) In this section, “proceeds” means:

(1) Property acquired by the trustee upon the sale, lease, license, exchange, or other disposition of property originally conveyed by a husband and wife to a trustee or trustees;

(2) Property collected by the trustee on, or distributed on account of, property originally conveyed by a husband and wife to a trustee or trustees;

(3) Rights arising out of property originally conveyed by a husband and wife to a trustee;

(4) Claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, property originally conveyed by a husband and wife to a trustee;

(5) Insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, property originally conveyed by a husband and wife to a trustee; or

(6) Property held by the trustee that is otherwise traceable to property originally conveyed by a husband and wife to a trustee or the property proceeds described in items (1) through (5) of this subsection.

(b) Any property of a husband and wife that was held by them as tenants by the entirety and subsequently conveyed to the trustee or trustees of one or more trusts, and the proceeds of that property, shall have the same immunity from the claims of their separate creditors as would exist if the husband and wife had continued to hold the property or its proceeds as tenants by the entirety, as long as:

(1) The husband and wife remain married;

(2) The property or its proceeds continues to be held in trust by the trustee or trustees or their successors in trust;

(3) Both the husband and the wife are beneficiaries of the trust or trusts; and

(4) The trust instrument, deed, or other instrument of conveyance provides that this section shall apply to the property or its proceeds.

(c) (1) After the death of the first of the husband and wife to die, all property held in trust that was immune from the claims of their separate creditors under subsection (b) of this section immediately prior to the individual's death shall continue to have the same immunity from the claims of the decedent's separate creditors as would have existed if the husband and wife had continued to hold the property conveyed in trust, or its proceeds, as tenants by the entirety.

(2) To the extent that the surviving spouse remains a beneficiary of the trust, the property that was immune from the claims of the separate creditors of the decedent under paragraph (1) of this subsection shall be subject to the claims of the separate creditors of the surviving spouse.

(d) The immunity from the claims of separate creditors under subsections (b) and (c) of this section may be waived as to any specific creditor or any specifically described trust property, including all separate creditors of a husband and wife or all former tenancy by the entirety property conveyed to the trustee or trustees, by:

- (1) The express provisions of a trust instrument; or
- (2) The written consent of both the husband and the wife.

(e) (1) Except as provided in paragraph (2) of this subsection, immunity from the claims of separate creditors under subsections (b) and (c) of this section shall be waived if a trustee executes and delivers a financial statement for the trust that fails to disclose the requested identity of property held in trust that is immune from the claims of separate creditors.

(2) Immunity is not waived under this subsection if the identity of the property that is immune from the claims of separate creditors is otherwise reasonably disclosed by:

(i) A publicly recorded deed or other instrument of conveyance by the husband and wife to the trustee;

(ii) A written memorandum by the husband and wife, or by a trustee, that is recorded among the land records or other public records in the county or other jurisdiction where the records of the trust are regularly maintained; or

(iii) The terms of the trust instrument, including any schedule or exhibit attached to the trust instrument, if a copy of the trust instrument is provided with the financial statement.

- (3) A waiver under this subsection shall be effective only as to:

(i) The person to whom the financial statement is delivered by the trustee;

(ii) The particular trust property held in trust for which the immunity from the claims of separate creditors is insufficiently disclosed on the financial statement; and

(iii) The transaction for which the disclosure was sought.

(f) In any dispute relating to the immunity of trust property from the claims of a separate creditor of a husband or wife, the trustee has the burden of proving the immunity of the trust property from the creditor's claims.

(g) After a conveyance to a trustee described in subsection (b) of this section, the property transferred shall no longer be held by the husband and wife as tenants by the entirety.

(h) This section may not be construed to affect existing State law with respect to tenancies by the entirety.

(i) This section applies only to tenancy by the entirety property conveyed to a trustee or trustees on or after October 1, 2010.]

[14–114.

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

(2) “Consideration” does not include the amount of any obligation under a mortgage or deed of trust encumbering the transferred property.

(3) “Trust” does not include:

(i) A real estate investment trust as defined in § 8–101 of the Corporations and Associations Article; or

(ii) A statutory trust as defined in § 12–101 of the Corporations and Associations Article.

(b) A recordation tax, transfer tax, or any other State or local excise tax may not be imposed on the transfer of real property or an interest in real property without consideration or on the recordation of an instrument that transfers real property or an interest in real property without consideration if:

(1) The transfer is to a trust; or

(2) The transfer is from a trust to one or more beneficiaries and:

(i) The transfer is made to a person who would be exempt from tax under Title 12 or Title 13 of the Tax – Property Article if the transfer had been made to that person directly by the grantor; or

(ii) The transfer is made during the life of the grantor of the trust and the trustee of the trust originally acquired the real property for adequate consideration.]

[14–115.

(a) In this section, “special needs trust” and “supplemental needs trust” include a trust funded by a trust beneficiary or by a third party.

(b) It is the policy of the State to encourage the use of a special needs trust or supplemental needs trust by an individual of any age with disabilities to preserve funds to provide for the needs of the individual not met by public benefits and to enhance quality of life.

(c) (1) Each State agency that provides public benefits to individuals of any age with disabilities through means-tested programs, including the Medical Assistance Program, shall adopt regulations that:

(i) Are not more restrictive than existing federal law, regulations, or policies with regard to the treatment of a special needs trust or supplemental needs trust, including a trust defined in 42 U.S.C. § 1396p(c)(2) and (d)(4);

(ii) Are not more restrictive than any State law regarding trusts, including any State law regarding the reasonable exercise of discretion by a trustee, guardian, or conservator in the best interests of the beneficiary; and

(iii) Do not require disclosure of a beneficiary’s personal or confidential information without the consent of the beneficiary.

(2) The regulations described in paragraph (1) of this subsection shall allow:

(i) An individual account in a pooled asset special needs trust to be funded without financial limit;

(ii) A fund in a special needs trust, supplemental needs trust, or pooled asset special needs trust to be used for the sole benefit of the beneficiary including, at the discretion of the trustee, distributions for food, shelter, utilities, and transportation;

(iii) An individual to establish or fund an individual account in a pooled asset special needs trust without an age limit or a transfer penalty;

(iv) An individual to fund a special needs trust or supplemental needs trust for the individual's child with disabilities without a transfer penalty and regardless of the child's age; and

(v) All legally assignable income or resources to be assigned to a special needs trust, supplemental needs trust, or pooled asset special needs trust without limit.

(3) Nothing in this subsection may be interpreted to require a court order to authorize a disbursement from a special or supplemental needs trust.

(d) (1) A determination of the Internal Revenue Service regarding the nonprofit status of an organization operating a pooled asset special needs trust shall be sufficient to satisfy the nonprofit requirement of 42 U.S.C. § 1396p(d)(4)(C).

(2) A State agency may not impose additional requirements on an organization described in paragraph (1) of this subsection for the purpose of qualifying or disqualifying the organization from offering a pooled asset special needs trust.

(e) A regulation adopted by a State agency regarding pooled special needs trusts shall apply only to those trust beneficiaries who are State residents or who receive public benefits funded by the State.]

[14–116.

(a) An individual who creates a trust may not be considered the settlor of that trust with regard to the individual's interest in the trust if:

(1) That interest is the authority of the trustee under the trust instrument or any other provision of law to pay or reimburse the individual for any tax on trust income or trust principal that is payable by the individual under the law imposing that tax; or

(2) All of the following apply:

(i) The individual creates or has created the trust for the benefit of the individual's spouse;

(ii) The trust is treated as qualified terminable interest property under § 2523(f) of the Internal Revenue Code of 1986; and

(iii) The individual's interest in the trust income, trust principal, or both follows the termination of the spouse's prior interest in the trust.

(b) A creditor of an individual described in subsection (a) of this section may not attach, exercise, reach, or otherwise compel distribution of:

(1) Any principal or income of the trust;

(2) Any principal or income of any other trust to the extent that the property held in the other trust is attributable to a trust described in subsection (a)(2) of this section;

(3) The individual's interest in the trust; or

(4) The individual's interest in any other trust to the extent that the property held in the other trust is attributable to a trust described in subsection (a)(2) of this section.

(c) This section may not be construed to affect any State law with respect to a fraudulent transfer by an individual to a trustee.]

TITLE 14.5. MARYLAND TRUST ACT.

SUBTITLE 1. IN GENERAL.

14.5-101.

THIS TITLE MAY BE CITED AS THE MARYLAND TRUST ACT.

14.5-102.

THIS TITLE APPLIES TO EXPRESS CHARITABLE OR NONCHARITABLE TRUSTS AND TRUSTS CREATED IN ACCORDANCE WITH A STATUTE (INCLUDING THE MARYLAND DISCRETIONARY TRUST ACT, UNLESS OTHERWISE PROVIDED BY THE STATUTE), JUDGMENT, OR DECREE THAT REQUIRES THE TRUST TO BE ADMINISTERED IN THE MANNER OF AN EXPRESS TRUST.

14.5-103.

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

(B) "ACTION", WITH RESPECT TO AN ACT OF A TRUSTEE, INCLUDES A FAILURE TO ACT.

(C) "ASCERTAINABLE STANDARD" MEANS A STANDARD RELATING TO AN INDIVIDUAL'S HEALTH, EDUCATION, SUPPORT, OR MAINTENANCE WITHIN

THE MEANING OF § 2041(B)(1)(A) OR § 2514(C)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS IN EFFECT ON ~~OCTOBER 1, 2014~~ JANUARY 1, 2015.

(D) “BENEFICIARY” MEANS A PERSON ~~THAT~~:

(1) THAT HAS A PRESENT OR FUTURE BENEFICIAL INTEREST IN A TRUST, VESTED OR CONTINGENT; OR

(2) IN A CAPACITY OTHER THAN THAT OF A TRUSTEE, HOLDS A POWER OF APPOINTMENT OVER TRUST PROPERTY.

(E) “CHARITABLE TRUST” MEANS A TRUST, OR PORTION OF A TRUST, CREATED FOR A CHARITABLE PURPOSE DESCRIBED IN § 14-301(B) OF THIS ARTICLE.

(F) (1) “DISCRETIONARY DISTRIBUTION PROVISION” MEANS A PROVISION IN A TRUST THAT PROVIDES THAT THE TRUSTEE HAS DISCRETION, OR WORDS OF SIMILAR IMPORT, TO DETERMINE ONE OR MORE OF THE FOLLOWING:

(I) WHETHER TO DISTRIBUTE TO OR FOR THE BENEFIT OF AN INDIVIDUAL OR A CLASS OF BENEFICIARIES THE INCOME OR PRINCIPAL OR BOTH OF THE TRUST;

(II) THE AMOUNT, IF ANY, OF THE INCOME OR PRINCIPAL OR BOTH OF THE TRUST TO DISTRIBUTE TO OR FOR THE BENEFIT OF AN INDIVIDUAL OR A CLASS OF BENEFICIARIES;

(III) WHICH, IF ANY, AMONG A CLASS OF BENEFICIARIES WILL RECEIVE INCOME OR PRINCIPAL OR BOTH OF THE TRUST;

(IV) WHETHER THE DISTRIBUTION OF TRUST ASSETS IS FROM INCOME OR PRINCIPAL OR BOTH OF THE TRUST; OR

(V) WHEN TO PAY INCOME OR PRINCIPAL, EXCEPT THAT A POWER TO DETERMINE WHEN TO DISTRIBUTE INCOME OR PRINCIPAL WITHIN OR WITH RESPECT TO A CALENDAR OR TAXABLE YEAR OF THE TRUST IS NOT A DISCRETIONARY DISTRIBUTION PROVISION IF THE DISTRIBUTION MUST BE MADE.

(2) “DISCRETIONARY DISTRIBUTION PROVISION” INCLUDES A PROVISION IN A TRUST INSTRUMENT THAT:

(I) PROVIDES ONE OR MORE STANDARDS OR OTHER GUIDANCE FOR THE EXERCISE OF THE DISCRETION OF THE TRUSTEE; OR

(II) CONTAINS A SPENDTHRIFT PROVISION.

(G) (1) "ENVIRONMENTAL LAW" MEANS A FEDERAL, STATE, OR LOCAL LAW, RULE, REGULATION, OR ORDINANCE THAT RELATES TO THE PROTECTION OF THE ENVIRONMENT.

(2) "ENVIRONMENTAL LAW" INCLUDES TITLE 16 OF THE ENVIRONMENT ARTICLE.

(H) "GENERAL POWER OF APPOINTMENT", SUBJECT TO § 14.5-507(B)(7) OF THIS TITLE, MEANS A POWER OF APPOINTMENT THAT:

(1) BY THE TERMS OF THE TRUST SPECIFICALLY AUTHORIZES THE HOLDER TO DIRECT TRUST PROPERTY TO THE HOLDER, THE ESTATE OF THE HOLDER, OR THE CREDITORS OF THE HOLDER;

(2) IS HELD IN A CAPACITY OTHER THAN AS A TRUSTEE;

(3) IS NOT LIMITED BY AN ASCERTAINABLE STANDARD; AND

(4) IS EXERCISABLE BY THE HOLDER OR HOLDERS WITHOUT THE CONSENT OF ANOTHER PERSON.

(I) (1) "GUARDIAN OF THE PERSON" MEANS A PERSON APPOINTED BY THE COURT OR, IN THE CASE OF A MINOR WITH NO LIVING PARENT, BY THE PROBATED WILL OF A PARENT OF THE MINOR, TO MAKE DECISIONS REGARDING THE SUPPORT, CARE, EDUCATION, HEALTH, AND WELFARE OF A MINOR OR AN ADULT INDIVIDUAL.

(2) "GUARDIAN OF THE PERSON" DOES NOT INCLUDE A GUARDIAN AD LITEM.

(J) "GUARDIAN OF THE PROPERTY" MEANS A PERSON APPOINTED BY THE COURT TO ADMINISTER THE ESTATE OF A MINOR OR AN ADULT INDIVIDUAL.

(K) "INTERESTS OF THE BENEFICIARIES" MEANS THE BENEFICIAL INTERESTS PROVIDED IN THE TERMS OF THE TRUST.

(L) "JURISDICTION", WITH RESPECT TO A GEOGRAPHIC AREA, INCLUDES A STATE OR COUNTRY.

(M) (1) “MANDATORY DISTRIBUTION PROVISION” MEANS A PROVISION IN A TRUST THAT REQUIRES THE TRUSTEE TO MAKE A DISTRIBUTION OF INCOME OR PRINCIPAL TO A BENEFICIARY, INCLUDING A DISTRIBUTION ON TERMINATION OF THE TRUST.

(2) “MANDATORY DISTRIBUTION PROVISION” DOES NOT INCLUDE A PROVISION IN A TRUST THAT ALLOWS THE TRUSTEE TO MAKE A DISTRIBUTION SUBJECT TO THE EXERCISE OF THE DISCRETION OF THE TRUSTEE EVEN IF:

(I) THE DISCRETION IS EXPRESSED IN THE FORM OF A STANDARD OF DISTRIBUTION; OR

(II) THE TERMS OF THE TRUST AUTHORIZING A DISTRIBUTION COUPLE LANGUAGE OF DISCRETION WITH LANGUAGE OF DIRECTION.

(N) “PERSON” MEANS:

- (1) AN INDIVIDUAL;
- (2) A CORPORATION;
- (3) A BUSINESS TRUST;
- (4) AN ESTATE;
- (5) A TRUST;
- (6) A PARTNERSHIP;
- (7) A LIMITED LIABILITY COMPANY;
- (8) AN ASSOCIATION;
- (9) A JOINT VENTURE;
- (10) A GOVERNMENT;
- (11) A GOVERNMENTAL SUBDIVISION;
- (12) AN AGENCY;
- (13) AN INSTRUMENTALITY;
- (14) A PUBLIC CORPORATION; OR

(15) ANY OTHER LEGAL OR COMMERCIAL ENTITY.

(O) "POWER OF APPOINTMENT" MEANS THE AUTHORITY TO DESIGNATE THE RECIPIENT OR RECIPIENTS OF BENEFICIAL INTERESTS IN PROPERTY.

(P) "POWER OF WITHDRAWAL", SUBJECT TO § 14.5-507(B) OF THIS TITLE, MEANS A PRESENTLY EXERCISABLE POWER TO WITHDRAW TRUST PROPERTY FROM A TRUST FOR THE USE OR BENEFIT OF THE POWER HOLDER, OTHER THAN A POWER:

(1) EXERCISABLE BY A TRUSTEE AND LIMITED BY AN ASCERTAINABLE STANDARD;

(2) EXERCISABLE BY ANOTHER PERSON ONLY ON CONSENT OF THE TRUSTEE OR A PERSON HOLDING AN ADVERSE INTEREST; OR

(3) EXERCISABLE ONLY WITH RESPECT TO TRUST PROPERTY HAVING A VALUE THAT IS LESS THAN OR EQUAL TO THE GREATEST OF:

(I) THE AMOUNT SPECIFIED IN § 2041(B)(2) OR § 2514(E) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED;

(II) THE AMOUNT SPECIFIED IN § 2503(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, IF THE DONOR OF THE PROPERTY SUBJECT TO THE POWER OF WITHDRAWAL IS UNMARRIED AT THE TIME OF THE TRANSFER OF THE PROPERTY TO THE TRUST; OR

(III) TWICE THE AMOUNT SPECIFIED IN § 2503(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, IF THE DONOR OF THE PROPERTY SUBJECT TO THE POWER OF WITHDRAWAL IS MARRIED AT THE TIME OF THE TRANSFER OF THE PROPERTY TO THE TRUST.

(Q) "PROPERTY" MEANS ANYTHING THAT MAY BE THE SUBJECT OF OWNERSHIP, WHETHER REAL OR PERSONAL, LEGAL OR EQUITABLE, OR AN INTEREST IN THE THING.

(R) (1) "QUALIFIED BENEFICIARY" MEANS A BENEFICIARY THAT ON THE DATE THE QUALIFICATION OF THE BENEFICIARY IS DETERMINED:

(I) IS A DISTRIBUTE OR PERMISSIBLE DISTRIBUTE OF TRUST INCOME OR PRINCIPAL;

(II) WOULD BE A DISTRIBUTEE OR PERMISSIBLE DISTRIBUTEE OF TRUST INCOME OR PRINCIPAL IF THE INTERESTS OF THE DISTRIBUTEES DESCRIBED IN ITEM (I) OF THIS PARAGRAPH TERMINATED ON THAT DATE WITHOUT CAUSING THE TRUST TO TERMINATE; OR

(III) WOULD BE A DISTRIBUTEE OR PERMISSIBLE DISTRIBUTEE OF TRUST INCOME OR PRINCIPAL IF THE TRUST TERMINATED ON THAT DATE AND NO POWER OF APPOINTMENT WAS EXERCISED.

(2) “QUALIFIED BENEFICIARY” DOES NOT INCLUDE AN APPOINTEE UNDER THE WILL OF A LIVING PERSON OR THE OBJECT OF AN UNEXERCISED INTER VIVOS POWER OF APPOINTMENT.

(S) “REVOCABLE”, AS APPLIED TO A TRUST, MEANS REVOCABLE BY THE SETTLOR WITHOUT THE CONSENT OF THE TRUSTEE OR A PERSON HOLDING AN ADVERSE INTEREST.

(T) (1) “SETTLOR” MEANS A PERSON, INCLUDING A TESTATOR, THAT CREATES OR CONTRIBUTES PROPERTY TO A TRUST.

(2) “SETTLOR” INCLUDES A PERSON THAT, WITH OTHER SETTLORS, CREATES OR CONTRIBUTES PROPERTY TO A TRUST IN WHICH CASE EACH SUCH PERSON IS A SETTLOR OF THE PORTION OF THE TRUST PROPERTY ATTRIBUTABLE TO THE CONTRIBUTION OF THAT PERSON EXCEPT TO THE EXTENT ANOTHER PERSON HAS THE POWER TO REVOKE OR WITHDRAW THAT PORTION.

(U) “SPENDTHRIFT PROVISION” MEANS A TERM OF A TRUST THAT:

(1) RESTRAINS BOTH VOLUNTARY AND INVOLUNTARY TRANSFER OF THE INTEREST OF A BENEFICIARY; OR

(2) RESTRAINS INVOLUNTARY TRANSFER OF THE INTEREST OF A BENEFICIARY AND PERMITS VOLUNTARY TRANSFER OF THE INTEREST OF A BENEFICIARY ONLY WITH THE CONSENT OF A PERSON THAT IS NOT A BENEFICIARY.

(V) (1) “STATE” MEANS A STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA, PUERTO RICO, THE UNITED STATES VIRGIN ISLANDS, OR ANY TERRITORY OR INSULAR POSSESSION SUBJECT TO THE JURISDICTION OF THE UNITED STATES.

(2) “STATE” INCLUDES A NATIVE AMERICAN TRIBE OR BAND RECOGNIZED BY FEDERAL LAW OR FORMALLY ACKNOWLEDGED BY A STATE.

(W) (1) "SUPPORT PROVISION" MEANS A MANDATORY DISTRIBUTION PROVISION IN A TRUST THAT PROVIDES THAT THE TRUSTEE SHALL DISTRIBUTE INCOME OR PRINCIPAL OR BOTH FOR THE HEALTH, EDUCATION, SUPPORT, OR MAINTENANCE OF A BENEFICIARY, OR LANGUAGE OF SIMILAR IMPORT.

(2) "SUPPORT PROVISION" DOES NOT INCLUDE A PROVISION IN A TRUST THAT PROVIDES THAT A TRUSTEE HAS DISCRETION WHETHER TO DISTRIBUTE INCOME OR PRINCIPAL OR BOTH FOR THE PURPOSES UNDER PARAGRAPH (1) OF THIS SUBSECTION OR TO SELECT FROM AMONG A CLASS OF BENEFICIARIES TO RECEIVE DISTRIBUTIONS IN ACCORDANCE WITH THE TRUST PROVISION.

(X) "TERMS OF A TRUST" MEANS THE MANIFESTATION OF THE INTENT OF THE SETTLOR REGARDING THE PROVISIONS OF A TRUST AS EXPRESSED IN THE TRUST INSTRUMENT OR AS MAY BE ESTABLISHED BY OTHER EVIDENCE THAT WOULD BE ADMISSIBLE IN A JUDICIAL PROCEEDING.

(Y) "TRUST INSTRUMENT" MEANS AN INSTRUMENT EXECUTED BY THE SETTLOR THAT CONTAINS TERMS OF THE TRUST, INCLUDING AMENDMENTS TO THE TRUST.

(Z) "TRUSTEE" INCLUDES AN ORIGINAL, AN ADDITIONAL, AND A SUCCESSOR TRUSTEE AND A COTRUSTEE.

14.5-104.

A PERSON HAS KNOWLEDGE OF A FACT IF THE PERSON:

- (1) HAS ACTUAL KNOWLEDGE OF THE FACT;
- (2) HAS RECEIVED A NOTICE OR NOTIFICATION OF THE FACT; OR
- (3) FROM ALL THE FACTS AND CIRCUMSTANCES KNOWN TO THE PERSON AT THE TIME, KNOWS OR SHOULD KNOW THE FACT.

14.5-105.

THE TERMS OF A TRUST PREVAIL OVER A PROVISION OF THIS TITLE, EXCEPT:

- (1) THE REQUIREMENTS FOR CREATING A TRUST;

(2) THE DUTY OF A TRUSTEE TO ACT REASONABLY UNDER THE CIRCUMSTANCES AND IN ACCORDANCE WITH THE TERMS AND PURPOSES OF THE TRUST AND THE INTERESTS OF THE BENEFICIARIES;

(3) THE REQUIREMENT THAT A TRUST AND THE TERMS OF THE TRUST BE FOR THE BENEFIT OF THE BENEFICIARIES OF THE TRUST AND THAT THE TRUST HAVE A PURPOSE THAT IS LAWFUL, NOT CONTRARY TO PUBLIC POLICY, AND POSSIBLE TO ACHIEVE;

(4) THE POWER OF THE COURT TO MODIFY OR TERMINATE A TRUST UNDER §§ 14.5–410, 14.5–411, 14.5–413, AND 14.5–414 OF THIS TITLE;

(5) THE RIGHTS OF CERTAIN CREDITORS AND ASSIGNEES TO REACH A TRUST AS PROVIDED IN SUBTITLE 5 OF THIS TITLE;

(6) THE POWER OF THE COURT UNDER § 14.5–702 OF THIS TITLE TO REQUIRE, DISPENSE WITH, MODIFY OR TERMINATE A BOND;

(7) THE SUBJECT MATTER JURISDICTION AND VENUE FOR COMMENCING A PROCEEDING AS PROVIDED BY THE LAWS OF THIS STATE;

(8) THE POWER OF THE COURT UNDER § 14.5–708(A) OF THIS TITLE TO INCREASE OR DECREASE THE COMMISSIONS OF A TRUSTEE;

(9) THE DUTIES TO PROVIDE INFORMATION, COPIES, AND NOTICES SPECIFIED UNDER § 14.5–813(A) AND (C) OF THIS TITLE;

(10) THE DUTY UNDER § 14.5–813(A) AND (B) OF THIS TITLE TO:

(I) NOTIFY QUALIFIED BENEFICIARIES OF AN IRREVOCABLE TRUST WHO HAVE ATTAINED 25 YEARS OF AGE OF THE EXISTENCE OF THE TRUST, THE IDENTITY OF THE TRUSTEE, AND THEIR RIGHT TO REQUEST TRUSTEE’S REPORTS AND A COPY OF THE TRUST; AND

(II) RESPOND TO THE REQUEST OF A QUALIFIED BENEFICIARY OF AN IRREVOCABLE TRUST FOR REPORTS BY THE TRUSTEE AND OTHER INFORMATION REASONABLY RELATED TO THE ADMINISTRATION OF THE TRUST;

~~(10)~~ (11) THE EFFECT OF AN EXCULPATORY TERM UNDER § 14.5–906 OF THIS TITLE;

~~(11)~~ (12) THE RIGHTS UNDER §§ 14.5–908 THROUGH 14.5–910 OF THIS TITLE OF A PERSON OTHER THAN A TRUSTEE OR BENEFICIARY; AND

~~(12) PERIODS OF LIMITATION FOR COMMENCING A JUDICIAL PROCEEDING; AND~~

~~(13)~~ ~~(12)~~ (13) THE POWER OF THE COURT TO TAKE AN ACTION AND EXERCISE JURISDICTION AS MAY BE NECESSARY IN THE INTERESTS OF JUSTICE.

14.5-106.

THE COMMON LAW OF TRUSTS AND PRINCIPLES OF EQUITY SUPPLEMENT THIS TITLE, EXCEPT TO THE EXTENT MODIFIED BY THIS TITLE OR ANOTHER STATUTE OF THIS STATE.

14.5-107. RESERVED.

14.5-108. ~~RESERVED.~~

(A) WITHOUT PRECLUDING OTHER MEANS FOR ESTABLISHING A SUFFICIENT CONNECTION WITH THE DESIGNATED JURISDICTION, TERMS OF A TRUST DESIGNATING THE PRINCIPAL PLACE OF ADMINISTRATION ARE VALID AND CONTROLLING IF:

(1) THE PRINCIPAL PLACE OF BUSINESS OF A TRUSTEE IS LOCATED IN OR A TRUSTEE IS A RESIDENT OF THE DESIGNATED JURISDICTION; OR

(2) ALL OR PART OF THE ADMINISTRATION OF THE TRUST OCCURS IN THE DESIGNATED JURISDICTION.

(B) A TRUSTEE IS UNDER A CONTINUING DUTY TO ADMINISTER THE TRUST AT A PLACE APPROPRIATE TO ITS PURPOSES, ITS ADMINISTRATION, AND THE INTERESTS OF THE BENEFICIARY.

(C) WITHOUT PRECLUDING THE RIGHT OF THE COURT TO ORDER, APPROVE, OR DISAPPROVE A TRANSFER, THE TRUSTEE, IN FURTHERANCE OF THE DUTY UNDER SUBSECTION (B) OF THIS SECTION, MAY TRANSFER THE PRINCIPAL PLACE OF ADMINISTRATION OF THE TRUST TO ANOTHER STATE OR A JURISDICTION OUTSIDE THE UNITED STATES.

(D) (1) THE TRUSTEE SHALL NOTIFY THE QUALIFIED BENEFICIARIES OF A PROPOSED TRANSFER OF A TRUST'S PRINCIPAL PLACE OF ADMINISTRATION NOT LESS THAN 60 DAYS BEFORE INITIATING THE TRANSFER.

(2) THE NOTICE OF PROPOSED TRANSFER UNDER PARAGRAPH (1) OF THIS SUBSECTION MUST INCLUDE:

(I) THE NAME OF THE JURISDICTION TO WHICH THE PRINCIPAL PLACE OF ADMINISTRATION IS TO BE TRANSFERRED;

(II) THE ADDRESS AND TELEPHONE NUMBER AT THE NEW LOCATION AT WHICH THE TRUSTEE CAN BE CONTACTED;

(III) AN EXPLANATION OF THE REASONS FOR THE PROPOSED TRANSFER;

(IV) THE DATE ON WHICH THE PROPOSED TRANSFER IS ANTICIPATED TO OCCUR; AND

(V) THE DATE, NOT LESS THAN 60 DAYS AFTER THE GIVING OF THE NOTICE, BY WHICH THE QUALIFIED BENEFICIARY MUST NOTIFY THE TRUSTEE OF AN OBJECTION TO THE PROPOSED TRANSFER.

(E) THE AUTHORITY OF A TRUSTEE UNDER THIS SECTION TO TRANSFER A TRUST'S PRINCIPAL PLACE OF ADMINISTRATION TERMINATES IF A QUALIFIED BENEFICIARY NOTIFIES THE TRUSTEE OF AN OBJECTION TO THE PROPOSED TRANSFER ON OR BEFORE THE DATE SPECIFIED IN THE NOTICE.

14.5–109.

(A) (1) NOTICE TO A PERSON UNDER THIS TITLE OR THE SENDING OF A DOCUMENT TO A PERSON UNDER THIS TITLE SHALL BE ACCOMPLISHED IN A MANNER REASONABLY SUITABLE UNDER THE CIRCUMSTANCES AND LIKELY TO RESULT IN RECEIPT OF THE NOTICE OR DOCUMENT.

(2) PERMISSIBLE METHODS OF NOTICE TO A PERSON OR FOR SENDING A DOCUMENT TO A PERSON UNDER THIS TITLE INCLUDE FIRST-CLASS MAIL, PERSONAL DELIVERY, OR DELIVERY TO THE LAST KNOWN PLACE OF RESIDENCE OR PLACE OF BUSINESS OF THE PERSON.

(3) (I) THIS PARAGRAPH APPLIES TO:

- 1. THE PROPOSED TERMINATION OF A TRUST;**
- 2. THE PROPOSED MODIFICATION OF THE ADMINISTRATIVE OR DISPOSITIVE TERMS OF A TRUST;**

3. THE PROPOSED COMBINATION OF TWO OR MORE TRUSTS INTO A SINGLE TRUST;

4. THE PROPOSED DIVISION OF A TRUST INTO TWO OR MORE SEPARATE TRUSTS;

5. THE PROPOSED RESIGNATION OF A TRUSTEE OR COTRUSTEE; OR

6. THE PROPOSED TRANSFER OF THE PRINCIPAL PLACE OF ADMINISTRATION OF A TRUST.

(II) NOTWITHSTANDING PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, A TRUSTEE SHALL PROVIDE NOTICE TO A PERSON UNDER THIS TITLE:

1. BY PERSONAL SERVICE; OR

2. BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED.

(B) NOTICE OTHERWISE REQUIRED UNDER THIS TITLE OR A DOCUMENT OTHERWISE REQUIRED TO BE SENT UNDER THIS TITLE NEED NOT BE PROVIDED TO A PERSON WHOSE IDENTITY OR LOCATION IS UNKNOWN TO AND NOT REASONABLY ASCERTAINABLE BY THE TRUSTEE.

(C) NOTICE UNDER THIS TITLE OR THE SENDING OF A DOCUMENT UNDER THIS TITLE MAY BE WAIVED IN WRITING BY THE PERSON TO BE NOTIFIED OR SENT THE DOCUMENT.

(D) NOTICE OF A JUDICIAL PROCEEDING UNDER THIS TITLE SHALL BE GIVEN AS PROVIDED IN THE APPLICABLE RULES OF CIVIL PROCEDURE.

14.5-110.

(A) WHENEVER NOTICE TO QUALIFIED BENEFICIARIES OF A TRUST IS REQUIRED UNDER THIS TITLE, THE TRUSTEE SHALL ALSO GIVE NOTICE TO ANY OTHER BENEFICIARY THAT HAS SENT THE TRUSTEE A REQUEST FOR NOTICE.

(B) A CHARITABLE ORGANIZATION EXPRESSLY DESIGNATED TO RECEIVE DISTRIBUTIONS UNDER THE TERMS OF A CHARITABLE TRUST HAS THE RIGHTS OF A QUALIFIED BENEFICIARY UNDER THIS TITLE IF THE CHARITABLE ORGANIZATION ON THE DATE THE QUALIFICATION OF THE CHARITABLE ORGANIZATION IS BEING DETERMINED:

(1) IS A DISTRIBUTE OR PERMISSIBLE DISTRIBUTE OF TRUST INCOME OR PRINCIPAL;

(2) WOULD BE A DISTRIBUTE OR PERMISSIBLE DISTRIBUTE OF TRUST INCOME OR PRINCIPAL ON THE TERMINATION OF THE INTERESTS OF OTHER DISTRIBUTES OR PERMISSIBLE DISTRIBUTES THEN RECEIVING OR ELIGIBLE TO RECEIVE DISTRIBUTIONS; OR

(3) WOULD BE A DISTRIBUTE OR PERMISSIBLE DISTRIBUTE OF TRUST INCOME OR PRINCIPAL IF THE TRUST TERMINATED ON THAT DATE.

(C) A PERSON APPOINTED TO ENFORCE A TRUST CREATED FOR THE CARE OF AN ANIMAL AS PROVIDED IN § 14.5–407 OF THIS TITLE OR ANOTHER NONCHARITABLE PURPOSE AS PROVIDED IN § 14.5–408 OF THIS TITLE HAS THE RIGHTS OF A QUALIFIED BENEFICIARY UNDER THIS TITLE.

(D) THE STATE’S ATTORNEY GENERAL HAS THE RIGHTS OF A QUALIFIED BENEFICIARY WITH RESPECT TO A CHARITABLE TRUST HAVING THE PRINCIPAL PLACE OF ADMINISTRATION OF THE CHARITABLE TRUST IN THIS STATE.

14.5–111. RESERVED.

14.5–112.

(A) IN THE ABSENCE OF EXPRESS LANGUAGE TO THE CONTRARY, THE RULES CONTAINED IN §§ 1–202, 1–203, 1–204, 1–205, 1–206, 1–207, 1–208, 1–209, AND 1–210.1 OF THIS ARTICLE SHALL BE APPLIED IN CONSTRUING THE TERMS OF AN INTER VIVOS TRUST.

(B) WHENEVER A PROVISION IN §§ 1–202, 1–203, 1–204, 1–205, 1–206, 1–207, 1–208, 1–209, AND 1–210.1 OF THIS ARTICLE REFERS TO A “WILL”, “ESTATE”, OR A SIMILAR TERM RELEVANT PRIMARILY TO WILLS AND ESTATES OR A TAKER UNDER A WILL OR AN ESTATE, THE TERM SHALL BE MODIFIED TO MEAN “TRUST INSTRUMENT”, “TRUST”, OR A SIMILAR TERM TO REFLECT THE APPLICATION OF THE PRINCIPLES OF THOSE PROVISIONS TO AN INTER VIVOS TRUST.

SUBTITLE 2. JUDICIAL PROCEEDINGS.

14.5–201.

(A) ~~THE~~ ON THE INVOCATION OF THE COURT'S JURISDICTION BY AN INTERESTED PERSON, ON THE COURT'S OWN MOTION, OR AS OTHERWISE PROVIDED BY LAW, THE COURT MAY INTERVENE ACTIVELY IN THE ADMINISTRATION OF A TRUST, FASHIONING AND IMPLEMENTING REMEDIES AS THE PUBLIC INTEREST AND THE INTERESTS OF THE BENEFICIARIES MAY REQUIRE. ~~TO THE EXTENT THE JURISDICTION OF THE COURT IS INVOKED BY AN INTERESTED PERSON OR AS PROVIDED BY LAW.~~

(B) A TRUST IS NOT SUBJECT TO CONTINUING JUDICIAL SUPERVISION UNLESS ORDERED BY THE COURT.

(C) A JUDICIAL PROCEEDING INVOLVING A TRUST MAY RELATE TO A MATTER INVOLVING THE ADMINISTRATION OF THE TRUST, INCLUDING A REQUEST FOR INSTRUCTIONS AND AN ACTION TO DECLARE RIGHTS.

(D) (1) A COURT HAVING EQUITY JURISDICTION HAS GENERAL SUPERINTENDING POWER WITH RESPECT TO TRUSTS.

(2) THE PROVISIONS OF TITLES 1 THROUGH 13 OF THIS ARTICLE DO NOT AFFECT OR SUPERSEDE THE POWER DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION.

14.5-202.

(A) BY ACCEPTING THE TRUSTEESHIP OF A TRUST HAVING THE PRINCIPAL PLACE OF ADMINISTRATION FOR THE TRUST IN THE STATE OR BY MOVING THE PRINCIPAL PLACE OF ADMINISTRATION TO THE STATE, THE TRUSTEE SUBMITS PERSONALLY TO THE JURISDICTION OF THE COURTS OF THE STATE REGARDING A MATTER INVOLVING THE TRUST.

(B) (1) WITH RESPECT TO THE INTERESTS OF A BENEFICIARY OF A TRUST HAVING THE PRINCIPAL PLACE OF ADMINISTRATION OF THE TRUST IN THE STATE, THE BENEFICIARY IS SUBJECT TO THE JURISDICTION OF THE COURTS OF THE STATE REGARDING A MATTER INVOLVING THE TRUST.

(2) BY ACCEPTING A DISTRIBUTION FROM A TRUST DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE RECIPIENT SUBMITS PERSONALLY TO THE JURISDICTION OF THE COURTS OF THE STATE REGARDING A MATTER INVOLVING THE TRUST.

(C) THIS SECTION DOES NOT PRECLUDE OTHER METHODS OF OBTAINING JURISDICTION OVER A TRUSTEE, A BENEFICIARY, OR ANY OTHER PERSON RECEIVING PROPERTY FROM THE TRUST.

14.5–203.

(A) (1) A DISCRETIONARY POWER CONFERRED ON THE TRUSTEE TO DETERMINE THE BENEFITS OF A BENEFICIARY IS SUBJECT TO JUDICIAL CONTROL ~~ONLY~~ TO PREVENT MISINTERPRETATION OR ABUSE OF THE DISCRETION OF THE TRUSTEE.

(2) THE BENEFITS TO WHICH A BENEFICIARY OF A DISCRETIONARY DISTRIBUTION PROVISION IS ENTITLED, AND WHAT MAY CONSTITUTE AN ABUSE OF DISCRETION BY THE TRUSTEE, DEPEND ON THE TERMS OF THE DISCRETION, INCLUDING THE PROPER CONSTRUCTION OF ACCOMPANYING STANDARDS, AND ON THE SETTLOR’S PURPOSES IN GRANTING THE DISCRETIONARY POWER AND IN CREATING THE TRUST.

(3) NOTWITHSTANDING THE BREADTH OF DISCRETION GRANTED TO A TRUSTEE BY THE TERMS OF A TRUST, INCLUDING THE USE OF THE TERMS “ABSOLUTE”, “SOLE”, OR “UNCONTROLLED”, A TRUSTEE ABUSES THE DISCRETION OF THE TRUSTEE IN EXERCISING OR FAILING TO EXERCISE A DISCRETIONARY POWER IF THE TRUSTEE:

(I) ACTS DISHONESTLY;

(II) ACTS WITH AN IMPROPER MOTIVE, EVEN THOUGH NOT A DISHONEST MOTIVE;

(III) FAILS TO EXERCISE THE JUDGMENT OF THE TRUSTEE IN ACCORDANCE WITH THE TERMS AND PURPOSES OF THE TRUST; OR

(IV) ACTS BEYOND THE BOUNDS OF REASONABLE JUDGMENT.

(B) A COURT MAY REVIEW AN ACTION BY A TRUSTEE UNDER A SUPPORT PROVISION OR A MANDATORY DISTRIBUTION PROVISION IN THE TRUST.

SUBTITLE 3. REPRESENTATION.

14.5–301.

(A) EXCEPT AS REQUIRED BY THE APPLICABLE RULES OF CIVIL PROCEDURE IN A JUDICIAL PROCEEDING, NOTICE TO A PERSON THAT IS AUTHORIZED TO REPRESENT AND BIND ANOTHER PERSON UNDER THIS SUBTITLE HAS THE SAME EFFECT AS IF NOTICE WERE GIVEN DIRECTLY TO THE OTHER PERSON UNLESS THE PERSON REPRESENTED OBJECTS TO THE

REPRESENTATION BY NOTIFYING THE TRUSTEE AND THE REPRESENTATIVE BEFORE THE NOTICE WOULD OTHERWISE HAVE BECOME EFFECTIVE.

(B) THE CONSENT OF A PERSON THAT IS AUTHORIZED TO REPRESENT AND BIND ANOTHER PERSON UNDER THIS SUBTITLE IS BINDING ON THE PERSON REPRESENTED UNLESS THE PERSON REPRESENTED OBJECTS TO THE REPRESENTATION BY NOTIFYING THE TRUSTEE AND THE REPRESENTATIVE BEFORE THE CONSENT WOULD OTHERWISE HAVE BECOME EFFECTIVE.

(C) EXCEPT AS OTHERWISE PROVIDED IN § 14.5-602 OF THIS TITLE, A PERSON THAT UNDER THIS SUBTITLE IS AUTHORIZED TO REPRESENT A SETTLOR THAT LACKS CAPACITY MAY RECEIVE NOTICE AND GIVE A BINDING CONSENT ON BEHALF OF THE SETTLOR.

(D) A REPRESENTATIVE MAY ACT ON BEHALF OF THE INDIVIDUAL REPRESENTED WITH RESPECT TO A MATTER ARISING UNDER THIS TITLE, WHETHER OR NOT A JUDICIAL PROCEEDING CONCERNING THE TRUST IS PENDING.

(E) IN MAKING DECISIONS AS A REPRESENTATIVE OF AN INDIVIDUAL, THE REPRESENTATIVE MAY CONSIDER THE GENERAL BENEFIT ACCRUING TO THE LIVING MEMBERS OF THE FAMILY OF THE INDIVIDUAL.

14.5-302.

(A) THE HOLDER OF A QUALIFIED POWER OF APPOINTMENT MAY REPRESENT AND BIND PERSONS WHOSE INTERESTS AS PERMISSIBLE APPOINTEES OR TAKERS IN DEFAULT ARE SUBJECT TO THE POWER.

(B) A QUALIFIED POWER OF APPOINTMENT IS:

(1) A GENERAL POWER OF APPOINTMENT; OR

(2) A POWER OF APPOINTMENT EXERCISABLE IN FAVOR OF ALL PERSONS OTHER THAN THE POWER HOLDER, THE ESTATE OF THE POWER HOLDER, THE CREDITORS OF THE POWER HOLDER, AND THE CREDITORS OF THE ESTATE OF THE POWER HOLDER.

14.5-303.

TO THE EXTENT THERE IS NO CONFLICT OF INTEREST BETWEEN THE REPRESENTATIVE AND THE PERSON REPRESENTED OR AMONG THOSE BEING REPRESENTED WITH RESPECT TO A PARTICULAR QUESTION OR DISPUTE:

(1) A GUARDIAN OF THE PROPERTY MAY REPRESENT AND BIND THE MINOR OR DISABLED PERSON;

(2) A GUARDIAN OF THE PERSON MAY REPRESENT AND BIND THE MINOR OR DISABLED PERSON IF A GUARDIAN OF THE PROPERTY HAS NOT BEEN APPOINTED;

(3) AN AGENT HAVING SPECIFIC AUTHORITY TO ACT WITH RESPECT TO TRUST MATTERS MAY REPRESENT AND BIND THE PRINCIPAL;

(4) A TRUSTEE OF A TRUST THAT IS A BENEFICIARY OF ANOTHER TRUST MAY REPRESENT AND BIND THE BENEFICIARIES OF THE TRUST THAT IS THE BENEFICIARY OF THE OTHER TRUST;

(5) A PERSONAL REPRESENTATIVE OF THE ESTATE OF A DECEDENT THAT IS A BENEFICIARY OF A TRUST MAY REPRESENT AND BIND INTERESTED PERSONS IN THE ESTATE; AND

(6) A PARENT MAY REPRESENT AND BIND THE MINOR, INCAPACITATED, UNBORN, OR UNKNOWN CHILD OF THE PARENT OR CHILD OF THE PARENT WHOSE LOCATION IS UNKNOWN AND NOT REASONABLY ASCERTAINABLE IF A GUARDIAN OF THE PROPERTY OR GUARDIAN OF THE PERSON FOR THE CHILD HAS NOT BEEN APPOINTED.

14.5–304. RESERVED.

14.5–305.

(A) IF THE COURT DETERMINES THAT AN INTEREST IS NOT REPRESENTED UNDER THIS SUBTITLE OR THAT THE OTHERWISE AVAILABLE REPRESENTATION MIGHT BE INADEQUATE, THE COURT MAY APPOINT A REPRESENTATIVE TO RECEIVE NOTICE, GIVE CONSENT, AND OTHERWISE REPRESENT, BIND, AND ACT ON BEHALF OF A MINOR, AN INCAPACITATED INDIVIDUAL, AN UNBORN INDIVIDUAL, OR A PERSON WHOSE IDENTITY OR LOCATION IS UNKNOWN OR IS NOT REASONABLY ASCERTAINABLE AS LONG AS THERE IS NO CONFLICT OF INTEREST BETWEEN THE REPRESENTATIVE AND THE PERSON REPRESENTED OR AMONG THOSE BEING REPRESENTED WITH RESPECT TO A PARTICULAR QUESTION OR DISPUTE.

(B) A REPRESENTATIVE MAY BE APPOINTED TO REPRESENT SEVERAL PERSONS OR INTERESTS UNDER THIS TITLE.

SUBTITLE 4. CREATION, VALIDITY, MODIFICATION, AND TERMINATION OF TRUST.

14.5-401.**A TRUST MAY BE CREATED BY:**

(1) TRANSFER OF PROPERTY TO ANOTHER PERSON AS TRUSTEE DURING THE LIFETIME OF THE SETTLOR OR BY WILL OR OTHER DISPOSITION TAKING EFFECT ON THE DEATH OF THE SETTLOR;

(2) DECLARATION BY THE OWNER OF PROPERTY THAT THE OWNER HOLDS IDENTIFIABLE PROPERTY AS TRUSTEE; OR

(3) EXERCISE OF A POWER OF APPOINTMENT IN FAVOR OF A TRUSTEE.

14.5-402.**(A) A TRUST IS CREATED ONLY IF:**

(1) THE SETTLOR HAS CAPACITY TO CREATE A TRUST;

(2) THE SETTLOR INDICATES AN INTENTION TO CREATE THE TRUST;

(3) THE TRUST HAS A DEFINITE BENEFICIARY OR IS:

(I) A CHARITABLE TRUST;

(II) A TRUST FOR THE CARE OF AN ANIMAL, AS PROVIDED IN § 14.5-407 OF THIS SUBTITLE; OR

(III) A TRUST FOR A NONCHARITABLE PURPOSE, AS PROVIDED IN § 14.5-408 OF THIS SUBTITLE; AND

(4) THE TRUSTEE HAS DUTIES TO PERFORM.

(B) A BENEFICIARY IS DEFINITE IF THE BENEFICIARY CAN BE ASCERTAINED NOW OR IN THE FUTURE, SUBJECT TO ANY APPLICABLE RULE AGAINST PERPETUITIES.

(C) (1) A POWER IN A TRUSTEE OR IN ANOTHER PERSON UNDER THE TERMS OF THE TRUST TO SELECT A BENEFICIARY FROM AN INDEFINITE CLASS IS VALID.

(2) IF THE POWER DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION IS NOT EXERCISED WITHIN A REASONABLE TIME, THE POWER FAILS AND THE PROPERTY SUBJECT TO THE POWER PASSES TO THE PERSONS THAT WOULD HAVE TAKEN THE PROPERTY HAD THE POWER NOT BEEN CONFERRED.

14.5–403.

A TRUST NOT CREATED BY WILL IS VALIDLY CREATED IF THE CREATION OF THE TRUST COMPLIES WITH:

(1) THE LAW OF THE JURISDICTION IN WHICH THE TRUST INSTRUMENT WAS EXECUTED; OR

(2) THE LAW OF THE JURISDICTION IN WHICH, AT THE TIME OF CREATION:

(I) THE SETTLOR WAS DOMICILED OR WAS A NATIONAL;

(II) A TRUSTEE OF THE TRUST WAS DOMICILED OR HAD A PLACE OF BUSINESS; OR

(III) ANY TRUST PROPERTY WAS LOCATED.

14.5–404.

(A) A TRUST MAY BE CREATED ONLY TO THE EXTENT THAT THE PURPOSES OF THE TRUST ARE LAWFUL, NOT CONTRARY TO PUBLIC POLICY, AND POSSIBLE TO ACHIEVE.

(B) A TRUST AND THE TERMS OF THE TRUST SHALL BE FOR THE BENEFIT OF THE BENEFICIARIES OF THE TRUST.

14.5–405.

A TRUST IS VOID TO THE EXTENT THAT THE CREATION OF THE TRUST WAS INDUCED BY FRAUD, DURESS, OR UNDUE INFLUENCE.

14.5–406.

EXCEPT AS REQUIRED BY A PROVISION OTHER THAN THIS TITLE, A TRUST NEED NOT BE EVIDENCED BY A TRUST INSTRUMENT, BUT THE CREATION OF AN ORAL TRUST AND THE TERMS OF THE ORAL TRUST MAY BE ESTABLISHED ONLY BY CLEAR AND CONVINCING EVIDENCE.

14.5-407.

(A) A TRUST MAY BE CREATED TO PROVIDE FOR THE CARE OF AN ANIMAL ALIVE DURING THE LIFETIME OF THE SETTLOR.

(B) A TRUST AUTHORIZED BY THIS SECTION TERMINATES:

**(1) IF CREATED TO PROVIDE FOR THE CARE OF ONE ANIMAL ALIVE DURING THE LIFETIME OF THE SETTLOR, ON THE DEATH OF THE ANIMAL;
OR**

(2) IF CREATED TO PROVIDE FOR THE CARE OF MORE THAN ONE ANIMAL ALIVE DURING THE LIFETIME OF THE SETTLOR, ON THE DEATH OF THE LAST SURVIVING ANIMAL.

(C) (1) A TRUST AUTHORIZED BY THIS SECTION MAY BE ENFORCED BY A PERSON APPOINTED UNDER THE TERMS OF THE TRUST OR, IF NO PERSON IS APPOINTED, BY A PERSON APPOINTED BY THE COURT.

(2) A PERSON HAVING AN INTEREST IN THE WELFARE OF AN ANIMAL, THE CARE FOR WHICH A TRUST HAS BEEN ESTABLISHED, MAY REQUEST THE COURT TO APPOINT A PERSON TO ENFORCE THE TRUST OR TO REMOVE A PERSON APPOINTED.

(D) (1) EXCEPT TO THE EXTENT THAT THE COURT MAY DETERMINE THAT THE VALUE OF A TRUST AUTHORIZED BY THIS SECTION EXCEEDS THE AMOUNT REQUIRED FOR THE USE INTENDED BY THE TRUST, THE PROPERTY OF THE TRUST MAY BE APPLIED ONLY TO THE INTENDED USE OF THE TRUST.

(2) EXCEPT AS OTHERWISE PROVIDED UNDER THE TERMS OF THE TRUST, PROPERTY NOT REQUIRED FOR THE INTENDED USE OF THE TRUST SHALL BE DISTRIBUTED:

(I) TO THE SETTLOR, IF LIVING; OR

(II) IF THE SETTLOR IS DECEASED, TO THE SUCCESSORS IN INTEREST OF THE SETTLOR.

14.5-408.

EXCEPT AS OTHERWISE PROVIDED IN § 14.5-407 OF THIS SUBTITLE OR BY ANOTHER STATUTE, THE FOLLOWING RULES APPLY:

(1) (I) A TRUST MAY BE CREATED FOR A NONCHARITABLE PURPOSE WITHOUT A DEFINITE OR DEFINITELY ASCERTAINABLE BENEFICIARY OR FOR A NONCHARITABLE BUT OTHERWISE VALID PURPOSE TO BE SELECTED BY THE TRUSTEE; AND

(II) A TRUST DESCRIBED IN ITEM (I) OF THIS ITEM MAY NOT BE ENFORCED FOR MORE THAN 21 YEARS UNLESS THE SETTLOR ELECTS OTHERWISE;

(2) A TRUST AUTHORIZED BY THIS SECTION MAY BE ENFORCED BY A PERSON APPOINTED IN THE TERMS OF THE TRUST OR, IF NO PERSON IS SO APPOINTED, BY A PERSON APPOINTED BY THE COURT; AND

(3) (I) PROPERTY OF A TRUST AUTHORIZED BY THIS SECTION MAY BE APPLIED ONLY TO THE INTENDED USE OF THE TRUST, EXCEPT TO THE EXTENT THAT THE COURT DETERMINES THAT THE VALUE OF THE TRUST PROPERTY EXCEEDS THE AMOUNT REQUIRED FOR THE INTENDED USE; AND

(II) EXCEPT AS OTHERWISE PROVIDED IN THE TERMS OF A TRUST DESCRIBED IN ITEM (I) OF THIS ITEM, PROPERTY NOT REQUIRED FOR THE INTENDED USE SHALL BE DISTRIBUTED TO THE SETTLOR, IF THEN LIVING, OR TO THE SUCCESSORS IN INTEREST OF THE SETTLOR, IF THE SETTLOR IS NOT THEN LIVING.

14.5–409.

(A) IN ADDITION TO THE METHODS OF TERMINATION PRESCRIBED BY §§ 14.5–410 THROUGH 14.5–412 OF THIS SUBTITLE, A TRUST TERMINATES TO THE EXTENT:

(1) THE TRUST IS REVOKED OR EXPIRES IN ACCORDANCE WITH THE TERMS OF THE TRUST; OR

(2) THE PURPOSES OF THE TRUST HAVE BECOME UNLAWFUL, CONTRARY TO PUBLIC POLICY, OR IMPOSSIBLE TO ACHIEVE.

(B) A PROCEEDING TO APPROVE OR DISAPPROVE A PROPOSED MODIFICATION OR TERMINATION UNDER §§ 14.5–410 THROUGH 14.5–414 OF THIS SUBTITLE, OR COMBINATION OR DIVISION OF A TRUST UNDER § 14.5–415 OF THIS SUBTITLE, MAY BE COMMENCED BY A TRUSTEE OR BENEFICIARY.

14.5–410.

(A) (1) A NONCHARITABLE IRREVOCABLE TRUST MAY BE TERMINATED ON CONSENT OF THE TRUSTEE AND ALL BENEFICIARIES IF THE COURT CONCLUDES THAT CONTINUANCE OF THE TRUST IS NOT NECESSARY TO ACHIEVE ANY MATERIAL PURPOSE OF THE TRUST.

(2) A NONCHARITABLE IRREVOCABLE TRUST MAY BE MODIFIED ON CONSENT OF THE TRUSTEE AND ALL BENEFICIARIES IF THE COURT CONCLUDES THAT MODIFICATION IS NOT INCONSISTENT WITH A MATERIAL PURPOSE OF THE TRUST.

(B) THE EXISTENCE OF A SPENDTHRIFT PROVISION OR SIMILAR PROTECTIVE LANGUAGE IN THE TERMS OF THE TRUST DOES NOT PREVENT A TERMINATION OF A TRUST UNDER SUBSECTION (A)(1) OF THIS SECTION.

(C) ON TERMINATION OF A TRUST UNDER SUBSECTION (A)(1) OF THIS SECTION, THE TRUSTEE SHALL DISTRIBUTE THE TRUST PROPERTY AS AGREED BY THE BENEFICIARIES.

(D) IF NOT ALL BENEFICIARIES CONSENT TO A PROPOSED MODIFICATION OR TERMINATION OF THE TRUST UNDER SUBSECTION (A) OF THIS SECTION, THE MODIFICATION OR TERMINATION MAY BE APPROVED BY THE COURT IF THE COURT IS SATISFIED THAT:

(1) IF ALL BENEFICIARIES HAD CONSENTED, THE TRUST COULD HAVE BEEN MODIFIED OR TERMINATED UNDER THIS SECTION; AND

(2) THE INTERESTS OF A BENEFICIARY THAT DOES NOT CONSENT WILL BE ADEQUATELY PROTECTED.

14.5-411.

(A) (1) THE COURT MAY MODIFY THE ADMINISTRATIVE OR DISPOSITIVE TERMS OF A TRUST OR TERMINATE THE TRUST IF, BECAUSE OF CIRCUMSTANCES NOT ANTICIPATED BY THE SETTLOR, MODIFICATION OR TERMINATION WILL FURTHER THE PURPOSES OF THE TRUST.

(2) TO THE EXTENT PRACTICABLE, THE MODIFICATION DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE MADE IN ACCORDANCE WITH THE PROBABLE INTENTION OF THE SETTLOR.

(B) THE COURT MAY MODIFY THE ADMINISTRATIVE TERMS OF A TRUST IF CONTINUATION OF THE TRUST ON ITS EXISTING TERMS WOULD BE IMPRACTICABLE OR WASTEFUL OR IMPAIR THE ADMINISTRATION OF THE TRUST.

(C) ON TERMINATION OF A TRUST UNDER SUBSECTION (A) OF THIS SECTION, THE TRUSTEE SHALL DISTRIBUTE THE TRUST PROPERTY IN A MANNER CONSISTENT WITH THE PURPOSES OF THE TRUST AS ORDERED BY THE COURT.

14.5–412.

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

(2) “LIFE EXPECTANCY” MEANS THE LIFE EXPECTANCY PUBLISHED FROM TIME TO TIME IN THE LIFE TABLES ISSUED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(3) “NET ANNUAL INCOME” MEANS THE GROSS INCOME OF A TRUST ESTATE DURING A FISCAL YEAR MINUS TRUST COMMISSIONS AND EXPENSES ATTRIBUTABLE TO INCOME FOR THAT FISCAL YEAR.

(B) SUBJECT TO THE PROVISIONS OF THIS SECTION, A TRUSTEE MAY TERMINATE A TRUST WITHOUT AN ORDER OF COURT IF THE FAIR MARKET VALUE OF THE TRUST AS OF THE LAST ANNIVERSARY DATE OF THE TRUST IS \$100,000 OR LESS.

(C) (1) (I) A TRUSTEE PROPOSING TO TERMINATE A TRUST UNDER THIS SECTION SHALL SEND NOTICE OF THE PROPOSED TERMINATION TO EACH COTRUSTEE AND EACH QUALIFIED BENEFICIARY OF THE TRUST AT THE LAST KNOWN ADDRESS OF THE COTRUSTEE OR QUALIFIED BENEFICIARY.

(II) THE NOTICE DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE:

- 1. PERSONALLY DELIVERED; OR**
- 2. MAILED BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED.**

(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL CONTAIN:

- (I) THE NAME OF THE TRUST;**
- (II) THE NAME OF THE PERSON WHO CREATED THE TRUST;**

(III) THE DATE ON WHICH THE TRUST WAS ESTABLISHED;

(IV) THE NAME AND ADDRESS OF THE TRUSTEE SEEKING TO TERMINATE THE TRUST;

(V) THE NAME OF ANY COTRUSTEE;

(VI) A STATEMENT THAT THE EFFECTIVE DATE OF THE TERMINATION SHALL BE AT LEAST 90 DAYS AFTER THE DATE ON WHICH NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION HAS BEEN RECEIVED BY EACH COTRUSTEE AND EACH QUALIFIED BENEFICIARY;

(VII) A STATEMENT OF THE REASONS FOR TERMINATION OF THE TRUST;

(VIII) THE APPROXIMATE AMOUNT AND THE MANNER OF CALCULATION OF EACH DISTRIBUTION OF THE TRUST ESTATE; AND

(IX) A STATEMENT OF THE RIGHT TO OBJECT AND THE PROCEDURES TO FOLLOW UNDER SUBSECTION (D) OF THIS SECTION.

(D) (1) A PERSON ENTITLED TO NOTICE UNDER SUBSECTION (C) OF THIS SECTION THAT OBJECTS TO THE TERMINATION OF A TRUST SHALL SEND WRITTEN OBJECTION TO THE TERMINATION.

(2) THE WRITTEN OBJECTION DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PERSONALLY DELIVERED OR MAILED BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, WITHIN 60 DAYS AFTER THE DATE ON WHICH NOTICE THAT IS SENT UNDER SUBSECTION (C)(1) OF THIS SECTION IS RECEIVED BY THE OBJECTING PARTY, TO THE TRUSTEE PROPOSING TO TERMINATE THE TRUST AT THE ADDRESS IN THE NOTICE.

(E) (1) IF NO QUALIFIED BENEFICIARY OR COTRUSTEE DELIVERS A TIMELY OBJECTION IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (D) OF THIS SECTION, THE TRUST SHALL BE TERMINATED AND THE TRUST ESTATE SHALL BE DISTRIBUTED IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (F) OF THIS SECTION.

(2) IF A QUALIFIED BENEFICIARY OR COTRUSTEE DELIVERS A TIMELY WRITTEN OBJECTION IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (D) OF THIS SECTION, THE TRUST MAY NOT BE TERMINATED UNLESS THE OBJECTION IS WITHDRAWN IN WRITING BY THE OBJECTING PARTY WITHIN 90 DAYS AFTER RECEIPT OF THE NOTICE BY THE OBJECTING PARTY.

(F) (1) A TRUST ESTATE THAT IS TERMINATED UNDER THIS SECTION SHALL BE DISTRIBUTED IN ANY MANNER UNANIMOUSLY AGREED ON BY ALL QUALIFIED BENEFICIARIES.

(2) (I) IF THE QUALIFIED BENEFICIARIES DO NOT UNANIMOUSLY AGREE TO A MANNER OF DISTRIBUTION, THE DISTRIBUTION SHALL BE MADE IN ACCORDANCE WITH THE PROVISIONS OF THIS PARAGRAPH.

(II) A QUALIFIED BENEFICIARY THAT HAS A PRESENT INTEREST IN THE TRUST ESTATE SHALL RECEIVE AN AMOUNT EQUAL TO THE PRESENT VALUE OF AN ANNUITY EQUAL TO THE PROPORTIONATE SHARE OF THE QUALIFIED BENEFICIARY OF THE AVERAGE NET ANNUAL INCOME OF THE TRUST AS OF THE LAST THREE ANNIVERSARY DATES OF THE TRUST FOR A TERM EQUAL TO THE LIFE EXPECTANCY OF THE QUALIFIED BENEFICIARY, AT THE INTEREST RATE FOR VALUING VESTED BENEFITS PROVIDED BY THE PENSION BENEFIT GUARANTY CORPORATION FOR THE MONTH IMMEDIATELY PRECEDING THE DATE ON WHICH THE NOTICE UNDER SUBSECTION (C)(1) OF THIS SECTION IS SENT.

(III) THE AMOUNT OF THE TRUST ESTATE REMAINING AFTER DISTRIBUTION TO QUALIFIED BENEFICIARIES HAVING A PRESENT INTEREST IN THE TRUST ESTATE SHALL BE DISTRIBUTED TO QUALIFIED BENEFICIARIES HAVING A FUTURE INTEREST IN THE TRUST ESTATE IN WHATEVER PROPORTIONS ARE PROVIDED FOR UNDER THE TERMS OF THE GOVERNING INSTRUMENT UNDER WHICH THE TRUST WAS CREATED.

(G) THE EXISTENCE OF SPENDTHRIFT OR SIMILAR PROTECTIVE LANGUAGE IN THE GOVERNING INSTRUMENT UNDER WHICH THE TRUST WAS CREATED MAY NOT PREVENT TERMINATION UNDER THIS SECTION.

(H) ALL EXPENSES INCURRED BY THE TRUSTEE INCIDENT TO THE TERMINATION OF A TRUST UNDER THIS SECTION SHALL BE PAID BY THE TRUST ESTATE.

(I) A DISTRIBUTION TO A MINOR QUALIFIED BENEFICIARY SHALL BE MADE TO THE CUSTODIAN OF THE MINOR UNDER THE MARYLAND UNIFORM TRANSFERS TO MINORS ACT.

(J) THIS SECTION MAY NOT BE CONSTRUED TO LIMIT THE RIGHT OF A TRUSTEE TO TERMINATE A TRUST IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE GOVERNING INSTRUMENT UNDER WHICH THE TRUST WAS CREATED.

(K) A TRUST MAY BE TERMINATED UNDER THIS SECTION IF:

(1) THE TRUSTEE HAS DETERMINED THAT TERMINATION OF THE TRUST IS IN THE BEST INTERESTS OF THE QUALIFIED BENEFICIARIES; AND

(2) THE GOVERNING INSTRUMENT DOES NOT EXPRESSLY PROHIBIT TERMINATION OF THE TRUST REGARDLESS OF THE SIZE OF THE TRUST.

(L) A TRUST MAY NOT BE TERMINATED UNDER THIS SECTION IF:

(1) THE PROVISIONS OF THE GOVERNING INSTRUMENT MAKE THE TRUST ELIGIBLE TO QUALIFY FOR THE MARITAL DEDUCTION FOR UNITED STATES ESTATE TAX OR FOR UNITED STATES GIFT TAX PURPOSES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, UNLESS ALL QUALIFIED BENEFICIARIES AGREE THAT ALL OF THE TRUST ESTATE SHALL BE DISTRIBUTED TO THE SPOUSE OF THE CREATOR OF THE TRUST; OR

(2) THE PROVISIONS OF THE GOVERNING INSTRUMENT MAKE THE TRUST QUALIFY, IN WHOLE OR IN PART, FOR A CHARITABLE DEDUCTION FOR UNITED STATES ESTATE TAX, UNITED STATES GIFT TAX, OR UNITED STATES INCOME TAX PURPOSES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, UNLESS ALL QUALIFIED BENEFICIARIES AGREE THAT ALL OF THE TRUST ESTATE SHALL BE DISTRIBUTED TO ONE OR MORE QUALIFIED BENEFICIARIES THAT QUALIFY FOR THE CHARITABLE DEDUCTION UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

14.5-413.

THE COURT MAY REFORM THE TERMS OF A TRUST, EVEN IF UNAMBIGUOUS, TO CONFORM THE TERMS TO THE INTENTION OF THE SETTLOR IF IT IS PROVED BY CLEAR AND CONVINCING EVIDENCE THAT BOTH THE INTENT OF THE SETTLOR AND THE TERMS OF THE TRUST WERE AFFECTED BY A MISTAKE OF FACT OR LAW, WHETHER IN EXPRESSION OR INDUCEMENT.

14.5-414.

(A) TO ACHIEVE THE TAX OBJECTIVES OF THE SETTLOR, THE COURT MAY MODIFY THE TERMS OF A TRUST IN A MANNER THAT IS NOT CONTRARY TO THE PROBABLE INTENTION OF THE SETTLOR.

(B) THE COURT MAY PROVIDE THAT THE MODIFICATION DESCRIBED IN SUBSECTION (A) OF THIS SECTION HAS RETROACTIVE EFFECT.

14.5–415.

(A) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS SUBSECTION, ON PETITION BY A TRUSTEE, PERSONAL REPRESENTATIVE, BENEFICIARY, OR PARTY IN INTEREST, AFTER NOTICE AS THE COURT MAY DIRECT TO THE TRUSTEES, PERSONAL REPRESENTATIVES, BENEFICIARIES, AND PARTIES IN INTEREST, AND FOR GOOD CAUSE SHOWN, A COURT MAY:

(I) DIVIDE A TRUST INTO TWO OR MORE SEPARATE TRUSTS; OR

(II) CONSOLIDATE TWO OR MORE TRUSTS INTO A SINGLE TRUST.

(2) A COURT MAY DIVIDE A TRUST OR CONSOLIDATE TRUSTS:

(I) ON TERMS AND CONDITIONS AS THE COURT CONSIDERS APPROPRIATE; AND

(II) IF THE COURT IS SATISFIED THAT A DIVISION OF A TRUST OR CONSOLIDATION OF TRUSTS WILL NOT DEFEAT OR MATERIALLY IMPAIR:

1. THE ACCOMPLISHMENT OF TRUST PURPOSES; OR

2. THE INTERESTS OF THE BENEFICIARIES.

(3) A COURT MAY PASS ORDERS THAT THE COURT CONSIDERS PROPER OR NECESSARY TO PROTECT THE INTERESTS OF:

(I) A TRUSTEE;

(II) A PERSONAL REPRESENTATIVE;

(III) A BENEFICIARY; OR

(IV) A PARTY IN INTEREST.

(B) THIS SECTION MAY NOT BE CONSTRUED TO LIMIT THE RIGHT OF A TRUSTEE OR PERSONAL REPRESENTATIVE TO DIVIDE A TRUST OR CONSOLIDATE TRUSTS, WITHOUT AN ORDER OF A COURT, IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE GOVERNING INSTRUMENT.

SUBTITLE 5. CREDITOR'S CLAIMS; SPENDTHRIFT AND DISCRETIONARY TRUSTS.

14.5-501.

(A) A COURT MAY AUTHORIZE A CREDITOR OR AN ASSIGNEE OF A BENEFICIARY TO REACH THE INTEREST OF THE BENEFICIARY BY ATTACHMENT OF PRESENT OR FUTURE DISTRIBUTIONS TO OR FOR THE BENEFIT OF THE BENEFICIARY OR BY OTHER MEANS IF THAT INTEREST IS NOT SUBJECT TO A DISCRETIONARY DISTRIBUTION PROVISION, A SUPPORT PROVISION, OR A SPENDTHRIFT PROVISION.

(B) THE COURT MAY LIMIT THE AMOUNT, TIMING, OR OTHER TERMS AND CONDITIONS OF AN AWARD UNDER THIS SECTION TO RELIEF AS IS APPROPRIATE UNDER THE CIRCUMSTANCES CONSIDERING, AMONG OTHER FACTORS:

(1) THE SUPPORT NEEDS OF THE BENEFICIARY, THE SPOUSE OF THE BENEFICIARY, THE FORMER SPOUSE OF THE BENEFICIARY, AND THE DEPENDENT CHILDREN OF THE BENEFICIARY;

(2) WITH RESPECT TO A BENEFICIARY THAT IS THE RECIPIENT OF PUBLIC BENEFITS, THE SUPPLEMENTAL NEEDS OF THE BENEFICIARY IF THE TRUST WAS NOT INTENDED TO PROVIDE FOR THE BASIC SUPPORT OF THE BENEFICIARY; AND

(3) THE AMOUNT OF THE CLAIM OF THE CREDITOR OR ASSIGNEE AND THE LIKELY PROCEEDS THAT A SALE WOULD PRODUCE AS COMPARED TO THE POTENTIAL VALUE OF THE INTEREST TO THE BENEFICIARY.

14.5-502.

(A) (1) A BENEFICIARY OF A DISCRETIONARY DISTRIBUTION PROVISION HAS NO PROPERTY RIGHT IN A TRUST INTEREST THAT IS SUBJECT TO A DISCRETIONARY DISTRIBUTION PROVISION.

(2) A BENEFICIAL INTEREST THAT IS SUBJECT TO A DISCRETIONARY DISTRIBUTION PROVISION MAY NOT BE JUDICIALLY FORECLOSED, ATTACHED BY A CREDITOR, OR TRANSFERRED BY THE BENEFICIARY.

(B) (1) THE CREDITOR OF THE BENEFICIARY OF A DISCRETIONARY DISTRIBUTION PROVISION CREATED BY SOMEONE OTHER THAN THAT BENEFICIARY HAS NO ENFORCEABLE RIGHT TO TRUST INCOME OR PRINCIPAL

THAT MAY BE DISTRIBUTED ONLY IN THE EXERCISE OF THE DISCRETION OF THE TRUSTEE.

(2) TRUST PROPERTY THAT IS SUBJECT TO A DISCRETIONARY DISTRIBUTION PROVISION IS NOT SUBJECT TO THE ENFORCEMENT OF A JUDGMENT UNTIL INCOME OR PRINCIPAL OR BOTH IS DISTRIBUTED DIRECTLY TO THE BENEFICIARY.

(C) A CREDITOR OF A BENEFICIARY MAY NOT COMPEL A DISTRIBUTION THAT IS SUBJECT TO A DISCRETIONARY DISTRIBUTION PROVISION CREATED BY SOMEONE OTHER THAN THAT BENEFICIARY.

(D) A TRUST MAY CONTAIN A DISCRETIONARY DISTRIBUTION PROVISION WITH RESPECT TO ONE OR MORE BUT LESS THAN ALL BENEFICIARIES.

(E) IF A BENEFICIARY OF A DISCRETIONARY DISTRIBUTION PROVISION HAS A POWER OF WITHDRAWAL CREATED BY SOMEONE OTHER THAN THAT BENEFICIARY:

(1) DURING THE PERIOD THE POWER MAY BE EXERCISED, THE PORTION OF THE TRUST THE BENEFICIARY MAY WITHDRAW MAY NOT BE DEEMED TO BE SUBJECT TO THE DISCRETIONARY DISTRIBUTION PROVISION WITH RESPECT TO THAT BENEFICIARY;

(2) DURING THE PERIOD THE POWER MAY BE EXERCISED, THE PORTION OF THE TRUST THE BENEFICIARY MAY NOT WITHDRAW SHALL BE DEEMED TO BE SUBJECT TO THE DISCRETIONARY DISTRIBUTION PROVISION WITH RESPECT TO THAT BENEFICIARY; AND

(3) DURING PERIODS IN WHICH THE BENEFICIARY DOES NOT HAVE A POWER OF WITHDRAWAL, THE TRUST INTEREST OF THE BENEFICIARY SHALL BE DEEMED TO BE SUBJECT TO THE DISCRETIONARY DISTRIBUTION PROVISION WITH RESPECT TO THAT BENEFICIARY.

(F) IF A BENEFICIARY AND ONE OR MORE OTHERS HAVE MADE CONTRIBUTIONS TO A TRUST SUBJECT TO A DISCRETIONARY DISTRIBUTION PROVISION, THE PORTION OF THE TRUST ATTRIBUTABLE TO THE CONTRIBUTIONS OF THE BENEFICIARY MAY NOT BE DEEMED TO BE SUBJECT TO THAT DISCRETIONARY DISTRIBUTION PROVISION WITH RESPECT TO THAT BENEFICIARY, BUT THE PORTION OF THE TRUST ATTRIBUTABLE TO THE CONTRIBUTIONS OF OTHERS SHALL BE DEEMED TO BE SUBJECT TO THE DISCRETIONARY DISTRIBUTION PROVISION WITH RESPECT TO THAT BENEFICIARY.

(G) THE INTEREST OF A BENEFICIARY WHO IS BLIND OR DISABLED AS DEFINED IN 42 U.S.C. § 1382C(A)(3) MAY BE SUBJECT TO A DISCRETIONARY DISTRIBUTION PROVISION NOTWITHSTANDING:

(1) PRECATORY LANGUAGE IN THE TRUST INSTRUMENT REGARDING THE INTENDED PURPOSE OF THE TRUST OF PROVIDING SUPPLEMENTAL GOODS AND SERVICES TO OR FOR THE BENEFIT OF THE BENEFICIARY, AND NOT TO SUPPLANT BENEFITS FROM PUBLIC ASSISTANCE PROGRAMS; OR

(2) A PROHIBITION AGAINST PROVIDING FOOD, CLOTHING, AND SHELTER TO THE BENEFICIARY.

14.5-503.

(A) EXCEPT AS PROVIDED IN §§ 14.5-505 AND 14.5-506(B) OF THIS SUBTITLE:

(1) A BENEFICIAL INTEREST THAT IS SUBJECT TO A SUPPORT PROVISION MAY NOT BE JUDICIALLY FORECLOSED, ATTACHED BY A CREDITOR, OR TRANSFERRED BY THE BENEFICIARY; AND

(2) TRUST PROPERTY THAT IS SUBJECT TO A SUPPORT PROVISION IS NOT SUBJECT TO THE ENFORCEMENT OF A JUDGMENT UNTIL INCOME OR PRINCIPAL OR BOTH IS DISTRIBUTED DIRECTLY TO THE BENEFICIARY.

(B) (1) THE USE, OCCUPANCY, AND ENJOYMENT OF A SINGLE PARCEL OF RESIDENTIAL REAL PROPERTY, AS DESIGNATED BY THE TRUSTEE, AND TANGIBLE PERSONAL PROPERTY BY A BENEFICIARY WHOSE INTEREST IS SUBJECT TO A SUPPORT PROVISION MAY NOT BE TRANSFERRED BY THE BENEFICIARY OF THE USE, OCCUPANCY, OR ENJOYMENT.

(2) THE USE, OCCUPANCY, AND ENJOYMENT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION ARE NOT SUBJECT TO THE ENFORCEMENT OF A JUDGMENT AGAINST THE BENEFICIARY.

14.5-504.

(A) A SPENDTHRIFT PROVISION IS VALID AND ENFORCEABLE.

(B) A PROVISION OF A TRUST PROVIDING THAT THE INTEREST OF A BENEFICIARY IS HELD SUBJECT TO A "SPENDTHRIFT TRUST", OR WORDS OF

SIMILAR IMPORT, RESTRAINS BOTH VOLUNTARY AND INVOLUNTARY TRANSFER OF THE BENEFICIARY’S INTEREST.

(C) A BENEFICIAL INTEREST THAT IS SUBJECT TO A SPENDTHRIFT PROVISION MAY NOT BE JUDICIALLY FORECLOSED OR ATTACHED BY A CREDITOR.

(D) (1) A BENEFICIARY MAY NOT TRANSFER AN INTEREST IN A TRUST IN VIOLATION OF A VALID SPENDTHRIFT PROVISION AND, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A CREDITOR OR AN ASSIGNEE OF THE BENEFICIARY MAY NOT REACH THE INTEREST OR A DISTRIBUTION BY THE TRUSTEE BEFORE THE RECEIPT BY THE BENEFICIARY OF THE INTEREST OR DISTRIBUTION.

(2) AN ATTEMPT BY A BENEFICIARY TO TRANSFER AN INTEREST IN A TRUST IN VIOLATION OF A VALID SPENDTHRIFT PROVISION SHALL BE VOID AND OF NO EFFECT.

(E) (1) THE USE, OCCUPANCY, AND ENJOYMENT OF A SINGLE PARCEL OF RESIDENTIAL REAL PROPERTY, AS DESIGNATED BY THE TRUSTEE, AND TANGIBLE PERSONAL PROPERTY BY A BENEFICIARY WHOSE INTEREST IS SUBJECT TO A SPENDTHRIFT PROVISION MAY NOT BE TRANSFERRED.

(2) THE USE, OCCUPANCY, AND ENJOYMENT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION ARE NOT SUBJECT TO THE ENFORCEMENT OF A JUDGMENT AGAINST THE BENEFICIARY.

14.5–505.

(A) IN THIS SECTION, “CHILD” INCLUDES ANY PERSON FOR WHOM AN ORDER OR A JUDGMENT FOR CHILD SUPPORT HAS BEEN ENTERED IN THIS STATE OR ANOTHER STATE.

(B) SUBJECT TO THE PROVISIONS OF § 14.5–502 OF THIS SUBTITLE, THE INTEREST OF A BENEFICIARY THAT IS SUBJECT TO EITHER A SPENDTHRIFT PROVISION OR A SUPPORT PROVISION OR BOTH CAN BE REACHED IN SATISFACTION OF AN ENFORCEABLE CLAIM AGAINST THE BENEFICIARY BY THE FOLLOWING:

(1) A CHILD, SPOUSE, OR FORMER SPOUSE OF THE BENEFICIARY THAT HAS A JUDGMENT OR COURT ORDER AGAINST THE BENEFICIARY FOR SUPPORT OR MAINTENANCE;

(2) A JUDGMENT CREDITOR THAT HAS PROVIDED SERVICES FOR THE PROTECTION OF THE INTEREST OF A BENEFICIARY IN THE TRUST; OR

(3) A CLAIM OF THIS STATE OR THE UNITED STATES TO THE EXTENT A STATUTE OF THIS STATE OR FEDERAL LAW SO PROVIDES.

(C) (1) A CLAIMANT DESCRIBED IN SUBSECTION (B) OF THIS SECTION MAY OBTAIN FROM A COURT AN ORDER ATTACHING PRESENT OR FUTURE DISTRIBUTIONS TO OR FOR THE BENEFIT OF THE BENEFICIARY.

(2) THE COURT MAY ONLY ORDER THE TRUSTEE TO SATISFY ALL OR PART OF THE JUDGMENT OUT OF PAYMENTS OF INCOME OR PRINCIPAL AS THEY BECOME DUE.

(3) THE COURT MAY LIMIT THE AWARD TO SUCH RELIEF AS IS APPROPRIATE UNDER THE CIRCUMSTANCES, CONSIDERING AMONG ANY OTHER FACTORS DETERMINED APPROPRIATE BY THE COURT:

(I) THE SUPPORT NEEDS OF THE BENEFICIARY'S SPOUSE, FORMER SPOUSE, AND DEPENDENT CHILDREN;

(II) THE SUPPORT NEEDS OF THE BENEFICIARY; OR

(III) WITH RESPECT TO A BENEFICIARY THAT IS THE RECIPIENT OF PUBLIC BENEFITS, THE SUPPLEMENTAL NEEDS OF THE BENEFICIARY IF THE TRUST WAS NOT INTENDED TO PROVIDE FOR THE BASIC SUPPORT OF THE BENEFICIARY.

14.5-506.

(A) TO THE EXTENT THAT THE INTEREST OF A BENEFICIARY SUBJECT TO A MANDATORY DISTRIBUTION PROVISION, OTHER THAN A SUPPORT PROVISION, DOES NOT CONTAIN A SPENDTHRIFT PROVISION, THE COURT MAY AUTHORIZE A CREDITOR OR AN ASSIGNEE OF THE BENEFICIARY TO ATTACH PRESENT OR FUTURE MANDATORY DISTRIBUTIONS TO OR FOR THE BENEFIT OF THE BENEFICIARY, OR TO REACH THE BENEFICIARY'S INTEREST BY OTHER MEANS, AS PROVIDED IN § 14.5-501 OF THIS SUBTITLE.

(B) A CREDITOR OR AN ASSIGNEE OF A BENEFICIARY MAY REACH A MANDATORY DISTRIBUTION OF A TRUST IF THE TRUSTEE HAS NOT MADE THE DISTRIBUTION TO THE BENEFICIARY WITHIN A REASONABLE TIME AFTER THE DESIGNATED DISTRIBUTION DATE, WHETHER OR NOT THE TRUST CONTAINS A SPENDTHRIFT PROVISION OR A SUPPORT PROVISION.

14.5–507.

(A) (1) A POWER OF APPOINTMENT HELD BY A PERSON OTHER THAN THE SETTLOR OF THE TRUST IS NOT A PROPERTY INTEREST.

(2) A POWER OF APPOINTMENT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION AND PROPERTY SUBJECT TO THAT POWER OF APPOINTMENT MAY NOT BE JUDICIALLY FORECLOSED OR ATTACHED BY A CREDITOR OF THE HOLDER OF THE POWER.

(B) NONE OF THE FOLLOWING SHALL BE SUFFICIENT TO CREATE A GENERAL POWER OF APPOINTMENT OR A POWER OF WITHDRAWAL WITH RESPECT TO A BENEFICIARY OR SETTLOR:

(1) THE BENEFICIARY SERVING AS A TRUSTEE OR COTRUSTEE;

(2) THE SETTLOR OR THE BENEFICIARY HOLDING AN UNRESTRICTED POWER TO REMOVE OR REPLACE A TRUSTEE;

(3) THE SETTLOR OR THE BENEFICIARY OF A TRUST SERVING AS A TRUST ADMINISTRATOR, A PARTNER OF A PARTNERSHIP, A MANAGER OF A LIMITED LIABILITY COMPANY, OR AN OFFICER OF A CORPORATION, OR SERVING IN ANOTHER MANAGERIAL FUNCTION OF ANOTHER TYPE OF ENTITY IF PART OR ALL OF THE TRUST PROPERTY CONSISTS OF AN INTEREST IN THE ENTITY;

(4) A PERSON RELATED BY BLOOD OR ADOPTION TO THE SETTLOR OR THE BENEFICIARY SERVING AS TRUSTEE OF THE TRUST;

(5) THE AGENT, ACCOUNTANT, ATTORNEY, FINANCIAL ADVISER, OR FRIEND OF THE SETTLOR OR BENEFICIARY SERVING AS TRUSTEE OF THE TRUST;

(6) A BUSINESS ASSOCIATE OF THE SETTLOR OR THE BENEFICIARY SERVING AS TRUSTEE OF THE TRUST;

(7) A POWER OF APPOINTMENT HELD BY THE SETTLOR OTHER THAN THE RESERVED POWER OF THE SETTLOR TO WITHDRAW TRUST PROPERTY FOR THE BENEFIT OF THE SETTLOR, THE CREDITORS OF THE SETTLOR, THE ESTATE OF THE SETTLOR, OR THE CREDITORS OF THE ESTATE OF THE SETTLOR;

(8) A POWER TO SUBSTITUTE PROPERTY OF EQUIVALENT VALUE FOR TRUST PROPERTY AS DEFINED IN § 675(4)(C) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; OR

(9) A POWER TO BORROW TRUST PROPERTY FOR LESS THAN ADEQUATE INTEREST OR WITHOUT SECURITY AS DEFINED IN § 675(2) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

14.5-508.

(A) THE FOLLOWING RULES APPLY, WHETHER OR NOT THE TERMS OF A TRUST CONTAIN A SPENDTHRIFT PROVISION:

(1) DURING THE LIFETIME OF THE SETTLOR, THE PROPERTY OF A REVOCABLE TRUST IS SUBJECT TO CLAIMS OF THE CREDITORS OF THE SETTLOR;

(2) WITH RESPECT TO AN IRREVOCABLE TRUST, A CREDITOR OR AN ASSIGNEE OF THE SETTLOR MAY REACH ONLY THE LESSER OF:

(I) THE CLAIM OF THE CREDITOR OR ASSIGNEE; AND

(II) THE MAXIMUM AMOUNT THAT CAN BE DISTRIBUTED TO OR FOR THE BENEFIT OF THE SETTLOR;

(3) IF A TRUST HAS MORE THAN ONE SETTLOR, THE AMOUNT THE CREDITOR OR ASSIGNEE OF A PARTICULAR SETTLOR MAY REACH MAY NOT EXCEED THE INTEREST OF THE SETTLOR IN THE PORTION OF THE TRUST ATTRIBUTABLE TO THE CONTRIBUTION OF THAT SETTLOR;

(4) WITH RESPECT TO A TRUST DESCRIBED IN 42 U.S.C. § 1396P(D)(4)(A) OR (C), THE COURT MAY LIMIT THE AWARD OF THE CREDITOR OF A SETTLOR UNDER ITEMS (1) AND (2) OF THIS SUBSECTION TO THE RELIEF THAT IS APPROPRIATE UNDER THE CIRCUMSTANCES, CONSIDERING AMONG OTHER FACTORS DETERMINED APPROPRIATE BY THE COURT, THE SUPPLEMENTAL NEEDS OF THE BENEFICIARY; AND

(5) ~~(I) EXCEPT AS PROVIDED IN THIS ITEM, AFTER~~ AFTER THE DEATH OF A SETTLOR, AND SUBJECT TO THE RIGHT OF THE SETTLOR TO DIRECT THE SOURCE FROM WHICH LIABILITIES WILL BE PAID, THE PROPERTY OF A TRUST THAT WAS REVOCABLE AT THE DEATH OF THE SETTLOR IS SUBJECT TO CLAIMS OF THE CREDITORS OF THE SETTLOR.

~~(II) IF A CLAIM IS OR WOULD BE BARRED AGAINST THE PROBATE ESTATE OF THE SETTLOR UNDER § 8-103 OF THIS ARTICLE, THAT CLAIM IS BARRED AGAINST THE TRUSTEE AND THE PROPERTY OF THE REVOCABLE TRUST.~~

~~(B) AN INDIVIDUAL WHO CREATES A TRUST MAY NOT BE CONSIDERED A SETTLOR WITH REGARD TO THE RETAINED BENEFICIAL INTEREST OF THE INDIVIDUAL IN THE TRUST IF:~~

~~(1) THE INDIVIDUAL CREATES, OR HAS CREATED, THE TRUST FOR THE BENEFIT OF THE SPOUSE OF THE INDIVIDUAL;~~

~~(2) THE TRUST IS TREATED AS QUALIFIED TERMINABLE INTEREST PROPERTY UNDER § 2523(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND~~

~~(3) THE RETAINED BENEFICIAL INTEREST OF THE INDIVIDUAL IN THE TRUST INCOME, TRUST PRINCIPAL, OR BOTH, FOLLOWS THE TERMINATION OF THE PRIOR BENEFICIAL INTEREST OF THE SPOUSE OF THE INDIVIDUAL IN THE TRUST.~~

~~(B)~~ (1) DURING THE PERIOD THE POWER OF WITHDRAWAL MAY BE EXERCISED, THE HOLDER OF A POWER OF WITHDRAWAL SHALL BE TREATED IN THE SAME MANNER AS THE SETTLOR OF A REVOCABLE TRUST TO THE EXTENT OF THE PROPERTY SUBJECT TO THAT POWER.

(2) AFTER THE LAPSE, WAIVER, OR RELEASE OF A POWER OF WITHDRAWAL, THE FORMER POWER HOLDER SHALL NO LONGER BE CONSIDERED A SETTLOR OF THE TRUST.

14.5-509.

TRUST PROPERTY IS NOT SUBJECT TO PERSONAL OBLIGATIONS OF THE TRUSTEE OF THE TRUST, EVEN IF THE TRUSTEE BECOMES INSOLVENT OR BANKRUPT.

14.5-510.

(A) A CREDITOR MAY NOT ATTACH, EXERCISE, REACH, OR OTHERWISE COMPEL DISTRIBUTION OF THE BENEFICIAL INTEREST OF A BENEFICIARY THAT IS A TRUSTEE OR THE SOLE TRUSTEE OF THE TRUST, BUT THAT IS NOT A SETTLOR OF THE TRUST, EXCEPT TO THE EXTENT THAT THE INTEREST WOULD BE SUBJECT TO THE CLAIM OF THE CREDITOR WERE THE BENEFICIARY NOT ACTING AS COTRUSTEE OR SOLE TRUSTEE OF THE TRUST.

(B) A CREDITOR MAY NOT ATTACH, EXERCISE, REACH, OR OTHERWISE COMPEL DISTRIBUTION OF THE BENEFICIAL INTEREST OF A BENEFICIARY OR ANY OTHER PERSON THAT HOLDS AN UNCONDITIONAL OR CONDITIONAL POWER TO REMOVE A TRUSTEE, TO REPLACE A TRUSTEE, OR TO REMOVE AND REPLACE

A TRUSTEE, EXCEPT TO THE EXTENT THAT THE INTEREST WOULD BE SUBJECT TO THE CLAIM OF THE CREDITOR IF THE BENEFICIARY OR OTHER PERSON DID NOT HAVE THE POWER TO REMOVE, REPLACE, OR REMOVE AND REPLACE A TRUSTEE.

14.5-511.

(A) IN THIS SECTION, "PROCEEDS" MEANS:

(1) PROPERTY ACQUIRED BY THE TRUSTEE ON THE SALE, LEASE, LICENSE, EXCHANGE, OR OTHER DISPOSITION OF PROPERTY ORIGINALLY CONVEYED BY A HUSBAND AND WIFE TO A TRUSTEE OR TRUSTEES;

(2) PROPERTY COLLECTED BY THE TRUSTEE ON, OR DISTRIBUTED ON ACCOUNT OF, PROPERTY ORIGINALLY CONVEYED BY A HUSBAND AND WIFE TO A TRUSTEE OR TRUSTEES;

(3) RIGHTS ARISING OUT OF PROPERTY ORIGINALLY CONVEYED BY A HUSBAND AND WIFE TO A TRUSTEE;

(4) CLAIMS ARISING OUT OF THE LOSS, NONCONFORMITY, OR INTERFERENCE WITH THE USE OF, DEFECTS OR INFRINGEMENT OF RIGHTS IN, OR DAMAGE TO PROPERTY ORIGINALLY CONVEYED BY A HUSBAND AND WIFE TO A TRUSTEE;

(5) INSURANCE PAYABLE BY REASON OF THE LOSS OR NONCONFORMITY OF, DEFECTS OR INFRINGEMENT OF RIGHTS IN, OR DAMAGE TO PROPERTY ORIGINALLY CONVEYED BY A HUSBAND AND WIFE TO A TRUSTEE; OR

(6) PROPERTY HELD BY THE TRUSTEE THAT IS OTHERWISE TRACEABLE TO PROPERTY ORIGINALLY CONVEYED BY A HUSBAND AND WIFE TO A TRUSTEE OR THE PROPERTY PROCEEDS DESCRIBED IN ITEMS (1) THROUGH (5) OF THIS SUBSECTION.

