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of the
State of Maryland

At the Session of the General Assembly Begun and Held in the
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VOLUME IX

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Chapter 677**(Senate Bill 485)**

AN ACT concerning

~~Labor and Employment — Task Force to Study Family and Medical Leave Insurance Program — Establishment~~

FOR the purpose of ~~establishing the Task Force to Study Family and Medical Leave Insurance; providing for the composition, chair, and staffing of the Task Force; requiring that the appointed members of the Task Force be appointed by a certain date; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Commission for Women to apply for certain funding; requiring the Task Force to receive certain public testimony and study and make recommendations regarding certain matters; requiring the Task Force to report its findings and recommendations to the General Assembly on or before a certain date; providing for the termination of this Act; establishing the Family and Medical Leave Insurance Program; prohibiting an employee from disclosing certain information; authorizing a self-employed individual to elect to participate in the Program by filing a certain notice with the Secretary of Labor, Licensing, and Regulation; providing that a certain election becomes effective on the date a certain notice is filed; requiring a certain individual to participate in the Program for a certain initial period; authorizing a certain individual to renew participation in the Program for a certain period; requiring a certain individual to notify the Secretary in writing of the individual's withdrawal from the Program within a certain time period; requiring a certain individual to pay a certain contribution rate during a certain period; providing that an employee's right to benefits under this Act may not be diminished by a collective bargaining agreement entered into or renewed or an employer policy adopted or retained after a certain date; providing that a certain agreement is void as against public policy; stating the purpose of the Program; providing for the manner in which the Program is to be administered; providing for the powers and duties of the Secretary under the Program; establishing the Family and Medical Leave Insurance Fund as a special fund; providing for the administration of the Fund; specifying the contents of the Fund; specifying the purposes for which the Fund may be used; requiring, beginning on a certain date, certain employees to pay the Secretary certain contributions; requiring the Secretary to establish in regulation the rate of contribution; requiring the rate of contribution to be sufficient to fund the benefits payable under this Act; requiring, beginning on a certain date, an individual to meet certain conditions to be eligible for benefits; authorizing a covered employee to take certain leave on an intermittent leave schedule; requiring a covered employee who is taking certain leave on an intermittent leave schedule to take certain action; prohibiting an employer from taking certain action if leave is taken on an intermittent leave schedule; providing for the manner in which benefits are to be calculated and paid; requiring the Division of Unemployment Insurance,~~

~~under certain circumstances, to notify certain individuals of certain information regarding the federal income tax; requiring the Division, under certain circumstances, to deduct and withhold a certain amount from benefits paid; providing for the manner in which certain employees who receive benefits are to be treated by employers; establishing certain prohibited acts; authorizing the Division to seek repayment of benefits under certain circumstances; authorizing the Secretary to waive the repayment of benefits under certain circumstances; exempting the Fund from a certain provision of law; providing for the construction and application of this Act; providing that this Act preempts the authority of a local jurisdiction to adopt certain laws, ordinances, rules, and regulations; requiring the Secretary to adopt certain regulations on or before a certain date; defining certain terms; stating the intent of the General Assembly; and generally relating to the Task Force to Study Family and Medical Leave Insurance Program.~~

~~BY repealing and reenacting, with amendments,
Article — Labor and Employment
Section 8-302
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)~~

~~BY adding to
Article — Labor and Employment
Section 8-3-101 through 8-3-901 to be under the new title “Title 8-3. Family and
Medical Leave Insurance Program”
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)~~

~~BY repealing and reenacting, without amendments,
Article — State Finance and Procurement
Section 6-226(a)(1) and (2)(i)
Annotated Code of Maryland
(2015 Replacement Volume)~~

~~BY repealing and reenacting, with amendments,
Article — State Finance and Procurement
Section 6-226(a)(2)(ii)84. and 85.
Annotated Code of Maryland
(2015 Replacement Volume)~~

~~BY adding to
Article — State Finance and Procurement
Section 6-226(a)(2)(ii)86.
Annotated Code of Maryland
(2015 Replacement Volume)~~

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 Family and Medical Leave Insurance.

(b) The Task Force consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Commissioner of Labor and Industry, or the Commissioner's designee;

(4) the State Treasurer, or the State Treasurer's designee;

(5) the Comptroller, or the Comptroller's designee;

(6) the Executive Director of the Commission for Women, or the Executive Director's designee; and

(7) the following members, appointed jointly by the Presiding Officers of the General Assembly:

(i) one researcher with expertise in state-run social insurance programs;

(ii) one representative of a community organization that advocates for the needs of infants and children;

(iii) one representative of a community organization that advocates for the needs of seniors;

(iv) one representative of a community organization that advocates for the needs of individuals who suffer from serious health conditions;

(v) one representative of a community organization that advocates for the economic security of mothers;

(vi) one representative of a community organization that advocates for working families;

(vii) one representative from a national organization with expertise in the implementation of family medical and leave insurance programs in other states;

(viii) one representative of businesses located in the State that employ fewer than 50 employees; and

(ix) one representative of businesses located in the State that employ at least 50 employees.

(c) The appointed members of the Task Force shall be appointed by July 1, 2016.

(d) The Presiding Officers of the General Assembly jointly shall designate the chair of the Task Force.

(e) The Department of Legislative Services shall provide staff for the Task Force.

(f) 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.

(g) The Commission for Women shall apply for any available federal funding that may be used by the Task Force to carry out the duties of the Task Force.

(h) The Task Force, in consultation with the appropriate State and local agencies and community organizations, shall:

(1) study existing family and medical leave insurance programs in other states and the District of Columbia, including fund stability, the benefit structure, and the revenue structure;

(2) review the 2016 family and medical leave insurance implementation studies from Minnesota, Connecticut, and Montgomery County, Maryland;

(3) review the 2013 Report on the Task Force to Study Temporary Disability Insurance Programs;

(4) receive public testimony from relevant stakeholders; and

(5) make recommendations regarding:

(i) the development of a State social insurance program that provides short-term benefits to eligible employees who lose wages due to:

1. an illness or injury that is unrelated to the employee's employment;

2. pregnancy or childbirth;

3. time off work needed to care for a seriously ill child, spouse, or parent;

4. time off work needed to bond with a new child; or

5. time off work needed due to a qualifying exigency arising out a family member's military deployment; and

(ii) the design of an employee-funded family and medical leave insurance pool, including tax rates and benefits.

(i) On or before December 1, 2017, the Task Force shall report its findings and recommendations to the General Assembly in accordance with § 2-1246 of the State Government Article.

~~Article – Labor and Employment~~

~~§ 302.~~

~~(a) There is a Division of Unemployment Insurance.~~

~~(b) The Division of Unemployment Insurance shall perform any function that the Secretary assigns to it to carry out this title AND TITLE 8.3 OF THIS ARTICLE.~~

~~TITLE 8.3. FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.~~

~~8.3-101.~~

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

~~(B) “ADOPTED CHILD” MEANS A CHILD ADOPTED BY OR PLACED FOR ADOPTION WITH AN EMPLOYEE OR THE EMPLOYEE’S SPOUSE OR DOMESTIC PARTNER.~~

~~(C) “APPLICATION YEAR” MEANS THE 12 MONTH PERIOD BEGINNING ON THE FIRST DAY OF THE CALENDAR WEEK IN WHICH A COVERED EMPLOYEE FILES AN APPLICATION FOR BENEFITS.~~

~~(D) “BENEFITS” MEANS THE MONEY PAYABLE UNDER THIS TITLE TO A COVERED EMPLOYEE.~~

~~(E) “CHILD” MEANS:~~

~~(1) AN ADOPTED CHILD;~~

~~(2) A BIOLOGICAL CHILD;~~

~~(3) A FOSTER CHILD;~~

~~(4) A LEGAL WARD;~~

~~(5) A STEPCHILD; OR~~

~~(6) A CHILD WITH RESPECT TO WHOM AN INDIVIDUAL STANDS IN LOCO PARENTIS.~~

~~(F) “COVERED EMPLOYEE” MEANS AN EMPLOYEE WHO HAS EARNED AT LEAST \$1,800 IN WAGES DURING:~~

~~(1) THE FIRST 4 OF THE LAST 5 COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING THE START OF AN APPLICATION YEAR; OR~~

~~(2) THE 4 MOST RECENTLY COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING THE START OF AN APPLICATION YEAR ONLY IF THE EMPLOYEE APPLYING FOR THE BENEFITS DOES NOT QUALIFY FOR ANY BENEFITS UNDER THIS TITLE USING THE DEFINITION IN ITEM (1) OF THIS SUBSECTION.~~

~~(G) “DEPARTMENT” MEANS THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.~~

~~(H) “EMPLOYER” MEANS A PERSON OR GOVERNMENTAL ENTITY THAT EMPLOYS AT LEAST ONE INDIVIDUAL IN THE STATE.~~

~~(I) “FAMILY MEMBER” MEANS:~~

~~(1) A CHILD;~~

~~(2) A PARENT;~~

~~(3) A PARENT-IN-LAW;~~

~~(4) A GRANDPARENT OR STEPGRANDPARENT OF AN EMPLOYEE OR THE EMPLOYEE’S SPOUSE OR DOMESTIC PARTNER;~~

~~(5) A GRANDCHILD OR STEPGRANDCHILD OF AN EMPLOYEE OR THE EMPLOYEE’S SPOUSE OR DOMESTIC PARTNER;~~

~~(6) A SPOUSE;~~

~~(7) A DOMESTIC PARTNER;~~

~~(8) A SIBLING;~~

~~(9) THE SPOUSE OR DOMESTIC PARTNER OF A SIBLING; OR~~

~~(10) ANY OTHER INDIVIDUAL RELATED BY BLOOD OR AFFINITY WHOSE CLOSE ASSOCIATION WITH THE EMPLOYEE IS EQUIVALENT TO A FAMILY RELATIONSHIP.~~

~~(J) "FUND" MEANS THE FAMILY AND MEDICAL LEAVE INSURANCE FUND ESTABLISHED UNDER § 8.3 501 OF THIS TITLE.~~

~~(K) "GOVERNMENTAL ENTITY" HAS THE MEANING STATED IN § 8 101 OF THIS ARTICLE.~~

~~(L) "INDIVIDUAL WHO STANDS IN LOCO PARENTIS" MEANS, WHETHER OR NOT A BIOLOGICAL OR LEGAL RELATIONSHIP EXISTS, AN INDIVIDUAL:~~

~~(1) WHO HAS DAY TO DAY RESPONSIBILITIES TO CARE FOR AND FINANCIALLY SUPPORT A CHILD; OR~~

~~(2) IN THE CASE OF AN EMPLOYEE OR THE EMPLOYEE'S SPOUSE OR DOMESTIC PARTNER, WHO HAD RESPONSIBILITY FOR THE EMPLOYEE OR THE SPOUSE OR DOMESTIC PARTNER WHEN THE EMPLOYEE OR THE SPOUSE OR DOMESTIC PARTNER WAS A CHILD.~~

~~(M) "NEWBORN CHILD" MEANS A CHILD UNDER THE AGE OF 1 YEAR.~~

~~(N) "NEXT OF KIN" MEANS THE NEAREST BLOOD RELATIVE.~~

~~(O) "PARENT" MEANS:~~

~~(1) AN ADOPTIVE PARENT;~~

~~(2) A BIOLOGICAL PARENT;~~

~~(3) A FOSTER PARENT;~~

~~(4) A LEGAL GUARDIAN;~~

~~(5) A STEPPARENT; OR~~

~~(6) AN INDIVIDUAL WHO STANDS IN LOCO PARENTIS TO AN EMPLOYEE.~~

~~(P) "PARENT-IN-LAW" MEANS:~~

~~(1) THE PARENT OF AN EMPLOYEE'S SPOUSE OR DOMESTIC PARTNER;~~
~~OR~~

~~(2) AN INDIVIDUAL WHO STANDS IN LOCO PARENTIS TO AN EMPLOYEE'S SPOUSE OR DOMESTIC PARTNER.~~

~~(Q) "PROGRAM" MEANS THE FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~(R) "QUALIFYING EXIGENCY" MEANS ANY OF THE FOLLOWING REASONS FOR WHICH LEAVE MAY BE NEEDED BY A FAMILY MEMBER OF A SERVICE MEMBER:~~

~~(1) BECAUSE THE SERVICE MEMBER HAS RECEIVED NOTICE OF DEPLOYMENT WITHIN 7 DAYS BEFORE THE DEPLOYMENT IS TO BEGIN;~~

~~(2) TO ATTEND MILITARY EVENTS AND RELATED ACTIVITIES;~~

~~(3) TO ATTEND CHILD CARE OR SCHOOL ACTIVITIES ONLY BECAUSE THE SERVICE MEMBER IS ON ACTIVE DUTY CALL OR ACTIVE DUTY STATUS;~~

~~(4) TO MAKE FINANCIAL AND LEGAL ARRANGEMENTS FOR THE SERVICE MEMBER'S ABSENCE OR BECAUSE OF THE ABSENCE;~~

~~(5) TO ATTEND COUNSELING THAT:~~

~~(I) IS NEEDED DUE TO THE ACTIVE DUTY OR CALL TO ACTIVE DUTY STATUS OF THE SERVICE MEMBER; AND~~

~~(H) IS PROVIDED BY AN INDIVIDUAL WHO IS NOT A LICENSED HEALTH CARE PROVIDER;~~

~~(6) TO SPEND NO MORE THAN 5 DAYS WITH A SERVICE MEMBER WHO IS ON SHORT TERM TEMPORARY REST AND RECUPERATION LEAVE DURING THE PERIOD OF DEPLOYMENT;~~

~~(7) TO ATTEND POSTDEPLOYMENT ACTIVITIES; OR~~

~~(8) BECAUSE OF ANY OTHER ISSUES THAT ARISE OUT OF ACTIVE DUTY OR A CALL TO ACTIVE DUTY THAT AN EMPLOYER AND AN EMPLOYEE AGREE SHOULD BE COVERED.~~

~~(S) "SECRETARY" MEANS THE SECRETARY OF LABOR, LICENSING, AND REGULATION.~~

~~(T) "SERIOUS HEALTH CONDITION" MEANS AN ILLNESS, AN INJURY, AN IMPAIRMENT, OR A PHYSICAL OR MENTAL CONDITION THAT INVOLVES:~~

~~(1) INPATIENT CARE IN A HOSPITAL, HOSPICE, OR RESIDENTIAL HEALTH CARE FACILITY; OR~~

~~(2) CONTINUED TREATMENT BY A LICENSED HEALTH CARE PROVIDER.~~

~~(U) "SERVICE MEMBER" MEANS AN INDIVIDUAL WHO IS AN ACTIVE DUTY MEMBER OF:~~

~~(1) THE UNITED STATES ARMED FORCES;~~

~~(2) A RESERVE COMPONENT OF THE UNITED STATES ARMED FORCES;~~

~~OR~~

~~(3) THE NATIONAL GUARD OF ANY STATE.~~

~~8.3 102.~~

~~THIS TITLE PREEMPTS THE AUTHORITY OF A LOCAL JURISDICTION TO ADOPT A LAW, AN ORDINANCE, A RULE, OR A REGULATION ESTABLISHING OR IMPLEMENTING A FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~8.3 103.~~

~~(A) THIS SECTION DOES NOT APPLY TO THE DISCLOSURE OF INFORMATION TO:~~

~~(1) A PUBLIC EMPLOYEE IN THE PERFORMANCE OF THE PUBLIC EMPLOYEE'S OFFICIAL DUTIES;~~

~~(2) THE INDIVIDUAL TO WHOM THE INFORMATION PERTAINS; OR~~

~~(3) IF AN AUTHORIZED REPRESENTATIVE HAS THE SIGNED AUTHORIZATION OF THE INDIVIDUAL TO WHOM THE INFORMATION PERTAINS, THE AUTHORIZED REPRESENTATIVE.~~

~~(B) AN EMPLOYEE OF THE DEPARTMENT MAY NOT DISCLOSE INFORMATION PERTAINING TO AN INDIVIDUAL WHO HAS APPLIED FOR OR RECEIVED BENEFITS UNDER THIS TITLE.~~

~~SUBTITLE 2. SCOPE OF TITLE.~~

~~§ 3-201.~~

~~(A) (1) A SELF-EMPLOYED INDIVIDUAL MAY ELECT TO PARTICIPATE IN THE PROGRAM BY FILING A WRITTEN NOTICE OF ELECTION WITH THE SECRETARY.~~

~~(2) AN ELECTION MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION BECOMES EFFECTIVE ON THE DATE THE WRITTEN NOTICE IS FILED.~~

~~(B) (1) IF A SELF-EMPLOYED INDIVIDUAL ELECTS TO PARTICIPATE IN THE PROGRAM UNDER SUBSECTION (A) OF THIS SECTION, THE INDIVIDUAL SHALL PARTICIPATE FOR AN INITIAL PERIOD OF NOT LESS THAN 3 YEARS.~~

~~(2) ONCE THE INITIAL PARTICIPATION PERIOD EXPIRES, THE SELF-EMPLOYED INDIVIDUAL MAY RENEW PARTICIPATION IN THE PROGRAM FOR A PERIOD OF NOT LESS THAN 1 YEAR.~~

~~(3) IF THE SELF-EMPLOYED INDIVIDUAL DOES NOT WISH TO RENEW PARTICIPATION IN THE PROGRAM UNDER PARAGRAPH (2) OF THIS SUBSECTION, WITHIN 30 DAYS BEFORE THE PARTICIPATION PERIOD EXPIRES, THE SELF-EMPLOYED INDIVIDUAL SHALL NOTIFY THE SECRETARY IN WRITING OF THE SELF-EMPLOYED INDIVIDUAL'S WITHDRAWAL FROM THE PROGRAM.~~

~~(C) DURING THE PERIOD A SELF-EMPLOYED INDIVIDUAL PARTICIPATES IN THE PROGRAM, THE SELF-EMPLOYED INDIVIDUAL SHALL PAY THE EMPLOYEE CONTRIBUTION REQUIRED UNDER § 8.3-601 OF THIS TITLE.~~

~~§ 3-202.~~

~~THIS TITLE MAY NOT BE CONSTRUED TO DIMINISH AN EMPLOYER'S OBLIGATION TO COMPLY WITH A COLLECTIVE BARGAINING AGREEMENT OR AN EMPLOYER POLICY THAT ALLOWS AN EMPLOYEE TO TAKE LEAVE FOR A LONGER PERIOD OF TIME THAN THE EMPLOYEE WOULD BE ABLE TO RECEIVE BENEFITS UNDER THIS TITLE.~~

~~§.3 203.~~

~~(A) AN EMPLOYEE'S RIGHT TO BENEFITS UNDER THIS TITLE MAY NOT BE DIMINISHED BY A COLLECTIVE BARGAINING AGREEMENT ENTERED INTO OR RENEWED OR AN EMPLOYER POLICY ADOPTED OR RETAINED ON OR AFTER JUNE 1, 2016.~~

~~(B) AN AGREEMENT BY AN EMPLOYEE TO WAIVE THE EMPLOYEE'S RIGHTS UNDER THIS TITLE IS VOID AS AGAINST PUBLIC POLICY.~~

~~SUBTITLE 3. ESTABLISHMENT OF PROGRAM.~~~~§.3 301.~~

~~THERE IS A FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~§.3 302.~~

~~THE PURPOSE OF THE PROGRAM IS TO PROVIDE TEMPORARY BENEFITS TO AN EMPLOYEE WHO IS TAKING PARTIALLY PAID OR UNPAID LEAVE FROM EMPLOYMENT:~~

~~(1) TO CARE FOR A NEWBORN CHILD OR A CHILD NEWLY PLACED FOR ADOPTION OR FOSTER CARE WITH THE EMPLOYEE DURING THE FIRST YEAR AFTER THE BIRTH, ADOPTION, OR PLACEMENT;~~

~~(2) TO CARE FOR A FAMILY MEMBER WITH A SERIOUS HEALTH CONDITION;~~

~~(3) BECAUSE THE EMPLOYEE HAS A SERIOUS HEALTH CONDITION THAT RESULTS IN THE EMPLOYEE BEING UNABLE TO PERFORM THE FUNCTIONS OF THE POSITION OF THE EMPLOYEE;~~

~~(4) TO CARE FOR A SERVICE MEMBER WHO IS THE EMPLOYEE'S NEXT OF KIN; OR~~

~~(5) BECAUSE THE EMPLOYEE HAS A QUALIFYING EXIGENCY ARISING OUT OF THE DEPLOYMENT OF A FAMILY MEMBER OF THE EMPLOYEE.~~

~~SUBTITLE 4. ADMINISTRATION.~~~~§.3 401.~~

~~THIS TITLE SHALL BE ADMINISTERED UNDER THE SUPERVISION OF THE SECRETARY BY THE DIVISION OF UNEMPLOYMENT INSURANCE ESTABLISHED UNDER § 8-302 OF THIS ARTICLE.~~

~~8.3-402.~~

~~THE SECRETARY MAY DELEGATE TO AN EMPLOYEE OF THE DEPARTMENT ANY POWER OR DUTY THAT IS REASONABLE AND PROPER FOR THE ADMINISTRATION OF THIS TITLE.~~

~~8.3-403.~~

~~(A) THE SECRETARY SHALL:~~

~~(1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, ADOPT REGULATIONS NECESSARY TO CARRY OUT THIS TITLE;~~

~~(2) ESTABLISH PROCEDURES AND FORMS FOR FILING CLAIMS FOR BENEFITS, INCLUDING PROCEDURES FOR NOTIFYING AN EMPLOYER WITHIN 5 BUSINESS DAYS AFTER AN EMPLOYEE OF THE EMPLOYER FILES A CLAIM FOR BENEFITS UNDER THIS TITLE;~~

~~(3) USE INFORMATION SHARING AND INTEGRATION TECHNOLOGY TO FACILITATE THE DISCLOSURE OF RELEVANT INFORMATION OR RECORDS NEEDED FOR THE ADMINISTRATION OF THIS TITLE; AND~~

~~(4) SUBJECT TO SUBSECTION (C) OF THIS SECTION, CARRY OUT A PUBLIC EDUCATION PROGRAM FOR THE PURPOSE OF EDUCATING THE PUBLIC ABOUT BENEFITS AVAILABLE TO EMPLOYEES UNDER THIS TITLE.~~

~~(B) THE REGULATIONS ADOPTED UNDER SUBSECTION (A)(1) OF THIS SECTION SHALL BE CONSISTENT WITH REGULATIONS ADOPTED TO IMPLEMENT THE FEDERAL FAMILY AND MEDICAL LEAVE ACT AND ANY RELEVANT STATE LAWS TO THE EXTENT THAT THE ADOPTED REGULATIONS DO NOT CONFLICT WITH THIS TITLE.~~

~~(C) (1) THE SECRETARY MAY USE A PORTION OF THE FUNDS PAID UNDER § 8.3-601 OF THIS TITLE OR OTHER AVAILABLE FUNDING TO PAY FOR AND CARRY OUT THE PUBLIC EDUCATION PROGRAM REQUIRED UNDER SUBSECTION (A)(4) OF THIS SECTION.~~

~~(2) MATERIALS USED IN THE PUBLIC EDUCATION PROGRAM REQUIRED UNDER SUBSECTION (A)(4) OF THIS SECTION SHALL BE MADE AVAILABLE IN ENGLISH AND SPANISH.~~

~~§.3 404.~~

~~(A) TO ENFORCE THIS TITLE, THE SECRETARY MAY:~~

~~(1) CONDUCT AN INVESTIGATION UNDER THIS TITLE, ON THE SECRETARY'S OWN INITIATIVE OR BY RECEIPT OF A WRITTEN COMPLAINT;~~

~~(2) ADMINISTER AN OATH;~~

~~(3) CERTIFY TO AN OFFICIAL ACT;~~

~~(4) TAKE A DEPOSITION;~~

~~(5) ISSUE A SUBPOENA FOR THE ATTENDANCE OF A WITNESS TO TESTIFY OR THE PRODUCTION OF BOOKS, CORRESPONDENCE, MEMORANDA, PAPERS, OR OTHER RECORDS; AND~~

~~(6) BRING A CIVIL ACTION IN THE COUNTY WHERE THE VIOLATION ALLEGEDLY OCCURRED.~~

~~(B) (1) A SUBPOENA ISSUED UNDER SUBSECTION (A)(5) OF THIS SECTION SHALL BE SERVED IN ANY MANNER IN WHICH A SUBPOENA OF A COURT MAY BE SERVED.~~

~~(2) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER SUBSECTION (A)(5) OF THIS SECTION ON A COMPLAINT FILED BY THE SECRETARY, THE CIRCUIT COURT FOR THE COUNTY WHERE THE INVESTIGATION IS BEING CONDUCTED OR WHERE THE PERSON RESIDES, IS PRESENT, OR TRANSACTS BUSINESS MAY ISSUE AN ORDER DIRECTING COMPLIANCE WITH THE SUBPOENA OR COMPELLING TESTIMONY.~~

~~(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A PERSON MAY NOT BE EXCUSED FROM COMPLYING WITH A SUBPOENA ISSUED UNDER SUBSECTION (A)(5) OF THIS SECTION ON THE GROUND THAT THE EVIDENCE OR TESTIMONY REQUIRED MAY TEND TO INCRIMINATE THE PERSON OR SUBJECT THE PERSON TO A FORFEITURE OR PENALTY.~~

~~(H) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, AFTER CLAIMING THE PRIVILEGE AGAINST SELF-INCRIMINATION, A PERSON MAY NOT BE PROSECUTED OR SUBJECTED TO ANY FORFEITURE OR PENALTY BECAUSE OF ANY MATTER, THING, OR TRANSACTION ABOUT WHICH THE PERSON IS COMPELLED TO PRODUCE EVIDENCE OR TESTIFY.~~

~~2. IF THE PERSON COMMITS PERJURY WHILE GIVING TESTIMONY, THE PERSON IS SUBJECT TO PROSECUTION FOR THAT OFFENSE.~~

~~§.3-405.~~

~~IN A CIVIL ACTION TO ENFORCE THIS TITLE, THE SECRETARY AND THE STATE MAY BE REPRESENTED BY:~~

- ~~(1) THE ATTORNEY GENERAL; OR~~
- ~~(2) ANY QUALIFIED ATTORNEY WHO:
 - ~~(i) IS A SALARIED EMPLOYEE OF THE SECRETARY; AND~~
 - ~~(ii) ON RECOMMENDATION OF THE ATTORNEY GENERAL, IS DESIGNATED TO REPRESENT THE SECRETARY OR THE BOARD OF APPEALS AND THE STATE.~~~~

~~§.3-406.~~

~~(A) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE SECRETARY SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY AN ANNUAL REPORT ON THE ADMINISTRATION AND OPERATION OF THIS TITLE DURING THE PREVIOUS FISCAL YEAR.~~

- ~~(B) THE ANNUAL REPORT SHALL INCLUDE INFORMATION REGARDING:
 - ~~(1) PROJECTED AND ACTUAL PROGRAM PARTICIPATION RATES;~~
 - ~~(2) CONTRIBUTION RATES;~~
 - ~~(3) FUND BALANCES; AND~~
 - ~~(4) PUBLIC OUTREACH EFFORTS.~~~~

~~SUBTITLE 5. THE FAMILY AND MEDICAL LEAVE INSURANCE FUND.~~

~~§.3-501.~~

~~THERE IS A FAMILY AND MEDICAL LEAVE INSURANCE FUND.~~

~~§.3-502.~~

- ~~(A) THE SECRETARY SHALL ADMINISTER THE FUND.~~

~~(B) THE FUND SHALL BE A SPECIAL FUND THAT IS SEPARATE FROM STATE MONEY.~~

~~§.3-503.~~

~~(A) THE FUND SHALL CONSIST OF:~~

~~(1) EMPLOYEE CONTRIBUTIONS;~~

~~(2) MONEY PAID TO THE FUND FOR THE PURPOSE OF REIMBURSING THE SECRETARY UNDER § 8.3-802 OF THIS TITLE FOR BENEFITS PAID IN ERROR;~~

~~(3) INTEREST EARNED ON MONEY IN THE FUND; AND~~

~~(4) MONEY RECEIVED FOR THE FUND FROM ANY OTHER SOURCE.~~

~~(B) MONEY IN THE FUND SHALL BE COMMINGLED.~~

~~(C) THE FUND SHALL BE USED ONLY FOR THE PURPOSES OF THIS TITLE.~~

~~§.3-504.~~

~~(A) (1) THE STATE TREASURER IS CUSTODIAN OF THE FUND.~~

~~(2) THE STATE TREASURER SHALL MANAGE THE FUND IN ACCORDANCE WITH REGULATIONS THAT THE SECRETARY ADOPTS.~~

~~(B) UNDER THE DIRECTION OF THE SECRETARY, THE STATE TREASURER SHALL ESTABLISH THE FUND ACCOUNT IN ANY FINANCIAL INSTITUTION IN WHICH THE GENERAL FUND OF THE STATE MAY BE DEPOSITED.~~

~~(C) ON RECEIPT OF ANY MONEY PAYABLE TO THE FUND, THE SECRETARY SHALL ENSURE IMMEDIATE DEPOSIT OF THE MONEY INTO THE FUND ACCOUNT AS REQUIRED BY THE STATE TREASURER.~~

~~(D) IN ACCORDANCE WITH REGULATIONS THAT THE SECRETARY ADOPTS, MONEY IN THE FUND ACCOUNT:~~

~~(1) SHALL BE USED TO PAY BENEFITS UNDER THIS TITLE; AND~~

~~(2) MAY BE USED TO PAY FOR:~~

~~(i) THE PUBLIC EDUCATION PROGRAM REQUIRED UNDER § 8.3-403(A)(4) OF THIS TITLE; AND~~

~~(H) ANY COSTS ASSOCIATED WITH THE INITIAL IMPLEMENTATION OF THIS TITLE.~~

~~§ 3-505.~~

~~A CHECK THAT THE STATE TREASURER ISSUES TO PAY BENEFITS OR REFUNDS SHALL:~~

- ~~(1) BE ISSUED ONLY ON A WARRANT SIGNED BY THE SECRETARY;~~
- ~~(2) BEAR THE SIGNATURE OF THE STATE TREASURER; AND~~
- ~~(3) BE COUNTERSIGNED BY AN AUTHORIZED AGENT.~~

~~§ 3-506.~~

~~THIS TITLE DOES NOT GRANT AN EMPLOYEE ANY PRIOR CLAIM OR RIGHT TO MONEY THE EMPLOYEE PAYS INTO THE FUND.~~

~~SUBTITLE 6. CONTRIBUTIONS.~~

~~§ 3-601.~~

~~(A) BEGINNING ON JANUARY 1, 2017, EACH EMPLOYEE SHALL PAY TO THE SECRETARY CONTRIBUTIONS FOR THE FUND ON WAGES FOR EMPLOYMENT THAT IS PERFORMED FOR AN EMPLOYER.~~

~~(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SECRETARY SHALL ESTABLISH IN REGULATION THE RATE OF CONTRIBUTION AN EMPLOYEE IS REQUIRED TO PAY UNDER SUBSECTION (A) OF THIS SECTION.~~

~~(2) THE RATE OF CONTRIBUTION ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE SUFFICIENT TO FUND THE BENEFITS PAYABLE UNDER THIS TITLE.~~

~~SUBTITLE 7. BENEFITS.~~

~~§ 3-701.~~

~~(A) BEGINNING ON JULY 1, 2018, TO BE ELIGIBLE FOR BENEFITS, A COVERED EMPLOYEE MUST BE TAKING PARTIALLY PAID OR UNPAID LEAVE FROM EMPLOYMENT BECAUSE THE COVERED EMPLOYEE:~~

~~(1) IS CARING FOR A NEWBORN CHILD OR A CHILD NEWLY PLACED FOR ADOPTION OR FOSTER CARE WITH THE COVERED EMPLOYEE DURING THE FIRST YEAR AFTER THE BIRTH, ADOPTION, OR PLACEMENT;~~

~~(2) IS CARING FOR A FAMILY MEMBER WITH A SERIOUS HEALTH CONDITION;~~

~~(3) HAS A SERIOUS HEALTH CONDITION THAT RESULTS IN THE COVERED EMPLOYEE BEING UNABLE TO PERFORM THE FUNCTIONS OF THE POSITION OF THE COVERED EMPLOYEE;~~

~~(4) IS CARING FOR A SERVICE MEMBER WHO IS THE COVERED EMPLOYEE'S NEXT OF KIN; OR~~

~~(5) HAS A QUALIFYING EXIGENCY ARISING OUT OF THE DEPLOYMENT OF A FAMILY MEMBER OF THE COVERED EMPLOYEE.~~

~~(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A COVERED EMPLOYEE MAY TAKE THE LEAVE FOR WHICH THE EMPLOYEE IS ELIGIBLE FOR BENEFITS UNDER SUBSECTION (A) OF THIS SECTION ON AN INTERMITTENT LEAVE SCHEDULE.~~

~~(2) IF LEAVE IS TAKEN ON AN INTERMITTENT LEAVE SCHEDULE, THE COVERED EMPLOYEE SHALL:~~

~~(I) MAKE A REASONABLE EFFORT TO SCHEDULE THE INTERMITTENT LEAVE IN A MANNER THAT DOES NOT UNDULY DISRUPT THE OPERATIONS OF THE EMPLOYER; AND~~

~~(II) PROVIDE THE EMPLOYER WITH REASONABLE AND PRACTICABLE PRIOR NOTICE OF THE REASON FOR WHICH THE INTERMITTENT LEAVE IS NECESSARY.~~

~~(3) IF LEAVE IS TAKEN ON AN INTERMITTENT LEAVE SCHEDULE, AN EMPLOYER MAY NOT:~~

~~(I) UNLESS THE INTERMITTENT LEAVE SCHEDULE IS MEDICALLY NECESSARY, BE REQUIRED TO ALLOW AN INTERMITTENT LEAVE SCHEDULE FOR MORE THAN 24 CONSECUTIVE WEEKS; OR~~

~~(II) REDUCE THE TOTAL AMOUNT OF LEAVE TO WHICH THE COVERED EMPLOYEE IS ENTITLED.~~

~~(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A COVERED EMPLOYEE MAY NOT RECEIVE MORE THAN 12 WEEKS OF BENEFITS IN AN APPLICATION YEAR.~~

~~(2) A COVERED EMPLOYEE MAY RECEIVE AN ADDITIONAL 12 WEEKS OF BENEFITS IF THE COVERED EMPLOYEE DURING THE SAME APPLICATION YEAR:~~

~~(I) RECEIVED BENEFITS BECAUSE THE COVERED EMPLOYEE WAS ELIGIBLE FOR BENEFITS UNDER § 8.3-701(A)(3) OF THIS SUBTITLE; AND~~

~~(II) BECOMES ELIGIBLE FOR BENEFITS UNDER § 8.3-701(A)(2), (4), OR (5) OF THIS SUBTITLE.~~

~~(B) (1) A COVERED EMPLOYEE MAY NOT BE PAID BENEFITS FOR THE FIRST 5 CONSECUTIVE CALENDAR DAYS AFTER THE COVERED EMPLOYEE BECOMES ELIGIBLE FOR BENEFITS UNDER § 8.3-701 OF THIS SUBTITLE UNLESS THE COVERED EMPLOYEE:~~

~~(I) HAS USED 10 OR MORE DAYS OF PARTIALLY PAID OR UNPAID LEAVE DURING THE APPLICATION YEAR; OR~~

~~(II) HAS ALREADY UNDERGONE THE WAITING PERIOD IN THE SAME APPLICATION YEAR.~~

~~(2) AN EMPLOYER MAY NOT REQUIRE A COVERED EMPLOYEE TO USE LEAVE PROVIDED BY THE EMPLOYER DURING THE WAITING PERIOD REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

~~(C) A COVERED EMPLOYEE MAY NOT BE PAID BENEFITS FOR LESS THAN 1 DAY OR 8 CONSECUTIVE HOURS OF LEAVE TAKEN IN 1 WORKWEEK.~~

~~8.3-703.~~

~~IF AN EMPLOYER PROVIDES A COVERED EMPLOYEE WITH WRITTEN NOTICE, THE EMPLOYER MAY REQUIRE THAT BENEFITS PAID UNDER THIS TITLE TO THE COVERED EMPLOYEE BE COORDINATED WITH PAYMENT MADE OR LEAVE ALLOWED UNDER THE TERMS OF DISABILITY OR FAMILY CARE LEAVE UNDER A COLLECTIVE BARGAINING AGREEMENT OR EMPLOYER POLICY.~~

~~8.3-704.~~

~~(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE WEEKLY BENEFIT AMOUNT PAYABLE TO A COVERED EMPLOYEE UNDER THIS TITLE SHALL BE:~~

~~(I) 66% OF THE HIGHEST TOTAL AMOUNT OF WAGES EARNED BY THE COVERED EMPLOYEE IN 1 WEEK DURING THE BASE PERIOD; OR~~

~~(II) IF THE EMPLOYEE IS TAKING PARTIALLY PAID LEAVE, THE LESSER OF:~~

~~1. THE AMOUNT REQUIRED TO MAKE UP THE DIFFERENCE BETWEEN THE WAGES PAID TO THE EMPLOYEE WHILE THE EMPLOYEE IS TAKING PARTIALLY PAID LEAVE AND THE FULL WAGES NORMALLY PAID TO THE EMPLOYEE; AND~~

~~2. 66% OF THE HIGHEST TOTAL AMOUNT OF WAGES EARNED BY THE COVERED EMPLOYEE IN 1 WEEK DURING THE BASE PERIOD.~~

~~(2) THE WEEKLY BENEFIT AMOUNT PAYABLE UNDER PARAGRAPH (1) OF THIS SUBSECTION:~~

~~(I) SHALL BE AT LEAST \$50; AND~~

~~(II) MAY NOT EXCEED:~~

~~1. FOR THE 12 MONTH PERIOD BEGINNING JULY 1, 2018, \$700; AND~~

~~2. FOR THE 12 MONTH PERIOD BEGINNING JULY 1, 2019, AND EACH SUBSEQUENT 12 MONTH PERIOD, THE AMOUNT DETERMINED AND ANNOUNCED BY THE SECRETARY UNDER PARAGRAPH (3) OF THIS SUBSECTION.~~

~~(3) (I) IN THIS PARAGRAPH, "CONSUMER PRICE INDEX" MEANS THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE WASHINGTON-BALTIMORE METROPOLITAN AREA OR A SUCCESSOR INDEX PUBLISHED BY THE FEDERAL BUREAU OF LABOR STATISTICS.~~

~~(II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, FOR THE 12 MONTH PERIOD BEGINNING JULY 1, 2019, AND EACH SUBSEQUENT 12 MONTH PERIOD, THE MAXIMUM WEEKLY BENEFIT AMOUNT SHALL BE INCREASED BY THE AMOUNT, ROUNDED TO THE NEAREST CENT, THAT EQUALS THE PRODUCT OF:~~

~~1. THE MAXIMUM WEEKLY BENEFIT AMOUNT IN EFFECT FOR THE PRECEDING 12 MONTH PERIOD; AND~~

~~2. THE ANNUAL PERCENT GROWTH IN THE CONSUMER PRICE INDEX FOR THE IMMEDIATELY PRECEDING 12 MONTH PERIOD, AS DETERMINED BY THE SECRETARY UNDER ITEM 1 OF THIS SUBPARAGRAPH.~~

~~(III) BEGINNING MARCH 1, 2019, AND EACH SUBSEQUENT SEPTEMBER 1, THE SECRETARY SHALL DETERMINE AND ANNOUNCE:~~

~~1. THE ANNUAL PERCENT GROWTH, IF ANY, IN THE CONSUMER PRICE INDEX BASED ON THE MOST RECENT 12 MONTH PERIOD FOR WHICH DATA IS AVAILABLE ON SEPTEMBER 1; AND~~

~~2. THE MAXIMUM WEEKLY BENEFIT AMOUNT EFFECTIVE FOR THE 12 MONTH PERIOD BEGINNING THE FOLLOWING JULY 1.~~

~~(IV) IF THERE IS A DECLINE OR NO GROWTH IN THE CONSUMER PRICE INDEX, THE MAXIMUM WEEKLY BENEFIT AMOUNT SHALL REMAIN THE SAME AS THE AMOUNT THAT WAS IN EFFECT FOR THE PRECEDING 12 MONTH PERIOD.~~

~~(B) AN INCREASE IN THE WEEKLY BENEFIT AMOUNT UNDER SUBSECTION (A)(3) OF THIS SECTION APPLIES ONLY TO A CLAIM FOR BENEFITS FILED AFTER THE DATE THE INCREASE BECOMES EFFECTIVE.~~

~~(C) THE DIVISION SHALL:~~

~~(1) MAKE THE FIRST PAYMENT OF BENEFITS TO A COVERED EMPLOYEE WITHIN 2 WEEKS AFTER THE CLAIM IS FILED; AND~~

~~(2) MAKE SUBSEQUENT PAYMENTS EVERY 2 WEEKS UNTIL THE BENEFIT PERIOD ENDS.~~

~~8.3 705.~~

~~(A) IF THE INTERNAL REVENUE SERVICE DETERMINES THAT BENEFITS PAID UNDER THIS SUBTITLE ARE SUBJECT TO FEDERAL INCOME TAX, AT THE TIME AN INDIVIDUAL FILES A NEW CLAIM FOR BENEFITS, THE DIVISION SHALL NOTIFY THE INDIVIDUAL THAT:~~

~~(1) THE INTERNAL REVENUE SERVICE HAS DETERMINED THAT THE BENEFITS ARE SUBJECT TO FEDERAL INCOME TAX;~~

~~(2) THERE ARE REQUIREMENTS REGARDING ESTIMATED TAX PAYMENTS;~~

~~(3) THE INDIVIDUAL MAY ELECT TO HAVE FEDERAL INCOME TAX DEDUCTED AND WITHHELD FROM THE BENEFITS THAT THE INDIVIDUAL RECEIVES UNDER THIS TITLE AT THE AMOUNT SPECIFIED IN THE INTERNAL REVENUE CODE; AND~~

~~(4) THE INDIVIDUAL IS PERMITTED TO CHANGE A PREVIOUSLY ELECTED WITHHOLDING STATUS.~~

~~(B) (1) IF AN INDIVIDUAL ELECTS TO HAVE FEDERAL INCOME TAX DEDUCTED AND WITHHELD UNDER SUBSECTION (A)(3) OF THIS SECTION, THE DIVISION SHALL DEDUCT AND WITHHOLD THE AMOUNT SPECIFIED IN THE INTERNAL REVENUE CODE IN A MANNER REQUIRED BY THE INTERNAL REVENUE SERVICE.~~

~~(2) IF THE DIVISION DEDUCTS AND WITHHOLDS FEDERAL INCOME TAX UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE AMOUNT DEDUCTED AND WITHHELD SHALL REMAIN IN THE FUND UNTIL IT IS TRANSFERRED TO THE FEDERAL TAXING AUTHORITY AS A PAYMENT OF INCOME TAX.~~

~~§.3-706.~~

~~IF A COVERED EMPLOYEE RECEIVES BENEFITS UNDER THIS SUBTITLE OR TAKES LEAVE FROM WORK THAT FULFILLS THE WAITING PERIOD REQUIRED UNDER § 8.3-702(B) OF THIS SUBTITLE, THE EMPLOYER OF THE COVERED EMPLOYEE SHALL, ON THE EXPIRATION OF THE LEAVE, RESTORE THE EMPLOYEE TO AN EQUIVALENT POSITION OF EMPLOYMENT IN THE SAME MANNER AS AN EMPLOYEE ENTITLED TO LEAVE UNDER THE FEDERAL FAMILY MEDICAL LEAVE ACT IS REQUIRED TO BE RESTORED.~~

~~§.3-707.~~

~~IF A COVERED EMPLOYEE IS RECEIVING BENEFITS UNDER THIS TITLE OR IS TAKING LEAVE THAT FULFILLS THE WAITING PERIOD REQUIRED UNDER § 8.3-702(B) OF THIS SUBTITLE, THE EMPLOYER OF THE COVERED EMPLOYEE SHALL CONTINUE ANY EMPLOYMENT BENEFITS IN THE SAME MANNER AS REQUIRED UNDER THE FEDERAL FAMILY MEDICAL LEAVE ACT FOR THE TIME PERIOD THAT THE COVERED EMPLOYEE IS ABSENT FROM WORK AND RECEIVING BENEFITS UNDER THIS TITLE.~~

~~SUBTITLE 8. PROHIBITED ACTS; PENALTIES.~~

~~§.3-801.~~

~~IF AN INDIVIDUAL WILLFULLY MAKES A FALSE STATEMENT OR MISREPRESENTATION REGARDING A MATERIAL FACT OR WILLFULLY FAILS TO REPORT A MATERIAL FACT TO OBTAIN BENEFITS UNDER THIS TITLE, THE INDIVIDUAL IS DISQUALIFIED FROM RECEIVING BENEFITS FOR 1 YEAR.~~

~~§.3-802.~~

~~(A) THE DIVISION MAY SEEK REPAYMENT OF BENEFITS FROM AN INDIVIDUAL WHO RECEIVED BENEFITS UNDER THIS TITLE IF:~~

~~(1) THE BENEFITS WERE PAID ERRONEOUSLY OR AS A RESULT OF WILLFUL MISREPRESENTATION; OR~~

~~(2) IF A CLAIM FOR BENEFITS UNDER THIS TITLE IS REJECTED AFTER THE BENEFITS WERE PAID.~~

~~(B) THE SECRETARY MAY WAIVE THE REPAYMENT OF BENEFITS UNDER SUBSECTION (A) OF THIS SECTION IF THE REPAYMENT WOULD BE AGAINST EQUITY AND GOOD CONSCIENCE.~~

~~§.3-803.~~

~~A PERSON MAY NOT DISCHARGE, DEMOTE, OR OTHERWISE DISCRIMINATE OR TAKE ADVERSE ACTION AGAINST A COVERED EMPLOYEE BECAUSE THE COVERED EMPLOYEE:~~

~~(1) HAS FILED, APPLIED FOR, OR RECEIVED BENEFITS UNDER THIS TITLE;~~

~~(2) HAS COMMUNICATED TO THE PERSON AN INTENT TO FILE A CLAIM, A COMPLAINT, OR AN APPEAL UNDER THIS TITLE; OR~~

~~(3) HAS TESTIFIED OR INTENDS TO TESTIFY OR OTHERWISE HAS ASSISTED IN A PROCEEDING UNDER THIS TITLE.~~

~~SUBTITLE 9. SHORT TITLE.~~

~~§.3-901.~~

~~THIS TITLE MAY BE CITED AS THE MARYLAND FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~Article State Finance and Procurement~~

~~(a) (1) Except as otherwise specifically provided by law or by regulation of the Treasurer, the Treasurer shall credit to the General Fund any interest on or other income from State money that the Treasurer invests.~~

~~(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:~~

~~84. the Economic Development Marketing Fund; [and]~~

~~85. the Military Personnel and Veteran Owned Small Business No Interest Loan Fund; AND~~

~~86. THE FAMILY AND MEDICAL LEAVE INSURANCE FUND.~~

~~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 collective bargaining agreement entered into before the effective date of this Act.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That, on or before October 1, 2016, the Secretary of Labor, Licensing, and Regulation shall adopt regulations as required under § 8.3-403 of the Labor and Employment Article, as enacted by Section 1 of this Act.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that, to the extent permissible under federal law, existing employees and resources of the Division of Unemployment Insurance be used to carry out the provisions of this Act.~~

~~SECTION 5. 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016. It shall remain effective for a period of 2 years and 1 month 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.~~

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 678

(House Bill 740)

AN ACT concerning

~~Labor and Employment – Task Force to Study Family and Medical Leave Insurance Program – Establishment~~

FOR the purpose of ~~establishing the Task Force to Study Family and Medical Leave Insurance; providing for the composition, chair, and staffing of the Task Force; requiring that the appointed members of the Task Force be appointed by a certain date; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Commission for Women to apply for certain funding; requiring the Task Force to receive certain public testimony and study and make recommendations regarding certain matters; requiring the Task Force to report its findings and recommendations to the General Assembly on or before a certain date; providing for the termination of this Act; establishing the Family and Medical Leave Insurance Program; prohibiting an employee from disclosing certain information; authorizing a self-employed individual to elect to participate in the Program by filing a certain notice with the Secretary of Labor, Licensing, and Regulation; providing that a certain election becomes effective on the date a certain notice is filed; requiring a certain individual to participate in the Program for a certain initial period; authorizing a certain individual to renew participation in the Program for a certain period; requiring a certain individual to notify the Secretary in writing of the individual's withdrawal from the Program within a certain time period; requiring a certain individual to pay a certain contribution rate during a certain period; providing that an employee's right to benefits under this Act may not be diminished by a collective bargaining agreement entered into or renewed or an employer policy adopted or retained after a certain date; providing that a certain agreement is void as against public policy; stating the purpose of the Program; providing for the manner in which the Program is to be administered; providing for the powers and duties of the Secretary under the Program; establishing the Family and Medical Leave Insurance Fund as a special fund; providing for the administration of the Fund; specifying the contents of the Fund; specifying the purposes for which the Fund may be used; requiring, beginning on a certain date, certain employees to pay the Secretary certain contributions; requiring the Secretary to establish in regulation the rate of contribution; requiring the rate of contribution to be sufficient to fund the benefits payable under this Act; requiring, beginning on a certain date, an individual to meet certain conditions to be eligible for benefits; authorizing a covered employee to take certain leave on an intermittent leave schedule; requiring a covered employee who is taking certain leave on an intermittent leave schedule to take certain action; prohibiting an employer from taking certain action if leave is taken on an intermittent leave schedule; providing for the manner in which benefits are to be calculated and paid; requiring the Division of Unemployment Insurance, under certain circumstances, to notify certain individuals of certain information regarding the federal income tax;~~

~~requiring the Division, under certain circumstances, to deduct and withhold a certain amount from benefits paid; providing for the manner in which certain employees who receive benefits are to be treated by employers; establishing certain prohibited acts; authorizing the Division to seek repayment of benefits under certain circumstances; authorizing the Secretary to waive the repayment of benefits under certain circumstances; exempting the Fund from a certain provision of law; providing for the construction and application of this Act; providing that this Act preempts the authority of a local jurisdiction to adopt certain laws, ordinances, rules, and regulations; requiring the Secretary to adopt certain regulations on or before a certain date; defining certain terms; stating the intent of the General Assembly; and generally relating to the Task Force to Study Family and Medical Leave Insurance Program.~~

~~BY repealing and reenacting, with amendments,
Article — Labor and Employment
Section 8-302
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)~~

~~BY adding to
Article — Labor and Employment
Section 8.3-101 through 8.3-901 to be under the new title “Title 8.3. Family and
Medical Leave Insurance Program”
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)~~

~~BY repealing and reenacting, without amendments,
Article — State Finance and Procurement
Section 6-226(a)(1) and (2)(i)
Annotated Code of Maryland
(2015 Replacement Volume)~~

~~BY repealing and reenacting, with amendments,
Article — State Finance and Procurement
Section 6-226(a)(2)(ii)84. and 85.
Annotated Code of Maryland
(2015 Replacement Volume)~~

~~BY adding to
Article — State Finance and Procurement
Section 6-226(a)(2)(ii)86.
Annotated Code of Maryland
(2015 Replacement Volume)~~

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 Family and Medical Leave Insurance.

(b) The Task Force consists of the following members:

(1) ~~two members~~ one member of the Senate of Maryland, appointed by the President of the Senate;

(2) ~~two members~~ one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Commissioner of Labor and Industry, or the Commissioner's designee;

(4) the State Treasurer, or the State Treasurer's designee;

(5) the Comptroller, or the Comptroller's designee;

(6) the Executive Director of the Commission for Women, or the Executive Director's designee; and

(7) the following members, appointed jointly by the Presiding Officers of the General Assembly:

(i) one researcher with expertise in state-run social insurance programs;

(ii) one representative of a community organization that advocates for the needs of infants and children;

(iii) one representative of a community organization that advocates for the needs of seniors;

(iv) one representative of a community organization that advocates for the needs of individuals who suffer from serious health conditions;

(v) one representative of a community organization that advocates for the economic security of mothers;

(vi) one representative of a community organization that advocates for working families;

(vii) one representative from a national organization with expertise in the implementation of family medical and leave insurance programs in other states;

(viii) one representative of businesses located in the State that employ fewer than 50 employees; and

(ix) one representative of businesses located in the State that employ at least 50 employees.

(c) The appointed members of the Task Force shall be appointed by July 1, 2016.

(d) The Presiding Officers of the General Assembly jointly shall designate the chair of the Task Force.

(e) The Department of Legislative Services shall provide staff for the Task Force.

(f) 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.

(g) The Commission for Women shall apply for any available federal funding that may be used by the Task Force to carry out the duties of the Task Force.

(h) The Task Force, in consultation with the appropriate State and local agencies and community organizations, shall:

(1) study existing family and medical leave insurance programs in other states and the District of Columbia, including fund stability, the benefit structure, and the revenue structure;

(2) review the 2016 family and medical leave insurance implementation studies from Minnesota, Connecticut, and Montgomery County, Maryland;

(3) review the 2013 Report on the Task Force to Study Temporary Disability Insurance Programs;

(4) receive public testimony from relevant stakeholders; and

(5) make recommendations regarding:

(i) the development of a State social insurance program that provides short-term benefits to eligible employees who lose wages due to:

1. an illness or injury that is unrelated to the employee's employment;

2. pregnancy or childbirth;

3. time off work needed to care for a seriously ill child, spouse, or parent;

4. time off work needed to bond with a new child; or
 5. time off work needed due to a qualifying exigency arising out of a family member's military deployment; and
- (ii) the design of an employee-funded family and medical leave insurance pool, including tax rates and benefits.

(i) On or before December 1, 2017, the Task Force shall report its findings and recommendations to the General Assembly in accordance with § 2-1246 of the State Government Article.

~~Article – Labor and Employment~~

~~§ 302.~~

- (a) ~~There is a Division of Unemployment Insurance.~~
- (b) ~~The Division of Unemployment Insurance shall perform any function that the Secretary assigns to it to carry out this title AND TITLE 8.3 OF THIS ARTICLE.~~

~~TITLE 8.3. FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.~~

~~8.3 101.~~

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

~~(B) “ADOPTED CHILD” MEANS A CHILD ADOPTED BY OR PLACED FOR ADOPTION WITH AN EMPLOYEE OR THE EMPLOYEE’S SPOUSE OR DOMESTIC PARTNER.~~

~~(C) “APPLICATION YEAR” MEANS THE 12 MONTH PERIOD BEGINNING ON THE FIRST DAY OF THE CALENDAR WEEK IN WHICH A COVERED EMPLOYEE FILES AN APPLICATION FOR BENEFITS.~~

~~(D) “BENEFITS” MEANS THE MONEY PAYABLE UNDER THIS TITLE TO A COVERED EMPLOYEE.~~

~~(E) “CHILD” MEANS:~~

- ~~(1) AN ADOPTED CHILD;~~

~~(2) A BIOLOGICAL CHILD;~~

~~(3) A FOSTER CHILD;~~

~~(4) A LEGAL WARD;~~

~~(5) A STEPCHILD; OR~~

~~(6) A CHILD WITH RESPECT TO WHOM AN INDIVIDUAL STANDS IN LOCO PARENTIS.~~

~~(F) "COVERED EMPLOYEE" MEANS AN EMPLOYEE WHO HAS EARNED AT LEAST \$1,800 IN WAGES DURING:~~

~~(1) THE FIRST 4 OF THE LAST 5 COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING THE START OF AN APPLICATION YEAR; OR~~

~~(2) THE 4 MOST RECENTLY COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING THE START OF AN APPLICATION YEAR ONLY IF THE EMPLOYEE APPLYING FOR THE BENEFITS DOES NOT QUALIFY FOR ANY BENEFITS UNDER THIS TITLE USING THE DEFINITION IN ITEM (1) OF THIS SUBSECTION.~~

~~(G) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.~~

~~(H) "EMPLOYER" MEANS A PERSON OR GOVERNMENTAL ENTITY THAT EMPLOYS AT LEAST ONE INDIVIDUAL IN THE STATE.~~

~~(I) "FAMILY MEMBER" MEANS:~~

~~(1) A CHILD;~~

~~(2) A PARENT;~~

~~(3) A PARENT IN LAW;~~

~~(4) A GRANDPARENT OR STEPGRANDPARENT OF AN EMPLOYEE OR THE EMPLOYEE'S SPOUSE OR DOMESTIC PARTNER;~~

~~(5) A GRANDCHILD OR STEPGRANDCHILD OF AN EMPLOYEE OR THE EMPLOYEE'S SPOUSE OR DOMESTIC PARTNER;~~

~~(6) A SPOUSE;~~

~~(7) A DOMESTIC PARTNER;~~

~~(8) A SIBLING;~~

~~(9) THE SPOUSE OR DOMESTIC PARTNER OF A SIBLING; OR~~

~~(10) ANY OTHER INDIVIDUAL RELATED BY BLOOD OR AFFINITY WHOSE CLOSE ASSOCIATION WITH THE EMPLOYEE IS EQUIVALENT TO A FAMILY RELATIONSHIP.~~

~~(J) “FUND” MEANS THE FAMILY AND MEDICAL LEAVE INSURANCE FUND ESTABLISHED UNDER § 8.3 501 OF THIS TITLE.~~

~~(K) “GOVERNMENTAL ENTITY” HAS THE MEANING STATED IN § 8 101 OF THIS ARTICLE.~~

~~(L) “INDIVIDUAL WHO STANDS IN LOCO PARENTIS” MEANS, WHETHER OR NOT A BIOLOGICAL OR LEGAL RELATIONSHIP EXISTS, AN INDIVIDUAL:~~

~~(1) WHO HAS DAY TO DAY RESPONSIBILITIES TO CARE FOR AND FINANCIALLY SUPPORT A CHILD; OR~~

~~(2) IN THE CASE OF AN EMPLOYEE OR THE EMPLOYEE’S SPOUSE OR DOMESTIC PARTNER, WHO HAD RESPONSIBILITY FOR THE EMPLOYEE OR THE SPOUSE OR DOMESTIC PARTNER WHEN THE EMPLOYEE OR THE SPOUSE OR DOMESTIC PARTNER WAS A CHILD.~~

~~(M) “NEWBORN CHILD” MEANS A CHILD UNDER THE AGE OF 1 YEAR.~~

~~(N) “NEXT OF KIN” MEANS THE NEAREST BLOOD RELATIVE.~~

~~(O) “PARENT” MEANS:~~

~~(1) AN ADOPTIVE PARENT;~~

~~(2) A BIOLOGICAL PARENT;~~

~~(3) A FOSTER PARENT;~~

~~(4) A LEGAL GUARDIAN;~~

~~(5) A STEPPARENT; OR~~

~~(6) AN INDIVIDUAL WHO STANDS IN LOCO PARENTIS TO AN EMPLOYEE.~~

~~(P) "PARENT-IN-LAW" MEANS:~~

~~(1) THE PARENT OF AN EMPLOYEE'S SPOUSE OR DOMESTIC PARTNER;~~

~~OR~~

~~(2) AN INDIVIDUAL WHO STANDS IN LOCO PARENTIS TO AN EMPLOYEE'S SPOUSE OR DOMESTIC PARTNER.~~

~~(Q) "PROGRAM" MEANS THE FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~(R) "QUALIFYING EXIGENCY" MEANS ANY OF THE FOLLOWING REASONS FOR WHICH LEAVE MAY BE NEEDED BY A FAMILY MEMBER OF A SERVICE MEMBER:~~

~~(1) BECAUSE THE SERVICE MEMBER HAS RECEIVED NOTICE OF DEPLOYMENT WITHIN 7 DAYS BEFORE THE DEPLOYMENT IS TO BEGIN;~~

~~(2) TO ATTEND MILITARY EVENTS AND RELATED ACTIVITIES;~~

~~(3) TO ATTEND CHILD CARE OR SCHOOL ACTIVITIES ONLY BECAUSE THE SERVICE MEMBER IS ON ACTIVE DUTY CALL OR ACTIVE DUTY STATUS;~~

~~(4) TO MAKE FINANCIAL AND LEGAL ARRANGEMENTS FOR THE SERVICE MEMBER'S ABSENCE OR BECAUSE OF THE ABSENCE;~~

~~(5) TO ATTEND COUNSELING THAT:~~

~~(I) IS NEEDED DUE TO THE ACTIVE DUTY OR CALL TO ACTIVE DUTY STATUS OF THE SERVICE MEMBER; AND~~

~~(II) IS PROVIDED BY AN INDIVIDUAL WHO IS NOT A LICENSED HEALTH CARE PROVIDER;~~

~~(6) TO SPEND NO MORE THAN 5 DAYS WITH A SERVICE MEMBER WHO IS ON SHORT TERM TEMPORARY REST AND RECUPERATION LEAVE DURING THE PERIOD OF DEPLOYMENT;~~

~~(7) TO ATTEND POSTDEPLOYMENT ACTIVITIES; OR~~

~~(8) BECAUSE OF ANY OTHER ISSUES THAT ARISE OUT OF ACTIVE DUTY OR A CALL TO ACTIVE DUTY THAT AN EMPLOYER AND AN EMPLOYEE AGREE SHOULD BE COVERED.~~

~~(S) "SECRETARY" MEANS THE SECRETARY OF LABOR, LICENSING, AND REGULATION.~~

~~(T) "SERIOUS HEALTH CONDITION" MEANS AN ILLNESS, AN INJURY, AN IMPAIRMENT, OR A PHYSICAL OR MENTAL CONDITION THAT INVOLVES:~~

~~(1) INPATIENT CARE IN A HOSPITAL, HOSPICE, OR RESIDENTIAL HEALTH CARE FACILITY; OR~~

~~(2) CONTINUED TREATMENT BY A LICENSED HEALTH CARE PROVIDER.~~

~~(U) "SERVICE MEMBER" MEANS AN INDIVIDUAL WHO IS AN ACTIVE DUTY MEMBER OF:~~

~~(1) THE UNITED STATES ARMED FORCES;~~

~~(2) A RESERVE COMPONENT OF THE UNITED STATES ARMED FORCES;~~
~~OR~~

~~(3) THE NATIONAL GUARD OF ANY STATE.~~

~~§.3-102.~~

~~THIS TITLE PREEMPTS THE AUTHORITY OF A LOCAL JURISDICTION TO ADOPT A LAW, AN ORDINANCE, A RULE, OR A REGULATION ESTABLISHING OR IMPLEMENTING A FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~§.3-103.~~

~~(A) THIS SECTION DOES NOT APPLY TO THE DISCLOSURE OF INFORMATION TO:~~

~~(1) A PUBLIC EMPLOYEE IN THE PERFORMANCE OF THE PUBLIC EMPLOYEE'S OFFICIAL DUTIES;~~

~~(2) THE INDIVIDUAL TO WHOM THE INFORMATION PERTAINS; OR~~

~~(3) IF AN AUTHORIZED REPRESENTATIVE HAS THE SIGNED AUTHORIZATION OF THE INDIVIDUAL TO WHOM THE INFORMATION PERTAINS, THE AUTHORIZED REPRESENTATIVE.~~

~~(B) AN EMPLOYEE OF THE DEPARTMENT MAY NOT DISCLOSE INFORMATION PERTAINING TO AN INDIVIDUAL WHO HAS APPLIED FOR OR RECEIVED BENEFITS UNDER THIS TITLE.~~

~~SUBTITLE 2. SCOPE OF TITLE.~~

~~8.3-201.~~

~~(A) (1) A SELF-EMPLOYED INDIVIDUAL MAY ELECT TO PARTICIPATE IN THE PROGRAM BY FILING A WRITTEN NOTICE OF ELECTION WITH THE SECRETARY.~~

~~(2) AN ELECTION MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION BECOMES EFFECTIVE ON THE DATE THE WRITTEN NOTICE IS FILED.~~

~~(B) (1) IF A SELF-EMPLOYED INDIVIDUAL ELECTS TO PARTICIPATE IN THE PROGRAM UNDER SUBSECTION (A) OF THIS SECTION, THE INDIVIDUAL SHALL PARTICIPATE FOR AN INITIAL PERIOD OF NOT LESS THAN 3 YEARS.~~

~~(2) ONCE THE INITIAL PARTICIPATION PERIOD EXPIRES, THE SELF-EMPLOYED INDIVIDUAL MAY RENEW PARTICIPATION IN THE PROGRAM FOR A PERIOD OF NOT LESS THAN 1 YEAR.~~

~~(3) IF THE SELF-EMPLOYED INDIVIDUAL DOES NOT WISH TO RENEW PARTICIPATION IN THE PROGRAM UNDER PARAGRAPH (2) OF THIS SUBSECTION, WITHIN 30 DAYS BEFORE THE PARTICIPATION PERIOD EXPIRES, THE SELF-EMPLOYED INDIVIDUAL SHALL NOTIFY THE SECRETARY IN WRITING OF THE SELF-EMPLOYED INDIVIDUAL'S WITHDRAWAL FROM THE PROGRAM.~~

~~(C) DURING THE PERIOD A SELF-EMPLOYED INDIVIDUAL PARTICIPATES IN THE PROGRAM, THE SELF-EMPLOYED INDIVIDUAL SHALL PAY THE EMPLOYEE CONTRIBUTION REQUIRED UNDER § 8.3-601 OF THIS TITLE.~~

~~8.3-202.~~

~~THIS TITLE MAY NOT BE CONSTRUED TO DIMINISH AN EMPLOYER'S OBLIGATION TO COMPLY WITH A COLLECTIVE BARGAINING AGREEMENT OR AN EMPLOYER POLICY THAT ALLOWS AN EMPLOYEE TO TAKE LEAVE FOR A LONGER PERIOD OF TIME THAN THE EMPLOYEE WOULD BE ABLE TO RECEIVE BENEFITS UNDER THIS TITLE.~~

~~8.3-203.~~

~~(A) AN EMPLOYEE'S RIGHT TO BENEFITS UNDER THIS TITLE MAY NOT BE DIMINISHED BY A COLLECTIVE BARGAINING AGREEMENT ENTERED INTO OR~~

~~RENEWED OR AN EMPLOYER POLICY ADOPTED OR RETAINED ON OR AFTER JUNE 1, 2016.~~

~~(B) AN AGREEMENT BY AN EMPLOYEE TO WAIVE THE EMPLOYEE'S RIGHTS UNDER THIS TITLE IS VOID AS AGAINST PUBLIC POLICY.~~

~~SUBTITLE 3. ESTABLISHMENT OF PROGRAM.~~

~~§ 3-301.~~

~~THERE IS A FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~§ 3-302.~~

~~THE PURPOSE OF THE PROGRAM IS TO PROVIDE TEMPORARY BENEFITS TO AN EMPLOYEE WHO IS TAKING PARTIALLY PAID OR UNPAID LEAVE FROM EMPLOYMENT:~~

~~(1) TO CARE FOR A NEWBORN CHILD OR A CHILD NEWLY PLACED FOR ADOPTION OR FOSTER CARE WITH THE EMPLOYEE DURING THE FIRST YEAR AFTER THE BIRTH, ADOPTION, OR PLACEMENT;~~

~~(2) TO CARE FOR A FAMILY MEMBER WITH A SERIOUS HEALTH CONDITION;~~

~~(3) BECAUSE THE EMPLOYEE HAS A SERIOUS HEALTH CONDITION THAT RESULTS IN THE EMPLOYEE BEING UNABLE TO PERFORM THE FUNCTIONS OF THE POSITION OF THE EMPLOYEE;~~

~~(4) TO CARE FOR A SERVICE MEMBER WHO IS THE EMPLOYEE'S NEXT OF KIN; OR~~

~~(5) BECAUSE THE EMPLOYEE HAS A QUALIFYING EXIGENCY ARISING OUT OF THE DEPLOYMENT OF A FAMILY MEMBER OF THE EMPLOYEE.~~

~~SUBTITLE 4. ADMINISTRATION.~~

~~§ 3-401.~~

~~THIS TITLE SHALL BE ADMINISTERED UNDER THE SUPERVISION OF THE SECRETARY BY THE DIVISION OF UNEMPLOYMENT INSURANCE ESTABLISHED UNDER § 8-302 OF THIS ARTICLE.~~

~~§ 3-402.~~

~~THE SECRETARY MAY DELEGATE TO AN EMPLOYEE OF THE DEPARTMENT ANY POWER OR DUTY THAT IS REASONABLE AND PROPER FOR THE ADMINISTRATION OF THIS TITLE.~~

~~8.3 403.~~

~~(A) THE SECRETARY SHALL:~~

~~(1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, ADOPT REGULATIONS NECESSARY TO CARRY OUT THIS TITLE;~~

~~(2) ESTABLISH PROCEDURES AND FORMS FOR FILING CLAIMS FOR BENEFITS, INCLUDING PROCEDURES FOR NOTIFYING AN EMPLOYER WITHIN 5 BUSINESS DAYS AFTER AN EMPLOYEE OF THE EMPLOYER FILES A CLAIM FOR BENEFITS UNDER THIS TITLE;~~

~~(3) USE INFORMATION SHARING AND INTEGRATION TECHNOLOGY TO FACILITATE THE DISCLOSURE OF RELEVANT INFORMATION OR RECORDS NEEDED FOR THE ADMINISTRATION OF THIS TITLE; AND~~

~~(4) SUBJECT TO SUBSECTION (C) OF THIS SECTION, CARRY OUT A PUBLIC EDUCATION PROGRAM FOR THE PURPOSE OF EDUCATING THE PUBLIC ABOUT BENEFITS AVAILABLE TO EMPLOYEES UNDER THIS TITLE.~~

~~(B) THE REGULATIONS ADOPTED UNDER SUBSECTION (A)(1) OF THIS SECTION SHALL BE CONSISTENT WITH REGULATIONS ADOPTED TO IMPLEMENT THE FEDERAL FAMILY AND MEDICAL LEAVE ACT AND ANY RELEVANT STATE LAWS TO THE EXTENT THAT THE ADOPTED REGULATIONS DO NOT CONFLICT WITH THIS TITLE.~~

~~(C) (1) THE SECRETARY MAY USE A PORTION OF THE FUNDS PAID UNDER § 8.3 601 OF THIS TITLE OR OTHER AVAILABLE FUNDING TO PAY FOR AND CARRY OUT THE PUBLIC EDUCATION PROGRAM REQUIRED UNDER SUBSECTION (A)(4) OF THIS SECTION.~~

~~(2) MATERIALS USED IN THE PUBLIC EDUCATION PROGRAM REQUIRED UNDER SUBSECTION (A)(4) OF THIS SECTION SHALL BE MADE AVAILABLE IN ENGLISH AND SPANISH.~~

~~8.3 404.~~

~~(A) TO ENFORCE THIS TITLE, THE SECRETARY MAY:~~

~~(1) CONDUCT AN INVESTIGATION UNDER THIS TITLE, ON THE SECRETARY'S OWN INITIATIVE OR BY RECEIPT OF A WRITTEN COMPLAINT;~~

~~(2) ADMINISTER AN OATH;~~

~~(3) CERTIFY TO AN OFFICIAL ACT;~~

~~(4) TAKE A DEPOSITION;~~

~~(5) ISSUE A SUBPOENA FOR THE ATTENDANCE OF A WITNESS TO TESTIFY OR THE PRODUCTION OF BOOKS, CORRESPONDENCE, MEMORANDA, PAPERS, OR OTHER RECORDS; AND~~

~~(6) BRING A CIVIL ACTION IN THE COUNTY WHERE THE VIOLATION ALLEGEDLY OCCURRED.~~

~~(B) (1) A SUBPOENA ISSUED UNDER SUBSECTION (A)(5) OF THIS SECTION SHALL BE SERVED IN ANY MANNER IN WHICH A SUBPOENA OF A COURT MAY BE SERVED.~~

~~(2) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER SUBSECTION (A)(5) OF THIS SECTION ON A COMPLAINT FILED BY THE SECRETARY, THE CIRCUIT COURT FOR THE COUNTY WHERE THE INVESTIGATION IS BEING CONDUCTED OR WHERE THE PERSON RESIDES, IS PRESENT, OR TRANSACTS BUSINESS MAY ISSUE AN ORDER DIRECTING COMPLIANCE WITH THE SUBPOENA OR COMPELLING TESTIMONY.~~

~~(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A PERSON MAY NOT BE EXCUSED FROM COMPLYING WITH A SUBPOENA ISSUED UNDER SUBSECTION (A)(5) OF THIS SECTION ON THE GROUND THAT THE EVIDENCE OR TESTIMONY REQUIRED MAY TEND TO INCRIMINATE THE PERSON OR SUBJECT THE PERSON TO A FORFEITURE OR PENALTY.~~

~~(H) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, AFTER CLAIMING THE PRIVILEGE AGAINST SELF-INCRIMINATION, A PERSON MAY NOT BE PROSECUTED OR SUBJECTED TO ANY FORFEITURE OR PENALTY BECAUSE OF ANY MATTER, THING, OR TRANSACTION ABOUT WHICH THE PERSON IS COMPELLED TO PRODUCE EVIDENCE OR TESTIFY.~~

~~2. IF THE PERSON COMMITS PERJURY WHILE GIVING TESTIMONY, THE PERSON IS SUBJECT TO PROSECUTION FOR THAT OFFENSE.~~

~~IN A CIVIL ACTION TO ENFORCE THIS TITLE, THE SECRETARY AND THE STATE MAY BE REPRESENTED BY:~~

- ~~(1) THE ATTORNEY GENERAL; OR~~
- ~~(2) ANY QUALIFIED ATTORNEY WHO:~~
 - ~~(I) IS A SALARIED EMPLOYEE OF THE SECRETARY; AND~~
 - ~~(II) ON RECOMMENDATION OF THE ATTORNEY GENERAL, IS DESIGNATED TO REPRESENT THE SECRETARY OR THE BOARD OF APPEALS AND THE STATE.~~

~~§ 3-406.~~

~~(A) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE SECRETARY SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY AN ANNUAL REPORT ON THE ADMINISTRATION AND OPERATION OF THIS TITLE DURING THE PREVIOUS FISCAL YEAR.~~

~~(B) THE ANNUAL REPORT SHALL INCLUDE INFORMATION REGARDING:~~

- ~~(1) PROJECTED AND ACTUAL PROGRAM PARTICIPATION RATES;~~
- ~~(2) CONTRIBUTION RATES;~~
- ~~(3) FUND BALANCES; AND~~
- ~~(4) PUBLIC OUTREACH EFFORTS.~~

~~SUBTITLE 5. THE FAMILY AND MEDICAL LEAVE INSURANCE FUND.~~

~~§ 3-501.~~

~~THERE IS A FAMILY AND MEDICAL LEAVE INSURANCE FUND.~~

~~§ 3-502.~~

~~(A) THE SECRETARY SHALL ADMINISTER THE FUND.~~

~~(B) THE FUND SHALL BE A SPECIAL FUND THAT IS SEPARATE FROM STATE MONEY.~~

~~§ 3-503.~~

~~(A) THE FUND SHALL CONSIST OF:~~

~~(1) EMPLOYEE CONTRIBUTIONS;~~

~~(2) MONEY PAID TO THE FUND FOR THE PURPOSE OF REIMBURSING THE SECRETARY UNDER § 8.3-802 OF THIS TITLE FOR BENEFITS PAID IN ERROR;~~

~~(3) INTEREST EARNED ON MONEY IN THE FUND; AND~~

~~(4) MONEY RECEIVED FOR THE FUND FROM ANY OTHER SOURCE.~~

~~(B) MONEY IN THE FUND SHALL BE COMMINGLED.~~

~~(C) THE FUND SHALL BE USED ONLY FOR THE PURPOSES OF THIS TITLE.~~

~~§ 3-504.~~

~~(A) (1) THE STATE TREASURER IS CUSTODIAN OF THE FUND.~~

~~(2) THE STATE TREASURER SHALL MANAGE THE FUND IN ACCORDANCE WITH REGULATIONS THAT THE SECRETARY ADOPTS.~~

~~(B) UNDER THE DIRECTION OF THE SECRETARY, THE STATE TREASURER SHALL ESTABLISH THE FUND ACCOUNT IN ANY FINANCIAL INSTITUTION IN WHICH THE GENERAL FUND OF THE STATE MAY BE DEPOSITED.~~

~~(C) ON RECEIPT OF ANY MONEY PAYABLE TO THE FUND, THE SECRETARY SHALL ENSURE IMMEDIATE DEPOSIT OF THE MONEY INTO THE FUND ACCOUNT AS REQUIRED BY THE STATE TREASURER.~~

~~(D) IN ACCORDANCE WITH REGULATIONS THAT THE SECRETARY ADOPTS, MONEY IN THE FUND ACCOUNT:~~

~~(1) SHALL BE USED TO PAY BENEFITS UNDER THIS TITLE; AND~~

~~(2) MAY BE USED TO PAY FOR:~~

~~(I) THE PUBLIC EDUCATION PROGRAM REQUIRED UNDER § 8.3-403(A)(4) OF THIS TITLE; AND~~

~~(II) ANY COSTS ASSOCIATED WITH THE INITIAL IMPLEMENTATION OF THIS TITLE.~~

~~§ 3-505.~~

~~A CHECK THAT THE STATE TREASURER ISSUES TO PAY BENEFITS OR REFUNDS SHALL:~~

- ~~(1) BE ISSUED ONLY ON A WARRANT SIGNED BY THE SECRETARY;~~
- ~~(2) BEAR THE SIGNATURE OF THE STATE TREASURER; AND~~
- ~~(3) BE COUNTERSIGNED BY AN AUTHORIZED AGENT.~~

~~8.3-506.~~

~~THIS TITLE DOES NOT GRANT AN EMPLOYEE ANY PRIOR CLAIM OR RIGHT TO MONEY THE EMPLOYEE PAYS INTO THE FUND.~~

~~SUBTITLE 6. CONTRIBUTIONS.~~

~~8.3-601.~~

~~(A) BEGINNING ON JANUARY 1, 2017, EACH EMPLOYEE SHALL PAY TO THE SECRETARY CONTRIBUTIONS FOR THE FUND ON WAGES FOR EMPLOYMENT THAT IS PERFORMED FOR AN EMPLOYER.~~

~~(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SECRETARY SHALL ESTABLISH IN REGULATION THE RATE OF CONTRIBUTION AN EMPLOYEE IS REQUIRED TO PAY UNDER SUBSECTION (A) OF THIS SECTION.~~

~~(2) THE RATE OF CONTRIBUTION ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE SUFFICIENT TO FUND THE BENEFITS PAYABLE UNDER THIS TITLE.~~

~~SUBTITLE 7. BENEFITS.~~

~~8.3-701.~~

~~(A) BEGINNING ON JULY 1, 2018, TO BE ELIGIBLE FOR BENEFITS, A COVERED EMPLOYEE MUST BE TAKING PARTIALLY PAID OR UNPAID LEAVE FROM EMPLOYMENT BECAUSE THE COVERED EMPLOYEE:~~

~~(1) IS CARING FOR A NEWBORN CHILD OR A CHILD NEWLY PLACED FOR ADOPTION OR FOSTER CARE WITH THE COVERED EMPLOYEE DURING THE FIRST YEAR AFTER THE BIRTH, ADOPTION, OR PLACEMENT;~~

~~(2) IS CARING FOR A FAMILY MEMBER WITH A SERIOUS HEALTH CONDITION;~~

~~(3) HAS A SERIOUS HEALTH CONDITION THAT RESULTS IN THE COVERED EMPLOYEE BEING UNABLE TO PERFORM THE FUNCTIONS OF THE POSITION OF THE COVERED EMPLOYEE;~~

~~(4) IS CARING FOR A SERVICE MEMBER WHO IS THE COVERED EMPLOYEE'S NEXT OF KIN; OR~~

~~(5) HAS A QUALIFYING EXIGENCY ARISING OUT OF THE DEPLOYMENT OF A FAMILY MEMBER OF THE COVERED EMPLOYEE.~~

~~(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A COVERED EMPLOYEE MAY TAKE THE LEAVE FOR WHICH THE EMPLOYEE IS ELIGIBLE FOR BENEFITS UNDER SUBSECTION (A) OF THIS SECTION ON AN INTERMITTENT LEAVE SCHEDULE.~~

~~(2) IF LEAVE IS TAKEN ON AN INTERMITTENT LEAVE SCHEDULE, THE COVERED EMPLOYEE SHALL:~~

~~(I) MAKE A REASONABLE EFFORT TO SCHEDULE THE INTERMITTENT LEAVE IN A MANNER THAT DOES NOT UNDULY DISRUPT THE OPERATIONS OF THE EMPLOYER; AND~~

~~(II) PROVIDE THE EMPLOYER WITH REASONABLE AND PRACTICABLE PRIOR NOTICE OF THE REASON FOR WHICH THE INTERMITTENT LEAVE IS NECESSARY.~~

~~(3) IF LEAVE IS TAKEN ON AN INTERMITTENT LEAVE SCHEDULE, AN EMPLOYER MAY NOT:~~

~~(I) UNLESS THE INTERMITTENT LEAVE SCHEDULE IS MEDICALLY NECESSARY, BE REQUIRED TO ALLOW AN INTERMITTENT LEAVE SCHEDULE FOR MORE THAN 24 CONSECUTIVE WEEKS; OR~~

~~(II) REDUCE THE TOTAL AMOUNT OF LEAVE TO WHICH THE COVERED EMPLOYEE IS ENTITLED.~~

~~8.3 702.~~

~~(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A COVERED EMPLOYEE MAY NOT RECEIVE MORE THAN 12 WEEKS OF BENEFITS IN AN APPLICATION YEAR.~~

~~(2) A COVERED EMPLOYEE MAY RECEIVE AN ADDITIONAL 12 WEEKS OF BENEFITS IF THE COVERED EMPLOYEE DURING THE SAME APPLICATION YEAR:~~

~~(I) RECEIVED BENEFITS BECAUSE THE COVERED EMPLOYEE WAS ELIGIBLE FOR BENEFITS UNDER § 8.3 701(A)(3) OF THIS SUBTITLE; AND~~

~~(II) BECOMES ELIGIBLE FOR BENEFITS UNDER § 8.3 701(A)(2), (4), OR (5) OF THIS SUBTITLE.~~

~~(B) (1) A COVERED EMPLOYEE MAY NOT BE PAID BENEFITS FOR THE FIRST 5 CONSECUTIVE CALENDAR DAYS AFTER THE COVERED EMPLOYEE BECOMES ELIGIBLE FOR BENEFITS UNDER § 8.3 701 OF THIS SUBTITLE UNLESS THE COVERED EMPLOYEE:~~

~~(I) HAS USED 10 OR MORE DAYS OF PARTIALLY PAID OR UNPAID LEAVE DURING THE APPLICATION YEAR; OR~~

~~(II) HAS ALREADY UNDERGONE THE WAITING PERIOD IN THE SAME APPLICATION YEAR.~~

~~(2) AN EMPLOYER MAY NOT REQUIRE A COVERED EMPLOYEE TO USE LEAVE PROVIDED BY THE EMPLOYER DURING THE WAITING PERIOD REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

~~(C) A COVERED EMPLOYEE MAY NOT BE PAID BENEFITS FOR LESS THAN 1 DAY OR 8 CONSECUTIVE HOURS OF LEAVE TAKEN IN 1 WORKWEEK.~~

~~8.3 703.~~

~~IF AN EMPLOYER PROVIDES A COVERED EMPLOYEE WITH WRITTEN NOTICE, THE EMPLOYER MAY REQUIRE THAT BENEFITS PAID UNDER THIS TITLE TO THE COVERED EMPLOYEE BE COORDINATED WITH PAYMENT MADE OR LEAVE ALLOWED UNDER THE TERMS OF DISABILITY OR FAMILY CARE LEAVE UNDER A COLLECTIVE BARGAINING AGREEMENT OR EMPLOYER POLICY.~~

~~8.3 704.~~

~~(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE WEEKLY BENEFIT AMOUNT PAYABLE TO A COVERED EMPLOYEE UNDER THIS TITLE SHALL BE:~~

~~(I) 66% OF THE HIGHEST TOTAL AMOUNT OF WAGES EARNED BY THE COVERED EMPLOYEE IN 1 WEEK DURING THE BASE PERIOD; OR~~

~~(H) IF THE EMPLOYEE IS TAKING PARTIALLY PAID LEAVE, THE LESSER OF:~~

~~1. THE AMOUNT REQUIRED TO MAKE UP THE DIFFERENCE BETWEEN THE WAGES PAID TO THE EMPLOYEE WHILE THE EMPLOYEE IS TAKING PARTIALLY PAID LEAVE AND THE FULL WAGES NORMALLY PAID TO THE EMPLOYEE; AND~~

~~2. 66% OF THE HIGHEST TOTAL AMOUNT OF WAGES EARNED BY THE COVERED EMPLOYEE IN 1 WEEK DURING THE BASE PERIOD.~~

~~(2) THE WEEKLY BENEFIT AMOUNT PAYABLE UNDER PARAGRAPH (1) OF THIS SUBSECTION:~~

~~(I) SHALL BE AT LEAST \$50; AND~~

~~(II) MAY NOT EXCEED:~~

~~1. FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2018, \$1,000; AND~~

~~2. FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019, AND EACH SUBSEQUENT 12-MONTH PERIOD, THE AMOUNT DETERMINED AND ANNOUNCED BY THE SECRETARY UNDER PARAGRAPH (3) OF THIS SUBSECTION.~~

~~(3) (I) IN THIS PARAGRAPH, "CONSUMER PRICE INDEX" MEANS THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE WASHINGTON-BALTIMORE METROPOLITAN AREA OR A SUCCESSOR INDEX PUBLISHED BY THE FEDERAL BUREAU OF LABOR STATISTICS.~~

~~(II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019, AND EACH SUBSEQUENT 12-MONTH PERIOD, THE MAXIMUM WEEKLY BENEFIT AMOUNT SHALL BE INCREASED BY THE AMOUNT, ROUNDED TO THE NEAREST CENT, THAT EQUALS THE PRODUCT OF:~~

~~1. THE MAXIMUM WEEKLY BENEFIT AMOUNT IN EFFECT FOR THE PRECEDING 12-MONTH PERIOD; AND~~

~~2. THE ANNUAL PERCENT GROWTH IN THE CONSUMER PRICE INDEX FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, AS DETERMINED BY THE SECRETARY UNDER ITEM 1 OF THIS SUBPARAGRAPH.~~

~~(III) BEGINNING MARCH 1, 2019, AND EACH SUBSEQUENT SEPTEMBER 1, THE SECRETARY SHALL DETERMINE AND ANNOUNCE:~~

~~1. THE ANNUAL PERCENT GROWTH, IF ANY, IN THE CONSUMER PRICE INDEX BASED ON THE MOST RECENT 12 MONTH PERIOD FOR WHICH DATA IS AVAILABLE ON SEPTEMBER 1; AND~~

~~2. THE MAXIMUM WEEKLY BENEFIT AMOUNT EFFECTIVE FOR THE 12 MONTH PERIOD BEGINNING THE FOLLOWING JULY 1.~~

~~(IV) IF THERE IS A DECLINE OR NO GROWTH IN THE CONSUMER PRICE INDEX, THE MAXIMUM WEEKLY BENEFIT AMOUNT SHALL REMAIN THE SAME AS THE AMOUNT THAT WAS IN EFFECT FOR THE PRECEDING 12 MONTH PERIOD.~~

~~(B) AN INCREASE IN THE WEEKLY BENEFIT AMOUNT UNDER SUBSECTION (A)(3) OF THIS SECTION APPLIES ONLY TO A CLAIM FOR BENEFITS FILED AFTER THE DATE THE INCREASE BECOMES EFFECTIVE.~~

~~(C) THE DIVISION SHALL:~~

~~(1) MAKE THE FIRST PAYMENT OF BENEFITS TO A COVERED EMPLOYEE WITHIN 2 WEEKS AFTER THE CLAIM IS FILED; AND~~

~~(2) MAKE SUBSEQUENT PAYMENTS EVERY 2 WEEKS UNTIL THE BENEFIT PERIOD ENDS.~~

~~8.3-705.~~

~~(A) IF THE INTERNAL REVENUE SERVICE DETERMINES THAT BENEFITS PAID UNDER THIS SUBTITLE ARE SUBJECT TO FEDERAL INCOME TAX, AT THE TIME AN INDIVIDUAL FILES A NEW CLAIM FOR BENEFITS, THE DIVISION SHALL NOTIFY THE INDIVIDUAL THAT:~~

~~(1) THE INTERNAL REVENUE SERVICE HAS DETERMINED THAT THE BENEFITS ARE SUBJECT TO FEDERAL INCOME TAX;~~

~~(2) THERE ARE REQUIREMENTS REGARDING ESTIMATED TAX PAYMENTS;~~

~~(3) THE INDIVIDUAL MAY ELECT TO HAVE FEDERAL INCOME TAX DEDUCTED AND WITHHELD FROM THE BENEFITS THAT THE INDIVIDUAL RECEIVES UNDER THIS TITLE AT THE AMOUNT SPECIFIED IN THE INTERNAL REVENUE CODE; AND~~

~~(4) THE INDIVIDUAL IS PERMITTED TO CHANGE A PREVIOUSLY ELECTED WITHHOLDING STATUS.~~

~~(B) (1) IF AN INDIVIDUAL ELECTS TO HAVE FEDERAL INCOME TAX DEDUCTED AND WITHHELD UNDER SUBSECTION (A)(3) OF THIS SECTION, THE DIVISION SHALL DEDUCT AND WITHHOLD THE AMOUNT SPECIFIED IN THE INTERNAL REVENUE CODE IN A MANNER REQUIRED BY THE INTERNAL REVENUE SERVICE.~~

~~(2) IF THE DIVISION DEDUCTS AND WITHHOLDS FEDERAL INCOME TAX UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE AMOUNT DEDUCTED AND WITHHELD SHALL REMAIN IN THE FUND UNTIL IT IS TRANSFERRED TO THE FEDERAL TAXING AUTHORITY AS A PAYMENT OF INCOME TAX.~~

~~§.3-706.~~

~~IF A COVERED EMPLOYEE RECEIVES BENEFITS UNDER THIS SUBTITLE OR TAKES LEAVE FROM WORK THAT FULFILLS THE WAITING PERIOD REQUIRED UNDER § 8.3-702(B) OF THIS SUBTITLE, THE EMPLOYER OF THE COVERED EMPLOYEE SHALL, ON THE EXPIRATION OF THE LEAVE, RESTORE THE EMPLOYEE TO AN EQUIVALENT POSITION OF EMPLOYMENT IN THE SAME MANNER AS AN EMPLOYEE ENTITLED TO LEAVE UNDER THE FEDERAL FAMILY MEDICAL LEAVE ACT IS REQUIRED TO BE RESTORED.~~

~~§.3-707.~~

~~IF A COVERED EMPLOYEE IS RECEIVING BENEFITS UNDER THIS TITLE OR IS TAKING LEAVE THAT FULFILLS THE WAITING PERIOD REQUIRED UNDER § 8.3-702(B) OF THIS SUBTITLE, THE EMPLOYER OF THE COVERED EMPLOYEE SHALL CONTINUE ANY EMPLOYMENT BENEFITS IN THE SAME MANNER AS REQUIRED UNDER THE FEDERAL FAMILY MEDICAL LEAVE ACT FOR THE TIME PERIOD THAT THE COVERED EMPLOYEE IS ABSENT FROM WORK AND RECEIVING BENEFITS UNDER THIS TITLE.~~

~~SUBTITLE 8. PROHIBITED ACTS; PENALTIES.~~

~~§.3-801.~~

~~IF AN INDIVIDUAL WILLFULLY MAKES A FALSE STATEMENT OR MISREPRESENTATION REGARDING A MATERIAL FACT OR WILLFULLY FAILS TO REPORT A MATERIAL FACT TO OBTAIN BENEFITS UNDER THIS TITLE, THE INDIVIDUAL IS DISQUALIFIED FROM RECEIVING BENEFITS FOR 1 YEAR.~~

~~§.3-802.~~

~~(A) THE DIVISION MAY SEEK REPAYMENT OF BENEFITS FROM AN INDIVIDUAL WHO RECEIVED BENEFITS UNDER THIS TITLE IF:~~

~~(1) THE BENEFITS WERE PAID ERRONEOUSLY OR AS A RESULT OF WILLFUL MISREPRESENTATION; OR~~

~~(2) IF A CLAIM FOR BENEFITS UNDER THIS TITLE IS REJECTED AFTER THE BENEFITS WERE PAID.~~

~~(B) THE SECRETARY MAY WAIVE THE REPAYMENT OF BENEFITS UNDER SUBSECTION (A) OF THIS SECTION IF THE REPAYMENT WOULD BE AGAINST EQUITY AND GOOD CONSCIENCE.~~

~~8.3-803.~~

~~A PERSON MAY NOT DISCHARGE, DEMOTE, OR OTHERWISE DISCRIMINATE OR TAKE ADVERSE ACTION AGAINST A COVERED EMPLOYEE BECAUSE THE COVERED EMPLOYEE:~~

~~(1) HAS FILED, APPLIED FOR, OR RECEIVED BENEFITS UNDER THIS TITLE;~~

~~(2) HAS COMMUNICATED TO THE PERSON AN INTENT TO FILE A CLAIM, A COMPLAINT, OR AN APPEAL UNDER THIS TITLE; OR~~

~~(3) HAS TESTIFIED OR INTENDS TO TESTIFY OR OTHERWISE HAS ASSISTED IN A PROCEEDING UNDER THIS TITLE.~~

~~SUBTITLE 9. SHORT TITLE.~~

~~8.3-901.~~

~~THIS TITLE MAY BE CITED AS THE MARYLAND FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM.~~

~~Article State Finance and Procurement~~

~~6-226.~~

~~(a) (1) Except as otherwise specifically provided by law or by regulation of the Treasurer, the Treasurer shall credit to the General Fund any interest on or other income from State money that the Treasurer invests.~~

~~(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:~~

~~84. the Economic Development Marketing Fund; [and]~~

~~85. the Military Personnel and Veteran Owned Small Business No Interest Loan Fund; AND~~

~~86. THE FAMILY AND MEDICAL LEAVE INSURANCE FUND.~~

~~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 collective bargaining agreement entered into before the effective date of this Act.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That, on or before October 1, 2016, the Secretary of Labor, Licensing, and Regulation shall adopt regulations as required under § 8.3 403 of the Labor and Employment Article, as enacted by Section 1 of this Act.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that, to the extent permissible under federal law, existing employees and resources of the Division of Unemployment Insurance be used to carry out the provisions of this Act.~~

~~SECTION 5. 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016. It shall remain effective for a period of 2 years and 1 month 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.~~

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 679

(Senate Bill 508)

AN ACT concerning

Civil ~~Penalties~~ Remedies for Shoplifting and Employee Theft —~~Repeal~~

FOR the purpose of *repealing a certain provision of law providing that a responsible person is civilly liable to a merchant for certain civil penalties for shoplifting and employee theft; ~~repealing certain provisions establishing liability to a merchant for civil penalties for shoplifting and employee theft~~ altering requirements for certain demand letters relating to alleged acts of shoplifting or employee theft; providing that a responsible person who prevails in a certain civil action is entitled to an award of court costs and reasonable attorney's fees, under certain circumstances; requiring a court to reduce the amount of restitution awarded in a certain criminal proceeding by an amount equal to certain damages ~~and civil penalties~~; prohibiting a person from taking certain actions in recovering or attempting to recover ~~a certain civil penalty~~ certain damages; establishing a certain penalty for certain violations; *requiring certain merchants to report certain information to the Department of Labor, Licensing, and Regulation on or before a certain date; providing for the termination of a certain provision of this Act; making stylistic and conforming changes; and generally relating to civil ~~penalties~~ remedies for shoplifting and employee theft.**

~~BY repealing~~

~~Article — Courts and Judicial Proceedings~~

~~Section 3-1301 through 3-1308 and the subtitle “Subtitle 13. Civil Penalties for Shoplifting and Employee Theft”~~

~~Annotated Code of Maryland~~

~~(2013 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,

Article – Courts and Judicial Proceedings

Section 3-1301, 3-1302, 3-1304, 3-1307, and 3-1308

Annotated Code of Maryland

(2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Courts and Judicial Proceedings

Section 3-1303, 3-1305, and 3-1306

Annotated Code of Maryland

(2013 Replacement Volume and 2015 Supplement)

BY adding to

Article – Courts and Judicial Proceedings

Section 3-1306.1 and 3-1309

Annotated Code of Maryland

(2013 Replacement Volume and 2015 Supplement)

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

Article – Courts and Judicial Proceedings

~~¶~~Subtitle 13. ~~Civil Penalties~~ **REMEDIES** for Shoplifting and Employee Theft.~~¶~~

~~¶~~3-1301.