(B) PROPERTY OF A HUSBAND AND WIFE THAT WAS HELD BY THEM AS TENANTS BY THE ENTIRETY AND SUBSEQUENTLY CONVEYED TO THE TRUSTEE OR TRUSTEES OF ONE OR MORE TRUSTS, AND THE PROCEEDS OF THAT PROPERTY, SHALL HAVE THE SAME IMMUNITY FROM THE CLAIMS OF THE SEPARATE CREDITORS OF THE HUSBAND AND WIFE AS WOULD EXIST IF THE HUSBAND AND WIFE HAD CONTINUED TO HOLD THE PROPERTY OR THE PROCEEDS FROM THE PROPERTY AS TENANTS BY THE ENTIRETY, AS LONG AS:

(1) THE HUSBAND AND WIFE REMAIN MARRIED;

(2) THE PROPERTY OR THE PROCEEDS FROM THE PROPERTY CONTINUE TO BE HELD IN TRUST BY THE TRUSTEE OR TRUSTEES OR THE SUCCESSORS IN TRUST OF THE TRUSTEE OR TRUSTEES;

(3) BOTH THE HUSBAND AND WIFE ARE BENEFICIARIES OF THE TRUST OR TRUSTS; AND

(4) THE TRUST INSTRUMENT, DEED, OR OTHER INSTRUMENT OF CONVEYANCE PROVIDES THAT THIS SECTION SHALL APPLY TO THE PROPERTY OR THE PROCEEDS FROM THE PROPERTY.

(C) ~~(1)~~ AFTER THE DEATH OF THE FIRST OF THE HUSBAND OR WIFE TO DIE, ALL PROPERTY HELD IN TRUST THAT WAS IMMUNE FROM THE CLAIMS OF THEIR SEPARATE CREDITORS UNDER SUBSECTION (B) OF THIS SECTION IMMEDIATELY PRIOR TO THE DEATH OF THE INDIVIDUAL SHALL CONTINUE TO HAVE THE SAME IMMUNITY FROM THE CLAIMS OF THE SEPARATE CREDITORS OF THE DECEDENT AS WOULD HAVE EXISTED IF THE HUSBAND AND WIFE HAD CONTINUED TO HOLD THE PROPERTY CONVEYED IN TRUST, OR THE PROCEEDS FROM THE PROPERTY, AS TENANTS BY THE ENTIRETY.

~~(2) TO THE EXTENT THAT THE SURVIVING SPOUSE REMAINS A BENEFICIARY OF THE TRUST, THE PROPERTY THAT WAS IMMUNE FROM THE CLAIMS OF THE SEPARATE CREDITORS OF THE DECEDENT UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE SUBJECT TO THE CLAIMS OF THE SEPARATE CREDITORS OF THE SURVIVING SPOUSE.~~

(D) THE IMMUNITY FROM THE CLAIMS OF SEPARATE CREDITORS UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION MAY BE WAIVED, AS TO EACH SPECIFIC CREDITOR OR ALL SEPARATE CREDITORS OF A HUSBAND AND WIFE OR SPECIFICALLY DESCRIBED TRUST PROPERTY, OR ALL FORMER TENANCY BY THE ENTIRETY PROPERTY CONVEYED TO THE TRUSTEE OR TRUSTEES, BY:

(1) THE EXPRESS PROVISIONS OF A TRUST INSTRUMENT; OR

(2) THE WRITTEN CONSENT OF BOTH THE HUSBAND AND THE WIFE.

(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IMMUNITY FROM THE CLAIMS OF SEPARATE CREDITORS UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION SHALL BE WAIVED IF A TRUSTEE EXECUTES AND DELIVERS A FINANCIAL STATEMENT FOR THE TRUST THAT FAILS

TO DISCLOSE THE REQUESTED IDENTITY OF PROPERTY HELD IN TRUST THAT IS IMMUNE FROM THE CLAIMS OF SEPARATE CREDITORS.

(2) IMMUNITY IS NOT WAIVED UNDER THIS SUBSECTION IF THE IDENTITY OF THE PROPERTY THAT IS IMMUNE FROM THE CLAIMS OF SEPARATE CREDITORS IS OTHERWISE REASONABLY DISCLOSED BY:

(I) A PUBLICLY RECORDED DEED OR OTHER INSTRUMENT OF CONVEYANCE BY THE HUSBAND AND WIFE TO THE TRUSTEE;

(II) A WRITTEN MEMORANDUM BY THE HUSBAND AND WIFE, OR BY A TRUSTEE, THAT IS RECORDED AMONG THE LAND RECORDS OR OTHER PUBLIC RECORDS IN THE COUNTY OR OTHER JURISDICTION WHERE THE RECORDS OF THE TRUST ARE REGULARLY MAINTAINED; OR

(III) THE TERMS OF THE TRUST INSTRUMENT, INCLUDING A SCHEDULE OR EXHIBIT ATTACHED TO THE TRUST INSTRUMENT, IF A COPY OF THE TRUST INSTRUMENT IS PROVIDED WITH THE FINANCIAL STATEMENT.

(3) A WAIVER UNDER THIS SUBSECTION SHALL BE EFFECTIVE ONLY AS TO:

(I) THE PERSON TO WHOM THE FINANCIAL STATEMENT IS DELIVERED BY THE TRUSTEE;

(II) THE PARTICULAR TRUST PROPERTY HELD IN TRUST FOR WHICH THE IMMUNITY FROM THE CLAIMS OF SEPARATE CREDITORS IS INSUFFICIENTLY DISCLOSED ON THE FINANCIAL STATEMENT; AND

(III) THE TRANSACTION FOR WHICH THE DISCLOSURE WAS SOUGHT.

(F) IN A DISPUTE RELATING TO THE IMMUNITY OF TRUST PROPERTY FROM THE CLAIMS OF A SEPARATE CREDITOR OF A HUSBAND OR WIFE, THE TRUSTEE HAS THE BURDEN OF PROVING THE IMMUNITY OF THE TRUST PROPERTY FROM THE CLAIMS OF THE CREDITOR.

(G) AFTER A CONVEYANCE TO A TRUSTEE DESCRIBED IN SUBSECTION (B) OF THIS SECTION, THE PROPERTY TRANSFERRED SHALL NO LONGER BE HELD BY THE HUSBAND AND WIFE AS TENANTS BY THE ENTIRETY.

(H) THIS SECTION MAY NOT BE CONSTRUED TO AFFECT EXISTING STATE LAW WITH RESPECT TO A TENANCY BY THE ENTIRETY.

(I) THIS SECTION APPLIES ONLY TO TENANCY BY THE ENTIRETY PROPERTY CONVEYED TO A TRUSTEE OR TRUSTEES ON OR AFTER OCTOBER 1, 2010.

SUBTITLE 6. REVOCABLE TRUSTS.

14.5–601.

(A) THE CAPACITY REQUIRED TO CREATE, AMEND, REVOKE, OR ADD PROPERTY TO A REVOCABLE TRUST, OR TO DIRECT THE ACTIONS OF THE TRUSTEE OF A REVOCABLE TRUST, IS THE SAME AS THAT REQUIRED TO MAKE A WILL.

(B) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT THE CREATION OF A REVOCABLE TRUST IF THAT CREATION IS OTHERWISE AUTHORIZED UNDER STATE LAW.

(C) THE FACT THAT THE SETTLOR BECOMES INCAPACITATED DOES NOT CONVERT A REVOCABLE TRUST INTO AN IRREVOCABLE TRUST.

14.5–602.

(A) (1) UNLESS THE TERMS OF A TRUST EXPRESSLY PROVIDE THAT THE TRUST IS IRREVOCABLE, THE SETTLOR MAY REVOKE OR AMEND THE TRUST.

(2) THIS SUBSECTION DOES NOT APPLY TO A TRUST CREATED UNDER AN INSTRUMENT EXECUTED BEFORE ~~OCTOBER 1, 2014~~ JANUARY 1, 2015.

(B) IF A REVOCABLE TRUST IS CREATED OR FUNDED BY MORE THAN ONE SETTLOR:

(1) TO THE EXTENT THE TRUST CONSISTS OF COMMUNITY PROPERTY, THE TRUST MAY BE REVOKED BY EITHER SPOUSE ACTING ALONE BUT MAY BE AMENDED ONLY BY JOINT ACTION OF BOTH SPOUSES;

(2) TO THE EXTENT THE TRUST CONSISTS OF PROPERTY OTHER THAN COMMUNITY PROPERTY, EACH SETTLOR MAY REVOKE OR AMEND THE TRUST WITH REGARD TO THE PORTION OF THE TRUST PROPERTY ATTRIBUTABLE TO THE CONTRIBUTION OF THAT SETTLOR; AND

(3) ON THE REVOCATION OR AMENDMENT OF THE TRUST BY FEWER THAN ALL OF THE SETTLORS, THE TRUSTEE SHALL PROMPTLY NOTIFY THE OTHER SETTLORS OF THE REVOCATION OR AMENDMENT.

(C) THE SETTLOR MAY REVOKE OR AMEND A REVOCABLE TRUST:

(1) BY SUBSTANTIALLY COMPLYING WITH A METHOD TO REVOKE OR AMEND THE TRUST PROVIDED IN THE TERMS OF THE TRUST; OR

(2) IF THE TERMS OF THE TRUST DO NOT PROVIDE A METHOD TO REVOKE OR AMEND THE TRUST OR THE METHOD PROVIDED IN THE TERMS OF THE TRUST IS NOT EXPRESSLY MADE EXCLUSIVE, BY:

(I) A LATER WILL OR CODICIL THAT EXPRESSLY REFERS TO THE TRUST OR SPECIFICALLY DEVISES PROPERTY THAT WOULD HAVE PASSED OTHERWISE ACCORDING TO THE TERMS OF THE TRUST; OR

(II) ANOTHER METHOD MANIFESTING CLEAR AND CONVINCING EVIDENCE OF THE INTENT OF THE SETTLOR.

(D) ON REVOCATION OF A REVOCABLE TRUST, THE TRUSTEE SHALL DELIVER THE TRUST PROPERTY AS THE SETTLOR DIRECTS.

(E) THE POWERS OF A SETTLOR WITH RESPECT TO REVOCATION, AMENDMENT, OR DISTRIBUTION OF TRUST PROPERTY MAY BE EXERCISED BY AN AGENT UNDER A POWER OF ATTORNEY ONLY TO THE EXTENT EXPRESSLY AUTHORIZED BY THE TERMS OF THE TRUST AND THE POWER OF ATTORNEY.

(F) A GUARDIAN OF THE PROPERTY OF THE SETTLOR OR, IF NO GUARDIAN OF THE PROPERTY HAS BEEN APPOINTED, A GUARDIAN OF THE PERSON OF THE SETTLOR MAY EXERCISE THE POWERS OF THE SETTLOR WITH RESPECT TO REVOCATION, AMENDMENT, OR DISTRIBUTION OF TRUST PROPERTY ONLY WITH THE APPROVAL OF THE COURT SUPERVISING THE GUARDIANSHIP AND ONLY IF THE TRUST INSTRUMENT DOES NOT PROVIDE OTHERWISE.

14.5-603.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, WHILE A TRUST IS REVOCABLE, RIGHTS OF THE BENEFICIARIES ARE SUBJECT TO THE CONTROL OF THE SETTLOR AND THE DUTIES OF THE TRUSTEE ARE OWED EXCLUSIVELY TO THE SETTLOR.

(B) WHILE A TRUST IS REVOCABLE AND A SETTLOR DOES NOT HAVE THE CAPACITY TO REVOKE THE TRUST, A BENEFICIARY TO WHICH DISTRIBUTIONS MAY BE MADE DURING THE LIFETIME OF THE SETTLOR SHALL HAVE THE RIGHT TO ENFORCE THE TRUST AS IF THE TRUST WERE IRREVOCABLE.

~~14.5-604.~~

~~A PERSON SHALL COMMENCE A JUDICIAL PROCEEDING TO CONTEST THE VALIDITY OF A TRUST THAT WAS REVOCABLE AT THE DEATH OF THE SETTLOR WITHIN 6 MONTHS AFTER THE TRUSTEE SENT THE PERSON A COPY OF THE TRUST INSTRUMENT AND A NOTICE INFORMING THE PERSON OF THE EXISTENCE OF THE TRUST, OF THE NAME AND ADDRESS OF THE TRUSTEE, AND OF THE TIME ALLOWED FOR COMMENCING A PROCEEDING.~~

SUBTITLE 7. OFFICE OF TRUSTEE.

14.5-701.

(A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C) OF THIS SECTION, A PERSON DESIGNATED AS TRUSTEE ACCEPTS THE TRUSTEESHIP:

(1) BY SUBSTANTIALLY COMPLYING WITH A METHOD OF ACCEPTANCE PROVIDED IN THE TERMS OF THE TRUST; OR

(2) IF THE TERMS OF THE TRUST DO NOT PROVIDE A METHOD OF ACCEPTANCE OF THE TRUSTEESHIP OR THE METHOD PROVIDED IN THE TERMS IS NOT EXPRESSLY MADE EXCLUSIVE, BY ACCEPTING DELIVERY OF THE TRUST PROPERTY, EXERCISING POWERS OR PERFORMING DUTIES AS TRUSTEE, OR OTHERWISE INDICATING ACCEPTANCE OF THE TRUSTEESHIP.

(B) (1) A PERSON DESIGNATED AS TRUSTEE THAT HAS NOT YET ACCEPTED THE TRUSTEESHIP MAY REJECT THE TRUSTEESHIP.

(2) A DESIGNATED TRUSTEE THAT DOES NOT ACCEPT THE TRUSTEESHIP WITHIN A REASONABLE TIME AFTER KNOWING OF THE DESIGNATION IS DEEMED TO HAVE REJECTED THE TRUSTEESHIP.

(C) A PERSON DESIGNATED AS TRUSTEE, WITHOUT ACCEPTING THE TRUSTEESHIP, MAY:

(1) ACT TO PRESERVE THE TRUST PROPERTY IF, WITHIN A REASONABLE TIME AFTER ACTING, THE PERSON SENDS A REJECTION OF THE

TRUSTEESHIP TO THE SETTLOR OR, IF THE SETTLOR IS DECEASED OR LACKS CAPACITY, TO A QUALIFIED BENEFICIARY; AND

(2) INSPECT OR INVESTIGATE TRUST PROPERTY TO DETERMINE POTENTIAL LIABILITY UNDER ENVIRONMENTAL OR OTHER LAW OR FOR ANY OTHER PURPOSE.

14.5-702.

(A) A TRUSTEE SHALL GIVE BOND TO SECURE PERFORMANCE OF THE DUTIES OF THE TRUSTEE ONLY IF THE COURT:

(1) FINDS THAT A BOND IS NEEDED TO PROTECT THE INTERESTS OF THE BENEFICIARIES OR IS REQUIRED BY THE TERMS OF THE TRUST; AND

(2) HAS NOT DISPENSED WITH THE REQUIREMENT.

(B) (1) THE COURT MAY SPECIFY THE AMOUNT OF A BOND, THE LIABILITIES OF THE BOND, AND WHETHER SURETIES FOR THE BOND ARE NECESSARY.

(2) THE COURT MAY MODIFY OR TERMINATE A BOND AT ANY TIME.

14.5-703.

(A) IF A VACANCY OCCURS IN A COTRUSTEESHIP, THE REMAINING COTRUSTEES MAY ACT FOR THE TRUST.

(B) A COTRUSTEE SHALL PARTICIPATE IN THE PERFORMANCE OF THE FUNCTION OF A TRUSTEE UNLESS THE COTRUSTEE IS UNAVAILABLE TO PERFORM THE FUNCTION BECAUSE OF ABSENCE, ILLNESS, DISQUALIFICATION UNDER OTHER LAW, OR OTHER TEMPORARY INCAPACITY OR THE COTRUSTEE HAS PROPERLY DELEGATED THE PERFORMANCE OF THE FUNCTION TO ANOTHER TRUSTEE.

(C) IF A COTRUSTEE IS UNAVAILABLE TO PERFORM DUTIES BECAUSE OF ABSENCE, ILLNESS, DISQUALIFICATION UNDER OTHER LAW, OR OTHER TEMPORARY INCAPACITY, AND PROMPT ACTION IS NECESSARY TO ACHIEVE THE PURPOSES OF THE TRUST OR TO AVOID INJURY TO THE TRUST PROPERTY, THE REMAINING COTRUSTEE OR COTRUSTEES MAY ACT FOR THE TRUST.

(D) (1) A TRUSTEE MAY DELEGATE INVESTMENT AND MANAGEMENT FUNCTIONS TO A COTRUSTEE AS PRUDENT UNDER THE CIRCUMSTANCES.

(2) UNLESS A DELEGATION OF AN INVESTMENT OR MANAGEMENT FUNCTION WAS IRREVOCABLE, A TRUSTEE MAY REVOKE A DELEGATION PREVIOUSLY MADE.

14.5–704.

(A) A VACANCY IN A TRUSTEESHIP OCCURS IF:

(1) A PERSON DESIGNATED AS TRUSTEE REJECTS THE TRUSTEESHIP;

(2) A PERSON DESIGNATED AS TRUSTEE CANNOT BE IDENTIFIED OR DOES NOT EXIST;

(3) A TRUSTEE RESIGNS;

(4) A TRUSTEE IS DISQUALIFIED OR REMOVED;

(5) A TRUSTEE DIES;

(6) A GUARDIAN OF THE PERSON OR GUARDIAN OF THE PROPERTY IS APPOINTED FOR AN INDIVIDUAL SERVING AS TRUSTEE;

(7) A TRUSTEE CANNOT BE LOCATED FOR 120 CONSECUTIVE DAYS; OR

(8) A TRUSTEE IS UNABLE TO HANDLE BUSINESS AFFAIRS AS DETERMINED BY TWO LICENSED PHYSICIANS.

(B) (1) IF ONE OR MORE COTRUSTEES REMAIN IN OFFICE, A VACANCY IN A TRUSTEESHIP NEED NOT BE FILLED.

(2) A VACANCY IN A TRUSTEESHIP SHALL BE FILLED IF THE TRUST HAS NO REMAINING TRUSTEE.

(C) A VACANCY IN A TRUSTEESHIP THAT IS REQUIRED TO BE FILLED SHALL BE FILLED IN THE FOLLOWING ORDER OF PRIORITY BY A PERSON:

(1) DESIGNATED IN ACCORDANCE WITH THE TERMS OF THE TRUST TO ACT AS SUCCESSOR TRUSTEE;

(2) APPOINTED BY UNANIMOUS AGREEMENT OF THE QUALIFIED BENEFICIARIES; OR

(3) APPOINTED BY THE COURT.

(D) THE COURT MAY APPOINT AN ADDITIONAL TRUSTEE OR SPECIAL FIDUCIARY WHENEVER THE COURT CONSIDERS THE APPOINTMENT NECESSARY FOR THE ADMINISTRATION OF THE TRUST, WHETHER OR NOT A VACANCY IN A TRUSTEESHIP EXISTS OR IS REQUIRED TO BE FILLED.

14.5-705.

(A) A TRUSTEE MAY RESIGN WITH THE APPROVAL OF THE COURT.

(B) IN APPROVING A RESIGNATION OF A TRUSTEE, THE COURT MAY ISSUE ORDERS AND IMPOSE CONDITIONS REASONABLY NECESSARY FOR THE PROTECTION OF THE TRUST PROPERTY.

(C) LIABILITY OF A RESIGNING TRUSTEE OR OF A SURETY ON THE BOND OF THE TRUSTEE FOR ACTS OR OMISSIONS OF THE TRUSTEE IS NOT DISCHARGED OR AFFECTED BY THE RESIGNATION OF THE TRUSTEE.

14.5-706.

IN ADDITION TO THE GROUNDS AND PROCEDURES FOR REMOVAL OF A FIDUCIARY SET FORTH IN § 15-112 OF THIS ARTICLE:

(1) THE SETTLOR, A COTRUSTEE, OR A BENEFICIARY MAY REQUEST THE COURT TO REMOVE A TRUSTEE, OR A TRUSTEE MAY BE REMOVED BY THE COURT ON THE COURT'S OWN INITIATIVE;

(2) THE COURT MAY REMOVE A TRUSTEE IF:

(I) THE TRUSTEE HAS COMMITTED A SERIOUS BREACH OF TRUST;

(II) LACK OF COOPERATION AMONG COTRUSTEES SUBSTANTIALLY IMPAIRS THE ADMINISTRATION OF THE TRUST;

(III) BECAUSE OF UNFITNESS, UNWILLINGNESS, OR PERSISTENT FAILURE OF THE TRUSTEE TO ADMINISTER THE TRUST EFFECTIVELY, THE COURT DETERMINES THAT REMOVAL OF THE TRUSTEE BEST SERVES THE INTERESTS OF THE BENEFICIARIES; OR

(IV) THERE HAS BEEN A SUBSTANTIAL CHANGE OF CIRCUMSTANCES AND REMOVAL IS REQUESTED BY ALL OF THE QUALIFIED BENEFICIARIES, THE COURT FINDS THAT REMOVAL OF THE TRUSTEE BEST

SERVES THE INTEREST OF ALL OF THE BENEFICIARIES AND IS NOT INCONSISTENT WITH A MATERIAL PURPOSE OF THE TRUST, AND A SUITABLE COTRUSTEE OR SUCCESSOR TRUSTEE IS AVAILABLE; AND

(3) PENDING A FINAL DECISION ON A REQUEST TO REMOVE A TRUSTEE, OR IN LIEU OF OR IN ADDITION TO REMOVING A TRUSTEE, THE COURT MAY ORDER APPROPRIATE RELIEF UNDER § 14.5–901(B) OF THIS TITLE AS MAY BE NECESSARY TO PROTECT THE TRUST PROPERTY OR THE INTERESTS OF THE BENEFICIARIES.

14.5–707.

(A) UNLESS A COTRUSTEE REMAINS IN OFFICE OR THE COURT OTHERWISE ORDERS, AND UNTIL THE TRUST PROPERTY IS DELIVERED TO A SUCCESSOR TRUSTEE OR OTHER PERSON ENTITLED TO THE TRUST PROPERTY, A TRUSTEE THAT HAS RESIGNED OR BEEN REMOVED HAS THE DUTIES OF A TRUSTEE AND THE POWERS NECESSARY TO PROTECT THE TRUST PROPERTY.

(B) A TRUSTEE THAT HAS RESIGNED OR HAS BEEN REMOVED SHALL PROCEED EXPEDITIOUSLY TO DELIVER THE TRUST PROPERTY WITHIN THE POSSESSION OF THE TRUSTEE TO THE COTRUSTEE, SUCCESSOR TRUSTEE, OR OTHER PERSON ENTITLED TO THE TRUST PROPERTY.

14.5–708.

(A) (1) (I) A TESTAMENTARY TRUSTEE AND TRUSTEE OF ANY OTHER TRUST WHOSE DUTIES COMPRISE THE COLLECTION AND DISTRIBUTION OF INCOME FROM PROPERTY HELD UNDER A TRUST AGREEMENT OR THE PRESERVATION AND DISTRIBUTION OF THE PROPERTY ARE ENTITLED TO COMMISSIONS PROVIDED FOR IN THIS SECTION FOR SERVICES IN ADMINISTERING THE TRUSTS.

(II) THE AMOUNT AND SOURCE OF PAYMENT OF COMMISSIONS ARE SUBJECT TO THE PROVISIONS OF ANY VALID AGREEMENT.

(III) A COURT HAVING JURISDICTION OVER THE ADMINISTRATION OF THE TRUST MAY INCREASE OR DIMINISH COMMISSIONS FOR SUFFICIENT CAUSE OR MAY ALLOW SPECIAL COMMISSIONS OR COMPENSATION FOR SERVICES OF AN UNUSUAL NATURE.

(2) A SCHEDULE OF INCREASED RATES OF INCOME COMMISSIONS AND CORPUS COMMISSIONS MAY BE CHARGED BY A TRUSTEE WHOSE ACTIVITIES ARE SUBJECT TO STATE OR FEDERAL SUPERVISION OR THAT IS A MEMBER OF THE MARYLAND BAR AND WHO HAS:

(I) FILED A SCHEDULE OF THE INCREASED RATES OF COMMISSIONS WITH AN APPROPRIATE AGENCY; AND

(II) GIVEN NOTICE OF THE SCHEDULED RATES OR REVISIONS TO THE QUALIFIED BENEFICIARIES OF THE AFFECTED TRUST.

(3) THE NOTICE REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE DELIVERED TO THE QUALIFIED BENEFICIARIES PERSONALLY OR SENT TO THE QUALIFIED BENEFICIARIES AT THEIR LAST KNOWN ADDRESS BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED.

(B) (1) ACCOUNTING FROM JULY 1, 1981, REGARDLESS OF WHETHER THE TRUST WAS IN EXISTENCE AT THAT TIME, INCOME COMMISSIONS ARE:

(I) 6% ON ALL INCOME FROM REAL ESTATE, GROUND RENTS, AND MORTGAGES COLLECTED IN EACH YEAR; AND

(II) 1. 6.5% ON THE FIRST \$10,000 OF ALL OTHER INCOME COLLECTED IN EACH YEAR;

2. 5% ON THE NEXT \$10,000;

3. 4% ON THE NEXT \$10,000; AND

4. 3% ON ANY REMAINDER.

(2) (I) INCOME COMMISSIONS SHALL BE PAID FROM AND CHARGEABLE AGAINST INCOME.

(II) INCOME COLLECTED INCLUDES A PORTION OF INCOME PAYABLE TO A TRUSTEE BUT WITHHELD BY THE PAYOR IN COMPLIANCE WITH REVENUE LAW.

(C) (1) ACCOUNTING FROM JULY 1, 1981, REGARDLESS OF WHETHER THE TRUST WAS IN EXISTENCE AT THAT TIME, COMMISSIONS ARE PAYABLE AT THE END OF EACH YEAR ON THE FAIR VALUE OF THE CORPUS OR PRINCIPAL HELD IN TRUST AT THE END OF EACH YEAR AS FOLLOWS:

(I) 0.4% ON THE FIRST \$250,000;

(II) 0.25% ON THE NEXT \$250,000;

(III) 0.15% ON THE NEXT \$500,000; AND

(IV) 0.1% ON ANY EXCESS.

(2) CORPUS COMMISSIONS UNDER THIS SUBSECTION SHALL BE PAID OUT OF AND CHARGEABLE AGAINST THE CORPUS.

(3) IF A TRUST TERMINATES, WITH RESPECT TO ALL OR PART OF THE CORPUS HELD IN TRUST IN THE COURSE OF A YEAR, THE COMMISSION FOR THAT YEAR SHALL BE REDUCED OR PRORATED ACCORDING TO THE PART OF THE YEAR ELAPSED AND THE AMOUNT OF CORPUS AS TO WHICH THE TRUST TERMINATES, AND BE CHARGEABLE, FOR THAT PART OF THE YEAR, AND WITH RESPECT TO THIS PART OF THE CORPUS, AT THE TERMINATION OF THE TRUST, ON THE THEN VALUE OF THE CORPUS.

(D) (1) FOR SELLING REAL OR LEASEHOLD PROPERTY, A COMMISSION ON THE PROCEEDS OF THE SALE IS PAYABLE AT THE RATE ALLOWED BY RULE OF COURT OR STATUTE TO TRUSTEES APPOINTED TO MAKE SALES UNDER DECREES OR ORDERS OF THE CIRCUIT COURT FOR THE COUNTY WHERE THE REAL OR LEASEHOLD PROPERTY IS SITUATED, OR IF THE PROPERTY IS LOCATED OUTSIDE MARYLAND, FOR SELLING SIMILAR PROPERTY IN THE COUNTY WHERE THE TRUST IS BEING ADMINISTERED.

(2) THE COMMISSION DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION IS PAYABLE FROM THE PROCEEDS OF THE SALE WHEN COLLECTED.

(E) (1) ON THE FINAL DISTRIBUTION OF A TRUST ESTATE OR A PORTION OF A TRUST ESTATE, AN ALLOWANCE IS PAYABLE COMMENSURATE WITH THE LABOR AND RESPONSIBILITY INVOLVED IN MAKING THE DISTRIBUTION, INCLUDING THE MAKING OF A DIVISION, THE ASCERTAINMENT OF THE PARTIES ENTITLED TO THE DISTRIBUTION, THE ASCERTAINMENT AND PAYMENT OF TAXES, AND ANY NECESSARY TRANSFER OF ASSETS.

(2) THE ALLOWANCE DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION IS SUBJECT TO REVISION OR DETERMINATION BY A CIRCUIT COURT HAVING JURISDICTION.

(3) IN THE ABSENCE OF SPECIAL CIRCUMSTANCES, THE ALLOWANCE DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE EQUAL TO 0.5% OF THE FAIR VALUE OF THE CORPUS THAT IS DISTRIBUTED.

(F) (1) IN DETERMINING WHAT IS A SINGLE TRUST FOR THE APPLICATION OF THE RATES PROVIDED IN THIS SECTION, ALL PROPERTY HELD

UNDIVIDED UNDER THE TERMS OF THE WILL OR OTHER INSTRUMENT CREATING THE TRUST SHALL BE CONSIDERED AS A SINGLE TRUST.

(2) AFTER SHARES HAVE BEEN SET APART OR DIVIDED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, TO BE HELD IN SEPARATE TRUST, EACH SEPARATE TRUST SET APART SHALL BE CONSIDERED AS A SINGLE TRUST.

(G) (1) INSTEAD OF THE RATES OF INCOME COMMISSIONS AND CORPUS COMMISSIONS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS SECTION, A TRUSTEE MAY CHARGE REASONABLE COMPENSATION CALCULATED IN ACCORDANCE WITH A SCHEDULE OF RATES PREVIOUSLY FILED BY THE TRUSTEE WITH THE APPROPRIATE AGENCY AS SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION, IF THE TRUSTEE IS:

(I) A FINANCIAL INSTITUTION WHOSE ACTIVITIES ARE SUBJECT TO SUPERVISION BY THIS STATE OR THE FEDERAL GOVERNMENT OR THAT IS AN INSTRUMENTALITY OF THE UNITED STATES; OR

(II) A MEMBER OF THE MARYLAND BAR.

(2) A TRUSTEE SHALL FILE A SCHEDULE OF RATES UNDER THIS SUBSECTION AS FOLLOWS:

(I) FOR A SAVINGS AND LOAN ASSOCIATION, WITH THE STATE DIRECTOR OF THE DIVISION OF SAVINGS AND LOAN ASSOCIATIONS;

(II) FOR ALL OTHER TRUSTEES, INCLUDING ATTORNEYS AND STATE CHARTERED AND NATIONAL BANKS, WITH THE COMMISSIONER OF FINANCIAL REGULATION; AND

(III) FOR A TRUSTEE ADMINISTERING AN ESTATE UNDER THE JURISDICTION OF A COURT, IN ADDITION TO THE FILING DESCRIBED IN ITEM (I) OR (II) OF THIS PARAGRAPH, WITH THE TRUST CLERK OF THE COURT.

(3) IN A TRUST INVOLVING MULTIPLE TRUSTEES IN WHICH MORE THAN ONE OF THE TRUSTEES MAY BE ENTITLED TO FILE A SCHEDULE OF INCREASED RATES, THE CONTROLLING SCHEDULE WILL BE THE SCHEDULE FILED BY THE TRUSTEE HAVING CUSTODY OF THE ASSETS AND MAINTAINING RECORDS OF THE TRUST.

(4) (I) ON THE FILING BY A TRUSTEE OF A SCHEDULE OF INCREASED RATES UNDER THIS SUBSECTION, THE TRUSTEE SHALL GIVE NOTICE TO THE QUALIFIED BENEFICIARIES OF EACH AFFECTED TRUST.

(II) THE NOTICE REQUIRED UNDER THIS PARAGRAPH SHALL BE DELIVERED TO THE QUALIFIED BENEFICIARIES PERSONALLY OR SENT TO THE QUALIFIED BENEFICIARIES AT THE LAST KNOWN ADDRESS OF THE QUALIFIED BENEFICIARIES BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED.

(III) A QUALIFIED BENEFICIARY OF A TRUST THAT OBJECTS TO THE SCHEDULE OF RATES TO BE CHARGED TO THAT TRUST, AFTER NOTIFYING THE TRUSTEE OF THE OBJECTION, MAY PETITION THE APPROPRIATE CIRCUIT COURT TO REVIEW THE REASONABLENESS OF THE RATES TO BE CHARGED.

(IV) THE NOTICE REQUIRED BY THIS PARAGRAPH SHALL INCLUDE A CLEAR STATEMENT OF THE RIGHTS AND PROCEDURES AVAILABLE TO QUALIFIED BENEFICIARIES UNDER THIS SUBSECTION.

(V) IF THE COURT FINDS THAT THE RATES IN THE SCHEDULE ARE UNREASONABLE FOR THE CURRENT FISCAL YEAR OF THE PARTICULAR TRUST, THE COMMISSIONS OF THE TRUSTEE FOR THAT TRUST FOR THAT FISCAL YEAR SHALL BE LIMITED TO THE RATES CHARGED THAT TRUST DURING THE PREVIOUS FISCAL YEAR.

(5) IF A TRUSTEE DOES NOT FILE A SCHEDULE OF RATES WITH THE APPROPRIATE AGENCY UNDER PARAGRAPH (2)(I) OR (II) OF THIS SUBSECTION AND DOES NOT NOTIFY QUALIFIED BENEFICIARIES AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE TRUSTEE IS LIMITED TO CHARGING THE RATES SET FORTH IN SUBSECTIONS (B) AND (C) OF THIS SECTION.

(H) AN INDIVIDUAL TRUSTEE THAT IS NOT AUTHORIZED TO FILE A SCHEDULE OF INCREASED RATES UNDER THIS SECTION IS LIMITED TO CHARGING THE RATES SET FORTH IN SUBSECTIONS (B) AND (C) OF THIS SECTION UNLESS THE TRUSTEE PETITIONS THE CIRCUIT COURT FOR THE COUNTY WHERE THE TRUSTEE IS LOCATED AND OBTAINS APPROVAL OF AN INCREASE IN FEE AFTER GIVING NOTICE OF THE ACTION TO THE QUALIFIED BENEFICIARIES OF THE AFFECTED TRUSTS.

(I) THE SCHEDULE OF INCREASED RATES OF INCOME COMMISSIONS AND CORPUS COMMISSIONS WHICH TRUSTEES ARE AUTHORIZED TO CHARGE AS PROVIDED IN SUBSECTION (G) OF THIS SECTION IS NOT APPLICABLE TO GUARDIANS.

(J) THE LEGAL AND COURT COSTS INCURRED BY THE TRUSTEE IN ACCORDANCE WITH A COURT REVIEW UNDER SUBSECTION (G)(4) OR SUBSECTION (H) OF THIS SECTION SHALL BE CHARGED AGAINST FEES OF THE TRUSTEE AND MAY NOT BE ASSUMED BY THE TRUST OR THE BENEFICIARIES.

14.5-709.

(A) A TRUSTEE IS ENTITLED TO BE REIMBURSED OUT OF THE TRUST PROPERTY, WITH INTEREST AS APPROPRIATE, FOR:

(1) EXPENSES THAT WERE PROPERLY INCURRED IN THE ADMINISTRATION OF THE TRUST; AND

(2) TO THE EXTENT NECESSARY TO PREVENT UNJUST ENRICHMENT OF THE TRUST, EXPENSES THAT WERE NOT PROPERLY INCURRED IN THE ADMINISTRATION OF THE TRUST.

(B) AN ADVANCE BY THE TRUSTEE OF MONEY FOR THE PROTECTION OF THE TRUST GIVES RISE TO A LIEN AGAINST TRUST PROPERTY TO SECURE REIMBURSEMENT WITH REASONABLE INTEREST.

14.5-710.

(A) THE FOLLOWING PERSONS MAY EXERCISE TRUST OR FIDUCIARY POWERS IN THIS STATE:

(1) AN INDIVIDUAL;

(2) A TRUST COMPANY AS DEFINED IN § 1-101 OF THIS ARTICLE;

(3) AN ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND

(4) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A BANK, TRUST COMPANY, OR SAVINGS BANK, OTHER THAN ONE DESCRIBED IN ITEM (2) OF THIS SUBSECTION, THAT IS:

(I) ORGANIZED UNDER THE LAWS OF ANOTHER STATE AND AUTHORIZED TO EXERCISE TRUST OR FIDUCIARY POWERS IN THE STATE WHERE THE PRINCIPAL PLACE OF BUSINESS OF THE INSTITUTION IS LOCATED; OR

(II) ORGANIZED UNDER THE LAWS OF THE UNITED STATES AND AUTHORIZED TO EXERCISE TRUST OR FIDUCIARY POWERS UNDER FEDERAL LAW.

(B) (1) A BANK, TRUST COMPANY, OR SAVINGS BANK DESCRIBED IN SUBSECTION (A)(4) OF THIS SECTION MAY EXERCISE TRUST OR FIDUCIARY POWERS IN THIS STATE ONLY IF THE LAWS OF THE STATE WHERE ITS PRINCIPAL PLACE OF BUSINESS IS LOCATED AUTHORIZE A BANK, TRUST COMPANY, OR SAVINGS BANK FROM THIS STATE TO EXERCISE TRUST OR FIDUCIARY POWERS IN THAT STATE.

(2) A BANK, TRUST COMPANY, OR SAVINGS BANK AUTHORIZED TO EXERCISE TRUST POWERS UNDER SUBSECTION (A)(4) OF THIS SECTION SHALL FILE WITH THE COMMISSIONER OF FINANCIAL REGULATION, BEFORE EXERCISING TRUST POWERS IN THIS STATE, INFORMATION SUFFICIENT TO IDENTIFY:

(I) THE CORRECT CORPORATE NAME OF THE BANK, TRUST COMPANY, OR SAVINGS BANK;

(II) AN ADDRESS AND A TELEPHONE NUMBER OF A CONTACT PERSON FOR THE BANK, TRUST COMPANY, OR SAVINGS BANK;

(III) A RESIDENT AGENT; AND

(IV) ADDITIONAL INFORMATION CONSIDERED NECESSARY BY THE COMMISSIONER FOR PROTECTION OF THE PUBLIC.

14.5-711.

A JUDGE OF A COURT ESTABLISHED UNDER THE LAWS OF THE STATE OR THE UNITED STATES OR A CLERK OF COURT OR REGISTER OF WILLS, UNLESS THE JUDGE, CLERK, OR REGISTER IS THE SURVIVING SPOUSE OF THE GRANTOR OF THE TRUST, OR IS RELATED TO THE GRANTOR WITHIN THE THIRD DEGREE, MAY NOT SERVE AS A TRUSTEE OF AN INTER VIVOS OR TESTAMENTARY TRUST CREATED BY AN INSTRUMENT AND EXECUTED IN THE STATE BY THE GRANTOR OR A TRUSTEE, ADMINISTERED IN THE STATE, OR GOVERNED BY THE LAWS OF THE STATE, UNLESS THE JUDGE, CLERK, OR REGISTER WAS ACTUALLY SERVING AS A TRUSTEE OF THE TRUST ON DECEMBER 31, 1969.

SUBTITLE 8. DUTIES AND POWERS OF TRUSTEE.

14.5-801.

ON ACCEPTANCE OF A TRUSTEESHIP, THE TRUSTEE SHALL ADMINISTER THE TRUST REASONABLY UNDER THE CIRCUMSTANCES, IN ACCORDANCE WITH

THE TERMS AND PURPOSES OF THE TRUST AND THE INTERESTS OF THE BENEFICIARIES, AND IN ACCORDANCE WITH THIS TITLE.

14.5-802.

(A) A TRUSTEE SHALL ADMINISTER THE TRUST SOLELY IN THE INTERESTS OF THE BENEFICIARIES.

(B) SUBJECT TO THE RIGHTS OF PERSONS DEALING WITH OR ASSISTING THE TRUSTEE AS PROVIDED IN § 14.5-909 OF THIS TITLE, A SALE, AN ENCUMBRANCE, OR ANY OTHER TRANSACTION INVOLVING THE INVESTMENT OR MANAGEMENT OF TRUST PROPERTY ENTERED INTO BY THE TRUSTEE FOR THE PERSONAL ACCOUNT OF THE TRUSTEE OR WHICH IS OTHERWISE AFFECTED BY A CONFLICT BETWEEN THE FIDUCIARY AND PERSONAL INTERESTS OF THE TRUSTEE IS VOIDABLE BY A BENEFICIARY AFFECTED BY THE TRANSACTION UNLESS:

(1) THE TRANSACTION WAS AUTHORIZED BY THE TERMS OF THE TRUST;

(2) THE TRANSACTION WAS APPROVED BY THE COURT;

(3) THE BENEFICIARY DID NOT COMMENCE A JUDICIAL PROCEEDING WITHIN THE TIME ALLOWED BY LAW;

(4) THE BENEFICIARY CONSENTED TO THE CONDUCT OF THE TRUSTEE, RATIFIED THE TRANSACTION, OR RELEASED THE TRUSTEE IN COMPLIANCE WITH § 14.5-907 OF THIS TITLE; OR

(5) THE TRANSACTION INVOLVES A CONTRACT ENTERED INTO OR CLAIM ACQUIRED BY THE TRUSTEE BEFORE THE PERSON BECAME OR CONTEMPLATED BECOMING THE TRUSTEE.

(C) A SALE, AN ENCUMBRANCE, OR ANY OTHER TRANSACTION INVOLVING THE INVESTMENT OR MANAGEMENT OF TRUST PROPERTY IS PRESUMED TO BE AFFECTED BY A CONFLICT BETWEEN PERSONAL AND FIDUCIARY INTERESTS IF THE TRANSACTION IS ENTERED INTO BY THE TRUSTEE WITH:

(1) THE SPOUSE OF THE TRUSTEE;

(2) A DESCENDANT, SIBLING, OR PARENT OF THE TRUSTEE OR A SPOUSE OF A DESCENDANT, SIBLING, OR PARENT OF THE TRUSTEE;

(3) AN AGENT OR ATTORNEY OF THE TRUSTEE; OR

(4) A CORPORATION OR ANY OTHER PERSON OR ENTERPRISE IN WHICH THE TRUSTEE, OR A PERSON THAT OWNS A SIGNIFICANT INTEREST IN THE TRUSTEE, HAS AN INTEREST THAT MIGHT AFFECT THE BEST JUDGMENT OF THE TRUSTEE.

(D) A TRANSACTION THAT DOES NOT CONCERN TRUST PROPERTY IN WHICH THE TRUSTEE ENGAGES IN AN INDIVIDUAL CAPACITY INVOLVES A CONFLICT BETWEEN PERSONAL AND FIDUCIARY INTERESTS IF THE TRANSACTION CONCERNS AN OPPORTUNITY PROPERLY BELONGING TO THE TRUST.

(E) (1) IN VOTING SHARES OF STOCK OR IN EXERCISING POWERS OF CONTROL OVER SIMILAR INTERESTS IN OTHER FORMS OF ENTERPRISE, THE TRUSTEE SHALL ACT IN THE BEST INTERESTS OF THE BENEFICIARIES.

(2) IF THE TRUST IS THE SOLE OWNER OF A CORPORATION OR ANY OTHER FORM OF ENTERPRISE, THE TRUSTEE SHALL ELECT OR APPOINT DIRECTORS OR OTHER MANAGERS THAT WILL MANAGE THE CORPORATION OR ENTERPRISE IN THE BEST INTERESTS OF THE BENEFICIARIES.

(F) THIS SECTION DOES NOT PRECLUDE THE FOLLOWING TRANSACTIONS, IF FAIR TO THE BENEFICIARIES:

(1) AN AGREEMENT BETWEEN A TRUSTEE AND A BENEFICIARY RELATING TO THE APPOINTMENT OR COMPENSATION OF THE TRUSTEE;

(2) PAYMENT OF REASONABLE COMPENSATION TO THE TRUSTEE;

(3) A TRANSACTION BETWEEN A TRUST AND ANOTHER TRUST, DECEDENT'S ESTATE, OR GUARDIANSHIP ESTATE OF WHICH THE TRUSTEE IS A FIDUCIARY OR IN WHICH A BENEFICIARY HAS AN INTEREST; OR

(4) AN ADVANCE BY THE TRUSTEE OF MONEY FOR THE PROTECTION OF THE TRUST.

(G) THE COURT MAY APPOINT A SPECIAL FIDUCIARY TO MAKE A DECISION WITH RESPECT TO A PROPOSED TRANSACTION THAT MIGHT VIOLATE THIS SECTION, IF ENTERED INTO BY THE TRUSTEE.

IF A TRUST HAS TWO OR MORE BENEFICIARIES, THE TRUSTEE SHALL ACT IMPARTIALLY IN INVESTING, MANAGING, AND DISTRIBUTING THE TRUST PROPERTY, GIVING DUE REGARD TO THE RESPECTIVE INTERESTS OF THE BENEFICIARIES.

14.5-804.

(A) A TRUSTEE SHALL ADMINISTER THE TRUST AS A PRUDENT PERSON WOULD, BY CONSIDERING THE PURPOSES, TERMS, DISTRIBUTIONAL REQUIREMENTS, AND OTHER CIRCUMSTANCES OF THE TRUST.

(B) IN SATISFYING THE STANDARD DESCRIBED IN SUBSECTION (A) OF THIS SECTION, THE TRUSTEE SHALL EXERCISE REASONABLE CARE, SKILL, AND CAUTION.

14.5-805.

IN ADMINISTERING A TRUST, THE TRUSTEE MAY INCUR ONLY COSTS THAT ARE REASONABLE IN RELATION TO THE TRUST PROPERTY, THE PURPOSES OF THE TRUST, AND THE SKILLS OF THE TRUSTEE.

14.5-806.

A TRUSTEE THAT HAS SPECIAL SKILLS OR EXPERTISE, OR IS NAMED TRUSTEE IN RELIANCE ON THE REPRESENTATION OF THE TRUSTEE THAT THE TRUSTEE HAS SPECIAL SKILLS OR EXPERTISE, SHALL USE THOSE SPECIAL SKILLS OR EXPERTISE.

14.5-807.

(A) (1) A TRUSTEE MAY DELEGATE DUTIES AND POWERS THAT A PRUDENT TRUSTEE OF COMPARABLE SKILLS COULD PROPERLY DELEGATE UNDER THE CIRCUMSTANCES TO AN AGENT, EVEN IF THE AGENT IS ASSOCIATED WITH THE TRUSTEE.

(2) A TRUSTEE SHALL EXERCISE REASONABLE CARE, SKILL, AND CAUTION IN:

(I) SELECTING AN AGENT;

(II) ESTABLISHING THE SCOPE AND TERMS OF THE DELEGATION, CONSISTENT WITH THE PURPOSES AND TERMS OF THE TRUST; AND

(III) PERIODICALLY REVIEWING THE ACTIONS OF THE AGENT IN ORDER TO MONITOR THE PERFORMANCE OF THE AGENT AND COMPLIANCE WITH THE TERMS OF THE DELEGATION BY THE AGENT.

(B) IN PERFORMING A DELEGATED FUNCTION, AN AGENT OWES A DUTY TO THE TRUST TO EXERCISE REASONABLE CARE TO COMPLY WITH THE TERMS OF THE DELEGATION.

(C) BY ACCEPTING A DELEGATION OF POWERS OR DUTIES FROM THE TRUSTEE OF A TRUST THAT IS SUBJECT TO THE LAWS OF THIS STATE, AN AGENT SUBMITS TO THE JURISDICTION OF THE COURTS OF THIS STATE.

(D) THIS SECTION DOES NOT APPLY TO A DELEGATION OF INVESTMENT DUTIES OR POWERS IN ACCORDANCE WITH § 15–114 OF THIS ARTICLE.

14.5–808.

(A) WHILE A TRUST IS REVOCABLE, THE TRUSTEE MAY FOLLOW A WRITTEN DIRECTION OF THE SETTLOR THAT IS CONTRARY TO THE TERMS OF THE TRUST.

(B) (1) (i) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IF THE TERMS OF A TRUST CONFER ON ONE OR MORE PERSONS, OTHER THAN THE SETTLOR OF A REVOCABLE TRUST, A POWER TO DIRECT, CONSENT TO, OR DISAPPROVE THE ACTUAL OR PROPOSED INVESTMENT DECISIONS, DISTRIBUTION DECISIONS, OR OTHER DECISIONS OF THE TRUSTEE, THE PERSONS SHALL BE CONSIDERED ADVISERS AND FIDUCIARIES THAT, AS SUCH, ARE REQUIRED TO ACT REASONABLY UNDER THE CIRCUMSTANCES WITH REGARD TO THE PURPOSES OF THE TRUST AND THE INTERESTS OF THE BENEFICIARIES.

(ii) THE TRUSTEE MAY NOT ACT IN ACCORDANCE WITH AN EXERCISE OF THE POWER IF:

1. THE ATTEMPTED EXERCISE IS MANIFESTLY CONTRARY TO THE TERMS OF THE TRUST, UNLESS EXPRESSLY WAIVED IN WRITING BY THE SETTLOR; OR

2. THE TRUSTEE KNOWS THE ATTEMPTED EXERCISE WOULD CONSTITUTE A BREACH OF A FIDUCIARY DUTY THAT THE PERSON HOLDING THE POWER OWES TO THE BENEFICIARIES OF THE TRUST.

(2) A BENEFICIARY THAT HOLDS A POWER TO DIRECT, CONSENT TO, OR DISAPPROVE OF A TRUSTEE ACTION MAY NOT BE TREATED AS A

FIDUCIARY WITH RESPECT TO THE EXERCISE OF THE POWER TO THE EXTENT THAT THE ONLY PERSONS WHOSE INTERESTS IN THE TRUST ARE AFFECTED BY THE DECISION OF THE BENEFICIARY ARE THE BENEFICIARY AND THOSE PERSONS WHOSE INTERESTS IN THE TRUST ARE SUBJECT TO CONTROL BY THE BENEFICIARY THROUGH THE EXERCISE OF A POWER OF APPOINTMENT.

(3) AN ADVISER UNDER THIS SUBSECTION IS LIABLE FOR A LOSS THAT RESULTS FROM BREACH OF A FIDUCIARY DUTY.

(C) (1) IF THE TERMS OF A TRUST REQUIRE THAT A TRUSTEE SHALL FOLLOW THE DIRECTION OF AN ADVISER WITH RESPECT TO PROPOSED INVESTMENT DECISIONS, DISTRIBUTION DECISIONS, OR OTHER DECISIONS OF THE TRUSTEE:

(I) THE TRUSTEE SHALL ACT IN ACCORDANCE WITH THE DIRECTION OF THE ADVISER AND MAY NOT BE LIABLE FOR A LOSS RESULTING DIRECTLY OR INDIRECTLY FROM THE ACT EXCEPT IN THE CASE OF WILLFUL MISCONDUCT ON THE PART OF THE TRUSTEE; AND

(II) THE TRUSTEE SHALL HAVE NO DUTY TO:

- 1. MONITOR THE CONDUCT OF THE ADVISER;**
- 2. PROVIDE ADVICE TO THE ADVISER; OR**
- 3. COMMUNICATE WITH, WARN, OR APPRISE A BENEFICIARY OR THIRD PARTY CONCERNING INSTANCES IN WHICH THE TRUSTEE WOULD OR MIGHT HAVE EXERCISED THE DISCRETION OF THE TRUSTEE IN A MANNER DIFFERENT FROM THE MANNER DIRECTED BY THE ADVISER.**

(2) ABSENT A PREPONDERANCE OF THE EVIDENCE TO THE CONTRARY, THE ACTIONS OF THE TRUSTEE PERTAINING TO MATTERS WITHIN THE SCOPE OF THE AUTHORITY OF THE ADVISER, SUCH AS CONFIRMING THAT THE DIRECTIONS OF THE ADVISER HAVE BEEN CARRIED OUT AND RECORDING AND REPORTING ACTIONS TAKEN AT THE DIRECTION OF THE ADVISER, SHALL BE PRESUMED TO BE ADMINISTRATIVE ACTIONS TAKEN BY THE TRUSTEE SOLELY TO ALLOW THE TRUSTEE TO PERFORM THOSE DUTIES ASSIGNED TO THE TRUSTEE BY THE TERMS OF THE TRUST, AND THESE ADMINISTRATIVE ACTIONS MAY NOT BE DEEMED TO CONSTITUTE AN UNDERTAKING BY THE TRUSTEE TO MONITOR THE ADVISER OR OTHERWISE PARTICIPATE IN ACTIONS WITHIN THE SCOPE OF THE AUTHORITY OF THE ADVISER.

(D) UNLESS THE TERMS OF A TRUST OTHERWISE PROVIDE, AN ADVISER THAT IS GIVEN AUTHORITY WITH RESPECT TO INVESTMENT DECISIONS HAS THE POWER TO PERFORM THE FOLLOWING:

(1) DIRECT THE TRUSTEE WITH RESPECT TO THE RETENTION, PURCHASE, SALE, OR ENCUMBRANCE OF THE TRUST PROPERTY AND THE INVESTMENT AND REINVESTMENT OF PRINCIPAL AND INCOME FROM THE TRUST;

(2) VOTE PROXIES FOR SECURITIES HELD IN TRUST; AND

(3) SELECT ONE OR MORE INVESTMENT ADVISERS, MANAGERS, OR COUNSELORS, INCLUDING THE TRUSTEE, AND DELEGATE TO THE ADVISERS, MANAGERS, OR COUNSELORS A POWER OF THE ADVISER.

(E) THE TERMS OF A TRUST MAY CONFER ON A TRUSTEE OR OTHER PERSON A POWER TO DIRECT THE MODIFICATION OR TERMINATION OF THE TRUST.

14.5–809.

A TRUSTEE SHALL TAKE REASONABLE STEPS TO TAKE CONTROL OF AND PROTECT THE TRUST PROPERTY, EXCEPT THAT THIS DUTY DOES NOT APPLY TO, AND THE TRUSTEE IS NOT RESPONSIBLE FOR, ITEMS OF TANGIBLE PERSONAL PROPERTY THAT ARE PROPERTY OF A TRUST THAT IS REVOCABLE BY THE SETTLOR AND THAT ARE NOT IN THE POSSESSION OR CONTROL OF THE TRUSTEE.

14.5–810.

(A) A TRUSTEE SHALL KEEP ADEQUATE RECORDS OF THE ADMINISTRATION OF THE TRUST.

(B) A TRUSTEE SHALL KEEP TRUST PROPERTY SEPARATE FROM THE PROPERTY OF THE TRUSTEE.

(C) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (D) OF THIS SECTION, A TRUSTEE SHALL CAUSE THE TRUST PROPERTY TO BE DESIGNATED SO THAT THE INTEREST OF THE TRUST, TO THE EXTENT FEASIBLE, APPEARS IN RECORDS MAINTAINED BY A PARTY OTHER THAN A TRUSTEE OR BENEFICIARY.

(D) IF THE TRUSTEE MAINTAINS RECORDS CLEARLY INDICATING THE RESPECTIVE INTERESTS, A TRUSTEE MAY INVEST AS A WHOLE THE PROPERTY OF TWO OR MORE SEPARATE TRUSTS.

14.5-811.

(A) A TRUSTEE SHALL TAKE REASONABLE STEPS TO ENFORCE CLAIMS OF THE TRUST AND TO DEFEND CLAIMS AGAINST THE TRUST.

(B) A TRUSTEE MAY ABANDON A CLAIM THAT IS UNREASONABLE TO ENFORCE OR ASSIGN THE CLAIM TO ONE OR MORE OF THE BENEFICIARIES OF THE TRUST HOLDING THE CLAIM.

14.5-812.

(A) A TRUSTEE IS NOT LIABLE TO THE BENEFICIARY FOR A BREACH OF TRUST COMMITTED BY A FORMER TRUSTEE.

(B) A TRUSTEE IS LIABLE TO THE BENEFICIARY FOR A BREACH OF TRUST IF THE TRUSTEE:

(1) KNOWS OR SHOULD KNOW OF A SITUATION CONSTITUTING A BREACH OF TRUST COMMITTED BY A FORMER TRUSTEE AND THE TRUSTEE IMPROPERLY PERMITS IT TO CONTINUE;

(2) NEGLECTS TO TAKE REASONABLE STEPS TO COMPEL A FORMER TRUSTEE OR OTHER PERSON TO DELIVER TRUST PROPERTY TO THE TRUSTEE; OR

(3) NEGLECTS TO TAKE REASONABLE STEPS TO REDRESS A BREACH OF TRUST COMMITTED BY A FORMER TRUSTEE.

14.5-813.

(A) UNLESS UNREASONABLE UNDER THE CIRCUMSTANCES, A TRUSTEE SHALL PROMPTLY RESPOND TO THE REQUEST OF A QUALIFIED BENEFICIARY FOR INFORMATION RELATED TO THE ADMINISTRATION OF THE TRUST, INCLUDING A COPY OF THE TRUST INSTRUMENT.

(B) (1) A TRUSTEE:

(I) WITHIN 60 DAYS AFTER ACCEPTING A TRUSTEESHIP, SHALL NOTIFY THE QUALIFIED BENEFICIARIES OF THE ACCEPTANCE AND OF THE TRUSTEE'S NAME, ADDRESS, AND TELEPHONE NUMBER; AND

(II) WITHIN 90 DAYS AFTER THE DATE THE TRUSTEE ACQUIRES KNOWLEDGE OF THE CREATION OF AN IRREVOCABLE TRUST, OR THE

DATE THE TRUSTEE ACQUIRES KNOWLEDGE THAT A FORMERLY REVOCABLE TRUST HAS BECOME IRREVOCABLE, WHETHER BY THE DEATH OF THE SETTLOR OR OTHERWISE, SHALL NOTIFY THE QUALIFIED BENEFICIARIES OF THE TRUST'S EXISTENCE, OF THE IDENTITY OF THE SETTLOR OR SETTLORS, OF THE RIGHT TO REQUEST A COPY OF THE TRUST INSTRUMENT, AND OF THE RIGHT TO A TRUSTEE'S REPORT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION.

(2) NOTWITHSTANDING § 14.5–109 OF THIS TITLE, NOTICE REQUIRED UNDER THIS SUBSECTION SHALL BE:

(I) TO THE EXTENT THE NAMES AND LOCATIONS OF THE QUALIFIED BENEFICIARIES ARE KNOWN TO THE TRUSTEE:

1. BY DELIVERY OF THE NOTICE TO THE QUALIFIED BENEFICIARIES PERSONALLY; OR

2. BY SENDING THE NOTICE TO THE QUALIFIED BENEFICIARIES AT THEIR LAST KNOWN ADDRESS BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED; AND

(II) IF THE NAME, LOCATION, OR BOTH OF A QUALIFIED BENEFICIARY IS NOT KNOWN TO THE TRUSTEE, BY PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY WHERE THE TRUST PROPERTY IS LOCATED ONCE A WEEK FOR 3 SUCCESSIVE WEEKS.

(C) (1) ON REQUEST BY A QUALIFIED BENEFICIARY, A TRUSTEE SHALL SEND TO THE QUALIFIED BENEFICIARY ANNUALLY AND AT THE TERMINATION OF THE TRUST A REPORT OF THE TRUST PROPERTY, LIABILITIES, RECEIPTS, AND DISBURSEMENTS, INCLUDING THE SOURCE AND AMOUNT OF THE COMPENSATION OF THE TRUSTEE, A LISTING OF THE TRUST ASSETS, AND, IF FEASIBLE, THE RESPECTIVE MARKET VALUES OF THE TRUST ASSETS.

(2) ON A VACANCY IN A TRUSTEESHIP, UNLESS A COTRUSTEE REMAINS IN OFFICE, THE FORMER TRUSTEE SHALL SEND A REPORT TO THE QUALIFIED BENEFICIARIES THAT REQUEST THE REPORT.

(3) A PERSONAL REPRESENTATIVE, A GUARDIAN, OR AN ATTORNEY-IN-FACT MAY SEND THE QUALIFIED BENEFICIARIES A REPORT ON BEHALF OF THE FORMER TRUSTEE.

(D) (1) A QUALIFIED BENEFICIARY MAY WAIVE THE RIGHT TO A TRUSTEE'S REPORT OR OTHER INFORMATION OTHERWISE REQUIRED TO BE FURNISHED UNDER THIS SECTION.

(2) A QUALIFIED BENEFICIARY, WITH RESPECT TO FUTURE REPORTS AND OTHER INFORMATION, MAY WITHDRAW A WAIVER PREVIOUSLY GIVEN.

(E) SUBSECTION (B) OF THIS SECTION DOES NOT APPLY TO A TRUSTEE THAT ACCEPTS A TRUSTEESHIP BEFORE ~~OCTOBER 1, 2014~~ JANUARY 1, 2015, TO AN IRREVOCABLE TRUST CREATED BEFORE ~~OCTOBER 1, 2014~~ JANUARY 1, 2015, OR TO A REVOCABLE TRUST THAT BECOMES IRREVOCABLE BEFORE ~~OCTOBER 1, 2014~~ JANUARY 1, 2015.

14.5-814.

(A) NONE OF THE FOLLOWING POWERS CONFERRED ON A TRUSTEE BY THE GOVERNING INSTRUMENT MAY BE EXERCISED BY THAT TRUSTEE:

(1) THE POWER TO MAKE DISCRETIONARY DISTRIBUTIONS OF EITHER PRINCIPAL OR INCOME TO, OR FOR THE BENEFIT OF, THE TRUSTEE IN THE INDIVIDUAL CAPACITY OF THE TRUSTEE, UNLESS LIMITED BY AN ASCERTAINABLE STANDARD RELATING TO THE HEALTH, EDUCATION, SUPPORT, OR MAINTENANCE OF THE TRUSTEE, AS DEFINED IN 26 U.S.C. §§ 2041 AND 2514 AND THE U.S. TREASURY REGULATIONS ISSUED UNDER THOSE SECTIONS;

(2) THE POWER TO MAKE DISCRETIONARY DISTRIBUTIONS OF EITHER PRINCIPAL OR INCOME TO SATISFY A LEGAL OBLIGATION OF THE TRUSTEE IN THE INDIVIDUAL CAPACITY OF THE TRUSTEE FOR SUPPORT OR OTHER PURPOSES;

(3) THE POWER TO MAKE DISCRETIONARY ALLOCATIONS IN FAVOR OF THE TRUSTEE OF RECEIPTS OR EXPENSES AS BETWEEN INCOME AND PRINCIPAL;

(4) A POWER, IN WHATEVER CAPACITY HELD, TO REMOVE OR REPLACE A TRUSTEE THAT HOLDS A POWER PROSCRIBED IN THIS SUBSECTION; OR

(5) THE POWER TO EXERCISE A POWER PROSCRIBED IN THIS SUBSECTION WITH REGARD TO A BENEFICIARY OTHER THAN THE TRUSTEE TO THE EXTENT THAT THE BENEFICIARY COULD EXERCISE A SIMILAR PROHIBITED POWER IN CONNECTION WITH A TRUST WHICH BENEFITS THE TRUSTEE.

(B) IF A TRUSTEE IS PROHIBITED BY SUBSECTION (A)(1) OF THIS SECTION FROM EXERCISING A POWER CONFERRED ON THE TRUSTEE, THE TRUSTEE MAY NEVERTHELESS EXERCISE THE POWER EXCEPT THAT THE EXERCISE OF THAT POWER BY THE TRUSTEE SHALL BE LIMITED BY AN

ASCERTAINABLE STANDARD RELATING TO THE HEALTH, EDUCATION, SUPPORT, OR MAINTENANCE OF THE TRUSTEE, AS DEFINED IN 26 U.S.C. §§ 2041 AND 2514 AND THE U.S. TREASURY REGULATIONS ISSUED UNDER THOSE SECTIONS.

(C) IF THE GOVERNING INSTRUMENT CONTAINS A POWER DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, AND THERE IS NO TRUSTEE THAT CAN EXERCISE THE POWER, ON APPLICATION OF A PARTY IN INTEREST, A COURT MAY APPOINT A TRUSTEE THAT IS NOT OTHERWISE DISQUALIFIED UNDER THIS SECTION TO EXERCISE THE POWER DURING THE PERIOD OF TIME THAT THE COURT DESIGNATES.

(D) THIS SECTION DOES NOT APPLY IF:

(1) AS A RESULT OF THE APPLICATION OF SUBSECTION (A) OF THIS SECTION, A MARITAL DEDUCTION FOR THE TRUST PROPERTY WOULD NOT BE ALLOWED TO A SPOUSE WHO IS A TRUSTEE AND TO WHOM A MARITAL DEDUCTION WOULD OTHERWISE BE ALLOWED UNDER THE INTERNAL REVENUE CODE;

(2) THE TRUST IS REVOCABLE OR AMENDABLE, DURING THE TIME THAT THE TRUST REMAINS REVOCABLE OR AMENDABLE; OR

(3) CONTRIBUTIONS TO THE TRUST QUALIFY FOR THE ANNUAL EXCLUSION UNDER § 2503(C) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AS IN EFFECT ON THE EFFECTIVE DATE OF THIS TITLE, OR AS LATER AMENDED.

(E) (1) IN THIS SUBSECTION, “PARTIES IN INTEREST” MEANS:

(I) EACH TRUSTEE OF THE TRUST THEN SERVING; AND

(II) EACH INCOME BENEFICIARY AND REMAINDER BENEFICIARY OF THE TRUST THEN IN EXISTENCE OR, IF THE BENEFICIARY HAS NOT ATTAINED MAJORITY OR IS OTHERWISE INCAPACITATED, THE LEGAL REPRESENTATIVE OF THE BENEFICIARY UNDER APPLICABLE LAW OR THE DONEE OF THE BENEFICIARY UNDER A DURABLE POWER OF ATTORNEY THAT IS SUFFICIENT TO GRANT THE AUTHORITY.

(2) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, THIS SECTION APPLIES TO:

(I) A TRUST CREATED UNDER A GOVERNING INSTRUMENT EXECUTED AFTER SEPTEMBER 30, 1995, UNLESS THE TERMS OF THE

GOVERNING INSTRUMENT PROVIDE EXPRESSLY THAT THIS SECTION DOES NOT APPLY; AND

(II) A TRUST CREATED UNDER A GOVERNING INSTRUMENT EXECUTED BEFORE OCTOBER 1, 1995, UNLESS ALL PARTIES IN INTEREST ELECT AFFIRMATIVELY NOT TO BE SUBJECT TO THE APPLICATION OF THIS SECTION ON OR BEFORE THE LATER OF OCTOBER 1, 1998, AND 3 YEARS AFTER THE DATE ON WHICH THE TRUST BECOMES IRREVOCABLE.

(F) THE AFFIRMATIVE ELECTION REQUIRED UNDER SUBSECTION (E) OF THIS SECTION SHALL BE MADE THROUGH A WRITTEN DECLARATION SIGNED BY THE INTERESTED PERSON AND DELIVERED TO THE TRUSTEE.

14.5-815.

(A) A TRUSTEE, WITHOUT AUTHORIZATION BY THE COURT, MAY EXERCISE:

(1) POWERS CONFERRED BY THE TERMS OF THE TRUST; OR

(2) EXCEPT AS LIMITED BY THE TERMS OF THE TRUST:

(I) ALL POWERS OVER THE TRUST PROPERTY THAT AN UNMARRIED COMPETENT OWNER HAS OVER INDIVIDUALLY OWNED PROPERTY;

(II) OTHER POWERS APPROPRIATE TO ACHIEVE THE PROPER INVESTMENT, MANAGEMENT, AND DISTRIBUTION OF THE TRUST PROPERTY; AND

(III) OTHER POWERS CONFERRED BY THIS TITLE.

(B) THE EXERCISE OF A POWER DESCRIBED IN SUBSECTION (A) OF THIS SECTION IS SUBJECT TO THE FIDUCIARY DUTIES PRESCRIBED BY THIS TITLE.

14.5-816.

(A) A TRUSTEE HAS THOSE POWERS ENUMERATED IN THE TRUST INSTRUMENT.

(B) WITHOUT LIMITING THE AUTHORITY CONFERRED BY § 14.5-815 OF THIS TITLE AND § 15-102 OF THIS ARTICLE, A TRUSTEE MAY EXERCISE THE POWERS SPECIFIED IN THIS SECTION.

(C) WITH RESPECT TO POSSIBLE LIABILITY FOR VIOLATION OF ENVIRONMENTAL LAW, A TRUSTEE MAY:

(1) INSPECT OR INVESTIGATE PROPERTY THE TRUSTEE HOLDS OR HAS BEEN ASKED TO HOLD, OR PROPERTY OWNED OR OPERATED BY AN ORGANIZATION IN WHICH THE TRUSTEE HOLDS OR HAS BEEN ASKED TO HOLD AN INTEREST, FOR THE PURPOSE OF DETERMINING THE APPLICATION OF ENVIRONMENTAL LAW WITH RESPECT TO THE PROPERTY;

(2) TAKE ACTION TO PREVENT, ABATE, OR OTHERWISE REMEDY ANY ACTUAL OR POTENTIAL VIOLATION OF ANY ENVIRONMENTAL LAW AFFECTING PROPERTY HELD DIRECTLY OR INDIRECTLY BY THE TRUSTEE, WHETHER TAKEN BEFORE OR AFTER THE ASSERTION OF A CLAIM OR THE INITIATION OF GOVERNMENTAL ENFORCEMENT;

(3) DECLINE TO ACCEPT PROPERTY INTO TRUST OR DISCLAIM A POWER WITH RESPECT TO PROPERTY THAT IS OR MAY BE BURDENED WITH LIABILITY FOR VIOLATION OF ENVIRONMENTAL LAW;

(4) COMPROMISE CLAIMS AGAINST THE TRUST WHICH MAY BE ASSERTED FOR AN ALLEGED VIOLATION OF ENVIRONMENTAL LAW; AND

(5) PAY THE EXPENSE OF AN INSPECTION, A REVIEW, AN ABATEMENT, OR A REMEDIAL ACTION TO COMPLY WITH ENVIRONMENTAL LAW.

(D) A TRUSTEE MAY DONATE A CONSERVATION EASEMENT ON REAL PROPERTY, OR CONSENT TO THE DONATION OF A CONSERVATION EASEMENT ON REAL PROPERTY BY A PERSONAL REPRESENTATIVE OF AN ESTATE OF WHICH THE TRUSTEE IS A LEGATEE, IN ORDER TO OBTAIN THE BENEFIT OF THE ESTATE TAX EXCLUSION ALLOWED UNDER § 2031(C) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, IF:

(1) THE GOVERNING INSTRUMENT AUTHORIZES OR DIRECTS THE DONATION OF A CONSERVATION EASEMENT ON THE REAL PROPERTY; OR

(2) EACH BENEFICIARY THAT HAS AN INTEREST IN THE REAL PROPERTY THAT WOULD BE AFFECTED BY THE CONSERVATION EASEMENT CONSENTS IN WRITING TO THE DONATION.

14.5–817.

(A) (1) ON TERMINATION OR PARTIAL TERMINATION OF A TRUST, THE TRUSTEE MAY SEND TO THE BENEFICIARIES A PROPOSAL FOR DISTRIBUTION.

(2) THE RIGHT OF A BENEFICIARY TO OBJECT TO A PROPOSED DISTRIBUTION UNDER PARAGRAPH (1) OF THIS SUBSECTION TERMINATES IF THE BENEFICIARY DOES NOT NOTIFY THE TRUSTEE OF AN OBJECTION WITHIN 60 DAYS AFTER THE PROPOSAL WAS SENT BUT ONLY IF THE PROPOSAL INFORMED THE BENEFICIARY OF THE RIGHT TO OBJECT AND OF THE TIME ALLOWED FOR OBJECTION.

(B) ON THE OCCURRENCE OF AN EVENT TERMINATING OR PARTIALLY TERMINATING A TRUST, THE TRUSTEE SHALL PROCEED EXPEDITIOUSLY TO DISTRIBUTE THE TRUST PROPERTY TO THE PERSONS ENTITLED TO THE TRUST PROPERTY, SUBJECT TO THE RIGHT OF THE TRUSTEE TO RETAIN A REASONABLE RESERVE FOR THE PAYMENT OF DEBTS, EXPENSES, AND TAXES.

SUBTITLE 9. LIABILITY OF TRUSTEES AND RIGHTS OF PERSONS DEALING WITH THE TRUSTEE.

14.5-901.

(A) (1) A VIOLATION BY A TRUSTEE OF A DUTY THE TRUSTEE OWES TO A BENEFICIARY IS A BREACH OF TRUST.

(2) A BREACH OF TRUST UNDER THIS SUBSECTION MAY OCCUR BY REASON OF AN ACTION OR BY REASON OF A FAILURE TO ACT.

(B) TO REMEDY A BREACH OF TRUST BY THE TRUSTEE THAT HAS OCCURRED OR MAY OCCUR, THE COURT MAY:

(1) COMPEL THE TRUSTEE TO PERFORM THE DUTIES OF THE TRUSTEE;

(2) ENJOIN THE TRUSTEE FROM COMMITTING A BREACH OF TRUST;

(3) COMPEL THE TRUSTEE TO REDRESS A BREACH OF TRUST BY PAYING MONEY, RESTORING PROPERTY, OR OTHER MEANS;

(4) ORDER A TRUSTEE TO ACCOUNT;

(5) APPOINT A SPECIAL FIDUCIARY TO TAKE POSSESSION OF THE TRUST PROPERTY AND ADMINISTER THE TRUST;

(6) SUSPEND THE TRUSTEE;

(7) REMOVE THE TRUSTEE AS PROVIDED IN § 14.5–706 OF THIS TITLE;

(8) REDUCE OR DENY COMPENSATION TO THE TRUSTEE;

(9) SUBJECT TO § 14.5–909 OF THIS SUBTITLE, VOID AN ACT OF THE TRUSTEE, IMPOSE A LIEN OR A CONSTRUCTIVE TRUST ON TRUST PROPERTY, OR TRACE TRUST PROPERTY WRONGFULLY DISPOSED OF AND RECOVER THE PROPERTY OR PROCEEDS FROM THE PROPERTY; OR

(10) ORDER OTHER APPROPRIATE RELIEF.

14.5–902.

(A) A TRUSTEE THAT COMMITS A BREACH OF TRUST IS LIABLE TO THE BENEFICIARIES AFFECTED BY THE BREACH FOR THE GREATER OF:

(1) THE AMOUNT REQUIRED TO RESTORE THE VALUE OF THE TRUST PROPERTY AND TRUST DISTRIBUTIONS TO WHAT THEY WOULD HAVE BEEN HAD THE BREACH NOT OCCURRED; OR

(2) THE PROFIT THE TRUSTEE MADE BY REASON OF THE BREACH.

(B) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, IF MORE THAN ONE TRUSTEE IS LIABLE TO THE BENEFICIARIES FOR A BREACH OF TRUST, A TRUSTEE IS ENTITLED TO CONTRIBUTION FROM THE OTHER TRUSTEE OR TRUSTEES THAT ARE ALSO LIABLE.

(2) A TRUSTEE THAT RECEIVED A BENEFIT FROM A BREACH OF TRUST UNDER THIS SUBSECTION IS NOT ENTITLED TO CONTRIBUTION FROM ANOTHER TRUSTEE TO THE EXTENT OF THE BENEFIT RECEIVED.

14.5–903.

ABSENT A BREACH OF TRUST OR THE APPLICABLE STANDARD OF CARE, A TRUSTEE IS NOT LIABLE TO A BENEFICIARY FOR A LOSS OR DEPRECIATION IN THE VALUE OF TRUST PROPERTY OR FOR NOT HAVING MADE A PROFIT.

14.5–904. RESERVED.

14.5–905. RESERVED.

14.5–906.

(A) A TERM OF A TRUST RELIEVING A TRUSTEE OF LIABILITY FOR BREACH OF TRUST IS UNENFORCEABLE TO THE EXTENT THAT THE TERM:

(1) RELIEVES THE TRUSTEE OF LIABILITY FOR BREACH OF TRUST COMMITTED IN BAD FAITH OR WITH RECKLESS INDIFFERENCE TO THE PURPOSES OF THE TRUST OR THE INTERESTS OF THE BENEFICIARIES;

(2) WAS INSERTED INTO THE TRUST AS THE RESULT OF AN ABUSE BY THE TRUSTEE OF A FIDUCIARY OR CONFIDENTIAL RELATIONSHIP TO THE SETTLOR; OR

(3) WAS UNREASONABLE UNDER THE CIRCUMSTANCES.

(B) AN EXCULPATORY TERM DRAFTED OR CAUSED TO BE DRAFTED BY THE TRUSTEE IS INVALID AS AN ABUSE OF A FIDUCIARY OR CONFIDENTIAL RELATIONSHIP UNLESS THE TRUSTEE PROVES THAT THE EXCULPATORY TERM IS FAIR UNDER THE CIRCUMSTANCES AND THAT THE EXISTENCE AND CONTENTS OF THE EXCULPATORY TERM WERE ADEQUATELY COMMUNICATED TO THE SETTLOR.

(C) IF THE SETTLOR WAS REPRESENTED BY INDEPENDENT COUNSEL, AN EXCULPATORY TERM IS NOT CONSIDERED DRAFTED OR CAUSED TO BE DRAFTED BY THE TRUSTEE, EVEN IF THE TERM INCORPORATES SUGGESTED PROVISIONS PROVIDED BY THE TRUSTEE.

14.5-907.

A TRUSTEE IS NOT LIABLE TO A BENEFICIARY FOR BREACH OF TRUST IF THE BENEFICIARY CONSENTED TO THE CONDUCT CONSTITUTING THE BREACH, RELEASED THE TRUSTEE FROM LIABILITY FOR THE BREACH, OR RATIFIED THE TRANSACTION CONSTITUTING THE BREACH, UNLESS:

(1) THE CONSENT, RELEASE, OR RATIFICATION OF THE BENEFICIARY WAS INDUCED BY IMPROPER CONDUCT OF THE TRUSTEE; OR

(2) AT THE TIME OF THE CONSENT, RELEASE, OR RATIFICATION, THE BENEFICIARY DID NOT KNOW OF THE RIGHTS OF THE BENEFICIARY OR OF THE MATERIAL FACTS RELATING TO THE BREACH.

14.5-908.

(A) EXCEPT AS OTHERWISE PROVIDED IN THE CONTRACT, A TRUSTEE IS NOT PERSONALLY LIABLE ON A CONTRACT PROPERLY ENTERED INTO BY THE TRUSTEE IN THE FIDUCIARY CAPACITY OF THE TRUSTEE IN THE COURSE OF

ADMINISTERING THE TRUST IF THE TRUSTEE IN THE CONTRACT DISCLOSED THE FIDUCIARY CAPACITY.

(B) A CLAIM BASED ON A CONTRACT ENTERED INTO BY A TRUSTEE IN THE FIDUCIARY CAPACITY OF THE TRUSTEE, ON AN OBLIGATION ARISING FROM OWNERSHIP OR CONTROL OF TRUST PROPERTY, OR ON A TORT COMMITTED IN THE COURSE OF ADMINISTERING A TRUST, MAY BE ASSERTED IN A JUDICIAL PROCEEDING AGAINST THE TRUSTEE IN THE FIDUCIARY CAPACITY OF THE TRUSTEE, REGARDLESS OF WHETHER THE TRUSTEE IS PERSONALLY LIABLE FOR THE CLAIM.

14.5–909.

(A) IN THE ABSENCE OF ACTUAL KNOWLEDGE OR OF REASONABLE CAUSE TO INQUIRE AS TO WHETHER A TRUSTEE IS IMPROPERLY EXERCISING THE TRUSTEE'S POWER, A PERSON DEALING WITH A TRUSTEE NEED NOT INQUIRE WHETHER A TRUSTEE IS PROPERLY EXERCISING THE POWER OF THE TRUSTEE AND IS PROTECTED AS IF THE TRUSTEE PROPERLY EXERCISED THE POWER.

(B) A PERSON NEED NOT SEE TO THE PROPER APPLICATION OF TRUST ASSETS PAID OR DELIVERED TO A TRUSTEE.

14.5–910.

(A) INSTEAD OF FURNISHING A COPY OF THE TRUST INSTRUMENT TO A PERSON OTHER THAN A BENEFICIARY, THE TRUSTEE MAY FURNISH TO THE PERSON A CERTIFICATION OF TRUST CONTAINING THE FOLLOWING INFORMATION:

(1) THAT THE TRUST EXISTS AND THE DATE THE TRUST INSTRUMENT WAS EXECUTED;

(2) THE IDENTITY OF THE SETTLOR;

(3) THE IDENTITY AND ADDRESS OF THE CURRENTLY ACTING TRUSTEE;

(4) THE POWERS OF THE TRUSTEE IN THE PENDING TRANSACTION;

(5) THE REVOCABILITY OR IRREVOCABILITY OF THE TRUST AND THE IDENTITY OF A PERSON HOLDING A POWER TO REVOKE THE TRUST;

(6) THE AUTHORITY OF COTRUSTEES TO SIGN OR OTHERWISE AUTHENTICATE AND WHETHER THE AUTHENTICATION OF ALL OR FEWER THAN ALL OF THE COTRUSTEES IS REQUIRED IN ORDER TO EXERCISE POWERS OF THE TRUSTEE;

(7) THE TAXPAYER IDENTIFICATION NUMBER OF THE TRUST, UNLESS THE TAXPAYER IDENTIFICATION NUMBER IS ALSO THE SOCIAL SECURITY NUMBER OF A SETTLOR; AND

(8) THE MANNER AND NAME IN WHICH TITLE TO TRUST PROPERTY MAY BE TAKEN.

(B) A CERTIFICATION OF TRUST MAY BE SIGNED OR OTHERWISE AUTHENTICATED BY A TRUSTEE.

(C) A CERTIFICATION OF TRUST SHALL STATE THAT THE TRUST HAS NOT BEEN REVOKED, MODIFIED, OR AMENDED IN A MANNER THAT WOULD CAUSE THE REPRESENTATIONS CONTAINED IN THE CERTIFICATION OF TRUST TO BE INCORRECT.

(D) A CERTIFICATION OF TRUST NEED NOT CONTAIN THE DISPOSITIVE TERMS OF A TRUST.

(E) A RECIPIENT OF A CERTIFICATION OF TRUST MAY REQUIRE THE TRUSTEE TO FURNISH COPIES OF THOSE EXCERPTS FROM THE ORIGINAL TRUST INSTRUMENT AND LATER AMENDMENTS WHICH DESIGNATE THE TRUSTEE AND CONFER ON THE TRUSTEE THE POWER TO ACT IN THE PENDING TRANSACTION.

(F) A PERSON THAT ACTS REASONABLY IN RELIANCE ON A CERTIFICATION OF TRUST WITHOUT KNOWLEDGE THAT THE REPRESENTATIONS CONTAINED IN THE CERTIFICATION ARE INCORRECT IS NOT LIABLE FOR THE ACT.

(G) WHILE ACTING REASONABLY UNDER THE CIRCUMSTANCES, A PERSON THAT ENTERS INTO A TRANSACTION IN RELIANCE ON A CERTIFICATION OF TRUST MAY ENFORCE THE TRANSACTION AGAINST THE TRUST PROPERTY AS IF THE REPRESENTATIONS CONTAINED IN THE CERTIFICATION WERE CORRECT.

(H) THIS SECTION DOES NOT LIMIT ~~THE~~;

(1) THE RIGHT OF A PERSON TO OBTAIN A COPY OF THE TRUST INSTRUMENT IN A JUDICIAL PROCEEDING CONCERNING THE TRUST; OR

(2) THE RIGHT OF A TITLE INSURANCE PRODUCER OR TITLE INSURER TO OBTAIN A COPY OF THE TRUST INSTRUMENT FOR THE SOLE PURPOSE OF DETERMINING WHETHER THE SETTLOR'S INTEREST IN REAL PROPERTY MAY BE SUBJECT TO CREDITORS' CLAIMS, WHEN THE TRUSTEE IS SELLING, ENCUMBERING, OR DISPOSING OF THE REAL PROPERTY AND TITLE INSURANCE HAS BEEN REQUESTED FOR THE TRANSACTION.

SUBTITLE 10. MISCELLANEOUS PROVISIONS.

14.5–1001.

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

(2) “CONSIDERATION” DOES NOT INCLUDE THE AMOUNT OF ANY OBLIGATION UNDER A MORTGAGE OR DEED OF TRUST ENCUMBERING THE TRANSFERRED PROPERTY.

(3) “TRUST” DOES NOT INCLUDE:

(I) A REAL ESTATE INVESTMENT TRUST AS DEFINED IN § 8–101 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; OR

(II) A STATUTORY TRUST AS DEFINED IN § 12–101 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

(B) A RECORDATION TAX, TRANSFER TAX, OR ANY OTHER STATE OR LOCAL EXCISE TAX MAY NOT BE IMPOSED ON THE TRANSFER OF REAL PROPERTY OR AN INTEREST IN REAL PROPERTY WITHOUT CONSIDERATION OR ON THE RECORDATION OF AN INSTRUMENT THAT TRANSFERS REAL PROPERTY OR AN INTEREST IN REAL PROPERTY WITHOUT CONSIDERATION IF:

(1) THE TRANSFER IS TO A TRUST; OR

(2) THE TRANSFER IS FROM A TRUST TO ONE OR MORE BENEFICIARIES AND:

(I) THE TRANSFER IS MADE TO A PERSON THAT WOULD BE EXEMPT FROM TAX UNDER TITLE 12 OR TITLE 13 OF THE TAX – PROPERTY ARTICLE IF THE TRANSFER HAD BEEN MADE TO THAT PERSON DIRECTLY BY THE GRANTOR; OR

(II) THE TRANSFER IS MADE DURING THE LIFE OF THE GRANTOR OF THE TRUST AND THE TRUSTEE OF THE TRUST ORIGINALLY ACQUIRED THE REAL PROPERTY FOR ADEQUATE CONSIDERATION.

14.5-1002.

(A) IN THIS SECTION, "SPECIAL NEEDS TRUST" AND "SUPPLEMENTAL NEEDS TRUST" INCLUDE A TRUST FUNDED BY A TRUST BENEFICIARY OR BY A THIRD PARTY.

(B) IT IS THE POLICY OF THE STATE TO ENCOURAGE THE USE OF A SPECIAL NEEDS TRUST OR SUPPLEMENTAL NEEDS TRUST BY AN INDIVIDUAL OF ANY AGE WITH DISABILITIES TO PRESERVE FUNDS TO PROVIDE FOR THE NEEDS OF THE INDIVIDUAL NOT MET BY PUBLIC BENEFITS AND TO ENHANCE QUALITY OF LIFE.

(C) (1) EACH STATE AGENCY THAT PROVIDES PUBLIC BENEFITS TO INDIVIDUALS OF ANY AGE WITH DISABILITIES THROUGH MEANS-TESTED PROGRAMS, INCLUDING THE MEDICAL ASSISTANCE PROGRAM, SHALL ADOPT REGULATIONS THAT:

(I) ARE NOT MORE RESTRICTIVE THAN EXISTING FEDERAL LAW, REGULATIONS, OR POLICIES WITH REGARD TO THE TREATMENT OF A SPECIAL NEEDS TRUST OR SUPPLEMENTAL NEEDS TRUST, INCLUDING A TRUST DEFINED IN 42 U.S.C. § 1396P(C)(2) AND (D)(4);

(II) ARE NOT MORE RESTRICTIVE THAN ANY STATE LAW REGARDING TRUSTS, INCLUDING ANY STATE LAW REGARDING THE REASONABLE EXERCISE OF DISCRETION BY A TRUSTEE, GUARDIAN, OR CONSERVATOR IN THE BEST INTERESTS OF THE BENEFICIARY; AND

(III) DO NOT REQUIRE DISCLOSURE OF A BENEFICIARY'S PERSONAL OR CONFIDENTIAL INFORMATION WITHOUT THE CONSENT OF THE BENEFICIARY.

(2) THE REGULATIONS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL ALLOW:

(I) AN INDIVIDUAL ACCOUNT IN A POOLED ASSET SPECIAL NEEDS TRUST TO BE FUNDED WITHOUT FINANCIAL LIMIT;

(II) A FUND IN A SPECIAL NEEDS TRUST, SUPPLEMENTAL NEEDS TRUST, OR POOLED ASSET SPECIAL NEEDS TRUST TO BE USED FOR THE SOLE BENEFIT OF THE BENEFICIARY INCLUDING, AT THE DISCRETION OF THE

TRUSTEE, DISTRIBUTIONS FOR FOOD, SHELTER, UTILITIES, AND TRANSPORTATION;

(III) AN INDIVIDUAL TO ESTABLISH OR FUND AN INDIVIDUAL ACCOUNT IN A POOLED ASSET SPECIAL NEEDS TRUST WITHOUT AN AGE LIMIT OR A TRANSFER PENALTY;

(IV) AN INDIVIDUAL TO FUND A SPECIAL NEEDS TRUST OR SUPPLEMENTAL NEEDS TRUST FOR THE INDIVIDUAL'S CHILD WITH DISABILITIES WITHOUT A TRANSFER PENALTY AND REGARDLESS OF THE CHILD'S AGE; AND

(V) ALL LEGALLY ASSIGNABLE INCOME OR RESOURCES TO BE ASSIGNED TO A SPECIAL NEEDS TRUST, SUPPLEMENTAL NEEDS TRUST, OR POOLED ASSET SPECIAL NEEDS TRUST WITHOUT LIMIT.

(3) NOTHING IN THIS SUBSECTION MAY BE INTERPRETED TO REQUIRE A COURT ORDER TO AUTHORIZE A DISBURSEMENT FROM A SPECIAL OR SUPPLEMENTAL NEEDS TRUST.

(D) (1) A DETERMINATION OF THE INTERNAL REVENUE SERVICE REGARDING THE NONPROFIT STATUS OF AN ORGANIZATION OPERATING A POOLED ASSET SPECIAL NEEDS TRUST SHALL BE SUFFICIENT TO SATISFY THE NONPROFIT REQUIREMENT OF 42 U.S.C. § 1396P(D)(4)(C).

(2) A STATE AGENCY MAY NOT IMPOSE ADDITIONAL REQUIREMENTS ON AN ORGANIZATION DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION FOR THE PURPOSE OF QUALIFYING OR DISQUALIFYING THE ORGANIZATION FROM OFFERING A POOLED ASSET SPECIAL NEEDS TRUST.

(E) A REGULATION ADOPTED BY A STATE AGENCY REGARDING POOLED SPECIAL NEEDS TRUSTS SHALL APPLY ONLY TO THOSE TRUST BENEFICIARIES WHO ARE STATE RESIDENTS OR WHO RECEIVE PUBLIC BENEFITS FUNDED BY THE STATE.

14.5-1003.

(A) AN INDIVIDUAL WHO CREATES A TRUST MAY NOT BE CONSIDERED THE SETTLOR OF THAT TRUST WITH REGARD TO THE INDIVIDUAL'S INTEREST IN THE TRUST IF:

(1) THAT INTEREST IS THE AUTHORITY OF THE TRUSTEE UNDER THE TRUST INSTRUMENT OR ANY OTHER PROVISION OF LAW TO PAY OR REIMBURSE THE INDIVIDUAL FOR ANY TAX ON TRUST INCOME OR TRUST

PRINCIPAL THAT IS PAYABLE BY THE INDIVIDUAL UNDER THE LAW IMPOSING THAT TAX; OR

(2) ALL OF THE FOLLOWING APPLY:

(I) THE INDIVIDUAL CREATES OR HAS CREATED THE TRUST FOR THE BENEFIT OF THE INDIVIDUAL'S SPOUSE;

(II) THE TRUST IS TREATED AS QUALIFIED TERMINABLE INTEREST PROPERTY UNDER § 2523(F) OF THE INTERNAL REVENUE CODE OF 1986; AND

(III) THE INDIVIDUAL'S INTEREST IN THE TRUST INCOME, TRUST PRINCIPAL, OR BOTH FOLLOWS THE TERMINATION OF THE SPOUSE'S PRIOR INTEREST IN THE TRUST.

(B) A CREDITOR OF AN INDIVIDUAL DESCRIBED IN SUBSECTION (A) OF THIS SECTION MAY NOT ATTACH, EXERCISE, REACH, OR OTHERWISE COMPEL DISTRIBUTION OF:

(1) ANY PRINCIPAL OR INCOME OF THE TRUST;

(2) ANY PRINCIPAL OR INCOME OF ANY OTHER TRUST TO THE EXTENT THAT THE PROPERTY HELD IN THE OTHER TRUST IS ATTRIBUTABLE TO A TRUST DESCRIBED IN SUBSECTION (A)(2) OF THIS SECTION;

(3) THE INDIVIDUAL'S INTEREST IN THE TRUST; OR

(4) THE INDIVIDUAL'S INTEREST IN ANY OTHER TRUST TO THE EXTENT THAT THE PROPERTY HELD IN THE OTHER TRUST IS ATTRIBUTABLE TO A TRUST DESCRIBED IN SUBSECTION (A)(2) OF THIS SECTION.

(C) THIS SECTION MAY NOT BE CONSTRUED TO AFFECT ANY STATE LAW WITH RESPECT TO A FRAUDULENT TRANSFER BY AN INDIVIDUAL TO A TRUSTEE.

14.5-1004.

THE PROVISIONS OF THIS TITLE GOVERNING THE LEGAL EFFECT, VALIDITY, OR ENFORCEABILITY OF ELECTRONIC RECORDS OR ELECTRONIC SIGNATURES, AND OF CONTRACTS FORMED OR PERFORMED WITH THE USE OF THOSE RECORDS OR SIGNATURES, CONFORM TO THE REQUIREMENTS OF § 102 OF THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT (15 U.S.C. § 7002) AND SUPERSEDE, MODIFY, AND LIMIT THE REQUIREMENTS OF THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.

14.5–1005.

IF A PROVISION OF THIS TITLE OR THE APPLICATION OF A PROVISION TO A PERSON OR CIRCUMSTANCES IS HELD INVALID, THE INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR APPLICATIONS OF THIS TITLE WHICH CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS TITLE ARE SEVERABLE.

14.5–1006.

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE:

(1) THIS TITLE APPLIES TO ALL TRUSTS CREATED BEFORE, ON, OR AFTER ~~OCTOBER 1, 2014~~ JANUARY 1, 2015;

(2) THIS TITLE APPLIES TO ALL JUDICIAL PROCEEDINGS CONCERNING TRUSTS COMMENCED ON OR AFTER ~~OCTOBER 1, 2014~~ JANUARY 1, 2015;

(3) THIS TITLE DOES NOT APPLY TO JUDICIAL PROCEEDINGS CONCERNING TRUSTS COMMENCED BEFORE ~~OCTOBER 1, 2014~~ JANUARY 1, 2015;

(4) A RULE OF CONSTRUCTION OR PRESUMPTION PROVIDED IN THIS TITLE APPLIES TO TRUST INSTRUMENTS EXECUTED BEFORE ~~OCTOBER 1, 2014~~ JANUARY 1, 2014 2015, UNLESS THERE IS A CLEAR INDICATION OF A CONTRARY INTENT IN THE TERMS OF THE TRUST; AND

(5) AN ACT DONE BEFORE ~~OCTOBER 1, 2014~~ JANUARY 1, 2015, IS NOT AFFECTED BY THIS TITLE.

(B) IF A RIGHT IS ACQUIRED, EXTINGUISHED, OR BARRED ON THE EXPIRATION OF A PRESCRIBED PERIOD THAT HAS COMMENCED TO RUN UNDER ANOTHER STATUTE BEFORE ~~OCTOBER 1, 2014~~ JANUARY 1, 2015, THAT STATUTE CONTINUES TO APPLY TO THE RIGHT EVEN IF THE STATUTE HAS BEEN REPEALED OR SUPERSEDED.

Article – Financial Institutions**3–506.**

(b) To the extent that a fund plan does not provide otherwise as to the determination, allocation, and apportionment of principal and income, the principles of [Title 14] **TITLES 14 AND 14.5** of the Estates and Trusts Article apply.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2014~~ January 1, 2015.

Approved by the Governor, May 15, 2014.

Chapter 586

(House Bill 144)

AN ACT concerning

Montgomery County – Alcoholic Beverages – Class B Beer, Wine and Liquor Licenses

MC 12-14

FOR the purpose of ~~removing certain geographic restrictions for Class B beer, wine and liquor licenses issued in Montgomery County;~~ authorizing the Montgomery County Board of License Commissioners to issue a Class B beer, wine and liquor license to an operator of a restaurant or hotel; requiring, as a prerequisite for the initial issuance of a Class B beer, wine and liquor license, an operator of a restaurant or hotel to attest to a certain proportion of future food and alcoholic beverage sales based on gross receipts; requiring, as a prerequisite for each renewal of a Class B beer, wine and liquor license, an operator of a restaurant or hotel to attest to a certain proportion of food and alcoholic beverage sales based on gross receipts from sales during a certain period of time; repealing a prohibition on the serving or consumption of alcoholic beverages at any bar, counter without seats, or certain other areas of a restaurant or hotel for which a Class B beer, wine and liquor license is issued; repealing a certain limit on the number of seats in a cocktail area of a restaurant or hotel for which a Class B beer, wine and liquor license is issued; repealing a prohibition on the display of certain signs in connection with a restaurant or hotel for which a Class B beer, wine and liquor license is issued; altering the license fee for certain Class B beer, wine and liquor licenses obtained in Montgomery County; ~~authorizing the Montgomery County Board of License Commissioners to issue a Class B beer, wine and liquor license in certain locations; prohibiting the Board from imposing on a holder of a Class B beer, wine and liquor license a limit on the number of additional licenses of the same class and type that the holder may apply for and be eligible to receive~~ authorizing a person to hold a certain maximum number of Class B beer, wine and liquor licenses, with an exception allowing a licensee to obtain an additional license for a public hotel under certain conditions; repealing provisions of law allowing certain holders of a Class B beer, wine and liquor license to obtain an additional license or additional licenses, under certain circumstances; repealing certain definitions;

making a conforming change; clarifying language; 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) and ~~8–216(a)(1)~~ 8–216(a)(1), (d)(1), (e), and (f)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article 2B – Alcoholic Beverages

Section 6–201(q)(2), 8–216(a)(2), 9–102(a), and 9–102.1

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

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.

(2) (i) ~~1.~~ The Board may issue this license only to the owner **OR OPERATOR** of any restaurant or hotel.

~~2.~~ The restaurant shall be located in the second, third, fourth, sixth, seventh, eighth, ninth, tenth, or thirteenth election districts.

3. The licensee may not be located in the Towns of Poolesville, Takoma Park, and Kensington.~~3~~

(ii) 1. As a prerequisite for the initial issuance of a license under this subsection, the owner **OR OPERATOR** shall attest in a sworn statement that gross receipts from food sales in the restaurant or hotel will be at least equal to the gross receipts from the sale of alcoholic beverages.

2. As a prerequisite for each renewal of a license issued under this subsection, the owner **OR OPERATOR** shall attest in a sworn statement that the gross receipts from food sales in the restaurant or hotel for the 12-month period immediately preceding the application for renewal have been at least equal to the gross receipts from the sale of alcoholic beverages.

3. 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.

4. Any regulations adopted by the Board shall include a requirement of at least monthly physical inspections of the premises during the initial license year of any licensee and 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.

5. In the event that a licensee, during the initial license year, fails to maintain the sales ratio requirement provided in this paragraph for a period of three consecutive months or after the initial license year for each license or calendar year, the Board, in its discretion, may revoke the license. The Board may require any licensee to provide supporting data as it, in its discretion, deems necessary, in order 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.

(iii) A license issued under this subsection authorizes its holder to keep for sale and sell alcoholic beverages for consumption on the premises only, ~~and alcoholic beverages may not be served to patrons or consumed at any bar, counter without seats, or other room but in the dining area. However, the seats in the cocktail area may not exceed 25 percent of the seats normally available for the general public in the dining area, including the cocktail area portion, but excluding special banquet and private party facilities.~~

~~(iv) Signs visible from the exterior of the building, advertising the sale of alcoholic beverages, are not permitted in connection with any restaurant or hotel holding a license issued under the provisions of this section except for the display of the menu then in use by the licensee.~~

~~(IV)~~ **(IV)** [1.] The annual license fee is \$2,500.

[2. For the third license that is not restricted by location and is obtained by a licensee under § 9-102.1 of this article, the annual fee is \$5,000.]

(a) (1) In this subsection “place of business” does not include:

(i) A country club; or

(ii) A restaurant located within the country inn zone of Montgomery County where alcoholic beverages are sold for consumption on the premises only; provided that a maximum of 2 (two) such alcoholic beverages licenses may be issued in any election district identified in paragraph (2) of this subsection.

(2) (i) Except as provided in subparagraphs (ii), (iii), (iv), (v), and (vi) of this paragraph and in ~~subsection~~ **SUBSECTIONS (D), (E), AND** (f) of this section, in Montgomery County, a license for the sale of alcoholic beverages authorized by this article may not be issued for any place of business located in Damascus (12th election district), and in the towns of Barnesville, Kensington, Laytonsville, Washington Grove and the City of Takoma Park.

(ii) In the town of Barnesville, the Montgomery County Board of License Commissioners may issue:

~~1. A CLASS B BEER, WINE AND LIQUOR LICENSE; OR~~

~~2. [a] A A special 7-day on-sale beer, wine and liquor license to any bona fide religious, fraternal, civic, or charitable organization.~~

(iii) In the town of Kensington, the Montgomery County Board of License Commissioners may issue:

~~1. A CLASS B BEER, WINE AND LIQUOR LICENSE; OR~~

~~2. [a] A A special 2-day on-sale beer and wine license or a special 2-day on-sale beer, wine and liquor license to any bona fide religious, fraternal, civic, or charitable organization holding an event on municipal property located at 3710 Mitchell Street, Kensington, Maryland.~~

(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.

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 subsubparagraphs 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 subsubparagraph 1I, J, K, and L of this subparagraph may not serve alcoholic beverages after 11 p.m.

(v) 1. In the town of Kensington, the Montgomery County Board of License Commissioners may issue:

A. Not more than three Class A (off–sale) beer and light wine licenses for use in the commercial areas specified in subparagraph (iv)1 of this paragraph; and

B. Subject to subparagraphs 5 and 6 of this subparagraph, not more than three beer and wine sampling or tasting (BWST) licenses for holding tastings or samplings of beer and wine.

2. A Class A beer and light wine license authorizes the holder to keep for sale and sell beer or light wine for consumption off the premises 7 days a week, from 10 a.m. to 8 p.m. daily.

3. A holder of a Class A beer and light wine license may not:

A. Sell single bottles or cans of beer;

B. Sell refrigerated products; or

C. On a side, door, or window of the building of the licensed premises, place a sign or other display that advertises alcoholic beverages in a publicly visible location.

4. The annual license fee is \$250.

5. The Montgomery County Board of License Commissioners may issue a beer and wine sampling or tasting (BWST) license established under § 8–408.2 of this title to a holder of a Class A license under this subparagraph for holding tastings or samplings of beer and wine.

6. A beer and wine sampling or tasting (BWST) license issued under this subparagraph is subject to the fee, serving limits, and other license requirements established under § 8–408.2 of this title.

(vi) In Damascus (12th election district), the Montgomery County Board of License Commissioners may issue:

~~1. A CLASS B BEER, WINE AND LIQUOR LICENSE; OR~~

~~2. [a] A special 7-day Class C on-sale beer, wine and liquor license to any bona fide volunteer fire department.~~

~~(vii) IN WASHINGTON GROVE, THE MONTGOMERY COUNTY BOARD OF LICENSE COMMISSIONERS MAY ISSUE A CLASS B BEER, WINE AND LIQUOR LICENSE.~~

(d) (1) The Montgomery County Board of License Commissioners may issue, renew, and transfer and otherwise provide for 8 classes of alcoholic beverages licenses in the City of Takoma Park as follows:

licenses;

licenses;

licenses;

(iv) Class H-TP (on-sale) beer license;

(v) Class D-TP (on- and off-sale) beer and light wine license;

(vi) Class A-TP (off-sale) beer, wine and liquor license;

(vii) Class C-TP (on-sale) beer, wine and liquor license; and

(viii) Beer and wine sampling or tasting (BWST) licenses issued under § 8-408.2 of this title.

(e) The Board of License Commissioners may issue, renew, and transfer and otherwise provide a maximum of 2 Class H (on-sale) beer and light wine, hotel and restaurant licenses for use in the town of Laytonsville provided that:

(1) No license may be issued to any restaurant in which pool tables, billiard tables, shuffleboards, dart boards, video games, pinball machines, or recreational devices are used; and

(2) Alcoholic beverages served by a licensee may only be consumed by patrons while patrons are seated.

(f) The Montgomery County Board of License Commissioners may issue, renew, and transfer and otherwise provide Class H (on-sale) beer and light wine, hotel, and restaurant licenses for use in Damascus (12th election district) provided that:

(1) A license may not be issued to any restaurant in which pool tables, billiard tables, shuffleboards, dart boards, video games, pinball machines, or recreational devices are used; and

(2) Alcoholic beverages served by a licensee may be consumed by a patron only while the patron is seated.

9-102.

(a) (1) No more than one license provided by this article, except by way of renewal or as otherwise provided in this section, shall be issued in any county or

Baltimore City, to any person, or for the use of any partnership, corporation, unincorporated association, or limited liability company, in Baltimore City or any county of the State.

(2) No more than one license shall be issued for the same premises except as provided in §§ 2–201 through 2–208, 2–301, and 6–701 and Title 7.5 of this article.

(3) This subsection may not be construed to apply to § 6–201(r)(4), (15), (17), and (18), § 7–101(b) and (c), § 8–202(g)(2)(ii) and (iii), § 8–217(e), § 8–508, § 8–902, ~~§ 9–102.1~~, § 9–217(b–1), or § 12–202 of this article.

9–102.1.

(a) This section applies only in Montgomery County.

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

(2) “Board” means the Board of License Commissioners.

[(3) “Enterprise zone” has the meaning stated in § 5–701 of the Economic Development Article.]

[(4) (3) “License” means a Class B beer, wine and liquor on-sale only license.

~~[(5) (4) “Original license” means a Class B license as set forth in § 6–201(e) of this article.~~

~~(e) (1) **THE BOARD MAY NOT IMPOSE ON A HOLDER OF A CLASS B BEER, WINE AND LIQUOR LICENSE A LIMIT ON THE NUMBER OF ADDITIONAL LICENSES OF THE SAME CLASS AND TYPE THAT THE HOLDER MAY APPLY FOR AND BE ELIGIBLE TO RECEIVE.**~~

~~(2) **After making an application and paying the fees, the holder of an original license may obtain the additional license or licenses authorized by this section.**~~

~~(d) (1) **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A PERSON MAY HOLD A MAXIMUM OF 10 LICENSES.**~~

(2) (I) A licensee may obtain additional licenses for premises operated as a public hotel.

~~(2)~~ (II) An applicant for this additional license shall:

~~(i)~~ **1.** Meet the minimum requirements set forth in § 6–201(a)(3) of this article. If the capital investment in the hotel exceeds \$3,000,000, the building height and elevator requirements required by that section do not apply; and

~~(ii)~~ **2.** Have a minimum restaurant seating capacity, as specified in § 6–201(a)(3) of this article, of 100 persons.

[(e) (1)] A licensee may obtain one additional license for premises which meet the qualifications specified in this subsection. For identification purposes, the additional license may be referred to as a “1–year” license.

(2) An applicant for this additional license shall:

(i) Have the applicant’s place of business located in this State;

(ii) Have been the holder of a license for at least 1 year; and

(iii) Operate a restaurant, as defined by regulations of the Board.

(3) This is an on–sale license only.

(f) (1) A licensee may obtain not more than two additional licenses for premises which meet the qualifications specified in this subsection. For identification purposes, this additional license may be referred to as an enterprise zone license.

(2) Each restaurant shall be located within one of two designated enterprise zones, with not more than one restaurant in each enterprise zone.

(3) The requirement that the holder have been a licensee for 1 year does not apply to this subsection.

(4) A licensee may obtain an additional license for a premises in a designated enterprise zone, even after the incentives and initiatives for a business entity in the designated enterprise zone are eliminated or reduced.

(g) (1) A licensee may obtain one additional license for premises which meet the qualifications specified in this subsection. For identification purposes, this additional license may be referred to as a “Rockville” license.

(2) The restaurant shall be located within the Rockville Town Center zoned property.

(3) The requirement that the holder have been a licensee for 1 year does not apply to this subsection.

(h) (1) A licensee may obtain one additional license for premises that meet the qualifications specified in this subsection. For identification purposes, each additional license may be referred to as a “Germantown” license.

(2) The restaurant shall be located within the Germantown Town Center district.

(3) The requirement that the holder have been a licensee for 1 year does not apply to this subsection.

(i) (1) A licensee may obtain up to one additional license for premises that meet the qualifications specified in this subsection. For identification purposes, each additional license may be referred to as a “Gaithersburg” license.

(2) The restaurant shall be located within the City of Gaithersburg.

(3) The requirement that the holder have been a licensee for 1 year does not apply to this subsection.

(j) (1) A licensee may obtain up to one additional license for premises that meet the qualifications specified in this subsection. For identification purposes, each additional license may be referred to as a “Montgomery Village” license.

(2) The restaurant shall be located within the town sector zoned area called Montgomery Village.

(3) The requirement that the holder have been a licensee for 1 year does not apply to this subsection.

(k) (1) A licensee may obtain one additional license for premises that meet the qualifications specified in this subsection. For identification purposes, each additional license may be referred to as an “East County” license.

(2) The restaurant shall be located in an area bounded by the Howard County–Montgomery County line on the north, the Prince George’s County–Montgomery County line on the east, the Capital Beltway (I–495) on the south, and a line 3,000 feet west of the center of Columbia Pike on the west.

(3) The requirement that the holder have been a licensee for 1 year does not apply to this subsection.

(l) (1) A licensee may obtain a maximum of two additional licenses for premises which meet the qualifications specified in this subsection. For identification purposes, each additional license may be referred to as an “incentive” license.

(2) An applicant for an additional license shall:

(i) Have the applicant's place of business located in this State;

(ii) Operate a restaurant, as defined by regulations of the Board; and

(iii) Hold an enterprise zone license, a Rockville license, a Germantown license, a Gaithersburg license, a Montgomery Village license, or an East County license.

(3) A maximum of one incentive license may be issued for each enterprise zone license, Rockville license, Germantown license, Gaithersburg license, Montgomery Village license, or East County license.

(4) The requirement that the holder have been a licensee for 1 year does not apply to this subsection.

(5) This is an on-sale license only.

(m) (1) A licensee may obtain one additional license for premises which meet the qualifications specified in this subsection. For identification purposes, the additional license may be referred to as a "5-year" license.

(2) An applicant for an additional license shall:

(i) Have the applicant's place of business located in this State;

(ii) Have been for at least 5 years the holder of two licenses under this section that are not restricted by location; and

(iii) Operate a restaurant, as defined by regulations of the Board.

(3) This is an on-sale license only.

(n) (1) Subsection (o) of this section excludes additional licenses issued pursuant to subsection (d) of this section, which relates to public hotels.

(2) This section does not permit the issuance to a person or for the use of any partnership, corporation, unincorporated association, or limited liability company of more than the number of licenses specified.

(o) (1) A licensee that holds an original license, may obtain a maximum of 9 additional licenses and may not hold more than 10 licenses altogether.

(2) Subject to the requirements of subsections (e) through (m) of this section, a licensee may hold any combination of the following licenses:

- (i) One 1–year license under subsection (e) of this section;
 - (ii) One 5–year license under subsection (m) of this section;
 - (iii) One enterprise zone license in each of two enterprise zones under subsection (f) of this section;
 - (iv) One Rockville license under subsection (g) of this section;
 - (v) One Germantown license under subsection (h) of this section;
 - (vi) One Gaithersburg license under subsection (i) of this section;
 - (vii) One Montgomery Village license under subsection (j) of this section;
 - (viii) One East County license under subsection (k) of this section;
- and
- (ix) Two incentive licenses under subsection (l) of this section.]

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

Approved by the Governor, May 15, 2014.

Chapter 587

(House Bill 154)

AN ACT concerning

Natural Resources – Sport Fisheries Advisory Commission – Membership

FOR the purpose of altering the number of members on the Sport Fisheries Advisory Commission; providing that the Sport Fisheries Advisory Commission include a certain member of the Tidal Fisheries Advisory Commission; and generally relating to the Sport Fisheries Advisory Commission.

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 4–204(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 4–204(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 – Natural Resources

4–204.

(a) (1) There is a Tidal Fisheries Advisory Commission in the Department.

(2) The Commission is composed of up to 15 members appointed and serving in accordance with the procedures adopted under § 1–102(c) of this article.

(3) (i) Up to 14 commercial watermen and one member of the Sport Fisheries Advisory Commission shall comprise the Commission.

(ii) The composition of the Commission shall reflect the geographic regions of the State where the commercial fishing industry is operating.

(4) The term of a member is 2 years.

(5) The terms of members are staggered as required by the terms provided for members of the Commission on July 1, 2010.

(6) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(7) 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.

(b) (1) There is a Sport Fisheries Advisory Commission in the Department.

(2) The Commission shall provide the Department advice on recreational fisheries matters.

(3) **(I)** The Commission is composed of **[15] 16** members appointed and serving in accordance with the provisions of § 1–102(c) of this article, **INCLUDING ONE MEMBER OF THE TIDAL FISHERIES ADVISORY COMMISSION WHO IS NOT THE REPRESENTATIVE OF THE SPORT FISHERIES ADVISORY COMMISSION**

**SERVING ON THE TIDAL FISHERIES ADVISORY COMMISSION UNDER
SUBSECTION (A)(3)(I) OF THIS SECTION.**

(II) The experience and backgrounds of Commission members shall represent the diversified angling interests and waters of the State.

(4) (i) The term of a member is 4 years and a member may be reappointed.

(ii) The terms of members are staggered as required by the terms provided for members of the Commission on July 1, 2010.

(iii) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(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 and qualifies.

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

Approved by the Governor, May 15, 2014.

Chapter 588

(House Bill 168)

AN ACT concerning

**Department of Labor, Licensing, and Regulation – Boards, Commissions, and
Councils – Member Removal**

FOR the purpose of ~~requiring the Governor to remove~~ *providing that* a member of a certain board, commission, or council under the Department of Labor, Licensing, and Regulation *shall be considered to have resigned* if the member does not attend at least a certain number of meetings during ~~the prior year~~ *a certain period of time* while the member was serving on the board, commission, or council, subject to a certain exception; requiring certain notice to be provided to the Governor; requiring the Governor to appoint a successor under certain circumstances; making stylistic and technical changes; and generally relating to the removal of appointed members of boards, commissions, and councils under the Department of Labor, Licensing, and Regulation.

BY renumbering

Article – Public Safety

Section 12–904(e) through (i), respectively
to be Section 12–904(f) through (j), respectively
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,
Article – Business Occupations and Professions
Section 2–202(a) and (b) and 21–202(a) and (b)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Business Occupations and Professions
Section 2–202(g), 3–202(h), 4–202(g), 5–202(g), 6–202(h), 6.5–202(g), 7–202(h),
8–202(j), 9–202(g), 11–202(g), 12–202(f), 14–202(h), 15–202(f), 16–202(f),
17–202(g), and 21–202(e)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 3–304(d), 4–202(d), 7–202(f), 9A–202(g), and 11–202(f)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,
Article – Business Regulation
Section 8–202(g)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY adding to
Article – Labor and Employment
Section 11–403(c), 11–505(g), and 11–901(e)
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY adding to
Article – Public Safety
Section 12–820(c) and 12–904(e)
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,
Article – State Government
Section 8–501
Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 12–904(e) through (i), respectively, of Article – Public Safety of the Annotated Code of Maryland be renumbered to be Section(s) 12–904(f) through (j), respectively.

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

Article – Business Occupations and Professions

2–202.

- (a) (1) The Board consists of 7 members.
- (2) Of the 7 members of the Board:
- (i) 5 shall be licensed certified public accountants, of whom:
1. 4 shall practice certified public accountancy actively;
- and
2. 1 shall be a full–time professor of accounting at an accredited college; and
- (ii) 2 shall be consumer members.
- (3) The Governor shall appoint the members with the advice of the Secretary.
- (b) Each member of the Board shall be:
- (1) a citizen of the United States; and
- (2) a resident of the State.
- (g) (1) The Governor may remove a member for incompetence or misconduct.
- (2) The Governor shall remove a member who ceases to meet the requirements under which the member was appointed, as provided under subsections (a) and (b) of this section.

(3) EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (5) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO

HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(4) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(5) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

3-202.

(h) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

4-202.

(g) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF

THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW ~~A~~ THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE PRESIDENT SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

5-202.

(g) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW ~~A~~ THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

6-202.

(h) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

6.5-202.

(g) (1) The Governor may remove a member for incompetence, misconduct, neglect of duties, or other sufficient cause.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIR SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

7-202.

(h) (1) The Governor may remove a member for:

[(1)] (I) incompetence;

[(2)] (II) misconduct; or

[(3)] (III) habitual or willful neglect of duty.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO

HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ **ANY CONSECUTIVE 12-MONTH PERIOD** WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY **WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING** IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

8-202.

(j) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ **A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED** IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ **ANY CONSECUTIVE 12-MONTH PERIOD** WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY **WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING** IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

9-202.

(g) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ **A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED** IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF

THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

11-202.

(g) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED WHO HAS BEEN APPOINTED TO THE BOARD BY THE GOVERNOR IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRPERSON SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

12-202.

(f) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF

THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW ~~A~~ THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

14-202.

(h) (1) The Governor may remove a member for incompetence, misconduct, neglect of duties, or other sufficient cause.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW ~~A~~ THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

15-202.

(f) (1) The Governor may remove a member for incompetence, misconduct, neglect of duties, or other good cause.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

16-202.

(f) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE COMMISSION MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE COMMISSION.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

17-202.

(g) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE COMMISSION MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE COMMISSION.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW ~~A~~ THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

21-202.

(a) (1) The Board consists of eight members of which:

(i) seven shall have at least 5 years of tax preparation experience; and

(ii) one shall be a member of a nonprofit tax program or nonprofit consumer advocate program.

(2) The Governor shall appoint the members with the advice of the Secretary, the Comptroller, and the Attorney General.

(3) Members of the following groups shall be considered for membership on the Board:

(i) a member of a nonprofit tax program or nonprofit consumer advocate program;

(ii) a commercial individual tax preparer who has been in practice in the State for more than 10 years and has at least 200 employees;

(iii) a member of the Maryland Association of Certified Public Accountants;

(iv) a member of the Maryland Society of Accountants, Inc.;

(v) a member of the Maryland State Bar Association; and

(vi) a member of the National Association of Enrolled Agents.

(b) Each member of the Board shall be:

(1) a citizen of the United States; and

(2) a resident of the State.

(e) (1) The Governor may remove a member for incompetence, misconduct, neglect of duties, or other sufficient cause.

(2) The Governor shall remove a member who ceases to meet the requirements under which the member was appointed, as provided under subsections (a) and (b) of this section.

(3) EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (5) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(4) THE GOVERNOR MAY WAIVE THE MEMBER'S RESIGNATION AND ALLOW ~~A~~ THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(5) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIR SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

Article – Business Regulation

3-304.

(d) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW ~~A~~ THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

4-202.

(d) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE COMMISSION MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE COMMISSION.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

7-202.

(f) (1) The Governor may remove an appointed member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED WHO HAS BEEN APPOINTED TO THE BOARD BY THE GOVERNOR IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

8-202.

(g) (1) The Governor may remove a member for incompetence or misconduct.

(2) Except as provided in paragraph (3) of this subsection and subject to paragraph (4) of this subsection, the Governor shall remove a member if the member did not attend at least two-thirds of the Commission meetings held during the prior year while the member was serving on the Commission.

(3) The Governor may allow a member to continue serving if the member has been unable to attend meetings for reasons satisfactory to the Governor and the reasons are made public.

(4) In accordance with § 8-501 of the State Government Article, the chairman shall provide notice to the Governor and the Governor shall appoint a successor.

9A-202.

(g) (1) The term of a member is 3 years.

(2) The terms of members are staggered as required by the terms provided for members of the Board on January 1, 1993.

(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) Board members are eligible for reappointment, but may not serve more than 2 consecutive terms.

[(6)] (H) (1) The Governor may remove a member for incompetence or misconduct.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

11-202.

(f) (1) Subject to the hearing requirements of [this] subsection (G) OF THIS SECTION, the Governor, with the advice of the Secretary, may remove a member of the Commission for inefficiency, misconduct in office, or neglect of duty.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(3) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A ~~THE~~ MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(4) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

[(2)] (G) (1) Before the Governor removes a member, the Governor shall give the member an opportunity for a public hearing.

[(3)] (2) At least 10 days before the hearing, the Governor shall give the member:

- (i) a copy of the charges; and
- (ii) notice of the time and place of the hearing.

[(4)] (3) The member may be represented at the hearing by counsel.

[(5)] (4) If the Governor removes a member, the Governor shall submit to the Secretary of State:

- (i) a statement of all charges made against the member;
- (ii) the findings of the Governor; and
- (iii) a record of the proceedings.

Article – Labor and Employment

11-403.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE COUNCIL MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE COUNCIL.

(2) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(3) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

11-505.

(G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(2) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(3) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIR SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

11-901.

(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED WHO HAS BEEN APPOINTED TO THE COUNCIL BY THE GOVERNOR IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE COUNCIL MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE COUNCIL.

(2) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(3) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE COCHAIRS SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

Article – Public Safety

12-820.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED WHO HAS BEEN APPOINTED TO THE BOARD BY THE GOVERNOR IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(2) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(3) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

12-904.

(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, ~~THE GOVERNOR SHALL REMOVE A MEMBER~~ A MEMBER SHALL BE CONSIDERED TO HAVE RESIGNED WHO HAS BEEN APPOINTED TO THE BOARD BY THE GOVERNOR IF THE MEMBER DID NOT ATTEND AT LEAST TWO-THIRDS OF THE BOARD MEETINGS HELD DURING ~~THE PRIOR YEAR~~ ANY CONSECUTIVE 12-MONTH PERIOD WHILE THE MEMBER WAS SERVING ON THE BOARD.

(2) THE GOVERNOR MAY WAIVE A MEMBER'S RESIGNATION AND ALLOW A THE MEMBER TO CONTINUE SERVING IF THE MEMBER HAS BEEN UNABLE TO ATTEND MEETINGS FOR REASONS SATISFACTORY TO THE GOVERNOR AND THE REASONS ARE MADE PUBLIC.

(3) IN ACCORDANCE WITH § 8-501 OF THE STATE GOVERNMENT ARTICLE, THE CHAIRMAN SHALL PROVIDE NOTICE TO THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A SUCCESSOR.

Article – State Government

8-501.

(a) A member of a State board or commission appointed by the Governor who fails to attend at least 50% of the meetings of the board or commission during any consecutive 12-month period shall be considered to have resigned.

(b) Not later than January 15 of the year following the end of the 12-month period the chairman of the board or commission shall forward to the Governor:

(1) the name of the individual considered to have resigned; and

(2) a statement describing the individual's history of attendance during the period.

(c) Except as provided in subsection (d) of this section, after receiving the chairman's statement the Governor shall appoint a successor for the remainder of the term of the individual.

(d) If the individual has been unable to attend meetings for reasons satisfactory to the Governor, the Governor may waive the resignation if the reasons are made public.

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

Approved by the Governor, May 15, 2014.

Chapter 589**(House Bill 207)**

AN ACT concerning

State Capital Projects – High Performance Buildings – Maryland Green Building Council

FOR the purpose of altering the definition of a “high performance building” as it applies to certain provisions of law relating to State capital projects; requiring the Maryland Green Building Council to establish a process for receiving public input; and generally relating to State capital projects for the construction and renovation of high performance buildings and the Maryland Green Building Council.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 3–602.1 and 4–809(f)
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 Finance and Procurement

3–602.1.

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

(2) “High performance building” means a building that:

(i) meets or exceeds the current version of the U.S. Green Building Council’s LEED (Leadership in Energy and Environmental Design) Green Building Rating System Silver rating; [or]

(ii) achieves at least a comparable numeric rating according to a nationally recognized, accepted, and appropriate numeric sustainable development rating system, guideline, or standard approved by the Secretaries of Budget and Management and General Services; **OR**

(III) COMPLIES WITH A NATIONALLY RECOGNIZED AND ACCEPTED GREEN BUILDING CODE, GUIDELINE, OR STANDARD REVIEWED AND RECOMMENDED BY THE MARYLAND GREEN BUILDING COUNCIL AND

APPROVED BY THE ~~SECRETARY~~ SECRETARIES OF BUDGET AND MANAGEMENT
AND ~~THE SECRETARY OF~~ GENERAL SERVICES.

- (3) "Major renovation" means the renovation of a building where:
- (i) the building shell is to be reused for the new construction;
 - (ii) the heating, ventilating, and air conditioning (HVAC), electrical, and plumbing systems are to be replaced; and
 - (iii) the scope of the renovation is 7,500 square feet or greater.
- (b) It is the intent of the General Assembly that, to the extent practicable:
- (1) the State shall employ green building technologies when constructing or renovating a State building not subject to this section; and
 - (2) high performance buildings shall meet the criteria and standards established under the "High Performance Green Building Program" adopted by the Maryland Green Building Council.
- (c) (1) This subsection applies to:
- (i) capital projects that are funded solely with State funds; and
 - (ii) community college capital projects that receive State funds.
- (2) Except as provided in subsections (d) and (e) of this section, if a capital project includes the construction or major renovation of a building that is 7,500 square feet or greater, the building shall be constructed or renovated to be a high performance building.
- (d) The following types of unoccupied buildings are not required to be constructed or renovated to be high performance buildings:
- (1) warehouse and storage facilities;
 - (2) garages;
 - (3) maintenance facilities;
 - (4) transmitter buildings;
 - (5) pumping stations; and
 - (6) other similar types of buildings, as determined by the Department.

(e) (1) The Department of Budget and Management and the Department of General Services shall jointly establish a process to allow a unit of State government or a community college to obtain a waiver from complying with subsection (c) of this section.

(2) The waiver process shall:

(i) include a review by the Maryland Green Building Council established under § 4–809 of this article, to determine if the use of a high performance building in a proposed capital project is not practicable; and

(ii) require the approval of a waiver by the Secretaries of Budget and Management, General Services, and Transportation.

4–809.

(f) The Maryland Green Building Council shall:

(1) evaluate current high performance building technologies;

(2) provide recommendations concerning the most cost-effective green building technologies that the State might consider requiring in the construction of State facilities, including consideration of the additional cost associated with the various technologies;

(3) provide recommendations concerning how to expand green building in the State; [and]

(4) develop a list of building types for which green building technologies should not be applied, taking into consideration the operational aspects of facilities evaluated, and the utility of a waiver process where appropriate; AND

(5) ESTABLISH A PROCESS FOR RECEIVING PUBLIC INPUT.

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

Approved by the Governor, May 15, 2014.

Chapter 590

(House Bill 217)

AN ACT concerning

Maryland Income Tax Refund – Washington County – Warrants

FOR the purpose of altering the requirement for the Comptroller to withhold Maryland income tax refunds of certain individuals with outstanding warrants to include residents of Washington County or individuals who have outstanding warrants from Washington County; providing for the termination of this Act; and generally relating to withholding income tax refunds for individuals with outstanding warrants.

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 13–935 and 13–937 through 13–940
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 13–936
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

13–935.

- (a) In this part the following words have the meanings indicated.
- (b) “Refund” means an individual’s Maryland income tax refund.
- (c)
 - (1) “Warrant” means a criminal arrest warrant.
 - (2) “Warrant” includes a warrant issued for or that results from:
 - (i) a failure to appear before a court of the State;
 - (ii) a violation of the Maryland Vehicle Law that is punishable by a term of confinement; or
 - (iii) a violation of probation.
 - (3) “Warrant” does not include a body attachment.
- (d) “Warrant official” means an official of the federal, State, or local government charged with serving a warrant.

13–936.

(a) This part applies only to individuals who:

(1) are residents of Anne Arundel County **OR WASHINGTON COUNTY**; or

(2) have an outstanding warrant from Anne Arundel County **OR WASHINGTON COUNTY**.

(b) This part does not apply to an individual:

(1) who is an active duty member of the armed forces of the United States; or

(2) who files a joint Maryland income tax return.

13–937.

A warrant official may:

(1) certify to the Comptroller the existence of an outstanding warrant for an individual who is a resident of Maryland or who receives income from Maryland; and

(2) request the Comptroller to withhold any refund to which the individual is entitled.

13–938.

(a) A certification by a warrant official to the Comptroller shall include:

(1) the full name and address of the individual and any other names known to be used by the individual;

(2) the Social Security number or federal tax identification number; and

(3) a statement that the warrant is outstanding.

(b) The Comptroller shall determine if an individual for whom a certification is received is due a refund.

(c) As to any individual due a refund for whom a certification is received, the Comptroller shall:

(1) withhold the individual's refund; and

(2) notify the individual of a certification by the warrant official of the existence of an outstanding warrant.

(d) The Comptroller may not pay a refund until the warrant official notifies the Comptroller that the warrant is no longer outstanding.

13-939.

The Comptroller shall withhold and pay any amount as provided in § 13-918 of this subtitle before withholding any part of an income tax refund under § 13-938 of this part.

13-940.

On or before December 1 of each year, the Office of the Comptroller shall report to the House Ways and Means Committee and the Senate Budget and Taxation Committee, in accordance with § 2-1246 of the State Government Article, on the implementation of §§ 13-935 through 13-939 of this part.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014. It shall remain effective for a period of 5 years and, at the end of September 30, 2019, 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 15, 2014.

Chapter 591

(House Bill 243)

AN ACT concerning

Vehicle Laws – Unauthorized Use of Rented Motor Vehicle – Repeal

FOR the purpose of repealing a provision of law that prohibits a person who rents a motor vehicle under a certain agreement from permitting another person to drive the vehicle; repealing a provision of law specifying that if a person rents a motor vehicle under a certain agreement, no other person may drive the vehicle without the consent of the lessor or the agent of the lessor; repealing a certain penalty; and generally relating to the use of rented motor vehicles.

BY repealing
Article – Transportation

Section 18–106 and 27–101(c)(14)
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

[18–106.

(a) If a person rents a motor vehicle under an agreement not to permit another person to drive the vehicle the person may not permit any other person to drive the rented motor vehicle.

(b) If a person rents a motor vehicle under an agreement not to permit another person to drive the vehicle no other person may drive the rented motor vehicle without the consent of the lessor or his agent.]

27–101.

(c) Any person who is convicted of a violation of any of the provisions of the following sections of this article is subject to a fine of not more than \$500 or imprisonment for not more than 2 months or both:

[(14) § 18–106 (“Unauthorized use of rented motor vehicle”);]

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

Approved by the Governor, May 15, 2014.

Chapter 592

(House Bill 274)

AN ACT concerning

**~~Civil Actions Foreclosure Sales of Residential Property~~ – Statute of
Limitations for Certain Specialties and Motion for Certain Deficiency
Judgments**

FOR the purpose of altering the time period within which a civil action on certain specialties shall be filed; authorizing a certain party, ~~within a certain time period,~~ to file a motion for a deficiency judgment under certain circumstances;

~~requiring a certain party that files a certain motion for a deficiency judgment to file be filed within a certain time period; requiring the a certain party to serve the a certain motion in accordance with certain procedures; providing that the filing of a certain motion shall constitute the sole post-ratification remedy available to a certain party under certain circumstances; providing for the application of certain sections provisions of this Act; providing that any cause of action for a deficiency judgment to collect the unpaid balance due on a certain deed of trust, mortgage, or promissory note that accrues arises before a certain date must be filed within a certain time period under certain circumstances; providing that any motion for a deficiency judgment on a certain deed of trust, mortgage, or promissory note for which an auditor's report has final ratification must be filed within a certain time period under certain circumstances; defining certain terms; and generally relating to specialties and deficiency judgments in connection with foreclosure sales of with regard to residential property.~~

BY repealing and reenacting, without amendments,
 Article – Courts and Judicial Proceedings
 Section 5–101
 Annotated Code of Maryland
 (2013 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
 Article – Courts and Judicial Proceedings
 Section 5–102
 Annotated Code of Maryland
 (2013 Replacement Volume and 2013 Supplement)

BY adding to
 Article – Real Property
 Section 7–105.13
 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 – Courts and Judicial Proceedings

5–101.

A civil action at law shall be filed within three years from the date it accrues unless another provision of the Code provides a different period of time within which an action shall be commenced.

5–102.

(a) An action on one of the following specialties shall be filed within 12 years after the cause of action accrues, or within 12 years from the date of the death of the last to die of the principal debtor or creditor, whichever is sooner:

- (1) Promissory note or other instrument under seal;
- (2) Bond except a public officer's bond;
- (3) Judgment;
- (4) Recognizance;
- (5) Contract under seal; or
- (6) Any other specialty.

(b) A payment of principal or interest on a specialty suspends the operation of this section as to the specialty for three years after the date of payment.

(c) This section does not apply to [a]:

(1) A specialty taken for the use of the State; OR

(2) A DEED OF TRUST, MORTGAGE, OR PROMISSORY NOTE THAT HAS BEEN SIGNED UNDER SEAL ~~BY A MORTGAGOR~~ AND SECURES OR IS SECURED BY OWNER-OCCUPIED RESIDENTIAL PROPERTY, AS ~~THAT TERM IS~~ DEFINED IN § 7-105.1 OF THE REAL PROPERTY ARTICLE.

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

Article – Real Property

7-105.13.

(A) (1) ~~WITHIN 180 DAYS AFTER~~ IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “OWNER-OCCUPIED RESIDENTIAL PROPERTY” HAS THE MEANING STATED IN § 7-105.1 OF THIS SUBTITLE.

(3) “RESIDENTIAL PROPERTY” HAS THE MEANING STATED IN § 7-105.1 OF THIS SUBTITLE.

(B) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT WAS OWNER-OCCUPIED RESIDENTIAL PROPERTY AT THE TIME AN ORDER TO DOCKET OR COMPLAINT TO FORECLOSE WAS FILED.

(C) AFTER THE FINAL RATIFICATION OF THE AUDITOR'S REPORT FOLLOWING A SALE MADE IN ACCORDANCE WITH §§ ~~7-105~~ 7-105.1 THROUGH 7-105.8 OF THIS SUBTITLE OR THE MARYLAND RULES, A SECURED PARTY OR AN APPROPRIATE PARTY IN INTEREST MAY FILE A MOTION FOR A DEFICIENCY JUDGMENT IF THE PROCEEDS OF THE SALE, AFTER DEDUCTING ALL COSTS AND EXPENSES ALLOWED BY THE COURT, ARE INSUFFICIENT TO SATISFY THE DEBT AND ACCRUED INTEREST.

(D) ~~A SECURED PARTY OR PARTY IN INTEREST THAT FILES A MOTION FOR DEFICIENCY JUDGMENT UNDER THIS SECTION MUST FILE WITHIN 2~~ SHALL BE FILED WITHIN 3 YEARS ~~OF~~ AFTER THE FINAL RATIFICATION OF THE AUDITOR'S REPORT.

~~(B)~~ (E) THE SECURED PARTY OR PARTY IN INTEREST SHALL SERVE THE MOTION IN ACCORDANCE WITH THE MARYLAND RULES.

(F) THE FILING OF A MOTION FOR DEFICIENCY JUDGMENT IN ACCORDANCE WITH THIS SECTION AND THE MARYLAND RULES SHALL CONSTITUTE THE SOLE POST-RATIFICATION REMEDY AVAILABLE TO A SECURED PARTY OR PARTY IN INTEREST FOR BREACH OF A COVENANT CONTAINED IN A DEED OF TRUST, MORTGAGE, OR PROMISSORY NOTE THAT SECURES OR IS SECURED BY OWNER-OCCUPIED RESIDENTIAL PROPERTY.

~~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 cause of action arising before the effective date of this Act.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That, *except as provided in Section 4 of this Act*, Section 1 of this Act shall be construed to apply prospectively to any cause of action that ~~is filed~~ *arises* on or after the effective date of this Act ~~for a deficiency judgment on a deed of trust, mortgage, or promissory note that has been signed under seal by a mortgagor and secures or is secured by residential property that was owner-occupied residential property at the time the order to docket or complaint to foreclose was filed.~~~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That any cause of action ~~for a deficiency judgment~~ *to collect the unpaid balance due* on a deed of trust, mortgage, or promissory note that has been signed under seal ~~by a mortgagor~~ and secures or is secured by residential property that was owner-occupied residential property at the time the ~~order to docket or complaint to foreclose was filed that accrues~~ *property was*~~

transferred with the unpaid balance that arises before July 1, 2014, and would not be barred under Section § 5–102 of the Courts and Judicial Proceedings Article before July 1, 2014, must be filed within 12 years after the date the action accrues or before July 1, ~~2016~~ 2017, whichever occurs first.

SECTION 5. AND BE IT FURTHER ENACTED, That, *except as provided in Section 6 of this Act*, Section 2 of this Act shall be construed to apply prospectively to any motion for a deficiency judgment that is filed on or after the effective date of this Act on a deed of trust, mortgage, or promissory note that secures or is secured by residential property that was owner-occupied residential property at the time the order to docket or complaint to foreclose was filed.

SECTION 6. AND BE IT FURTHER ENACTED, That any motion for a deficiency judgment on a deed of trust, mortgage, or promissory note that secures or is secured by residential property that was owner-occupied residential property at the time the order to docket or complaint to foreclose was filed for which an auditor's report has final ratification before July 1, 2014, and would not be barred under Maryland Rule 14–216 before July 1, 2014, must be filed within 3 years after the date of final ratification or before July 1, ~~2016~~ 2017, whichever occurs first.

SECTION ~~3~~ 7. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 593

(House Bill 303)

AN ACT concerning

Health Occupations – Licensed Dentists Who ~~Prepare and~~ Dispense Antibiotics – Exclusion From Maryland Pharmacy Act

FOR the purpose of providing that the Maryland Pharmacy Act does not prohibit, under certain circumstances, a licensed dentist from ~~personally preparing and~~ dispensing a full course of treatment of antibiotics to a patient for infection control; and generally relating to the exclusion of licensed dentists from the Maryland Pharmacy Act.

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 12–102(a)(1) and (3)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations
 Section 12–102(h)
 Annotated Code of Maryland
 (2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health Occupations
 Section 12–102(h), (i), and (j),
 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

12–102.

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

(3) “Personally preparing and dispensing” means that the licensed dentist, physician, or podiatrist:

(i) Is physically present on the premises where the prescription is filled; and

(ii) Performs a final check of the prescription before it is provided to the patient.

(H) THIS TITLE DOES NOT PROHIBIT A LICENSED DENTIST FROM ~~PERSONALLY PREPARING AND~~ DISPENSING A FULL COURSE OF ANTIBIOTICS TO A PATIENT FOR INFECTION CONTROL IF:

(1) THE PATIENT IS RECEIVING PRO BONO DENTAL CARE;

(2) THERE IS NO CHARGE FOR THE ANTIBIOTICS; ~~AND~~

(3) THE LICENSED DENTIST ENTERS AN APPROPRIATE RECORD OF THE TREATMENT IN THE PATIENT’S CHART; AND

(4) THE LICENSED DENTIST AFFIXES A LABEL ON THE ANTIBIOTIC CONTAINER THAT INCLUDES:

(I) THE NAME OF THE PATIENT; AND

(II) UNLESS ALREADY PRINTED ON THE CONTAINER:**1. THE EXPIRATION DATE OF THE ANTIBIOTIC; AND****2. THE INSTRUCTIONS FOR TAKING THE ANTIBIOTIC.**

[(h)] (I) This title does not limit the right of a general merchant to sell:

- (1) Any nonprescription drug or device;
- (2) Any commonly used household or domestic remedy; or
- (3) Any farm remedy or ingredient for a spraying solution, in bulk or otherwise.

[(i)] (J) The Board of Pharmacy, the Board of Dental Examiners, the Board of Physicians, and the Board of Podiatric Medical Examiners annually shall report to the Division of Drug Control:

- (1) The names and addresses of its licensees who are authorized to personally prepare and dispense prescription drugs; and
- (2) The names and addresses of its licensees who have reported, in accordance with subsection (c)(2)(iv)12 of this section, that they have personally prepared and dispensed prescription drugs within the previous year.

[(j)] (K) A dentist, physician, or podiatrist who fails to comply with the provisions of this section governing the dispensing of prescription drugs or devices shall:

- (1) Have the dispensing permit revoked; and
- (2) Be subject to disciplinary actions by the appropriate licensing board.

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

Approved by the Governor, May 15, 2014.

AN ACT concerning

Maryland Income Tax Refund – Baltimore City – Warrants

FOR the purpose of altering the requirement for the Comptroller to withhold Maryland income tax refunds from certain individuals with outstanding warrants to include residents of Baltimore City or individuals who have outstanding warrants from Baltimore City; providing for the termination of this Act; and generally relating to withholding income tax refunds from individuals with outstanding warrants.

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 13–935 and 13–937 through 13–940
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 13–936
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

13–935.

- (a) In this part the following words have the meanings indicated.
- (b) “Refund” means an individual’s Maryland income tax refund.
- (c) (1) “Warrant” means a criminal arrest warrant.
 - (2) “Warrant” includes a warrant issued for or that results from:
 - (i) a failure to appear before a court of the State;
 - (ii) a violation of the Maryland Vehicle Law that is punishable by a term of confinement; or
 - (iii) a violation of probation.
 - (3) “Warrant” does not include a body attachment.

(d) “Warrant official” means an official of the federal, State, or local government charged with serving a warrant.

13–936.

(a) This part applies only to individuals who:

(1) are residents of Anne Arundel County **OR BALTIMORE CITY**; or

(2) have an outstanding warrant from Anne Arundel County **OR BALTIMORE CITY**.

(b) This part does not apply to an individual:

(1) who is an active duty member of the armed forces of the United States; or

(2) who files a joint Maryland income tax return.

13–937.

A warrant official may:

(1) certify to the Comptroller the existence of an outstanding warrant for an individual who is a resident of Maryland or who receives income from Maryland; and

(2) request the Comptroller to withhold any refund to which the individual is entitled.

13–938.

(a) A certification by a warrant official to the Comptroller shall include:

(1) the full name and address of the individual and any other names known to be used by the individual;

(2) the Social Security number or federal tax identification number; and

(3) a statement that the warrant is outstanding.

(b) The Comptroller shall determine if an individual for whom a certification is received is due a refund.

(c) As to any individual due a refund for whom a certification is received, the Comptroller shall:

(1) withhold the individual's refund; and

(2) notify the individual of a certification by the warrant official of the existence of an outstanding warrant.

(d) The Comptroller may not pay a refund until the warrant official notifies the Comptroller that the warrant is no longer outstanding.

13-939.

The Comptroller shall withhold and pay any amount as provided in § 13-918 of this subtitle before withholding any part of an income tax refund under § 13-938 of this part.

13-940.

On or before December 1 of each year, the Office of the Comptroller shall report to the House Ways and Means Committee and the Senate Budget and Taxation Committee, in accordance with § 2-1246 of the State Government Article, on the implementation of §§ 13-935 through 13-939 of this part.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014. It shall remain effective for a period of 5 years and, at the end of September 30, 2019, 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 15, 2014.

Chapter 595

(House Bill 321)

AN ACT concerning

Frederick County – Property Tax – Exemption for Property Owned by Affordable Housing Land Trust

FOR the purpose of authorizing the governing body of Frederick County to exempt certain real property owned by certain trusts from the county property tax under certain circumstances; defining certain terms; providing for the application of this Act; and generally relating to a certain property tax exemption in Frederick County.

BY adding to

Article – Tax – Property
Section 7–518
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

7–518.

(A) IN THIS SECTION, “AFFORDABLE HOUSING LAND TRUST” AND “AFFORDABLE HOUSING LAND TRUST AGREEMENT” HAVE THE MEANINGS STATED IN § 14–501 OF THE REAL PROPERTY ARTICLE.

(B) THE GOVERNING BODY OF FREDERICK COUNTY MAY EXEMPT REAL PROPERTY FROM THE FREDERICK COUNTY PROPERTY TAX IF THE REAL PROPERTY IS:

(1) OWNED BY AN AFFORDABLE HOUSING LAND TRUST; AND

(2) NOT SUBJECT TO AN AFFORDABLE HOUSING LAND TRUST AGREEMENT.

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 15, 2014.

Chapter 596

(House Bill 356)

AN ACT concerning

Alcoholic Beverages – Class 8 Farm Breweries – Festival Licenses

FOR the purpose of authorizing the holder of a Class 8 farm brewery license to enter into a certain temporary delivery agreement with a certain distributor for certain purposes under certain circumstances; authorizing the boards of license commissioners of certain counties to issue certain festival licenses to certain holders of certain Class 8 farm brewery licenses for certain purposes;

authorizing holders of certain Class 8 farm brewery licenses to participate in certain festivals; specifying that in Garrett County, a licensee may open on Sundays during certain hours for a certain purpose in a precinct in an election district where the voters, in a certain referendum, have approved Sunday sales at a farm; making a stylistic correction; and generally relating to farm breweries and beer festivals.

BY repealing and reenacting, with amendments,

Article 2B – Alcoholic Beverages

Section 2–209, 8–307(d), 8–801(d), 8–802(b), 8–803(d), 8–804(d), 8–805(d), 8–806(b), and 8–807(d) and (g)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article 2B – Alcoholic Beverages

Section 8–307(a), 8–801(b), 8–802(a), 8–803(a), 8–804(b), 8–805(a), 8–806(a), and 8–807(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

2–209.

(a) (1) There is a Class 8 farm brewery license.

(2) Subject to paragraph (3) of this subsection, a Class 8 farm brewery license allows the licensee to sell and deliver beer manufactured in a facility on the licensed farm or in a facility other than one on the licensed farm to:

(i) A wholesaler licensed to sell and deliver beer in the State; or

(ii) A person in another state authorized to acquire beer.

(3) The beer to be sold and delivered under paragraph (2) of this subsection shall be manufactured with an ingredient from a Maryland agricultural product, including hops, grain, and fruit, produced on the licensed farm.

(4) A Class 8 farm brewery may be located only at the place stated on the license.

(5) Notwithstanding any local law, a licensee may exercise the privileges of a Class 8 farm brewery license.

(6) A licensee may:

(i) Sell beer produced by the licensee for consumption on the licensed farm;

(ii) In an amount not exceeding 6 fluid ounces per brand, provide samples of beer that the licensee produces to a consumer:

1. At no charge; or

2. For a fee; and

(iii) Sell or serve:

1. Bread and other baked goods;

2. Chili;

3. Chocolate;

4. Crackers;

5. Cured meat;

6. Fruits (whole and cut);

7. Salads and vegetables (whole and cut);

8. Hard and soft cheese (whole and cut);

9. Ice cream;

10. Jelly;

11. Jam;

12. Vinegar;

13. Pizza;

14. Prepackaged sandwiches and other prepackaged foods ready to be eaten;

15. Soup; and

16. Condiments.

(7) Subject to subsections (d) and (e) of this section, a licensee may exercise the privileges of the license each day during the following times:

(i) From 10 a.m. to 6 p.m., for consumption of beer and sales and service of food at the licensed farm; and

(ii) From 10 a.m. to 10 p.m., for:

1. Sampling of beer;
2. Consumption of beer off the licensed farm if the beer is packaged in sealed or resealable containers, such as growlers; and
3. Guests who attend a planned promotion event or other organized activity at the licensed farm.

(8) (i) Except as provided in subparagraph (ii) of this paragraph, a Class 8 farm brewery license allows the licensee to operate 7 days a week.

(ii) In Garrett County, a licensee may open on Sundays during the hours allowed under § 11-512(c)(3) of this article to engage in the activities listed in paragraph (3) of this subsection only in an election district **OR A PRECINCT IN AN ELECTION DISTRICT** where the voters, in a referendum authorized by law, have approved Sunday sales at a farm.

(9) Except as provided under subsection (d) of this section, a licensee may not sell or allow to be consumed at the location of the farm brewery any alcoholic beverage other than the beer produced by the licensee under the authority of this section.

(10) Nothing in this subsection limits the application of relevant provisions of Title 21 of the Health – General Article, and regulations adopted under that title, to a licensee.

(b) The place listed on the Class 8 farm brewery license shall be in compliance with § 9-103 of this article.

(c) A licensee may:

(1) Store on its licensed farm, in a segregated area approved by the Comptroller, beer produced at the licensed farm for sale and delivery to a wholesaler licensed in the State or a person outside of the State authorized to acquire the beer;

(2) Brew, bottle, or contract for not more than 15,000 barrels of beer each calendar year;

(3) Contract with the holder of a Class 2 rectifying license, a Class 5 brewery license, or a Class 7 micro–brewery license to brew and bottle beer from ingredients produced on the licensed farm;

(4) Import, export, and transport its beer in accordance with this section; [and]

(5) Store beer at a warehouse for which the licensee has been issued an individual storage permit, for sale and delivery to a wholesaler licensed in the State or a person outside of the State authorized to acquire the beer, or shipment back to the licensed farm, if:

(i) The licensee does not serve or sell beer at the warehouse; and

(ii) The Comptroller has full access at all times to the warehouse to enforce this article; AND

(6) ENTER INTO A TEMPORARY DELIVERY AGREEMENT WITH A DISTRIBUTOR ONLY FOR DELIVERY OF BEER TO A BEER FESTIVAL OR WINE AND BEER FESTIVAL AND THE RETURN OF ANY UNUSED BEER IF:

(I) THE BEER FESTIVAL OR WINE AND BEER FESTIVAL IS IN A SALES TERRITORY FOR WHICH THE HOLDER DOES NOT HAVE A FRANCHISE WITH A DISTRIBUTOR UNDER THE BEER FRANCHISE FAIR DEALING ACT; AND

(II) THE TEMPORARY DELIVERY AGREEMENT IS IN WRITING.

(d) (1) A licensee may sponsor a multibrewery activity at the licensed farm that:

(i) Includes the products of other Maryland breweries; and

(ii) Provides for the sale of beer by the glass for consumption on the premises only.

(2) In a segregated area approved by the Comptroller on the licensed farm, a licensee may store the products of other Maryland breweries for the multibrewery activity.

(3) The multibrewery activity:

(i) May be held from 10 a.m. to 10 p.m. each day; and

(ii) May not exceed 3 consecutive days.

(e) (1) The Office of the Comptroller may issue a special brewery promotional event permit to a licensee.

(2) At least 15 days before holding a planned promotional event, the licensee shall obtain a permit from the Comptroller by filing a notice of the promotional event on the form that the Comptroller provides.

(3) The permit authorizes the licensee to conduct at the licensed farm a promotional event at which the licensee may:

(i) Provide samples of not more than 6 fluid ounces per brand to consumers; and

(ii) Sell beer produced by the licensee to persons who participate in the event.

(4) The beer at the event shall be sold by the glass and for consumption on the premises only.

(5) The licensee may not be issued more than 12 permits in a calendar year.

(6) A single promotional event:

(i) May be held from 10 a.m. to 10 p.m. each day; and

(ii) May not exceed 3 consecutive days.

(7) The permit fee is \$25 per event.

8-307.

(a) This section applies only in Dorchester County.

(d) Notwithstanding any other provision of this article, an applicant for a special festival license shall be a holder of an existing State retail alcoholic beverages license, State Class 3 winery license, State Class 4 limited winery license, State Class 6 pub-brewery license, [or] State Class 7 micro-brewery license, **OR STATE CLASS 8 FARM BREWERY LICENSE** issued under this article.

8-801.

(b) This section applies only in Baltimore City.

(d) Notwithstanding any other provisions of this article, an applicant for a special festival license shall be the holder of an existing Class 5 brewery, Class 6 pub-brewery, [or] Class 7 micro-brewery, **OR CLASS 8 FARM BREWERY**

manufacturer's license issued under this article. Each manufacturer in the beer festival shall obtain a license.

8–802.

(a) The Baltimore County Board of License Commissioners may issue a special beer festival license.

(b) Notwithstanding any other provision to the contrary, an applicant for a special beer festival license shall be a holder of an existing retail alcoholic beverages license issued in the State, Class 5 brewery license, [or] Class 7 micro-brewery license, **OR CLASS 8 FARM BREWERY LICENSE** issued in accordance with this article.

8–803.

(a) In this section, “Board” means the Board of License Commissioners for Frederick 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**.

8–804.

(b) This section applies only in Wicomico County.

(d) (1) Notwithstanding any other provision in this article, an applicant for a special beer festival license shall be the holder of an existing Class 5 brewery, Class 6 pub-brewery, [or] Class 7 micro-brewery, **OR CLASS 8 FARM BREWERY** manufacturer's license issued under this article.

(2) Each manufacturer that participates in the beer festival shall obtain a special beer festival license.

8–805.

(a) In this section, “Board” means the Board of License Commissioners for Carroll 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**.

8–806.

(a) The Alcoholic Beverage Board of St. Mary's County may issue a special beer festival (BF) license.

(b) Notwithstanding any other law, an applicant for a special BF license shall be a holder of an existing retail alcoholic beverages license issued in the State authorizing the sale of beer, a State Class 5 brewery license, a State Class 6 pub-brewery license, [or] a State Class 7 micro-brewery license, **OR A CLASS 8 FARM BREWERY LICENSE.**

8-807.

(b) This section applies only in Garrett County.

(d) Notwithstanding any other provision of this article, an applicant for a festival license shall be a holder of a:

- (1) Retail alcoholic beverages license issued by the Board;
- (2) Class 5 brewery license;
- (3) Class 6 pub-brewery license; [or]
- (4) Class 7 micro-brewery license; **OR**
- (5) CLASS 8 FARM BREWERY LICENSE.**

(g) (1) A product to be displayed and sold at a beer festival shall be:

(i) Invoiced to the holder of the beer festival license by a licensed State wholesaler or holder of a Class 5 brewery license, Class 6 pub-brewery license [or], Class [6] 7 micro-brewery license, **OR CLASS 8 FARM BREWERY LICENSE;** and

(ii) Delivered to the beer festival from the licensed premises of the wholesaler.

(2) When a beer festival license is issued, a holder of a wholesaler's license, a Class 5 brewery license, a Class 6 pub-brewery license, [or] a Class 7 micro-brewery license, **OR A CLASS 8 FARM BREWERY LICENSE** may enter into an agreement with the holder of the beer festival license to deliver beer 2 days before the effective date of the beer festival license and to accept returns not later than 2 days after the expiration date of the beer festival license.

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

Approved by the Governor, May 15, 2014.

Chapter 597

(House Bill 392)

AN ACT concerning

Northeastern Maryland Higher Education Advisory Board – Revisions

FOR the purpose of altering the membership of the Northeastern Maryland Higher Education Advisory Board; repealing a provision that requires the Board to ensure that certain academic programs and policies of the University Center and sites are in compliance with certain policies of the Maryland Higher Education Commission; authorizing the Board to make certain agreements with certain entities under certain circumstances; altering certain definitions; making stylistic changes; and generally relating to the Northeastern Maryland Higher Education Advisory Board.

BY repealing and reenacting, with amendments,

Article – Education

Section 24–901, 24–903, and 24–904

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

24–901.

- (a) In this subtitle the following terms have the meanings indicated.
- (b) “Board” means the Northeast Maryland Higher Education Advisory Board.
- (c) “Center” means the [Higher Education and Conference] **UNIVERSITY** Center at HEAT.
- (d) “Commission” means the Maryland Higher Education Commission.

(e) "Site" means a **LOCATION WHERE A** 4-year institution of higher education [that] offers Commission-approved undergraduate and graduate programs in Cecil County [and] **OR** Harford County [and is affiliated with the Center].

24-903.

(a) The Board consists of the following voting members:

(1) One representative of each of the 4-year institutions of higher education offering a Commission-approved program at the Center [and] **OR** at a site, appointed by the institution; and

(2) The following 10 representatives, appointed in accordance with the bylaws of the Board:

(i) Three representatives of regional businesses, industries, or corporations;

(ii) One representative of the Cecil County Office of Economic Development;

(iii) One representative of the Harford County Office of Economic Development;

(iv) One representative of Cecil College;

(v) One representative of Harford Community College;

(vi) One representative of the Northeast Maryland University Research Park; and

(vii) Two representatives chosen from the community at large.

(b) (1) Each member serves for a term of 3 years and until a successor is appointed and qualifies.

(2) A member may not serve more than two full consecutive terms.

(3) A member appointed to fill a vacancy in an unexpired term serves only for the remainder of that term and until a successor is appointed and qualifies.

(c) (1) (i) Subject to subparagraph (ii) of this paragraph, the chair of the Board shall be elected by the Board from among its members.

(ii) A member who is a representative of an out-of-state institution may not serve as chair.

(2) The voting members may elect other officers and establish committees, including advisory committees, as needed.

(d) In addition to the voting members, the following individuals shall serve as ex officio, nonvoting members:

(1) The Senior Mission Commander of the Aberdeen Proving Ground, or the Commander's designee;

(2) The Garrison Commander of the Aberdeen Proving Ground, or the Commander's designee; and

(3) The Center [Coordinator] **DIRECTOR**.

(e) Each member of the Board:

(1) Serves without compensation; and

(2) Is entitled to reimbursement for expenses in accordance with the Standard State Travel Regulations.

24–904.

(a) In addition to the other powers expressly granted and duties imposed by this title, and subject to the authority of the Commission, the Board has only the powers and duties set forth in this section.

(b) The Board shall:

(1) Assist and support the development of higher education in Cecil County and Harford County;

(2) Assist in setting the missions of and accomplishing the goals and objectives of the sites in Cecil County and Harford County;

(3) Advise the Center, site coordinators, and the supervisory staff to whom the coordinators report on programs offered and facility utilization;

(4) Provide guidance and support in identifying institutions and programs to serve higher education and workforce needs in Cecil County and Harford County;

(5) Assist with the marketing and promotion of programs offered at the Center and sites;

(6) Facilitate interactions among the business, nonprofit, education, and military communities;

(7) Keep separate records and minutes; and

(8) Adopt reasonable rules, regulations, or bylaws to carry out the provisions of this subtitle.

(c) [The Board shall ensure that all academic programs and policies of the Center and sites are in compliance with the policies of and approved by the Commission.

(d)] The Board may apply, accept, and expend any gift, appropriation, or grant from the State, county, or federal government or any other person.

[(e)] (D) The Board may make agreements with the federal, State, or a county government or any other person, if it considers the agreement advisable for the [operation of the Center] **SUPPORT OF HIGHER EDUCATION.**

[(f)] (E) The Board may adopt a corporate seal.

[(g)] (F) In addition to other reports that may be required by the Commission, the Board shall:

(1) Keep records that are consistent with sound business practices and accounting records using generally accepted accounting principles;

(2) Cause an audit by an independent certified public accountant to be made of the accounts and transactions of the Center at the conclusion of each fiscal year; and

(3) For any State money, be subject to an audit by the Office of Legislative Audits, in accordance with §§ 2-1220 through 2-1227 of the State Government Article.

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

Approved by the Governor, May 15, 2014.

Chapter 598

(House Bill 401)

AN ACT concerning

**Health Occupations – Chiropractors, Massage Therapists, Physical
Therapists, and Physical Therapist Assistants – Criminal History Records
Checks Required**

FOR the purpose of requiring certain applicants to the State Board of Chiropractic and Massage Therapy Examiners and the State Board of Physical Therapy Examiners to submit to a certain criminal history records check; requiring certain applicants to submit certain fingerprints and certain fees to the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services under certain circumstances; requiring the Central Repository to forward to certain boards and certain applicants certain criminal history record information; authorizing certain boards to accept certain alternate methods of criminal history records checks under certain circumstances; providing that certain information is confidential, may not be disseminated, and may be used only for certain purposes; authorizing certain individuals to contest the contents of certain statements issued by the Central Repository under certain circumstances; requiring the submission of certain evidence to a certain board as part of a certain application for licensure; requiring certain boards to consider certain factors in determining whether to grant certain licenses or registrations on receipt of certain criminal history record information; prohibiting certain boards from issuing certain licenses or registrations under certain circumstances; authorizing certain boards to deny certain licenses or registrations, reprimand or place on probation certain licensees, or suspend or revoke certain licenses or registrations under certain circumstances; defining a certain term; and generally relating to requiring criminal history records checks for chiropractors, massage therapists, physical therapists, and physical therapist assistants.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 3–302(a), 3–303(a)(4) and (5), 3–306(a), 3–313(27) and (28),
3–5A–06(a)(4) and (5) and (b)(3) and (4), 3–5A–09, 3–5A–11(a)(20) and
(21), 13–302(a), 13–305, 13–308(a), and 13–316(24) and (25)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations

Section 3–302.1, 3–303(a)(6), 3–306(c), 3–313(29), 3–5A–06(a)(6) and (b)(5),
3–5A–11(a)(22), 13–302.1, 13–308(d), and 13–316(26)

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

3-302.

(a) To qualify for a license, an applicant shall be an individual who [meets]:

(1) **SUBMITS TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 3-302.1 OF THIS SUBTITLE;**

(2) **MEETS** the requirements of this section; and

(3) **MEETS** the examination requirements of this title.

3-302.1.

(A) **IN THIS SECTION, "CENTRAL REPOSITORY" MEANS THE CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES.**

(B) **AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK, AN APPLICANT SHALL SUBMIT TO THE CENTRAL REPOSITORY:**

(1) **TWO COMPLETE SETS OF LEGIBLE FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;**

(2) **THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS; AND**

(3) **THE PROCESSING FEE REQUIRED BY THE FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY RECORDS CHECK.**

(C) **IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE BOARD AND TO THE APPLICANT THE CRIMINAL HISTORY RECORD INFORMATION OF THE APPLICANT.**

(D) **IF AN APPLICANT HAS MADE THREE OR MORE UNSUCCESSFUL ATTEMPTS AT SECURING LEGIBLE FINGERPRINTS, THE BOARD MAY ACCEPT AN ALTERNATE METHOD OF A CRIMINAL HISTORY RECORDS CHECK AS PERMITTED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION.**

(E) INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER THIS SECTION:

(1) IS CONFIDENTIAL AND MAY NOT BE REDISSEMINATED; AND

(2) MAY BE USED ONLY FOR THE LICENSING OR REGISTRATION PURPOSE AUTHORIZED BY THIS TITLE.

(F) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS SECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL PROCEDURE ARTICLE.

3-303.

(a) To apply for a license, an applicant shall submit to the Board at least 45 days before an examination:

(4) Satisfactory evidence of good moral character; [and]

(5) An application fee set by the Board; AND

(6) SATISFACTORY EVIDENCE OF HAVING COMPLETED A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 3-302.1 OF THIS SUBTITLE.

3-306.

(a) [The] **SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE** Board shall issue a license to any applicant who:

(1) Pays a license fee set by the Board; and

(2) Otherwise meets the requirements of this title.

(C) (1) ON RECEIPT OF THE CRIMINAL HISTORY RECORD INFORMATION OF AN APPLICANT FOR LICENSURE OR REGISTRATION FORWARDED TO THE BOARD IN ACCORDANCE WITH § 3-302.1 OF THIS SUBTITLE, IN DETERMINING WHETHER TO GRANT A LICENSE OR REGISTRATION, 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) ANY OTHER EVIDENCE THAT DEMONSTRATES WHETHER THE APPLICANT POSES A THREAT TO THE PUBLIC HEALTH OR SAFETY.

(2) THE BOARD MAY NOT ISSUE A LICENSE OR REGISTRATION IF THE CRIMINAL HISTORY RECORD INFORMATION REQUIRED UNDER § 3-302.1 OF THIS SUBTITLE HAS NOT BEEN RECEIVED.

3-313.

Subject to the hearing provisions of § 3-315 of this subtitle, the Board may deny a license to any applicant, reprimand any licensee, place any licensee on probation, with or without conditions, or suspend or revoke a license, or any combination thereof, if the applicant or licensee:

(27) Is physically or mentally impaired to the extent that it impairs the applicant's or licensee's ability to practice chiropractic safely; [or]

(28) Violates any provision of this title; OR

(29) FAILS TO SUBMIT TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 3-302.1 OF THIS SUBTITLE.

3-5A-06.

(a) To qualify for a license, an applicant shall be an individual who:

(4) Has completed 500 hours of education in a Board approved program for the study of massage therapy that includes the following areas of content:

(i) Anatomy and physiology;

(ii) Massage theory, techniques, and practice;

(iii) Contraindications to massage therapy; and

(iv) Professional ethics; [and]

(5) Has passed an examination approved by the Board; AND

(6) SUBMITS TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 3-302.1 OF THIS TITLE.

(b) To qualify for registration, an applicant shall be an individual who:

(3) Has completed 500 hours of education in a Board approved program for the study of massage therapy that includes the following areas of content:

(i) Anatomy and physiology;

(ii) Massage theory, techniques, and practice;

(iii) Contraindications to massage therapy; and

(iv) Professional ethics; [and]

(4) Has passed an examination approved by the Board; AND

(5) SUBMITS TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 3-302.1 OF THIS TITLE.

3-5A-09.

To apply for a license or registration, an applicant shall:

(1) Submit to the Board an application on the form that the Board requires;

(2) Submit to the Board evidence of compliance with the requirements of § 3-5A-05 of this subtitle; [and]

(3) SUBMIT TO THE BOARD SATISFACTORY EVIDENCE OF HAVING COMPLETED A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 3-302.1 OF THIS TITLE; AND

[(3)] (4) Pay the application fee set by the Board.

3-5A-11.

(a) Subject to the hearing provisions of § 3-315 of this title, the Board may deny a license or registration to any applicant, reprimand any licensee or registration holder, place any licensee or registration holder on probation, or suspend or revoke the license of a licensee or the registration of a registration holder if the applicant, licensee, or registration holder:

(20) Engages in conduct that violates the professional code of ethics;
[or]

(21) Knowingly does an act that has been determined by the Board to be a violation of the Board's regulations; **OR**

(22) FAILS TO SUBMIT TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 3-302.1 OF THIS TITLE.

13-302.

(a) (1) To qualify for a physical therapy license, an applicant shall be an individual who [meets]:

(I) MEETS the requirements of:

[i] 1. This section; and

[ii] 2. § 13-303 of this subtitle; **AND**

(II) SUBMITS TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 13-302.1 OF THIS SUBTITLE.

(2) To qualify for a physical therapist assistant license, an applicant shall be an individual who [meets]:

(I) MEETS the requirements of:

[i] 1. This section; and

[ii] 2. § 13-304 of this subtitle; **AND**

(II) SUBMITS TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 13-302.1 OF THIS SUBTITLE.

13-302.1.

(A) IN THIS SECTION, "CENTRAL REPOSITORY" MEANS THE CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES.

(B) AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK, AN APPLICANT SHALL SUBMIT TO THE CENTRAL REPOSITORY:

(1) TWO COMPLETE SETS OF LEGIBLE FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

(2) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS; AND

(3) THE PROCESSING FEE REQUIRED BY THE FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY RECORDS CHECK.

(C) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE BOARD AND TO THE APPLICANT THE CRIMINAL HISTORY RECORD INFORMATION OF THE APPLICANT.

(D) IF AN APPLICANT HAS MADE THREE OR MORE UNSUCCESSFUL ATTEMPTS AT SECURING LEGIBLE FINGERPRINTS, THE BOARD MAY ACCEPT AN ALTERNATE METHOD OF A CRIMINAL HISTORY RECORDS CHECK AS PERMITTED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION.

(E) INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER THIS SECTION:

(1) IS CONFIDENTIAL AND MAY NOT BE REDISSEMINATED; AND

(2) MAY BE USED ONLY FOR THE LICENSING PURPOSE AUTHORIZED BY THIS TITLE.

(F) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS SECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL PROCEDURE ARTICLE.

13-305.

(a) To apply for a physical therapy license, an applicant shall:

(1) Submit to the Board:

- (i) An application on the form that the Board requires;
- (ii) Evidence of completion of:
 - 1. A physical therapy curriculum; and
 - 2. Any clinical training required under the physical therapy curriculum; and
- (iii) Any other document that the Board requires; [and]

(2) SUBMIT TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 13-302.1 OF THIS SUBTITLE; AND

[(2)] (3) Pay to the Board the application fee set by the Board.

- (b) To apply for a physical therapist assistant license, an applicant shall:
 - (1) Submit to the Board:
 - (i) An application on the form that the Board requires;
 - (ii) Evidence of completion of:
 - 1. A physical therapist assistant curriculum; and
 - 2. Any clinical training required under the physical therapist assistant curriculum; and
 - (iii) Any other document that the Board requires; [and]

(2) SUBMIT TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 13-302.1 OF THIS SUBTITLE; AND

[(2)] (3) Pay to the Board the application fee set by the Board.

13-308.

(a) [The] **SUBJECT TO SUBSECTION (D) OF THIS SECTION**, THE Board shall issue the appropriate license to an applicant who meets the requirements of this title for that license.

(D) (1) ON RECEIPT OF THE CRIMINAL HISTORY RECORD INFORMATION OF AN APPLICANT FOR LICENSURE FORWARDED TO THE BOARD

IN ACCORDANCE WITH § 13–302.1 OF THIS SUBTITLE, 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) ANY 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 § 13–302.1 OF THIS SUBTITLE HAS NOT BEEN RECEIVED.

13–316.

Subject to the hearing provisions of § 13–317 of this subtitle, the Board may deny a license or restricted license to any applicant, reprimand any licensee or holder of a restricted license, place any licensee or holder of a restricted license on probation, or suspend or revoke a license or restricted license if the applicant, licensee, or holder:

(24) Willfully and without legal justification, fails to cooperate with a lawful investigation conducted by the Board; [or]

(25) Fails to meet accepted standards in delivering physical therapy or limited physical therapy care; OR

(26) FAILS TO SUBMIT TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 13–302.1 OF THIS SUBTITLE.

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

Approved by the Governor, May 15, 2014.

Chapter 599**(House Bill 446)**

AN ACT concerning

Tax Sales – Reimbursement for Attorney's Fees

FOR the purpose of providing that a plaintiff or the holder of a certificate of sale in a foreclosure action may be reimbursed up to a certain amount for reasonable attorney's fees ~~for certain participation in a bankruptcy proceeding or~~ for opening an estate for certain purposes; providing that a plaintiff or holder of a certificate of sale in a foreclosure action may be reimbursed up to a certain amount for certain expenses incurred for opening an estate for certain purposes; and generally relating to tax sales of property.

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 14–833(a) and (a–1)(1) and (3)(vi)4.
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 14–843(a)(4)
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

14–833.

(a) Except as provided in subsections (a–1), (e), (f), and (g) of this section, at any time after 6 months from the date of sale a holder of any certificate of sale may file a complaint to foreclose all rights of redemption of the property to which the certificate relates.

(a–1) (1) The holder of a certificate of sale may not file a complaint to foreclose the right of redemption until at least 2 months after sending the first notice and at least 30 days after sending the second notice required under this subsection to:

(i) the person who last appears as owner of the property on the collector's tax roll; and

(ii) 1. the current mortgagee of the property, assignee of a mortgagee of record, or servicer of the current mortgage; or

2. the current holder of a beneficial interest in a deed of trust recorded against the property.

(3) The notices required under this subsection shall include at least the following:

(vi) a statement that if the property is redeemed after an action to foreclose the right of redemption has been filed, the amount that shall be paid to redeem the property is the sum of:

4. attorney's fees and expenses to which the holder of the certificate of sale may be entitled under § 14-843(a)(4) and (5) of this subtitle;

14-843.

(a) (4) If an action to foreclose the right of redemption has been filed, the plaintiff or holder of a certificate of sale may be reimbursed for:

(i) attorney's fees in the amount of:

1. \$1,300 if an affidavit of compliance has not been filed, which amount shall be deemed reasonable for both the preparation and filing of the action to foreclose the right of redemption; or

2. \$1,500 if an affidavit of compliance has been filed, which amount shall be deemed reasonable for both the preparation and filing of the action to foreclose the right of redemption;

(II) REASONABLE ATTORNEY'S FEES, NOT TO EXCEED \$1,200, INCURRED BY THE PLAINTIFF OR HOLDER OF A CERTIFICATE OF SALE FOR THE PURPOSES OF DEFENSE IN A DEFENDANT'S BANKRUPTCY PROCEEDING OR FOR OPENING AN ESTATE FOR PURPOSES OF SERVICE OF PROCESS AND NOTICE ON A DEFENDANT'S ESTATE;

[(ii)] (III) in exceptional circumstances, other reasonable attorney's fees incurred and specifically requested by the plaintiff or holder of a certificate of sale and approved by the court, on a case by case basis; and

[(iii)] (IV) if the plaintiff or holder of a certificate of sale provides a signed affidavit attesting to the fact that the expenses were actually incurred, the following expenses actually incurred by the plaintiff or holder of a certificate of sale:

1. filing fee charged by the circuit court for the county in which the property is located;
2. service of process fee, including fees incurred attempting to serve process;
3. a title search fee, not to exceed \$250;
4. if a second title search is conducted more than 6 months after the initial title search, a title search update fee, not to exceed \$75;
5. publication fee charged by a newspaper of general circulation in the county in which the property is located;
6. posting fee;
7. postage and certified mail;
8. substantial repair order fee, not to exceed the fee charged by the government agency issuing the certificate of substantial repair; [and]

9. EXPENSES AND COSTS INCURRED FOR OPENING AN ESTATE OF A DECEASED DEFENDANT FOR PURPOSES OF SERVICE OF PROCESS AND NOTICE, NOT TO EXCEED \$1,200; AND

[9.] **10.** any court approved expense for stabilization or conversion of the property under § 14–830 of this subtitle or in accordance with an action taken against the property by the county in which the property is located in accordance with the applicable building, fire, health, or safety codes.

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

Approved by the Governor, May 15, 2014.

Chapter 600

(House Bill 482)

AN ACT concerning

Higher Education – Unaccompanied Homeless Youth – Tuition Exemption

FOR the purpose of adding certain homeless youths to the list of individuals who may be eligible for a waiver of certain tuition and fees at certain institutions of higher education; requiring a certain administrator to verify ~~a certain youth's status in a certain way~~ that certain youths qualify as certain students under a certain federal act; ~~authorizing a certain administrator to rely on certain documents when making a certain determination if certain other documents are not available~~; defining a certain term; and generally relating to a tuition exemption for unaccompanied homeless youths.

BY repealing and reenacting, with amendments,
Article – Education
Section 15–106.1
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 – Education

15–106.1.

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

(2) (i) “Foster care recipient” means an individual who:

1. Was placed in an out-of-home placement by the Maryland Department of Human Resources; and

2. A. Resided in an out-of-home placement in the State at the time the individual graduated from high school or successfully completed a general equivalency development examination (GED); or

B. Resided in an out-of-home placement in the State on the individual's 13th birthday and was placed into guardianship or adopted out of an out-of-home placement after the individual's 13th birthday.

(ii) “Foster care recipient” includes a younger sibling of an individual described in subparagraph (i) of this paragraph if the younger sibling is concurrently placed into guardianship or adopted out of an out-of-home placement by the same guardianship or adoptive family.

(3) “Out-of-home placement” has the meaning stated in § 5–501 of the Family Law Article.

(4) (i) “Tuition” means the charges imposed by a public institution of higher education for enrollment at the institution.

(ii) "Tuition" includes charges for registration and all fees required as a condition of enrollment.

(5) "UNACCOMPANIED HOMELESS YOUTH" MEANS A CHILD OR YOUTH WHO:

(I) IS NOT IN THE PHYSICAL CUSTODY OF A PARENT OR GUARDIAN; AND

(II) ~~1. IS A HOMELESS CHILD OR YOUTH, AS DEFINED BY THE MCKINNEY-VENTO HOMELESS ASSISTANCE ACT; OR~~

~~2. IS A YOUTH WHO IS AT RISK OF HOMELESSNESS AND SELF-SUPPORTING.~~

~~(B) WHEN DETERMINING WHETHER A YOUTH IS AN UNACCOMPANIED HOMELESS YOUTH, A FINANCIAL AID ADMINISTRATOR:~~

~~(1) SHALL REQUEST WRITTEN VERIFICATION FROM:~~

~~(I) A LOCAL EDUCATIONAL AGENCY HOMELESS LIAISON, AS DEFINED BY THE MCKINNEY-VENTO HOMELESS ASSISTANCE ACT;~~

~~(II) A DIRECTOR OF A PROGRAM FUNDED UNDER THE RUNAWAY AND HOMELESS YOUTH ACT; OR~~

~~(III) A DIRECTOR OF A PROGRAM FUNDED UNDER TITLE IV, SUBTITLE B OF THE MCKINNEY-VENTO HOMELESS ASSISTANCE ACT; AND~~

~~(2) MAY RELY ON A DOCUMENTED INTERVIEW WITH THE YOUTH WHEN THE WRITTEN VERIFICATION REQUIRED UNDER ITEM(1) OF THIS SUBSECTION IS NOT AVAILABLE.~~

(B) WHEN DETERMINING WHETHER A YOUTH IS AN UNACCOMPANIED HOMELESS YOUTH, A FINANCIAL AID ADMINISTRATOR SHALL VERIFY THAT THE YOUTH QUALIFIES AS AN INDEPENDENT STUDENT UNDER THE FEDERAL COLLEGE COST REDUCTION AND ACCESS ACT, 20 U.S.C. § 1087VV(D)(1)(H).

[(b)] (C) (1) A foster care recipient OR AN UNACCOMPANIED HOMELESS YOUTH is exempt from paying any tuition at a public institution of higher education, regardless of that foster care recipient's OR UNACCOMPANIED HOMELESS YOUTH'S receipt of any scholarship or grant if:

(i) The foster care recipient **OR UNACCOMPANIED HOMELESS YOUTH** is enrolled at the institution on or before the date that the foster care recipient **OR UNACCOMPANIED HOMELESS YOUTH** reaches the age of 25 years;

(ii) The foster care recipient **OR UNACCOMPANIED HOMELESS YOUTH** is enrolled as a candidate for a vocational certificate, an associate's degree, or a bachelor's degree; and

(iii) The foster care recipient **OR UNACCOMPANIED HOMELESS YOUTH** has filed for federal and State financial aid by March 1 each year.

(2) If a foster care recipient **OR AN UNACCOMPANIED HOMELESS YOUTH** receives a scholarship or grant for postsecondary study and is enrolled before the recipient's 25th birthday as a candidate for a vocational certificate, an associate's degree, or bachelor's degree at a public institution of higher education, the scholarship or grant may not be applied to the tuition for the foster care recipient **OR UNACCOMPANIED HOMELESS YOUTH**.

(3) A foster care recipient **OR AN UNACCOMPANIED HOMELESS YOUTH** who is exempt from tuition under this section continues to be exempt until the earlier of:

(i) 5 years after first enrolling as a candidate for an associate's degree or a bachelor's degree at a public institution of higher education in the State; or

(ii) The date that the foster care recipient **OR UNACCOMPANIED HOMELESS YOUTH** is awarded a bachelor's degree.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) on or before June 30, 2017, each public institution of higher education in the State shall report to the Maryland Higher Education Commission regarding the number of unaccompanied homeless youth that receive a tuition exemption under § 15–106.1 of the Education Article, as enacted by Section 1 of this Act, in the preceding 3 years; and

(b) on or before September 1, 2017, the Maryland Higher Education Commission shall report, in accordance with § 2–1246 of the State Government Article, to the Senate Education, Health, and Environmental Affairs Committee, the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Ways and Means Committee regarding the information collected under subsection (a) of this section.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 601

(House Bill 510)

AN ACT concerning

Sustainable Communities Tax Credit Program – Extension and Alteration

FOR the purpose of extending and altering the Sustainable Communities Tax Credit Program; providing for a certain tax credit for rehabilitation of certain small commercial properties under certain circumstances; prohibiting the Director of the Maryland Historical Trust from issuing tax credit certificates for small commercial properties under certain circumstances; repealing a certain tax credit for certain rehabilitations; requiring the Director ~~of the Maryland Historical Trust~~ to adopt certain regulations, ~~which shall include certain fees~~; altering the time period in which the Trust must receive a certain fee; prohibiting the Trust from accepting an application for a commercial rehabilitation project under certain circumstances; altering a certain limit on the award of initial credit certificates for commercial rehabilitation projects in a single jurisdiction; altering a certain tax credit for high performance buildings; ~~requiring the amount of a certain tax credit to remain in the Sustainable Communities Tax Credit Reserve Fund under certain circumstances~~; requiring the Governor to include an appropriation to a certain reserve fund for certain fiscal years; extending through a certain fiscal year certain authority for the Director to issue certain initial credit certificates; providing for the expiration of certain tax credits or the revocation of certain credits under certain circumstances; requiring the Director to notify certain persons on or before a certain date; requiring the Director to provide a certain report to the Comptroller; requiring the Maryland Historical Trust to develop certain outreach programs related to the tax credit; altering, adding, and repealing certain defined terms; making certain technical changes; and generally relating to the Sustainable Communities Tax Credit Program.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 5A–303
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Chapter 76 of the Acts of the General Assembly of 2004, as amended by Chapter
425 of the Acts of the General Assembly of 2013
Section 2 1.(h)

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

Article – State Finance and Procurement

5A–303.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Business entity” means:
- (i) a person conducting or operating a trade or business in the State; or
- (ii) an organization operating in Maryland that is exempt from taxation under § 501(c)(3) of the Internal Revenue Code.
- (3) “Certified heritage area” has the meaning stated in § 13–1101 of the Financial Institutions Article.
- (4) (i) “Certified historic structure” means a structure that is located in the State and is:
1. listed in the National Register of Historic Places;
 2. designated as a historic property under local law and determined by the Director to be eligible for listing on the National Register of Historic Places;
 3. A. located in a historic district listed on the National Register of Historic Places or in a local historic district that the Director determines is eligible for listing on the National Register of Historic Places; and
B. certified by the Director as contributing to the significance of the district; or
 4. located in a certified heritage area and certified by the Maryland Heritage Areas Authority as contributing to the significance of the certified heritage area.
- (ii) “Certified historic structure” does not include a structure that is owned by the State, a political subdivision of the State, or the federal government.
- (5) “Certified rehabilitation” means a completed rehabilitation of[

(i)] a certified historic structure that the Director certifies is a substantial rehabilitation in conformance with the rehabilitation standards of the United States Secretary of the Interior[; or

(ii) a qualified rehabilitated structure].

(6) **(I)** “Commercial rehabilitation” means a rehabilitation of a structure other than a single-family, owner-occupied residence.

(II) “COMMERCIAL REHABILITATION” DOES NOT INCLUDE A SMALL COMMERCIAL PROJECT.

(7) “Director” means the Director of the Maryland Historical Trust.

(8) “Financial assistance” means action by the State or a State unit to award grants, loans, loan guarantees, or insurance to a public or private entity to finance, wholly or partly, a project that involves or may result in building construction, building alteration, or land disturbance.

(9) “High performance building” means a building that:

(i) meets or exceeds the current version of the U.S. Green Building Council’s LEED (Leadership in Energy and Environmental Design) green building rating system gold rating; or

(ii) achieves at least a comparable numeric rating according to a nationally recognized, accepted, and appropriate numeric sustainable development rating system, guideline, or standard approved by the Secretaries of Budget and Management and General Services under § 3-602.1 of this article.

(10) (i) “Historic property” means a district, site, building, structure, monument, or object significant to:

1. the prehistory or history of the State; or

2. the upland or underwater archeology, architecture, engineering, or culture of the State.

(ii) “Historic property” includes related artifacts, records, and remains.

(11) “Local historic district” means a district that the governing body of a county or municipal corporation, or the Mayor and City Council of Baltimore, has designated under local law as historic.

(12) [“Main Street Maryland community” means:

(i) a commercial area in a local jurisdiction designated by the Secretary of Housing and Community Development as a Main Street Maryland community under the Main Street Maryland Program on or before January 1, 2010; or

(ii) a commercial area in Baltimore City designated as a Main Street by the Mayor of Baltimore City on or before January 1, 2010.

(13) “Main Street Maryland Program” means the Maryland Main Street designation program for local jurisdictions established in the Code of Maryland Regulations (COMAR).

[(14)] “National register structure” means a structure that is:

(i) listed on the National Register of Historic Places; or

(ii) located in a historic district listed on the National Register of Historic Places and certified by the Director as contributing to the significance of the district.

[(15)] (13) “Political subdivision” means a county or municipal corporation of the State.

[(16)] (i) “Qualified rehabilitated structure” means a building, other than a single-family, owner-occupied residence, that:

1. A. is located in a Main Street Maryland community; or

B. beginning in fiscal 2012, is located in a Main Street Maryland community or a sustainable community;

2. will be substantially rehabilitated; and

3. meets the requirements set forth in subsection (b)(7) of this section.

(ii) “Qualified rehabilitated structure” does not include a certified historic structure.]

[(17)] (14) “Qualified rehabilitation expenditure” means any amount that:

(i) is properly chargeable to a capital account;

(ii) is expended in the rehabilitation of a structure that by the end of the calendar year in which the certified rehabilitation is completed is a certified historic structure [or a qualified rehabilitated structure];

(iii) is expended in compliance with a plan of proposed rehabilitation that has been approved by the Director; and

(iv) is not funded, financed, or otherwise reimbursed by any:

1. State or local grant;
2. grant made from the proceeds of tax-exempt bonds issued by the State, a political subdivision of the State, or an instrumentality of the State or of a political subdivision of the State;
3. State tax credit other than the tax credit under this section; or
4. other financial assistance from the State or a political subdivision of the State, other than a loan that must be repaid at an interest rate that is greater than the interest rate on general obligation bonds issued by the State at the most recent bond sale prior to the time the loan is made.