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

(b) “Employee theft” means the theft of any merchandise from a mercantile establishment by an employee, agent, or contractor of the mercantile establishment.

(c) “Mercantile establishment” means any place where merchandise is displayed, held, or offered for sale, either at retail or wholesale.

(d) “Merchandise” means any goods, wares, commodity, money, or other personal property located on the premises of a mercantile establishment.

(e) “Merchant” means the owner or operator of a mercantile establishment.

(f) “Responsible person” means:

(1) Any individual, whether an adult or a minor, who commits or attempts to commit an act of shoplifting or employee theft; and

(2) The parents or legal guardians of an unemancipated minor who commits or attempts to commit an act of shoplifting or employee theft.

(g) “Shoplift” means any 1 or more of the following acts committed by a person without the consent of the merchant and with the purpose or intent of appropriating merchandise to that person’s own use without payment, obtaining merchandise at less than its stated sales price, or otherwise depriving a merchant of all or any part of the value or use of merchandise:

(1) Removing any merchandise from its immediate place of display or from any other place on the premises of the mercantile establishment;

(2) Obtaining or attempting to obtain possession of any merchandise by charging that merchandise to another person without the authority of that person or by charging that merchandise to a fictitious person;

(3) Concealing any merchandise;

(4) Substituting, altering, removing, or disfiguring any label or price tag;

(5) Transferring any merchandise from a container in which that merchandise is displayed or packaged to any other container; or

(6) Disarming any alarm tag attached to any merchandise.~~¶~~

~~§~~3-1302.

A responsible person is civilly liable to the merchant:

(1) To restore the merchandise to the merchant or, if the merchandise is not recoverable, has been damaged, or otherwise has lost all or part of its value, to pay the merchant an amount equal to the merchant's stated sales price for the merchandise; **AND**

(2) To pay the merchant for any other actual damages sustained by the merchant, not including the loss of time or wages incurred in connection with the apprehension or prosecution of the shoplifter or employee; ~~and~~

~~(3) Subject to the merchant's compliance with the procedures contained in § 3-1303 of this subtitle, to pay the merchant a civil penalty equal to twice the merchant's stated sales price for the merchandise, but not less than \$50 nor more than \$1,000.~~

~~§~~3-1303.

~~(a) If a merchant elects to seek the civil penalty available under § 3-1302(3) of this subtitle, the merchant:~~

~~(1) Shall comply with the procedures contained in this section;~~

~~(2) May not orally request or accept any payment at the time of apprehension; and~~

~~(3) May not accept any payment in cash without issuing a receipt for the payment.~~

~~(b)~~ **(A)** (1) **The IF A MERCHANT ELECTS TO SEEK THE DAMAGES AVAILABLE UNDER § 3-1302 OF THIS SUBTITLE, THE** merchant shall cause an initial demand letter, **PREPARED BY A LAWYER ADMITTED TO PRACTICE LAW IN THE STATE,** to be:

(i) Hand delivered personally to the responsible person; or

(ii) Mailed to the responsible person at that person's last known address **BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.**

(2) The initial demand letter shall:

(i) Identify the act of shoplifting or employee theft alleged to have been committed, **INCLUDING THE DATE AND TIME THE ACT IS ALLEGED TO HAVE OCCURRED;**

(II) SPECIFY THE BASIS ON WHICH THE RESPONSIBLE PERSON OR, IF APPLICABLE, THE CHILD OF THE RESPONSIBLE PERSON HAS BEEN ACCUSED OF THE ACT OF SHOPLIFTING OR EMPLOYEE THEFT;

~~(ii)~~ **(III)** Specify the amount of damages sought under § 3-1302(1) and (2) of this subtitle;

~~(iii)~~ ~~(IV)~~ ~~Specify the amount of the civil penalty sought under § 3-1302(3) of this subtitle and explain the method of calculating that amount;~~

~~(iv)~~ ~~(V)~~ **(IV)** Request payment of the damages ~~and civil penalty~~ by cash, money order, certified check, or cashier's check;

~~(v)~~ ~~(VI)~~ **(V)** Contain a conspicuous notice advising the responsible person that payment of the damages ~~and civil penalty~~ does not preclude the possibility of criminal prosecution, but that the payment would not be admissible in any criminal proceeding as an admission or evidence of guilt; ~~and~~

~~(vi)~~ ~~(VII)~~ **(VI)** Specify the date by which the responsible person shall make the required payment to avoid civil action, which date shall be at least 15 days after the date of hand delivery or from the postmark date, as the case may be, of the initial demand letter; **AND**

~~(VIII)~~ (VII) SPECIFY THAT, IF THE RESPONSIBLE PERSON DISPUTES LIABILITY FOR THE ALLEGED ACT OF SHOPLIFTING OR EMPLOYEE THEFT:

1. THE RESPONSIBLE PERSON MAY REFUSE TO PAY THE DAMAGES ~~AND CIVIL PENALTY~~; AND

2. IF THE RESPONSIBLE PERSON PREVAILS IN A CIVIL SUIT FOR DAMAGES ~~AND PENALTIES~~ ARISING FROM THE ALLEGED ACT OF SHOPLIFTING OR EMPLOYEE THEFT, THE RESPONSIBLE PERSON IS ENTITLED TO AN AWARD OF COURT COSTS AND REASONABLE ATTORNEY'S FEES.

(3) IF APPLICABLE, THE MERCHANT SHALL CAUSE A COPY OF ANY POLICE REPORT CONCERNING THE ALLEGED ACT OF SHOPLIFTING OR EMPLOYEE THEFT TO BE ATTACHED TO THE INITIAL DEMAND LETTER.

~~(e)~~ **(B)** (1) If payment in full is not received by the merchant on or before the date specified in the initial demand letter, the merchant shall cause a second demand letter, **PREPARED BY A LAWYER ADMITTED TO PRACTICE LAW IN THE STATE**, to be mailed to the responsible person at that person's last known address **BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.**

(2) The second demand letter shall:

(i) Contain the same information, request for payment, and notice that is required by subsection ~~(b)(2)(i) through (v) (VIII)~~ **(A)(2)(I) THROUGH (VII)** of this section for an initial demand letter;

(ii) Specify the date by which the responsible person shall make the required payment to avoid civil action, which date shall be at least 10 days from the postmark date of the second demand letter; and

(iii) Advise the responsible person that, if the required payment is not made in full on or before the date specified in the second demand letter, the responsible person will be subject to immediate institution of a civil suit for damages, ~~penalties,~~ court costs, and reasonable attorney's fees.

~~(d)~~ **(C)** The merchant shall get a certificate of mailing from the U.S. Postal Service for each initial demand letter and second demand letter mailed to a responsible person under this section.†

†3-1304.

A responsible person who complies fully with an initial demand letter or a second demand letter on or before the date specified in that demand letter may not incur any further civil liability to the merchant for damages arising out of the act of shoplifting or employee theft that was the subject of the demand letter.†

†3-1305.

(a) If the second demand letter is returned unclaimed to the merchant or if full payment is not otherwise received by the merchant on or before the date specified in the second demand letter, the merchant may file a civil action to recover the damages ~~and the civil penalty~~ provided for in § 3-1302 of this subtitle, together with court costs and reasonable attorney's fees.

(b) IN A CIVIL ACTION BROUGHT UNDER THIS SUBTITLE, THE MERCHANT SHALL SUBMIT PROOF TO THE COURT THAT THE MERCHANT COMPLIED WITH ALL REQUIREMENTS UNDER § 3-1303 OF THIS SUBTITLE CONCERNING DEMAND LETTERS.

(C) If the merchant prevails in a civil action brought under this subtitle, the merchant shall also be entitled to an award of court costs and reasonable attorney's fees, to be assessed without regard to the ability of the responsible person to pay.†

(D) IF THE RESPONSIBLE PERSON PREVAILS IN A CIVIL ACTION BROUGHT UNDER THIS SUBTITLE, THE RESPONSIBLE PERSON SHALL BE ENTITLED TO AN AWARD OF COURT COSTS AND REASONABLE ATTORNEY'S FEES, TO BE ASSESSED WITHOUT REGARD TO THE ABILITY OF THE MERCHANT TO PAY.

~~§~~3-1306.

(a) Criminal prosecution for an offense of theft under § 7-104 of the Criminal Law Article is not a prerequisite to the maintenance of a civil action under this subtitle.

(b) The recovery of damages ~~and penalties~~ under this subtitle does not preclude criminal prosecution. ~~However, the~~

(c) ~~THE~~ payment of damages ~~and penalties~~ under this subtitle is not admissible in any criminal proceeding as an admission of guilt or as evidence of guilt. ~~‡~~

~~(D) A COURT SHALL REDUCE THE AMOUNT OF ANY RESTITUTION AWARDED IN A CRIMINAL PROCEEDING REGARDING AN ACT FOR WHICH A RESPONSIBLE PERSON HAS PAID DAMAGES AND CIVIL PENALTIES UNDER THIS SUBTITLE BY AN AMOUNT EQUAL TO THOSE DAMAGES AND CIVIL PENALTIES.~~

3-1306.1.

(A) IN RECOVERING OR ATTEMPTING TO RECOVER DAMAGES ~~OR A CIVIL PENALTY~~ ARISING FROM AN ALLEGED ACT OF SHOPLIFTING OR EMPLOYEE THEFT UNDER THIS SUBTITLE, A PERSON MAY NOT:

(1) USE OR THREATEN FORCE OR VIOLENCE;

(2) COMMUNICATE WITH A RESPONSIBLE PERSON IN A MANNER THAT REASONABLY CAN BE EXPECTED TO ABUSE OR HARASS THE RESPONSIBLE PERSON, INCLUDING COMMUNICATING WITH EXCESSIVE FREQUENCY OR AT UNUSUAL HOURS;

(3) USE OBSCENE OR GROSSLY ABUSIVE LANGUAGE IN COMMUNICATING WITH THE RESPONSIBLE PERSON;

(4) CLAIM, ATTEMPT, OR THREATEN TO ENFORCE A RIGHT WITH KNOWLEDGE THAT THE RIGHT DOES NOT EXIST; OR

(5) USE A COMMUNICATION THAT SIMULATES LEGAL OR JUDICIAL PROCESS OR GIVES THE APPEARANCE OF BEING AUTHORIZED, ISSUED, OR APPROVED BY A GOVERNMENT, GOVERNMENTAL AGENCY, OR LAWYER WHEN IT IS NOT.

(B) A PERSON WHO VIOLATES THIS SECTION IS LIABLE FOR ANY:

(1) ANY ACTUAL DAMAGES PROXIMATELY CAUSED BY THE VIOLATION, INCLUDING DAMAGES FOR EMOTIONAL DISTRESS OR MENTAL ANGUISH SUFFERED WITH OR WITHOUT ACCOMPANYING PHYSICAL INJURY; AND

(2) REASONABLE COURT COSTS AND ATTORNEY'S FEES.

~~§~~3-1307.

The procedures required by § 3-1303 of this subtitle~~;~~

~~(1) Apply only to the extent that a merchant elects to seek recovery of the civil penalty available under § 3-1302(3) of this subtitle; and~~

~~(2) Do~~ **DO** not otherwise limit a merchant or other person from electing to pursue any other civil remedy or cause of action for damages against any responsible person under this subtitle or otherwise as permitted by law.~~†~~

~~§~~3-1308.

The District Court has exclusive original civil jurisdiction in an action under this subtitle if the damages ~~and civil penalty~~ claimed do not exceed \$10,000, exclusive of attorney's fees.~~†~~

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

Article – Courts and Judicial Proceedings

3-1309.

ON OR BEFORE JANUARY 15 OF EACH YEAR, A MERCHANT THAT SOUGHT DAMAGES UNDER THIS SUBTITLE DURING THE PRECEDING CALENDAR YEAR SHALL SUBMIT A LETTER TO THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION THAT INCLUDES THE FOLLOWING INFORMATION FOR THE PRECEDING CALENDAR YEAR:

(1) THE NUMBER OF ALLEGED SHOPLIFTING OR EMPLOYEE THEFT INCIDENTS;

(2) THE NUMBER OF DEMAND LETTERS SENT BY THE MERCHANT;

(3) THE AMOUNT OF MONEY RECEIVED IN RESPONSE TO THOSE DEMAND LETTERS;

(4) THE NUMBER OF CRIMINAL PROSECUTIONS SOUGHT BY THE MERCHANT AND THE FINAL DISPOSITIONS OF THOSE PROSECUTIONS; AND

(5) THE NUMBER OF CIVIL SUITS FILED UNDER THIS SUBTITLE BY THE MERCHANT AND THE FINAL DISPOSITION OF THOSE SUITS.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016. Section 2 of this Act shall remain effective for a period of 3 years and, at the end of September 30, 2019, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 680

(Senate Bill 575)

AN ACT concerning

County Boards of Education – Limit on Liability

FOR the purpose of increasing the limit on liability of a county board of education; increasing the minimum amount of liability coverage that a county board must maintain and for which the State Board of Education must establish standards; making stylistic and conforming changes; providing for the application of this Act; and generally relating to the limit on liability of a county board of education.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 5–518(b) and (c)
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Education
Section 4–105
Annotated Code of Maryland
(2014 Replacement Volume and 2015 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

5–518.

(b) A county board of education, described under Title 4, Subtitle 1 of the Education Article, may raise the defense of sovereign immunity to any amount claimed above the limit of its insurance policy or, if self-insured or a member of a pool described under § 4–105(c)(1)(ii) of the Education Article, above ~~[\$100,000]~~ **\$400,000**.

(c) A county board of education may not raise the defense of sovereign immunity to any claim of ~~[\$100,000]~~ **\$400,000** or less.

Article – Education

4–105.

(a) **(1)** Each county board shall carry comprehensive liability insurance to protect the board and its agents and employees.

(2) The purchase of ~~[this]~~ insurance **IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION** is a valid educational expense.

(b) **(1)** The State Board shall establish standards for these insurance policies, including a minimum liability coverage of not less than ~~[\$100,000]~~ **\$400,000** for each occurrence.

(2) The policies purchased under this section shall meet these standards.

(c) **(1)** A county board complies with this section if it:

(i) Is individually self-insured for at least ~~[\$100,000]~~ **\$400,000** for each occurrence under the rules and regulations adopted by the State Insurance Commissioner; or

(ii) Pools with other public entities for the purpose of self-insuring property or casualty risks under Title 19, Subtitle 6 of the Insurance Article.

(2) A county board that elects to self-insure individually under this subsection periodically shall file with the State Insurance Commissioner, in writing, the terms and conditions of the self-insurance.

(3) The terms and conditions of this individual self-insurance:

(i) Are subject to the approval of the State Insurance Commissioner;
and

(ii) Shall conform with the terms and conditions of comprehensive liability insurance policies available in the private market.

(d) A county board shall have the immunity from liability described under § 5–518 of the Courts and Judicial Proceedings Article.

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 before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 681

(Senate Bill 582)

AN ACT concerning

Education – Robotics Grant Program – Establishment

FOR the purpose of establishing the Robotics Grant Program; providing for the purpose of the Program; establishing eligibility requirements for the Program; requiring the State Department of Education to implement and administer the Program; requiring the Governor to include a certain appropriation to the Program in the State budget; authorizing the Department to adopt certain regulations; and generally relating to the Robotics Grant Program.

BY adding to

Article – Education

Section 7–121

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

7–121.

(A) (1) THERE IS A ROBOTICS GRANT PROGRAM IN THE STATE.

(2) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO PUBLIC SCHOOLS AND NONPROFIT ROBOTICS CLUBS IN THE STATE TO SUPPORT

AND EXPAND EXISTING ROBOTICS PROGRAMS AND TO INCREASE THE NUMBER OF ROBOTICS PROGRAMS IN THE STATE.

(B) (1) A SCHOOL IS ELIGIBLE TO RECEIVE A GRANT UNDER THIS SECTION IF THE SCHOOL:

(1) ~~HAS~~ IS PROPOSING A NEW ROBOTICS PROGRAM OR CLUB OR HAS AN EXISTING ROBOTICS PROGRAM OR CLUB; ~~OR,~~

(2) ~~IS ASSOCIATED WITH AN~~ AN EXISTING NONPROFIT ROBOTICS CLUB IS ELIGIBLE TO RECEIVE A GRANT UNDER THIS SECTION IF THE NONPROFIT ROBOTICS CLUB IS ASSOCIATED WITH A PUBLIC SCHOOL.

(C) THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN ANNUAL APPROPRIATION OF AT LEAST ~~\$500,000~~ \$250,000 TO THE PROGRAM.

(D) THE DEPARTMENT SHALL IMPLEMENT AND ADMINISTER THE PROGRAM IN ACCORDANCE WITH THIS SECTION.

(E) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 682

(House Bill 115)

AN ACT concerning

Education – Robotics Grant Program – Establishment

FOR the purpose of establishing the Robotics Grant Program; providing for the purpose of the Program; establishing eligibility requirements for the Program; requiring the State Department of Education to implement and administer the Program; requiring the Governor to include a certain appropriation to the Program in the State budget; authorizing the Department to adopt certain regulations; and generally relating to the Robotics Grant Program.

BY adding to

Article – Education

Section 7–121
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

7–121.

(A) (1) **THERE IS A ROBOTICS GRANT PROGRAM IN THE STATE.**

(2) **THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO PUBLIC SCHOOLS AND NONPROFIT ROBOTICS CLUBS IN THE STATE TO SUPPORT ~~AND EXPAND~~ EXISTING ROBOTICS PROGRAMS AND TO INCREASE THE NUMBER OF ROBOTICS PROGRAMS IN THE STATE.**

(B) (1) **A SCHOOL IS ELIGIBLE TO RECEIVE A GRANT UNDER THIS SECTION IF THE SCHOOL:**

~~(1) **HAS IS PROPOSING A NEW ROBOTICS PROGRAM OR CLUB OR HAS AN EXISTING ROBOTICS PROGRAM OR CLUB; OR,**~~

~~(2) **IS ASSOCIATED WITH AN**~~ **AN EXISTING NONPROFIT ROBOTICS CLUB IS ELIGIBLE TO RECEIVE A GRANT UNDER THIS SECTION IF THE NONPROFIT ROBOTICS CLUB IS ASSOCIATED WITH A PUBLIC SCHOOL.**

(C) **THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN ANNUAL APPROPRIATION OF AT LEAST ~~\$500,000~~ \$250,000 TO THE PROGRAM.**

(D) **THE DEPARTMENT SHALL IMPLEMENT AND ADMINISTER THE PROGRAM IN ACCORDANCE WITH THIS SECTION.**

(E) **THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 683
(Senate Bill 584)

AN ACT concerning

Preschool Development Grants – Expansion Grants – Required State Funding

FOR the purpose of requiring the Governor to include in the State budget certain funding in a certain amount for each fiscal year in which the State Department of Education receives a certain expansion grant through the federal Preschool Development Grants Program; and generally relating to required State funding for certain expansion grants through the federal Preschool Development Grants Program.

BY adding to

Article – Education

Section 7–101.3

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

7–101.3.

FOR EACH FISCAL YEAR IN WHICH THE DEPARTMENT RECEIVES AN EXPANSION GRANT THROUGH THE FEDERAL PRESCHOOL DEVELOPMENT GRANTS PROGRAM, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET FOR THAT FISCAL YEAR, IN ADDITION TO THE AMOUNT REQUIRED UNDER § 7–101.2(D) OF THIS SUBTITLE, AN APPROPRIATION OF STATE FUNDS EQUAL TO THE AMOUNT THAT THE STATE COMMITTED TO FUND AS THE STATE MATCH IN ITS APPLICATION TO THE UNITED STATES DEPARTMENT OF EDUCATION FOR THE EXPANSION GRANT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 684
(House Bill 668)

AN ACT concerning

Preschool Development Grants – Expansion Grants – Required State Funding

FOR the purpose of requiring the Governor to include in the State budget certain funding in a certain amount for each fiscal year in which the State Department of Education receives a certain expansion grant through the federal Preschool Development Grants Program; and generally relating to required State funding for certain expansion grants through the federal Preschool Development Grants Program.

BY adding to

Article – Education

Section 7–101.3

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

7–101.3.

FOR EACH FISCAL YEAR IN WHICH THE DEPARTMENT RECEIVES AN EXPANSION GRANT THROUGH THE FEDERAL PRESCHOOL DEVELOPMENT GRANTS PROGRAM, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET FOR THAT FISCAL YEAR, IN ADDITION TO THE AMOUNT REQUIRED UNDER § 7–101.2(D) OF THIS SUBTITLE, AN APPROPRIATION OF STATE FUNDS EQUAL TO THE AMOUNT THAT THE STATE COMMITTED TO FUND AS THE STATE MATCH IN ITS APPLICATION TO THE UNITED STATES DEPARTMENT OF EDUCATION FOR THE EXPANSION GRANT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 685

(Senate Bill 586)

AN ACT concerning

Department of Health and Mental Hygiene – Regional Institutes for Children and Adolescents – Report Before Closure

FOR the purpose of requiring the Department of Health and Mental Hygiene to submit a certain report to the Governor and certain legislative committees before a regional institute for children and adolescents may be closed; requiring the report to address certain items; requiring the legislative committees to have a certain period of time to review and comment on the report; and generally relating to regional institutes for children and adolescents in the Department of Health and Mental Hygiene.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 10–406

Annotated Code of Maryland

(2015 Replacement Volume)

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

Article – Health – General

10–406.

(a) The following State facilities shall be maintained under the direction of the Administration:

- (1) Clifton T. Perkins Hospital Center;
- (2) Eastern Shore Hospital Center;
- (3) Regional Institutes for Children and Adolescents — Baltimore and Rockville;
- (4) Springfield Hospital Center;
- (5) Spring Grove Hospital Center; and
- (6) Thomas B. Finan Hospital Center.

(b) As a facility is built or transferred to the Administration, the facility may be made a State facility.

(c) (1) By January 1, 1985, the Department shall adopt rules and regulations for admission to all Regional Institutes for Children and Adolescents in cooperation with representatives from the advisory committees of the Regional Institutes for Children and Adolescents, the mental health advisory committees in each region, the local education agencies, and the Mental Health Association of Maryland.

(2) In determining these rules and regulations, the Department shall provide that no bona fide candidate for admission may be rejected solely because of residence outside the regular catchment area served by the institution.

(3) In determining these rules and regulations, the Department shall provide that candidates for admission who reside in the regular catchment area served by the institution shall be granted priority in admissions to the institution.

(d) (1) Beginning in fiscal year 2007, the Department may not bill a local board of education for any services provided by the State at a regional institute for children and adolescents.

(2) Notwithstanding paragraph (1) of this subsection:

(i) Beginning in fiscal year 2007, the Department shall continue to provide the same scope of services at regional institutes for children and adolescents that were provided as of January 1, 2005; and

(ii) A local board of education may make a contribution toward the cost of services provided by the State at a regional institute for children and adolescents.

(E) (1) BEFORE A REGIONAL INSTITUTE FOR CHILDREN AND ADOLESCENTS MAY BE CLOSED, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE FINANCE COMMITTEE, THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, AND THE HOUSE APPROPRIATIONS COMMITTEE, JUSTIFYING THE CLOSURE.

(2) THE REPORT SHALL ADDRESS:

(I) THE REASONS FOR THE CLOSURE;

(II) THE PLAN FOR SERVING THE REGIONAL INSTITUTE FOR CHILDREN AND ADOLESCENTS TARGET POPULATION AFTER THE CLOSURE;

(III) THE BUDGETARY SAVINGS ANTICIPATED FROM THE CLOSURE COMPARED TO THE COSTS ASSOCIATED WITH SERVING THE REGIONAL INSTITUTE FOR CHILDREN AND ADOLESCENTS TARGET POPULATION IN OTHER SETTINGS;

(IV) THE PLAN FOR ASSISTING STATE EMPLOYEES DISPLACED BY THE CLOSURE IN FINDING OTHER EMPLOYMENT; AND

(V) THE PLAN FOR THE REGIONAL INSTITUTE FOR CHILDREN AND ADOLESCENTS FACILITY.

(3) THE COMMITTEES SHALL HAVE 60 DAYS TO REVIEW AND COMMENT ON THE REPORT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 686

(Senate Bill 595)

AN ACT concerning

Education – ~~Dual Enrollment~~ – Middle School Students – Awarding of Credit

FOR the purpose of ~~altering the grade that certain students must complete in order for certain public institutions of higher education to accept the student for special admission; repealing the requirement that certain students must earn a certain score on a certain test in order for certain public institutions of higher education to accept the student for special admission; authorizing certain middle school students to participate in certain dual enrollment programs; and generally relating to dual enrollment for~~ requiring certain county boards of education to award credit to certain middle school students under certain circumstances; and generally relating to the awarding of credit to middle school students.

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

~~Article – Education~~

~~Section 15-101(b), 18-1401(a) and (d), 18-14A-01(a) and (c), 18-14A-04(b), and 24-703.1~~

~~Annotated Code of Maryland~~

~~(2014 Replacement Volume and 2015 Supplement)~~

BY adding to

Article – Education

Section 4-132

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

4-132.

NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A COUNTY BOARD SHALL AWARD CREDIT TO A MIDDLE SCHOOL STUDENT FOR ANY COURSE FOR WHICH A HIGH SCHOOL STUDENT WOULD BE AWARDED CREDIT IF THE MIDDLE SCHOOL STUDENT MEETS THE SAME REQUIREMENTS AS THE HIGH SCHOOL STUDENT.

~~15-101.~~

~~(b) (1) Each public institution of higher education may accept, for special admission any student who has:~~

~~(i) Completed] COMPLETED the [seventh] FIFTH grade]; and~~

~~(ii) A scholastic aptitude test combined score of 1,200 or an equivalent score on a nationally accepted college entrance examination];~~

~~(2) This subsection does not affect the State or local share of aid provided pursuant to § 5-202 of this article to the secondary school in which the student is enrolled.~~

~~18-1401.~~

~~(a) In this section, “part-time student” means a student who:~~

~~(1) Is enrolled in a degree-granting program at an eligible institution and taking at least 3 but no more than 11 semester hours of courses each semester; or~~

~~(2) Is dually enrolled in a [secondary] MIDDLE OR HIGH school in the State and an institution of higher education.~~

~~(d) For courses completed under the program, a recipient who is dually enrolled in a [secondary] MIDDLE OR HIGH school in the State and an institution of higher education may not be required to receive credit from a [secondary] MIDDLE OR HIGH school and an institution of higher education at the same time.~~

~~18-14A-01.~~

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

~~(2) “Dually enrolled student” means a student who is dually enrolled in:~~

~~(i) A [secondary] MIDDLE OR HIGH school in the State; and~~

~~(ii) An institution of higher education in the State.~~

~~(3) “Grant” means the Early College Access Grant.~~

~~(e) For courses completed under the Grant, a recipient is not required to receive credit from a [secondary] MIDDLE OR HIGH school and an institution of higher education at the same time.~~

~~18-14A-04.~~

~~(b) (1) Subject to subsection (d) of this section, for each dually enrolled student who is enrolled in a public MIDDLE OR HIGH school in the county, the county board shall pay for up to a maximum of four courses in which the student is enrolled while a student in a public [secondary] MIDDLE OR HIGH school in the State:~~

~~(i) For a public senior institution of higher education, 75% of the cost of tuition; and~~

~~(ii) For a community college, the lesser of:~~

~~1. 5% of the target per pupil foundation amount established under § 5-202(a) of this article; or~~

~~2. 75% of the cost of tuition.~~

~~(2) For each course in excess of four in which a dually enrolled student is enrolled, the county board shall pay:~~

~~(i) For a public senior institution of higher education, 90% of the cost of tuition; and~~

~~(ii) For a community college, the lesser of:~~

~~1. 5% of the target per pupil foundation amount established under § 5-202(a) of this article; or~~

~~2. 90% of the cost of tuition.~~

~~(3) If there is an agreement before July 1, 2013, between a public school and a public institution of higher education in which the public institution of higher education charges less than 75% of the cost of tuition to a dually enrolled student, the county board shall pay the cost of tuition under the existing agreement.~~

~~24-703.1.~~

~~The Center shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on or before December 15 of each year, disaggregated by local school system, regarding:~~

~~(1) The number of students who are dually enrolled under Title 18, Subtitle 14A of this article; and~~

~~(2) The number and course name of the courses in which a student under item (1) of this section dually enrolls at the MIDDLE OR high school and at the public institution of higher education.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 687

(Senate Bill 614)

AN ACT concerning

Veterinarians, Pharmacies, and Pharmacists – Dispensing Compounded Preparations for Use by ~~Companion~~ Nonfarm Animals

FOR the purpose of ~~altering the definition of “practice of veterinary medicine” to include the practice of any person who dispenses compounded nonsterile or sterile preparations under certain circumstances; providing an exception~~ certain exceptions to a certain prohibition on the practice of veterinary medicine and dispensing certain medication that is not in a certain manufacturer’s container for a person who sells or dispenses certain medication in a container with a label showing certain information for use by a certain nonfarm animal and for a licensed veterinarian who dispenses certain compounded preparations to be used for a ~~companion~~ certain nonfarm animal under certain circumstances; providing that certain provisions of law do not prohibit a licensed veterinarian from dispensing, in accordance with a certain provision of this Act, certain compounded preparations provided by a certain pharmacy; authorizing a certain pharmacy to provide certain compounded preparations without a patient-specific prescription to a certain licensed veterinarian; authorizing a pharmacist to provide certain compounded preparations without a patient-specific prescription to a certain licensed veterinarian under certain circumstances; prohibiting a pharmacy from providing certain compounded preparations in certain amounts to a licensed veterinarian under certain circumstances; providing that a certain subtitle does not affect a certain person while distributing certain compounded preparations; defining certain terms; making a stylistic change; repealing an obsolete provision of law; making a technical correction; and generally relating to veterinarians, pharmacies, pharmacists, and dispensing compounded preparations for use by ~~companion~~ nonfarm animals.

BY repealing and reenacting, without amendments,

Article – Agriculture
 Section 2–301(a)
 Annotated Code of Maryland
 (2007 Replacement Volume and 2015 Supplement)

BY adding to
 Article – Agriculture
 Section 2–301(b-1) ~~through (b-3)~~ and (b-2)
 Annotated Code of Maryland
 (2007 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
 Article – Agriculture
 Section 2–301(b-1) and (f) and 2–313
 Annotated Code of Maryland
 (2007 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
 Article – Health Occupations
 Section 12–101(a), (d), and (aa) and 12–102(a)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 Supplement)

BY adding to
 Article – Health Occupations
 Section 12–101(c-1), (z-1), and (z-2), 12–403(c)(23), and 12–510
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
 Article – Health Occupations
 Section 12–102(c)(2)(i), 12–403(c)(21) and (22), and 12–6C–02
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 Supplement)

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

Article – Agriculture

2–301.

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

~~(B-1) (1) “COMPANION ANIMAL” MEANS:~~

~~(I) A RABBIT, A BIRD, A RODENT, A FISH, A REPTILE, AN AMPHIBIAN, A NONHUMAN PRIMATE, OR ANY SPECIES OF ANIMAL KEPT FOR PLEASURE RATHER THAN UTILITY AND ACCUSTOMED TO LIVING IN OR ABOUT HUMAN HABITATION; OR~~

~~(II) A DOG OR CAT, REGARDLESS OF ANY UTILITARIAN PURPOSE.~~

~~(2) “COMPANION ANIMAL” DOES NOT INCLUDE:~~

~~(I) CATTLE, SHEEP, GOATS, SWINE, OR POULTRY; OR~~

~~(II) ANY OTHER ANIMALS KEPT FOR BONA FIDE RESEARCH OR AGRICULTURAL USES.~~

~~(B-2)~~ (B-1) “COMPOUNDED NONSTERILE PREPARATIONS” HAS THE MEANING STATED IN § 12-101 OF THE HEALTH OCCUPATIONS ARTICLE.

~~(B-3)~~ (B-2) “COMPOUNDED STERILE PREPARATIONS” HAS THE MEANING STATED IN § 12-101 OF THE HEALTH OCCUPATIONS ARTICLE.

[(b-1)] ~~(B-4)~~ (B-3) “Convicted” includes:

(1) A finding of guilt by a court or a jury; and

(2) The acceptance by a court of a defendant’s plea of guilty, nolo contendere, or Alford plea.

(f) “Practice of veterinary medicine” includes[, but is not limited to,] the practice by any person who:

(1) Diagnoses, advises, prescribes, or administers a drug, medicine, biological product, appliance, application, or treatment of any nature, for the prevention, cure, or relief of a wound, fracture, bodily injury, or disease of an animal;

(2) Performs a surgical operation, including cosmetic surgery, upon any animal;

(3) Performs dentistry on any animal;

(4) Performs any manual procedure upon an animal for the diagnosis or treatment of sterility or infertility of the animal;

(5) Represents himself as engaged in the practice of veterinary medicine;

(6) Offers, undertakes, or holds himself out as being able to diagnose, treat, operate, vaccinate, or prescribe for any animal disease, pain, injury, deformity, or physical condition; ~~for~~

(7) Uses any words, letters, or titles in connection or under circumstances as to induce the belief that the person using them is engaged in the practice of veterinary medicine. This use is prima facie evidence of the intention to represent himself as engaged in the practice of veterinary medicine; ~~OR~~

~~(8) DISPENSES COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IF:~~

~~(i) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE TO BE USED FOR A COMPANION ANIMAL;~~

~~(ii) THE COMPANION ANIMAL IS A PATIENT OF THE LICENSED VETERINARIAN;~~

~~(iii) THE QUANTITY OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS DISPENSED DOES NOT EXCEED A 7-DAY SUPPLY; AND~~

~~(iv) THE LICENSED VETERINARIAN DETERMINES THAT TIMELY ACCESS TO A COMPOUNDING PHARMACY IS NOT AVAILABLE AND THAT THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE NOT OTHERWISE COMMERCIALY AVAILABLE; AND~~

~~(v) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE PROVIDED TO THE LICENSED VETERINARIAN BY A PHARMACIST IN ACCORDANCE WITH § 12-510 OF THE HEALTH OCCUPATIONS ARTICLE.~~

2-313.

(A) A person may not:

(1) Practice veterinary medicine unless he is licensed, registered, and authorized to engage in the practice under the provisions of this subtitle;

(2) Practice veterinary medicine under a name other than the one on his license and registration, or induce any person to so practice in violation of this subtitle;

(3) Practice veterinary medicine unless his license and registration are displayed in his regularly established office and place of practice;

(4) Own, maintain, conduct, operate, or manage a veterinary office, veterinary dental office, veterinary hospital, or a dog, cat, or animal hospital, unless (i) he is a licensed veterinarian, or (ii) the office or hospital is under the direct supervision and control of a licensed and registered veterinarian and a licensed or registered veterinarian is employed in the office or hospital;

(5) Advertise any veterinary office, veterinary dental office, veterinary hospital, or a dog, cat, or animal hospital except in accordance with the rules and regulations of the Board;

(6) ~~Practice~~ **EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS SECTION, PRACTICE** veterinary medicine and sell or dispense any medication, which is not in the original manufacturer's container ~~labeled with the information required below, for use by a [household pet]~~ **COMPANION ANIMAL** unless ~~[he]~~:

~~(I) THE PERSON affixes to the container in which the medication is sold or dispensed, a label clearly showing the brand, generic or chemical name and strength, if indicated, of the medication, the type of animal for whom designated and the owner's last name. However, this provision does not apply to the dispensing of any medication of any kind for use in the treatment, care or cure of farm animals, poultry, fowl, or other animals, used in the furtherance of farming activities]; OR~~

~~(II) THE PERSON IS A LICENSED VETERINARIAN WHO DISPENSES COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS, IN ACCORDANCE WITH § 2-301(F)(8) OF THIS ARTICLE, TO BE USED FOR A COMPANION ANIMAL;~~

(7) Advertise as a Board registered veterinary technician unless registered with the Board as required by this subtitle; or

(8) Practice as a veterinary technician unless employed by a veterinary practitioner.

(B) A PERSON MAY PRACTICE VETERINARY MEDICINE AND SELL OR DISPENSE MEDICATION THAT IS NOT IN THE ORIGINAL MANUFACTURER'S CONTAINER IF:

(1) THE MEDICATION IS FOR USE BY A NONFARM ANIMAL AS DEFINED IN REGULATIONS ADOPTED BY THE BOARD; AND

(2) THE PERSON AFFIXES TO THE CONTAINER IN WHICH THE MEDICATION IS SOLD OR DISPENSED, A LABEL CLEARLY SHOWING THE BRAND, GENERIC OR CHEMICAL NAME AND STRENGTH, IF INDICATED, OF THE MEDICATION,

THE TYPE OF NONFARM ANIMAL FOR WHICH THE MEDICATION IS DESIGNATED, AND THE OWNER'S LAST NAME.

(C) A LICENSED VETERINARIAN MAY DISPENSE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IF:

(1) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE TO BE USED FOR A NONFARM ANIMAL AS DEFINED BY REGULATIONS ADOPTED BY THE BOARD THAT ARE CONSISTENT WITH STATE AND FEDERAL LAW;

(2) THE NONFARM ANIMAL IS A PATIENT OF THE LICENSED VETERINARIAN;

(3) THE QUANTITY OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS DISPENSED DOES NOT EXCEED A 7-DAY SUPPLY;

(4) THE LICENSED VETERINARIAN DETERMINES THAT TIMELY ACCESS TO A COMPOUNDING PHARMACY IS NOT AVAILABLE AND THAT THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE NOT OTHERWISE COMMERCIALY AVAILABLE;

(5) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE PROVIDED TO THE LICENSED VETERINARIAN BY A PHARMACIST IN ACCORDANCE WITH § 12-510 OF THE HEALTH OCCUPATIONS ARTICLE; AND

(6) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE DISPENSED IN A CONTAINER WITH THE LABEL CLEARLY SHOWING:

(I) THE BRAND, GENERIC OR CHEMICAL NAME AND STRENGTH, IF INDICATED, OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS, THE TYPE OF NONFARM ANIMAL FOR WHICH THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE DESIGNATED, AND THE OWNER'S LAST NAME; AND

(II) THE DISPENSING DATE AND THE EXPIRATION DATE OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS.

12-101.

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

(C-1) “COMPOUNDED NONSTERILE PREPARATIONS” MEANS PRODUCTS COMPOUNDED IN ACCORDANCE WITH USP 795.

(d) “Compounded sterile preparations” means biologics, diagnostics, drugs, nutrients, and radiopharmaceuticals that, under USP 797, must be compounded using aseptic techniques.

(Z-1) “USP-NF” MEANS THE UNITED STATES PHARMACOPEIA AND THE NATIONAL FORMULARY.

(Z-2) “USP 795” MEANS THE STANDARDS SET FORTH IN THE UNITED STATES PHARMACOPEIA, GENERAL CHAPTER 795, “PHARMACEUTICAL COMPOUNDING – NONSTERILE PREPARATIONS”.

(aa) “USP 797” means the standards set forth in the United States Pharmacopeia, General Chapter 797, “Pharmaceutical Compounding – Sterile Preparations”.

12-102.

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

(2) “In the public interest” means the dispensing of drugs or devices by a licensed dentist, physician, or podiatrist to a patient when a pharmacy is not conveniently available to the patient.

(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.

(c) (2) This title does not prohibit:

(i) A licensed veterinarian from [personally]:

1. PERSONALLY preparing and dispensing the veterinarian’s prescriptions; **OR**

2. DISPENSING, IN ACCORDANCE WITH ~~§ 2-301(F)(8)~~ § 2-313(C) OF THE AGRICULTURE ARTICLE, COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS PROVIDED BY A PHARMACY;

12-403.

(c) Except as otherwise provided in this section, a pharmacy for which a pharmacy permit has been issued under this title:

(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] **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; **AND**

(23) SUBJECT TO § 12-510 OF THIS TITLE, MAY PROVIDE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS WITHOUT A PATIENT-SPECIFIC PRESCRIPTION TO A LICENSED VETERINARIAN WHO INTENDS TO DISPENSE THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IN ACCORDANCE WITH ~~§ 2-301(F)(8)~~ § 2-313(C) OF THE AGRICULTURE ARTICLE.

12-510.

(A) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A PHARMACIST MAY PROVIDE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS WITHOUT A PATIENT-SPECIFIC PRESCRIPTION TO A LICENSED VETERINARIAN WHO INTENDS TO DISPENSE THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IN ACCORDANCE WITH ~~§ 2-301(F)(8)~~ § 2-313(C) OF THE AGRICULTURE ARTICLE IF THE PHARMACIST:

(1) COMPLIES WITH USP 795 OR USP 797, AS APPLICABLE; AND

(2) LABELS THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS WITH:

(I) THE NAME AND STRENGTH OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS OR A LIST OF THE ACTIVE INGREDIENTS AND THE STRENGTH OF THE ACTIVE INGREDIENTS IN THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS;

(II) AN APPROPRIATE BEYOND-USE DATE AS DETERMINED BY THE PHARMACIST IN ACCORDANCE WITH USP-NF STANDARDS FOR PHARMACY COMPOUNDING;

(III) THE QUANTITY OF COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS; AND

(IV) THE NAME, ADDRESS, AND LICENSE NUMBER OF THE PHARMACY; AND

(3) COMPLIES WITH APPLICABLE FEDERAL LAW AND REGULATIONS.

(B) (1) THIS SUBSECTION DOES NOT APPLY TO DISPENSING COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS DISPENSED FOR A PATIENT-SPECIFIC PRESCRIPTION.

(2) A PHARMACY MAY NOT PROVIDE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS COMPOUNDED USING BULK DRUG SUBSTANCES TO A LICENSED VETERINARIAN:

(I) IN AN AMOUNT GREATER THAN 10% OF THE TOTAL AMOUNT OF DRUG PRODUCTS SOLD OR DISPENSED FROM THE PHARMACY; OR

(II) IF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE COPIES OR CLOSE APPROXIMATIONS TO PRODUCTS APPROVED BY THE FEDERAL FOOD AND DRUG ADMINISTRATION.

(3) FOR PURPOSES OF THE LIMITATION ESTABLISHED IN PARAGRAPH (2)(I) OF THIS SUBSECTION:

(I) THE CALCULATION SHALL BE MADE ON AN ANNUAL BASIS AND USE THE NUMBER OF DOSAGE UNITS SOLD OR DISPENSED; AND

(II) FOR NONRESIDENT PHARMACIES, THE TOTAL AMOUNT OF DRUG PRODUCTS SOLD OR DISPENSED SHALL BE THE PHARMACY'S TOTAL BUSINESS WITH THE STATE.

12-6C-02.

This subtitle does not affect any person while distributing:

- (1) Feed for livestock or poultry;
- (2) Fertilizers;
- (3) Fungicides;
- (4) Insecticide;
- (5) Land plaster;
- (6) Lime;
- (7) Seeds; [or]
- (8) Devices, drugs, or supplies of any kind for the treatment, care, or cure of farm animals; OR

(9) COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS PROVIDED IN ACCORDANCE WITH § 12-510 OF THIS TITLE TO A LICENSED VETERINARIAN WHO INTENDS TO DISPENSE THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IN ACCORDANCE WITH ~~§ 2-301(F)(8)~~ § 2-313(C) OF THE AGRICULTURE ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 688

(House Bill 1462)

AN ACT concerning

Veterinarians, Pharmacies, and Pharmacists – Dispensing Compounded Preparations for Use by ~~Companion~~ Nonfarm Animals

FOR the purpose of ~~altering the definition of “practice of veterinary medicine” to include the practice of any person who dispenses compounded nonsterile or sterile preparations under certain circumstances;~~ providing ~~an exception~~ certain exceptions to a certain prohibition on the practice of veterinary medicine and dispensing certain medication that is not in a certain manufacturer’s container for a person who sells or dispenses certain medication in a container with a label showing certain information for use by a certain nonfarm animal and for a licensed veterinarian who dispenses certain compounded preparations to be used for a ~~companion~~ certain nonfarm animal under certain circumstances; providing that certain provisions of law do not prohibit a licensed veterinarian from dispensing, in accordance with a certain provision of this Act, certain compounded preparations provided by a certain pharmacy; authorizing a certain pharmacy to provide certain compounded preparations without a patient-specific prescription to a certain licensed veterinarian; authorizing a pharmacist to provide certain compounded preparations without a patient-specific prescription to a certain licensed veterinarian under certain circumstances; prohibiting a pharmacy from providing certain compounded preparations in certain amounts to a licensed veterinarian under certain circumstances; providing that a certain subtitle does not affect a certain person while distributing certain compounded preparations; defining certain terms; making a stylistic change; repealing an obsolete provision of law; making a technical correction; and generally relating to veterinarians, pharmacies, pharmacists, and dispensing compounded preparations for use by ~~companion~~ nonfarm animals.

BY repealing and reenacting, without amendments,
Article – Agriculture
Section 2–301(a)
Annotated Code of Maryland
(2007 Replacement Volume and 2015 Supplement)

BY adding to
Article – Agriculture
Section 2–301(b–1) ~~through (b–3)~~ and (b–2)
Annotated Code of Maryland
(2007 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Agriculture
Section 2–301(b–1) and (f) and 2–313
Annotated Code of Maryland
(2007 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 12–101(a), (d), and (aa) and 12–102(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – Health Occupations
 Section 12–101(c–1), (z–1), and (z–2), 12–403(c)(23), and 12–510
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Health Occupations
 Section 12–102(c)(2)(i), 12–403(c)(21) and (22), and 12–6C–02
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 Supplement)

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

Article – Agriculture

2–301.

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

~~(B–1) (1) “COMPANION ANIMAL” MEANS:~~

~~(I) A RABBIT, A BIRD, A RODENT, A FISH, A REPTILE, AN AMPHIBIAN, A NONHUMAN PRIMATE, OR ANY SPECIES OF ANIMAL KEPT FOR PLEASURE RATHER THAN UTILITY AND ACCUSTOMED TO LIVING IN OR ABOUT HUMAN HABITATION; OR~~

~~(II) A DOG OR CAT, REGARDLESS OF ANY UTILITARIAN PURPOSE.~~

~~(2) “COMPANION ANIMAL” DOES NOT INCLUDE:~~

~~(I) CATTLE, SHEEP, GOATS, SWINE, OR POULTRY; OR~~

~~(II) ANY OTHER ANIMALS KEPT FOR BONA FIDE RESEARCH OR AGRICULTURAL USES.~~

~~(B–2) (B–1) “COMPOUNDED NONSTERILE PREPARATIONS” HAS THE MEANING STATED IN § 12–101 OF THE HEALTH OCCUPATIONS ARTICLE.~~

~~(B–2) (B–2) “COMPOUNDED STERILE PREPARATIONS” HAS THE MEANING STATED IN § 12–101 OF THE HEALTH OCCUPATIONS ARTICLE.~~

[(b-1)] ~~(B-4)~~ (B-3) “Convicted” includes:

(1) A finding of guilt by a court or a jury; and

(2) The acceptance by a court of a defendant’s plea of guilty, nolo contendere, or Alford plea.

(f) “Practice of veterinary medicine” includes[, but is not limited to,] the practice by any person who:

(1) Diagnoses, advises, prescribes, or administers a drug, medicine, biological product, appliance, application, or treatment of any nature, for the prevention, cure, or relief of a wound, fracture, bodily injury, or disease of an animal;

(2) Performs a surgical operation, including cosmetic surgery, upon any animal;

(3) Performs dentistry on any animal;

(4) Performs any manual procedure upon an animal for the diagnosis or treatment of sterility or infertility of the animal;

(5) Represents himself as engaged in the practice of veterinary medicine;

(6) Offers, undertakes, or holds himself out as being able to diagnose, treat, operate, vaccinate, or prescribe for any animal disease, pain, injury, deformity, or physical condition; ~~or~~

(7) Uses any words, letters, or titles in connection or under circumstances as to induce the belief that the person using them is engaged in the practice of veterinary medicine. This use is prima facie evidence of the intention to represent himself as engaged in the practice of veterinary medicine; ~~OR~~

~~(8) DISPENSES COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IF:~~

~~(I) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE TO BE USED FOR A COMPANION ANIMAL;~~

~~(II) THE COMPANION ANIMAL IS A PATIENT OF THE LICENSED VETERINARIAN;~~

~~(III) THE QUANTITY OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS DISPENSED DOES NOT EXCEED A 7 DAY SUPPLY; AND~~

~~(IV) THE LICENSED VETERINARIAN DETERMINES THAT TIMELY ACCESS TO A COMPOUNDING PHARMACY IS NOT AVAILABLE AND THAT THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE NOT OTHERWISE COMMERCIALY AVAILABLE; AND~~

~~(V) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE PROVIDED TO THE LICENSED VETERINARIAN BY A PHARMACIST IN ACCORDANCE WITH § 12-510 OF THE HEALTH OCCUPATIONS ARTICLE.~~

2-313.

(A) A person may not:

(1) Practice veterinary medicine unless he is licensed, registered, and authorized to engage in the practice under the provisions of this subtitle;

(2) Practice veterinary medicine under a name other than the one on his license and registration, or induce any person to so practice in violation of this subtitle;

(3) Practice veterinary medicine unless his license and registration are displayed in his regularly established office and place of practice;

(4) Own, maintain, conduct, operate, or manage a veterinary office, veterinary dental office, veterinary hospital, or a dog, cat, or animal hospital, unless (i) he is a licensed veterinarian, or (ii) the office or hospital is under the direct supervision and control of a licensed and registered veterinarian and a licensed or registered veterinarian is employed in the office or hospital;

(5) Advertise any veterinary office, veterinary dental office, veterinary hospital, or a dog, cat, or animal hospital except in accordance with the rules and regulations of the Board;

(6) ~~Practice~~ **EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS SECTION, PRACTICE** veterinary medicine and sell or dispense any medication, which is not in the original manufacturer's container ~~labeled with the information required below, for use by a [household pet] COMPANION ANIMAL unless [he]:~~

~~(i) THE PERSON affixes to the container in which the medication is sold or dispensed, a label clearly showing the brand, generic or chemical name and strength, if indicated, of the medication, the type of animal for whom designated and the owner's last~~

~~name]. However, this provision does not apply to the dispensing of any medication of any kind for use in the treatment, care or cure of farm animals, poultry, fowl, or other animals, used in the furtherance of farming activities]; OR~~

~~(H) THE PERSON IS A LICENSED VETERINARIAN WHO DISPENSES COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS, IN ACCORDANCE WITH § 2-301(F)(8) OF THIS ARTICLE, TO BE USED FOR A COMPANION ANIMAL;~~

(7) Advertise as a Board registered veterinary technician unless registered with the Board as required by this subtitle; or

(8) Practice as a veterinary technician unless employed by a veterinary practitioner.

(B) A PERSON MAY PRACTICE VETERINARY MEDICINE AND SELL OR DISPENSE MEDICATION THAT IS NOT IN THE ORIGINAL MANUFACTURER'S CONTAINER IF:

(1) THE MEDICATION IS FOR USE BY A NONFARM ANIMAL AS DEFINED IN REGULATIONS ADOPTED BY THE BOARD; AND

(2) THE PERSON AFFIXES TO THE CONTAINER IN WHICH THE MEDICATION IS SOLD OR DISPENSED, A LABEL CLEARLY SHOWING THE BRAND, GENERIC OR CHEMICAL NAME AND STRENGTH, IF INDICATED, OF THE MEDICATION, THE TYPE OF NONFARM ANIMAL FOR WHICH THE MEDICATION IS DESIGNATED, AND THE OWNER'S LAST NAME.

(C) A LICENSED VETERINARIAN MAY DISPENSE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IF:

(1) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE TO BE USED FOR A NONFARM ANIMAL AS DEFINED BY REGULATIONS ADOPTED BY THE BOARD THAT ARE CONSISTENT WITH STATE AND FEDERAL LAW;

(2) THE NONFARM ANIMAL IS A PATIENT OF THE LICENSED VETERINARIAN;

(3) THE QUANTITY OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS DISPENSED DOES NOT EXCEED A 7-DAY SUPPLY;

(4) THE LICENSED VETERINARIAN DETERMINES THAT TIMELY ACCESS TO A COMPOUNDING PHARMACY IS NOT AVAILABLE AND THAT THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE NOT OTHERWISE COMMERCIALY AVAILABLE;

(5) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE PROVIDED TO THE LICENSED VETERINARIAN BY A PHARMACIST IN ACCORDANCE WITH § 12-510 OF THE HEALTH OCCUPATIONS ARTICLE; AND

(6) THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE DISPENSED IN A CONTAINER WITH A LABEL CLEARLY SHOWING:

(I) THE BRAND, GENERIC OR CHEMICAL NAME AND STRENGTH, IF INDICATED, OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS, THE TYPE OF NONFARM ANIMAL FOR WHICH THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE DESIGNATED, AND THE OWNER'S LAST NAME; AND

(II) THE DISPENSING DATE AND THE EXPIRATION DATE OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS.

Article – Health Occupations

12-101.

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

(C-1) “COMPOUNDED NONSTERILE PREPARATIONS” MEANS PRODUCTS COMPOUNDED IN ACCORDANCE WITH USP 795.

(d) “Compounded sterile preparations” means biologics, diagnostics, drugs, nutrients, and radiopharmaceuticals that, under USP 797, must be compounded using aseptic techniques.

(Z-1) “USP-NF” MEANS THE UNITED STATES PHARMACOPEIA AND THE NATIONAL FORMULARY.

(Z-2) “USP 795” MEANS THE STANDARDS SET FORTH IN THE UNITED STATES PHARMACOPEIA, GENERAL CHAPTER 795, “PHARMACEUTICAL COMPOUNDING – NONSTERILE PREPARATIONS”.

(aa) “USP 797” means the standards set forth in the United States Pharmacopeia, General Chapter 797, “Pharmaceutical Compounding – Sterile Preparations”.

12–102.

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

(2) “In the public interest” means the dispensing of drugs or devices by a licensed dentist, physician, or podiatrist to a patient when a pharmacy is not conveniently available to the patient.

(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.

(c) (2) This title does not prohibit:

(i) A licensed veterinarian from [personally]:

1. **PERSONALLY** preparing and dispensing the veterinarian’s prescriptions; **OR**

2. **DISPENSING, IN ACCORDANCE WITH ~~§ 2-301(F)(8)~~ § 2-313(C) OF THE AGRICULTURE ARTICLE, COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS PROVIDED BY A PHARMACY;**

12–403.

(c) Except as otherwise provided in this section, a pharmacy for which a pharmacy permit has been issued under this title:

(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] **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; AND

(23) SUBJECT TO § 12-510 OF THIS TITLE, MAY PROVIDE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS WITHOUT A PATIENT-SPECIFIC PRESCRIPTION TO A LICENSED VETERINARIAN WHO INTENDS TO DISPENSE THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IN ACCORDANCE WITH § ~~2-301(F)(8)~~ 2-313(C) OF THE AGRICULTURE ARTICLE.

12-510.

(A) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A PHARMACIST MAY PROVIDE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS WITHOUT A PATIENT-SPECIFIC PRESCRIPTION TO A LICENSED VETERINARIAN WHO INTENDS TO DISPENSE THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IN ACCORDANCE WITH § ~~2-301(F)(8)~~ § 2-313(C) OF THE AGRICULTURE ARTICLE IF THE PHARMACIST:

(1) COMPLIES WITH USP 795 OR USP 797, AS APPLICABLE; AND

(2) LABELS THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS WITH:

(I) THE NAME AND STRENGTH OF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS OR A LIST OF THE ACTIVE INGREDIENTS AND THE STRENGTH OF THE ACTIVE INGREDIENTS IN THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS;

(II) AN APPROPRIATE BEYOND-USE DATE AS DETERMINED BY THE PHARMACIST IN ACCORDANCE WITH USP-NF STANDARDS FOR PHARMACY COMPOUNDING;

(III) THE QUANTITY OF COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS; AND

(IV) THE NAME, ADDRESS, AND LICENSE NUMBER OF THE PHARMACY; AND

(3) COMPLIES WITH APPLICABLE FEDERAL LAW AND REGULATIONS.

(B) (1) THIS SUBSECTION DOES NOT APPLY TO DISPENSING COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS DISPENSED FOR A PATIENT-SPECIFIC PRESCRIPTION.

(2) A PHARMACY MAY NOT PROVIDE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS COMPOUNDED USING BULK DRUG SUBSTANCES TO A LICENSED VETERINARIAN:

(I) IN AN AMOUNT GREATER THAN 10% OF THE TOTAL AMOUNT OF DRUG PRODUCTS SOLD OR DISPENSED FROM THE PHARMACY; OR

(II) IF THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS ARE COPIES OR CLOSE APPROXIMATIONS TO PRODUCTS APPROVED BY THE FEDERAL FOOD AND DRUG ADMINISTRATION.

(3) FOR PURPOSES OF THE LIMITATION ESTABLISHED IN PARAGRAPH (2)(I) OF THIS SUBSECTION:

(I) THE CALCULATION SHALL BE MADE ON AN ANNUAL BASIS AND USE THE NUMBER OF DOSAGE UNITS SOLD OR DISPENSED; AND

(II) FOR NONRESIDENT PHARMACIES, THE TOTAL AMOUNT OF DRUG PRODUCTS SOLD OR DISPENSED SHALL BE THE PHARMACY'S TOTAL BUSINESS WITHIN THE STATE.

12-6C-02.

This subtitle does not affect any person while distributing:

- (1) Feed for livestock or poultry;
- (2) Fertilizers;
- (3) Fungicides;
- (4) Insecticide;
- (5) Land plaster;
- (6) Lime;

(7) Seeds; [or]

(8) Devices, drugs, or supplies of any kind for the treatment, care, or cure of farm animals; OR

(9) COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS PROVIDED IN ACCORDANCE WITH § 12-510 OF THIS TITLE TO A LICENSED VETERINARIAN WHO INTENDS TO DISPENSE THE COMPOUNDED NONSTERILE PREPARATIONS OR COMPOUNDED STERILE PREPARATIONS IN ACCORDANCE WITH ~~§ 2-301(F)(8)~~ § 2-313(C) OF THE AGRICULTURE ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 689

(Senate Bill 676)

AN ACT concerning

College Affordability Act of 2016

FOR the purpose of prohibiting certain public institutions of higher education from referring certain delinquent student accounts or debts to the Central Collection Unit under certain circumstances; requiring certain public institutions of higher education to allow certain students with certain unpaid balances on certain student accounts to register for certain courses under certain circumstances; repealing a certain requirement that up to a certain percentage of a certain Part-Time Grant Program allocation be used for a certain purpose; requiring the College Savings Plans of Maryland Board to develop and implement a certain marketing plan; requiring the Board to submit a certain marketing plan on or before a certain date; requiring the Board to adopt procedures for a State contribution program; requiring the Board to provide certain information in the statements for certain accounts; excluding a certain application from a certain fee; authorizing a State contribution to an investment account under certain circumstances; authorizing a certain application to be made by certain methods; requiring the Board to establish certain documentation and procedures for the submittal of a certain application; requiring the State to provide a certain contribution to certain investment accounts under certain circumstances; requiring the Governor to provide a certain appropriation in certain fiscal years to provide certain State contributions; providing certain priorities for State contributions under certain circumstances; requiring certain account holders to make a certain contribution within a certain period of time to qualify for

a certain State contribution; requiring certain State contributions to be provided in a certain calendar year; prohibiting a certain account holder from taking a certain subtraction modification in a certain taxable year; requiring the Board to develop and implement a certain plan by a certain date; allowing certain individuals with certain student loan debt amounts a credit against the State income tax; requiring an application for the tax credit to be made to the Maryland Higher Education Commission by a certain date with a certain assurance; providing for the recapture of a certain tax credit under certain circumstances; requiring the Commission to certify the amount of a certain tax credit by a certain date subject to a certain limitation; requiring a certain taxpayer to attach a certain certification limiting the amount of tax credits that the Commission may approve in a taxable year to income tax returns; requiring the Commission to use certain criteria for prioritizing certain tax credits; providing for a certain subtraction modification under certain circumstances; providing for a refundable tax credit under certain circumstances; requiring the Commission to establish and implement a certain plan by a certain date; requiring the Commission to adopt certain regulations; requiring the Commission and the State Department of Education to collaborate on the development of a certain application for digital devices; ~~requiring a recipient of a certain award to enroll in at least a certain number of credit hours in a certain time period;~~ establishing certain award amounts for certain financial assistance grants for certain ~~semesters~~ academic years subject to certain conditions; limiting the number of years that a certain award may be made except under certain circumstances; defining certain terms; requiring the Board to make a certain report to the General Assembly on or before a certain date; requiring the Commission, in consultation with the Department of Legislative Services, to retain a certain consultant to conduct a certain evaluation of the Office of Student Financial Assistance in the Commission; requiring the Commission and the Department of Legislative Services to report certain findings and recommendations on or before a certain date; providing for the application of certain provisions of this Act; and generally relating to college affordability.

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 3–302(a)

Annotated Code of Maryland

(2015 Replacement Volume)

BY adding to

Article – Education

Section 15–119, 18–114, 18–1905.1, and 18–19A–04.1

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Education

Section 18–301, 18–302, 18–303(a) and (b), 18–1401, 18–19A–01, 18–19A–04, and 18–19A–05

Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Education
Section ~~18–303(a) and (b)~~, 18–304, 18–306, 18–1402, 18–19A–02, and 18–19A–03
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

~~BY adding to~~
~~Article – Education~~
~~Section 18–114 and 18–19A–04.1~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 10–207(a) and 10–208(a)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–208(o)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY adding to
Article – Tax – General
Section 10–207(cc) and 10–737
Annotated Code of Maryland
(2010 Replacement Volume and 2015 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

3–302.

(a) (1) Except as otherwise provided in subsection (b) of this section, PARAGRAPH (2)(II) OF THIS SUBSECTION, or in other law, the Central Collection Unit is responsible for the collection of each delinquent account or other debt that is owed to the State or any of its officials or units.

(2) (1) [An] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN official or unit of the State government shall refer to the Central

Collection Unit each debt for which the Central Collection Unit has collection responsibility under this subsection and may not settle the debt.

(II) A PUBLIC INSTITUTION OF HIGHER EDUCATION MAY NOT REFER A DELINQUENT STUDENT ACCOUNT OR DEBT TO THE CENTRAL COLLECTION UNIT UNLESS, IN ACCORDANCE WITH § 15-119 OF THE EDUCATION ARTICLE:

1. THE DELINQUENT ACCOUNT OR DEBT HAS NOT BEEN SETTLED BY THE END OF THE LATE REGISTRATION PERIOD OF THE SEMESTER AFTER THE STUDENT ACCOUNT BECAME DELINQUENT; OR

2. THE STUDENT HAS NOT ENTERED INTO OR MADE TIMELY PAYMENTS TO SATISFY AN INSTALLMENT PAYMENT PLAN.

(3) For the purposes of this subtitle, a community college or board of trustees for a community college established or operating under Title 16 of the Education Article is a unit of the State.

Article – Education

15-119.

(A) A PUBLIC INSTITUTION OF HIGHER EDUCATION SHALL ALLOW AN INDIVIDUAL WITH AN UNPAID BALANCE OF \$250 OR LESS ON A STUDENT ACCOUNT TO REGISTER FOR COURSES AT THE INSTITUTION IF THE INDIVIDUAL SETTLES THE BALANCE ON THE STUDENT ACCOUNT BY THE END OF THE LATE REGISTRATION PERIOD FOR THE NEXT SEMESTER.

(B) (1) A PUBLIC INSTITUTION OF HIGHER EDUCATION SHALL ALLOW AN INDIVIDUAL WITH AN UNPAID BALANCE OF MORE THAN \$250 ON A STUDENT ACCOUNT TO REGISTER FOR COURSES AT THE INSTITUTION IF THE INDIVIDUAL ENTERS INTO AN INSTALLMENT PAYMENT PLAN BEFORE THE END OF THE LATE REGISTRATION PERIOD FOR THE CURRENT SEMESTER.

(2) THE INSTALLMENT PAYMENT PLAN UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL REQUIRE THE INDIVIDUAL TO MAKE PAYMENTS TO SETTLE THE UNPAID BALANCE ON THE STUDENT ACCOUNT BY THE AGREED ON DATE.

18-1401.

(a) In this section, “part-time student” means a student who:

(1) Is enrolled in a degree-granting program at an eligible institution and taking at least 3 but no more than 11 semester hours of courses each semester; or

(2) Is dually enrolled in a secondary school in the State and an institution of higher education.

(b) In cooperation with the institutions of higher education in the State, the Commission shall establish and administer a grant program for undergraduate part-time students.

(c) A recipient of a part-time grant shall:

(1) Be a resident of the State; and

(2) Have demonstrated a definite financial need according to criteria established by the Commission.

(d) For courses completed under the program, a recipient who is dually enrolled in a secondary school in the State and an institution of higher education may not be required to receive credit from a secondary school and an institution of higher education at the same time.

18-1402.

(a) [(1)] Funds for the Part-Time Grant Program shall be allocated by the Commission to each institution of higher education based upon the number of undergraduate part-time students with demonstrated financial need who are enrolled in degree-granting programs at the institution.

[(2)] An institution of higher education may use up to 10% of the part-time grant allocation to provide grants to students who are enrolled in at least 3 but less than 6 semester hours of courses each semester.

(b) In addition to the funds provided under § 18-14A-02(b) of this title, institutions may use up to 10% of the part-time grant allocation to provide grants to students who are dually enrolled.

(c)] (B) Funds for the grant program for part-time students shall be as provided in the annual budget of the Commission by the Governor.

18-1905.1.

(A) (1) THE BOARD SHALL DEVELOP AND IMPLEMENT A MARKETING PLAN TO INCREASE PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND.

(2) (I) THE MARKETING PLAN SHALL IDENTIFY METHODS TO INCREASE GENERAL PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND.

(II) THE BOARD SHALL COORDINATE WITH THE BOARD OF TRUSTEES OF THE MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS AND LOCAL SCHOOL SYSTEMS, RESPECTIVELY, TO IDENTIFY METHODS TO INCREASE PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND AMONG:

1. STATE EMPLOYEES THAT PARTICIPATE IN OTHER STATE TAX SAVINGS PROGRAMS; AND

2. FAMILIES OF STUDENTS IN LOCAL SCHOOL SYSTEMS WITH LOWER RATES OF PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND THAN THE STATE POPULATION.

(B) ON OR BEFORE DECEMBER 1, 2016, AND EVERY 3 YEARS THEREAFTER, THE BOARD SHALL SUBMIT THE MARKETING PLAN REQUIRED UNDER SUBSECTION (A) OF THIS SECTION 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, THE HOUSE COMMITTEE ON WAYS AND MEANS, AND THE HOUSE APPROPRIATIONS COMMITTEE.

18-19A-01.

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

(b) “Account holder” means the person who established an investment account on behalf of a qualified designated beneficiary.

(c) “Board” means the College Savings Plans of Maryland Board established under § 18-1904 of this title.

(d) “Eligible educational institution” has the meaning stated in § 529(e) of the Internal Revenue Code.

(e) “Investment account” means an account established by an account holder under this subtitle on behalf of a qualified designated beneficiary for the purpose of applying distributions toward qualified higher education expenses at eligible educational institutions.

(f) “Plan” means the Maryland College Investment Plan established under this subtitle.

(g) “Qualified designated beneficiary” has the meaning stated in § 529(e) of the Internal Revenue Code.

(h) “Qualified higher education expenses” has the meaning stated in § 529(e) of the Internal Revenue Code.

(i) “Qualified state tuition program” has the meaning stated in § 529 of the Internal Revenue Code.

18–19A–02.

(a) There is a Maryland College Investment Plan.

(b) The purpose of the Plan is to allow contributions to an investment account established for the purposes of meeting the qualified higher education expenses of the qualified designated beneficiary of the account.

(c) (1) The Board shall administer, manage, promote, and market the Plan.

(2) The Board shall administer the Plan in compliance with Internal Revenue Service standards for qualified State tuition programs.

(d) The Board shall adopt procedures that the Board considers necessary to carry out the provisions of this subtitle.

(e) The Board shall adopt procedures relating to:

(1) Application procedures for participation in the Plan;

(2) Start-up costs incurred by the State for the development of the Plan with these costs to be reimbursed to the State by the Plan;

(3) Early withdrawals, so that there will be no major detriment to the remaining account holders in the Plan; [and]

(4) THE STATE CONTRIBUTION PROGRAM; AND

[(4)] (5) Transfer of funds from the Plan to other qualified State tuition programs and from other qualified State tuition programs to the Plan in accordance with federal law.

(f) At least annually, the Board shall issue to each account holder a statement that provides a separate accounting for each qualified designated beneficiary providing the following information with respect to each account:

(1) The beginning balance;

(2) Contributions to the account, **INCLUDING ANY STATE CONTRIBUTION**;

(3) Withdrawals from the account during the previous year; and

(4) Ending investment account value.

18–19A–03.

(a) (1) The Board may issue requests for proposals to evaluate and determine the means for the administration, management, promotion, or marketing of the Plan.

(2) The Board shall consider proposals that meet the following criteria:

(i) Ability to develop and administer an investment program of a nature similar to the objectives of the Plan;

(ii) Ability to administer financial programs with individual account records and reporting;

(iii) Ability to market the Plan to Maryland residents;

(iv) Ability to market the Plan to nonresidents of Maryland; and

(v) Ability to coordinate the Plan with other programs or informational services considered beneficial by the Board, including the Maryland Prepaid College Trust established under Subtitle 19 of this title.

(b) (1) **[The] EXCEPT FOR APPLICATIONS MADE UNDER § 18–19A–04.1 OF THIS SUBTITLE, THE** Board may require an initial application fee to be used for administrative costs of the Plan.

(2) The Board may require additional fees associated with the expenses of the Plan.

(c) (1) Contributions to the Plan on behalf of a qualified designated beneficiary may not exceed the maximum amount determined by the Board to be in accordance with § 529 of the Internal Revenue Code.

(2) Contributions to the Plan may be made only in cash or cash equivalent.

(3) The Plan shall include provisions for automatic contributions.

(d) The Board shall adopt procedures to ensure that contributions to the Plan plus contributions or payments to other qualified State tuition programs do not exceed a total maximum amount determined under § 529 of the Internal Revenue Code for contributions to multiple qualified State tuition programs.

(e) (1) The Plan:

(i) Shall be established in the form determined by the Board; and

(ii) May be established as a trust to be declared by the Board.

(2) The Plan may be divided into multiple investment portfolios.

(3) If the Plan is divided into multiple portfolios as provided in paragraph (2) of this subsection, the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to a particular portfolio shall be enforceable against the assets of that portfolio only and not against the assets of the Plan generally, if:

(i) Distinct records are maintained for each portfolio; and

(ii) The assets associated with each portfolio are accounted for separately from the other assets of the Plan.

18-19A-04.

(a) A Maryland resident or a nonresident of Maryland may participate in and benefit from the Plan.

(b) Distributions shall be requested by the account holder.

18-19A-04.1.

(A) FOR INVESTMENT ACCOUNTS ESTABLISHED AFTER DECEMBER 31, 2016, A STATE CONTRIBUTION MAY BE MADE TO AN INVESTMENT ACCOUNT AS PROVIDED IN THIS SECTION IF:

(1) ~~THE ACCOUNT HOLDER OR~~ QUALIFIED BENEFICIARY OF THE INVESTMENT ACCOUNT IS A MARYLAND RESIDENT;

(2) THE ACCOUNT HOLDER SUBMITS AN APPLICATION TO THE BOARD OR ITS DESIGNEE ~~NO EARLIER THAN SEPTEMBER 15 AND NO LATER THAN SEPTEMBER 20 OF EACH YEAR~~ BETWEEN JANUARY 1 AND JUNE 1 OF EACH YEAR; AND

(3) THE ACCOUNT HOLDER HAS MARYLAND TAXABLE INCOME NO GREATER THAN \$112,500 FOR AN INDIVIDUAL OR ~~\$225,000~~ \$175,000 FOR A MARRIED COUPLE FILING A JOINT RETURN IN THE PREVIOUS TAXABLE YEAR.

(B) (1) AN APPLICATION MAY BE MADE IN PERSON, ONLINE, OR BY MAIL.

(2) THE BOARD SHALL:

(I) ESTABLISH A LIST OF DOCUMENTATION THAT MUST BE SUBMITTED WITH THE APPLICATION, INCLUDING DOCUMENTS THAT ESTABLISH MARYLAND TAXABLE INCOME AND MARYLAND RESIDENCY;

(II) A PROCEDURE TO CERTIFY THE DATE AND TIME OF RECEIPT OF AN APPLICATION; AND

(III) ANY OTHER NECESSARY PROCEDURES FOR THE SUBMITTAL OF APPLICATIONS.

(C) (1) FOR AN ACCOUNT HOLDER WITH MARYLAND TAXABLE INCOME OF LESS THAN \$50,000 FOR AN INDIVIDUAL OR ~~\$100,000~~ \$75,000 FOR A MARRIED COUPLE FILING A JOINT RETURN WHO MAKES AN ANNUAL CONTRIBUTION OF AT LEAST \$25 PER BENEFICIARY, THE STATE SHALL PROVIDE AN ADDITIONAL \$250 PER BENEFICIARY.

(2) FOR AN ACCOUNT HOLDER WITH MARYLAND TAXABLE INCOME OF AT LEAST \$50,000 BUT LESS THAN \$87,500 FOR AN INDIVIDUAL OR AT LEAST ~~\$100,000~~ \$75,000 BUT LESS THAN ~~\$175,000~~ \$125,000 FOR A MARRIED COUPLE FILING A JOINT RETURN WHO MAKES AN ANNUAL CONTRIBUTION OF AT LEAST \$100 PER BENEFICIARY, THE STATE SHALL PROVIDE AN ADDITIONAL \$250 PER BENEFICIARY.

(3) FOR AN ACCOUNT HOLDER WITH MARYLAND TAXABLE INCOME OF AT LEAST \$87,500 BUT ~~LESS NO GREATER~~ THAN \$112,500 FOR AN INDIVIDUAL OR AT LEAST ~~\$175,000~~ \$125,000 BUT ~~LESS NO GREATER~~ THAN ~~\$225,000~~ \$175,000 FOR A MARRIED COUPLE FILING A JOINT RETURN WHO MAKES AN ANNUAL CONTRIBUTION OF AT LEAST \$250 PER BENEFICIARY, THE STATE SHALL PROVIDE AN ADDITIONAL \$250 PER BENEFICIARY.

(D) (1) THE GOVERNOR SHALL APPROPRIATE IN THE BUDGET BILL AT LEAST THE FOLLOWING AMOUNTS FOR STATE CONTRIBUTIONS:

(I) \$5,000,000 IN FISCAL YEAR 2018;

(II) \$7,000,000 IN FISCAL YEAR 2019; AND

(III) \$10,000,000 IN FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER.

(2) IF THE FUNDING PROVIDED IN A FISCAL YEAR IS NOT SUFFICIENT TO FULLY FUND ALL STATE CONTRIBUTIONS AUTHORIZED UNDER THIS SECTION, THE BOARD SHALL:

(I) PROVIDE CONTRIBUTIONS IN THE ORDER IN WHICH APPLICATIONS ARE RECEIVED; AND

(II) GIVE PRIORITY TO APPLICATIONS OF ACCOUNT HOLDERS WHO DID NOT RECEIVE A CONTRIBUTION IN ANY PRIOR YEAR.

(E) (1) AN ACCOUNT HOLDER WHO HAS BEEN APPROVED TO RECEIVE A STATE CONTRIBUTION SHALL MAKE A CONTRIBUTION BETWEEN JULY 1 AND NOVEMBER 1 OF EACH YEAR IN ORDER TO QUALIFY FOR THE STATE CONTRIBUTION.

(2) A STATE CONTRIBUTION SHALL BE MADE ~~IN~~ BY DECEMBER 31 OF THE CALENDAR YEAR ~~FOLLOWING THE CONTRIBUTION OF THE ACCOUNT HOLDER~~ IN WHICH THE ACCOUNT HOLDER MADE THE CONTRIBUTION.

(F) AN ACCOUNT HOLDER IS NOT ELIGIBLE FOR THE SUBTRACTION MODIFICATION UNDER § 10-208 OF THE TAX – GENERAL – ARTICLE FOR ANY TAXABLE YEAR IN WHICH THE ACCOUNT HOLDER RECEIVES A STATE CONTRIBUTION.

(G) THE BOARD SHALL DEVELOP AND IMPLEMENT BY SEPTEMBER 1, 2016, AN OUTREACH AND MARKETING PLAN TO PROVIDE NOTIFICATION TO INDIVIDUALS ABOUT THE AVAILABILITY OF A STATE CONTRIBUTION.

18-19A-05.

(a) (1) The debts, contracts, and obligations of the Plan are not the contracts, debts, or obligations of the State and neither the faith and credit nor taxing power of the State is pledged directly or indirectly or contingently, morally or otherwise, to the payment of the debts, contracts, and obligations.

(2) The Board cannot directly or indirectly or contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and obligations of the Plan or to make any appropriation for the payment of the debts and obligations of the Plan.

(b) Neither the State nor any eligible educational institution shall be liable for any losses or shortage of funds in the event that the account holder's investment account balance is insufficient to meet the tuition requirements of an institution attended by the qualified designated beneficiary.

(c) Moneys of the Plan may not be considered moneys of the State or deposited in the State Treasury.

(d) Moneys of the Plan may not be considered moneys of or commingled with the Maryland Prepaid College Trust.

(e) Moneys of the Plan may not be considered moneys of or commingled with the Maryland Broker–Dealer College Investment Plan.

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

Article – Education

18–114.

THE COMMISSION AND THE DEPARTMENT SHALL WORK COLLABORATIVELY TO DEVELOP AN APPLICATION FOR USE ON DIGITAL DEVICES THAT PROVIDES:

(1) INFORMATION ABOUT STATE FINANCIAL AID PROGRAMS;

(2) CALENDAR NOTIFICATIONS FOR DATES AND DEADLINES ASSOCIATED WITH APPLYING FOR FINANCIAL AID; AND

(3) ANY OTHER INFORMATION THE COMMISSION AND THE DEPARTMENT DETERMINE TO BE NECESSARY OR HELPFUL TO PARENTS AND STUDENTS REGARDING FINANCIAL AID IN THE STATE.

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.

(CC) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES AN AMOUNT CONTRIBUTED BY THE STATE INTO AN INVESTMENT ACCOUNT UNDER § 18–19A–04.1 OF THE EDUCATION ARTICLE.

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(o) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Account holder” means an account holder as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(iii) “Investment account” means an investment account as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(iv) “Qualified designated beneficiary” means a qualified designated beneficiary as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(2) (I) [Subject] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH AND SUBJECT** to the limitation under paragraph (3) of this subsection, the subtraction under subsection (a) of this section includes the amount contributed by an account holder during the taxable year to an investment account.

(II) **THE SUBTRACTION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT BE TAKEN IF THE ACCOUNT HOLDER RECEIVED A STATE CONTRIBUTION UNDER § 18–19A–04.1 OF THE EDUCATION ARTICLE DURING THE TAXABLE YEAR.**

(3) (i) Subject to paragraph (4) of this subsection, for each account holder for all investment accounts maintained in the Maryland College Investment Plan and the Maryland Broker–Dealer College Investment Plan for the same qualified designated beneficiary, the subtraction under paragraph (2) of this subsection may not exceed \$2,500 for any taxable year per qualified designated beneficiary.

(ii) For purposes of the limitation under this paragraph, each spouse on a joint return shall be treated separately.

(4) Subject to the \$2,500 annual limitation for each account holder for each qualified designated beneficiary, the amount disallowed as a subtraction under this subsection for any taxable year as a result of the limitation under paragraph (3) of this subsection may be carried over until used to the next 10 succeeding taxable years as a subtraction.

10–737.

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

(2) **“COMMISSION” MEANS THE MARYLAND HIGHER EDUCATION COMMISSION.**

(3) **“QUALIFIED TAXPAYER” MEANS AN INDIVIDUAL WHO HAS:**

(I) INCURRED AT LEAST \$20,000 IN UNDERGRADUATE STUDENT LOAN DEBT; AND

(II) HAS AT LEAST \$5,000 IN OUTSTANDING UNDERGRADUATE STUDENT LOAN DEBT WHEN SUBMITTING AN APPLICATION UNDER SUBSECTION (C) OF THIS SECTION.

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE TAXABLE YEAR IN WHICH THE COMMISSION CERTIFIES A TAX CREDIT UNDER THIS SECTION.

(C) (1) (I) BY SEPTEMBER 15 OF EACH YEAR, AN INDIVIDUAL SHALL SUBMIT AN APPLICATION TO THE COMMISSION FOR THE CREDIT ALLOWED UNDER THIS SECTION.

(II) THE INDIVIDUAL SHALL SUBMIT WITH THE APPLICATION AN ASSURANCE THAT THE INDIVIDUAL WILL USE ANY CREDIT APPROVED UNDER THIS SECTION FOR THE REPAYMENT OF THE INDIVIDUAL'S UNDERGRADUATE STUDENT LOAN DEBT AS SOON AS PRACTICABLE.

(III) 1. THE TOTAL AMOUNT OF THE CREDIT CLAIMED UNDER THIS SECTION SHALL BE RECAPTURED IF THE INDIVIDUAL DOES NOT USE THE CREDIT APPROVED UNDER THIS SECTION FOR THE REPAYMENT OF THE INDIVIDUAL'S UNDERGRADUATE STUDENT LOAN DEBT WITHIN 2 YEARS FROM THE CLOSE OF THE TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED.

2. THE INDIVIDUAL WHO CLAIMED THE CREDIT SHALL PAY THE TOTAL AMOUNT OF THE CREDIT CLAIMED AS TAXES PAYABLE TO THE STATE FOR THE TAXABLE YEAR IN WHICH THE EVENT REQUIRING RECAPTURE OF THE CREDIT OCCURS.

(2) BY DECEMBER 15 OF EACH YEAR THE COMMISSION SHALL CERTIFY TO THE INDIVIDUAL THE AMOUNT OF ANY TAX CREDIT APPROVED BY THE COMMISSION UNDER THIS SECTION, NOT TO EXCEED \$5,000.

(3) FOR ANY TAXABLE YEAR, THE TOTAL AMOUNT OF CREDITS APPROVED BY THE COMMISSION UNDER THIS SECTION MAY NOT EXCEED \$5,000,000.

(4) TO CLAIM THE TAX CREDIT ALLOWED UNDER THIS SECTION, AN INDIVIDUAL SHALL ATTACH A COPY OF THE COMMISSION'S CERTIFICATION OF THE APPROVED CREDIT AMOUNT TO THE INCOME TAX RETURN.

(D) THE COMMISSION SHALL PRIORITIZE TAX CREDIT RECIPIENTS AND AMOUNTS BASED ON QUALIFIED TAXPAYERS WHO:

- (1) HAVE HIGHER DEBT BURDEN TO INCOME RATIOS;
- (2) GRADUATED FROM AN INSTITUTION OF HIGHER EDUCATION LOCATED IN THE STATE;
- (3) DID NOT RECEIVE A TAX CREDIT IN A PRIOR YEAR; OR
- (4) WERE ELIGIBLE FOR IN-STATE TUITION.

(E) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE QUALIFIED TAXPAYER FOR THAT TAXABLE YEAR, THE QUALIFIED TAXPAYER MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

(F) THE COMMISSION SHALL ESTABLISH AND IMPLEMENT BY SEPTEMBER 1, 2016, AN OUTREACH AND MARKETING PLAN TO MAKE ELIGIBLE TAXPAYERS AWARE OF THE AVAILABILITY OF THE TAX CREDIT PROVIDED UNDER THIS SECTION.

(G) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

(H) THE TAX CREDIT UNDER THIS SECTION SHALL BE REFERRED TO AS THE STUDENT LOAN DEBT RELIEF TAX CREDIT.

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

Article – Education

~~18 114.~~

~~THE COMMISSION AND THE DEPARTMENT SHALL WORK COLLABORATIVELY TO DEVELOP AN APPLICATION FOR USE ON DIGITAL DEVICES THAT PROVIDES:~~

- ~~(1) INFORMATION ABOUT STATE FINANCIAL AID PROGRAMS;~~
- ~~(2) CALENDAR NOTIFICATIONS FOR DATES AND DEADLINES ASSOCIATED WITH APPLYING FOR FINANCIAL AID; AND~~

~~(3) ANY OTHER INFORMATION THE COMMISSION AND THE DEPARTMENT DETERMINE TO BE NECESSARY OR HELPFUL TO PARENTS AND STUDENTS REGARDING FINANCIAL AID IN THE STATE.~~

18-301.

(a) There is a Delegate Howard P. Rawlings Program of Educational Excellence Awards in this State that are awarded under this subtitle.

(b) The Program shall consist of the following types of awards:

(1) Guaranteed Access Grants that are awarded to the neediest students to ensure that 100 percent of educational costs, as defined by regulations adopted by the Commission, are paid; and

(2) Educational Assistance Grants that are awarded to low and moderate income students to assist in paying educational costs, as defined by regulations adopted by the Commission.

18-302.

The Office of Student Financial Assistance shall publicize the availability of Delegate Howard P. Rawlings Educational Excellence Awards.

18-303.

(a) Subject to subsection (d) of this section, each recipient of a Delegate Howard P. Rawlings Educational Excellence Award shall:

(1) Be accepted for admission in the regular undergraduate program at an eligible institution or be enrolled in a 2-year associate degree program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution;

(2) Be a resident of this State;

(3) Demonstrate to the Office a definite financial need; and

(4) Accept any other conditions attached to the award.

(b) Each recipient of a Guaranteed Access Grant shall:

(1) Have attained a grade point average of at least 2.5 on a 4.0 scale or its equivalent at the end of the first semester of the senior year in high school and have completed high school or, failing to do so, on the recommendation of the recipient's high school principal, provide evidence satisfactory to the Office of extenuating circumstances;

- (2) Begin college within 1 year of completing high school or, failing to do so, provide evidence satisfactory to the Office of extenuating circumstances;
- (3) Be under the age of 22 years at the time of receiving the first award;
- (4) Have successfully completed a college preparatory program in high school;
- (5) Enroll in ~~AT LEAST 30 SEMESTER HOURS IN AN ACADEMIC YEAR, INCLUDING THE SUMMER SEMESTER, IN~~ college [as a full-time student];
- (6) Subject to subsection (c) of this section, have an annual family income below a poverty index determined by the Commission; and
- (7) Satisfy any additional criteria the Commission may establish.

18-304.

(A) IN THIS SECTION, "ACADEMIC YEAR" MEANS:

(1) THE FALL, SPRING, AND SUMMER SEMESTERS; AND

(2) ANY SEMESTER SHORTER IN LENGTH THAN THE TERM OF A REGULAR SEMESTER.

~~(a)~~ **(B)** (1) Except as provided in § 18-307 of this subtitle, the Office shall determine the amount of each Delegate Howard P. Rawlings Educational Excellence Award based on the financial need of the applicant.

(2) In determining the amount of financial need, the Office shall consider regional cost-of-living differences.

(3) In determining the percent of financial need used to calculate an award for a community college student receiving a Delegate Howard P. Rawlings Educational Excellence Award, the Commission shall use the following percentages:

(i) For fiscal year 2007, not less than 55%; and

(ii) For fiscal year 2008 and each fiscal year thereafter, not less than 60%.

~~(b)~~ **(C)** (1) Except as provided in [paragraph (2)] PARAGRAPHS (2) AND (3) of this subsection, a Delegate Howard P. Rawlings Educational Excellence Award may be awarded in \$100 increments [and the award for a single year may not be less than \$400 or more than \$3,000].

(2) (I) THE AMOUNT OF AN EDUCATIONAL ASSISTANCE GRANT MADE TO A STUDENT IN THE STUDENT'S FIRST 2 SEMESTERS ACADEMIC YEARS OF ENROLLMENT MAY NOT BE LESS THAN \$400 OR MORE THAN \$3,000.

(II) BEGINNING IN THE THIRD SEMESTER ACADEMIC YEAR OF ENROLLMENT AND FOR EACH SEMESTER ACADEMIC YEAR THEREAFTER:

1. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST ~~15~~ 30 CREDITS IN THE PRIOR SEMESTER ACADEMIC YEAR, THE AMOUNT OF AN EDUCATIONAL ASSISTANCE GRANT MADE TO A STUDENT MAY NOT BE LESS THAN \$400 OR MORE THAN \$3,000; OR

2. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST ~~12~~ 24 BUT LESS THAN ~~15~~ 30 CREDITS IN THE PRIOR SEMESTER ACADEMIC YEAR, THE AWARD AMOUNT SHALL BE EQUAL TO THE AMOUNT THE STUDENT WOULD HAVE OTHERWISE RECEIVED MULTIPLIED BY THE RATIO OF THE NUMBER OF CREDITS SUCCESSFULLY COMPLETED DIVIDED BY ~~15~~ 30.

[(2)](3) (i) All applicants who fulfill the requirements established in § 18-303(a) and (b) of this subtitle shall receive a Guaranteed Access Grant.

(ii) The amount of a Guaranteed Access Grant MADE TO A STUDENT IN THE STUDENT'S FIRST 2 SEMESTERS ACADEMIC YEARS OF ENROLLMENT shall be equal to 100 percent of the student's financial need as determined by the Office, not to exceed the equivalent annual expenses of a full-time resident undergraduate 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.

(III) BEGINNING IN THE THIRD SEMESTER ACADEMIC YEAR OF ENROLLMENT AND FOR EACH SEMESTER ACADEMIC YEAR THEREAFTER:

1. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST ~~15~~ 30 CREDITS IN THE PRIOR SEMESTER ACADEMIC YEAR, THE AWARD AMOUNT SHALL BE EQUAL TO 100 PERCENT OF THE STUDENT'S FINANCIAL NEED AS DETERMINED BY THE OFFICE, NOT TO EXCEED THE EQUIVALENT ANNUAL EXPENSES OF A FULL-TIME RESIDENT UNDERGRADUATE 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; OR

2. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST ~~12~~ 24 BUT LESS THAN ~~15~~ 30 CREDITS IN THE PRIOR ~~SEMESTER~~ ACADEMIC YEAR, THE AWARD AMOUNT SHALL BE EQUAL TO 100 PERCENT MULTIPLIED BY THE RATIO OF THE NUMBER OF CREDITS SUCCESSFULLY COMPLETED DIVIDED BY ~~15~~ 30.

18-306.

(a) Subject to the provisions of subsection [(d)] (C) of this section, each recipient of a Delegate Howard P. Rawlings Educational Excellence Award may hold the award for [5] 4 years if the recipient:

(1) Continues to be a resident of this State;

(2) Continues to be ~~fa full-time student~~ ~~ENROLLED IN AT LEAST 30 SEMESTER HOURS IN AN ACADEMIC YEAR, INCLUDING THE SUMMER SEMESTER,~~ at an eligible institution ~~and takes at least 12 semester hours of courses each semester,~~ or its equivalent as determined by the Office;

(3) In the judgment of the institution, is making satisfactory progress toward a degree; and

(4) Maintains the standards of the institution.

(b) Each recipient of a Delegate Howard P. Rawlings Educational Excellence Award who is enrolled in an associate degree program as permitted in § 18-303(a)(1) of this subtitle may hold the award for [3] 2 years if the same conditions of subsection (a) of this section are met.

(c) Each recipient of a Delegate Howard P. Rawlings Educational Excellence Award may hold the award for a 5th year if the recipient **CONTINUES TO SATISFY THE REQUIREMENTS UNDER SUBSECTION (A) OF THIS SECTION AND:**

(1) Is enrolled in an academic program that, as determined by the institution, requires 5 years to complete; or

(2) Provides evidence, satisfactory to the Office, of extenuating financial, academic, or other circumstances that prevent the recipient from completing the academic program in 4 years.

[(d) In addition to the requirements for renewal of a Delegate Howard P. Rawlings Educational Excellence Award under subsections (a), (b), and (c) of this section, a recipient of a Guaranteed Access Grant shall hold the grant for not more than 5 consecutive years or, failing to do so, provide evidence satisfactory to the Office of extenuating circumstances.]

(D) EACH RECIPIENT OF A DELEGATE HOWARD P. RAWLINGS EDUCATIONAL EXCELLENCE AWARD WHO IS ENROLLED IN AN ASSOCIATE DEGREE

PROGRAM AS PERMITTED IN § 18–303(A)(1) OF THIS SUBTITLE MAY HOLD THE AWARD FOR A 3RD YEAR IF THE RECIPIENT:

(1) CONTINUES TO SATISFY THE REQUIREMENTS UNDER SUBSECTION (A) OF THIS SECTION; AND

(2) PROVIDES EVIDENCE, SATISFACTORY TO THE OFFICE, OF EXTENUATING FINANCIAL, ACADEMIC, OR OTHER CIRCUMSTANCES THAT PREVENT THE RECIPIENT FROM COMPLETING THE ACADEMIC PROGRAM IN 2 YEARS.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1, 2017, the College Savings Plans of Maryland Board shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, on:

(1) whether the State contribution program established under this Act increases the number of low-income individuals that establish an investment account; and

(2) actions taken by the College Savings Plans of Maryland to provide outreach and marketing to low-income individuals regarding the Prepaid College Trust and the Investment Plan.

SECTION 5. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Higher Education Commission, in consultation with the Department of Legislative Services, shall retain a consultant to conduct an independent evaluation of the effectiveness of the operation of the Office of Student Financial Assistance in the Maryland Higher Education Commission;

(b) In addition to the evaluation required under subsection (a) of this section, the consultant shall make recommendations on how to implement Section 3 of this Act and how to overcome any impediments the Office of Student Financial Assistance may encounter in implementing Section 3 of this Act; and

(c) On or before October 1, 2017, the Maryland Higher Education Commission and the Department of Legislative Services shall report the findings and recommendations required under subsections (a) and (b) of this section 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, the House Committee on Ways and Means, and the House Appropriations Committee.

SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016. Section 2 of this Act shall be applicable to all taxable years beginning after December 31, ~~2015~~ 2016. Section 3 of this Act shall apply beginning in the ~~2017–2018~~ 2018–2019 academic year.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 690**(House Bill 1014)**

AN ACT concerning

College Affordability Act of 2016

FOR the purpose of prohibiting certain public institutions of higher education from referring certain delinquent student accounts or debts to the Central Collection Unit under certain circumstances; requiring certain public institutions of higher education to allow certain students with certain unpaid balances on certain student accounts to register for certain courses under certain circumstances; repealing a certain requirement that up to a certain percentage of a certain Part-Time Grant Program allocation be used for a certain purpose; requiring the College Savings Plans of Maryland Board to develop and implement a certain marketing plan; requiring the Board to submit a certain marketing plan on or before a certain date; requiring the Board to adopt procedures for a State contribution program; requiring the Board to provide certain information in the statements for certain accounts; excluding a certain application from a certain fee; authorizing a State contribution to an investment account under certain circumstances; authorizing a certain application to be made by certain methods; requiring the Board to establish certain documentation and procedures for the submittal of a certain application; requiring the State to provide a certain contribution to certain investment accounts under certain circumstances; requiring the Governor to provide a certain appropriation in certain fiscal years to provide certain State contributions; providing certain priorities for State contributions under certain circumstances; requiring certain account holders to make a certain contribution within a certain period of time to qualify for a certain State contribution; requiring certain State contributions to be provided in a certain calendar year; prohibiting a certain account holder from taking a certain subtraction modification in a certain taxable year; requiring the Board to develop and implement a certain plan by a certain date; allowing certain individuals with certain student loan debt amounts a credit against the State income tax; requiring an application for the tax credit to be made to the Maryland Higher Education Commission by a certain date with a certain assurance; providing for the recapture of a certain tax credit under certain circumstances; requiring the Commission to certify the amount of a certain tax credit by a certain date subject to a certain limitation; requiring a certain taxpayer to attach a certain certification limiting the amount of tax credits that the Commission may approve in a taxable year to income tax returns; requiring the Commission to use certain criteria for prioritizing certain tax credits; providing for a certain subtraction modification under certain circumstances; providing for a refundable tax credit under certain circumstances; requiring the Commission to establish and implement a certain plan by a certain date; requiring the Commission to adopt certain regulations; requiring the Commission and the State Department of Education to collaborate on the development of a certain application for digital devices; ~~requiring a recipient of a~~

~~certain award to enroll in at least a certain number of credit hours in a certain time period; establishing certain award amounts for certain financial assistance grants for certain ~~semesters~~ *academic years* subject to certain conditions; limiting the number of years that a certain award may be made except under certain circumstances; defining certain terms; requiring the Board to make a certain report to the General Assembly on or before a certain date; requiring the Commission, in consultation with the Department of Legislative Services, to retain a certain consultant to conduct a certain evaluation of the Office of Student Financial Assistance in the Commission; requiring the Commission and the Department of Legislative Services to report certain findings and recommendations on or before a certain date; providing for the application of certain provisions this Act; and generally relating to college affordability.~~

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 3-302(a)

Annotated Code of Maryland
(2015 Replacement Volume)

BY adding to

Article – Education

Section 15-119, 18-114, 18-1905.1, and 18-19A-04.1

Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Education

Section 18-301, 18-302, 18-303(a) and (b), 18-1401, 18-19A-01, 18-19A-04, and 18-19A-05

Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section ~~18-303(a) and (b)~~, 18-304, 18-306, 18-1402, 18-19A-02, and 18-19A-03

Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

~~BY adding to~~

~~Article – Education~~

~~Section 18-114 and 18-19A-04.1~~

~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10-207(a) and 10-208(a)

Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–208(o)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY adding to
Article – Tax – General
Section 10–207(cc) and 10–737
Annotated Code of Maryland
(2010 Replacement Volume and 2015 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

3–302.

(a) (1) Except as otherwise provided in subsection (b) of this section, PARAGRAPH (2)(II) OF THIS SUBSECTION, or in other law, the Central Collection Unit is responsible for the collection of each delinquent account or other debt that is owed to the State or any of its officials or units.

(2) (I) [An] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN official or unit of the State government shall refer to the Central Collection Unit each debt for which the Central Collection Unit has collection responsibility under this subsection and may not settle the debt.

(II) ~~IN ACCORDANCE WITH § 15-119 OF THE EDUCATION ARTICLE, A A PUBLIC INSTITUTION OF HIGHER EDUCATION MAY NOT REFER A DELINQUENT STUDENT ACCOUNT OR DEBT TO THE CENTRAL COLLECTION UNIT UNLESS, IN ACCORDANCE WITH § 15–119 OF THE EDUCATION ARTICLE:~~

1. THE DELINQUENT ACCOUNT OR DEBT HAS NOT BEEN SETTLED BY THE END OF THE LATE REGISTRATION PERIOD OF THE SEMESTER AFTER THE STUDENT ACCOUNT BECAME DELINQUENT; OR

2. THE STUDENT HAS NOT ENTERED INTO OR MADE TIMELY PAYMENTS TO SATISFY AN INSTALLMENT PAYMENT PLAN.

(3) For the purposes of this subtitle, a community college or board of trustees for a community college established or operating under Title 16 of the Education Article is a unit of the State.

Article – Education

15-119.

(A) A PUBLIC INSTITUTION OF HIGHER EDUCATION SHALL ALLOW AN INDIVIDUAL WITH AN UNPAID BALANCE OF \$250 OR LESS ON A STUDENT ACCOUNT TO REGISTER FOR COURSES AT THE INSTITUTION IF THE INDIVIDUAL SETTLES THE BALANCE ON THE STUDENT ACCOUNT BY THE END OF THE LATE REGISTRATION PERIOD FOR THE NEXT SEMESTER.

(B) (1) A PUBLIC INSTITUTION OF HIGHER EDUCATION SHALL ALLOW AN INDIVIDUAL WITH AN UNPAID BALANCE OF MORE THAN \$250 ON A STUDENT ACCOUNT TO REGISTER FOR COURSES AT THE INSTITUTION IF THE INDIVIDUAL ENTERS INTO AN INSTALLMENT PAYMENT PLAN BEFORE THE END OF THE LATE REGISTRATION PERIOD FOR THE CURRENT SEMESTER.

(2) THE INSTALLMENT PAYMENT PLAN UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL REQUIRE THE INDIVIDUAL TO MAKE PAYMENTS TO SETTLE THE UNPAID BALANCE ON THE STUDENT ACCOUNT BY THE AGREED ON DATE.

18-1401.

(a) In this section, “part-time student” means a student who:

(1) Is enrolled in a degree-granting program at an eligible institution and taking at least 3 but no more than 11 semester hours of courses each semester; or

(2) Is dually enrolled in a secondary school in the State and an institution of higher education.

(b) In cooperation with the institutions of higher education in the State, the Commission shall establish and administer a grant program for undergraduate part-time students.

(c) A recipient of a part-time grant shall:

(1) Be a resident of the State; and

(2) Have demonstrated a definite financial need according to criteria established by the Commission.

(d) For courses completed under the program, a recipient who is dually enrolled in a secondary school in the State and an institution of higher education may not be required to receive credit from a secondary school and an institution of higher education at the same time.

18-1402.

(a) [(1)] Funds for the Part-Time Grant Program shall be allocated by the Commission to each institution of higher education based upon the number of undergraduate part-time students with demonstrated financial need who are enrolled in degree-granting programs at the institution.

[(2) An institution of higher education may use up to 10% of the part-time grant allocation to provide grants to students who are enrolled in at least 3 but less than 6 semester hours of courses each semester.

(b) In addition to the funds provided under § 18-14A-02(b) of this title, institutions may use up to 10% of the part-time grant allocation to provide grants to students who are dually enrolled.

(c) (B) Funds for the grant program for part-time students shall be as provided in the annual budget of the Commission by the Governor.

18-1905.1.

(A) (1) THE BOARD SHALL DEVELOP AND IMPLEMENT A MARKETING PLAN TO INCREASE PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND.

(2) (I) THE MARKETING PLAN SHALL IDENTIFY METHODS TO INCREASE GENERAL PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND.

(II) THE BOARD SHALL COORDINATE WITH THE BOARD OF TRUSTEES OF THE MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS AND LOCAL SCHOOL SYSTEMS, RESPECTIVELY, TO IDENTIFY METHODS TO INCREASE PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND AMONG:

1. STATE EMPLOYEES THAT PARTICIPATE IN OTHER STATE TAX SAVINGS PROGRAMS; AND

2. FAMILIES OF STUDENTS IN LOCAL SCHOOL SYSTEMS WITH LOWER RATES OF PARTICIPATION IN THE COLLEGE SAVINGS PLANS OF MARYLAND THAN THE STATE POPULATION.

(B) ON OR BEFORE DECEMBER 1, 2016, AND EVERY 3 YEARS THEREAFTER, THE BOARD SHALL SUBMIT THE MARKETING PLAN REQUIRED UNDER SUBSECTION (A) OF THIS SECTION 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, THE HOUSE COMMITTEE ON WAYS AND MEANS, AND THE HOUSE APPROPRIATIONS COMMITTEE.

18-19A-01.

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

(b) “Account holder” means the person who established an investment account on behalf of a qualified designated beneficiary.

(c) “Board” means the College Savings Plans of Maryland Board established under § 18-1904 of this title.

(d) “Eligible educational institution” has the meaning stated in § 529(e) of the Internal Revenue Code.

(e) “Investment account” means an account established by an account holder under this subtitle on behalf of a qualified designated beneficiary for the purpose of applying distributions toward qualified higher education expenses at eligible educational institutions.

(f) “Plan” means the Maryland College Investment Plan established under this subtitle.

(g) “Qualified designated beneficiary” has the meaning stated in § 529(e) of the Internal Revenue Code.

(h) “Qualified higher education expenses” has the meaning stated in § 529(e) of the Internal Revenue Code.

(i) “Qualified state tuition program” has the meaning stated in § 529 of the Internal Revenue Code.

18-19A-02.

(a) There is a Maryland College Investment Plan.

(b) The purpose of the Plan is to allow contributions to an investment account established for the purposes of meeting the qualified higher education expenses of the qualified designated beneficiary of the account.

(c) (1) The Board shall administer, manage, promote, and market the Plan.

(2) The Board shall administer the Plan in compliance with Internal Revenue Service standards for qualified State tuition programs.

(d) The Board shall adopt procedures that the Board considers necessary to carry out the provisions of this subtitle.

(e) The Board shall adopt procedures relating to:

(1) Application procedures for participation in the Plan;

(2) Start-up costs incurred by the State for the development of the Plan with these costs to be reimbursed to the State by the Plan;

(3) Early withdrawals, so that there will be no major detriment to the remaining account holders in the Plan; [and]

(4) THE STATE CONTRIBUTION PROGRAM; AND

[(4)] (5) Transfer of funds from the Plan to other qualified State tuition programs and from other qualified State tuition programs to the Plan in accordance with federal law.

(f) At least annually, the Board shall issue to each account holder a statement that provides a separate accounting for each qualified designated beneficiary providing the following information with respect to each account:

(1) The beginning balance;

(2) Contributions to the account, **INCLUDING ANY STATE CONTRIBUTION;**

(3) Withdrawals from the account during the previous year; and

(4) Ending investment account value.

18-19A-03.

(a) (1) The Board may issue requests for proposals to evaluate and determine the means for the administration, management, promotion, or marketing of the Plan.

(2) The Board shall consider proposals that meet the following criteria:

(i) Ability to develop and administer an investment program of a nature similar to the objectives of the Plan;

(ii) Ability to administer financial programs with individual account records and reporting;

(iii) Ability to market the Plan to Maryland residents;

(iv) Ability to market the Plan to nonresidents of Maryland; and

(v) Ability to coordinate the Plan with other programs or informational services considered beneficial by the Board, including the Maryland Prepaid College Trust established under Subtitle 19 of this title.

(b) (1) **[The] EXCEPT FOR APPLICATIONS MADE UNDER § 18–19A–04.1 OF THIS SUBTITLE, THE** Board may require an initial application fee to be used for administrative costs of the Plan.

(2) The Board may require additional fees associated with the expenses of the Plan.

(c) (1) Contributions to the Plan on behalf of a qualified designated beneficiary may not exceed the maximum amount determined by the Board to be in accordance with § 529 of the Internal Revenue Code.

(2) Contributions to the Plan may be made only in cash or cash equivalent.

(3) The Plan shall include provisions for automatic contributions.

(d) The Board shall adopt procedures to ensure that contributions to the Plan plus contributions or payments to other qualified State tuition programs do not exceed a total maximum amount determined under § 529 of the Internal Revenue Code for contributions to multiple qualified State tuition programs.

(e) (1) The Plan:

(i) Shall be established in the form determined by the Board; and

(ii) May be established as a trust to be declared by the Board.

(2) The Plan may be divided into multiple investment portfolios.

(3) If the Plan is divided into multiple portfolios as provided in paragraph (2) of this subsection, the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to a particular portfolio shall be enforceable against the assets of that portfolio only and not against the assets of the Plan generally, if:

(i) Distinct records are maintained for each portfolio; and

(ii) The assets associated with each portfolio are accounted for separately from the other assets of the Plan.

18-19A-04.

(a) A Maryland resident or a nonresident of Maryland may participate in and benefit from the Plan.

(b) Distributions shall be requested by the account holder.

18-19A-04.1.

(A) FOR INVESTMENT ACCOUNTS ESTABLISHED AFTER DECEMBER 31, 2016, A STATE CONTRIBUTION MAY BE MADE TO AN INVESTMENT ACCOUNT AS PROVIDED IN THIS SECTION IF:

(1) ~~THE ACCOUNT HOLDER OR~~ QUALIFIED BENEFICIARY OF THE INVESTMENT ACCOUNT IS A MARYLAND RESIDENT;

(2) THE ACCOUNT HOLDER SUBMITS AN APPLICATION TO THE BOARD OR ITS DESIGNEE ~~NO EARLIER THAN SEPTEMBER 15 AND NO LATER THAN SEPTEMBER 20 OF EACH YEAR~~ BETWEEN JANUARY 1 AND JUNE 1 OF EACH YEAR; AND

(3) THE ACCOUNT HOLDER HAS MARYLAND TAXABLE INCOME NO GREATER THAN \$112,500 FOR AN INDIVIDUAL OR ~~\$225,000~~ \$175,000 FOR A MARRIED COUPLE FILING A JOINT RETURN IN THE PREVIOUS TAXABLE YEAR.

(B) (1) AN APPLICATION MAY BE MADE IN PERSON, ONLINE, OR BY MAIL.

(2) THE BOARD SHALL:

(i) ESTABLISH A LIST OF DOCUMENTATION THAT MUST BE SUBMITTED WITH THE APPLICATION, INCLUDING DOCUMENTS THAT ESTABLISH MARYLAND TAXABLE INCOME AND MARYLAND RESIDENCY;

(ii) A PROCEDURE TO CERTIFY THE DATE AND TIME OF RECEIPT OF AN APPLICATION; AND

(iii) ANY OTHER NECESSARY PROCEDURES FOR THE SUBMITTAL OF APPLICATIONS.

(C) (1) FOR AN ACCOUNT HOLDER WITH MARYLAND TAXABLE INCOME OF LESS THAN \$50,000 FOR AN INDIVIDUAL OR ~~\$100,000~~ \$75,000 FOR A MARRIED COUPLE FILING A JOINT RETURN WHO MAKES AN ANNUAL CONTRIBUTION OF AT LEAST \$25 PER BENEFICIARY, THE STATE SHALL PROVIDE AN ADDITIONAL \$250 PER BENEFICIARY.

(2) FOR AN ACCOUNT HOLDER WITH MARYLAND TAXABLE INCOME OF AT LEAST \$50,000 BUT LESS THAN \$87,500 FOR AN INDIVIDUAL OR AT LEAST ~~\$100,000~~ \$75,000 BUT LESS THAN ~~\$175,000~~ \$125,000 FOR A MARRIED COUPLE FILING A JOINT RETURN WHO MAKES AN ANNUAL CONTRIBUTION OF AT LEAST \$100 PER BENEFICIARY, THE STATE SHALL PROVIDE AN ADDITIONAL \$250 PER BENEFICIARY.

(3) FOR AN ACCOUNT HOLDER WITH MARYLAND TAXABLE INCOME OF AT LEAST \$87,500 BUT ~~LESS~~ NO GREATER THAN \$112,500 FOR AN INDIVIDUAL OR AT LEAST ~~\$175,000~~ \$125,000 BUT ~~LESS~~ NO GREATER THAN ~~\$225,000~~ \$175,000 FOR A MARRIED COUPLE FILING A JOINT RETURN WHO MAKES AN ANNUAL CONTRIBUTION OF AT LEAST \$250 PER BENEFICIARY, THE STATE SHALL PROVIDE AN ADDITIONAL \$250 PER BENEFICIARY.

(D) (1) THE GOVERNOR SHALL APPROPRIATE IN THE BUDGET BILL AT LEAST THE FOLLOWING AMOUNTS FOR STATE CONTRIBUTIONS:

(I) \$5,000,000 IN FISCAL YEAR 2018;

(II) \$7,000,000 IN FISCAL YEAR 2019; AND

(III) \$10,000,000 IN FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER.

(2) IF THE FUNDING PROVIDED IN A FISCAL YEAR IS NOT SUFFICIENT TO FULLY FUND ALL STATE CONTRIBUTIONS AUTHORIZED UNDER THIS SECTION, THE BOARD SHALL:

(I) PROVIDE CONTRIBUTIONS IN THE ORDER IN WHICH APPLICATIONS ARE RECEIVED; AND

(II) GIVE PRIORITY TO APPLICATIONS OF ACCOUNT HOLDERS WHO DID NOT RECEIVE A CONTRIBUTION IN ANY PRIOR YEAR.

(E) (1) AN ACCOUNT HOLDER WHO HAS BEEN APPROVED TO RECEIVE A STATE CONTRIBUTION SHALL MAKE A CONTRIBUTION BETWEEN JULY 1 AND NOVEMBER 1 OF EACH YEAR IN ORDER TO QUALIFY FOR THE STATE CONTRIBUTION.

(2) A STATE CONTRIBUTION SHALL BE MADE ~~IN~~ BY DECEMBER 31 OF THE CALENDAR YEAR FOLLOWING THE CONTRIBUTION OF THE ACCOUNT HOLDER IN WHICH THE ACCOUNT HOLDER MADE THE CONTRIBUTION.

(F) AN ACCOUNT HOLDER IS NOT ELIGIBLE FOR THE SUBTRACTION MODIFICATION UNDER § 10-208 OF THE TAX – GENERAL – ARTICLE FOR ANY TAXABLE YEAR IN WHICH THE ACCOUNT HOLDER RECEIVES A STATE CONTRIBUTION.

(G) THE BOARD SHALL DEVELOP AND IMPLEMENT BY SEPTEMBER 1, 2016, AN OUTREACH AND MARKETING PLAN TO PROVIDE NOTIFICATION TO INDIVIDUALS ABOUT THE AVAILABILITY OF A STATE CONTRIBUTION.

18-19A-05.

(a) (1) The debts, contracts, and obligations of the Plan are not the contracts, debts, or obligations of the State and neither the faith and credit nor taxing power of the State is pledged directly or indirectly or contingently, morally or otherwise, to the payment of the debts, contracts, and obligations.

(2) The Board cannot directly or indirectly or contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and obligations of the Plan or to make any appropriation for the payment of the debts and obligations of the Plan.

(b) Neither the State nor any eligible educational institution shall be liable for any losses or shortage of funds in the event that the account holder's investment account balance is insufficient to meet the tuition requirements of an institution attended by the qualified designated beneficiary.

(c) Moneys of the Plan may not be considered moneys of the State or deposited in the State Treasury.

(d) Moneys of the Plan may not be considered moneys of or commingled with the Maryland Prepaid College Trust.

(e) Moneys of the Plan may not be considered moneys of or commingled with the Maryland Broker-Dealer College Investment Plan.

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

Article – Education

18-114.

THE COMMISSION AND THE DEPARTMENT SHALL WORK COLLABORATIVELY TO DEVELOP AN APPLICATION FOR USE ON DIGITAL DEVICES THAT PROVIDES:

(1) INFORMATION ABOUT STATE FINANCIAL AID PROGRAMS;

(2) CALENDAR NOTIFICATIONS FOR DATES AND DEADLINES ASSOCIATED WITH APPLYING FOR FINANCIAL AID; AND

(3) ANY OTHER INFORMATION THE COMMISSION AND THE DEPARTMENT DETERMINE TO BE NECESSARY OR HELPFUL TO PARENTS AND STUDENTS REGARDING FINANCIAL AID IN THE STATE.

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.

(CC) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES AN AMOUNT CONTRIBUTED BY THE STATE INTO AN INVESTMENT ACCOUNT UNDER § 18–19A–04.1 OF THE EDUCATION ARTICLE.

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(o) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Account holder” means an account holder as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(iii) “Investment account” means an investment account as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(iv) “Qualified designated beneficiary” means a qualified designated beneficiary as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(2) (I) [Subject] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH AND SUBJECT** to the limitation under paragraph (3) of this subsection, the subtraction under subsection (a) of this section includes the amount contributed by an account holder during the taxable year to an investment account.

(II) THE SUBTRACTION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT BE TAKEN IF THE ACCOUNT HOLDER RECEIVED A STATE CONTRIBUTION UNDER § 18-19A-04.1 OF THE EDUCATION ARTICLE DURING THE TAXABLE YEAR.

(3) (i) Subject to paragraph (4) of this subsection, for each account holder for all investment accounts maintained in the Maryland College Investment Plan and the Maryland Broker-Dealer College Investment Plan for the same qualified designated beneficiary, the subtraction under paragraph (2) of this subsection may not exceed \$2,500 for any taxable year per qualified designated beneficiary.

(ii) For purposes of the limitation under this paragraph, each spouse on a joint return shall be treated separately.

(4) Subject to the \$2,500 annual limitation for each account holder for each qualified designated beneficiary, the amount disallowed as a subtraction under this subsection for any taxable year as a result of the limitation under paragraph (3) of this subsection may be carried over until used to the next 10 succeeding taxable years as a subtraction.

10-737.

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

(2) “COMMISSION” MEANS THE MARYLAND HIGHER EDUCATION COMMISSION.

(3) “QUALIFIED TAXPAYER” MEANS AN INDIVIDUAL WHO HAS:

(I) INCURRED AT LEAST \$20,000 IN UNDERGRADUATE STUDENT LOAN DEBT; AND

(II) HAS AT LEAST \$5,000 IN OUTSTANDING UNDERGRADUATE STUDENT LOAN DEBT WHEN SUBMITTING AN APPLICATION UNDER SUBSECTION (C) OF THIS SECTION.

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE TAXABLE YEAR IN WHICH THE COMMISSION CERTIFIES A TAX CREDIT UNDER THIS SECTION.

(C) (1) (I) BY SEPTEMBER 15 OF EACH YEAR, AN INDIVIDUAL SHALL SUBMIT AN APPLICATION TO THE COMMISSION FOR THE CREDIT ALLOWED UNDER THIS SECTION.

(II) THE INDIVIDUAL SHALL SUBMIT WITH THE APPLICATION AN ASSURANCE THAT THE INDIVIDUAL WILL USE ANY CREDIT APPROVED UNDER THIS SECTION FOR THE REPAYMENT OF THE INDIVIDUAL'S UNDERGRADUATE STUDENT LOAN DEBT AS SOON AS PRACTICABLE.

(III) 1. THE TOTAL AMOUNT OF THE CREDIT CLAIMED UNDER THIS SECTION SHALL BE RECAPTURED IF THE INDIVIDUAL DOES NOT USE THE CREDIT APPROVED UNDER THIS SECTION FOR THE REPAYMENT OF THE INDIVIDUAL'S UNDERGRADUATE STUDENT LOAN DEBT WITHIN 2 YEARS FROM THE CLOSE OF THE TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED.

2. THE INDIVIDUAL WHO CLAIMED THE CREDIT SHALL PAY THE TOTAL AMOUNT OF THE CREDIT CLAIMED AS TAXES PAYABLE TO THE STATE FOR THE TAXABLE YEAR IN WHICH THE EVENT REQUIRING RECAPTURE OF THE CREDIT OCCURS.

(2) BY DECEMBER 15 OF EACH YEAR THE COMMISSION SHALL CERTIFY TO THE INDIVIDUAL THE AMOUNT OF ANY TAX CREDIT APPROVED BY THE COMMISSION UNDER THIS SECTION, NOT TO EXCEED \$5,000.

(3) FOR ANY TAXABLE YEAR, THE TOTAL AMOUNT OF CREDITS APPROVED BY THE COMMISSION UNDER THIS SECTION MAY NOT EXCEED \$5,000,000.

(4) TO CLAIM THE TAX CREDIT ALLOWED UNDER THIS SECTION, AN INDIVIDUAL SHALL ATTACH A COPY OF THE COMMISSION'S CERTIFICATION OF THE APPROVED CREDIT AMOUNT TO THE INCOME TAX RETURN.

(D) THE COMMISSION SHALL PRIORITIZE TAX CREDIT RECIPIENTS AND AMOUNTS BASED ON QUALIFIED TAXPAYERS WHO:

- (1) HAVE HIGHER DEBT BURDEN TO INCOME RATIOS;
- (2) GRADUATED FROM AN INSTITUTION OF HIGHER EDUCATION LOCATED IN THE STATE;
- (3) DID NOT RECEIVE A TAX CREDIT IN A PRIOR YEAR; OR
- (4) WERE ELIGIBLE FOR IN-STATE TUITION.

(E) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE QUALIFIED TAXPAYER FOR THAT TAXABLE YEAR, THE QUALIFIED TAXPAYER MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

(F) THE COMMISSION SHALL ESTABLISH AND IMPLEMENT BY SEPTEMBER 1, 2016, AN OUTREACH AND MARKETING PLAN TO MAKE ELIGIBLE TAXPAYERS AWARE OF THE AVAILABILITY OF THE TAX CREDIT PROVIDED UNDER THIS SECTION.

(G) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

(H) THE TAX CREDIT UNDER THIS SECTION SHALL BE REFERRED TO AS THE STUDENT LOAN DEBT RELIEF TAX CREDIT.

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

Article – Education

~~18-114.~~

~~THE COMMISSION AND THE DEPARTMENT SHALL WORK COLLABORATIVELY TO DEVELOP AN APPLICATION FOR USE ON DIGITAL DEVICES THAT PROVIDES:~~

~~(1) INFORMATION ABOUT STATE FINANCIAL AID PROGRAMS;~~

~~(2) CALENDAR NOTIFICATIONS FOR DATES AND DEADLINES ASSOCIATED WITH APPLYING FOR FINANCIAL AID; AND~~

~~(3) ANY OTHER INFORMATION THE COMMISSION AND THE DEPARTMENT DETERMINE TO BE NECESSARY OR HELPFUL TO PARENTS AND STUDENTS REGARDING FINANCIAL AID IN THE STATE.~~

18-301.

(a) There is a Delegate Howard P. Rawlings Program of Educational Excellence Awards in this State that are awarded under this subtitle.

(b) The Program shall consist of the following types of awards:

(1) Guaranteed Access Grants that are awarded to the neediest students to ensure that 100 percent of educational costs, as defined by regulations adopted by the Commission, are paid; and

(2) Educational Assistance Grants that are awarded to low and moderate income students to assist in paying educational costs, as defined by regulations adopted by the Commission.

18–302.

The Office of Student Financial Assistance shall publicize the availability of Delegate Howard P. Rawlings Educational Excellence Awards.

18–303.

(a) Subject to subsection (d) of this section, each recipient of a Delegate Howard P. Rawlings Educational Excellence Award shall:

(1) Be accepted for admission in the regular undergraduate program at an eligible institution or be enrolled in a 2–year associate degree program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution;

(2) Be a resident of this State;

(3) Demonstrate to the Office a definite financial need; and

(4) Accept any other conditions attached to the award.

(b) Each recipient of a Guaranteed Access Grant shall:

(1) Have attained a grade point average of at least 2.5 on a 4.0 scale or its equivalent at the end of the first semester of the senior year in high school and have completed high school or, failing to do so, on the recommendation of the recipient’s high school principal, provide evidence satisfactory to the Office of extenuating circumstances;

(2) Begin college within 1 year of completing high school or, failing to do so, provide evidence satisfactory to the Office of extenuating circumstances;

(3) Be under the age of 22 years at the time of receiving the first award;

(4) Have successfully completed a college preparatory program in high school;

(5) Enroll in ~~AT LEAST 30 SEMESTER HOURS IN AN ACADEMIC YEAR, INCLUDING THE SUMMER SEMESTER, IN~~ college [as a full–time student];

(6) Subject to subsection (c) of this section, have an annual family income below a poverty index determined by the Commission; and

(7) Satisfy any additional criteria the Commission may establish.

18-304.

(A) IN THIS SECTION, "ACADEMIC YEAR" MEANS:

(1) THE FALL, SPRING, AND SUMMER SEMESTERS; AND

(2) ANY SEMESTER SHORTER IN LENGTH THAN THE TERM OF A REGULAR SEMESTER.

~~(a)~~ **(B) (1) Except as provided in § 18-307 of this subtitle, the Office shall determine the amount of each Delegate Howard P. Rawlings Educational Excellence Award based on the financial need of the applicant.**

(2) In determining the amount of financial need, the Office shall consider regional cost-of-living differences.

(3) In determining the percent of financial need used to calculate an award for a community college student receiving a Delegate Howard P. Rawlings Educational Excellence Award, the Commission shall use the following percentages:

(i) For fiscal year 2007, not less than 55%; and

(ii) For fiscal year 2008 and each fiscal year thereafter, not less than 60%.

~~(b)~~ **(C) (1) Except as provided in [paragraph (2)] PARAGRAPHS (2) AND (3) of this subsection, a Delegate Howard P. Rawlings Educational Excellence Award may be awarded in \$100 increments [and the award for a single year may not be less than \$400 or more than \$3,000].**

(2) (I) THE AMOUNT OF AN EDUCATIONAL ASSISTANCE GRANT MADE TO A STUDENT IN THE STUDENT'S FIRST ~~2 SEMESTERS~~ ACADEMIC YEARS OF ENROLLMENT MAY NOT BE LESS THAN \$400 OR MORE THAN \$3,000.

(II) BEGINNING IN THE THIRD ~~SEMESTER~~ ACADEMIC YEAR OF ENROLLMENT AND FOR EACH ~~SEMESTER~~ ACADEMIC YEAR THEREAFTER:

1. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST ~~15~~ 30 CREDITS IN THE PRIOR ~~SEMESTER~~ ACADEMIC YEAR, THE AMOUNT OF AN EDUCATIONAL ASSISTANCE GRANT MADE TO A STUDENT MAY NOT BE LESS THAN \$400 OR MORE THAN \$3,000; OR

2. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST ~~12~~ 24 BUT LESS THAN ~~15~~ 30 CREDITS IN THE PRIOR ~~SEMESTER~~ ACADEMIC

YEAR, THE AWARD AMOUNT SHALL BE EQUAL TO THE AMOUNT THE STUDENT WOULD HAVE OTHERWISE RECEIVED MULTIPLIED BY THE RATIO OF THE NUMBER OF CREDITS SUCCESSFULLY COMPLETED DIVIDED BY ~~15~~ 30.

[(2)] (3) (i) All applicants who fulfill the requirements established in § 18–303(a) and (b) of this subtitle shall receive a Guaranteed Access Grant.

(ii) The amount of a Guaranteed Access Grant MADE TO A STUDENT IN THE STUDENT’S FIRST ~~2 SEMESTERS~~ ACADEMIC YEARS OF ENROLLMENT shall be equal to 100 percent of the student’s financial need as determined by the Office, not to exceed the equivalent annual expenses of a full–time resident undergraduate 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.

(III) BEGINNING IN THE THIRD ~~SEMESTER~~ ACADEMIC YEAR OF ENROLLMENT AND FOR EACH ~~SEMESTER~~ ACADEMIC YEAR THEREAFTER:

1. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST ~~15~~ 30 CREDITS IN THE PRIOR ~~SEMESTER~~ ACADEMIC YEAR, THE AWARD AMOUNT SHALL BE EQUAL TO 100 PERCENT OF THE STUDENT’S FINANCIAL NEED AS DETERMINED BY THE OFFICE, NOT TO EXCEED THE EQUIVALENT ANNUAL EXPENSES OF A FULL–TIME RESIDENT UNDERGRADUATE 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; OR

2. IF THE STUDENT SUCCESSFULLY COMPLETED AT LEAST ~~12~~ 24 BUT LESS THAN ~~15~~ 30 CREDITS IN THE PRIOR ~~SEMESTER~~ ACADEMIC YEAR, THE AWARD AMOUNT SHALL BE EQUAL TO 100 PERCENT MULTIPLIED BY THE RATIO OF THE NUMBER OF CREDITS SUCCESSFULLY COMPLETED DIVIDED BY ~~15~~ 30.

18–306.

(a) Subject to the provisions of subsection [(d)] (C) of this section, each recipient of a Delegate Howard P. Rawlings Educational Excellence Award may hold the award for [5] 4 years if the recipient:

(1) Continues to be a resident of this State;

(2) Continues to be ~~¶~~ a full–time student ~~¶ ENROLLED IN AT LEAST 30 SEMESTER HOURS IN AN ACADEMIC YEAR, INCLUDING THE SUMMER SEMESTER,~~ at an eligible institution ~~¶~~ and takes at least 12 semester hours of courses each semester, ~~¶~~ or its equivalent as determined by the Office;

(3) In the judgment of the institution, is making satisfactory progress toward a degree; and

(4) Maintains the standards of the institution.

(b) Each recipient of a Delegate Howard P. Rawlings Educational Excellence Award who is enrolled in an associate degree program as permitted in § 18–303(a)(1) of this subtitle may hold the award for **[3] 2** years if the same conditions of subsection (a) of this section are met.

(c) Each recipient of a Delegate Howard P. Rawlings Educational Excellence Award may hold the award for a 5th year if the recipient **CONTINUES TO SATISFY THE REQUIREMENTS UNDER SUBSECTION (A) OF THIS SECTION AND:**

(1) Is enrolled in an academic program that, as determined by the institution, requires 5 years to complete; or

(2) Provides evidence, satisfactory to the Office, of extenuating financial, academic, or other circumstances that prevent the recipient from completing the academic program in 4 years.

[(d) In addition to the requirements for renewal of a Delegate Howard P. Rawlings Educational Excellence Award under subsections (a), (b), and (c) of this section, a recipient of a Guaranteed Access Grant shall hold the grant for not more than 5 consecutive years or, failing to do so, provide evidence satisfactory to the Office of extenuating circumstances.]

(D) EACH RECIPIENT OF A DELEGATE HOWARD P. RAWLINGS EDUCATIONAL EXCELLENCE AWARD WHO IS ENROLLED IN AN ASSOCIATE DEGREE PROGRAM AS PERMITTED IN § 18–303(A)(1) OF THIS SUBTITLE MAY HOLD THE AWARD FOR A 3RD YEAR IF THE RECIPIENT:

(1) CONTINUES TO SATISFY THE REQUIREMENTS UNDER SUBSECTION (A) OF THIS SECTION; AND

(2) PROVIDES EVIDENCE, SATISFACTORY TO THE OFFICE, OF EXTENUATING FINANCIAL, ACADEMIC, OR OTHER CIRCUMSTANCES THAT PREVENT THE RECIPIENT FROM COMPLETING THE ACADEMIC PROGRAM IN 2 YEARS.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1, 2017, the College Savings Plans of Maryland Board shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, on:

(1) whether the State contribution program established under this Act increases the number of low–income individuals that establish an investment account; and

(2) actions taken by the College Savings Plans of Maryland to provide outreach and marketing to low-income individuals regarding the Prepaid College Trust and the Investment Plan.

SECTION 5. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Higher Education Commission, in consultation with the Department of Legislative Services, shall retain a consultant to conduct an independent evaluation of the effectiveness of the operation of the Office of Student Financial Assistance in the Maryland Higher Education Commission;

(b) In addition to the evaluation required under subsection (a) of this section, the consultant shall make recommendations on how to implement Section 3 of this Act and how to overcome any impediments the Office of Student Financial Assistance may encounter in implementing Section 3 of this Act; and

(c) On or before October 1, 2017, the Maryland Higher Education Commission and the Department of Legislative Services shall report the findings and recommendations required under subsections (a) and (b) of this section 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, the House Committee on Ways and Means, and the House Appropriations Committee.

SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016. Section 2 of this Act shall be applicable to all taxable years beginning after December 31, ~~2015~~ 2016. Section 3 of this Act shall apply beginning in the ~~2017-2018~~ 2018-2019 academic year.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 691

(Senate Bill 687)

AN ACT concerning

**Charles County – Alcoholic Beverages – Entertainment Concessionaire and
Entertainment Facility Licenses**

FOR the purpose of authorizing the Board of License Commissioners for Charles County to issue a certain entertainment concessionaire license to certain persons for certain purposes in conjunction with an entertainment facility; authorizing the Board to issue a certain entertainment facility license to a person that owns an entertainment facility in which video lottery terminals and table games are offered to the public; providing that an applicant for an entertainment facility license need not meet

certain requirements; specifying the scope of the licenses; providing that beer, wine, and liquor sold under either license may be taken and consumed anywhere in the licensed premises; specifying that the licenses authorize the playing of music and dancing; specifying for the licenses the annual fee and payment date; providing for the application to certain persons of certain penalties and sanctions for violations occurring on certain premises; defining certain terms; and generally relating to alcoholic beverages and entertainment facilities in Charles County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 18–102

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 18–1002.1 and 18–1002.2

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

18–102.

This title applies only in Charles County.

18–1002.1.

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

(2) “CONCESSIONAIRE” MEANS A LESSEE, A SUBLESSEE, OR ANY OTHER OPERATOR OF AN ESTABLISHMENT THAT:

(I) ENGAGES IN THE DAILY SALE OF BEER, WINE, AND LIQUOR ON ITS PREMISES FOR CONSUMPTION ANYWHERE IN AN ENTERTAINMENT FACILITY; AND

(II) IS OPERATED AS A CONCESSION ADJACENT TO BUT INDEPENDENT OF THE ENTERTAINMENT FACILITY.

(3) “ENTERTAINMENT FACILITY” MEANS A FACILITY THAT HOLDS A LICENSE UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE.

(B) THERE IS AN ENTERTAINMENT CONCESSIONAIRE LICENSE.

(C) THE BOARD MAY ISSUE THE LICENSE TO A CONCESSIONAIRE OPERATING IN CONJUNCTION WITH AN ENTERTAINMENT FACILITY.

(D) (1) THE LICENSE AUTHORIZES:

(I) THE LICENSE HOLDER TO SELL BEER, WINE, AND LIQUOR ON THE PREMISES OF THE CONCESSIONAIRE FOR CONSUMPTION IN ANY PART OF THE LICENSED PREMISES; AND

(II) THE PLAYING OF MUSIC AND DANCING ON THE LICENSED PREMISES.

(2) BEER, WINE, AND LIQUOR PURCHASED UNDER THE LICENSE MAY BE TAKEN INTO AND CONSUMED ANYWHERE IN ANY PART OF THE LICENSED PREMISES.

(E) THE HOURS FOR THE SALE AND CONSUMPTION OF ALCOHOLIC BEVERAGES UNDER THE LICENSE ARE THE SAME AS THE HOURS OF OPERATION FOR A VIDEO LOTTERY FACILITY ESTABLISHED UNDER § 9-1A-23 OF THE STATE GOVERNMENT ARTICLE.

(F) (1) THE ANNUAL FEE FOR THE LICENSE IS \$5,000.

(2) THE FEE SHALL BE PAID ON OR BEFORE MAY 1 OF EACH YEAR TO THE BOARD.

(G) ANY PENALTY OR OTHER SANCTION THAT IS IMPOSED FOR A VIOLATION OF A REGULATION OF THE BOARD ON THE LICENSED PREMISES OF THE HOLDER OF AN ENTERTAINMENT CONCESSIONAIRE LICENSE SHALL APPLY TO THE HOLDER OF A CONCESSIONAIRE’S LICENSE WHO THE BOARD DETERMINES TO BE RESPONSIBLE FOR THE VIOLATION.

18-1002.2.

(A) “ENTERTAINMENT FACILITY” MEANS A FACILITY THAT HOLDS A LICENSE UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE.

(B) THERE IS AN ENTERTAINMENT FACILITY LICENSE.

(C) (1) THE BOARD MAY ISSUE THE LICENSE FOR THE USE OF AN ENTERTAINMENT FACILITY THAT CONTAINS ONE OR MORE FOOD SERVICE FACILITIES, BARS, OR LOUNGES THAT ARE PART OF THE OPERATION OF THE ENTERTAINMENT FACILITY.

(2) (I) THE LICENSE SHALL BE ISSUED TO AN INDIVIDUAL OR ENTITY THAT OWNS AN ENTERTAINMENT FACILITY AND HOLDS A LICENSE UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE.

(II) AN APPLICANT FOR THE LICENSE NEED NOT MEET ANY LOCATION, VOTING, OR RESIDENCY REQUIREMENTS.

(D) (1) THE LICENSE AUTHORIZES:

(I) THE LICENSE HOLDER TO SELL BEER, WINE, AND LIQUOR IN ANY LOCATION OF THE ENTERTAINMENT FACILITY THAT IS NOT COVERED BY AN ENTERTAINMENT CONCESSIONAIRE LICENSE FOR CONSUMPTION ANYWHERE ON THE LICENSED PREMISES; AND

(II) THE PLAYING OF MUSIC AND DANCING ON THE LICENSED PREMISES.

(2) BEER, WINE, AND LIQUOR PURCHASED UNDER THE LICENSE MAY BE TAKEN AND CONSUMED ANYWHERE ON THE LICENSED PREMISES.

(E) THE HOURS FOR THE SALE AND CONSUMPTION OF ALCOHOLIC BEVERAGES UNDER THE LICENSE ARE THE SAME AS THE HOURS OF OPERATION FOR A VIDEO LOTTERY FACILITY ESTABLISHED UNDER § 9-1A-23 OF THE STATE GOVERNMENT ARTICLE.

(G) (1) THE ANNUAL FEE FOR THE LICENSE IS \$15,000.

(2) THE FEE SHALL BE PAID ON OR BEFORE MAY 1 OF EACH YEAR TO THE BOARD.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 692**(House Bill 706)**

AN ACT concerning

**Charles County – Alcoholic Beverages – Entertainment Concessionaire and
Entertainment Facility Licenses**

FOR the purpose of authorizing the Board of License Commissioners for Charles County to issue a certain entertainment concessionaire license to certain persons for certain purposes in conjunction with an entertainment facility; authorizing the Board to issue a certain entertainment facility license to a person that owns an entertainment facility in which video lottery terminals and table games are offered to the public; providing that an applicant for an entertainment facility license need not meet certain requirements; specifying the scope of the licenses; providing that beer, wine, and liquor sold under either license may be taken and consumed anywhere in the licensed premises; specifying that the licenses authorize the playing of music and dancing; specifying for the licenses the annual fee and payment date; providing for the application to certain persons of certain penalties and sanctions for violations occurring on certain premises; defining certain terms; and generally relating to alcoholic beverages and entertainment facilities in Charles County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 18–102

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 18–1002.1 and 18–1002.2

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

18–102.

This title applies only in Charles County.

18–1002.1.

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

(2) "CONCESSIONAIRE" MEANS A LESSEE, A SUBLESSEE, OR ANY OTHER OPERATOR OF AN ESTABLISHMENT THAT:

(I) ENGAGES IN THE DAILY SALE OF BEER, WINE, AND LIQUOR ON ITS PREMISES FOR CONSUMPTION ANYWHERE IN AN ENTERTAINMENT FACILITY; AND

(II) IS OPERATED AS A CONCESSION ADJACENT TO BUT INDEPENDENT OF THE ENTERTAINMENT FACILITY.

(3) "ENTERTAINMENT FACILITY" MEANS A FACILITY THAT HOLDS A LICENSE UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE.

(B) THERE IS AN ENTERTAINMENT CONCESSIONAIRE LICENSE.

(C) THE BOARD MAY ISSUE THE LICENSE TO A CONCESSIONAIRE OPERATING IN CONJUNCTION WITH AN ENTERTAINMENT FACILITY.

(D) (1) THE LICENSE AUTHORIZES:

(I) THE LICENSE HOLDER TO SELL BEER, WINE, AND LIQUOR ON THE PREMISES OF THE CONCESSIONAIRE FOR CONSUMPTION IN ANY PART OF THE LICENSED PREMISES; AND

(II) THE PLAYING OF MUSIC AND DANCING ON THE LICENSED PREMISES.

(2) BEER, WINE, AND LIQUOR PURCHASED UNDER THE LICENSE MAY BE TAKEN INTO AND CONSUMED ANYWHERE IN ANY PART OF THE LICENSED PREMISES.

(E) THE HOURS FOR THE SALE AND CONSUMPTION OF ALCOHOLIC BEVERAGES UNDER THE LICENSE ARE THE SAME AS THE HOURS OF OPERATION FOR A VIDEO LOTTERY FACILITY ESTABLISHED UNDER § 9-1A-23 OF THE STATE GOVERNMENT ARTICLE.

(F) (1) THE ANNUAL FEE FOR THE LICENSE IS \$5,000.

(2) THE FEE SHALL BE PAID ON OR BEFORE MAY 1 OF EACH YEAR TO THE BOARD.

(G) ANY PENALTY OR OTHER SANCTION THAT IS IMPOSED FOR A VIOLATION OF A REGULATION OF THE BOARD ON THE LICENSED PREMISES OF THE HOLDER OF AN ENTERTAINMENT CONCESSIONAIRE LICENSE SHALL APPLY TO THE HOLDER OF A CONCESSIONAIRE'S LICENSE WHO THE BOARD DETERMINES TO BE RESPONSIBLE FOR THE VIOLATION.

18-1002.2.

(A) "ENTERTAINMENT FACILITY" MEANS A FACILITY THAT HOLDS A LICENSE UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE.

(B) THERE IS AN ENTERTAINMENT FACILITY LICENSE.

(C) (1) THE BOARD MAY ISSUE THE LICENSE FOR THE USE OF AN ENTERTAINMENT FACILITY THAT CONTAINS ONE OR MORE FOOD SERVICE FACILITIES, BARS, OR LOUNGES THAT ARE PART OF THE OPERATION OF THE ENTERTAINMENT FACILITY.

(2) (I) THE LICENSE SHALL BE ISSUED TO AN INDIVIDUAL OR ENTITY THAT OWNS AN ENTERTAINMENT FACILITY AND HOLDS A LICENSE UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE.

(II) AN APPLICANT FOR THE LICENSE NEED NOT MEET ANY LOCATION, VOTING, OR RESIDENCY REQUIREMENTS.

(D) (1) THE LICENSE AUTHORIZES:

(I) THE LICENSE HOLDER TO SELL BEER, WINE, AND LIQUOR IN ANY LOCATION OF THE ENTERTAINMENT FACILITY THAT IS NOT COVERED BY AN ENTERTAINMENT CONCESSIONAIRE LICENSE FOR CONSUMPTION ANYWHERE ON THE LICENSED PREMISES; AND

(II) THE PLAYING OF MUSIC AND DANCING ON THE LICENSED PREMISES.

(2) BEER, WINE, AND LIQUOR PURCHASED UNDER THE LICENSE MAY BE TAKEN AND CONSUMED ANYWHERE ON THE LICENSED PREMISES.

(E) THE HOURS FOR THE SALE AND CONSUMPTION OF ALCOHOLIC BEVERAGES UNDER THE LICENSE ARE THE SAME AS THE HOURS OF OPERATION FOR A VIDEO LOTTERY FACILITY ESTABLISHED UNDER § 9-1A-23 OF THE STATE GOVERNMENT ARTICLE.

(G) (1) **THE ANNUAL FEE FOR THE LICENSE IS \$15,000.**

(2) **THE FEE SHALL BE PAID ON OR BEFORE MAY 1 OF EACH YEAR TO THE BOARD.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 693

(Senate Bill 750)

AN ACT concerning

Portable Electronics Insurance – Compensation of Vendor Employees – Repeal of Sunset and Reporting Requirement

FOR the purpose of repealing the termination of a certain provision of law authorizing the employees of a vendor or authorized representative of a vendor of portable electronics insurance to be compensated in a certain manner; repealing a requirement that the Maryland Insurance Administration keep track of certain complaints, make a certain determination, and, on or before a certain date, make a certain report to certain committees of the General Assembly; and generally relating to vendor employee compensation and portable electronics insurance.

BY repealing and reenacting, without amendments,
 Article – Insurance
 Section 10–703(e)(2)
 Annotated Code of Maryland
 (2011 Replacement Volume and 2015 Supplement)

BY repealing
 Chapter 525 of the Acts of the General Assembly of 2013
 Section 4

BY repealing and reenacting, with amendments,
 Chapter 525 of the Acts of the General Assembly of 2013
 Section 5

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

Article – Insurance

10–703.

(e) (2) A vendor or an authorized representative of the vendor may compensate the employees of the vendor or of the authorized representative in a manner that does not depend solely on the sale of portable electronics insurance.

Chapter 525 of the Acts of 2013

[SECTION 4. AND BE IT FURTHER ENACTED, That the Maryland Insurance Commissioner shall:

(1) keep track of complaints from consumers regarding the sales practices of vendor employees at point of sale, including:

- (i) the number of complaints;
- (ii) a summary of the allegations contained in the complaints; and
- (iii) the disposition of the complaints;

(2) based on the complaints under paragraph (1) of this section and any other information the Commissioner determines necessary, determine whether and how vendor employees should be compensated for selling a portable electronics limited lines insurance policy; and

(3) on or before January 1, 2017, report the Commissioner's findings and recommendations, in accordance with § 2–1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee.]

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2013. [Section 1 of this Act shall remain effective for a period of 4 years and, at the end of September 30, 2017, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

AN ACT concerning

Portable Electronics Insurance – Compensation of Vendor Employees – Repeal of Sunset and Reporting Requirement

FOR the purpose of repealing the termination of a certain provision of law authorizing the employees of a vendor or authorized representative of a vendor of portable electronics insurance to be compensated in a certain manner; repealing a requirement that the Maryland Insurance Administration keep track of certain complaints, make a certain determination, and, on or before a certain date, make a certain report to certain committees of the General Assembly; and generally relating to vendor employee compensation and portable electronics insurance.

BY repealing and reenacting, without amendments,
Article – Insurance
Section 10–703(e)(2)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

BY repealing
Chapter 525 of the Acts of the General Assembly of 2013
Section 4

BY repealing and reenacting, with amendments,
Chapter 525 of the Acts of the General Assembly of 2013
Section 5

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

Article – Insurance

10–703.

(e) (2) A vendor or an authorized representative of the vendor may compensate the employees of the vendor or of the authorized representative in a manner that does not depend solely on the sale of portable electronics insurance.

Chapter 525 of the Acts of 2013

[SECTION 4. AND BE IT FURTHER ENACTED, That the Maryland Insurance Commissioner shall:

(1) keep track of complaints from consumers regarding the sales practices of vendor employees at point of sale, including:

- (i) the number of complaints;
- (ii) a summary of the allegations contained in the complaints; and
- (iii) the disposition of the complaints;

(2) based on the complaints under paragraph (1) of this section and any other information the Commissioner determines necessary, determine whether and how vendor employees should be compensated for selling a portable electronics limited lines insurance policy; and

(3) on or before January 1, 2017, report the Commissioner's findings and recommendations, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee.]

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2013. [Section 1 of this Act shall remain effective for a period of 4 years and, at the end of September 30, 2017, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 695

(Senate Bill 753)

AN ACT concerning

Health – Sale of Food Products Containing Alcohol – Requirements and Restrictions

FOR the purpose of repealing a certain provision of law that provided that a confectionary food product is adulterated if it contains any alcohol in excess of a certain percent by volume or any alcohol derived from anything but flavoring extracts; prohibiting certain provisions of law from being construed to prohibit the addition of alcohol to a food product, including a confectionary and a frozen dessert; prohibiting the sale of a food product that contains more than a certain percent of alcohol per volume to certain individuals; requiring that a food product that contains more than a certain percent of alcohol per volume state certain information on the label of the food product; providing that a certain provision of this Act may not be construed to limit the application of certain laws and regulations to certain food products; repealing certain provisions of law rendered obsolete by this Act; making this Act an

emergency measure; and generally relating to the sale of food products containing alcohol.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 21–209

Annotated Code of Maryland

(2015 Replacement Volume)

BY adding to

Article – Health – General

Section 21–214

Annotated Code of Maryland

(2015 Replacement Volume)

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

Article – Health – General

21–209.

(a) In addition to any other ground that may be applicable under § 21–207 or § 21–208 of this subtitle, a confectionary food product is adulterated if:

(1) It contains any nonnutritive object, except as permitted by the rules and regulations adopted under subsection (b)(1) of this section; **OR**

(2) It contains any nonnutritive substance other than a safe substance:

(i) That is in or on the confectionery because of some practical functional purpose in the manufacture, packaging, or storing of the confectionery; and

(ii) The use of which does not promote deception of the consumer or otherwise result in any adulteration or misbranding in violation of this subtitle[; or

(3) It contains any alcohol:

(i) In excess of 5 percent by volume; or

(ii) Derived from anything but flavoring extracts].

(b) (1) If, in the judgment of the Secretary, a nonnutritive object is of practical, functional value to a confectionary food product and its use is not injurious or hazardous to health, the Secretary may adopt a rule or regulation that permits an exception to subsection (a)(1) of this section, regarding nonnutritive objects.

(2) To avoid or resolve uncertainty, the Secretary may by rule or regulation:

(i) Interpret subsection (a)(2) of this section as that subsection applies to use of a particular nonnutritive substance; and

(ii) Allow or prohibit the use of the particular nonnutritive substance.

[(c) A confectionery that is manufactured or sold that contains between one-half of one percent and 5 percent of alcohol per volume:

(1) May not be sold to individuals under 21 years of age;

(2) Shall state on the label that the sale of the product to individuals under 21 years of age is prohibited; and

(3) Shall state on the label that the product contains alcohol up to 5 percent per volume.]

21-214.

(A) THIS SUBTITLE MAY NOT BE CONSTRUED TO PROHIBIT THE ADDITION OF ALCOHOL TO A FOOD PRODUCT, INCLUDING A CONFECTIONERY AND A FROZEN DESSERT.

(B) A FOOD PRODUCT THAT IS MANUFACTURED OR SOLD THAT CONTAINS MORE THAN ONE-HALF OF ONE PERCENT OF ALCOHOL PER VOLUME:

(1) MAY NOT BE SOLD TO INDIVIDUALS UNDER 21 YEARS OF AGE; AND

(2) SHALL STATE ON THE LABEL OF THE FOOD PRODUCT:

(i) THAT THE SALE OF THE PRODUCT TO INDIVIDUALS UNDER 21 YEARS OF AGE IS PROHIBITED;

(ii) THAT THE PRODUCT CONTAINS ALCOHOL; AND

(iii) THE PRODUCT'S ALCOHOL PERCENT PER VOLUME.

(C) SUBSECTION (B) OF THIS SECTION MAY NOT BE CONSTRUED TO LIMIT THE APPLICATION OF RELEVANT PROVISIONS OF THE ALCOHOLIC BEVERAGES ARTICLE, AND REGULATIONS ADOPTED UNDER THAT ARTICLE, TO A MANUFACTURER OR SELLER OF A FOOD PRODUCT REGULATED UNDER SUBSECTION (B) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect July 1, 2016~~ is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 696

(Senate Bill 758)

AN ACT concerning

Food Stamp Program – Minimum Benefit – State Supplement

FOR the purpose of requiring the State to provide a certain supplement to a ~~certain~~ household that *includes a certain individual who* receives a federally funded benefit of less than a certain amount per month under the food stamp program; and generally relating to the food stamp program.

BY repealing and reenacting, with amendments,
 Article – Human Services
 Section 5–501
 Annotated Code of Maryland
 (2007 Volume and 2015 Supplement)

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

Article – Human Services

5–501.

(a) The Department may implement a food stamp program in accordance with the federal Food Stamp Act.

(b) The State shall bear the nonfederal portion of the administrative costs of the food stamp program for each county.

(c) Each local department shall administer the food stamp program:

(1) under the supervision and control of the Department; and

(2) in accordance with the regulations of the Department and federal law.

(D) IF A HOUSEHOLD ~~THAT CONSISTS OF ONE~~ INCLUDES AN INDIVIDUAL WHO IS AT LEAST 62 YEARS OLD AND RECEIVES A FEDERALLY FUNDED BENEFIT IN AN AMOUNT LESS THAN \$30 PER MONTH UNDER THE FOOD STAMP PROGRAM, THE STATE SHALL PROVIDE A SUPPLEMENT TO INCREASE THE TOTAL BENEFIT TO \$30 PER MONTH.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 697

(Senate Bill 777)

AN ACT concerning

Unemployment Insurance – Exemption From Covered Employment – Messenger Service Business

FOR the purpose of altering the definition of “messenger service business” for purposes of a certain exemption from covered employment for certain unemployment benefits; specifying that commission includes certain payment arrangements for purposes of the exemption; providing for the application of this Act; and generally relating to messenger service businesses.

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 8–206(d)
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)

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

Article – Labor and Employment

8–206.

(d) (1) In this subsection, “messenger service business” means a business that:

(i) principally and primarily offers and provides to the public or commercial establishments expedited, time critical, and same day as requested delivery service; **AND**

(ii) does not make, produce, sell, or distribute what it delivers[]; and

(iii) does not have an exclusive contractual delivery arrangement with an individual or a commercial establishment].

(2) Work that a messenger service driver performs for a person who is engaged in the messenger service business is not covered employment if the Secretary is satisfied that:

(i) the driver and the person who is engaged in the messenger service business have entered into a written agreement that is currently in effect;

(ii) the written agreement under item (i) of this paragraph does not prohibit the driver from performing for more than one person who is engaged in the messenger service business;

(iii) the driver is free to accept or reject delivery jobs from the person who is engaged in the messenger service business;

(iv) the driver personally provides the vehicle;

(v) compensation is by commission only, **WHICH ~~INCLUDES~~, MAY INCLUDE, FOR THE PURPOSES OF THIS SUBSECTION, ANY ~~ONE~~ OF THE FOLLOWING:**

1. A SCHEDULE OF COMPENSATION THAT IS CALCULATED FROM A PERCENTAGE OF REVENUE OR SOME OTHER MEASURE OF REVENUE THAT THE DRIVER GENERATES FOR THE MESSENGER SERVICE BUSINESS;

2. A FIXED AMOUNT OF COMPENSATION FOR THE COMPLETION OF A SPECIFIC DELIVERY JOB; AND

3. A GUARANTEED MINIMUM AMOUNT OF COMPENSATION FOR THE DRIVER REMAINING AVAILABLE TO PROVIDE DELIVERY SERVICE;

(vi) the driver may set personal work hours; and

(vii) the written agreement states expressly and prominently that the driver knows:

1. of the responsibility to pay estimated Social Security taxes and State and federal income taxes;

2. that the Social Security tax the driver must pay is higher than the Social Security tax the driver would pay otherwise; and

3. that the work is not covered employment.

(3) A messenger service driver for a messenger service business whose work is not covered employment under paragraph (2) of this subsection may deliver to the public or commercial establishments on foot, by bicycle, or by motor vehicle:

(i) individually addressed mail, messages, and documents in paper or magnetic format; and

(ii) emergency medical supplies, records, parcels, or similar items if the messenger service business provides to the Secretary evidence of a worker status determination from the Internal Revenue Service or other evidence that the messenger service driver is excluded from coverage under the Federal Unemployment Tax Act.

SECTION 2. AND BE IT FURTHER ENACTED, That § 8–206(d) of the Labor and Employment Article, as enacted by Section 1 of this Act, shall be construed to apply retroactively and shall be applied to and interpreted to affect all determinations by the Secretary of Labor, Licensing, and Regulation of:

(1) rates of contributions for employing units for all calendar years beginning on or after January 1, 2013; and

(2) benefit charges for unemployment insurance claims for benefits based on work performed on or after January 1, 2013.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 698

(Senate Bill 797)

AN ACT concerning

Housing and Community Development – Shelter and Transitional Housing Facilities Grant Program – Mandated Funding

FOR the purpose of requiring, beginning in a certain fiscal year and each fiscal year thereafter, the Governor to include a certain amount of money in the annual budget

bill for the Shelter and Transitional Housing Facilities Grant Program within the Department of Housing and Community Development; and generally relating to funding for shelters and transitional housing facilities.

BY adding to

Article – Housing and Community Development
Section 4–216
Annotated Code of Maryland
(2006 Volume and 2015 Supplement)

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

Article – Housing and Community Development

4–216.

FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE AT LEAST \$3,000,000 IN THE ANNUAL BUDGET BILL FOR THE SHELTER AND TRANSITIONAL HOUSING FACILITIES GRANT PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 699

(House Bill 1476)

AN ACT concerning

**Housing and Community Development – Shelter and Transitional Housing
Facilities Grant Program – Mandated Funding**

FOR the purpose of requiring, beginning in a certain fiscal year and each fiscal year thereafter, the Governor to include a certain amount of money in the annual budget bill for the Shelter and Transitional Housing Facilities Grant Program within the Department of Housing and Community Development; and generally relating to funding for shelters and transitional housing facilities.

BY adding to

Article – Housing and Community Development
Section 4–216

Annotated Code of Maryland
(2006 Volume and 2015 Supplement)

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

Article – Housing and Community Development

4–216.

FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE AT LEAST \$3,000,000 IN THE ANNUAL BUDGET BILL FOR THE SHELTER AND TRANSITIONAL HOUSING FACILITIES GRANT PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 700

(Senate Bill 806)

AN ACT concerning

State Board of Physicians – Naturopathic Doctors – Establishment of Naturopathic Doctors Formulary Council and Naturopathic Formulary

FOR the purpose of establishing a Naturopathic Doctors Formulary Council within the State Board of Physicians; providing for the membership, terms, compensation, chair, and staff the Council; requiring the Council to develop and recommend to the Board a certain formulary, provide certain reviews of the formulary adopted by the Board, and make certain recommendations to the Board; requiring the Board to adopt a certain formulary; authorizing the Board to modify or reject any recommendation of the Council regarding the formulary; requiring a certain formulary to include certain nonprescription drugs and devices and certain prescription drugs and contraceptives; prohibiting a certain formulary from including certain prescription drugs and devices and controlled substances; providing that a license authorizes a licensed naturopathic doctor to dispense, order, or administer certain natural medicines and nonprescription drugs listed in a certain formulary; altering the routes of administration for certain natural medicines and nonprescription drugs that a license authorizes a licensee to use; authorizing a licensee to administer auto-injectable epinephrine; excluding prescription drugs and devices included in the formulary from the prohibition against a licensed

naturopathic doctor prescribing, dispensing, or administering prescription drugs and devices; providing that a license does not authorize a licensed naturopathic doctor to prescribe, dispense, or administer certain drugs or devices for cosmetic purposes; defining certain terms; and generally relating to the establishment of the Naturopathic Doctors Formulary Council and naturopathic formulary.

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 14–5F–01 and 14–5F–14
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY adding to
Article – Health Occupations
Section 14–5F–04.1
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Health Occupations

14–5F–01.

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

(b) “Approved naturopathic medical program” means a naturopathic medical education program:

(1) In the United States that:

(i) Provides the degree of Doctor of Naturopathy or Doctor of Naturopathic Medicine;

(ii) Offers a 4–year graduate–level, full–time didactic and supervised clinical training;

(iii) Is accredited, or has achieved candidacy status for accreditation, by the Council on Naturopathic Medical Education or an equivalent federally and Board–recognized accrediting body for naturopathic medical programs; and

(iv) Is part of an institution of higher education that is either accredited, or is a candidate for accreditation, by a regional or national institutional accrediting agency recognized by the United States Secretary of Education; or

(2) In a diploma-granting, degree-equivalent college or university in Canada that:

(i) Offers graduate-level, full-time didactic and supervised clinical training;

(ii) Is accredited, or has achieved candidacy status for accreditation, by the Council on Naturopathic Medical Education or an equivalent federally and Board-recognized accrediting body for naturopathic medical programs; and

(iii) Has provincial approval for participation in government-funded student aid programs.

(C) “AUTO-INJECTABLE EPINEPHRINE” MEANS A PORTABLE, DISPOSABLE DRUG DELIVERY DEVICE THAT CONTAINS A PREMEASURED SINGLE DOSE OF EPINEPHRINE THAT IS USED TO TREAT ANAPHYLAXIS IN AN EMERGENCY SITUATION.

~~(D)~~ **(D)** “Board” means the State Board of Physicians.

~~(E)~~ **(E)** “Committee” means the Naturopathic Medicine Advisory Committee.

~~(F)~~ **(F)** “COUNCIL” MEANS THE NATUROPATHIC DOCTORS FORMULARY COUNCIL.

~~(G)~~ **(G)** (1) “DEVICE” MEANS A DEVICE USED IN THE DIAGNOSIS, TREATMENT, OR PREVENTION OF DISEASE.

(2) “DEVICE” DOES NOT INCLUDE:

(I) ANY SURGICAL OR DENTAL INSTRUMENT;

(II) ANY PHYSICAL THERAPY EQUIPMENT;

(III) ANY X-RAY APPARATUS; OR

(IV) ANY COMPONENT PART OR ACCESSORY OF ANY OF THE ITEMS LISTED IN ITEMS (I) THROUGH (III) OF THIS PARAGRAPH.

~~(H)~~ **(H)** “FORMULARY” MEANS A LIST OF DRUGS AND DEVICES DEVELOPED AND ADOPTED IN ACCORDANCE WITH § 14-5F-04.1 OF THIS SUBTITLE.

~~(I)~~ **(I)** “Licensed naturopathic doctor” means a naturopathic doctor who is licensed to practice naturopathic medicine.

~~[(f)]~~ ~~(H)~~ **(J)** “Naturopathic doctor” means an individual who practices naturopathic medicine.

~~[(g)]~~ ~~(I)~~ **(K)** (1) “Naturopathic medicine” means the prevention, diagnosis, and treatment of human health conditions, injury, and disease using only patient education and naturopathic therapies and therapeutic substances recognized by the Council of Naturopathic Medical Education.