[(18)] (15) (i) "Single-family, owner-occupied residence" means a structure or a portion of a structure:

1. occupied by the owner and the owner's immediate family as their primary or secondary residence; **OR**
2. **A SMALL COMMERCIAL PROJECT.**

(ii) "Single-family, owner-occupied residence" includes a residential unit in a cooperative project owned by or leased to a cooperative housing corporation, as defined in § 5-6B-01 of the Corporations and Associations Article, and leased for exclusive occupancy to, and occupied by, a member of the corporation and the member's immediate family under a proprietary lease.

(16) (I) "SMALL COMMERCIAL PROJECT" MEANS A REHABILITATION OF A STRUCTURE PRIMARILY USED FOR COMMERCIAL, INCOME-PRODUCING PURPOSES IF:

1. **THE QUALIFIED REHABILITATION EXPENDITURES DO NOT EXCEED \$500,000; AND**
2. **THE STRUCTURE IS LOCATED IN A SUSTAINABLE COMMUNITY.**

(II) “SMALL COMMERCIAL PROJECT” INCLUDES A STRUCTURE THAT IS USED FOR BOTH COMMERCIAL AND RESIDENTIAL RENTAL PURPOSES.

(III) “SMALL COMMERCIAL PROJECT” DOES NOT INCLUDE A STRUCTURE THAT IS USED SOLELY FOR RESIDENTIAL PURPOSES.

[(19)] (17) “Smart Growth Subcabinet” means the Smart Growth Subcabinet established under Title 9, Subtitle 14 of the State Government Article.

[(20)] (18) “State unit” has the meaning stated in § 11–101 of the State Government Article.

[(21)] (19) “Substantial rehabilitation” means rehabilitation of a structure for which the qualified rehabilitation expenditures, during the 24–month period selected by the individual or business entity ending with or within the taxable year, exceed:

(i) for single–family, owner–occupied residential property, \$5,000; **OR**

(ii) [for a qualified rehabilitated structure located in a Main Street Maryland community, the greater of:

1. 50% of the adjusted basis of the structure; or
2. \$25,000; or

(iii) for all other property, the greater of:

1. the adjusted basis of the structure; or
2. \$25,000.

[(22)] (20) “Sustainable community” has the meaning stated in § 6–201 of the Housing and Community Development Article.

(b) (1) The Director, in consultation with the Smart Growth Subcabinet, shall adopt regulations to:

(i) establish procedures and standards for certifying historic structures and rehabilitations under this section;

(ii) for commercial rehabilitations, establish an application process for the award of initial credit certificates for Maryland sustainable communities tax credits consistent with the requirements of this subsection;

(iii) for commercial rehabilitations, establish criteria, consistent with the requirements of this subsection, for evaluating, comparing, and rating plans of proposed rehabilitation that have been determined by the Director[:

1. for certified historic structures,] to conform with the rehabilitation standards of the United States Secretary of the Interior; [and

2. for rehabilitations of the exteriors of qualified rehabilitated structures, to be compatible with the rehabilitation standards of the United States Secretary of the Interior if the structure is located in, or adversely affects:

A. a designated historic district; or

B. a district determined by the Director to be eligible for listing on the National Register of Historic Places; and]

(iv) for commercial rehabilitations, establish a competitive award process for the award of initial credit certificates for Maryland sustainable communities tax credits that favors the award of tax credits for rehabilitation projects that:

1. are located in jurisdictions that have been historically underrepresented in the award of tax credits for commercial rehabilitations, based on the number of national register structures in each jurisdiction;

2. are consistent with and promote current growth and development policies and programs of the State;

3. are located in areas targeted by the State for additional revitalization and economic development opportunities due to the focusing of State resources and incentives;

4. [beginning in fiscal 2012, are located in sustainable communities;

5.] are located in areas where the political subdivision has implemented regulatory streamlining or other development incentives that foster redevelopment and revitalization in priority funding areas, as defined in Title 5, Subtitle 7B of this article, and the appropriate local governing body or the planning board or commission, if designated by the local governing body, has certified to the

Smart Growth Subcabinet those regulatory streamlining or other development incentives; AND

[6.] 5. include affordable and workforce housing options[; and

7. are qualified rehabilitated structures more than 50 years old];

(v) for commercial rehabilitations, determine whether the certified rehabilitation is a high performance building;

(vi) for commercial rehabilitations, establish a required external marker or, at a minimum, an internal marker for the rehabilitation [projects] PROJECT that identifies that the rehabilitation was funded by Maryland sustainable communities tax credits; [and]

(vii) as provided in paragraph [(6)] (7) of this subsection, charge [a] reasonable [fee] FEES to certify historic structures and [qualified rehabilitated structures] REHABILITATIONS under this subtitle;

(VIII) FOR COMMERCIAL REHABILITATIONS, REQUIRE DOCUMENTATION THAT THE APPLICANT HAS OWNERSHIP OR SITE CONTROL OF THE STRUCTURE IN ORDER TO DEMONSTRATE THE ABILITY TO MEET THE REQUIREMENT TO BEGIN WORK AS REQUIRED UNDER SUBSECTION (C)(3)(I)1 OF THIS SECTION;

(IX) FOR COMMERCIAL REHABILITATIONS, PROVIDE A TIME LIMIT FOR APPROVAL OF THE ADDITIONAL TAX CREDIT FOR HIGH PERFORMANCE BUILDINGS PROVIDED FOR IN SUBSECTION (C)(1)(II) OF THIS SECTION; AND

(X) FOR SMALL COMMERCIAL ~~PROJECTS~~, PROJECTS:

1. ESTABLISH CONDITIONS REGARDING THE PERCENTAGE OF THE STRUCTURE THAT MAY BE USED FOR RESIDENTIAL RENTAL PURPOSES IF THE STRUCTURE IS USED FOR BOTH COMMERCIAL AND RESIDENTIAL RENTAL PURPOSES; AND

2. SPECIFY CRITERIA AND PROCEDURES FOR THE ISSUANCE OF INITIAL CREDIT CERTIFICATES UNDER SUBSECTION (E) OF THIS SECTION.

(2) The Director may not certify that a rehabilitation is a certified rehabilitation eligible for a tax credit provided under this section unless the individual

or business entity seeking certification states under oath the amount of the individual's or business entity's qualified rehabilitation expenditures.

(3) Each year, the Director may accept applications for approval of plans of proposed commercial rehabilitations and for the award of initial credit certificates for the fiscal year that begins July 1 of that year.

(4) (I) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A SMALL COMMERCIAL PROJECT SHALL BE TREATED AS A SINGLE-FAMILY, OWNER-OCCUPIED RESIDENTIAL PROPERTY, INCLUDING THE LIMITATION ON THE AMOUNT OF THE TAX CREDIT PROVIDED IN SUBSECTION (C)(2)(II) OF THIS SECTION.

(II) A SMALL COMMERCIAL PROJECT IS SUBJECT TO THE CREDIT RECAPTURE PROVISION IN SUBSECTION ~~(E)~~ (F) OF THIS SECTION.

[(4)] (5) (i) For commercial rehabilitations, the Director may not accept an application for approval of plans of proposed rehabilitation if:

1. any substantial part of the proposed rehabilitation work has begun; or
2. the applicant for a commercial rehabilitation has previously submitted three or more applications for commercial rehabilitations with total proposed rehabilitations exceeding \$500,000 in that year.

(ii) For commercial rehabilitations, the Director may accept an application for approval of plans of a proposed rehabilitation for which a substantial part of the proposed rehabilitation work has begun if the rehabilitation work has been approved under the federal historic tax credit.

[(5) (i)] (6) Except as provided in subsection (d)(3)(iii) of this section, not more than ~~75%~~ 60% of the total credit amounts under initial credit certificates issued for any fiscal year may be issued for projects in a single county or Baltimore City.

[(ii)] Not more than 10% of the total credit amounts under initial credit certificates issued for any fiscal year may be issued for projects that are qualified rehabilitated structures.]

[(6)] (7) (i) The Director shall adopt regulations to charge [a] reasonable [fee] **FEES** to certify historic structures and rehabilitations under this section **WHICH SHALL INCLUDE:**

1. A MINIMUM FEE FOR THE SECOND PHASE OF THE APPLICATION PROCESS;

2. FOR A COMMERCIAL REHABILITATION PROJECT, A FINAL FEE THAT MAY NOT EXCEED 3% OF THE AMOUNT OF THE ISSUED INITIAL CREDIT CERTIFICATE; AND

3. FOR ANY OTHER REHABILITATION PROJECT, A FINAL FEE THAT MAY NOT EXCEED 3% OF THE AMOUNT OF THE CREDIT FOR WHICH THE REHABILITATION WOULD BE ELIGIBLE BASED ON THE GREATER OF THE ESTIMATED OR FINAL QUALIFIED REHABILITATION EXPENDITURES FOR THE REHABILITATION.

(ii) The Director shall set the level of the [fee] FEES so that the projected proceeds from the [fee] FEES will cover the costs to the Trust of administering the credit under this section and the federal historic tax credit.

[(iii) The fee charged may not exceed 3% of the amount of the initial credit certificate issued for a commercial rehabilitation project or the amount of the credit for which a single-family, owner-occupied rehabilitation would be eligible based on the greater of the estimated or final qualified rehabilitation expenditures for the rehabilitation.]

[(iv)] (III) If [the] A fee charged for a commercial rehabilitation is not received by the Trust within [120] 90 days after the Trust sends notice that the fee is due, the initial credit certificate for the rehabilitation shall expire.

(IV) FOR COMMERCIAL REHABILITATIONS, IF AN APPLICANT'S INITIAL CREDIT CERTIFICATE EXPIRED FOR FAILURE TO PAY A FEE AS REQUIRED IN THIS PARAGRAPH, THE TRUST MAY NOT ACCEPT AN APPLICATION FROM THE APPLICANT FOR A COMMERCIAL REHABILITATION DURING THE 3 FISCAL YEARS FOLLOWING THE FISCAL YEAR IN WHICH THE CERTIFICATE EXPIRED.

(v) The proceeds from the [fee] FEES shall be deposited in a special fund, to be used only for the purposes of paying the costs of administering the credit under this section and the federal historic tax credit.

(vi) Any unused balance of the fund at the end of each fiscal year shall be transferred to the Reserve Fund established under subsection (d) of this section and shall increase the amount of the initial credit certificates that the Trust may issue for the following fiscal year.

[(7) For a building to be a qualified rehabilitated structure, after the rehabilitation process:

(i) 50% or more of the existing external walls of the building must be retained in place as external walls;

(ii) 75% or more of the existing external walls of the building must be retained in place as internal or external walls; and

(iii) 75% or more of the internal structural framework of the building must be retained in place.]

(c) (1) (i) Except as otherwise provided in this section, for the taxable year in which a certified rehabilitation is completed, an individual or business entity may claim a tax credit in an amount equal to 20% of the individual's or business entity's qualified rehabilitation expenditures for the rehabilitation.

(ii) For A commercial [rehabilitations] **REHABILITATION**, an individual or business entity may claim [a] **AN ADDITIONAL** tax credit in an amount equal to [25%] **5%** of the individual's or business entity's qualified rehabilitation expenditures if the certified rehabilitation is a certified historic structure and a high performance building.

[(iii) For commercial rehabilitations, an individual or business entity may claim a tax credit in an amount equal to 10% of the individual's or business entity's qualified rehabilitation expenditures if the certified rehabilitation is a qualified rehabilitated structure.]

(2) (i) For any commercial rehabilitation, the State tax credit allowed under this section may not exceed the lesser of:

1. \$3,000,000; or
2. the maximum amount specified under the initial credit certificate issued for the rehabilitation.

(ii) For a rehabilitation other than a commercial rehabilitation, the State tax credit allowed under this section may not exceed \$50,000.

(iii) For the purposes of the limitation under subparagraph (i) of this paragraph, the following shall be treated as a single commercial rehabilitation:

1. the phased rehabilitation of the same structure or property;
2. the separate rehabilitation of different components of the same structure or property; or

3. the rehabilitation of multiple structures that are functionally related to serve an overall purpose.

(3) (i) Subject to subparagraph (ii) of this paragraph, the initial credit certificate for a proposed commercial rehabilitation shall expire and the credit under this section may not be claimed if:

1. within 18 months after the initial credit certificate was issued, the applicant has not notified the Trust, in writing, that the commercial rehabilitation has begun; ~~or~~

2. the commercial rehabilitation is not completed within 30 months after the initial credit certificate was issued; OR

3. THE APPLICANT DOES NOT SUBMIT TO THE TRUST A REQUEST FOR FINAL CERTIFICATION OF THE COMMERCIAL REHABILITATION WITHIN 12 MONTHS AFTER:

A. THE 30-MONTH EXPIRATION DATE UNDER SUBPARAGRAPH (I)2 OF THIS PARAGRAPH; OR

B. THE DATE TO WHICH THE DIRECTOR POSTPONED THE EXPIRATION DATE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

(ii) For reasonable cause, the Director may postpone:

1. the 30-month expiration date UNDER SUBPARAGRAPH (I)2 OF THIS PARAGRAPH for an initial credit certificate for a commercial rehabilitation; OR

2. IF THE COMMERCIAL REHABILITATION WAS COMPLETED PRIOR TO THE EXPIRATION OF THE INITIAL CREDIT CERTIFICATE, THE DEADLINE UNDER SUBPARAGRAPH (I)3 OF THIS PARAGRAPH FOR SUBMISSION OF A REQUEST FOR FINAL CERTIFICATION.

(4) If the tax credit allowed under this section in any taxable year exceeds the total tax otherwise payable by the business entity or the individual for that taxable year, the individual or business entity may claim a refund in the amount of the excess.

(5) The State credit allowed under this section may be allocated among the partners, members, or shareholders of an entity in any manner agreed to by those persons in writing.

(d) (1) In this subsection, "Reserve Fund" means the Sustainable Communities Tax Credit Reserve Fund established under paragraph (2) of this subsection.

(2) (i) There is a Sustainable Communities Tax Credit Reserve Fund that is a continuing, nonlapsing special fund that is not subject to § 7-302 of this article.

(ii) The money in the Fund shall be invested and reinvested by the Treasurer, and interest and earnings shall be credited to the General Fund.

(iii) If the fees paid in any fiscal year are less than the directly related administrative costs of operating the Sustainable Communities Tax Credit Program, funds in the Reserve Fund shall be used for the directly related administrative costs of the Program.

(3) (i) Subject to the provisions of this subsection, the Director shall issue an initial credit certificate for each commercial rehabilitation for which a plan of proposed rehabilitation is approved.

(ii) An initial credit certificate issued under this subsection shall state the maximum amount of credit under this section for which the commercial rehabilitation may qualify.

(iii) 1. Except as otherwise provided in this subparagraph and in subsection ~~[(b)(6)(vi)] (B)(7)(VI)~~ of this section, for any fiscal year, the Director may not issue initial credit certificates for credit amounts in the aggregate totaling more than the amount appropriated to the Reserve Fund for that fiscal year in the State budget as approved by the General Assembly.

2. If the aggregate credit amounts under initial credit certificates issued in a fiscal year total less than the amount appropriated to the Reserve Fund for that fiscal year as a result of the limitation under subsection ~~[(b)(5)(i)] (B)(6)~~ of this section, any excess amount may be issued under initial credit certificates for projects in a county or Baltimore City in the same fiscal year, without regard to the limitation under subsection ~~[(b)(5)(i)] (B)(6)~~ of this section.

3. Subject to subparagraph 2 of this subparagraph, if the aggregate credit amounts under initial credit certificates issued in a fiscal year total less than the amount appropriated to the Reserve Fund for that fiscal year, any excess amount shall remain in the Reserve Fund and may be issued under initial credit certificates for the next fiscal year.

4. For any fiscal year, if funds are transferred from the Reserve Fund under the authority of any provision of law other than paragraph (4) of this subsection, the maximum credit amounts in the aggregate for which the Director may issue initial credit certificates shall be reduced by the amount transferred.

5. In each fiscal year, the Director shall estimate the amount of fees to be collected based on the amount appropriated to the Reserve Fund and reserve the difference between the estimated fees and estimated directly related administrative costs of the Program to be used to administer the Program.

6. If the reservation of funds to administer the Program under subparagraph 5 of this subparagraph is not necessary to cover the directly related administrative costs of the Program, any excess amount shall remain in the Reserve Fund and may be issued under initial credit certificates for the next fiscal year.

~~7. IF AN INITIAL CREDIT CERTIFICATE EXPIRES AS PROVIDED FOR UNDER SUBSECTION (C)(3) OF THIS SECTION, THE AMOUNT OF THE CREDIT CERTIFICATE SHALL REMAIN IN THE RESERVE FUND AND MAY BE ISSUED UNDER OTHER INITIAL CREDIT CERTIFICATES.~~

(iv) For each of fiscal years [2011, 2012, 2013, and 2014] **2015, 2016, 2017, 2018, AND 2019 AND 2017**, the Governor shall include in the budget bill an appropriation to the Reserve Fund.

(v) Notwithstanding the provisions of § 7-213 of this article, the Governor may not reduce an appropriation to the Reserve Fund in the State budget as approved by the General Assembly.

(vi) The Director may not issue an initial credit certificate for any fiscal year after fiscal year [2014] ~~2019~~ **2017**.

(4) (i) Except as provided in this paragraph, money appropriated to the Reserve Fund shall remain in the Fund.

(ii) 1. Within 15 days after the end of each calendar quarter, the Trust shall notify the Comptroller as to each commercial rehabilitation completed and certified during the quarter:

A. the maximum credit amount stated in the initial credit certificate for the project; and

B. the final certified credit amount for the project.

2. On notification that a project has been certified, the Comptroller shall transfer an amount equal to the maximum credit amount stated in the initial credit certificate for the project from the Reserve Fund to the General Fund.

(iii) 1. On or before October 1 of each year, the Trust shall notify the Comptroller as to the maximum credit amount stated in the initial credit

certificate for each commercial rehabilitation for which the initial credit certificate has expired under subsection (c)(3) of this section as of the end of the prior fiscal year.

2. ~~{On} EXCEPT AS PROVIDED IN PARAGRAPH (3)(H)7 OF THIS SUBSECTION, ON~~ notification that the initial credit certificate for a project has expired under subsection (c)(3) of this section, the Comptroller shall transfer an amount equal to the maximum credit amount stated in the initial credit certificate for the project from the Reserve Fund to the General Fund.

~~(5) (I) THIS PARAGRAPH APPLIES TO A COMMERCIAL REHABILITATION FOR WHICH AN APPLICATION FOR A PLAN OF PROPOSED REHABILITATION HAS BEEN APPROVED BY THE DIRECTOR ON OR AFTER JULY 1, 2006, AND ON OR BEFORE JUNE 30, 2014.~~

~~(II) AFTER THE EXPIRATION DATE OF AN INITIAL CREDIT CERTIFICATE PROVIDED TO AN APPLICANT THAT RECEIVED APPROVAL FOR A PLAN OF PROPOSED COMMERCIAL REHABILITATION, THE DIRECTOR SHALL NOTIFY THE APPLICANT, IN WRITING, THAT THE INITIAL CREDIT CERTIFICATE WILL BE REVOKED FOR THE APPROVED REHABILITATION IF THE APPLICANT DOES NOT SUBMIT A REQUEST FOR FINAL CERTIFICATION OF THE REHABILITATION WITHIN 12 MONTHS OF THE EXPIRATION DATE OF THE INITIAL CREDIT CERTIFICATE.~~

~~(III) AN INITIAL CREDIT CERTIFICATE IS REVOKED IF, WITHIN 6 MONTHS OF THE DATE OF THE WRITTEN NOTIFICATION UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN APPLICANT DOES NOT PROVIDE TO THE DIRECTOR, IN WRITING, THE FOLLOWING:~~

~~1. DOCUMENTATION ESTABLISHING THAT THE REHABILITATION WAS COMPLETED PRIOR TO THE EXPIRATION DATE OF THE INITIAL TAX CREDIT CERTIFICATION; AND~~

~~2. NOTIFICATION THAT THE APPLICANT IS IN THE PROCESS OF PREPARING THE FINAL CERTIFICATION.~~

~~(IV) THE DIRECTOR SHALL REPORT TO THE COMPTROLLER, IN ACCORDANCE WITH SUBSECTION (H) OF THIS SECTION, ON THE NUMBER AND AMOUNT OF INITIAL CREDIT CERTIFICATES THAT HAVE BEEN REVOKED IN ACCORDANCE WITH THIS PARAGRAPH.~~

(E) (1) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE DIRECTOR SHALL ISSUE AN INITIAL CREDIT CERTIFICATE FOR EACH APPROVED SMALL COMMERCIAL PROJECT ON A FIRST-COME, FIRST-SERVED BASIS.

(2) AN INITIAL CREDIT CERTIFICATE ISSUED UNDER THIS SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF TAX CREDIT FOR WHICH THE APPLICANT IS ELIGIBLE.

(3) THE DIRECTOR MAY NOT ISSUE AN INITIAL CREDIT CERTIFICATE UNDER THIS SUBSECTION:

(I) PRIOR TO JANUARY 1, 2015; OR

(II) AFTER THE AGGREGATE AMOUNT OF INITIAL CREDIT CERTIFICATES ISSUED FOR SMALL COMMERCIAL PROJECTS TOTALS \$4,000,000.

~~(F)~~ (1) (i) In this subsection the following words have the meanings indicated.

(ii) 1. “Dispose of” means to transfer legal title or, in the case of a leasehold, the leasehold interest.

2. “Dispose of” includes to sell in a sale-and-leaseback transaction, to transfer on the foreclosure of a security interest, or to transfer by gift.

3. “Dispose of” does not include to transfer title or the leasehold interest to a creditor on creation of a security interest.

(iii) “Disqualifying work” means work that:

1. is performed on a certified rehabilitation; and

2. if performed as part of the rehabilitation certified under this section, would have made the rehabilitation ineligible for certification.

(2) The credit allowed under this section shall be recaptured as provided in paragraph (3) of this subsection if, during the taxable year in which a certified rehabilitation is completed or any of the 4 taxable years succeeding the taxable year in which the certified rehabilitation is completed:

(i) any disqualifying work is performed on the certified rehabilitation; or

(ii) for a commercial rehabilitation, the certified rehabilitation is complete and has been disposed of.

(3) (i) 1. If the disqualifying work is performed or the certified rehabilitation is disposed of during the taxable year in which the certified rehabilitation was completed, 100% of the credit shall be recaptured.

2. If the disqualifying work is performed or the certified rehabilitation is disposed of during the first full year succeeding the taxable year in which the certified rehabilitation was completed, 80% of the credit shall be recaptured.

3. If the disqualifying work is performed or the certified rehabilitation is disposed of during the second full year succeeding the taxable year in which the certified rehabilitation was completed, 60% of the credit shall be recaptured.

4. If the disqualifying work is performed or the certified rehabilitation is disposed of during the third full year succeeding the taxable year in which the certified rehabilitation was completed, 40% of the credit shall be recaptured.

5. If the disqualifying work is performed or the certified rehabilitation is disposed of during the fourth full year succeeding the taxable year in which the certified rehabilitation was completed, 20% of the credit shall be recaptured.

(ii) The individual or business entity that claimed the tax credit shall pay the amount to be recaptured as determined under subparagraph (i) of this paragraph as taxes payable to the State for the taxable year in which the disqualifying work is performed or the certified rehabilitation is disposed of.

~~(G)~~ (G) (1) The Comptroller may determine, under the process for return examination and audit under §§ 13–301 and 13–302 of the Tax – General Article:

(i) the amount of rehabilitation expenditures used in calculating the credit;

(ii) whether such expenditures are qualified rehabilitation expenditures under this section; and

(iii) whether the credit is allowable as claimed.

(2) The authority of the Comptroller to examine and audit a tax return does not limit the authority of the Director to determine whether a rehabilitation qualifies as a certified rehabilitation or whether a certificate of certified rehabilitation has been properly issued.

(3) The Comptroller may adopt regulations to require that an entity other than a corporation claim the tax credit on the tax return filed by that entity.

(4) (i) Except as otherwise provided in this paragraph, the credit under this section may be claimed for the year a certified rehabilitation is completed, only if the Director has, by the time the return is filed, issued a certificate of completion for the certified rehabilitation.

(ii) A taxpayer claiming the credit may amend a return for the year the certified rehabilitation was completed to account for a certificate issued subsequent to the filing of the original return.

(iii) An amended return shall be filed within the period allowed under the Tax – General Article for filing refund claims.

(iv) The provisions of this paragraph do not extend the period in which a certified rehabilitation must be completed to be eligible for a tax credit under this section.

(v) An amended return may account for an amended certification issued by the Director for a certified rehabilitation.

~~(e)~~ **(H)** A refund payable under subsection (c) of this section:

(1) operates to reduce the income tax revenue from corporations if the person entitled to the refund is a corporation subject to the income tax under Title 10 of the Tax – General Article;

(2) operates to reduce insurance premium tax revenues if the person entitled to the refund is subject to taxation under Title 6 of the Insurance Article; and

(3) operates to reduce the income tax revenue from individuals if the person entitled to the refund is:

(i) an individual subject to the income tax under Title 10 of the Tax – General Article; or

(ii) an organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code.

~~(h)~~ **(I)** (1) On or before December 15 of each fiscal year, the Director shall report to the Governor and, subject to § 2–1246 of the State Government Article, to the General Assembly, on:

(i) the initial credit certificates awarded for commercial rehabilitations **AND SMALL COMMERCIAL PROJECTS** under this section for that fiscal year;

(ii) the tax credits awarded for certified rehabilitations completed in the preceding fiscal year;

(iii) whether the tax credits awarded for certified rehabilitations completed in the preceding fiscal year were located in:

1. [a Main Street Maryland community;

2. beginning in fiscal 2012, a sustainable community;

3.] a local historic district; or

[4.] **2.** a national register district; and

(iv) the estimated amount of directly related administrative costs reserved in the Reserve Fund, the estimated amount of fees to be collected, the actual directly related administrative costs, and the actual amount of fees collected.

(2) The report required under paragraph (1) of this subsection shall include for each initial credit certificate awarded for the fiscal year for a commercial rehabilitation:

(i) the name of the owner or developer of the commercial rehabilitation;

(ii) the name and address of the proposed or certified rehabilitation and the county where the project is located;

(iii) the dates of receipt and approval by the Director of all applications regarding the project, including applications:

1. for certification that a structure or property will qualify as a certified historic structure [or a qualified rehabilitated structure]; and

2. for approval of the proposed rehabilitation; and

(iv) the maximum amount of the credit stated in the initial credit certificate for the project and the estimated rehabilitation expenditures stated in the application for approval of the plan of proposed rehabilitation.

(3) The report required under paragraph (1) of this subsection shall include for each certified commercial rehabilitation completed during the preceding fiscal year:

(i) the name of the owner or developer of the commercial rehabilitation;

(ii) the name and address of the certified rehabilitation and the county where the project is located;

(iii) the dates of receipt and approval by the Director of all applications regarding the project; and

(iv) 1. the maximum amount of the credit stated in the initial credit certificate for the project and the estimated rehabilitation expenditures stated in the application for approval of the plan of proposed rehabilitation; and

2. the actual qualified rehabilitation expenditures and the final amount of the credit for which the project qualified.

(4) The report required under paragraph (1) of this subsection shall summarize for each category of certified rehabilitations:

(i) the total number of applicants for:

1. certification that a structure or property will qualify as a certified historic structure [or a qualified rehabilitated structure];

2. approval of plans of proposed rehabilitations; or

3. certification of the completed rehabilitations;

(ii) the number of proposed projects for which plans of proposed rehabilitation were approved; and

(iii) the total estimated rehabilitation expenditures stated in approved applications for approval of plans of proposed rehabilitation and the total qualified rehabilitation expenditures for completed rehabilitations certified.

(5) The information required under paragraph (4) of this subsection shall be provided in the aggregate and separately for each of the following categories of certified rehabilitations:

(i) owner-occupied single family residential structures; [and]

(II) SMALL COMMERCIAL PROJECTS; AND

[(ii)] (III) commercial rehabilitations.

~~(J)~~ **(J)** (1) Subject to the provisions of this subsection, the provisions of this section and the tax credit authorized under this section shall terminate as of July 1, [2014] ~~2019~~ 2017.

(2) On and after July 1, [2014] ~~2019~~ 2017:

(i) the tax credit authorized under this section may be claimed for:

1. a rehabilitation project, other than a commercial rehabilitation, for which an application for approval of a plan of proposed rehabilitation was received by the Director on or before June 30, [2014] ~~2019~~ 2017; or

2. a commercial rehabilitation for which an initial credit certificate has been awarded under subsection (d) of this section; and

(ii) the Director shall continue to report to the Governor and the General Assembly as required under subsection ~~(h)~~ **(I)** of this section for as long as any rehabilitation project for which the tax credit may be claimed remains incomplete.

Chapter 76 of the Acts of 2004, as amended by Chapter 425 of the Acts of 2013

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 5–801 of Article 83B – Department of Housing and Community Development of the Annotated Code of Maryland be repealed and reenacted, with amendments, and transferred to the Session Laws, to read as follows:

1.

(h) (1) Subject to the provisions of this subsection, the provisions of this section and the tax credit authorized under this section shall terminate as of July 1, 2004.

(2) On or after July 1, 2004, the tax credit authorized under this section may be claimed for:

(i) a project for rehabilitation of a single–family, owner–occupied residence for which an application for approval of a plan of proposed rehabilitation was received by the Director on or before June 30, 2004; or

(ii) subject to paragraph (3) of this subsection, a commercial rehabilitation project for which an application of a plan of proposed rehabilitation has been approved by the Director on or before June 30, 2004.

(3) The tax credit authorized under this section for a commercial rehabilitation project expires on [July 1, 2014] **JANUARY 1, 2015**, unless, on or before [June 30, 2014] **DECEMBER 31, 2014**, the applicant demonstrates to the Director that the commercial rehabilitation project:

(I) has a valid, unexpired building permit for the rehabilitation project; **AND**

(II) CONSTRUCTION ON THE PROJECT BEGAN WITHIN 3 MONTHS OF THE DATE OF ISSUANCE OF THE BUILDING PERMIT.

(4) The Director shall notify, in writing, the owner or developer that received approval of a plan of proposed rehabilitation for a commercial rehabilitation project of the requirements of this subsection.

(5) On or before [August 1, 2014] **JANUARY 30, 2015**, the Director shall report to the Comptroller the number of tax credits and the amount of the tax credits that have expired in accordance with this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Historical Trust shall develop programs, including Web-based tools, to:

(1) increase participation in the residential and commercial tax credit programs in jurisdictions that have been historically underrepresented in the award of tax credits; and

(2) educate small businesses with eligible historic structures on the availability of the small commercial project tax credit.

(b) The Department of Planning and the Trust shall consult with local planning officials in jurisdictions that have been historically underrepresented in the award of tax credits prior to developing programs under subsection (a) of this section on more effective outreach mechanisms for properties eligible for the tax credit.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) This section applies to an approved commercial rehabilitation for which:

(1) an initial credit certificate was issued by the Maryland Historical Trust on or after July 1, 2006, but on or before June 30, 2014; and

(2) the applicant does not submit to the Trust within 12 months of the expiration date of the initial credit certificate a request for final certification of the rehabilitation.

(b) The Director of the Maryland Historical Trust shall notify the applicant, in writing, that the initial credit certificate will be revoked if within 6 months of the date of the Director's written notice the applicant does not provide to the Director:

(1) documentation establishing that the rehabilitation was completed prior to the expiration date of the initial credit certificate; and

(2) written notification that the applicant intends to submit to the Trust a request for final certification within 12 months of the date of the Director's written notice.

(c) An initial credit certificate shall be revoked and the credit may not be claimed if the applicant does not:

(1) respond as requested to a written notice sent to the applicant under subsection (b) of this section; or

(2) submit to the Trust a request for final certification of the rehabilitation within 12 months of the date of the written notice.

(d) The Director shall report to the Comptroller on the number and amount of initial credit certificates that have been revoked in accordance with this section.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~ June 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 602

(House Bill 549)

AN ACT concerning

General Provisions – Commemorative Days – Juneteenth National Freedom Day

FOR the purpose of requiring the Governor annually to proclaim a certain day as Juneteenth National Freedom Day; 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 commemorative days.

BY adding to

Article – State Government

Section 13–413

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY renumbering

Article – General Provisions

Section 7–409 through 7–412

to be Section 7–410 through 7–413

Annotated Code of Maryland

(As enacted by Chapter 94 (4lr1244) of the Acts of the General Assembly of 2014)

BY adding

Article – General Provisions

Section 7–409

Annotated Code of Maryland

(As enacted by Chapter 94 (4lr1244) of the Acts of the General Assembly of 2014)

Preamble

WHEREAS, More than 140 years old, Juneteenth National Freedom Day is the oldest holiday in the United States commemorating the end of slavery; and

WHEREAS, Also known as “Emancipation Day”, “Emancipation Celebration”, “Freedom Day”, “Jun–Jun”, and “Juneteenth”, Juneteenth National Freedom Day commemorates the strong survival instinct of African Americans who were first brought to this country crowded into the bottom of slave ships in a month–long journey across the Atlantic Ocean known as the “Middle Passage”; and

WHEREAS, Approximately 11,500,000 African Americans survived the voyage to the New World – and the number who died during passage is likely greater – only to be subjected to whipping, castration, branding, and rape and forced to submit to slavery for more than 200 years after their arrival in the United States; and

WHEREAS, Events in the history of the United States that led to the Civil War in 1861 centered around regional differences between the North and South that were based on the economic and social divergence caused by the existence of slavery; and

WHEREAS, Abraham Lincoln, who was inaugurated as President of the United States in 1861, believed and stated that the paramount objective of the Civil War was to save the Union, rather than to destroy slavery, but in stating his wish that “all men everywhere could be free”, Lincoln added to the growing anticipation by slaves that their ultimate liberation was at hand; and

WHEREAS, In 1862, the first clear signs that the end of slavery was imminent came when laws abolishing slavery in the territories of Oklahoma, Nebraska, Colorado, and New Mexico were passed; and

WHEREAS, By September 1862, President Lincoln had warned the 11 rebellious Confederate states that if they did not return to the Union by January 1, 1863, he would declare their slaves “forever free” via the celebrated Emancipation Proclamation; and

WHEREAS, News of this action reached the states at different times, and it was not until June 19, 1865, that the message of freedom reached the slaves in Texas, Oklahoma, Louisiana, Arkansas, and California; and

WHEREAS, Spontaneous celebrations erupted throughout the country when African Americans learned of their freedom; and

WHEREAS, Juneteenth National Freedom Day, which recalls how slaves hated slavery and celebrated its abolishment with excitement and great joy, serves as a reminder to all Americans of the status and importance of Americans of African descent; now, therefore,

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

Article – State Government

13–413.

THE GOVERNOR ANNUALLY SHALL PROCLAIM JUNE 19 AS JUNETEENTH NATIONAL FREEDOM DAY.

SECTION 2. AND BE IT FURTHER ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 7–409 through 7–412, respectively, of Article – General Provisions of the Annotated Code of Maryland be renumbered to be Section(s) 7–410 through 7–413, respectively.

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

Article – General Provisions

7–409.

THE GOVERNOR ANNUALLY SHALL PROCLAIM JUNE 19 AS JUNETEENTH NATIONAL FREEDOM DAY.

SECTION 4. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this Act shall take effect on the taking effect of Chapter 94 (4lr1244) of the Acts of the General Assembly of 2014. If Sections 2 and 3 of this Act takes effect, Section 1 of this Act shall be abrogated and of no further force and effect.

SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 4 of this Act, this Act shall take effect June 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 603**(House Bill 602)**

AN ACT concerning

Real Property – Common Ownership Communities – Foreclosure of Liens

FOR the purpose of altering the types of damages for which the governing body of a common ownership community may foreclose on a lien for delinquent assessments against a unit owner or lot owner under certain circumstances; providing for the application of this Act; and generally relating to the foreclosure of liens by common ownership communities.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 14–204
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 – Real Property

14–204.

(a) Except as provided in subsection (d) of this section, a lien may be enforced and foreclosed by the party who obtained the lien in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trust on property in this State containing a power of sale or an assent to a decree.

(b) If the owner of property subject to a lien is personally liable for alleged damages, suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit for a monetary judgment for unpaid damages may be maintained without waiving any lien securing the same.

(c) Any action to foreclose a lien shall be brought within 12 years following recordation of the statement of lien.

(d) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Common ownership community” means:

1. A condominium as defined in § 11–101 of this article;

or

2. A homeowners association as defined in § 11B-101 of this article.

(iii) "Governing body" means a person who has authority to enforce the declaration, articles of incorporation, bylaws, rules, or regulations of a common ownership community.

(2) Notwithstanding the declaration, articles of incorporation, bylaws, rules, or regulations of a common ownership community, a governing body may foreclose on a lien against a unit owner or lot owner only if the damages secured by the lien:

(i) Consist [solely] of:

1. Delinquent periodic assessments or special assessments ~~AND ANY LATE FEES AND INTEREST~~; and

2. Reasonable costs and attorney's fees directly related to the filing of the lien [and not exceeding] ~~OR OTHER EFFORTS TO COLLECT THE DELINQUENT ASSESSMENTS THAT DO NOT EXCEED~~ the amount of the delinquent assessments, ~~EXCLUDING ANY LATE FEES AND INTEREST~~; and

(ii) Do not include fines imposed by the governing body or attorney's fees OR COSTS related to recovering the fines.

(3) This subsection does not preclude a governing body from using any other means to enforce a lien against a unit owner or lot owner.

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 lien for delinquent periodic assessments or special assessments that is filed by the governing body of a common ownership community against a unit owner or lot owner 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 15, 2014.

Chapter 604

(House Bill 629)

AN ACT concerning

**Environmentally Preferable Procurement – Maryland Green Purchasing
Committee**

FOR the purpose of altering the membership of the Maryland Green Purchasing Committee; requiring the Committee to develop and publish specifications for adoption by State units that will enable implementation of environmentally preferable purchasing; requiring State units to adopt certain environmentally preferable purchasing specifications; altering the requirement for the reporting of recycled content materials by State units; defining a certain term; altering a certain definition; making technical changes; repealing obsolete provisions; and generally relating to the procurement and use of environmentally preferable products and practices.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 14–405 and 14–410
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 Finance and Procurement

14–405.

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

(2) [“Percentage price preference” means the percent by which a responsive bid from a responsible bidder whose product contains recycled materials may exceed the lowest responsive bid submitted by a responsible bidder whose products do not contain recycled materials.

(3) (i) “Recycled materials” means material recovered from or otherwise destined for the waste stream.

(ii) “Recycled materials” includes post–consumer material, industrial scrap material, compost, processed and pasteurized chicken litter, and obsolete inventories.

(b) No later than January 1, 1994, the Board shall adopt regulations that require the Secretary of General Services, the Secretary of Transportation, and the Chancellor of the University System of Maryland to establish a percentage price preference, not to exceed 5%, for the purchase of products made from recycled materials.

(c) A percentage price preference under this section may not be used in conjunction with any other percentage price preference established under this title.] **“ENVIRONMENTALLY PREFERABLE PRODUCT OR SERVICE” MEANS A PRODUCT OR SERVICE THAT THROUGHOUT THE FULL LIFE CYCLE OF THE PRODUCT OR SERVICE:**

(I) IS ENERGY EFFICIENT, WATER EFFICIENT, BIOBASED, NONOZONE DEPLETING, MADE WITH RECYCLED CONTENT, OR NONTOXIC; OR

(II) HAS OTHER ATTRIBUTES RECOGNIZED AS ENVIRONMENTALLY PREFERABLE BY THE MARYLAND GREEN PURCHASING COMMITTEE.

[(d)] **(B) (1) To encourage the maximum purchase of [commodities utilizing recycled materials, the Department of General Services, in consultation with the Department of the Environment, the University of Maryland, the Maryland Environmental Service, the Department of Transportation, the Department of Natural Resources, the Department of Health and Mental Hygiene, and as necessary with representatives of the recycling industry and environmental organizations,] ENVIRONMENTALLY PREFERABLE PRODUCTS AND SERVICES, THE MARYLAND GREEN PURCHASING COMMITTEE ESTABLISHED UNDER § 14-410 OF THIS SUBTITLE shall establish [a list of acceptable products which contain recycled materials] ENVIRONMENTALLY PREFERABLE SPECIFICATIONS TO BE ADOPTED BY STATE AGENCIES.**

(2) [The list] THE ENVIRONMENTALLY PREFERABLE SPECIFICATIONS shall be published AND MAINTAINED ONLINE BY THE MARYLAND GREEN PURCHASING COMMITTEE for use by State agencies [at least twice each year].

[(e)] **(C) Each State unit shall review annually the procurement specifications currently used by the unit and, to the extent practicable:**

(1) [require the use of a percentage price preference in their purchase of supplies and commodities containing recycled materials] ADOPT THE ENVIRONMENTALLY PREFERABLE SPECIFICATIONS PUBLISHED BY THE MARYLAND GREEN PURCHASING COMMITTEE; and

(2) revise the unit's procurement specifications in accordance with [the best practices manual and strategy to increase environmentally preferable purchasing under] § 14-410 of this subtitle.

[(f)] (D) On or before September 1 of each year, each State unit shall report to the **[Department of the Environment] DEPARTMENT OF GENERAL SERVICES** on the unit's procurement of **[recycled materials] ENVIRONMENTALLY PREFERABLE PRODUCTS AND SERVICES AS A PERCENTAGE OF THE UNIT'S GROSS PURCHASES** during the preceding fiscal year, including the types and quantities of **[materials] PRODUCTS AND SERVICES** procured **[and the percentage of recycled materials in the unit's gross purchases]**.

[(g)] (E) (1) Except as provided in paragraph (2) of this subsection, this section is broadly applicable to all procurements by the State if the quality of the product **OR SERVICE** is consistent with the requirements of the bid specifications.

(2) Only to the extent necessary to prevent the denial of federal moneys or eliminate the inconsistency with federal law, this section does not apply to a procurement by the State if the procurement officer determines that compliance with this section would:

- (i) cause denial of federal moneys; or
- (ii) be inconsistent with the requirements of federal law.

14-410.

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

(2) "Committee" means the Maryland Green Purchasing Committee.

(3) "Environmentally preferable purchasing" means the procurement or acquisition of goods and services that have a lesser or reduced effect on human health and the environment when compared with competing goods or services that serve the same purpose, based on:

(I) THE FULL LIFE CYCLE OF THE PRODUCT OR SERVICE;

(II) RELEVANT INTERNATIONAL CONSENSUS STANDARDS;

AND

(III) RELEVANT FACTORS INCLUDING the raw materials, manufacturing, packaging, distribution, use, reuse, operation, maintenance, **RECYCLING, ENERGY RECOVERY, CLIMATE CHANGE, FOSSIL FUEL, OZONE DEPLETION,** and disposal of the goods or services.

(b) (1) There is a Maryland Green Purchasing Committee.

(2) The Committee [consists] **SHALL CONSIST** of the following members:

(i) the Secretary of General Services, or the Secretary's designee;

(ii) the Secretary of Budget and Management, or the Secretary's designee;

(iii) the Secretary of Natural Resources, or the Secretary's designee;

(iv) the Secretary of the Environment, or the Secretary's designee;

(v) the Secretary of Health and Mental Hygiene, or the Secretary's designee;

(vi) the Secretary of Business and Economic Development, or the Secretary's designee;

(vii) the Secretary of Transportation, or the Secretary's designee;

(viii) the Secretary of Public Safety and Correctional Services, or the Secretary's designee; [and]

(ix) the Chancellor of the University System of Maryland, or the Chancellor's designee;

(X) THE SECRETARY OF INFORMATION TECHNOLOGY, OR THE SECRETARY'S DESIGNEE;

(XI) THE SECRETARY OF EDUCATION, OR THE SECRETARY'S DESIGNEE; AND

(XII) THE STATE TREASURER, OR THE TREASURER'S DESIGNEE.

(3) The Secretary of General Services, or the Secretary's designee, shall serve as the Chair of the Committee.

(4) STAFF SUPPORT TO THE COMMITTEE SHALL BE PROVIDED BY THE DEPARTMENT OF GENERAL SERVICES, WITH ASSISTANCE AS NECESSARY TO BE FURNISHED BY OTHER MEMBER AGENCIES.

(c) The Committee shall provide the State with information and assistance regarding environmentally preferable purchasing, including:

(1) the promotion of environmentally preferable purchasing **THROUGH EDUCATION AND TRAINING;**

(2) the development and implementation of [a strategy to increase environmentally preferable purchasing that may include the development of] statewide policies, guidelines, programs, **BEST PRACTICES**, and regulations;

(3) coordination with other State or federal agencies, task forces, workgroups, regulatory efforts, research and data collection efforts, or other programs and services relating to environmentally preferable purchasing; ~~and~~

(4) [the development of an environmentally preferable purchasing best practices manual that may be adopted from other governmental or nongovernmental institutions.] **THE PUBLICATION OF ENVIRONMENTALLY PREFERABLE SPECIFICATIONS TO BE ADOPTED BY STATE AGENCIES; AND**

(5) THE FRAMEWORK AND FORMAT FOR STATE UNIT REPORTS REQUIRED UNDER § 14-405 OF THIS SUBTITLE.

(d) [In developing the best practices manual and strategy to increase environmentally preferable purchasing under subsection (c) of this section, the Committee shall consider:

(1) greater use and procurement of meters used to measure electricity consumption that are:

(i) capable of measuring the flow of electricity in two directions;
and

(ii) compatible with advanced metering infrastructure;

(2) achievement of greater energy efficiency through implementation of policies that reduce operating times for heating, ventilation, and air-conditioning systems in State-owned or State-operated buildings;

(3) increasing the energy efficiency of new and existing computer servers and data storage center operations; and

(4) procurement of food and beverage containers and utensils that are made of biodegradable materials or plant-based plastics or recyclable products that may contain post consumer recycled contents.

(e)] The Committee shall designate a single point of contact for State agencies, suppliers, and other interested parties to contact regarding environmentally preferable purchasing issues.

[(f)] (E) On or before October 1 of each year, the Committee shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the Committee's activities and the progress made as a result of the implementation of this section.

[(g)] (F) This section may not be construed to:

(1) limit or supersede recycled content requirements under any other provision of law; or

(2) require the acquisition of goods or services that:

(i) do not perform adequately for the intended use;

(ii) exclude adequate competition; or

(iii) are not available at a reasonable price in a reasonable period of time.

[(h)] (G) A bidder or offeror for a procurement contract [with the Department of General Services] shall certify in writing that any claims of environmental attributes made relating to a product or service are consistent with the Federal Trade Commission's Guidelines for the Use of Environmental Marketing Terms.

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

Approved by the Governor, May 15, 2014.

Chapter 605

(House Bill 636)

AN ACT concerning

Maryland Transit Administration – ~~Pretax~~ Commuter Benefits Program

FOR the purpose of requiring the Maryland Transit Administration to include as part of a plan to meet certain transit needs improvements to its fare payment

systems; specifying that the plan allow the Administration to process fare media in electronic form and provide electronic fare media ~~to employers~~ for distribution to employees; ~~requiring the Administration to implement certain fare payment systems in a manner that allows employees to enroll in a commuter benefits program online and use certain pretax contributions to pay for the electronic fare media;~~ and generally relating to electronic fare payment systems for transit services and ~~the~~ an employee ~~pretax~~ commuter benefits program.

BY repealing and reenacting, with amendments,

Article – Transportation

Section 7–301

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

7–301.

(a) The Administration shall prepare plans to meet the transit needs of the District and from time to time shall review and revise these plans.

(b) The plans shall specify:

(1) The transit facilities to be constructed or acquired, including the location of terminals, stations, and parking facilities;

(2) The character, nature, design, and location of the transit facilities;

(3) Whether the transit facilities are to be constructed or acquired by lease, purchase, or condemnation;

(4) A timetable for providing the transit facilities;

(5) Anticipated capital costs;

(6) Estimated operating expenses and revenues;

(7) The type of equipment to be used;

(8) The areas to be served and the routes and schedules of service expected to be provided;

(9) The expected fares and charges for service;

(10) The plan of financing the capital costs and operation of the transit facilities;

(11) When applicable, improvements in interjurisdictional commuter transit services including the location of corridors, routes, stations, and terminals; [and]

(12) IMPROVEMENTS TO FARE PAYMENT SYSTEMS THAT WILL ~~ALLOW THE ADMINISTRATION TO:~~

(I) ~~PROCESS~~ ALLOW FOR THE PROCESSING OF FARE MEDIA IN ELECTRONIC FORM; AND

(II) ~~PROVIDE TO EMPLOYERS~~ ELECTRONIC FARE MEDIA FOR DISTRIBUTION TO EMPLOYEES AS PART OF A COMMUTER BENEFITS PROGRAM; AND

[(12)] **(13)** Any other information that the Administration considers relevant.

(c) A plan may provide for demonstration or testing facilities and for the use of the facilities for research and development.

~~**(D) THE ADMINISTRATION SHALL IMPLEMENT IMPROVEMENTS TO ITS FARE PAYMENT SYSTEMS AS DESCRIBED UNDER SUBSECTION (B)(12) OF THIS SECTION IN A MANNER THAT ALLOWS EMPLOYEES TO:**~~

~~**(1) ENROLL IN A COMMUTER BENEFITS PROGRAM ONLINE; AND**~~

~~**(2) USE PRETAX CONTRIBUTIONS FROM THE EMPLOYEE'S SALARY TO PAY FOR THE ELECTRONIC FARE MEDIA.**~~

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

Approved by the Governor, May 15, 2014.

Chapter 606

(House Bill 653)

AN ACT concerning

Education – Deaf Culture Digital Library

FOR the purpose of requiring the Division of Library Development and Services in the Department of Education to establish the Deaf Culture Digital Library; specifying the mission, duties, *leadership*, and responsibilities of the Deaf Culture Digital Library; and generally relating to the Deaf Culture Digital Library.

BY repealing and reenacting, with amendments,
Article – Education
Section 23–105
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY adding to
Article – Education
Section 23–108
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

23–105.

(a) In addition to any other powers granted and duties imposed by this title, and subject to the authority of the State Board, the Division of Library Development and Services has the powers and duties set forth in this section.

(b) The Division of Library Development and Services shall:

(1) Provide leadership and guidance for the planning and coordinated development of library and information service in this State;

(2) Develop statewide public and school library services and networks, resource centers, and other arrangements to meet the library and information needs of this State;

(3) Provide professional and technical advice on improving library services in this State to:

(i) Public and school library officials;

(ii) State government agencies; and

- (iii) Any other person;
- (4)
 - (i) Collect library statistics and other data;
 - (ii) Identify library needs and provide for needed research and studies of them;
 - (iii) Publish and distribute findings in these areas; and
 - (iv) Coordinate library services with other information and education services and agencies;
- (5) Administer federal and State funds appropriated to it by the State for library purposes;
- (6)
 - (i) Develop and recommend professional standards and policies for libraries; and
 - (ii) Establish requirements and procedures for the certification of librarians and library personnel;
- (7) Provide:
 - (i) Specialized library service to the blind and other physically handicapped individuals in this State; and
 - (ii) Other desirable specialized library services;
- (8) Encourage, advise, and assist in establishing, operating, and coordinating libraries at State institutions and agencies and administer the operation of library and information services for the Department;
- (9) Administer the State grant program for county public library capital projects, in accordance with § 23–510 of this title;
- (10) Adopt guidelines for the administration of public libraries and recommend to the State Board rules and regulations to implement this title;
- (11) Cooperate with national library agencies and those of any other state; [and]
- (12) DEVELOP A DEAF CULTURE DIGITAL LIBRARY IN ACCORDANCE WITH § 23–108 OF THIS TITLE; AND**

[(12)] (13) Perform any other duty necessary for its proper operation.

23-108.

(A) THE DIVISION OF LIBRARY DEVELOPMENT AND SERVICES SHALL ESTABLISH THE DEAF CULTURE DIGITAL LIBRARY AS THE PRIMARY INFORMATION CENTER ON DEAF RESOURCES FOR LIBRARY CUSTOMERS AND STAFF IN THE STATE.

(B) THE DEAF CULTURE DIGITAL LIBRARY SHALL:

(1) CONDUCT A NEEDS ASSESSMENT TO IDENTIFY GAPS IN LIBRARY SERVICES FOR DEAF PATRONS AND TO IMPLEMENT STRATEGIES TO FILL THE GAPS AND BETTER COORDINATE LIBRARY SERVICES FOR THE DEAF;

(2) IN COORDINATION WITH THE GOVERNOR'S OFFICE OF DEAF AND HARD OF HEARING, DEVELOP AND PROVIDE SENSITIVITY TRAINING FOR STATE AND COUNTY LIBRARY STAFF TO HELP THEM BETTER UNDERSTAND DEAF PATRONS AND THEIR NEEDS;

(3) DEVELOP A WEB SITE THAT WILL ALLOW FOR INFORMATION SHARING AND COORDINATION BETWEEN THE DEAF CULTURE DIGITAL LIBRARY AND COUNTY LIBRARY SYSTEMS;

(4) IN COORDINATION WITH THE DIVISION OF LIBRARY DEVELOPMENT AND SERVICES, DEVELOP DEAF-RELATED PROGRAMS AND MATERIALS AND SHARE THEM WITH COUNTY LIBRARY SYSTEMS AND OTHER LIBRARIES IN THE STATE;

(5) DEVELOP PARTNERSHIPS AND STRATEGIC ALLIANCES WITH ~~FEDERAL, STATE, AND LOCAL GOVERNMENT~~ OTHER ENTITIES, INCLUDING:

(I) THE GOVERNOR'S OFFICE FOR THE DEAF AND HARD OF HEARING;

(II) COUNTY LIBRARY SYSTEMS;

(III) THE DIVISION OF LIBRARY DEVELOPMENT AND SERVICES;

(IV) VETERANS' GROUPS;

(V) STATE AND LOCAL ARTS COUNCILS;

(VI) SENIOR CITIZENS ORGANIZATIONS; AND

(VII) DEAF AND HARD OF HEARING ORGANIZATIONS, INCLUDING:

1. THE NATIONAL ASSOCIATION OF THE DEAF;
 2. THE HEARING LOSS ASSOCIATION OF AMERICA;
- AND
3. THE MARYLAND ASSOCIATION OF THE DEAF;

(6) ENCOURAGE PARTNERSHIPS AND COLLABORATIONS WITH INFORMATION SERVICE PROVIDERS TO HELP PROVIDE VIRTUAL ACCESS TO INFORMATION AND RESEARCH;

(7) FORM A DEAF CULTURE DIGITAL LIBRARY ADVISORY BOARD, ~~THE MAJORITY OF WHOSE MEMBERS ARE CULTURALLY DEAF OR DEAF-SENSITIVE HARD OF HEARING INDIVIDUALS,~~ TO PROVIDE ADVICE ON INITIATIVES THAT FURTHER ADVANCE THE MISSION AND GOALS OF THE DEAF CULTURE DIGITAL LIBRARY AND THE MAJORITY OF WHOSE MEMBERS ARE DEAF OR HARD OF HEARING AND SELECTED FROM THE FOLLOWING ENTITIES:

- (I) COUNTY LIBRARY SYSTEMS;
- (II) THE DIVISION OF LIBRARY DEVELOPMENT AND SERVICES;
- (III) THE GOVERNOR'S OFFICE FOR THE DEAF AND HARD OF HEARING;
- (IV) STATEWIDE DEAF AND HARD OF HEARING ORGANIZATIONS; AND
- (V) OTHER ORGANIZATIONS AS AGREED ON BY THE GOVERNOR'S OFFICE FOR THE DEAF AND HARD OF HEARING AND THE DIVISION OF LIBRARY DEVELOPMENT AND SERVICES; AND

(8) ESTABLISH A DEAF CULTURE DIGITAL LIBRARY "FRIENDS OF THE LIBRARY" GROUP COMPOSED OF INDIVIDUALS WHO ARE STRONGLY COMMITTED, WELL-POSITIONED, AND ABLE TO PROMOTE COMMUNITY INVOLVEMENT, ADVOCACY, AND FUNDING FOR THE DEAF CULTURE DIGITAL LIBRARY.

(C) THE LEAD EMPLOYEE OR COORDINATOR WHO MANAGES THE DEAF CULTURE DIGITAL LIBRARY SHALL BE:

(1) A DEAF OR HARD OF HEARING INDIVIDUAL; AND

**(2) KNOWLEDGEABLE AND EXPERIENCED CONCERNING ISSUES
AFFECTING DEAF AND HARD OF HEARING INDIVIDUALS.**

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

Approved by the Governor, May 15, 2014.

Chapter 607

(House Bill 660)

AN ACT concerning

**Forests and Parks – Public Recreation on Private and State–Owned Land –
Off–Highway Vehicles**

FOR the purpose of expanding a certain liability exemption for a landowner who agrees to the use of a defined part of the landowner’s property for cross–country skiing or snowmobiling in Garrett County to apply to the use of an off–highway vehicle in the State; defining a certain term; making conforming changes; and generally relating to public recreation on private and State–owned land.

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 5–1101 and 5–1109
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 5–1108
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

5–1101.

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

(b) (1) "Charge" means price or fee asked for services, entertainment, recreation performed, or products offered for sale on land or in return for invitation or permission to enter or go upon land.

(2) "Charge" does not include:

(i) The sharing of game, fish, or other products of recreational use;

(ii) Benefits to the land arising from the recreational use; or

(iii) Contributions in kind or services to promote the management or conservation of resources on the land.

(c) "Educational purpose" includes:

(1) Nature study;

(2) Farm visitations for purposes of learning about the farming operation;

(3) Practice judging of livestock, dairy cattle, poultry, other animals, agronomy crops, horticultural crops, or other farm products;

(4) Organized visits to farms by school children, 4-H clubs, FFA clubs, and others as part of their educational programs;

(5) Organized visits for purposes of participating in or observing historical reenactments as part of an educational or cultural program; and

(6) Observation of historical, archaeological, or scientific sites.

(d) (1) "Land" means land, roads, paths, trails, water, watercourses, private ways and buildings, structures, and machinery or equipment when attached to realty.

(2) "Land" does not include any structure or equipment provided by a unit of local government for the purpose of public recreation.

(E) "OFF-HIGHWAY VEHICLE" OR "OHV" MEANS A MOTOR-ASSISTED OR MOTOR-DRIVEN VEHICLE THAT IS:

(1) DESIGNED FOR OR CAPABLE OF CROSS-COUNTRY TRAVEL ON OR DIRECTLY OVER LAND, SNOW, OR OTHER NATURAL TERRAIN; AND

(2) NOT INTENDED FOR USE ON PUBLIC ROADS.

[(e)] **(F)** “Owner” means the owner of any estate or other interest in real property, whether possessory or nonpossessory, including the grantee of an easement.

[(f)] **(G)** “Recreational purpose” means any recreational pursuit.

5–1108.

(a) To facilitate a method of providing written consent, the Secretary shall distribute permission cards, to be available to the public and to landowners.

(b) One side of the card shall read:

PERMISSION TO ENTER

I hereby grant the person named on the reverse side permission to enter my property, subject to the terms of the agreement, on the following dates:

Signed _____
(Landowner)

(c) The reverse side shall read:

AGREEMENT

In return for the privilege of entering on the private property for any recreational or educational purpose as defined in the Natural Resources Article § 5–1101, I agree to adhere to every law, observe every safety precaution and practice, take every precaution against fire, and assume all responsibility and liability for my person and my property, while on the landowner’s property.

Signed _____

5–1109.

(a) If a landowner [in Garrett County] agrees to the use of a defined part of the landowner’s real property for the use of cross–country skiing or for the use of [snowmobiles] **AN OHV**, any person who uses the part of the real property impliedly consents to adhere to every law, to observe every safety precaution and practice, to take every precaution against fire, and to assume all responsibility and liability for the person’s safety and property while cross–country skiing or [snowmobiling] **USING AN OHV** on the landowner’s real property.

(b) The provisions of § 5–1108(b) and (c) of this subtitle apply when a landowner leases any defined part of the landowner’s real property for the use of cross–country skiing or for the use of [snowmobiles] **AN OHV**.

(c) The Department shall adopt regulations to permit cross-country skiing or [snowmobile] OHV use on those defined parts of a landowner's real property on which cross-country skiing or [snowmobile] OHV use is allowed under this section.

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

Approved by the Governor, May 15, 2014.

Chapter 608

(House Bill 661)

AN ACT concerning

Health – Statistics and Records – Electronic Filing of Death Certificates

FOR the purpose of requiring the Secretary of Health and Mental Hygiene, on or before a certain date, to establish a process by which ~~death and fetal~~ death certificates can be filed electronically and to educate physicians, physician assistants, and nurse practitioners regarding the process; and generally relating to the filing of death certificates.

BY repealing and reenacting, with amendments,
Article – Health – General
Section 4–203
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

4–203.

(a) The Secretary is charged with administering efficiently and uniformly this subtitle throughout this State.

(b) (1) The Secretary shall [establish]:

(I) **ESTABLISH** appropriate methods and the necessary forms for accurate registration of vital records;

(II) ON OR BEFORE JANUARY 1, 2015, ESTABLISH A PROCESS BY WHICH ~~DEATH AND FETAL~~ DEATH CERTIFICATES CAN BE FILED ELECTRONICALLY; AND

(III) EDUCATE PHYSICIANS, PHYSICIAN ASSISTANTS, AND NURSE PRACTITIONERS REGARDING THE PROCESS BY WHICH ~~DEATH AND FETAL~~ DEATH CERTIFICATES CAN BE FILED ELECTRONICALLY.

(2) The forms shall provide for the information that the Secretary needs for proper registration and use of these vital records.

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

Approved by the Governor, May 15, 2014.

Chapter 609

(House Bill 692)

AN ACT concerning

Maryland Perfusion Act – Revisions

FOR the purpose of altering the requirement that one of the members of the Perfusion Advisory Committee be a physician who performs cardiac or cardiothoracic surgery to allow the member to be a cardiac anesthesiologist; authorizing, under certain circumstances, a certain applicant to apply to the State Board of Physicians for an extension of the term of a certain license; requiring the Board to adopt regulations to carry out a certain provision of this Act; altering the circumstances under which the Board is required to reinstate a certain license issued by the Board; repealing the requirement that a licensed perfusionist display the perfusionist's license in a certain place; requiring a licensed perfusionist to keep a copy of the perfusionist's license in a certain file and make the license available for inspection on request; altering certain penalty provisions; correcting the names of certain organizations referenced in the Maryland Perfusion Act; altering the circumstances under which certain entities are not required to report a certain licensed perfusionist to the Board; and generally relating to the Maryland Perfusion Act.

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 14-5E-06(a), 14-5E-09(c), 14-5E-10, 14-5E-13(f), 14-5E-14(b),
14-5E-18(b)(1)(i), and 14-5E-23

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

14–5E–06.

(a) The Committee consists of seven members, appointed by the Board as follows:

(1) (i) On or before September 30, 2013, three individuals who practice perfusion and who:

1. Are certified by a national certifying board; and
2. Have a minimum of 2 years experience; and

(ii) On or after October 1, 2013, three licensed perfusionists;

(2) Three physicians, at least one of whom performs cardiac or cardio–thoracic surgery **OR IS A CARDIAC ANESTHESIOLOGIST**; and

(3) One consumer member.

14–5E–09.

(c) An applicant for a license to practice perfusion shall:

(1) (i) Submit to the Board satisfactory evidence of certification as a certified perfusionist or other national certification approved by the Board; and

(ii) Meet any other educational or clinical requirements established by the Committee and approved by the Board; or

(2) (i) Submit to the Board satisfactory evidence of graduation from a perfusion educational program that is accredited by the [Committee] **COMMISSION** on Accreditation of Allied Health Education Programs, or the [Committee's] **COMMISSION'S** predecessor or successor; and

(ii) Meet any other educational or clinical requirements established by the Committee and approved by the Board.

14–5E–10.

(A) [An] **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION**, AN applicant who otherwise qualifies for a license under § 14–5E–09(c)(2) of this subtitle is entitled to be licensed for a single 2–year term before taking the national certifying examination given by the American Board of Cardiovascular Perfusion or its successor organization or another examination given or approved by the Board.

(B) (1) IF AN APPLICANT WAS PREVENTED FROM TAKING THE NATIONAL CERTIFYING EXAMINATION BEFORE THE SINGLE 2–YEAR LICENSE EXPIRES BECAUSE OF EXTENUATING CIRCUMSTANCES, THE APPLICANT MAY APPLY TO THE BOARD FOR AN EXTENSION OF THE TERM OF THE LICENSE.

(2) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT PARAGRAPH (1) OF THIS SUBSECTION THAT INCLUDE:

(i) CRITERIA THAT AN APPLICANT MUST MEET TO RECEIVE AN EXTENSION UNDER PARAGRAPH (1) OF THIS SUBSECTION; AND

(ii) PROVISIONS AS TO THE LENGTH OF TIME THAT A LICENSE MAY BE EXTENDED.

14–5E–13.

(f) The Board shall reinstate the license of an individual who has [not been placed on inactive status but has] failed to renew the license for any reason if the individual:

(1) Applies for reinstatement [within 30 days] after the date the license expires;

(2) Meets the renewal requirements of this section; and

(3) Pays to the Board the reinstatement fee set by the Board.

14–5E–14.

(b) Each licensed perfusionist shall [display the license conspicuously in the office or place of employment of the licensee]:

(1) KEEP A COPY OF THE LICENSE IN THE LICENSEE’S EMPLOYMENT FILE; AND

(2) MAKE THE LICENSE AVAILABLE FOR INSPECTION ON REQUEST.

14–5E–18.

(b) A hospital, related institution, alternative health system, or employer that has reason to know that a licensed perfusionist has committed an act or has a condition that might be grounds for reprimand or probation of the licensed perfusionist or suspension or revocation of the license because the licensed perfusionist is alcohol-impaired or drug-impaired is not required to report the licensed perfusionist to the Board if:

(1) The hospital, related institution, alternative health system, or employer knows that the licensed perfusionist is:

(i) In an alcohol or drug treatment program that is accredited by the Joint Commission [on Accreditation of Healthcare Organizations] **OR ITS SUCCESSOR**, or is certified by the Department; or

14-5E-23.

(a) [Except as provided in subsection (b) of this section, 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 \$1,000 or imprisonment not exceeding 1 year or both.

(b) A person who violates [§ 14-5E-20] **ANY PROVISION** of this subtitle is subject to a civil fine of not more than \$5,000 to be levied by the Board.

(c) The Board shall pay any penalty collected under this section into the Board of Physicians Fund.

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

Approved by the Governor, May 15, 2014.

Chapter 610

(House Bill 693)

AN ACT concerning

Health Insurance – Essential Health Benefits – Pediatric Dental Benefits

FOR the purpose of requiring the Maryland Health Benefit Exchange to certify stand-alone dental plans for sale outside the Exchange; requiring a stand-alone dental plan to be reviewed and approved by the Maryland Insurance Administration as meeting certain requirements to be certified for sale outside the Exchange; providing for a certain exception to the authority of the Exchange

to take certain actions relating to certification of certain plans; authorizing the Exchange to deny, suspend, or revoke the certification of a stand-alone dental plan for sale outside the Exchange under certain circumstances; providing that a health benefit plan offered by a health insurance carrier outside the ~~Maryland Health Benefit~~ Exchange to individuals or small employers is not required to include certain pediatric dental benefits under certain circumstances; repealing a requirement that the Exchange and the Maryland Insurance Administration conduct a certain study and report the findings and recommendations to the Governor and the General Assembly; defining certain terms; making this Act an emergency measure; and generally relating to health benefit plans offered outside the Maryland Health Benefit Exchange.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 31-115(a) and (k)(1) and 31-116(a)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY adding to

Article – Insurance

Section 31-115(l) and 31-116(f)

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing

Chapter 159 of the Acts of the General Assembly of 2013

Section 8

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

Article – Insurance

31-115.

(a) The Exchange shall certify:

(1) health benefit plans as qualified health plans;

(2) dental plans as qualified dental plans, which may be offered by carriers as:

(i) stand-alone dental plans; or

(ii) dental plans sold in conjunction with or as an endorsement to qualified health plans; [and]

(3) vision plans as qualified vision plans, which may be offered by carriers as:

(i) stand-alone vision plans; or

(ii) vision plans sold in conjunction with or as an endorsement to qualified health plans; AND

(4) STAND-ALONE DENTAL PLANS FOR SALE OUTSIDE THE EXCHANGE.

(k) (1) Subject to the contested case hearing provisions of Title 10, Subtitle 2 of the State Government Article, and subsection (f) of this section, AND EXCEPT AS PROVIDED IN SUBSECTION (L)(2) OF THIS SECTION, the Exchange may deny certification to a health benefit plan, a dental plan, or a vision plan, or suspend or revoke the certification of a qualified plan, based on a finding that the health benefit plan, dental plan, vision plan, or qualified plan does not satisfy requirements or has otherwise violated standards for certification that are:

(i) established under the regulations and interim policies adopted by the Exchange to carry out this title; and

(ii) not otherwise under the regulatory and enforcement authority of the Commissioner.

(L) (1) TO BE CERTIFIED FOR SALE OUTSIDE THE EXCHANGE, A STAND-ALONE DENTAL PLAN SHALL BE REVIEWED AND APPROVED BY THE ADMINISTRATION AS MEETING APPROPRIATE REQUIREMENTS, INCLUDING:

(I) COVERING THE STATE BENCHMARK PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS;

(II) COMPLYING WITH ANNUAL LIMITS AND LIFETIME LIMITS APPLICABLE TO ESSENTIAL HEALTH BENEFITS;

(III) COMPLYING WITH ANNUAL LIMITS ON COST SHARING APPLICABLE TO STAND-ALONE DENTAL PLANS UNDER 45 C.F.R. § 156.150; AND

(IV) MEETING THE SAME ACTUARIAL VALUE REQUIREMENT FOR THE PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS THAT IS REQUIRED FOR A QUALIFIED DENTAL PLAN.

(2) SUBJECT TO THE CONTESTED CASE HEARING PROVISIONS OF TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE, THE EXCHANGE MAY DENY, SUSPEND, OR REVOKE THE CERTIFICATION OF A STAND-ALONE

DENTAL PLAN FOR SALE OUTSIDE THE EXCHANGE IF THE STAND-ALONE DENTAL PLAN DOES NOT SATISFY THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION.

31–116.

(a) The essential health benefits required under § 1302(a) of the Affordable Care Act:

(1) shall be the benefits in the State benchmark plan, selected in accordance with this section; and

(2) notwithstanding any other benefits mandated by State law, shall be the benefits required in:

(i) **SUBJECT TO SUBSECTION (F) OF THIS SECTION**, all individual health benefit plans and health benefit plans offered to small employers, except for grandfathered health plans, as defined in the Affordable Care Act, offered outside the Exchange; and

(ii) subject to § 31–115(c) of this title, all qualified health plans offered in the Exchange.

(F) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “EXCHANGE CERTIFIED STAND-ALONE DENTAL PLAN” MEANS A STAND-ALONE DENTAL PLAN THAT HAS BEEN CERTIFIED BY THE EXCHANGE FOR SALE OUTSIDE THE EXCHANGE UNDER § 31–115 OF THIS TITLE.

(III) “PURCHASER” MEANS:

1. WITH RESPECT TO AN INDIVIDUAL HEALTH BENEFIT PLAN, THE INDIVIDUAL APPLYING FOR COVERAGE; AND

2. WITH RESPECT TO A SMALL GROUP HEALTH BENEFIT PLAN, THE EMPLOYER APPLYING FOR COVERAGE.

(2) TO THE EXTENT PERMITTED UNDER FEDERAL LAW, A HEALTH BENEFIT PLAN OFFERED OUTSIDE THE EXCHANGE TO INDIVIDUALS OR SMALL EMPLOYERS IS NOT REQUIRED TO PROVIDE ~~ESSENTIAL~~ PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS IF:

~~(1)~~ (I) AT THE TIME THE CARRIER OFFERS THE HEALTH BENEFIT PLAN, THE CARRIER DISCLOSES IN A FORM APPROVED BY THE

COMMISSIONER THAT THE HEALTH BENEFIT PLAN DOES NOT PROVIDE THE FULL RANGE OF ~~ESSENTIAL~~ PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS; AND

~~(2)~~ (II) THE CARRIER IS REASONABLY ASSURED THAT THE ENROLLEE HAS OBTAINED FULL COVERAGE OF ~~ESSENTIAL~~ PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS THROUGH ~~A QUALIFIED~~ AN EXCHANGE CERTIFIED STAND-ALONE DENTAL PLAN.

(3) A CARRIER SHALL:

(I) DISCLOSE TO A POTENTIAL PURCHASER, FOR THOSE HEALTH BENEFIT PLANS SOLD OUTSIDE THE EXCHANGE THAT DO NOT PROVIDE THE PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS, THAT THE PLAN DOES NOT INCLUDE THE PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS; AND

(II) FOR THOSE HEALTH BENEFIT PLANS SOLD OUTSIDE THE EXCHANGE THAT DO NOT PROVIDE THE PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS, INCLUDE ON ITS APPLICATION COMPLETED BY A PURCHASER THE FOLLOWING:

“HAVE YOU OBTAINED STAND-ALONE DENTAL COVERAGE THAT PROVIDES PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS THROUGH A MARYLAND HEALTH BENEFIT EXCHANGE CERTIFIED STAND-ALONE DENTAL PLAN OFFERED OUTSIDE THE MARYLAND HEALTH BENEFIT EXCHANGE?”

YES _____

No _____

IF YOU ANSWERED “YES”, PLEASE PROVIDE THE NAME OF THE COMPANY ISSUING THE STAND-ALONE DENTAL COVERAGE.

IF YOU ANSWERED “NO”, YOU WILL BE ISSUED A HEALTH BENEFIT PLAN THAT INCLUDES THE PEDIATRIC DENTAL ESSENTIAL HEALTH BENEFITS.”

(4) THE ADMINISTRATION SHALL PLACE ON ITS WEB SITE A LIST OF THE EXCHANGE CERTIFIED STAND-ALONE DENTAL PLANS IN THE STATE.

Chapter 159 of the Acts of 2013

[SECTION 8. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Health Benefit Exchange and the Maryland Insurance Administration shall:

(1) conduct a study of the impact of federal regulations governing the manner in which pediatric dental benefits must be offered and purchased inside and outside the Maryland Health Benefit Exchange, including:

(i) their effect on the affordability and accessibility of pediatric dental benefits; and

(ii) their effect on children's access to dental care; and

(2) assess the options that may be available to the State to address any adverse consequences of the manner in which pediatric dental benefits must be offered and purchased under the federal regulations.

(b) On or before December 1, 2014, the Maryland Health Benefit Exchange and the Maryland Insurance Administration shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly on the findings of the study and any recommendations for further legislative action.]

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 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 15, 2014.

Chapter 611

(House Bill 702)

AN ACT concerning

Professional Land Surveyors – Licensure Qualifications – Revisions

FOR the purpose of requiring certain applicants for a license to practice land surveying to apply for a license on or before a certain date to qualify for licensure with certain qualifications; altering certain educational, experiential, and examination requirements for applicants for a license to practice land surveying; authorizing the Board of Professional Land Surveyors to waive certain examination requirements or require certain applicants for a license to practice land surveying in the State to pass certain ~~examination requirements~~ examinations; making certain stylistic changes; and generally relating to revisions to licensure qualifications for professional land surveyors.

BY repealing and reenacting, with amendments,

Article – Business Occupations and Professions
 Section 15–305 and 15–311
 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 Occupations and Professions

15–305.

(a) In addition to the other qualifications for a license to practice land surveying, an applicant shall qualify under this section by meeting the educational, experience, and examination requirements set forth in subsection (b), (c), (d), or (e) of this section.

(b) An applicant qualifies under this section if the applicant:

~~(1) has been graduated from a college or university upon ON completion of at least a 4-year curriculum in THAT INCLUDES FROM A COLLEGE OR UNIVERSITY THAT IS ACCREDITED BY, OR IS A CONSTITUENT UNIT OF AN INSTITUTION ACCREDITED BY, THE MIDDLE STATES ASSOCIATION OF COLLEGES AND UNIVERSITIES OR THE EQUIVALENT REGIONAL ACCREDITING ASSOCIATION OF OTHER REGIONAL AREAS AND POSSESSES, BEGINNING ON OCTOBER 1, 2023, A MINIMUM OF 32 CREDIT HOURS OF land surveying that the Board approves;~~

(1) HAS GRADUATED ON COMPLETION OF AT LEAST A 4-YEAR CURRICULUM FROM A COLLEGE OR UNIVERSITY THAT IS ACCREDITED BY, OR IS A CONSTITUENT UNIT OF AN INSTITUTION ACCREDITED BY, THE MIDDLE STATES ASSOCIATION OF COLLEGES AND UNIVERSITIES OR THE EQUIVALENT REGIONAL ACCREDITING ASSOCIATION OF OTHER REGIONAL AREAS;

~~(2) has passed the examination in the fundamentals of LAND surveying BEGINNING ON OCTOBER 1, 2023, POSSESSES A MINIMUM OF 32 CREDIT HOURS OF LAND SURVEYING-RELATED COURSES THAT THE BOARD APPROVES;~~

(3) **(1) ON OR BEFORE SEPTEMBER 30, 2017,** has [a specific record of] at least ~~[2]~~ 4 years [of progressive office and field] **OF** experience in land surveying [of a grade and character] that is satisfactory to the Board and that indicates to the Board that the applicant may be competent to practice land surveying; ~~and~~ **OR**

(II) BEGINNING ON OCTOBER 1, 2017, HAS AT LEAST 4 YEARS OF EXPERIENCE IN LAND SURVEYING THAT IS SATISFACTORY TO THE BOARD AND THAT INDICATES TO THE BOARD THAT THE APPLICANT MAY BE COMPETENT TO PRACTICE LAND SURVEYING; AND

(4) has passed the following examinations:

(I) FUNDAMENTALS OF SURVEYING;

~~(ii) (II) A WRITTEN EXAMINATION IN~~ the principles and practice of ~~LAND~~ surveying; and

~~(iii) (III)~~ unless excused by the Board, State-specific examination modules specified and approved by the Board that pertain to the practice of surveying in the State.

(c) An applicant qualifies under this section if the applicant:

(1) APPLIES FOR A LICENSE ON OR BEFORE DECEMBER 31, 2023;

~~[(1)] (2)~~ has ~~[been]~~ graduated ~~[upon]~~ ON completion of at least a 4-year curriculum from a college or university that is accredited by, or is a constituent unit of an institution accredited by, the Middle States Association of Colleges and Schools or the equivalent regional accrediting association of other regional areas;

~~[(2)] (3)~~ ~~has passed the examination in the fundamentals of LAND surveying;~~

~~[(3)] (4)~~ **(I) ON OR BEFORE SEPTEMBER 30, 2017,** has [a specific record of] at least ~~[4] 6~~ years [of progressive office and field] **OF** experience in land surveying [of a grade and character] that is satisfactory to the Board and that indicates to the Board that the applicant may be competent to practice land surveying; ~~and~~ **OR**

(II) BEGINNING ON OCTOBER 1, 2017, HAS AT LEAST 6 YEARS OF EXPERIENCE IN LAND SURVEYING THAT IS SATISFACTORY TO THE BOARD AND THAT INDICATES TO THE BOARD THAT THE APPLICANT MAY BE COMPETENT TO PRACTICE LAND SURVEYING; AND

~~[(4)] (5)~~ **(4)** has passed the following examinations:

(I) FUNDAMENTALS OF SURVEYING;

~~(ii) (II) A WRITTEN EXAMINATION IN~~ the principles and practice of ~~LAND~~ surveying; and

~~(ii)~~ **(III)** unless excused by the Board, State-specific examination modules specified and approved by the Board that pertain to the practice of surveying in the State.

(d) (1) An applicant qualifies under this section if the applicant:

(I) APPLIES FOR A LICENSE ON OR BEFORE DECEMBER 31, 2025;

~~[(i)]~~ **(II)** is a high school graduate or the equivalent;

~~[(ii)]~~ **(III)** subject to paragraph (2) of this subsection, has [a specific record of] at least 12 years [of progressive office and field] experience in land surveying [of a grade and character] that is satisfactory to the Board and that indicates to the Board that the applicant may be competent to practice land surveying; and

~~[(iii)]~~ **(IV)** has passed the following examinations:

1. ~~A WRITTEN EXAMINATION IN~~ the principles and practice of ~~LAND~~ surveying; and

2. unless excused by the Board, State-specific examination modules specified and approved by the Board that pertain to the practice of surveying in the State.

(2) For each 30 semester hours or its equivalent that an applicant completes in land surveying-**RELATED** courses that the Board approves, the Board may allow a 1-year credit towards the experience requirements of paragraph ~~[(1)(ii)]~~ **(1)(III)** of this subsection for a maximum of 3 years.

(e) (1) An applicant qualifies under this section if the applicant:

~~(I) APPLIES FOR A LICENSE ON OR BEFORE DECEMBER 31, 2023;~~

~~[(i)]~~ ~~(II)~~ **(I)** is a high school graduate or the equivalent ~~AND;~~

(II) BEGINNING ON OCTOBER 1, 2023, POSSESSES A MINIMUM OF 32 CREDIT HOURS OF LAND SURVEYING-RELATED COURSES THAT THE BOARD APPROVES;

~~[(ii)]~~ ~~(III)~~ ~~(II)~~ **(III)** subject to paragraph (2) of this subsection, has [a specific record of] at least [8] 4 years OF [of progressive office and field] experience

in land surveying [of a grade and character] that is satisfactory to the Board and that indicates to the Board that the applicant may be competent to practice land surveying;

~~[(iii)] (IV) (III)~~ has passed ~~[the] A WRITTEN THE~~ examination in the fundamentals of LAND surveying;

~~(v) (IV) HAS AT LEAST 4 YEARS EXPERIENCE IN LAND SURVEYING THAT IS SATISFACTORY TO THE BOARD AND THAT INDICATES TO THE BOARD THAT THE APPLICANT MAY BE COMPETENT TO PRACTICE LAND SURVEYING;~~ and

~~[(iv)] (VI) (V)~~ has passed the following examinations:

1. FUNDAMENTALS OF SURVEYING;

~~1. 2. A WRITTEN EXAMINATION IN~~ the principles and practice of LAND surveying; and

~~2. 3.~~ unless excused by the Board, State-specific examination modules specified and approved by the Board that pertain to the practice of surveying in the State.

(2) For each 30 semester hours or its equivalent that an applicant completes in land surveying-**RELATED** courses that the Board approves, the Board may allow a 1-year credit towards the experience requirements of paragraph ~~[(1)(ii)] (1)(III) (1)(II) (1)(III)~~ of this subsection for a maximum of 3 years.

15-311.

(a) Subject to the provisions of this section, the Board may waive any examination requirement **OR ANY PART OF AN EXAMINATION REQUIREMENT** of this subtitle for an individual who is licensed to practice land surveying in another state.

(b) The Board may grant a waiver under this section only if the applicant:

(1) is of good character and reputation;

(2) pays to the Board:

(i) the nonrefundable application fee set by the Board under § 15-306 of this subtitle; and

(ii) the license fee set by the Board; and

(3) provides adequate evidence that, at the time the applicant was licensed by the other state, the applicant met requirements that were equivalent to those then required by the laws of this State.

(C) THE BOARD MAY REQUIRE AN APPLICANT UNDER THIS SECTION TO:

(1) PASS THE STATE-SPECIFIC PART OF ~~A WRITTEN~~ AN EXAMINATION; AND

(2) PASS ANY PART OF A NATIONALLY ADMINISTERED EXAMINATION THAT THE APPLICANT HAS PREVIOUSLY FAILED.

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

Approved by the Governor, May 15, 2014.

Chapter 612

(House Bill 739)

AN ACT concerning

Maryland Estate Tax – Unified Credit

FOR the purpose of altering the size of an estate required to file an estate tax return; altering a certain limit on the unified credit used for determining the Maryland estate tax; repealing a certain limit on the unified credit used for determining the Maryland estate tax for decedents dying after a certain date; altering a certain limitation on the amount of the Maryland estate tax; making a conforming change; and generally relating to the Maryland estate tax.

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 7-309(a)

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 7-305(b) and 7-309(b)(1), (2), and (3) and (c)

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

7–305.

(b) If a federal estate tax return is not required to be filed but a federal estate tax return would be required to be filed if the applicable exclusion amount under § 2010(c) of the Internal Revenue Code were no greater than [\$1,000,000] THE APPLICABLE EXCLUSION AMOUNT SPECIFIED UNDER § 7–309(B) OF THIS SUBTITLE, the person who would be responsible for filing the federal estate tax return shall complete, under oath, and file a Maryland estate tax return with the Comptroller or the register 9 months after the date of the death of the decedent.

7–309.

(a) Notwithstanding an Act of Congress that repeals or reduces the federal credit under § 2011 of the Internal Revenue Code, the provisions of this subtitle in effect before the passage of the Act of Congress shall apply with respect to a decedent who dies after the effective date of the Act of Congress so as to continue the Maryland estate tax in force without reduction in the same manner as if the federal credit had not been repealed or reduced.

(b) (1) Except as provided in paragraphs (2) through (8) of this subsection and subsection (c) of this section, after the effective date of an Act of Congress described in subsection (a) of this section, the Maryland estate tax shall be determined using:

(i) the federal credit allowable by § 2011 of the Internal Revenue Code as in effect before the reduction or repeal of the federal credit pursuant to the Act of Congress; and

(ii) other provisions of federal estate tax law, **INCLUDING THE APPLICABLE UNIFIED CREDIT ALLOWED AGAINST THE FEDERAL ESTATE TAX**, as in effect on the date of the decedent's death.

(2) Except as provided in paragraphs (3) through (8) of this subsection and subsection (c) of this section, if the federal estate tax is not in effect on the date of the decedent's death, the Maryland estate tax shall be determined using:

(i) the federal credit allowable by § 2011 of the Internal Revenue Code as in effect before the reduction or repeal of the federal credit pursuant to the Act of Congress; and

(ii) other provisions of federal estate tax law, **INCLUDING THE APPLICABLE UNIFIED CREDIT ALLOWED AGAINST THE FEDERAL ESTATE TAX**, as in effect on the date immediately preceding the effective date of the repeal of the federal estate tax.

(3) (i) Notwithstanding any increase in the unified credit allowed against the federal estate tax for decedents dying after 2003, the unified credit used for determining the Maryland estate tax **FOR A DECEDENT DYING BEFORE JANUARY 1, ~~2017~~ 2019**, may not exceed the applicable credit amount corresponding to an applicable exclusion amount [of \$1,000,000], within the meaning of § 2010(c) of the Internal Revenue Code, **OF:**

1. **\$1,000,000 FOR A DECEDENT DYING BEFORE JANUARY 1, ~~2014~~ 2015;**
2. **~~\$1,750,000~~ \$1,500,000 FOR A DECEDENT DYING ON OR AFTER JANUARY 1, ~~2014~~ 2015, BUT BEFORE JANUARY 1, ~~2015~~ 2016;**
3. **~~\$2,500,000~~ \$2,000,000 FOR A DECEDENT DYING ON OR AFTER JANUARY 1, ~~2015~~ 2016, BUT BEFORE JANUARY 1, ~~2016~~ 2017; ~~AND~~**
4. **~~\$3,500,000~~ \$3,000,000 FOR A DECEDENT DYING ON OR AFTER JANUARY 1, ~~2016~~ 2017, BUT BEFORE JANUARY 1, ~~2017~~ 2018; ~~AND~~**
5. **\$4,000,000 FOR A DECEDENT DYING ON OR AFTER JANUARY 1, 2018, BUT BEFORE JANUARY 1, 2019.**

(ii) The Maryland estate tax shall be determined without regard to any deduction for State death taxes allowed under § 2058 of the Internal Revenue Code.

(iii) Unless the federal credit allowable by § 2011 of the Internal Revenue Code is in effect on the date of the decedent's death, the federal credit used to determine the Maryland estate tax may not exceed 16% of the amount by which the decedent's taxable estate, as defined in § 2051 of the Internal Revenue Code, exceeds:

1. **\$1,000,000 FOR A DECEDENT DYING BEFORE JANUARY 1, ~~2014~~ 2015;**
2. **~~\$1,750,000~~ \$1,500,000 FOR A DECEDENT DYING ON OR AFTER JANUARY 1, ~~2014~~ 2015, BUT BEFORE JANUARY 1, ~~2015~~ 2016;**
3. **~~\$2,500,000~~ \$2,000,000 FOR A DECEDENT DYING ON OR AFTER JANUARY 1, ~~2015~~ 2016, BUT BEFORE JANUARY 1, ~~2016~~ 2017;**

4. ~~\$3,500,000~~ \$3,000,000 FOR A DECEDENT DYING ON OR AFTER JANUARY 1, ~~2016~~ 2017, BUT BEFORE JANUARY 1, ~~2017~~ 2018;

5. \$4,000,000 FOR A DECEDENT DYING ON OR AFTER JANUARY 1, 2018, BUT BEFORE JANUARY 1, 2019; AND

~~5. 6.~~ THE APPLICABLE EXCLUSION AMOUNT CORRESPONDING TO THE APPLICABLE UNIFIED CREDIT UNDER PARAGRAPH (1) OR (2) OF THIS SUBSECTION FOR A DECEDENT DYING ON OR AFTER JANUARY 1, 2017 2019.

(c) (3) If the value of qualified agricultural property that passes from the decedent to or for the use of a qualified recipient exceeds \$5,000,000, the Maryland estate tax imposed on the Maryland estate of the decedent may not exceed the sum of:

(i) 16% of the amount by which the decedent's taxable estate, excluding the value of all qualified agricultural property that passes from the decedent to or for the use of a qualified recipient, exceeds [\$1,000,000] THE APPLICABLE EXCLUSION AMOUNT SPECIFIED UNDER SUBSECTION (B) OF THIS SECTION; and

(ii) 5% of the amount by which the value of qualified agricultural property that passes from the decedent to or for the use of a qualified recipient exceeds \$5,000,000.

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

Approved by the Governor, May 15, 2014.

Chapter 613

(House Bill 765)

AN ACT concerning

State Personnel – Authority to Set Compensation

FOR the purpose of altering certain provisions of law that authorize certain State officials or certain units of State government to take certain personnel actions and set the compensation of certain employees, staff, or positions in State government; authorizing certain State officials or certain units of State government to set the compensation of certain employees in certain positions; requiring the Secretary of Budget and Management, in consultation with the officials or units, to determine the positions for which the officials or units may

set compensation; repealing the authority of certain officials or units to take certain personnel actions or set the compensation of certain employees, staff, or positions; providing that certain appointments, personnel actions, and setting of compensation be in accordance with the State budget; making stylistic and conforming changes; and generally relating to State personnel, hiring authority, and the authority to set compensation for certain State employees in State government.

BY repealing and reenacting, with amendments,
Article – Correctional Services
Section 8–206
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 2–115
Annotated Code of Maryland
(2008 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)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 19–107(d) and 19–206(d)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 14–204(d)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Insurance
Section 2–105, 14–503(g), and 31–105(c), (d), and (e)
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 8–305(b)

Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Safety

Section 3–206

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–108(e)

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

8–206.

(a) (1) With the approval of the Secretary, the Commission shall appoint an Executive Director.

(2) The Executive Director shall perform general administrative functions.

(3) The Executive Director serves at the pleasure of the Commission.

(b) (1) With the approval of the Secretary, the Commission shall appoint a Deputy Director and any other employees that the Commission considers necessary to perform general administrative and training management functions.

(2) The Deputy Director and other employees appointed under paragraph (1) of this subsection shall serve at the pleasure of the Commission.

[(c) With the approval of the Secretary, the Commission shall employ other individuals as necessary to carry out this subtitle.]

(C) IN ACCORDANCE WITH THE STATE BUDGET, THE COMMISSION MAY SET THE COMPENSATION OF:

[(d) (1) [The] THE Executive Director[,] AND the Deputy Director[,]; and

(2) [other employees of the Commission are entitled to receive compensation as established by the Commission in accordance with the State budget] A COMMISSION EMPLOYEE IN A POSITION THAT:

(I) IS UNIQUE TO THE COMMISSION;

(II) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(III) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(D) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE COMMISSION, SHALL DETERMINE THE POSITIONS FOR WHICH THE COMMISSION MAY SET COMPENSATION UNDER SUBSECTION (C) OF THIS SECTION.

Article – Economic Development

2–115.

(a) In accordance with the State budget, the Secretary [shall] MAY set the compensation of A Department [employees] EMPLOYEE IN A POSITION THAT:

(1) IS UNIQUE TO THE DEPARTMENT;

(2) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(3) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(b) The Secretary of Budget and Management shall determine:

(1) position categories for special appointments in the Department;
AND

(2) IN CONSULTATION WITH THE SECRETARY, THE POSITIONS FOR WHICH THE SECRETARY MAY SET COMPENSATION UNDER SUBSECTION (A) OF THIS SECTION.