(2) “Naturopathic medicine” includes:

(i) Counseling;

(ii) The practice of the mechanical sciences of healing, including mechanotherapy, articular manipulation, corrective and orthopedic gymnastics, hydrotherapy, electrotherapy, and phototherapy; ~~[and]~~

(iii) The practice of the material sciences of healing, including nutrition, phytotherapy, treatment by natural substances, and external applications; **AND**

(IV) PRESCRIBING, DISPENSING, OR ADMINISTERING NONPRESCRIPTION AND PRESCRIPTION DRUGS AND DEVICES LISTED IN THE FORMULARY.

~~[(h)]~~ ~~(I)~~ **(L)** “Naturopathic musculoskeletal mobilization” means the treatment by manual and other mechanical means of all body tissues exclusive of high-velocity thrusts at or beyond the end range of normal joint motion.

~~(H)~~ **(M)** “NONPRESCRIPTION DRUG” MEANS A DRUG THAT:

(1) MAY BE SOLD WITHOUT A PRESCRIPTION; AND

(2) IS LABELED FOR USE BY A CONSUMER IN ACCORDANCE WITH STATE AND FEDERAL LAW.

~~[(i)]~~ ~~(M)~~ **(N)** “Prescription drug” means any drug defined in § 503(b) of the federal Food, Drug, and Cosmetic Act if the drug’s label is required to bear the statement “Rx only”.

14-5F-04.1.

(A) (1) THERE IS A NATUROPATHIC DOCTORS FORMULARY COUNCIL WITHIN THE BOARD.

(2) THE COUNCIL CONSISTS OF THE FOLLOWING MEMBERS:

(I) THE DEPUTY SECRETARY OF PUBLIC HEALTH SERVICES, OR THE DEPUTY SECRETARY'S DESIGNEE; AND

(II) THE FOLLOWING MEMBERS, APPOINTED BY THE BOARD:

1. TWO INDIVIDUALS WHO:

A. PRACTICE NATUROPATHIC MEDICINE IN THE STATE;

B. ARE CERTIFIED BY THE NORTH AMERICAN BOARD OF NATUROPATHIC EXAMINERS;

C. HAVE A MINIMUM OF 2 YEARS EXPERIENCE; AND

D. ARE LICENSED NATUROPATHIC DOCTORS;

2. TWO LICENSED PHYSICIANS OR DOCTORS OF OSTEOPATHY WHO PRACTICE IN THE STATE;

3. ONE PHARMACIST WHO HAS A BACKGROUND IN PHARMOCOGNOSY AND WHO PRACTICES IN THE STATE; AND

4. ONE CONSUMER.

(3) (I) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.

(II) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED.

(4) A MEMBER OF THE COUNCIL:

(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE COUNCIL; BUT

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

(5) THE BOARD SHALL DESIGNATE THE CHAIR OF THE COUNCIL.

(6) THE BOARD SHALL PROVIDE STAFF FOR THE COUNCIL.

(B) THE COUNCIL SHALL:

(1) DEVELOP AND RECOMMEND TO THE BOARD A FORMULARY FOR USE BY LICENSED NATUROPATHIC DOCTORS;

(2) ANNUALLY REVIEW THE FORMULARY ADOPTED BY THE BOARD UNDER SUBSECTION (C) OF THIS SECTION TO DETERMINE IF ANY CHANGES ARE NECESSARY FOR COMPLIANCE WITH CURRENT PRESCRIBING STANDARDS OR THE PRACTICE OF NATUROPATHIC MEDICINE;

(3) OTHERWISE REVIEW THE FORMULARY AT THE DIRECTION OF THE BOARD; AND

(4) MAKE RECOMMENDATIONS TO THE BOARD BASED ON THE REVIEWS CONDUCTED UNDER ITEMS (2) AND (3) OF THIS SUBSECTION.

(C) (1) THE BOARD SHALL ADOPT A FORMULARY BASED ON THE RECOMMENDATIONS OF THE COUNCIL MADE UNDER SUBSECTION (B) OF THIS SECTION.

(2) THE BOARD MAY MODIFY OR REJECT ANY RECOMMENDATION OF THE COUNCIL REGARDING THE FORMULARY.

(D) (1) THE FORMULARY ADOPTED BY THE BOARD SHALL INCLUDE:

(I) NONPRESCRIPTION DRUGS AND DEVICES;

(II) PRESCRIPTION OXYGEN AND AUTO-INJECTABLE EPINEPHRINE, ~~INCLUDING A PORTABLE, DISPOSABLE DRUG DELIVERY DEVICE THAT CONTAINS A PREMEASURED SINGLE DOSE OF EPINEPHRINE THAT IS USED TO TREAT ANAPHYLAXIS IN AN EMERGENCY SITUATION;~~ AND

(III) PRESCRIPTION DIAPHRAGMS AND CERVICAL CAPS FOR CONTRACEPTION.

(2) THE FORMULARY MAY NOT INCLUDE:

(I) EXCEPT AS PROVIDED IN PARAGRAPH (1)(II) AND (III) OF THIS SUBSECTION, PRESCRIPTION DRUGS OR DEVICES; OR

(II) CONTROLLED SUBSTANCES.

14-5F-14.

(a) A license authorizes a licensee, consistent with naturopathic education and training and competence demonstrated by passing the naturopathic physician licensing examination, to:

(1) Order and perform physical and laboratory examinations for diagnostic purposes, including phlebotomy, clinical laboratory tests, orificial examinations, electrocardiograms with over read by a cardiologist, and physiological function tests;

(2) Order diagnostic imaging studies and interpret the reports of diagnostic imaging studies;

(3) Dispense or order natural medicines of mineral, animal, or botanical origin, including food, extracts of food, nutraceuticals, vitamins, amino acids, minerals, enzymes, botanicals and their extracts, botanical medicines, homeopathic medicines, and all dietary supplements and nonprescription drugs [as defined by the federal Food, Drug, and Cosmetic Act] **LISTED IN THE FORMULARY** that use various routes of administration, including oral, nasal, auricular, ocular, rectal, vaginal, transdermal, and intramuscular;

(4) Administer natural medicines of mineral, animal, or botanical origin, including food, extracts of food, nutraceuticals, vitamins, amino acids, minerals, enzymes, botanicals and their extracts, botanical medicines, homeopathic medicines, and all dietary supplements and nonprescription drugs [as defined by the federal Food, Drug, and Cosmetic Act] **LISTED IN THE FORMULARY** using [transdermal] **VARIOUS** routes of administration, **INCLUDING ORAL, NASAL, AURICULAR, OCULAR, RECTAL, VAGINAL, AND TRANSDERMAL, AND INTRAMUSCULAR;**

(5) ADMINISTER AUTO-INJECTABLE EPINEPHRINE;

~~(5)~~ **(6)** Administer or perform hot or cold hydrotherapy, naturopathic physical medicine, electromagnetic energy, and therapeutic exercise for the purpose of providing basic therapeutic care services, except that if a referral to another licensed provider is appropriate for ongoing rehabilitation or habilitation services, the naturopathic doctor shall make the referral;

~~(6)~~ **(7)** Provide health education and health counseling; and

~~(7)~~ **(8)** Perform naturopathic musculoskeletal mobilization.

(b) A license does not authorize a licensee to:

(1) [Prescribe] **EXCEPT FOR A PRESCRIPTION DRUG OR DEVICE INCLUDED IN THE FORMULARY UNDER § 14-5F-04.1(D)(1)(II) OR (III) OF THIS SUBTITLE, PRESCRIBE, dispense, or administer any prescription drug OR DEVICE;**

(2) Perform surgical procedures;

(3) Practice or claim to practice as a medical doctor or physician, an osteopath, a dentist, a podiatrist, an optometrist, a psychologist, a nurse practitioner, a

physician assistant, a chiropractor, a physical therapist, an acupuncturist, or any other health care professional unless licensed under this article;

(4) Use general or spinal anesthetics;

(5) Administer ionizing radioactive substances for therapeutic purposes;

(6) Perform chiropractic adjustments or manipulations that include high-velocity thrusts at or beyond the end range of normal joint motion unless the licensee is also a licensed chiropractor; [or]

(7) Perform acupuncture unless the licensee is also a licensed acupuncturist; OR

(8) PRESCRIBE, DISPENSE, OR ADMINISTER ANY PRESCRIPTION OR NONPRESCRIPTION DRUG OR DEVICE LISTED IN THE FORMULARY FOR COSMETIC PURPOSES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 701

(Senate Bill 905)

AN ACT concerning

Commission on Innovation and Excellence in Education

FOR the purpose of establishing the Commission on Innovation and Excellence in Education; providing for the composition, chair, and staffing of the Commission; requiring certain appointments to be made to ensure diversity within the Commission; prohibiting a member of the Commission from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Commission to review the findings and recommendations of a certain study, review certain education finance formulas, review certain accountability measures and review certain other matters; requiring the Commission to make certain recommendations on certain matters; requiring the Commission to make a preliminary and a final report of its findings and recommendations to the Governor and the General Assembly on or before certain dates; requiring certain appointments to the Commission to be made within a certain period of time; requiring a certain master plan to include certain information during certain calendar years; requiring

the State Department of Education to convene a certain group of stakeholders to review certain requirements of a certain master plan and the federal Every Student Succeeds Act; requiring the Department to make a certain report on or before a certain date; providing for the termination of this Act; and generally relating to the Commission on Innovation and Excellence in Education.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

(a) (1) There is a Commission on Innovation and Excellence in Education.

(2) The Commission shall review the findings of the Study on Adequacy of Funding for Education in the State of Maryland that is to be completed on or before December 1, 2016, and provide recommendations on preparing students in the State to meet the challenges of a changing global economy, to meet the State's workforce needs, to be prepared for postsecondary education and the workforce, and to be successful citizens in the 21st century.

(b) The Commission consists of the following members:

(1) two members of the Senate Education, Health, and Environmental Affairs Committee, appointed by the President of the Senate;

(2) two members of the Senate Budget and Taxation Committee, appointed by the President of the Senate;

(3) two members of the House Committee on Ways and Means, appointed by the Speaker of the House;

(4) two members of the House Appropriations Committee, appointed by the Speaker of the House;

(5) the State Superintendent of Schools;

(6) the Secretary of Budget and Management;

(7) the Chancellor of the University System of Maryland;

(8) one representative of the State Board of Education, appointed by the President of the Board;

(9) one representative of the Maryland State Education Association, appointed by the Executive Director of the Association;

(10) one representative of the Baltimore Teachers Union, appointed by the President of the Union;

(11) one representative from a county board of education, appointed by the Maryland Association of Boards of Education;

(12) one local school superintendent, appointed by the Public School Superintendents Association of Maryland;

(13) one chief financial officer of a local school system, appointed by the Association of School Business Officials;

(14) two representatives of the Maryland Association of Counties, one representing an urban county and one representing a rural county, appointed by the Executive Director of the Association;

(15) one representative of a group that advocates for public education, appointed by the State Superintendent of Schools;

(16) one parent of a student who attends a public school in the State, appointed by the Maryland PTA;

(17) one member of the public, appointed by the Governor;

(18) one member of the public, appointed by the President of the Senate;

(19) one member of the public, appointed by the Speaker of the House; and

(20) one chief executive or owner of a business located in the State, nominated by the Maryland Chamber of Commerce and appointed by the Governor.

(c) To the extent practicable, appointments shall be made to ensure regional, ethnic, economic, and gender diversity on the Commission.

(d) (1) The Governor, the President of the Senate, and the Speaker of the House shall jointly designate the chair of the Commission.

(2) If by August 1, 2016, the Governor, the President of the Senate, and the Speaker of the House do not jointly appoint a chair, the President of the Senate and the Speaker of the House shall jointly appoint the chair of the Commission.

(e) The Department of Legislative Services, in consultation with the State Department of Education, shall provide staff for the Commission.

(f) A member of the Commission:

(1) may not receive compensation as a member of the Commission; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(g) The Commission shall:

(1) review the findings and recommendations of the Study on Adequacy of Funding for Education in the State of Maryland, including the studies conducted in accordance with Chapter 288 of the Acts of 2002, as amended by Chapter 397 of the Acts of 2011, and Chapter 709 of the Acts of 2012, and determine what recommendations should be made, including:

(i) the proxy used to identify economically disadvantaged students;

(ii) how to address issues of increasing and declining student enrollment;

(iii) the preferred approach to expanding publicly funded prekindergarten education, including expanding the services and supports needed in special education prekindergarten;

(iv) how to achieve greater equity in school finance and local wealth measures; and

(v) the appropriate regional cost of education index and how the index should be used to adjust education funding;

(2) review and assess the current education financing formulas and accountability measures;

(3) determine how the federal Every Student Succeeds Act, which provides additional flexibility and authority to states over assessments and accountability measures, will affect primary and secondary education in the State;

(4) determine how the State can better prepare students to be competitive in the workforce and with other high performing countries in the global economy;

(5) review how local school systems are spending education funds, including the increased State funding provided under the Bridge to Excellence in Public Schools Act of 2002;

(6) make recommendations for:

(i) updating the base funding level for students without special needs and updating the per pupil weights for students with special needs to be applied to the base funding level as established by the Bridge to Excellence in Public Schools Act of 2002 to ensure that students are adequately prepared for college and careers;

(ii) ensuring excellence in local school systems, student performance, and career and college readiness in the State;

(iii) preparing students for postsecondary education and the workforce, including addressing how to increase participation in innovative public school models that may require additional funding or alternative funding mechanisms, such as:

1. dual enrollment programs;
2. early and middle college programs;
3. Pathways in Technology Early College High schools;
4. apprenticeships and internships;
5. career and technology education programs;
6. community schools, including how the State can leverage federal 21st Century Community Learning Center Grants to expand community schools in the State; and
7. other schools that provide innovative education through curriculum, structure, and socioeconomic diversity;

(iv) ensuring the adequacy and equity of funding for prekindergarten and other early childhood education programs;

(v) addressing the impact of high concentrations of poverty on local school systems; ~~and~~

(vi) ensuring that education funds are being spent efficiently and effectively and that local school systems are allocating their resources to improve student achievement; and

(vii) ensuring that State laws promote collaboration between county governments and local school systems; and

(7) make any other recommendations on legislation and policy initiatives to enhance the availability of innovative educational opportunities and to enhance the adequacy and equity of State funding for prekindergarten through grade 12 public education in the State.

(h) (1) On or before December 31, 2016, the Commission shall provide a preliminary report of its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Education, Health, and Environmental Affairs Committee, the Senate Budget and Taxation Committee, the House Committee on Ways and Means, and the House Appropriations Committee.

(2) On or before December 31, 2017, the Commission shall provide a final report of its findings and recommendations to the Governor and, in accordance with § 2–1246 of the State Government Article, the Senate Education, Health, and Environmental Affairs Committee, the Senate Budget and Taxation Committee, the House Committee on Ways and Means, and the House Appropriations Committee.

SECTION 2. AND BE IT FURTHER ENACTED, That all appointments to the Commission shall be made within 60 days of the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) Notwithstanding any other provision of law, for calendar years 2016 and 2017, a county board of education's annual update of the comprehensive master plan required by § 5–401(b)(3) of the Education Article shall include only:

(1) the budget requirements required by § 5–401(b)(5) of the Education Article;

(2) the goals, objectives, and strategies regarding the performance of:

(i) students requiring special education, as defined in § 5–209 of the Education Article;

(ii) students with limited English proficiency, as defined in § 5–208 of the Education Article; and

(iii) students failing to meet, or failing to make progress toward meeting, State performance standards, including any segment of the student population that is, on average, performing at a lower achievement level than the student population as a whole;

(3) the strategies to address any disparities in achievement for students in item (2)(iii) of this subsection; and

(4) the requirements of § 7–203.3 of the Education Article, as enacted by Chapter 264 (S.B. 533/H.B. 412) of the Acts of the General Assembly of 2016.

(b) (1) The State Department of Education shall convene a group of stakeholders to review the current statutory and regulatory requirements of the master plan and the new requirements of the federal Every Student Succeeds Act.

(2) On or before October 1, 2017, the Department shall report to the State Board of Education, the Commission on Innovation and Excellence in Education, as enacted by Section 1 of this Act, and, in accordance with § 2–1246 of the State Government Article, the General Assembly on recommendations regarding:

(i) what information future comprehensive master plans should contain; and

(ii) whether future comprehensive master plans should be completed in a digital form that can be updated periodically.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016. It shall remain effective for a period of 2 years and, at the end of May 31, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 702

(House Bill 999)

AN ACT concerning

Commission on Innovation and Excellence in Education

FOR the purpose of establishing the Commission on Innovation and Excellence in Education; providing for the composition, chair, and staffing of the Commission; requiring certain appointments to be made to ensure diversity within the Commission; prohibiting a member of the Commission from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Commission to review the findings and recommendations of a certain study, review certain education finance formulas, review certain accountability measures and review certain other matters; requiring the Commission to make certain recommendations on certain matters; requiring the Commission to make a preliminary and a final report of its findings and recommendations to the Governor and the General Assembly on or before certain dates; requiring certain appointments to the Commission to be made within a certain period of time; requiring a certain master plan to include certain information during certain calendar years; requiring the State Department of Education to convene a certain group of stakeholders to review certain requirements of a certain master plan and the federal Every Student Succeeds Act; requiring the Department to make a certain report on or before a certain date; providing for the termination of this Act; and generally relating to the Commission on Innovation and Excellence in Education.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

- (a) (1) There is a Commission on Innovation and Excellence in Education.

(2) The Commission shall review the findings of the Study on Adequacy of Funding for Education in the State of Maryland that is to be completed on or before December 1, 2016, and provide recommendations on preparing students in the State to meet the challenges of a changing global economy, to meet the State's workforce needs, to be prepared for postsecondary education and the workforce, and to be successful citizens in the 21st century.

(b) The Commission consists of the following members:

(1) two members of the Senate Education, Health, and Environmental Affairs Committee, appointed by the President of the Senate;

(2) two members of the Senate Budget and Taxation Committee, appointed by the President of the Senate;

(3) two members of the House Committee on Ways and Means, appointed by the Speaker of the House;

(4) two members of the House Appropriations Committee, appointed by the Speaker of the House;

(5) the State Superintendent of Schools;

(6) the Secretary of Budget and Management;

(7) the Chancellor of the University System of Maryland;

(8) one representative of the State Board of Education, appointed by the President of the Board;

(9) one representative of the Maryland State Education Association, appointed by the Executive Director of the Association;

(10) one representative of the Baltimore Teachers Union, appointed by the President of the Union;

(11) one representative from a county board of education, appointed by the Maryland Association of Boards of Education;

(12) one local school superintendent, appointed by the Public School Superintendents Association of Maryland;

(13) one chief financial officer of a local school system, appointed by the Association of School Business Officials;

(14) two representatives of the Maryland Association of Counties, one representing an urban county and one representing a rural county, appointed by the Executive Director of the Association;

(15) one representative of a group that advocates for public education, appointed by the State Superintendent of Schools;

(16) one parent of a student who attends a public school in the State, appointed by the Maryland PTA;

(17) one member of the public, appointed by the Governor;

(18) one member of the public, appointed by the President of the Senate;

(19) one member of the public, appointed by the Speaker of the House; and

(20) one chief executive or owner of a business located in the State, nominated by the Maryland Chamber of Commerce and appointed by the Governor.

(c) To the extent practicable, appointments shall be made to ensure regional, ethnic, economic, and gender diversity on the Commission.

(d) (1) The Governor, the President of the Senate, and the Speaker of the House shall jointly designate the chair of the Commission.

(2) If by August 1, 2016, the Governor, the President of the Senate, and the Speaker of the House do not jointly appoint a chair, the President of the Senate and the Speaker of the House shall jointly appoint the chair of the Commission.

(e) The Department of Legislative Services, in consultation with the State Department of Education, shall provide staff for the Commission.

(f) A member of the Commission:

(1) may not receive compensation as a member of the Commission; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(g) The Commission shall:

(1) review the findings and recommendations of the Study on Adequacy of Funding for Education in the State of Maryland, including the studies conducted in accordance with Chapter 288 of the Acts of 2002, as amended by Chapter 397 of the Acts of 2011, and Chapter 709 of the Acts of 2012, and determine what recommendations should be made, including:

- (i) the proxy used to identify economically disadvantaged students;
 - (ii) how to address issues of increasing and declining student enrollment;
 - (iii) the preferred approach to expanding publicly funded prekindergarten education, including expanding the services and supports needed in special education prekindergarten;
 - (iv) how to achieve greater equity in school finance and local wealth measures; and
 - (v) the appropriate regional cost of education index and how the index should be used to adjust education funding;
- (2) review and assess the current education financing formulas and accountability measures;
- (3) determine how the federal Every Student Succeeds Act, which provides additional flexibility and authority to states over assessments and accountability measures, will affect primary and secondary education in the State;
- (4) determine how the State can better prepare students to be competitive in the workforce and with other high performing countries in the global economy;
- (5) review how local school systems are spending education funds, including the increased State funding provided under the Bridge to Excellence in Public Schools Act of 2002;
- (6) make recommendations for:
- (i) updating the base funding level for students without special needs and updating the per pupil weights for students with special needs to be applied to the base funding level as established by the Bridge to Excellence in Public Schools Act of 2002 to ensure that students are adequately prepared for college and careers;
 - (ii) ensuring excellence in local school systems, student performance, and career and college readiness in the State;
 - (iii) preparing students for postsecondary education and the workforce, including addressing how to increase participation in innovative public school models that may require additional funding or alternative funding mechanisms, such as:
 - 1. dual enrollment programs;
 - 2. early and middle college programs;

3. Pathways in Technology Early College High schools;
 4. apprenticeships and internships;
 5. career and technology education programs;
 6. community schools, including how the State can leverage federal 21st Century Community Learning Center Grants to expand community schools in the State; and
 7. other schools that provide innovative education through curriculum, structure, and socioeconomic diversity;
 - (iv) ensuring the adequacy and equity of funding for prekindergarten and other early childhood education programs;
 - (v) addressing the impact of high concentrations of poverty on local school systems; ~~and~~
 - (vi) ensuring that education funds are being spent efficiently and effectively and that local school systems are allocating their resources to improve student achievement; and
 - (vii) ensuring that State laws promote collaboration between county governments and local school systems; and
- (7) make any other recommendations on legislation and policy initiatives to enhance the availability of innovative educational opportunities and to enhance the adequacy and equity of State funding for prekindergarten through grade 12 public education in the State.
- (h) (1) On or before December 31, 2016, the Commission shall provide a preliminary report of its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Education, Health, and Environmental Affairs Committee, the Senate Budget and Taxation Committee, the House Committee on Ways and Means, and the House Appropriations Committee.
- (2) On or before December 31, 2017, the Commission shall provide a final report of its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Education, Health, and Environmental Affairs Committee, the Senate Budget and Taxation Committee, the House Committee on Ways and Means, and the House Appropriations Committee.

SECTION 2. AND BE IT FURTHER ENACTED, That all appointments to the Commission shall be made within 60 days of the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) Notwithstanding any other provision of law, for calendar years 2016 and 2017, a county board of education's annual update of the comprehensive master plan required by § 5-401(b)(3) of the Education Article shall include only:

(1) the budget requirements required by § 5-401(b)(5) of the Education Article;

(2) the goals, objectives, and strategies regarding the performance of:

(i) students requiring special education, as defined in § 5-209 of the Education Article;

(ii) students with limited English proficiency, as defined in § 5-208 of the Education Article; and

(iii) students failing to meet, or failing to make progress toward meeting, State performance standards, including any segment of the student population that is, on average, performing at a lower achievement level than the student population as a whole;

(3) the strategies to address any disparities in achievement for students in item (2)(iii) of this subsection; and

(4) the requirements of § 7-203.3 of the Education Article, as enacted by Chapter 264 (S.B. 533/H.B. 412) of the Acts of the General Assembly of 2016.

(b) (1) The State Department of Education shall convene a group of stakeholders to review the current statutory and regulatory requirements of the master plan and the new requirements of the federal Every Student Succeeds Act.

(2) On or before October 1, 2017, the Department shall report to the State Board of Education, the Commission on Innovation and Excellence in Education, as enacted by Section 1 of this Act, and, in accordance with § 2-1246 of the State Government Article, the General Assembly on recommendations regarding:

(i) what information future comprehensive master plans should contain; and

(ii) whether future comprehensive master plans should be completed in a digital form that can be updated periodically.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016. It shall remain effective for a period of 2 years and, at the end of May 31, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 703

(Senate Bill 937)

AN ACT concerning

Sustainable Oyster ~~Harvest~~ Population and Fishery Act of 2016

FOR the purpose of requiring the Department of Natural Resources, in consultation with the University of Maryland Center for Environmental Science, to conduct a certain study related to the public oyster fishery; requiring the Department to identify certain oyster management strategies in a certain manner; requiring the ~~Center~~ Department to ~~report~~ submit certain reports on the study and certain oyster management strategies to the Governor, ~~the Department of Natural Resources,~~ the Oyster Advisory Commission, and the General Assembly on or before ~~a certain date~~ certain dates; providing for the construction of this Act; providing for the termination of this Act; prohibiting the Department from taking certain actions until after the Center has made a certain report; and generally relating to the public oyster fishery.

BY repealing and reenacting, without amendments,

Article – Natural Resources

Section 4-215(d)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 4-215(e)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

Preamble

~~WHEREAS, Oysters are a keystone species that remove nutrients from the water and provide three-dimensional reef structure and marine habitat for the Chesapeake Bay's marine life, including striped bass and the iconic blue crab; and~~

~~WHEREAS, The scientific community recognizes that oyster sanctuaries are important nursery areas, which are necessary to rebuild the State's oyster population and improve the overall health of the Chesapeake Bay; and~~

~~WHEREAS, In 2007, the General Assembly established the Oyster Advisory Commission to advise the Department of Natural Resources on matters related to oysters~~

~~in the Chesapeake and Atlantic Coastal Bays and strategies for rebuilding and managing the oyster population in these areas under the Chesapeake Bay Oyster Management Plan; and~~

~~WHEREAS, In 2009, the U.S. Army Corps of Engineers, the Department of Natural Resources, and the Virginia Marine Resources Commission completed a Programmatic Environmental Impact Statement (PEIS) evaluating oyster restoration alternatives for the Chesapeake Bay, which identified the expansion of oyster sanctuaries, more restrictive management of the public oyster fishery, and the expansion of oyster aquaculture as the best strategies for restoring the ecological role of oysters in the Chesapeake Bay and the commercial benefits of the commercial oyster industry; and~~

~~WHEREAS, In 2010, the Department of Natural Resources adopted regulations to expand oyster sanctuaries and facilitate aquaculture development based on a report from the Oyster Advisory Commission to the Governor and the General Assembly, which recommended, among other things, focusing on large scale restoration projects, developing an interconnected network of sanctuaries, implementing a new oyster management plan based on maximum fishing mortality rates, and revising restrictive laws and regulations that were inhibiting the private cultivation of oysters; and~~

~~WHEREAS, Total oyster harvests, the number of oyster harvesters, and the number of oyster aquaculture leases have dramatically increased since the percentage of quality oyster habitat protected in sanctuaries was increased from 0% to 24% in 2010; and~~

~~WHEREAS, The Department of Natural Resources has not implemented more restrictive management measures for the public oyster fishery, as recommended by the 2009 PEIS and the recommendations of the Oyster Advisory Commission, despite the fact that the Chesapeake Bay's oyster population is currently at 1% of historic levels; and~~

~~WHEREAS, There is strong evidence that the State's public oyster fishery continues to experience overfishing; and~~

~~WHEREAS, Because oysters are a reef building species, the overfishing of oysters results in a loss of the substrate available for future generations of oysters, so that even if the fishery were closed today it would take 50 to 100 years for the population to rebound on its own; and~~

~~WHEREAS, Although the public oyster fishery is currently second in economic value among the State's commercial fisheries, there is no science based management plan in place to ensure the long term sustainability of the fishery; and~~

~~WHEREAS, The Chesapeake Bay Oyster Management Plan and § 4-215(e) of the Natural Resources Article provide that the State shall prevent overfishing while attempting to achieve the best and most efficient use of the State's public oyster fishery through the development and use of the best available estimates of sustainable harvest rates and indicators that would trigger any tightening or loosening of harvest restrictions; and~~

~~WHEREAS, The State has not yet developed such estimates of sustainable harvest rates and indicators; now, therefore,~~

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

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

~~(2) "Center" means the University of Maryland Center for Environmental Science.~~

~~(3) "Department" means the Department of Natural Resources.~~

~~(b) The Center shall conduct a study to:~~

~~(1) determine sustainable harvest rates for the public oyster fishery;~~

~~(2) define appropriate indicators for the public oyster fishery based on the results of stock assessments and other relevant data;~~

~~(3) determine whether the public oyster fishery is experiencing overfishing; and~~

~~(4) if the study determines that the public oyster fishery is experiencing overfishing, identify management strategies, including rotational harvesting, in collaboration with the Department, industry representatives, and concerned stakeholders to address overfishing consistent with State law.~~

~~(e) On or before October 1, 2017, the Center shall report to the Governor, the Department, the Oyster Advisory Commission, and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the results of the study described in subsection (b) of this section.~~

Article – Natural Resources

4-215.

(d) (1) Conservation and management measures adopted under a fishery management plan, to the extent possible:

(i) Shall prevent overfishing while attempting to achieve the best and most efficient utilization of the State's fishery resources;

(ii) Shall be based on the best information available;

(iii) May not discriminate unfairly among groups of fishermen or have economic allocation as its sole purpose;

(iv) Shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches; and

(v) Shall avoid duplication of regulatory efforts and unnecessary costs to the State and to any other person.

(2) If it becomes necessary to allocate or assign fishing privileges among various groups of individuals under paragraph (1)(iii) of this subsection, or under any fishery management plan, that allocation shall be:

(i) Fair and equitable to all individuals;

(ii) Reasonably calculated to promote conservation; and

(iii) Carried out in such a manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

(e) (1) Except as provided in paragraph (2) of this subsection, a fishery management plan may apply separately or jointly to the waters of the Chesapeake Bay and its tidal tributaries, the coastal bays and their tributaries, and the Maryland waters of the Atlantic Ocean and shall include:

(i) The best available estimates of sustainable harvest rates;

(ii) Indicators that would trigger any tightening or loosening of harvest restrictions;

(iii) A description of the fishery, including:

1. The history of the fishery, and its current condition relative to historic populations;

2. The numbers of potential commercial and recreational fishermen projected to participate in the fishery;

3. The type and quantity of fishing gear used commercially;

4. Where practicable, the cost likely to be incurred in the management of the fishery; and

5. The actual and potential revenues from the recreational and commercial fishery;

(iv) If the Department determines that a fishery has been, or is currently, overfished:

1. A species-specific time period for:

A. Ending or appropriately addressing overfishing; and

B. Rebuilding the stock of the species to a sustainable level;

and

2. A description of:

A. Management strategies that have a high probability of reducing fishing to a target level within a target time period, as determined by the Department; and

B. The appropriate assignment or allocation of fishing privileges in accordance with subsection (d)(2) of this section; and

(v) Other pertinent data that will assist the Secretary in determining conservation and management measures reasonably necessary to ensure that the fishery resources will be sustained.

(2) The Department may waive the requirements in paragraph (1)(iv) of this subsection for a species of fish if the Department determines that meeting the requirements is not practicable or biologically appropriate based on:

(i) The specific biology of the species;

(ii) The management of the species under a federal or multi-state fishery management plan;

(iii) The designation of the species as a nuisance;

(iv) Environmental conditions; or

(v) Other ecological factors.

(3) (1) THE DEPARTMENT, IN CONSULTATION WITH THE UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE, AS PART OF ITS FISHERY MANAGEMENT PLAN FOR OYSTERS, SHALL CONDUCT A STUDY TO:

1. IDENTIFY ALL AVAILABLE DATA THAT MAY BE USED TO CONDUCT A STOCK ASSESSMENT;

2. IDENTIFY POSSIBLE STOCK ASSESSMENT TECHNIQUES THAT MAY BE APPLIED BASED ON AVAILABLE DATA AND THE IDENTIFIED OBJECTIVES UNDER SUBSECTION (D) OF THIS SECTION FOR THE RESOURCE AND THE FISHERY;

3. CONDUCT A STOCK ASSESSMENT THAT PROVIDES GUIDANCE FOR THE DEVELOPMENT OF BIOLOGICAL REFERENCE POINTS THAT ARE BASED ON THE BIOLOGICAL CHARACTERISTICS OF THE OYSTER POPULATION AND OTHER APPROPRIATE FACTORS THAT AFFECT THE OYSTER POPULATION;

4. IDENTIFY OBJECTIVE AND MEASURABLE MEANS TO DETERMINE IF THE PUBLIC OYSTER FISHERY IS OPERATING WITHIN THE BIOLOGICAL REFERENCE POINTS DEVELOPED UNDER THIS PARAGRAPH; AND

5. SUBMIT THE STUDY TO A PEER REVIEW PANEL COMPOSED OF STOCK ASSESSMENT EXPERTS.

(II) BASED ON A DETERMINATION MADE UNDER ITEM (I)4 OF THIS PARAGRAPH AND THE AUTHORITY OF THE DEPARTMENT UNDER THIS SECTION, THE DEPARTMENT, THROUGH A PUBLIC PROCESS IN COLLABORATION WITH THE COMMERCIAL OYSTER INDUSTRY, CONSERVATION ORGANIZATIONS, AND OTHER CONCERNED STAKEHOLDERS, SHALL IDENTIFY MANAGEMENT STRATEGIES TO ADDRESS THE MAINTENANCE OF A SUSTAINABLE OYSTER POPULATION AND FISHERY.

(III) THE DEPARTMENT SHALL SUBMIT TO THE GOVERNOR, THE OYSTER ADVISORY COMMISSION, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, WITH RESPECT TO THE STUDY REQUIRED UNDER THIS PARAGRAPH AND ANY PROPOSED OR IMPLEMENTED OYSTER MANAGEMENT STRATEGIES:

1. AN INTERIM PROGRESS REPORT ON OR BEFORE DECEMBER 1, 2016;

2. A SUBSEQUENT INTERIM PROGRESS REPORT ON OR BEFORE DECEMBER 1, 2017; AND

3. A FINAL REPORT ON OR BEFORE DECEMBER 1, 2018.

~~(d) The Department may not take any action to increase oyster harvest rates, lift restrictions on oyster harvesting, or expand the area open to oyster harvesting until after the Center has made its report in accordance with subsection (e) of this section.~~

SECTION 2. AND BE IT FURTHER ENACTED, That *this Act may not be construed to limit or affect the ability of the Department of Natural Resources to manage the oyster fishery under § 4-215 of the Natural Resources Article.*

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016. It shall remain effective for a period of 3 years and, at the end of May 31, 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 704

(Senate Bill 942)

AN ACT concerning

**State Government – Administrative Procedure Act – Contested Cases
– Judicial Review**

FOR the purpose of altering the circumstances under which a court may reverse or modify the decision of an agency in certain contested cases on judicial review under the Administrative Procedure Act ~~in a case in which an employee is disciplined, suspended, or terminated from employment~~; and generally relating to judicial review of contested cases under the Administrative Procedure Act.

BY repealing and reenacting, with amendments,
Article – State Government
Section 10-222
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – State Government

10-222.

(a) (1) Except as provided in subsection (b) of this section, a party who is aggrieved by the final decision in a contested case is entitled to judicial review of the decision as provided in this section.

(2) An agency, including an agency that has delegated a contested case to the Office, is entitled to judicial review of a decision as provided in this section if the agency was a party before the agency or the Office.

(b) Where the presiding officer has final decision-making authority, a person in a contested case who is aggrieved by an interlocutory order is entitled to judicial review if:

(1) the party would qualify under this section for judicial review of any related final decision;

(2) the interlocutory order:

(i) determines rights and liabilities; and

(ii) has immediate legal consequences; and

(3) postponement of judicial review would result in irreparable harm.

(c) Unless otherwise required by statute, a petition for judicial review shall be filed with the circuit court for the county where any party resides or has a principal place of business.

(d) (1) The court may permit any other interested person to intervene in a proceeding under this section.

(2) If the agency has delegated to the Office the authority to issue the final administrative decision pursuant to § 10-205(a)(3) of this subtitle, and there are 2 or more other parties with adverse interests remaining in the case, the agency may decline to participate in the judicial review. An agency that declines to participate shall inform the court in its initial response.

(e) (1) The filing of a petition for judicial review does not automatically stay the enforcement of the final decision.

(2) Except as otherwise provided by law, the final decision maker may grant or the reviewing court may order a stay of the enforcement of the final decision on terms that the final decision maker or court considers proper.

(f) (1) Judicial review of disputed issues of fact shall be confined to the record for judicial review supplemented by additional evidence taken pursuant to this section.

(2) The court may order the presiding officer to take additional evidence on terms that the court considers proper if:

(i) before the hearing date in court, a party applies for leave to offer additional evidence; and

(ii) the court is satisfied that:

1. the evidence is material; and

2. there were good reasons for the failure to offer the evidence in the proceeding before the presiding officer.

(3) On the basis of the additional evidence, the final decision maker may modify the findings and decision.

(4) The final decision maker shall file with the reviewing court, as part of the record:

(i) the additional evidence; and

(ii) any modifications of the findings or decision.

(g) (1) The court shall conduct a proceeding under this section without a jury.

(2) A party may offer testimony on alleged irregularities in procedure before the presiding officer that do not appear on the record.

(3) On request, the court shall:

(i) hear oral argument; and

(ii) receive written briefs.

(h) In a proceeding under this section, the court may:

(1) remand the case for further proceedings;

(2) affirm the final decision; or

(3) reverse or modify the decision if any substantial right of the petitioner may have been prejudiced:

~~(i)~~ because a finding, conclusion, or decision:

~~{(i)} 1.~~ is unconstitutional;

~~{(ii)} 2.~~ exceeds the statutory authority or jurisdiction of the final decision maker;

~~{(iii)} 3.~~ results from an unlawful procedure;

~~[(iv)] 4.~~ is affected by any other error of law;

~~[(v)] 5.~~ is unsupported by competent, material, and substantial evidence in light of the entire record as submitted; ~~or~~

(VI) IN A CASE INVOLVING TERMINATION OF EMPLOYMENT OR EMPLOYEE DISCIPLINE, FAILS TO REASONABLY STATE THE BASIS FOR THE TERMINATION OR THE NATURE AND EXTENT OF THE PENALTY OR SANCTION IMPOSED BY THE AGENCY; OR

~~[(vi)] 6.~~ (VII) is arbitrary or capricious; ~~AND~~

~~(H) IN A CASE INVOLVING A FINAL DECISION BY WHICH AN EMPLOYEE OF AN AGENCY IS DISCIPLINED, SUSPENDED, OR TERMINATED FROM EMPLOYMENT, BECAUSE THE DECISION:~~

~~1. FAILS TO REASONABLY STATE THE BASIS FOR THE AGENCY'S DETERMINATION OF EMPLOYEE MISCONDUCT;~~

~~2. IS NOT CONSISTENT WITH THE AGENCY'S PAST PRACTICES, RULES, OR REGULATIONS;~~

~~3. FAILS TO INCLUDE FINDINGS OF FACT OR TO EXPLAIN THE RATIONALE FOR THE SANCTION ADOPTED; OR~~

~~4. PROVIDES FOR A SANCTION THAT IS NOT CONSISTENT OR IN PROPORTION WITH THE EMPLOYEE MISCONDUCT FOUND OR WITH PENALTIES IMPOSED BY THE AGENCY PREVIOUSLY FOR SIMILAR EMPLOYEE MISCONDUCT.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 705

(Senate Bill 968)

AN ACT concerning

Business Regulation – Home Builder Registration – Fees

FOR the purpose of increasing certain fees for applicants for a home builder registration and a home builder sales representative registration; increasing the administrative fee for the Home Builder Guaranty Fund for certain home builders; increasing the fee for renewal of a certain registration or registration certificate; adding a renewal of registration fee based on a certain number of certain building permits issued to a certain registrant; and generally relating to fees for home builder registration.

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 4.5–304, 4.5–304.1, and 4.5–305
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

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

Article – Business Regulation

4.5–304.

(a) The Unit shall register and issue a home builder registration number to an applicant for a home builder registration that:

(1) meets the requirements of this title; and

(2) pays to the Division an initial nonrefundable 2–year registration fee of ~~[\$600]~~ **\$800**.

(b) A home builder registration issued under this title may not be transferred, assigned, or pledged.

(c) A valid home builder registration authorizes the registrant to act as a home builder in the State.

(d) (1) A home builder that holds a license or registration in Montgomery County may act as a home builder in that county only, unless the home builder is also registered under this title.

(2) A home builder that holds a license or registration in Montgomery County and is not registered under this title is subject to Subtitle 7 of this title.

(3) (i) In addition to the county license or registration fee, a home builder that is required to hold a license or registration only in Montgomery County shall pay to the county a Guaranty Fund administrative fee of ~~[\$150]~~ **\$250**.

(ii) The county shall remit the Guaranty Fund administrative fee to the Unit to be deposited in the Registration Fund.

4.5–304.1.

(a) The Unit shall register and issue a registration certificate to an applicant for a home builder sales representative registration certificate that:

(1) meets the requirements of this title; and

(2) pays to the Division an initial nonrefundable 2–year registration fee of ~~[\$200]~~ **\$300**.

(b) A Unit shall include on each registration certificate that the Unit issues:

(1) that this is a registration certificate for a registered sales representative;

(2) the full name of the certificate holder;

(3) the certificate holder’s employer’s registration number or the name of the licensed or registered Montgomery County home builder; and

(4) the certificate holder’s registration number.

(c) A registration certificate issued under this title may not be transferred, assigned, or pledged.

(d) A valid registration certificate authorizes the certificate holder to act as a home builder sales representative in the State.

(e) The Unit may issue a registration certificate to replace a lost, destroyed, or mutilated registration certificate if the certificate holder pays the registration certificate replacement fee set by the Unit.

4.5–305.

(a) (1) Unless renewed under this section, a registration or registration certificate expires on the second anniversary of its effective date.

(2) A registrant or registered sales representative that meets the requirements of subsection (c) of this section may obtain a renewal of a registration or registration certificate before the registration or registration certificate expires for an additional 2–year term.

(3) Once expired, a registration or a registration certificate may not be renewed.

(b) At least 60 days before a registration or registration certificate expires, the Unit shall mail the registrant or registered sales representative, at the last known address of the registrant or registered sales representative:

(1) a renewal application form; and

(2) a notice that states:

(i) the date on which the current registration or registration certificate expires; and

(ii) the date by which the Unit must receive the renewal application for a renewal to be issued and mailed before the registration or registration certificate expires.

(c) The Unit shall renew the registration or registration certificate of each registrant or registered sales representative that:

(1) submits to the Unit a renewal application on the form provided by the Unit;

(2) would qualify for an initial registration or initial registration certificate;

(3) (i) for renewal of a registration, pays to the Division a nonrefundable renewal fee based on the number of building permits for the construction of new homes issued to the registrant in the preceding calendar year as follows:

1. 10 or fewer new homes..... ~~[\$300]~~ **\$400;**

[and]

2. 11 [or more] ~~TO 24~~ 74 new homes..... ~~[\$600]~~

\$800; [or] AND

3. ~~25~~ 75 OR MORE NEW HOMES **\$1,200;**

OR

(ii) for renewal of a registration certificate, pays to the Division a nonrefundable renewal fee of ~~[\$200]~~ **\$300;** and

(4) is otherwise entitled to be registered.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 706**(House Bill 1448)**

AN ACT concerning

Business Regulation – Home Builder Registration – Fees

FOR the purpose of increasing certain fees for applicants for a home builder registration and a home builder sales representative registration; increasing the administrative fee for the Home Builder Guaranty Fund for certain home builders; increasing the fee for renewal of a certain registration or registration certificate; adding a renewal of registration fee based on a certain number of certain building permits issued to a certain registrant; and generally relating to fees for home builder registration.

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 4.5–304, 4.5–304.1, and 4.5–305
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

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

Article – Business Regulation

4.5–304.

(a) The Unit shall register and issue a home builder registration number to an applicant for a home builder registration that:

(1) meets the requirements of this title; and

(2) pays to the Division an initial nonrefundable 2–year registration fee of ~~[\$600]~~ **\$800**.

(b) A home builder registration issued under this title may not be transferred, assigned, or pledged.

(c) A valid home builder registration authorizes the registrant to act as a home builder in the State.

(d) (1) A home builder that holds a license or registration in Montgomery County may act as a home builder in that county only, unless the home builder is also registered under this title.

(2) A home builder that holds a license or registration in Montgomery County and is not registered under this title is subject to Subtitle 7 of this title.

(3) (i) In addition to the county license or registration fee, a home builder that is required to hold a license or registration only in Montgomery County shall pay to the county a Guaranty Fund administrative fee of [~~\$150~~] **\$250**.

(ii) The county shall remit the Guaranty Fund administrative fee to the Unit to be deposited in the Registration Fund.

4.5–304.1.

(a) The Unit shall register and issue a registration certificate to an applicant for a home builder sales representative registration certificate that:

(1) meets the requirements of this title; and

(2) pays to the Division an initial nonrefundable 2–year registration fee of [~~\$200~~] **\$300**.

(b) A Unit shall include on each registration certificate that the Unit issues:

(1) that this is a registration certificate for a registered sales representative;

(2) the full name of the certificate holder;

(3) the certificate holder’s employer’s registration number or the name of the licensed or registered Montgomery County home builder; and

(4) the certificate holder’s registration number.

(c) A registration certificate issued under this title may not be transferred, assigned, or pledged.

(d) A valid registration certificate authorizes the certificate holder to act as a home builder sales representative in the State.

(e) The Unit may issue a registration certificate to replace a lost, destroyed, or mutilated registration certificate if the certificate holder pays the registration certificate replacement fee set by the Unit.

4.5–305.

(a) (1) Unless renewed under this section, a registration or registration certificate expires on the second anniversary of its effective date.

(2) A registrant or registered sales representative that meets the requirements of subsection (c) of this section may obtain a renewal of a registration or registration certificate before the registration or registration certificate expires for an additional 2-year term.

(3) Once expired, a registration or a registration certificate may not be renewed.

(b) At least 60 days before a registration or registration certificate expires, the Unit shall mail the registrant or registered sales representative, at the last known address of the registrant or registered sales representative:

(1) a renewal application form; and

(2) a notice that states:

(i) the date on which the current registration or registration certificate expires; and

(ii) the date by which the Unit must receive the renewal application for a renewal to be issued and mailed before the registration or registration certificate expires.

(c) The Unit shall renew the registration or registration certificate of each registrant or registered sales representative that:

(1) submits to the Unit a renewal application on the form provided by the Unit;

(2) would qualify for an initial registration or initial registration certificate;

(3) (i) for renewal of a registration, pays to the Division a nonrefundable renewal fee based on the number of building permits for the construction of new homes issued to the registrant in the preceding calendar year as follows:

1. 10 or fewer new homes..... ~~[\$300]~~ **\$400;**

[and]

2. 11 [or more] ~~TO 24~~ **74** new homes.....

~~[\$600]~~ **\$800; [or] AND**

3. ~~25~~ **75** ~~OR MORE~~ **NEW HOMES** **\$1,200;**

OR

(ii) for renewal of a registration certificate, pays to the Division a nonrefundable renewal fee of ~~[\$200]~~ **\$300**; and

(4) is otherwise entitled to be registered.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 707

(Senate Bill 1009)

AN ACT concerning

Procurement – Prevailing Wage – Liquidated Damages

FOR the purpose of ~~altering the circumstances under which a certain contractor is liable for certain damages and the amount of certain damages for which a certain contractor is liable~~ making a certain contractor liable to a public body for a higher amount of liquidated damages when certain laborers or certain other employees are paid less than certain prevailing wage rates under certain circumstances; and generally relating to the enforcement of the prevailing wage law.

BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section 17–222
 Annotated Code of Maryland
 (2015 Replacement Volume)

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

Article – State Finance and Procurement

17–222.

(a) **(1) [A] EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, A** contractor under a public work contract is liable to the public body for liquidated damages of ~~[\$20]~~ **\$50** for each laborer or other employee for each day for which:

[(1)] (I) the laborer is paid less than the prevailing wage rate of a mechanic while performing a task required to be performed by a mechanic or mechanic's apprentice; or

[(2)] (II) the employee is paid less than the prevailing wage rate.

(2) A CONTRACTOR UNDER A PUBLIC WORK CONTRACT THAT KNEW OR REASONABLY SHOULD HAVE KNOWN OF THE CONTRACTOR'S OBLIGATION TO PAY THE PREVAILING WAGE RATE AND THAT DELIBERATELY FAILED OR REFUSED TO PAY THE PREVAILING WAGE RATE IS LIABLE TO THE PUBLIC BODY FOR LIQUIDATED DAMAGES OF ~~\$500~~ \$250 FOR EACH LABORER OR OTHER EMPLOYEE FOR EACH DAY FOR WHICH:

(I) THE LABORER IS PAID LESS THAN THE PREVAILING WAGE RATE OF A MECHANIC WHILE THE LABORER IS PERFORMING A TASK REQUIRED TO BE PERFORMED BY A MECHANIC OR MECHANIC'S APPRENTICE; OR

(II) THE EMPLOYEE IS PAID LESS THAN THE PREVAILING WAGE RATE.

(b) (1) If a contractor or subcontractor pays an employee less than the amount the employee is entitled to receive for the work performed, the contractor shall make restitution to the employee.

(2) The contractor and the subcontractor shall be jointly and severally liable for restitution to the subcontractor's employees.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 708

(Senate Bill 1054)

AN ACT concerning

Commercial Northern Snakehead Bowfishing License – Establishment

FOR the purpose of authorizing the Department of Natural Resources to adopt regulations governing the use of bowfishing gear; establishing a commercial northern snakehead bowfishing license; authorizing a licensee to catch for sale northern snakeheads in certain waters of the State using a certain bow and arrow; prohibiting a licensee from

fishing under the license under certain circumstances; establishing that an applicant for the license does not need to hold a tidal fish license to be eligible for the license; establishing a certain application process for the license; establishing the term of the license; establishing a certain annual fee for the license; prohibiting a licensee from transferring the license; requiring a licensee to possess the license while fishing for northern snakehead; establishing that a licensee is eligible to obtain a certain seafood dealer license; making certain conforming changes; and generally relating to the establishment of a commercial northern snakehead bowfishing license.

BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 4–221 and 4–701(a), (b)(1), and (d)(2)(ii)4.

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Natural Resources

Section 4–701(d)(2)(i)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

BY adding to

Article – Natural Resources

Section 4–701.1

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

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

Article – Natural Resources

4–221.

(a) The authority provided by this section is in addition to any other authority of the Secretary provided by law.

(b) (1) Subject to paragraph (2) of this subsection, the Secretary, after consultation with the Tidal Fisheries Advisory Commission and the Sport Fisheries Advisory Commission, may adopt regulations to define and govern the use of:

(i) Recreational fishing gear; and

(ii) The following types of commercial fishing gear:

1. Fish pots;

2. Bank traps;
3. Fyke nets; [and]
4. Hoop nets; AND
5. **BOWFISHING GEAR.**

(2) The Department shall consider relevant biological, ecological, and socioeconomic factors before adopting regulations under this subsection.

4-701.

(a) **[This] EXCEPT AS PROVIDED IN § 4-701.1 OF THIS SUBTITLE, THIS** section applies to any person who is required under Subtitle 2, 7, 8, 9, or 10 of this title to be licensed to guide fishing parties or to catch, sell, buy, process, transport, export, or otherwise deal in fish caught in tidal waters.

(b) (1) **[The] EXCEPT AS PROVIDED IN § 4-701.1 OF THIS SUBTITLE, THE** Department shall utilize a single, commercial license, to be known and designated as a tidal fish license.

(d) (2) (i) On a tidal fish license, the Department may issue an authorization for any of the following activities for which the indicated fee has been paid.

(ii) The following annual fees for an authorization shall apply regardless of when the license is issued or an activity is authorized:

4. For a person to buy, process, pack, resell, market or otherwise deal in fish caught in the tidal waters of Maryland, seafood dealer:

A. \$50 for a person licensed under item 2 of this subparagraph **OR § 4-701.1 OF THIS SUBTITLE**; or

B. \$250 for a person not licensed under item 2 of this subparagraph.

4-701.1.

(A) THERE IS A COMMERCIAL NORTHERN SNAKEHEAD BOWFISHING LICENSE.

(B) (1) THE LICENSE AUTHORIZES THE HOLDER TO CATCH FOR SALE NORTHERN SNAKEHEADS IN THE TIDAL WATERS OF THE STATE USING A BOW AND ARROW ATTACHED TO A RETRIEVAL LINE.

(2) A LICENSEE MAY NOT FISH UNDER THE LICENSE WITHIN ~~75~~ 100 YARDS OF:

- (I) ANOTHER PERSON OR VESSEL;
- (II) A PUBLIC OR PRIVATE SWIMMING AREA;
- (III) A DIVER DOWN FLAG; OR
- (IV) AN OCCUPIED OFFSHORE STATIONARY BLIND.

(C) AN APPLICANT FOR A LICENSE DOES NOT NEED TO HOLD A TIDAL FISH LICENSE UNDER § 4-701 OF THIS SUBTITLE TO BE ELIGIBLE FOR THE LICENSE.

(D) A PERSON WHO WISHES TO OBTAIN A LICENSE SHALL COMPLETE AND SUBMIT AN APPLICATION FOR THE LICENSE TO THE DEPARTMENT OR ANY PERSON DESIGNATED BY THE DEPARTMENT.

(E) THE TERM OF THE LICENSE IS 1 YEAR FROM SEPTEMBER 1 THROUGH AUGUST 31 OF THE FOLLOWING YEAR.

(F) THE ANNUAL LICENSE FEE IS \$15.

(G) A LICENSEE MAY NOT TRANSFER A LICENSE ISSUED UNDER THIS SECTION.

(H) A LICENSEE WHO FISHES FOR NORTHERN SNAKEHEAD UNDER THE LICENSE SHALL POSSESS THE LICENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 709

(House Bill 1387)

AN ACT concerning

Commercial Northern Snakehead Bowfishing License – Establishment

FOR the purpose of authorizing the Department of Natural Resources to adopt regulations governing the use of bowfishing gear; establishing a commercial northern snakehead bowfishing license; authorizing a licensee to catch for sale northern snakeheads in certain waters of the State using a certain bow and arrow; prohibiting a licensee from fishing under the license under certain circumstances; establishing that an applicant for the license does not need to hold a tidal fish license to be eligible for the license; establishing a certain application process for the license; establishing the term of the license; establishing a certain annual fee for the license; prohibiting a licensee from transferring the license; requiring a licensee to possess the license while fishing for northern snakehead; establishing that a licensee is eligible to obtain a certain seafood dealer license; making certain conforming changes; and generally relating to the establishment of a commercial northern snakehead bowfishing license.

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 4–221 and 4–701(a), (b)(1), and (d)(2)(ii)4.
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 4–701(d)(2)(i)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY adding to
Article – Natural Resources
Section 4–701.1
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

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

Article – Natural Resources

4–221.

(a) The authority provided by this section is in addition to any other authority of the Secretary provided by law.

(b) (1) Subject to paragraph (2) of this subsection, the Secretary, after consultation with the Tidal Fisheries Advisory Commission and the Sport Fisheries Advisory Commission, may adopt regulations to define and govern the use of:

(i) Recreational fishing gear; and

(ii) The following types of commercial fishing gear:

1. Fish pots;
2. Bank traps;
3. Fyke nets; [and]
4. Hoop nets; AND
5. **BOWFISHING GEAR.**

(2) The Department shall consider relevant biological, ecological, and socioeconomic factors before adopting regulations under this subsection.

4-701.

(a) **[This] EXCEPT AS PROVIDED IN § 4-701.1 OF THIS ~~SECTION~~ SUBTITLE,** THIS section applies to any person who is required under Subtitle 2, 7, 8, 9, or 10 of this title to be licensed to guide fishing parties or to catch, sell, buy, process, transport, export, or otherwise deal in fish caught in tidal waters.

(b) (1) **[The] EXCEPT AS PROVIDED IN § 4-701.1 OF THIS ~~SECTION~~ SUBTITLE, THE** Department shall utilize a single, commercial license, to be known and designated as a tidal fish license.

(d) (2) (i) On a tidal fish license, the Department may issue an authorization for any of the following activities for which the indicated fee has been paid.

(ii) The following annual fees for an authorization shall apply regardless of when the license is issued or an activity is authorized:

4. For a person to buy, process, pack, resell, market or otherwise deal in fish caught in the tidal waters of Maryland, seafood dealer:

A. \$50 for a person licensed under item 2 of this subparagraph **OR § 4-701.1 OF THIS SUBTITLE;** or

B. \$250 for a person not licensed under item 2 of this subparagraph.

4-701.1.

(A) THERE IS A COMMERCIAL NORTHERN SNAKEHEAD BOWFISHING LICENSE.

(B) (1) THE LICENSE AUTHORIZES THE HOLDER TO CATCH FOR SALE NORTHERN SNAKEHEADS IN THE TIDAL WATERS OF THE STATE USING A BOW AND ARROW ATTACHED TO A RETRIEVAL LINE.

(2) A LICENSEE MAY NOT FISH UNDER THE LICENSE WITHIN ~~75~~ 100 YARDS OF:

- (I) ANOTHER PERSON OR VESSEL;
- (II) A PUBLIC OR PRIVATE SWIMMING AREA;
- (III) A DIVER DOWN FLAG; OR
- (IV) AN OCCUPIED OFFSHORE STATIONARY BLIND.

(C) AN APPLICANT FOR A LICENSE DOES NOT NEED TO HOLD A TIDAL FISH LICENSE UNDER § 4-701 OF THIS SUBTITLE TO BE ELIGIBLE FOR THE LICENSE.

(D) A PERSON WHO WISHES TO OBTAIN A LICENSE SHALL COMPLETE AND SUBMIT AN APPLICATION FOR THE LICENSE TO THE DEPARTMENT OR ANY PERSON DESIGNATED BY THE DEPARTMENT.

(E) THE TERM OF THE LICENSE IS 1 YEAR FROM SEPTEMBER 1 THROUGH AUGUST 31 OF THE FOLLOWING YEAR.

(F) THE ANNUAL LICENSE FEE IS \$15.

(G) A LICENSEE MAY NOT TRANSFER A LICENSE ISSUED UNDER THIS SECTION.

(H) A LICENSEE WHO FISHES FOR NORTHERN SNAKEHEAD UNDER THE LICENSE SHALL POSSESS THE LICENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 710

(Senate Bill 1094)

AN ACT concerning

Health – Recovery Residences – Certification

FOR the purpose of requiring the Department of Health and Mental Hygiene to approve a credentialing entity to develop and administer a certification process for recovery residences; requiring the certification entity to establish certain requirements and processes, conduct a certain inspection, and issue a certain certificate of compliance; providing that a certificate of compliance is valid for a certain period of time; authorizing the credentialing entity to revoke the certificate of compliance of a certified recovery residence under certain circumstances; requiring, on or before a certain date, the credentialing entity to submit a certain list to the Department; requiring, on or before a certain date, the Department to publish on its Web site a certain list that includes certain information; requiring, on or before a certain date, a credentialing entity to publish on its Web site a certain list that includes certain information; prohibiting a person from advertising, representing, or implying to the public that a recovery residence is a certified recovery residence unless the recovery residence has obtained a certain certificate of compliance; establishing a certain civil penalty; requiring the Department to consider certain factors when setting the amount of a certain civil penalty; defining certain terms; and generally relating to the certification of recovery residences.

BY adding to

Article – Health – General

Section 19–2401 through 19–2404 to be under the new subtitle “Subtitle 24. Recovery Residences”

Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – Health – General

SUBTITLE 24. RECOVERY RESIDENCES.

19–2401.

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

(B) “CERTIFICATE OF COMPLIANCE” MEANS A CERTIFICATE THAT IS ISSUED TO A RECOVERY RESIDENCE BY A CREDENTIALING ENTITY.

(C) “CERTIFIED RECOVERY RESIDENCE” MEANS A RECOVERY RESIDENCE THAT HOLDS A CERTIFICATE OF COMPLIANCE.

(D) “CREDENTIALING ENTITY” MEANS A NONPROFIT ORGANIZATION THAT DEVELOPS AND ADMINISTERS PROFESSIONAL CERTIFICATION PROGRAMS ACCORDING TO NATIONALLY RECOGNIZED CERTIFICATION STANDARDS.

(E) “RECOVERY RESIDENCE” ~~MEANS A RESIDENTIAL DWELLING UNIT OR ANY OTHER FORM OF GROUP HOUSING THAT IS OFFERED OR ADVERTISED BY ANY PERSON AS A RESIDENCE THAT PROVIDES A PEER-SUPPORTED, ALCOHOL-FREE, AND DRUG-FREE LIVING ENVIRONMENT~~ HAS THE MEANING STATED IN § 7.5-101 OF THIS ARTICLE.

19-2402.

(A) THE DEPARTMENT SHALL APPROVE A CREDENTIALING ENTITY TO DEVELOP AND ADMINISTER A CERTIFICATION PROCESS FOR RECOVERY RESIDENCES.

(B) THE CREDENTIALING ENTITY SHALL:

(1) ESTABLISH RECOVERY RESIDENCE CERTIFICATION REQUIREMENTS;

(2) ESTABLISH PROCESSES TO ADMINISTER THE APPLICATION, CERTIFICATION, AND RECERTIFICATION PROCESS;

(3) ESTABLISH PROCESSES TO MONITOR AND INSPECT A RECOVERY RESIDENCE;

(4) CONDUCT AN ON-SITE INSPECTION OF A RECOVERY RESIDENCE:

(I) BEFORE ISSUING A CERTIFICATE OF COMPLIANCE; AND

(II) AT LEAST ONCE DURING EACH CERTIFICATION RENEWAL PERIOD; AND

(5) ISSUE A CERTIFICATE OF COMPLIANCE ON APPROVAL OF THE APPLICATION PROCESS AND THE INSPECTION OF THE RECOVERY RESIDENCE.

(C) A CERTIFICATE OF COMPLIANCE ISSUED BY THE CREDENTIALING ENTITY IS VALID FOR 1 YEAR FROM THE DATE OF ISSUANCE.

(D) THE CREDENTIALING ENTITY MAY REVOKE THE CERTIFICATE OF COMPLIANCE OF A CERTIFIED RECOVERY RESIDENCE IF THE CREDENTIALING ENTITY FINDS THAT THE RECOVERY RESIDENCE IS NOT IN COMPLIANCE WITH THE REQUIREMENTS ESTABLISHED BY THE CREDENTIALING ENTITY.

19-2403.

(A) ON OR BEFORE OCTOBER 1, 2017, THE CREDENTIALING ENTITY SHALL SUBMIT A LIST TO THE DEPARTMENT OF THE RECOVERY RESIDENCES THAT HAVE OBTAINED A CERTIFICATE OF COMPLIANCE.

(B) (1) ON OR BEFORE NOVEMBER 1, 2017, THE DEPARTMENT SHALL PUBLISH ON ITS WEB SITE A LIST OF EACH ~~RECOVERY RESIDENCE THAT HOLDS A VALID CERTIFICATE OF COMPLIANCE.~~

~~(2) THE LIST PUBLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE THE OWNER OF THE RECOVERY RESIDENCE AND THE CONTACT INFORMATION OF THE OWNER.~~ CREDENTIALING ENTITY AND THE CONTACT INFORMATION FOR THE CREDENTIALING ENTITY.

(2) (I) ON OR BEFORE NOVEMBER 1, 2017, A CREDENTIALING ENTITY SHALL PUBLISH ON ITS WEB SITE A LIST OF EACH RECOVERY RESIDENCE THAT HOLDS A VALID CERTIFICATE OF COMPLIANCE.

(II) THE LIST PUBLISHED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE ONLY THE OWNER OF THE RECOVERY RESIDENCE AND THE CONTACT INFORMATION OF THE OWNER.

19-2404.

(A) A PERSON MAY NOT ADVERTISE, REPRESENT, OR IMPLY TO THE PUBLIC THAT A RECOVERY RESIDENCE IS A CERTIFIED RECOVERY RESIDENCE UNLESS THE RECOVERY RESIDENCE HAS OBTAINED A CERTIFICATE OF COMPLIANCE UNDER THIS SUBTITLE.

(B) (1) A PERSON WHO VIOLATES SUBSECTION (A) OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY IMPOSED BY THE DEPARTMENT NOT EXCEEDING \$1,000 FOR EACH OFFENSE.

(2) IN SETTING THE AMOUNT OF A CIVIL PENALTY UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT SHALL CONSIDER THE NATURE, NUMBER, AND SERIOUSNESS OF THE VIOLATIONS, THE ABILITY OF THE CERTIFIED RECOVERY RESIDENCE TO PAY THE PENALTY, AND ANY OTHER FACTORS THE DEPARTMENT DETERMINES ARE RELEVANT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 711
(House Bill 1411)

AN ACT concerning

Health – Recovery Residences – Certification

FOR the purpose of requiring the Department of Health and Mental Hygiene to approve a credentialing entity to develop and administer a certification process for recovery residences; requiring the certification entity to establish certain requirements and processes, conduct a certain inspection, and issue a certain certificate of compliance; providing that a certificate of compliance is valid for a certain period of time; authorizing the credentialing entity to revoke the certificate of compliance of a certified recovery residence under certain circumstances; requiring, on or before a certain date, the credentialing entity to submit a certain list to the Department; requiring, on or before a certain date, the Department to publish on its Web site a certain list that includes certain information; requiring, on or before a certain date, a credentialing entity to publish on its Web site a certain list that includes certain information; prohibiting a person from advertising, representing, or implying to the public that a recovery residence is a certified recovery residence unless the recovery residence has obtained a certain certificate of compliance; establishing a certain civil penalty; requiring the Department to consider certain factors when setting the amount of a certain civil penalty; defining certain terms; and generally relating to the certification of recovery residences.

BY adding to

Article – Health – General

Section 19–2401 through 19–2404 to be under the new subtitle “Subtitle 24. Recovery Residences”

Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – Health – General

SUBTITLE 24. RECOVERY RESIDENCES.

19–2401.

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

(B) "CERTIFICATE OF COMPLIANCE" MEANS A CERTIFICATE THAT IS ISSUED TO A RECOVERY RESIDENCE BY A CREDENTIALING ENTITY.

(C) "CERTIFIED RECOVERY RESIDENCE" MEANS A RECOVERY RESIDENCE THAT HOLDS A CERTIFICATE OF COMPLIANCE.

(D) "CREDENTIALING ENTITY" MEANS A NONPROFIT ORGANIZATION THAT DEVELOPS AND ADMINISTERS PROFESSIONAL CERTIFICATION PROGRAMS ACCORDING TO NATIONALLY RECOGNIZED CERTIFICATION STANDARDS.

(E) "RECOVERY RESIDENCE" ~~MEANS A RESIDENTIAL DWELLING UNIT OR ANY OTHER FORM OF GROUP HOUSING THAT IS OFFERED OR ADVERTISED BY ANY PERSON AS A RESIDENCE THAT PROVIDES A PEER SUPPORTED, ALCOHOL FREE, AND DRUG FREE LIVING ENVIRONMENT~~ HAS THE MEANING STATED IN § 7.5-101 OF THIS ARTICLE.

19-2402.

(A) THE DEPARTMENT SHALL APPROVE A CREDENTIALING ENTITY TO DEVELOP AND ADMINISTER A CERTIFICATION PROCESS FOR RECOVERY RESIDENCES.

(B) THE CREDENTIALING ENTITY SHALL:

(1) ESTABLISH RECOVERY RESIDENCE CERTIFICATION REQUIREMENTS;

(2) ESTABLISH PROCESSES TO ADMINISTER THE APPLICATION, CERTIFICATION, AND RECERTIFICATION PROCESS;

(3) ESTABLISH PROCESSES TO MONITOR AND INSPECT A RECOVERY RESIDENCE;

(4) CONDUCT AN ON-SITE INSPECTION OF A RECOVERY RESIDENCE:

(I) BEFORE ISSUING A CERTIFICATE OF COMPLIANCE; AND

(II) AT LEAST ONCE DURING EACH CERTIFICATION RENEWAL PERIOD; AND

(5) ISSUE A CERTIFICATE OF COMPLIANCE ON APPROVAL OF THE APPLICATION PROCESS AND THE INSPECTION OF THE RECOVERY RESIDENCE.

(C) A CERTIFICATE OF COMPLIANCE ISSUED BY THE CREDENTIALING ENTITY IS VALID FOR 1 YEAR FROM THE DATE OF ISSUANCE.

(D) THE CREDENTIALING ENTITY MAY REVOKE THE CERTIFICATE OF COMPLIANCE OF A CERTIFIED RECOVERY RESIDENCE IF THE CREDENTIALING ENTITY FINDS THAT THE RECOVERY RESIDENCE IS NOT IN COMPLIANCE WITH THE REQUIREMENTS ESTABLISHED BY THE CREDENTIALING ENTITY.

19-2403.

(A) ON OR BEFORE OCTOBER 1, 2017, THE CREDENTIALING ENTITY SHALL SUBMIT A LIST TO THE DEPARTMENT OF THE RECOVERY RESIDENCES THAT HAVE OBTAINED A CERTIFICATE OF COMPLIANCE.

(B) (1) ON OR BEFORE NOVEMBER 1, 2017, THE DEPARTMENT SHALL PUBLISH ON ITS WEB SITE A LIST OF EACH ~~RECOVERY RESIDENCE THAT HOLDS A VALID CERTIFICATE OF COMPLIANCE.~~

~~(2) THE LIST PUBLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE THE OWNER OF THE RECOVERY RESIDENCE AND THE CONTACT INFORMATION OF THE OWNER.~~ CREDENTIALING ENTITY AND THE CONTACT INFORMATION FOR THE CREDENTIALING ENTITY.

(2) (I) ON OR BEFORE NOVEMBER 1, 2017, A CREDENTIALING ENTITY SHALL PUBLISH ON ITS WEB SITE A LIST OF EACH RECOVERY RESIDENCE THAT HOLDS A VALID CERTIFICATE OF COMPLIANCE.

(II) THE LIST PUBLISHED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE ONLY THE OWNER OF THE RECOVERY RESIDENCE AND THE CONTACT INFORMATION OF THE OWNER.

19-2404.

(A) A PERSON MAY NOT ADVERTISE, REPRESENT, OR IMPLY TO THE PUBLIC THAT A RECOVERY RESIDENCE IS A CERTIFIED RECOVERY RESIDENCE UNLESS THE RECOVERY RESIDENCE HAS OBTAINED A CERTIFICATE OF COMPLIANCE UNDER THIS SUBTITLE.

(B) (1) A PERSON WHO VIOLATES SUBSECTION (A) OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY IMPOSED BY THE DEPARTMENT NOT EXCEEDING \$1,000 FOR EACH OFFENSE.

(2) IN SETTING THE AMOUNT OF A CIVIL PENALTY UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT SHALL CONSIDER THE NATURE, NUMBER, AND SERIOUSNESS OF THE VIOLATIONS, THE ABILITY OF THE CERTIFIED RECOVERY RESIDENCE TO PAY THE PENALTY, AND ANY OTHER FACTORS THE DEPARTMENT DETERMINES ARE RELEVANT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 712

(Senate Bill 1128)

AN ACT concerning

Frederick County Sheriff – Collective Bargaining

FOR the purpose of providing that the County Executive of Frederick County may not be a party to certain collective bargaining agreements but may attend and participate in all collective bargaining sessions of certain deputy sheriffs and correctional officers of the Frederick County Sheriff's Office; and generally relating to collective bargaining rights of deputy sheriffs and correctional officers of the Frederick County Sheriff's Office.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–309(l)(5) and (6)
Annotated Code of Maryland
(2013 Replacement Volume and 2015 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

2–309.

(1) (5) (i) This paragraph applies to all full-time deputy sheriffs in the Frederick County Sheriff's Office at the rank of sergeant and below.

(ii) 1. Full-time deputy sheriffs at the rank of sergeant and below may:

A. Take part in or refrain from taking part in forming, joining, supporting, or participating in a labor organization or its lawful activities;

B. Select a labor organization as their exclusive representative;

C. Engage in collective bargaining with the Sheriff, or the Sheriff's designee, concerning wages and benefits, not regulated by the Sheriff, through a labor organization certified as their exclusive representative;

D. Subject to subparagraph 2 of this subparagraph, enter into a collective bargaining agreement, through their exclusive representative, covering those wages and benefits not regulated by the Sheriff; and

E. Decertify a labor organization as their exclusive representative.

2. Any additional funding required as a result of a negotiated collective bargaining agreement shall be subject to approval by the governing body of Frederick County.

3. THE COUNTY EXECUTIVE, OR THE COUNTY EXECUTIVE'S DESIGNEE:

A. MAY NOT BE A PARTY TO A COLLECTIVE BARGAINING AGREEMENT ENTERED INTO UNDER THIS SUBPARAGRAPH; BUT

B. MAY ATTEND AND PARTICIPATE IN ALL COLLECTIVE BARGAINING SESSIONS OF THE PARTIES.

(iii) 1. A labor organization shall be deemed certified as an exclusive representative if the following conditions are met:

A. A petition for the labor organization to be recognized by the Sheriff is signed by at least 51% of the deputy sheriffs at the rank of sergeant and below indicating their desire to be exclusively represented by the petitioner for the purpose of collective bargaining; and

B. The petition is submitted to the Sheriff.

2. If the Sheriff does not challenge the validity of the petition within 10 calendar days following the receipt of the petition, the labor organization shall be deemed certified as the exclusive representative.

3. If the Sheriff challenges the validity of the petition, the American Arbitration Association shall be requested to appoint a third party neutral to conduct an election and to certify whether the labor organization has been selected as the exclusive representative by a majority of the votes cast in the election.

4. The costs associated with the American Arbitration Association and the third party neutral shall be shared equally by the parties.

(iv) 1. Following certification of an exclusive representative as provided in subparagraph (iii) of this paragraph, the parties shall meet at reasonable times and engage in collective bargaining in good faith.

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.

(v) 1. A collective bargaining agreement shall contain all matters of agreement reached in the collective bargaining process.

2. The agreement may contain a grievance procedure providing for nonbinding arbitration of grievances.

3. An agreement reached in accordance with this subparagraph shall be in writing and signed by the designated representatives of the parties involved in the collective bargaining negotiations.

4. A. Subject to subsubsubparagraph B of this subsubparagraph, an agreement is not effective until it is ratified by a majority of the votes cast by the deputy sheriffs in the bargaining unit and the Sheriff.

B. Additional funding, if any, required as a result of the agreement shall be subject to the approval of the governing body of Frederick County.

(vi) Nothing in this paragraph may be construed as authorizing or otherwise allowing a deputy sheriff to engage in a strike as defined in § 3–303 of the State Personnel and Pensions Article.

(6) (i) This paragraph applies to all full–time correctional officers in the Frederick County Sheriff’s Office at the rank of sergeant and below.

(ii) 1. Full–time correctional officers at the rank of sergeant and below may:

A. Take part in or refrain from taking part in forming, joining, supporting, or participating in a labor organization or its lawful activities;

B. Select a labor organization as their exclusive representative;

C. Engage in collective bargaining with the Sheriff, or the Sheriff's designee, concerning wages and benefits, not regulated by the Sheriff, through a labor organization certified as their exclusive representative;

D. Subject to subsubparagraph 2 of this subparagraph, enter into a collective bargaining agreement, through their exclusive representative, covering those wages and benefits not regulated by the Sheriff; and

E. Decertify a labor organization as their exclusive representative.

2. Any additional funding required as a result of a negotiated collective bargaining agreement shall be subject to approval by the governing body of Frederick County.

3. THE COUNTY EXECUTIVE, OR THE COUNTY EXECUTIVE'S DESIGNEE:

A. MAY NOT BE A PARTY TO A COLLECTIVE BARGAINING AGREEMENT ENTERED INTO UNDER THIS SUBPARAGRAPH; BUT

B. MAY ATTEND AND PARTICIPATE IN ALL COLLECTIVE BARGAINING SESSIONS OF THE PARTIES.

(iii) 1. A labor organization shall be deemed certified as an exclusive representative if the following conditions are met:

A. A petition for the labor organization to be recognized by the Sheriff is signed by at least 51% of the correctional officers at the rank of sergeant and below indicating their desire to be exclusively represented by the petitioner for the purpose of collective bargaining; and

B. The petition is submitted to the Sheriff.

2. If the Sheriff does not challenge the validity of the petition within 10 calendar days following the receipt of the petition, the labor organization shall be deemed certified as the exclusive representative.

3. If the Sheriff challenges the validity of the petition, the American Arbitration Association shall be requested to appoint a third party neutral to conduct an election and to certify whether the labor organization has been selected as the exclusive representative by a majority of the votes cast in the election.

4. The costs associated with the American Arbitration Association and the third party neutral shall be shared equally by the parties.

(iv) 1. Following certification of an exclusive representative as provided in subparagraph (iii) of this paragraph, the parties shall meet at reasonable times and engage in collective bargaining in good faith.

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 governing body of Frederick County.

(v) 1. A collective bargaining agreement shall contain all matters of agreement reached in the collective bargaining process.

2. The agreement may contain a grievance procedure providing for nonbinding arbitration of grievances.

3. An agreement reached in accordance with this subparagraph shall be in writing and signed by the designated representatives of the parties involved in the collective bargaining negotiations.

4. A. Subject to subsubsubparagraph B of this subsubparagraph, an agreement is not effective until it is ratified by a majority of the votes cast by the correctional officers in the bargaining unit and the Sheriff.

B. Additional funding, if any, required as a result of the agreement shall be subject to the approval of the governing body of Frederick County.

(vi) Nothing in this paragraph may be construed as authorizing or otherwise allowing a correctional officer to engage in a strike as defined in § 3–303 of the State Personnel and Pensions Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 713

(Senate Bill 1158)

AN ACT concerning

Higher Education – Morgan State University – Office of Technology Transfer

FOR the purpose of requiring the Board of Regents of Morgan State University to develop and implement a plan to enhance the Office of Technology Transfer at the University; requiring the Maryland Technology Development Corporation, at the request of the Board of Regents, to provide certain technical assistance to the Office of Technology Transfer; requiring the Governor to include in the annual budget bill an appropriation of a certain amount for certain fiscal years for certain purposes; requiring the Board of Regents to report to the Governor and the General Assembly on or before a certain date each year on certain matters; providing for the termination of this Act; and generally relating to the Office of Technology Transfer at Morgan State University.

BY adding to

Article – Education

Section 14–104.2

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

14–104.2.

(A) THE BOARD OF REGENTS SHALL DEVELOP AND IMPLEMENT A PLAN TO ENHANCE THE OFFICE OF TECHNOLOGY TRANSFER AT THE UNIVERSITY.

(B) AT THE REQUEST OF THE BOARD OF REGENTS, THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION SHALL PROVIDE TECHNICAL ASSISTANCE TO THE OFFICE OF TECHNOLOGY TRANSFER.

(C) FOR EACH OF FISCAL YEARS 2018 THROUGH 2020, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$1,000,000 TO THE UNIVERSITY TO:

(1) ENHANCE THE OFFICE OF TECHNOLOGY TRANSFER; AND

(2) INCREASE THE CAPACITY OF THE OFFICE TO MOVE TECHNOLOGY INTO THE MARKETPLACE.

(D) ON OR BEFORE DECEMBER 1, 2016, AND EACH YEAR THEREAFTER, THE BOARD OF REGENTS SHALL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, ON THE IMPLEMENTATION OF THE PLAN TO ENHANCE THE OFFICE OF TECHNOLOGY

TRANSFER AND ON THE CAPACITY OF THE OFFICE TO MOVE TECHNOLOGY INTO THE MARKETPLACE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016. It shall remain effective for a period 4 years and, at the end of June 30, 2020, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 714

(Senate Bill 1171)

AN ACT concerning

Enoch Pratt Free Library – Hours of Operation – Funding

FOR the purpose of ~~establishing the hours and days of the week that each branch~~ requiring a State grant to be made available to fund certain operating expenses for certain branches of the Enoch Pratt Free Library is open to the public that increase their operating hours above those as of a certain date; requiring the State to remit to Baltimore City each year a certain percentage of Governor to include in the State operating budget in certain fiscal years a certain amount in general funds to support certain additional operating expenses of the Enoch Pratt Free Library; requiring Baltimore City to provide ~~funding for a certain percentage of a certain percentage match for each dollar of State funds granted to support~~ certain additional operating expenses of the Enoch Pratt Free Library; authorizing Baltimore City to use certain funds to satisfy certain requirements; providing for a certain calculation; requiring the State Department of Education to establish a certain process; declaring the intent of the General Assembly; requiring the Mayor and City Council of Baltimore City to report to the Department of Budget and Management and to certain committees of the General Assembly on or before a certain date in certain years; requiring the State Department of Education to submit a certain report to the Department of Budget and Management and to certain committees of the General Assembly on or before a certain date; and generally relating to the hours of operation of the Enoch Pratt Free Library.

BY repealing and reenacting, with amendments,

Article – Education

Section 23–402(a)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

23–402.

(a) (1) The Mayor and City Council of Baltimore shall be governed by the requirements and regulations pertaining to the Enoch Pratt Free Library of Baltimore City as provided in Chapter 181 of the Acts of 1882 and any other laws applicable to the operation of public libraries.

(2) The powers and duties of the Board of Trustees of the Enoch Pratt Free Library are as provided in Chapter 181 of the Acts of 1882 and the Charter and the Articles of Incorporation of the Enoch Pratt Free Library and other laws applicable to the Board of Trustees of the Enoch Pratt Free Library.

(3) ~~EACH BRANCH A STATE GRANT SHALL BE MADE AVAILABLE TO FUND THE INCREASED OPERATING EXPENSES FOR THE BRANCHES OF THE ENOCH PRATT FREE LIBRARY SHALL BE OPEN TO THE PUBLIC 7 DAYS A WEEK FROM 9 A.M. TO 9 P.M., EXCLUDING HOLIDAYS THAT INCREASE THEIR OPERATING HOURS ABOVE THE HOURS IN EFFECT AS OF JANUARY 1, 2016.~~

(4) (I) ~~AS PROVIDED IN THE STATE BUDGET, BEGINNING WITH FISCAL YEAR 2018 FOR FISCAL YEAR 2018 THROUGH FISCAL YEAR 2022, THE STATE SHALL REMIT TO BALTIMORE CITY EACH YEAR AN AMOUNT EQUAL TO 80% OF THE ADDITIONAL OPERATING EXPENSES RELATED TO GOVERNOR SHALL INCLUDE IN THE STATE OPERATING BUDGET \$3,000,000 IN GENERAL FUNDS TO SUPPORT THE ADDITIONAL OPERATING EXPENSES FOR THE INCREASED HOURS OF OPERATION OF ALL THE BRANCHES OF THE ENOCH PRATT FREE LIBRARY THAT, IN THAT FISCAL YEAR, WILL BE SUBJECT TO INCREASED OPERATING HOURS AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION.~~

(II) 1. ~~TO RECEIVE ANY STATE FUNDS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, BALTIMORE CITY SHALL BE RESPONSIBLE FOR PROVIDING FUNDING EACH YEAR FOR THE REMAINING 20% OF PROVIDE A 25% MATCH FOR EACH DOLLAR OF STATE FUNDS GRANTED TO SUPPORT THE ADDITIONAL OPERATING EXPENSES RELATED TO THE INCREASED HOURS OF OPERATION OF ALL THE BRANCHES OF THE ENOCH PRATT FREE LIBRARY THAT, IN THAT FISCAL YEAR, WILL BE SUBJECT TO INCREASED OPERATING HOURS AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION.~~

2. BALTIMORE CITY MAY USE PUBLIC AND PRIVATE FUNDS TO SATISFY THE REQUIREMENTS OF SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH.

(III) **1.** IN CALCULATING THE ADDITIONAL OPERATING EXPENSES OF THE INCREASED HOURS OF OPERATION, THE BASELINE HOURS OF OPERATION OF ALL BRANCHES OF THE ENOCH PRATT FREE LIBRARY ARE THOSE HOURS OF OPERATION IN EFFECT AS OF JANUARY 1, 2016.

2. THE DEPARTMENT SHALL ESTABLISH A PROCESS TO DISTRIBUTE THE STATE GRANT TO BALTIMORE CITY OR THE ENOCH PRATT FREE LIBRARY FOR THE ADDITIONAL OPERATING EXPENSES RELATED TO THE INCREASED HOURS OF OPERATION.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) It is the intent of the General Assembly that the increased operating hours of the Enoch Pratt Free Library as provided in this Act shall be prioritized to the library branches that are located in poor and underserved communities.