Article – Environment

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] SUBJECT TO SUBSECTION (B) OF THIS SECTION, 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) IN ACCORDANCE WITH THE STATE BUDGET, THE ADMINISTRATION MAY SET THE COMPENSATION OF AN ADMINISTRATION EMPLOYEE IN A POSITION THAT:

- (I) IS UNIQUE TO THE ADMINISTRATION;**

(II) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(III) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(2) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE SECRETARY, SHALL DETERMINE THE POSITIONS FOR WHICH THE ADMINISTRATION MAY SET COMPENSATION UNDER PARAGRAPH (1) OF THIS SUBSECTION.

Article – Health – General

19–107.

(d) (1) The Commission may employ a staff in accordance with the State budget.

(2) The Commission, in consultation with the Secretary, [shall determine the appropriate job classifications and grades for all staff] **MAY SET THE COMPENSATION OF A COMMISSION EMPLOYEE IN A POSITION THAT:**

(I) IS UNIQUE TO THE COMMISSION;

(II) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(III) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(3) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE SECRETARY, SHALL DETERMINE THE POSITIONS FOR WHICH THE COMMISSION MAY SET COMPENSATION UNDER PARAGRAPH (2) OF THIS SUBSECTION.

19–206.

(d) (1) The Commission may employ a staff in accordance with the State budget.

(2) The Commission, in consultation with the Secretary, [shall determine the appropriate job classifications and grades for all staff] **MAY SET THE COMPENSATION OF A COMMISSION EMPLOYEE IN A POSITION THAT:**

(I) IS UNIQUE TO THE COMMISSION;

(II) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(III) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(3) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE COMMISSION, SHALL DETERMINE THE POSITIONS FOR WHICH THE COMMISSION MAY SET COMPENSATION UNDER PARAGRAPH (2) OF THIS SUBSECTION.

[(3)] (4) The Deputy Director and each principal section chief of the Commission serve at the pleasure of the Commission.

[(4)] (5) The Commission, in consultation with the Secretary, may determine the appropriate job classifications [and, subject to the State budget, the compensation] for the Executive Director, Deputy Director, and each principal section chief of the Commission.

Article – Health Occupations

14–204.

(d) (1) **(I)** The Secretary may employ a staff for the Board in accordance with the State budget.

(II) The Secretary may designate one of the staff as an executive director.

(2) The Secretary [shall determine the appropriate job classifications and grades for all staff] **MAY SET THE COMPENSATION OF AN EMPLOYEE OF THE BOARD IN A POSITION THAT:**

(I) IS UNIQUE TO THE BOARD;

(II) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(III) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(3) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE SECRETARY, SHALL DETERMINE THE POSITIONS FOR WHICH THE SECRETARY MAY SET COMPENSATION UNDER PARAGRAPH (2) OF THIS SUBSECTION.

Article – Insurance

2–105.

(a) In this section, “Secretary” means the Secretary of Budget and Management.

(b) All employees of the Administration that serve in a management, professional, or technical capacity are in the executive service, management service, or are special appointments in the State Personnel Management System and serve at the pleasure of the Commissioner.

(c) [The compensation of personnel under subsection (b) of this section shall be determined by the Commissioner and, if possible, in accordance with the State pay plan] **IN ACCORDANCE WITH THE STATE BUDGET, THE COMMISSIONER MAY SET THE COMPENSATION OF AN EMPLOYEE UNDER SUBSECTION (B) OF THIS SECTION IN A POSITION THAT:**

(1) IS UNIQUE TO THE ADMINISTRATION;

(2) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(3) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(D) THE SECRETARY, IN CONSULTATION WITH THE COMMISSIONER, SHALL DETERMINE THE POSITIONS FOR WHICH THE COMMISSIONER MAY SET COMPENSATION UNDER SUBSECTION (C) OF THIS SECTION.

[(d)] (E) (1) At least 45 days before the effective date of the change, the Commissioner shall submit to the Secretary each change to salary plans that involves increases or decreases in salary ranges other than those associated with routine reclassifications and promotions or general salary increases approved by the General Assembly.

(2) Reportable changes include creation or abolition of classes, regrading the classes from one established range to another, or creation of new pay schedules or ranges.

(3) The Secretary shall:

(i) review the proposed changes; and

(ii) at least 15 days before the effective date of the proposed changes, advise the Commissioner whether the changes would have an adverse effect on comparable State jobs.

(4) Failure of the Secretary to respond in a timely manner is not considered a statement of adverse effect.

14-503.

(g) (1) The Executive Director may employ a staff for the Plan in accordance with the State budget.

(2) Staff for the Plan are in the executive service, management service, or are special appointments in the State Personnel Management System.

(3) The Executive Director, in consultation with the Department of Budget and Management, [may determine the appropriate job classifications and grades for all staff] **MAY SET THE COMPENSATION OF A PLAN EMPLOYEE IN A POSITION THAT:**

(I) IS UNIQUE TO THE PLAN;

(II) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(III) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(4) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE EXECUTIVE DIRECTOR, SHALL DETERMINE THE POSITIONS FOR WHICH THE EXECUTIVE DIRECTOR MAY SET COMPENSATION UNDER PARAGRAPH (3) OF THIS SUBSECTION.

31-105.

(c) (1) [The] IN ACCORDANCE WITH THE STATE BUDGET, THE Executive Director may employ and retain a staff for the Exchange.

(2) (I) THE EXECUTIVE DIRECTOR MAY SET THE COMPENSATION OF AN EXCHANGE EMPLOYEE IN A POSITION THAT:

1. IS UNIQUE TO THE EXCHANGE;
2. REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND
3. DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(II) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE EXECUTIVE DIRECTOR, SHALL DETERMINE THE POSITIONS FOR WHICH THE EXECUTIVE DIRECTOR MAY SET COMPENSATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(3) Except as provided in paragraphs [(3) and (4)] (4) AND (5) of this subsection, or otherwise by law, the Executive Director's appointment, retention, and removal of staff of the Exchange are not subject to Division I of the State Personnel and Pensions Article.

[(3)] (4) In hiring staff for functions that must be performed by State personnel under the Affordable Care Act or other applicable federal or State laws, the Executive Director's appointment, retention, and removal of staff shall be in accordance with Division I of the State Personnel and Pensions Article.

[(4)] (5) In hiring staff for functions that have been and currently are performed by State personnel, the Executive Director's appointment, retention, and removal of staff shall be in accordance with Division I of the State Personnel and Pensions Article.

[(5)] (6) Except as provided in paragraph [(6)] (7) of this subsection, staff for all other positions necessary to carry out the purposes of this title shall be positions in the executive service or management service, or special appointments of the skilled service or the professional service in the State Personnel Management System.

[(6)] (7) The Executive Director may retain as independent contractors [or employees], and set compensation for, attorneys, financial consultants, and any other professionals or consultants necessary to carry out the planning, development, and operations of the Exchange and the provisions of this title.

(d) The Executive Director shall determine the classification, grade, and compensation of [staff of the Exchange] **THOSE POSITIONS** [hired or] designated under subsection [(c)(3), (4), and (5)] **(C)(2)** of this section:

- (1) in consultation with the Secretary of Budget and Management;
- (2) with the approval of the Board; and
- (3) when possible, in accordance with the State pay plan.

(e) (1) With respect to staff of the Exchange [hired or] designated under subsection [(c)(3), (4), and (5)] **(C)(2)** of this section, the Executive Director shall submit to the Secretary of Budget and Management, at least 45 days before the effective date of the change, each change to the Exchange's salary plans that involves increases or decreases in salary ranges other than those associated with routine reclassifications and promotions or general salary increases approved by the General Assembly.

(2) Reportable changes include:

- (i) the creation or abolition of classes;
- (ii) the regrading of classes from one established range to another; and
- (iii) the creation of new pay schedules or ranges.

(3) The Secretary of Budget and Management shall:

- (i) review the proposed change; and
- (ii) at least 15 days before the effective date of the proposed

change:

1. advise the Executive Director whether the change would have an adverse effect on comparable State jobs; and

2. if there would be an adverse effect, recommend an alternative change that would not have an adverse effect on comparable State jobs.

(4) Failure of the Secretary of Budget and Management to respond in a timely manner is deemed to be agreement with the change as submitted.

Article – Labor and Employment

(b) (1) In accordance with the provisions of the State Personnel and Pensions Article, the Secretary may employ the staff necessary to carry out this title.

(2) In accordance with the State budget, the Secretary [shall] **MAY** set the compensation of [staff employed] **AN EMPLOYEE** under this subsection **IN A POSITION THAT:**

(I) IS UNIQUE TO THE DEPARTMENT;

(II) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(III) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(3) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE SECRETARY, SHALL DETERMINE THE POSITIONS FOR WHICH THE SECRETARY MAY SET COMPENSATION UNDER PARAGRAPH (2) OF THIS SUBSECTION.

~~[(3)]~~ (4) Subject to other applicable provisions of this title, the Secretary may appoint employees and set their powers and duties as necessary to carry out this title.

Article – Public Safety

3–206.

(a) (1) With the approval of the Secretary, the Commission shall appoint an executive director.

(2) The executive director shall perform general administrative and training management functions.

(3) The executive director serves at the pleasure of the Commission.

(b) (1) With the approval of the Secretary, the Commission shall appoint a deputy director and any other employees that the Commission considers necessary to perform general administrative and training management functions.

(2) The deputy director and other employees appointed under paragraph (1) of this subsection shall serve at the pleasure of the Commission.

[(c) With the approval of the Secretary, the Commission shall employ other individuals as necessary to carry out this subtitle.]

(C) IN ACCORDANCE WITH THE STATE BUDGET, THE COMMISSION MAY SET THE COMPENSATION OF:

[(d)] (1) [The] THE executive director[,] AND THE deputy director[.]; and

(2) [Other employees of the Commission are entitled to receive compensation as established by the Commission in accordance with the State budget] A COMMISSION EMPLOYEE IN A POSITION THAT:

(I) IS UNIQUE TO THE COMMISSION;

(II) REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND

(III) DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(D) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE COMMISSION, SHALL DETERMINE THE POSITIONS FOR WHICH THE COMMISSION MAY SET COMPENSATION UNDER SUBSECTION (C) OF THIS SECTION.

Article – State Government

9–108.

(e) (1) With the advice of the Commission, the Director may employ deputy directors and other staff in accordance with the State budget.

(2) Except as provided in paragraph (3) of this subsection or otherwise by law, the staff of the Commission is in the State Personnel Management System.

(3) (I) [A] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A deputy director is in the executive service of the State Personnel Management System.

(II) [However, a] A deputy director may be removed only for cause after being given notice and an opportunity for a hearing.

(4) (I) WITH THE APPROVAL OF THE COMMISSION AND IN ACCORDANCE WITH THE STATE BUDGET, THE DIRECTOR MAY SET THE COMPENSATION OF AN AGENCY EMPLOYEE IN A POSITION THAT:

1. IS UNIQUE TO THE AGENCY;
2. REQUIRES SPECIFIC SKILLS OR EXPERIENCE TO PERFORM THE DUTIES OF THE POSITION; AND
3. DOES NOT REQUIRE THE EMPLOYEE TO PERFORM FUNCTIONS THAT ARE COMPARABLE TO FUNCTIONS PERFORMED IN OTHER UNITS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

(II) THE SECRETARY OF BUDGET AND MANAGEMENT, IN CONSULTATION WITH THE DIRECTOR, SHALL DETERMINE THE POSITIONS FOR WHICH THE DIRECTOR MAY SET COMPENSATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

[(4)] (5) (i) The Governor shall include in the State budget sufficient money for the Commission to hire, develop, and organize a staff to perform the functions of the Commission.

(ii) As deemed necessary by the Commission, the Commission shall hire experts including economists, gaming specialists, and lawyers.

(iii) 1. The Commission shall contract with an outside consultant to provide continual analysis of the gaming industry both within and outside the State and support the licensing activities of the Commission and the Video Lottery Facility Location Commission.

2. The cost of the consultant required under this subparagraph may be divided proportionally among the video lottery operation licensees as determined by the Commission.

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

Approved by the Governor, May 15, 2014.

Chapter 614

(House Bill 779)

**Maryland Health Care Commission – Health Care Provider–Carrier
Workgroup**

FOR the purpose of requiring the Maryland Health Care Commission to establish a Health Care Provider–Carrier Workgroup; establishing the purpose, composition, staffing, and frequency of meetings of the Workgroup; prohibiting a Workgroup member from receiving certain compensation or reimbursement; requiring Commission staff to solicit and select issues for consideration by the Workgroup; requiring Commission staff to provide certain assistance to the Workgroup and to submit a certain report, on or before certain dates, to the Commission and certain committees of the General Assembly; and generally relating to the Maryland Health Care Commission and the Health Care Provider–Carrier Workgroup.

BY adding to

Article – Health – General

Section 19–108.3

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 – General

19–108.3.

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

(2) “CARRIER” INCLUDES INSURERS, NONPROFIT HEALTH SERVICE PLANS, HEALTH MAINTENANCE ORGANIZATIONS, THIRD–PARTY ADMINISTRATORS, AND PHARMACY BENEFITS MANAGERS.

(3) “HEALTH CARE PROVIDER” INCLUDES HOSPITALS, PHYSICIANS, NURSE PRACTITIONERS, PHARMACISTS, AND OTHER PERSONS ENTITLED TO REIMBURSEMENT UNDER § 15–701(A) OF THE INSURANCE ARTICLE.

(4) “WORKGROUP” MEANS THE HEALTH CARE PROVIDER–CARRIER WORKGROUP.

(B) THE COMMISSION SHALL ESTABLISH A HEALTH CARE PROVIDER–CARRIER WORKGROUP.

(C) THE PURPOSE OF THE WORKGROUP IS TO PROVIDE A MECHANISM FOR HEALTH CARE PROVIDERS AND CARRIERS TO RESOLVE DISPUTES ON ISSUES OVER WHICH NO STATE AGENCY HAS STATUTORY OR REGULATORY AUTHORITY.

(D) THE WORKGROUP SHALL BE COMPOSED OF REPRESENTATIVES OF:

(1) PROFESSIONAL ORGANIZATIONS OR ASSOCIATIONS OF HEALTH CARE PROVIDERS WHO BILL AND RECEIVE REIMBURSEMENT FOR HEALTH CARE SERVICES FROM CARRIERS; ~~AND~~

(2) CARRIERS OR ORGANIZATIONS OR TRADE ASSOCIATIONS REPRESENTING CARRIERS THAT REIMBURSE HEALTH CARE PROVIDERS FOR HEALTH CARE SERVICES PROVIDED UNDER HEALTH BENEFIT PLANS; AND

(3) SUBJECT TO SUBSECTION (E)(1)(III) OF THIS SECTION, CONSUMER ORGANIZATIONS.

(E) (1) THE COMMISSION SHALL INVITE THE FOLLOWING TO APPOINT MEMBERS TO THE WORKGROUP:

(I) ~~PROFESSIONAL~~ PROFESSIONAL ORGANIZATIONS OR ASSOCIATIONS OF HEALTH CARE PROVIDERS ~~AND CARRIERS;~~

(II) CARRIERS OR ORGANIZATIONS OR TRADE ASSOCIATIONS REPRESENTING CARRIERS ~~TO APPOINT MEMBERS TO THE WORKGROUP;~~ AND

(III) WHEN APPROPRIATE TO THE ISSUE UNDER DISCUSSION, CONSUMER ORGANIZATIONS.

(2) MEMBERSHIP IN THE WORKGROUP MAY CHANGE DEPENDING ON THE ISSUES BEFORE THE WORKGROUP.

(3) THE SIZE OF THE WORKGROUP SHALL BE AT THE DISCRETION OF THE COMMISSION BUT LARGE ENOUGH TO REPRESENT THE APPROPRIATE RANGE OF STAKEHOLDERS.

(F) WORKGROUP MEMBERS MAY NOT RECEIVE COMPENSATION OR REIMBURSEMENT FOR SERVING ON THE WORKGROUP.

(G) THE WORKGROUP SHALL MEET AT LEAST QUARTERLY.

(H) COMMISSION STAFF SHALL FACILITATE WORKGROUP MEETINGS AND PROVIDE RESEARCH AND OTHER SUPPORT TO THE WORKGROUP.

(I) (1) AT LEAST ANNUALLY, COMMISSION STAFF SHALL SOLICIT ISSUES FOR CONSIDERATION BY THE WORKGROUP.

(2) ISSUES SHALL BE SOLICITED FROM:

(I) MEMBERS OF THE GENERAL ASSEMBLY;

(II) PROFESSIONAL ORGANIZATIONS OR ASSOCIATIONS OF HEALTH CARE PROVIDERS AND CARRIERS OR ORGANIZATIONS OR TRADE ASSOCIATIONS REPRESENTING CARRIERS; ~~AND~~

(III) STATE AGENCIES, INCLUDING THE DEPARTMENT, HEALTH OCCUPATIONS BOARDS, THE MARYLAND INSURANCE ADMINISTRATION, AND THE COMMISSION; AND

(IV) CONSUMER ORGANIZATIONS.

(J) AFTER SOLICITING ISSUES UNDER SUBSECTION (I) OF THIS SECTION, COMMISSION STAFF SHALL SELECT THE ISSUES TO BE CONSIDERED BY THE WORKGROUP.

(K) COMMISSION STAFF SHALL:

(1) RESEARCH EACH ISSUE BEFORE THE ISSUE IS CONSIDERED BY THE WORKGROUP;

(2) USE THE RESULTS OF THE RESEARCH TO INFORM WORKGROUP MEETINGS;

(3) FACILITATE WORKGROUP MEETINGS IN A WAY THAT PROMOTES RESOLUTION OF DISPUTES ON ISSUES AND IS SATISFACTORY TO THE MEMBERS OF THE WORKGROUP; AND

(4) ON OR BEFORE JANUARY 1, 2016, AND EACH YEAR THEREAFTER, SUBMIT A REPORT TO THE COMMISSION AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE REGARDING THE ISSUES CONSIDERED BY THE WORKGROUP DURING THE PRECEDING YEAR AND THE OUTCOME OF THE WORKGROUP'S CONSIDERATION OF EACH ISSUE.

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

Approved by the Governor, May 15, 2014.

Chapter 615

(House Bill 806)

AN ACT concerning

Health Information Exchanges – Protected Health Information – Regulations

FOR the purpose of requiring certain regulations for protected health information obtained or released through a certain health information exchange to govern the access, use maintenance, disclosure, and redisclosure of protected health information as required by State or federal law; and generally relating to health information exchanges and regulations for protected health information.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 4–302.2

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

4–302.2.

(a) The Maryland Health Care Commission shall adopt regulations for the privacy and security of protected health information obtained or released through a health information exchange by:

(1) A health care provider;

(2) A payor that holds a valid certificate of authority issued by the Maryland Insurance Commissioner;

(3) A health care consumer; or

(4) Any person authorized by a health care consumer to act on behalf of the health care consumer.

(b) The regulations adopted under subsection (a) of this section shall [include]:

(1) **GOVERN THE ACCESS, USE, MAINTENANCE, DISCLOSURE, AND REDISCLOSURE OF PROTECTED HEALTH INFORMATION AS REQUIRED BY STATE OR FEDERAL LAW, INCLUDING THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT AND THE FEDERAL HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT; AND**

(2) **INCLUDE** protections for the secondary use of protected health information obtained or released through a health information exchange.

(c) Data obtained or released through a health information exchange:

(1) May not be sold for financial remuneration until the regulations required under subsections (a) and (b) of this section are adopted; and

(2) May be sold for financial remuneration only in accordance with the regulations adopted under subsections (a) and (b) of this section.

(d) Regulations adopted under subsections (a) and (b) of this section may not apply to protected health information exchanged:

(1) Between a hospital and credentialed members of the hospital's medical staff;

(2) Among credentialed members of a hospital's medical staff; or

(3) Between a hospital and ancillary clinical service providers that are affiliated with the hospital and have signed a business associate agreement.

(e) The Maryland Health Care Commission shall consult with health care providers, payors, State health agencies, consumer advocates, and employers before adopting regulations under subsections (a) and (b) of this section.

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

Approved by the Governor, May 15, 2014.

Chapter 616

(House Bill 812)

AN ACT concerning

Education – Middle Schools – Automated External Defibrillators

FOR the purpose of altering a requirement that certain county boards of education develop and implement a certain automated external defibrillator program that meets certain requirements in high schools to include middle schools; and generally relating to requiring middle schools to have an automated external defibrillator program.

BY repealing and reenacting, with amendments,

Article – Education

Section 7–425

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

7–425.

(a) (1) Each county board shall develop and implement an automated external defibrillator program that meets the requirements of § 13–517 of this article for each high school **AND MIDDLE SCHOOL** in the county.

(2) The program required under paragraph (1) of this subsection shall include provisions that:

(i) Ensure that an automated external defibrillator is provided on site; and

(ii) An individual trained in the operation and use of an automated external defibrillator is present at all school–sponsored athletic events.

(b) The Department, in consultation with the Department of Health and Mental Hygiene, the Maryland State School Health Council, and the Maryland Institute for Emergency Medical Services Systems, shall adopt regulations that:

(1) Establish guidelines for periodic inspections and annual maintenance of the automated external defibrillators; and

(2) Assist county boards in carrying out the provisions of this section.

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

Approved by the Governor, May 15, 2014.

Chapter 617

(House Bill 833)

AN ACT concerning

Baltimore City – Tax-Exempt Property – Certification of Use

FOR the purpose of requiring certain organizations that own property in Baltimore City that is not subject to property tax to submit a certain application to the State Department of Assessments and Taxation on or before ~~a certain date~~ certain dates; requiring that the application include a certification that certain property not subject to property tax is in current actual use for a certain tax-exempt purpose; specifying the form and oath required for the application; providing that a property subject to this Act for which an application has not been filed on or before ~~a certain date~~ certain dates shall be subject to property tax on ~~a certain date~~ certain dates; requiring that a property for which an application is filed after ~~a certain date~~ certain dates not be subject to property tax effective in certain taxable years; requiring certain organizations that own property in Baltimore City that is not subject to property tax to notify certain persons within a certain period of time after the property ceases to be used for a certain tax-exempt purpose; providing for a delayed effective date; and generally relating to requiring ~~a~~ certification of a current tax-exempt use of certain property in Baltimore City that is not subject to property tax.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 7-202 and 7-204

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

BY adding to

Article – Tax – Property

Section 7-204.1

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 – Tax – Property

7–202.

(a) In this section:

(1) “fraternal organization” means any organization that:

(i) is conducted solely for the benefit of its members and its beneficiaries;

(ii) is operated on a lodge system with a ritualistic activity; and

(iii) has a representative form of government;

(2) “fraternal organization” includes a sororal organization; and

(3) “fraternal organization” does not include:

(i) any college or high school fraternity or sorority; or

(ii) any other fraternal or sororal organization the membership of which is restricted wholly or largely to students or graduates of an educational institution or a professional school.

(b) (1) Except as provided in subsection (c) of this section **AND SUBJECT TO § 7–204.1 OF THIS SUBTITLE**, 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.

(2) The exemption under paragraph (1)(ii)1 of this subsection includes any personal property initially leased by a nonprofit hospital for more than 1 year under a lease that is noncancellable except for cause.

(c) (1) Except for a nonprofit hospital, not more than 100 acres of real property owned by an exempt organization and appurtenant to the premises of the exempt organization is exempt from property tax, if the property is located outside of a municipal corporation or Baltimore City.

(2) Not more than 100 acres of real property of a nonprofit hospital that is appurtenant to the hospital is exempt from property tax.

(d) (1) Notwithstanding § 7–104 of this title and after filing the application provided by § 7–103 of this title, property tax on any property that is transferred to a nonprofit charitable organization is abated from the date during the taxable year when the instrument transferring title to the organization is recorded if:

(i) the property is transferred to a nonprofit charitable organization qualified under § 501(c)(3) of the Internal Revenue Code;

(ii) the property becomes exempt under this section;

(iii) the property has a value less than \$300,000 as listed in the records of the Department on the date when the instrument transferring title to the organization is recorded; and

(iv) the nonprofit charitable organization provides the Department evidence of the property tax it actually paid or reimbursed at the property settlement.

(2) The amount of property tax abated under this subsection may not exceed the amount of property tax actually paid or reimbursed by an eligible organization at the property settlement.

7–204.

[Property] **SUBJECT TO § 7–204.1 OF THIS SUBTITLE, 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.

7-204.1.

(A) AN ORGANIZATION THAT OWNS PROPERTY IN BALTIMORE CITY THAT IS NOT SUBJECT TO PROPERTY TAX AS OF JUNE 1, 2014, UNDER § 7-202 OR § 7-204 OF THIS SUBTITLE SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT ~~ON OR BEFORE JUNE 1, 2016,~~ IN ACCORDANCE WITH THIS SECTION:

(1) BEGINNING WITH APRIL 1, 2016, ON OR BEFORE THE EARLIER OF APRIL 1 OF THE YEAR IN WHICH THE PROPERTY IS ASSESSED IN ACCORDANCE WITH THE DEPARTMENT'S 3-YEAR CYCLE OR APRIL 1, 2017; AND

(2) ON OR BEFORE APRIL 1 OF EACH SUBSEQUENT YEAR IN WHICH THE PROPERTY IS ASSESSED IN ACCORDANCE WITH THE DEPARTMENT'S 3-YEAR CYCLE.

(B) THE APPLICATION SHALL:

(1) BE MADE ON THE FORM THAT THE DEPARTMENT PROVIDES;

(2) CERTIFY THAT EACH PROPERTY OWNED BY THE ORGANIZATION IN BALTIMORE CITY THAT IS NOT SUBJECT TO PROPERTY TAX IS IN CURRENT ACTUAL USE FOR A TAX-EXEMPT PURPOSE AS ENUMERATED IN § 7-202 OR § 7-204 OF THIS SUBTITLE; AND

(3) INCLUDE A STATEMENT BY A REPRESENTATIVE OF THE ORGANIZATION UNDER OATH THAT THE FACTS STATED IN THE APPLICATION ARE TRUE, CORRECT, AND COMPLETE.

(C) A PROPERTY SUBJECT TO THIS SECTION FOR WHICH AN APPLICATION HAS NOT BEEN FILED ON OR BEFORE ~~JUNE 1, 2016,~~ SHALL BE SUBJECT TO PROPERTY TAX EFFECTIVE JULY 1, 2016 APRIL 1 OF A YEAR IN WHICH AN APPLICATION IS DUE UNDER SUBSECTION (A) OF THIS SECTION SHALL BE SUBJECT TO PROPERTY TAX EFFECTIVE THE FOLLOWING JULY 1.

(D) A PROPERTY FOR WHICH AN APPLICATION IS FILED AFTER ~~JUNE 1, 2016,~~ APRIL 1 OF A YEAR IN WHICH AN APPLICATION IS DUE UNDER SUBSECTION (A) OF THIS SECTION IS NOT SUBJECT TO PROPERTY TAX EFFECTIVE:

(1) THE NEXT TAXABLE YEAR IF THE APPLICATION IS RECEIVED ON OR AFTER ~~JULY 1~~ APRIL 1; OR

(2) THE SECOND FOLLOWING TAXABLE YEAR IF THE APPLICATION IS RECEIVED AFTER ~~JUNE~~ APRIL 1 BUT BEFORE JULY 1.

(E) AN ORGANIZATION THAT OWNS PROPERTY SUBJECT TO THIS SECTION SHALL NOTIFY THE DEPARTMENT AND THE DIRECTOR OF FINANCE OF BALTIMORE CITY WITHIN 30 DAYS AFTER THE PROPERTY CEASES TO BE USED FOR A TAX-EXEMPT PURPOSE AS ENUMERATED IN § 7-202 OR § 7-204 OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June 1, 2014~~ July 1, 2015.

Approved by the Governor, May 15, 2014.

Chapter 618

(House Bill 863)

AN ACT concerning

Property Tax – Exemption – ~~Baltimore Green Space~~ Community-Managed Open Space

FOR the purpose of ~~exempting~~ authorizing the Mayor and City Council of Baltimore City or the governing body of a county or a municipal corporation to exempt property owned by ~~Baltimore Green Space and a certain~~ community open space management entity, used exclusively as community-managed open space, and subject to a certain agreement from the county or municipal corporation property tax; authorizing the governing body of a county or municipal corporation to enact certain provisions to carry out the exemption; defining certain terms; providing for the application of this Act; and generally relating to an exemption from property tax.

BY adding to

Article – Tax – Property

Section ~~7-245~~ 7-518

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

~~7-245~~ 7-518.

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

(2) “COMMUNITY-MANAGED OPEN SPACE” MEANS A LOCAL PARK, GARDEN, WOODS, OR OTHER PREDOMINANTLY UNDEVELOPED AREA THAT IS UTILIZED AND CARED FOR BY THE LOCAL COMMUNITY IN A NATURAL OR CULTIVATED STATE FOR THE GENERAL BENEFIT OF THE LOCAL COMMUNITY.

(3) “COMMUNITY OPEN SPACE MANAGEMENT ENTITY” MEANS A NONPROFIT ORGANIZATION THAT HAS A COOPERATIVE AGREEMENT WITH THE MARYLAND ENVIRONMENTAL TRUST AND THE PURPOSES OF WHICH ARE PRIMARILY TO:

(I) PRESERVE COMMUNITY-MANAGED OPEN SPACES IN FULLY DEVELOPED AREAS;

(II) ACQUIRE, SELL, LEASE, TRANSFER, MANAGE, ESTABLISH, OR HOLD EASEMENTS TO PARCELS OF LAND FOR USE AS COMMUNITY-MANAGED OPEN SPACE IN FULLY DEVELOPED AREAS; AND

(III) ENCOURAGE, SUPPORT, AND FACILITATE THE PARTICIPATION OF COMMUNITIES IN THE BEAUTIFICATION, MAINTENANCE, AND PRESERVATION OF COMMUNITY-MANAGED OPEN SPACES IN FULLY DEVELOPED AREAS.

~~(B) PROPERTY IS NOT SUBJECT TO PROPERTY TAX IF THE PROPERTY:~~

~~(1) IS OWNED BY BALTIMORE GREEN SPACE A COMMUNITY OPEN SPACE MANAGEMENT ENTITY; AND~~

~~(2) IS USED EXCLUSIVELY AS COMMUNITY-MANAGED OPEN SPACE.; AND~~

~~(3) IS THE SUBJECT OF AN AGREEMENT, WHICH IS PERIODICALLY REVIEWED, BETWEEN THE COMMUNITY OPEN SPACE MANAGEMENT ENTITY AND THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION IN WHICH~~

~~THE PROPERTY IS LOCATED UNDER WHICH THE GOVERNING BODY AGREES THAT THE PROPERTY IS NOT SUBJECT TO PROPERTY TAX.~~

(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY EXEMPT PROPERTY OWNED BY A COMMUNITY OPEN SPACE MANAGEMENT ENTITY FROM THE COUNTY OR MUNICIPAL PROPERTY TAX.

(C) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY ENACT REGULATIONS, PROCEDURES, AND ANY OTHER PROVISION NECESSARY TO CARRY OUT THE EXEMPTION UNDER THIS SECTION.

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 15, 2014.

Chapter 619

(House Bill 874)

AN ACT concerning

County Health Officers – Authority of County Governing Body and Secretary of Health and Mental Hygiene

FOR the purpose of requiring the governing body of a county to establish a certain process for making a recommendation to the Secretary of Health and Mental Hygiene for the appointment of a health officer ~~committee if a vacancy occurs in the position of health officer for the county; establishing the duties of the committee; repealing a provision of law establishing that the health officer for a county serves at the pleasure of the governing body of the county and the Secretary of Health and Mental Hygiene; providing that a health officer may be removed from office for cause by the governing body of the county or the Secretary;~~ providing for the confidentiality of certain information; requiring certain meetings relating to the removal of a county health officer to be closed; providing for the construction of this Act; providing for a delayed effective date; and generally relating to county health officers and the appointment and removal authority of county governing bodies and the Secretary of Health and Mental Hygiene.

BY repealing and reenacting, with amendments,
Article – Health – General

Section 3-302
 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

3-302.

(a) The health officer for a county shall be nominated by the county and appointed by the Secretary.

(b) (1) The governing body of each county shall establish, by ordinance or resolution, the process by which the county nominates an individual for health officer.

~~(2) IF A VACANCY OCCURS IN THE POSITION OF HEALTH OFFICER FOR A COUNTY, THE GOVERNING BODY OF THE COUNTY SHALL ESTABLISH A COMMITTEE TO ADDRESS THE VACANCY THAT INCLUDES:~~

~~(i) REPRESENTATIVES OF THE GOVERNING BODY; AND~~

~~(ii) THE SECRETARY, OR THE SECRETARY'S DESIGNEE.~~

~~(3) THE COMMITTEE ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL:~~

~~(i) DETERMINE THE PROCESS FOR RECRUITING, INTERVIEWING, AND RECOMMENDING APPLICANTS TO FILL THE POSITION OF HEALTH OFFICER; AND~~

~~(ii) WITHIN 60 DAYS OF THE DATE ON WHICH THE VACANCY OCCURRED IN THE POSITION OF HEALTH OFFICER, RECOMMEND ONE CANDIDATE FOR HEALTH OFFICER TO THE GOVERNING BODY OF THE COUNTY.~~

(2) IF A VACANCY OCCURS IN THE POSITION OF HEALTH OFFICER FOR A COUNTY, THE GOVERNING BODY SHALL ESTABLISH A PROCESS, IN CONSULTATION WITH THE DEPARTMENT, FOR MAKING A RECOMMENDATION TO THE SECRETARY FOR THE APPOINTMENT OF A HEALTH OFFICER.

(3) THE PROCESS ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL INCLUDE THE REQUIREMENTS FOR RECRUITING, INTERVIEWING, AND RECOMMENDING APPLICANTS FOR THE POSITION OF HEALTH OFFICER.

(c) (1) If the Secretary finds that a nominee meets the qualifications of this section, the Secretary shall appoint the nominee as health officer.

(2) If the Secretary finds that the nominee does not meet the qualifications of this section, the Secretary shall reject the nomination, and the ~~[county] COMMITTEE ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION~~ county shall provide the Secretary with another nomination.

(d) Each health officer:

(1) Shall have:

(i) A master's degree in public health and at least 2 years' work in the field of public health; or

(ii) At least 5 years' work in the field of public health;

(2) Shall have any other qualifications and training in the field of public health that the Secretary requires by rule or regulation; and

(3) Need not be a physician, if the health officer has a deputy who:

(i) Is a physician; and

(ii) Meets the qualifications of this subsection.

(e) Before taking office, each appointee to the office of health officer shall take the oath required by Article I, § 9 of the Maryland Constitution.

(f) ~~¶~~The health officer for a county serves at the pleasure of the governing body of that county and the Secretary.

~~(g) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE~~ health officer for a county may be removed from office with the concurrence of the governing body of that county and the Secretary.

~~(2) THE HEALTH OFFICER FOR A COUNTY MAY BE REMOVED FROM OFFICE FOR CAUSE BY THE GOVERNING BODY OF THAT COUNTY OR BY THE SECRETARY.~~

~~(3)~~ (2) (1) ANY INFORMATION CONCERNING THE REMOVAL OF A HEALTH OFFICER FROM OFFICE IS CONFIDENTIAL IN ACCORDANCE WITH TITLE 4 OF THE GENERAL PROVISIONS ARTICLE.

(II) ANY MEETING OF THE GOVERNING BODY OF A COUNTY OR ANY MEETING THAT INCLUDES THE SECRETARY RELATED TO THE REMOVAL OF A HEALTH OFFICER FROM OFFICE SHALL BE CLOSED.

SECTION 2. AND BE IT FURTHER ENACTED, That nothing in this Act shall be construed to limit the ability of any county governing body to maintain responsibilities of its health officer that are concurrent across more than one agency providing service in the county, or to enter into an agreement with one or more other county governing bodies to allow a health officer to serve multiple jurisdictions.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2014~~ January 31, 2015.

Approved by the Governor, May 15, 2014.

Chapter 620

(House Bill 883)

AN ACT concerning

~~Task Force to Department of Health and Mental Hygiene – Study of Safe and Healthy School Hours for Maryland Public Schools~~

~~FOR the purpose of establishing the Task Force to Study Safe and Healthy School Hours for Maryland Public Schools; providing for the composition, chair, and staffing of the Task Force; prohibiting Task Force members from receiving compensation, but authorizing reimbursement for certain expenses under the Standard State Travel Regulations; requiring the Task Force to study and make recommendations relating to alternative school day starting times for Maryland public schools; requiring the Task Force to submit a certain report 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 Safe and Healthy School Hours for Maryland Public Schools.~~

FOR the purpose of requiring the Office of Public Health Services in the Department of Health and Mental Hygiene to conduct a certain study of safe and healthy school hours for Maryland public schools, consult with certain persons, make recommendations relating to alternative school day starting times for Maryland public schools, and submit a certain report to the Governor and the General Assembly on or before a certain date; and generally relating to a study of safe and healthy school hours for public schools in Maryland.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

~~(a) There is a Task Force to Study Safe and Healthy School Hours for Maryland Public Schools.~~

~~(b) The Task Force consists of the following members:~~

~~(1) two members of the Senate of Maryland, appointed by the President of the Senate;~~

~~(2) two members of the House of Delegates, appointed by the Speaker of the House;~~

~~(3) the following members, appointed by the Governor:~~

~~(i) one representative of the State Board of Education;~~

~~(ii) one representative of the Maryland boards of education;~~

~~(iii) one representative of the Maryland State Education Association;~~

~~(iv) one representative of the Maryland Association for Secondary School Principals;~~

~~(v) one representative of the Department of Health and Mental Hygiene who has expertise in adolescent health issues;~~

~~(vi) one mental health professional who specializes in young adult and adolescent health issues;~~

~~(vii) one pediatrician who has expertise in adolescent health care;~~

~~(viii) one representative of the Maryland Chapter of the American Academy of Pediatrics;~~

~~(ix) one doctor who specializes in child and adolescent sleep disorders;~~

~~(x) one representative of the Maryland Sleep Society;~~

~~(xi) one representative from the Maryland Department of Transportation;~~

~~(xii) one representative from Start School Later;~~

~~(xiii) one representative of the Maryland PTA;~~

~~(xiv) one student enrolled in a Maryland public high school; and~~

~~(xv) one representative who is an athletic director or a coach employed by a Maryland public middle or high school who has expertise in after-school sports activities.~~

~~(e) The Governor shall designate the chair of the Task Force.~~

~~(d) The State Department of Education shall provide staff for the Task Force.~~

~~(c) 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:~~

(a) The Office of Public Health Services in the Department of Health and Mental Hygiene shall conduct a study of safe and healthy school hours for Maryland public schools.

(b) In conducting the study required under subsection (a) of this section, the Office of Public Health Services shall:

(1) review the science on the sleep needs of children and adolescents, including effects of sleep deprivation on academic performance and benefits of sufficient sleep;

(2) review and study how other school systems have implemented alternative school day starting times and how various activities in those school systems were impacted and scheduled around the changes; ~~and~~

(3) consult with the following persons:

(i) the State Board of Education;

(ii) the Maryland ~~boards of education~~ Association of Boards of Education;

(iii) the Public School Superintendents Association of Maryland;

~~(iii)~~ (iv) the Maryland State Education Association;

~~(iv)~~ (v) the Maryland Association of School Principals;

- ~~(v)~~ (vi) the State Department of Education;
- ~~(vi)~~ (vii) a mental health professional who specializes in young adult and adolescent health issues;
- ~~(vii)~~ (viii) the School Psychologists Association;
- ~~(viii)~~ (ix) a pediatrician who has expertise in adolescent health care;
- ~~(ix)~~ (x) the Maryland Chapter of the American Academy of Pediatrics;
- ~~(x)~~ (xi) a doctor who specializes in child and adolescent sleep disorders;
- ~~(xi)~~ (xii) the Maryland Sleep Society;
- ~~(xii)~~ (xiii) the Maryland Department of Transportation;
- ~~(xiii)~~ (xiv) Start School Later;
- ~~(xiv)~~ (xv) the Maryland PTA;
- ~~(xv)~~ (xvi) a student enrolled in a Maryland public high school;
- ~~(xvi)~~ (xvii) an athletic director or a coach employed by a Maryland public middle or high school who has expertise in after-school sports activities; and
- ~~(xvii)~~ (xviii) one representative of the Maryland School Psychologist Association; and

~~(3)~~ (4) make recommendations regarding whether public schools in the State should establish a policy regarding a school starting time of 8:00 a.m. or later.

~~(g)~~ (c) On or before December 31, 2014, ~~the Task Force~~ the Office of Public Health Services 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, 2014. ~~It shall remain effective for a period of 6 months and, at the end of December 31, 2014, 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 15, 2014.

Chapter 621

(House Bill 904)

AN ACT concerning

~~Human Services~~ Children, Youth, and Family Services – Local Management Boards – Study and State Spending – Information Collection and Report

FOR the purpose of ~~requiring the Department of Legislative Services and the Governor's Office for Children to conduct a certain study of local management boards; providing for the scope of the study; requiring the Department of Legislative Services to report on the findings of the study~~ requiring certain local management boards to provide certain information to the Department of Legislative Services by a certain date; requiring certain State agencies to provide certain information on State spending in each county and municipal corporation for services and programs for children, youth, and families to the Department by a certain date; requiring the Department to collect certain information and report the information to the General Assembly in a certain form by a certain date; and generally relating to local management boards and State spending on services and programs for children, youth, and families.

BY repealing and reenacting, without amendments,

Article – Human Services

Section 8–101(l) ~~and (m)~~ and 8–301

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

8–101.

(l) “Local management board” means an entity established or designated by a county under Subtitle 3 of this title to ensure the implementation of a local, interagency service delivery system for children, youth, and families.

~~(m) “Office” means the Governor's Office for Children.~~

8–301.

(a) Each county shall establish and maintain a local management board to ensure the implementation of a local interagency service delivery system for children, youth, and families.

(b) A county may designate as the local management board:

(1) a quasi-public nonprofit corporation that is not an instrumentality of the county government; or

(2) a public agency that is an instrumentality of the county government.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) ~~The Department of Legislative Services and the Governor's Office for Children shall conduct a study of~~ On or before October 1, 2014, each local management board in the State shall provide to the Department of Legislative Services information concerning:

(1) the resources provided to the local management board by:

(i) the State;

(ii) the county in which the local management board is located;

(iii) the federal government; or

(iv) any quasi-governmental or nongovernmental entities;

(2) programs ~~provided~~ administered or funded by the local management board;

(3) the target population served by programs administered or funded by the local management board;

(4) outcome data for each program provided, including the number of children served and demographic information for the children served;

(5) the organizational structure of the local management board, including the number of staff and the annual budget; and

(6) any partnerships between the local management board and:

(i) the governing body of the county that the local management board serves;

(ii) local management boards of neighboring jurisdictions; and

(iii) any State agencies.

(b) (1) On or before October 1, 2014, to the extent a State agency has information on State spending, including grants, for services and programs for children, youth, and families, the State agency shall provide the available information, organized by county and municipal corporation, to the Department of Legislative Services.

(2) The information provided under paragraph (1) of this subsection shall include any available outcome data, evaluations, and other accompanying information relating to the use of State funds for services and programs for children, youth, and families that is already reported.

(c) The Department of Legislative Services shall:

(1) collect the information that is provided by the local management boards and State agencies under subsections (a) and (b) of this section; and

~~(b) On or before December 1, 2014, the Department of Legislative Services shall issue a report on the findings of the study conducted under subsection (a) of this section to the General Assembly, in accordance with § 2-1246 of the State Government Article.~~

(2) on or before January 1, 2015, report the information collected under item (1) of this subsection to the General Assembly, in accordance with § 2-1246 of the State Government Article, in the form of a data resource guide organized by county and municipal corporation.

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

Approved by the Governor, May 15, 2014.

Chapter 622

(House Bill 907)

AN ACT concerning

Video Lottery Facility Payouts – Intercepts for Child Support Payments

FOR the purpose of requiring ~~a video lottery operation licensee to submit certain information to the Child Support Enforcement Administration about an individual at a video lottery facility who is declared a winner of a certain prize; requiring the Administration to determine whether the individual is in arrears of child support payments by determining whether the individual is listed in a certain registry; specifying certain circumstances under which a video lottery~~

~~operation licensee may pay winnings to an individual; requiring the Administration to inform the licensee and the licensee to deduct a certain amount from a prize if an individual is found to be in arrears of child support payments; requiring the licensee to forward the deduction to the Administration and to pay to the individual the portion of the prize that remains; specifying the amount of a certain administrative fee and the manner in which proceeds from the administrative fee are to be distributed; requiring the creation and maintenance of a child support registry by the Administration or a certain private entity; requiring the Administration to enter certain information in the registry; requiring the Governor to include in a certain budget bill a certain appropriation to create and administer the registry; authorizing the State Lottery and Gaming Control Commission to impose a certain penalty; specifying that a video lottery operation licensee is not liable under certain circumstances to an individual to whom child support is owed; requiring the Administration to report to the General Assembly on or before a certain date; requiring the State Lottery and Gaming Control Commission and the Department of Human Resources to adopt certain regulations; defining a certain term the Child Support Enforcement Administration, the Comptroller, and the Lottery and Gaming Control Agency jointly to establish a certain program on or before a certain date; authorizing the Administration, the Comptroller, and the Agency to adopt certain regulations; requiring the Department of Human Resources, the Comptroller, and the Agency jointly to report to the General Assembly on or before a certain date; certain video lottery operation licensees to provide certain notices to certain obligors who win certain prizes and who owe child support; requiring certain video lottery operation licensees to make certain payments, withhold certain amounts, and transfer certain amounts under certain circumstances; authorizing certain obligors to appeal certain proposed transfers; requiring the Child Support Enforcement Administration to notify the video lottery operation licensee on the distribution of certain prizes; prohibiting a video lottery operation licensee from being held liable for certain acts or omissions; requiring certain video lottery operation licensees to comply with a certain provision of law; defining certain terms; providing for the application of this Act; and generally relating to video lottery facility payouts and child support payments.~~

BY repealing and reenacting, with amendments,

Article – Family Law

Section 10-113.1

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

~~BY repealing and reenacting, without amendments,~~

~~Article – State Government~~

~~Section 9-1A-24(a)~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

~~BY adding to~~

~~Article — State Government~~

~~Section 9-1A-02.1 9-1A-24(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 – Family Law

10-113.1.

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

(2) “VIDEO LOTTERY FACILITY” HAS THE MEANING STATED IN § 9-1A-01 OF THE STATE GOVERNMENT ARTICLE.

(3) “VIDEO LOTTERY OPERATION LICENSEE” HAS THE MEANING STATED IN § 9-1A-01 OF THE STATE GOVERNMENT ARTICLE.

[(a)] (B) The Administration may certify to the State Lottery and Gaming Control Agency the name of any obligor who is in arrears in the amount of \$150 or more if:

(1) the Administration has accepted an assignment of support under § 5-312(b)(2) of the Human Services Article; or

(2) the recipient of support payments has filed an application for support enforcement services with the Administration.

[(b)] (C) The certification shall contain:

(1) the full name of the obligor, and any other names known to be used by the obligor;

(2) the Social Security number of the obligor; and

(3) the amount of the arrearage.

[(c)] (D) If an obligor who has been certified as an obligor wins a lottery prize to be paid by check directly by the State Lottery and Gaming Control Agency, the State Lottery and Gaming Control Agency shall send a notice to the obligor that:

(1) the obligor has won a prize to be paid by check directly by the State Lottery and Gaming Control Agency;

(2) the State Lottery and Gaming Control Agency has received certification from the Child Support Enforcement Administration of the obligor's child support arrearage in the amount specified;

(3) subsection [(d)] (F) of this section requires the State Lottery and Gaming Control Agency to withhold the prize to pay it towards the obligor's support arrearage;

(4) the State Lottery and Gaming Control Agency proposes to transfer the prize, or that part of it which is equal to the support arrearage, to the Administration if no appeal is filed within 15 days;

(5) the obligor may appeal to the Administration if the obligor disputes the existence or the amount of the arrearage;

(6) if the obligor appeals to the Administration, the prize will be distributed as the Administration directs; and

(7) if no appeal is filed within 15 days, the prize, or that part of it equal to the support arrearage, will be transferred to the Administration.

(E) IF AN OBLIGOR WHO OWES CHILD SUPPORT AND HAS BEEN CERTIFIED AS AN OBLIGOR WINS A PRIZE AT A VIDEO LOTTERY FACILITY REQUIRING THE ISSUANCE OF INTERNAL REVENUE SERVICE FORM W-2G OR A SUBSTANTIALLY EQUIVALENT FORM BY A VIDEO LOTTERY OPERATION LICENSEE, THE VIDEO LOTTERY OPERATION LICENSEE SHALL PROVIDE A NOTICE TO THE OBLIGOR THAT:

(1) THE OBLIGOR HAS WON A PRIZE TO BE PAID BY CASH OR CHECK DIRECTLY BY THE VIDEO LOTTERY OPERATION LICENSEE;

(2) THE STATE LOTTERY AND GAMING CONTROL AGENCY HAS RECEIVED CERTIFICATION FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION OF THE OBLIGOR'S CHILD SUPPORT ARREARAGE IN THE AMOUNT SPECIFIED;

(3) SUBSECTION (F) OF THIS SECTION REQUIRES THE VIDEO LOTTERY OPERATION LICENSEE TO WITHHOLD THE PRIZE TO PAY IT TOWARDS THE OBLIGOR'S CHILD SUPPORT ARREARAGE;

(4) THE VIDEO LOTTERY OPERATION LICENSEE PROPOSES TO TRANSFER THE PRIZE, OR THAT PART OF IT WHICH IS EQUAL TO THE CHILD SUPPORT ARREARAGE, TO THE ADMINISTRATION IF NO APPEAL IS FILED WITHIN 15 DAYS;

(5) THE OBLIGOR MAY APPEAL TO THE ADMINISTRATION IF THE OBLIGOR DISPUTES THE EXISTENCE OR THE AMOUNT OF THE CHILD SUPPORT ARREARAGE;

(6) IF THE OBLIGOR APPEALS TO THE ADMINISTRATION, THE PRIZE WILL BE DISTRIBUTED AS THE ADMINISTRATION DIRECTS; AND

(7) IF NO APPEAL IS FILED WITHIN 15 DAYS, THE PRIZE, OR THAT PART OF IT EQUAL TO THE CHILD SUPPORT ARREARAGE, WILL BE TRANSFERRED TO THE ADMINISTRATION.

[(d)] (F) If the prize exceeds the arrearage, the State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE shall immediately pay the excess to the obligor. The State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE shall withhold any part of the prize that does not exceed the arrearage until notified by the Administration to whom the withheld prize money shall be paid.

[(e)] (G) Upon receipt of a notice from the State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE any obligor who disputes the existence or amount of the arrearage may appeal the proposed transfer within 15 days of the date of the notice to the Administration.

[(f)] (H) If no appeal is filed within 15 days, the State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE shall transfer the amount of the prize withheld to the Administration.

[(g)] (I) The Administration shall notify the State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE that upon appeal, the withheld prize shall be:

(1) paid to the obligor;

(2) transferred to the Administration; or

(3) partly paid to the obligor and partly transferred to the Administration, in the amounts specified.

[(h)] (J) The State Lottery and Gaming Control Agency shall honor lottery prize interception requests in the following order:

(1) an interception request under this section;

(2) an interception request under § 11-618 of the Criminal Procedure Article; and

(3) an interception request under § 3-307 of the State Finance and Procurement Article.

[(i)] (K) The Secretary of Human Resources and the Director of the State Lottery and Gaming Control Agency may jointly adopt regulations to implement this section.

(L) A VIDEO LOTTERY OPERATION LICENSEE MAY NOT BE HELD LIABLE FOR AN ACT OR OMISSION TAKEN IN GOOD FAITH TO COMPLY SUBSTANTIALLY WITH THE REQUIREMENTS OF THIS SECTION.

~~Article – State Government~~

~~9-1A-02.1.~~

~~(A) IN THIS SECTION, “ADMINISTRATION” MEANS THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION OF THE DEPARTMENT OF HUMAN RESOURCES.~~

~~(B) AFTER AN INDIVIDUAL IS DECLARED THE WINNER OF A PRIZE AT A VIDEO LOTTERY FACILITY REQUIRING THE ISSUANCE OF INTERNAL REVENUE SERVICE FORM W-2G OR A SUBSTANTIALLY EQUIVALENT FORM, A VIDEO LOTTERY OPERATION LICENSEE SHALL SUBMIT THE NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF THE INDIVIDUAL TO THE ADMINISTRATION.~~

~~(C) THE ADMINISTRATION SHALL DETERMINE WHETHER THE INDIVIDUAL IS IN ARREARS OF CHILD SUPPORT PAYMENTS BY DETERMINING WHETHER THE INDIVIDUAL IS LISTED IN THE REGISTRY ESTABLISHED UNDER SUBSECTION (G) OF THIS SECTION.~~

~~(D) A VIDEO LOTTERY OPERATION LICENSEE MAY PAY WINNINGS TO AN INDIVIDUAL ONLY IF:~~

~~(1) THE ADMINISTRATION INFORMS THE LICENSEE THAT THE INDIVIDUAL IS NOT IN ARREARS OF CHILD SUPPORT PAYMENTS; OR~~

~~(2) THE LICENSEE IS UNABLE TO RECEIVE INFORMATION FROM THE ADMINISTRATION AFTER ATTEMPTING IN GOOD FAITH TO DO SO.~~

~~(E) (1) IF THE ADMINISTRATION DETERMINES THAT AN INDIVIDUAL IS IN ARREARS OF CHILD SUPPORT PAYMENTS:~~

~~(I) THE ADMINISTRATION SHALL INFORM THE LICENSEE OF THE AMOUNT OF ARREARAGE; AND~~

~~(H) THE LICENSEE SHALL DEDUCT FROM THE PRIZE AN AMOUNT SUFFICIENT TO:~~

~~1. SATISFY THE CHILD SUPPORT ARREARAGE; AND~~

~~2. SUBJECT TO SUBSECTION (F) OF THIS SECTION, PAY AN ADMINISTRATIVE FEE TO COVER THE COST OF SATISFYING THE ARREARAGE.~~

~~(2) THE LICENSEE SHALL FORWARD TO THE ADMINISTRATION THE AMOUNT DEDUCTED UNDER PARAGRAPH (1)(H) OF THIS SUBSECTION AND PAY TO THE INDIVIDUAL THE PORTION OF THE PRIZE THAT REMAINS.~~

~~(F) (1) THE ADMINISTRATIVE FEE:~~

~~(I) SHALL BE DETERMINED BY THE ADMINISTRATION; BUT~~

~~(H) MAY NOT EXCEED 5% OF THE ARREARAGE TO BE DEDUCTED.~~

~~(2) PROCEEDS FROM THE ADMINISTRATIVE FEE SHALL BE DISTRIBUTED EQUALLY BETWEEN THE ADMINISTRATION AND THE VIDEO LOTTERY FACILITY WHERE THE INDIVIDUAL WAS DECLARED A WINNER.~~

~~(G) (1) A CHILD SUPPORT REGISTRY SHALL BE CREATED AND MAINTAINED BY THE ADMINISTRATION OR A PRIVATE ENTITY WITH WHICH THE ADMINISTRATION CONTRACTS.~~

~~(2) THE ADMINISTRATION SHALL ENTER IN THE REGISTRY:~~

~~(I) THE NAME AND SOCIAL SECURITY NUMBER OF EACH INDIVIDUAL WHO IS IN ARREARS OF CHILD SUPPORT PAYMENTS;~~

~~(H) THE ACCOUNT OR CASE IDENTIFIER ASSIGNED TO THE ARREARAGE BY THE GOVERNMENTAL UNIT THAT CERTIFIED THE INFORMATION TO THE ADMINISTRATION;~~

~~(H) THE NAME, TELEPHONE NUMBER, AND ADDRESS OF THE GOVERNMENTAL UNIT THAT CERTIFIED THE INFORMATION TO THE ADMINISTRATION REGARDING EACH INDIVIDUAL WITH AN ARREARAGE; AND~~

~~(IV) THE AMOUNT OF THE ARREARAGE.~~

~~(3) FOR FISCAL YEAR 2016, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION OF AT LEAST \$350,000 TO CREATE AND ADMINISTER THE CHILD SUPPORT REGISTRY.~~

~~(H) (1) THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 ON A LICENSEE FOUND TO HAVE FAILED TO COMPLY WITH THIS SECTION.~~

~~(2) EACH INSTANCE OF NONCOMPLIANCE SHALL BE CONSIDERED A SEPARATE VIOLATION.~~

~~(3) A VIDEO LOTTERY OPERATION LICENSEE THAT MAKES A PAYMENT IN VIOLATION OF THIS SECTION IS NOT LIABLE TO THE INDIVIDUAL TO WHOM CHILD SUPPORT IS OWED.~~

~~(I) ON OR BEFORE MARCH 31 OF EACH YEAR, THE ADMINISTRATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THIS ARTICLE, ON THE AMOUNT OF MONEY COLLECTED UNDER THIS SECTION DURING THE PREVIOUS CALENDAR YEAR.~~

~~(J) THE COMMISSION AND THE DEPARTMENT OF HUMAN RESOURCES SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.~~

~~(B) (1) THE ADMINISTRATION, THE COMPTROLLER, AND THE LOTTERY AND GAMING CONTROL AGENCY JOINTLY SHALL ESTABLISH A PROGRAM ON OR BEFORE JANUARY 1, 2017, TO INTERCEPT CHILD SUPPORT PAYMENTS FROM VIDEO LOTTERY FACILITY PAYOUTS.~~

~~(2) THE PROGRAM SHALL INCLUDE:~~

~~(I) THE ESTABLISHMENT OF A REGISTRY OF INDIVIDUALS IN ARREARS OF CHILD SUPPORT PAYMENTS CERTIFICATION OF CHILD SUPPORT ARREARS BY THE ADMINISTRATION SIMILAR TO THE CERTIFICATIONS PROVIDED IN §§ 10-113.1 AND 10-113.2 OF THE FAMILY LAW ARTICLE;~~

~~(II) A DETERMINATION OF WHETHER AN INDIVIDUAL IS IN ARREARS OF CHILD SUPPORT PAYMENTS AN APPEAL PROCESS FOR THE OBLIGOR SIMILAR TO THE PROCESS PROVIDED THROUGH THE ADMINISTRATION IN §§ 10-113.1 AND 10-113.2 OF THE FAMILY LAW ARTICLE; AND~~

~~(III) A COLLECTION PROCESS FOR THE INTERCEPTED VIDEO LOTTERY FACILITY PAYOUTS FOR CERTIFIED CHILD SUPPORT ARREARS; AND~~

~~(III)-(IV) ANY NECESSARY PROCESSING FEES.~~

~~(C) THE ADMINISTRATION, THE COMPTROLLER, AND THE LOTTERY AND GAMING CONTROL AGENCY MAY ADOPT ANY REGULATIONS NECESSARY TO CARRY OUT THIS SECTION.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 1, 2015 the Department of Human Resources, the Comptroller, and the Lottery and Gaming Control Agency jointly shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the statutory changes that are necessary to implement a program to intercept child support payments from video lottery facility payouts.~~

~~9-1A-24.~~

~~(a) Except as provided in subsection (b) of this section, the Commission shall ensure that a video lottery operation licensee complies with the requirements of this section as a condition of holding the video lottery operation license.~~

~~(II) A VIDEO LOTTERY OPERATION LICENSEE SHALL COMPLY WITH § 10-113.1 OF THE FAMILY LAW ARTICLE.~~

SECTION ~~2~~ ~~3~~ 2. AND BE IT FURTHER ENACTED, That, *this Act does not apply to a prize won at a video lottery facility on or before June 1, 2015.*

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

Approved by the Governor, May 15, 2014.

Chapter 623

(House Bill 920)

AN ACT concerning

Baltimore City Residential Retention Act

FOR the purpose of ~~allowing~~ *requiring the Mayor and City Council of Baltimore City to grant, by law, a certain property tax credit against the property tax imposed on a dwelling in Baltimore City that is newly purchased by a homeowner who has received the homestead property tax credit for a dwelling in Baltimore City* ~~to receive a homestead credit for a newly purchased dwelling in Baltimore City~~

~~under certain circumstances; requiring that the credit for a newly purchased dwelling be calculated in a certain manner; providing that a homeowner may receive the larger of the homestead property tax credit amounts as calculated using certain methods; providing for the application and termination of this Act; providing that the credit does not apply to the State property tax; requiring a homeowner to submit an a certain application to the State Department of Assessments and Taxation Director of the Department of Finance of Baltimore City to receive the credit in a certain manner and within a certain timeframe; requiring that the credit be ~~calculated~~ applied in a certain manner; authorizing the Mayor and City Council of Baltimore City to increase the total amount of the credit under certain circumstances; providing that a certain homeowner residing within a certain census tract when filing a certain application shall remain eligible for the increased credit amount under certain circumstances; authorizing the Director to establish certain criteria; prohibiting a homeowner from receiving the credit or a portion of the credit if the homeowner's property tax liability would be reduced in a certain manner; prohibiting a recipient of the credit from receiving certain other property tax credits; prohibiting the credit from being transferred in a certain manner; providing that a homeowner may receive a homestead property tax credit calculated in a certain manner after termination of the credit; requiring Baltimore City to allocate funds of no more than a certain amount to pay the cost for the cost and administration of the credit; requiring the ~~Department~~ Director to review and approve applications for the credit in a certain manner; ~~requiring the Department to compute the credit and provide certain materials to Baltimore City; authorizing the Department to adopt regulations to carry out the credit after consultation and with the consent of Baltimore City; requiring the Department and Baltimore City to confer regarding the implementation of the credit and submit a report to certain persons on or before a certain date; requiring the Department of Finance of Baltimore City and Baltimore City to jointly~~ to evaluate the efficacy of the credit and submit a report on or before a certain date; providing for the effective dates, application, and termination of this Act; defining a certain term; and generally relating to the homestead property tax credit a property tax credit in Baltimore City.~~

~~BY repealing and reenacting, without amendments,
Article ~~Tax~~ ~~Property~~
Section ~~9~~ ~~105(a)(1), (5), (7), and (9), (b), (d)(3), and (e)(1) and (2)~~
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,
Article ~~Tax~~ ~~Property~~
Section ~~9~~ ~~105(d)(1)~~
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)~~

BY adding to

Article – Tax – Property
 Section ~~9-105(d)(7)~~ ~~9-105(e)~~ 9-304(g)
 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

~~9-105.~~

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

~~(5) (i) “Dwelling” means:~~

~~1. a house that is:~~

~~A. used as the principal residence of the homeowner; and~~

~~B. actually occupied or expected to be actually occupied by the homeowner for more than 6 months of a 12-month period beginning with the date of finality for the taxable year for which the property tax credit under this section is sought; and~~

~~2. the lot or curtilage on which the house is erected.~~

~~(ii) “Dwelling” includes:~~

~~1. a condominium unit that is occupied by an individual who has a legal interest in the condominium;~~

~~2. an apartment in a cooperative apartment corporation that is occupied by an individual who has a legal interest in the apartment; and~~

~~3. a part of real property used other than primarily for residential purposes, if the real property is used as a principal residence by an individual who has a legal interest in the real property.~~

~~(7) “Homeowner” means an individual who has a legal interest in a dwelling or who is an active member of an agricultural ownership entity that has a legal interest in a dwelling.~~

~~(9) “Taxable assessment” means the assessment on which the property tax rate was imposed in the preceding taxable year, adjusted by the phased-in assessment increase resulting from a revaluation under § 8-104(c)(1)(iii) of this~~

~~article, less the amount of any assessment on which a property tax credit under this section is authorized.~~

~~(b) (1) If there is an increase in property assessment as calculated under this section, the State and the governing body of each county and of each municipal corporation shall grant a property tax credit under this section against the State, county, and municipal corporation property tax imposed on real property by the State, county, or municipal corporation.~~

~~(2) A property tax credit granted under this section shall be applicable to any State, county, or municipal corporation property tax and any property tax imposed for a bicounty commission.~~

~~(d) (1) Subject to the provisions of paragraph (6) of this subsection AND EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (7) OF THIS SUBSECTION SUBSECTION (O) OF THIS SECTION, the Department shall authorize and the State, a county, or a municipal corporation shall grant a property tax credit under this section for a taxable year unless during the previous taxable year:~~

~~(i) the dwelling was transferred for consideration to new ownership;~~

~~(ii) the value of the dwelling was increased due to a change in the zoning classification of the dwelling initiated or requested by the homeowner or anyone having an interest in the property;~~

~~(iii) the use of the dwelling was changed substantially; or~~

~~(iv) the assessment of the dwelling was clearly erroneous due to an error in calculation or measurement of improvements on the real property.~~

~~(3) A homeowner may claim a property tax credit under this section for only 1 dwelling.~~

~~(7) (i) A HOMEOWNER WHO HAS RECEIVED A CREDIT AS CALCULATED UNDER SUBSECTION (E) OF THIS SECTION FOR THE PRECEDING 5 YEARS FOR A DWELLING LOCATED IN BALTIMORE CITY MAY RECEIVE A CREDIT AS CALCULATED UNDER THIS PARAGRAPH FOR A NEWLY PURCHASED DWELLING LOCATED IN BALTIMORE CITY.~~

~~(ii) 1. IN THIS SUBPARAGRAPH, “HOMESTEAD CREDIT CARRYOVER AMOUNT” MEANS THE DIFFERENCE BETWEEN THE PRIOR YEAR’S TAXABLE ASSESSMENT FOR THE HOMEOWNER’S PREVIOUS DWELLING AND THE ASSESSMENT THAT WOULD HAVE APPLIED TO THE PREVIOUS DWELLING ABSENT THE CREDIT CALCULATED UNDER SUBSECTION (E) OF THIS SECTION.~~

~~2. THE PROPERTY TAX CREDIT UNDER THIS PARAGRAPH IS CALCULATED BY MULTIPLYING THE HOMESTEAD CREDIT CARRYOVER AMOUNT BY THE APPLICABLE PROPERTY TAX RATE FOR THE CURRENT YEAR FOR THE HOMEOWNER'S NEWLY PURCHASED DWELLING.~~

~~3. THE HOMESTEAD CREDIT CARRYOVER AMOUNT USED TO CALCULATE THE CREDIT SHALL BE REDUCED BY 10% EACH YEAR BEGINNING IN THE SECOND YEAR A HOMEOWNER RECEIVES THE CREDIT AS CALCULATED UNDER THIS PARAGRAPH.~~

~~(H) A HOMEOWNER MAY RECEIVE THE GREATER OF EITHER THE CREDIT CALCULATED UNDER THIS PARAGRAPH OR THE CREDIT CALCULATED UNDER SUBSECTION (E) OF THIS SECTION.~~

~~(e) (1) For each taxable year, the property tax credit under this section is calculated by:~~

~~(i) multiplying the prior year's taxable assessment by the homestead credit percentage as provided under paragraph (2) of this subsection;~~

~~(ii) subtracting that amount from the current year's assessment;~~
and

~~(iii) if the difference is a positive number, multiplying the difference by the applicable property tax rate for the current year.~~

~~(2) For each taxable year, the homestead credit percentage under paragraph (1)(i) of this subsection is:~~

~~(i) for the State property tax and for any property tax imposed for a bicounty commission, 110%;~~

~~(ii) for the county property tax:~~

~~1. the homestead credit percentage established by the county under paragraph (3) of this subsection; or~~

~~2. if the county has not set a percentage for the taxable year under paragraph (3) of this subsection or has not notified the Department as required under paragraph (6) of this subsection, the homestead credit percentage in effect for the county for the preceding taxable year; and~~

~~(iii) for the municipal corporation property tax:~~

~~1. the homestead credit percentage established by the municipal corporation under paragraph (4) of this subsection; or~~

~~2. if the municipal corporation has not set a percentage under paragraph (4) of this subsection or has not notified the Department as required under paragraph (7) of this subsection, the homestead credit percentage for the taxable year for the county in which the property is located.~~

~~(G) (1) IN THIS SUBSECTION, “HOMESTEAD CREDIT CARRYOVER AMOUNT” MEANS 50% OF THE DIFFERENCE BETWEEN THE PRIOR YEAR’S TAXABLE ASSESSMENT FOR THE HOMEOWNER’S PREVIOUS DWELLING AND THE ASSESSMENT THAT WOULD HAVE APPLIED TO THE PREVIOUS DWELLING ABSENT THE CREDIT UNDER SUBSECTION (E) OF THIS SECTION.~~

~~(2) SUBJECT TO PARAGRAPH (9) OF THIS SUBSECTION, A HOMEOWNER WHO HAS RECEIVED A CREDIT UNDER SUBSECTION (E) OF THIS SECTION FOR THE PRECEDING 5 YEARS FOR A DWELLING LOCATED IN BALTIMORE CITY MAY RECEIVE A CREDIT UNDER THIS SUBSECTION FOR A NEWLY PURCHASED DWELLING LOCATED IN BALTIMORE CITY.~~

~~(3) THE CREDIT UNDER THIS SUBSECTION DOES NOT APPLY TO THE STATE PROPERTY TAX.~~

9-304.

(G) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “DIRECTOR” MEANS THE DIRECTOR OF THE DEPARTMENT OF FINANCE OF BALTIMORE CITY.

(III) “DWELLING” HAS THE MEANING INDICATED IN § 9-105 OF THIS TITLE.

(IV) “HOMEOWNER” HAS THE MEANING INDICATED IN § 9-105 OF THIS TITLE.

(2) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY SHALL GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SUBSECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON A DWELLING LOCATED IN BALTIMORE CITY THAT IS NEWLY PURCHASED BY A HOMEOWNER WHO HAS RECEIVED A CREDIT UNDER § 9-105 OF THIS TITLE FOR THE PRECEDING 5 YEARS FOR A DWELLING LOCATED IN BALTIMORE CITY.

~~(4)~~ (3) (I) TO QUALIFY FOR THE CREDIT UNDER THIS SUBSECTION, A HOMEOWNER SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT DIRECTOR AS PROVIDED IN THIS PARAGRAPH.

(II) THE APPLICATION SHALL BE:

1. MADE ON THE FORM THAT THE DEPARTMENT DIRECTOR REQUIRES; AND

2. FILED WITHIN 90 DAYS AFTER A HOMEOWNER PURCHASES A NEW DWELLING ACCORDING TO PROCEDURES ESTABLISHED BY THE DIRECTOR.

~~(III) AN APPLICATION MUST BE RECEIVED ON OR BEFORE APRIL 1 FOR THE APPLICANT TO RECEIVE A CREDIT IN THE TAX YEAR THAT BEGINS THE FOLLOWING JULY 1.~~

~~(IV) THE DEPARTMENT SHALL ACCEPT APPLICATIONS FOR THE CREDIT BEGINNING OCTOBER 1, 2015, THROUGH APRIL 1, 2020.~~

~~(5)~~ (4) (I) THE CREDIT UNDER THIS SUBSECTION IS:

1. CALCULATED BY MULTIPLYING THE HOMESTEAD CREDIT CARRYOVER AMOUNT BY THE APPLICABLE PROPERTY TAX RATE FOR THE CURRENT YEAR FOR THE HOMEOWNER'S NEWLY PURCHASED DWELLING; AND

2. GRANTED FOR A PERIOD OF 5 YEARS.

~~(II) THE HOMESTEAD CREDIT CARRYOVER AMOUNT USED TO CALCULATE THE CREDIT SHALL BE MULTIPLIED BY THE FOLLOWING PERCENTAGES IN EACH YEAR BEGINNING IN THE YEAR THE HOMEOWNER PURCHASES THE NEW DWELLING A FIXED AMOUNT OF \$4,000 TO BE APPLIED TO THE HOMEOWNER'S PROPERTY TAX BILL OVER A PERIOD OF 5 YEARS AS FOLLOWS:~~

1. 100% \$1,000 IN THE FIRST YEAR;

2. 80% \$900 IN THE SECOND YEAR;

3. 60% \$800 IN THE THIRD YEAR;

4. 40% \$700 IN THE FOURTH YEAR; AND

5. ~~20%~~ \$600 IN THE FIFTH YEAR.

(II) 1. THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY INCREASE THE TOTAL AMOUNT PROVIDED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BY UP TO AN ADDITIONAL \$1,000 FOR A HOMEOWNER WHO PURCHASES A DWELLING LOCATED WITHIN A LOW OR MODERATE INCOME CENSUS TRACT, AS DESIGNATED FROM TIME TO TIME BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND IN WHICH AT LEAST 51% OF THE PERSONS LIVING IN THE TRACT ARE IN HOUSEHOLDS EARNING 80% OR LESS OF THE AREA MEDIAN INCOME.

2. A HOMEOWNER RESIDING WITHIN A LOW OR MODERATE INCOME CENSUS TRACT AS DESCRIBED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH WHEN THE HOMEOWNER SUBMITS AN APPLICATION UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL REMAIN ELIGIBLE FOR THE INCREASED CREDIT UNDER THIS SUBPARAGRAPH EVEN IF THE CENSUS TRACT CHANGES FOLLOWING THE DATE OF APPLICATION AND THE HOMEOWNER WOULD OTHERWISE BE INELIGIBLE FOR THE INCREASED CREDIT DURING THE 5-YEAR PERIOD.

3. THE DIRECTOR MAY ESTABLISH ADDITIONAL CRITERIA NECESSARY TO CARRY OUT THIS SUBPARAGRAPH.

~~(6)~~ (5) A HOMEOWNER MAY NOT RECEIVE THE CREDIT UNDER THIS SUBSECTION, OR A PORTION OF THE CREDIT, IF, IN ANY YEAR, THE APPLICATION OF THE CREDIT, OR A PORTION OF THE CREDIT, WOULD REDUCE THE HOMEOWNER'S PROPERTY TAX LIABILITY BELOW THE HOMEOWNER'S PROPERTY TAX LIABILITY FOR THE DWELLING PREVIOUSLY OCCUPIED BY THE HOMEOWNER FROM WHICH THE HOMESTEAD CREDIT CARRYOVER AMOUNT IS DERIVED.

~~(7)~~ (6) IN ANY YEAR IN WHICH A HOMEOWNER RECEIVES A CREDIT UNDER THIS SUBSECTION, THE HOMEOWNER MAY NOT RECEIVE:

(I) THE CREDIT UNDER SUBSECTION (E) OF THIS SECTION LOCAL PORTION OF THE CREDIT UNDER § 9-105 OF THIS TITLE; OR

(II) ANY OTHER PROPERTY TAX CREDIT PROVIDED BY BALTIMORE CITY.

~~(8)~~ (7) THE CREDIT UNDER THIS SUBSECTION MAY NOT BE TRANSFERRED TO:

(I) A PERSON WHO PURCHASES A DWELLING FROM A HOMEOWNER WHO RECEIVED THE CREDIT UNDER THIS SUBSECTION; OR

(II) A DWELLING THAT IS SUBSEQUENTLY PURCHASED BY A HOMEOWNER WHO RECEIVED THE CREDIT UNDER THIS SUBSECTION.

~~(9) (8)~~ AFTER THE TERMINATION OF THE CREDIT UNDER THIS SUBSECTION, A HOMEOWNER IS ENTITLED TO THE CREDIT UNDER SUBSECTION (E) OF THIS SECTION LOCAL PORTION OF THE CREDIT UNDER § 9-105 OF THIS TITLE, WHICH SHALL BE CALCULATED:

(I) AS IF THE HOMEOWNER HAD RECEIVED THE CREDIT UNDER SUBSECTION (E) OF THIS SECTION § 9-105 OF THIS TITLE BEGINNING IN THE SECOND YEAR THE HOMEOWNER OCCUPIED THE DWELLING; AND

(II) BASED ON THE FULL ASSESSED VALUE OF THE DWELLING IN EACH YEAR THE HOMEOWNER RECEIVED THE CREDIT UNDER THIS SUBSECTION, DISREGARDING THE HOMESTEAD CREDIT CARRYOVER AMOUNT.

~~(10) (9)~~ (I) BALTIMORE CITY SHALL ALLOCATE NO MORE THAN \$3,000,000 FOR EACH YEAR THAT APPLICATIONS FOR THE CREDIT UNDER THIS SUBSECTION ARE ACCEPTED TO PAY:

1. THE TOTAL COST OF THE CREDITS FOR THE ~~APPLICANTS APPROVED~~ APPROVED APPLICANTS DURING THE YEAR FOR THE ENTIRE PERIOD DURING WHICH THE APPLICANTS WILL RECEIVE THE CREDIT; AND

2. THE COST OF ADMINISTERING THE CREDIT BY THE DEPARTMENT OF FINANCE OF BALTIMORE CITY.

(II) ~~THE DEPARTMENT SHALL, IN CONSULTATION WITH THE DEPARTMENT OF FINANCE OF BALTIMORE CITY,~~ DIRECTOR SHALL REVIEW AND APPROVE APPLICATIONS FOR THE CREDIT UNDER THIS SUBSECTION BASED ON:

1. THE DATE THE APPLICATION WAS RECEIVED; AND

2. THE AVAILABILITY OF THE FUNDS ALLOCATED FOR THE CREDIT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

~~(III) THE DEPARTMENT SHALL CONTINUE TO GRANT CREDITS TO HOMEOWNERS WHOSE APPLICATIONS WERE PREVIOUSLY~~

~~APPROVED AFTER NEW APPLICATIONS FOR THE CREDIT ARE NO LONGER ACCEPTED UNDER PARAGRAPH (4)(IV) OF THIS SUBSECTION.~~

~~(11) THE DEPARTMENT SHALL:~~

~~(i) PERFORM THE CALCULATIONS NECESSARY TO COMPUTE THE CREDIT UNDER THIS SECTION; AND~~

~~(ii) PROVIDE THE FOLLOWING MATERIALS TO THE DIRECTOR OF FINANCE OF BALTIMORE CITY ON AN ANNUAL BASIS, AND ON REQUEST AT ANY TIME, IN THE FORMAT REQUESTED BY THE DIRECTOR:~~

~~1. APPLICATIONS FOR THE CREDIT UNDER THIS SUBSECTION;~~

~~2. DOCUMENTATION OF THE CALCULATIONS MADE TO COMPUTE THE CREDIT UNDER THIS SUBSECTION; AND~~

~~3. DOCUMENTATION OF THE CALCULATIONS MADE TO COMPUTE THE CREDIT A HOMEOWNER IS ENTITLED TO UNDER SUBSECTION (E) OF THIS SECTION AFTER THE TERMINATION OF THE CREDIT UNDER THIS SUBSECTION.~~

~~(12) AFTER CONSULTATION AND WITH THE CONSENT OF THE~~

~~(10) THE DEPARTMENT OF FINANCE OF BALTIMORE CITY, THE DEPARTMENT MAY ADOPT REGULATIONS AS NECESSARY TO CARRY OUT THIS SUBSECTION.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That the State Department of Assessments and Taxation and the Baltimore City Department of Finance shall confer concerning the administrative actions necessary to implement this Act and submit a joint report on or before December 1, 2014, to the Mayor and City Council of Baltimore City and, in accordance with § 2-1246 of the State Government Article, the Baltimore City House Delegation, Baltimore City Senators, Senate Budget and Taxation Committee, and the House Committee on Ways and Means that describes the actions each agency agrees to take to implement this Act and any administrative obstacles the agencies identify that could impede the implementation of this Act.~~

~~SECTION 3. 2. AND BE IT FURTHER ENACTED, That the State Department of Assessments and Taxation and the Baltimore City Department of Finance of Baltimore City shall jointly evaluate the efficacy of the credit established by this Act. The agencies shall complete an evaluation Act and submit a report of their its findings and recommendations on or before December 31, 2019 2018, and December 31, 2021 2020, to the Mayor and City Council of Baltimore City and, in accordance with~~

§ 2-1246 of the State Government Article, the Baltimore City House Delegation, the Baltimore City Senators, the Senate Budget and Taxation Committee, and the House Committee on Ways and Means.

~~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, but before July 1, 2024. This Act shall remain effective for a period of 10 years and 1 month and, at the end of June 30, 2024, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect October 1, 2015, and shall be applicable to all taxable years beginning after June 30, 2016, but before July 1, 2025.~~

~~SECTION 5. 3. AND BE IT FURTHER ENACTED, That, except as provided in Section 4 of this Act, That this Act shall take effect June 1, 2014. It shall remain effective for a period of ~~11~~ 10 years and 1 month and, at the end of June 30, ~~2025~~ 2024, 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 15, 2014.

Chapter 624

(House Bill 936)

AN ACT concerning

Baltimore City – Homestead Assessment Cap Increase and Property Tax Rate Reduction – Study

FOR the purpose of requiring the Department of Legislative Services to complete a study on the feasibility and effects of increasing Baltimore City's homestead property tax credit assessment cap and using the increased revenue to offset a reduction in the City's property tax rate; requiring the study to make certain estimates; requiring the study to consider certain matters; requiring the Department to submit a report of its findings and any recommendations to certain persons on or before a certain date; providing for the termination of this Act; and generally relating to a study of Baltimore City's homestead property tax credit assessment cap and property tax rate.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) The Department of Legislative Services shall complete a study on the feasibility and effects of increasing Baltimore City's homestead property tax credit cap on assessment increases under § 9–105(e) of the Tax – Property Article and using the increased revenue to offset a reduction in Baltimore City's property tax rate.

(b) The study shall estimate:

(1) the amount of reduction in Baltimore City's property tax rate that could be offset by various increases in the homestead property tax credit assessment cap; and

(2) the net impact on homeowners of increasing Baltimore City's homestead property tax credit assessment cap while decreasing the property tax rate.

(c) The study shall consider:

(1) the significance of the homestead property tax credit assessment cap as a revenue stabilization mechanism and the effect raising the cap would have on revenue stabilization; and

(2) revenue stabilization mechanisms that could be utilized in lieu of the homestead property tax credit assessment cap, such as a requirement that a portion of the increased revenue attributable to an increase in the cap be allocated to a revenue stabilization fund.

(d) During the study, the Department of Assessments and Taxation and the Baltimore City Department of Finance shall:

(1) provide promptly any information that the Department of Legislative Services requests; and

(2) otherwise cooperate fully with the Department of Legislative Services.

~~(e)~~ (e) The Department of Legislative Services shall submit a report of its findings and any recommendations on or before December 31, 2014 to the Mayor and City Council of Baltimore City and, in accordance with § 2–1246 of the State Government Article, the Baltimore City House Delegation and the Baltimore City Senators.

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 1 month 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 15, 2014.

Chapter 625

(House Bill 951)

AN ACT concerning

**Procurement— Department of Labor, Licensing, and Regulation – Workgroup
on Public Works Contractor Occupational Safety and Health
Prequalification Requirements**

FOR the purpose of ~~requiring the Department of Labor, Licensing, and Regulation to develop and adopt by regulation a certain safety questionnaire and safety rating system; requiring the Department to consult with certain persons and review certain information when developing a certain safety questionnaire and safety rating system; requiring the safety questionnaire and safety rating system to assess certain factors; requiring the Department to determine a certain minimum safety rating; requiring a prospective bidder or offeror to submit certain documentation to the Department; requiring the Department to calculate by using a certain safety rating system the safety rating that a prospective bidder or offeror has attained on a certain safety questionnaire; providing that a prospective bidder or offeror that attains a certain safety rating is deemed to have prequalified to submit a bid or an offer on certain contracts; requiring the Department to publish a prequalification list that includes certain bidders and offerors and to require that certain documentation be submitted at least once per year; providing for the removal of prospective bidders and offerors from a certain list; authorizing certain prospective bidders or offerors to appeal to the Department or resubmit documentation after a certain time period; prohibiting, beginning on a certain date, certain prospective bidders and offerors and public bodies from taking certain actions; prohibiting a certain prospective bidder or offeror from prequalifying under a certain provision of law; providing for the debarment of a prospective bidder or offeror under certain circumstances; providing that the period of debarment may not exceed a certain number of years; providing that certain debarment procedures apply to debarment under a certain provision of this Act; defining certain terms; requiring the Department of Labor, Licensing, and Regulation to convene a certain workgroup to study and make recommendations regarding public works contractor occupational safety and health prequalification requirements; requiring that the workgroup include representatives of certain organizations; requiring the Department to report its findings and recommendations to the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to occupational safety and health prequalification for prospective bidders and offerors on public work contracts~~ the workgroup on public works contractor occupational safety and health prequalification requirements.

~~BY adding to~~

~~Article – State Finance and Procurement
Section 17-801 through 17-804 to be under the new subtitle “Subtitle 8:
Occupational Safety and Health Prequalification”
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 Department of Labor, Licensing, and Regulation shall convene a workgroup to:

(1) analyze the potential effects of the public works contractor occupational safety and health prequalification requirements proposed in Senate Bill 774 and House Bill 951 of 2014, as the bills were originally introduced;

(2) study the effectiveness of public works contractor occupational safety and health prequalification requirements that exist in other jurisdictions in the United States;

(3) study the requirements and practices currently used by units in the State to evaluate public works bids and offers to ensure contractor adherence to safety standards; and

(4) make recommendations regarding the establishment of public works contractor occupational safety and health prequalification requirements in the State.

(b) The workgroup convened under subsection (a) of this section shall include representatives from:

(1) the Maryland Associated General Contractors;

(2) the Maryland Association of Counties;

(3) the Maryland State and District of Columbia AFL–CIO;

(4) the Maryland Associated Building Contractors;

(5) the Center for Construction Research and Training; and

(6) the Public Citizen;

(7) the American Society of Safety Engineers; and

(8) the Alliance for Construction Excellence.

(c) On or before December 31, 2014, the Department of Labor, Licensing, and Regulation shall report its findings and recommendations to the General Assembly in accordance with § 2-1246 of the State Government Article.

~~Article—State Finance and Procurement~~

~~SUBTITLE 8. OCCUPATIONAL SAFETY AND HEALTH PREQUALIFICATION.~~

~~17-801.~~

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

~~(B) “CONSTRUCTION” INCLUDES ALL:~~

- ~~(1) BUILDING;~~
- ~~(2) RECONSTRUCTING;~~
- ~~(3) IMPROVING;~~
- ~~(4) ENLARGING;~~
- ~~(5) PAINTING AND DECORATING;~~
- ~~(6) ALTERING;~~
- ~~(7) MAINTAINING; AND~~
- ~~(8) REPAIRING.~~

~~(C) “DEPARTMENT” MEANS THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.~~

~~(D) “MINIMUM SAFETY RATING” MEANS THE MINIMUM SAFETY RATING SET BY THE DEPARTMENT UNDER § 17-802(D) OF THIS SUBTITLE.~~

~~(E) “PREQUALIFICATION LIST” MEANS THE PREQUALIFICATION LIST PUBLISHED BY THE DEPARTMENT UNDER § 17-803(C) OF THIS SUBTITLE.~~

~~(F) “PROSPECTIVE BIDDER OR OFFEROR” INCLUDES A SUBCONTRACTOR.~~

~~(G) “PUBLIC BODY” MEANS:~~

~~(1) THE STATE;~~

~~(2) A POLITICAL SUBDIVISION; OR~~

~~(3) A UNIT OR AN INSTRUMENTALITY OF THE STATE OR A POLITICAL SUBDIVISION.~~

~~(H) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, “PUBLIC WORK” MEANS A STRUCTURE OR WORK, INCLUDING A BRIDGE, A BUILDING, A DITCH, A ROAD, AN ALLEY, A WATERWORK, OR A SEWAGE DISPOSAL PLANT, THAT:~~

~~(I) IS CONSTRUCTED FOR PUBLIC USE OR BENEFIT; OR~~

~~(H) IS PAID FOR WHOLLY OR PARTLY BY PUBLIC MONEY.~~

~~(2) “PUBLIC WORK” DOES NOT INCLUDE, UNLESS LET TO CONTRACT, A STRUCTURE OR WORK THE CONSTRUCTION OF WHICH IS PERFORMED BY A PUBLIC SERVICE COMPANY UNDER ORDER OF THE PUBLIC SERVICE COMMISSION OR OTHER PUBLIC AUTHORITY REGARDLESS OF:~~

~~(I) PUBLIC SUPERVISION OR DIRECTION; OR~~

~~(H) PAYMENT WHOLLY OR PARTLY FROM PUBLIC MONEY.~~

~~(I) “PUBLIC WORK CONTRACT” MEANS A CONTRACT FOR CONSTRUCTION OF A PUBLIC WORK.~~

~~(J) “SAFETY QUESTIONNAIRE” MEANS THE SAFETY QUESTIONNAIRE DEVELOPED UNDER § 17-802(A) OF THIS SUBTITLE.~~

~~(K) “SAFETY RATING SYSTEM” MEANS THE SAFETY RATING SYSTEM DEVELOPED UNDER § 17-802(A) OF THIS SUBTITLE.~~

~~17-802.~~

~~(A) THE DEPARTMENT SHALL DEVELOP AND ADOPT BY REGULATION A SAFETY QUESTIONNAIRE AND SAFETY RATING SYSTEM TO ASSESS A PROSPECTIVE BIDDER OR OFFEROR ON THE OCCUPATIONAL SAFETY AND HEALTH PERFORMANCE OF THE PROSPECTIVE BIDDER OR OFFEROR FOR THE PURPOSE OF PREQUALIFYING TO SUBMIT A BID OR AN OFFER TO A PUBLIC BODY ON A PUBLIC WORK CONTRACT.~~

~~(B) IN DEVELOPING THE SAFETY QUESTIONNAIRE AND SAFETY RATING SYSTEM, THE DEPARTMENT SHALL:~~

~~(1) CONSULT WITH:~~

~~(I) OCCUPATIONAL SAFETY AND HEALTH PROFESSIONALS;~~

~~(II) CONSTRUCTION CONTRACTORS;~~

~~(III) BUILDING TRADES UNIONS;~~

~~(IV) PUBLIC BODIES; AND~~

~~(V) ANY OTHER INTERESTED PARTY; AND~~

~~(2) REVIEW:~~

~~(I) RELEVANT SCIENTIFIC LITERATURE;~~

~~(II) OCCUPATIONAL SAFETY AND HEALTH STANDARDS THAT HAVE BEEN ADOPTED BY NATIONALLY RECOGNIZED STANDARDS PRODUCING ORGANIZATIONS; AND~~

~~(III) FEDERAL OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION GUIDANCE.~~

~~(C) THE SAFETY QUESTIONNAIRE AND SAFETY RATING SYSTEM SHALL ASSESS:~~

~~(1) WHETHER THE PROSPECTIVE BIDDER OR OFFEROR USES WRITTEN SITE SPECIFIC OCCUPATIONAL HEALTH AND SAFETY PLANS THAT INCLUDE:~~

~~(I) METHODS FOR IDENTIFYING, ASSESSING, AND DOCUMENTING POTENTIAL OCCUPATIONAL SAFETY AND HEALTH HAZARDS;~~

~~(II) METHODS FOR PREVENTING AND CONTROLLING, USING THE MOST EFFECTIVE METHODS, OCCUPATIONAL SAFETY AND HEALTH HAZARDS;~~

~~(III) METHODS FOR COMMUNICATING INFORMATION TO AND TRAINING EMPLOYEES IN ISSUES RELATED TO OCCUPATIONAL SAFETY AND HEALTH HAZARDS;~~

~~(IV) METHODS OF KEEPING RECORDS REGARDING OCCUPATIONAL SAFETY AND HEALTH HAZARDS; AND~~

~~(V) A REGULAR EVALUATION OF AND CONTINUOUS IMPROVEMENTS TO THE SITE SPECIFIC OCCUPATIONAL HEALTH AND SAFETY PLANS AND THE IMPLEMENTATION OF THE PLANS;~~

~~(2) THE COMMITMENT OF THE MANAGEMENT OF THE PROSPECTIVE BIDDER OR OFFEROR TO ADDRESSING THE SAFETY AND HEALTH OF EMPLOYEES AND THE GENERAL PUBLIC;~~

~~(3) EMPLOYEE PARTICIPATION IN IDENTIFYING AND RESOLVING SAFETY AND HEALTH ISSUES, INCLUDING:~~

~~(I) PARTICIPATION OF ON-SITE EMPLOYEES IN THE DEVELOPMENT, IMPLEMENTATION, AND EVALUATION OF AN OCCUPATIONAL SAFETY AND HEALTH PLAN; AND~~

~~(II) MAINTENANCE OF POLICIES THAT:~~

~~1. ENCOURAGE WORKERS TO REPORT UNSAFE WORK CONDITIONS AND WORK RELATED INJURIES; AND~~

~~2. GRANT EMPLOYEES AUTHORITY TO STOP WORKING IMMEDIATELY IN THE EVENT THAT A HAZARDOUS WORKING CONDITION IS PRESENT;~~

~~(4) WHETHER THE PROSPECTIVE BIDDER OR OFFEROR PROVIDES SAFETY AND HEALTH INFORMATION AND TRAINING TO EMPLOYEES THAT INCLUDE:~~

~~(I) THE USE OF WRITTEN OR VERBAL COMMUNICATION;~~
AND

~~(II) INFORMATION AND TRAINING IN A LANGUAGE AND FORMAT THAT ARE UNDERSTANDABLE TO EACH EMPLOYEE;~~

~~(5) WHETHER THE PROSPECTIVE BIDDER OR OFFEROR EVALUATES PROJECT SUPERVISORS BASED ON SAFETY PERFORMANCE;~~

~~(6) THE COMPLIANCE OF THE PROSPECTIVE BIDDER OR OFFEROR WITH SAFETY AND HEALTH RELATED LAWS, INCLUDING THE PROSPECTIVE BIDDER'S OR OFFEROR'S:~~

~~(I) FEDERAL OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION LOST TIME INCIDENT FREQUENCY RATES AND RECORDABLE INJURY/ILLNESS FREQUENCY RATES;~~

~~(II) WORKERS' COMPENSATION EXPERIENCE MODIFICATION RATES;~~

~~(III) CITATIONS AND PENALTIES ISSUED BY OCCUPATIONAL SAFETY AND HEALTH AGENCIES;~~

~~(IV) RECEIPT OF AND COMPLIANCE WITH SAFETY AND HEALTH RELATED STOP WORK ORDERS; AND~~

~~(V) VIOLATIONS OF OTHER LAWS RELATED TO OCCUPATIONAL SAFETY AND HEALTH; AND~~

~~(7) ANY OTHER FACTOR THE DEPARTMENT DETERMINES TO BE A USEFUL METRIC TO ASSESS OCCUPATIONAL SAFETY AND HEALTH PERFORMANCE.~~

~~(D) THE DEPARTMENT SHALL DETERMINE THE MINIMUM SAFETY RATING A PROSPECTIVE BIDDER OR OFFEROR MUST ATTAIN ON THE SAFETY QUESTIONNAIRE TO BE ELIGIBLE TO SUBMIT A BID OR AN OFFER ON A PUBLIC WORK CONTRACT.~~

~~17-803.~~

~~(A) A PROSPECTIVE BIDDER OR OFFEROR SHALL SUBMIT TO THE DEPARTMENT:~~

~~(1) A COMPLETED SAFETY QUESTIONNAIRE, ALONG WITH ANY SUPPORTING DOCUMENTATION;~~

~~(2) AN ATTESTATION THAT THE INFORMATION IN THE SAFETY QUESTIONNAIRE AND ANY SUPPORTING DOCUMENTATION IS COMPLETE AND ACCURATE;~~

~~(3) A WRITTEN WHISTLEBLOWER POLICY THAT COMPLIES WITH THE REQUIREMENTS OF TITLE 11, SUBTITLE 3 OF THIS ARTICLE AND THAT THE PROSPECTIVE BIDDER OR OFFEROR PROVIDES TO ITS EMPLOYEES; AND~~

~~(4) PROOF THAT THE PROSPECTIVE BIDDER OR OFFEROR HAS WORKERS' COMPENSATION COVERAGE AS REQUIRED UNDER § 9-402 OF THE LABOR AND EMPLOYMENT ARTICLE.~~

~~(B) THE DEPARTMENT SHALL USE THE SAFETY RATING SYSTEM TO CALCULATE THE SAFETY RATING THAT A PROSPECTIVE BIDDER OR OFFEROR HAS ATTAINED ON THE SAFETY QUESTIONNAIRE.~~

~~(C) (1) A PROSPECTIVE BIDDER OR OFFEROR THAT ATTAINS THE MINIMUM SAFETY RATING SHALL BE DEEMED TO HAVE PREQUALIFIED TO SUBMIT A BID OR AN OFFER ON A PUBLIC WORK CONTRACT.~~

~~(2) THE DEPARTMENT SHALL PUBLISH A PREQUALIFICATION LIST WITH THE PROSPECTIVE BIDDERS AND OFFERORS THAT ARE DEEMED TO HAVE PREQUALIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

~~(D) (1) THE DEPARTMENT SHALL REQUIRE PROSPECTIVE BIDDERS AND OFFERORS TO SUBMIT THE DOCUMENTATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION AT LEAST ONCE PER YEAR.~~

~~(2) A PROSPECTIVE BIDDER OR OFFEROR SHALL BE REMOVED FROM THE PREQUALIFICATION LIST IF THE PROSPECTIVE BIDDER OR OFFEROR:~~

~~(I) FAILS TO SUBMIT THE DOCUMENTATION AS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION; OR~~

~~(II) FAILS TO ATTAIN THE MINIMUM SAFETY RATING BASED ON THE DOCUMENTS THAT WERE SUBMITTED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

~~(E) (1) IF A PROSPECTIVE BIDDER OR OFFEROR FAILS TO ATTAIN THE MINIMUM SAFETY RATING, THE PROSPECTIVE BIDDER OR OFFEROR MAY APPEAL TO THE DEPARTMENT IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE DEPARTMENT.~~

~~(2) IF A PROSPECTIVE BIDDER OR OFFEROR DID NOT APPEAL TO THE DEPARTMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION OR THE APPEAL WAS NOT SUCCESSFUL, THE PROSPECTIVE BIDDER OR OFFEROR MAY RESUBMIT THE DOCUMENTATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION NO EARLIER THAN 6 MONTHS AFTER RECEIVING THE SAFETY RATING.~~

~~17-804.~~

~~(A) ON OR AFTER JANUARY 1, 2015:~~

~~(1) A PROSPECTIVE BIDDER OR OFFEROR THAT IS NOT ON THE PREQUALIFICATION LIST MAY NOT SUBMIT A BID OR AN OFFER TO A PUBLIC BODY FOR A PUBLIC WORK CONTRACT;~~

~~(2) A PUBLIC BODY MAY NOT AWARD A PUBLIC WORK CONTRACT TO A BIDDER OR AN OFFEROR THAT IS NOT ON THE PREQUALIFICATION LIST; AND~~

~~(3) A BIDDER OR AN OFFEROR THAT HAS BEEN AWARDED A PUBLIC WORK CONTRACT MAY NOT PERMIT A SUBCONTRACTOR TO PERFORM WORK ON THE PUBLIC WORK CONTRACT UNLESS THE SUBCONTRACTOR IS ON THE PREQUALIFICATION LIST.~~

~~(B) A PROSPECTIVE BIDDER OR OFFEROR THAT FAILS TO PREQUALIFY UNDER THIS SUBTITLE MAY NOT PREQUALIFY UNDER § 13-204 OF THIS ARTICLE.~~

~~(C) (1) IF THE DEPARTMENT DETERMINES THAT WITHIN THE PRECEDING 5 YEARS A PROSPECTIVE BIDDER OR OFFEROR HAS PROVIDED FALSE OR MISLEADING INFORMATION UNDER THIS SUBTITLE, THE PROSPECTIVE BIDDER OR OFFEROR MAY BE DEBARRED FROM ENTERING INTO A PUBLIC WORK CONTRACT.~~

~~(2) THE PERIOD OF DEBARMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED 3 YEARS.~~

~~(3) THE PROCEDURES FOR DEBARMENT UNDER TITLE 16, SUBTITLE 3 OF THIS ARTICLE APPLY TO A DEBARMENT UNDER THIS SUBSECTION.~~

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 15, 2014.