(b) On or before June 1, 2017, and on or before each June 1 through 2022, the Mayor and City Council of Baltimore City shall provide an annual report to the Department of Budget and Management and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee and the House Appropriations Committee that includes:

(1) a list of the branches of the Enoch Pratt Free Library in the next fiscal year that will be subject to increased operating hours above the operating schedule in place as of January 1, 2016; and

(2) an explanation of the selection process for the branches of the Enoch Pratt Free Library that will be subject to increased operating hours in the next fiscal year.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 31, 2020, the State Department of Education shall submit a report to the Department of Budget and Management and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee and the House Appropriations Committee that:

(1) includes an evaluation of the impact of the increased hours of operation of the branches of the Enoch Pratt Free Library;

(2) discusses the appropriateness of continued increased State funding for increased hours of operation of branches of the Enoch Pratt Free Library above the hours of operation in effect as of January 1, 2016; and

(3) includes recommendations for the future of continued increased State funding for the Enoch Pratt Free Library, including new technologies and changing neighborhood demographics and characteristics.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 715

(House Bill 1401)

AN ACT concerning

Enoch Pratt Free Library – Hours of Operation – Funding

FOR the purpose of ~~establishing the hours and days of the week that each branch requiring a State grant to be made available to fund certain operating expenses for certain branches of the Enoch Pratt Free Library is that are required to be open to the public during certain times~~ *increase their operating hours above those as of a certain date*; requiring the ~~State to remit to Baltimore City~~ *Governor to include in the State operating budget each year beginning in certain fiscal years a certain percentage of a certain amount in general funds to support* certain additional operating expenses of the Enoch Pratt Free Library; requiring Baltimore City to provide ~~funding for a certain percentage of~~ *a certain percentage match for each dollar of State funds granted to support* certain additional operating expenses of the Enoch Pratt Free Library; authorizing Baltimore City to use certain funds to satisfy certain requirements; providing for a certain calculation; ~~requiring the Enoch Pratt Free Library System and the State Department of Education to conduct a needs assessment and make recommendations regarding certain matters; requiring the Enoch Pratt Free Library System and the State Department of Education to report their findings and recommendations to certain committees of the General Assembly on or before a certain date; providing that the remittance of certain State funds to Baltimore City for a certain fiscal year is contingent on the submission of certain findings and recommendations to certain committees of the General Assembly; requiring the State Department of Education to establish a certain process; declaring the intent of the General Assembly; requiring the Mayor and City Council of Baltimore City to report to the Department of Budget and Management and to certain committees of the General Assembly on or before a certain date in certain years; requiring the State Department of Education to submit a certain report to the Department of Budget and Management and to certain committees of the General Assembly on or before a certain date~~; and generally relating to the hours of operation of the Enoch Pratt Free Library.

BY repealing and reenacting, with amendments,
Article – Education
Section 23–402(a)
Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

23–402.

(a) (1) The Mayor and City Council of Baltimore shall be governed by the requirements and regulations pertaining to the Enoch Pratt Free Library of Baltimore City as provided in Chapter 181 of the Acts of 1882 and any other laws applicable to the operation of public libraries.

(2) The powers and duties of the Board of Trustees of the Enoch Pratt Free Library are as provided in Chapter 181 of the Acts of 1882 and the Charter and the Articles of Incorporation of the Enoch Pratt Free Library and other laws applicable to the Board of Trustees of the Enoch Pratt Free Library.

(3) ~~EACH BRANCH A STATE GRANT SHALL BE MADE AVAILABLE TO FUND THE INCREASED OPERATING EXPENSES FOR THE BRANCHES OF THE ENOCH PRATT FREE LIBRARY SHALL THAT ARE REQUIRED TO BE OPEN TO THE PUBLIC 7 DAYS A WEEK FROM 9 A.M. TO 9 P.M., EXCLUDING HOLIDAYS INCREASE THEIR OPERATING HOURS ABOVE THE HOURS IN EFFECT AS OF JANUARY 1, 2016.~~

(4) (I) ~~AS PROVIDED IN THE STATE BUDGET, BEGINNING WITH FISCAL YEAR 2018 FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER THROUGH FISCAL YEAR 2022, THE STATE SHALL REMIT TO BALTIMORE CITY EACH YEAR AN AMOUNT EQUAL TO 80% OF THE ADDITIONAL OPERATING EXPENSES RELATED TO GOVERNOR SHALL INCLUDE IN THE STATE OPERATING BUDGET \$3,000,000 IN GENERAL FUNDS TO SUPPORT THE ADDITIONAL OPERATING EXPENSES FOR THE INCREASED HOURS OF OPERATION OF ALL THE BRANCHES OF THE ENOCH PRATT FREE LIBRARY THAT, IN THAT FISCAL YEAR, WILL BE SUBJECT TO INCREASED OPERATING HOURS AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION.~~

(II) 1. ~~FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER, IN ORDER TO ACCESS THE STATE GRANT, TO RECEIVE ANY STATE FUNDS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, BALTIMORE CITY SHALL BE RESPONSIBLE FOR PROVIDING FUNDING EACH YEAR FOR PROVIDE THE REMAINING 20% OF A 25% MATCH FOR EACH DOLLAR OF STATE FUNDS GRANTED TO SUPPORT THE ADDITIONAL OPERATING EXPENSES RELATED TO THE INCREASED HOURS OF OPERATION OF ALL THE BRANCHES OF THE ENOCH PRATT FREE LIBRARY THAT, IN THAT FISCAL YEAR, WILL BE SUBJECT TO INCREASED OPERATING HOURS AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION.~~

2. BALTIMORE CITY MAY USE PUBLIC AND PRIVATE FUNDS TO SATISFY THE REQUIREMENTS OF SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH.

(III) **1. IN CALCULATING THE ADDITIONAL OPERATING EXPENSES OF THE INCREASED HOURS OF OPERATION, THE BASELINE HOURS OF OPERATION OF ALL BRANCHES OF THE ENOCH PRATT FREE LIBRARY ARE THOSE HOURS OF OPERATION IN EFFECT AS OF JANUARY 1, 2016.**

2. THE DEPARTMENT SHALL ESTABLISH A PROCESS TO DISTRIBUTE THE STATE GRANT TO BALTIMORE CITY OR THE ENOCH PRATT FREE LIBRARY FOR THE ADDITIONAL OPERATING EXPENSES RELATED TO THE INCREASED HOURS OF OPERATION.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Enoch Pratt Free Library System and the State Department of Education shall:~~

~~(1) conduct a needs assessment and make recommendations regarding which branches of the Enoch Pratt Free Library would benefit the most from increased operating hours, with branches in low income neighborhoods to be given priority consideration in any recommendations; and~~

~~(2) on or before December 31, 2016, report their findings and recommendations, in accordance with § 2-1246 of the State Government Article, to the Senate Budget and Taxation Committee and the House Appropriations Committee.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That the remittance of State funds to Baltimore City for fiscal year 2018, as required under Section 1 of this Act, is contingent on the submission of the findings and recommendations to the Senate Budget and Taxation Committee and the House Appropriations Committee, as required under Section 2 of this Act.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) It is the intent of the General Assembly that the increased operating hours of the Enoch Pratt Free Library as provided in this Act shall be prioritized to the library branches that are located in poor and underserved communities.

(b) On or before June 1, 2017, and on or before each June 1 through 2022, the Mayor and City Council of Baltimore City shall provide an annual report to the Department of Budget and Management and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee and the House Appropriations Committee that includes:

(1) a list of the branches of the Enoch Pratt Free Library in the next fiscal year that will be subject to increased operating hours above the operating schedule in place as of January 1, 2016; and

(2) an explanation of the selection process for the branches of the Enoch Pratt Free Library that will be subject to increased operating hours in the next fiscal year.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 31, 2020, the State Department of Education shall submit a report to the Department of Budget and Management and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee and the House Appropriations Committee that:

(1) includes an evaluation of the impact of the increased hours of operation of the branches of the Enoch Pratt Free Library;

(2) discusses the appropriateness of continued increased State funding for increased hours of operation of branches of the Enoch Pratt Free Library above the hours of operation in effect as of January 1, 2016; and

(3) includes recommendations for the future of continued increased State funding for the Enoch Pratt Free Library, including new technologies and changing neighborhood demographics and characteristics.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 716

(House Bill 87)

AN ACT concerning

Montgomery County Board of Education – Student Member – Voting

MC 11-16

FOR the purpose of authorizing the student member of the Montgomery County Board of Education to attend an executive session of the Board of Education that relates to a certain matter; authorizing the student member of the Montgomery County Board of Education to vote on certain matters; and generally relating to the voting rights of the student member of the Montgomery County Board of Education.

BY repealing and reenacting, with amendments,

Article – Education
Section 3–901(e)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Education
Section 6–202(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

3–901.

(e) (1) The student member shall be a bona fide resident of Montgomery County and a regularly enrolled junior or senior year student from a Montgomery County public high school.

(2) The nomination and election process shall be as agreed on by the county board and the Montgomery County region of the Maryland Association of Student Councils. This agreement shall include a process by which to replace one or both of the final candidates if they are unable to proceed in the election. Any student enrolled in a middle or high school in the Montgomery County public schools may:

(i) Nominate a student member candidate;

(ii) Vote for delegates from the student's school, who in turn vote in a nominating convention to reduce to 2 the number of candidates for student board member if there are 3 or more candidates; and

(iii) Vote directly for 1 of the 2 remaining student board member candidates.

(3) The candidate receiving the second highest number of votes in the direct election shall become the alternate student member. The alternate shall serve if the student member is unable to complete his elected term.

(4) Except as provided in paragraphs (5), (6), and (7) of this subsection, the student member has the same rights and privileges of an elected member.

(5) Unless invited to attend by the affirmative vote of a majority of the county board, the student member may not attend an executive session that relates to[

- (i) Hearings] **HEARINGS** held under § 6–202(a) of this article[; or
- (ii) Collective bargaining].

(6) As provided in paragraph (7) of this subsection, the student member shall vote on all matters except those relating to[:

- (i)] § 6–202(a) of this article[;
- (ii) Collective bargaining;
- (iii) Capital and operating budgets; and
- (iv) School closings, reopenings, and boundaries].

(7) On a majority vote of the elected members, the board may determine, on a case by case basis, whether a matter under consideration is covered by the exclusionary [provisions listed] **PROVISION** in paragraph (6) of this subsection.

6–202.

(a) (1) On the recommendation of the county superintendent, a county board may suspend or dismiss a teacher, principal, supervisor, assistant superintendent, or other professional assistant for:

- (i) Immorality;
- (ii) Misconduct in office, including knowingly failing to report suspected child abuse in violation of § 5–704 of the Family Law Article;
- (iii) Insubordination;
- (iv) Incompetency; or
- (v) Willful neglect of duty.

(2) Before removing an individual, the county board shall send the individual a copy of the charges against him and give him an opportunity within 10 days to request a hearing.

(3) If the individual requests a hearing within the 10–day period:

(i) The county board promptly shall hold a hearing, but a hearing may not be set within 10 days after the county board sends the individual a notice of the hearing; and

(ii) The individual shall have an opportunity to be heard before the county board, in person or by counsel, and to bring witnesses to the hearing.

(4) The individual may appeal from the decision of the county board to the State Board.

(5) Notwithstanding any provision of local law, in Baltimore City the suspension and removal of assistant superintendents and higher levels shall be as provided by the personnel system established by the Baltimore City Board of School Commissioners under § 4–311 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 717

(House Bill 349)

AN ACT concerning

**Baltimore County – Education – Career Exploration and Development Activities
– ~~Caffeinated Beverages~~ Coffee
(Java Act)**

FOR the purpose of prohibiting an Executive Branch agency from banning or regulating the sale of ~~caffeinated beverages~~ coffee in conjunction with a career exploration and development activity in a public high school in ~~the State~~ Baltimore County; providing for the termination of this Act; and generally relating to the sale of ~~caffeinated beverages~~ coffee in conjunction with a career exploration and development activity in a public high school in Baltimore County.

BY adding to

Article – Education

Section 7–423.1

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

7–423.1.

(A) THIS SECTION APPLIES ONLY IN BALTIMORE COUNTY.

(B) AN EXECUTIVE BRANCH AGENCY MAY NOT BAN OR REGULATE THE SALE OF ~~CAFFEINATED BEVERAGES~~ COFFEE IN CONJUNCTION WITH A CAREER EXPLORATION AND DEVELOPMENT ACTIVITY IN A PUBLIC HIGH SCHOOL ~~IN THE STATE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016. It shall remain effective for a period of 3 years and, at the end of June 30, 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 718

(House Bill 356)

AN ACT concerning

Supplemental Nutrition Assistance Program Benefits – ~~Exclusion of Sugar-Sweetened Beverages and Other Nonnutritious Foods~~ Grant Application

FOR the purpose of requiring the Department of Human Resources to ~~request permission from the U.S. Department of Agriculture to exclude sugar-sweetened beverages and, at the Department's discretion, certain other foods from the food items that may be purchased with Supplemental Nutrition Assistance Program benefits~~ submit a grant application to the United States Department of Agriculture to support a pilot project that provides certain incentives and in response to a certain opportunity for funding; requiring the Department of Human Resources to report to the Governor and the General Assembly, ~~beginning on a certain date and at certain intervals~~ on or before certain dates, on the status of the ~~request grant application submission~~; providing for the termination of this Act; and generally relating to the use of Supplemental Nutrition Assistance Program benefits.

Preamble

~~WHEREAS, Reducing consumption of calories from added sugars is a recommendation of the 2010 Dietary Guidelines for Americans and an objective of the Healthy People 2020 initiative; and~~

~~WHEREAS, Sugar-sweetened beverages are major sources of added sugars in the diets of U.S. residents; and~~

~~WHEREAS, Daily consumption of sugar-sweetened beverages is associated with obesity and other chronic health conditions, including Type 2 diabetes and cardiovascular disease; and~~

~~WHEREAS, Low-income persons consume more sugar-sweetened beverages in relation to their overall diet than those with higher incomes; and~~

~~WHEREAS, More than one-half (52%) of sugar-drink kilocalories are consumed in the home and, of these sugar-drink kilocalories, the vast majority (92%) are purchased in stores; and~~

~~WHEREAS, The Supplemental Nutrition Assistance Program (SNAP) is the largest nutrition assistance program in the country; and~~

~~WHEREAS, The goals of SNAP are to improve participants' food security and their access to a healthy diet; and~~

~~WHEREAS, In fiscal year 2015, approximately 800,000 Maryland residents participated in SNAP each month, at a cost to taxpayers of about \$1.15 billion; now, therefore,~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

~~(a) On or before January 1, 2017, the Department of Human Resources shall request permission from the U.S. Department of Agriculture to exclude sugar-sweetened beverages and, at the discretion of the Department, other nonnutritious foods from the food items that are eligible to be purchased with Supplemental Nutrition Assistance Program benefits.~~

(a) The Department of Human Resources shall submit a grant application to the United States Department of Agriculture under the Food Insecurity Nutrition Incentive program:

(1) to support a pilot project that provides incentives to directly and efficiently increase the purchase and consumption of eligible fruits and vegetables by Supplemental Nutrition Assistance Program participants; and

(2) in response to the next opportunity for available funding after July 1, 2016.

~~(b) Beginning January 1, 2017, and every 6 months thereafter~~ On or before January 1, 2017, and on or before January 1, 2018, the Department of Human Resources shall submit a report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the status of the request grant application submission.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2016. It shall remain effective for a period of ~~4~~ 2 years and, at the end of ~~September 30, 2020~~ June 30, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 719

(House Bill 360)

AN ACT concerning

Maryland Loan Assistance Repayment Program for ~~Orphans and~~ Foster Care Recipients

FOR the purpose of establishing the Maryland Loan Assistance Repayment Program for ~~Orphans and~~ Foster Care Recipients; establishing eligibility requirements for participation in the Program; providing for the *funding*, amount, duration, renewal, and uses of certain awards; requiring the Office of Student Financial Assistance to adopt certain regulations; *requiring the Department of Budget and Management to provide State employees information about the Program; requiring the local governing body of each county and municipality in the State to provide their employees with information about the Program*; defining certain terms; providing for the application of this Act; *requiring the Maryland Higher Education Commission to ~~make~~ submit a certain report on or before a certain date*; and generally relating to the Maryland Loan Assistance Repayment Program for ~~Orphans and~~ Foster Care Recipients.

BY adding to

Article – Education

Section 18–3101 through ~~18–3106~~ 18–3107 to be under the new subtitle “Subtitle 31.

Maryland Loan Assistance Repayment Program for ~~Orphans and~~ Foster Care Recipients”

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

SUBTITLE 31. MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ~~ORPHANS AND~~ FOSTER CARE RECIPIENTS.

18-3101.

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

(B) “FOSTER CARE RECIPIENT” MEANS AN INDIVIDUAL WHO WAS PLACED IN AN OUT-OF-HOME PLACEMENT BY A STATE’S OR UNIT OF A STATE GOVERNMENT’S DEPARTMENT OF SOCIAL SERVICES FOR 3 YEARS OR MORE.

(C) “HIGHER EDUCATION LOAN” MEANS ANY LOAN FOR UNDERGRADUATE ~~OR GRADUATE~~, ~~PROFESSIONAL, OR GRADUATE~~ STUDY THAT IS OBTAINED FOR TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FROM:

(1) AN INSTITUTION OF HIGHER EDUCATION, GOVERNMENT, OR COMMERCIAL SOURCE; OR

(2) AN ORGANIZATION, AN INSTITUTION, AN ASSOCIATION, A SOCIETY, OR A CORPORATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE OF 1986.

~~(D) “ORPHAN” MEANS A CHILD WHO HAS BEEN LEGALLY DETERMINED NOT TO HAVE PARENTS BECAUSE OF THE PARENTS’:~~

~~(1) DEATH OR DISAPPEARANCE;~~

~~(2) ABANDONMENT OR DESERTION OF THE CHILD; OR~~

~~(3) SEPARATION FROM THE CHILD.~~

~~(E) (D)~~ “PROGRAM” MEANS THE MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ~~ORPHANS AND~~ FOSTER CARE RECIPIENTS.

18-3102.

(A) THERE IS A MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ~~ORPHANS AND~~ FOSTER CARE RECIPIENTS IN THE STATE.

(B) THE OFFICE SHALL ASSIST IN THE REPAYMENT OF HIGHER EDUCATION LOANS OWED BY ~~AN ORPHAN OR~~ A FOSTER CARE RECIPIENT WHO:

(1) IS EMPLOYED ~~ON A FULL-TIME OR PART-TIME BASIS~~ FOR A MINIMUM OF 20 HOURS PER WEEK BY THE STATE OR A COUNTY OR MUNICIPALITY OF THE STATE;

(2) RECEIVED ~~A GRADUATE, PROFESSIONAL, OR AN~~ AN UNDERGRADUATE OR A GRADUATE DEGREE FROM ~~AN A PUBLIC AN~~ AN INSTITUTION OF HIGHER EDUCATION IN THE STATE; AND

(3) MEETS ANY OTHER REQUIREMENT ESTABLISHED BY THE OFFICE.

(C) 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, PROFESSIONAL, OR~~ UNDERGRADUATE OR GRADUATE STUDY.

(D) ASSISTANCE IN THE REPAYMENT OF A LOAN FROM AN ENTITY SET FORTH IN § 18-1601(C)(2) OF THIS TITLE SHALL REQUIRE THE APPROVAL OF THE OFFICE.

18-3103.

~~THE~~ (A) SUBJECT TO THE AVAILABILITY OF FUNDS APPROPRIATED UNDER SUBSECTION (B) OF THIS SECTION, THE AWARD AMOUNT UNDER THE PROGRAM SHALL BE EQUAL TO THE LESSER OF:

(1) \$5,000; OR

(2) 10% OF THE ELIGIBLE INDIVIDUAL'S TOTAL HIGHER EDUCATION LOAN DEBT FOR EACH YEAR THE INDIVIDUAL QUALIFIES FOR THE PROGRAM.

(B) THE GOVERNOR ANNUALLY SHALL INCLUDE AN APPROPRIATION OF \$100,000 IN THE STATE BUDGET FOR THE COMMISSION TO DISBURSE ASSISTANCE UNDER THIS SUBTITLE.

18-3104.

(A) EACH RECIPIENT OF AN AWARD UNDER THE PROGRAM MAY HOLD THE AWARD FOR 3 YEARS IF THE RECIPIENT:

(1) CONTINUES TO MEET THE QUALIFICATIONS SPECIFIED UNDER § 18-3102 OF THIS SUBTITLE; AND

(2) SIGNS AN AGREEMENT AT THE TIME OF THE AWARD TO REMAIN EMPLOYED BY THE STATE OR A COUNTY OR MUNICIPALITY OF THE STATE FOR AT LEAST 1 YEAR AFTER THE EXPIRATION OF THE TERM OF THE AWARD.

(B) EACH AWARD UNDER THE PROGRAM SHALL BE RENEWABLE ON THE EXPIRATION OF THE TERM OF THE AWARD.

18-3105.

AN AWARD UNDER THE PROGRAM SHALL BE USED ONLY FOR REPAYMENT OF THE HIGHER EDUCATION LOANS OWED BY THE RECIPIENT.

18-3106.

THE OFFICE SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SUBTITLE.

18-3107.

(A) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL PROVIDE TO STATE EMPLOYEES INFORMATION ABOUT THE PROGRAM.

(B) THE LOCAL GOVERNING BODY OF EACH COUNTY AND MUNICIPALITY OF THE STATE SHALL PROVIDE THEIR EMPLOYEES WITH INFORMATION ABOUT THE PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect any individual who meets the eligibility requirements of the Maryland Loan Assistance Repayment Program for Orphans and Foster Care Recipients of Title 18, Subtitle 31 of the Education Article, as enacted by Section 1 of this Act, on or after July 1, 2010.

~~SECTION 3. AND BE IT FURTHER ENACTED, That on or before December 1, 2019, the Maryland Higher Education Commission shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the number of individuals who received loan assistance repayment during the previous 3 years under the Maryland Loan Assistance Repayment Program for Foster Care Recipients under Title 18, Subtitle 31 of the Education Article, as enacted by Section 1 of this Act.~~

SECTION 3. AND BE IT FURTHER ENACTED, That on or before September 1, 2020, the Maryland Higher Education Commission shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly regarding:

(1) how many individuals receive assistance annually under Title 18, Subtitle 31 of the Education Article, as enacted by Section 1 of this Act;

(2) the amount of each award; and

(3) how many individuals, if any, are placed on a waiting list or denied assistance under Title 18, Subtitle 31 of the Education Article, as enacted by Section 1 of this Act.

SECTION ~~3~~ 4 AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 720

(House Bill 525)

AN ACT concerning

Vehicle Laws – Manufacturers and Dealers

FOR the purpose of altering the conditions under which a motor vehicle dealer's failure to comply with certain requirements constitutes grounds for denial of a certain claim or reduction of the amount of certain compensation; prohibiting a motor vehicle manufacturer, distributor, or factory branch from prohibiting or taking certain punitive action against a motor vehicle dealer for providing certain notice to a customer or performing certain repairs on a motor vehicle under certain circumstances; requiring a dealer that sells at retail a used motor vehicle that is subject to a recall under federal law to provide to the buyer under certain circumstances a certain disclosure in a certain manner prohibiting a motor vehicle manufacturer, distributor, or factory branch from taking certain action against a motor vehicle dealer for the provision of certain notice, documents, or information to certain persons; specifying that a dealer may provide certain information only to a certain customer; prohibiting a manufacturer from taking certain action against a dealer for performing certain repairs on a vehicle under certain circumstances; prohibiting a dealer from sending certain notice to a person that states or implies that certain circumstances exist based on certain information; requiring a manufacturer to provide certain compensation to certain dealers under certain circumstances; defining a certain term; providing for the construction of certain provisions of this Act; and generally relating to motor vehicle manufacturers and dealers.

BY renumbering

Article – Transportation

Section 15-101(e) through (g), respectively

to be Section 15-101(d) through (h), respectively

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
 Article – Transportation
 Section ~~15-101(a) and~~ 15-212(c)(1) and (11)
 Annotated Code of Maryland
 (2012 Replacement Volume and 2015 Supplement)

BY adding to
 Article – Transportation
 Section ~~15-101(e) and~~ 15-212(c)(12), (13), *and* (14), ~~and (15)~~
 Annotated Code of Maryland
 (2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
 Article – Transportation
 Section ~~15-212(e)(10) and~~ 15-311
 Annotated Code of Maryland
 (2012 Replacement Volume and 2015 Supplement)

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 That Section(s) 15-101(e) through (g), respectively, of Article – Transportation of the
 Annotated Code of Maryland be renumbered to be Section(s) 15-101(d) through (h),
 respectively.~~

SECTION ~~1. 2. AND~~ 1. BE IT ~~FURTHER~~ ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND ~~BY THE GENERAL ASSEMBLY OF MARYLAND~~, That the Laws of Maryland read as follows:

Article – Transportation

~~15-101.~~

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

~~(c) “ADVERSE ACTION” MEANS:~~

~~(1) WITHHOLDING ANY CONSIDERATION RECEIVED BY A DEALER FROM A LICENSEE;~~

~~(2) WITHHOLDING A CONSUMER BENEFIT THROUGH A DEALER; OR~~

~~(3) APPOINTING OR THREATENING TO APPOINT AN ADDITIONAL DEALER WITHIN THE MARKET AREA ASSIGNED TO THE DEALER AGAINST WHOM THE ADVERSE ACTION IS TAKEN WITHOUT A COMPELLING BUSINESS JUSTIFICATION.~~

15-212.

(c) (1) A licensee shall specify in writing to each of its motor vehicle dealers licensed in the State:

(i) The dealer's obligation for vehicle preparation, delivery, warranties, and recalls on its products;

(ii) The schedule of compensation to be paid to the dealers for parts, including parts assemblies, and labor, including diagnostic labor and associated administrative requirements, in connection with the service obligations established under item (i) of this paragraph; and

(iii) A time allowance for the performance of labor described in this paragraph that is reasonable and adequate.

~~(10) A dealer's failure to comply with a [specific requirement of the manufacturer] MANUFACTURER'S or [distributor] DISTRIBUTOR'S SPECIFIC REQUIREMENTS FOR PROCESSING A CLAIM may not constitute grounds for denial of the claim or reduction of the amount of compensation paid to the dealer if the dealer presents REASONABLE documentation or other reasonable evidence to substantiate [that the repair and] the claim [were done according to manufacturer warranty guidelines].~~

(11) (i) If a claim filed under this section is shown by the manufacturer or distributor to be false or unsubstantiated, the manufacturer or distributor may charge back the claim within 9 months from the date the claim was paid or credit issued.

(ii) This paragraph does not limit the right of a manufacturer or distributor to:

1. Conduct an audit of any claim filed under this section; or
2. Charge back for any claim that is proven to be fraudulent.

(iii) An audit under this paragraph shall be conducted according to generally accepted accounting principles.

~~(12) A LICENSEE MAY NOT PROHIBIT, RETALIATE AGAINST A DEALER OR EMPLOYEE OF A DEALER FOR, DENY A CLAIM OR INCENTIVE FOR, REDUCE THE AMOUNT OF COMPENSATION TO A DEALER FOR, OR PROCESS A CHARGE BACK TO A DEALER FOR:~~

~~(i) THE PROVISION OF NOTICE BY A DEALER TO A CUSTOMER RELATING TO THE EXISTENCE OF ANY RECALL REMEDY, TECHNICAL SERVICE BULLETIN, OR ANY OTHER INSTRUCTIONS FROM A LICENSEE TO A DEALER TO RESOLVE A CONDITION; OR~~

~~(H) PERFORMING REPAIRS ON A MOTOR VEHICLE, WHETHER THE NEED FOR REPAIRS WAS DISCOVERED BY THE DEALER DURING THE COURSE OF A SEPARATE REPAIR REQUESTED BY THE CUSTOMER OR AN INSPECTION OF THE MOTOR VEHICLE BY THE DEALER, OR PROMPTED BY A DEALER NOTICE OF A RECALL REMEDY, TECHNICAL SERVICE BULLETIN, OR OTHER INSTRUCTIONS FROM A LICENSEE TO A DEALER TO:~~

- ~~1. RESOLVE A CONDITION THAT IS UNDER A WARRANTY OF THE LICENSEE;~~
- ~~2. REMEDY A CONDITION THAT CAUSED A RECALL; OR~~
- ~~3. PERFORM A SERVICE PRESCRIBED IN A TECHNICAL SERVICE BULLETIN OR OTHER INSTRUCTIONS FROM A LICENSEE TO A DEALER TO RESOLVE A CONDITION.~~

(12) A LICENSEE MAY NOT PROHIBIT A DEALER FROM, OR TAKE ANY ADVERSE ACTION AGAINST A DEALER FOR, PROVIDING: TO A CUSTOMER INFORMATION GIVEN TO THE DEALER BY A MANUFACTURER RELATED TO ANY CONDITION THAT MAY SUBSTANTIALLY AFFECT MOTOR VEHICLE SAFETY, DURABILITY, RELIABILITY, OR PERFORMANCE

~~(I) WRITTEN NOTICE TO A PERSON THAT CONTAINS INFORMATION RELATED ONLY TO A SAFETY-RELATED RECALL UNDER FEDERAL LAW;~~

~~(H) A COPY OF A TECHNICAL SERVICE BULLETIN TO A CUSTOMER:~~

~~1. IN RESPONSE TO A REQUEST BY THE CUSTOMER REGARDING A SPECIFIC CONDITION TO WHICH THE TECHNICAL SERVICE BULLETIN APPLIES; OR~~

~~2. AFTER THE DEALER VERIFIES THAT THE VEHICLE IS SUBJECT TO THE CONDITION AND REQUIRES THE REPAIRS DESCRIBED IN THE TECHNICAL SERVICE BULLETIN; OR~~

~~(H) WRITTEN NOTICE TO A PERSON THAT MAKES THE PERSON AWARE OF INFORMATION AVAILABLE ON WWW.SAFERCAR.GOV.~~

(13) PARAGRAPH (12) OF THIS SUBSECTION MAY NOT BE CONSTRUED TO AUTHORIZE A DEALER TO MAIL OR OTHERWISE DISTRIBUTE A TECHNICAL SERVICE BULLETIN TO A PERSON OTHER THAN THE CUSTOMER WHILE THE CUSTOMER'S VEHICLE IS BEING REPAIRED BY THE DEALER. A DEALER MAY PROVIDE

THE INFORMATION SPECIFIED IN PARAGRAPH (12) OF THIS SUBSECTION ONLY TO A CUSTOMER THAT HAS:

(I) PURCHASED THE VEHICLE FOR WHICH THE INFORMATION PERTAINS FROM THE DEALER; OR

(II) HAD THE VEHICLE FOR WHICH THE INFORMATION PERTAINS SERVICED BY THE DEALER.

(14) (I) A LICENSEE MAY NOT DENY A CLAIM, REDUCE THE AMOUNT OF COMPENSATION TO A DEALER, OR PROCESS A CHARGE BACK TO A DEALER FOR PERFORMING COVERED WARRANTY OR REQUIRED RECALL REPAIRS ON A VEHICLE:

1. FOR RESOLVING A CONDITION COVERED BY THE LICENSEE'S ORIGINAL WARRANTY;

2. FOR REMEDYING A SAFETY-RELATED DEFECT THAT IS SUBJECT TO AN OUTSTANDING RECALL UNDER FEDERAL LAW;

3. IF THE DEALER PROPERLY PERFORMED THE REPAIRS AND SUBMITTED THE CLAIMS; OR

4. IF THE DEALER DISCOVERED THE NEED FOR REPAIRS:

A. DURING THE COURSE OF A SEPARATE REPAIR REQUESTED BY THE CUSTOMER; OR

B. THROUGH NOTICE OF AN OUTSTANDING RECALL UNDER FEDERAL LAW FOR A SAFETY-RELATED DEFECT.

~~(15) NOTWITHSTANDING PARAGRAPHS (12) AND (13) OF THIS SUBSECTION, A DEALER MAY NOT SEND AN UNSOLICITED NOTICE TO A PERSON THAT STATES OR IMPLIES THAT REPAIRS ARE NEEDED ON THE PERSON'S VEHICLE OR THAT THE VEHICLE IS UNSAFE BASED SOLELY ON INFORMATION IN A TECHNICAL SERVICE BULLETIN.~~

15-311.

(a) A contract for the sale of a vehicle by a dealer shall contain a clear statement of:

(1) The principal amount charged for the vehicle;

(2) Any interest charged on the principal amount;

(3) Any fee charged under § 13–610 of this article;

(4) Any dealer processing charge, as defined in § 15–311.1 of this subtitle;
and

(5) Any other charge made in connection with the sale of the vehicle.

(b) In addition to the information required by subsection (a) of this section, a contract for the sale of a new vehicle shall include:

(1) The base price of the vehicle;

(2) The manufacturer's code or stock number for the vehicle; and

(3) A clear and specific description of each extra item and each extra charge not included in the base price of the vehicle ordered by the buyer.

~~(c) IN ADDITION TO THE INFORMATION REQUIRED BY SUBSECTION (A) OF THIS SECTION, A DEALER THAT SELLS AT RETAIL A USED MOTOR VEHICLE THAT IS SUBJECT TO A CONDITION THAT CAUSED A RECALL UNDER FEDERAL LAW AND IS NOT REMEDIED SHALL PROVIDE TO THE BUYER OF THE MOTOR VEHICLE, IN THE BUYER'S ORDER OR IN A SEPARATE WRITTEN DOCUMENT, A DISCLOSURE THAT:~~

~~(1) IF THE USED MOTOR VEHICLE IS A LINE MAKE THAT THE DEALER HOLDS A FRANCHISE TO SELL AS NEW AND TO SERVICE:~~

~~(i) THERE IS A REMEDY FOR THE CONDITION THAT CAUSED THE RECALL AND THE BUYER MAY RETURN THE MOTOR VEHICLE TO HAVE THE DEALER PROVIDE THE REMEDY; OR~~

~~(ii) THERE IS NOT AT THE TIME OF SALE A REMEDY FOR THE CONDITION THAT CAUSED THE RECALL AND THE BUYER MAY RETURN THE MOTOR VEHICLE TO HAVE THE DEALER PROVIDE THE REMEDY WHEN THE BUYER LEARNS OR HAS NOTICE THAT A REMEDY IS AVAILABLE; OR~~

~~(2) IF THE USED MOTOR VEHICLE IS A LINE MAKE THAT THE DEALER DOES NOT HOLD A FRANCHISE TO SELL AS NEW AND TO SERVICE:~~

~~(i) THERE IS A REMEDY FOR THE CONDITION THAT CAUSED THE RECALL AND THE BUYER MAY CONTACT A DEALER OF THE LINE MAKE FOR PROVISION OF THE REMEDY; OR~~

~~(ii) THERE IS NOT A REMEDY AT THE TIME OF SALE FOR THE CONDITION THAT CAUSED THE RECALL AND THE BUYER MAY CONTACT A DEALER OF~~

~~THE LINE MAKE FOR PROVISION OF THE REMEDY WHEN THE BUYER LEARNS OR HAS NOTICE THAT A REMEDY IS AVAILABLE~~ IF A LICENSEE ISSUES A STOP SALE DIRECTIVE APPLICABLE TO A USED VEHICLE MANUFACTURED BY THE LICENSEE TO A DEALER THAT HOLDS A FRANCHISE FROM THE LICENSEE AND THERE ARE NO REMEDIES OR PARTS AVAILABLE TO FIX THE MOTOR VEHICLE, THE LICENSEE SHALL COMPENSATE THE DEALER BY:

(1) PROVIDING PAYMENT TO THE DEALER AT A RATE OF AT LEAST 1% PER MONTH OR PORTION OF A MONTH OF THE VALUE OF THE VEHICLE, ~~PLUS THE COST OF REPAIRS AND RECONDITIONING INCURRED BY THE DEALER;~~ OR

(2) COMPENSATING THE DEALER UNDER A NATIONAL PROGRAM THAT IS APPLICABLE TO ALL DEALERS HOLDING A FRANCHISE FROM THE LICENSEE FOR THE DEALER'S COSTS ASSOCIATED WITH THE STOP SALE DIRECTIVE.

(D) When a vehicle arrives for delivery, the dealer shall advise the buyer of any extra items ordered by the buyer that are not on the vehicle.

[(d)] (E) When a vehicle arrives for delivery, the dealer shall advise the buyer of any extra items on the vehicle that the buyer did not order.

[(e)] (F) When a vehicle arrives for delivery, the dealer shall advise the buyer of the cost of extra items described under subsections [(c) and] (d) AND (E) of this section.

SECTION ~~2~~ ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 721

(House Bill 535)

AN ACT concerning

Courts and Judicial Proceedings – Structured Settlements – Transfers and Registration of Structured Settlement Transferees

FOR the purpose of making certain legislative findings and declarations; altering the findings that an order of a court authorizing a transfer of certain structured settlement rights is required to be based on; requiring a transferee to provide to a payee a certain disclosure statement; requiring ~~an application~~ a petition for a transfer of structured settlement payment rights to be filed in a certain court; authorizing the Attorney General to intervene as of right in a certain action;

establishing certain requirements concerning a proposed transfer of structured settlement payment rights concerning certain tort claims; prohibiting a person from filing a petition for transfer of structured settlement payment rights unless the person is registered with the Attorney General or has a pending application for registration under certain circumstances; establishing registration requirements; requiring a transferee to file a certain letter of credit or bond with the Attorney General or deposit cash in a certain amount with the Attorney General; authorizing the Attorney General to suspend or revoke the registration of a structured settlement transferee or deny an application for registration under certain circumstances; authorizing the Attorney General to impose a certain civil penalty; requiring the Attorney General to consider certain factors in making certain determinations; providing for the application of certain provisions of the Administrative Procedure Act; requiring a structured settlement obligor to submit a certain statement to certain persons under certain circumstances; authorizing the Attorney General to adopt ~~and enforce~~ certain regulations; altering ~~a~~ certain ~~definition~~ definitions; defining certain terms; and generally relating to structured settlements.

BY renumbering

Article – Courts and Judicial Proceedings
Section 5–1104 and 5–1105, respectively
to be Section 5–1105 and 5–1106, respectively
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Courts and Judicial Proceedings
Section ~~5–1101(e)~~ 5–1101, 5–1102, and ~~5–1103(a)~~ 5–1103
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

BY adding to

Article – Courts and Judicial Proceedings
Section 5–1101.1 ~~and 5–1106~~, 5–1104, and 5–1107 through 5–1112
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

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

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 5–1104 and 5–1105, respectively, of Article – Courts and Judicial Proceedings of the Annotated Code of Maryland be renumbered to be Section(s) 5–1105 and 5–1106, respectively.

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

Article – Courts and Judicial Proceedings

5–1101.

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

(b) “Discounted present value” means the fair present value of future payments, as determined by discounting payments to the present using the most recently published applicable federal rate for determining the present value of an annuity, as issued by the United States Internal Revenue Service.

(C) “GIFT” MEANS A TRANSFER TO A PAYEE OF ANYTHING OF ECONOMIC VALUE, REGARDLESS OF FORM, AS AN INDUCEMENT TO ENTER INTO A TRANSFER AGREEMENT OR PURSUE A TRANSFER, EXCEPT:

(1) THE ACTUAL COST, NOT TO EXCEED \$100, OF THE PAYEE’S TRANSPORTATION TO A HEARING CONCERNING A PETITION FILED UNDER § 5–1102 OF THIS SUBTITLE; AND

(2) THE COSTS OF POSTAGE, OVERNIGHT DELIVERY SERVICES, DOCUMENT RETRIEVAL FEES, AND NOTARY SERVICES ASSOCIATED WITH THE FILING OF A PETITION UNDER § 5–1102 OF THIS SUBTITLE.

~~(c)~~ **(D)** “Independent professional advice” means advice of an attorney, certified public accountant, actuary, or other licensed professional adviser:

(1) Who is engaged by a payee to render advice concerning [the legal, tax, and financial implications of a] **WHETHER A PROPOSED** transfer of structured settlement payment rights **WOULD BE IN THE BEST INTEREST OF THE PAYEE, TAKING INTO ACCOUNT THE WELFARE AND SUPPORT OF THE PAYEE’S DEPENDENTS;**

(2) Who is not affiliated with or compensated by the transferee of the transfer; and

(3) Whose compensation is not affected by whether a transfer occurs.

[(d)] (E) “Interested parties” means the payee, each beneficiary designated under the annuity contract to receive payments following the payee’s death, the annuity issuer, the structured settlement obligor, and any other party that has continuing rights or obligations under a structured settlement.

[(e)] (F) “Payee” means an individual who receives damage payments that are not subject to income taxation under a structured settlement and proposes to make a transfer of payment rights.

(G) “REGISTRANT” MEANS A PERSON REGISTERED WITH THE ATTORNEY GENERAL UNDER THIS SUBTITLE.

[(f)] (H) “Responsible administrative authority” means a government authority vested with exclusive jurisdiction over the settled claim resolved by a structured settlement.

[(g)] (I) (1) “Structured settlement” means an arrangement for periodic payment of damages for personal injury established by a settlement or judgment in resolution of a tort claim.

(2) “Structured settlement” does not include an arrangement for periodic payment of damages for personal injury established by a judgment by confession.

[(h)] (J) “Structured settlement agreement” means an agreement, judgment, stipulation, or release embodying the terms of a structured settlement.

[(i)] (K) “Structured settlement obligor” means a party who has the continuing periodic payment obligation to the payee under a structured settlement agreement or a qualified assignment agreement.

[(j)] (L) “Structured settlement payment rights” means the rights to receive periodic payments, including lump-sum payments under a structured settlement, whether from the settlement obligor or the annuity issuer, if:

(1) [An interested party is domiciled] THE PAYEE RESIDES in this State;

(2) The structured settlement agreement was approved by a court or responsible administrative authority in this State, AND THE PAYEE DOES NOT RESIDE IN ANOTHER STATE OR JURISDICTION THAT HAS ENACTED A STATUTE PROVIDING FOR ENTRY OF A QUALIFIED ORDER AS DEFINED IN 26 U.S.C. § 58911(B)(2); or

(3) The settled claim was pending before a court of this State when the parties entered into the structured settlement agreement, AND THE PAYEE DOES NOT RESIDE IN ANOTHER STATE OR JURISDICTION THAT HAS ENACTED A STATUTE PROVIDING FOR ENTRY OF A QUALIFIED ORDER AS DEFINED IN 26 U.S.C. § 58911(B)(2).

[(k)] (M) “Terms of the structured settlement” includes the terms of the structured settlement agreement, the annuity contract, a qualified assignment, and an order or approval of a court or responsible administrative authority authorizing or approving a structured settlement.

[(l)] (N) “Transfer” means a sale, assignment, pledge, hypothecation, or other form of alienation or encumbrance made by a payee for consideration.

~~[(m)] (O)~~ “Transfer agreement” means the agreement providing for the transfer of structured settlement payment rights from a payee to a transferee.

~~(P)~~ “TRANSFeree” MEANS A PERSON ACQUIRING OR PROPOSING TO ACQUIRE STRUCTURED SETTLEMENT PAYMENT RIGHTS THROUGH A TRANSFER.

5-1101.1.

THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS NECESSARY TO REGULATE TRANSFERS OF STRUCTURED SETTLEMENT PAYMENT RIGHTS TO:

(1) ENSURE THAT THE TRANSFERS ARE EFFECTUATED ON FAIR AND REASONABLE TERMS AND ARE IN THE BEST INTERESTS OF PAYEES; AND

(2) PROTECT PAYEES AGAINST DECEPTIVE PRACTICES.

5-1102.

(a) A direct or indirect transfer of structured settlement payment rights to a transferee is effective as provided in this subtitle.

(b) A structured settlement obligor or annuity issuer may not make any payment directly or indirectly to a transferee of structured settlement payment rights unless the transfer is authorized in an order of a court based on [a finding] **EXPRESS FINDINGS** that:

(1) The transfer is necessary, reasonable, [or] **AND** appropriate **AND IN THE BEST INTEREST OF THE PAYEE, TAKING INTO ACCOUNT THE WELFARE AND SUPPORT OF THE PAYEE’S DEPENDENTS;**

(2) [The transfer is not expected to subject the payee, the payee’s dependents, or both, to undue or unreasonable financial hardship in the future] **THE FINANCIAL TERMS OF THE TRANSFER AGREEMENT ARE FAIR TO ALL PARTIES, TAKING INTO ACCOUNT:**

(I) THE DIFFERENCE BETWEEN THE AMOUNT PAYABLE TO THE PAYEE AND THE DISCOUNTED PRESENT VALUE OF THE PAYMENTS TO BE TRANSFERRED; AND

(II) THE DISCOUNT RATE APPLICABLE TO THE TRANSFER;

(3)† The payee received independent professional advice [regarding the legal, tax, and financial implications of] **CONCERNING** the **PROPOSED** transfer; and

~~[(4)] (3)~~ ~~The transferee disclosed to the payee the discounted present value~~ AT LEAST 10 DAYS BEFORE THE DATE ON WHICH THE PAYEE SIGNED THE TRANSFER AGREEMENT, THE TRANSFEREE PROVIDED TO THE PAYEE A SEPARATE DISCLOSURE STATEMENT, IN AT LEAST 14 POINT BOLDFACE TYPE, THAT STATES:

(I) THE AMOUNTS AND DUE DATES OF THE STRUCTURED SETTLEMENT PAYMENTS TO BE TRANSFERRED;

(II) THE AGGREGATE AMOUNT OF THE PAYMENTS TO BE TRANSFERRED;

(III) THE DISCOUNTED PRESENT VALUE OF THE PAYMENTS TO BE TRANSFERRED;

(IV) THE AMOUNT PAYABLE TO THE PAYEE IN EXCHANGE FOR THE PAYMENTS TO BE TRANSFERRED;

(V) AN ITEMIZED LISTING OF ALL BROKERS' COMMISSIONS, SERVICE CHARGES, APPLICATION FEES, PROCESSING FEES, CLOSING COSTS, FILING FEES, ADMINISTRATIVE FEES, NOTARY FEES, AND OTHER CHARGES PAYABLE BY THE PAYEE OR DEDUCTIBLE FROM THE GROSS AMOUNT OTHERWISE PAYABLE TO THE PAYEE, EXCEPT ATTORNEY'S FEES AND RELATED DISBURSEMENTS;

(VI) THE TRANSFEREE'S BEST ESTIMATE OF THE AMOUNT OF ANY ATTORNEY'S FEES AND DISBURSEMENTS PAYABLE BY THE PAYEE OR DEDUCTIBLE FROM THE GROSS AMOUNT OTHERWISE PAYABLE TO THE PAYEE;

(VII) THE NET AMOUNT PAYABLE TO THE PAYEE AFTER DEDUCTION OF ALL COMMISSIONS, FEES, COSTS, EXPENSES, AND CHARGES DESCRIBED IN ITEMS (V) AND (VI) OF THIS ITEM;

(VIII) THE DISCOUNT RATE APPLICABLE TO THE TRANSFER, WHICH SHALL BE DISCLOSED IN THE FOLLOWING STATEMENT: "BASED ON THE NET AMOUNT THAT YOU WILL RECEIVE FROM US AND THE AMOUNTS AND TIMING OF THE STRUCTURED SETTLEMENT PAYMENTS THAT YOU ARE TRANSFERRING TO US, YOU WILL, IN EFFECT, BE PAYING INTEREST TO US AT A RATE OF ___ PERCENT PER YEAR.";

(IX) THE AMOUNT OF ANY PENALTY OR LIQUIDATED DAMAGES PAYABLE BY THE PAYEE IN THE EVENT OF ANY BREACH OF THE TRANSFER AGREEMENT BY THE PAYEE; AND

(X) A STATEMENT THAT THE PAYEE HAS THE RIGHT TO CANCEL THE TRANSFER AGREEMENT, WITHOUT PENALTY OR FURTHER OBLIGATION, AT ANY TIME BEFORE THE TRANSFER IS AUTHORIZED BY A COURT UNDER THIS SUBTITLE.

5-1103.

(a) [The circuit court that has jurisdiction over an interested party or the circuit court for the county in which the original claim occurred shall have nonexclusive jurisdiction over an] ~~AN application~~ A PETITION for a transfer of structured settlement payment rights under § 5-1102 of this subtitle **SHALL BE FILED:**

(1) IF THE PAYEE RESIDES IN THIS STATE, IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE PAYEE RESIDES; OR

~~**(2) IF THE PAYEE DOES NOT RESIDE IN THIS STATE AND ONE OR MORE PRIOR APPLICATIONS FOR APPROVAL OF A PROPOSED TRANSFER HAVE BEEN FILED IN THIS STATE, IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE MOST RECENT APPLICATION WAS FILED; OR**~~

~~**(3) IF THE PAYEE DOES NOT RESIDE IN THIS STATE AND NO PRIOR APPLICATIONS FOR APPROVAL OF A PROPOSED TRANSFER HAVE BEEN FILED IN THIS STATE, IN ANY CIRCUIT COURT.**~~

(2) IF THE PAYEE DOES NOT RESIDE IN THIS STATE, IN THE CIRCUIT COURT:

(I) THAT APPROVED THE STRUCTURED SETTLEMENT AGREEMENT; OR

(II) IN WHICH THE SETTLED CLAIM WAS PENDING WHEN THE PARTIES ENTERED INTO THE STRUCTURED SETTLEMENT AGREEMENT, IF THE STRUCTURED SETTLEMENT WAS NOT COURT APPROVED.

(b) A transferee shall file with the court and serve on the interested parties at least 20 days before the hearing on the [application] PETITION, a notice of the proposed transfer and [an application] A PETITION for its authorization, including:

(1) A copy of the transferee's [application] PETITION;

(2) A copy of the transfer agreement; and

(3) Notification:

(i) Of the time and place of the hearing; and

(ii) That each interested party is entitled to support, oppose, or otherwise respond to the transferee's [application] PETITION, in person or by counsel, by submitting written comments to the court or by participating in the hearing.

~~(C) THE ATTORNEY GENERAL MAY INTERVENE AS OF RIGHT IN AN ACTION UNDER THIS SUBTITLE.~~

5-1104.

(A) IF, IN ANY PROPOSED TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS, THE STRUCTURED SETTLEMENT WAS ESTABLISHED IN RESOLUTION OF A TORT CLAIM SEEKING COMPENSATION FOR COGNITIVE INJURIES, INCLUDING ANY CLAIM ARISING FROM CHILDHOOD EXPOSURE TO LEAD PAINT, THE TRANSFEREE SHALL:

(1) NOTIFY THE COURT, IN THE PETITION FILED UNDER THIS SUBTITLE, THAT THE PAYEE MAY BE COGNITIVELY IMPAIRED;

(2) ATTACH TO THE PETITION A COPY OF ANY COMPLAINT THAT WAS PENDING WHEN THE STRUCTURED SETTLEMENT WAS ESTABLISHED; AND

(3) IDENTIFY ANY ALLEGATIONS OR STATEMENTS IN THE COMPLAINT THAT DESCRIBE THE NATURE, EXTENT, OR CONSEQUENCES OF THE PAYEE'S COGNITIVE INJURIES.

(B) (1) IN DETERMINING WHETHER TO AUTHORIZE A TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS INVOLVING A STRUCTURED SETTLEMENT ESTABLISHED IN RESOLUTION OF A TORT CLAIM SEEKING COMPENSATION FOR COGNITIVE INJURIES, INCLUDING ANY CLAIM ARISING FROM CHILDHOOD EXPOSURE TO LEAD PAINT, THE COURT SHALL CONSIDER WHETHER TO APPOINT A GUARDIAN AD LITEM FOR THE PAYEE OR TO REQUIRE THE PAYEE TO BE EXAMINED BY AN INDEPENDENT MENTAL HEALTH SPECIALIST DESIGNATED BY THE COURT.

(2) THE TRANSFEREE SHALL BE RESPONSIBLE FOR THE PAYMENT OF ANY FEES OF A GUARDIAN AD LITEM OR AN INDEPENDENT MENTAL HEALTH SPECIALIST APPOINTED OR DESIGNATED BY THE COURT UNDER THIS SUBSECTION, AS SET FORTH IN A BILLING STATEMENT SPECIFYING TO THE TENTH OF AN HOUR THE AMOUNT OF WORK PERFORMED AND A REASONABLE HOURLY FEE FOR THE WORK.

5-1107.

A PERSON MAY NOT FILE A PETITION FOR A TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS UNDER THIS SUBTITLE UNLESS THE PERSON:

(1) IS REGISTERED WITH THE ATTORNEY GENERAL AS A STRUCTURED SETTLEMENT TRANSFEREE; OR

(2) HAS A PENDING APPLICATION FOR REGISTRATION, AND THE ATTORNEY GENERAL HAS NOT ACTED ON THE APPLICATION WITHIN THE TIME SPECIFIED IN THIS SUBTITLE.

5-1108.

(A) (1) TO APPLY FOR REGISTRATION AS A STRUCTURED SETTLEMENT TRANSFEREE, AN APPLICANT SHALL:

(I) SUBMIT TO THE ATTORNEY GENERAL UNDER OATH AN APPLICATION ON THE FORM PROVIDED BY THE ATTORNEY GENERAL; AND

(II) PAY A REGISTRATION FEE OF \$2,000, OF WHICH ~~\$1,000~~ \$1,500 SHALL BE REFUNDABLE IN THE EVENT THAT THE ATTORNEY GENERAL DENIES THE APPLICATION FOR REGISTRATION.

(2) ALL FEES COLLECTED UNDER THIS SUBSECTION SHALL BE USED TO ADMINISTER THE REGISTRATION PROGRAM.

(3) IN THE CASE OF AN APPLICANT THAT, AT THE TIME OF ITS APPLICATION, IS NOT REGISTERED WITH THE ATTORNEY GENERAL AS A STRUCTURED SETTLEMENT TRANSFEREE, THE ATTORNEY GENERAL SHALL GRANT OR DENY AN APPLICATION FOR REGISTRATION WITHIN 90 DAYS OF SUBMISSION OF THE COMPLETE APPLICATION AND ALL APPLICABLE FEES.

(B) (1) THE ATTORNEY GENERAL MAY REQUIRE A STRUCTURED SETTLEMENT TRANSFEREE TO REAPPLY FOR REGISTRATION ON AN ANNUAL BASIS OR LESS FREQUENTLY, AS THE ATTORNEY GENERAL DETERMINES.

(2) IN THE CASE OF A REGISTRANT APPLYING FOR RENEWAL OF ITS REGISTRATION, THE ATTORNEY GENERAL SHALL GRANT OR DENY AN APPLICATION FOR REGISTRATION WITHIN 30 DAYS OF SUBMISSION OF THE COMPLETE APPLICATION AND ALL APPLICABLE FEES.

(C) IF THE ATTORNEY GENERAL DETERMINES THAT ADDITIONAL INFORMATION FROM AN APPLICANT IS NEEDED, THE ATTORNEY GENERAL MAY EXTEND UNILATERALLY THE DEADLINE FOR GRANTING OR DENYING THE APPLICATION FOR REGISTRATION BY AN ADDITIONAL 60 DAYS.

(D) THE APPLICATION FOR REGISTRATION AS A STRUCTURED SETTLEMENT TRANSFEREE SHALL REQUIRE AN APPLICANT TO PROVIDE:

- (1) THE APPLICANT'S FULL NAME;
 - (2) THE ADDRESS OF THE APPLICANT'S PRINCIPAL OFFICE OR PLACE OF BUSINESS;
 - (3) IN THE CASE OF AN APPLICANT WHO IS AN INDIVIDUAL, THE APPLICANT'S SOCIAL SECURITY NUMBER;
 - (4) IN THE CASE OF AN APPLICANT OTHER THAN AN INDIVIDUAL:
 - (I) THE APPLICANT'S FEDERAL EMPLOYER IDENTIFICATION NUMBER; AND
 - (II) THE NAME AND BUSINESS ADDRESS OF:
 1. EACH OFFICER, DIRECTOR, GENERAL PARTNER, MEMBER, AND MANAGER, IF A LIMITED LIABILITY COMPANY, OF THE APPLICANT;
 2. IF THE APPLICANT IS NOT SUBJECT TO REPORTING REQUIREMENTS UNDER THE SECURITIES EXCHANGE ACT OF 1934, EACH PERSON WHO OWNS 5% OR MORE OF THE APPLICANT; AND
 3. EACH OFFICER, DIRECTOR, MEMBER, AND PRINCIPAL OF THE APPLICANT;
 - (5) ANY TRADE NAME THROUGH WHICH THE APPLICANT INTENDS TO DO BUSINESS AS A TRANSFEREE IN THE STATE, PROVIDED THAT A TRANSFEREE MAY MAINTAIN REGISTRATION OF NO MORE THAN FOUR TRADE NAMES; AND
 - (6) ANY OTHER INFORMATION THAT THE ATTORNEY GENERAL REQUIRES.
- (E) IF THE ATTORNEY GENERAL DENIES AN APPLICATION FOR REGISTRATION, THE ATTORNEY GENERAL SHALL SPECIFY IN WRITING THE REASON FOR THE DENIAL.

5-1109.

- (A) ON ACCEPTANCE BY THE ATTORNEY GENERAL OF A TRANSFEREE'S APPLICATION FOR REGISTRATION AS A STRUCTURED SETTLEMENT TRANSFEREE, THE TRANSFEREE SHALL PROMPTLY:

(1) FILE WITH THE ATTORNEY GENERAL AN IRREVOCABLE LETTER OF CREDIT IN THE AMOUNT OF \$100,000 ISSUED BY A FINANCIAL INSTITUTION;

(2) DEPOSIT WITH THE ATTORNEY GENERAL CASH IN THE AMOUNT OF \$100,000; OR

(3) FILE WITH THE ATTORNEY GENERAL A BOND THAT IS:

(I) IN FAVOR OF THE STATE;

(II) IN THE PENAL SUM OF \$100,000; AND

(III) EXECUTED BY AN AUTHORIZED SURETY INSURER.

(B) A BOND SHALL REMAIN IN FORCE UNTIL THE SURETY INSURER IS RELEASED FROM LIABILITY BY THE ATTORNEY GENERAL OR UNTIL THE BOND IS CANCELED BY THE SURETY INSURER.

(C) THE TOTAL LIABILITY OF THE SURETY INSURER UNDER A BOND MAY NOT EXCEED THE PENAL SUM OF THE BOND.

(D) (1) (I) THE SURETY INSURER MAY CANCEL A BOND AFTER FILING A WRITTEN NOTICE WITH THE ATTORNEY GENERAL AT LEAST 30 DAYS BEFORE THE EFFECTIVE DATE OF THE CANCELLATION.

(II) A CANCELLATION UNDER THIS SUBSECTION DOES NOT AFFECT ANY LIABILITY THAT ACCRUED BEFORE THE CANCELLATION.

(2) AFTER NOTIFICATION OF THE CANCELLATION OF THE BOND, THE TRANSFEREE SHALL ACT PROMPTLY TO REPLACE THE BOND.

(3) IF THE TRANSFEREE FAILS TO ACT PROMPTLY TO REPLACE THE BOND, THE ATTORNEY GENERAL MAY DENY, SUSPEND, OR REVOKE THE REGISTRATION OF THE TRANSFEREE UNTIL THE REQUIRED BOND IS FILED.

(E) IF, AT ANY TIME, A STRUCTURED SETTLEMENT TRANSFEREE FAILS TO COMPLY WITH SUBSECTION (A) OF THIS SECTION, THE ATTORNEY GENERAL MAY DENY, SUSPEND, OR REVOKE THE REGISTRATION OF THE TRANSFEREE UNTIL THE TRANSFEREE COMPLIES WITH SUBSECTION (A) OF THIS SECTION.

5-1110.

(A) THE ATTORNEY GENERAL MAY SUSPEND OR REVOKE THE REGISTRATION OF A STRUCTURED SETTLEMENT TRANSFEREE, OR DENY AN

APPLICATION FOR REGISTRATION, IF THE ATTORNEY GENERAL FINDS THAT THE TRANSFEREE OR ANY OF ITS EMPLOYEES, AFFILIATES, OR AGENTS HAS:

(1) DIRECTLY OR INDIRECTLY PAID ANY FEE OR CHARGE TO ANY PERSON AS AN INDUCEMENT TO REFER A PAYEE TO THE TRANSFEREE IN CONNECTION WITH A TRANSFER SUBJECT TO THIS SUBTITLE;

(2) DIRECTLY OR INDIRECTLY OFFERED OR PROVIDED ANY GIFT TO A PAYEE OR A MEMBER OF A PAYEE'S FAMILY IN CONNECTION WITH A TRANSFER SUBJECT TO THIS SUBTITLE;

(3) DIRECTLY OR INDIRECTLY OFFERED ANY LOAN, EXTENSION OF CREDIT, OR ADVANCE TO A PAYEE OR A MEMBER OF A PAYEE'S FAMILY AS AN INDUCEMENT TO TRANSFER STRUCTURED SETTLEMENT PAYMENT RIGHTS;

(4) MADE ANY REFERRAL OF A PAYEE FOR INDEPENDENT PROFESSIONAL ADVICE CONCERNING A PROPOSED TRANSFER SUBJECT TO THIS SUBTITLE OTHER THAN A REFERRAL TO A LOCAL OR STATE BAR ASSOCIATION OR NOT-FOR-PROFIT LAWYER REFERRAL SERVICE UNAFFILIATED WITH ANY STRUCTURED SETTLEMENT TRANSFEREE THAT MAKES REFERRALS TO ATTORNEYS, CERTIFIED PUBLIC ACCOUNTANTS, OR LICENSED FINANCIAL CONSULTANTS;

(5) COMMUNICATED WITH A PAYEE OR A PERSON RELATED TO A PAYEE WITH OBSCENE OR GROSSLY ABUSIVE LANGUAGE, WITH THE FREQUENCY, AT UNUSUAL HOURS, OR IN ANY OTHER MANNER AS REASONABLY CAN BE EXPECTED TO ABUSE OR HARASS THE PAYEE IN CONNECTION WITH A TRANSFER SUBJECT TO THIS SUBTITLE;

(6) ENGAGED IN ANY UNFAIR OR DECEPTIVE TRADE PRACTICE, UNDER § 13-301 OF THE COMMERCIAL LAW ARTICLE;

(7) CONDUCTED BUSINESS IN THE STATE RELATED TO THE TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS IN ANY NAME OTHER THAN THE NAME OR TRADE NAME REGISTERED WITH THE ATTORNEY GENERAL;

(8) WITH RESPECT TO A TRANSFEREE, ITS AFFILIATES, DIRECTORS, MEMBERS, GENERAL PARTNERS, OFFICERS, OR EXECUTIVE, MANAGERIAL, PROFESSIONAL, OR SALES AND MARKETING EMPLOYEES, BEEN CONVICTED OF A CRIME INVOLVING DISHONESTY, DECEPTION, OR MORAL TURPITUDE;

(9) BEEN FOUND BY A COURT OF COMPETENT JURISDICTION OR A GOVERNMENT AGENCY TO HAVE COMMITTED FRAUD, ENGAGED IN UNFAIR TRADE PRACTICES, OR COMMITTED ANY OTHER CIVIL WRONG OR REGULATORY VIOLATION INVOLVING DISHONESTY OR DECEPTION; OR

(10) OTHERWISE FAILED TO COMPLY WITH THE PROVISIONS OF THIS SUBTITLE IN CONNECTION WITH A TRANSFER SUBJECT TO THIS SUBTITLE.

(B) IN ADDITION TO, OR INSTEAD OF, DENYING AN APPLICATION FOR REGISTRATION, OR SUSPENDING OR REVOKING THE REGISTRATION OF ANY REGISTRANT, THE ATTORNEY GENERAL MAY IMPOSE A CIVIL PENALTY FOR EACH VIOLATION OF THIS SUBTITLE IN AN AMOUNT NOT EXCEEDING:

- (1) \$1,000 FOR A FIRST VIOLATION; AND
- (2) \$5,000 FOR EACH SUBSEQUENT VIOLATION.

(C) IN DETERMINING WHETHER TO DENY AN APPLICATION FOR REGISTRATION OR SUSPEND OR REVOKE THE REGISTRATION OF A REGISTRANT, OR THE AMOUNT OF ANY CIVIL PENALTY TO BE IMPOSED, THE ATTORNEY GENERAL SHALL CONSIDER:

- (1) THE SERIOUSNESS OF THE VIOLATION;
- (2) THE GOOD FAITH OF THE TRANSFEREE;
- (3) ANY HISTORY OF PREVIOUS VIOLATIONS; AND
- (4) ANY OTHER FACTOR RELEVANT TO THE DETERMINATION.

(D) (1) THE ATTORNEY GENERAL SHALL PROVIDE TO A REGISTRANT NOTICE AND AN OPPORTUNITY TO REQUEST A HEARING UNDER TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE TO CONTEST A PROPOSED DISCIPLINARY ACTION UNDER THIS SECTION, EXCEPT THAT THE ATTORNEY GENERAL MAY DELEGATE THE AUTHORITY TO CONDUCT A HEARING TO A DEPUTY OR ASSISTANT ATTORNEY GENERAL.

(2) ANY PARTY AGGRIEVED BY A DECISION AND ORDER OF THE ATTORNEY GENERAL UNDER THIS SECTION AND § 5-1108 OF THIS SUBTITLE MAY PETITION FOR JUDICIAL REVIEW AS PROVIDED UNDER §§ 10-222 AND 10-223 OF THE STATE GOVERNMENT ARTICLE.

5-1111.

IF, IN CONNECTION WITH A TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS, A STRUCTURED SETTLEMENT OBLIGOR IMPOSES TOTAL FEES AND CHARGES IN EXCESS OF \$350, THE STRUCTURED SETTLEMENT OBLIGOR SHALL SUBMIT A STATEMENT TO THE PAYEE AND THE TRANSFEREE IDENTIFYING EACH

PERSON WHO PERFORMED WORK IN CONNECTION WITH THE TRANSFER, SPECIFYING TO THE TENTH OF AN HOUR THE AMOUNT OF WORK THE PERSON PERFORMED, AND SPECIFYING A REASONABLE HOURLY FEE FOR THE PERSON'S WORK.

~~5-1106.~~

~~THE ATTORNEY GENERAL MAY ADOPT AND ENFORCE REGULATIONS TO CARRY OUT THE PURPOSES OF THIS SUBTITLE, INCLUDING REGULATIONS ESTABLISHING A DISCOUNT RATE APPLICABLE TO TRANSFERS OF STRUCTURED SETTLEMENT PAYMENTS ABOVE WHICH A PROPOSED TRANSFER SHALL BE PRESUMED TO BE NOT IN THE BEST INTEREST OF A PAYEE.~~

5-1112.

THE ATTORNEY GENERAL MAY ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 722

(Senate Bill 734)

AN ACT concerning

Courts and Judicial Proceedings – Structured Settlements – Transfers and Registration of Structured Settlement Transferees

FOR the purpose of making certain legislative findings and declarations; altering the findings that an order of a court authorizing a transfer of certain structured settlement rights is required to be based on; requiring a transferee to provide to a payee a certain disclosure statement; requiring an application a petition for a transfer of structured settlement payment rights to be filed in a certain court; establishing certain requirements concerning a proposed transfer of structured settlement payment rights concerning certain tort claims; prohibiting a person from filing a petition for transfer of structured settlement payment rights unless the person is registered with the Attorney General or has a pending application for registration under certain circumstances; establishing registration requirements; requiring a transferee to file a certain letter of credit or bond with the Attorney General or deposit cash in a certain amount with the Attorney General; authorizing

the Attorney General to suspend or revoke the registration of a structured settlement transferee or deny an application for registration under certain circumstances; authorizing the Attorney General to impose a certain civil penalty; requiring the Attorney General to consider certain factors in making certain determinations; providing for the application of certain provisions of the Administrative Procedure Act; requiring a structured settlement obligor to submit a certain statement to certain persons under certain circumstances; authorizing the Attorney General to adopt ~~and enforce~~ certain regulations; altering ~~a~~ certain ~~definition~~ definitions; defining certain terms; and generally relating to structured settlements.

BY renumbering

Article – Courts and Judicial Proceedings
Section 5–1104 and 5–1105, respectively
to be Section 5–1105 and 5–1106, respectively
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Courts and Judicial Proceedings
Section ~~5–1101(e)~~ 5–1101, 5–1102, and ~~5–1103(a)~~ 5–1103
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

BY adding to

Article – Courts and Judicial Proceedings
Section 5–1101.1 ~~and 5–1106~~, 5–1104, and 5–1107 through 5–1112
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

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

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 5–1104 and 5–1105, respectively, of Article – Courts and Judicial Proceedings of the Annotated Code of Maryland be renumbered to be Section(s) 5–1105 and 5–1106, respectively.

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

Article – Courts and Judicial Proceedings

5–1101.

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

(b) “Discounted present value” means the fair present value of future payments, as determined by discounting payments to the present using the most recently published applicable federal rate for determining the present value of an annuity, as issued by the United States Internal Revenue Service.

(C) “GIFT” MEANS A TRANSFER TO A PAYEE OF ANYTHING OF ECONOMIC VALUE, REGARDLESS OF FORM, AS AN INDUCEMENT TO ENTER INTO A TRANSFER AGREEMENT OR PURSUE A TRANSFER, EXCEPT:

(1) THE ACTUAL COST, NOT TO EXCEED \$100, OF THE PAYEE’S TRANSPORTATION TO A HEARING CONCERNING A PETITION FILED UNDER § 5-1102 OF THIS SUBTITLE; AND

(2) THE COSTS OF POSTAGE, OVERNIGHT DELIVERY SERVICES, DOCUMENT RETRIEVAL FEES, AND NOTARY SERVICES ASSOCIATED WITH THE FILING OF A PETITION UNDER § 5-1102 OF THIS SUBTITLE.

~~(D)~~ **(D)** “Independent professional advice” means advice of an attorney, certified public accountant, actuary, or other licensed professional adviser:

(1) Who is engaged by a payee to render advice concerning [the legal, tax, and financial implications of a] **WHETHER A PROPOSED** transfer of structured settlement payment rights **WOULD BE IN THE BEST INTEREST OF THE PAYEE, TAKING INTO ACCOUNT THE WELFARE AND SUPPORT OF THE PAYEE’S DEPENDENTS;**

(2) Who is not affiliated with or compensated by the transferee of the transfer; and

(3) Whose compensation is not affected by whether a transfer occurs.

~~[(d)]~~ **(E)** “Interested parties” means the payee, each beneficiary designated under the annuity contract to receive payments following the payee’s death, the annuity issuer, the structured settlement obligor, and any other party that has continuing rights or obligations under a structured settlement.

~~[(e)]~~ **(F)** “Payee” means an individual who receives damage payments that are not subject to income taxation under a structured settlement and proposes to make a transfer of payment rights.

(G) “REGISTRANT” MEANS A PERSON REGISTERED WITH THE ATTORNEY GENERAL UNDER THIS SUBTITLE.

~~[(f)]~~ **(H)** “Responsible administrative authority” means a government authority vested with exclusive jurisdiction over the settled claim resolved by a structured settlement.

[(g)] (I) (1) “Structured settlement” means an arrangement for periodic payment of damages for personal injury established by a settlement or judgment in resolution of a tort claim.

(2) “Structured settlement” does not include an arrangement for periodic payment of damages for personal injury established by a judgment by confession.

[(h)] (J) “Structured settlement agreement” means an agreement, judgment, stipulation, or release embodying the terms of a structured settlement.

[(i)] (K) “Structured settlement obligor” means a party who has the continuing periodic payment obligation to the payee under a structured settlement agreement or a qualified assignment agreement.

[(j)] (L) “Structured settlement payment rights” means the rights to receive periodic payments, including lump-sum payments under a structured settlement, whether from the settlement obligor or the annuity issuer, if:

(1) [An interested party is domiciled] **THE PAYEE RESIDES** in this State;

(2) The structured settlement agreement was approved by a court or responsible administrative authority in this State, **AND THE PAYEE DOES NOT RESIDE IN ANOTHER STATE OR JURISDICTION THAT HAS ENACTED A STATUTE PROVIDING FOR ENTRY OF A QUALIFIED ORDER AS DEFINED IN 26 U.S.C. § 5891(B)(2)**; or

(3) The settled claim was pending before a court of this State when the parties entered into the structured settlement agreement, **AND THE PAYEE DOES NOT RESIDE IN ANOTHER STATE OR JURISDICTION THAT HAS ENACTED A STATUTE PROVIDING FOR ENTRY OF A QUALIFIED ORDER AS DEFINED IN 26 U.S.C. § 5891(B)(2)**.

[(k)] (M) “Terms of the structured settlement” includes the terms of the structured settlement agreement, the annuity contract, a qualified assignment, and an order or approval of a court or responsible administrative authority authorizing or approving a structured settlement.

[(l)] (N) “Transfer” means a sale, assignment, pledge, hypothecation, or other form of alienation or encumbrance made by a payee for consideration.

[(m)] (O) “Transfer agreement” means the agreement providing for the transfer of structured settlement payment rights from a payee to a transferee.

(P) “TRANSFeree” MEANS A PERSON ACQUIRING OR PROPOSING TO ACQUIRE STRUCTURED SETTLEMENT PAYMENT RIGHTS THROUGH A TRANSFER.

5-1101.1.

THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS NECESSARY TO REGULATE TRANSFERS OF STRUCTURED SETTLEMENT PAYMENT RIGHTS TO:

(1) ENSURE THAT THE TRANSFERS ARE EFFECTUATED ON FAIR AND REASONABLE TERMS AND ARE IN THE BEST INTERESTS OF PAYEES; AND

(2) PROTECT PAYEES AGAINST DECEPTIVE PRACTICES.

5-1102.

(a) A direct or indirect transfer of structured settlement payment rights to a transferee is effective as provided in this subtitle.

(b) A structured settlement obligor or annuity issuer may not make any payment directly or indirectly to a transferee of structured settlement payment rights unless the transfer is authorized in an order of a court based on [a finding] **EXPRESS FINDINGS** that:

(1) The transfer is necessary, reasonable, [or] **AND** appropriate **AND IN THE BEST INTEREST OF THE PAYEE, TAKING INTO ACCOUNT THE WELFARE AND SUPPORT OF THE PAYEE'S DEPENDENTS;**

(2) [The transfer is not expected to subject the payee, the payee's dependents, or both, to undue or unreasonable financial hardship in the future] **THE FINANCIAL TERMS OF THE TRANSFER AGREEMENT ARE FAIR TO ALL PARTIES, TAKING INTO ACCOUNT:**

(I) THE DIFFERENCE BETWEEN THE AMOUNT PAYABLE TO THE PAYEE AND THE DISCOUNTED PRESENT VALUE OF THE PAYMENTS TO BE TRANSFERRED; AND

(II) THE DISCOUNT RATE APPLICABLE TO THE TRANSFER;

(3) The payee received independent professional advice [regarding the legal, tax, and financial implications of] **CONCERNING** the **PROPOSED** transfer; and

~~[(4)] (3) The transferee disclosed to the payee the discounted present value~~ **AT LEAST 10 DAYS BEFORE THE DATE ON WHICH THE PAYEE SIGNED THE TRANSFER AGREEMENT, THE TRANSFEREE PROVIDED TO THE PAYEE A SEPARATE DISCLOSURE STATEMENT, IN AT LEAST 14 POINT BOLDFACE TYPE, THAT STATES:**

(I) THE AMOUNTS AND DUE DATES OF THE STRUCTURED SETTLEMENT PAYMENTS TO BE TRANSFERRED;

(II) THE AGGREGATE AMOUNT OF THE PAYMENTS TO BE TRANSFERRED;

(III) THE DISCOUNTED PRESENT VALUE OF THE PAYMENTS TO BE TRANSFERRED;

(IV) THE AMOUNT PAYABLE TO THE PAYEE IN EXCHANGE FOR THE PAYMENTS TO BE TRANSFERRED;

(V) AN ITEMIZED LISTING OF ALL BROKERS' COMMISSIONS, SERVICE CHARGES, APPLICATION FEES, PROCESSING FEES, CLOSING COSTS, FILING FEES, ADMINISTRATIVE FEES, NOTARY FEES, AND OTHER CHARGES PAYABLE BY THE PAYEE OR DEDUCTIBLE FROM THE GROSS AMOUNT OTHERWISE PAYABLE TO THE PAYEE, EXCEPT ATTORNEY'S FEES AND RELATED DISBURSEMENTS;

(VI) THE TRANSFEREE'S BEST ESTIMATE OF THE AMOUNT OF ANY ATTORNEY'S FEES AND DISBURSEMENTS PAYABLE BY THE PAYEE OR DEDUCTIBLE FROM THE GROSS AMOUNT OTHERWISE PAYABLE TO THE PAYEE;

(VII) THE NET AMOUNT PAYABLE TO THE PAYEE AFTER DEDUCTION OF ALL COMMISSIONS, FEES, COSTS, EXPENSES, AND CHARGES DESCRIBED IN ITEMS (V) AND (VI) OF THIS ITEM;

(VIII) THE DISCOUNT RATE APPLICABLE TO THE TRANSFER, WHICH SHALL BE DISCLOSED IN THE FOLLOWING STATEMENT: "BASED ON THE NET AMOUNT THAT YOU WILL RECEIVE FROM US AND THE AMOUNTS AND TIMING OF THE STRUCTURED SETTLEMENT PAYMENTS THAT YOU ARE TRANSFERRING TO US, YOU WILL, IN EFFECT, BE PAYING INTEREST TO US AT A RATE OF _____ PERCENT PER YEAR.";

(IX) THE AMOUNT OF ANY PENALTY OR LIQUIDATED DAMAGES PAYABLE BY THE PAYEE IN THE EVENT OF ANY BREACH OF THE TRANSFER AGREEMENT BY THE PAYEE; AND

(X) A STATEMENT THAT THE PAYEE HAS THE RIGHT TO CANCEL THE TRANSFER AGREEMENT, WITHOUT PENALTY OR FURTHER OBLIGATION, AT ANY TIME BEFORE THE TRANSFER IS AUTHORIZED BY A COURT UNDER THIS SUBTITLE.

5-1103.

(a) [The circuit court that has jurisdiction over an interested party or the circuit court for the county in which the original claim occurred shall have nonexclusive jurisdiction over an] ~~AN application~~ A PETITION for a transfer of structured settlement payment rights under § 5-1102 of this subtitle **SHALL BE FILED:**

(1) IF THE PAYEE RESIDES IN THIS STATE, IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE PAYEE RESIDES; OR

~~(2) IF THE PAYEE DOES NOT RESIDE IN THIS STATE AND ONE OR MORE PRIOR APPLICATIONS FOR APPROVAL OF A PROPOSED TRANSFER HAVE BEEN FILED IN THIS STATE, IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE MOST RECENT APPLICATION WAS FILED; OR~~

~~(3) IF THE PAYEE DOES NOT RESIDE IN THIS STATE AND NO PRIOR APPLICATIONS FOR APPROVAL OF A PROPOSED TRANSFER HAVE BEEN FILED IN THIS STATE, IN ANY CIRCUIT COURT.~~

(2) IF THE PAYEE DOES NOT RESIDE IN THIS STATE, IN THE CIRCUIT COURT:

(i) THAT APPROVED THE STRUCTURED SETTLEMENT AGREEMENT; OR

(ii) IN WHICH THE SETTLED CLAIM WAS PENDING WHEN THE PARTIES ENTERED INTO THE STRUCTURED SETTLEMENT AGREEMENT, IF THE STRUCTURED SETTLEMENT WAS NOT COURT APPROVED.

(b) A transferee shall file with the court and serve on the interested parties at least 20 days before the hearing on the [application] PETITION, a notice of the proposed transfer and [an application] A PETITION for its authorization, including:

(1) A copy of the transferee's [application] PETITION;

(2) A copy of the transfer agreement; and

(3) Notification:

(i) Of the time and place of the hearing; and

(ii) That each interested party is entitled to support, oppose, or otherwise respond to the transferee's [application] PETITION, in person or by counsel, by submitting written comments to the court or by participating in the hearing.

5-1104.

(A) IF, IN ANY PROPOSED TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS, THE STRUCTURED SETTLEMENT WAS ESTABLISHED IN RESOLUTION OF A TORT CLAIM SEEKING COMPENSATION FOR COGNITIVE INJURIES,

INCLUDING ANY CLAIM ARISING FROM CHILDHOOD EXPOSURE TO LEAD PAINT, THE TRANSFEREE SHALL:

(1) NOTIFY THE COURT, IN THE PETITION FILED UNDER THIS SUBTITLE, THAT THE PAYEE MAY BE COGNITIVELY IMPAIRED;

(2) ATTACH TO THE PETITION A COPY OF ANY COMPLAINT THAT WAS PENDING WHEN THE STRUCTURED SETTLEMENT WAS ESTABLISHED; AND

(3) IDENTIFY ANY ALLEGATIONS OR STATEMENTS IN THE COMPLAINT THAT DESCRIBE THE NATURE, EXTENT, OR CONSEQUENCES OF THE PAYEE'S COGNITIVE INJURIES.

(B) (1) IN DETERMINING WHETHER TO AUTHORIZE A TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS INVOLVING A STRUCTURED SETTLEMENT ESTABLISHED IN RESOLUTION OF A TORT CLAIM SEEKING COMPENSATION FOR COGNITIVE INJURIES, INCLUDING ANY CLAIM ARISING FROM CHILDHOOD EXPOSURE TO LEAD PAINT, THE COURT SHALL CONSIDER WHETHER TO APPOINT A GUARDIAN AD LITEM FOR THE PAYEE OR TO REQUIRE THE PAYEE TO BE EXAMINED BY AN INDEPENDENT MENTAL HEALTH SPECIALIST DESIGNATED BY THE COURT.

(2) THE TRANSFEREE SHALL BE RESPONSIBLE FOR THE PAYMENT OF ANY FEES OF A GUARDIAN AD LITEM OR AN INDEPENDENT MENTAL HEALTH SPECIALIST APPOINTED OR DESIGNATED BY THE COURT UNDER THIS SUBSECTION, AS SET FORTH IN A BILLING STATEMENT SPECIFYING TO THE TENTH OF AN HOUR THE AMOUNT OF WORK PERFORMED AND A REASONABLE HOURLY FEE FOR THE WORK.

5-1107.

A PERSON MAY NOT FILE A PETITION FOR A TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS UNDER THIS SUBTITLE UNLESS THE PERSON:

(1) IS REGISTERED WITH THE ATTORNEY GENERAL AS A STRUCTURED SETTLEMENT TRANSFEREE; OR

(2) HAS A PENDING APPLICATION FOR REGISTRATION, AND THE ATTORNEY GENERAL HAS NOT ACTED ON THE APPLICATION WITHIN THE TIME SPECIFIED IN THIS SUBTITLE.

5-1108.

(A) (1) TO APPLY FOR REGISTRATION AS A STRUCTURED SETTLEMENT TRANSFEREE, AN APPLICANT SHALL:

(I) SUBMIT TO THE ATTORNEY GENERAL UNDER OATH AN APPLICATION ON THE FORM PROVIDED BY THE ATTORNEY GENERAL; AND

(II) PAY A REGISTRATION FEE OF \$2,000, OF WHICH \$1,500 SHALL BE REFUNDABLE IN THE EVENT THAT THE ATTORNEY GENERAL DENIES THE APPLICATION FOR REGISTRATION.

(2) ALL FEES COLLECTED UNDER THIS SUBSECTION SHALL BE USED TO ADMINISTER THE REGISTRATION PROGRAM.

(3) IN THE CASE OF AN APPLICANT THAT, AT THE TIME OF ITS APPLICATION, IS NOT REGISTERED WITH THE ATTORNEY GENERAL AS A STRUCTURED SETTLEMENT TRANSFEREE, THE ATTORNEY GENERAL SHALL GRANT OR DENY AN APPLICATION FOR REGISTRATION WITHIN 90 DAYS OF SUBMISSION OF THE COMPLETE APPLICATION AND ALL APPLICABLE FEES.

(B) (1) THE ATTORNEY GENERAL MAY REQUIRE A STRUCTURED SETTLEMENT TRANSFEREE TO REAPPLY FOR REGISTRATION ON AN ANNUAL BASIS OR LESS FREQUENTLY, AS THE ATTORNEY GENERAL DETERMINES.

(2) IN THE CASE OF A REGISTRANT APPLYING FOR RENEWAL OF ITS REGISTRATION, THE ATTORNEY GENERAL SHALL GRANT OR DENY AN APPLICATION FOR REGISTRATION WITHIN 30 DAYS OF SUBMISSION OF THE COMPLETE APPLICATION AND ALL APPLICABLE FEES.

(C) IF THE ATTORNEY GENERAL DETERMINES THAT ADDITIONAL INFORMATION FROM AN APPLICANT IS NEEDED, THE ATTORNEY GENERAL MAY EXTEND UNILATERALLY THE DEADLINE FOR GRANTING OR DENYING THE APPLICATION FOR REGISTRATION BY AN ADDITIONAL 60 DAYS.

(D) THE APPLICATION FOR REGISTRATION AS A STRUCTURED SETTLEMENT TRANSFEREE SHALL REQUIRE AN APPLICANT TO PROVIDE:

(1) THE APPLICANT'S FULL NAME;

(2) THE ADDRESS OF THE APPLICANT'S PRINCIPAL OFFICE OR PLACE OF BUSINESS;

(3) IN THE CASE OF AN APPLICANT WHO IS AN INDIVIDUAL, THE APPLICANT'S SOCIAL SECURITY NUMBER;

(4) IN THE CASE OF AN APPLICANT OTHER THAN AN INDIVIDUAL:

(I) THE APPLICANT'S FEDERAL EMPLOYER IDENTIFICATION NUMBER; AND

(II) THE NAME AND BUSINESS ADDRESS OF:

1. EACH OFFICER, DIRECTOR, GENERAL PARTNER, MEMBER, AND MANAGER, IF A LIMITED LIABILITY COMPANY, OF THE APPLICANT;

2. IF THE APPLICANT IS NOT SUBJECT TO REPORTING REQUIREMENTS UNDER THE SECURITIES EXCHANGE ACT OF 1934, EACH PERSON WHO OWNS 5% OR MORE OF THE APPLICANT; AND

3. EACH OFFICER, DIRECTOR, MEMBER, AND PRINCIPAL OF THE APPLICANT;

(5) ANY TRADE NAME THROUGH WHICH THE APPLICANT INTENDS TO DO BUSINESS AS A TRANSFEREE IN THE STATE, PROVIDED THAT A TRANSFEREE MAY MAINTAIN REGISTRATION OF NO MORE THAN FOUR TRADE NAMES; AND

(6) ANY OTHER INFORMATION THAT THE ATTORNEY GENERAL REQUIRES.

(E) IF THE ATTORNEY GENERAL DENIES AN APPLICATION FOR REGISTRATION, THE ATTORNEY GENERAL SHALL SPECIFY IN WRITING THE REASON FOR THE DENIAL.

5-1109.

(A) ON ACCEPTANCE BY THE ATTORNEY GENERAL OF A TRANSFEREE'S APPLICATION FOR REGISTRATION AS A STRUCTURED SETTLEMENT TRANSFEREE, THE TRANSFEREE SHALL PROMPTLY:

(1) FILE WITH THE ATTORNEY GENERAL AN IRREVOCABLE LETTER OF CREDIT IN THE AMOUNT OF \$100,000 ISSUED BY A FINANCIAL INSTITUTION;

(2) DEPOSIT WITH THE ATTORNEY GENERAL CASH IN THE AMOUNT OF \$100,000; OR

(3) FILE WITH THE ATTORNEY GENERAL A BOND THAT IS:

(I) IN FAVOR OF THE STATE;

(II) IN THE PENAL SUM OF \$100,000; AND

(III) EXECUTED BY AN AUTHORIZED SURETY INSURER.

(B) A BOND SHALL REMAIN IN FORCE UNTIL THE SURETY INSURER IS RELEASED FROM LIABILITY BY THE ATTORNEY GENERAL OR UNTIL THE BOND IS CANCELED BY THE SURETY INSURER.

(C) THE TOTAL LIABILITY OF THE SURETY INSURER UNDER A BOND MAY NOT EXCEED THE PENAL SUM OF THE BOND.

(D) (1) (I) THE SURETY INSURER MAY CANCEL A BOND AFTER FILING A WRITTEN NOTICE WITH THE ATTORNEY GENERAL AT LEAST 30 DAYS BEFORE THE EFFECTIVE DATE OF THE CANCELLATION.

(II) A CANCELLATION UNDER THIS SUBSECTION DOES NOT AFFECT ANY LIABILITY THAT ACCRUED BEFORE THE CANCELLATION.

(2) AFTER NOTIFICATION OF THE CANCELLATION OF THE BOND, THE TRANSFEREE SHALL ACT PROMPTLY TO REPLACE THE BOND.

(3) IF THE TRANSFEREE FAILS TO ACT PROMPTLY TO REPLACE THE BOND, THE ATTORNEY GENERAL MAY DENY, SUSPEND, OR REVOKE THE REGISTRATION OF THE TRANSFEREE UNTIL THE REQUIRED BOND IS FILED.

(E) IF, AT ANY TIME, A STRUCTURED SETTLEMENT TRANSFEREE FAILS TO COMPLY WITH SUBSECTION (A) OF THIS SECTION, THE ATTORNEY GENERAL MAY DENY, SUSPEND, OR REVOKE THE REGISTRATION OF THE TRANSFEREE UNTIL THE TRANSFEREE COMPLIES WITH SUBSECTION (A) OF THIS SECTION.

5-1110.

(A) THE ATTORNEY GENERAL MAY SUSPEND OR REVOKE THE REGISTRATION OF A STRUCTURED SETTLEMENT TRANSFEREE, OR DENY AN APPLICATION FOR REGISTRATION, IF THE ATTORNEY GENERAL FINDS THAT THE TRANSFEREE OR ANY OF ITS EMPLOYEES, AFFILIATES, OR AGENTS HAS:

(1) DIRECTLY OR INDIRECTLY PAID ANY FEE OR CHARGE TO ANY PERSON AS AN INDUCEMENT TO REFER A PAYEE TO THE TRANSFEREE IN CONNECTION WITH A TRANSFER SUBJECT TO THIS SUBTITLE;

(2) DIRECTLY OR INDIRECTLY OFFERED OR PROVIDED ANY GIFT TO A PAYEE OR A MEMBER OF A PAYEE'S FAMILY IN CONNECTION WITH A TRANSFER SUBJECT TO THIS SUBTITLE;

(3) DIRECTLY OR INDIRECTLY OFFERED ANY LOAN, EXTENSION OF CREDIT, OR ADVANCE TO A PAYEE OR A MEMBER OF A PAYEE'S FAMILY AS AN INDUCEMENT TO TRANSFER STRUCTURED SETTLEMENT PAYMENT RIGHTS;

(4) MADE ANY REFERRAL OF A PAYEE FOR INDEPENDENT PROFESSIONAL ADVICE CONCERNING A PROPOSED TRANSFER SUBJECT TO THIS SUBTITLE OTHER THAN A REFERRAL TO A LOCAL OR STATE BAR ASSOCIATION OR NOT-FOR-PROFIT LAWYER REFERRAL SERVICE UNAFFILIATED WITH ANY STRUCTURED SETTLEMENT TRANSFEREE THAT MAKES REFERRALS TO ATTORNEYS, CERTIFIED PUBLIC ACCOUNTANTS, OR LICENSED FINANCIAL CONSULTANTS;

(5) COMMUNICATED WITH A PAYEE OR A PERSON RELATED TO A PAYEE WITH OBSCENE OR GROSSLY ABUSIVE LANGUAGE, WITH THE FREQUENCY, AT UNUSUAL HOURS, OR IN ANY OTHER MANNER AS REASONABLY CAN BE EXPECTED TO ABUSE OR HARASS THE PAYEE IN CONNECTION WITH A TRANSFER SUBJECT TO THIS SUBTITLE;

(6) ENGAGED IN ANY UNFAIR OR DECEPTIVE TRADE PRACTICE, UNDER § 13-301 OF THE COMMERCIAL LAW ARTICLE;

(7) CONDUCTED BUSINESS IN THE STATE RELATED TO THE TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS IN ANY NAME OTHER THAN THE NAME OR TRADE NAME REGISTERED WITH THE ATTORNEY GENERAL;

(8) WITH RESPECT TO A TRANSFEREE, ITS AFFILIATES, DIRECTORS, MEMBERS, GENERAL PARTNERS, OFFICERS, OR EXECUTIVE, MANAGERIAL, PROFESSIONAL, OR SALES AND MARKETING EMPLOYEES, BEEN CONVICTED OF A CRIME INVOLVING DISHONESTY, DECEPTION, OR MORAL TURPITUDE;

(9) BEEN FOUND BY A COURT OF COMPETENT JURISDICTION OR A GOVERNMENT AGENCY TO HAVE COMMITTED FRAUD, ENGAGED IN UNFAIR TRADE PRACTICES, OR COMMITTED ANY OTHER CIVIL WRONG OR REGULATORY VIOLATION INVOLVING DISHONESTY OR DECEPTION; OR

(10) OTHERWISE FAILED TO COMPLY WITH THE PROVISIONS OF THIS SUBTITLE IN CONNECTION WITH A TRANSFER SUBJECT TO THIS SUBTITLE.

(B) IN ADDITION TO, OR INSTEAD OF, DENYING AN APPLICATION FOR REGISTRATION, OR SUSPENDING OR REVOKING THE REGISTRATION OF ANY REGISTRANT, THE ATTORNEY GENERAL MAY IMPOSE A CIVIL PENALTY FOR EACH VIOLATION OF THIS SUBTITLE IN AN AMOUNT NOT EXCEEDING:

(1) \$1,000 FOR A FIRST VIOLATION; AND

(2) \$5,000 FOR EACH SUBSEQUENT VIOLATION.

(C) IN DETERMINING WHETHER TO DENY AN APPLICATION FOR REGISTRATION OR SUSPEND OR REVOKE THE REGISTRATION OF A REGISTRANT, OR THE AMOUNT OF ANY CIVIL PENALTY TO BE IMPOSED, THE ATTORNEY GENERAL SHALL CONSIDER:

- (1) THE SERIOUSNESS OF THE VIOLATION;
- (2) THE GOOD FAITH OF THE TRANSFEREE;
- (3) ANY HISTORY OF PREVIOUS VIOLATIONS; AND
- (4) ANY OTHER FACTOR RELEVANT TO THE DETERMINATION.

(D) (1) THE ATTORNEY GENERAL SHALL PROVIDE TO A REGISTRANT NOTICE AND AN OPPORTUNITY TO REQUEST A HEARING UNDER TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE TO CONTEST A PROPOSED DISCIPLINARY ACTION UNDER THIS SECTION, EXCEPT THAT THE ATTORNEY GENERAL MAY DELEGATE THE AUTHORITY TO CONDUCT A HEARING TO A DEPUTY OR ASSISTANT ATTORNEY GENERAL.

(2) ANY PARTY AGGRIEVED BY A DECISION AND ORDER OF THE ATTORNEY GENERAL UNDER THIS SECTION AND § 5-1108 OF THIS SUBTITLE MAY PETITION FOR JUDICIAL REVIEW AS PROVIDED UNDER §§ 10-222 AND 10-223 OF THE STATE GOVERNMENT ARTICLE.

5-1111.

IF, IN CONNECTION WITH A TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS, A STRUCTURED SETTLEMENT OBLIGOR IMPOSES TOTAL FEES AND CHARGES IN EXCESS OF \$350, THE STRUCTURED SETTLEMENT OBLIGOR SHALL SUBMIT A STATEMENT TO THE PAYEE AND THE TRANSFEREE IDENTIFYING EACH PERSON WHO PERFORMED WORK IN CONNECTION WITH THE TRANSFER, SPECIFYING TO THE TENTH OF AN HOUR THE AMOUNT OF WORK THE PERSON PERFORMED, AND SPECIFYING A REASONABLE HOURLY FEE FOR THE PERSON'S WORK.

~~5-1106.~~

~~THE ATTORNEY GENERAL MAY ADOPT AND ENFORCE REGULATIONS TO CARRY OUT THE PURPOSES OF THIS SUBTITLE, INCLUDING REGULATIONS ESTABLISHING A DISCOUNT RATE APPLICABLE TO TRANSFERS OF STRUCTURED~~

~~SETTLEMENT PAYMENTS ABOVE WHICH A PROPOSED TRANSFER SHALL BE PRESUMED TO BE NOT IN THE BEST INTEREST OF A PAYEE.~~

5-1112.

THE ATTORNEY GENERAL MAY ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 723

(House Bill 558)

AN ACT concerning

Baltimore City – Partially Elected School Board

FOR the purpose of increasing the number of members of the Baltimore City Board of School Commissioners; requiring a certain number of members of the board to be elected at large by the voters of ~~certain districts in~~ Baltimore City; providing for the terms of the appointed and elected members of the Board; ~~requiring the Department of Legislative Services to establish the districts in collaboration with the Baltimore City Board of Elections;~~ requiring certain members of the board to be elected at a certain election and in accordance with certain provisions of law; ~~providing for the staggering of the terms of certain members and for the termination of the terms of certain members of the board;~~ providing for the removal of, ~~and hearings and appeal procedures for,~~ the elected members of the board; providing for the application of this Act; requiring the Board to send within a certain period of time a certain written notice to certain entities; requiring a certain selection committee established, or a decision process undertaken, by the Baltimore City Board of School Commissioners to select the next Chief Executive Officer of the Baltimore City Public School System to include certain members; making conforming changes; making this Act an emergency measure; ~~requiring that the Act be submitted to a referendum of the legally qualified voters of Baltimore City;~~ and generally relating to the Baltimore City Board of School Commissioners and the selection of members.

BY repealing and reenacting, with amendments,

Article – Education

Section 3-108.1 and 3-114

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

3–108.1.

(a) In this section, “board” means the Baltimore City Board of School Commissioners of the Baltimore City Public School System.

(b) There is a Baltimore City Board of School Commissioners of the Baltimore City Public School System.

(c) The board consists of:

(1) Nine voting members jointly appointed by the Mayor of Baltimore City and the Governor from a list of qualified individuals submitted to the Mayor and the Governor by the State Board; [and]

(2) ~~FOUR~~ TWO ELECTED VOTING MEMBERS; AND

[(2)] (3) One voting student member appointed as provided in subsection **[(o)] (L)** of this section.

(d) Each member of the board shall be a resident of Baltimore City.

(E) ~~(1) OF THE FOUR ELECTED VOTING MEMBERS, ONE MEMBER SHALL BE ELECTED FROM EACH OF THE FOUR BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS DISTRICTS ESTABLISHED BY THE CITY, BY THE VOTERS OF THAT DISTRICT.~~

~~(2) IN COLLABORATION WITH THE BALTIMORE CITY BOARD OF ELECTIONS, FOLLOWING EACH DECENNIAL CENSUS THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL ESTABLISH THE BOUNDARIES FOR THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS DISTRICTS. THE TWO ELECTED VOTING MEMBERS SHALL BE ELECTED AT LARGE BY THE VOTERS OF BALTIMORE CITY.~~

[(e)] (F) To the extent practicable, the [membership] **APPOINTED MEMBERS** of the board shall reflect the demographic composition of Baltimore City.

[(f)] (G) (1) At least four of the **APPOINTED** voting members shall possess a high level of knowledge and expertise concerning the successful administration of a large business, nonprofit, or governmental entity and shall have served in a high level management position within such an entity.

[(g)] (2) At least three of the **APPOINTED** voting members shall possess a high level of knowledge and expertise concerning education.

[(h)] (3) At least one **APPOINTED** voting member shall be a parent of a student enrolled in the Baltimore City Public School System as of the date of appointment of the member.

[(i) (1)] (4) (I) Among the [nine] **APPOINTED** voting members, at least one member shall also possess knowledge or experience in the education of children with disabilities.

[(2)] (II) The knowledge or experience may be derived from being the parent of a child with a disability.

[(j)] (H) (1) (I) The term of ~~a~~ **AN APPOINTED** voting member is ~~{3}~~ **4** years.

(II) **THE TERM OF AN ELECTED MEMBER IS 4 YEARS.**

(2) ~~(H)~~ The terms of the **APPOINTED** voting members are staggered as required by the terms provided for **THE APPOINTED** members of the board on June 1, 1997.

~~(H) THE TERMS OF THE ELECTED VOTING MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED UNDER PARAGRAPH (7) OF THIS SUBSECTION FOR ELECTED MEMBERS OF THE BOARD ELECTED AT THE GENERAL ELECTION IN NOVEMBER 2018.~~

(3) At the end of a term, a voting member continues to serve until a successor is **ELECTED OR** appointed and qualifies.

(4) A voting member who is appointed after a term has begun serves only for the remainder of the term and until a successor is **ELECTED OR** appointed and qualifies.

(5) A voting member may not serve more than two consecutive full terms.

(6) To the extent practicable, the Governor and the Mayor **OF BALTIMORE CITY** shall fill any vacancy **FOR AN APPOINTED OR ELECTED MEMBER** on the board within 60 days of the date of the vacancy from a list of qualified individuals submitted to the Mayor and the Governor by the State Board.

(7) ~~(H)~~ **THE ELECTED MEMBERS OF THE BOARD SHALL BE ELECTED:**

~~1. (I) AT THE GENERAL ELECTION IN NOVEMBER 2018~~
~~2020 2022~~ AND EVERY 4 YEARS THEREAFTER; AND

~~2. (II) IN ACCORDANCE WITH TITLE 8, SUBTITLE 8 OF THE~~
 ELECTION LAW ARTICLE.

~~(H) THE TERMS OF THE ELECTED VOTING MEMBERS ARE~~
~~STAGGERED AS FOLLOWS:~~

~~1. THE TWO ELECTED VOTING MEMBERS WHO RECEIVED~~
~~THE LOWEST PERCENTAGE OF VOTES, AS DETERMINED BY THE FINAL VOTE COUNT~~
~~OF THE 2018 GENERAL ELECTION AS CERTIFIED BY THE BOARD OF ELECTIONS,~~
~~SHALL SERVE FOR A TERM OF 2 YEARS, AND THE ELECTION FOR THAT OFFICE SHALL~~
~~BE HELD EVERY 4 YEARS THEREAFTER.~~

~~2. THE TWO ELECTED VOTING MEMBERS WHO RECEIVED~~
~~THE HIGHEST PERCENTAGE OF VOTES, AS DETERMINED BY THE FINAL VOTE COUNT~~
~~OF THE 2018 GENERAL ELECTION AS CERTIFIED BY THE BOARD OF ELECTIONS,~~
~~SHALL SERVE FOR A TERM OF 4 YEARS, AND THE ELECTION FOR THOSE OFFICES~~
~~SHALL BE HELD EVERY 4 YEARS THEREAFTER.~~

[(k)] (I) (1) On the joint approval of the Mayor of Baltimore City and the
 Governor, [a] AN APPOINTED member may be removed only for cause in accordance with
 § 3-108 of this subtitle.

(2) ~~(H)~~ THE STATE BOARD MAY REMOVE AN ELECTED VOTING
 MEMBER FOR:

~~1. (I)~~ IMMORALITY;

~~2. (II)~~ MISCONDUCT IN OFFICE;

~~3. (III)~~ INCOMPETENCY; OR

~~4. (IV)~~ WILLFUL NEGLECT OF DUTY.

~~(H) BEFORE REMOVING A MEMBER, THE STATE BOARD SHALL~~
~~SEND THE MEMBER A COPY OF THE CHARGES AGAINST THE MEMBER AND GIVE THE~~
~~MEMBER AN OPPORTUNITY WITHIN 10 DAYS TO REQUEST A HEARING.~~

~~(H) IF THE MEMBER REQUESTS A HEARING WITHIN THE 10-DAY~~
~~PERIOD:~~

~~1. THE STATE BOARD PROMPTLY SHALL HOLD A HEARING, BUT A HEARING MAY NOT BE SET WITHIN 10 DAYS AFTER THE STATE BOARD SENDS THE MEMBER A NOTICE OF THE HEARING; AND~~

~~2. THE MEMBER SHALL HAVE AN OPPORTUNITY TO BE HEARD PUBLICLY BEFORE THE STATE BOARD IN THE MEMBER'S OWN DEFENSE, IN PERSON OR BY COUNSEL.~~

~~(IV) A MEMBER REMOVED UNDER THIS SUBSECTION HAS THE RIGHT TO A DE NOVO REVIEW OF THE REMOVAL BY THE CIRCUIT COURT FOR BALTIMORE CITY.~~

[(l)] (J) Each member of the board serves without compensation.

[(m)] On appointment of the board, the Governor and the Mayor shall jointly select one of the voting members to serve as the chairman of the board who shall serve through June 30, 1999.]

[(n)] (K) Beginning on July 1, 1999 and every 2 years thereafter, from among its voting members the board shall elect a chairman.

[(o)] (L) (1) **[One] THE** student member shall be a student enrolled in the Baltimore City Public School System who shall be selected by the Associated Student Congress of Baltimore City.

(2) The term of a student member is 1 year.

(3) A student member may not serve more than two consecutive full terms.

(4) The student member may vote on all matters before the board except those relating to:

(i) Personnel;

(ii) Capital and operating budgets;

(iii) School closings, reopenings, and boundaries;

(iv) Collective bargaining decisions;

(v) Student disciplinary matters; and

(vi) Appeals to the board as provided under §§ 4-205 and 6-202 of this article.

(5) The student member may not attend or participate in an executive or special session of the board.

[(p)] (M) Any action by the board shall require:

- (1) A quorum of a majority of the voting members then serving; and
- (2) The affirmative vote of a majority of the voting members then serving.

3–114.

(a) In the following counties, the members of the county board shall be elected:

- (1) Allegany;
- (2) Calvert;
- (3) Carroll;
- (4) Cecil;
- (5) Charles;
- (6) Dorchester;
- (7) Frederick;
- (8) Garrett;
- (9) Howard;
- (10) Kent;
- (11) Montgomery;
- (12) Queen Anne's;
- (13) St. Mary's;
- (14) Somerset;
- (15) Talbot;
- (16) Washington; and
- (17) Worcester.

(B) IN BALTIMORE CITY, IN ACCORDANCE WITH § 3-108.1 OF THIS SUBTITLE, THE MEMBERS OF THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS SHALL BE A COMBINATION OF MEMBERS WHO ARE ELECTED AND APPOINTED.

[(b)] (C) In Baltimore County, in accordance with Subtitle 2A of this title, the members of the county board shall be a combination of members who are elected and appointed.

[(c)] (D) In Caroline County, in accordance with Subtitle 3A of this title, the members of the county board shall be a combination of members who are elected and appointed.

[(d)] (E) In Harford County, in accordance with Subtitle 6A of this title, the members of the county board shall be a combination of members who are elected and appointed.

[(e)] (F) In Prince George's County, in accordance with Subtitle 10 of this title, the members of the county board shall be a combination of members who are elected and appointed.

[(f)] (G) An individual subject to the authority of the county board may not serve as a member of the county board. At the time of filing a certificate of candidacy for election to a county board, a person shall certify to the local board of supervisors of elections whether or not the person is subject to the authority of the county board. The Governor may not issue a commission of election to a person who has certified affirmatively and who is elected to a county board until the member-elect offers proof that the member-elect is no longer subject to the authority of the county board.

[(g)] (H) The election of the county boards shall be held as provided in Subtitles 2 through 14 of this title and the Election Law Article.

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 the terms of any member of the Baltimore City Board of School Commissioners appointed to the board on or before July 1, 2016.

SECTION 3. AND BE IT FURTHER ENACTED, That the Baltimore City Board of School Commissioners shall send, within 30 days after the effective date of this Act, a written notice of the changes made to the composition and terms of members of the Baltimore City Board of School Commissioners by § 3-108.1 of the Education Article, as enacted by Section 1 of this Act, to the following parties to the City-State Partnership Agreement of 1996:

(1) the Mayor of Baltimore City;

(2) the Baltimore City Council;

(3) the State Board of Education; and

(4) the American Civil Liberties Union of Maryland on behalf of the plaintiffs in *Bradford, et al v. Maryland State Board of Education, et al*, (Case No. 94340058/CE189672, Circuit Court for Baltimore City).

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) A selection committee established, or a decision process undertaken, by the Baltimore City Board of School Commissioners to select the next Chief Executive Officer of the Baltimore City Public School System shall include:

(1) one member of the Senate of Maryland who is a member of the Baltimore City Senate Delegation, appointed by the President of the Senate; and

(2) one member of the House of Delegates who is a member of the Baltimore City House Delegation, appointed by the Speaker of the House.

(b) The legislative members appointed to the selection committee or to take part in the decision process to select the next Chief Executive Officer of the Baltimore City Public School System under subsection (a) of this section shall be nonvoting, advisory members, but shall be included in all meetings and conversations of the Baltimore City Board of School Commissioners relating to the selection of the Chief Executive Officer.

~~SECTION 3. AND BE IT FURTHER ENACTED, That, in collaboration with the Baltimore City Board of Elections, the Department of Legislative Services shall:~~

~~(1) on or before June 1, 2017, establish the boundaries for the initial districts for the election of the four members of the Baltimore City Board of School Commissioners to be elected at the general election to be held in November 2018; and~~

~~(2) on or before June 1 in the year after the State receives the population count of each decennial census from the United State Census Bureau, establish the boundaries for the districts for the election of the four members of the Baltimore City Board of School Commissioners to be elected by the voters of Baltimore City.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That before this Act becomes effective it shall first be submitted to a referendum of the legally qualified voters of Baltimore City at the general election to be held in November 2016. The Mayor of Baltimore City and the Baltimore City Board of Elections shall do those things necessary and proper to provide for and hold the referendum required by this section. If a majority of the votes cast on the question are "For the referred law" the provisions of this Act shall become effective on the 30th day following the official canvass of votes for the referendum, but if a majority of the votes cast on the question are "Against the referred law" the provisions of this Act are of no effect and null and void.~~

SECTION ~~5~~ ~~3~~ ~~4~~ 5. AND BE IT FURTHER ENACTED, That, ~~subject to the provisions of Section 4 of this Act and for the sole purpose of providing for the referendum required by Section 4 of this Act, this Act shall take effect July 1, 2016~~ this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea or 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.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 724

(House Bill 724)

AN ACT concerning

Public Health – Copies of Medical Records – Fees

FOR the purpose of altering a certain provision of law to authorize health care providers to require certain persons to pay a cost-based fee for providing certain information, rather than the reasonable cost; altering the fees health care providers and hospitals may charge for copying and mailing certain medical records and for retrieving and preparing certain medical records; authorizing certain hospitals and other health care providers to charge a certain fee fees and a certain costs cost for electronic copies of medical records that are in an electronic format requested by certain persons, subject to certain limitations; repealing a certain provision of law that allowed for fees charged for copies of medical records to be adjusted annually for inflation in accordance with the Consumer Price Index; providing that certain fees may not be adjusted annually for inflation in accordance with the Consumer Price Index; making conforming changes; and generally relating to fees for copies of medical records.

BY repealing and reenacting, with amendments,
 Article – Health – General
 Section 4–304(c)
 Annotated Code of Maryland
 (2015 Replacement Volume)

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

Article – Health – General

4–304.

(c) (1) (i) In this subsection, “medical record” includes a copy of a medical bill that has been requested by an individual.

(ii) The provisions of this subsection do not apply to x-rays.

(2) A health care provider may require a person in interest or any other authorized person who requests a copy of a medical record to pay **FOR** the cost of copying:

(i) For State facilities regulated by the Department of Health and Mental Hygiene, as provided in § 4–206 of the General Provisions Article; or

(ii) For all other health care providers, ~~the~~ **A** reasonable ~~cost of~~ **COST-BASED FEE FOR** providing the information requested.

(3) (i) [Subject to the provisions of paragraph (4) of this subsection] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS SUBSECTION**, for a copy of a medical record requested by a person in interest or any other authorized person under paragraph (2)(ii) of this subsection, a health care provider may charge a fee for copying and mailing not exceeding ~~50~~ **76** cents for each page of the medical record.

(ii) In addition to the fee charged under subparagraph (i) of this paragraph, a hospital or a health care provider may charge:

1. ~~A~~ **SUBJECT TO THE FEE LIMITATIONS THAT APPLY TO PERSONS IN INTEREST UNDER 45 C.F.R. 164.524 AND ANY GUIDANCE ON THOSE LIMITATIONS ISSUED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, A** preparation fee not to exceed ~~\$15~~ **\$22.88** for medical record retrieval and preparation; and

2. The actual cost for postage and handling of the medical record.

(III) ~~IF~~ SUBJECT TO THE FEE LIMITATIONS THAT APPLY TO PERSONS IN INTEREST UNDER 45 C.F.R. 164.524 AND ANY GUIDANCE ON THOSE LIMITATIONS ISSUED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, A HOSPITAL OR A HEALTH CARE PROVIDER THAT USES OR MAINTAINS THE REQUESTED MEDICAL RECORDS IN AN ELECTRONIC FORMAT, MAY CHARGE FOR AN ELECTRONIC COPY OF A MEDICAL RECORD IN AN ELECTRONIC FORMAT REQUESTED BY A PERSON IN INTEREST OR ANY OTHER AUTHORIZED PERSON, THE HOSPITAL OR HEALTH CARE PROVIDER MAY CHARGE:

1. **A PREPARATION FEE NOT TO EXCEED ~~\$15~~ \$22.88 FOR ELECTRONIC FORMAT MEDICAL RECORDS RETRIEVAL AND PREPARATION;**

2. ~~THE ACTUAL COST OF THE MEDIUM ON WHICH THE ELECTRONIC FORMAT MEDICAL RECORDS ARE REPRODUCED~~ A PER-PAGE FEE OF 75% OF THE PER-PAGE FEE CHARGED BY A HEALTH CARE PROVIDER UNDER PARAGRAPH (3)(I) OF THIS SECTION THAT MAY NOT EXCEED \$80; AND

3. THE ACTUAL COST FOR POSTAGE AND HANDLING OF THE ELECTRONIC FORMAT MEDICAL RECORDS.

~~¶(4) On or after July 1, 1995,~~ **(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH,** the fees charged under paragraph (3) of this subsection may be adjusted annually for inflation in accordance with the Consumer Price Index.‡

(II) THE PREPARATION FEE CHARGED FOR MEDICAL RECORD RETRIEVAL AND PREPARATION UNDER PARAGRAPH (3)(II)1 OF THIS SUBSECTION AND FOR RETRIEVAL AND PREPARATION OF A MEDICAL RECORD IN AN ELECTRONIC FORMAT UNDER PARAGRAPH (3)(III)1 OF THIS SUBSECTION MAY NOT BE ADJUSTED ANNUALLY FOR INFLATION IN ACCORDANCE WITH THE CONSUMER PRICE INDEX.

~~¶(5) (4)~~ (i) Except as provided in subparagraph (ii) of this paragraph, a health care provider may charge a fee, as authorized under ~~¶(4) PARAGRAPH (3)~~ paragraphs (3) and (4)‡ of this subsection, for the retrieval, copying, preparation, mailing, and actual cost of postage and handling of a medical record disclosed under § 4-306 of this subtitle.

(ii) If a government unit or agency makes a request for the disclosure of a medical record under § 4-306 of this subtitle, a health care provider may not charge the government unit or agency a fee for the retrieval, copying, preparation, mailing, and actual cost of postage and handling of the medical record.

~~¶(6) (5)~~ Notwithstanding any other provision of law, a health care provider may not charge a person in interest, except for an attorney appointed in writing by a person in interest, who requests a copy of a medical record of an individual enrolled in the Maryland Medical Assistance Program a fee that exceeds \$20, adjusted annually for inflation in accordance with the Consumer Price Index, for each 100 pages or portion of 100 pages copied.

~~¶(7) (6)~~ Notwithstanding any other provision of law, any person or entity who is not subject to the provisions of this subsection and who obtains a medical record from a health care provider or the provider's agent may not charge a fee for any subsequent copies of that medical record that exceeds the fee authorized under paragraph (3)(i) of this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 725

(House Bill 963)

AN ACT concerning

Campaign Finance – Ballot Issue Committees – Prospective Questions

FOR the purpose of altering certain campaign finance law definitions to include campaign finance activity relating to prospective questions to be placed on the ballot; prohibiting a chief election official from certifying a petition if the petition sponsor fails to provide proof of filing a certain campaign finance report; repealing certain requirements that a statement of contributions and expenditures for a petition be filed at the time the petition is filed; prohibiting a circulator from collecting signatures for certain petitions until the sponsor of the petition establishes a ballot issue committee; requiring a petition sponsor's ballot issue committee to file a campaign finance report at the time the petition is filed; requiring a ballot issue committee opposing a prospective question to file a campaign finance report within a certain number of days after the petition to place the question on the ballot is filed; and generally relating to campaign finance activity relating to prospective questions to be placed on the ballot.

BY repealing and reenacting, with amendments,

Article – Election Law

Section 1–101(f), (k), (o), (aa), and (gg), 6–208, 7–104(c), and 13–202

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

BY adding to

Article – Election Law

Section 13–309(e)

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

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

Article – Election Law

1–101.

(f) “Ballot issue committee” means a political committee that is formed to promote the success or defeat of a question **OR PROSPECTIVE QUESTION** to be submitted to a vote at an election.

(k) (1) “Campaign material” means any material that:

- (i) contains text, graphics, or other images;
- (ii) relates to a candidate, a prospective candidate, or the approval or rejection of a question **OR PROSPECTIVE QUESTION**; and
- (iii) is published or distributed.

(2) “Campaign material” includes:

- (i) material transmitted by or appearing on the Internet or other electronic medium; and
- (ii) an oral commercial campaign advertisement.

(o) (1) “Contribution” means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a campaign finance entity to promote or assist in the promotion of the success or defeat of a candidate, political party, [or] question, **OR PROSPECTIVE QUESTION**.

(2) “Contribution” includes:

- (i) proceeds from the sale of tickets to a campaign fund-raising event; and
- (ii) a disbursement or deposit of money or a gift, a subscription, an advance, or anything of value that is made by a person in coordination with, or at the request or suggestion of, a candidate or a campaign finance entity of a candidate.

(aa) “Expenditure” means a gift, transfer, disbursement, or promise of money or a thing of value by or on behalf of a campaign finance entity to:

- (1) promote or assist in the promotion of the success or defeat of a candidate, political party, [or] question, **OR PROSPECTIVE QUESTION** at an election; or
- (2) pay for the publication expense of a legislative newsletter under Title 13, Subtitle 4 of this article.

(gg) “Political committee” means a combination of two or more individuals that has as its major purpose promoting the success or defeat of a candidate, political party, [or] question, **OR PROSPECTIVE QUESTION** submitted to a vote at any election.

6–208.

(a) At the conclusion of the verification and counting processes, the chief election official of the election authority shall:

(1) determine whether the validated signatures contained in the petition are sufficient to satisfy all requirements established by law relating to the number and geographical distribution of signatures; and

(2) if it has not done so previously, determine whether the petition has satisfied all other requirements established by law for that petition and immediately notify the sponsor of that determination, including any specific deficiencies found.

(b) IF A PETITION SPONSOR’S BALLOT ISSUE COMMITTEE FAILS TO PROVIDE PROOF OF FILING THE REPORT REQUIRED UNDER § 13–309(E) OF THIS ARTICLE, THE CHIEF ELECTION OFFICIAL MAY NOT CERTIFY THE PETITION.

(C) If the chief election official determines that a petition has satisfied all requirements established by law relating to that petition, the chief election official shall certify that the petition process has been completed and shall:

(1) with respect to a petition seeking to place the name of an individual or a question on the ballot, certify that the name or question has qualified to be placed on the ballot;

(2) with respect to a petition seeking to create a new political party, certify the sufficiency of the petition to the chairman of the governing body of the partisan organization; and

(3) with respect to the creation of a charter board under Article XI–A, § 1A of the Maryland Constitution, certify that the petition is sufficient.

[(c)] (D) Notice of a determination under this section shall be provided in accordance with § 6–210 of this subtitle.

7–104.

(c) (1) [At the time of filing a petition under the provisions of Article XI–A or Article XVI of the Maryland Constitution, the person who files the petition shall also file a signed statement, under penalty of perjury, showing the contributions and expenditures for the petition including:

(i) the name and post office address of every contributor to the expense of the petition;

(ii) the amount contributed by each contributor; and

(iii) the name and address of each person to whom any money was paid or promised for providing a service related to the petition.

(2) If the statement under paragraph (1) of this subsection is not filed with the petition, the petition may not be certified under § 6–208 of this article.

(3) (i) The individual who signed the statement required under paragraph (1) of this subsection] **THE RESPONSIBLE OFFICERS OF A PETITION SPONSOR’S BALLOT ISSUE COMMITTEE** shall be a party to any proceeding to test the validity of the petition.

[(ii)] **(2)** The proceeding shall be filed in the county where the [person or association] **PETITION SPONSOR** resides or maintains its principal place of business.

13–202.

(a) This section does not apply to a candidate for election to the central committee of a political party if the candidate during an election cycle does not:

- (1) spend more than \$1,000 in personal funds; or
- (2) accept contributions.

(b) Unless otherwise expressly authorized by law, all campaign finance activity for an election under this article shall be conducted through a campaign finance entity.

(c) An individual may not file a certificate of candidacy or a declaration of intent under § 5–703 or § 5–703.1 of this article until the individual establishes, or causes to be established, an authorized candidate campaign committee.

(D) A CIRCULATOR MAY NOT COLLECT SIGNATURES FOR A PETITION UNDER ARTICLE XI–A, ARTICLE XI–F, OR ARTICLE XVI OF THE MARYLAND CONSTITUTION OR UNDER § 9–205 OF THE LOCAL GOVERNMENT ARTICLE UNTIL THE SPONSOR OF THE PETITION ESTABLISHES A BALLOT ISSUE COMMITTEE.

13–309.

(E) (1) THIS SUBSECTION APPLIES TO A BALLOT ISSUE COMMITTEE FORMED TO SUPPORT OR OPPOSE A PROSPECTIVE QUESTION UNDER ARTICLE XI–A, ARTICLE XI–F, OR ARTICLE XVI OF THE MARYLAND CONSTITUTION OR § 9–205 OF THE LOCAL GOVERNMENT ARTICLE.

(2) A PETITION SPONSOR'S BALLOT ISSUE COMMITTEE SHALL FILE A CAMPAIGN FINANCE REPORT AT THE TIME THE PETITION IS FILED UNDER § 6-205 OF THIS ARTICLE.

(3) A BALLOT ISSUE COMMITTEE OPPOSING A PROSPECTIVE QUESTION SHALL FILE A CAMPAIGN FINANCE REPORT WITHIN 10 BUSINESS DAYS AFTER THE PETITION TO PLACE THE QUESTION ON THE BALLOT IS FILED UNDER § 6-205 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 726

(Senate Bill 459)

AN ACT concerning

Campaign Finance – Ballot Issue Committees – Prospective Questions

FOR the purpose of altering certain campaign finance law definitions to include campaign finance activity relating to prospective questions to be placed on the ballot; prohibiting a chief election official from certifying a petition if the petition sponsor fails to provide proof of filing a certain campaign finance report; repealing certain requirements that a statement of contributions and expenditures for a petition be filed at the time the petition is filed; prohibiting a circulator from collecting signatures for certain petitions until the sponsor of the petition establishes a ballot issue committee; requiring a petition sponsor's ballot issue committee to file a campaign finance report at the time the petition is filed; requiring a ballot issue committee opposing a prospective question to file a campaign finance report within a certain number of days after the petition to place the question on the ballot is filed; and generally relating to campaign finance activity relating to prospective questions to be placed on the ballot.

BY repealing and reenacting, with amendments,

Article – Election Law

Section 1-101(f), (k), (o), (aa), and (gg), 6-208, 7-104(c), and 13-202

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

BY adding to

Article – Election Law

Section 13–309(e)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

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

Article – Election Law

1–101.

(f) “Ballot issue committee” means a political committee that is formed to promote the success or defeat of a question **OR PROSPECTIVE QUESTION** to be submitted to a vote at an election.

(k) (1) “Campaign material” means any material that:

- (i) contains text, graphics, or other images;
- (ii) relates to a candidate, a prospective candidate, or the approval or rejection of a question **OR PROSPECTIVE QUESTION**; and
- (iii) is published or distributed.

(2) “Campaign material” includes:

- (i) material transmitted by or appearing on the Internet or other electronic medium; and
- (ii) an oral commercial campaign advertisement.

(o) (1) “Contribution” means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a campaign finance entity to promote or assist in the promotion of the success or defeat of a candidate, political party, [or] question, **OR PROSPECTIVE QUESTION**.

(2) “Contribution” includes:

- (i) proceeds from the sale of tickets to a campaign fund–raising event; and
- (ii) a disbursement or deposit of money or a gift, a subscription, an advance, or anything of value that is made by a person in coordination with, or at the request or suggestion of, a candidate or a campaign finance entity of a candidate.

(aa) “Expenditure” means a gift, transfer, disbursement, or promise of money or a thing of value by or on behalf of a campaign finance entity to:

(1) promote or assist in the promotion of the success or defeat of a candidate, political party, [or] question, **OR PROSPECTIVE QUESTION** at an election; or

(2) pay for the publication expense of a legislative newsletter under Title 13, Subtitle 4 of this article.

(gg) “Political committee” means a combination of two or more individuals that has as its major purpose promoting the success or defeat of a candidate, political party, [or] question, **OR PROSPECTIVE QUESTION** submitted to a vote at any election.

6–208.

(a) At the conclusion of the verification and counting processes, the chief election official of the election authority shall:

(1) determine whether the validated signatures contained in the petition are sufficient to satisfy all requirements established by law relating to the number and geographical distribution of signatures; and

(2) if it has not done so previously, determine whether the petition has satisfied all other requirements established by law for that petition and immediately notify the sponsor of that determination, including any specific deficiencies found.

(b) IF A PETITION SPONSOR’S BALLOT ISSUE COMMITTEE FAILS TO PROVIDE PROOF OF FILING THE REPORT REQUIRED UNDER § 13–309(E) OF THIS ARTICLE, THE CHIEF ELECTION OFFICIAL MAY NOT CERTIFY THE PETITION.

(c) If the chief election official determines that a petition has satisfied all requirements established by law relating to that petition, the chief election official shall certify that the petition process has been completed and shall:

(1) with respect to a petition seeking to place the name of an individual or a question on the ballot, certify that the name or question has qualified to be placed on the ballot;

(2) with respect to a petition seeking to create a new political party, certify the sufficiency of the petition to the chairman of the governing body of the partisan organization; and

(3) with respect to the creation of a charter board under Article XI–A, § 1A of the Maryland Constitution, certify that the petition is sufficient.

[(c)] (D) Notice of a determination under this section shall be provided in accordance with § 6–210 of this subtitle.

7-104.

(c) (1) [At the time of filing a petition under the provisions of Article XI-A or Article XVI of the Maryland Constitution, the person who files the petition shall also file a signed statement, under penalty of perjury, showing the contributions and expenditures for the petition including:

(i) the name and post office address of every contributor to the expense of the petition;

(ii) the amount contributed by each contributor; and

(iii) the name and address of each person to whom any money was paid or promised for providing a service related to the petition.

(2) If the statement under paragraph (1) of this subsection is not filed with the petition, the petition may not be certified under § 6-208 of this article.

(3) (i) The individual who signed the statement required under paragraph (1) of this subsection] **THE RESPONSIBLE OFFICERS OF A PETITION SPONSOR'S BALLOT ISSUE COMMITTEE** shall be a party to any proceeding to test the validity of the petition.

[(ii)] **(2)** The proceeding shall be filed in the county where the [person or association] **PETITION SPONSOR** resides or maintains its principal place of business.

13-202.

(a) This section does not apply to a candidate for election to the central committee of a political party if the candidate during an election cycle does not:

(1) spend more than \$1,000 in personal funds; or

(2) accept contributions.

(b) Unless otherwise expressly authorized by law, all campaign finance activity for an election under this article shall be conducted through a campaign finance entity.

(c) An individual may not file a certificate of candidacy or a declaration of intent under § 5-703 or § 5-703.1 of this article until the individual establishes, or causes to be established, an authorized candidate campaign committee.

(D) A CIRCULATOR MAY NOT COLLECT SIGNATURES FOR A PETITION UNDER ARTICLE XI-A, ARTICLE XI-F, OR ARTICLE XVI OF THE MARYLAND

CONSTITUTION OR UNDER § 9–205 OF THE LOCAL GOVERNMENT ARTICLE UNTIL THE SPONSOR OF THE PETITION ESTABLISHES A BALLOT ISSUE COMMITTEE.

13–309.

(E) (1) THIS SUBSECTION APPLIES TO A BALLOT ISSUE COMMITTEE FORMED TO SUPPORT OR OPPOSE A PROSPECTIVE QUESTION UNDER ARTICLE XI–A, ARTICLE XI–F, OR ARTICLE XVI OF THE MARYLAND CONSTITUTION OR UNDER § 9–205 OF THE LOCAL GOVERNMENT ARTICLE.

(2) A PETITION SPONSOR’S BALLOT ISSUE COMMITTEE SHALL FILE A CAMPAIGN FINANCE REPORT AT THE TIME THE PETITION IS FILED UNDER § 6–205 OF THIS ARTICLE.

(3) A BALLOT ISSUE COMMITTEE OPPOSING A PROSPECTIVE QUESTION SHALL FILE A CAMPAIGN FINANCE REPORT WITHIN 10 BUSINESS DAYS AFTER THE PETITION TO PLACE THE QUESTION ON THE BALLOT IS FILED UNDER § 6–205 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 727

(House Bill 965)

AN ACT concerning

The Maryland International and Preakness Stakes Incentive Act of 2016

FOR the purpose of establishing the Maryland International thoroughbred race; providing that the Maryland International is a Grade 1 stakes race run on a certain track; providing for the funding of a certain purse for the Maryland International race *beginning on a certain date*; providing for the application of certain takeout provisions and the payment of certain taxes and fees; requiring the State Racing Commission to approve a certain race; providing for the use of certain special funds for a certain race; providing that certain money from ~~the State Lottery Fund a certain unclaimed prize fund~~ *the State Lottery Fund* be distributed to pay certain Maryland-bred or -sired horses ~~who win running in the Preakness Stakes or are eligible for certain purses from the Preakness Stakes~~ *in a certain fiscal year* under certain conditions; *providing that certain money from the State Lottery Fund be distributed to pay for certain sporting events by the Maryland Office of Sports*

Marketing in the Maryland Stadium Authority and Maryland History Day and other programming by the Maryland Humanities Council beginning on a certain date; ~~requiring prohibiting~~ that certain funds revert to the ~~State Lottery Fund General Fund~~ under certain circumstances; requiring the Comptroller to distribute certain funds to a certain special fund; ~~requiring the State Lottery and Gaming Control Agency to account for certain funds by reducing certain funds for a certain purpose by a certain amount~~ ~~requiring~~ authorizing the licensee to make the Maryland Lottery and Gaming Control Agency a sponsor of the Maryland International thoroughbred race; ~~providing for the termination of certain provisions~~ of this Act; and generally relating to the Maryland International thoroughbred race, the Preakness Stakes, and Maryland-bred or -sired horses.

BY repealing and reenacting, with amendments,
 Article – Business Regulation
 Section 11-402 and 11-403
 Annotated Code of Maryland
 (2015 Replacement Volume and 2015 Supplement)

BY adding to
 Article – Business Regulation
 Section 11-522.1
 Annotated Code of Maryland
 (2015 Replacement Volume and 2015 Supplement)

~~BY repealing and reenacting, with amendments,
 Article – State Government
 Section 9-120(a)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 Supplement)~~

*BY repealing and reenacting, with amendments,
 Article – State Government
 Section 9-120(b)(1)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 Supplement)*

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

Article – Business Regulation

11-402.

The Special Fund consists of:

- (1) the State share of daily licensee fees;

- (2) pari-mutuel taxes;
- (3) the impact aid under § 11-812 of this title;
- (4) money from uncashed pari-mutuel tickets that are from bets made into the betting pools of licensees; [and]
- (5) any permit fees under §§ 11-820 and 11-832 of this title; AND

(6) SUBJECT TO § 11-403(A)(9) AND (B) OF THIS SUBTITLE, MONEY FROM ~~THE STATE LOTTERY FUND DISTRIBUTED UNDER § 9-120(A)(2) AN UNCLAIMED PRIZE FUND ESTABLISHED UNDER § 9-122(F)~~ THE STATE LOTTERY FUND DISTRIBUTED UNDER § 9-120(B) OF THE STATE GOVERNMENT ARTICLE.

11-403.

- (a) The Comptroller shall pay from the Special Fund an annual grant of:
 - (1) \$825,000 to the Maryland Agricultural Fair Board to promote State and county agricultural fairs and exhibits;
 - (2) \$100,000 to Prince George's County to replace money formerly received from the admissions and amusement tax;
 - (3) \$40,000 to the Great Frederick Fair to support exhibition harness racing with money for construction and maintenance of new stalls, track maintenance, and purses;
 - (4) \$50 to the City of Bowie for each day that the training facilities are open at the Bowie Race Course Training Center;
 - (5) \$75,000 to the Maryland Agricultural Education Foundation, Inc., to promote and enhance statewide agricultural education;
 - (6) an amount not to exceed \$30,000 in fiscal year 1998 and \$20,000 in each fiscal year thereafter to the Great Pocomoke Fair, Inc. to support exhibition harness racing with money for construction and maintenance of new stalls, track maintenance, and purses;
 - (7) \$500,000 to the Maryland Million, Ltd. to support and promote the running of Maryland Million races; [and]
 - (8) \$350,000 to the Maryland Standardbred Race Fund for the Sire Stakes Program; AND

(9) BEGINNING JULY 1, 2017, \$500,000 FROM THE MONEY DISTRIBUTED UNDER ~~§ 9-120(A)(2)~~ § 9-120(B) OF THE STATE GOVERNMENT ARTICLE;

(I) \$500,000 TO A PURSE FOR THE MARYLAND INTERNATIONAL THOROUGHBRED RACE UNDER § 11-522.1 OF THIS TITLE;

(II) \$350,000 TO THE MARYLAND OFFICE OF SPORTS MARKETING IN THE MARYLAND STADIUM AUTHORITY FOR INCENTIVE GRANTS FOR YOUTH AND AMATEUR SPORTING EVENTS; AND

(III) \$150,000 TO THE MARYLAND HUMANITIES COUNCIL FOR MARYLAND HISTORY DAY AND OTHER PROGRAMMING.

~~(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE COMPTROLLER SHALL PAY FROM THE MONEY DISTRIBUTED TO THE SPECIAL FUND UNDER ~~§ 9-120(A)(2)~~ OF THE STATE GOVERNMENT ARTICLE AN ANNUAL GRANT OF:~~

~~(i) \$500,000 TO THE WINNING HORSE OF THE PREAKNESS STAKES IN A CALENDAR YEAR IF THE WINNING HORSE IS A MARYLAND-BRED OR SIRE HORSE; AND~~

~~(ii) \$100,000 TO A MARYLAND-BRED OR SIRE HORSE THAT IS:~~

~~1. ELIGIBLE FOR PREAKNESS STAKES PURSE MONEY BASED ON THE CONDITIONS OF THE RACE THAT DETERMINE THE DISTRIBUTION OF PURSES IN A CALENDAR YEAR; AND~~

~~2. NOT THE WINNING HORSE OF THE PREAKNESS STAKES.~~

~~(2) IF A MARYLAND-BRED OR SIRE HORSE DOES NOT WIN THE PREAKNESS STAKES IN A CALENDAR YEAR OR IS NOT ELIGIBLE FOR PURSE MONEY BASED ON THE CONDITIONS OF THE RACE THAT DETERMINE THE DISTRIBUTION OF PURSES FOR THE PREAKNESS STAKES IN A CALENDAR YEAR, ANY UNUSED FUNDS DISTRIBUTED BY THE COMPTROLLER TO THE SPECIAL FUND SHALL REVERT TO THE STATE LOTTERY FUND.~~

(B) (1) IN FISCAL YEAR 2017, THE COMPTROLLER SHALL PAY, FROM THE MONEY DISTRIBUTED TO THE SPECIAL FUND, \$500,000 TO THE MARYLAND RACING COMMISSION TO BE USED, IN A MANNER DETERMINED BY THE MARYLAND RACING COMMISSION, FOR A BONUS AWARD PROGRAM FOR MARYLAND-BRED OR MARYLAND-SIRE HORSES RUNNING IN THE PREAKNESS STAKES.

(2) THE MARYLAND RACING COMMISSION SHALL CONSULT WITH REPRESENTATIVES OF THE THOROUGHBRED RACING INDUSTRY PRIOR TO ESTABLISHING THE RULES AND CRITERIA FOR THE BONUS AWARD PROGRAM.

(3) IF, UNDER THE RULES OF THE BONUS AWARD PROGRAM, FUNDS REMAIN IN THE PROGRAM AFTER THE PREAKNESS STAKES IS CONDUCTED ON ONE OR MORE OCCASIONS, REMAINING FUNDS SHALL CARRY OVER TO THE NEXT FISCAL YEAR AND MAY NOT REVERT TO THE GENERAL FUND.

[(b)] (C) If the Maryland State Fair remains at the Timonium Fair Grounds, the Comptroller shall pay from the Special Fund an annual grant of:

(1) \$500,000 to the Maryland State Fair and Agricultural Society, Inc., to:

(i) promote and enhance the Maryland State Fair; and

(ii) maintain and develop youth programs, with premium money provided to organizations, such as 4-H Clubs and the Future Farmers of America, for recognition and awards; and

(2) \$50,000 to Baltimore County to replace the money formerly received by the county under this subtitle.

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

11-522.1.

(A) (1) THERE IS A MARYLAND INTERNATIONAL THOROUGHBRED RACE CONDUCTED BY A LICENSEE AT LAUREL PARK.

(2) THE MARYLAND INTERNATIONAL IS A GRADE 1 STAKES RACE RUN ON A TURF TRACK.

(B) THE PURSE FOR THE MARYLAND INTERNATIONAL SHALL BE FUNDED BY THE SPECIAL FUND ESTABLISHED UNDER § 11-402 OF THIS TITLE.

(C) THE TAKEOUT PROVISIONS OF ~~§§ 11-514 AND 11-515~~ OF THIS SUBTITLE SHALL APPLY TO THE MARYLAND INTERNATIONAL.

(D) THE LICENSEE SHALL PAY ALL TAXES AND FEES ASSOCIATED WITH THE MARYLAND INTERNATIONAL THAT WOULD OTHERWISE BE IMPOSED FOR A THOROUGHBRED RACE.

(E) THE MARYLAND INTERNATIONAL SHALL BE CONDUCTED ONLY WITH THE APPROVAL OF THE COMMISSION.

(F) THE LICENSEE ~~SHALL~~ MAY MAKE THE MARYLAND LOTTERY AND GAMING CONTROL AGENCY A SPONSOR OF THE MARYLAND INTERNATIONAL UNDER TERMS AGREED ON BY THE LICENSEE AND THE AGENCY.

~~Article – State Government~~

~~9-120.~~

~~(a) (1) The Comptroller shall distribute, or cause to be distributed, the State Lottery Fund to pay:~~

~~[(1)] (I) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, on a pro rata basis for the daily and nondaily State lottery games, the expenses of administering and operating the State lottery, as authorized under this subtitle and the State budget; and~~

~~[(2)] (II) then, except as provided in § 10-113.1 of the Family Law Article, § 11-618 of the Criminal Procedure Article, and § 3-307 of the State Finance and Procurement Article, the holder of each winning ticket or share.~~

~~(2) (i) SUBJECT TO SUBPARAGRAPH (ii) OF THIS PARAGRAPH, FROM THE AMOUNT THAT THE COMPTROLLER DISTRIBUTES FOR ADMINISTERING AND OPERATING THE STATE LOTTERY, THE COMPTROLLER SHALL ANNUALLY DISTRIBUTE \$1,100,000 TO THE RACING SPECIAL FUND ESTABLISHED UNDER § 11-401 OF THE BUSINESS REGULATION ARTICLE.~~

~~(ii) THE AGENCY SHALL ACCOUNT FOR THE FUNDS DISTRIBUTED UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH BY REDUCING THE AMOUNT TO BE SPENT BY THE AGENCY FOR MARKETING BY \$1,100,000.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.~~

Article – State Government

9-120.

(b) (1) *By the end of the month following collection, the Comptroller shall deposit or cause to be deposited:*

(i) *into the Maryland Stadium Facilities Fund established under § 7-312 of the State Finance and Procurement Article from the money that remains in the State Lottery Fund, after the distribution under subsection (a) of this section, an amount not to exceed \$20,000,000 in any fiscal year;*

(ii) after June 30, 2014, into the Maryland Veterans Trust Fund 10% of the money that remains in the State Lottery Fund from the proceeds of sales of tickets from instant ticket lottery machines by veterans' organizations under § 9-112(d) of this subtitle, after the distribution under subsection (a) of this section;

(iii) after June 30, 2014, into the Baltimore City Public School Construction Financing Fund established under § 10-656 of the Economic Development Article the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) and (ii) of this paragraph, an amount equal to \$20,000,000 in each fiscal year that bonds are outstanding and unpaid, to be paid in two installments with at least \$10,000,000 paid no later than December 1 of each fiscal year; [and]

(IV) AFTER JUNE 30, 2016, INTO THE RACING SPECIAL FUND ESTABLISHED UNDER § 11-401 OF THE BUSINESS REGULATION ARTICLE FROM MONEY THAT REMAINS IN THE STATE LOTTERY FUND AFTER THE DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I), (II), AND (III) OF THIS PARAGRAPH, AN AMOUNT EQUAL TO ~~\$500,000~~ \$1,000,000 IN EACH FISCAL YEAR; AND

[(iv)] (V) into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i), (ii), [and] (iii), AND (IV) of this paragraph.

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2016. ~~Section 2 of this Act~~ It shall remain effective for a period of ~~5~~ 3 years and, at the end of ~~September 30, 2021~~ June 30, 2019, with no further action required by the General Assembly, ~~Section 2 of this Act~~ shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 728

(House Bill 986)

AN ACT concerning

Vehicle Laws – Trade-In Allowance – Leased Vehicles

FOR the purpose of altering the definition of “total purchase price” for the purposes of the vehicle excise tax to exclude from the computation of the tax an allowance for the trade-in of a leased vehicle under certain circumstances; and generally relating to the motor vehicle excise tax.

BY repealing and reenacting, with amendments,
Article – Transportation
Section 13–809(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Transportation
Section 13–809(b) and (c)(1)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

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

Article – Transportation

13–809.

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

(2) “Fair market value” means:

(i) As to the sale of any new or used vehicle by a licensed dealer, the total purchase price, as certified by the dealer;

(ii) Except as provided in item (iv) of this paragraph, as to a used vehicle that is sold by any person other than a licensed dealer and that has a designated model year that is 7 years old or older, the greater of:

1. The total purchase price; or

2. \$640;

(iii) Except as provided in item (iv) of this paragraph, as to any other used vehicle that is sold by any person other than a licensed dealer:

1. The total purchase price, if the total purchase price is less than \$500 below the retail value of the vehicle as shown in a national publication of used car values adopted for use by the Department; or

2. If the total purchase price is \$500 or more below the retail value of the vehicle as shown in a national publication of used car values adopted for use by the Department:

A. The total purchase price, if verified to the satisfaction of the Administration by a notarized bill of sale submitted in accordance with subsection (d)(2) of this section; or

B. The valuation shown in the national publication of used car values, if the Administration finds that the documentation submitted under subsection (d)(2) of this section fails to verify the total purchase price;

(iv) As to a used trailer, a motor scooter, a moped, or an off-highway recreational vehicle that is sold by any person other than a licensed dealer, the greater of:

1. The total purchase price; or
2. \$320; and

(v) In any other case, the valuation shown in a national publication of used car values adopted for use by the Department.

(3) (i) Subject to [subparagraph (ii)] **SUBPARAGRAPHS (II) AND (III)** of this paragraph, “total purchase price” means the price of a vehicle agreed on by the buyer and the seller, including any dealer processing charge, less an allowance for trade-in but with no allowance for other nonmonetary consideration.

(ii) As to a person trading in a nonleased vehicle to enter into a lease for a period of more than 180 consecutive days, “total purchase price” means the retail value of the vehicle as certified by the dealer, including any dealer processing charge, less an allowance for the trade-in of the nonleased vehicle but with no allowance for other nonmonetary consideration.

(III) AS TO A PERSON TRADING IN A LEASED VEHICLE TO ENTER INTO ANOTHER LEASE FOR A PERIOD OF MORE THAN 180 CONSECUTIVE DAYS WITH A DIFFERENT LEASING COMPANY OR TO PURCHASE A VEHICLE, “TOTAL PURCHASE PRICE” MEANS THE RETAIL VALUE OF THE VEHICLE AS CERTIFIED BY THE DEALER, INCLUDING ANY DEALER PROCESSING CHARGE, LESS AN ALLOWANCE FOR THE TRADE-IN OF THE LEASED VEHICLE BUT WITH NO ALLOWANCE FOR OTHER NONMONETARY CONSIDERATION.

(4) “Trailer” has the meaning stated in § 11-169 of this article.

(b) (1) Except as otherwise provided in this part, in addition to any other charge required by the Maryland Vehicle Law, an excise tax is imposed:

(i) For each original and each subsequent certificate of title issued in this State for a motor vehicle, a trailer, a semitrailer, a moped, a motor scooter, or an off-highway recreational vehicle for which sales and use tax is not collected at the time of purchase; and

(ii) Except as provided in paragraph (2) of this subsection, for each motor vehicle, trailer, or semitrailer that is in interstate operation and registered under § 13–109(c) or (d) of this title without a certificate of title.

(2) (i) An excise tax of \$50 is imposed for the registration of a trailer exempt from the titling requirement under § 13–102(12) of this title.

(ii) In a case where the fair market value as defined in subsection (a)(2)(iii)2A of this section applies, the excise tax imposed under this part may not be less than \$32.

(3) A political subdivision of the State may not impose a sales tax, a use tax, or excise tax on the issuance of a motor vehicle certificate of title.

(c) (1) Except as provided in subsection (b)(2) of this section, the tax imposed by this section is 6 percent of the fair market value of the vehicle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 729

(House Bill 990)

AN ACT concerning

Civil Actions – Liability of Disability Insurer – Failure to Act in Good Faith

FOR the purpose of authorizing the recovery of actual damages, expenses, litigation costs, and interest in first-party claims against disability insurers in certain civil actions that allege that the insurer failed to act in good faith under certain circumstances; requiring the Maryland Insurance Administration to include in a certain annual report to the General Assembly certain information on certain complaints regarding first-party insurance claims under individual disability insurance policies; defining a certain term; providing for the application of this Act; and generally relating to liability of disability insurers for failure to act in good faith in settling first-party claims.

BY repealing and reenacting, with amendments,
 Article – Courts and Judicial Proceedings
 Section 3–1701
 Annotated Code of Maryland

(2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 27–1001

Annotated Code of Maryland

(2011 Replacement Volume and 2015 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

3–1701.

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

(2) “Casualty insurance” has the meaning stated in § 1–101 of the Insurance Article.

(3) “Commercial insurance” has the meaning stated in § 27–601 of the Insurance Article.

(4) (I) **“DISABILITY INSURANCE” HAS THE MEANING STATED IN § 1–101 OF THE INSURANCE ARTICLE MEANS INSURANCE THAT PROVIDES FOR LOST INCOME, REVENUE, OR PROCEEDS IN THE EVENT THAT AN ILLNESS, ACCIDENT, OR INJURY RESULTS IN A DISABILITY THAT IMPAIRS AN INSURED’S ABILITY TO WORK OR OTHERWISE GENERATE INCOME, REVENUE, OR PROCEEDS THAT THE INSURANCE IS INTENDED TO REPLACE.**

(II) **“DISABILITY INSURANCE” DOES NOT INCLUDE PAYMENT FOR MEDICAL EXPENSES, DISMEMBERMENT, OR ACCIDENTAL DEATH.**

[(4)] (5) “Good faith” means an informed judgment based on honesty and diligence supported by evidence the insurer knew or should have known at the time the insurer made a decision on a claim.

[(5)] (6) “Insurer” has the meaning stated in § 1–101 of the Insurance Article.

[(6)] (7) “Property insurance” has the meaning stated in § 1–101 of the Insurance Article.

(b) This subtitle applies only to first–party claims under property and casualty insurance policies **OR INDIVIDUAL DISABILITY INSURANCE POLICIES** issued, sold, or delivered in the State.

(c) (1) Except as provided in paragraph (2) of this subsection, a party may not file an action under this subtitle before the date of a final decision under § 27–1001 of the Insurance Article.

(2) Paragraph (1) of this subsection does not apply to an action:

(i) Within the small claim jurisdiction of the District Court under § 4–405 of this article;

(ii) If the insured and the insurer agree to waive the requirement under paragraph (1) of this subsection; or

(iii) Under a commercial insurance policy on a claim with respect to which the applicable limit of liability exceeds \$1,000,000.

(d) This section applies only in a civil action:

(1) (i) To determine the coverage that exists under the insurer's insurance policy; or

(ii) To determine the extent to which the insured is entitled to receive payment from the insurer for a covered loss;

(2) That alleges that the insurer failed to act in good faith; and

(3) That seeks, in addition to the actual damages under the policy, to recover expenses and litigation costs, and interest on those expenses or costs, under subsection (e) of this section.

(e) Notwithstanding any other provision of law, if the trier of fact in an action under this section finds in favor of the insured and finds that the insurer failed to act in good faith, the insured may recover from the insurer:

(1) Actual damages, which actual damages may not exceed the limits of the applicable policy;

(2) Expenses and litigation costs incurred by the insured in an action under this section or under § 27–1001 of the Insurance Article or both, including reasonable attorney's fees; and

(3) Interest on all actual damages, expenses, and litigation costs incurred by the insured, computed:

(i) At the rate allowed under § 11–107(a) of this article; and

(ii) From the date on which the insured's claim would have been paid if the insurer acted in good faith.

(f) An insurer may not be found to have failed to act in good faith under this section solely on the basis of delay in determining coverage or the extent of payment to which the insured is entitled if the insurer acted within the time period specified by statute or regulation for investigation of a claim by an insurer.

(g) The amount of attorney's fees recovered from an insurer under subsection (e) of this section may not exceed one-third of the actual damages recovered.

(h) The clerk of the court shall file a copy of the verdict or any other final disposition of an action under this section with the Maryland Insurance Administration.

(i) This section does not limit the right of any person to maintain a civil action for damages or other remedies otherwise available under any other provision of law.

(j) If a party to the proceeding elects to have the case tried by a jury in accordance with the Maryland Rules, the case shall be tried by a jury.

Article – Insurance

27–1001.

(a) In this section, “good faith” means an informed judgment based on honesty and diligence supported by evidence the insurer knew or should have known at the time the insurer made a decision on a claim.

(b) This section applies only to actions under § 3–1701 of the Courts Article.

(c) (1) Except as provided in paragraph (2) of this subsection, a person may not bring or pursue an action under § 3–1701 of the Courts Article in a court unless the person complies with this section.

(2) Paragraph (1) of this subsection does not apply to an action:

(i) within the small claim jurisdiction of the District Court under § 4–405 of the Courts Article;

(ii) if the insured and the insurer agree to waive the requirement under paragraph (1) of this subsection; or

(iii) under a commercial insurance policy on a claim with respect to which the applicable limit of liability exceeds \$1,000,000.

(d) (1) A complaint stating a cause of action under § 3–1701 of the Courts Article shall first be filed with the Administration.

(2) The complaint shall:

(i) be accompanied by each document that the insured has submitted to the insurer for proof of loss;

(ii) specify the applicable insurance coverage and the amount of the claim under the applicable coverage; and

(iii) state the amount of actual damages, and the claim for expenses and litigation costs described under subsection (e)(2) of this section.

(3) The Administration shall forward the filing to the insurer.

(4) Within 30 days after the date the filing is forwarded to the insurer by the Administration, the insurer shall:

(i) file with the Administration, except for good cause shown, a written response together with a copy of each document from the insurer's claim file that enables reconstruction of the insurer's activities relative to the insured's claim, including documentation of each pertinent communication, transaction, note, work paper, claim form, bill, and explanation of benefits form relative to the claim; and

(ii) mail to the insured a copy of the response and, except for good cause shown, each document from the insurer's claim file that enables reconstruction of the insurer's activities relative to the insured's claim, including documentation of each pertinent communication, transaction, note, work paper, claim form, bill, and explanation of benefits form relative to the claim.

(e) (1) (i) Within 90 days after the date the filing was received by the Administration, the Administration shall issue a decision that determines:

1. whether the insurer is obligated under the applicable policy to cover the underlying first-party claim;

2. the amount the insured was entitled to receive from the insurer under the applicable policy on the underlying covered first-party claim;

3. whether the insurer breached its obligation under the applicable policy to cover and pay the underlying covered first-party claim, as determined by the Administration;

4. whether an insurer that breached its obligation failed to act in good faith; and

5. the amount of damages, expenses, litigation costs, and interest, as applicable and as authorized under paragraph (2) of this subsection.

(ii) The failure of the Administration to issue a decision within the time specified in subparagraph (i) of this paragraph shall be considered a determination that the insurer did not breach any obligation to the insured.

(2) With respect to the determination of damages under paragraph (1)(i)5 of this subsection:

(i) if the Administration finds that the insurer breached an obligation to the insured, the Administration shall determine the obligation of the insurer to pay:

1. actual damages, which actual damages may not exceed the limits of any applicable policy; and

2. interest on all actual damages incurred by the insured computed:

A. at the rate allowed under § 11–107(a) of the Courts Article; and

B. from the date on which the insured's claim should have been paid; and

(ii) if the Administration also finds that the insurer failed to act in good faith, the Administration shall also determine the obligation of the insurer to pay:

1. expenses and litigation costs incurred by the insured, including reasonable attorney's fees, in pursuing recovery under this subtitle; and

2. interest on all expenses and litigation costs incurred by the insured computed:

A. at the rate allowed under § 11–107(a) of the Courts Article; and

B. from the applicable date or dates on which the insured's expenses and costs were incurred.

(3) An insurer may not be found to have failed to act in good faith under this section solely on the basis of delay in determining coverage or the extent of payment to which the insured is entitled if the insurer acted within the time period specified by statute or regulation for investigation of a claim by an insurer.

(4) The amount of the attorney's fees determined to be payable to an insured under paragraph (2) of this subsection may not exceed one-third of the actual damages payable to the insured.

(5) The Administration shall serve a copy of the decision on the insured and the insurer in accordance with § 2–204(c) of this article.

(f) (1) If a party receives an adverse decision, the party shall have 30 days after the date of service of the Administration’s decision to request a hearing.

(2) All hearings requested under this section shall:

(i) be referred by the Commissioner to the Office of Administrative Hearings for a final decision under Title 10, Subtitle 2 of the State Government Article;

(ii) be heard de novo;

(iii) result in a final decision that makes the determinations set forth in subsection (e) of this section.

(3) If no administrative hearing is requested in accordance with paragraph (1) of this subsection, the decision issued by the Administration shall become a final decision.

(g) (1) If a party receives an adverse decision, the party may appeal a final decision by the Administration or an administrative law judge under this section to a circuit court in accordance with § 2–215 of this article and Title 10, Subtitle 2 of the State Government Article.

(2) (i) This paragraph applies only if more than one party receives an adverse decision from the Administration.

(ii) If a party requests a hearing before the Office of Administrative Hearings and another party files an appeal to a circuit court:

1. jurisdiction over the request for hearing is transferred to the circuit court;

2. the request for hearing, the Administration’s decision, and the Administration’s case file, including the complaint, response, and all documents submitted to the Administration, shall be transmitted promptly to the circuit court; and

3. the request for hearing shall be docketed in the circuit court and consolidated for trial with the appeal.

(3) Notwithstanding any other provision of law, an appeal to a circuit court under this section shall be heard de novo.

(h) On or before January 1 of each year beginning in 2009, in accordance with § 2–1246 of the State Government Article, the Administration shall report to the General Assembly on the following for the prior fiscal year:

(1) the number and types of complaints under this section or § 3–1701 of the Courts Article from insureds regarding first–party insurance claims under property and casualty insurance policies;

(2) THE NUMBER AND TYPES OF COMPLAINTS UNDER THIS SECTION OR § 3–1701 OF THE COURTS ARTICLE FROM INSUREDS REGARDING FIRST–PARTY INSURANCE CLAIMS UNDER INDIVIDUAL DISABILITY INSURANCE POLICIES;

[(2)] **(3)** the administrative and judicial dispositions of the complaints described in [item (1)] **ITEMS (1) AND (2)** of this subsection;

[(3)] **(4)** the number and types of regulatory enforcement actions instituted by the Administration for unfair claim settlement practices under § 27–303(9) or § 27–304(18) of this title; and

[(4)] **(5)** the administrative and judicial dispositions of the regulatory enforcement actions for unfair claim settlement practices described under item [(3)] **(4)** of this subsection.

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 first–party claim based on an act or omission that occurs before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 730

(House Bill 1021)

AN ACT concerning

**Prince George’s County – Alcoholic Beverages – ~~Notice Requirements~~ Licenses,
Notice Requirements, and ~~Restrictions for Licenses~~ Loitering Enforcement**

FOR the purpose of ~~establishing that certain license and permit holders may only sell beer in cans or packages of at least a certain number in Prince George's County; prohibiting the Prince George's County Board of License Commissioners from issuing or transferring certain alcoholic beverages licenses into certain areas designated as food deserts or qualifying as target census tracts under certain circumstances; authorizing the Board to renew certain alcoholic beverages licenses issued in a food desert or a target census tract before a certain date; requiring the Prince George's County Board of License Commissioners to issue certain notice regarding public hearings to certain entities under certain circumstances; defining certain terms; providing for the application of this Act; authorizing certain entities that request to receive notice under a certain provision of this Act to elect to receive written or electronic notice; requiring the Board to obtain certain information related to violations of a certain provision of the Prince George's County Code from certain law enforcement agencies and maintain a certain comprehensive database; authorizing the Board to impose a fine under a certain provision of law if a certain number of citations are issued or arrests are made on the licensed premises for violations of a certain provision of the Prince George's County Code in a certain time period; increasing the annual license fees for certain alcoholic beverages licenses in Prince George's County; providing that a certain number of Sunday off-sale permits may be issued to holders of a certain license who acquired the license on or after a certain date; repealing the special Sunday "on-sale" permit attached to the Class B beer, wine, and liquor license; altering the maximum number of certain licenses that may be issued in Prince George's County; altering the hour at which a holder of a Class B beer, wine, and liquor license may begin to sell beer, wine, and liquor; authorizing the Board to issue a certain number of Class B-DD (Development District) licenses to restaurants in certain locations; authorizing certain license holders in the county to file an application with the Board to convert the license to a certain license issued under a certain provision of law; requiring a license holder who files an application under a certain provision of this Act to submit a certain application fee; requiring the Board, under certain circumstances, to hold a certain public hearing; requiring the Board, in determining whether to approve a certain application, to consider certain privileges; requiring the Board, under certain circumstances, to restrict the privileges of a Class D beer and light wine license to allow certain license holders to sell beer and light wine only during certain days and hours and to allow certain license holders to sell beer and light wine only for off-premises consumption; making technical and conforming changes; and generally relating to alcoholic beverages licenses in Prince George's County.~~

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

~~Section 4-208, 4-209, 4-406, 26-101(a) and (b), 26-1501, 26-1512, and 26-1801~~

Section 4-208, 4-209, 4-406, 26-101(a) and (b), 26-102, 26-601(a), 26-604(a), 26-801(a), 26-804(a), 26-902(a), 26-903(a), 26-1001(a), 26-1006(a), 26-1008(a), 26-1009(a), 26-1104(a) and (f), 26-1201(a), 26-1501, 26-1512, 26-1616(a), and 26-1801

Annotated Code of Maryland

(As enacted by Chapter 41 ~~(S.B. _____)(Ch 1406)~~ (S.B. 724) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 26-601(c), 26-604(c), 26-801(c), and 26-2605

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

~~Section 26-601, 26-801, 26-901, 26-1104, 26-1511, 26-1702, and 26-1803~~

Section 26-601(c), 26-604(c), 26-801(c), 26-804(b) and (d), 26-902(f), 26-903(g), 26-1001(d), 26-1006(i), 26-1008(g), 26-1009(g), 26-1104(b) and (d), 26-1201(d), 26-1511, 26-1601(a)(1), 26-1614(a), 26-1616(e), 26-1702, 26-1803, 26-2003(d), 26-2004(b)(1), and 26-2006(b)

Annotated Code of Maryland

(As enacted by Chapter 41 ~~(S.B. _____)(Ch 1406)~~ (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing

Article – Alcoholic Beverages

Section 26-1105

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

BY adding to

~~Article – Alcoholic Beverages~~

~~Section 26-2605~~

~~Annotated Code of Maryland~~

~~(As enacted by Chapter _____ (S.B. 724) of the Acts of the General Assembly of 2016)~~

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

Article – Alcoholic Beverages

4-208.

(a) Before a local licensing board may approve an application for a license, the local licensing board shall publish notice of the application two times in 2 successive weeks:

(1) in two newspapers of general circulation in the jurisdiction; or

(2) if only one newspaper of general circulation exists in the jurisdiction, in that newspaper.

(b) The notice shall state:

- (1) the name of the applicant;
- (2) the type of license for which the application is made;
- (3) the location described in the application; and

(4) the date, time, and place set by the local licensing board for a hearing on the application.

4-209.

(a) The hearing on the application may not occur less than 7 days or more than 30 days after the date of the last publication of the notice of the license application.

(b) Any person may address any relevant issue at the hearing.

4-406.

(a) A protest against a license renewal may be made by:

(1) at least 10 signatories who are:

(i) residents, commercial tenants who are not holders of or applicants for a license, or real estate owners; and

(ii) located in the immediate vicinity of the licensed premises; or

(2) the local licensing board on its own initiative.

(b) (1) If a protest against renewing a license is filed at least 30 days before the license expires, the local licensing board may not approve the renewal without holding a hearing.

(2) The local licensing board shall hear and determine the protest in the same manner as it hears and determines an original application.

26-101.

(a) In this title:

(1) the definitions in § 1-101 of this article apply without exception or variation; and

(2) the following words have the meanings indicated.

(b) “Board” means the Board of License Commissioners for Prince George’s County.

26-102.

This title applies only in Prince George’s County.

26-601.

(a) *There is a Class A beer license.*

(C) (1) (I) A LICENSE HOLDER MAY FILE AN APPLICATION WITH THE BOARD TO CONVERT THE LICENSE TO A CLASS D BEER AND LIGHT WINE LICENSE.

(II) A LICENSE HOLDER WHO FILES AN APPLICATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL SUBMIT AN APPLICATION FEE OF \$750.

(2) IF A LICENSE HOLDER APPLIES FOR A CONVERSION UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE BOARD SHALL HOLD A PUBLIC HEARING IN THE SAME MANNER A PUBLIC HEARING IS HELD FOR THE ISSUANCE OF A NEW LICENSE.

(3) IN DETERMINING WHETHER TO APPROVE AN APPLICATION FILED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE BOARD SHALL CONSIDER THE PRIVILEGES THE LICENSE HOLDER EXERCISES UNDER THE CLASS A BEER LICENSE.

(4) IF THE BOARD DECIDES TO APPROVE AN APPLICATION FILED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE BOARD SHALL RESTRICT THE PRIVILEGES OF THE CLASS D BEER AND LIGHT WINE LICENSE TO ALLOW THE LICENSE HOLDER TO SELL BEER AND LIGHT WINE ONLY:

(I) DURING THE DAYS AND HOURS SPECIFIED IN § 26-2002(A) OF THIS TITLE; AND

(II) FOR OFF-PREMISES CONSUMPTION.

[(c)] (D) The annual license fee is [\$245] \$500.

26-604.

(a) *There is a Class D beer license.*

(C) (1) (I) A LICENSE HOLDER MAY FILE AN APPLICATION WITH THE BOARD TO CONVERT THE LICENSE TO A CLASS D BEER AND LIGHT WINE LICENSE.

(II) A LICENSE HOLDER WHO FILES AN APPLICATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL SUBMIT AN APPLICATION FEE OF \$750.

(2) IF A LICENSE HOLDER APPLIES FOR A CONVERSION UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE BOARD SHALL HOLD A PUBLIC HEARING IN THE SAME MANNER A PUBLIC HEARING IS HELD FOR THE ISSUANCE OF A NEW LICENSE.

(3) IN DETERMINING WHETHER TO APPROVE AN APPLICATION FILED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE BOARD SHALL CONSIDER THE PRIVILEGES THE LICENSE HOLDER EXERCISES UNDER THE CLASS D BEER LICENSE.

(4) IF THE BOARD DECIDES TO APPROVE AN APPLICATION FILED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE BOARD SHALL RESTRICT THE PRIVILEGES OF THE CLASS D BEER AND LIGHT WINE LICENSE TO ALLOW THE LICENSE HOLDER TO SELL BEER AND LIGHT WINE ONLY DURING THE DAYS AND HOURS SPECIFIED IN § 26-2002(D) OF THIS TITLE.

[(c)] (D) The annual license fee is [\$365] \$500.

26-801.

(a) There is a Class A beer and light wine license.

(C) (1) (I) A LICENSE HOLDER MAY FILE AN APPLICATION WITH THE BOARD TO CONVERT THE LICENSE TO A CLASS D BEER AND LIGHT WINE LICENSE.

(II) A LICENSE HOLDER WHO FILES AN APPLICATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL SUBMIT AN APPLICATION FEE OF \$750.

(2) IF A LICENSE HOLDER APPLIES FOR A CONVERSION UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE BOARD SHALL HOLD A PUBLIC HEARING IN THE SAME MANNER A PUBLIC HEARING IS HELD FOR THE ISSUANCE OF A NEW LICENSE.

(3) IN DETERMINING WHETHER TO APPROVE AN APPLICATION FILED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE BOARD SHALL CONSIDER THE PRIVILEGES THE LICENSE HOLDER EXERCISES UNDER THE CLASS A BEER AND LIGHT WINE LICENSE.

(4) IF THE BOARD DECIDES TO APPROVE AN APPLICATION FILED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE BOARD SHALL RESTRICT THE PRIVILEGES OF THE CLASS D BEER AND LIGHT WINE LICENSE TO ALLOW THE LICENSE HOLDER TO SELL BEER AND LIGHT WINE ONLY:

(I) DURING THE DAYS AND HOURS SPECIFIED IN § 26-2003(A) OF THIS TITLE; AND

(II) FOR OFF-PREMISES CONSUMPTION.

[(c)] (D) The annual license fee is [\$245] \$500.

26-804.

(a) There is a Class D beer and light wine license.

(b) [The] UNLESS THE LICENSE IS RESTRICTED UNDER § 26-601(C) OR § 26-604(C) OF THIS TITLE OR § 26-801(C) OF THIS SUBTITLE, THE license authorizes the license holder to sell beer and light wine, at retail, at the place described in the license, for on- and off-premises consumption.

(d) The annual license fee is [\$365] \$500.

26-902.

(a) There is a Class B beer, wine, and liquor license.

(f) The annual license fee is [\$1,455] \$2,305.

26-903.

(a) There is a Class B-Plus beer, wine, and liquor license.

(g) The annual license fee is [\$2,420] \$3,270.

26-1001.

(a) There is a Class B-AE (arts and entertainment) beer, wine, and liquor license.

(d) The annual license fee is [\$2,750] \$3,600.

26-1006.

(a) There is a Class B-CI license.

(i) The annual license fee is [\$1,515] \$2,365.

26-1008.

(a) There is a Class B/ECF (educational conference facility) beer, wine, and liquor license for the University College Center of Adult Education of the University of Maryland.

(g) The annual license fee is [~~\$4,325~~] \$5,175.

26-1009.

(a) There is a Class B-ECF/DS (Education Conference Facility/Dining Service) beer, wine, and liquor license.

(g) The annual license fee is [~~\$7,425~~] \$8,275.

26-1104.

(a) There is a Sunday off-sale permit.

(b) (1) **[Except] SUBJECT TO SUBSECTION (F) OF THIS SECTION AND SUBPARAGRAPH (II) OF THIS PARAGRAPH AND EXCEPT as provided in paragraph (2) of this subsection, the Board may issue the permit to the holder of:**

[(i)] 1. a Class A beer, wine, and liquor license; or

[(ii)] 2. a Class B beer, wine, and liquor license with an off-sale privilege.

(II) SUNDAY OFF-SALE PERMITS MAY BE ISSUED TO HOLDERS OF A CLASS A BEER, WINE, AND LIQUOR LICENSE THAT ACQUIRED THE LICENSE ON OR AFTER JANUARY 1, 2016.

(2) The Board may not issue a Sunday off-sale permit to a license holder that the Board finds to have sold liquor on Sunday without a Sunday off-sale permit.

(d) (1) Except as provided in paragraph (2) of this subsection, an applicant for the permit shall commit in the application to reinvesting a minimum of \$50,000 in the business within 1 year after the permit is issued.

(2) The Board may waive the reinvestment requirement.

(3) The Board shall revoke the permit if:

(i) the Board did not waive the reinvestment requirement under [item (i) of this paragraph] **PARAGRAPH (2) OF THIS SUBSECTION;** and

(ii) the permit holder fails to make the required reinvestment.

(f) Not more than 100 special Sunday off-sale permits may be in effect at any one time.

[26-1105.

(a) There is a Sunday on-sale permit.

(b) The Board may issue the permit to a holder of a Class B beer, wine, and liquor license who meets the standards set out in §§ 26-902 and 26-903 of this title.

(c) The permit authorizes the permit holder on Sunday to sell beer, wine, and liquor by the drink from the bar or a cocktail lounge for on-premises consumption.

(d) The hours of sale are from noon to 2 a.m. the following day.

(e) (1) Except as provided in paragraph (2) of this subsection, for the Board to issue the permit, the average daily receipts from the sale of food shall be at least 40% of the total daily receipts from the sale of “on-sale” food and alcoholic beverages at the applicant’s licensed premises for at least 6 months before the application is submitted.

(2) The Board may immediately issue the permit for a newly licensed establishment if:

(i) the Board determines that the applicant meets the specifications of §§ 26-902 and 26-903 of this title for the preparation, serving, and sale of food; and

(ii) the license holder complies with this section.

(3) An applicant for the permit shall provide the Board with the evidence that the Board requires indicating the qualifications of the applicant.

(f) A permit holder shall provide the Board, at regular intervals that the Board establishes, a statement indicating in detail the ratio of food sales to the sales of alcoholic beverages.

(g) If the average daily receipts from the sale of food fail for 3 successive months to at least equal 40% of the total daily receipts from the sale of food and alcoholic beverages, the Board shall revoke the permit.

(h) The annual permit fee is \$850.]

26-1201.

(a) There is a Class BCE (on-sale) beer, wine, and liquor license.