Chapter 626

(House Bill 959)

AN ACT concerning

State Board of Physicians – Qualifications for Licensure and Definitions

FOR the purpose of clarifying that certain applicants who have failed a certain examination a certain number of times or more must pass the examination, be otherwise qualified, and satisfy certain other requirements to qualify for a license to practice medicine; altering the definition of “board certified”, for purposes of provisions of law governing physicians, to increase the number of certifying boards by which a physician may be certified; and generally relating to the State Board of Physicians, qualifications for licensure, and definitions.

BY repealing and reenacting, with amendments,
 Article – Health Occupations
 Section 14–101(c) and 14–307(e) and (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 Occupations

14–101.

(c) “Board certified” means the physician is certified by a public or private board, including a multidisciplinary board, and the certifying board:

(1) Is:

- (i) A member of the American Board of Medical Specialties; [or]
- (ii) An American Osteopathic Association certifying board;

(III) THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF CANADA; OR

(IV) THE COLLEGE OF FAMILY PHYSICIANS OF CANADA;

(2) Has been approved by the Board under § 14–101.1 of this subtitle;

or

(3) Requires that, in order to be certified, the physician:

(i) Complete a postgraduate training program that:

1. Provides complete training in the specialty or subspecialty; and

2. Is accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association; and

(ii) Be certified by [the]:

1. **THE** member board of the American Board of Medical Specialties [or the];

2. **THE** American Osteopathic Association in the training field;

3. **THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF CANADA; OR**

4. **THE COLLEGE OF FAMILY PHYSICIANS OF CANADA.**

14-307.

(e) Except as otherwise provided in this [title] **SUBTITLE**, the applicant shall pass an examination required by the Board [under this subtitle].

(g) An **OTHERWISE QUALIFIED** applicant who [has failed] **PASSES** the examination **AFTER HAVING FAILED THE EXAMINATION** or any part of the examination 3 or more times may qualify for a license **ONLY** if the applicant:

(1) Has successfully completed 2 or more years of a residency or fellowship accredited by the Accreditation Council on Graduate Medical Education or the American Osteopathic Association;

(2) (i) Has a minimum of 5 years of clinical practice of medicine:

1. In the United States or in Canada;

2. With at least 3 of the 5 years having occurred within 5 years of the date of the application; and

3. That occurred under a full unrestricted license to practice medicine; and

(ii) Has no disciplinary action pending and has had no disciplinary action taken against the applicant that would be grounds for discipline under § 14-404 of this title; or

(3) Is board certified.

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

Approved by the Governor, May 15, 2014.

Chapter 627

(House Bill 963)

AN ACT concerning

Hospitals – ~~Requirements~~ Protocol for Sexual Assault Medical Forensic Examinations and ~~Reporting~~ Planning Committee

FOR the purpose of requiring that certain hospitals ~~provide, on or before a certain date, have a protocol to provide certain access to~~ sexual assault medical forensic examinations by forensic nurse examiners or physicians to certain victims; ~~requiring certain hospitals to report certain information to the Department of Health and Mental Hygiene on or before a certain date each year; establishing the Planning Committee to Implement Improved Access to Sexual Assault Medical Forensic Examinations in Maryland; providing for the composition, chair, and staffing of the Planning Committee and reimbursement for expenses for members of the Planning Committee; providing for the duties of the Planning Committee; requiring the Planning Committee to submit a certain report to the Governor and certain legislative committees on or before a certain date; providing for the termination of a certain provision of this Act; and generally relating to hospitals and requirements protocols for sexual assault medical forensic examinations and reporting the Planning Committee.~~

BY adding to

Article – Health – General

Section 19–310.2

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

19–310.2.

~~(A) EACH ON OR BEFORE JULY 1, 2014, EACH HOSPITAL THAT PROVIDES EMERGENCY MEDICAL SERVICES SHALL PROVIDE HAVE A PROTOCOL TO PROVIDE TIMELY ACCESS TO A SEXUAL ASSAULT MEDICAL FORENSIC EXAMINATION BY A FORENSIC NURSE EXAMINER OR A PHYSICIAN TO A VICTIM OF AN ALLEGED RAPE OR SEXUAL OFFENSE WHO ARRIVES AT THE HOSPITAL FOR TREATMENT.~~

~~(B) ON OR BEFORE JANUARY 10 OF EACH YEAR, EACH HOSPITAL SHALL REPORT TO THE DEPARTMENT ON THE NUMBER OF EXAMINATIONS PERFORMED UNDER SUBSECTION (A) OF THIS SECTION FOR THE PREVIOUS YEAR.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) There is a Planning Committee to Implement Improved Access to Sexual Assault Medical Forensic Examinations in Maryland.

(b) The Planning Committee is composed of the following members appointed by the Governor:

(1) one representative of the Department of Health and Mental Hygiene;

(2) one representative of the Maryland Institute for Emergency Medical Services Systems;

(3) one representative of the Maryland Coalition Against Sexual Assault;

(4) two representatives of programs providing emergency room accompaniment to sexual assault victims and survivors, one of whom represents a rural region of the State and one of whom represents an urban region of the State;

(5) two representatives from hospitals that provide sexual assault forensic exams (SAFEs), one of whom represents a rural region of the State and one of whom represents an urban region of the State;

(6) two representatives from hospitals that do not provide SAFEs, one of whom represents a rural region of the State and one of whom represents an urban region of the State;

(7) two SAFE coordinators, one of whom represents a rural region of the State and one of whom represents an urban region of the State;

(8) two representatives of local law enforcement agencies in the State, one of whom represents a rural region of the State and one of whom represents an urban region of the State; and

(9) one representative of the State Board of Nursing.

(c) The Governor shall designate the chair of the Planning Committee from among the members of the Planning Committee.

(d) The Department of Health and Mental Hygiene and the Maryland Institute for Emergency Medical Services Systems shall provide staff for the Planning Committee.

(e) A member of the Planning Committee:

(1) may not receive compensation as a member of the Planning Committee; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Planning Committee shall:

(1) review the protocols that certain hospitals are required to have under § 19–310.2 of the Health – General Article;

(2) examine the barriers to providing care for individuals seeking a sexual assault medical forensic examination;

(3) study reimbursement issues for providers that offer sexual assault medical forensic examinations to the community;

(4) examine the protocols of emergency medical service providers and local law enforcement agencies to direct sexual assault victims to a hospital with the capability to provide a sexual assault medical forensic examination;

(5) determine best practices on how to educate the community on where to access sexual assault medical forensic examination services;

(6) study and make recommendations about the optimal caseload level to maintain a high level of quality and competency among SAFE practitioners;

(7) consider geographic differences in the State as the differences relate to the provision of sexual assault medical forensic examination services;

(8) consider hospital reporting requirements regarding the number of victims who present and the actions taken;

(9) review practices in other states that increase the availability of SAFEs;

(10) develop and recommend protocols to enhance protections for sexual assault victims' rights and privacy;

(11) receive public testimony from stakeholders; and

(12) adopt recommendations that are consistent with the State's all-payer model contract approved by the federal Center for Medicare and Medicaid Innovation.

(g) On or before December 1, 2015, the Planning Committee shall submit a report on its findings and recommendations, including any legislation required to implement the recommendations, 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.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2014. Section 2 of this Act shall remain effective for a period of 2 years and 1 month and, at the end of June 30, 2016, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2014.

Chapter 628

(House Bill 973)

AN ACT concerning

Washington Suburban Sanitary Commission – Commission Infractions – Watershed Regulations

PG/MC 102-14

FOR the purpose of increasing the maximum preset fines that the Washington Suburban Sanitary Commission may establish for certain violations of certain watershed regulations and for a certain repeat offense; increasing the maximum fine for a first or a repeat offense that a person must pay if the District Court finds that the person violated certain Commission watershed regulations; and generally relating to violations of regulations adopted by the Washington Suburban Sanitary Commission.

BY repealing and reenacting, with amendments,
Article – Public Utilities

Section 29–102(a) and (e)
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 – Public Utilities

29–102.

(a) (1) Except as provided in paragraph (2) of this subsection, a person who violates a watershed regulation adopted under § 17–403 of this article has committed a Commission infraction.

(2) A Commission infraction does not include a violation of a watershed regulation declared by law to be a criminal offense.

(3) The Commission may:

(i) establish a schedule of preset fines for each conviction of a Commission infraction under this section;

(ii) impose a preset fine not to exceed ~~[\$50] \$250~~ \$150 for each conviction of a Commission infraction under this section; and

(iii) impose a preset fine not to exceed ~~[\$100] \$500~~ \$300 for a repeat offense.

(4) The recipient of a citation for a Commission infraction shall pay the fine to the Commission within 20 calendar days after the receipt of the citation.

(e) A person found by the District Court to have committed a Commission infraction shall pay a fine not to exceed:

(1) ~~[\$50] \$250~~ \$150 for a first offense; or

(2) ~~[\$100] \$500~~ \$300 for a repeat offense.

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

Approved by the Governor, May 15, 2014.

Chapter 629**(House Bill 977)**

AN ACT concerning

**Maryland–National Capital Park and Planning Commission Park Police –
Workers' Compensation – Lyme Disease Presumption – Repeal of
Termination Date****PG/MC 110–14**

FOR the purpose of repealing the termination date of certain provisions of law relating to an occupational disease presumption under the workers' compensation law for Maryland–National Capital Park and Planning Commission park police officers who contract Lyme disease under certain circumstances; and generally relating to the occupational disease presumption for Lyme disease under the workers' compensation law.

BY repealing and reenacting, with amendments,
Chapter 98 of the Acts of the General Assembly of 2008
Section 2

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

Chapter 98 of the Acts of 2008

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2008. [It shall remain effective for a period of 7 years and, at the end of September 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 this Act shall take effect October 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 630**(House Bill 1001)**

AN ACT concerning

Education – Federal Elementary and Secondary Education Act – ~~Waivers~~
Waiver Requests

FOR the purpose of requiring ~~certain waivers from the federal Elementary and Secondary Education Act requested by the State Department of Education to the United States Department of Education to be consistent with State law and regulations; requiring the Department to adopt certain regulations before requesting certain waivers; requiring the State Superintendent of Schools to submit a certain description of how certain waivers are consistent with State law and regulations, including certain references to certain statutes and regulations, to the Governor and the General Assembly at least a certain number of days before requesting certain waivers;~~ the State Department of Education to submit a certain request for a waiver from the federal Elementary and Secondary Education Act to the Legislative Policy Committee before the Department submits the proposed waiver request to the United States Department of Education; requiring the State Department of Education to give the Legislative Policy Committee a certain amount of time to review and comment on a certain proposed waiver request; and generally relating to the request requests for waivers to the United States Department of Education from the federal Elementary and Secondary Education Act.

BY adding to

Article – Education

Section 2–107

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

2–107.

(A) IF THE DEPARTMENT ~~REQUESTS~~ INTENDS TO REQUEST A WAIVER FROM THE UNITED STATES DEPARTMENT OF EDUCATION FROM SPECIFIC PROVISIONS OF THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT , BEFORE SUBMITTING THE REQUEST TO THE UNITED STATES DEPARTMENT OF EDUCATION,‡

(1) ~~THE~~ THE DEPARTMENT ~~SHALL~~ SHALL:

(1) SUBMIT THE PROPOSED WAIVER REQUEST TO THE LEGISLATIVE POLICY COMMITTEE; AND

(2) ALLOW THE LEGISLATIVE POLICY COMMITTEE AT LEAST 30 DAYS AFTER THE COMMITTEE RECEIVES THE PROPOSED WAIVER REQUEST TO REVIEW AND COMMENT ON THE PROPOSED WAIVER REQUEST.

(B) THE DEPARTMENT SHALL PROVIDE ANY ADDITIONAL INFORMATION REGARDING THE PROPOSED WAIVER REQUEST IF REQUESTED BY THE LEGISLATIVE POLICY COMMITTEE. ~~ADOPT REGULATIONS ESTABLISHING THE PROVISIONS OF THE WAIVER BEFORE REQUESTING THE WAIVER;~~

~~(2) THE WAIVER SHALL BE CONSISTENT WITH STATE LAW AND REGULATIONS; AND~~

~~(3) AT LEAST 60 DAYS BEFORE REQUESTING THE WAIVER, THE STATE SUPERINTENDENT SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A DETAILED DESCRIPTION OF HOW THE WAIVER IS CONSISTENT WITH STATE LAW AND REGULATIONS, INCLUDING REFERENCES TO RELEVANT STATUTES AND REGULATIONS.~~

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

Approved by the Governor, May 15, 2014.

Chapter 631

(House Bill 1015)

AN ACT concerning

Drunk Driving – Transporting a Minor – Ignition Interlock System Program

FOR the purpose of requiring individuals who are convicted of certain alcohol-related driving offenses involving transportation of a minor under a certain age to successfully complete the Ignition Interlock System Program; and generally relating to certain alcohol-related driving offenses involving transportation of a minor under a certain age and the Ignition Interlock System Program.

BY repealing and reenacting, without amendments,

Article – Transportation

Section 16-404.1(a)(1), (4), and (5) and (d)(1)(ii) and 21-902(a) and (b)

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation

Section 16–404.1(d)(1)(i)

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

16–404.1.

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

(4) “Participant” means a participant in the Ignition Interlock System Program.

(5) “Program” means the Ignition Interlock System Program.

(d) (1) (i) Notwithstanding subsection (c) of this section, an individual shall be a participant if the individual is convicted of a violation of [§ 21–902(a)]:

1. § 21–902(A)(1) OR (2) of this article and had an alcohol concentration at the time of testing of 0.15 or more; OR

2. § ~~21–902(A)(3)(B)(2)~~ 21–902(A)(3) OR (B)(2) OF THIS ARTICLE AND THE MINOR WHO WAS TRANSPORTED WAS UNDER THE AGE OF 16 YEARS.

(ii) If an individual is subject to this paragraph and fails to participate in the Program or successfully complete the Program, the Administration shall suspend, notwithstanding § 16–208 of this title, the individual’s license until the individual successfully completes the Program.

21–902.

(a) (1) A person may not drive or attempt to drive any vehicle while under the influence of alcohol.

(2) A person may not drive or attempt to drive any vehicle while the person is under the influence of alcohol per se.

(3) A person may not violate paragraph (1) or (2) of this subsection while transporting a minor.

(b) (1) A person may not drive or attempt to drive any vehicle while impaired by alcohol.

(2) A person may not violate paragraph (1) of this subsection while transporting a minor.

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

Approved by the Governor, May 15, 2014.

Chapter 632

(House Bill 1019)

AN ACT concerning

**Prince George's County – Adults With Developmental Disabilities Citizen's
Advisory Committee – Sunset Repeal**

PG 421-14

FOR the purpose of repealing the termination date of certain provisions of law establishing the Adults with Developmental Disabilities Citizen's Advisory Committee; and generally relating to the Adults with Developmental Disabilities Citizen's Advisory Committee.

BY repealing and reenacting, with amendments,
Chapter 687 of the Acts of the General Assembly of 2012
Section 3

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

Chapter 687 of the Acts of 2012

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2012. [It shall remain effective for a period of 2 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 June 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 633**(House Bill 1025)**

AN ACT concerning

State Personnel – Contractual Employees – ~~Preferences~~ Filling of Vacant Positions

FOR the purpose of requiring that certain selection plans for certain employment in the State Personnel Management System include information that selection for a certain position may be limited to consideration of certain contractual employees; authorizing certain appointing authorities to select certain candidates from a list of certain contractual employees; requiring an appointing authority to take certain actions if certain contractual employees may be eligible for a certain position; ~~requiring an appointing authority to apply a certain credit on certain selection tests for certain contractual employees;~~ requiring certain independent personnel systems in State government to ~~provide certain hiring preferences for~~ include consideration of hiring certain contractual employees; and generally relating to hiring contractual employees for positions in State government.

BY repealing and reenacting, with amendments,
Article – Education
Section 12–111, 14–104(h)(1), 14–408(a), and 16–510(a)
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 7–202, 7–203, and 7–204(c), ~~and 7–207(b)~~
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 2–103.4(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

12–111.

(a) Except as otherwise provided by law, appointments of the University System of Maryland are not subject to or controlled by the provisions of the State Personnel and Pensions Article that govern the State Personnel Management System.

(b) In accordance with the requirements of Title 3 of the State Personnel and Pensions Article, the Board of Regents shall establish general policies and guidelines governing the appointment, compensation, advancement, tenure, and termination of all classified personnel.

(C) THE POLICIES ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION SHALL INCLUDE ~~A PREFERENCE FOR~~ CONSIDERATION OF HIRING A CONTRACTUAL EMPLOYEE TO FILL A VACANT POSITION IN THE SAME OR SIMILAR CLASSIFICATION IN WHICH THE CONTRACTUAL EMPLOYEE IS EMPLOYED.

14-104.

(h) (1) (i) On the recommendation of the President, and in accordance with the requirements of Title 3 of the State Personnel and Pensions Article, the Board of Regents shall establish general standards and guidelines governing the appointment, compensation, advancement, tenure, and termination of all faculty, executive staff, and professional administrative personnel in the University.

(ii) Subject to such standards and guidelines, and in accordance with the requirements of Title 3 of the State Personnel and Pensions Article, the President may:

1. Adopt additional personnel policies, **INCLUDING ~~A PREFERENCE FOR~~ CONSIDERATION OF HIRING A CONTRACTUAL EMPLOYEE TO FILL A VACANT POSITION IN THE SAME OR SIMILAR CLASSIFICATION IN WHICH THE CONTRACTUAL EMPLOYEE IS EMPLOYED**; and

2. Approve individual personnel actions affecting the terms and conditions of academic and administrative appointments.

14-408.

(a) (1) **(I)** On the recommendation of the President, and in accordance with the requirements of Title 3 of the State Personnel and Pensions Article, the Board of Trustees of St. Mary's College of Maryland shall establish a personnel system.

(II) THE PERSONNEL SYSTEM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE PROVISIONS FOR ~~A PREFERENCE FOR~~ CONSIDERATION OF HIRING A CONTRACTUAL EMPLOYEE TO

FILL A VACANT POSITION IN THE SAME OR SIMILAR CLASSIFICATION IN WHICH THE CONTRACTUAL EMPLOYEE IS EMPLOYED.

- (2) To carry out the requirements of this section, the Board:
- (i) May establish and abolish positions;
 - (ii) May determine employee qualifications;
 - (iii) May establish terms of employment, including compensation, benefits, holiday schedules, and leave policies;
 - (iv) May determine any other matters concerning employees;
- and
- (v) Shall designate one or more representatives to participate as a party in collective bargaining on behalf of the College in accordance with Title 3 of the State Personnel and Pensions Article.

16–510.

(a) **(1)** All employees of the College are in an independent personnel system.

(2) THE PERSONNEL SYSTEM ESTABLISHED UNDER THIS SUBSECTION SHALL INCLUDE PROVISIONS FOR ~~A PREFERENCE FOR~~ CONSIDERATION OF HIRING A CONTRACTUAL EMPLOYEE TO FILL A VACANT POSITION IN THE SAME OR SIMILAR CLASSIFICATION IN WHICH THE CONTRACTUAL EMPLOYEE IS EMPLOYED.

Article – State Personnel and Pensions

7–202.

(a) When a skilled service or professional service position is to be filled, the unit shall complete a position selection plan for the position.

(b) A position selection plan shall contain the information about the position that the Secretary requires, including:

- (1) a position description described in § 7–102 of this title;
- (2) the minimum qualifications for the class of the position and any selective qualifications required for appointment to the position;

(3) any limitations on selection for the position, including those that limit consideration to:

(i) current State or unit employees;

(II) CURRENT CONTRACTUAL EMPLOYEES;

~~[(ii)]~~ **(III)** promotional candidates; or

~~[(iii)]~~ **(IV)** candidates indicating a willingness to work in a location; and

(4) if applicants for the position are to be recruited, the:

(i) location for submitting applications;

(ii) manner for posting the position announcement in the unit;

(iii) method and length of time for advertising the position;

(iv) closing date to receive applications for the position;

(v) plan of development of any selection test to be administered to qualified applicants; and

(vi) duration of the list of eligibles that results from the recruitment.

(c) The appointing authority shall:

(1) approve or disapprove each position selection plan;

(2) authorize funding for approved plans; and

(3) send a copy of an approved selection plan to the equal employment opportunity officer of the unit.

7-203.

An appointing authority may select candidates for a position:

(1) from an existing list of eligible candidates;

(2) if the appointing authority decides to recruit for the position, by recruitment; **[or]**

(3) from a special list of eligible candidates whom the Division of Rehabilitation Services of the Department of Education certifies as being physically capable and adequately trained to qualify for the position; **OR**

(4) FROM A LIST OF CONTRACTUAL EMPLOYEES PERFORMING THE SAME OR SIMILAR DUTIES OF THE POSITION.

7-204.

(c) For a vacant position under this subtitle, the appointing authority shall:

(1) send a copy of the selection plan and job announcement to the Secretary at least 1 week before posting the job announcement to assure public access;

(2) if current employees **OR CONTRACTUAL EMPLOYEES** in the unit may be eligible for the position:

(i) post the job announcement for at least 2 weeks before the deadline for submitting applications, in at least one centralized location in that unit that is accessible to all employees; and

(ii) use any other method reasonably calculated to give eligible employees notice of the vacancy; and

(3) advertise the position vacancy at least 2 weeks before the deadline for submitting applications by:

(i) making available a job announcement to all appropriate State agencies, based on selection limitations; and

(ii) using any other method that is reasonably calculated to ensure a sufficient pool of applicants, including printed advertisements in newspapers and journals, paper and electronic bulletin board postings, and special notices.

~~7-207.~~

~~(b) (1) For a current State employee, an appointing authority shall apply a credit on a selection test, of one quarter point for each year of service in State government, up to a maximum of five points for 20 years of State service.~~

~~(2) FOR A CURRENT CONTRACTUAL STATE EMPLOYEE WHO HAS BEEN EMPLOYED IN THE SAME OR SIMILAR POSITION, AN APPOINTING AUTHORITY SHALL APPLY A CREDIT ON A SELECTION TEST OF 10 POINTS.~~

2-103.4.

(a) Without regard to the laws of this State relating to other State employees, the Secretary of Transportation may establish a human resources management system for employees of the Department and its units. Any human resources management system that the Secretary establishes under this section shall:

(1) Be based on merit;

(2) Include fair and equitable procedures for appointment, hiring, promotion, layoff, removal, termination, redress of grievances, and reinstatement of employees; [and]

(3) INCLUDE ~~A PREFERENCE FOR~~ CONSIDERATION OF HIRING A CONTRACTUAL EMPLOYEE TO FILL A VACANT POSITION IN THE SAME OR SIMILAR CLASSIFICATION IN WHICH THE CONTRACTUAL EMPLOYEE IS EMPLOYED; AND

[(3)] (4) Permit employees to participate in the pension and retirement systems for employees of the State of Maryland authorized under Division II of the State Personnel and Pensions Article or any other pension and retirement systems authorized by law.

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

Approved by the Governor, May 15, 2014.

Chapter 634

(House Bill 1045)

AN ACT concerning

Real Property – Lien Priority of Refinance Mortgages – Escrow Costs

FOR the purpose of including certain escrow costs in a certain calculation to determine whether a refinance mortgage shall have, on recordation, the same lien priority as the first mortgage or deed of trust that the refinance mortgage replaces; defining a certain term; providing for the application of this Act; and generally relating to lien priority and refinance mortgages.

BY repealing and reenacting, with amendments,
Article – Real Property

Section 7–112
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 – Real Property

7–112.

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

(2) “ESCROW COSTS” MEANS MONEY TO PAY PROPERTY TAXES, HAZARD INSURANCE, MORTGAGE INSURANCE, AND SIMILAR COSTS ASSOCIATED WITH REAL PROPERTY SECURED BY A REFINANCE MORTGAGE THAT A LENDER REQUIRES TO BE COLLECTED AT CLOSING AND HELD IN ESCROW.

[(2)] (3) (i) “Junior lien” means a mortgage, deed of trust, or other security instrument that is subordinate in priority to a first mortgage or deed of trust under § 3–203 of this article.

(ii) “Junior lien” does not include:

1. A judgment lien; or
2. A lien filed under the Maryland Contract Lien Act.

[(3)] (4) “Refinance mortgage” means a mortgage, deed of trust, or other security instrument given to secure the refinancing of indebtedness secured by a first mortgage or deed of trust.

[(4)] (5) “Residential property” means real property improved by four or fewer single family dwelling units that are designed principally and are intended for human habitation.

(b) A mortgagor or grantor who refinances in full the unpaid indebtedness secured by a first mortgage or deed of trust encumbering or conveying an interest in residential property at an interest rate lower than provided for in the evidence of indebtedness secured by the first mortgage or deed of trust is not required to obtain permission from the holder of a junior lien if:

(1) The principal amount secured by the junior lien does not exceed \$150,000; and

(2) The principal amount secured by the refinance mortgage does not exceed the unpaid outstanding principal balance secured by the first mortgage or deed of trust plus an amount **NOT EXCEEDING \$5,000** to pay ~~{closing}~~:

~~(I) CLOSING costs not exceeding \$5,000; AND~~

~~(II) ESCROW AND ESCROW COSTS.~~

(c) A refinance mortgage that meets the requirements of subsection (b) of this section shall have, on recordation, the same lien priority as the first mortgage or deed of trust that the refinance mortgage replaces.

(d) A refinance mortgage that meets the requirements of subsection (b) of this section shall include the following statement in bold or capitalized letters: "This is a refinance of a deed of trust/mortgage/other security instrument recorded among the land records of county/city, Maryland in liber no. folio, in the original principal amount of, and with the unpaid outstanding principal balance of The interest rate provided for in the evidence of indebtedness secured by this refinance mortgage is lower than the applicable interest rate provided for in the evidence of indebtedness secured by the deed of trust/mortgage/other security instrument being refinanced."

(e) The priorities among two or more junior liens shall be governed by § 3-203 of this article.

(f) This section may not be construed to preempt or abrogate the operation or effect of, or ability of a court to apply the principles of, equitable subrogation or equitable subordination.

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 a refinance mortgage recorded or having an effective date 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 15, 2014.

Chapter 635

(House Bill 1046)

AN ACT concerning

City of College Park Employees – Participation in the Employees’ Pension System

PG 404–14

FOR the purpose of requiring certain employees of the City of College Park to participate in the Employees’ Pension System of the State as of a certain date; providing that membership in the Employees’ Pension System is optional for certain employees of the City of College Park; requiring certain employees of the City of College Park to make a certain election on a certain date; requiring certain employees of the City of College Park, in order to elect to be a member of the Employees’ Pension System, to file a written application with the Board of Trustees for the State Retirement and Pension System; providing for certain employees of the City of College Park to receive service credit for certain prior service; providing that certain employees of the City of College Park who become members of the Employees’ Pension System after a certain date may not receive certain service credit; and generally relating to employees of the City of College Park participating in the Employees’ Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 23–201(a), 23–204(b), and 31–111
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY adding to
Article – State Personnel and Pensions
Section 23–204(f) and 31–111.8
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

23–201.

(a) Except as provided in subsection (b) of this section, §§ 23–203 through 23–205 of this subtitle apply only to:

(1) a regular employee whose compensation is provided by State appropriation or paid from State funds;

(2) an appointed or elected official of the State, including:

(i) a clerk of the circuit court;

- (ii) a register of wills;
 - (iii) a State's Attorney; and
 - (iv) a sheriff;
- (3) an employee or official of a participating governmental unit who is eligible to participate under Title 31, Subtitle 1 of this article;
- (4) an employee of the Office of the Sheriff of Baltimore City;
- (5) an additional employee or agent of the State Racing Commission authorized by § 11–207 of the Business Regulation Article;
- (6) a permanent employee of the board of supervisors of elections of a county;
- (7) a full-time master in chancery or in juvenile causes who is appointed on or after July 1, 1989, in any county by the circuit court for that county;
- (8) an employee of the Maryland Environmental Service who is a member of the Employees' Pension System on June 30, 1993, or transfers from the Employees' Retirement System on or after July 1, 1993;
- (9) a former Baltimore City jail employee who became an employee of the Baltimore City Detention Center and a member of the Employees' Pension System on July 1, 1991;
- (10) a nonfaculty employee of the Baltimore City Community College who:
- (i) is a member of the Employees' Pension System on October 1, 2002;
 - (ii) transfers from the Employees' Retirement System on or after October 1, 2002;
 - (iii) transfers from the Teachers' Pension System in accordance with § 23–202.1 of this subtitle; or
 - (iv) becomes an employee of the Baltimore City Community College on or after October 1, 2002;
- (11) a court reporter for the Circuit Court for Charles County who is a member of the Employees' Pension System on July 1, 1994, or transfers from the Employees' Retirement System on or after July 1, 1994;

(12) a staff employee of the University System of Maryland, Morgan State University, or St. Mary's College who is:

(i) a member of the Employees' Pension System on January 1, 1998, or transfers from the Employees' Retirement System on or after January 1, 1998; or

(ii) a staff employee of the University System of Maryland, Morgan State University, or St. Mary's College who becomes an employee on or after January 1, 1998;

(13) on or after the date that the Board of Education of Kent County begins participation in the Employees' Pension System, a supportive service employee of the Board of Education of Kent County;

(14) an employee of the Town of Oakland on or after the date that the Town of Oakland begins participation in the Employees' Pension System;

(15) an employee of the City of Frostburg on or after the date that the City of Frostburg begins participation in the Employees' Pension System;

(16) an employee of the Town of Berwyn Heights on or after the date that the Town of Berwyn Heights begins participation in the Employees' Pension System;

(17) an employee of the Town of Sykesville on or after the date that the Town of Sykesville begins participation in the Employees' Pension System;

(18) an employee of the Town of University Park on or after the date that the Town of University Park begins participation in the Employees' Pension System; [and]

(19) an employee of the Maryland Automobile Insurance Fund on or after the date that the Maryland Automobile Insurance Fund begins participation in the Employee's Pension System; **AND**

(20) AN EMPLOYEE OF THE CITY OF COLLEGE PARK ON OR AFTER THE DATE THAT THE CITY OF COLLEGE PARK BEGINS PARTICIPATION IN THE EMPLOYEES' PENSION SYSTEM.

23–204.

(b) (1) This subsection does not apply to an employee of:

(I) the Town of Berwyn Heights; OR

(II) THE CITY OF COLLEGE PARK.

(2) (i) Except as provided in paragraph (3) of this subsection, this subsection applies only to the employees of a participating governmental unit who:

1. are employed by the participating governmental unit on June 30, 2004; and

2. were employed by the participating governmental unit on the effective date of participation in the State systems.

(ii) Except as provided in paragraph (3) of this subsection, membership in the Employees' Pension System is optional for an individual under subparagraph (i) of this paragraph until the individual ceases employment with the participating governmental unit that was employing the individual on June 30, 2004.

(3) Membership in the Employees' Pension System is not optional for individuals who are:

(i) supportive service employees of the Board of Education of Kent County;

(ii) employees of the Town of Oakland;

(iii) employees of the City of Frostburg;

(iv) employees of the Town of Sykesville; or

(v) employees of the Town of University Park.

(F) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO IS AN EMPLOYEE OF THE CITY OF COLLEGE PARK ON JUNE 30, 2014.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM IS OPTIONAL FOR AN INDIVIDUAL DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION WHO ELECTS MEMBERSHIP ON JULY 1, 2014.

(3) TO ELECT TO BE A MEMBER OF THE EMPLOYEES' PENSION SYSTEM, AN INDIVIDUAL SHALL FILE A WRITTEN APPLICATION WITH THE BOARD OF TRUSTEES ON A FORM THAT THE BOARD OF TRUSTEES PROVIDES.

(a) Except as provided in subsection (b) of this section and §§ 31–111.1, 31–111.3, 31–111.4, 31–111.5, 31–111.6, [and] 31–111.7, **AND 31–111.8** of this subtitle, if an employee of a participating governmental unit joins the Employees' Pension System on the effective date, the employee is entitled to service credit for employment with the participating governmental unit before the effective date.

(b) If an employee of the Baltimore Metropolitan Council elects to become a member of the Employees' Retirement System or the Employees' Pension System, the employee may not receive credit for service from July 1, 1992, to the effective date unless the employee pays to the Board of Trustees the amount of the member contributions the employee would have made during that period, plus regular interest.

31–111.8.

(A) AN INDIVIDUAL WHO ELECTS MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM UNDER § 23–204(F) OF THIS ARTICLE AND IS AN EMPLOYEE OF THE CITY OF COLLEGE PARK ON THE EFFECTIVE DATE SHALL RECEIVE ELIGIBILITY SERVICE AND CREDITABLE SERVICE IN THE EMPLOYEES' PENSION SYSTEM EQUAL TO 60% OF THE INDIVIDUAL'S PERIOD OF EMPLOYMENT WITH THE CITY OF COLLEGE PARK BEFORE THE EFFECTIVE DATE AS CERTIFIED BY THE CITY OF COLLEGE PARK AS OF THE EFFECTIVE DATE.

(B) IF AN EMPLOYEE OR A FORMER EMPLOYEE OF THE CITY OF COLLEGE PARK BECOMES A MEMBER OF THE EMPLOYEES' PENSION SYSTEM AT ANY TIME AFTER THE EFFECTIVE DATE, THE EMPLOYEE MAY NOT RECEIVE SERVICE CREDIT FOR EMPLOYMENT WITH THE CITY OF COLLEGE PARK BEFORE THE EFFECTIVE DATE.

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

Approved by the Governor, May 15, 2014.

Chapter 636

(House Bill 1047)

AN ACT concerning

**Employees' Pension System – Prince George's County – ~~Optional~~ Officials –
Membership**

FOR the purpose of providing that membership in the Employees' Pension System is optional for certain individuals employed by Prince George's County in certain positions on or after certain dates; requiring individuals who elect to join the Employees' Pension System to make the election within a certain period of time; requiring individuals who elect to join the Employees' Pension System to complete a certain form and file it with the Board of Trustees for the State Retirement and Pension System; providing that membership in the Employees' Pension System is mandatory for certain individuals; providing that membership in the Employees' Pension System is prohibited for certain individuals; providing that certain individuals who do not make an election to join the Employees' Pension System within a certain period of time may not join the Employees' Pension System; providing that certain individuals' election or failure to elect to join the Employees' Pension System is a one-time, irrevocable decision; requiring the Board of Trustees to adopt certain regulations; requiring the State Retirement Agency to provide a certain report on or before a certain date to the Joint Committee on Pensions; and generally relating to ~~optional~~ membership in the Employees' Pension System for individuals employed by Prince George's County in certain positions.

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 23–203 and 23–204(a) and (b)(2)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 23–204(b)(1)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY adding to
Article – State Personnel and Pensions
Section 23–204(f)
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

23–203.

Except as provided in § 23–204 of this subtitle, an individual described in § 23–201(a) of this subtitle who becomes an employee of a participating employer on or

after January 1, 1980, or who transfers membership from the Employees' Retirement System, is a member of the Employees' Pension System as a condition of employment.

23–204.

(a) (1) This subsection applies to an individual who on June 30, 2004, receives an annual salary and who is:

(i) an elected or appointed official;

(ii) an employee of the Governor's office;

(iii) an employee of the Senate or House of Delegates;

(iv) a member of the Prince George's County Board of License Commissioners; or

(v) an employee of Dorchester County who is not a member of the county's general pension and retirement program.

(2) Membership in the Employees' Pension System is optional for an individual under paragraph (1) of this subsection while the individual remains employed in the position the individual held on June 30, 2004.

(3) (i) In lieu of membership in any other retirement or pension system operated under the laws of the State or any political subdivision of the State, an individual under paragraph (1)(i) of this subsection may elect to join the Employees' Pension System within 1 year of employment or July 1, 2008, whichever is later.

(ii) An individual under paragraph (1)(i) of this subsection who elects to join the Employees' Pension System under subparagraph (i) of this paragraph, may transfer from a State or local retirement or pension system to the Employees' Pension System in accordance with Title 37 of this article, any service credit earned while serving in that position.

(b) (1) This subsection does not apply to:

(I) an employee of the Town of Berwyn Heights; OR

(II) AN INDIVIDUAL EMPLOYED BY PRINCE GEORGE'S COUNTY WHO IS SUBJECT TO THE PROVISIONS OF SUBSECTION (F) OF THIS SECTION.

(2) (i) Except as provided in paragraph (3) of this subsection, this subsection applies only to the employees of a participating governmental unit who:

1. are employed by the participating governmental unit on June 30, 2004; and

2. were employed by the participating governmental unit on the effective date of participation in the State systems.

(ii) Except as provided in paragraph (3) of this subsection, membership in the Employees' Pension System is optional for an individual under subparagraph (i) of this paragraph until the individual ceases employment with the participating governmental unit that was employing the individual on June 30, 2004.

(F) (1) THIS SUBSECTION APPLIES TO AN INDIVIDUAL WHO IS EMPLOYED BY PRINCE GEORGE'S COUNTY AS:

(I) THE CHIEF ADMINISTRATIVE OFFICER;

(II) A DEPUTY CHIEF ADMINISTRATIVE OFFICER;

(III) A DIRECTOR OF A COUNTY OFFICE OR DEPARTMENT;

(IV) A COUNTY COUNCIL ADMINISTRATOR;

(V) A DEPUTY DIRECTOR OF A COUNTY OFFICE OR DEPARTMENT; OR

(VI) AN EXECUTIVE DIRECTOR.

(2) (I) MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM IS OPTIONAL FOR:

~~1. AN INDIVIDUAL WHO:~~

~~A. BEGINS SERVING IN A POSITION LISTED IN PARAGRAPH (1) OF THIS SUBSECTION ON OR AFTER JULY 1, 2004, BUT BEFORE JULY 1, 2014;~~

~~B. REMAINS IN A POSITION LISTED IN PARAGRAPH (1) OF THIS SUBSECTION ON JULY 1, 2014; AND~~

~~C. IS NOT ENROLLED IN THE EMPLOYEES' PENSION SYSTEM; OR~~

~~2. EXCEPT AS PROVIDED IN PARAGRAPH (4)(III) OF THIS SUBSECTION,~~ AN INDIVIDUAL WHO BEGINS SERVING IN A POSITION LISTED IN PARAGRAPH (1) OF THIS SUBSECTION ON OR AFTER JULY 1, 2014.

(II) AN INDIVIDUAL DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WHO ELECTS TO JOIN THE EMPLOYEES' PENSION SYSTEM SHALL MAKE THE ELECTION IN WRITING ON A FORM PROVIDED BY THE BOARD OF TRUSTEES AND MUST FILE THE FORM WITH THE BOARD OF TRUSTEES WITHIN 1 YEAR OF EMPLOYMENT ~~OR BY SEPTEMBER 30, 2014, WHICHEVER IS LATER.~~

(3) MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM IS MANDATORY FOR:

(I) AN INDIVIDUAL WHO:

1. IS EMPLOYED IN ONE OF THE POSITIONS LISTED UNDER PARAGRAPH (1) OF THIS SUBSECTION ON OR BEFORE JUNE 30, 2014; AND

2. IS ENROLLED AS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM; OR

(II) AN INDIVIDUAL DESCRIBED UNDER PARAGRAPH (2) (I) OF THIS SUBSECTION WHO ELECTED TO JOIN THE EMPLOYEES' PENSION SYSTEM UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.

(4) MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM IS PROHIBITED FOR AN INDIVIDUAL WHO:

(I) BEGINS SERVING IN A POSITION LISTED IN PARAGRAPH (1) OF THIS SUBSECTION ON OR AFTER JULY 1, 2004, BUT BEFORE JULY 1, 2014;

(II) REMAINS IN A POSITION LISTED IN PARAGRAPH (1) OF THIS SUBSECTION ON OR AFTER JULY 1, 2014; AND

(III) IS NOT ENROLLED IN THE EMPLOYEES' PENSION SYSTEM.

~~(4)~~ (5) (I) AN INDIVIDUAL'S ELECTION UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION TO JOIN THE EMPLOYEES' PENSION SYSTEM OR AN INDIVIDUAL'S FAILURE TO ELECT TO JOIN THE EMPLOYEES' PENSION SYSTEM WITHIN THE REQUIRED TIME PERIOD IS A ONE-TIME, IRREVOCABLE DECISION.

(II) AN INDIVIDUAL EMPLOYED IN ONE OF THE POSITIONS LISTED UNDER PARAGRAPH (1) OF THIS SUBSECTION WHO DOES NOT ELECT TO JOIN THE EMPLOYEES' PENSION SYSTEM UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION MAY NOT JOIN THE EMPLOYEES' PENSION SYSTEM WHILE EMPLOYED IN ONE OF THE POSITIONS LISTED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(III) AN INDIVIDUAL DESCRIBED UNDER PARAGRAPH (4) OF THIS SUBSECTION OR SUBPARAGRAPH (II) OF THIS PARAGRAPH WHO CHANGES EMPLOYMENT TO A DIFFERENT POSITION UNDER PARAGRAPH (1) OF THIS SUBSECTION, WHETHER OR NOT A BREAK IN EMPLOYMENT OCCURS, MAY NOT ELECT TO JOIN THE EMPLOYEES' PENSION SYSTEM.

~~(5)~~ (6) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The State Retirement Agency shall:

(1) conduct a study regarding the membership of elected and appointed officials in the Employees' Pension System, including:

(i) the elected and appointed officials who are required to join the Employees' Pension System as a condition of employment under current law;

(ii) the elected and appointed officials who have optional membership in the Employees' Pension System under current law; and

(iii) the impact of the 10-year vesting period under the Reformed Contributory Pension Benefit on the elected and appointed officials who began serving on or after July 1, 2011; and

(2) make recommendations regarding suggested statutory changes relating to the membership of elected and appointed officials in the Employees' Pension System.

(b) On or before December 1, 2014, the State Retirement Agency shall report its findings and recommendations to the Joint Committee on Pensions.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 637**(House Bill 1048)**

AN ACT concerning

Prince George's County – School Facilities Surcharge Exemption – Capitol College Student Housing and Residential Revitalization Projects**PG 408–14**

FOR the purpose of establishing an exemption from the Prince George's County school facilities surcharge for multi-family housing designated as student housing in a certain area within the campus of Capitol College and for single family attached dwelling units in certain residential projects within the Developed Tier; and generally relating to ~~an exemption~~ exemptions from the Prince George's County school facilities surcharge.

BY repealing and reenacting, with amendments,
The Public Local Laws of Prince George's County
Section 10–192.01(b)(4)~~(A)~~
Article 17 – Public Local Laws of Maryland
(2011 Edition, as amended)
~~(As enacted by Chapter 431 of the Acts of the General Assembly of 2003,
Chapter 166 of the Acts of the General Assembly of 2007, and Chapter
108 of the Acts of the General Assembly of 2008)~~

BY repealing and reenacting, without amendments,
The Public Local Laws of Prince George's County
Section 10–192.01(b)(5)
Article 17 – Public Local Laws of Maryland
(2011 Edition, as amended)

BY adding to
The Public Local Laws of Prince George's County
Section 10–192.01(b)(6)
Article 17 – Public Local Laws of Maryland
(2011 Edition, as amended)

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

Article 17 – Prince George's County

10–192.01.

(b) (4) (A) The school facilities surcharge does not apply to multi-family housing designated as student housing that is located in:

(i) The area bounded by Maryland Route 193 to the west and north, U.S. Route 1 to the east, and the southern boundary of the City of College Park to the south;

(ii) The area bounded by U.S. Route 1 to the west, Berwyn House Road to the north, Rhode Island Avenue to the east, and Lakeland Road to the south;

(iii) The area bounded by U.S. Route 1 to the west, Paint Branch Parkway to the north and east, Rhode Island Avenue to the east, and College Avenue to the south;

(iv) The area bounded by University Boulevard to the north, Adelphi Road to the east, Stanford Street to the south, and University Hills Park to the west;

(v) The area bounded by the eastern boundary of Paint Branch Stream Valley Park to the west, Park Road and a line extending from the western end of Park Road directly west to Paint Branch Stream Valley Park to the north, U.S. Route 1 to the east, and Erie Street and a line extending from the western end of Erie Street directly west to Paint Branch Stream Valley Park to the south;

(vi) The area bounded by Autoville Drive and a line extending from the southern end of Autoville Drive directly south to Maryland Route 193 to the west, Erie Street to the north, U.S. Route 1 to the east, and Maryland Route 193 to the south; [or]

(vii) The area bounded by U.S. Route 1 to the west, Maryland Route 193 to the north, 48th Avenue to the east, and Greenbelt Road to the south; OR

(VIII) THE AREA WITHIN THE CAMPUS OF CAPITOL COLLEGE LOCATED ADJACENT TO AND EAST OF SPRINGFIELD ROAD IN PARCELS 1 AND 2 IN THE SUBDIVISION OF LAND KNOWN AS “PARCELS 1 AND 2, CAPITOL INSTITUTE OF TECHNOLOGY”, AS PER PLAT RECORDED IN PLAT BOOK NLP 115 AT PLAT 31 AMONG THE LAND RECORDS OF PRINCE GEORGE’S COUNTY, MARYLAND.

(B) Subject to the approval of the County Council and the municipality where the multi-family housing is located, the school facilities surcharge does not apply to multi-family housing designated as student housing for any areas not listed under subparagraph (A) of this paragraph in the City of College Park, the City of Hyattsville, and the Town of Riverdale Park.

(C) If the housing is converted from student housing to multi-family for the general population, the owner of the property shall pay, at the time of the conversion, the school facilities surcharge in accordance with the laws at the time of conversion.

(5) The school facilities surcharge does not apply to a single-family dwelling unit that is to be built or subcontracted by an individual owner to replace on the same lot a previously existing single-family dwelling unit that was destroyed by fire, explosion, or a natural disaster if the single-family dwelling unit is:

(A) Similar to the previously existing single-family dwelling unit; and

(B) Owned and occupied by the same individual who owned and occupied the previously existing single-family dwelling unit.

(6) THE SCHOOL FACILITIES SURCHARGE DOES NOT APPLY TO A SINGLE-FAMILY ATTACHED DWELLING UNIT IF THE SINGLE-FAMILY DWELLING UNIT IS:

(A) LOCATED IN A RESIDENTIAL REVITALIZATION PROJECT;

(B) LOCATED IN THE DEVELOPED TIER AS DEFINED IN THE PRINCE GEORGE'S COUNTY GENERAL PLAN;

(C) LOCATED IN A TRANSFORMING NEIGHBORHOOD INITIATIVE (TNI) AREA;

(D) LOCATED ON THE SAME PROPERTY AS PREVIOUSLY EXISTING MULTI-FAMILY DWELLING UNITS;

(E) DEVELOPED AT A LOWER DENSITY THAN THE PREVIOUSLY EXISTING MULTI-FAMILY DWELLING UNITS;

(F) OFFERED FOR SALE ONLY ON A FEE SIMPLE BASIS; AND

(G) LOCATED ON A PROPERTY THAT IS LESS THAN 6 ACRES IN SIZE.

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

Approved by the Governor, May 15, 2014.

Chapter 638**(House Bill 1059)**

AN ACT concerning

Transportation – Highway User Revenues – Local Government Reporting

FOR the purpose of requiring each county and each municipality that receives highway user revenues to submit a report on or before a certain date each year to the State Highway Administration, the Governor, and certain committees of the General Assembly that documents the actual costs and lawful uses of highway user revenues in the preceding fiscal year and the expenditure budget of the current fiscal year; repealing obsolete language; and generally relating to requiring local governments to report on their expenditures of highway user revenues.

BY repealing and reenacting, without amendments,
Article – Transportation
Section 8–401 and 8–409(a) and (b)
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 8–408 and 8–412
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

8–401.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “County” does not include Baltimore City.
- (c) “Debt service” means the amount annually needed to pay the maturing principal of and interest on bonds, notes, and other evidences of obligation and to meet sinking fund requirements for these purposes.

(c–1) “Eligible municipality” means a municipality authorized by law to construct or maintain streets or roads.

(d) “Highway user revenues” means the funds credited to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund.

(e) “Municipality” means any municipal corporation, special taxing district, or other political subdivision of this State other than a county or Baltimore City.

8–408.

(a) Highway user revenues distributed to Baltimore City and Kent County may be used only to pay or finance:

(1) Costs incurred in the construction, reconstruction, or maintenance of its highways and streets;

(2) Costs incurred by its police department for carrying out traffic functions and enforcing the traffic laws;

(3) Costs incurred in its other highway related activities for:

(i) Lighting the highways;

(ii) Stormwater drainage of the highways; and

(iii) Street cleaning, but not including the cost of collection of garbage, trash, and refuse;

(4) The payment of its debt service on bonds or other evidences of obligation for:

(i) The construction, reconstruction, or maintenance of its highways and streets; and

(ii) Any other of its highway activities, including lighting the highways and providing stormwater drainage;

(5) The cost of transportation facilities, as defined in § 3–101 of this article; **OR**

(6) As to Kent County:

(i) The cost of maintaining county owned boat landings; and

(ii) Costs incurred in providing traffic crossing guards[; or].

[(7) As to Baltimore City, through fiscal year 2010, students' costs of discounted Maryland Transit Administration fares for eligible public school students in Baltimore City.]

(b) The net share of highway user revenues distributed for a county other than Kent County may be used only:

(1) First, to pay debt service on outstanding bonds or other evidences of obligation issued before June 1, 1947, by or for the county or any municipality in the county to finance construction, reconstruction, or maintenance of roads or streets, to the extent that gasoline tax revenues have been lawfully dedicated, pledged, or otherwise committed to that debt service, so that the dedication, pledge, or commitment remains unimpaired and continues as a charge against the county's share of the gasoline tax to the same extent that it was a charge against any gasoline tax revenues under prior laws; and

(2) Then, as to the remainder of the county's share, to pay or finance:

(i) The cost of transportation facilities, as defined in § 3-101 of this article;

(ii) For Talbot County, maintenance of private roads as authorized in § 12-539 of the Local Government Article;

(iii) The construction, reconstruction, or maintenance of county roads; and

(iv) Debt service on bonds or other evidences of obligation that, for the construction, reconstruction, or maintenance of county roads, are lawfully issued on or after June 1, 1947, by or for the county or by or for a municipality in the county that is not receiving its own share under § 8-407 of this subtitle.

(c) The net share of highway user revenues distributed for a municipality may be used only to pay or finance:

(1) The cost of transportation facilities, as defined in § 3-101 of this article;

(2) The construction, reconstruction, or maintenance of roads or streets; and

(3) Debt service on bonds or other evidences of obligation lawfully issued by or for the municipality for the construction, reconstruction, or maintenance of roads or streets.

[(d) Notwithstanding subsection (a) of this section, for fiscal year 1997 only, of the highway user revenues distributed to Baltimore City:

(1) Up to \$5,000,000 may be used to pay or finance the costs of convention center marketing and convention center debt service payments; and

(2) Of the \$5,000,000, at least \$3,000,000 shall be appropriated specifically for convention center marketing.]

8–409.

(a) It is the policy of this State that bicycle trails are important and their construction is encouraged wherever feasible.

(b) To establish and maintain footpaths, bridle paths or horse trails, and bicycle trails:

(1) Baltimore City, any county, or any municipality that receives highway user revenues may spend a reasonable part of its net share for these purposes; and

(2) The Administration, Baltimore City, any county, or any municipality that receives highway user revenues may credit a part of them to a financial reserve or a special fund to be used within 10 years for these purposes.

8–412.

On or before January 1 of each year, Baltimore City, **EACH COUNTY, AND EACH ELIGIBLE MUNICIPALITY THAT RECEIVED HIGHWAY USER REVENUES IN THE PRECEDING FISCAL YEAR** shall [give to the Governor and] **SUBMIT** to the Administration, **THE GOVERNOR, AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE HOUSE WAYS AND MEANS COMMITTEE** an accounting report that:

(1) Shows the actual costs of the preceding fiscal year;

(2) Shows the expenditure budget of the current fiscal year; and

(3) As to each, accurately identifies the costs enumerated in [§ 8–408(a)] **§ 8–408 OR § 8–409** of this subtitle.

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

Approved by the Governor, May 15, 2014.

Chapter 639

(House Bill 1075)

AN ACT concerning

~~Public Utilities~~ Washington Suburban Sanitary Commission – System Development Charge – Definitions

PG/MC 106–14

FOR the purpose of defining the ~~term~~ terms “apartment unit” and “property” for purposes of certain provisions of law relating to system development charges imposed by the Washington Suburban Sanitary Commission; altering the definition of “new service” to include a direct connection of an improvement or building and a connection through an existing on-site system; and generally relating to system development charges imposed by the Washington Suburban Sanitary Commission.

BY repealing and reenacting, with amendments,
 Article – Public Utilities
 Section 25–401
 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 – Public Utilities

25–401.

- (a) In this subtitle the following words have the meanings indicated.
- (b) **“APARTMENT UNIT” MEANS A SINGLE FAMILY HOUSING UNIT THAT:**
 - (1) IS ONE OF MULTIPLE UNITS WITHIN A BUILDING;**
 - (2) CONTAINS AT LEAST ONE FULL BATH AND ONE FULL KITCHEN;**
 - (3) DOES NOT CONTAIN MORE THAN TWO TOILETS.**

AND

(c) “Fixture unit” means the assigned value for a plumbing fixture or group of plumbing fixtures, as set forth in the Commission’s plumbing and gas fitting

regulations, that is standardized with a common lavatory having an assigned value of one based on its probable discharge into the drainage system or hydraulic demand on the water supply.

[(c)] (D) “New service” means:

(1) a first time connection of a property to the Commission water or sewer system, **INCLUDING:**

(I) **A DIRECT CONNECTION OF AN IMPROVEMENT OR BUILDING; OR**

(II) **A CONNECTION OF THE IMPROVEMENT OR BUILDING THROUGH AN EXISTING ON-SITE SYSTEM; or**

(2) a new connection or increased water meter size for a property previously or currently served by the Commission if the new connection or increased meter size is needed because of a change in the use of the property or an increase in demand for service at the property.

(E) “PROPERTY” MEANS AN IMPROVEMENT OR A BUILDING ON A LOT OR PARCEL OF LAND THAT CONTAINS PLUMBING FIXTURES.

[(d)] ~~(E)~~ (F) “Toilet” means a water closet, as set forth in the Commission’s plumbing and gas fitting regulations.

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

Approved by the Governor, May 15, 2014.

Chapter 640

(House Bill 1088)

AN ACT concerning

**Health Occupations – ~~Ophthalmologists Who Store and Administer Drugs –~~
~~Exclusion From Maryland Pharmacy Act~~ Compound Drugs – Provision to
Ophthalmologists for Office Use**

FOR the purpose of ~~providing that the Maryland Pharmacy Act does not limit the right of ophthalmologists to store in a certain office and administer to a certain patient, without a prescription, certain drugs for the emergency treatment of~~

~~certain eye conditions; and generally relating to the exclusion of ophthalmologists from the Maryland Pharmacy Act authorizing a pharmacy for which a pharmacy permit has been issued by the State Board of Pharmacy and a sterile compounding facility to provide to an ophthalmologist for office use, without a certain prescription, certain compound drugs for certain purposes; requiring the pharmacy or sterile compounding facility to require the ophthalmologist to provide certain information to the pharmacy or sterile compounding facility; requiring the Board to monitor changes in certain federal law, regulation, and guidance and report to the Governor and General Assembly on those changes on or before a certain date; and generally relating to the provision of compound drugs to ophthalmologists.~~

~~BY adding to~~

~~Article – Health Occupations
Section 12-102(h)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)~~

BY repealing and reenacting, with amendments,

Article – Health Occupations
Section ~~12-102(h), (i), and (j)~~ 12-403(b)(20) and (21)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations
Section 12-403(b)(22) and 12-4A-12
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

~~12-102.~~

~~(H) THIS TITLE DOES NOT LIMIT THE RIGHT OF AN OPHTHALMOLOGIST TO STORE IN THE OFFICE OF THE OPHTHALMOLOGIST AND ADMINISTER TO A PATIENT OF THE OPHTHALMOLOGIST, WITHOUT A PRESCRIPTION, THE FOLLOWING:~~

~~(1) ANTIBIOTICS FOR THE EMERGENCY TREATMENT OF BACTERIAL ENDOPHTHALMITIS AND VIRAL RETINITIS; AND~~

~~(2) ANTIVASCULAR ENDOTHELIAL GROWTH FACTOR AGENTS FOR THE EMERGENCY TREATMENT OF NEOVASCULAR GLAUCOMA, WET MACULAR DEGENERATION, AND MACULAR EDEMA.~~

~~[(h)] (I) This title does not limit the right of a general merchant to sell:~~

- ~~(1) Any nonprescription drug or device;~~
- ~~(2) Any commonly used household or domestic remedy; or~~
- ~~(3) Any farm remedy or ingredient for a spraying solution, in bulk or otherwise.~~

~~[(i)] (J) The Board of Pharmacy, the Board of Dental Examiners, the Board of Physicians, and the Board of Podiatric Medical Examiners annually shall report to the Division of Drug Control:~~

- ~~(1) The names and addresses of its licensees who are authorized to personally prepare and dispense prescription drugs; and~~
- ~~(2) The names and addresses of its licensees who have reported, in accordance with subsection (e)(2)(iv)12 of this section, that they have personally prepared and dispensed prescription drugs within the previous year.~~

~~[(j)] (K) A dentist, physician, or podiatrist who fails to comply with the provisions of this section governing the dispensing of prescription drugs or devices shall:~~

- ~~(1) Have the dispensing permit revoked; and~~
- ~~(2) Be subject to disciplinary actions by the appropriate licensing board.~~

12-403.

(b) Except as otherwise provided in this section, a pharmacy for which a pharmacy permit has been issued under this title:

(20) Shall provide information regarding the process for resolving incorrectly filled prescriptions in accordance with existing regulations by:

(i) Posting a sign that is conspicuously positioned and readable by consumers at the point where prescription drugs are dispensed to consumers; or

(ii) Including written information regarding the process with each prescription dispensed; [and]

(21) Shall dispense or dispose of prescription drugs or medical supplies in accordance with Title 15, Subtitle 6 of the Health – General Article; AND

(22) (I) SUBJECT TO § 12-4A-02 OF THIS TITLE, MAY PROVIDE TO AN OPHTHALMOLOGIST FOR OFFICE USE, WITHOUT A PATIENT-SPECIFIC PRESCRIPTION:

1. COMPOUND ANTIBIOTICS FOR THE EMERGENCY TREATMENT OF BACTERIAL ENDOPHTHALMITIS OR VIRAL RETINITIS; AND

2. COMPOUND ANTIVASCULAR ENDOTHELIAL GROWTH FACTOR AGENTS FOR THE EMERGENCY TREATMENT OF NEOVASCULAR GLAUCOMA, WET MACULAR DEGENERATION, OR MACULAR EDEMA; AND

(II) SHALL REQUIRE THE OPHTHALMOLOGIST TO INFORM THE PHARMACY OF THE IDENTITY OF ANY PATIENT TO WHOM THE DRUGS ARE ADMINISTERED.

12-4A-12.

(A) A STERILE COMPOUNDING FACILITY MAY PROVIDE TO AN OPHTHALMOLOGIST FOR OFFICE USE, WITHOUT A PATIENT-SPECIFIC PRESCRIPTION:

(1) COMPOUND ANTIBIOTICS FOR THE EMERGENCY TREATMENT OF BACTERIAL ENDOPHTHALMITIS OR VIRAL RETINITIS; AND

(2) COMPOUND ANTIVASCULAR ENDOTHELIAL GROWTH FACTOR AGENTS FOR THE EMERGENCY TREATMENT OF NEOVASCULAR GLAUCOMA, WET MACULAR DEGENERATION, OR MACULAR EDEMA.

(B) A STERILE COMPOUNDING FACILITY SHALL REQUIRE THE OPHTHALMOLOGIST TO INFORM THE ~~PHARMACY~~ STERILE COMPOUNDING FACILITY OF THE IDENTITY OF ANY PATIENT TO WHOM THE DRUGS ARE ADMINISTERED.

SECTION 2. AND BE IT FURTHER ENACTED, That the State Board of Pharmacy shall:

(1) monitor any changes to the federal Drug Quality and Security Act, federal regulations proposed or adopted under the Act, and federal guidance provided under the Act as those changes relate to the authority of a sterile compounding facility to provide prescription drugs to ophthalmologists for office use, as authorized under Section 1 of this Act; and

(2) on or before January 1, 2015, report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly, on those changes.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 641

(House Bill 1118)

AN ACT concerning

Economic Development – Office of the Business Ombudsman – Establishment

FOR the purpose of establishing the Office of the Business Ombudsman in the Office of the Governor; specifying the purpose of the Office of the Business Ombudsman; requiring the Office to establish, maintain, and update each year a certain list of business assistance programs and services; requiring the Office to implement a certain business fairness and responsiveness service; requiring the Office to develop and maintain a certain program regarding permits required for business initiatives, projects, and activities; requiring the Office to establish and implement certain procedures to assist certain applicants for permits; requiring the Office to submit a certain report to the Governor and certain standing committees of the General Assembly each year; requiring the Governor to include certain funds in the State budget in certain fiscal years; defining certain terms; and generally relating to the Office of the Business Ombudsman.

BY adding to

Article – Economic Development

Section 14–201 through 14–204 to be under the new subtitle “Subtitle 2. Office of the Business Ombudsman”

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

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

Article – Economic Development

SUBTITLE 2. OFFICE OF THE BUSINESS OMBUDSMAN.

14-201.

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

(B) "OFFICE" MEANS OF THE OFFICE THE BUSINESS OMBUDSMAN.

(C) "OMBUDSMAN" MEANS AN INDIVIDUAL APPOINTED BY THE GOVERNOR WHO SERVES AS A LIAISON BETWEEN BUSINESSES, ECONOMIC DEVELOPMENT ORGANIZATIONS, COMMUNITIES, AND FEDERAL, STATE, AND LOCAL UNITS AND AGENCIES.

14-202.

(A) THERE IS AN OFFICE OF THE BUSINESS OMBUDSMAN IN THE OFFICE OF THE GOVERNOR.

(B) THE PURPOSE OF THE OFFICE IS TO:

(1) RESOLVE PROBLEMS ENCOUNTERED BY BUSINESSES INTERACTING WITH STATE AGENCIES;

(2) FACILITATE RESPONSIVENESS OF STATE GOVERNMENT TO BUSINESS NEEDS;

(3) SERVE AS A CENTRAL CLEARINGHOUSE OF INFORMATION FOR BUSINESS ASSISTANCE PROGRAMS AND SERVICES AVAILABLE IN THE STATE;

(4) ASSIST BUSINESSES BY REFERRING BUSINESSES AND INDIVIDUALS TO RESOURCES THAT PROVIDE THE BUSINESS SERVICES OR ASSISTANCE REQUESTED;

(5) PROVIDE COMPREHENSIVE PERMIT INFORMATION AND ASSISTANCE;

(6) ESTABLISH AND MAINTAIN METRICS IN ORDER TO MONITOR THE PROGRESS OF THE OFFICE AND REPORT THE DATA TO THE GOVERNOR AND THE GENERAL ASSEMBLY; AND

(7) REPORT AND MAKE RECOMMENDATIONS TO THE GOVERNOR AND THE GENERAL ASSEMBLY REGARDING BREAKDOWNS IN THE DELIVERY OF

ECONOMIC DEVELOPMENT RESOURCES AND PROGRAMS, INCLUDING PROBLEMS ENCOUNTERED BY BUSINESSES INTERACTING WITH STATE AGENCIES.

14-203.

THE OFFICE SHALL:

(1) ESTABLISH, MAINTAIN, AND UPDATE EACH YEAR A LIST OF THE BUSINESS ASSISTANCE PROGRAMS AND SERVICES IN THE STATE, INCLUDING THE NAMES, LOCATIONS, WEB SITE ADDRESSES, AND TELEPHONE NUMBERS OF THE ENTITIES PROVIDING THE PROGRAMS AND SERVICES;

(2) IMPLEMENT A BUSINESS FAIRNESS AND RESPONSIVENESS SERVICE THAT:

(I) RESOLVES PROBLEMS ENCOUNTERED BY BUSINESSES WITH OTHER STATE AGENCIES AND REGIONAL AND LOCAL ECONOMIC DEVELOPMENT ORGANIZATIONS;

(II) COORDINATES PROGRAMS AND SERVICES IMPLEMENTED BY FEDERAL, STATE, AND LOCAL AGENCIES;

(III) FACILITATES RESPONSIVENESS OF STATE GOVERNMENT TO BUSINESS NEEDS; AND

(IV) REPORTS TO THE GOVERNOR AND THE GENERAL ASSEMBLY REGARDING ANY BREAKDOWNS IN THE DELIVERY OF ECONOMIC DEVELOPMENT RESOURCES AND PROGRAMS;

(3) DEVELOP AND MAINTAIN A PROGRAM TO PROVIDE COMPREHENSIVE INFORMATION TO THE PUBLIC REGARDING PERMITS REQUIRED FOR BUSINESS INITIATIVES, PROJECTS, AND ACTIVITIES; AND

(4) ESTABLISH AND IMPLEMENT PROCEDURES TO ASSIST PERMIT APPLICANTS WHO HAVE ENCOUNTERED DIFFICULTIES IN OBTAINING TIMELY AND EFFICIENT PERMIT REVIEW.

14-204.

(A) (1) EACH YEAR, THE OFFICE SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE STANDING COMMITTEES OF THE GENERAL ASSEMBLY HAVING JURISDICTION OVER ECONOMIC DEVELOPMENT MATTERS.

(2) THE REPORT SHALL CONTAIN:

(I) INFORMATION REGARDING THE PERFORMANCE OF THE OFFICE, INCLUDING DATA INDICATING THE EFFECTIVENESS OF PROGRAMS AND PROCEDURES REGARDING PERMITTING;

(II) DATA SPECIFYING THE NUMBER OF BUSINESSES AND INDIVIDUALS THAT HAVE CONTACTED THE OFFICE OR USED THE SERVICES OF THE OFFICE; AND

(III) RECOMMENDATIONS REGARDING IMPROVEMENTS TO EXISTING LAWS RELATING TO ECONOMIC DEVELOPMENT.

(B) IN FISCAL YEAR 2016 AND IN EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE FUNDS IN THE STATE BUDGET TO IMPLEMENT THIS SUBTITLE, INCLUDING FUNDS TO:

(1) EMPLOY A FULL-TIME OMBUDSMAN; AND

(2) OPERATE AND MAINTAIN AN OFFICE.

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

Approved by the Governor, May 15, 2014.

Chapter 642

(House Bill 1153)

AN ACT concerning

Commercial Fishing and Seafood Operations – Nuisance Actions – Exemption

FOR the purpose of expanding the application of certain provisions of law relating to the protection of agricultural operations from nuisance actions under certain circumstances to apply to certain commercial fishing and seafood operations; exempting certain commercial fishing and seafood operations from nuisance lawsuits; authorizing an appeal of a certain decision on a nuisance complaint against a commercial fishing or seafood operation to a circuit court in a certain manner; defining a certain term; altering the definition of a certain term; and

generally relating to nuisance actions against commercial fishing or seafood operations.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 5–403
Annotated Code of Maryland
(2013 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 20–301
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 – Courts and Judicial Proceedings

5–403.

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

[(1) (2) [In this section, “agricultural] “AGRICULTURAL operation” means an operation for the processing of agricultural crops or on–farm production, harvesting, or marketing of any agricultural, horticultural, silvicultural, aquacultural, or apicultural product that has been grown, raised, or cultivated by the farmer.

(3) (I) “COMMERCIAL FISHING OR SEAFOOD OPERATION” MEANS AN OPERATION FOR THE HARVESTING, STORAGE, PROCESSING, MARKETING, SALE, PURCHASE, TRADE, OR TRANSPORT OF ANY SEAFOOD PRODUCT.

(II) “COMMERCIAL FISHING OR SEAFOOD OPERATION” INCLUDES THE DELIVERY, STORAGE, AND MAINTENANCE OF EQUIPMENT AND SUPPLIES AND CHARTER BOAT FISHING AND RELATED ARRIVAL AND DEPARTURE ACTIVITIES, EQUIPMENT, AND SUPPLIES.

[(2) (4) Notwithstanding § 5–101 of the Natural Resources Article, “silvicultural operation” means implementation of forestry practices, including the establishment, composition, growth, and harvesting of trees.

(b) (1) This section does not:

(i) Prohibit a federal, State, or local government from enforcing health, environmental, zoning, or any other applicable law;

(ii) Relieve any agricultural [or], silvicultural, **OR COMMERCIAL FISHING OR SEAFOOD** operation from the responsibility of complying with the terms of any applicable federal, State, and local permit required for the operation;

(iii) Relieve any agricultural [or], silvicultural, **OR COMMERCIAL FISHING OR SEAFOOD** operator from the responsibility to comply with any federal, State, or local health, environmental, and zoning requirement; or

(iv) Relieve any agricultural [or], silvicultural, **OR COMMERCIAL FISHING OR SEAFOOD** operation from liability for conducting an agricultural **OR A COMMERCIAL FISHING OR SEAFOOD** operation in a negligent manner.

(2) This section does not apply to [any]:

(I) ANY agricultural operation that is operating without a fully and demonstrably implemented nutrient management plan for nitrogen and phosphorus if otherwise required by law; **OR**

(II) ANY COMMERCIAL FISHING OR SEAFOOD OPERATION THAT IS NOT IN COMPLIANCE WITH APPLICABLE FEDERAL, STATE, AND LOCAL LAWS.

(c) If an agricultural [operation or], A silvicultural, **OR A COMMERCIAL FISHING OR SEAFOOD** operation has been under way for a period of 1 year or more and if the operation is in compliance with applicable federal, State, and local health, environmental, zoning, and permit requirements relating to any nuisance claim and is not conducted in a negligent manner:

(1) The operation, including any sight, noise, odors, dust, or insects resulting from the operation, may not be deemed to be a public or private nuisance; and

(2) A private action may not be sustained on the grounds that the operation interferes or has interfered with the use or enjoyment of other property, whether public or private.

(d) (1) This section does not create, and may not be construed as creating, a new cause of action or substantive legal right against a person who is engaged in an agricultural [or], A silvicultural, **OR A COMMERCIAL FISHING OR SEAFOOD** operation.

(2) This section does not affect, and may not be construed as affecting, any defenses available at common law to a defendant who is engaged in an agricultural [or], A silvicultural, **OR A COMMERCIAL FISHING OR SEAFOOD** operation and subject to an action for nuisance.

(e) (1) This subsection does not apply to an action brought by a government agency.

(2) If a local agency is authorized to hear a nuisance complaint against an agricultural **OR A COMMERCIAL FISHING OR SEAFOOD** operation, a person may not bring a nuisance action against an agricultural **OR A COMMERCIAL FISHING OR SEAFOOD** operation in any court until:

- (i) The person has filed a complaint with the local agency; and
- (ii) The local agency has made a decision or recommendation on the complaint.

(3) A DECISION OF A LOCAL AGENCY ON A NUISANCE COMPLAINT AGAINST A COMMERCIAL FISHING OR SEAFOOD OPERATION MAY BE APPEALED TO A CIRCUIT COURT IN ACCORDANCE WITH TITLE 7, CHAPTER 200 OF THE MARYLAND RULES.

[(3)] (4) If there is no local agency authorized to hear a nuisance complaint against an agricultural operation, a person may not bring a nuisance action against an agricultural operation in any court until:

- (i) The person has referred a complaint to the State Agricultural Mediation Program in the Department of Agriculture under Title 1, Subtitle 1A of the Agriculture Article; and
- (ii) The Department certifies that mediation has been concluded.

Article – Health – General

20–301.

(a) In this subtitle, “nuisance” means a condition that is dangerous to health or safety including:

- (1) An inadequately protected swimming pool;
- (2) An unprotected open ditch;

- (3) An unsanitary outhouse;
 - (4) A foul pigpen;
 - (5) An improperly functioning sewage system;
 - (6) An unkempt junkyard;
 - (7) An unkempt scrap metal processing facility;
 - (8) An excessive accumulation of trash or garbage;
 - (9) A dead animal;
 - (10) A contaminated water supply;
 - (11) An inadequately protected water supply;
 - (12) A rodent harborage;
 - (13) Poor housekeeping that could endanger the health of the owner, occupant, employee, or a neighbor; or
 - (14) Any condition that may endanger health that may be transmitted by means including:
 - (i) Running streams;
 - (ii) Surface drainage;
 - (iii) Air currents;
 - (iv) Birds;
 - (v) Domestic animals; or
 - (vi) Human beings.
- (b) "Nuisance" does not include [any]:
- (1) ANY condition resulting from a farm operation following generally accepted agricultural practices that are not creating a condition dangerous to health or safety; OR
 - (2) ANY CONDITION RESULTING FROM A COMMERCIAL FISHING OR SEAFOOD OPERATION FOLLOWING GENERALLY ACCEPTED INDUSTRY

STANDARDS AND PROCESSES THAT ARE NOT CREATING A CONDITION DANGEROUS TO HEALTH OR SAFETY.

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

Approved by the Governor, May 15, 2014.

Chapter 643

(House Bill 1157)

AN ACT concerning

Health Occupations – Massage Therapy – Authority to Practice

FOR the purpose of ~~requiring applicants for a license or registration from the State Board of Chiropractic and Massage Therapy Examiners to submit to a certain criminal history records check; requiring certain applicants to submit certain fingerprints and certain fees to the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services under certain circumstances; requiring the Central Repository to forward certain information to the Board and to certain applicants; providing that certain information is confidential and may be used only for certain purposes; authorizing the subject of a certain criminal history records check to contest the contents of a certain statement;~~ requiring an individual to be registered by the State Board of Chiropractic and Massage Therapy Examiners before the individual may practice massage therapy in a certain setting; ~~requiring an applicant for a certain license to have submitted to a certain criminal history records check to qualify for a license;~~ altering certain educational requirements an applicant for a license to practice massage therapy must meet to qualify for a license; ~~requiring an applicant for a certain registration to have submitted to a certain criminal history records check to qualify for a registration;~~ altering certain educational requirements an applicant for a registration to practice massage in a certain setting must meet to qualify for registration; requiring the Board to issue a license or registration to an applicant who pays a certain fee and meets certain requirements; requiring the Board to include certain information on each license and registration that the Board issues; ~~requiring the Board to consider certain factors on receipt of the criminal history record of certain applicants in determining whether to grant a license or registration;~~ repealing a certain provision of law that prohibits an individual who is registered to practice nontherapeutic massage from practicing in certain offices, hospitals, or facilities; requiring the Board to waive certain education requirements under this Act for certain individuals licensed or registered by the Board before a

certain date; altering certain definitions; repealing a certain definition; making conforming changes; and generally relating to the practice of massage therapy in the State.

BY repealing and reenacting, without amendments,

Article – Health Occupations

Section 3–5A–01(a)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 3–5A–01(c), (i), and (j), 3–5A–04, 3–5A–06, and 3–5A–11(b) to be under the amended subtitle “Subtitle 5A. Licensure and Registration of Massage Therapists”

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health Occupations

Section ~~3–5A–05.1~~ and 3–5A–06.1

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing

Article – Health Occupations

Section 3–5A–01(h) and 3–5A–08

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY renumbering

Article – Health Occupations

Section 3–5A–09 through 3–5A–16, respectively

to be Section 3–5A–08 through 3–5A–15, respectively

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

Subtitle 5A. [Certification] **LICENSURE AND REGISTRATION** of Massage Therapists.

3–5A–01.

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

(c) “Health care [facility] has the meaning stated in § 19–114(d) of the Health – General Article] **SETTING” MEANS:**

(1) THE OFFICE OF A HEALTH CARE PROVIDER REGULATED UNDER THIS ARTICLE; OR

(2) A HEALTH CARE FACILITY AS DEFINED IN § 19–114 OF THE HEALTH – GENERAL ARTICLE.

[(h) “Practice non–therapeutic massage” means to engage professionally and for compensation in massage therapy in a setting that is not a health care facility.]

[(i) **(H)** “Registered massage practitioner” means an individual who is registered by the Board to practice [non–therapeutic] massage **THERAPY IN A SETTING THAT IS NOT A HEALTH CARE SETTING.**

[(j) **(I)** “Registration” means, unless the context requires otherwise, a registration issued by the Board to practice [non–therapeutic] massage **THERAPY IN A SETTING THAT IS NOT A HEALTH CARE SETTING.**

3–5A–04.

Except as otherwise provided in this subtitle, an individual shall be:

(1) Licensed by the Board before the individual may practice massage therapy in this State; or

(2) Registered by the Board before the individual may practice [non–therapeutic] massage **THERAPY IN A SETTING THAT IS NOT A HEALTH CARE SETTING** in this State.

~~3–5A–05.1.~~

~~(A) IN THIS SECTION, “CENTRAL REPOSITORY” MEANS THE CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES.~~

~~(B) AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK, AN APPLICANT SHALL SUBMIT TO THE CENTRAL REPOSITORY:~~

~~(1) A COMPLETE SET OF LEGIBLE FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;~~

~~(2) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS; AND~~

~~(3) THE PROCESSING FEE REQUIRED BY THE FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY RECORDS CHECK.~~

~~(C) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE BOARD AND THE APPLICANT THE CRIMINAL HISTORY RECORD INFORMATION OF THE APPLICANT.~~

~~(D) IF AN APPLICANT HAS MADE THREE OR MORE UNSUCCESSFUL ATTEMPTS AT SECURING LEGIBLE FINGERPRINTS, THE BOARD MAY ACCEPT AN ALTERNATE METHOD OF A CRIMINAL HISTORY RECORDS CHECK AS ALLOWED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION.~~

~~(E) INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER THIS SECTION:~~

~~(1) SHALL BE CONFIDENTIAL;~~

~~(2) MAY NOT BE REDISSEMINATED; AND~~

~~(3) SHALL BE USED ONLY FOR THE LICENSING OR REGISTRATION PURPOSE AUTHORIZED BY THIS TITLE.~~

~~(F) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS SECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL PROCEDURE ARTICLE.~~

3-5A-06.

(a) To qualify for a license, an applicant shall be an individual who:

(1) Is of good moral character;

(2) Is at least 18 years old;

~~(3) HAS SUBMITTED TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 3-5A-05.1 OF THIS SUBTITLE;~~

~~[(3)] (4)~~ Has satisfactorily completed [at]:

(I) AT least 60 credit hours of education at an institution of higher education as defined in § 10–101 of the Education Article and as approved by the Board and the Maryland Higher Education Commission **OF WHICH A MINIMUM OF 24 CREDIT HOURS SHALL HAVE BEEN IN ~~THE FOLLOWING APPLIED SCIENCE AREAS OF CONTENT:~~**

- ~~1. INTRODUCTION TO MASSAGE;~~
- ~~2. STRUCTURE AND FUNCTION OF THE HUMAN BODY;~~
- ~~3. SWEDISH MASSAGE;~~
- ~~4. MEDICAL TERMINOLOGY;~~
- ~~5. DEEP TISSUE MASSAGE;~~
- ~~6. ADVANCED MASSAGE TECHNIQUES;~~
- ~~7. KINESIOLOGY FOR MASSAGE THERAPISTS; OR~~
- ~~8. BUSINESS FOR BODY WORKERS BASIC AND APPLIED SCIENCE COURSES RELATED TO HEALTH CARE; OR~~

(II) 1. AT LEAST 60 CREDIT HOURS OF EDUCATION AT AN INSTITUTION OF HIGHER EDUCATION AS DEFINED IN § 10–101 OF THE EDUCATION ARTICLE AND AS APPROVED BY THE MARYLAND HIGHER EDUCATION COMMISSION; AND

2. 24 HOURS OF ADVANCED MASSAGE THERAPY CONTINUING EDUCATION AS APPROVED BY THE BOARD IN ~~THE FOLLOWING APPLIED SCIENCE AREAS OF CONTENT:~~

- ~~A. INTRODUCTION TO MASSAGE;~~
- ~~B. STRUCTURE AND FUNCTION OF THE HUMAN BODY;~~
- ~~C. SWEDISH MASSAGE;~~
- ~~D. MEDICAL TERMINOLOGY;~~
- ~~E. DEEP TISSUE MASSAGE;~~

~~F. ADVANCED MASSAGE TECHNIQUES;~~

~~G. KINESIOLOGY FOR MASSAGE THERAPISTS; OR~~

~~H. BUSINESS FOR BODY WORKERS~~ BASIC AND APPLIED SCIENCE COURSES RELATED TO HEALTH CARE;

~~{(4)}~~ ~~(5)~~ Has completed [500] **600** hours of education in a Board approved program for the study of massage therapy that includes the following areas of content:

- (i) Anatomy [and], physiology, AND KINESIOLOGY;
- (ii) Massage theory, techniques, and practice;
- (iii) Contraindications to massage therapy; and
- (iv) Professional ethics; and

~~{(5)}~~ ~~(6)~~ Has passed an examination approved by the Board.

(b) To qualify for registration, an applicant shall be an individual who:

- (1) Is of good moral character;
- (2) Is at least 18 years old;

~~(3) HAS SUBMITTED TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 3-5A-05.1 OF THIS SUBTITLE;~~

~~{(3)}~~ ~~(4)~~ Has completed [500] **600** hours of education in a Board approved program for the study of massage therapy that includes the following areas of content:

- (i) Anatomy [and], physiology, AND KINESIOLOGY;
- (ii) Massage theory, techniques, and practice;
- (iii) Contraindications to massage therapy; and
- (iv) Professional ethics; and

~~{(4)}~~ ~~(5)~~ Has passed an examination approved by the Board.

(A) THE BOARD SHALL ISSUE A LICENSE OR REGISTRATION TO ANY APPLICANT WHO:

(1) PAYS A LICENSE OR REGISTRATION FEE SET BY THE BOARD;
AND

(2) MEETS THE REQUIREMENTS OF THIS SUBTITLE.

(B) THE BOARD SHALL INCLUDE ON EACH LICENSE AND REGISTRATION THAT THE BOARD ISSUES:

(1) THE SEAL OF THE BOARD; AND

(2) THE KIND OF LICENSE OR REGISTRATION.

~~(C) (1) ON RECEIPT OF THE CRIMINAL HISTORY RECORD INFORMATION OF AN APPLICANT FOR LICENSURE OR REGISTRATION FORWARDED TO THE BOARD IN ACCORDANCE WITH § 3-5A-05.1 OF THIS SUBTITLE, IN DETERMINING WHETHER TO GRANT A LICENSE OR REGISTRATION, 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 OR REGISTRATION IF THE CRIMINAL HISTORY RECORD INFORMATION REQUIRED UNDER § 3-5A-05.1 OF THIS SUBTITLE HAS NOT BEEN RECEIVED.~~

[3-5A-08.

An individual who is registered to practice non-therapeutic massage under § 3-5A-06 of this subtitle may not practice in a medical health care provider's office, hospital, or other health care facility for the purpose of providing massage.]

3-5A-11.

(b) If, after a hearing under § 3-315 of this title, the Board finds that there are grounds under subsection (a) of this section to suspend or revoke a license **OR REGISTRATION** to practice massage therapy [or registration to practice non-therapeutic massage], to reprimand a licensee or registration holder, or place a licensee or registration holder on probation, the Board may impose a penalty not exceeding \$5,000 in lieu of or in addition to suspending or revoking the license or registration, reprimanding the licensee or registration holder, or placing the licensee or registration holder on probation.

SECTION 2. AND BE IT FURTHER ENACTED, That the State Board of Chiropractic and Massage Therapy Examiners shall waive the education requirements established under § 3-5A-06 of the Health Occupations Article, as enacted by Section 1 of this Act, for an individual licensed as a massage therapist or registered as a massage practitioner by the Board before October 1, 2014.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That Section(s) 3-5A-09 through 3-5A-16, respectively, of Article – Health Occupations of the Annotated Code of Maryland be renumbered to be Section(s) 3-5A-08 through 3-5A-15, respectively.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 644

(House Bill 1170)

AN ACT concerning

Harford County – Alcoholic Beverages – Residency Requirements

FOR the purpose of altering certain residency requirements for certain business applicants for alcoholic beverages licenses in Harford County; altering a requirement that a certain applicant for certain alcoholic beverages licenses own a certain percentage of a certain business, subject to a certain exception; making certain stylistic and conforming changes; and generally relating to alcoholic beverages in Harford County.

BY repealing and reenacting, with amendments,
 Article 2B – Alcoholic Beverages
 Section 9-101(a), (b), (c), and (k)

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

9–101.

(a) **(1)** A license may not be issued to a partnership, to a corporation, or to a limited liability company, but only to individuals authorized to act for a partnership, corporation, or limited liability company who shall assume all responsibilities as individuals, and be subject to all of the penalties, conditions and restrictions imposed upon licensees under the provisions of the Tax – General Article that relate to the alcoholic beverage tax and the provisions of this article. If the application is made for a partnership, the license shall be applied for and be issued to all the partners as individuals, all of whom shall have resided in the city or county in which the place of business is located for at least 2 years prior to the application.

[(1)] (2) (i) In Montgomery County, if the application is made for a partnership, the license shall be applied for and issued to at least 2 general partners as individuals, at least one of whom is a registered voter of the county where the application is made and resides there at the time of the application. If there is only one general partner, the license shall be issued to that partner as an individual, if that partner is a registered voter of the county where the application is made and resides there at the time of application.

(ii) 1. In Baltimore County, if the application is made for a partnership, the license shall be applied for and issued to at least two general partners as individuals, at least one of whom is a registered voter of any county of the State or of the City of Baltimore and resides there at the time of application.

2. If there is only one general partner, the Board of License Commissioners shall issue the license to that partner as an individual, if the partner is a registered voter of any county or of the City of Baltimore and resides there at the time of the application.

3. The provisions of this subparagraph may not be construed to waive any of the requirements under §§ 9–102, 9–102.2, and 9–301 of this article.

[(2)] (3) (1) [In Harford County, the applicant shall be a bona fide resident of Harford County for at least 1 year before filing the application and shall remain a resident as long as the license is in effect. The applicant is not required to be a registered voter] **THIS PARAGRAPH APPLIES TO AN APPLICANT IN HARFORD**

COUNTY WHO ACTS ON BEHALF OF A PARTNERSHIP, AN ASSOCIATION, A LIMITED LIABILITY COMPANY, A SOLE PROPRIETORSHIP, OR A CLUB OR CORPORATION, WHETHER INCORPORATED OR UNINCORPORATED.