(d) *The annual license fee is [~~\$3,630~~] \$4,480.*

~~26-601.~~

~~(a) There is a Class A beer license.~~

~~(b) (1) The license authorizes the license holder to sell beer at retail to consumers at the place described in the license.~~

~~(2) The license holder shall sell the beer in a sealed package or container.~~

~~(3) The package or container may not be opened and its contents may not be consumed on the premises where the beer was sold.~~

~~(4) THE LICENSE HOLDER MAY SELL BEER ONLY IN PACKAGES OF AT LEAST SIX CANS OR BOTTLES.~~

~~(e) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(ii) "FOOD DESERT" MEANS AN AREA DESIGNATED BY THE U.S. DEPARTMENT OF AGRICULTURE AS A CENSUS TRACT WITH A SUBSTANTIAL SHARE OF RESIDENTS LIVING IN LOW INCOME AREAS WITH LOW LEVELS OF ACCESS TO GROCERY STORES OR HEALTHY, AFFORDABLE FOOD RETAIL OUTLETS.~~

~~(iii) "TARGET CENSUS TRACT" MEANS A CENSUS TRACT, AS ESTABLISHED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS, THAT:~~

~~1. REFLECTS A POVERTY RATE THAT IS 20% OR GREATER, AS DETERMINED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS; OR~~

~~2. REFLECTS A MEDIAN FAMILY INCOME RATE, AS DETERMINED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS, THAT IS AT OR BELOW 80% OF THE MEDIAN FAMILY INCOME RATE IN CONTIGUOUS CENSUS TRACTS.~~

~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD MAY NOT ISSUE OR TRANSFER A CLASS A BEER LICENSE INTO:~~

~~(i) A FOOD DESERT, AS LONG AS IT IS DESIGNATED AS A FOOD DESERT; OR~~

~~(H) A TARGET CENSUS TRACT, AS LONG AS IT QUALIFIES AS A TARGET CENSUS TRACT.~~

~~(3) THE BOARD MAY RENEW A CLASS A BEER LICENSE THAT WAS ISSUED IN A FOOD DESERT OR A TARGET CENSUS TRACT BEFORE JULY 1, 2016.~~

~~(D) The annual license fee is \$245.~~

~~26-801.~~

~~(a) There is a Class A beer and light wine license.~~

~~(b) (1) The license authorizes the license holder to sell beer and light wine, at retail, at the place described in the license.~~

~~(2) The license holder shall sell the beer and light wine in a sealed package or container.~~

~~(3) The package or container may not be opened and its contents may not be consumed on the premises where the beer or light wine is sold.~~

~~(4) THE LICENSE HOLDER MAY SELL BEER ONLY IN PACKAGES OF AT LEAST SIX CANS OR BOTTLES.~~

~~(e) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(H) "FOOD DESERT" MEANS AN AREA DESIGNATED BY THE U.S. DEPARTMENT OF AGRICULTURE AS A CENSUS TRACT WITH A SUBSTANTIAL SHARE OF RESIDENTS LIVING IN LOW INCOME AREAS WITH LOW LEVELS OF ACCESS TO GROCERY STORES OR HEALTHY, AFFORDABLE FOOD RETAIL OUTLETS.~~

~~(H) "TARGET CENSUS TRACT" MEANS A CENSUS TRACT, AS ESTABLISHED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS, THAT:~~

~~1. REFLECTS A POVERTY RATE THAT IS 20% OR GREATER, AS DETERMINED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS; OR~~

~~2. REFLECTS A MEDIAN FAMILY INCOME RATE, AS DETERMINED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS, THAT IS AT OR BELOW 80% OF THE MEDIAN FAMILY INCOME RATE IN CONTIGUOUS CENSUS TRACTS.~~

~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD MAY NOT ISSUE OR TRANSFER A CLASS A BEER AND LIGHT WINE LICENSE INTO:~~

~~(I) A FOOD DESERT, AS LONG AS IT IS DESIGNATED AS A FOOD DESERT; OR~~

~~(II) A TARGET CENSUS TRACT, AS LONG AS IT QUALIFIES AS A TARGET CENSUS TRACT.~~

~~(3) THE BOARD MAY RENEW A CLASS A BEER AND LIGHT WINE LICENSE THAT WAS ISSUED IN A FOOD DESERT OR A TARGET CENSUS TRACT BEFORE JULY 1, 2016.~~

~~(D) The annual license fee is \$245.~~

~~26-901.~~

~~(a) There is a Class A beer, wine, and liquor license.~~

~~(b) (1) The license authorizes the license holder to sell beer, wine, and liquor at retail at the place described in the license.~~

~~(2) The license holder shall sell the beer, wine, or liquor in a sealed package or container that may not be opened or its contents consumed on the licensed premises.~~

~~(3) A CLASS A BEER, WINE AND LIQUOR LICENSE HOLDER MAY SELL BEER ONLY IN PACKAGES OF AT LEAST SIX CANS OR BOTTLES.~~

~~(c) A license under this section may not be issued for a drugstore unless the applicant:~~

~~(1) has been doing business at the location applied for in the license for at least 1 year before the date of the application for the license;~~

~~(2) is the assignee of a business established for at least 1 year before the date of the application for the license at the location applied for; or~~

~~(3) has been engaged in the retail drug business for at least 3 years.~~

~~(d) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(II) "FOOD DESERT" MEANS AN AREA DESIGNATED BY THE U.S. DEPARTMENT OF AGRICULTURE AS A CENSUS TRACT WITH A SUBSTANTIAL SHARE~~

~~OF RESIDENTS LIVING IN LOW INCOME AREAS WITH LOW LEVELS OF ACCESS TO GROCERY STORES OR HEALTHY, AFFORDABLE FOOD RETAIL OUTLETS.~~

~~(H) “TARGET CENSUS TRACT” MEANS A CENSUS TRACT, AS ESTABLISHED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS, THAT:~~

~~1. REFLECTS A POVERTY RATE THAT IS 20% OR GREATER, AS DETERMINED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS; OR~~

~~2. REFLECTS A MEDIAN FAMILY INCOME RATE, AS DETERMINED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS, THAT IS AT OR BELOW 80% OF THE MEDIAN FAMILY INCOME RATE IN CONTIGUOUS CENSUS TRACTS.~~

~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD MAY NOT ISSUE OR TRANSFER A CLASS A BEER, WINE AND LIQUOR LICENSE INTO:~~

~~(I) A FOOD DESERT, AS LONG AS IT IS DESIGNATED AS A FOOD DESERT; OR~~

~~(II) A TARGET CENSUS TRACT, AS LONG AS IT QUALIFIES AS A TARGET CENSUS TRACT.~~

~~(3) THE BOARD MAY RENEW A CLASS A BEER, WINE AND LIQUOR LICENSE THAT WAS ISSUED IN A FOOD DESERT BEFORE JULY 1, 2016.~~

~~(E) The annual license fee is \$910.~~

~~26-1104.~~

~~(a) There is a Sunday off sale permit.~~

~~(b) (1) Except as provided in paragraph (2) of this subsection, the Board may issue the permit to the holder of:~~

~~(i) a Class A beer, wine, and liquor license; or~~

~~(ii) a Class B beer, wine, and liquor license with an off sale privilege.~~

~~(2) The Board may not issue a Sunday off sale permit to a license holder that the Board finds to have sold liquor on Sunday without a Sunday off sale permit.~~

~~(e) (1) The permit authorizes the holder to sell alcoholic beverages for off-premises consumption on Sunday from 8 a.m. to midnight.~~

~~(2) DURING THE HOURS FOR SALE THAT THE PERMIT AUTHORIZES, THE HOLDER MAY SELL BEER ONLY IN PACKAGES OF AT LEAST SIX CANS OR BOTTLES.~~

~~(d) (1) Except as provided in paragraph (2) of this subsection, an applicant for the permit shall commit in the application to reinvesting a minimum of \$50,000 in the business within 1 year after the permit is issued.~~

~~(2) The Board may waive the reinvestment requirement.~~

~~(3) The Board shall revoke the permit if:~~

~~(i) the Board did not waive the reinvestment requirement under item (ii) of this paragraph; and~~

~~(ii) the permit holder fails to make the required reinvestment.~~

~~(e) If the permit is issued to the holder of a Class B beer, wine, and liquor license with an off-sale privilege, the holder need not comply with any restaurant or food requirement.~~

~~(f) Not more than 100 special Sunday off-sale permits may be in effect at any one time.~~

~~(g) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(H) "FOOD DESERT" MEANS AN AREA DESIGNATED BY THE U.S. DEPARTMENT OF AGRICULTURE AS A CENSUS TRACT WITH A SUBSTANTIAL SHARE OF RESIDENTS LIVING IN LOW-INCOME AREAS WITH LOW LEVELS OF ACCESS TO GROCERY STORES OR HEALTHY, AFFORDABLE FOOD RETAIL OUTLETS.~~

~~(HH) "TARGET CENSUS TRACT" MEANS A CENSUS TRACT, AS ESTABLISHED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS, THAT:~~

~~1. REFLECTS A POVERTY RATE THAT IS 20% OR GREATER, AS DETERMINED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS; OR~~

~~2. REFLECTS A MEDIAN FAMILY INCOME RATE, AS DETERMINED BY THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS,~~

~~THAT IS AT OR BELOW 80% OF THE MEDIAN FAMILY INCOME RATE IN CONTIGUOUS CENSUS TRACTS.~~

~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD MAY NOT ISSUE OR TRANSFER A SPECIAL SUNDAY OFF SALE PERMIT INTO:~~

~~(I) A FOOD DESERT, AS LONG AS IT IS DESIGNATED AS A FOOD DESERT; OR~~

~~(II) A TARGET CENSUS TRACT, AS LONG AS IT QUALIFIES AS A TARGET CENSUS TRACT.~~

~~(3) THE BOARD MAY RENEW A SPECIAL SUNDAY OFF SALE PERMIT THAT WAS ISSUED IN A FOOD DESERT OR A TARGET CENSUS TRACT BEFORE JULY 1, 2016.~~

~~(H) (1) The application fee for the permit is \$750.~~

~~(2) The annual fees for the permit are:~~

~~(i) \$2,500 for the holder of a Class A beer, wine, and liquor license; and~~

~~(ii) \$1,080 for the holder of a Class B beer, wine, and liquor license with an off-sale privilege.~~

~~(3) The fees listed in paragraphs (1) and (2) of this subsection are in addition to the annual fee for the Class A beer, wine, and liquor license or Class B beer, wine, and liquor license to which it is attached.~~

26-1501.

(a) Section 4-207 (“Licenses issued to minors”) of Division I of this article applies in the County without exception or variation.

(b) The following sections of Title 4, Subtitle 2 (“Issuance or Denial of License Applications”) do not apply in the County:

(1) § 4-206 (“Limitations on retail floor space”) and is superseded by § 26-1504 of this subtitle;

(2) § 4-210 (“Approval or denial of license application”) and is superseded by § 26-1513 of this subtitle; and

(3) § 4-214 (“Waiting periods after denial of license applications”) and is superseded by § 26-1516 of this subtitle.

(c) The following sections of Title 4, Subtitle 2 (“Issuance or Denial of Local Licenses”) of Division I of this article apply in the County:

(1) § 4-202 (“Authority of local licensing boards”), in addition to §§ 26-1502 and 26-1503 of this subtitle;

(2) § 4-203 (“Prohibition against issuing multiple licenses to individual or for use of entity”), subject to § 26-1505 of this subtitle and Subtitle 13, Part III and Subtitle 16, Part II of this title;

(3) § 4-204 (“Prohibition against issuing multiple licenses for same premises”), subject to § 26-1505 of this subtitle and Subtitle 13, Part III of this title;

(4) § 4-205 (“Chain store, supermarket, or discount house”), subject to § 26-1509 of this subtitle;

(5) § 4-208 (“Notice of license application required”), subject to § 26-1512 of this subtitle;

(6) § 4-209 (“Hearing”), in addition to § 26-1511 of this subtitle;

(7) § 4-211 (“License forms; effective date; expiration”), in addition to § 26-1508 of this subtitle;

(8) § 4-212 (“License not property”), subject to § 26-1506 of this subtitle;
and

(9) § 4-213 (“Replacement licenses”), subject to § 26-1517 of this subtitle.

26-1511.

(a) (1) The Board may adopt a calendar that establishes:

(i) filing dates by which license applications are required to be filed;
and

(ii) hearing dates for license application hearings.

(2) A filing date for a license application shall be at least 60 days before the hearing at which the application is to be heard.

(b) (1) The Board shall determine the number of licenses of each class that may be applied for at a hearing.

(2) The number of licenses that the Board makes available for issuance at a hearing may be less than the total number of licenses in each class that remains unissued by the Board.

(3) If, after a hearing, the applicants who are qualified for the issuance of a license of a certain class outnumber the licenses of that class authorized to be issued at the hearing, the Board shall determine the applicants who are best qualified to be license holders.

(4) The Board may not issue additional licenses of any class that were not determined and published as available for the hearing.

(c) (1) Before holding a hearing, the Board shall publish a notice of the hearing in at least two newspapers of general circulation in the County.

(2) The notice shall be published at least 30 days before the date by which license applications are required to be filed for consideration at the hearing.

(3) The notice shall contain:

(i) the number of licenses of each class that are available for issuance;

(ii) a description of each class;

(iii) the date by which license applications must be filed to be considered at the license application hearing; and

(iv) the date of the hearing.

(D) (1) IN ADDITION TO ANY OTHER NOTICE REQUIRED UNDER THIS ARTICLE, THE BOARD SHALL PROVIDE ~~WRITTEN AND ELECTRONIC~~ NOTICE OF THE DATE, TIME, AND LOCATION OF A HEARING, AS SOON AS PRACTICABLE AFTER THE HEARING IS SCHEDULED, TO ALL MUNICIPALITIES, CIVIC ASSOCIATIONS, HOMEOWNERS' ASSOCIATIONS, AND CONDOMINIUM ASSOCIATIONS THAT:

~~(1)~~ (I) ARE WITHIN 1 MILE OF THE LOCATION OF THE PROPOSED PLACE OF BUSINESS OF THE APPLICANT; AND

~~(2)~~ (II) REQUEST TO RECEIVE NOTICE OF HEARINGS BY SIGNING UP ON A REGISTRY ON THE BOARD'S WEB SITE.

(2) A MUNICIPALITY, CIVIC ASSOCIATION, HOMEOWNERS' ASSOCIATION, OR CONDOMINIUM ASSOCIATION THAT REQUESTS TO RECEIVE NOTICE OF HEARINGS UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION MAY ELECT TO RECEIVE WRITTEN OR ELECTRONIC NOTICE.

26-1512.

(a) In addition to the newspaper notice required under § 4-208 of this article, the Board shall post a suitable notice in a conspicuous place at the location described in an application for at least 10 days before the application hearing.

(b) A notice under subsection (a) of this section shall state the class of license for which the application is made and the date, time, and location set by the Board for an application hearing.

(c) (1) If the location described in the application is in a municipality, written notice of the application shall be made to the governing body of the municipality.

(2) A municipality that receives written notice under this subsection has standing to appear at the application hearing.

26-1601.

(a) (1) Except as otherwise provided in this title, the number of licenses in a class issued by the Board may not exceed:

- (i) Class A beer, [19] 4;
- (ii) Class B beer, 23;
- (iii) Class C beer, 3;
- (iv) Class D beer, [76] 33;
- (v) Class A beer and light wine, [26] 7;
- (vi) Class B beer and light wine, 45;
- (vii) Class B-GC beer and light wine, 4;
- (viii) Class B-Stadium beer and light wine, 1;
- (ix) Class C beer and light wine, 8;
- (x) Class D beer and light wine, [55] 99;
- (xi) Class A beer, wine, and liquor, 143;
- (xii) Class B beer, wine, and liquor, 185;

(xiii) Class B-AE beer, wine, and liquor, [8] 15;

(xiv) Class BCE beer, wine, and liquor, 8;

(xv) Class B-CI beer, wine, and liquor, 2;

(xvi) Class B-DD beer, wine, and liquor:

1. under § 26-1614(a)(1) of this subtitle, 4;

2. under § 26-1614(a)(2) of this subtitle, 4;

3. under § 26-1614(a)(3) of this subtitle, 6; [and]

4. subject to paragraph (3) of this subsection, under § 26-1614(a)(4) of this subtitle, 6;

5. UNDER § 26-1614(A)(5) OF THIS SUBTITLE, 4;

6. UNDER § 26-1614(A)(6) OF THIS SUBTITLE, 10; AND

7. UNDER § 26-1614(A)(7) OF THIS SUBTITLE, 3;

(xvii) Class B/ECF beer, wine, and liquor, 1;

(xviii) Class B-ECF/DS beer, wine, and liquor, 1;

(xix) Class B-ECR beer, wine, and liquor, 1;

(xx) Class B-Stadium beer, wine, and liquor, 1; and

(xxi) Class C beer, wine, and liquor:

1. under § 26-1002 of this title, 30;

2. under § 26-1005 of this title, 25;

3. under § 26-1011 of this title, 12;

4. under § 26-1017 of this title, 1; and

5. under § 26-1019 of this title, 4.

26-1614.

(a) The Board may issue:

(1) up to four Class B-DD (Development District) licenses for restaurants located within the Capital Plaza commercial area, consisting of commercial properties within the area bounded by the Baltimore-Washington Parkway on the west and northwest, Maryland Route 450 on the south, and Cooper Lane on the east and northeast;

(2) up to four Class B-DD (Development District) licenses for restaurants located within the area of Greenbelt Station, located inside the Capital Beltway and adjacent to the Greenbelt Metro Station;

(3) up to six Class B-DD (Development District) licenses for restaurants located within the area of Ritchie Station Marketplace; [and]

(4) subject to subsection (b) of this section, up to six Class B-DD (Development District) licenses for restaurants located within the Towne Centre at Laurel;

(5) UP TO TWO CLASS B-DD (DEVELOPMENT DISTRICT) LICENSES TO RESTAURANTS LOCATED WITHIN THE BUENA VISTA WEST MIXED-USE DEVELOPMENT, LOCATED IN THE NORTHWEST QUADRANT OF THE INTERSECTION OF MD-704/MARTIN LUTHER KING JR. HIGHWAY AND MD-450/ANNAPOLIS ROAD;

(6) UP TO FIVE CLASS B-DD (DEVELOPMENT DISTRICT) LICENSES TO RESTAURANTS LOCATED WITHIN THE KARINGTON MIXED-USED DEVELOPMENT, LOCATED IN THE SOUTHWEST QUADRANT OF THE INTERSECTION OF MD-214/CENTRAL AVENUE AND US-301/CRAIN HIGHWAY;

(7) UP TO TWO CLASS B-DD (DEVELOPMENT DISTRICT) LICENSES TO RESTAURANTS LOCATED WITHIN THE CLINTON MARKETPLACE MIXED-USE DEVELOPMENT, LOCATED IN THE SOUTHWEST QUADRANT OF THE INTERSECTION OF MD-223/PISCATAWAY ROAD AND BRANDYWINE ROAD;

(8) ONE CLASS B-DD (DEVELOPMENT DISTRICT) LICENSE TO A RESTAURANT LOCATED WITHIN 1.5 MILES SURROUNDING RIVERTOWNE COMMONS, AT THE INTERSECTION OF LIVINGSTON ROAD AND OXON HILL ROAD;

(9) ONE CLASS B-DD (DEVELOPMENT DISTRICT) LICENSE TO A RESTAURANT LOCATED AT THE INTERSECTION OF ROUTE 373 AND ROUTE 210/INDIAN HEAD HIGHWAY;

(10) ONE CLASS B-DD (DEVELOPMENT DISTRICT) LICENSE TO A RESTAURANT LOCATED WITHIN 1.5 MILES SURROUNDING IVERSON MALL, AT THE INTERSECTION OF IVERSON STREET AND BRANCH AVENUE; AND

(11) ONE CLASS B-DD (DEVELOPMENT DISTRICT) LICENSE TO A RESTAURANT LOCATED WITHIN 1 MILE SURROUNDING THE INTERSECTION OF EAST-WEST HIGHWAY AND BELCREST ROAD.

26-1616.

(a) There is a Class BLX license.

(e) The annual license fee is [~~\$3,025~~] **\$3,875.**

26-1702.

(a) The Board may not approve the transfer of a license from one location to another:

(1) except as provided in subsection (b) of this section, for at least 2 years after the issuance of a new license; and

(2) unless the Board determines that:

(i) the transfer to the new location is necessary to accommodate the public; and

(ii) the transferee has complied with the residency requirements specified in § 26-1406(c) of this title.

(b) Subject to the approval of the Board, a receiver or trustee may transfer ownership and location of a license for the benefit of creditors of a license holder within 6 months after:

(1) appointment as the receiver or trustee; or

(2) the death of the license holder.

(c) (1) The Board may approve a transfer of location or ownership within 2 years after a transfer of location has been authorized.

(2) This paragraph does not prohibit a transfer of ownership for continuance of a business in the same location, unless there has been a transfer of location for the license within 2 years.

(d) A transfer of a license in accordance with a security agreement is subject to approval by the Board like any other license transfer, except that the written consent and cooperation of the existing license holder is not required.

(E) **(1)** IN ADDITION TO ANY OTHER NOTICE REQUIRED UNDER THIS ARTICLE, THE BOARD SHALL PROVIDE ~~WRITTEN AND ELECTRONIC~~ NOTICE OF THE TIME, DATE, AND LOCATION OF A HEARING, AS SOON AS PRACTICABLE AFTER A HEARING FOR A LICENSE TRANSFER IS SCHEDULED, TO ALL MUNICIPALITIES, CIVIC ASSOCIATIONS, HOMEOWNERS' ASSOCIATIONS, AND CONDOMINIUM ASSOCIATIONS THAT:

~~(1)~~ **(I)** ARE WITHIN 1 MILE OF THE LOCATION OF THE PROPOSED PLACE OF BUSINESS OF THE APPLICANT; AND

~~(2)~~ **(II)** REQUEST TO RECEIVE NOTICE OF HEARINGS BY SIGNING UP ON A REGISTRY ON THE BOARD'S WEB SITE.

(2) A MUNICIPALITY, CIVIC ASSOCIATION, HOMEOWNERS' ASSOCIATION, OR CONDOMINIUM ASSOCIATION THAT REQUESTS TO RECEIVE NOTICE OF HEARINGS UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION MAY ELECT TO RECEIVE WRITTEN OR ELECTRONIC NOTICE.

26-1801.

(a) The following sections of Title 4, Subtitle 4 ("Renewal of Local Licenses") of Division I of this article apply in the County without exception or variation:

- (1) § 4-402 ("Eligibility for renewal; process");
- (2) § 4-403 ("Renewal application");
- (3) § 4-408 ("Issuance of renewed licenses");
- (4) § 4-409 ("Multiple licenses"); and
- (5) § 4-410 ("Chain store, supermarket, or discount house").

(b) Section 4-404 ("Filing period for renewal application") of Division I of this article does not apply in the County and is superseded by § 26-1802 of this subtitle.

(c) The following sections of Title 4, Subtitle 4 ("Renewal of Local Licenses") of Division I of this article apply in the County:

- (1) § 4-405 ("Contents of renewal application"), subject to § 26-1804 of this subtitle;
- (2) § 4-406 ("Protests"), subject to § 26-1803 of this subtitle; and
- (3) § 4-407 ("Denial of renewal application"), subject to § 26-1806 of this subtitle.

26–1803.

(a) A protest of a license renewal shall be filed with the Board on or before March 1.

(b) A municipality in which the licensed premises is located may make a protest of a license renewal after holding a public hearing concerning the protest.

(c) **(1) IN ADDITION TO ANY OTHER NOTICE REQUIRED UNDER THIS ARTICLE, THE BOARD SHALL PROVIDE ~~WRITTEN AND ELECTRONIC~~ NOTICE OF THE TIME, DATE, AND LOCATION OF A HEARING, AS SOON AS PRACTICABLE AFTER THE HEARING IS SCHEDULED, TO ALL MUNICIPALITIES, CIVIC ASSOCIATIONS, HOMEOWNERS' ASSOCIATIONS, AND CONDOMINIUM ASSOCIATIONS THAT:**

~~(1)~~ **(I) ARE WITHIN 1 MILE OF THE LOCATION OF THE PROPOSED PLACE OF BUSINESS OF THE APPLICANT; AND**

~~(2)~~ **(II) REQUEST TO RECEIVE NOTICE OF HEARINGS BY SIGNING UP ON A REGISTRY ON THE BOARD'S WEB SITE.**

(2) A MUNICIPALITY, CIVIC ASSOCIATION, HOMEOWNERS' ASSOCIATION, OR CONDOMINIUM ASSOCIATION THAT REQUESTS TO RECEIVE NOTICE OF HEARINGS UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION MAY ELECT TO RECEIVE WRITTEN OR ELECTRONIC NOTICE.

26–2003.

(d) (1) Subject to paragraph (2) of this subsection, UNLESS THE LICENSE IS RESTRICTED UNDER § 26–601(C), § 26–604(C), OR § 26–801(C) OF THIS TITLE, a holder of a Class D beer and light wine license may sell beer and light wine:

(i) for on–premises consumption, from 6 a.m. to 2 a.m. the following day; and

(ii) for off–premises consumption, from 6 a.m. to midnight.

(2) The license holder may not sell beer or light wine from 2 a.m. to 6 a.m.

26–2004.

(b) (1) Subject to paragraph (3) of this subsection, a holder of a Class B beer, wine, and liquor license may sell beer, wine, and liquor:

(i) except as provided in § 26–2005 of this subtitle, for on–premises consumption, on Monday through Saturday, from 6 a.m. to 2 a.m. the following day;

(ii) [if issued a Sunday on-sale permit under § 26-1105 of this title.] from [noon] 8 A.M. on Sunday to 2 a.m. the following day; and

(iii) for off-premises consumption, on Monday through Saturday, from 6 a.m. to midnight.

26-2006.

(b) [(1) Subject to paragraph (2) of this subsection, a holder of a Class B restaurant license with or without a Sunday permit that allows the holder to sell liquor by the glass for on-premises consumption may sell beer, wine, and liquor on Sunday from 8 a.m. to 2 a.m. the following day if the Sunday is December 24 or December 31.

(2)] A holder of a Class B restaurant license that allows the sale of alcoholic beverages for off-premises consumption may not sell alcoholic beverages for off-premises consumption Monday through Sunday from midnight to 8 a.m.

26-2605.

(A) THE BOARD SHALL:

(1) OBTAIN FROM THE APPROPRIATE LAW ENFORCEMENT AGENCIES INFORMATION REGARDING CITATIONS ISSUED AND ARRESTS MADE ON LICENSED PREMISES FOR VIOLATIONS OF § 14-139.03 OF THE PRINCE GEORGE'S COUNTY CODE; AND

(2) MAINTAIN A COMPREHENSIVE DATABASE OF:

(I) THE INFORMATION OBTAINED UNDER ITEM (1) OF THIS SUBSECTION; AND

(II) FINES IMPOSED UNDER SUBSECTION (B) OF THIS SECTION.

(B) THE BOARD MAY IMPOSE A FINE UNDER § 26-2802 OF THIS TITLE ON A LICENSE HOLDER IF AT LEAST 3 CITATIONS ARE ISSUED OR ARRESTS ARE MADE ON THE LICENSED PREMISES FOR VIOLATIONS OF § 14-139.03 OF THE PRINCE GEORGE'S COUNTY CODE IN A 12-MONTH PERIOD.

~~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 licenses issued in an area designated as a food desert or qualifying as a target census tract before the effective date of this Act.~~

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 731

(House Bill 1024)

AN ACT concerning

Montgomery County – Municipal Authority to Regulate Structures – Clarification

PG/MC 112–16

FOR the purpose of clarifying that a municipal corporation or governed special taxing district in Montgomery County may adopt a certain building requirement to regulate the construction, repair, or remodeling of certain structures on land zoned for single-family residential use; and generally relating to the authority of municipal corporations and governed special taxing districts in Montgomery County to regulate structures.

BY repealing and reenacting, with amendments,

Article – Land Use

Section 20–509

Annotated Code of Maryland

(2012 Volume and 2015 Supplement)

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

Article – Land Use

20–509.

(a) Subject to subsections (b), (c), and (d) of this section, by local law, the legislative body of a municipal corporation or governed special taxing district may impose an additional or stricter building requirement than is required by a State, regional, or county unit that exercises zoning or planning authority over the municipal corporation or governed district if the authority is exercised in addition to the State, regional, or county zoning or planning authority.

(b) A building requirement adopted under this section:

(1) shall be imposed for:

(i) the protection of the public health, safety, and welfare; or

(ii) the preservation, improvement, or protection of lands, water, and improvements in the municipal corporation or governed special taxing district; and

(2) may regulate only the construction, repair, or remodeling of single-family residential houses [or], buildings, **OR OTHER STRUCTURES** on land zoned for single-family residential use as it relates to:

(i) fences, walls, hedges, and similar barriers;

(ii) signs;

(iii) residential parking;

(iv) residential storage;

(v) the location of structures, including setback requirements;

(vi) the dimensions of structures, including height, bulk, massing, and design; and

(vii) lot coverage, including impervious surfaces.

(c) Before adopting a local law under this section, a municipal corporation or governed special taxing district shall:

(1) hold a public hearing; and

(2) at least 30 days before the public hearing, transmit a copy of the proposed local law to the county council.

(d) A local law that a municipal corporation or governed special taxing district adopts under this section shall provide a procedure for a waiver from the strict application of the building requirements.

(e) By local law, a municipal corporation or governed special taxing district may enact an additional or stricter commercial sign regulation than is imposed by the State, the Commission, or the county.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 732**(House Bill 1115)**

AN ACT concerning

Montgomery County – Cigarette Retailers – County License Fee**MC 12–16**

FOR the purpose of increasing the fee for a county license to sell cigarettes at retail in Montgomery County; requiring the Clerk of the Circuit Court for Montgomery County to distribute a certain amount of each license fee to the Comptroller and to distribute to Montgomery County a certain amount of each license fee to be used for a certain purpose; prohibiting the use of certain funds to supplant certain existing funding for a certain purpose; and generally relating to cigarette retailer licenses in Montgomery County.

BY repealing and reenacting, without amendments,
Article – Business Regulation
Section 16–101 and 16–301
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 16–302
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

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

Article – Business Regulation

16–101.

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

(b) “Cigarette” means any size or shaped roll for smoking that is made of tobacco or tobacco mixed with another ingredient and wrapped in paper or in any other material except tobacco.

(c) “County license” means a license issued by the clerk to sell cigarettes at retail in a county.

(d) “Sell” means to exchange or transfer, or to agree to exchange or transfer, title or possession of property, in any manner or by any means, for consideration.

(e) (1) “Sell cigarettes at retail” means to sell cigarettes to a consumer.

(2) “Sell cigarettes at retail” includes selling cigarettes through a vending machine.

16–301.

Whenever a person sells cigarettes at retail in a county, the person must have a county license for:

(1) each place of business; and

(2) each vending machine, if the applicant sells cigarettes through a vending machine.

16–302.

(A) For each county license, an applicant shall:

(1) submit an application to the clerk; and

(2) pay to the clerk a license fee of:

(i) \$25 in a county other than Cecil County **OR MONTGOMERY COUNTY**; [or]

(ii) \$50 in Cecil County; **OR**

(III) \$125 IN MONTGOMERY COUNTY.

(B) **(1) FROM EACH LICENSE FEE COLLECTED UNDER SUBSECTION (A) OF THIS SECTION, THE CLERK OF THE CIRCUIT COURT FOR MONTGOMERY COUNTY SHALL DISTRIBUTE:**

~~(1)~~ **(I) \$25 TO THE COMPTROLLER; AND**

~~(2)~~ **(II) \$100 TO MONTGOMERY COUNTY TO BE USED TO ENFORCE EXISTING LAWS BANNING THE SALE OR DISTRIBUTION OF TOBACCO OR TOBACCO PRODUCTS TO MINORS.**

(2) FUNDS DISTRIBUTED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION MAY NOT BE USED TO SUPPLANT EXISTING FUNDING FOR THE

ENFORCEMENT OF LAWS BANNING THE SALE OR DISTRIBUTION OF TOBACCO OR TOBACCO PRODUCTS TO MINORS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 733

(House Bill 1138)

AN ACT concerning

Prince George's County – School Facilities Surcharge – Student Housing Exemptions

PG 439–16

FOR the purpose of altering the areas within which multifamily housing designated as student housing is exempt from the Prince George's County school facilities surcharge; updating a certain reference; establishing an exemption from the school facilities surcharge for certain multifamily housing designated as graduate student housing by the City of College Park; authorizing the Prince George's County Council, by resolution, to reverse a certain designation by the City of College Park of multifamily housing as graduate student housing within a certain number of days of the designation; and generally relating to exemptions from the school facilities surcharge in Prince George's County.

BY repealing and reenacting, with amendments,

The Public Local Laws of Prince George's County

Section 10–192.01(b)(4)

Article 17 – Public Local Laws of Maryland

(2011 Edition, as amended)

(As enacted by Chapter 254 of the Acts of the General Assembly of 2002, Chapter 166 of the Acts of the General Assembly of 2007, Chapter 108 of the Acts of the General Assembly of 2008, and Chapter 637 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 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;

(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] **THE** area within the campus of Capitol ~~College~~ **TECHNOLOGY UNIVERSITY** 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] ~~THE~~

(I) SUBJECT TO SUBSUBPARAGRAPH (II) OF THIS SUBPARAGRAPH, THE SCHOOL FACILITIES SURCHARGE DOES NOT APPLY TO

MULTI-FAMILY HOUSING THAT IS LOCATED IN THE CITY OF COLLEGE PARK AND DESIGNATED AS GRADUATE STUDENT HOUSING BY THE CITY OF COLLEGE PARK.

(II) THE COUNTY COUNCIL MAY, BY RESOLUTION, REVERSE A DESIGNATION BY THE CITY OF COLLEGE PARK OF MULTI-FAMILY HOUSING AS GRADUATE STUDENT HOUSING WITHIN 60 DAYS OF THE DESIGNATION.

(C) If the housing is converted from student housing **OR GRADUATE STUDENT HOUSING** to multi-family housing 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 the conversion.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 734

(House Bill 1179)

AN ACT concerning

Vehicle Laws – HOV Lanes – Plug-In Electric Drive and Hybrid Vehicles

FOR the purpose of authorizing certain hybrid vehicles to use a certain high occupancy vehicle (HOV) ~~lanes~~ lane regardless of the number of passengers under certain circumstances; making certain requirements regarding the use of HOV lanes by plug-in electric drive vehicles applicable to qualified hybrid vehicles; extending the termination date for the exemption allowing the use of HOV lanes by plug-in electric drive vehicles; providing for the termination of certain provisions of this Act; making certain conforming changes; and generally relating to the use of HOV lanes by plug-in electric drive and hybrid vehicles.

BY repealing and reenacting, with amendments,
Article – Transportation
Section 21-314 and 25-108
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Transportation
Section 23-202(b)(3)(i)
Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Chapter 491 of the Acts of the General Assembly of 2010, as amended by Chapters 64 and 65 of the Acts of the General Assembly of 2013

Section 2

BY repealing and reenacting, with amendments,

Chapter 492 of the Acts of the General Assembly of 2010, as amended by Chapters 64 and 65 of the Acts of the General Assembly of 2013

Section 2

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

Article – Transportation

21–314.

(a) In this section, “HOV lane” means a high occupancy vehicle lane, the use of which is restricted by a traffic control device during specified times to vehicles carrying at least a specified number of occupants.

(b) Except as provided in subsection (c) of this section, a person may not drive a vehicle in an HOV lane unless authorized by a traffic control device.

(c) **(1)** The following vehicles may be driven in an HOV lane at all times regardless of the number of passengers in or on the vehicle:

~~(1)~~ **(I)** A bus;

~~(2)~~ **(II)** A motorcycle; ~~and~~

~~(3)~~ **(III)** A plug-in electric drive vehicle displaying a valid permit issued under § 25–108 of this article; ~~AND~~

~~(4) A QUALIFIED HYBRID VEHICLE DISPLAYING A VALID PERMIT ISSUED UNDER § 25–108 OF THIS ARTICLE.~~

(2) A QUALIFIED HYBRID VEHICLE DISPLAYING A VALID PERMIT ISSUED UNDER § 25–108 OF THIS ARTICLE MAY BE DRIVEN IN THE PORTION OF U.S. ROUTE 50 DESIGNATED AS AN HOV LANE, BETWEEN INTERSTATE 95/INTERSTATE 495 AND U.S. ROUTE 301, AT ALL TIMES REGARDLESS OF THE NUMBER OF PASSENGERS IN OR ON THE VEHICLE.

23–202.

(b) (3) (i) In this paragraph, “qualified hybrid vehicle” means an automobile that:

1. Meets all applicable regulatory requirements;
2. Meets the current vehicle exhaust standard set under the federal Tier 2 program for gasoline-powered passenger cars under 40 C.F.R. Part 80 et seq.; and
3. Can draw propulsion energy from both of the following sources of stored energy:
 - A. Gasoline or diesel fuel; and
 - B. A rechargeable energy storage system.

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

Article – Transportation

25–108.

(a) In this section, “HOV lane” means a high occupancy vehicle lane, the use of which is restricted by a traffic control device during specified times to vehicles carrying at least a specified number of occupants.

(b) This section applies only to [a]:

(1) A plug-in electric drive vehicle that has a maximum speed capability of at least 65 miles per hour; AND

(2) **A QUALIFIED HYBRID VEHICLE AS DEFINED IN § 23–202(B)(3) OF THIS ARTICLE.**

(c) (1) Whenever the State Highway Administration designates a portion of a highway as an HOV lane, the HOV lane may be used at all times by plug-in electric drive vehicles ~~AND QUALIFIED HYBRID VEHICLES~~ that have obtained a permit from the Administration under this section, regardless of the number of passengers in the vehicle.

(2) FOR THE PORTION OF U.S. ROUTE 50 DESIGNATED AS AN HOV LANE, BETWEEN INTERSTATE 95/INTERSTATE 495 AND U.S. ROUTE 301, THE HOV LANE MAY BE USED AT ALL TIMES BY QUALIFIED HYBRID VEHICLES THAT HAVE OBTAINED A PERMIT FROM THE ADMINISTRATION UNDER THIS SECTION, REGARDLESS OF THE NUMBER OF PASSENGERS IN THE VEHICLE.

(d) (1) The Administration, the State Highway Administration, and the Department of State Police shall consult to design a permit to designate a vehicle as a plug-in electric drive vehicle **OR A QUALIFIED HYBRID VEHICLE** authorized to use an HOV lane.

(2) The Administration may charge a fee, not to exceed \$20, for issuing a permit under this section.

(3) The Administration, on the recommendation of the State Highway Administration, may limit the number of permits issued to ensure HOV lane operations are not degraded to an unacceptable level.

(e) On or before January 1 of each year, the Administration and the State Highway Administration jointly shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the effect of the use of the plug-in electric drive vehicle **AND QUALIFIED HYBRID VEHICLE** permits issued under this section on the operation of HOV lanes in the State.

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

Chapter 491 of the Acts of 2010, as amended by Chapters 64 and 65 of the Acts of 2013

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2010. It shall remain effective for a period of [7] ~~10~~ **8** years and, at the end of September 30, [2017] ~~2020~~ **2018**, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Chapter 492 of the Acts of 2010, as amended by Chapters 64 and 65 of the Acts of 2013

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2010. It shall remain effective for a period of [7] ~~10~~ **8** years and, at the end of September 30, [2017] ~~2020~~ **2018**, 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 this Act shall take effect October 1, 2016. Section 2 of this Act shall remain effective for a period of ~~4~~ **2** years and, at the end of September 30, ~~2020~~ **2018**, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 735**(House Bill 1192)**

AN ACT concerning

**Real Property – Condominiums and Homeowners Associations – Resales –
Disclosures and Fees**

FOR the purpose of altering the contents of a certain certificate that a unit owner is required to furnish to a purchaser on resale of a condominium unit under certain circumstances; specifying a certain maximum fee that a council of unit owners may charge for furnishing a certificate to a unit owner under certain circumstances; authorizing a council of unit owners to charge certain maximum fees for the inspection of a unit and delivery of a certificate under certain circumstances; requiring the Department of Housing and Community Development to adjust in a certain manner the maximum fee that a council of unit owners may charge for furnishing a certificate to a unit owner under certain circumstances; requiring the Department to maintain on its Web site a list of certain maximum fees that may be charged by a council of unit owners or homeowners association; requiring a homeowners association to provide certain information to a lot owner on resale of a lot within a certain time period after receipt of a written request and a certain fee; authorizing a homeowners association to charge certain fees for the delivery of information under certain circumstances; requiring the Department to adjust in a certain manner the maximum fee that a homeowners association may charge for furnishing information to a lot owner under certain circumstances; and generally relating to resales in condominiums and homeowners associations.

BY repealing and reenacting, without amendments,

Article – Real Property

Section 11–135(b)

Annotated Code of Maryland

(2015 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Real Property

Section 11–135(a) and (c) and 11B–106

Annotated Code of Maryland

(2015 Replacement Volume)

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

Article – Real Property

11–135.

(a) Except as provided in subsection (b) of this section, a contract for the resale of a unit by a unit owner other than a developer is not enforceable unless the contract of sale contains in conspicuous type a notice in the form specified in subsection (g)(1) of this section, and the unit owner furnishes to the purchaser not later than 15 days prior to closing:

- (1) A copy of the declaration (other than the plats);
- (2) The bylaws;
- (3) The rules or regulations of the condominium;
- (4) A certificate containing:

(i) A statement disclosing the effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit other than any restraint created by the unit owner;

(ii) A statement setting forth the amount of the [monthly] common expense assessment and any unpaid common expense or special assessment [currently] **ADOPTED BY THE COUNCIL OF UNIT OWNERS THAT IS** due and payable from the selling unit owner;

(iii) A statement of any other fees payable by the unit owners to the council of unit owners;

(iv) A statement of any capital expenditures approved by the council of unit owners planned at the time of the conveyance which are not reflected in the current operating budget disclosed under item (vi) of this item;

(v) The most recent regularly prepared balance sheet and income expense statement, if any, of the condominium;

(vi) The current operating budget of the condominium including [details concerning the reserve fund for repair and replacement and its intended use] **THE CURRENT RESERVE STUDY REPORT OR A SUMMARY OF THE REPORT, A STATEMENT OF THE STATUS AND AMOUNT OF ANY RESERVE OR REPLACEMENT FUND**, or a statement that there is no reserve fund;

(vii) A statement of any **UNSATISFIED** judgments [against the condominium and the existence of any] **OR** pending [suits] **LAWSUITS** to which the council of unit owners is a party, **EXCLUDING ASSESSMENT COLLECTION SUITS**;

(viii) A statement generally describing any insurance policies provided for the benefit of unit owners, a notice that copies of the policies are available for inspection,

stating the location at which the copies are available, and a notice that the terms of the policy prevail over the description;

(ix) [A statement as to whether the council of unit owners has knowledge that any alteration or improvement to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules or regulations;

(x)] A statement as to whether the council of unit owners has **ACTUAL** knowledge of any violation of the health or building codes with respect to the [unit, the limited] common elements [assigned to the unit, or any other portion] of the condominium; **AND**

[(xi) A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal thereof; and

(xii)] **(X)** A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements;

(5) A statement by the unit owner as to whether the unit owner has knowledge:

(i) That any alteration to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules and regulations;

(ii) Of any violation of the health or building codes with respect to the unit or the limited common elements assigned to the unit; and

(iii) That the unit is subject to an extended lease under § 11–137 of this title or under local law, and if so, a copy of the lease must be provided; and

(6) A written notice of the unit owner's responsibility for the council of unit owners' property insurance deductible and the amount of the deductible.

(b) A contract for the resale by a unit owner other than a developer of a unit in a condominium containing less than 7 units is not enforceable unless the contract of sale contains in conspicuous type a notice in the form specified in subsection (g)(2) of this section, and the unit owner furnishes to the purchaser not later than 15 days prior to closing:

(1) A copy of the declaration (other than the plats);

(2) The bylaws;

(3) The rules and regulations of the condominium;

(4) A statement by the unit owner of the unit owner's expenses during the preceding 12 months relating to the common elements; and

(5) A written notice of the unit owner's responsibility for the council of unit owners' property insurance deductible and the amount of the deductible.

(c) (1) **[The] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE** council of unit owners, within 20 days after a written request by a unit owner and receipt of a reasonable fee therefor, not to exceed the cost to the council of unit owners, if any, **UP TO A MAXIMUM OF \$250**, shall furnish a certificate containing the information necessary to enable the unit owner to comply with subsection (a) of this section. A unit owner providing a certificate under subsection (a) of this section is not liable to the purchaser for any erroneous information provided by the council of unit owners and included in the certificate.

(2) IN ADDITION TO THE FEE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COUNCIL OF UNIT OWNERS IS ENTITLED TO A REASONABLE FEE NOT TO EXCEED \$100 FOR AN INSPECTION OF THE UNIT OWNER'S UNIT, IF REQUIRED.

(3) IN ADDITION TO THE FEES UNDER PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, THE COUNCIL OF UNIT OWNERS IS ENTITLED TO A REASONABLE FEE:

(I) NOT TO EXCEED \$50 FOR DELIVERY OF THE CERTIFICATE WITHIN 14 DAYS AFTER THE REQUEST FOR THE CERTIFICATE; AND

(II) NOT TO EXCEED \$100 FOR DELIVERY OF THE CERTIFICATE WITHIN 7 DAYS AFTER THE REQUEST FOR THE CERTIFICATE.

(4) (I) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL ADJUST THE MAXIMUM FEE AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION ~~TO THE NEAREST \$50~~ EVERY 2 YEARS, BEGINNING OCTOBER 1, 2018, TO REFLECT ANY AGGREGATE INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) FOR WASHINGTON-BALTIMORE, OR ANY SUCCESSOR INDEX, FOR THE PREVIOUS 2 YEARS.

(II) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL MAINTAIN ON ITS WEB SITE A LIST OF THE MAXIMUM FEES AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION AS ADJUSTED EVERY 2 YEARS IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

[(2)] (5) With respect to the remaining information that the unit owner is required to disclose under subsection (a) of this section that is not provided by the council of unit owners and included in the certificate, a unit owner:

(i) Except as provided in item (ii) of this paragraph, is liable to the purchaser under this section for damages proximately caused by:

1. An untrue statement about a material fact; and
2. An omission of a material fact that is necessary to make the statements made not misleading, in light of the circumstances under which the statements were made; and

(ii) Is not liable to the purchaser under this section if the owner had, after reasonable investigation, reasonable grounds to believe, and did believe, at the time the information was provided to the purchaser, that the statements were true and that there was no omission to state a material fact necessary to make the statements made not misleading, in light of the circumstances under which the statements were made.

11B–106.

(a) A contract for the resale of a lot within a development, or for the initial sale of a lot within a development containing 12 or fewer lots, to a member of the public who intends to occupy or rent the lot for residential purposes, is not enforceable by the vendor unless:

(1) The purchaser is given, on or before entering into the contract for the sale of such lot, or within 20 calendar days of entering into the contract, the disclosures set forth in subsection (b) of this section;

(2) The purchaser is given any changes in mandatory fees and payments exceeding 10 percent of the amount previously stated to exist and any other substantial and material amendment to the disclosures after they become known to the vendor; and

(3) The contract of sale contains a notice in conspicuous type, which shall include bold and underscored type, in a form substantially the same as the following:

“This sale is subject to the requirements of the Maryland Homeowners Association Act (the “Act”). The Act requires that the seller disclose to you at or before the time the contract is entered into, or within 20 calendar days of entering into the contract, certain information concerning the development in which the lot you are purchasing is located. The content of the information to be disclosed is set forth in § 11B–106(b) of the Act (the “MHAA information”) as follows:

(The notice shall include at this point the text of § 11B–106(b) in its entirety).

If you have not received all of the MHAA information 5 calendar days or more before entering into the contract, you have 5 calendar days to cancel this contract after receiving all of the MHAA information. You must cancel the contract in writing, but you do not have to state a reason. The seller must also provide you with notice of any changes in mandatory fees exceeding 10% of the amount previously stated to exist and copies of any other substantial and material amendment to the information provided to you. You have 3 calendar days to cancel this contract after receiving notice of any changes in mandatory fees, or copies of any other substantial and material amendment to the MHAA information which adversely affects you. If you do cancel the contract you will be entitled to a refund of any deposit you made on account of the contract. However, unless you return the MHAA information to the seller when you cancel the contract, the seller may keep out of your deposit the cost of reproducing the MHAA information, or \$100, whichever amount is less.

By purchasing a lot within this development, you will automatically be subject to various rights, responsibilities, and obligations, including the obligation to pay certain assessments to the homeowners association within the development. The lot you are purchasing may have restrictions on:

- (1) Architectural changes, design, color, landscaping, or appearance;
- (2) Occupancy density;
- (3) Kind, number, or use of vehicles;
- (4) Renting, leasing, mortgaging, or conveying property;
- (5) Commercial activity; or
- (6) Other matters.

You should review the MHAA information carefully to ascertain your rights, responsibilities, and obligations within the development.”

(b) The vendor shall provide the purchaser the following information in writing:

- (1) A statement as to whether the lot is located within a development;
- (2)
 - (i) The current monthly fees or assessments imposed by the homeowners association upon the lot;
 - (ii) The total amount of fees, assessments, and other charges imposed by the homeowners association upon the lot during the prior fiscal year of the homeowners association; and
 - (iii) A statement of whether any of the fees, assessments, or other charges against the lot are delinquent;

(3) The name, address, and telephone number of the management agent of the homeowners association, or other officer or agent authorized by the homeowners association to provide to members of the public, information regarding the homeowners association and the development, or a statement that no agent or officer is presently so authorized by the homeowners association;

(4) A statement as to whether the owner has actual knowledge of:

(i) The existence of any unsatisfied judgments or pending lawsuits against the homeowners association; and

(ii) Any pending claims, covenant violations actions, or notices of default against the lot; and

(5) A copy of:

(i) The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner's tenants, if applicable; and

(ii) The bylaws and rules of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, WITHIN 20 DAYS AFTER A WRITTEN REQUEST BY A LOT OWNER AND RECEIPT OF A REASONABLE FEE, NOT TO EXCEED THE COST TO THE HOMEOWNERS ASSOCIATION, IF ANY, UP TO A MAXIMUM OF \$250, THE HOMEOWNERS ASSOCIATION, THE MANAGEMENT AGENT OF THE HOMEOWNERS ASSOCIATION, OR ANY OTHER AUTHORIZED OFFICER OR AGENT OF THE HOMEOWNERS ASSOCIATION, SHALL PROVIDE THE INFORMATION LISTED UNDER SUBSECTION (B) OF THIS SECTION.

(2) IN ADDITION TO THE FEE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE HOMEOWNERS ASSOCIATION IS ENTITLED TO A REASONABLE FEE:

(I) NOT TO EXCEED \$50 FOR DELIVERY OF THE INFORMATION WITHIN 14 DAYS AFTER THE REQUEST FOR THE INFORMATION; AND

(II) NOT TO EXCEED \$100 FOR DELIVERY OF THE INFORMATION WITHIN 7 DAYS AFTER THE REQUEST FOR THE INFORMATION.

(3) (I) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL ADJUST THE MAXIMUM FEE AUTHORIZED UNDER

PARAGRAPH (1) OF THIS SUBSECTION ~~TO THE NEAREST \$50~~ EVERY 2 YEARS, BEGINNING ON OCTOBER 1, 2018, TO REFLECT ANY AGGREGATE INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) FOR WASHINGTON-BALTIMORE, OR ANY SUCCESSOR INDEX, FOR THE PREVIOUS 2 YEARS.

(II) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL MAINTAIN ON ITS WEB SITE A LIST OF THE MAXIMUM FEES AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION AS ADJUSTED EVERY 2 YEARS IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

[(c)] (D) (1) Within 30 calendar days of any resale transfer of a lot within a development, the transferor shall notify the homeowners association for the primary development of the transfer.

(2) The notification shall include, to the extent reasonably available, the name and address of the transferee, the name and forwarding address of the transferor, the date of transfer, the name and address of any mortgagee, and the proportionate amount of any outstanding homeowners association fee or assessment assumed by each of the parties to the transaction.

[(d)] (E) The requirements of subsection (b) of this section shall be deemed to have been fulfilled if the information required to be disclosed is provided to the purchaser in writing in a clear and concise manner. The disclosures may be summarized or produced in any collection of documents, including plats, the declaration, or the organizational documents of the homeowners association, provided those documents effectively convey the required information to the purchaser.

[(e)] (F) In satisfying the requirements of subsection (b) of this section, the vendor shall be entitled to rely upon the disclosures contained in the depository after June 30, 1989.

[(f)] (G) The provisions of subsections (a), (b), [(d), and] (e), AND (F) of this section do not apply to the sale of a lot in an action to foreclose a mortgage or deed of trust.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 736

(House Bill 1210)

AN ACT concerning

Baltimore City – Alcoholic Beverages – ~~Class C Beer, Wine, and Liquor~~ Licenses

FOR the purpose of establishing in Baltimore City a Class D beer license to be issued to a holder of a Class 5 brewery license; specifying that the Class D beer license authorizes the license holder to sell at retail beer brewed on the brewery premises for on-premises consumption; requiring the Board of License Commissioners for Baltimore City to establish hours and days of sale under the license and an annual license fee; reducing the minimum amount of average daily receipts derived from the sale of food that is required for certain restaurants for which a Class B beer, wine, and liquor license is issued; authorizing the Board of License Commissioners for Baltimore City to issue Class C beer, wine, and liquor licenses and a Class D beer license in certain locations in Baltimore City; *authorizing the Board to transfer a certain Class B-D-7 license from a certain location to a certain location*; altering the areas for which the Board may waive certain distance restrictions between a building for which a license is transferred and a place of worship or school; *altering the expiration date for certain licenses; making this Act an emergency measure*; and generally relating to ~~Class C beer, wine, and liquor~~ alcoholic beverages licenses in Baltimore City.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 12-102

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B.724) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 12-604 and 12-1604(d) and (e)

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 12-1603, 12-1604(c)(2)(iv), (d), and (e), and 12-1605(a)

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B.724) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

12-102.

This title applies only in Baltimore City.

12-604.

(A) THERE IS A CLASS D BEER LICENSE.

(B) THE LICENSE MAY BE ISSUED TO A HOLDER OF A CLASS 5 BREWERY LICENSE.

(C) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL AT RETAIL BEER BREWED ON THE BREWERY PREMISES FOR ON-PREMISES CONSUMPTION.

(D) THE BOARD SHALL ESTABLISH:

(1) THE HOURS AND DAYS OF SALE UNDER THE LICENSE; AND

(2) THE ANNUAL LICENSE FEE.

12-1603.

(a) The alcoholic beverages districts described in this section at all times are coterminous with the legislative districts in the Legislative Districting Plan of 2002 as ordered by the Maryland Court of Appeals on June 21, 2002.

(b) Except as provided in subsection (c) of this section, the Board may not issue a new license in:

- (1) the 40th alcoholic beverages district;
- (2) the 41st alcoholic beverages district;
- (3) the 43rd alcoholic beverages district;
- (4) the 44th alcoholic beverages district; and
- (5) the 45th alcoholic beverages district.

(c) The Board may issue:

(1) in the alcoholic beverages districts specified in subsection (b) of this section:

- (i) a 1-day license; or
- (ii) a Class B beer, wine, and liquor license to a restaurant that:

1. has a minimum capital investment, not including the cost of land and buildings, of \$200,000 for restaurant facilities; and

2. has a minimum seating capacity of 75 individuals;

(2) a Class C beer, wine, and liquor license in the 45th alcoholic beverages district; [or]

(3) a Class C beer, wine, and liquor license in ward 5, precinct 1 of the 44th alcoholic beverages district; AND

~~(4) A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF HOLLIDAY STREET IN WARD 3, PRECINCT 3 OF THE 46TH ALCOHOLIC BEVERAGES DISTRICT; OR~~

~~(5) A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF SOUTH CENTRAL AVENUE IN WARD 3, PRECINCT 3 OF THE 46TH ALCOHOLIC BEVERAGES DISTRICT; OR~~

~~(6) SUBJECT TO SUBSECTION (D) OF THIS SECTION, A CLASS D BEER LICENSE FOR THE AREA IN WARD 24, PRECINCT 5 THAT IS BOUNDED BY EAST FORT AVENUE ON THE NORTH, THE CSX ACCESS WAY ON THE EAST, EAST MCCOMAS STREET ON THE SOUTH, AND WHETSTONE WAY ON THE WEST.~~

~~(D) A CLASS D BEER LICENSE MAY BE TRANSFERRED INTO THE AREA SPECIFIED UNDER SUBSECTION (C)(6) OF THIS SECTION IF ORIGINALLY ISSUED FOR ANOTHER AREA A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF WEST SARATOGA STREET IN WARD 4, PRECINCT 3 OF THE 40TH ALCOHOLIC BEVERAGES DISTRICT.~~

~~(E) ONE CLASS B-D-7 LICENSE ISSUED FOR A PROPERTY SURROUNDED BY MORTON STREET ON THE WEST, WEST EAGER STREET ON THE NORTH, NORTH CHARLES STREET ON THE EAST, AND WEST READ STREET ON THE SOUTH MAY BE TRANSFERRED TO A PROPERTY SURROUNDED BY 21ST STREET ON THE NORTH, MORTON STREET ON THE WEST, NORTH CHARLES STREET ON THE EAST, AND 20TH STREET ON THE SOUTH.~~

12-1604.

(c) (2) The Board may issue a Class B beer, wine, and liquor license:

(iv) for not more than three restaurants in a business planned unit development in ward 24, precinct 5, if each restaurant:

1. has a minimum capital investment of \$700,000;

2. has seating for more than 75 individuals, but not more than 150 individuals;

3. has average daily receipts from the sale of food that are at least [65%] 51% of the total daily receipts of the restaurant; and

4. except as provided in paragraph (5) of this subsection, may not sell for off-premises consumption.

(D) THE BOARD MAY ISSUE:

(1) A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF HOLLIDAY STREET IN WARD 3, PRECINCT 3;

(2) A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF SOUTH CENTRAL AVENUE IN WARD 3, PRECINCT 3; AND

(3) SUBJECT TO SUBSECTION (E) OF THIS SECTION, A CLASS D BEER LICENSE FOR THE AREA IN WARD 24, PRECINCT 5 THAT IS BOUNDED BY EAST FORT AVENUE ON THE NORTH, THE CSX ACCESS WAY ON THE EAST, EAST MCCOMAS STREET ON THE SOUTH, AND WHETSTONE WAY ON THE WEST.

(E) A CLASS D BEER LICENSE MAY BE TRANSFERRED INTO THE AREA SPECIFIED UNDER SUBSECTION (D)(3) OF THIS SECTION IF ORIGINALLY ISSUED FOR ANOTHER AREA.

[(d)] (F) Notwithstanding subsection (c)(1) and (2) of this section, the Board may not issue a Class B beer, wine, and liquor restaurant license in:

(1) the area covered by the Key Highway East Industrial Area Urban Renewal Plan, as adopted by the Mayor and City Council of Baltimore City in Ordinance 986 on June 29, 1987;

(2) the area covered by the Key Highway Urban Renewal Plan, as adopted by the Mayor and City Council of Baltimore City in Ordinance 622 on March 12, 1986;

(3) (i) ward 1, precinct 4 or 5;

(ii) ward 23, precinct 1; and

(iii) ward 24, precinct 5; and

(4) the area known as Pen Lucy, ward 9, precincts 1 and 2.

[(e)] (G) (1) Except as provided in paragraph (2) of this subsection, the Board may not issue a license for:

(i) ward 1, precincts 4 and 5;

(ii) ward 23, precinct 1; or

(iii) ward 24, precinct 5.

(2) The Board may issue not 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 of 829 through 919 E. Fort Avenue only if the Board:

(i) has executed a memorandum of understanding between the community associations in Riverside and Locust Point regarding the nature of the establishment; and

(ii) enforces the memorandum of understanding against any license holder that obtains a license under this paragraph and seeks to renew or transfer the license.

12–1605.

(a) (1) (i) Except as otherwise provided in this subsection, a new license may not be issued for and an existing license may not be moved to a building that is within 300 feet of the nearest point of the building of a place of worship or school.

(ii) In the 45th Legislative District, a new Class A license of any type may not be issued for a building that is within 500 feet of the nearest point of the building of a place of worship or school.

(2) Paragraph (1)(i) of this subsection does not apply to:

(i) a Class B beer and wine license outside the 46th Legislative District;

(ii) a Class B beer, wine, and liquor license outside the 46th Legislative District;

(iii) a Class C beer and wine license; and

(iv) a Class C beer, wine, and liquor license.

(3) A license for use in a building that is within 300 feet of the grounds of a place of worship or school may be renewed or extended for the same building.

(4) (i) This paragraph applies only to an area bounded by:

1. High Street on the west, [Fawn] PRATT Street on the north, Central Avenue on the east, and Eastern Avenue on the south; [or]

2. West Cross Street and Amity Street on the west, Clifford Street on the north, Scott Street on the east, and Carroll Street on the south; OR

3. HOLLIDAY STREET ON THE WEST, SARATOGA STREET ON THE NORTH, GAY STREET ON THE EAST, AND LEXINGTON STREET ON THE SOUTH.

(ii) The Board may waive the distance restrictions in paragraph (1)(i) of this subsection for an application for the transfer of a license into an area specified in subparagraph (i) of this paragraph if:

1. the application is approved by:

A. each community association representing the area;

B. each business association in the area; and

C. the ordained leader and the board or council for each place of worship that is within 300 feet of the proposed location of the establishment for which the license transfer is sought; and

2. a memorandum of understanding is executed by the applicant for the license transfer and each community association in the area.

SECTION 2. AND BE IT FURTHER ENACTED, That all alcoholic beverages licenses issued by the Baltimore City Board of Liquor License Commissioners that are due to expire on April 30, 2016:

(1) will expire instead on May 31, 2016; and

(2) if renewed, will expire on April 30, 2017.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect July 1, 2016.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 737
(House Bill 1363)

AN ACT concerning

Property Tax – Appeals – Provision of Information to Taxpayers

FOR the purpose of requiring that a person making a certain appeal before a supervisor of assessments receive certain information from the Department of Assessments and Taxation regarding the property that is the subject of the appeal and a certain sales analysis at least a certain number of days before a certain hearing; requiring the Department to provide the information free of charge; repealing certain provisions of law relating to a request by a person making an appeal before a property tax assessment appeal board for certain information; requiring that a person making a certain appeal before a property tax assessment appeal board receive certain information from the Department regarding comparable properties at least a certain number of days before a certain hearing; requiring the Department to provide the information free of charge; repealing the authority of the Department to charge a fee for the information; requiring the Department to provide certain information to a person making an appeal before a supervisor or a property tax assessment appeal board at the scheduled hearing if the person states that the Department has not provided the information; ~~requiring the assessed value of a property that is the subject of an appeal to remain at a certain level if the Department does not provide certain information at the scheduled hearing before a supervisor or a property tax assessment appeal board~~; providing that the hearing before a supervisor or a property tax assessment appeal board may be rescheduled at a certain time at the option of a person making the appeal if the person receives certain information for the first time on the date of the scheduled hearing; and generally relating to the provision of information to persons making property tax assessment appeals.

BY adding to

Article – Tax – Property

Section 14–510.1

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 14–511(a)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

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

Article – Tax – Property

14-510.1.

(A) FOR A HEARING BEFORE A SUPERVISOR THAT RELATES TO THE VALUE OF PROPERTY, THE PERSON MAKING THE APPEAL SHALL RECEIVE AT LEAST 14 DAYS BEFORE THE HEARING:

(1) THE ASSESSMENT WORKSHEET OR CARD FOR THE PROPERTY THAT IS THE SUBJECT OF THE APPEAL; AND

(2) THE SALES ANALYSIS FOR THE NEIGHBORHOOD OR PROPERTY TYPE OF THE PROPERTY THAT IS THE SUBJECT OF THE APPEAL.

(B) THE DEPARTMENT SHALL PROVIDE THE INFORMATION REQUIRED UNDER THIS SECTION FREE OF CHARGE.

(C) (1) IF A PERSON MAKING AN APPEAL BEFORE A SUPERVISOR APPEARS AT THE SCHEDULED HEARING AND STATES THAT THE DEPARTMENT HAS NOT PROVIDED THE INFORMATION REQUIRED UNDER THIS SECTION, THE DEPARTMENT SHALL IMMEDIATELY PROVIDE THE INFORMATION.

~~(2) IF THE DEPARTMENT DOES NOT PROVIDE ALL THE INFORMATION REQUIRED UNDER THIS SECTION AT THE SCHEDULED HEARING, THE ASSESSED VALUE OF THE PROPERTY THAT IS THE SUBJECT OF THE APPEAL SHALL REMAIN AT THE LEVEL ESTABLISHED PRIOR TO THE REVALUATION THAT GAVE RISE TO THE APPEAL UNTIL THE NEXT REASSESSMENT.~~

~~(3)~~ (2) IF A PERSON MAKING AN APPEAL RECEIVES THE INFORMATION REQUIRED UNDER THIS SECTION FOR THE FIRST TIME ON THE DATE OF THE SCHEDULED HEARING, THE HEARING MAY BE RESCHEDULED AT THE OPTION OF THE PERSON MAKING THE APPEAL TO A DATE THAT IS 14 OR MORE DAYS AFTER THE PREVIOUSLY SCHEDULED HEARING DATE.

14-511.

(a) (1) For a hearing before a property tax assessment appeal board THAT RELATES TO THE VALUE OF PROPERTY, the person making the appeal [may submit a written request to the supervisor,] SHALL RECEIVE at least [15] 30 days before the hearing[, for] a list of other COMPARABLE properties [that will be used as comparables by the supervisor at the scheduled hearing].

(2) [The supervisor shall supply the list:

(i) at least 30 days before the date that the hearing has been scheduled for a written request made at least 35 days before the hearing; or

(ii) within 5 days from the request for a request made between 35 days and 15 days before the hearing.

(3)] The list shall identify the location and owner of each **COMPARABLE** property.

[(4)](3) [If the supervisor will use the information in the appeal, the] **THE** list shall also include for each **COMPARABLE** property on the list:

(i) the sale price and date of sale;

(ii) the assessment and the year or years to which the assessment applied; and

(iii) the construction costs and the date of construction.

[(5)](4) The Department [may charge a reasonable fee for copies of the] **SHALL PROVIDE THE** information [sent] **REQUIRED** under this subsection **FREE OF CHARGE**.

(5) (I) IF A PERSON MAKING AN APPEAL APPEARS AT THE SCHEDULED HEARING BEFORE A PROPERTY TAX ASSESSMENT APPEAL BOARD AND STATES THAT THE DEPARTMENT HAS NOT PROVIDED THE INFORMATION REQUIRED UNDER THIS SUBSECTION, THE DEPARTMENT SHALL IMMEDIATELY PROVIDE THE INFORMATION.

~~**(II) IF THE DEPARTMENT DOES NOT PROVIDE ALL THE INFORMATION REQUIRED UNDER THIS SUBSECTION AT THE SCHEDULED HEARING, THE ASSESSED VALUE OF THE PROPERTY THAT IS THE SUBJECT OF THE APPEAL SHALL REMAIN AT THE LEVEL ESTABLISHED PRIOR TO THE REVALUATION THAT GAVE RISE TO THE APPEAL UNTIL THE NEXT REASSESSMENT.**~~

~~**(III) (II) IF A PERSON MAKING AN APPEAL RECEIVES THE INFORMATION REQUIRED UNDER THIS SUBSECTION FOR THE FIRST TIME ON THE DATE OF THE SCHEDULED HEARING, THE HEARING MAY BE RESCHEDULED AT THE OPTION OF THE PERSON MAKING THE APPEAL TO A DATE THAT IS 30 OR MORE DAYS AFTER THE PREVIOUSLY SCHEDULED HEARING DATE.**~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 738

(House Bill 1395)

AN ACT concerning

Local Government – Disparity Grants – Amounts

FOR the purpose of altering the calculation of certain grants to counties and Baltimore City under certain circumstances and for certain fiscal years; *providing for the termination of this Act*; and generally relating to certain grants to counties and Baltimore City.

BY repealing and reenacting, with amendments,
 Article – Local Government
 Section 16–501
 Annotated Code of Maryland
 (2013 Volume and 2015 Supplement)

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

Article – Local Government

16–501.

(a) Subject to subsection (e) of this section, for each fiscal year, the Comptroller shall pay to an eligible county a grant in the amount determined under subsection (c)(3) of this section.

(b) A county may not receive a grant under subsection (a) of this section if the county's income tax rate was less than 2.6%:

(1) for the taxable year that ended in the second prior fiscal year; or

(2) for any subsequent taxable year through the taxable year that ends in the current fiscal year.

(c) (1) For each fiscal year, the Comptroller shall determine for each county:

(i) the county income tax collected from individuals for the taxable year that ended in the second prior fiscal year, based on tax returns filed through November 1 of the year following the applicable taxable year; and

(ii) the amount of county income tax that the county would have received if the county income tax rate was 2.54%.

(2) For each fiscal year, the Comptroller shall determine as rounded to the nearest cent:

(i) the per capita yield of the county income tax for each county, based on:

1. the population of the county as last projected by the Department of Health and Mental Hygiene for July 1 of the applicable taxable year or the latest decennial census for the applicable taxable year; and

2. the amount specified in paragraph (1)(ii) of this subsection; and

(ii) the per capita statewide yield of the county income tax, based on:

1. the State population as last projected by the Department of Health and Mental Hygiene for July 1 of the applicable taxable year or the latest decennial census for the applicable taxable year; and

2. the amount of county income tax specified in paragraph (1)(i) of this subsection for all counties.

(3) If the per capita yield of the county income tax for a county determined under paragraph (2)(i) of this subsection is less than 75% of the per capita statewide yield of the county income tax determined under paragraph (2)(ii) of this subsection, the Comptroller shall determine the amount that would increase the county per capita yield to equal 75% of the statewide per capita yield, as rounded to the nearest dollar.

(d) The Comptroller shall pay to an eligible county the amount determined under subsection (c)(3) of this section in quarterly payments during each fiscal year.

(e) (1) Except as provided in paragraph (2) of this subsection, for fiscal year 2011 and each subsequent fiscal year, the distribution provided to any county or Baltimore City under this section may not exceed the amount distributed to the county or Baltimore City for fiscal year 2010.

(2) (i) If a county or Baltimore City has a county income tax rate of at least 2.8% but less than 3%, the county or Baltimore City may receive a minimum of 20% of the amount determined under subsection (c)(3) of this section.

(ii) If a county or Baltimore City has a county income tax rate of at least 3% but less than 3.2%, the county or Baltimore City may receive a minimum of 40% of the amount determined under subsection (c)(3) of this section.

(iii) If a county or Baltimore City has a county income tax rate of at least 3.2%[,]:

1. ON OR BEFORE JUNE 30, 2017, the county or Baltimore City may receive a minimum of 60% of the amount determined under subsection (c)(3) of this section; AND

2. IN FISCAL ~~YEAR 2018~~ YEARS 2018 AND 2019, THE COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 67.5% OF THE AMOUNT DETERMINED UNDER SUBSECTION (C)(3) OF THIS ~~SECTION; AND~~

~~3. IN FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE COUNTY OR BALTIMORE CITY MAY RECEIVE A MINIMUM OF 75% OF THE AMOUNT DETERMINED UNDER SUBSECTION (C)(3) OF THIS SECTION.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016. It shall remain effective for a period of 3 years and, at the end of June 30, 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 739

(House Bill 1420)

AN ACT concerning

State Board of Massage Therapy Examiners – Licensure, Registration, and Regulation

FOR the purpose of establishing the State Board of Massage Therapy Examiners in the Department of Health and Mental Hygiene; renaming the State Board of Chiropractic and Massage Therapy Examiners to be the State Board of Chiropractic Examiners, altering the membership of the State Board of Chiropractic Examiners, and transferring certain authority to license massage therapists and register massage practitioners to the State Board of Massage Therapy Examiners; providing for the composition, appointment, removal, terms, officers, compensation, and reimbursement for the expenses of the State Board of Massage Therapy Examiners members; establishing certain powers and duties of the Board; authorizing certain boards to employ a certain staff; requiring certain boards to jointly appoint an executive director; providing that the executive director has the powers and duties assigned by certain boards; providing for a certain quorum of members of the Board; establishing a certain fund; authorizing the Board to set certain fees; requiring certain fees collected by the Board to be paid to the Comptroller; requiring the Comptroller to distribute certain fees to a certain fund; providing for the

administration and audit of the fund and the purpose for which the fund may be used; requiring that persons who give information to the Board or participate in certain Board activities have the immunity from liability described in certain provisions of law; requiring an individual to be licensed or registered by the Board before the individual may practice massage therapy in the State or in certain settings in the State; establishing certain exceptions; establishing certain education, experience, criminal history records check, and examination requirements for licensed massage therapists and registered massage practitioners; establishing certain requirements for qualifying, renewing, reinstating, and surrendering a license for massage therapists or registration for massage practitioners; establishing certain requirements for submitting fingerprints 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 the Board and certain applicants certain criminal history record information; establishing certain requirements for applying for a license or registration; requiring the Board to issue a license or registration under certain circumstances; authorizing the Board to deny a license or registration to an applicant, refuse to renew a license or registration, reprimand a licensed massage therapist or registered massage practitioner, suspend or revoke a license or registration, or impose certain penalties under certain circumstances; establishing certain hearing and appeal procedures for massage therapists and massage practitioners; authorizing a certain action to be maintained to enjoin certain unauthorized practice or conduct under certain circumstances; providing that certain provisions of this Act do not limit the right of a certain individual to practice or advertise an occupation; requiring the Board to adopt regulations to establish standards for advertising or soliciting by licensed massage therapists and registered massage practitioners; establishing requirements for the use of a trade name by licensed massage therapists and registered massage practitioners; prohibiting a certain health care provider from referring patients to an individual who is not a licensed massage therapist; providing that certain health insurance carriers and third party administrators are not required to reimburse a licensed massage therapist or registered massage practitioner for services rendered; providing for the purpose and function of a certain rehabilitation committee; recodifying certain provisions of law that authorize certain counties to adopt certain ordinances and regulations and require certain county commissioners to provide certain authority to certain officers and offices to carry out certain regulations and ordinances; prohibiting an individual from practicing, attempting to practice, or offering to practice massage therapy in the State without a license or registration; prohibiting certain individuals from making certain representations to the public, using certain titles, and using certain initials; prohibiting certain persons from misrepresenting an individual's status of licensure or registration as a massage therapist or massage practitioner by the Board; establishing certain restrictions on the advertising of nonmedical massage services; recodifying certain provisions of law that prohibit certain individuals from performing a massage or offering to perform a massage for compensation in certain counties without a license or registration and authorize certain law enforcement to demand proof of licensure or registration; prohibiting a person from buying, selling, or fraudulently obtaining a certain license, registration,

diploma, or degree; requiring a certain individual to reimburse the Board for certain costs; establishing certain criminal penalties; establishing a certain short title; requiring that an evaluation of the Board, and the statutes and regulations that relate to the Board, be performed on or before a certain date; providing for the termination of this Act under certain circumstances; providing that certain positions on a certain board shall terminate as of a certain date; specifying the terms of the initial members of the Board; providing for the transition between certain boards of the regulation, licensure, and registration of massage therapists and massage practitioners; requiring certain employees of a certain board to become employees of certain boards established under certain provisions of this Act; defining certain terms; making certain technical and conforming changes; and generally relating to the establishment of the State Board of Massage Therapy Examiners and the licensing, registration, and regulation of massage therapists and massage practitioners.

BY renumbering

Article – State Government
Section 8–403(b)(36) through (57), respectively
to be Section 8–403(b)(37) through (58), respectively
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing

Article – Health Occupations
Section 3–5A–01 through 3–5A–15 and the subtitle “Subtitle 5A. Licensure and
Registration of Massage Therapists”
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Courts and Judicial Proceedings
Section 5–704
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

BY adding to

Article – Courts and Judicial Proceedings
Section 5–725
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Criminal Procedure
Section 10–233.1(b)
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 3–101(b); 3–201, 3–202, 3–204(d), and 3–206(a) to be under the amended subtitle “Subtitle 2. State Board of Chiropractic Examiners”; and 3–315(a) and (g), 3–316, 3–316.1(a), (d), and (f), 3–501 through 3–503, and 3–506(a)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – Health Occupations

Section 6–101 through 6–602 to be under the new title “Title 6. Massage Therapy”

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government

Section 8–403(a)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 8–403(b)(11)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – State Government

Section 8–403(b)(36)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 8–403(b)(36) through (57), respectively, of Article – State Government of the Annotated Code of Maryland be renumbered to be Section(s) 8–403(b)(37) through (58), respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 3–5A–01 through 3–5A–15 and the subtitle “Subtitle 5A. Licensure and Registration of Massage Therapists” of Article – Health Occupations of the Annotated Code of Maryland be repealed.

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

Article – Courts and Judicial Proceedings

5–704.

(a) In this section, “Board” means the State Board of Chiropractic [and Massage Therapy] Examiners.

(b) A person who acts in good faith and within the scope of the jurisdiction of the Board is not civilly liable for giving information to the Board or otherwise participating in its activities.

5-725.

(A) IN THIS SECTION, “BOARD” MEANS THE STATE BOARD OF MASSAGE THERAPY EXAMINERS.

(B) A PERSON WHO ACTS IN GOOD FAITH AND WITHIN THE SCOPE OF THE JURISDICTION OF THE BOARD IS NOT CIVILLY LIABLE FOR GIVING INFORMATION TO THE BOARD OR OTHERWISE PARTICIPATING IN ITS ACTIVITIES.

Article – Criminal Procedure

10-233.1.

(b) This section does not apply to an applicant that:

(1) is a licensed massage therapist or registered massage practitioner under Title [3, Subtitle 5A] 6 of the Health Occupations Article; and

(2) is the owner, manager, or operator of a sole proprietorship or other massage therapy establishment in which each massage therapist is a licensed massage therapist or registered massage practitioner.

Article – Health Occupations

3-101.

(b) “Board” means the State Board of Chiropractic [and Massage Therapy] Examiners.

Subtitle 2. State Board of Chiropractic [and Massage Therapy] Examiners.

3-201.

There is a State Board of Chiropractic [and Massage Therapy] Examiners in the Department.

3-202.

(a) (1) The Board consists of ~~[11]~~ 7 members.

(2) Of the ~~[11]~~ 7 members:

(i) ~~[6]~~ 5 shall be licensed chiropractors; AND

(ii) ~~[3]~~ shall be licensed massage therapists; and

~~[(iii)]~~ 2 shall be consumer members.

(3) (i) The Governor shall appoint the chiropractor members, with the advice of the Secretary, and with the advice and consent of the Senate, from a list of qualified individuals submitted to the Governor by the Maryland Chiropractic Association.

(ii) The number of names on the list shall be five times the number of vacancies.

(iii) The list shall include the name of the incumbent member unless the incumbent declines renomination.

~~[(4)~~ (i) The Governor shall appoint the massage therapist members, with the advice of the Secretary, and with the advice and consent of the Senate, from a list of qualified individuals submitted to the Governor by the American Massage Therapy Association, Maryland Chapter.

(ii) The number of names on the list shall be five times the number of vacancies.

~~[(iii)]~~ The list shall include the name of the incumbent member unless the incumbent declines renomination.]

~~[(5)]~~ (4) The Governor shall appoint the consumer members with the advice of the Secretary, and with the advice and consent of the Senate.

(b) Each chiropractor member of the Board shall be:

(1) A resident of this State;

(2) A licensed chiropractor of integrity and ability who is in active practice;

(3) A graduate of a resident course in chiropractic; and

(4) An individual who has practiced chiropractic in this State for at least 5 consecutive years.

~~[(c)]~~ Each massage therapist member of the Board shall be:

- (1) A resident of this State;
- (2) A licensed massage therapist of integrity and ability who is in active practice;
- (3) A graduate of a Board–approved course in massage therapy; and
- (4) An individual who has practiced massage therapy in this State for at least 5 consecutive years.]

[(d)] (C) Each consumer member of the Board:

- (1) Shall be a member of the general public;
- (2) May not be or ever have been a chiropractor [or massage therapist] or in training to become a chiropractor [or massage therapist];
- (3) May not have a household member who is a chiropractor [or massage therapist] or in training to become a chiropractor [or massage therapist];
- (4) May not participate or ever have participated in a commercial or professional field related to chiropractic [or massage therapy];
- (5) May not have a household member who participates in a commercial or professional field related to chiropractic [or massage therapy]; and
- (6) May not have had, within 2 years before appointment, a substantial financial interest in a person regulated by the Board.

[(e)] (D) (1) In addition to the requirements of [subsections (b) and (c)] **SUBSECTION (B)** of this section, each chiropractic [and massage therapy] member of the Board shall be a licensed chiropractor [or licensed massage therapist] whose license is in good standing with the Board.

(2) For purposes of this subsection, “good standing” means that the Board has not reprimanded the licensee, suspended or revoked the license of the chiropractor [or massage therapist], or placed the licensee on probation within 5 years prior to or after confirmation to the Board.

[(f)] (E) While a member of the Board, a consumer member may not have a substantial financial interest in a person regulated by the Board.

[(g)] (F) Before taking office, each appointee to the Board shall take the oath required by Article I, § 9 of the Maryland Constitution.

[(h)] (G) (1) The term of a member is 4 years.

(2) The terms of members are staggered as required by the terms provided for members of the Board on October 1, **[2008] 2016**.

(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) The Governor shall fill any vacancy on the Board within 60 days of the date of the vacancy.

(6) A member may not serve more than 2 consecutive full terms.

[(i)] (H) (1) The Governor may remove a member for incompetence or misconduct.

(2) Upon the recommendation of the Secretary, the Governor may remove a member whom the Secretary finds to have been absent from 2 successive Board meetings without adequate reason.

3–204.

(d) **(1)** The Board **AND THE STATE BOARD OF MASSAGE THERAPY EXAMINERS** may employ a staff in accordance with the **[budget of the Board] BUDGETS OF THE BOARDS**.

(2) THE BOARD AND THE STATE BOARD OF MASSAGE THERAPY EXAMINERS JOINTLY SHALL APPOINT A STAFF MEMBER AS THE EXECUTIVE DIRECTOR, WHO SERVES AT THE PLEASURE OF BOTH BOARDS.

(3) THE EXECUTIVE DIRECTOR:

(I) IS THE EXECUTIVE DIRECTOR OF BOTH BOARDS; AND

(II) HAS THE POWERS AND DUTIES ASSIGNED BY THE BOARDS.

3–206.

(a) There is a State Board of Chiropractic **[and Massage Therapy] Examiners Fund**.

3–315.

(a) Except as otherwise provided in the Administrative Procedure Act, before the Board takes any action under § 3–313 of this subtitle [or § 3–5A–10 of this title], it shall give the individual against whom the action is contemplated an opportunity for a hearing before the Board.

(g) If, after a hearing, a chiropractor [or massage therapist] is found in violation of § 3–313 of this subtitle [or § 3–5A–10 of this title], the chiropractor [or massage therapist] shall pay to the Board the costs for court reporting services.

3–316.

(a) Except as provided in this section for an action under § 3–313 of this subtitle [or § 3–5A–10 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 petition for judicial review as allowed by the Administrative Procedure Act.

(b) Any person aggrieved by a final decision of the Board under § 3–313 of this subtitle [or § 3–5A–10 of this title] may not appeal to the Secretary but may take a direct judicial appeal as provided in the Administrative Procedure Act.

3–316.1.

(a) An action may be maintained in the name of this State or the Board to enjoin:

(1) The unauthorized practice of chiropractic [or massage therapy]; or

(2) Conduct that is a ground for disciplinary action under § 3–313 of this subtitle [or § 3–5A–10 of this title].

(d) (1) Except as provided in paragraph (2) of this subsection, an action under this section may not be brought against an individual who is authorized to practice a health occupation under this article.

(2) An action under this section may be brought against an individual who is authorized to practice chiropractic [or massage therapy] under this title.

(f) An action under this section is in addition to and not instead of criminal prosecution for[

(1) The] **THE** unauthorized practice of chiropractic under § 3–501 of this title or disciplinary action under § 3–313 of this subtitle[; or

(2) The unauthorized practice of massage therapy under § 3–501 of this title or disciplinary action under § 3–5A–10 of this title].

3–501.

[(a)] Except as otherwise provided in § 3–404 of this title, a person may not practice, attempt to practice, or offer to practice chiropractic in this State unless licensed by the Board.

[(b)] Except as otherwise provided in this title, an individual may not practice, attempt to practice, or offer to practice massage therapy, massage, myotherapy, or any synonym or derivation of these terms in this State unless licensed or registered by the Board.]

3–502.

(a) [(1)] Unless authorized to practice chiropractic under this title, a person may not represent to the public by title, by description of services, methods, or procedures, or otherwise, that the person is authorized to practice chiropractic in this State.

[(2)] (B) Unless authorized to practice under this title, a person may not use the title “chiropractor”, or “D.C.”, or any other term or title with the intent to represent that the person practices chiropractic.

[(b)] (1) An individual who is not a licensed massage therapist or registered as a massage practitioner under this title may not advertise or claim by title, abbreviation, sign, card, or any other representation that the individual practices massage, massage therapy, myotherapy, or any synonym or derivation of these terms.

(2) Unless authorized to practice under this title, a person may not use the title “massage therapist”, “MT”, “licensed massage therapist”, “LMT”, “massage practitioner”, “MP”, “registered massage practitioner”, “RMP”, or any other term or title with the intent to represent that the person practices massage therapy.

(c) An individual who is a registered massage practitioner under this title or a business entity that employs registered massage practitioners under this title may not advertise to the public that the individual or business entity provides health–related therapeutic massage services.

(d) (1) In Charles County and Washington County, an individual may not perform a massage or offer to perform a massage on another person for compensation unless the individual who performs the massage or offers to perform a massage is a licensed massage therapist or registered massage practitioner.

(2) A law enforcement officer in Charles County or Washington County may demand proof of licensure or registration.]

3–503.

A person may not buy, sell, or fraudulently obtain:

(1) A license; or

(2) Any diploma or degree required under § 3-302 [or § 3-5A-06] of this title.

3-506.

(a) A person who practices or attempts to practice chiropractic [or massage therapy] without a license in violation of § 3-501 of this subtitle or represents to the public in violation of § 3-502 of this subtitle that the person is authorized to practice chiropractic [or massage therapy] is guilty of a misdemeanor and on conviction is subject to:

(1) For a first offense, a fine not exceeding \$2,000 or imprisonment not exceeding 6 months; or

(2) For a subsequent offense, a fine not exceeding \$6,000 or imprisonment not exceeding 1 year.

TITLE 6. MASSAGE THERAPY.

SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.

6-101.

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

(B) “BOARD” MEANS THE STATE BOARD OF MASSAGE THERAPY EXAMINERS.

(C) “HEALTH CARE 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.

(D) “LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A LICENSE ISSUED BY THE BOARD TO PRACTICE MASSAGE THERAPY.

(E) “LICENSED MASSAGE THERAPIST” MEANS AN INDIVIDUAL WHO IS LICENSED BY THE BOARD TO PRACTICE MASSAGE THERAPY.