(II) AN APPLICANT WHO APPLIES FOR A CLASS B RESTAURANT OR CLASS D TAVERN LICENSE ~~SHALL~~:

1. SHALL BE A RESIDENT OF THE STATE FOR AT LEAST 1 YEAR BEFORE FILING THE APPLICATION AND SHALL REMAIN A RESIDENT AS LONG AS THE LICENSE IS IN EFFECT; AND

2. SHALL RESIDE WITHIN A 100-MILE RADIUS OF THE TOWN OF BEL AIR.

(III) AN APPLICANT WHO APPLIES FOR A LICENSE OTHER THAN A CLASS B RESTAURANT OR CLASS D TAVERN LICENSE ~~SHALL~~:

1. SHALL BE A RESIDENT OF HARFORD COUNTY FOR AT LEAST 1 YEAR BEFORE FILING THE APPLICATION AND SHALL REMAIN A RESIDENT AS LONG AS THE LICENSE IS IN EFFECT; AND

2. SHALL RESIDE WITHIN A 100-MILE RADIUS OF THE TOWN OF BEL AIR.

[(3)] (4) In Prince George's County, if an application is made for a sole proprietorship or partnership, the license shall be applied for and issued to all partners as individuals, all of whom shall have resided in Prince George's County for at least 2 years prior to the application, are registered voters in Prince George's County, and shall continue to be bona fide residents of Prince George's County as long as the license is in effect.

[(4)] (5) (i) 1. In Frederick County, if an alcoholic beverages license application is made for a partnership, the license shall be applied for and issued to 3 individuals.

2. None of the 3 individuals need to be partners. However, all 3 individuals shall be authorized in writing to act for the partnership by making application for and becoming holders of the license for partnership.

3. Of the 3 individuals, 1 shall be a registered voter at the time of application and prior thereto and be a resident of Frederick County for at least 2 years prior to making application.

4. The names of all of the partners shall be stated on the application.

(ii) If a corporation, partnership, or limited liability company is a partner of the partnership for which application is being made, the applicants shall state on the application:

1. The name of any owner of more than 33 percent of the stock in the corporate partner;

2. The name of any owner of more than 33 percent of ownership interest of the partnership partner; or

3. The name of any member with more than a 33 percent interest in the limited liability company partner.

[(5)] (6) (i) This paragraph **[(5)]** applies only to licenses issued by the State Comptroller.

(ii) If a license application is made for a partnership, the license shall be issued to three individuals, each of whom shall qualify as follows:

1. An individual general partner; or

2. When a general partner is a corporation, an officer of the corporation as an individual.

(iii) If less than three general partners or corporate officers exist, then a license may be issued to all of the general partners or officers qualified under subparagraph (ii)2 of this paragraph.

(iv) In each instance under this paragraph, at least one of the applicants shall be:

1. A resident of the State for at least 2 years preceding the filing of the applications; and

2. A registered voter of the State.

(v) This paragraph may not be construed to waive any of the requirements under § 9–102 of this article.

[(6)] (7) (i) This paragraph applies only in Wicomico County.

(ii) 1. If a stadium beer and light wine license application is made for a partnership, the license shall be applied for and issued to three individuals.

2. None of the three individuals need be partners. However, all three individuals shall be authorized in writing to act for the partnership by making application for and becoming holders of the license for the partnership.

3. Of the three individuals, one shall be a registered voter at the time of application and for 1 year prior to then and be a resident of Wicomico County for at least 2 years prior to making application.

4. The names of all of the partners shall be stated on the application.

(iii) If a corporation, partnership, or limited liability company is a partner of the partnership for which application is being made, the applicants shall state on the application:

1. The name of any owner of more than 33 percent of the stock in the corporate partner;

2. The name of any owner of more than 33 percent of ownership interest of the partnership partner; or

3. The name of any member with more than 33 percent interest in the limited liability company partner.

(b) **(1)** If the application is made for a corporation, or a club, whether incorporated or unincorporated, the license shall be applied for by and be issued to three of the officers of that corporation or club, as individuals, for the use of the corporation or club, at least one of whom shall be a registered voter and taxpayer of the county or city, or State of Maryland when the application is filed with the Comptroller, and shall also have resided therein, at least two years prior to the application.

(2) The application shall also set forth the names and addresses of all of the officers of the corporation or club and shall be signed by the president or vice president, as well as by three officers to whom the license shall be issued. The application for every license shall disclose the name and address of the corporation, partnership or association, as well as the name and address of the applicant.

(3) For an application for any Class E, Class F or Class G license, the application may be made by any three officers or employees residing in this State, duly authorized by the corporation to apply for the license.

(4) The provisions of this subsection with reference to an applicant being a registered voter, taxpayer or resident of the State of Maryland do not apply when three principal officers of a corporation make application for a Class G license.

(5) This section [does]:

(I) **DOES** not apply to “racetrack licenses” or to “beach and amusement park licenses” issued in Anne Arundel County; **AND**

(II) **SUBJECT TO SUBSECTION (A)(3) OF THIS SECTION, APPLIES TO A LICENSE ISSUED IN HARFORD COUNTY.**

(6) In the case of a corporation where there are less than three officers or directors of the corporation, all officers or directors shall make the application as provided in this section.

(7) In the event there are no officers or directors of a close corporation, at least one stockholder may make the application as provided in this section, if there is an affirmative vote of the stockholders holding a majority of the stock.

(c) (1) (i) Except as provided in [subparagraph] **SUBPARAGRAPHS (ii) AND (III)** of this paragraph, if the application is made for a limited liability company, the license shall be applied for by and be issued to 3 of the authorized persons of that limited liability company, as individuals, for the use of the limited liability company, at least 1 of whom shall be a registered voter and taxpayer of the county or city, or the State when the application is filed with the Comptroller, and shall also have resided there at least 2 years before the application.

(ii) In Baltimore City, an authorized person of a limited liability company who holds an alcoholic beverages license for the use of the limited liability company that was granted on or before June 1, 2012, need not be a registered voter in Baltimore City.

(III) **SUBJECT TO SUBSECTION (A)(3) OF THIS SECTION, THIS PARAGRAPH APPLIES IN HARFORD COUNTY.**

(2) The application shall also set forth the names and addresses of each of the authorized persons and shall be signed by the 3 authorized persons to whom the license shall be issued.

(3) (i) The application for each license shall disclose the name and address of the limited liability company and the name and address of the applicant.

(ii) Notwithstanding item (i) of this paragraph, in the case of an application for Class E, Class F, or Class G license, the application may be made by any 3 authorized persons or employees residing in the State, duly authorized by the limited liability company to apply for the license.

(4) The provisions of this subsection with reference to an applicant being a registered voter, taxpayer, or resident of the State do not apply when 3 members of a limited liability company make application for a Class G license.

(5) (i) [Nothing in this section shall apply] **THIS SECTION:**

1. DOES NOT APPLY to “racetrack licenses” or to “beach and amusement park licenses” issued in Anne Arundel County; **AND**

2. SUBJECT TO SUBSECTION (A)(3) OF THIS SECTION, APPLIES TO A LICENSE ISSUED IN HARFORD COUNTY.

(ii) In the case of a limited liability company in which there are less than 3 authorized persons of the limited liability company, all authorized persons shall make the application as provided in this section.

(k) In Harford County, if the application is made for a corporation, whether incorporated or unincorporated or for a limited liability company:

(1) Application for the license shall be by and be issued to 3 of the officers holding a pecuniary interest in the corporation or 3 of the authorized persons holding a pecuniary interest in the limited liability company, as individuals, for the use of the corporation or limited liability company, as the case may be.

(2) In addition to the provisions of paragraph (1) of this subsection, 1 of the applicants ~~shall~~:

(I) SHALL be [a bona fide resident of the county and the license shall remain valid only so long as the resident applicant remains a resident of the county] **A RESPONSIBLE OPERATOR OF THE LICENSED ESTABLISHMENT WHO HAS BEEN A RESIDENT OF THE STATE FOR AT LEAST 1 YEAR BEFORE FILING THE APPLICATION AND REMAINS A RESIDENT AS LONG AS THE LICENSE IS IN EFFECT; AND**

(II) SHALL RESIDE WITHIN A 100-MILE RADIUS OF THE TOWN OF BEL AIR.

(3) The [resident applicant] **RESPONSIBLE OPERATOR** shall:

(i) [Own] **EXCEPT AN APPLICANT FOR A CLASS B (BEER, WINE AND LIQUOR) LICENSE, OWN** at least 25 percent of the total business[. Except in the case of an applicant for a Class B (beer, wine and liquor) license, the resident applicant shall own at least 10 percent of the total business];

(ii) Serve as manager or supervisor; and

(iii) Be physically present on the premises a substantial amount of time on a daily basis.

(4) Paragraph (3) of this subsection relating to [resident applicants] **THE RESPONSIBLE OPERATOR** applies to any license issued or transferred after July 1, 1984.

(5) The application for a license shall:

(i) Set forth the names and addresses of all the officers of the corporation or authorized persons of the limited liability company;

(ii) Be signed by the president or vice president of a corporation and the 3 officers of a corporation or the 3 authorized persons of a limited liability company to whom the license is issued; and

(iii) Disclose the name and address of the corporation, partnership, association, or limited liability company, as well as the names and addresses of the applicants.

(6) (i) In the case of a corporation where there are less than 3 officers or directors of the corporation or in the case of a limited liability company where there are less than 3 authorized persons, all officers or directors holding a pecuniary interest in the corporation, or all authorized persons holding a pecuniary interest in the limited liability company shall make the application.

(ii) In the case of a close corporation where there are no officers or directors, 1 or more [resident,] majority stockholders may make the application as provided for in this subsection.

(7) (i) In this paragraph “owner” means a person who has a real, provable financial interest in the business and includes a stockholder or managerial employee of the actual owner.

(ii) Stock ownership requirements do not apply to an applicant for a Class B hotel or restaurant beer, wine and liquor license or a Class BNR beer, wine and liquor license in which:

1. A majority of the shares of stock are owned or controlled either directly or indirectly by 1 or more corporations whose shares of stock are authorized for sale by the Securities and Exchange Commission of the United States;

2. At least 1 of the licensees is a [resident operator] **RESPONSIBLE OPERATOR** of the business conducted on the licensed premises and that same individual is responsible for the day to day operation of the license;

3. All licensees, including the [resident applicant] **RESPONSIBLE OPERATOR**, are named officers of the corporation; and

4. The residency requirement in effect at the time the license is issued remains in effect as long as the license is in effect.

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

Approved by the Governor, May 15, 2014.

Chapter 645

(House Bill 1205)

AN ACT concerning

Frederick County – Transition to Charter Government – Corrections to References in the Annotated Code of Maryland

FOR the purpose of correcting references to the government of Frederick County in the Annotated Code of Maryland that will be rendered obsolete after the status of the county is changed from a commission county to a charter county; altering the manner in which certain authority may be exercised in the county; replacing references to the County Manager with references to the Chief Administrative Officer; repealing certain definitions; providing for an abnormal effective date; and generally relating to the government of Frederick County.

BY repealing and reenacting, with amendments,
Article – Corporations and Associations
Section 2–102(b)(3)
Annotated Code of Maryland
(2007 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–309(l)(1), (5)(ii)2., (iv)2., and (v)4.B., and (6)(ii)2., (iv)2., and (v)4.B.,
and 2–507(a)(11)
Annotated Code of Maryland
(2013 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Criminal Law

Section 9–609(a)(2), 13–1301, 13–1305(d), and 13–1306(a), (d), and (f)

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 3–5B–01(d)

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Election Law

Section 13–504

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – General Provisions

Section 5–857 through 5–862

Annotated Code of Maryland

(As enacted by Chapter 94 (H.B. 270) of the Acts of the General Assembly of 2014)

BY repealing and reenacting, with amendments,

Article – Health – General

Section 21–304(e)(1)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Land Use

Section 9–1002

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Local Government

Section 1–1007(a)(1) and (c), 1–1014, 12–208(c), 12–301(e), 12–408, 12–522, 12–806(c)(1), 13–121, 13–304, 13–306 through 13–308, 13–922, 19–105, 20–419, and 20–703

Annotated Code of Maryland

(2013 Volume)

BY repealing

Article – Local Government

Section 12-301(d)
Annotated Code of Maryland
(2013 Volume)

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 3-903(a)(6)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Public Safety
Section 7-211
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9-312(d) and 14-820(b)(10)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 21-313(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 – Corporations and Associations

2-102.

(b) (3) The Department may not accept articles of incorporation from a fire or rescue organization to be located in Frederick County for the purpose of providing fire or rescue service in Frederick County unless the articles are accompanied by a written resolution of the **GOVERNING BODY OF** Frederick County [Board of Commissioners] indicating [the Board's] approval of the proposed incorporation. Incorporated municipalities in Frederick County with primary responsibility for governmental funding for fire service shall within their jurisdiction hold those powers assigned to the **GOVERNING BODY OF** Frederick County [Commissioners] in this section.

Article – Courts and Judicial Proceedings

2–309.

(1) (1) The Sheriff of Frederick County shall receive a salary of \$100,000. The Sheriff shall appoint deputies as necessary, at salaries of at least \$2,400, and jail wardens as necessary, at salaries of at least \$1,320 each. The Sheriff also may appoint additional temporary deputy sheriffs as the Sheriff considers necessary for the public safety, with the approval of the [Board of County Commissioners] **GOVERNING BODY OF FREDERICK COUNTY, BY ORDINANCE**. The [County Commissioners] **GOVERNING BODY, BY ORDINANCE**, shall allow reasonable compensation for the temporary additional deputy sheriffs and the temporary deputies may not serve longer than the occasion requires. The Sheriff may appoint a chief deputy who shall serve at the pleasure of the Sheriff.

(5) (ii) 2. Any additional funding required as a result of a negotiated collective bargaining agreement shall be [subject to approval by the Board of County Commissioners of] **IN THE Frederick County BUDGET**.

(iv) 2. The parties shall make every reasonable effort to conclude negotiations in a timely manner to allow for inclusion by the Office of the Sheriff of matters agreed upon in its budget request [to the Board of County Commissioners of Frederick County].

(v) 4. B. Additional funding, if any, required as a result of the agreement shall be subject to the approval of the [Board of County Commissioners] **GOVERNING BODY OF FREDERICK COUNTY**.

(6) (ii) 2. Any additional funding required as a result of a negotiated collective bargaining agreement shall be subject to approval by the [Board of County Commissioners] **GOVERNING BODY** of Frederick County.

(iv) 2. The parties shall make every reasonable effort to conclude negotiations in a timely manner to allow for inclusion by the Office of the Sheriff of matters agreed on in its budget request to the [Board of County Commissioners] **GOVERNING BODY** of Frederick County.

(v) 4. B. Additional funding, if any, required as a result of the agreement shall be subject to the approval of the [Board of County Commissioners] **GOVERNING BODY OF FREDERICK COUNTY**.

2–507.

(a) (11) Frederick County — As set by the [County Commissioners] **COUNTY GOVERNMENT**.

9–609.

(a) This section does not apply:

(2) in Frederick County if [the Board of County Commissioners of Frederick County adopts] regulations **ARE ADOPTED** under § 12–806 of the Local Government Article providing for the registration of alarm system contractors and alarm users, the issuance of civil citations, and penalties for a violation of a regulation;

13–1301.

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

(b) “County commissioners” means the Board of County Commissioners of Frederick County.

(c) “Gaming], “GAMING event” includes [a]:

- (1) A bazaar;
- (2) A carnival;
- (3) A raffle;
- (4) A tip jar; and
- (5) A punchboard.

13–1305.

(d) The tip jar or punchboard shall be purchased from a distributor that:

- (1) has an office in the State;
- (2) is licensed by the county agency that issues gaming event permits;

and

(3) keeps the records that [the county commissioners require] **FREDERICK COUNTY REQUIRES.**

13–1306.

(a) A person authorized to conduct bingo under this subtitle shall obtain a bingo permit from the county agency [designated by the county commissioners to issue] **THAT ISSUES** a bingo permit.

(d) (1) To qualify for a bingo permit, a person shall meet the requirements set by [the county commissioners] **FREDERICK COUNTY**.

(2) The county [commissioners] may require an applicant for a bingo permit to pay a permit fee set by the county [commissioners].

(f) [The county commissioners] **FREDERICK COUNTY** may adopt regulations to carry out this section.

Article – Education

3–5B–01.

(d) (1) The terms of voting members are staggered as provided in subsection (c) of this section.

(2) [The County Commissioners] **SUBJECT TO CONFIRMATION OF THE COUNTY COUNCIL, THE COUNTY EXECUTIVE** shall appoint a qualified individual to fill a vacancy on the county board for the remainder of the term and until a successor is elected and qualifies.

Article – Election Law

13–504.

As to contributions to the **COUNTY EXECUTIVE OF Frederick County [Board of County Commissioners] OR TO A MEMBER OF THE FREDERICK COUNTY COUNCIL** or a candidate for [that office] **ELECTION AS THE COUNTY EXECUTIVE OF FREDERICK COUNTY OR TO A MEMBER OF THE FREDERICK COUNTY COUNCIL**, Title 15, Subtitle 8, Part VIII of the State Government Article may apply.

Article – General Provisions

5–857.

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

(b) “Aggrieved party” means:

(1) a property owner whose property:

(i) adjoins, fronts, or is located near the subject property; or

(ii) is located within sight or sound of the subject property; or

(2) an individual located within the same subdivision as the subject property or who lives up to three-quarters of a mile by road or otherwise one-half mile away from the subject property.

(c) (1) "Applicant" means a person that is:

(i) a title owner or contract purchaser of land that is the subject of an application;

(ii) a trustee who has an interest in land that is the subject of an application, excluding trustees described in a mortgage or deed of trust; or

(iii) a holder of at least a 10% interest in land that is the subject of an application.

(2) "Applicant" includes a person who is an officer or a director of a corporation that actually holds title to the land, or is a contract purchaser of the land, that is the subject of an application.

(3) "Applicant" does not include:

(i) a financial institution that has loaned money or extended financing for the acquisition, development, or construction of or improvements on the land that is the subject of an application;

(ii) a municipal corporation or public corporation;

(iii) a public authority;

(iv) an electric company or electric supplier applying for a certificate of public convenience and necessity under § 7-207 or § 7-208 of the Public Utilities Article; or

(v) a person who is hired or retained as an accountant, an attorney, an architect, an engineer, a land use consultant, an economic consultant, a real estate agent, a real estate broker, a traffic consultant, or a traffic engineer.

(d) "Application" means:

(1) an application for a zoning map amendment as part of a piecemeal or floating zone rezoning proceeding;

(2) a formal application for a comprehensive map planning change or zoning change during the county comprehensive land use plan update;

(3) an application for a map amendment to the county water and sewerage plan;

(4) a request made under § 4–416 of the Local Government Article for the **[Board] GOVERNING BODY** to approve the placement of annexed land in a zoning classification that allows a land use that is substantially different from the use for the land authorized in the zoning classification of the county applicable at the time of annexation; or

(5) an application to create a district or an easement or any other interest in real property as part of an agricultural land preservation program.

(e) **["Board"** means the Board of County Commissioners for Frederick County.

(f) **"Board member"** includes an individual elected or appointed to the Board or a candidate who takes the oath of office for the Board.

(g) **"Business entity"** means:

- (1) a corporation;
- (2) a limited liability company;
- (3) a partnership; or
- (4) a sole proprietorship.

[(h)] (F) **"Candidate"** means a candidate for **[the Board] COUNTY EXECUTIVE OR COUNTY COUNCIL** who becomes **[a member of the Board] AN ELECTED OFFICIAL**.

[(i)] (G) **"Contribution"** means a payment or transfer of money or property worth at least \$100, calculated cumulatively during the pendency of the application, to a candidate or a treasurer or political committee of a candidate.

(H) **"GOVERNING BODY" MEANS THE GOVERNING BODY OF FREDERICK COUNTY.**

[(j)] (I) **"Partnership"** includes:

- (1) a general partnership;
- (2) a joint venture;
- (3) a limited liability limited partnership;
- (4) a limited liability partnership; or

- (5) a limited partnership.

[(k)] (J) “Party of record” means a person that participated in a proceeding on an application before the **[Board] GOVERNING BODY** by appearing at a public hearing or filing a statement in an official record.

[(l)] (K) “Pendency of the application” means the time between the acceptance by the County Department of Planning and Zoning of a filing of an application and the earlier of:

- (1) 2 years after the acceptance of the application; or
- (2) the expiration of 30 days after:
 - (i) the **[Board] GOVERNING BODY** has taken final action on the application; or
 - (ii) the application is withdrawn.

[(m)] (L) “Political committee” means a committee specifically created to promote the candidacy of a **[Board] member OF THE GOVERNING BODY** who is running for an elective office.

[(n)] (M) “Treasurer” has the meaning stated in § 1–101 of the Election Law Article.

5–858.

(a) An applicant may not make a contribution to a **[Board] member OF THE GOVERNING BODY** during the pendency of the application.

(b) Except as provided in subsection (c) of this section, after an application has been filed, a **[Board] member OF THE GOVERNING BODY** may not vote or participate in any way in the proceedings on the application if the **[Board] member** or the treasurer or political committee of the **[Board] member** received a contribution from the applicant during the pendency of the application.

(c) A **[Board] member OF THE GOVERNING BODY** may participate in a comprehensive zoning or rezoning proceeding.

5–859.

(a) This section does not apply to a communication between a **[Board] member OF THE GOVERNING BODY** and an employee of the Frederick County

government whose duties involve giving aid or advice to a [Board] member **OF THE GOVERNING BODY** concerning a pending application.

(b) A [Board] member **OF THE GOVERNING BODY** who communicates ex parte with an individual concerning a pending application during the pendency of the application shall file with the [County Manager] **CHIEF ADMINISTRATIVE OFFICER** a separate disclosure for each communication within the later of 7 days after the communication was made or received.

5–860.

At any time before final action on an application, a party of record may file with the [County Manager] **CHIEF ADMINISTRATIVE OFFICER** an affidavit including competent evidence of:

- (1) a contribution by an applicant covered under § 5–858 of this subtitle; or
- (2) an ex parte communication covered under § 5–859 of this subtitle.

5–861.

(a) In the enforcement of this part, the [County Manager] **CHIEF ADMINISTRATIVE OFFICER** shall be subject to the direction and control of the Frederick County Ethics Commission and, unless otherwise specifically directed by the County Ethics Commission, may only:

- (1) receive filings;
- (2) maintain records;
- (3) report violations; and
- (4) perform other ministerial duties necessary to administer this part.

(b) (1) The affidavits and disclosures required under this part shall be filed in the appropriate case file of an application.

(2) The [County Manager] **CHIEF ADMINISTRATIVE OFFICER**, at least twice each year, shall prepare a summary report compiling all affidavits and disclosures that have been filed in the application case files.

(3) All summary reports compiled under paragraph (2) of this subsection shall be available to members of the public on written request.

(4) All affidavits, disclosures, and accompanying documentation required under this part shall be in the form required by the Frederick County Ethics Commission.

5-862.

(a) (1) The Frederick County Ethics Commission or another aggrieved party of record may assert as procedural error a violation of this part in an action for judicial review of the application.

(2) If the court finds that a violation of this part occurred, the court shall remand the case to the [Board] **GOVERNING BODY** for reconsideration.

(b) (1) A person that knowingly and willfully violates this part is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 6 months or a fine not exceeding \$1,000 or both.

(2) If the person is a business entity and not an individual, each member, officer, or partner of the business entity who knowingly authorized or participated in the violation is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 6 months or a fine not exceeding \$1,000 or both.

(3) An action taken in reliance on an opinion of the State Ethics Commission or the Frederick County Ethics Commission may not be considered a knowing and willful violation.

(c) (1) A person that is subject to this part shall preserve all books, papers, and other documents necessary to complete and substantiate any reports, statements, or records required to be made under this part for 3 years from the date of filing the application.

(2) The documents shall be available for inspection on request.

Article – Health – General

21-304.

(e) (1) The [County Commissioners for] **GOVERNING BODY OF** Frederick County may adopt [a law,] an ordinance[, a rule, or a regulation] to allow a restaurant with an outdoor dining area to allow a patron's dog to accompany the patron in the outdoor dining area.

Article – Land Use

9-1002.

Notwithstanding any other provision of this division, the [board of county commissioners] **GOVERNING BODY OF FREDERICK COUNTY** may overrule an action of the county planning commission under Title 3, Subtitle 2 or 3 of this article [by a majority vote of the membership of the board of county commissioners].

Article – Local Government

1–1007.

(a) (1) (i) Except as provided in subsection (d)(1) of this section, a board consists of 10 members.

(ii) The county commissioners [or], **THE** county council of the county, **OR, SUBJECT TO THE CONFIRMATION OF THE FREDERICK COUNTY COUNCIL, THE COUNTY EXECUTIVE OF FREDERICK COUNTY** shall appoint the initial members of the board for the following terms:

1. three members for 3 years;
2. three members for 2 years; and
3. three members for 1 year.

(iii) The county commissioners [or], **THE** county council, **OR, SUBJECT TO THE CONFIRMATION OF THE FREDERICK COUNTY COUNCIL, THE COUNTY EXECUTIVE OF FREDERICK COUNTY** shall appoint one of its members to be an ex officio member of the board.

(c) [The County Commissioners] **SUBJECT TO THE CONFIRMATION OF THE FREDERICK COUNTY COUNCIL, THE CHIEF EXECUTIVE** of Frederick County shall appoint a successor member for:

- (1) a term of 3 years if a term expires; or
- (2) the rest of the term if a term is vacated.

1–1014.

In addition to the authority provided in this part, the [County Commissioners] **GOVERNING BODY** of Frederick County may establish, maintain, and operate a nursing home or other facility or service for the care and treatment of aged, convalescent, and chronically ill individuals in Frederick County.

12–208.

(c) (1) In addition to any benefit paid in accordance with subsection (a) of this section, the [County Commissioners] **GOVERNING BODY** of Frederick County may pay an additional \$8 per month to any retiree described in subsection (a)(1) of this section.

(2) The [County Commissioners] **GOVERNING BODY** shall impose a tax in an amount sufficient to pay for the additional benefit described in paragraph (1) of this subsection.

12-301.

[(d) (1) (i) In Frederick County, subsection (c) of this section applies only to a contract for services or the purchase of supplies if the contract exceeds \$30,000.

(ii) In Frederick County, subsection (c) of this section does not apply to a contract solely for architectural, engineering, or consulting services.

(2) The County Commissioners of Frederick County may award a contract for architectural, engineering, or consulting services with a value that exceeds \$30,000:

(i) on a competitive basis that consists of competitive sealed bids or competitive negotiation that includes the submission of written technical and price proposals from two or more offerors and a written evaluation of the proposals in accordance with evaluation criteria; or

(ii) based on an evaluation of the technical proposals and qualifications of at least two persons, with the contract set at a rate of compensation that is fair, competitive, and reasonable.]

[(e)](D) In Somerset County, subsection (c) of this section does not apply to a contract solely for design or consultation services.

12-408.

(a) (1) [The County Commissioners of] Frederick County may:

(i) purchase or lease personal property under a multiyear contract that requires the county [commissioners] to make installment or rental payments during 2 or more fiscal years;

(ii) pay interest as part of any installment or rental payments in accordance with the terms of the contract; and

(iii) pledge and assign the personal property purchased or leased to secure the obligation.

(2) (i) The county [commissioners] may enter into a contract under paragraph (1) of this subsection only if:

1. the county [commissioners have] **HAS** appropriated money sufficient to pay the amount due under the contract during the first fiscal year in which the contract is effective;

2. subject to subparagraph (ii) of this paragraph, the contract authorizes the county [commissioners] to terminate the contract if money sufficient to pay the amount due under the contract for any fiscal year is not appropriated;

3. the contract provides that, except if the county [commissioners default] **DEFAULTS** in payment under the contract, an obligation for payment under the contract is limited to money appropriated for contract payment for that fiscal year; and

4. the contract provides that, if the county [commissioners default] **DEFAULTS** in payment under the contract, the obligation for payment is limited to:

A. money appropriated for contract payments for that fiscal year;

B. any money realized from the personal property purchased or leased under the contract; and

C. any other money legally available for contract payment.

(ii) The contract may provide that a contract termination is ineffective if the county [commissioners purchase or lease] **PURCHASES OR LEASES** personal property similar or functionally related to the property purchased or leased under the contract within a specified period of time.

(b) [The County Commissioners of] Frederick County may sell to a government unit located in the county or to the Frederick Memorial Hospital, Inc., surplus school board real property:

(1) without advertising the property for sale; and

(2) after obtaining three independent appraisals.

(c) [The County Commissioners of] Frederick County may sell surplus county real property at a public or private sale if, subject to county procedures, the [county commissioners hold] **GOVERNING BODY OF FREDERICK COUNTY HOLDS** a hearing on the sale and [provide] **PROVIDES** adequate notice of the hearing.

(d) (1) [The County Commissioners of] Frederick County may:

(i) accept a donation of real property that is not needed for a public purpose; and

(ii) sell the property by public or private sale for consideration that the county [commissioners determine] **DETERMINES** to be adequate.

(2) The county [commissioners] shall use all proceeds from the sale of real property under this subsection in accordance with the county budget or a resolution adopted by the [county commissioners] **GOVERNING BODY**.

(3) A sales agreement entered into under this subsection is not effective until:

(i) a copy of the agreement is filed with the clerk of the court; and

(ii) a summary of the agreement is published in at least one newspaper of general circulation in the county.

(e) [The County Commissioners of]Frederick County may sell an abandoned right-of-way in the county by public or private sale, after advertising the property for sale for at least 20 days.

12-522.

If any road in Frederick County has not been maintained [by the County Commissioners of Frederick County] for a period of 20 years before July 1, 1973, it shall be conclusively presumed that the road was closed in accordance with this subtitle.

12-806.

(c) (1) The [county commissioners] **GOVERNING BODY OF A COUNTY** may adopt regulations to:

(i) register alarm system contractors operating in the county;

(ii) register alarm users in the county;

(iii) provide penalties for failure to register as an alarm system contractor or alarm user;

(iv) provide civil citations and penalties for false alarms, notwithstanding Title 9, Subtitle 6, Part II of the Criminal Law Article;

(v) provide exemptions from the issuance of civil citations and penalties for false alarms;

(vi) authorize the designated county enforcement agency to maintain a record of the alarm system contractor, monitoring service, and manufacturer of each security system in operation in the county; and

(vii) authorize the designated county enforcement agency, if it finds a pattern of false alarms attributed to a particular manufacturer's model or to installation by a particular alarm system contractor, to inform:

1. the manufacturer of the model or the alarm system contractor that installed the alarm system; and

2. the appropriate State or national licensing agency or the certification standards entity.

13–121.

(a) (1) The [County Commissioners] **GOVERNING BODY** of Frederick County, by ordinance, may provide for a comprehensive system for the regulation of domestic animals and wild animals kept in captivity.

(2) The ordinance may provide for:

(i) the licensing and control of domestic animals and wild animals kept in captivity;

(ii) seizing and disposing of unlicensed or dangerous dogs;

(iii) the regulation of persons who own or keep any vicious animal or an animal that disturbs the peace of a neighborhood; and

(iv) reasonable penalties for a violation of an ordinance not exceeding imprisonment for 30 days or a fine of \$500 or both.

(3) The [county commissioners] **GOVERNING BODY**:

(i) may regulate animals that are hybrids of domestic and wild animals; but

(ii) may not regulate or control wild animals that are not owned or kept by individuals.

(b) (1) The [County Commissioners] **GOVERNING BODY** of Frederick County may [pass rules, regulations, or resolutions to] provide for:

- (i) issuing dog licenses;
- (ii) keeping records of all sales of licenses;
- (iii) designating persons authorized to sell licenses; and
- (iv) seizing and disposing of any dogs found running at large in the county.

(2) Before the [county commissioners pass a rule, regulation, or resolution] **GOVERNING BODY PASSES AN ORDINANCE** in accordance with this subsection, the proposed [rule, regulation, or resolution] ordinance shall be advertised in a newspaper of general circulation in the county once each week for 4 successive weeks, to provide any person an opportunity to be heard.

(3) The [rules, regulations, or resolutions] ordinance shall include standards and operate uniformly.

(4) Subject to paragraph (5) of this subsection, the [county commissioners] **GOVERNING BODY** may delegate, by written contract, the enforcement of the [rules, regulations, or resolutions] ordinance.

(5) (i) The [county commissioners] **GOVERNING BODY** shall reserve the right to cancel a written contract executed in accordance with paragraph (4) of this subsection.

- (ii) A cancellation under this paragraph:
 - 1. may be without notice or recourse, if the cancellation is for cause; or
 - 2. requires notice at least 30 days before cancellation, if the cancellation is without cause.

(c) The powers granted to the [County Commissioners] **GOVERNING BODY** of Frederick County to regulate dogs are also granted for the regulation of cats.

(d) (1) In Frederick County, on or before July 1 of each year, a person owning or keeping a dog shall apply to the county tax collector for a license for the dog if the dog is at least 6 months old.

(2) At the time of application, the applicant shall pay the fee for a dog or kennel license set by the [County Commissioners of Frederick County] COUNTY.

(3) Except as provided in § 13–108 of this subtitle, the licenses and fees required under this section are the only licenses and fees required for owning or keeping a dog.

(4) The county [commissioners] shall prepare and supply the form for a license issued under this subsection.

(5) A dog license shall contain the date of issuance, a serial number, and a description of the dog licensed.

(6) A license expires on July 1 of the year after issuance.

(e) (1) In Frederick County, the county tax collector shall issue a tag with each dog license to a person owning or keeping a dog when the person pays the license fee for the dog.

(2) The [County Commissioners of Frederick County] COUNTY shall prepare and supply tags to the county tax collector each year.

(3) The tags shall be:

(i) composed of metal;

(ii) imprinted with a serial number corresponding to the number on the license issued to the owner under subsection (d) of this section;

(iii) imprinted with the calendar year for which the tag is issued;

(iv) 1 inch or less in length; and

(v) equipped with a substantial metal fastener.

(4) The county [commissioners] shall change the general shape of the tags each year.

(5) Tags supplied to owners of kennels shall contain the word “kennel”.

(6) The person owning or keeping a dog shall attach the tag to a substantial collar and keep the collar and tag on the dog for which the license was issued at all times, except when the dog is:

(i) confined in a kennel; or

- (ii) hunting under the charge of an attendant.
- (7) The county tax collector shall replace a lost tag on:
 - (i) application by the person to whom the original license was issued;
 - (ii) the production of the license; and
 - (iii) payment of a fee of 25 cents.
- (f) (1) [The County Commissioners of] Frederick County may contract with an animal welfare society, a humane society, or any other qualified person to:
 - (i) establish an animal shelter; and
 - (ii) seize, dispose of, and euthanize stray, injured, or sick dogs.
- (2) Notwithstanding § 13–105(d) of this subtitle, the county [commissioners] may use proceeds from dog license fees to:
 - (i) establish an animal shelter; and
 - (ii) collect and euthanize stray, injured, or sick dogs.
- (g) (1) In Frederick County, the owner or custodian of a female dog that is in heat:
 - (i) may not knowingly allow the dog to run at large; and
 - (ii) shall confine the dog.
- (2) A person who violates this subsection is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$25.

13–304.

The [county commissioners] **GOVERNING BODY** of a county may license and regulate transient vendors in the county.

13–306.

At least 30 days before the date of intended sale in a county, a transient vendor shall submit to the [county commissioners] **GOVERNING BODY** of the county a verified, written application that contains:

- (1) the name and address of the applicant and the owner of the goods to be sold or exhibited for sale;
- (2) the name and address of the employer of the applicant or persons with whom the applicant is associated and the length of the employment or association;
- (3) a description of the nature and place of the applicant's employment during the preceding 12 months;
- (4)
 - (i) an estimate of the length of time that and exact location where the applicant will pursue the activities regulated under this part; and
 - (ii) if a fixed site is occupied, the address of the property owner of the site;
- (5) the names and addresses of at least three individuals who:
 - (i) have known the applicant for at least 1 year; and
 - (ii) will verify the facts contained in the application;
- (6) the applicant's Maryland sales and use tax number;
- (7)
 - (i) the address of any permanent place of business of the applicant in the State; or
 - (ii) a copy of the certificate from the State Department of Assessments and Taxation stating that the applicant has qualified to do business in the State and the name and address of the applicant's agent;
- (8) proof that the applicant:
 - (i) is qualified to do business in the State and the county; and
 - (ii) has obtained all necessary permits and licenses from the State and the county for the operation of the business;
- (9) a description of the nature of the business and the goods intended for sale or the catalog from which goods can be ordered;
- (10) a description and motor vehicle registration plate number of any vehicle used in connection with the applicant's activities;
- (11) a statement as to whether the applicant has ever been convicted of a felony or a misdemeanor and, if so, a statement as to:

- (i) the nature of the offense;
- (ii) when and where the applicant was convicted; and
- (iii) the penalty imposed;

(12) a description of the place where the goods are manufactured, the location of the goods at the time of the filing of the application, and the proposed method of delivery of the goods; and

(13) any additional information that the [county commissioners require] **GOVERNING BODY REQUIRES**.

13-307.

(a) (1) An applicant for a transient vendor license shall execute and file a bond with the [county commissioners] **GOVERNING BODY** of the county in the amount of \$10,000.

(2) The bond shall be issued by a surety:

- (i) authorized to do business in the State; and
- (ii) approved by the [county commissioners] **GOVERNING**

BODY.

(b) (1) The bond shall be payable to the extent of any taxes, fees, or fines.

(2) The surety shall indemnify a purchaser who suffers a loss because of defective goods or misrepresentation.

(c) (1) The bond shall provide that the [county commissioners] **GOVERNING BODY** of a county may file suit against the licensee or the surety for taxes, fees, or fines due from the licensee that are not paid within 30 days after the termination of:

- (i) a sale authorized under this part; or
- (ii) the transient vendor license.

(2) The bond shall provide that a purchaser at a sale may maintain an action for claims arising from the sale against a licensee or the surety.

(d) The bond shall continue in effect for at least 1 year after the termination of the transient vendor license expires and until:

- (1) all actions are concluded and judgments have been satisfied; or
- (2) the amount of the bond has been exhausted by payments on judgments.

(e) The bond shall be in addition to any deposit, license fee, permit fee, or other requirement under county law.

13–308.

(a) (1) The [county commissioners] **GOVERNING BODY** of a county shall verify the statements made by the applicant in the application for the transient vendor license.

(2) (i) If the application contains a false statement, the [county commissioners] **GOVERNING BODY** may deny the license.

(ii) If the license is denied, the [county commissioners] **GOVERNING BODY** shall refund the license fee, less administrative costs.

(b) (1) The [county commissioners] **GOVERNING BODY** of a county shall issue a transient vendor license within 20 days after the application is filed if:

(i) the [county commissioners approve] **GOVERNING BODY APPROVES** the application and surety bond; and

(ii) the license fee is paid.

(2) The license shall:

(i) be effective for the duration and term applied for in the application not to exceed a period of 1 year; and

(ii) terminate automatically.

13–922.

The [County Commissioners] **GOVERNING BODY** of Frederick County may enact [a local law or adopt regulations] **AN ORDINANCE** to control the increase of rent in the county.

19–105.

The [County Commissioners] **GOVERNING BODY** of Frederick County shall establish and maintain a bond rating enhancement reserve.

20-419.

(a) Frederick County shall distribute the hotel rental tax revenue as follows:

(1) a reasonable sum for hotel rental tax administrative costs to the general fund of the county; and

(2) the remaining balance to the Tourism Council of Frederick County, Inc., with a portion of the balance designated by the [county commissioners] **GOVERNING BODY OF FREDERICK COUNTY** to be used for a visitor center.

(b) The internal auditor of Frederick County shall conduct an audit of the financial records of the Tourism Council and report the findings to the [county commissioners] **GOVERNING BODY OF FREDERICK COUNTY**.

20-703.

(a) Subject to subsection (b) of this section, by ordinance [or resolution], the [County Commissioners] **GOVERNING BODY** of Frederick County may impose development impact fees to finance any of the capital costs of additional or expanded public works, improvements, and facilities required to accommodate new construction or development.

(b) Before adopting an ordinance [or a resolution] under this section, the [County Commissioners] **GOVERNING BODY** of Frederick County shall hold a public hearing.

Article – Natural Resources

3-903.

(a) (6) Frederick County, Maryland, may also become a participating county in the Authority by the County [Commissioners] **COUNCIL** 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.

Article – Public Safety

7-211.

(a) To encourage volunteer service in Frederick County, the [Board of County Commissioners] **GOVERNING BODY** of Frederick County may enact a monetary service award plan based on length of service for members of volunteer fire companies in Frederick County.

(b) The [Board of County Commissioners] **GOVERNING BODY OF FREDERICK COUNTY** may implement the plan by enacting [ordinances or resolutions that relate] **AN ORDINANCE THAT RELATES** to the provisions and implementation of the plan.

Article – Tax – Property

9–312.

(d) The governing body of Frederick County and of a municipal corporation in Frederick County may grant, by law, a property tax credit under this section against the county or municipal corporation property tax imposed on real property that is:

- (1) leased to the **GOVERNING BODY OF** Frederick County [Board of County Commissioners] or to the Frederick County Board of Education; and
- (2) used exclusively for public school educational purposes.

14–820.

(b) The rate of redemption is 6% a year except:

(10) in Frederick County the rate is 6% a year or as fixed by the [County Commissioners] **GOVERNING BODY OF FREDERICK COUNTY**;

Article – Transportation

21–313.

(b) The County Commissioners of Charles County[, Frederick County,] and Washington County[,] **AND THE GOVERNING BODY OF FREDERICK COUNTY**, by ordinance, may prohibit the use of any controlled access highway in the county's jurisdiction by any person to solicit money, donations of any kind, employment, business, or a ride from the occupant of any vehicle on the controlled access highway.

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

Approved by the Governor, May 15, 2014.

Chapter 646**(House Bill 1207)**

AN ACT concerning

~~Department of Labor, Licensing, and Regulation~~ *Division of Labor and Industry* – Youth Apprenticeship Advisory Committee

FOR the purpose of establishing the Youth Apprenticeship Advisory Committee in the Division of Labor and Industry; providing for the composition and duties of the Committee; requiring the Committee to submit a certain report to the General Assembly on or before a certain date each year; defining a certain term; and generally relating to the Youth Apprenticeship Advisory Committee.

BY adding to

Article – Labor and Employment

Section 11–409

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

11–409.

(A) IN THIS SECTION, “COMMITTEE” MEANS THE YOUTH APPRENTICESHIP ADVISORY COMMITTEE.

(B) THERE IS A YOUTH APPRENTICESHIP ADVISORY COMMITTEE IN THE DIVISION OF LABOR AND INDUSTRY.

(C) THE COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:

(1) THE SECRETARY, OR THE SECRETARY’S DESIGNEE;

(2) THE STATE SUPERINTENDENT OF SCHOOLS, OR THE STATE SUPERINTENDENT’S DESIGNEE;

(3) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR THE SECRETARY’S DESIGNEE;

(4) THE SECRETARY OF JUVENILE SERVICES, OR THE SECRETARY’S DESIGNEE;

- (5) THE COMMISSIONER, OR THE COMMISSIONER'S DESIGNEE;
AND
- (6) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR:
- (I) TWO REPRESENTATIVES OF THE COUNCIL;
- (II) ONE REPRESENTATIVE OF AN EMPLOYEE ORGANIZATION;
- (III) ONE EMPLOYER WHOSE BUSINESS HAS A NONJOINT APPRENTICESHIP PROGRAM;
- (IV) ONE REPRESENTATIVE FROM A COMMUNITY COLLEGE;
- (V) ONE INDIVIDUAL WHO HOLDS A DOCTORAL DEGREE AND SPECIALIZES IN LABOR ECONOMICS WITH EXPERTISE IN NATIONAL AND INTERNATIONAL APPRENTICESHIP SYSTEMS;
- (VI) ONE REPRESENTATIVE OF A NONPROFIT ORGANIZATION WHO IS INVOLVED WITH EMPLOYEE TRAINING AND WORKFORCE DEVELOPMENT;
AND
- (VII) ONE REPRESENTATIVE OF THE MARYLAND CHAMBER OF COMMERCE.
- (D) THE COMMITTEE SHALL:
- (1) EVALUATE THE EFFECTIVENESS OF EXISTING HIGH SCHOOL YOUTH APPRENTICESHIP PROGRAMS IN THE STATE, OTHER STATES, AND OTHER COUNTRIES BASED ON A SYSTEMATIC REVIEW OF ~~SPECIFIED~~ RELEVANT DATA;
- (2) REVIEW AND IDENTIFY:
- (I) WAYS TO IMPLEMENT HIGH SCHOOL YOUTH APPRENTICESHIP PROGRAMS IN THE STATE; AND
- (II) MEANS THROUGH WHICH EMPLOYERS AND ORGANIZATIONS CAN OBTAIN GRANTS, TAX CREDITS, AND OTHER SUBSIDIES TO SUPPORT ESTABLISHMENT AND OPERATION OF HIGH SCHOOL YOUTH APPRENTICESHIP PROGRAMS; AND

(3) SET TARGETS FOR THE NUMBER OF APPRENTICESHIP OPPORTUNITIES FOR YOUTH THAT THE STATE SHOULD REACH OVER THE NEXT 3 YEARS.

(E) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE COMMITTEE SHALL SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY REGARDING ANY RECOMMENDED LEGISLATION TO PROMOTE HIGH SCHOOL YOUTH APPRENTICESHIP PROGRAMS IN THE STATE.

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

Approved by the Governor, May 15, 2014.

Chapter 647

(House Bill 1222)

AN ACT concerning

Ruth M. Kirk Public Social Work Scholarship

FOR the purpose of altering the workforce shortage fields eligible for a Workforce Shortage Student Assistance grant to include social workers under certain circumstances; naming a certain grant to be the Ruth M. Kirk Public Social Work Scholarship; and generally relating to social workers as a workforce shortage field under the Workforce Shortage Student Assistance grants program.

BY repealing and reenacting, with amendments,

Article – Education

Section 18–708

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

18–708.

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

(2) “Advisory Council” means the Advisory Council on Workforce Shortage.

(3) “Eligible institution” means a public or private nonprofit institution of higher education in this State that possesses a certificate of approval from the Commission.

(4) “Fund” means the Workforce Shortage Student Assistance Grant Fund.

(5) “Grant” means the Workforce Shortage Student Assistance grant.

(6) “Public good or benefit” means service to low-income or underserved residents or areas of the State in an occupation in the public sector or in 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.

(b) There is a program of Workforce Shortage Student Assistance grants under this section for students who pledge to work in fields of critical shortage in the State on completion of their studies.

(c) The purpose of the program is to:

(1) Provide financial assistance to students enrolled at institutions of higher education in the State; and

(2) Address the workforce shortage needs of the State.

(d) A recipient of a Workforce Shortage Student Assistance grant under this section shall:

(1) Be a resident of the State;

(2) Be selected by the Office from qualified applicants;

(3) Sign a letter of intent to enroll at an eligible institution in the State in an eligible program as specified for each field in which there is a critical shortage in this State as provided in this section;

(4) Sign a letter of intent to perform the service obligation on completion of the recipient’s required studies;

(5) Accept any other conditions attached to the grant;

(6) Satisfy any additional criteria the Commission may establish; and

(7) After completion of studies in an eligible program, perform the service obligation as specified for each field in which there is a critical shortage, as provided in this section.

(e) (1) Except as provided in paragraph (5) of this subsection, the Commission shall on a biennial basis:

(i) Identify workforce shortage fields in the State;

(ii) Designate eligible workforce shortage fields under the grant program; and

(iii) Remove from the grant program any field that the Commission determines no longer qualifies as a workforce shortage.

(2) The Secretary shall appoint an Advisory Council on Workforce Shortage to:

(i) Identify workforce shortage fields in the State; and

(ii) Recommend to the Commission:

1. Priority workforce shortage fields to be included in the grant program; and

2. The removal of fields that in the Advisory Council's judgment no longer qualify as workforce shortage fields.

(3) In making recommendations to the Commission, the Advisory Council shall consider whether a workforce shortage field provides a public good or benefit to the citizens of Maryland.

(4) The Advisory Council shall include the following members:

(i) The Secretary of Higher Education or designee;

(ii) The Secretary of Labor, Licensing, and Regulation or designee;

(iii) One representative from the Governor's Workforce Investment Board, appointed by the Governor;

(iv) The Secretary of Business and Economic Development or designee;

(v) The Secretary of Health and Mental Hygiene or designee;

- (vi) The State Superintendent of Schools or designee;
 - (vii) One representative of the Senate of Maryland, appointed by the President of the Senate;
 - (viii) One representative of the Maryland House of Delegates, appointed by the Speaker of the House;
 - (ix) Two representatives from the University System of Maryland, appointed by the Chancellor;
 - (x) The President of Morgan State University or designee;
 - (xi) The President of St. Mary's College or designee; and
 - (xii) Representatives nominated by the following organizations and appointed by the Secretary of Higher Education:
 - 1. One representative from the Maryland Chamber of Commerce;
 - 2. One representative from the Washington Board of Trade;
 - 3. One representative from the Greater Baltimore Committee;
 - 4. Two representatives from the Maryland Independent College and University Association;
 - 5. Two representatives from the Maryland Association of Community Colleges;
 - 6. One representative from the Maryland Association of Nonprofit Associations; and
 - 7. One representative from the Financial Assistance Advisory Council representing a financial aid office at an institution of higher education.
- (5) (i) Except as provided in subparagraph (ii) of this paragraph, the following workforce shortage fields shall be included in the grant program:
- 1. School teachers (the grant to be known as the Sharon Christa McAuliffe Memorial Teacher Scholarship);

2. SOCIAL WORKERS (THE GRANT TO BE KNOWN AS THE RUTH M. KIRK PUBLIC SOCIAL WORK SCHOLARSHIP);

[2.] 3. Nurses;

[3.] 4. Child care providers;

[4.] 5. Developmental disabilities, mental health, child welfare, and juvenile justice providers (the grant to be known as the Ida G. and L. Leonard Ruben Scholarships);

[5.] 6. Physical and occupational therapists and assistants; and

[6.] 7. Public servants (the grant to be known as the William Donald Schaefer Scholarship and the grant to be known as the Parren J. Mitchell Public Service Scholarship).

(ii) The Commission may remove a shortage field specified in subparagraph (i) of this paragraph if in the Commission's judgment the field no longer qualifies as a workforce shortage field.

(6) A grant recipient in a workforce shortage field that is removed from the grant program may continue to receive renewal awards under the program.

(f) Each fiscal year, the Commission shall determine the number of grants to be awarded in eligible workforce shortage fields based on the:

- (1) Priority of the workforce shortage field;
- (2) Severity of the workforce shortage in the field; and
- (3) Availability of funds.

(g) (1) The Office shall annually select eligible students and offer a grant to each student selected to be used at an eligible institution of the student's choice.

(2) Eligible students shall be selected based on academic accomplishment and financial need, as determined by standards established and approved by the Commission.

(3) Each grant shall be renewable for a maximum of 5 years subsequent to the original grant if the recipient:

(i) Continues to meet the qualifications specified in subsection (d) of this section; and

(ii) Meets satisfactory academic progress standards as determined by the eligible institution.

(h) A grant recipient:

(1) May be enrolled at an eligible institution on a part-time or full-time basis;

(2) Shall earn at least 12 undergraduate or 9 graduate credit hours in each academic year, including summer sessions;

(3) Except as provided in paragraph (4) of this subsection, shall be an undergraduate student at an eligible institution; and

(4) May be a graduate student if the Office determines that the shortage field requires employees with a graduate level education.

(i) (1) In this subsection, “cost of attendance” means the equivalent annual tuition and mandatory fees of a resident undergraduate student at the 4-year public institution of higher education within the University System of Maryland, other than the University of Maryland University College and University of Maryland, Baltimore, with the highest annual expenses for a full-time resident undergraduate.

(2) Subject to paragraphs (3), (4), and (5) of this subsection, the Commission shall establish in guidelines the annual grant awards under this section.

(3) Annual grant awards shall be within the following ranges:

(i) For a part-time student attending a 2-year eligible institution – \$1,000 and 12.5% of cost of attendance;

(ii) For a full-time student attending a 2-year eligible institution – \$2,000 and 25% of cost of attendance;

(iii) For a part-time student attending a 4-year eligible institution – \$2,000 and 25% of cost of attendance; and

(iv) For a full-time student attending a 4-year eligible institution – \$4,000 and 50% of cost of attendance.

(4) For a student taking courses during a summer session to meet the minimum number of credit hours for full-time or part-time status, the Commission shall distribute grant awards to the student in the spring and summer sessions in amounts it determines to be appropriate.

(5) A student who is enrolled in an academic program that includes a mandatory summer academic session as part of the approved curriculum may receive an additional award not to exceed \$1,000 per calendar year.

(j) The grant award may be used at any eligible institution for educational expenses as defined by the Commission, including tuition, mandatory fees, and room and board.

(k) (1) A grant recipient shall perform a service obligation in the recipient's field of critical shortage in:

(i) A full-time position at a rate of 1 year for each year that the recipient receives a grant awarded under this section; or

(ii) A part-time position at a rate of 2 years for each year that the recipient receives a grant awarded under this section.

(2) The Commission may establish alternative service obligation requirements for designated workforce shortage fields to address statewide and regional needs.

(l) (1) A grant recipient shall repay the Commission the funds received as set forth in § 18-112 of this title if the recipient does not:

(i) Earn at least 12 undergraduate or 9 graduate credit hours in each academic year in which the student receives assistance, including summer sessions;

(ii) Complete the specified degree, attain the licensure or certification required, or fulfill other requirements as provided in this section; or

(iii) Perform the service obligation required under subsection (k) of this section.

(2) The Office shall waive the repayment of a grant award at a rate of:

(i) 1 year for each year that the recipient performs the service obligation on a full-time basis; or

(ii) 6 months for each year that the recipient performs the service obligation on a part-time basis.

(3) A recipient shall begin repayment at any time during the period that the recipient is no longer performing the service obligation.

(4) A recipient may delay repayment as long as the recipient remains a student enrolled at least part-time in a degree-granting program.

(5) Except as otherwise provided in this section, repayment shall be made to the State within 6 years after the repayment period begins and shall follow a repayment schedule established by the Office.

(6) The Office may waive or defer repayment in the event of disability or extended sickness which prevents the recipient from fulfilling the service obligation required under this section.

(7) The Office shall grant a deferment from the service obligation required under this section to:

(i) An individual who has been assigned military duty outside the State; or

(ii) The spouse of an individual who has been assigned military duty outside the State.

(m) (1) This subsection applies to recipients of the William Donald Schaefer Scholarship specified in subsection (e)(5) of this section.

(2) The Commission shall annually select eligible students and offer grants to students who demonstrate outstanding potential for and who plan to pursue a career in public service to assist in providing legal services to low-income residents in the State.

(3) In making William Donald Schaefer Scholarship awards under this section, the Commission shall endeavor to select award recipients who are representative of the State's rich cultural, geographic, racial, ethnic, and gender diversity.

(4) Each individual awarded a William Donald Schaefer Scholarship under this section must have indicated and demonstrated to the Commission a serious intent to enter public service on the completion of the student's educational program.

(n) (1) This subsection applies to recipients of the Parren J. Mitchell Public Service Scholarship specified in subsection (e)(5) of this section.

(2) The Commission shall annually select eligible students and offer grants to students who demonstrate outstanding potential for and who plan to pursue a career in public service and assist in providing:

(i) Social work services to low-income residents in the State;

(ii) Nursing services in nursing shortage areas in the State as defined in § 18-802 of this title; or

(iii) Other services in the public or nonprofit sectors in which there is a shortage of qualified practitioners to low-income or underserved residents or areas of the State.

(3) In making Parren J. Mitchell Public Service Scholarship awards under this section, the Commission shall endeavor to select award recipients who are representative of the State's rich cultural, geographic, racial, ethnic, and gender diversity.

(4) Each individual awarded a Parren J. Mitchell Public Service Scholarship under this section must have indicated and demonstrated to the Commission a serious intent to enter public service on the completion of the student's educational program.

(o) (1) There is a Workforce Shortage Student Assistance Grant Fund in the Commission.

(2) The Commission shall administer the Fund.

(3) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(4) The State Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

(5) The Commission:

(i) May accept any gift or grant from any person or corporation for the Fund;

(ii) Shall use any gift or grant that it receives for a grant award from the Fund; and

(iii) Shall deposit any gift or grant that it receives for the Fund with the State Treasurer.

(6) (i) At the end of the fiscal year, the Commission shall prepare an annual report on the Fund that includes an accounting of all financial receipts and expenditures to and from the Fund.

(ii) The Commission shall submit a copy of the report to the General Assembly as provided under § 2-1246 of the State Government Article.

(p) A recipient may hold a Workforce Shortage Student Assistance grant and any other State grant or scholarship awarded by the Office provided that the total of all grants and scholarships does not exceed:

(1) The student's total cost of attendance, as certified by the institution where the student is enrolled; and

(2) The cost of attendance, as defined in subsection (i) of this section.

(q) Funds for the Workforce Shortage Student Assistance grant program shall be as provided in the annual budget of the Commission by the Governor.

(r) The Commission shall adopt guidelines or regulations necessary to implement this section.

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

Approved by the Governor, May 15, 2014.

Chapter 648

(House Bill 1238)

AN ACT concerning

Developmental Disabilities Administration – Payment of Providers

FOR the purpose of repealing, effective as of a certain date, certain provisions of law requiring the Developmental Disabilities Administration to develop and implement a certain funding system for the distribution of State funds to certain providers to provide certain community-based services; requiring the Administration to conduct a certain study, develop and implement a certain plan, develop a certain strategy, provide for certain payments, develop a certain billing and payment system, establish a certain payment schedule, and consult with certain stakeholders; requiring the Administration to complete the study on or before a certain date; requiring the Administration to adopt certain regulations; requiring that, beginning in a certain fiscal year, a certain survey be submitted in a certain format, meet a certain objective, and include certain information and a certain attestation; requiring a community provider to make certain information available to the Department of Health and Mental Hygiene under certain circumstances; prohibiting a certain percentage of certain expenses of a community provider spent on certain salaries, wages, and fringe benefits for a fiscal year from being less than a certain percentage of certain expenses of a community provider spent on certain salaries, wages, and fringe benefits for a certain fiscal year; requiring the Department of Health and Mental Hygiene to provide to a community provider certain written notice of certain determinations under certain circumstances; requiring a community provider to have a certain number of days after receiving notice of a certain determination to take certain

action; requiring the Department of Health and Mental Hygiene to recoup certain funds through a certain process from a community provider under certain circumstances; authorizing the Department of Health and Mental Hygiene to contract with an independent consultant to implement certain provisions of this Act; requiring the Department of Health and Mental Hygiene to submit a certain ~~report~~ reports to certain committees of the General Assembly; prohibiting the Department of Health and Mental Hygiene from proposing certain regulations until after a certain comment period; requiring the Secretary of Health and Mental Hygiene to provide certain notice to the Department of Legislative Services within a certain time frame; making certain provisions of this Act contingent on the passage of another Act; providing for the termination of certain provisions of this Act under certain circumstances; and generally relating to the Developmental Disabilities Administration and a funding system for providers of community-based services.

BY repealing

Article – Health – General
 Section 7–306.1
 Annotated Code of Maryland
 (2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health – General
 Section 7–306.2 *and* 7–306.3
 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 – General

[7–306.1.

(a) The Administration shall develop and implement a funding system for the distribution of State funds to private providers that are under contract with the Administration to provide community-based services to individuals with disability in accordance with the State plan.

(b) Funds received for services that are fee-for-service or that have rates set by regulation shall be subject to recovery by the Administration only for the following purposes:

- (1) Client attendance;
- (2) Client fees; or

(3) Sanctions allowed through regulations.

(c) (1) Under the funding system developed under subsection (a) of this section, the Administration shall notify each private provider at least 30 days before the beginning of the fiscal year of the billing rate or amount of funds to be paid to the provider for the provision of community-based services to an individual with developmental disability or a group of individuals with developmental disability for the coming fiscal year.

(2) For rates that are set in regulation, the Administration shall include the cost centers used to determine the funding amount of each rate.

(3) (i) A private provider may request an administrative resolution of a billing rate set under paragraph (1) of this subsection except for rates set in regulation.

(ii) Within 60 days after receipt of the provider's request, the Administration shall make a decision on the request for an administrative resolution.

(iii) If an administrative resolution cannot be reached between the provider and the Administration, the provider may request an evidentiary hearing or an oral hearing in accordance with regulations of the Department.

(d) Subject to the provisions of subsections (e), (f), and (g) of this section, the Administration shall provide payment to private providers for the services provided from the funds designated in subsection (c) of this section in accordance with the following payment schedule:

(1) On or before the third business day of the fiscal quarter beginning July 1, 33% of the total annual amount to be paid to the provider;

(2) On or before the third business day of the fiscal quarter beginning October 1, 25% of the total annual amount to be paid to the provider;

(3) On or before the third business day of the fiscal quarter beginning January 1, 25% of the total annual amount to be paid to the provider; and

(4) On or before the third business day of the fiscal quarter beginning April 1, 17% of the total annual amount to be paid to the provider.

(e) The Administration may deviate from the payment schedule provided under subsection (d) of this section for any provider:

(1) That is reimbursed through the fee payment system and fails to submit properly completed program attendance reports within 15 days of the beginning of each month;

(2) That provides services under the medical assistance program and fails to submit the designated forms used by the medical assistance program to claim federal fund participation within 30 days after the end of each month; or

(3) That fails to submit a cost report for rate-based payment systems or wage surveys as required under subsection (k) of this section.

(f) A deviation from the payment schedule as provided under subsection (e) of this section may occur only if the Administration has:

(1) Advised the provider that:

(i) An attendance report which has been submitted on time is in need of correction;

(ii) A designated medical assistance form which has been submitted on time is in need of correction;

(iii) A cost report for rate-based payment systems has not been submitted within 6 months from the close of the fiscal year or, if submitted, is in need of correction; or

(iv) A wage survey requested under subsection (l) of this section has not been submitted by the later of 60 days from the date of receipt of the request or within 60 days after the last day of the pay period for which the data was requested or, if submitted, is in need of correction.

(2) Allowed the provider at least 5 working days to submit, resubmit or correct the report or form; and

(3) Not in any way contributed to the delay of or error on a report or form.

(g) The amount of a reduction of payments to a provider pursuant to subsections (e) and (f) of this section may not:

(1) Exceed the amount of lost federal revenue attributable to the delay or error; or

(2) In the case of cost reports for rate-based payment systems or wage surveys, exceed \$500 per day per report for each day the report is not submitted past the given due date or corrected.

(h) The Administration:

(1) Shall place sufficient funds in a specially designated account with the Office of the Comptroller to meet its financial obligations under subsection (d) of this section;

(2) Shall disburse funds from the account in accordance with the payment schedule provided in subsection (d) of this section;

(3) May not use the funds in the account for any other purpose except for the purpose of reimbursing private providers for the provision of community-based services to individuals with developmental disability;

(4) Within 1 year after receipt of a private provider's year-end report and cost report for rate-based payment systems, shall reconcile the report and shall provide the provider with a written approval of the report or a written explanation of any items in dispute; and

(5) Shall conduct an audit of each private provider every 4 years.

(i) The Administration shall accept as final the private provider's year-end report and cost report for rate-based payment systems if:

(1) The Administration fails to provide written approval or a written explanation of any items in dispute within 1 year after receiving the report; or

(2) The Administration fails to reconcile the year-end report and cost report for rate-based payment systems within 1 year after receiving the report.

(j) If the Administration fails to conduct an audit of a private provider as required in subsection (h)(5) of this section, the Administration may not audit the private provider for any fiscal year that began more than 48 months before the Administration's notification of audit, unless the Administration suspects fraud or misappropriation of funds.

(k) Private providers shall provide the year-end report to the Administration no later than 6 months after the end of the State fiscal year.

(l) Private providers shall submit to the Administration:

(1) Cost reports for rate-based payment systems no later than 6 months after the end of the State fiscal year; and

(2) Wage surveys by the later of:

(i) 60 days after the last day of the pay period for which the data is requested; or

(ii) 60 days after receipt of a request from the Administration for wage survey information.]

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

Article – Health – General

7-306.2.

(A) THE ADMINISTRATION SHALL:

(1) CONDUCT AN INDEPENDENT COST-DRIVEN, RATE-SETTING STUDY TO SET PROVIDER RATES FOR COMMUNITY-BASED SERVICES THAT INCLUDES A RATE ANALYSIS AND AN IMPACT STUDY THAT CONSIDERS THE ACTUAL COST OF PROVIDING COMMUNITY-BASED SERVICES, INCLUDING:

(I) THE COST OF TRANSPORTATION ACROSS ALL SERVICE TYPES;

(II) APPROPRIATE WAGE AND BENEFIT LEVELS FOR DIRECT SUPPORT AND SUPERVISORY STAFF; AND

(III) RATES THAT INCORPORATE THE FISCAL IMPACT OF ABSENCE DAYS;

(2) DEVELOP AND IMPLEMENT A PLAN INCORPORATING THE FINDINGS OF THE RATE-SETTING STUDY CONDUCTED UNDER ITEM (1) OF THIS SUBSECTION, INCLUDING PROJECTED COSTS OF IMPLEMENTATION AND RECOMMENDATIONS TO ADDRESS ANY POTENTIAL SHORTFALL IN FUNDING;

(3) DEVELOP A STRATEGY FOR ASSESSING THE NEEDS OF AN INDIVIDUAL RECEIVING SERVICES THAT CONFORMS WITH THE FINDINGS OF THE RATE-SETTING STUDY CONDUCTED UNDER ITEM (1) OF THIS SUBSECTION;

(4) PROVIDE FOR ADEQUATE WORKING CAPITAL PAYMENTS TO PROVIDERS;

(5) DEVELOP A SOUND FISCAL BILLING AND PAYMENT SYSTEM THAT IS TESTED FOR ADEQUACY AND EFFICIENCY IN PAYMENT OF PROVIDERS; AND

(6) ESTABLISH A PAYMENT SCHEDULE THAT ENSURES THE TIMELY AND EFFICIENT REIMBURSEMENT OF PROVIDERS FOR SERVICES PROVIDED; AND

~~(6)~~ (7) CONSULT WITH STAKEHOLDERS, INCLUDING PROVIDERS AND INDIVIDUALS RECEIVING SERVICES, IN CONDUCTING THE RATE-SETTING STUDY AND DEVELOPING THE PAYMENT SYSTEM REQUIRED BY THIS SUBSECTION.

(B) THE ADMINISTRATION, ON OR BEFORE SEPTEMBER 30, 2017, SHALL COMPLETE THE STUDY REQUIRED UNDER SUBSECTION (A) OF THIS SECTION.

~~(B)~~ (C) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO IMPLEMENT THE PAYMENT SYSTEM REQUIRED BY THIS SECTION.

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

Article – Health – General

7-306.3.

(A) (1) BEGINNING IN FISCAL 2014, THE WAGE SURVEY REQUIRED UNDER § 7-306.1 OF THIS SUBTITLE SHALL BE SUBMITTED BY A COMMUNITY PROVIDER IN A FORMAT THAT:

(I) MEETS THE REQUIREMENTS OF THIS SUBSECTION; AND

(II) IS APPROVED BY THE DEPARTMENT.

(2) THE WAGE SURVEY SHALL:

(I) ALLOW THE DEPARTMENT TO ACCURATELY ASSESS THE LEVEL OF WAGES AND BENEFITS PAID BY A COMMUNITY PROVIDER TO DIRECT SUPPORT EMPLOYEES WHO PROVIDE SERVICES FUNDED BY THE ADMINISTRATION;

(II) AT A MINIMUM, INCLUDE:

1. THE STARTING WAGE AND THE AVERAGE WAGE PAID BY THE COMMUNITY PROVIDER TO DIRECT SUPPORT EMPLOYEES;

2. THE EXPENDITURES MADE ANNUALLY BY THE COMMUNITY PROVIDER FOR DIRECT SUPPORT EMPLOYEE WAGES;

3. THE COSTS AND EXPENDITURES FOR MANDATORY AND VOLUNTARY FRINGE BENEFITS; AND

4. THE AVERAGE TENURE AND TURNOVER OF DIRECT SUPPORT EMPLOYEES; AND

(III) INCLUDE AN ATTESTATION BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT THAT THE DATA IN THE WAGE SURVEY IS ACCURATE.

(3) AT THE REQUEST OF THE DEPARTMENT, A COMMUNITY PROVIDER SHALL MAKE AVAILABLE TO THE DEPARTMENT INDIVIDUALIZED PAYROLL INFORMATION FOR EACH DIRECT SUPPORT EMPLOYEE OF THE COMMUNITY PROVIDER.

(B) (1) THIS SUBSECTION APPLIES IN FISCAL 2015 AND EACH FISCAL YEAR THEREAFTER BEFORE THE EARLIER OF:

(I) THE IMPLEMENTATION OF THE PAYMENT SYSTEM REQUIRED UNDER § 7-306.2 OF THIS SUBTITLE; OR

(II) THE END OF FISCAL YEAR 2019.

(2) THE PERCENTAGE OF A COMMUNITY PROVIDER'S TOTAL REPORTED OPERATING EXPENSES, EXCLUDING INTEREST ON CAPITAL AND OTHER CAPITAL EXPENSES, THAT IS SPENT ON DIRECT SUPPORT EMPLOYEE SALARIES, WAGES, AND FRINGE BENEFITS FOR A FISCAL YEAR, AS REPORTED TO THE DEPARTMENT BY THE PROVIDER IN ITS FISCAL YEAR COST REPORT DATA FORM, MAY NOT BE LESS THAN THE PERCENTAGE OF THE COMMUNITY PROVIDER'S TOTAL REPORTED OPERATING EXPENSES SPENT ON DIRECT SUPPORT EMPLOYEE SALARIES, WAGES, AND FRINGE BENEFITS FOR FISCAL YEAR 2014.

(3) IF THE DEPARTMENT DETERMINES THAT THE PROPORTION OF A COMMUNITY PROVIDER'S EXPENSES FOR DIRECT SUPPORT EMPLOYEE SALARIES, WAGES, AND FRINGE BENEFITS FOR A FISCAL YEAR FALLS BELOW THE LEVEL REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT SHALL NOTIFY THE COMMUNITY PROVIDER OF THE DETERMINATION IN WRITING.

(4) A COMMUNITY PROVIDER SHALL HAVE 45 DAYS AFTER RECEIVING NOTICE OF THE DETERMINATION UNDER PARAGRAPH (3) OF THIS SUBSECTION TO:

(I) CONTEST THE DETERMINATION;

(II) PROVIDE INFORMATION TO THE DEPARTMENT DEMONSTRATING MITIGATING CIRCUMSTANCES JUSTIFYING THE COMMUNITY PROVIDER'S NONCOMPLIANCE WITH PARAGRAPH (2) OF THIS SUBSECTION, WHICH MAY INCLUDE PROOF THAT THE AVERAGE WAGE PAID TO DIRECT SUPPORT EMPLOYEES BY THE COMMUNITY PROVIDER INCREASED IN PROPORTION TO THE RATE INCREASE TO THE COMMUNITY PROVIDER FOR THE FISCAL YEAR; OR

(III) SUBMIT A PLAN OF CORRECTION TO THE DEPARTMENT.

(5) THE DEPARTMENT SHALL NOTIFY A COMMUNITY PROVIDER IN WRITING OF ITS FINAL DETERMINATION AFTER AFFORDING THE COMMUNITY PROVIDER THE OPPORTUNITY TO CONTEST THE DETERMINATION, DEMONSTRATE MITIGATING CIRCUMSTANCES, OR SUBMIT A PLAN OF CORRECTION UNDER PARAGRAPH (4) OF THIS SUBSECTION.

(6) (I) THE DEPARTMENT SHALL RECOUP FUNDS FROM A COMMUNITY PROVIDER THAT HAVE NOT BEEN EXPENDED AS REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION THROUGH A RECONCILIATION PROCESS IF:

1. A COMMUNITY PROVIDER FAILS TO RESPOND TO A DETERMINATION OF THE DEPARTMENT WITHIN THE TIME PROVIDED UNDER PARAGRAPH (4) OF THIS SUBSECTION;

2. THE DEPARTMENT DOES NOT FIND MITIGATING CIRCUMSTANCES; OR

3. THE DEPARTMENT DOES NOT ACCEPT A PLAN OF CORRECTION SUBMITTED BY THE COMMUNITY PROVIDER.

(II) THE AMOUNT OF FUNDS RECOUPED BY THE DEPARTMENT UNDER THIS PARAGRAPH SHALL BE THE DIFFERENCE BETWEEN THE ACTUAL FUNDS SPENT BY THE COMMUNITY PROVIDER ON DIRECT SUPPORT EMPLOYEE SALARIES, WAGES, AND FRINGE BENEFITS DURING THE FISCAL YEAR AT ISSUE AND THE AMOUNT OF FUNDS THAT THE COMMUNITY PROVIDER WAS REQUIRED TO SPEND ON DIRECT SUPPORT EMPLOYEE SALARIES, WAGES, AND FRINGE BENEFITS UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(7) THE DEPARTMENT MAY CONTRACT WITH AN INDEPENDENT CONSULTANT TO IMPLEMENT THIS SUBSECTION.

(C) (1) ON OR BEFORE DECEMBER 1, 2015, THE DEPARTMENT SHALL SUBMIT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE,

TO THE SENATE FINANCE COMMITTEE, THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE A REPORT SUMMARIZING THE RANGE OF TOTAL FUNDING SPENT BY COMMUNITY PROVIDERS ON DIRECT SUPPORT EMPLOYEE SALARIES, WAGES, AND FRINGE BENEFITS AS A PERCENTAGE OF TOTAL REPORTED OPERATING EXPENSES, EXCLUDING INTEREST ON CAPITAL AND OTHER EXPENSES, FOR FISCAL YEAR 2014.

(2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL INCLUDE AN ANALYSIS OF DATA TO EXPLAIN ANY SIGNIFICANT OUTLIERS IN SPENDING PATTERNS AMONG COMMUNITY PROVIDERS.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That:

(a) Before proposing regulations implementing a payment system as required by § 7-306.2 of the Health – General Article, as enacted by Section 2 of this Act, the Department of Health and Mental Hygiene shall submit a report, in accordance with § 2-1246 of the State Government Article, to the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Health and Government Operations Committee summarizing the new payment system.

(b) The committees listed in subsection (a) of this section shall have 60 days to review and comment on the report provided by the Department of Health and Mental Hygiene under subsection (a) of this section.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect on the effective date of the regulations adopted by the Developmental Disabilities Administration as required by § 7-306.2 of the Health – General Article, as enacted by Section 2 of this Act. The Secretary of Health and Mental Hygiene, within 5 days after the effective date of the regulations, shall provide written notice of the effective date of the regulations to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect October 1, 2014, contingent on the taking effect of Chapter 262 (H.B. 295) of the Acts of the General Assembly of 2014, and if Chapter 262 (H.B. 295) does not become effective, Section 3 of this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION 7. AND BE IT FURTHER ENACTED, That, if Section 3 of this Act becomes effective, Section 3 of this Act shall be abrogated and of no further force and effect on the effective date of the regulations adopted by the Developmental Disabilities Administration as required by § 7-306.2 of the Health – General Article, as enacted by Section 2 of this Act. The Secretary of Health and Mental Hygiene, within 5 days after the effective date of the regulations, shall provide written notice of the effective date of

the regulations to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

SECTION ~~5~~ 8. AND BE IT FURTHER ENACTED, That, except as provided in Section ~~4~~ 5 of this Act, and subject to Section 6 of this Act, this Act shall take effect October 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 649

(House Bill 1258)

AN ACT concerning

Health Occupations – Maryland Environmental Health Specialists Act – Revisions

FOR the purpose of requiring the Board of Environmental Health Specialists to adopt regulations that include the establishment of a certain seasonal environmental health specialist-in-training program and a certain condition regarding participation in the program; repealing the requirement that the Board, under certain circumstances, reinstate the license of certain licensed environmental health specialists; requiring the Board, under certain circumstances, to place licensed environmental health specialists on inactive or nonrenewed status for a period not to exceed a certain number of years; requiring the Board to provide certain licensed environmental health specialists with written notification of certain information; requiring the Board, under certain circumstances, to reactivate the license of certain licensed environmental health specialists; and generally relating to the Maryland Environmental Health Specialists Act.

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 21–305
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing
Article – Health Occupations
Section 21–310
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY adding to
Article – Health Occupations

Section 21-310
 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

21-305.

The Board shall adopt regulations that include:

(1) **(I)** The establishment of an environmental health specialist-in-training program for applicants to obtain the necessary experience to qualify to take the examination; and

[(2) (II)] A condition that a person may not participate in an environmental health specialist-in-training program for more than 3 years, unless granted an extension by the Board; **AND**

(2) (I) THE ESTABLISHMENT OF A SEASONAL ENVIRONMENTAL HEALTH SPECIALIST-IN-TRAINING PROGRAM FOR INDIVIDUALS TO BE TEMPORARILY EMPLOYED AS ENVIRONMENTAL HEALTH SPECIALISTS; AND

(II) A CONDITION THAT AN INDIVIDUAL MAY NOT PARTICIPATE IN A SEASONAL ENVIRONMENTAL HEALTH SPECIALIST-IN-TRAINING PROGRAM FOR MORE THAN 6 MONTHS WITHIN A CONSECUTIVE 12-MONTH PERIOD.

[21-310.

The Board shall reinstate the license of a licensed environmental health specialist who has failed to renew the license for any reason if the licensed environmental health specialist:

(1) Pays the Board all lapsed renewal fees and demonstrates that training as required by the Board has been completed;

(2) Reapplies and meets the qualifications and requirements for licensure; and

(3) Pays to the Board a reinstatement fee set by the Board.]

21-310.

(A) (1) THE BOARD SHALL PLACE A LICENSED ENVIRONMENTAL HEALTH SPECIALIST ON INACTIVE STATUS FOR A PERIOD NOT TO EXCEED 4 YEARS IF THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST:

(I) SUBMITS TO THE BOARD A WRITTEN APPLICATION FOR INACTIVE STATUS ON A FORM THE BOARD REQUIRES; AND

(II) PAYS TO THE BOARD THE INACTIVE STATUS FEE SET BY THE BOARD.

(2) THE BOARD SHALL PROVIDE TO A LICENSED ENVIRONMENTAL HEALTH SPECIALIST WHO IS PLACED ON INACTIVE STATUS WRITTEN NOTIFICATION OF:

(I) THE DATE THE LICENSE HAS EXPIRED OR WILL EXPIRE;

(II) THE DATE THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST'S INACTIVE STATUS BECAME EFFECTIVE;

(III) THE DATE THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST'S INACTIVE STATUS EXPIRES; AND

(IV) THE CONSEQUENCES OF NOT REACTIVATING THE LICENSE BEFORE THE INACTIVE STATUS EXPIRES.

(3) THE BOARD SHALL REACTIVATE THE LICENSE OF A LICENSED ENVIRONMENTAL HEALTH SPECIALIST WHO IS ON INACTIVE STATUS IF THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST:

(I) APPLIES TO THE BOARD FOR REACTIVATION OF THE LICENSE BEFORE THE INACTIVE STATUS EXPIRES;

(II) COMPLIES WITH THE LICENSE RENEWAL REQUIREMENTS THAT ARE IN EFFECT WHEN THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST APPLIES FOR REACTIVATION;

(III) HAS COMPLETED THE NUMBER OF CREDIT HOURS OF APPROVED CONTINUING EDUCATION SET BY THE BOARD; AND

(IV) PAYS TO THE BOARD THE REACTIVATION PROCESSING FEE SET BY THE BOARD.

(B) (1) THE BOARD SHALL PLACE A LICENSED ENVIRONMENTAL HEALTH SPECIALIST ON NONRENEWED STATUS FOR A PERIOD NOT TO EXCEED 4

YEARS IF THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST FAILED TO RENEW THE LICENSE FOR ANY REASON.

(2) THE BOARD SHALL PROVIDE TO A LICENSED ENVIRONMENTAL HEALTH SPECIALIST WHO IS PLACED ON NONRENEWED STATUS WRITTEN NOTIFICATION OF:

(I) THE DATE THE LICENSE EXPIRED;

(II) THE DATE THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST'S NONRENEWED STATUS BECAME EFFECTIVE;

(III) THE DATE THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST'S NONRENEWED STATUS EXPIRES; AND

(IV) THE CONSEQUENCES OF NOT REACTIVATING THE LICENSE BEFORE THE NONRENEWED STATUS EXPIRES.

(3) THE BOARD SHALL REACTIVATE THE LICENSE OF A LICENSED ENVIRONMENTAL HEALTH SPECIALIST WHO IS PLACED ON NONRENEWED STATUS IF THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST:

(I) APPLIES TO THE BOARD FOR REACTIVATION OF THE LICENSE BEFORE THE NONRENEWED STATUS EXPIRES;

(II) COMPLIES WITH THE LICENSE RENEWAL REQUIREMENTS THAT ARE IN EFFECT WHEN THE INDIVIDUAL APPLIES FOR REACTIVATION;

(III) HAS COMPLETED THE NUMBER OF CREDIT HOURS OF APPROVED CONTINUING EDUCATION SET BY THE BOARD; AND

(IV) PAYS TO THE BOARD THE REACTIVATION PROCESSING FEE SET BY THE BOARD.

(c) NOTWITHSTANDING SUBSECTION (A) OR (B) OF THIS SECTION, THE BOARD SHALL REACTIVATE THE LICENSE OF A LICENSED ENVIRONMENTAL HEALTH SPECIALIST WHO WAS PLACED ON INACTIVE OR NONRENEWED STATUS IF THE LICENSED ENVIRONMENTAL HEALTH SPECIALIST:

(1) APPLIES TO THE BOARD FOR REACTIVATION AFTER THE INACTIVE OR NONRENEWED STATUS EXPIRED;

(2) PAYS TO THE BOARD THE REACTIVATION PROCESSING FEE SET BY THE BOARD AND ANY OTHER FEES REQUIRED BY THE BOARD;

(3) PROVIDES ANY DOCUMENTATION REQUIRED BY THE BOARD ON THE FORM THE BOARD REQUIRES; AND

(4) PASSES THE EXAMINATION, IF ANY, THAT IS REQUIRED BY THE BOARD IN REGULATION.

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

Approved by the Governor, May 15, 2014.

Chapter 650

(House Bill 1282)

AN ACT concerning

Public Health – Drug Overdose Deaths – ~~State and~~ Local Fatality Review Teams

FOR the purpose of ~~establishing the State Drug Overdose Fatality Review Team in the Department of Health and Mental Hygiene; providing for the composition, appointment of members, staff, chair, and meetings of the State Team; providing that a member of the State Team may not receive certain compensation, but is entitled to certain reimbursement for expenses; establishing the purpose and duties of the State Team; requiring the State Team to provide the Governor, the public, and the General Assembly with a certain annual report; establishing certain confidentiality and disclosure requirements for members and staff of the State Team and for information provided to the State Team; providing that certain compilations of data and certain reports are public information; establishing~~ authorizing the establishment of a certain local drug overdose fatality review teams in certain counties team in each county; authorizing the establishment of a certain multicounty local team; providing for the composition, appointment of certain members, chair, and meetings of a local team; establishing the purpose and duties of a local team; requiring under certain circumstances that a local team be provided with access to certain information and records; requiring a health care provider to disclose a medical record to ~~the State Team or~~ a local team under certain circumstances, subject to certain additional limitations for certain records; establishing that meetings of ~~the State Team or of~~ a local team are closed to the public under certain circumstances; requiring meetings of ~~the~~

~~State Team or of~~ a local team to be open to the public under certain circumstances, with certain exceptions for certain information; establishing certain confidentiality and disclosure requirements for certain information and records acquired by ~~the State Team or by~~ a local team; establishing that certain mental health records ~~and substance abuse treatment records~~ are subject to certain additional limitations on disclosure; establishing that certain substance abuse treatment records are subject to certain additional limitations on disclosure or redisclosure; establishing that certain information, documents, or records are not subject to subpoena, discovery, or introduction into evidence in a civil or criminal proceeding with a certain exception; establishing certain immunity from civil liability for certain actions as a member of or participant in the function of ~~the State Team or~~ a local team; establishing a certain civil penalty and certain criminal penalties for certain violations; defining a certain term; and generally relating to drug overdose fatality review teams.

BY adding to

Article – Courts and Judicial Proceedings
 Section 5–637.2
 Annotated Code of Maryland
 (2013 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – Health – General
 Section 4–306(b)(9) and (10)
 Annotated Code of Maryland
 (2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – Health – General
 Section 4–306(b)(11); and 5–901 through ~~5–910~~ 5–906 to be under the new subtitle “Subtitle 9. Drug Overdose Fatality Review Teams”
 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 – Courts and Judicial Proceedings

5–637.2.

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

~~(2) “LOCAL, “LOCAL TEAM” MEANS A MULTIDISCIPLINARY AND MULTIAGENCY DRUG OVERDOSE FATALITY REVIEW TEAM ESTABLISHED UNDER TITLE 5, SUBTITLE 9 OF THE HEALTH – GENERAL ARTICLE.~~

~~(3) “STATE TEAM” MEANS THE STATE DRUG OVERDOSE FATALITY REVIEW TEAM ESTABLISHED UNDER TITLE 5, SUBTITLE 9 OF THE HEALTH – GENERAL ARTICLE.~~

~~(B) A PERSON WHO ACTS IN GOOD FAITH AND WITHIN THE SCOPE OF THE JURISDICTION OF THE STATE TEAM IS NOT CIVILLY LIABLE FOR ANY ACTION AS A MEMBER OF THE STATE TEAM OR FOR GIVING INFORMATION TO, PARTICIPATING IN, OR CONTRIBUTING TO THE FUNCTION OF THE STATE TEAM.~~

~~(C)~~ (B) A PERSON WHO ACTS IN GOOD FAITH AND WITHIN THE SCOPE OF THE JURISDICTION OF A LOCAL TEAM IS NOT CIVILLY LIABLE FOR ANY ACTION AS A MEMBER OF THE LOCAL TEAM OR FOR GIVING INFORMATION TO, PARTICIPATING IN, OR CONTRIBUTING TO THE FUNCTION OF THE LOCAL TEAM.

Article – Health – General

4–306.

(b) A health care provider shall disclose a medical record without the authorization of a person in interest:

(9) To a State or local child fatality review team established under Title 5, Subtitle 7 of this article as necessary to carry out its official functions; [or]

(10) To a local domestic violence fatality review team established under Title 4, Subtitle 7 of the Family Law Article as necessary to carry out its official functions; OR

~~(11) TO THE STATE DRUG OVERDOSE FATALITY REVIEW TEAM OR A LOCAL DRUG OVERDOSE FATALITY REVIEW TEAM ESTABLISHED UNDER TITLE 5, SUBTITLE 9 OF THIS ARTICLE AS NECESSARY TO CARRY OUT ITS OFFICIAL FUNCTIONS, SUBJECT TO:~~

(I) THE ADDITIONAL LIMITATIONS UNDER § 4–307 OF THIS SUBTITLE FOR DISCLOSURE OF A MEDICAL RECORD DEVELOPED PRIMARILY IN CONNECTION WITH THE PROVISION OF MENTAL HEALTH SERVICES; AND

(II) ANY ADDITIONAL LIMITATIONS FOR DISCLOSURE OR REDISCLOSURE OF A MEDICAL RECORD DEVELOPED ~~PRIMARILY~~ IN CONNECTION WITH THE PROVISION OF SUBSTANCE ABUSE TREATMENT

SERVICES UNDER STATE ~~OR FEDERAL~~ LAW OR 42 U.S.C. § 290DD-2 AND 42 C.F.R. PART 2.

SUBTITLE 9. DRUG OVERDOSE FATALITY REVIEW TEAMS.

5-901.

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

~~(B) “LOCAL, “LOCAL TEAM” MEANS THE MULTIDISCIPLINARY AND MULTIAGENCY DRUG OVERDOSE FATALITY REVIEW TEAM ESTABLISHED FOR A COUNTY.~~

~~(C) “STATE TEAM” MEANS THE STATE DRUG OVERDOSE FATALITY REVIEW TEAM.~~

~~5-902.~~

~~(A) THERE IS A STATE DRUG OVERDOSE FATALITY REVIEW TEAM.~~

~~(B) THE STATE TEAM IS PART OF THE DEPARTMENT FOR BUDGETARY AND ADMINISTRATIVE PURPOSES.~~

~~5-903.~~

~~(A) THE STATE TEAM SHALL BE A MULTIDISCIPLINARY AND MULTIAGENCY REVIEW TEAM, COMPOSED OF AT LEAST 25 MEMBERS, INCLUDING:~~

~~(1) THE ATTORNEY GENERAL;~~

~~(2) THE CHIEF MEDICAL EXAMINER;~~

~~(3) THE SECRETARY OF HUMAN RESOURCES;~~

~~(4) THE SECRETARY OF HEALTH AND MENTAL HYGIENE;~~

~~(5) THE STATE SUPERINTENDENT OF SCHOOLS;~~

~~(6) THE SECRETARY OF JUVENILE SERVICES;~~

~~(7) THE EXECUTIVE DIRECTOR OF THE GOVERNOR'S OFFICE FOR CHILDREN;~~

- ~~(8) THE SECRETARY OF STATE POLICE;~~
- ~~(9) THE PRESIDENT OF THE STATE'S ATTORNEYS' ASSOCIATION;~~
- ~~(10) THE CHIEF OF THE DIVISION OF VITAL RECORDS IN THE DEPARTMENT;~~
- ~~(11) THE DIRECTOR OF THE MARYLAND INSTITUTE FOR EMERGENCY MEDICAL SERVICES SYSTEMS;~~
- ~~(12) THE DIRECTOR OF THE ALCOHOL AND DRUG ABUSE ADMINISTRATION IN THE DEPARTMENT;~~
- ~~(13) ONE PHYSICIAN WITH EXPERIENCE IN DIAGNOSING AND TREATING SUBSTANCE ABUSE, APPOINTED BY THE GOVERNOR FROM A LIST SUBMITTED BY THE STATE CHAPTER OF THE AMERICAN MEDICAL ASSOCIATION;~~
- ~~(14) ONE CERTIFIED PROFESSIONAL COUNSELOR ALCOHOL AND DRUG WITH EXPERIENCE IN PREVENTING, DIAGNOSING, AND TREATING SUBSTANCE ABUSE, APPOINTED BY THE GOVERNOR; AND~~
- ~~(15) ELEVEN MEMBERS OF THE GENERAL PUBLIC WITH INTEREST OR EXPERTISE IN SUBSTANCE ABUSE PREVENTION AND TREATMENT, INCLUDING PARENT ADVOCATES, CERTIFIED RECOVERY COACH VOLUNTEERS, AND HEALTH AND BEHAVIORAL HEALTH PROFESSIONALS, APPOINTED BY THE GOVERNOR.~~
- ~~(B) THE MEMBERS DESCRIBED IN SUBSECTION (A)(1) THROUGH (12) OF THIS SECTION MAY DESIGNATE REPRESENTATIVES FROM THE RESPECTIVE DEPARTMENTS OR OFFICES TO REPRESENT THE MEMBERS ON THE STATE TEAM.~~
- ~~(C) (1) THE STATE TEAM MAY EMPLOY A STAFF IN ACCORDANCE WITH THE STATE BUDGET.~~
- ~~(2) EACH MEMBER OF THE STATE TEAM UNDER SUBSECTION (A)(1) THROUGH (12) OF THIS SECTION SHALL PROVIDE SUFFICIENT STAFF SUPPORT TO COMPLETE THE STATE TEAM'S RESPONSIBILITIES.~~
- ~~(D) A MEMBER OF THE STATE TEAM:~~
- ~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE STATE TEAM; BUT~~

~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

~~(E) THE STATE TEAM SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.~~

~~(F) THE STATE TEAM SHALL MEET AT LEAST ONCE EVERY 3 MONTHS.~~

~~5-904.~~

~~(A) THE PURPOSE OF THE STATE TEAM IS TO PREVENT DRUG OVERDOSE DEATHS BY:~~

~~(1) DEVELOPING AN UNDERSTANDING OF THE CAUSES AND INCIDENCE OF DRUG OVERDOSE DEATHS;~~

~~(2) DEVELOPING PLANS FOR AND IMPLEMENTING CHANGES WITHIN THE AGENCIES REPRESENTED ON THE STATE TEAM TO PREVENT DRUG OVERDOSE DEATHS; AND~~

~~(3) ADVISING THE GOVERNOR, THE GENERAL ASSEMBLY, AND THE PUBLIC ON CHANGES TO LAW, POLICY, OR PRACTICE TO PREVENT DRUG OVERDOSE DEATHS.~~

~~(B) TO ACHIEVE ITS PURPOSES, THE STATE TEAM SHALL:~~

~~(1) UNDERTAKE ANNUAL STATISTICAL STUDIES OF THE INCIDENCE AND CAUSES OF DRUG OVERDOSE DEATHS IN THE STATE, INCLUDING AN ANALYSIS OF COMMUNITY AND PUBLIC AND PRIVATE AGENCY INVOLVEMENT WITH THE DECEDENTS AND THEIR FAMILIES BEFORE AND AFTER THE DEATHS;~~

~~(2) REVIEW REPORTS FROM LOCAL TEAMS;~~

~~(3) PROVIDE TRAINING AND WRITTEN MATERIALS TO THE LOCAL TEAMS TO ASSIST THEM IN CARRYING OUT THE DUTIES OF EACH LOCAL TEAM, INCLUDING PROVIDING MODEL PROTOCOLS FOR THE OPERATION OF LOCAL TEAMS;~~

~~(4) IN COOPERATION WITH LOCAL TEAMS, DEVELOP A PROTOCOL FOR DRUG OVERDOSE DEATH INVESTIGATIONS, INCLUDING PROCEDURES FOR LOCAL HEALTH DEPARTMENTS, LAW ENFORCEMENT AGENCIES, LOCAL~~

~~MEDICAL EXAMINERS, AND LOCAL DEPARTMENTS OF SOCIAL SERVICES, USING BEST PRACTICES FROM OTHER STATES AND JURISDICTIONS;~~

~~(5) DEVELOP A PROTOCOL FOR THE COLLECTION OF DATA REGARDING DRUG OVERDOSE DEATHS AND PROVIDE TRAINING TO LOCAL TEAMS AND COUNTY HEALTH DEPARTMENTS ON THE USE OF THE PROTOCOL;~~

~~(6) (i) UNDERTAKE A STUDY OF THE OPERATIONS OF LOCAL TEAMS, INCLUDING THE STATE AND LOCAL LAWS, REGULATIONS, AND POLICIES OF THE AGENCIES REPRESENTED ON THE LOCAL TEAMS;~~

~~(ii) RECOMMEND APPROPRIATE CHANGES TO THE LAWS, REGULATIONS, OR POLICIES NEEDED TO PREVENT DRUG OVERDOSE DEATHS; AND~~

~~(iii) INCLUDE ANY PROPOSALS FOR CHANGES TO STATE OR LOCAL LAWS, REGULATIONS, OR POLICIES IN THE ANNUAL REPORT REQUIRED BY ITEM (11) OF THIS SUBSECTION;~~

~~(7) CONSIDER LOCAL AND STATEWIDE TRAINING NEEDS, INCLUDING CROSS AGENCY TRAINING AND SERVICE GAPS, AND MAKE RECOMMENDATIONS TO MEMBER AGENCIES TO DEVELOP AND DELIVER THESE TRAINING NEEDS;~~

~~(8) (i) EXAMINE CONFIDENTIALITY LAWS, REGULATIONS, AND POLICIES OF AGENCIES WITH RESPONSIBILITIES REGARDING DRUG OVERDOSE DEATHS, INCLUDING HEALTH, PUBLIC WELFARE, EDUCATION, SOCIAL SERVICES, BEHAVIORAL HEALTH, JUDICIAL, AND LAW ENFORCEMENT AGENCIES;~~

~~(ii) RECOMMEND APPROPRIATE CHANGES TO THE LAWS, REGULATIONS, OR POLICIES THAT IMPEDE THE EXCHANGE OF INFORMATION NECESSARY TO PROTECT INDIVIDUALS FROM PREVENTABLE DRUG OVERDOSE DEATHS; AND~~

~~(iii) INCLUDE ANY PROPOSALS FOR CHANGES TO THE LAWS, REGULATIONS, OR POLICIES IN THE ANNUAL REPORT REQUIRED BY ITEM (11) OF THIS SUBSECTION;~~

~~(9) EDUCATE THE PUBLIC ABOUT THE INCIDENCE AND CAUSES OF DRUG OVERDOSE DEATHS, THE ROLE OF THE PUBLIC IN PREVENTING DRUG OVERDOSE DEATHS, AND SPECIFIC STEPS THE PUBLIC CAN TAKE TO PREVENT DRUG OVERDOSE DEATHS;~~

~~(10) RECOMMEND TO THE SECRETARY ANY REGULATIONS NECESSARY FOR THE OPERATION OF THE STATE TEAM AND THE OPERATION OF THE LOCAL TEAMS;~~

~~(11) PROVIDE THE GOVERNOR, THE PUBLIC, AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY WITH ANNUAL WRITTEN REPORTS, INCLUDING THE STATE TEAM'S FINDINGS AND RECOMMENDATIONS; AND~~

~~(12) IN CONSULTATION WITH LOCAL TEAMS:~~

~~(i) DEFINE "NEAR FATALITY"; AND~~

~~(ii) DEVELOP PROCEDURES AND PROTOCOLS THAT LOCAL TEAMS AND THE STATE TEAM MAY USE TO REVIEW CASES OF NEAR FATALITY.~~

~~(D) MEMBERS AND STAFF OF THE STATE TEAM:~~

~~(1) MAY NOT DISCLOSE TO ANY PERSON OR GOVERNMENT OFFICIAL ANY IDENTIFYING INFORMATION ABOUT ANY SPECIFIC CASE ABOUT WHICH THE STATE TEAM IS PROVIDED INFORMATION; AND~~

~~(2) MAY MAKE PUBLIC OTHER INFORMATION UNLESS PROHIBITED BY LAW.~~

~~(E) IN ADDITION TO ANY OTHER PENALTIES PROVIDED BY LAW, A PERSON WHO VIOLATES SUBSECTION (D) OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY NOT EXCEEDING \$500 FOR EACH VIOLATION.~~

~~5-905.~~ 5-902.

(A) (1) ~~EXCEPT AS PROVIDED IN~~ SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THERE ~~SHALL~~ MAY BE A MULTIDISCIPLINARY AND MULTIAGENCY DRUG OVERDOSE FATALITY REVIEW TEAM IN EACH COUNTY.

(2) INSTEAD OF A LOCAL TEAM IN EACH COUNTY, TWO OR MORE COUNTIES MAY AGREE TO ESTABLISH A SINGLE MULTICOUNTY LOCAL TEAM.

(3) A MULTICOUNTY LOCAL TEAM SHALL EXECUTE A MEMORANDUM OF UNDERSTANDING ON MEMBERSHIP, STAFFING, AND OPERATION.

(B) THE LOCAL TEAM MEMBERSHIP SHALL BE DRAWN, IF AVAILABLE, FROM THE FOLLOWING INDIVIDUALS, ORGANIZATIONS, AGENCIES, AND AREAS OF EXPERTISE:

- (1) THE COUNTY HEALTH OFFICER, OR THE OFFICER'S DESIGNEE;
- (2) THE DIRECTOR OF THE LOCAL DEPARTMENT OF SOCIAL SERVICES, OR THE DIRECTOR'S DESIGNEE;
- (3) THE STATE'S ATTORNEY, OR THE STATE'S ATTORNEY'S DESIGNEE;
- (4) THE SUPERINTENDENT OF SCHOOLS, OR THE SUPERINTENDENT'S DESIGNEE;
- (5) A STATE, COUNTY, OR MUNICIPAL LAW ENFORCEMENT OFFICER;
- (6) ~~THE DIRECTOR OF THE COUNTY SUBSTANCE ABUSE TREATMENT PROGRAM;~~
- (7) ~~THE DIRECTOR OF THE COUNTY MENTAL HEALTH AGENCY OR CORE SERVICE AGENCY;~~
- (8) ~~A PHYSICIAN WITH EXPERIENCE IN DIAGNOSING AND TREATING SUBSTANCE ABUSE, APPOINTED BY THE COUNTY HEALTH OFFICER;~~
- (9) ~~A CERTIFIED PROFESSIONAL COUNSELOR ALCOHOL AND DRUG WITH EXPERIENCE IN PREVENTING, DIAGNOSING, AND TREATING SUBSTANCE ABUSE, APPOINTED BY THE COUNTY HEALTH OFFICER;~~
- (10) ~~A PSYCHIATRIST OR PSYCHOLOGIST WITH EXPERIENCE IN DIAGNOSING AND TREATING SUBSTANCE ABUSE, APPOINTED BY THE DIRECTOR OF THE COUNTY MENTAL HEALTH AGENCY OR CORE SERVICE AGENCY;~~
- (11) THE DIRECTOR OF BEHAVIORAL HEALTH SERVICES IN THE COUNTY, OR THE DIRECTOR'S DESIGNEE;
- (7) AN EMERGENCY MEDICAL SERVICES PROVIDER IN THE COUNTY;
- (8) A REPRESENTATIVE OF A HOSPITAL;

(9) A HEALTH CARE PROFESSIONAL WHO SPECIALIZES IN THE PREVENTION, DIAGNOSIS, AND TREATMENT OF SUBSTANCE USE DISORDERS;

(10) A REPRESENTATIVE OF A LOCAL JAIL OR DETENTION CENTER;

(11) A REPRESENTATIVE FROM PAROLE, PROBATION, AND COMMUNITY CORRECTIONS;

(12) THE SECRETARY OF JUVENILE SERVICES, OR THE SECRETARY'S DESIGNEE;

(13) A MEMBER OF THE PUBLIC WITH INTEREST OR EXPERTISE IN THE PREVENTION AND TREATMENT OF DRUG OVERDOSE DEATHS, APPOINTED BY THE COUNTY HEALTH OFFICER; AND

~~(12)~~ (14) ANY OTHER INDIVIDUAL NECESSARY FOR THE WORK OF THE LOCAL TEAM, RECOMMENDED BY THE LOCAL TEAM AND APPOINTED BY THE COUNTY HEALTH OFFICER.

~~(c) THE MEMBERS DESCRIBED UNDER SUBSECTION (b)(1) THROUGH (7) OF THIS SECTION MAY DESIGNATE REPRESENTATIVES FROM THE RESPECTIVE DEPARTMENTS OR OFFICES TO REPRESENT THE MEMBERS ON THE LOCAL TEAM.~~

~~(d)~~ (c) EACH LOCAL TEAM SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.

~~5-906.~~ 5-903.

(A) THE PURPOSE OF EACH LOCAL TEAM IS TO PREVENT DRUG OVERDOSE DEATHS BY:

(1) PROMOTING COOPERATION AND COORDINATION AMONG AGENCIES INVOLVED IN INVESTIGATIONS OF DRUG OVERDOSE DEATHS OR IN PROVIDING SERVICES TO SURVIVING FAMILY MEMBERS;

(2) DEVELOPING AN UNDERSTANDING OF THE CAUSES AND INCIDENCE OF DRUG OVERDOSE DEATHS IN THE COUNTY;

(3) DEVELOPING PLANS FOR AND RECOMMENDING CHANGES WITHIN THE AGENCIES REPRESENTED ON THE LOCAL TEAM TO PREVENT DRUG OVERDOSE DEATHS; AND

(4) ~~ADVISING THE STATE TEAM DEPARTMENT ON CHANGES TO LAW, POLICY, OR PRACTICE, INCLUDING THE USE OF DEVICES THAT ARE PROGRAMMED TO DISPENSE MEDICATIONS ON A SCHEDULE OR SIMILAR TECHNOLOGY,~~ TO PREVENT DRUG OVERDOSE DEATHS.

(B) TO ACHIEVE ITS PURPOSE, EACH LOCAL TEAM SHALL:

(1) IN CONSULTATION WITH THE ~~STATE TEAM DEPARTMENT,~~ ESTABLISH AND IMPLEMENT A PROTOCOL FOR THE LOCAL TEAM;

(2) SET AS ITS GOAL THE INVESTIGATION OF DRUG OVERDOSE DEATHS IN ACCORDANCE WITH NATIONAL STANDARDS;

(3) MEET AT LEAST QUARTERLY TO REVIEW THE STATUS OF DRUG OVERDOSE DEATH CASES, RECOMMEND ACTIONS TO IMPROVE COORDINATION OF SERVICES AND INVESTIGATIONS AMONG MEMBER AGENCIES, AND RECOMMEND ACTIONS WITHIN THE MEMBER AGENCIES TO PREVENT DRUG OVERDOSE DEATHS;

(4) COLLECT AND MAINTAIN DATA AS REQUIRED BY THE ~~STATE TEAM DEPARTMENT;~~ DEPARTMENT; AND

(5) PROVIDE REQUESTED REPORTS TO THE ~~STATE TEAM DEPARTMENT,~~ INCLUDING:

(I) DISCUSSION OF INDIVIDUAL CASES;

(II) STEPS TAKEN TO IMPROVE COORDINATION OF SERVICES AND INVESTIGATIONS;

(III) STEPS TAKEN TO IMPLEMENT CHANGES RECOMMENDED BY THE LOCAL TEAM WITHIN MEMBER AGENCIES; AND

(IV) RECOMMENDATIONS ON NEEDED CHANGES TO STATE AND LOCAL LAWS, POLICIES, OR PRACTICES TO PREVENT DRUG OVERDOSE DEATHS; AND

~~(6) IN CONSULTATION WITH THE STATE TEAM:~~

~~(I) DEFINE “NEAR FATALITY”; AND~~

~~(II) DEVELOP PROCEDURES AND PROTOCOLS THAT LOCAL TEAMS AND THE STATE TEAM MAY USE TO REVIEW CASES OF NEAR FATALITY DEATHS.~~

(C) IN ADDITION TO THE DUTIES SPECIFIED IN SUBSECTION (B) OF THIS SECTION, A LOCAL TEAM MAY INVESTIGATE THE INFORMATION AND RECORDS OF AN INDIVIDUAL CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED A DEATH OR NEAR FATALITY DESCRIBED IN ~~§ 5-907~~ § 5-904 OF THIS SUBTITLE.

~~5-907.~~ 5-904.

(A) ON REQUEST OF THE CHAIR OF A LOCAL TEAM AND AS NECESSARY TO CARRY OUT THE PURPOSE AND DUTIES OF THE LOCAL TEAM, THE LOCAL TEAM SHALL BE IMMEDIATELY PROVIDED WITH:

(1) ACCESS TO INFORMATION AND RECORDS, INCLUDING INFORMATION ABOUT PHYSICAL HEALTH, MENTAL HEALTH, AND TREATMENT FOR SUBSTANCE ABUSE, MAINTAINED BY A HEALTH CARE PROVIDER FOR:

(I) AN INDIVIDUAL WHOSE DEATH IS BEING REVIEWED BY THE LOCAL TEAM; OR

(II) AN INDIVIDUAL CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED A DEATH OR NEAR FATALITY; AND

(2) ACCESS TO INFORMATION AND RECORDS MAINTAINED BY A STATE OR LOCAL GOVERNMENT AGENCY, INCLUDING ~~BIRTH~~ DEATH CERTIFICATES, LAW ENFORCEMENT INVESTIGATIVE INFORMATION, MEDICAL EXAMINER INVESTIGATIVE INFORMATION, PAROLE AND PROBATION INFORMATION AND RECORDS, AND INFORMATION AND RECORDS OF A SOCIAL SERVICES AGENCY, IF THE AGENCY PROVIDED SERVICES TO:

(I) AN INDIVIDUAL WHOSE DEATH IS BEING REVIEWED BY THE LOCAL TEAM;

(II) AN INDIVIDUAL CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED A DEATH OR NEAR FATALITY; OR

(III) THE FAMILY OF AN INDIVIDUAL DESCRIBED IN ITEM (I) OR (II) OF THIS ITEM.

(B) SUBSTANCE ABUSE TREATMENT RECORDS REQUESTED OR PROVIDED UNDER THIS SECTION ARE SUBJECT TO ANY ADDITIONAL LIMITATIONS ON DISCLOSURE OR REDISCLOSURE OF A MEDICAL RECORD

DEVELOPED IN CONNECTION WITH THE PROVISION OF SUBSTANCE ABUSE TREATMENT SERVICES UNDER STATE LAW OR 42 U.S.C. § 290DD-2 AND 42 C.F.R. PART 2.

~~5-908.~~ 5-905.

(A) MEETINGS OF ~~THE STATE TEAM AND OF~~ LOCAL TEAMS SHALL BE CLOSED TO THE PUBLIC AND ARE NOT SUBJECT TO TITLE 10, SUBTITLE 5 OF THE STATE GOVERNMENT ARTICLE WHEN THE ~~STATE TEAM OR~~ LOCAL TEAMS ARE DISCUSSING INDIVIDUAL CASES OF DRUG OVERDOSE DEATHS.

(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, MEETINGS OF ~~THE STATE TEAM AND OF~~ LOCAL TEAMS SHALL BE OPEN TO THE PUBLIC AND ARE SUBJECT TO TITLE 10, SUBTITLE 5 OF THE STATE GOVERNMENT ARTICLE WHEN THE ~~STATE TEAM OR~~ LOCAL TEAM IS NOT DISCUSSING INDIVIDUAL CASES OF DRUG OVERDOSE DEATHS.

(C) (1) DURING A PUBLIC MEETING, INFORMATION MAY NOT BE DISCLOSED THAT IDENTIFIES:

(I) A DECEASED INDIVIDUAL;

(II) A FAMILY MEMBER, GUARDIAN, OR CARETAKER OF A DECEASED INDIVIDUAL; OR

(III) AN INDIVIDUAL CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED A DEATH OR NEAR FATALITY.

(2) DURING A PUBLIC MEETING, INFORMATION MAY NOT BE DISCLOSED ABOUT THE INVOLVEMENT OF ANY AGENCY WITH:

(I) A DECEASED INDIVIDUAL;

(II) A FAMILY MEMBER, GUARDIAN, OR CARETAKER OF A DECEASED INDIVIDUAL; OR

(III) AN INDIVIDUAL CONVICTED OF A CRIME OR ADJUDICATED AS HAVING COMMITTED A DELINQUENT ACT THAT CAUSED A DEATH OR NEAR FATALITY.

(D) THIS SECTION DOES NOT PROHIBIT ~~THE STATE TEAM OR~~ A LOCAL TEAM FROM REQUESTING THE ATTENDANCE AT A TEAM MEETING OF A PERSON

WHO HAS INFORMATION RELEVANT TO THE TEAM'S EXERCISE OF ITS PURPOSE AND DUTIES.

(E) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500 OR IMPRISONMENT NOT EXCEEDING 90 DAYS OR BOTH.

~~5-909.~~ 5-906.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, ALL INFORMATION AND RECORDS ACQUIRED BY ~~THE STATE TEAM OR BY~~ A LOCAL TEAM IN THE EXERCISE OF ITS PURPOSE AND DUTIES UNDER THIS SUBTITLE ARE CONFIDENTIAL, EXEMPT FROM DISCLOSURE UNDER TITLE 10, SUBTITLE 6 OF THE STATE GOVERNMENT ARTICLE, AND MAY BE DISCLOSED ONLY AS NECESSARY TO CARRY OUT THE TEAM'S PURPOSE AND DUTIES.

(B) (1) MENTAL HEALTH RECORDS ARE SUBJECT TO THE ADDITIONAL LIMITATIONS UNDER § 4-307 OF THIS ARTICLE FOR DISCLOSURE OF A MEDICAL RECORD DEVELOPED PRIMARILY IN CONNECTION WITH THE PROVISION OF MENTAL HEALTH SERVICES.

(2) SUBSTANCE ABUSE TREATMENT RECORDS ARE SUBJECT TO ANY ADDITIONAL LIMITATIONS FOR DISCLOSURE OR REDISCLOSURE OF A MEDICAL RECORD DEVELOPED ~~PRIMARILY~~ IN CONNECTION WITH THE PROVISION OF SUBSTANCE ABUSE TREATMENT SERVICES UNDER STATE ~~OR FEDERAL~~ LAW OR 42 U.S.C. § 290DD-2 AND 42 C.F.R. PART 2.

(C) STATISTICAL COMPILATIONS OF DATA THAT DO NOT CONTAIN ANY INFORMATION THAT WOULD PERMIT THE IDENTIFICATION OF ANY PERSON TO BE ASCERTAINED ARE PUBLIC RECORDS.

(D) REPORTS OF ~~THE STATE TEAM AND OF~~ A LOCAL TEAM THAT DO NOT CONTAIN ANY INFORMATION THAT WOULD PERMIT THE IDENTIFICATION OF ANY PERSON TO BE ASCERTAINED ARE PUBLIC INFORMATION.

(E) EXCEPT AS NECESSARY TO CARRY OUT ~~THE STATE TEAM'S OR~~ A LOCAL TEAM'S PURPOSE AND DUTIES, MEMBERS OF A ~~STATE TEAM OR~~ LOCAL TEAM AND PERSONS ATTENDING A ~~STATE TEAM OR~~ LOCAL TEAM MEETING MAY NOT DISCLOSE:

(1) WHAT TRANSPIRED AT A MEETING THAT IS NOT PUBLIC UNDER ~~§ 5-908~~ § 5-905 OF THIS SUBTITLE; OR

(2) ANY INFORMATION THE DISCLOSURE OF WHICH IS PROHIBITED BY THIS SECTION.

(F) (1) MEMBERS OF ~~THE STATE TEAM OR~~ A LOCAL TEAM, PERSONS ATTENDING A ~~STATE TEAM OR~~ LOCAL TEAM MEETING, AND PERSONS WHO PRESENT INFORMATION TO ~~THE STATE TEAM OR~~ A LOCAL TEAM MAY NOT BE QUESTIONED IN ANY CIVIL OR CRIMINAL PROCEEDING ABOUT INFORMATION PRESENTED IN OR OPINIONS FORMED AS A RESULT OF A MEETING.

(2) THIS SUBSECTION DOES NOT PROHIBIT A PERSON FROM TESTIFYING TO INFORMATION THAT IS OBTAINED INDEPENDENTLY OF ~~THE STATE TEAM OR~~ A LOCAL TEAM OR THAT IS PUBLIC INFORMATION.

(G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, INFORMATION, DOCUMENTS, OR RECORDS OF ~~THE STATE TEAM OR OF~~ A LOCAL TEAM ARE NOT SUBJECT TO SUBPOENA, DISCOVERY, OR INTRODUCTION INTO EVIDENCE IN ANY CIVIL OR CRIMINAL PROCEEDING.

(2) INFORMATION, DOCUMENTS, OR RECORDS OTHERWISE AVAILABLE FROM OTHER SOURCES ARE NOT IMMUNE FROM SUBPOENA, DISCOVERY, OR INTRODUCTION INTO EVIDENCE THROUGH THOSE SOURCES SOLELY BECAUSE THEY WERE PRESENTED DURING PROCEEDINGS OF ~~THE STATE TEAM OR~~ A LOCAL TEAM OR ARE MAINTAINED BY ~~THE STATE TEAM OR~~ A LOCAL TEAM.

(H) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500 OR IMPRISONMENT NOT EXCEEDING 90 DAYS OR BOTH.

~~5-910.~~

~~A PERSON SHALL HAVE THE IMMUNITY FROM LIABILITY UNDER § 5-637.2 OF THE COURTS ARTICLE FOR ANY ACTION AS A MEMBER OF THE STATE TEAM OR A LOCAL TEAM OR FOR GIVING INFORMATION TO, PARTICIPATING IN, OR CONTRIBUTING TO THE FUNCTION OF THE STATE TEAM OR A LOCAL TEAM.~~

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

Approved by the Governor, May 15, 2014.

Chapter 651**(House Bill 1296)**

AN ACT concerning

Prescription Drug Monitoring Program – Review and Reporting of Possible Misuse or Abuse of Monitored Prescription Drugs

FOR the purpose of authorizing the Prescription Drug Monitoring Program, in accordance with certain regulations, to review prescription monitoring data for a certain purpose and, under certain circumstances, report possible misuse or abuse of a monitored prescription drug to a certain prescriber or dispenser; requiring the Program, before reporting the possible misuse or abuse of a monitored prescription drug, to obtain from the technical advisory committee to the Program certain clinical guidance and interpretation; requiring the Secretary of Health and Mental Hygiene to adopt regulations that specify the process for the Program's review of prescription monitoring data and reporting of possible misuse or abuse of a monitored prescription drug; altering the purpose of the technical advisory committee; making a stylistic change; and generally relating to the Prescription Drug Monitoring Program and the review of prescription monitoring data and reporting of possible misuse or abuse of a monitored prescription drug.

BY repealing and reenacting, without amendments,
Article – Health – General
Section 21–2A–02(a)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 21–2A–04, 21–2A–06, and 21–2A–07
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

21–2A–02.

(a) There is a Prescription Drug Monitoring Program in the Department.

21–2A–04.

(a) The Secretary, in consultation with the Board, shall adopt regulations to carry out this subtitle.

(b) The regulations adopted by the Secretary shall:

(1) Specify the prescription monitoring data required to be submitted under § 21–2A–03 of this subtitle;

(2) Specify the electronic or other means by which information is to be submitted:

(i) Without unduly increasing the workload and expense on dispensers; and

(ii) In a manner as compatible as possible with existing data submission practices of dispensers;

(3) Specify that the Program:

(i) Shall provide the information technology software to dispensers necessary to upload prescription drug monitoring data to the Program; and

(ii) May not impose any fees or other assessments on prescribers or dispensers to support the operation of the Program;

(4) Specify that a prescriber or dispenser is not required or obligated to access or use prescription monitoring data available under the Program;

(5) Identify the mechanism by which prescription monitoring data are disclosed to a person, in accordance with § 21–2A–06 of this subtitle;

(6) Identify the circumstances under which a person may disclose prescription monitoring data received under the Program;

(7) SPECIFY THE PROCESS FOR THE PROGRAM’S REVIEW OF PRESCRIPTION MONITORING DATA AND REPORTING OF POSSIBLE MISUSE OR ABUSE OF A MONITORED PRESCRIPTION DRUG UNDER § 21–2A–06(C) OF THIS SUBTITLE;

[(7)] (8) Establish requirements for Program retention of prescription monitoring data for 3 years; and

[(8)] (9) Require that:

(i) Confidential or privileged patient information be kept confidential; and

(ii) Records or information protected by a privilege between a health care provider and a patient, or otherwise required by law to be held confidential, be filed in a manner that, except as otherwise provided in § 21-2A-06 of this subtitle, does not disclose the identity of the person protected.

21-2A-06.

(a) Prescription monitoring data:

(1) Are confidential and privileged, and not subject to discovery, subpoena, or other means of legal compulsion in civil litigation;

(2) Are not public records; and

(3) Except as provided in subsections [(b) and (d)] **(B), (C), AND (E)** of this section or as otherwise provided by law, may not be disclosed to any person.

(b) The Program shall disclose prescription monitoring data, in accordance with regulations adopted by the Secretary, to:

(1) A prescriber, or a licensed health care practitioner authorized by the prescriber, in connection with the medical care of a patient;

(2) A dispenser, or a licensed health care practitioner authorized by the dispenser, in connection with the dispensing of a monitored prescription drug;

(3) A federal law enforcement agency or a State or local law enforcement agency, on issuance of a subpoena, for the purpose of furthering an existing bona fide individual investigation;

(4) A licensing entity, on issuance of an administrative subpoena voted on by a quorum of the board of the licensing entity, for the purposes of furthering an existing bona fide individual investigation;

(5) A rehabilitation program under a health occupations board, on issuance of an administrative subpoena;

(6) A patient with respect to prescription monitoring data about the patient;

(7) Subject to subsection [(g)] **(H)** of this section, the authorized administrator of another state's prescription drug monitoring program;

(8) The following units of the Department, on approval of the Secretary, for the purpose of furthering an existing bona fide individual investigation:

- (i) The Office of the Chief Medical Examiner;
- (ii) The Maryland Medical Assistance Program;
- (iii) The Office of the Inspector General;
- (iv) The Office of Health Care Quality; and
- (v) The Division of Drug Control; or

(9) The technical advisory committee established under § 21–2A–07 of this subtitle for the purposes set forth in [subsection (c)] **SUBSECTIONS (C) AND (D)** of this section.

(C) (1) IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE SECRETARY:

(I) THE PROGRAM MAY REVIEW PRESCRIPTION MONITORING DATA FOR INDICATIONS OF POSSIBLE MISUSE OR ABUSE OF A MONITORED PRESCRIPTION DRUG; AND

(II) IF THE PROGRAM’S REVIEW OF PRESCRIPTION MONITORING DATA INDICATES POSSIBLE MISUSE OR ABUSE OF A MONITORED PRESCRIPTION DRUG, THE PROGRAM MAY REPORT THE POSSIBLE MISUSE OR ABUSE TO THE PRESCRIBER OR DISPENSER OF THE MONITORED PRESCRIPTION DRUG.

(2) BEFORE THE PROGRAM REPORTS THE POSSIBLE MISUSE OR ABUSE OF A MONITORED PRESCRIPTION DRUG TO A PRESCRIBER OR DISPENSER UNDER THIS SUBSECTION, THE PROGRAM SHALL OBTAIN FROM THE TECHNICAL ADVISORY COMMITTEE:

(I) CLINICAL GUIDANCE REGARDING INDICATIONS OF POSSIBLE MISUSE OR ABUSE; AND

(II) INTERPRETATION OF THE PRESCRIPTION MONITORING DATA THAT INDICATES POSSIBLE MISUSE OR ABUSE.

[(c)] (D) Before the Program discloses information under subsection (b)(3), (4), (5), (7), or (8) of this section, the technical advisory committee [to the Program] shall:

- (1) Review the requests for information;

(2) Provide clinical guidance and interpretation of the information requested to the Secretary to assist in the Secretary's decision on how to respond to a judicial subpoena, administrative subpoena, or other request; and

(3) Provide clinical guidance and interpretation of the information requested to the authorized recipient of the information.

[(d)] (E) Except as provided by regulations adopted by the Secretary, a person who receives prescription monitoring data from the Program may not disclose the data.

[(e)] (F) (1) In addition to the disclosures required under subsection (b) of this section, the Program may disclose prescription monitoring data for research, analysis, public reporting, and education:

(i) After redaction of all information that could identify a patient, prescriber, dispenser, or any other individual; and

(ii) In accordance with regulations adopted by the Secretary.

(2) The Secretary may require submission of an abstract explaining the scope and purpose of the research, analysis, public reporting, or education before disclosing prescription monitoring data under this subsection.

[(f)] (G) The Office of the Attorney General may seek appropriate injunctive or other relief to maintain the confidentiality of prescription monitoring data as required under this section.

[(g)] (H) The Program may provide prescription monitoring data to another state's prescription drug monitoring program only if the other state's prescription drug monitoring program agrees to use the prescription monitoring data in a manner consistent with the provisions of this subtitle.

[(h)] (I) The Program may:

(1) Request and receive prescription monitoring data from another state's prescription drug monitoring program and use the prescription monitoring data in a manner consistent with the provisions of this subtitle; and

(2) Develop the capability to transmit prescription monitoring data to and receive prescription monitoring data from other prescription drug monitoring programs employing the standards of interoperability.

[(i)] (J) The Program may enter into written agreements with other states' prescription drug monitoring programs for the purpose of establishing the terms and conditions for sharing prescription monitoring data under this section.

[(j)] (K) Prescription monitoring data may not be used as the basis for imposing clinical practice standards.

21–2A–07.

(a) There is a technical advisory committee to the Program.

(b) The purpose of the technical advisory committee is to **[review]**:

(1) REVIEW requests for information from the Program under § 21–2A–06(b)(3), (4), (5), (7), and (8) of this subtitle; **AND**

(2) PROVIDE CLINICAL GUIDANCE AND INTERPRETATION TO THE PROGRAM REGARDING INDICATIONS OF POSSIBLE MISUSE OR ABUSE OF A MONITORED PRESCRIPTION DRUG UNDER § 21–2A–06(C)(3) OF THIS SUBTITLE.

(c) The technical advisory committee consists of the following members, appointed by the Secretary:

(1) A board certified anesthesiologist licensed and practicing in the State, nominated by the Maryland Society of Anesthesiologists;

(2) A certified addiction medicine specialist licensed and practicing in the State, nominated by the Maryland Society for Addiction Medicine;

(3) A pharmacist licensed and practicing in the State;

(4) A medical professional, licensed and practicing in the State, who is treating cancer patients; and

(5) A board certified physician specializing in the treatment of patients with pain, licensed and practicing in the State, nominated by the Maryland Society of Physical Medicine and Rehabilitation.

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

Approved by the Governor, May 15, 2014.

Chapter 652

(House Bill 1317)

AN ACT concerning

Higher Education – Maryland Technology Internship Program

FOR the purpose of establishing the Maryland Technology Internship Program; establishing certain purposes of the Program; requiring ~~the Shriver Center located at~~ the University of Maryland, Baltimore County (UMBC) to administer the Program and, in collaboration with the Department of Business and Economic Development, undertake certain activities to carry out the purposes of the Program; establishing certain eligibility requirements for participation in the Program; requiring ~~the Shriver Center~~ UMBC to develop a process for tracking and assessing certain outcomes; requiring ~~the Shriver Center~~ UMBC to obtain feedback from Program participants at certain times; authorizing the use of certain awards to reimburse certain businesses for up to a certain percentage of the amount paid to an intern up to a certain amount; requiring ~~the Shriver Center~~ UMBC to prepare a certain annual report; requiring the Governor to make an appropriation in the State budget for a certain purpose; defining certain terms; and generally relating to the Maryland Technology Internship Program.

BY adding to

Article – Education

Section 18–3001 through 18–3010 to be under the new subtitle “Subtitle 30. Maryland Technology Internship Program”

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

SUBTITLE 30. MARYLAND TECHNOLOGY INTERNSHIP PROGRAM.

18–3001.

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

(B) “PROGRAM” MEANS THE MARYLAND TECHNOLOGY INTERNSHIP PROGRAM.

~~(C) “SHRIVER CENTER” MEANS THE SHRIVER CENTER LOCATED AT THE UNIVERSITY OF MARYLAND, BALTIMORE COUNTY.~~

~~(D)~~ (C) “TECHNOLOGY-BASED BUSINESS” MEANS A COMMERCIAL OR AN INDUSTRIAL ENTERPRISE ENGAGED IN THE APPLICATION OF SCIENTIFIC KNOWLEDGE TO PRACTICAL PURPOSES IN A PARTICULAR FIELD.

(D) “UMBC” MEANS THE UNIVERSITY OF MARYLAND, BALTIMORE COUNTY.

18-3002.

THERE IS A MARYLAND TECHNOLOGY INTERNSHIP PROGRAM.

18-3003.

THE PURPOSES OF THE PROGRAM ARE TO:

(1) CONNECT COLLEGE AND UNIVERSITY STUDENTS, RECENT GRADUATES, AND VETERANS WITH SMALL INNOVATIVE BUSINESSES IN THE HIGH-GROWTH TECHNOLOGY SECTOR THROUGH INTERNSHIPS;

(2) ENCOURAGE HIGH-ACHIEVING STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION IN THE STATE TO REMAIN IN THE STATE AFTER GRADUATION;

(3) INCREASE STUDENT UNDERSTANDING OF EMPLOYMENT OPPORTUNITIES IN THE STATE;

(4) CREATE CONNECTIONS BETWEEN STUDENTS AND COMMUNITY BUSINESS LEADERS AND ENTREPRENEURS AND DEVELOP OPPORTUNITIES FOR STUDENT INVOLVEMENT IN COMMUNITIES;

(5) ASSIST SMALL TECHNOLOGY-BASED BUSINESSES IN DEVELOPING INTERNSHIP PROGRAMS AND RECRUITING FUTURE EMPLOYEES; AND

(6) FOSTER BUSINESS RETENTION AND DEVELOPMENT, JOB CREATION, WORKFORCE DEVELOPMENT, AND NEW INVESTMENT IN THE STATE.

18-3004.

(A) ~~THE SHRIVER CENTER~~ UMBC SHALL ADMINISTER THE PROGRAM.

(B) TO CARRY OUT THE PURPOSES OF THE PROGRAM, ~~THE SHRIVER CENTER~~ UMBC, IN COLLABORATION WITH THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, SHALL:

(1) ESTABLISH AN INTERNET ~~PORTAL~~ SITE THROUGH WHICH:

(I) STUDENTS MAY ~~APPLY ONLINE TO BE MATCHED WITH~~ LEARN ABOUT TECHNOLOGY-BASED BUSINESSES AND INTERNSHIP OPPORTUNITIES; AND

(II) TECHNOLOGY-BASED BUSINESSES MAY REGISTER, POST INFORMATION ABOUT INTERNSHIP OPPORTUNITIES, AND APPLY FOR REIMBURSEMENT OF INTERNSHIP STIPENDS AS PROVIDED UNDER THIS SUBTITLE;

(2) DEVELOP APPLICATION AND REGISTRATION REQUIREMENTS;

(3) DEVELOP ORIENTATION AND TRAINING PROGRAMS FOR PARTICIPANTS IN THE PROGRAM;

(4) REVIEW APPLICATIONS AND AWARD REIMBURSEMENTS OF INTERNSHIP STIPENDS UNDER THIS SUBTITLE;

(5) PROVIDE OPPORTUNITIES FOR STUDENTS TO MEET ENTREPRENEURS AND VISIT TECHNOLOGY-RELATED INDUSTRY INCUBATORS AND LEARN ABOUT STARTING A BUSINESS IN THE STATE;

(6) PROVIDE RECRUITMENT AND TRAINING OPPORTUNITIES AND SUPPORT FOR PARTICIPATING BUSINESSES; AND

(7) TRACK AND ASSESS PROGRAM OUTCOMES.

18-3005.

TO QUALIFY FOR PARTICIPATION IN THE PROGRAM, AN INDIVIDUAL SHALL:

(1) (I) 1. BE A STUDENT ENROLLED AT ~~AN~~ A PUBLIC OR PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT POSSESSES A CERTIFICATE OF APPROVAL FROM THE COMMISSION; AND

2. MAINTAIN A CUMULATIVE 3.0 GRADE POINT AVERAGE ON A 4.0 SCALE EACH ACADEMIC YEAR;

(II) 1. WITHIN 12 MONTHS BEFORE THE DATE OF APPLICATION FOR THE PROGRAM, HAVE GRADUATED FROM ~~AN~~ A PUBLIC OR

PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT POSSESSES A CERTIFICATE OF APPROVAL FROM THE COMMISSION; AND

2. HAVE MAINTAINED A CUMULATIVE 3.0 GRADE POINT AVERAGE ON A 4.0 SCALE DURING THE LATEST ACADEMIC YEAR THE INDIVIDUAL WAS ENROLLED AS A STUDENT; ~~OR~~

(III) 1. BE A STUDENT ENROLLED AT ~~AN~~ A PUBLIC OR PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION OUTSIDE THE STATE, IF THE STUDENT GRADUATED FROM A HIGH SCHOOL IN THE STATE; AND

2. MAINTAIN A CUMULATIVE 3.0 GRADE POINT AVERAGE ON A 4.0 SCALE EACH ACADEMIC YEAR; OR

(IV) 1. ~~BE A VETERAN~~ HAVE BEEN HONORABLY DISCHARGED FROM THE UNITED STATES ARMED FORCES, THE NATIONAL GUARD, OR A RESERVE COMPONENT OF THE UNITED STATES ARMED FORCES WITHIN 18 MONTHS OF THE DATE OF APPLICATION;

2. BE A RESIDENT OF MARYLAND; AND

3. HAVE GRADUATED FROM A ~~2-YEAR OR 4-YEAR~~ PUBLIC OR PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION;

(2) COMMIT TO WORKING ~~AT LEAST 10 HOURS EACH WEEK OR A TOTAL~~ A MINIMUM OF 120 HOURS DURING A SPRING, FALL, OR SUMMER SEMESTER;

(3) ATTEND AN ORIENTATION SESSION PROVIDED OR APPROVED BY ~~THE SHRIVER CENTER~~ UMBC; AND

(4) MEET ANY OTHER CRITERIA ESTABLISHED BY ~~THE SHRIVER CENTER~~ UMBC.

18-3006.

TO QUALIFY FOR PARTICIPATION IN THE PROGRAM, A BUSINESS SHALL:

- (1) BE LOCATED IN THE STATE;
- (2) BE A TECHNOLOGY-BASED BUSINESS;
- (3) HAVE NOT MORE THAN 150 EMPLOYEES;

(4) COMMIT TO HOSTING AN INTERN FOR ~~AT LEAST 10 HOURS EACH WEEK OR A TOTAL~~ A MINIMUM OF 120 HOURS DURING A SPRING, FALL, OR SUMMER SEMESTER;

(5) PROVIDE A DETAILED DESCRIPTION OF AN INTERN POSITION WITH THE BUSINESS; AND

(6) PROVIDE PROOF THAT A REPRESENTATIVE HAS ATTENDED AN ORIENTATION OR TRAINING PROGRAM PROVIDED OR APPROVED BY ~~THE SHRIVER CENTER~~ UMBC.

18-3007.

(A) ~~THE SHRIVER CENTER~~ UMBC SHALL DEVELOP A PROCESS FOR TRACKING AND ASSESSING THE OUTCOMES OF THE PROGRAM, INCLUDING:

(1) THE TOTAL NUMBER OF INDIVIDUALS AND BUSINESSES PARTICIPATING IN THE PROGRAM;

(2) THE LOCATIONS OF PARTICIPATING BUSINESSES;

(3) THE NUMBER OF PARTICIPATING STUDENTS REMAINING IN THE STATE AFTER GRADUATION;

(4) THE NUMBER OF EMPLOYEE HIRES RESULTING FROM INTERNSHIPS;

(5) THE EFFECT OF THE PROGRAM ON STUDENT UNDERSTANDING OF OPPORTUNITIES FOR ENTREPRENEURS AND SMALL BUSINESSES IN THE STATE;

(6) STUDENT SKILL GROWTH RESULTING FROM INTERNSHIP EXPERIENCES;

(7) BUSINESS GROWTH OR IMPROVEMENT RESULTING FROM INTERNSHIPS; AND

(8) THE EFFECT OF THE PROGRAM ON RELATIONSHIPS BETWEEN BUSINESSES AND INSTITUTIONS OF HIGHER EDUCATION IN THE STATE.

(B) ~~THE SHRIVER CENTER~~ UMBC SHALL OBTAIN FEEDBACK FROM PROGRAM PARTICIPANTS:

- (1) AT THE CONCLUSION OF ANY ORIENTATION OR TRAINING PROGRAM;
- (2) AT THE CONCLUSION OF EACH INTERNSHIP; AND
- (3) AT THE FOLLOWING INTERVALS AFTER THE CONCLUSION OF EACH INTERNSHIP:
 - (I) 3 MONTHS;
 - (II) 6 MONTHS;
 - (III) 1 YEAR;
 - (IV) 2 YEARS; AND
 - (V) 3 YEARS.

18-3008.**MONEY AWARDED UNDER THIS SUBTITLE:**

- (1) MAY BE USED TO REIMBURSE A TECHNOLOGY-BASED BUSINESS UP TO 50% OF A STIPEND PAID TO AN INTERN, BUT NOT MORE THAN:
 - (I) \$1,800 FOR THE FIRST SEMESTER; AND
 - (II) \$1,200 FOR THE SECOND SEMESTER; AND
- (2) MAY TOTAL NOT MORE THAN \$3,000 EACH YEAR FOR EACH ~~BUSINESS~~ INTERN.

18-3009.

(A) AT THE END OF EACH FISCAL YEAR, ~~THE SHRIVER CENTER~~ UMBC SHALL PREPARE AN ANNUAL REPORT ~~OF THE FUND~~ THAT INCLUDES AN ACCOUNTING OF ALL FINANCIAL RECEIPTS AND EXPENDITURES THAT RELATE TO THE PROGRAM.

(B) ~~THE SHRIVER CENTER~~ UMBC SHALL SUBMIT A COPY OF THE REPORT TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

18-3010.

THE GOVERNOR ANNUALLY SHALL INCLUDE FUNDS IN THE STATE BUDGET FOR:

(1) THE REIMBURSEMENT OF INTERNSHIP STIPENDS UNDER THIS SUBTITLE; AND

(2) ~~THE SHRIVER CENTER~~ UMBC TO ADMINISTER THE PROGRAM.

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

Approved by the Governor, May 15, 2014.

Chapter 653

(House Bill 1332)

AN ACT concerning

Task Force to Study Sports Injuries in High School Female Athletes

FOR the purpose of establishing the Task Force to Study Sports Injuries in High School Female Athletes; 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 study and make recommendations regarding certain matters; requiring the Task Force to submit certain reports on its findings and recommendations to the Governor and the General Assembly on or before certain dates; providing for the termination of this Act; and generally relating to the Task Force to Study Sports Injuries in High School Female Athletes.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Task Force to Study Sports Injuries in High School Female Athletes.

(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) one representative of the State Board of Education with experience related to high school sports programs, appointed by the chair of the State Board;

(4) one representative of the Department of Health and Mental Hygiene with experience related to sports injuries or adolescent health, appointed by the Secretary of Health and Mental Hygiene; and

(5) the following members, appointed by the Governor:

(i) one athletic trainer employed by a high school who is a member of the National Athletic Trainers Association;

(ii) one orthopedic physician with experience in adolescent female anterior cruciate ligament (ACL) injuries;

(iii) one orthopedic physician with expertise in adolescent female orthopedic ankle or shoulder injuries;

(iv) one physician with expertise in adolescent female concussion injuries;

(v) one pediatrician with expertise in adolescent female health;

(vi) one epidemiologist with expertise in adolescent female sports injuries;

~~(vii)~~ (vii) one physical therapist with expertise in treating ligamentous knee and orthopedic ankle injuries in adolescent female athletes;

~~(viii)~~ (viii) one female varsity member of a high school soccer, lacrosse, or basketball team who incurred an ACL injury while participating in a team sport;

~~(ix)~~ (ix) one high school athletic director with experience coaching high school female athletes;

(x) one individual employed by an intercollegiate athletic department at an institution of higher education in the State;

~~(xi)~~ (xi) one coach of a high school girls' lacrosse team;

~~(xii)~~ (xii) one coach of a high school girls' soccer team; and

~~(xiii)~~ (xiii) one coach of a high school girls' basketball team.

- (c) The Governor shall designate the chair of the Task Force.
- (d) The State Department 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 shall:
 - (1) review recent medical research regarding the nature and risks of sports injuries incurred by high school female athletes, including concussions, ACL injuries, shoulder injuries, and orthopedic ankle injuries;
 - (2) report on the rate of sports injuries incurred by high school female athletes compared to high school male athletes in the State;
 - (3) study effective methods of reducing sports injuries incurred by high school female athletes, including implementation of preventive measures such as conditioning exercises and the use of protective equipment;
 - (4) establish protocols and standards for clearing a female athlete to return to play following an injury, including treatment plans for such athletes;
 - (5) review statutes and regulations from other states regarding high school programs designed to prevent the higher rate of injury of female athletes compared to male athletes;
 - (6) study whether the State Department of Education should develop statutory or regulatory requirements for high school female athletic programs for the prevention of injuries; and
 - (7) make recommendations regarding injury prevention, including whether high schools in the State should adopt policies that:
 - (i) limit the frequency and duration of practice;
 - (ii) restrict athletic maneuvers that endanger adolescent females, such as heading a soccer ball;
 - (iii) promote a warm-up program consisting of specific neuromuscular and proprioceptive training techniques, such as the Prevent Injury and Enhance Performance Program (PEP); and

(iv) require the use of additional protective equipment for female athletes.

(g) (1) On or before December 31, 2014, the Task Force shall submit an interim report on its findings and recommendations to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

(2) On or before December 1, 2015, the Task Force shall submit a final report on 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, 2014. It shall remain effective for a period of 1 year and 6 months and, at the end of December 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 15, 2014.

Chapter 654

(House Bill 1352)

AN ACT concerning

Secretary of State and Attorney General – Charitable Enforcement and Protection of Charitable Assets

FOR the purpose of authorizing the Attorney General to take certain actions relating to investigations of alleged violations of laws relating to charitable organizations and charitable representatives; repealing the authority of a designee of the Secretary of State to investigate certain violations; repealing certain authority for the legal counsel for the Office of the Secretary of State to administer oaths and examine an individual under oath; providing that a failure of the Attorney General to enforce a certain violation does not constitute a waiver of certain provisions or rights; altering the permissible circuit courts in which the Attorney General may sue for a certain order; adding the issuance of a cease and desist order by the Attorney General to the circumstances in which a person may request a certain hearing; authorizing the Attorney General to make reciprocal agreements with other states for certain purposes; establishing the Charitable Enforcement Fund as a special, nonlapsing fund in the Office of the Secretary of State; specifying the purpose of the Fund; requiring the Secretary of State 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 for which the Fund may be used; providing

for ~~the investment of money in and~~ expenditures from the Fund; ~~providing that a certain provision of law does not apply to the Fund~~; repealing requirements for certain written consent; altering certain fees; requiring certain amounts of certain fees to be distributed to the Fund for a certain use; expanding the types of advertising the broadcaster, publisher, or printer of which is not liable for a certain violation, except under certain circumstances; prohibiting a person from taking certain actions against an individual because the individual provided certain information to certain persons; requiring the Attorney General to represent the public interest in the protection of charitable assets; authorizing the Attorney General to take certain actions relating to charitable assets; authorizing the Secretary of State ~~or~~ and the Attorney General to enter into a settlement agreement under certain circumstances; authorizing the Attorney General to sue in a circuit court for a certain order; providing that certain remedies are in addition to and do not limit certain powers and duties of the Secretary of State and the Attorney General; providing that a certain enforcement action or other remedy is subject to certain immunity or limitation on liability; requiring that an action to enforce certain provisions of this Act be brought within a certain period of time; requiring the Secretary of State and the Attorney General, on or before a certain date, to convene a certain workgroup, composed of certain representatives, and to submit certain reports to the Governor and the General Assembly; requiring the Secretary of State and the Attorney General to review, make recommendations, and submit certain reports, on or before certain dates, on charitable organizations that fail to pay a certain fee or file a certain report; declaring the intent of the General Assembly that certain fee increases be used for certain purposes; providing for the effective dates of this Act; defining certain terms; making stylistic and conforming changes; clarifying language; and generally relating to the powers and duties of the Secretary of State and the Attorney General for charitable enforcement and protection of charitable assets.

BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 6–205 and 6–206 to be under the amended subtitle “Subtitle 2. Powers and Duties of the Secretary of State and the Attorney General”; 6–302, 6–402(b), 6–407(b), 6–5A–02, and 6–621

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY adding to

Article – Business Regulation

Section 6–2A–01 to be under the new subtitle “Subtitle 2A. Charitable Enforcement Fund”; 6–407(d), 6–622; and 6.5–101 through ~~6.5–103~~ ~~6.5–104~~ 6.5–105 to be under the new title “Title 6.5. Protection of Charitable Assets”

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,
Article – Business Regulation
Section 6–402(a) and 6–407(a)
Annotated Code of Maryland
(2010 Replacement 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)~~

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

Article – Business Regulation

Subtitle 2. Powers and Duties of the Secretary of State AND THE ATTORNEY GENERAL.

6–205.

(a) (1) The Secretary of State or the [Secretary's designee] **ATTORNEY GENERAL** may investigate an alleged violation of this title.

(2) (i) In the course of any examination, investigation, or hearing, the Secretary of State **OR THE ATTORNEY GENERAL** may subpoena witnesses, administer oaths, examine an individual under oath, serve written interrogatories, and compel production of records, books, papers, and other documents.

(ii) [In the course of any examination, investigation, or hearing, the legal counsel for the Office of the Secretary of State may administer oaths and examine an individual under oath.

(iii)] Information obtained under this subsection is not admissible in a subsequent criminal proceeding against the person who provided the information.

(b) If the Secretary of State **OR THE ATTORNEY GENERAL** finds or has reasonable grounds to believe that a charitable organization, charitable representative, or public safety solicitor has violated this title, the Secretary of State **OR THE ATTORNEY GENERAL** may take [1] ONE or more of the following actions:

(1) by mediation with the apparent violators and any representatives they may choose to assist them, enter into a written assurance of discontinuance, written assurance of voluntary compliance, or other settlement agreement with the apparent violators, in accordance with subsection (c) of this section;

(2) summarily issue a cease and desist order to the violator, if the Secretary of State **OR THE ATTORNEY GENERAL**:

(i) finds that this title has been violated and that the public health, safety, or welfare requires emergency action; and

(ii) gives the violator written notice of the order, the reasons for the order, and the right of the violator to request a hearing under subsection (g) of this section; or

(3) refer the matter to[:

(i) the Attorney General for civil enforcement; or

(ii)] the appropriate State's Attorney for prosecution.

(c) A settlement agreement under subsection (b)(1) of this section may include one or more of the following stipulations or conditions:

(1) payment by the apparent violator of the cost of the investigation;

(2) payment by the apparent violator of civil penalties a court could order under this title;

(3) payment by the apparent violator of refunds to donors a court could order under this title;

(4) payment by the apparent violator of contributions received to charitable or public safety beneficiaries or for charitable or public safety purposes consistent with the beneficiaries named or purposes represented in the charitable or public safety solicitations which generated the contributions; or

(5) any other stipulation, condition, or remedy that will correct a violation of this title.

(d) An agreement under this section is for conciliation purposes only and does not constitute an admission by any party that the law has been violated.

(e) (1) It is a violation of this title to fail to adhere to any provision contained in a settlement agreement.

(2) A failure of the Secretary of State **OR THE ATTORNEY GENERAL** to enforce a violation of any provision of a settlement agreement does not constitute a waiver of that or any other provision, or of any right of the Secretary of State **OR THE ATTORNEY GENERAL**.

(f) [On referral by the Secretary of State, the] **THE** Attorney General may sue in the [Circuit Court for Anne Arundel County] **CIRCUIT COURT FOR THE COUNTY IN WHICH THE ALLEGED VIOLATION OCCURRED** for an order that:

(1) restrains further violation of this title;

(2) restrains the defendant from making further charitable or public safety solicitations in the State;

(3) except as provided under § 6–5A–11 of this title, recovers for the State a civil penalty not to exceed \$5,000 for each willful violation of this title;

(4) except as provided under § 6–5A–11 of this title, recovers for the State a civil penalty not to exceed \$3,000 for each grossly negligent violation of this title;

(5) enforces compliance with this title; or

(6) secures any other appropriate relief, including:

(i) refunds to donors; and

(ii) payment of the charitable or public safety contributions received by the solicitor to charitable or public safety purposes or beneficiaries consistent with the purposes represented or beneficiaries named in the charitable or public safety solicitations which generated the contributions.

(g) (1) If the Secretary of State **OR THE ATTORNEY GENERAL** issues a cease and desist order to a person, the person may request a hearing from the Secretary of State.

(2) Within 30 days after a request is submitted, the Secretary of State shall hold a hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

6-206.

The Secretary of State **OR THE ATTORNEY GENERAL** may make reciprocal agreements with other states to:

(1) exchange information about charitable organizations or charitable representatives; or

(2) accept substantially similar information submitted to those states by charitable organizations or charitable representatives instead of the information required to be submitted under this title.

SUBTITLE 2A. CHARITABLE ENFORCEMENT FUND.

6-2A-01.

(A) IN THIS SUBTITLE, "FUND" MEANS THE CHARITABLE ENFORCEMENT FUND.

(B) THERE IS A CHARITABLE ENFORCEMENT FUND IN THE OFFICE OF THE SECRETARY OF STATE.

(C) THE PURPOSE OF THE FUND IS TO SUPPORT THE ACTIONS OF THE SECRETARY OF STATE AND THE ATTORNEY GENERAL IN ADMINISTERING AND ENFORCING THIS TITLE AND TITLE 6.5 OF THIS ARTICLE.

(D) THE SECRETARY OF STATE SHALL ADMINISTER THE FUND.

(E) (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.

(F) THE FUND CONSISTS OF:

(1) REVENUE DISTRIBUTED TO THE FUND UNDER §§ 6-302 AND 6-407 OF THIS TITLE;

(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

~~(3) INVESTMENT EARNINGS; AND~~

~~(4)~~ (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(G) THE FUND MAY BE USED ONLY TO SUPPORT THE ACTIONS OF THE SECRETARY OF STATE AND THE ATTORNEY GENERAL IN CARRYING OUT THE DUTIES OF THE SECRETARY OF STATE AND THE ATTORNEY GENERAL UNDER THIS TITLE AND TITLE 6.5 OF THIS ARTICLE.

(H) ~~(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.~~

(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

6–302.

(a) An applicant for registration as a professional solicitor or fund-raising counsel shall:

(1) submit to the Secretary of State an application under oath on the form that the Secretary of State provides;

(2) [consent in writing to the jurisdiction and venue of the Circuit Court for Anne Arundel County in actions brought under this title;

(3)] pay to the Secretary of State an application fee of:

(i) [\$200] **\$250** for registration as a fund-raising counsel; or

(ii) [\$300] **\$350** for registration as a professional solicitor;

and

~~(4)~~ (3) (i) certify that all taxes due from the applicant to the State or to Baltimore City or a county of the State during the preceding fiscal year have been paid, and all taxes the applicant was required to collect and pay over to the State or to Baltimore City or a county of the State during the preceding fiscal year have been collected and paid over; or

(ii) certify that the taxes due from the applicant to the State or to Baltimore City or a county are under dispute and the dispute has not been finally resolved.

(b) (1) An applicant for registration as a fund-raising counsel may register and pay a single application fee of [~~\$200~~] **\$250** to cover all of the applicant's officers, agents, members, and employees who work in fund-raising, if the applicant lists in the application the name and address of each of them.

(2) An applicant for registration as a professional solicitor may register and pay a single application fee of [~~\$300~~] **\$350** to cover all of the applicant's officers, agents, members, associate solicitors, and employees who work in fund-raising, if the applicant:

(i) lists in the application the name of each current officer, agent, member, associate solicitor, and employee who works in fund-raising; and

(ii) submits to the Secretary of State the name of each person within 10 days after the person starts employment.

(C) OF THE REVENUES COLLECTED FROM THE APPLICATION FEES UNDER SUBSECTIONS (A)(2) AND (B)(1) AND (2) OF THIS SECTION, \$50 OF THE APPLICATION FEE PAID BY EACH FUND-RAISING COUNSEL AND PROFESSIONAL SOLICITOR SHALL BE DISTRIBUTED TO THE CHARITABLE ENFORCEMENT FUND UNDER SUBTITLE 2A OF THIS TITLE, TO BE USED ONLY TO SUPPORT THE ACTIONS OF THE SECRETARY OF STATE AND THE ATTORNEY GENERAL IN CARRYING OUT THE DUTIES OF THE SECRETARY OF STATE AND THE ATTORNEY GENERAL UNDER THIS TITLE AND TITLE 6.5 OF THIS ARTICLE.

6-402.

(a) A registration statement shall be on the form that the Secretary of State provides.

(b) Except as provided in subsection (c) of this section, the registration statement shall contain or be accompanied by:

(1) the name and address of the charitable organization and of any affiliate, branch, or chapter in the State;

(2) the name and address of:

(i) each officer, including each principal salaried executive staff officer, and each other person with final responsibility for the custody and final distribution of the charitable contributions made to the charitable organization; or

(ii) each person who has custody of the financial records of the charitable organization if the charitable organization does not have a local office in the State;

(3) a statement of:

(i) the purposes for which the charitable organization was organized;

(ii) the purposes for which charitable contributions will be used;
and

(iii) whether the charitable organization intends to solicit directly or to have a professional solicitor or fund-raising counsel solicit charitable contributions on its behalf;

(4) [consent in writing to the jurisdiction and venue of the Circuit Court for Anne Arundel County in actions brought under this title;

(5)] a copy of the articles of incorporation or other governing instrument of the charitable organization;

[(6)] (5) a copy of a letter from the Internal Revenue Service, or other evidence, showing the tax-exempt status of the charitable organization;

[(7)] (6) (i) a copy of federal Form 990 that the charitable organization submits to the Internal Revenue Service; or

(ii) information that the charitable organization states on a form that the Secretary of State provides;

[(8)] (7) (i) an audit by an independent certified public accountant if the gross income from charitable contributions in the most recently completed fiscal year is at least \$500,000; or

(ii) a review by an independent certified public accountant if the gross income from charitable contributions in the most recently completed fiscal year is at least \$200,000 but less than \$500,000;

[(9)] (8) an affidavit signed by the chairman, president, or other principal officer attesting to the truth of the registration statement and each supporting document;

[(10)] (9) (i) a certification that all taxes due from the applicant to the State or to Baltimore City or a county of the State for the preceding fiscal year have been paid, and all taxes the applicant was required to collect and pay over to the

State or to Baltimore City or a county of the State for the preceding fiscal year have been collected and paid over; or

(ii) a certification that the taxes due from the applicant to the State or to Baltimore City or a county are under dispute and the dispute has not been finally resolved; and

[(11)] (10) any other information that the Secretary of State requires by regulation.

6-407.

(a) A charitable organization that collects less than \$25,000 in charitable contributions from the public in a year need not pay an annual fee, except that, if the charitable organization uses a professional solicitor, it shall pay an annual fee of \$50.

(b) (1) Each charitable organization that submits a separate registration statement and collects at least \$25,000 in charitable contributions from the public in a year shall pay an annual fee based on the charitable contributions collected.

(2) The annual fee shall be:

(i) \$50, if charitable contributions from the public are at least \$25,000 but less than \$50,001;

(ii) \$75, if charitable contributions from the public are at least \$50,001 but less than \$75,001;

(iii) \$100, if charitable contributions from the public are at least \$75,001 but less than \$100,001; [and]

(iv) \$200, if charitable contributions from the public are at least \$100,001 **BUT LESS THAN \$500,001**; AND

(v) **\$300, IF CHARITABLE CONTRIBUTIONS FROM THE PUBLIC ARE AT LEAST \$500,001.**

(D) OF THE REVENUES COLLECTED FROM THE ANNUAL FEE UNDER SUBSECTION (B)(2)(V) OF THIS SECTION, \$100 OF THE ANNUAL FEE PAID BY EACH CHARITABLE ORGANIZATION SHALL BE DISTRIBUTED TO THE CHARITABLE ENFORCEMENT FUND UNDER SUBTITLE 2A OF THIS TITLE, TO BE USED ONLY TO SUPPORT THE ACTIONS OF THE SECRETARY OF STATE AND THE ATTORNEY GENERAL IN CARRYING OUT THE DUTIES OF THE SECRETARY OF STATE AND THE ATTORNEY GENERAL UNDER THIS TITLE AND TITLE 6.5 OF THIS ARTICLE.

6-5A-02.

An applicant for registration as a public safety solicitor shall:

(1) submit to the Secretary of State an application under oath on the form the Secretary of State provides for each public safety organization on whose behalf the applicant is soliciting in the State;

(2) [consent in writing to the jurisdiction and venue of the Circuit Court for Anne Arundel County in actions brought under this title;

(3)] pay to the Secretary of State an application fee of \$100 for registration as a public safety solicitor;

[(4)] (3) (i) certify that all taxes due from the applicant to the State or to Baltimore City or a county of the State during the preceding fiscal year have been paid, and all taxes the applicant was required to collect and pay over to the State or to Baltimore City or a county of the State during the preceding fiscal year have been collected and paid over; or

(ii) certify that the taxes due from the applicant to the State or to Baltimore City or a county are under dispute and the dispute has not been finally resolved; and

[(5)] (4) provide any other nonproprietary information that the Secretary of State requires by regulation.

6-621.

A television or radio broadcasting station or a publisher or printer of a newspaper, magazine, **WEB SITE**, or other form of [printed] advertising that broadcasts, publishes, or prints a charitable solicitation that violates this title is not liable for the violation, unless the station, publisher, or printer has knowledge that the charitable solicitation violates this title.

6-622.

A PERSON MAY NOT KNOWINGLY, WITH THE INTENT TO RETALIATE, TAKE ANY ACTION HARMFUL TO ANY INDIVIDUAL, INCLUDING INTERFERENCE WITH THE LAWFUL EMPLOYMENT OR LIVELIHOOD OF THE INDIVIDUAL, BECAUSE THE INDIVIDUAL PROVIDED TO A LAW ENFORCEMENT OFFICER, THE SECRETARY OF STATE, OR THE ATTORNEY GENERAL ANY TRUTHFUL INFORMATION RELATING TO THE COMMISSION OR POSSIBLE COMMISSION OF ANY FEDERAL OR STATE OFFENSE.

TITLE 6.5. PROTECTION OF CHARITABLE ASSETS.

6.5-101.

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

(B) (1) "CHARITABLE ASSET" MEANS PROPERTY THAT IS GIVEN, RECEIVED, OR HELD FOR A CHARITABLE PURPOSE, INCLUDING ALL INTEREST IN:

(I) REAL PROPERTY; OR

(II) TANGIBLE OR INTANGIBLE PERSONAL PROPERTY.

(2) "CHARITABLE ASSET" INCLUDES:

(I) CASH;

(II) REMAINDER INTERESTS;

(III) CONSERVATION OR PRESERVATION EASEMENTS OR RESTRICTIONS; AND

(IV) CHARITABLE CONTRIBUTIONS.

(3) "CHARITABLE ASSET" DOES NOT INCLUDE PROPERTY ACQUIRED OR HELD FOR A FOR-PROFIT PURPOSE.

(C) "CHARITABLE PURPOSE" MEANS THE RELIEF OF POVERTY, THE ADVANCEMENT OF EDUCATION OR RELIGION, THE PROMOTION OF HEALTH, THE PROMOTION OF A GOVERNMENTAL PURPOSE, OR ANY OTHER PURPOSE WHOSE ACHIEVEMENT IS BENEFICIAL TO THE COMMUNITY.

6.5-102.

(A) THE ATTORNEY GENERAL SHALL REPRESENT THE PUBLIC INTEREST IN THE PROTECTION OF CHARITABLE ASSETS AND MAY:

(1) ENFORCE THE APPLICATION OF A CHARITABLE ASSET IN ACCORDANCE WITH:

(I) THE LAW AND TERMS GOVERNING THE USE, MANAGEMENT, INVESTMENT, DISTRIBUTION, AND EXPENDITURE OF THE CHARITABLE ASSET; AND

(II) THE CHARITABLE PURPOSE OF THE PERSON HOLDING THE CHARITABLE ASSET;

(2) ACT TO PREVENT OR REMEDY:

(I) THE MISAPPLICATION, DIVERSION, OR WASTE OF A CHARITABLE ASSET; OR

(II) A BREACH OF FIDUCIARY OR OTHER LEGAL DUTY IN THE GOVERNANCE, MANAGEMENT, OR ADMINISTRATION OF A CHARITABLE ASSET; AND

(3) COMMENCE OR INTERVENE IN AN ACTION TO:

(I) PREVENT, REMEDY, OR OBTAIN DAMAGES FOR:

1. THE MISAPPLICATION, DIVERSION, OR WASTE OF A CHARITABLE ASSET; OR

2. A BREACH OF FIDUCIARY OR OTHER LEGAL DUTY IN THE GOVERNANCE, MANAGEMENT, OR ADMINISTRATION OF A CHARITABLE ASSET;

(II) ENFORCE THIS TITLE; OR

(III) DETERMINE THAT AN ASSET IS A CHARITABLE ASSET.

(B) IF THE ATTORNEY GENERAL HAS REASON TO BELIEVE AN INVESTIGATION IS NECESSARY TO DETERMINE WHETHER ACTION MAY BE ADVISABLE UNDER THIS SECTION, THE ATTORNEY GENERAL MAY CONDUCT AN INVESTIGATION, INCLUDING EXERCISING SUBPOENA POWER.

6.5-103.

(A) IF THE SECRETARY OF STATE ~~OR~~ AND THE ATTORNEY GENERAL ~~FINDS FIND~~ OR ~~HAS HAVE~~ REASONABLE GROUNDS TO BELIEVE THAT A ~~CHARITABLE ORGANIZATION, CHARITABLE REPRESENTATIVE, OR PUBLIC SAFETY SOLICITOR~~ PERSON HAS MISAPPLIED, DIVERTED, OR WASTED A CHARITABLE ASSET OR BREACHED A FIDUCIARY OR OTHER LEGAL DUTY IN THE GOVERNANCE, MANAGEMENT, OR ADMINISTRATION OF A CHARITABLE ASSET, THE SECRETARY OF STATE ~~OR~~ AND THE ATTORNEY GENERAL MAY ENTER INTO A SETTLEMENT AGREEMENT THAT INCLUDES:

(1) PAYMENT BY THE RESPONSIBLE PARTY OF THE VALUE BY WHICH THE CHARITABLE ASSET HAS BEEN DIMINISHED; OR

(2) TRANSFER OF THE CHARITABLE ASSET TO ANOTHER CHARITABLE ORGANIZATION CONSISTENT WITH THE CHARITABLE ASSET'S CHARITABLE PURPOSE.

(B) THE ATTORNEY GENERAL MAY SUE IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE ALLEGED VIOLATION OCCURRED FOR AN ORDER THAT:

(1) RESTRAINS THE RESPONSIBLE PARTY FROM MISAPPLYING, DIVERTING, OR WASTING A CHARITABLE ASSET IN THE STATE; AND

(2) SECURES:

(I) PAYMENT OF THE VALUE BY WHICH THE CHARITABLE ASSET HAS BEEN DIMINISHED; OR

(II) TRANSFER OF THE CHARITABLE ASSET TO ANOTHER CHARITABLE ORGANIZATION CONSISTENT WITH THE CHARITABLE ASSET'S CHARITABLE PURPOSE.

(C) THE REMEDIES UNDER THIS SECTION ARE IN ADDITION TO AND DO NOT LIMIT THE POWERS AND DUTIES OF THE SECRETARY OF STATE AND THE ATTORNEY GENERAL UNDER § 6-205 OF THIS ARTICLE OR § 6.5-102 OF THIS TITLE.

6.5-104.

ANY ACTION OR OTHER REMEDY ENFORCING THIS TITLE IS SUBJECT TO ANY IMMUNITY OR LIMITATION ON LIABILITY AVAILABLE UNDER STATE OR FEDERAL LAW OR AT COMMON LAW.

6.5-105.

AN ACTION TO ENFORCE THIS TITLE SHALL BE BROUGHT WITHIN 3 YEARS AFTER THE ALLEGED VIOLATION OCCURRED.

~~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, not 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 CHARITABLE ENFORCEMENT FUND.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before July 1, 2014, the Secretary of State and the Attorney General, or their designees, shall jointly convene and cochair a workgroup to study:

(1) the information that should be reported to the Secretary of State by charitable organizations, charitable representatives, and fund-raising counsel; and

(2) how the information specified in item (1) of this subsection:

(i) can be most effectively and efficiently collected without imposing an unnecessary burden on those subject to reporting; and

(ii) should be shared within and among government agencies or made publicly available to promote the goals of:

1. protecting the public from unscrupulous solicitations and fraud; and

2. facilitating the prevention and correction of any misuse or misapplication of charitable assets.

(b) The workgroup shall include representatives of:

(1) associations of foundations, nonprofit organizations, and professional fund-raisers and fund-raising counsels in the State;

(2) the federal Internal Revenue Service;

(3) the National Association of State Charities Officials;

(4) the Maryland State Bar Association;

- (5) the Maryland Association of Certified Public Accountants; and
- (6) the general public.

(c) The Secretary of State and the Attorney General shall submit an interim report on the workgroup study, including any findings and recommendations, to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on or before December 1, 2014, and a final report on or before July 1, 2015.

SECTION 3. AND BE IT FURTHER ENACTED, That the Secretary of State and the Attorney General jointly shall:

- (1) review the number of and penalties imposed on charitable organizations that fail to pay an annual fee or file an annual report;
- (2) make recommendations for ways to bring the charitable organizations that fail to pay an annual fee or file an annual report into compliance; and
- (3) submit an interim report on or before December 1, 2014, and a final report on or before December 1, 2015, to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly regarding their findings and recommendations.

SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the increase in fees for registration as a professional solicitor or fund-raising counsel and the increase in the annual fee for a charitable organization required under Section 1 of this Act be used to provide additional resources, including personnel and information technology, for administration and enforcement of Title 6 and Title 6.5 of the Business Regulation Article, as enacted by this Act.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this Act shall take effect June 1, 2014.

SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That, except as provided in Section ~~4~~ 5 of this Act, this Act shall take effect October 1, 2014.

Approved by the Governor, May 15, 2014.

Chapter 655

(House Bill 1406)

AN ACT concerning

Election Law – Signed Voting Authority Cards – Maintenance

FOR the purpose of requiring each local board of elections to maintain voting authority cards that have been signed under a certain provision of law ~~to be maintained~~ for a certain period of time and in a certain manner; and generally relating to the maintenance of signed voting authority cards.

BY repealing and reenacting, with amendments,
Article – Election Law
Section 2–106
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 – Election Law

2–106.

(a) **(1)** [The] **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE** State Board and each local board shall maintain and dispose of its public records in accordance with the program for records management adopted by the State Board under Title 10, Subtitle 6, Part IV of the State Government Article.

(2) ~~VOTING~~ EACH LOCAL BOARD SHALL MAINTAIN VOTING AUTHORITY CARDS THAT HAVE BEEN SIGNED UNDER § 10–310(A)(6) OF THIS ARTICLE SHALL BE MAINTAINED FOR 48 MONTHS **3 YEARS BY:**

(I) PHYSICALLY STORING THE VOTING AUTHORITY CARDS;
OR

(II) ELECTRONICALLY SCANNING AND STORING THE VOTING AUTHORITY CARDS IN THE SAME MANNER THAT THE LOCAL BOARD STORES OTHER ELECTRONIC MATERIALS.

(b) If produced and proved by a representative of the applicable board, a copy of a public record that is certified by and kept under the seal of the principal administrative officer of that board shall be evidence in any court to the same extent as the original record.

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

Approved by the Governor, May 15, 2014.

Chapter 656

(House Bill 1430)

AN ACT concerning

**Health – State Children’s Environmental Health and Protection Advisory
Council – Composition**

FOR the purpose of altering the composition of the State Children’s Environmental Health and Protection Advisory Council; increasing the number of members of the Advisory Council; and generally relating to the State Children’s Environmental Health and Protection Advisory Council.

BY repealing and reenacting, without amendments,
Article – Health – General
Section 13–1503
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 13–1504
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

13–1503.

There is a State Children’s Environmental Health and Protection Advisory Council.

13–1504.

(a) (1) The Advisory Council shall be composed of [18] **19** members as follows:

(i) One member of the Senate of Maryland, appointed by the President of the Senate;

- (ii) One member of the House of Delegates, appointed by the Speaker of the House;
- (iii) The Secretary of Health and Mental Hygiene, or the Secretary's designee;
- (iv) The Secretary of the Environment, or the Secretary's designee;
- (v) The Secretary of Agriculture, or the Secretary's designee;
- (vi) The Secretary of Education, or the Secretary's designee;
- (vii) The Secretary of Human Resources, or the Secretary's designee;
- (viii) The Secretary of Housing and Community Development, or the Secretary's designee;
- (ix) The Special Secretary of the Governor's Office for Children, Youth, and Families, or the Special Secretary's designee;
- (x) Two licensed [pediatric] health care providers with expertise in the field of children's environmental health, appointed by the Governor;
- (xi) One representative from [the Johns Hopkins University] AN **ACADEMIC INSTITUTION** who has expertise in studying the impact of environmental [allergies] **EXPOSURES** on childhood [asthma] **DISEASE**, appointed by the Governor;
- (xii) One parent or guardian whose child has been clinically diagnosed as having been exposed to environmental health hazards including lead paint or pesticides, appointed by the Governor;
- (xiii) One [environmental] epidemiologist with expertise in children's environmental health, appointed by the Governor;
- (xiv) One economist skilled in measuring the economic costs of illness and the benefits of prevention, appointed by the Governor;
- (xv) One environmental toxicologist with expertise in issues of importance to children's environmental health, appointed by the Governor;
- (xvi) One representative from the Maryland Association of Counties, appointed by the Governor; [and]

(xvii) One individual from private industry representing the regulated community, appointed by the Governor; AND

(XVIII) ONE REPRESENTATIVE FROM THE MARYLAND COMMISSION ON ENVIRONMENTAL JUSTICE AND SUSTAINABLE COMMUNITIES, APPOINTED BY THE GOVERNOR.

(2) The Secretary of Health and Mental Hygiene or the Secretary's designee shall serve as the chairman.

(3) The Secretary of the Environment or the Secretary's designee shall serve as the vice chairman.

(b) (1) The term of a member is 4 years.

(2) The terms of the members are staggered as required by the terms provided for members of the Advisory Council on October 1, 2000.

(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.

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

Approved by the Governor, May 15, 2014.

Chapter 657

(House Bill 1491)

AN ACT concerning

**Transportation – Citizens' Advisory Council for the Baltimore Corridor
Transit Study – Red Line**

FOR the purpose of providing that a member of the Citizens' Advisory Council for the Baltimore Corridor Transit Study – Red Line is entitled to reimbursement of expenses under certain State regulations as provided in the State budget; clarifying language; and generally relating to the Citizens' Advisory Council for the Baltimore Corridor Transit Study – Red Line.

BY repealing and reenacting, with amendments,
Chapter 2 of the Acts of the General Assembly of the Special Session of 2006
Section 2

BY repealing and reenacting, with amendments,
Chapter 3 of the Acts of the General Assembly of the Special Session of 2006
Section 2

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

Chapter 2 of the Acts of the Special Session of 2006

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) There is a Citizens' Advisory Council for the Baltimore Corridor Transit Study – Red Line.

(b) The Advisory Council consists of the following members:

(1) 5 members who are business owners, residents, service providers, or workers in the Red Line transit corridor, and who are appointed by the President of the Senate:

(i) based on geographic consideration; and

(ii) after consultation with the members of the Baltimore City Delegation of the General Assembly who represent legislative districts 41, 44, and 46 and the members of the Baltimore County Delegation to the General Assembly who represent legislative district 10;

(2) 5 members who are business owners, residents, service providers, or workers in the Red Line transit corridor, and who are appointed by the Speaker of the House:

(i) based on geographic consideration; and

(ii) after consultation with the members of the Baltimore City Delegation of the General Assembly who represent legislative districts 41, 44, and 46 and the members of the Baltimore County Delegation to the General Assembly who represent legislative district 10;

(3) 2 members who are appointed by the Governor or, at the Governor's discretion, the Maryland Transit Administrator;

(4) 2 members who are appointed by the Mayor of the City of Baltimore to represent the Baltimore City Department of Transportation and the Baltimore City Department of Planning; and

(5) 1 member who is appointed by the County Executive of Baltimore County.

(c) The Maryland Transit Administrator shall designate two co-chairs of the Advisory Council in the following manner:

(1) one from a list of two names provided by the President of the Senate from the members appointed under subsection (b) of this section; and

(2) one from a list of two names provided by the Speaker of the House from the members appointed under subsection (b) of this section.

(d) The term of a member of the Advisory Council shall continue until the commencement of operation of passenger service on the initial phase of the Red Line or until project funding is otherwise expended.

(e) On resignation of a member, a new member shall be appointed by the person who appointed the resigning member.

(f) (1) The Advisory Council shall meet at least once every 3 months.

(2) The meetings of the Advisory Council shall be publicized and open to the public.

(g) A member of the Advisory Council:

(1) may not receive compensation AS A MEMBER OF THE ADVISORY COUNCIL; BUT

(2) IS ENTITLED TO REIMBURSEMENT OF EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(h) The Advisory Council shall advise the Administrator on major policy matters concerning the Baltimore Corridor Transit Study – Red Line, including:

(1) compensation for property owners whose property is damaged during the construction of any Red Line project, redevelopment of commercial areas surrounding the Red Line transit corridor in Baltimore City and Baltimore County, and providing hiring preferences as provided by Section 1 of this Act;

(2) consideration of a full range of construction alternatives, including an underground rail option;

(3) ensuring that the Red Line project:

(i) benefits the communities through which it will travel;

(ii) uses an inclusive planning process, including consultation with community residents, businesses, and institutions in the corridor;

(iii) is planned to maximize the likelihood that federal funding will be obtained for the project;

(iv) includes, during its planning phase, the distribution of factual information that allows the community to compare the costs, benefits, and impacts of all construction alternatives;

(v) favors alignments that produce the least negative community impacts practicable; and

(vi) places a priority on maintaining the Study schedule.

(i) The Advisory Council shall limit its review to matters within the scope of the Study and any other matters identified by the Administrator.

(j) The Advisory Council shall advise the Administrator on the major policy matters under subsection (h) of this section in a manner to maintain the Red Line project schedule.

(k) On or before September 1 of each year, the Advisory Council shall report on its activities during the prior fiscal year to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

(l) The Administration shall:

(1) provide staff to the Advisory Council;

(2) solicit the advice of the Advisory Council before major project decisions are made; and

(3) at the conclusion of the planning phase of the Red Line and at the commencement of passenger service, prepare a report, in consultation with the Advisory Council, that evaluates:

(i) the Advisory Council as a best practice strategy for incorporating community participation in major transportation planning projects;

(ii) whether it is advisable for a similar advisory council to be incorporated into major planning projects undertaken by the Administration throughout the State; and

(iii) if it is advisable, how incorporation of an advisory council into major planning projects can best be accomplished.

Chapter 3 of the Acts of the Special Session of 2006

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) There is a Citizens' Advisory Council for the Baltimore Corridor Transit Study – Red Line.

(b) The Advisory Council consists of the following members:

(1) five members who are business owners, residents, service providers, or workers in the Red Line transit corridor, and who are appointed by the President of the Senate:

(i) based on geographic consideration; and

(ii) after consultation with the members of the Baltimore City Delegation of the General Assembly who represent legislative districts 41, 44, and 46 and the members of the Baltimore County Delegation to the General Assembly who represent legislative district 10;

(2) five members who are business owners, residents, service providers, or workers in the Red Line transit corridor, and who are appointed by the Speaker of the House:

(i) based on geographic consideration; and

(ii) after consultation with the members of the Baltimore City Delegation of the General Assembly who represent legislative districts 41, 44, and 46 and the members of the Baltimore County Delegation to the General Assembly who represent legislative district 10;

(3) two members who are appointed by the Governor or, at the Governor's discretion, the Maryland Transit Administrator;

(4) two members who are appointed by the Mayor of the City of Baltimore to represent the Baltimore City Department of Transportation and the Baltimore City Department of Planning; and

(5) one member who is appointed by the County Executive of Baltimore County.

(c) The Maryland Transit Administrator shall designate two co–chairs of the Advisory Council in the following manner:

(1) one from a list of two names provided by the President of the Senate from the members appointed under subsection (b) of this section; and

(2) one from a list of two names provided by the Speaker of the House from the members appointed under subsection (b) of this section.

(d) The term of a member of the Advisory Council shall continue until the commencement of operation of passenger service on the initial phase of the Red Line or until project funding is otherwise expended.

(e) On resignation of a member, a new member shall be appointed by the person who appointed the resigning member.

(f) (1) The Advisory Council shall meet at least once every 3 months.

(2) The meetings of the Advisory Council shall be publicized and open to the public.

(g) A member of the Advisory Council:

(1) may not receive compensation **AS A MEMBER OF THE ADVISORY COUNCIL; BUT**

(2) **IS ENTITLED TO REIMBURSEMENT OF EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

(h) The Advisory Council shall advise the Administrator on major policy matters concerning the Baltimore Corridor Transit Study – Red Line, including:

(1) compensation for property owners whose property is damaged during the construction of any Red Line project, redevelopment of commercial areas surrounding the Red Line transit corridor in Baltimore City and Baltimore County, and providing hiring preferences as provided by Section 1 of this Act;

(2) consideration of a full range of construction alternatives, including an underground rail option;

(3) ensuring that the Red Line project:

(i) benefits the communities through which it will travel;

(ii) uses an inclusive planning process, including consultation with community residents, businesses, and institutions in the corridor;

(iii) is planned to maximize the likelihood that federal funding will be obtained for the project;

(iv) includes, during its planning phase, the distribution of factual information that allows the community to compare the costs, benefits, and impacts of all construction alternatives;

(v) favors alignments that produce the least negative community impacts practicable; and

(vi) places a priority on maintaining the Study schedule.

(i) The Advisory Council shall limit its review to matters within the scope of the Study and any other matters identified by the Administrator.

(j) The Advisory Council shall advise the Administrator on the major policy matters under subsection (h) of this section in a manner to maintain the Red Line project schedule.

(k) On or before September 1 of each year, the Advisory Council shall report on its activities during the prior fiscal year to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly.

(l) The Administration shall:

(1) provide staff to the Advisory Council;

(2) solicit the advice of the Advisory Council before major project decisions are made; and

(3) at the conclusion of the planning phase of the Red Line and at the commencement of passenger service, prepare a report, in consultation with the Advisory Council, that evaluates:

(i) the Advisory Council as a best practice strategy for incorporating community participation in major transportation planning projects;

(ii) whether it is advisable for a similar advisory council to be incorporated into major planning projects undertaken by the Administration throughout the State; and

(iii) if it is advisable, how incorporation of an advisory council into major planning projects can best be accomplished.

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

Approved by the Governor, May 15, 2014.

Joint Resolutions

Signed by the President of the Senate
and the Speaker of the House of Delegates
or Enacted by Operation of the Maryland Constitution

Joint Resolution 1

(Senate Joint Resolution 3)

A Senate Joint Resolution concerning

Governor's Salary Commission – Salary Recommendations for Governor and Lieutenant Governor

FOR the purpose of establishing the salaries to be paid the Governor and Lieutenant Governor, as directed by Article II, Section 21A of the Maryland Constitution, for the 4-year term of office beginning January 21, 2015.

WHEREAS, Article II, Section 21A of the Maryland Constitution established a seven-member Governor's Salary Commission composed of the State Treasurer, three members appointed by the President of the Senate, and three members appointed by the Speaker of the House of Delegates. The Governor's Salary Commission is currently constituted as follows: Nancy K. Kopp, State Treasurer; Barry P. Gossett, Robert R. Neall, and Bruce M. Plaxen appointed by the President of the Senate; Zaneb K. Beams, F. Joseph Rubino, and Frederick Schram appointed by the Speaker of the House of Delegates. The Commission elected Robert R. Neall as Chair; and

WHEREAS, Pursuant to Article II, Section 21A of the Maryland Constitution, this Joint Resolution may be amended to decrease, but not increase, the salaries recommended by the Governor's Salary Commission. The salaries may not be decreased below their January 2014 levels. If the General Assembly fails to adopt a Joint Resolution in accordance with Article II, Section 21A within 50 calendar days after introduction of this Joint Resolution, the salaries recommended by the Governor's Salary Commission shall apply effective January 21, 2015. If the General Assembly amends this Joint Resolution, the salaries specified in the Joint Resolution, as amended, shall apply; and

WHEREAS, At the meetings conducted in December 2013, the Commission evaluated gubernatorial compensation relative to a number of principles: growth in the responsibilities of the office; compensation commensurate with the stature of this high office; changes in the cost of living; maintenance of a reasonable differential between the Governor's salary and that of other major State officials in Maryland; acceptable comparability with salaries of the governors of other states; and changes to

salaries of State employees. The Commission selected tentative salaries for the two offices and solicited input from the public. Thereafter, the Commission made its final determinations which are presented in this Resolution and discussed in the Commission's Report, dated January 2014; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That pursuant to Article II, Section 21A of the Maryland Constitution, the annual salaries recommended by the Governor's Salary Commission be adopted as follows, to be effective January 21, 2015, for the 4-year term of office:

Governor:

For the first year, \$165,000;

For the second year, \$170,000;

For the third year, \$175,000; and

For the fourth year, \$180,000; and

Lieutenant Governor:

For the first year, \$137,500;

For the second year, \$141,500;

For the third year, \$145,500; and

For the fourth year, \$149,500; and be it further

RESOLVED, That a copy of this Resolution be forwarded by the Department of Legislative Services to the Honorable Martin O'Malley, Governor of Maryland; the Honorable Anthony G. Brown, Lieutenant Governor; and T. Eloise Foster, Secretary of Budget and Management.

Enacted under Article II, § 21A(d) of the Maryland Constitution, March 7, 2014.

Joint Resolution 2

(House Joint Resolution 3)

A House Joint Resolution concerning

**Governor's Salary Commission – Salary Recommendations for Governor and
Lieutenant Governor**

FOR the purpose of establishing the salaries to be paid the Governor and Lieutenant Governor, as directed by Article II, Section 21A of the Maryland Constitution, for the 4–year term of office beginning January 21, 2015.

WHEREAS, Article II, Section 21A of the Maryland Constitution established a seven–member Governor's Salary Commission composed of the State Treasurer, three members appointed by the President of the Senate, and three members appointed by the Speaker of the House of Delegates. The Governor's Salary Commission is currently constituted as follows: Nancy K. Kopp, State Treasurer; Barry P. Gossett, Robert R. Neall, and Bruce M. Plaxen appointed by the President of the Senate; Zaneb K. Beams, F. Joseph Rubino, and Frederick Schram appointed by the Speaker of the House of Delegates. The Commission elected Robert R. Neall as Chair; and

WHEREAS, Pursuant to Article II, Section 21A of the Maryland Constitution, this Joint Resolution may be amended to decrease, but not increase, the salaries recommended by the Governor's Salary Commission. The salaries may not be decreased below their January 2014 levels. If the General Assembly fails to adopt a Joint Resolution in accordance with Article II, Section 21A within 50 calendar days after introduction of this Joint Resolution, the salaries recommended by the Governor's Salary Commission shall apply effective January 21, 2015. If the General Assembly amends this Joint Resolution, the salaries specified in the Joint Resolution, as amended, shall apply; and

WHEREAS, At the meetings conducted in December 2013, the Commission evaluated gubernatorial compensation relative to a number of principles: growth in the responsibilities of the office; compensation commensurate with the stature of this high office; changes in the cost of living; maintenance of a reasonable differential between the Governor's salary and that of other major State officials in Maryland; acceptable comparability with salaries of the governors of other states; and changes to salaries of State employees. The Commission selected tentative salaries for the two offices and solicited input from the public. Thereafter, the Commission made its final determinations which are presented in this Resolution and discussed in the Commission's Report, dated January 2014; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That pursuant to Article II, Section 21A of the Maryland Constitution, the annual salaries recommended by the Governor's Salary Commission be adopted as follows, to be effective January 21, 2015, for the 4–year term of office:

Governor:

For the first year, \$165,000;

For the second year, \$170,000;

For the third year, \$175,000; and

For the fourth year, \$180,000; and

Lieutenant Governor:

For the first year, \$137,500;

For the second year, \$141,500;

For the third year, \$145,500; and

For the fourth year, \$149,500; and be it further

RESOLVED, That a copy of this Resolution be forwarded by the Department of Legislative Services to the Honorable Martin O'Malley, Governor of Maryland; the Honorable Anthony G. Brown, Lieutenant Governor; and T. Eloise Foster, Secretary of Budget and Management.

Enacted under Article II, § 21A(d) of the Maryland Constitution, March 8, 2014.

Joint Resolution 3

(Senate Joint Resolution 1)

A Senate Joint Resolution concerning

Rescission of Maryland's Ratification of the Corwin Amendment to the United States Constitution

FOR the purpose of rescinding Maryland's ratification of the Corwin Amendment to the United States Constitution.

WHEREAS, On February 27, 1861, in an attempt to avert the secession of Southern states, United States Representative Thomas Corwin of Ohio proposed an amendment to the United States Constitution that would prohibit the United States Constitution from being amended in a manner that authorizes Congress to abolish or interfere with the states' domestic institutions, including slavery; and

WHEREAS, On March 2, 1861, the Corwin Amendment passed the United States Congress and was submitted to the states for ratification; and

WHEREAS, With the enactment of Chapter 21 of the Acts of 1862, the General Assembly of Maryland ratified the Corwin Amendment; and

WHEREAS, The Corwin Amendment has not been ratified by three-fourths of the states and, therefore, is not part of the United States Constitution; and

WHEREAS, With the end of the Civil War and the ratification of the 13th Amendment to the United States Constitution, the purposes of the Corwin Amendment have become moot; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the State of Maryland rescinds its ratification of the Corwin Amendment to the United States Constitution, viz:

“Article

No amendment shall be made to the Constitution which will authorize or give to Congress the power to abolish or interfere, within any State, with the domestic institutions thereof, including that of persons held to labor or service by the laws of said State.”; and be it further

RESOLVED, That the Governor of the State of Maryland is requested to forward authentic copies of this Resolution, under the Great Seal of the State of Maryland, to: ~~the Honorable John F. Kerry, Secretary of State of the United States, 2201 C Street, N.W., Washington, D.C. 20520~~ the Honorable Joseph R. Biden, Jr., Vice President of the United States, President of the United States Senate, Suite S-212, United States Capitol Building, Washington, D.C. 20510; the Honorable Harry Reid, Majority Leader, United States Senate, 528 Hart Senate Office Building, Washington, D.C. 20510; the Honorable John Boehner, Speaker of the House of Representatives of the United States, 1011 Longworth House Office Building, Washington, D.C. 20515; and ~~the Honorable Dan M. Tangherlini, Administrator of General Services of the United States, 1800 F Street, N.W., Washington, D.C. 20405~~ the Honorable David S. Ferriero, Archivist of the United States, National Archives and Records Administration, 709 Pennsylvania Avenue, N.W., Washington, D.C. 20408.

Signed by the President and the Speaker, May 5, 2014.