(F) (1) “MASSAGE THERAPY” MEANS THE USE OF MANUAL TECHNIQUES ON SOFT TISSUES OF THE HUMAN BODY INCLUDING EFFLEURAGE (STROKING), PETRISSAGE (KNEADING), TAPOTEMENT (TAPPING), STRETCHING, COMPRESSION, VIBRATION, AND FRICTION, WITH OR WITHOUT THE AID OF HEAT LIMITED TO HOT PACKS AND HEATING PADS, COLD WATER, OR NONLEGEND TOPICAL APPLICATIONS, FOR THE PURPOSE OF IMPROVING CIRCULATION, ENHANCING MUSCLE RELAXATION, RELIEVING MUSCULAR PAIN, REDUCING STRESS, OR PROMOTING HEALTH AND WELL-BEING.

(2) “MASSAGE THERAPY” INCLUDES THE LAYING ON OF HANDS, CONSISTING OF PRESSURE OR MOVEMENT ON AN INDIVIDUAL WHO IS FULLY CLOTHED, EXCEPT FOR FOOTWEAR, TO SPECIFICALLY AFFECT THE ELECTROMAGNETIC ENERGY OR ENERGETIC FIELD OF THE HUMAN BODY IF THIS PRACTICE INCLUDES USE OF THE MANUAL TECHNIQUES SET FORTH IN PARAGRAPH (1) OF THIS SUBSECTION.

(3) “MASSAGE THERAPY” DOES NOT INCLUDE:

(I) THE DIAGNOSIS OR TREATMENT OF ILLNESS, DISEASE, OR INJURY;

(II) THE ADJUSTMENT, MANIPULATION, OR MOBILIZATION OF ANY OF THE ARTICULATIONS OF THE OSSEOUS STRUCTURES OF THE HUMAN BODY OR SPINE; OR

(III) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE LAYING ON OF HANDS, CONSISTING OF PRESSURE OR MOVEMENT ON AN INDIVIDUAL WHO IS FULLY CLOTHED, EXCEPT FOR FOOTWEAR, TO SPECIFICALLY AFFECT THE ELECTROMAGNETIC ENERGY OR ENERGETIC FIELD OF THE HUMAN BODY.

(4) THE PROVISIONS OF PARAGRAPH (3) OF THIS SUBSECTION DO NOT PRECLUDE THE APPLICATION OF THE MODALITIES DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION TO AN INDIVIDUAL WHO HAS AN INJURY.

(G) “PRACTICE MASSAGE THERAPY” MEANS TO ENGAGE PROFESSIONALLY AND FOR COMPENSATION IN MASSAGE THERAPY.

(H) “REGISTERED MASSAGE PRACTITIONER” MEANS AN INDIVIDUAL WHO IS REGISTERED BY THE BOARD TO PRACTICE MASSAGE THERAPY IN A SETTING THAT IS NOT A HEALTH CARE SETTING.

(I) "REGISTRATION" MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A REGISTRATION ISSUED BY THE BOARD TO PRACTICE MASSAGE THERAPY IN A SETTING THAT IS NOT A HEALTH CARE SETTING.

6-102.

EXCEPT AS SPECIFICALLY PROVIDED IN THIS TITLE, THIS TITLE DOES NOT LIMIT THE RIGHT OF AN INDIVIDUAL TO PRACTICE OR ADVERTISE AN OCCUPATION THAT THE INDIVIDUAL OTHERWISE IS AUTHORIZED TO PRACTICE UNDER THIS ARTICLE.

SUBTITLE 2. STATE BOARD OF MASSAGE THERAPY EXAMINERS.

6-201.

THERE IS A STATE BOARD OF MASSAGE THERAPY EXAMINERS IN THE DEPARTMENT.

6-202.

(A) (1) THE BOARD CONSISTS OF SEVEN MEMBERS.

(2) OF THE SEVEN BOARD MEMBERS:

(I) FIVE SHALL BE LICENSED MASSAGE THERAPISTS; AND

(II) TWO SHALL BE CONSUMER MEMBERS.

(3) (I) THE GOVERNOR SHALL APPOINT THE LICENSED MASSAGE THERAPIST MEMBERS WITH THE ADVICE OF THE SECRETARY, AND THE ADVICE AND CONSENT OF THE SENATE OF MARYLAND, FROM A LIST OF NAMES OF QUALIFIED INDIVIDUALS SUBMITTED TO THE SECRETARY AND THE GOVERNOR BY AN ASSOCIATION THAT REPRESENTS AT LEAST 250 LICENSED MASSAGE THERAPISTS IN THE STATE.

(II) THE NUMBER OF NAMES ON THE LIST SHALL BE FIVE TIMES THE NUMBER OF VACANCIES.

(III) THE LIST SHALL INCLUDE THE NAME OF THE INCUMBENT MEMBER UNLESS THE INCUMBENT MEMBER DECLINES RENOMINATION.

(4) THE GOVERNOR SHALL APPOINT THE CONSUMER MEMBERS WITH THE ADVICE OF THE SECRETARY AND THE ADVICE AND CONSENT OF THE SENATE OF MARYLAND.

(B) (1) EACH LICENSED MASSAGE THERAPIST MEMBER SHALL BE:

(I) A RESIDENT OF THE STATE;

(II) A LICENSED MASSAGE THERAPIST OF INTEGRITY AND ABILITY WHO IS IN ACTIVE PRACTICE;

(III) A GRADUATE OF A BOARD-APPROVED COURSE IN MASSAGE THERAPY; AND

(IV) AN INDIVIDUAL WHO HAS PRACTICED MASSAGE THERAPY IN THE STATE FOR AT LEAST 5 CONSECUTIVE YEARS BEFORE APPOINTMENT.

(2) (I) IN THIS PARAGRAPH, “GOOD STANDING” MEANS THAT THE BOARD HAS NOT REPRIMANDED THE LICENSED MASSAGE THERAPIST, SUSPENDED OR REVOKED THE LICENSE OF THE LICENSED MASSAGE THERAPIST, OR PLACED THE LICENSED MASSAGE THERAPIST ON PROBATION WITHIN 5 YEARS BEFORE OR AFTER CONFIRMATION TO THE BOARD.

(II) IN ADDITION TO THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, EACH LICENSED MASSAGE THERAPY MEMBER OF THE BOARD SHALL BE IN GOOD STANDING WITH THE BOARD.

(C) EACH CONSUMER MEMBER OF THE BOARD:

(1) SHALL BE A MEMBER OF THE GENERAL PUBLIC;

(2) MAY NOT BE OR EVER HAVE BEEN A MASSAGE THERAPIST OR MASSAGE PRACTITIONER OR IN TRAINING TO BECOME A MASSAGE THERAPIST OR MASSAGE PRACTITIONER;

(3) MAY NOT HAVE A HOUSEHOLD MEMBER WHO IS A MASSAGE THERAPIST OR MASSAGE PRACTITIONER OR IN TRAINING TO BECOME A MASSAGE THERAPIST OR MASSAGE PRACTITIONER;

(4) MAY NOT PARTICIPATE OR EVER HAVE PARTICIPATED IN A COMMERCIAL OR PROFESSIONAL FIELD RELATED TO MASSAGE THERAPY;

(5) MAY NOT HAVE A HOUSEHOLD MEMBER WHO PARTICIPATES IN A COMMERCIAL OR PROFESSIONAL FIELD RELATED TO MASSAGE THERAPY; AND

(6) MAY NOT HAVE HAD WITHIN 2 YEARS BEFORE APPOINTMENT A SUBSTANTIAL FINANCIAL INTEREST IN A PERSON REGULATED BY THE BOARD.

(D) WHILE A MEMBER OF THE BOARD, A CONSUMER MEMBER MAY NOT HAVE A SUBSTANTIAL FINANCIAL INTEREST IN A PERSON REGULATED BY THE BOARD.

(E) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE BOARD SHALL TAKE THE OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.

(F) (1) THE TERM OF A MEMBER IS 4 YEARS.

(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2016.

(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) TO THE EXTENT PRACTICABLE, THE GOVERNOR SHALL FILL ANY VACANCY ON THE BOARD WITHIN 60 DAYS AFTER THE DATE OF THE VACANCY.

(6) A MEMBER MAY NOT SERVE MORE THAN 2 CONSECUTIVE FULL TERMS.

(G) (1) THE GOVERNOR MAY REMOVE A MEMBER FOR INCOMPETENCE OR MISCONDUCT.

(2) ON THE RECOMMENDATION OF THE SECRETARY, THE GOVERNOR MAY REMOVE A MEMBER WHOM THE SECRETARY FINDS TO HAVE BEEN ABSENT FROM TWO SUCCESSIVE BOARD MEETINGS WITHOUT ADEQUATE REASON.

6-203.

(A) FROM AMONG ITS MEMBERS, THE BOARD ANNUALLY SHALL ELECT A CHAIR, VICE CHAIR, AND SECRETARY-TREASURER.

(B) THE BOARD SHALL DETERMINE:

- (1) THE MANNER OF ELECTION OF THE OFFICERS; AND**
- (2) THE DUTIES OF EACH OFFICER.**

6-204.

(A) THE BOARD AND THE STATE BOARD OF CHIROPRACTIC EXAMINERS MAY EMPLOY A STAFF IN ACCORDANCE WITH THE BUDGETS OF THE BOARDS.

(B) THE BOARD AND THE STATE BOARD OF CHIROPRACTIC EXAMINERS JOINTLY SHALL APPOINT AN EXECUTIVE DIRECTOR, WHO SERVES AT THE PLEASURE OF BOTH BOARDS.

(C) THE EXECUTIVE DIRECTOR:

- (1) IS THE EXECUTIVE OFFICER OF BOTH BOARDS; AND**
- (2) HAS THE POWERS AND DUTIES ASSIGNED BY THE BOARDS.**

6-205.

(A) A MAJORITY OF THE FULL AUTHORIZED MEMBERSHIP OF THE BOARD IS A QUORUM.

(B) THE BOARD SHALL DETERMINE THE TIMES AND PLACES OF MEETINGS OF THE BOARD.

(C) IN ACCORDANCE WITH THE BUDGET OF THE BOARD, EACH MEMBER OF THE BOARD IS ENTITLED TO:

- (1) COMPENSATION FOR EACH DAY ON WHICH THE MEMBER IS ENGAGED IN THE DUTIES OF THE MEMBER'S OFFICE; AND**
- (2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED FOR IN THE STATE BUDGET.**

6-206.

(A) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS TITLE, THE BOARD MAY:

(1) **ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS TITLE;**

(2) **SUMMON WITNESSES, ADMINISTER OATHS, TAKE AFFIDAVITS, AND TAKE TESTIMONY ABOUT MATTERS THAT RELATE TO THE DUTIES OF THE BOARD; AND**

(3) **IN ACCORDANCE WITH THE STATE BUDGET, AUTHORIZE PAYMENT OF FEES AND TRAVEL EXPENSES OF WITNESSES WHO TESTIFY IN ANY PROCEEDING BEFORE THE BOARD.**

(B) IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS TITLE, THE BOARD SHALL:

(1) **KEEP A LIST OF THE NAME AND ADDRESS OF EACH LICENSED MASSAGE THERAPIST AND REGISTERED MASSAGE PRACTITIONER;**

(2) **ADOPT AN OFFICIAL SEAL;**

(3) **FILE REPORTS OF THE ACTIVITIES OF THE BOARD AS REQUIRED BY THE SECRETARY;**

(4) **ASSIST IN PROSECUTIONS UNDER THIS TITLE;**

(5) **INVESTIGATE AN ALLEGED VIOLATION OF THIS TITLE; AND**

(6) **ESTABLISH AN ADVISORY COMMITTEE, TO BE CHAIRED BY THE VICE CHAIR OF THE BOARD, TO STUDY THE SCOPE OF PRACTICE OF MASSAGE THERAPY AND MAKE RECOMMENDATIONS TO THE BOARD ON CHANGES TO THIS TITLE OR REGULATIONS ADOPTED BY THE BOARD UNDER THIS SUBTITLE THAT ARE NECESSARY TO REFLECT CURRENTLY PRACTICED MODALITIES.**

6-207.

(A) THERE IS A STATE BOARD OF MASSAGE THERAPY EXAMINERS FUND.

(B) (1) THE BOARD MAY SET REASONABLE FEES FOR THE ISSUANCE AND RENEWAL OF LICENSES AND REGISTRATIONS AND OTHER SERVICES OF THE BOARD.

(2) THE FEES CHARGED SHALL BE SET SO AS TO APPROXIMATE THE COST OF MAINTAINING THE BOARD.

(3) FUNDS TO COVER THE COMPENSATION AND EXPENSES OF THE BOARD MEMBERS SHALL BE GENERATED BY FEES SET UNDER THIS SECTION.

(C) (1) THE BOARD SHALL PAY ALL FUNDS COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE STATE BOARD OF MASSAGE THERAPY EXAMINERS 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 IN THIS TITLE.

(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 TITLE.

(4) NO OTHER STATE MONEY MAY BE USED TO SUPPORT THE FUND.

(E) (1) A DESIGNEE OF THE BOARD SHALL ADMINISTER THE FUND.

(2) MONEY IN THE FUND MAY BE EXPENDED ONLY FOR ANY LAWFUL PURPOSE AUTHORIZED UNDER THIS TITLE.

(F) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

6-208.

A PERSON SHALL HAVE THE IMMUNITY FROM LIABILITY DESCRIBED UNDER § 5-725 OF THE COURTS ARTICLE FOR GIVING INFORMATION TO THE BOARD OR OTHERWISE PARTICIPATING IN THE ACTIVITIES OF THE BOARD.

SUBTITLE 3. LICENSES AND REGISTRATIONS.

6-301.

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL SHALL BE:

(1) LICENSED BY THE BOARD BEFORE THE INDIVIDUAL MAY PRACTICE MASSAGE THERAPY IN THE STATE; OR

(2) REGISTERED BY THE BOARD BEFORE THE INDIVIDUAL MAY PRACTICE MASSAGE THERAPY IN A SETTING THAT IS NOT A HEALTH CARE SETTING IN THE STATE.

(B) THIS SECTION DOES NOT APPLY TO:

(1) A STUDENT ENROLLED IN AN APPROVED EDUCATION PROGRAM AS DETERMINED BY THE BOARD WHILE PRACTICING MASSAGE THERAPY IN THE STATE;

(2) AN INDIVIDUAL PERMITTED TO PRACTICE MASSAGE THERAPY UNDER REGULATIONS ADOPTED BY THE BOARD, IF THE INDIVIDUAL OTHERWISE HAS QUALIFIED TO PRACTICE MASSAGE THERAPY IN ANY OTHER STATE OR COUNTRY THAT HAS SUBSTANTIALLY SIMILAR REQUIREMENTS FOR AUTHORIZATION TO PRACTICE MASSAGE THERAPY AND THE INDIVIDUAL IS IN THE STATE FOR NO MORE THAN 7 DAYS;

(3) A FAMILY MEMBER PRACTICING MASSAGE THERAPY ON ANOTHER FAMILY MEMBER;

(4) AN ATHLETIC TRAINER WHILE FUNCTIONING IN THE COURSE OF THE ATHLETIC TRAINER'S PROFESSIONAL CAPACITY;

(5) AN INDIVIDUAL EMPLOYED BY THE FEDERAL GOVERNMENT TO PRACTICE MASSAGE THERAPY WHILE PRACTICING WITHIN THE SCOPE OF THE INDIVIDUAL'S EMPLOYMENT; OR

(6) AN INDIVIDUAL WORKING IN A BEAUTY SALON:

(I) FOR WHICH THE PERSON WHO OPERATES THE BEAUTY SALON HAS OBTAINED A PERMIT FROM THE STATE BOARD OF COSMETOLOGY AS REQUIRED UNDER § 5-501 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; AND

(II) IN WHICH THE INDIVIDUAL IS PROVIDING COSMETOLOGY AND ESTHETIC SERVICES, INCLUDING THE APPLICATION AND REMOVAL OF SKIN OR SKIN CARE PRODUCTS.

(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 SATISFACTORILY COMPLETED:**

(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 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 BASIC AND APPLIED SCIENCE COURSES RELATED TO HEALTH CARE;

(4) HAS COMPLETED 600 HOURS OF EDUCATION IN A BOARD APPROVED PROGRAM FOR THE STUDY OF MASSAGE THERAPY THAT INCLUDES THE FOLLOWING AREAS OF CONTENT:

- (I) ANATOMY, PHYSIOLOGY, AND KINESIOLOGY;**
- (II) MASSAGE THEORY, TECHNIQUES, AND PRACTICE;**
- (III) CONTRAINDICATIONS TO MASSAGE THERAPY; AND**
- (IV) PROFESSIONAL ETHICS;**

(5) HAS PASSED AN EXAMINATION APPROVED BY THE BOARD; AND

(6) SUBMITS TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 6–303 OF THIS SUBTITLE.

(B) TO QUALIFY TO BE REGISTERED, AN APPLICANT SHALL BE AN INDIVIDUAL WHO:

(1) IS OF GOOD MORAL CHARACTER;

(2) IS AT LEAST 18 YEARS OLD;

(3) HAS COMPLETED 600 HOURS OF EDUCATION IN A BOARD-APPROVED PROGRAM FOR THE STUDY OF MASSAGE THERAPY THAT INCLUDES THE FOLLOWING AREAS OF CONTENT:

(I) ANATOMY, PHYSIOLOGY, AND KINESIOLOGY;

(II) MASSAGE THEORY, TECHNIQUES, AND PRACTICE;

(III) CONTRAINDICATIONS TO MASSAGE THERAPY; AND

(IV) PROFESSIONAL ETHICS;

(4) HAS PASSED AN EXAMINATION APPROVED BY THE BOARD; AND

(5) SUBMITS TO A CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 6-303 OF THIS SUBTITLE.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD MAY WAIVE ANY REQUIREMENT OF THIS SUBTITLE FOR AN APPLICANT WHO IS LICENSED, CERTIFIED, OR REGISTERED TO PRACTICE MASSAGE THERAPY IN ANOTHER STATE.

(2) THE BOARD MAY GRANT A WAIVER UNDER PARAGRAPH (1) OF THIS SUBSECTION ONLY IF THE APPLICANT:

(I) PAYS THE APPLICATION FEE SET BY THE BOARD; AND

(II) PROVIDES ADEQUATE EVIDENCE THAT THE APPLICANT:

1. HAS COMPLETED EDUCATIONAL REQUIREMENTS THAT THE BOARD DETERMINES TO BE EQUIVALENT TO THE BOARD-APPROVED EDUCATIONAL REQUIREMENTS IN THIS STATE;

2. AT THE TIME THE APPLICANT BECAME LICENSED, CERTIFIED, OR REGISTERED IN THE OTHER STATE, PASSED IN THAT STATE OR ANY

OTHER STATE AN EXAMINATION THAT THE BOARD DETERMINES TO BE EQUIVALENT TO THE EXAMINATION REQUIRED IN THIS STATE; AND

3. IS OF GOOD MORAL CHARACTER.

6-303.

(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) 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.

6-304.

(A) 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 § 6-302 OF THIS SUBTITLE; AND

(3) PAY THE APPLICATION FEE SET BY THE BOARD.

(B) 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.

(C) 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.

(D) (1) ON RECEIPT OF THE CRIMINAL HISTORY RECORD INFORMATION OF AN APPLICANT FOR LICENSURE OR REGISTRATION FORWARDED TO THE BOARD IN ACCORDANCE WITH § 6-303 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 § 6-303 OF THIS SUBTITLE HAS NOT BEEN RECEIVED.

6-305.

(A) (1) A LICENSE OR REGISTRATION EXPIRES ON THE DATE SET BY THE BOARD, UNLESS THE LICENSE OR REGISTRATION IS RENEWED FOR A 1-YEAR TERM AS PROVIDED IN THIS SECTION.

(2) A LICENSE OR REGISTRATION MAY NOT BE RENEWED FOR A TERM OF LONGER THAN 2 YEARS.

(B) AT LEAST 1 MONTH BEFORE THE LICENSE OR REGISTRATION EXPIRES, THE BOARD SHALL SEND TO THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER, BY ELECTRONIC MEANS OR FIRST-CLASS MAIL TO THE LAST KNOWN ELECTRONIC OR PHYSICAL ADDRESS OF THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER, A RENEWAL NOTICE THAT STATES:

(1) THE DATE ON WHICH THE CURRENT LICENSE OR REGISTRATION EXPIRES;

(2) THE DATE BY WHICH THE RENEWAL APPLICATION MUST BE RECEIVED BY THE BOARD FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE LICENSE OR REGISTRATION EXPIRES; AND

(3) THE AMOUNT OF THE RENEWAL FEE.

(C) BEFORE A LICENSE OR REGISTRATION EXPIRES, THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER PERIODICALLY MAY RENEW IT FOR AN ADDITIONAL TERM, IF THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER:

(1) OTHERWISE IS ENTITLED TO BE LICENSED OR REGISTERED;

(2) SUBMITS TO THE BOARD A RENEWAL APPLICATION ON THE FORM THAT THE BOARD REQUIRES; AND

(3) PAYS TO THE BOARD A RENEWAL FEE SET BY THE BOARD.

(D) (1) EACH LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER SHALL NOTIFY THE BOARD IN WRITING OF ANY CHANGE IN THE NAME OR ADDRESS OF THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER WITHIN 60 DAYS AFTER THE CHANGE OCCURRED.

(2) SUBJECT TO THE HEARING PROVISIONS OF § 6-309 OF THIS SUBTITLE, IF A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER FAILS TO NOTIFY THE BOARD WITHIN THE TIME REQUIRED UNDER THIS SUBSECTION, THE BOARD MAY IMPOSE AN ADMINISTRATIVE PENALTY OF \$100.

(E) THE BOARD SHALL RENEW THE LICENSE OF EACH LICENSED MASSAGE THERAPIST AND THE REGISTRATION OF EACH REGISTERED MASSAGE PRACTITIONER WHO MEETS THE REQUIREMENTS OF THIS SECTION.

6-306.

(A) IF A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER FAILS FOR ANY REASON TO RENEW A LICENSE OR REGISTRATION, THE BOARD SHALL REINSTATE THE LICENSE OR REGISTRATION IF THE FORMER LICENSED MASSAGE THERAPIST OR FORMER REGISTERED MASSAGE PRACTITIONER:

(1) APPLIES TO THE BOARD FOR REINSTATEMENT OF THE LICENSE OR REGISTRATION WITHIN 5 YEARS AFTER THE LICENSE OR REGISTRATION EXPIRES;

(2) MEETS THE RENEWAL REQUIREMENTS OF § 6-305 OF THIS SUBTITLE; AND

(3) PAYS TO THE BOARD THE REINSTATEMENT FEE SET BY THE BOARD.

(B) (1) THE BOARD MAY NOT REINSTATE THE LICENSE OF A FORMER LICENSED MASSAGE THERAPIST OR REGISTRATION OF A FORMER REGISTERED MASSAGE PRACTITIONER WHO FAILS TO APPLY FOR REINSTATEMENT OF THE LICENSE OR REGISTRATION WITHIN 5 YEARS AFTER THE LICENSE OR REGISTRATION EXPIRES.

(2) IF THE BOARD DOES NOT REINSTATE A LICENSE OR REGISTRATION UNDER PARAGRAPH (1) OF THIS SUBSECTION, A FORMER LICENSED MASSAGE THERAPIST OR FORMER REGISTERED MASSAGE PRACTITIONER MAY APPLY FOR A NEW LICENSE OR REGISTRATION BY MEETING THE LICENSING OR REGISTRATION REQUIREMENTS IN EFFECT AT THE TIME OF APPLICATION FOR OBTAINING A NEW LICENSE OR REGISTRATION UNDER THIS TITLE AND ANY ADDITIONAL REQUIREMENTS DETERMINED BY THE BOARD.

6-307.

(A) UNLESS THE BOARD AGREES TO ACCEPT THE SURRENDER OF A LICENSE OR REGISTRATION OF A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER, A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER MAY NOT SURRENDER THE LICENSE OR REGISTRATION NOR MAY THE LICENSE OR REGISTRATION LAPSE BY OPERATION OF LAW WHILE A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER IS UNDER INVESTIGATION OR WHILE CHARGES ARE PENDING AGAINST THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER.

(B) THE BOARD MAY SET CONDITIONS ON ITS AGREEMENT WITH THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER UNDER INVESTIGATION OR AGAINST WHOM CHARGES ARE PENDING TO ACCEPT SURRENDER OF THE LICENSE OR REGISTRATION.

6-308.

(A) SUBJECT TO THE HEARING PROVISIONS OF § 6-309 OF THIS SUBTITLE, THE BOARD MAY DENY A LICENSE OR REGISTRATION TO AN APPLICANT, REPRIMAND A 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:

(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO OBTAIN A LICENSE OR REGISTRATION FOR THE APPLICANT OR FOR ANOTHER;

(2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE OR REGISTRATION;

(3) IS DISCIPLINED BY A LICENSING, CERTIFYING, OR DISCIPLINARY AUTHORITY OF ANY OTHER 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 THIS SECTION;

(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 CARE OF THE LICENSEE OR REGISTRATION HOLDER; OR

(II) GIVES ANY FALSE OR MISLEADING INFORMATION ABOUT A MATERIAL MATTER IN AN EMPLOYMENT APPLICATION;

(6) KNOWINGLY DOES ANY ACT THAT HAS BEEN DETERMINED BY THE BOARD, IN ITS REGULATIONS, TO EXCEED THE SCOPE OF PRACTICE AUTHORIZED TO THE INDIVIDUAL UNDER THIS SUBTITLE;

(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 MASSAGE THERAPY;

(9) IS NEGLIGENT IN THE PRACTICE OF MASSAGE THERAPY;

(10) IS PROFESSIONALLY INCOMPETENT;

(11) HAS VIOLATED ANY PROVISION OF THIS TITLE;

(12) SUBMITS A FALSE STATEMENT TO COLLECT A FEE;

(13) IS PHYSICALLY OR MENTALLY INCOMPETENT;

(14) KNOWINGLY FAILS TO REPORT SUSPECTED CHILD ABUSE IN VIOLATION OF § 5-704 OF THE FAMILY LAW ARTICLE;

(15) REFUSES, WITHHOLDS FROM, DENIES, OR DISCRIMINATES AGAINST AN INDIVIDUAL WITH REGARD TO THE PROVISION OF PROFESSIONAL SERVICES FOR WHICH THE LICENSEE OR REGISTRATION HOLDER IS QUALIFIED TO RENDER BECAUSE THE INDIVIDUAL IS HIV POSITIVE;

(16) 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;

(17) IS HABITUALLY INTOXICATED;

(18) IS ADDICTED TO, OR HABITUALLY ABUSES, ANY NARCOTIC OR CONTROLLED DANGEROUS SUBSTANCE AS DEFINED IN § 5–101 OF THE CRIMINAL LAW ARTICLE;

(19) FAILS TO COOPERATE WITH A LAWFUL INVESTIGATION CONDUCTED BY THE BOARD;

(20) ENGAGES IN CONDUCT THAT VIOLATES THE PROFESSIONAL CODE OF ETHICS;

(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 § 6–303 OF THIS SUBTITLE.

(B) IF, AFTER A HEARING UNDER § 6–309 OF THIS SUBTITLE, 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, 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.

(C) (1) AN INDIVIDUAL WHOSE LICENSE OR REGISTRATION HAS BEEN SUSPENDED OR REVOKED BY THE BOARD SHALL RETURN THE LICENSE OR REGISTRATION TO THE BOARD.

(2) IF THE SUSPENDED OR REVOKED LICENSE OR REGISTRATION HAS BEEN LOST, THE INDIVIDUAL SHALL FILE WITH THE BOARD A VERIFIED STATEMENT TO THAT EFFECT.

(D) THE BOARD SHALL FILE A NOTICE FOR PUBLICATION IN THE EARLIEST PUBLICATION OF THE MARYLAND REGISTER OF EACH REVOCATION OR SUSPENSION OF A LICENSE OR REGISTRATION UNDER THIS SECTION WITHIN 24 HOURS AFTER THE REVOCATION OR SUSPENSION.

6-309.

(A) EXCEPT AS OTHERWISE PROVIDED IN THE ADMINISTRATIVE PROCEDURE ACT, BEFORE THE BOARD TAKES ANY ACTION UNDER § 6-308 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 INDIVIDUAL MAY BE REPRESENTED AT THE HEARING BY COUNSEL.

(D) OVER THE SIGNATURE OF AN OFFICER OR 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.

(E) IF, WITHOUT LAWFUL EXCUSE, A PERSON DISOBEYS A SUBPOENA FROM THE BOARD OR AN ORDER BY THE BOARD TO TAKE AN OATH OR TO TESTIFY OR ANSWER A QUESTION, THEN, ON PETITION OF THE BOARD, A COURT OF COMPETENT JURISDICTION MAY PUNISH THE PERSON AS FOR CONTEMPT OF COURT.

(F) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE ACTION IS CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE BOARD NEVERTHELESS MAY HEAR AND DETERMINE THE MATTER.

(G) IF, AFTER A HEARING, AN INDIVIDUAL IS FOUND IN VIOLATION OF § 6-308 OF THIS SUBTITLE, THE INDIVIDUAL SHALL PAY THE COSTS OF THE HEARING AS SPECIFIED IN REGULATION ADOPTED BY THE BOARD.

6-310.

(A) EXCEPT AS PROVIDED IN THIS SECTION FOR AN ACTION UNDER § 6-308 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 PETITION FOR JUDICIAL REVIEW AS ALLOWED BY THE ADMINISTRATIVE PROCEDURE ACT.

(B) ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD UNDER § 6-308 OF THIS SUBTITLE MAY NOT APPEAL TO THE SECRETARY BUT MAY TAKE A DIRECT JUDICIAL APPEAL AS PROVIDED IN THE ADMINISTRATIVE PROCEDURE ACT.

6-311.

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

(1) THE UNAUTHORIZED PRACTICE OF MASSAGE THERAPY; OR

(2) CONDUCT THAT IS A GROUND FOR DISCIPLINARY ACTION UNDER § 6-308 OF THIS SUBTITLE.

(B) AN ACTION UNDER THIS SECTION MAY BE BROUGHT BY:

(1) THE BOARD IN ITS OWN NAME;

(2) THE ATTORNEY GENERAL, IN THE NAME OF THE STATE; OR

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

(C) AN ACTION UNDER THIS SECTION MAY BE BROUGHT IN THE COUNTY WHERE THE DEFENDANT:

(1) RESIDES; OR

(2) ENGAGES IN THE ACT SOUGHT TO BE ENJOINED.

(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN ACTION UNDER THIS SECTION MAY NOT BE BROUGHT AGAINST AN INDIVIDUAL WHO IS AUTHORIZED TO PRACTICE A HEALTH OCCUPATION UNDER THIS ARTICLE.

(2) AN ACTION UNDER THIS SECTION MAY BE BROUGHT AGAINST AN INDIVIDUAL WHO IS AUTHORIZED TO PRACTICE MASSAGE THERAPY UNDER THIS TITLE.

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

(F) AN ACTION UNDER THIS SECTION IS IN ADDITION TO AND NOT INSTEAD OF CRIMINAL PROSECUTION FOR THE UNAUTHORIZED PRACTICE OF MASSAGE THERAPY UNDER § 6-501 OF THIS TITLE OR DISCIPLINARY ACTION UNDER § 6-308 OF THIS SUBTITLE.

SUBTITLE 4. MISCELLANEOUS.

6-401.

(A) THE BOARD SHALL ADOPT REGULATIONS TO ESTABLISH STANDARDS FOR ADVERTISING OR SOLICITING BY LICENSED MASSAGE THERAPISTS OR REGISTERED MASSAGE PRACTITIONERS.

(B) FOR PURPOSES OF THIS SECTION, THE MAILING OF NOTICES TO PATIENTS TO INFORM THEM OF TIMES FOR PERIODIC APPOINTMENTS IS NOT ADVERTISING OR SOLICITING.

(C) A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER MAY USE A TRADE NAME IN CONNECTION WITH THE PRACTICE OF MASSAGE THERAPY PROVIDED THAT:

(1) THE USE OF THE TRADE NAME IS NOT DECEPTIVE OR MISLEADING;

(2) THE ADVERTISEMENT IN WHICH THE TRADE NAME APPEARS INCLUDES THE NAME OF THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER OR THE NAME OF THE BUSINESS ENTITY PROVIDING THE MASSAGE THERAPY SERVICES BEING ADVERTISED, AS LONG AS THE ADVERTISEMENT INCLUDES THE NAME OF A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER;

(3) THE NAME OF THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER PROVIDING MASSAGE THERAPY SERVICES APPEARS ON THE BILLING INVOICES, STATIONERY, AND ANY RECEIPT GIVEN TO A PATIENT; AND

(4) TREATMENT RECORDS ARE MAINTAINED THAT CLEARLY IDENTIFY THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE

PRACTITIONER WHO HAS PERFORMED THE MASSAGE THERAPY SERVICE FOR THE PATIENT.

6-402.

A HEALTH CARE PROVIDER WHO IS LICENSED OR CERTIFIED UNDER THIS ARTICLE MAY NOT REFER PATIENTS TO AN INDIVIDUAL WHO IS NOT A LICENSED MASSAGE THERAPIST.

6-403.

THIS SUBTITLE DOES NOT REQUIRE A NONPROFIT HEALTH SERVICE PLAN, AN INSURER, A HEALTH MAINTENANCE ORGANIZATION, OR A PERSON ACTING AS A THIRD PARTY ADMINISTRATOR TO REIMBURSE A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER FOR ANY SERVICES RENDERED EVEN THOUGH THE SERVICES ARE WITHIN THE SCOPE OF PRACTICE OF THE LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER.

6-404.

(A) IN THIS SECTION, “MASSAGE THERAPIST AND PRACTITIONER REHABILITATION COMMITTEE” MEANS A COMMITTEE THAT:

(1) IS A COMMITTEE OF THE BOARD OR A COMMITTEE OF AN ASSOCIATION THAT REPRESENTS AT LEAST 250 LICENSED MASSAGE THERAPISTS IN THE STATE THAT:

(I) IS RECOGNIZED BY THE BOARD; AND

(II) INCLUDES MASSAGE THERAPISTS AND MASSAGE PRACTITIONERS; AND

(2) PERFORMS ANY OF THE FUNCTIONS LISTED IN SUBSECTION (C) OF THIS SECTION.

(B) A REHABILITATION COMMITTEE OF THE BOARD OR RECOGNIZED BY THE BOARD MAY FUNCTION:

(1) SOLELY FOR THE BOARD; OR

(2) JOINTLY WITH A REHABILITATION COMMITTEE REPRESENTING ANOTHER BOARD OR BOARDS.

(C) A MESSAGE THERAPIST AND PRACTITIONER REHABILITATION COMMITTEE SHALL EVALUATE AND PROVIDE ASSISTANCE TO ANY LICENSED MESSAGE THERAPIST, REGISTERED MESSAGE PRACTITIONER, OR OTHER INDIVIDUAL REGULATED BY THE BOARD IN NEED OF TREATMENT AND REHABILITATION FOR ALCOHOLISM, DRUG ABUSE, CHEMICAL DEPENDENCY, OR OTHER PHYSICAL, EMOTIONAL, OR MENTAL CONDITION.

(D) (1) IN THIS SUBSECTION, "CIVIL ACTION" DOES NOT INCLUDE A PROCEEDING BEFORE THE BOARD OR THE JUDICIAL REVIEW OF A PROCEEDING BEFORE THE BOARD.

(2) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE PROCEEDINGS, RECORDS, AND FILES OF THE MESSAGE THERAPIST AND PRACTITIONER REHABILITATION COMMITTEE ARE NOT DISCOVERABLE AND ARE NOT ADMISSIBLE IN EVIDENCE IN ANY CIVIL ACTION ARISING OUT OF MATTERS THAT ARE BEING OR HAVE BEEN REVIEWED AND EVALUATED BY THE MESSAGE THERAPIST AND PRACTITIONER REHABILITATION COMMITTEE.

(3) PARAGRAPH (2) OF THIS SUBSECTION DOES NOT APPLY TO ANY RECORD OR DOCUMENT THAT IS CONSIDERED BY THE MESSAGE THERAPIST AND PRACTITIONER REHABILITATION COMMITTEE AND THAT OTHERWISE WOULD BE SUBJECT TO DISCOVERY OR INTRODUCTION INTO EVIDENCE IN ANY ARBITRATION OR CIVIL PROCEEDING.

(E) A PERSON WHO ACTS IN GOOD FAITH AND WITHIN THE SCOPE OF THE JURISDICTION OF A MESSAGE THERAPIST AND PRACTITIONER REHABILITATION COMMITTEE IS NOT CIVILLY LIABLE FOR ANY ACTION AS A MEMBER OF THE MESSAGE THERAPIST AND PRACTITIONER REHABILITATION COMMITTEE OR FOR GIVING INFORMATION TO, PARTICIPATING IN, OR CONTRIBUTING TO THE FUNCTION OF THE MESSAGE THERAPIST AND PRACTITIONER REHABILITATION COMMITTEE.

6-405.

(A) IN CHARLES COUNTY AND WASHINGTON COUNTY, THE COUNTY COMMISSIONERS MAY ADOPT ORDINANCES OR REGULATIONS RELATING TO MESSAGE ESTABLISHMENTS AND THE PRACTICES OF MESSAGE THERAPISTS, MESSAGE PRACTITIONERS, AND ANY OTHER INDIVIDUALS WHO PROVIDE MESSAGE FOR COMPENSATION.

(B) (1) THE CHARLES COUNTY COMMISSIONERS SHALL PROVIDE THAT THE DIRECTOR OF THE CHARLES COUNTY HEALTH DEPARTMENT AND THE OFFICE OF THE SHERIFF FOR CHARLES COUNTY HAVE THE AUTHORITY TO CARRY OUT THE

PROVISIONS OF THE ORDINANCES OR REGULATIONS ADOPTED UNDER SUBSECTION (A) OF THIS SECTION.

(2) THE WASHINGTON COUNTY COMMISSIONERS SHALL PROVIDE THAT THE WASHINGTON COUNTY HEALTH OFFICER AND THE OFFICE OF THE SHERIFF FOR WASHINGTON COUNTY HAVE THE AUTHORITY TO CARRY OUT THE PROVISIONS OF THE ORDINANCES OR REGULATIONS ADOPTED UNDER SUBSECTION (A) OF THIS SECTION.

SUBTITLE 5. PROHIBITED ACTS.

6-501.

EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL MAY NOT PRACTICE, ATTEMPT TO PRACTICE, OR OFFER TO PRACTICE MASSAGE THERAPY, MASSAGE, MYOTHERAPY, OR ANY SYNONYM OR DERIVATION OF THESE TERMS IN THE STATE UNLESS LICENSED OR REGISTERED BY THE BOARD.

6-502.

(A) AN INDIVIDUAL WHO IS NOT A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER UNDER THIS TITLE MAY NOT ADVERTISE OR CLAIM BY TITLE, ABBREVIATION, SIGN, CARD, OR ANY OTHER REPRESENTATION THAT THE INDIVIDUAL PRACTICES MASSAGE, MASSAGE THERAPY, MYOTHERAPY, OR ANY SYNONYM OR DERIVATION OF THESE TERMS.

(B) AN INDIVIDUAL WHO IS A REGISTERED MASSAGE PRACTITIONER UNDER THIS TITLE, OR A BUSINESS ENTITY THAT EMPLOYS AN INDIVIDUAL WHO IS A REGISTERED MASSAGE PRACTITIONER UNDER THIS TITLE, MAY NOT ADVERTISE TO THE PUBLIC THAT THE INDIVIDUAL OR BUSINESS ENTITY PROVIDES HEALTH-RELATED THERAPEUTIC MASSAGE SERVICES.

(C) UNLESS AUTHORIZED TO PRACTICE UNDER THIS TITLE, A PERSON MAY NOT USE THE TITLE “MASSAGE THERAPIST”, “MT”, “LICENSED MASSAGE THERAPIST”, “LMT”, “MASSAGE PRACTITIONER”, “MP”, “REGISTERED MASSAGE PRACTITIONER”, OR “RMP”, OR ANY OTHER TERM OR TITLE WITH THE INTENT TO REPRESENT THAT THE PERSON PRACTICES MASSAGE THERAPY.

(D) (1) IN CHARLES COUNTY AND WASHINGTON COUNTY, AN INDIVIDUAL MAY NOT PERFORM A MASSAGE OR OFFER TO PERFORM A MASSAGE ON ANOTHER INDIVIDUAL FOR COMPENSATION UNLESS THE INDIVIDUAL WHO PERFORMS THE MASSAGE OR OFFERS TO PERFORM A MASSAGE IS A LICENSED MASSAGE THERAPIST OR REGISTERED MASSAGE PRACTITIONER.

(2) A LAW ENFORCEMENT OFFICER IN CHARLES COUNTY OR WASHINGTON COUNTY MAY DEMAND PROOF OF LICENSURE OR REGISTRATION.

6-503.

A PERSON MAY NOT BUY, SELL, OR FRAUDULENTLY OBTAIN:

(1) A LICENSE OR REGISTRATION; OR

(2) ANY DIPLOMA OR DEGREE REQUIRED UNDER § 6-302 OF THIS TITLE.

6-504.

(A) A PERSON WHO PRACTICES OR ATTEMPTS TO PRACTICE MASSAGE THERAPY WITHOUT A LICENSE OR REGISTRATION IN VIOLATION OF § 6-501 OF THIS SUBTITLE OR REPRESENTS TO THE PUBLIC IN VIOLATION OF § 6-502 OF THIS SUBTITLE THAT THE PERSON IS AUTHORIZED TO PRACTICE MASSAGE THERAPY IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO:

(1) FOR A FIRST OFFENSE, A FINE NOT EXCEEDING \$2,000 OR IMPRISONMENT NOT EXCEEDING 6 MONTHS; OR

(2) FOR A SUBSEQUENT OFFENSE, A FINE NOT EXCEEDING \$6,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR.

(B) A PERSON WHO IS CONVICTED UNDER SUBSECTION (A) OF THIS SECTION SHALL REIMBURSE THE BOARD FOR THE DIRECT COSTS OF THE BOARD, INCLUDING COURT REPORTING SERVICES AND EXPERT WITNESS FEES, INCURRED AS A RESULT OF A PROSECUTION UNDER SUBSECTION (A) OF THIS SECTION.

SUBTITLE 6. SHORT TITLE; TERMINATION OF TITLE.

6-601.

THIS TITLE MAY BE CITED AS THE MARYLAND MASSAGE THERAPY ACT.

6-602.

SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF THE MARYLAND PROGRAM EVALUATION ACT, THIS TITLE AND ALL REGULATIONS

ADOPTED UNDER THIS TITLE SHALL TERMINATE AND BE OF NO EFFECT AFTER JULY 1, 2026.

Article – State Government

8–403.

(a) On or before December 15 of the evaluation year specified, the Department shall:

(1) conduct a preliminary evaluation of each governmental activity or unit to be evaluated under this section; and

(2) prepare a report on each preliminary evaluation conducted.

(b) Each of the following governmental activities or units and the statutes and regulations that relate to the governmental activities or units are subject to preliminary evaluation in the evaluation year specified:

(11) Chiropractic [and Massage Therapy] Examiners, State Board of (§ 3–201 of the Health Occupations Article: 2019);

(36) MASSAGE THERAPY EXAMINERS, STATE BOARD OF (§ 6–201 OF THE HEALTH OCCUPATIONS ARTICLE: 2023);

SECTION 4. AND BE IT FURTHER ENACTED, That, on October 1, 2016, the position on the State Board of Chiropractic and Massage Therapy Examiners held by the longest serving licensed chiropractor member of the Board and the three positions held by the licensed massage therapist members of the Board shall terminate so as to reduce the number of positions on the newly established State Board of Chiropractic Examiners in accordance with § 3–202 of the Health Occupations Article, as enacted by Section 3 of this Act.

SECTION 5. AND BE IT FURTHER ENACTED, That the terms of the initial members of the State Board of Massage Therapy Examiners shall expire as follows:

(1) two members in 2019;

(2) two members in 2020; and

(3) three members in 2021.

SECTION 6. AND BE IT FURTHER ENACTED, That:

(a) The functions, powers, duties, equipment, assets, liabilities, and records of the State Board of Chiropractic and Massage Therapy Examiners related to the licensure and

registration of massage therapists and massage practitioners shall be transferred to the State Board of Massage Therapy Examiners.

(b) The employees of the State Board of Chiropractic and Massage Therapy Examiners who are employed by the Board as of the effective date of this Act, including the executive director, administrative staff, investigators, and Assistant Attorney General, shall become employees of both the State Board of Chiropractic Examiners and the State Board of Massage Therapy Examiners as established under Section 3 of this Act.

SECTION 7. AND BE IT FURTHER ENACTED, That:

(a) An individual who holds a license or registration to practice massage therapy issued by the State Board of Chiropractic and Massage Therapy Examiners on or before October 1, 2016, shall be considered licensed or registered in all respects by the State Board of Massage Therapy Examiners as established under Section 3 of this Act and subject to the provisions of this Act for the remainder of the term of the individual's licensure or registration.

(b) On expiration of an individual's license or registration issued by the State Board of Chiropractic and Massage Therapy Examiners, the individual may qualify for renewal or reinstatement of a license or registration under § 6-305 or § 6-306 of the Health Occupations Article, as enacted by Section 3 of this Act, as if the individual had held a license or registration issued by the State Board of Massage Therapy Examiners, as established under Section 3 of this Act.

SECTION 8. AND BE IT FURTHER ENACTED, That, on or after October 1, 2016, if an individual holds a license or registration issued by the State Board of Chiropractic and Massage Therapy Examiners and the individual fails to timely renew the certificate or registration, the individual may qualify for reinstatement of the license or registration under § 6-306 of the Health Occupations Article, as enacted by Section 3 of this Act, as if the individual had held a license or registration issued by the State Board of Massage Therapy Examiners, as established under Section 3 of this Act.

SECTION 9. AND BE IT FURTHER ENACTED, That an individual who, on or before October 1, 2016, has completed or partially completed any education, experience, or examination requirements for a license or registration to be issued by the State Board of Chiropractic and Massage Therapy Examiners shall be considered to have completed or partially completed the same requirement for a license or registration to be issued by the State Board of Massage Therapy Examiners, as established under Section 3 of this Act.

SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Chapter 740**(Senate Bill 493)**

AN ACT concerning

Teacher Induction, Retention, and Advancement Act of 2016

FOR the purpose of altering the maximum amount of a certain State stipend awarded to certain teachers or other school-based employees who hold certain certificates and who teach in certain public schools; requiring certain public schools to utilize certain teachers in certain leadership roles; requiring certain teachers who teach in certain public middle and high schools in Anne Arundel County to receive a certain stipend from the State under certain circumstances for certain academic years; establishing the Teacher Induction, Retention, and Advancement Pilot Program; authorizing each county board of education to choose to participate in the Pilot Program; requiring a county board to select certain teachers to participate in the Pilot Program; requiring certain teachers to be afforded a certain amount of time to be spent on mentoring, peer observation, assistance with planning, or other preparation activities under the Pilot Program; prohibiting a certain amount of time from including student supervision or administrative responsibilities; authorizing a certain amount of time to include support from certain teachers under certain circumstances; requiring a certain county ~~boards of education~~ board to provide certain information regarding the availability of certain resources to ~~be provided to~~ certain teachers; providing for the sharing of certain costs incurred under a certain program; requiring the Governor to include annually a certain appropriation in the State budget; providing for the use of certain funds under a certain program; requiring the State Department of Education to develop certain criteria; requiring the Department to disburse certain funds subject to certain provisions of law; specifying the intent of the General Assembly; ~~defining certain terms~~; requiring the Department to convene a certain workgroup and submit certain reports on or before certain dates; providing for the termination of certain provisions of this Act; defining certain terms; and generally relating to the induction, retention, and advancement of public school teachers.

BY repealing and reenacting, without amendments,

Article – Education

Section 6–306(a)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 6–306(b)(2) and (5), (c), (d), and (e)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – Education

Section 6–117.1 and 6–306(b)(5) *and (c)*

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

Preamble

WHEREAS, Teacher turnover in Maryland remains a persistent problem, as it does in many parts of the country; and

WHEREAS, Between 40% and 50% of all first year teachers will leave the profession by the end of their fifth year of teaching; and

WHEREAS, A large amount of teacher turnover contributes to both school instability and student instability, particularly in communities that are highly impacted by instances of instability; and

WHEREAS, Teacher turnover is costly to local school systems, costing as much as \$50,000 for every teacher leaving the system according to the National Center for Teaching and America’s Future, for recruiting, inducting, and other personnel matters relating to new teacher training; and

WHEREAS, There are almost 3,000 teachers in Maryland on whom National Board Certification has been conferred; and

WHEREAS, There are 634 teachers in Maryland currently pursuing National Board Certification; and

WHEREAS, In 2015, two new studies found that National Board Certified teachers are more effective at advancing student learning than teachers who are not National Board Certified, building on more than a decade of research finding similar results; and

WHEREAS, During the 2015 Legislative Session, a \$1,500 stipend that was required to be awarded to public school teachers that hold an advanced professional certificate and who teach in a public school having comprehensive needs was eliminated; now, therefore,

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

Article – Education

6–306.

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

(2) “County grant for national certification” means an annual grant distributed to a teacher certified by the National Board for Professional Teaching Standards established:

- (i) Outside of the collective bargaining process; or
- (ii) As part of a collective bargaining agreement with the local employee organization.

(3) “School-based employee” means a certificated employee who works directly with students or teachers at a public school.

(b) (2) A classroom teacher or other nonadministrative school-based employee in a public school identified by the State Board as having comprehensive needs who holds a standard professional certificate or an advanced professional certificate who is employed by a county board and who holds a certificate issued by the National Board for Professional Teaching Standards shall receive a stipend from the State in an amount equal to the county grant for national certification, up to a maximum of ~~[\$2,000] \$5,000~~ \$4,000 per qualified individual.

(5) TO THE MAXIMUM EXTENT PRACTICABLE, EACH PUBLIC SCHOOL SHALL UTILIZE TEACHERS WHO HAVE OBTAINED NATIONAL BOARD CERTIFICATION IN LEADERSHIP ROLES WITHIN THE SCHOOL.

~~[(5)]~~ **(6)** (i) 1. The State Board shall establish a program to support locally negotiated incentives, governed under Subtitles 4 and 5 of this title, for highly effective classroom teachers and principals to work in public schools that are:

- A. In improvement, corrective action, or restructuring;
- B. Categorized by the local school system as a Title I school;

or

C. In the highest 25% of schools in the State based on a ranking of the percentage of students who receive free and reduced priced meals.

2. The program established under subparagraph 1 of this subparagraph may include financial incentives, leadership changes, or other incentives.

(ii) 1. The State Board shall adopt guidelines to implement this paragraph.

2. Nothing in this paragraph shall be construed to prohibit a local school system from employing more stringent standards than the guidelines adopted under this subparagraph.

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

Article – Education

6-306.

(C) (1) THIS SUBSECTION APPLIES ONLY IN ANNE ARUNDEL COUNTY.

(2) IN THIS SUBSECTION, “COUNTY GRANT FOR TEACHING IN AN ECONOMICALLY DISADVANTAGED SCHOOL” MEANS AN ANNUAL GRANT DISTRIBUTED TO A TEACHER WHO TEACHES IN AN ECONOMICALLY DISADVANTAGED SCHOOL ESTABLISHED:

(I) OUTSIDE OF THE COLLECTIVE BARGAINING PROCESS; OR

(II) AS PART OF A COLLECTIVE BARGAINING AGREEMENT WITH THE LOCAL EMPLOYEE REPRESENTATIVE.

(3) FOR FISCAL YEARS 2017 THROUGH 2019, THE GOVERNOR SHALL INCLUDE IN THE STATE OPERATING BUDGET FUNDING FOR THE STIPENDS PROVIDED IN THIS SUBSECTION.

(4) A CLASSROOM TEACHER SHALL RECEIVE A STIPEND FROM THE STATE IN AN AMOUNT EQUAL TO THE COUNTY GRANT FOR TEACHING IN AN ECONOMICALLY DISADVANTAGED SCHOOL, UP TO A MAXIMUM OF \$1,500 IF THE TEACHER:

(I) TEACHES IN A PUBLIC MIDDLE OR HIGH SCHOOL IN WHICH AT LEAST 30% OF THE STUDENTS AS A PERCENTAGE OF FULL-TIME EQUIVALENT STUDENTS AS DEFINED IN § 5-202 OF THIS ARTICLE QUALIFY FOR FREE AND REDUCED PRICE MEALS UNDER THE NATIONAL SCHOOL LUNCH PROGRAM;

(II) HOLDS A STANDARD OR ADVANCED PROFESSIONAL CERTIFICATE; AND

(III) IS EMPLOYED BY THE COUNTY BOARD.

[(c)] (D) An individual who receives a stipend or bonus under subsection (b) OR (C) of this section may not be deemed an employee of the State.

[(d)] (E) The employer of an individual who receives a stipend or bonus under subsection (b) OR (C) of this section shall pay the increase in fringe benefit costs associated with the stipend or bonus.

~~[(e)] (F)~~ The Department shall act as fiscal agent for funds disbursed under this section.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Education

6–117.1.

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

(2) “FIRST YEAR TEACHER” MEANS A PUBLIC SCHOOL TEACHER WHO HAS NOT PREVIOUSLY HAD ANY FULL–TIME TEACHING EXPERIENCE.

(3) “PROGRAM” MEANS THE TEACHER INDUCTION, RETENTION, AND ADVANCEMENT PILOT PROGRAM.

(B) (1) THERE IS A TEACHER INDUCTION, RETENTION, AND ADVANCEMENT PILOT PROGRAM IN THE STATE.

(2) (I) EACH COUNTY BOARD MAY CHOOSE TO PARTICIPATE IN THE PILOT PROGRAM.

(II) A COUNTY BOARD SHALL SELECT THE FIRST YEAR TEACHERS TO PARTICIPATE IN THE PILOT PROGRAM.

(III) A COUNTY BOARD IS ENCOURAGED TO GIVE PRIORITY TO TEACHERS WHO TEACH IN A SCHOOL THAT IS PART OF A CLUSTER OF SCHOOLS IN WHICH THE MAJORITY OF THE ELEMENTARY AND MIDDLE SCHOOLS THAT FEED INTO ONE HIGH SCHOOL ARE TITLE I SCHOOLS.

(C) (1) UNDER THE PILOT PROGRAM, EACH PARTICIPATING FIRST YEAR TEACHER SHALL BE AFFORDED AT LEAST 20% MORE TIME THAN TEACHERS WHO ARE NOT FIRST YEAR TEACHERS DURING THE ACADEMIC WEEK TO BE SPENT ON MENTORING, PEER OBSERVATION, ASSISTANCE WITH PLANNING, OR OTHER PREPARATION ACTIVITIES.

(2) THE ADDITIONAL TIME AFFORDED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT INCLUDE STUDENT SUPERVISION OR ADMINISTRATIVE RESPONSIBILITIES.

(3) AT THE REQUEST OF A FIRST YEAR TEACHER MADE TO THE PRINCIPAL OF A SCHOOL, THE ADDITIONAL TIME AFFORDED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY INCLUDE SUPPORT FROM A VETERAN TEACHER.

(4) ~~EACH A~~ COUNTY BOARD ~~THAT HAS A PARTICIPATING FIRST YEAR TEACHER~~ SHALL PROVIDE EACH FIRST YEAR TEACHER PARTICIPATING IN THE PILOT PROGRAM FROM THAT COUNTY WITH INFORMATION REGARDING RESOURCES AVAILABLE TO THE FIRST YEAR TEACHER THAT MAY BE USED DURING THE ADDITIONAL TIME THAT INCLUDE:

- (I) MENTORING;
- (II) PEER OBSERVATION; AND
- (III) ASSISTANCE WITH PLANNING.

(D) ANY COSTS INCURRED UNDER THE PILOT PROGRAM SHALL BE BORNE 80% BY THE STATE AND 20% BY THE COUNTY BOARD.

(E) (1) THE GOVERNOR ANNUALLY SHALL INCLUDE AN APPROPRIATION OF ~~\$7,000,000~~ \$5,000,000 IN THE STATE BUDGET FOR THE DEPARTMENT TO ADMINISTER THE PILOT PROGRAM.

(2) THE DEPARTMENT SHALL DEVELOP CRITERIA BY WHICH FUNDS SHALL BE ALLOCATED TO ~~LOCAL SCHOOL SYSTEMS~~ COUNTY BOARDS TO ALLOW FIRST YEAR TEACHERS TO PARTICIPATE IN THE PILOT PROGRAM.

(3) (I) IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION, AND SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE DEPARTMENT SHALL DISBURSE FUNDS TO EACH COUNTY BOARD THAT HAS FIRST YEAR TEACHERS PARTICIPATING IN THE PILOT PROGRAM.

(II) THE DEPARTMENT SHALL INCLUDE ANY COSTS INCURRED BY A COUNTY BOARD IN MEETING THE REQUIREMENTS OF SUBSECTION (C) (3) AND (4) OF THIS SECTION WHEN DISBURSING FUNDS TO A COUNTY BOARD.

(4) IT IS NOT THE INTENT OF THE GENERAL ASSEMBLY THAT ENOUGH FUNDS BE PROVIDED TO ENSURE THAT EVERY FIRST YEAR TEACHER IN THE STATE BE ABLE TO PARTICIPATE IN THE PILOT PROGRAM.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That ~~en~~:

(a) On or before December 1, 2021, the State Department of Education shall report to the Governor and, in accordance with § 2-1246 of the State Government Article,

the General Assembly regarding the retention of first year teachers that participate in the Teacher Induction, Retention, and Advancement Pilot Program.

(b) The report shall:

(1) include the number of first year teachers who participated in the Pilot Program and are still teaching 4 and 5 years after participating in the Pilot Program, versus the number of teachers who were similarly situated first year teachers but who did not participate in the Pilot Program and are still teaching 4 and 5 years later; and

(2) make recommendations on whether to continue, modify, or eliminate the Pilot Program.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That:

(a) The State Department of Education shall convene a workgroup composed of stakeholders from primary and secondary education, higher education, and other education policy experts to:

(1) determine how ~~to~~:

(i) to recruit, retain, and promote quality teachers at all levels of education in the State;

~~(1)~~ (ii) to incorporate and interweave the principles of National Board Certification with the Advanced Professional Certificate, Master of Education programs, and other teacher preparation programs;

~~(2)~~ (iii) to make the teacher recertification process more valuable, including an exploration of how to link recertification to career ladders and content or high need area specializations;

~~(3)~~ (iv) to link loan forgiveness to teaching in high need schools; and

~~(4)~~ (v) to incorporate induction best practices into professional eligibility certificates; and

(vi) existing state laws and regulations impact teacher recruitment, retention, and promotion for each of the following areas:

1. individual and team competency;

2. performance measurement and management;

3. reward and recognition for excellent work; and

4. discipline in the classroom; and

(2) evaluate whether the stipend created under § 6-306(c) of the Education Article, as enacted by Section 2 of this Act, was effective in retaining effective teachers in schools with a critical mass of economically disadvantaged students.

(b) The workgroup established under subsection (a) of this section shall make recommendations regarding:

(1) its findings under subsection (a) of this section; ~~and~~

(2) legislative changes that will ensure that teacher preparation academies, as authorized under the federal Every Student Succeeds Act, will be of the highest quality and rigor if they are implemented in Maryland, and the individuals that participate in these academies will be fully prepared and trained to be in a classroom in Maryland;

(3) a coordinated statewide strategy for recruiting, retaining, and promoting quality teachers at all levels of education by the State Department of Education, the Maryland Higher Education Commission, the University System of Maryland, and other education stakeholders; and

(4) the best methods of incentivizing effective teachers to choose to teach in low-performing schools and schools with a critical mass of economically disadvantaged students in light of federal regulations that require the equitable distribution of effective teachers.

(c) (1) On or before ~~September~~ November 1, 2016, the Department shall submit ~~a~~ an interim report regarding the recommendations of the workgroup established under this section to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

(2) On or before November 1, 2017, the Department shall submit a final report regarding the recommendations of the workgroup established under this section to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016. Section 2 of this Act shall remain effective for a period of 3 years and, at the end of June 30, 2019, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect. ~~Section 2~~ Section 3 of this Act shall remain effective for a period of 6 years and, at the end of June 30, 2022, with no further action required by the General Assembly, ~~Section 2~~ Section 3 of this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.

Joint Resolutions

Signed by the President of the Senate
and the Speaker of the House of Delegates

Joint Resolution 1

(Senate Joint Resolution 1)

A Senate Joint Resolution concerning

Patuxent River Watershed – Amendment of Patuxent River Policy Plan

FOR the purpose of approving a certain amendment to the Patuxent River Policy Plan; resolving that a copy of this resolution be forwarded by the Department of Legislative Services to certain individuals; and generally relating to the amendment of the Patuxent River Policy Plan.

WHEREAS, Section 5–812 of the State Finance and Procurement Article establishes the Patuxent River Commission; and

WHEREAS, As referenced in § 5–801(c) of the State Finance and Procurement Article, the Commission, the local governments represented on the Commission, and the Maryland General Assembly approved the original Patuxent River Policy Plan in 1984 in order to serve as a policy guide for the Commission, State agencies, and local governments in carrying out programs in the Patuxent River watershed; and

WHEREAS, Sections 5–805 and 5–806 of the State Finance and Procurement Article provide that the Commission and the Maryland Department of Planning shall periodically review and evaluate pertinent information, trends, and issues regarding the Patuxent River watershed in light of the Plan and the Commission’s activities; and

WHEREAS, Sections 5–805 and 5–806 of the State Finance and Procurement Article also provide procedures for updating the Plan by amendment and require that both the Commission and at least 6 of the 8 local jurisdictions with voting representation on the Commission must approve any amendments to the Plan before submission of the amendments to the General Assembly for approval; and

WHEREAS, In 1997, the Commission, the local governments represented on the Commission, and the Maryland General Assembly approved certain amendments updating the Plan; and

WHEREAS, According to the University of Maryland Center for Environmental Service’s Chesapeake Bay Report Card, the ecosystem health of the Patuxent River is in poor condition; and

WHEREAS, In spite of the river’s water quality challenges, the Patuxent River remains an important piece of Maryland’s natural heritage, providing a variety of habitats from cold–water trout streams to tidal wetlands and supporting more than 100 species of fish and shellfish, including oysters, blue crabs, striped bass, catfish, chain pickerel, and bluefish; and

WHEREAS, The Patuxent River holds the promise for increased abundance and diversity of living resources, along with clean, swimmable waters, which would support increased tourism, recreation, fisheries, quality of life, and economic development in Maryland; and

WHEREAS, The Plan’s role is to guide local jurisdictions and the State in preserving and restoring the Patuxent River, raising awareness of Patuxent River ecology through advocacy, and creating excitement among the citizenry about the opportunities for interaction with the Patuxent River; and

WHEREAS, Approval of the 2015 Patuxent River Policy Plan Update, as an amendment to the Plan, will invigorate local and State river restoration efforts; and

WHEREAS, In May 2014, the Commission approved the 2015 Patuxent River Policy Plan Update as an amendment to the Plan; and

WHEREAS, The 8 local jurisdictions with voting representation on the Commission have approved the 2015 Patuxent River Policy Plan Update in accordance with § 5–805(c) of the State Finance and Procurement Article as an amendment to the Plan; and

WHEREAS, The General Assembly agrees with and approves of the 2015 Patuxent River Policy Plan Update as an amendment to the Plan; and

WHEREAS, On approval by the General Assembly, the Plan, as amended by the 2015 Patuxent River Policy Plan Update, is to serve as a policy guide for the Commission, State agencies, and local governments in enhancing restoration and protection of the Patuxent River watershed; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That, effective immediately on approval of this Joint Resolution, the General Assembly hereby approves the 2015 Patuxent River Policy Plan update as an amendment to the Patuxent River Policy Plan; and be it further

RESOLVED, That a copy of this Resolution be forwarded by the Department of Legislative Services to the Honorable Lawrence J. Hogan, Jr., Governor of Maryland; the Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; the Honorable Michael E. Busch, Speaker of the House of Delegates; David R. Craig, Secretary of Planning; and Michael Leszcz, Chair of the Patuxent River Commission.

Signed by the President and the Speaker, May 10, 2016.

Vetoed Bills and Messages from the Governor of Maryland

A total of 102 bills were vetoed by the Governor following the 2016 Regular Session of the General Assembly. Of these vetoed bills, 58 originated in the Senate and 44 originated in the House of Delegates. Pursuant to the provisions of Article II, Section 17 of the Maryland Constitution, a vetoed bill will not be returned to the Legislature when a new General Assembly of Maryland has been elected and sworn since the passage of the vetoed bill. However, if the General Assembly convenes in Special Session prior to the election and swearing in of the newly elected members, the vetoed bills may be reconsidered in order to determine whether the veto is sustained or overridden.

2016 Session

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Vetoed Senate Bills and Messages

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 33 – *Anne Arundel County – Alcoholic Beverages – Licenses*.

This bill authorizes in Anne Arundel County a holder of a Class BLX license to be issued a music permit, an entertainment permit, an outdoor permit or an outdoor entertainment permit and authorizes a holder of a Class BLX license to be issued a dancing permit, except under specified circumstances. The bill also exempts specified alcoholic beverages licenses in the county from a prohibition against issuing multiple licenses to any one person and exempts a Class BLX license from a prohibition against issuing an alcoholic beverages license for a specified location.

House Bill 642, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 33.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 33

AN ACT concerning

Anne Arundel County – Alcoholic Beverages – Licenses

FOR the purpose of ~~allowing a license holder in Anne Arundel County to be issued a second or third alcoholic beverages license of a certain type for a restaurant if the restaurant is located in a shopping center that has a certain zoning classification; exempting certain alcoholic beverages licenses in the County from a prohibition against issuing multiple licenses to any one person; exempting a certain class of license from a prohibition against issuing an alcoholic beverages license for a location within a certain distance from a place of worship or school; authorizing a holder of a certain license to be issued a special music license, special entertainment license, special outdoor license, or special outdoor entertainment license; authorizing a holder of a certain license to be issued a special dancing license, except under certain conditions; making certain stylistic changes~~ authorizing in Anne Arundel County a holder of a certain license to be issued a music permit, an entertainment permit, an outdoor

permit, or an outdoor entertainment permit; authorizing a holder of a certain license to be issued a dancing permit, except under certain circumstances; exempting certain alcoholic beverages licenses in the county from a prohibition against issuing multiple licenses to any one person; exempting a certain class of license from a prohibition against issuing an alcoholic beverages license for a location within a certain distance from a place of worship or school; allowing a license holder to be issued a second or third alcoholic beverages license of a certain type for a restaurant if the restaurant is located in a shopping center that has a certain zoning classification; and generally relating to alcoholic beverages licenses in Anne Arundel County.

~~BY repealing and reenacting, without amendments,
Article 2B – Alcoholic Beverages
Section 8-202.1(a) and 9-102(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)~~

~~BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 8-202.1(j) and (k), 9-102(i), 9-203(e), and 12-202(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 11-102
Annotated Code of Maryland
(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 11-1102, 11-1507, 11-1603, and 11-1607
Annotated Code of Maryland
(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

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

Article ~~2B~~ – Alcoholic Beverages

~~8-202.1.~~

~~(a) This section applies only in Anne Arundel County.~~

~~(j) A licensee may be issued a second license if:~~

~~(1) The licensee holds a Class B license that has a restriction prohibiting off-sales, a Class H license, or a Class BLX license;~~

- ~~(2) The license sought is a Class H license or a Class BLX license; and~~
- ~~(3) The restaurant for which the license is sought is located in:
 - ~~(i) The Glen Burnie Urban Renewal Area;~~
 - ~~(ii) The Parole Town Center Growth Management Area;~~
 - ~~(iii) The Odenton Town Center Growth Management Area;~~
 - ~~(iv) The Baltimore Washington International Thurgood Marshall Airport State Priority Funding Area, as designated by Anne Arundel County in accordance with § 6-301(f)(8) of the Economic Development Article;~~
 - ~~(v) A shopping center with a gross area of at least 1,000,000 square feet that is zoned C3 OR MDX-C General Commercial by the zoning article of the Anne Arundel County Code;~~
 - ~~(vi) The Route 198 corridor, consisting of properties located within 500 feet of the right of way of Maryland Route 198, from Maryland Route 32 on the east to the Prince George's County Anne Arundel County line on the west;~~
 - ~~(vii) A community revitalization zone with a designation in the series "A" through "P", inclusive, as shown on the map adopted by the Anne Arundel County Council by Bill 97-01;~~
 - ~~(viii) The Severn Commercial District, consisting of properties designated as "commercial zoning" by the comprehensive rezoning maps adopted by the Anne Arundel County Council and located on that portion of Maryland Route 174 west of Maryland Route 100 and east of the railroad right of way owned by the National Railroad Passenger Corporation (Parcel 117, Anne Arundel County Tax Map 29);~~
 - ~~(ix) The Edgewater/Mayo Commercial District, consisting of those properties that are designated "commercial zoning districts" on the comprehensive rezoning maps adopted by the Anne Arundel County Council for the Edgewater/Mayo Small Area Planning District;~~
 - ~~(x) The Pasadena Commercial District, consisting of those properties that are designated "commercial zoning areas", including Lake Shore Crossing, Lake Shore Plaza, and the Mountain Marketplace Shopping Center on the comprehensive zoning maps adopted by the Anne Arundel County Council for the Pasadena Small Area Planning District; or~~
 - ~~(xi) The area in Pasadena known as the Brumwell Property.~~~~
- ~~(k) A license may be issued a third license if:~~

- ~~(1) The license sought is a Class BLX license; and~~
- ~~(2) The restaurant for which the license is sought is located in:
 - ~~(i) The Glen Burnie Urban Renewal Area;~~
 - ~~(ii) The Parole Town Center Growth Management Area;~~
 - ~~(iii) The Odenton Town Center Growth Management Area;~~
 - ~~(iv) The Baltimore Washington International Thurgood Marshall Airport State Priority Funding Area, as designated by Anne Arundel County in accordance with § 6-301(f)(8) of the Economic Development Article;~~
 - ~~(v) A shopping center with a gross area of at least 1,000,000 square feet that is zoned C3 OR MDX-C General Commercial by the zoning article of the Anne Arundel County Code;~~
 - ~~(vi) The Route 198 corridor, consisting of properties located within 500 feet of the right of way of Maryland Route 198, from Maryland Route 32 on the east to the Prince George's County Anne Arundel County line on the west;~~
 - ~~(vii) A community revitalization zone with a designation in the series "A" through "P", inclusive, as shown on the map adopted by the Anne Arundel County Council by Bill 97-01;~~
 - ~~(viii) The Severn Commercial District, consisting of properties designated as "commercial zoning" by the comprehensive rezoning maps adopted by the Anne Arundel County Council and located on that portion of Maryland Route 174 west of Maryland Route 100 and east of the railroad right of way owned by the National Railroad Passenger Corporation (Parcel 117, Anne Arundel County Tax Map 29);~~
 - ~~(ix) The Edgewater/Mayo Commercial District, consisting of those properties that are designated "commercial zoning districts" on the comprehensive rezoning maps adopted by the Anne Arundel County Council for the Edgewater/Mayo Small Area Planning District;~~
 - ~~(x) The Pasadena Commercial District, consisting of those properties that are designated "commercial zoning areas", including Lake Shore Crossing, Lake Shore Plaza, and the Mountain Marketplace Shopping Center on the comprehensive zoning maps adopted by the Anne Arundel County Council for the Pasadena Small Area Planning District; or~~
 - ~~(xi) The area in Pasadena known as the Brumwell Property.~~~~

~~(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(l)(8), (9), and (10) and (r)(4), (15), (17), and (18), § 7-101(b) and (c), § 8-202(g)(2)(ii) and (iii), § 8-217(c), § 8-508, § 8-902, § 9-102.1, § 9-217(b-1), or § 12-202 of this article.~~

~~(i) The [provisions of] PROHIBITION IN subsection (a) of this section [do] AGAINST ISSUING MORE THAN ONE LICENSE TO A PERSON DOES not apply in Anne Arundel County to HOTEL LIMITED SERVICE (ON SALE) LICENSES OR licenses issued under this article for premises operated as motel restaurant complexes or hotel restaurant complexes having one hundred (100) rooms or more.~~

~~9-203.~~

~~(e) (1) (i) In this subsection the following words have the meanings indicated.~~

~~(ii) "Transfer or assignment" means the transfer or assignment of a license from the licensee to whom issued to a new licensee and does not mean the transfer of a license permitting the sale of alcoholic beverages in the premises designated in the license to other premises within the 1,000 foot limitation set forth in this subsection.~~

~~(iii) "Extended for the same building" means the extension of the area of the premises licensed and does not mean a change in the operational classification of an existing license, except when the change is from a Class B, C or D license to a Class H license.~~

~~(2) (i) A new license may not be granted to sell alcoholic beverages in any building located within 1,000 feet in a straight line from entry to entry from a [church] PLACE OF WORSHIP or school.~~

~~(ii) A license for the same building may be renewed or extended for any building located within the specified distance of the grounds of a [church] PLACE OF WORSHIP or school.~~

~~(3) Paragraph (2) of this subsection does not apply to:~~

~~(i) The City of Annapolis;~~

~~(ii) Any transfer or assignment of a license located within the 1,000-foot requirement;~~

~~(iii) Any nonprofit club or nonprofit organization;~~

~~(iv) Any restaurant destroyed by fire, flood, windstorm or any other act of God and which held a valid alcoholic beverage license at the time it was destroyed if a new [church] PLACE OF WORSHIP or school has not been constructed within the 1,000-foot requirement;~~

~~(v) Any Class H beer and wine license (on sale) or Class H beer, wine and liquor license (on sale); [or]~~

~~(vi) Any motel restaurant complex, hotel restaurant complex, beer, wine and liquor license (on sale); OR~~

~~(VII) ANY CLASS BLX (DELUXE RESTAURANT) (ON SALE) BEER, WINE AND LIQUOR LICENSE.~~

~~(4) (i) An alcoholic beverage license may not be renewed or transferred unless the licensee has actively engaged in the sale of alcoholic beverages as authorized by the license within one year prior to the date of application for renewal or transfer. Any attempted renewal or transfer of a dormant license not in accordance with the provisions of this section is null and void.~~

~~(ii) The reissuance of any license to any licensee whose license has been nonrenewed under the provisions of this section is subject to the hearing, notice and other provisions of § 10-202 of this article except if the main building on the premises is destroyed by fire, wind, or flood. The Board of License Commissioners may renew the license if it has been proven that the licensee is making substantial efforts to restore, replace, or repair the building. This extension shall be effective for one year from the date of approval by the Board. If the licensee desires another extension, the licensee shall follow the same procedure. The licensee shall pay the license fee for each year even though the establishment is not open.~~

~~12-202.~~

~~(a) Except for piped-in background music or one television screen, in Anne Arundel County no holder of any class of alcoholic beverage license or the holder of a club license shall permit the playing of music of any kind, including live music, a karaoke machine, or a disc jockey, or dancing, floor shows, or any other similar type of entertainment on the licensed premises or on adjacent property over which the licensee has ownership or control, except:~~

~~(1) Any holder of a Class B, Class D, [or] Class H, OR CLASS BLX license shall be permitted to play recorded music of any kind, or live music with no more than two~~

~~musicians if the licensee obtains a special music license. A special music license may be issued in the same manner as any other special license. The annual fee for the license shall be \$100. Dancing, floor shows, or other similar live entertainment may not be permitted.~~

~~(2) (i) Any holder of a Class B, Class D, [or] Class H, OR CLASS BLX license may allow the playing of more than one television, live music with not more than four musicians, karaoke, and a disc jockey, provided the licensee obtains a special entertainment license that shall be issued in the same manner as any other special license.~~

~~(ii) The annual fee for a special entertainment license is:~~

~~1. \$300 for a licensee holding a beer, wine and liquor license;~~
and

~~2. \$200 for a licensee holding a beer and wine license.~~

~~(iii) A holder of a special entertainment license may not allow dancing, floor shows, or similar live entertainment.~~

~~(3) (i) Except as provided in subparagraph (ii) of this paragraph, any holder of a Class B, Class D [or], Class H, OR CLASS BLX license shall be permitted to have music, dancing and other legal forms of entertainment, provided the licensee obtains a special dancing license which shall be issued in the same manner as any other special license. The annual fee shall be:~~

~~1. \$400 when issued to a licensee holding a beer, wine and liquor license; and~~

~~2. \$200 when issued to a licensee holding a beer and wine license.~~

~~(ii) A Class H OR CLASS BLX license that is located within 1,000 feet in a straight line from entry to entry from a [church] PLACE OF WORSHIP or school may not obtain a special dancing license.~~

~~(4) Any holder of a Class C license shall be permitted to have music, dancing and other legal forms of entertainment, provided the licensee obtains a special dancing license which shall be issued in the same manner as any other special license at no additional charge.~~

~~(5) (i) The Board may issue a special outdoor license to a holder of a Class B, Class C, Class D, [or] Class H, OR CLASS BLX license.~~

~~(ii) A special outdoor license under this paragraph entitles the holder to provide outdoor table service to customers on the grounds of the licensed establishment.~~

~~(iii) The annual fee for a special outdoor license is \$100.~~

~~(iv) Before a special outdoor license is renewed, a holder shall obtain approval from the Board.~~

~~(6) (i) The Board may issue a special outdoor entertainment license to a holder of a Class B, Class C, Class D, [and] Class H, OR CLASS BLX license who also holds a special dancing license, a special music license, or a special entertainment license under paragraph (1), (2), (3), or (4) of this subsection.~~

~~(ii) A special outdoor entertainment license under this paragraph entitles the holder to provide:~~

~~1. The same form of entertainment outdoors that the holder is allowed to provide indoors under the holder's special dancing license, special music license, or special entertainment license; and~~

~~2. Outdoor table service or cafe service.~~

~~(7) All special licenses set forth in paragraphs (1), (2), (3), (4), (5), and (6) of this subsection shall be authorized by the Board of License Commissioners for Anne Arundel County only when the Board finds:~~

~~(i) That the use of the licensed premises for such purposes shall not be in violation of any fire, health, or building regulation of Anne Arundel County,~~

~~(ii) That the applicant can adequately control the persons using the licensed premises,~~

~~(iii) That the granting of such special license is necessary for the accommodation of the public,~~

~~(iv) That the operation of the premises under such special license will not unduly disturb the peace of the residents of the neighborhood in which the place of business is located, and~~

~~(v) That in the opinion of the Board the granting of such special license will not be detrimental to the general public welfare.~~

11-102.

This title applies only in Anne Arundel County.

11-1102.

(a) (1) On the premises, or on adjacent property over which a license holder has ownership or control, a license holder:

(i) may allow piped-in background music or one television screen;
but

(ii) unless issued a permit described in this section that authorizes the activity, may not allow:

1. the playing of music, including live music;
2. the operation of a karaoke machine;
3. the playing of music by a disc jockey; or
4. dancing, floor shows, or any other similar type of entertainment.

(2) The Board may issue a permit described in this section only if the Board finds that:

(i) the applicant can control the individuals using the licensed premises;

(ii) the operation of the premises under the permit will not unduly disturb the peace of the residents of the neighborhood in which the place of business is located; and

(iii) the issuing of the permit:

1. is necessary to accommodate the public;
2. will not be detrimental to the public welfare; and
3. will not violate a County fire, health, or building regulation.

(b) (1) There is a music permit.

(2) The Board may issue the permit to a holder of a Class B license, A CLASS BLX LICENSE, a Class D license, or a Class H license.

(3) The permit authorizes the playing of recorded music or live music with not more than two musicians.

(4) The permit holder may not allow dancing, floor shows, or similar live entertainment.

(5) The annual permit fee is \$100.

(c) (1) There is an entertainment permit.

(2) The Board may issue the permit to a holder of a Class B license, A CLASS BLX LICENSE, a Class D license, or a Class H license.

(3) The permit authorizes:

(i) live music with not more than four musicians; and

(ii) the playing of:

1. more than one television;

2. a karaoke machine; and

3. music by a disc jockey.

(4) The permit holder may not allow dancing, floor shows, or similar live entertainment.

(5) The annual permit fees are:

(i) \$200 for a holder of a beer and wine license; and

(ii) \$300 for a holder of a beer, wine, and liquor license.

(d) (1) There is a dancing permit.

(2) The Board may issue the permit to a holder of:

(i) a Class B license;

(ii) EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, A CLASS BLX LICENSE;

(iii) a Class C license;

[(iii)] (iv) a Class D license; or

[(iv)] (v) except as provided in paragraph (4) of this subsection, a Class H license.

(3) The permit authorizes the holder to provide music, dancing, and other legal forms of entertainment.

(4) The Board may not issue the permit to a holder of a CLASS BLX LICENSE OR A Class H license if the premises for which the CLASS BLX LICENSE OR Class H license is issued is within 1,000 feet in a straight line from entry to entry from a place of worship or school.

(5) The annual permit fees are:

(i) \$200 for a holder of a beer and wine license;

(ii) \$400 for a holder of a beer, wine, and liquor license; and

(iii) no charge for a holder of a Class C license.

(e) (1) There is an outdoor permit.

(2) The Board may issue the permit to a holder of a Class B license, A CLASS BLX LICENSE, a Class C license, a Class D license, or a Class H license.

(3) The permit authorizes the holder to provide outdoor table service to customers on the grounds of the licensed establishment.

(4) The annual permit fee is \$100.

(5) Before the permit may be renewed, a holder shall obtain approval from the Board.

(f) (1) There is an outdoor entertainment permit.

(2) The Board may issue the permit to a holder of a Class B license, A CLASS BLX LICENSE, a Class C license, a Class D license, or a Class H license who also holds a music permit, an entertainment permit, or a dancing permit under this section.

(3) The permit authorizes the holder to provide:

(i) the same form of entertainment outdoors that the holder is allowed to provide indoors under the holder's music permit, entertainment permit, or dancing permit; and

(ii) outdoor table service or cafe service.

The prohibition against issuing multiple licenses to an individual or for use of an entity does not apply to:

- (1) resort complexes;
- (2) entertainment facilities, including entertainment concessions;
- (3) motel–restaurant complexes; [or]
- (4) hotel–restaurant complexes having at least 100 rooms; OR
- (5) **HOTEL–LIMITED SERVICE (ON–SALE) LICENSES.**

11–1603.

(a) Except as provided in subsection (b) of this section, the Board may not issue a new license for an establishment whose entry is within 1,000 feet in a straight line from the entry of a place of worship or school.

(b) The prohibition against issuing a license in subsection (a) of this section does not apply to:

(1) the transfer of a license from the current license holder to a new license holder, unless the transfer would allow the sale of alcoholic beverages by another establishment within the 1,000–foot restriction;

(2) a nonprofit club or nonprofit organization;

(3) a restaurant that held a license at the time the restaurant was destroyed by fire, flood, windstorm, or other act of God, if a new place of worship or school has not been constructed within the 1,000–foot restriction;

(4) the issuance of a Class H beer and wine (on–sale) license or beer, wine, and liquor (on–sale) license; [or]

(5) the issuance of a motel–restaurant complex or hotel–restaurant complex beer, wine, and liquor (on–sale) license; OR

(6) THE ISSUANCE OF A CLASS BLX (DELUXE RESTAURANT) (ON–SALE) BEER, WINE, AND LIQUOR LICENSE.

(c) For an establishment that is within 1,000 feet of the grounds of a place of worship or school, the Board:

- (1) may renew a license;

(2) may extend the area of the licensed premises; but

(3) may not change the operational classification of an existing license, unless the change is from a Class B, Class C, or Class D license to a Class H license.

11-1607.

(a) (1) A license holder may hold not more than 10 licenses of any class in accordance with this section.

(2) Of the licenses held by a license holder:

(i) not more than four licenses may be licenses in which the license holder holds a direct interest; and

(ii) the remaining licenses may only be licenses in which the license holder holds an indirect interest, as evidenced by any of the following relationships involving the license holder and another license holder or the license holder and an applicant for a license:

1. a common parent company;

2. a franchise agreement;

3. a licensing agreement;

4. a concession agreement;

5. membership by the license holder and the other person in a chain of businesses commonly owned and operated and so portrayed to the public;

6. sharing of directors or stockholders or sharing of directors or stockholders of parent companies or subsidiaries;

7. common direct or indirect sharing of profit from the sale of alcoholic beverages;

8. sharing of a common trade name, trademark, logo, or theme; or

9. except for hotels and motels, sharing of a mode of operation identifiable by the public.

(b) The Board may issue one Class B license, Class BLX license, or Class H license to a person for a restaurant located anywhere in the County.

(c) The Board may issue a second license to a license holder if:

- (1) the license holder holds a Class B license that has a restriction prohibiting off-sales, a Class H license, or a Class BLX license;
- (2) the license sought is a Class H license or a Class BLX license; and
- (3) the restaurant for which the license is sought is located in:
 - (i) the Glen Burnie Urban Renewal Area;
 - (ii) the Parole Town Center Growth Management Area;
 - (iii) the Odenton Town Center Growth Management Area;
 - (iv) the Baltimore–Washington International Thurgood Marshall Airport State Priority Funding Area, as designated by the County in accordance with § 6–301(f)(8) of the Economic Development Article;
 - (v) a shopping center with a gross area of at least 1,000,000 square feet that is zoned C3 General Commercial OR MXD–C (MIXED USE COMMERCIAL) by the zoning article of the County Code;
 - (vi) the Route 198 corridor, consisting of properties located within 500 feet of the right-of-way of Maryland Route 198, from Maryland Route 32 on the east to the Prince George’s County–Anne Arundel County line on the west;
 - (vii) a community revitalization zone with a designation in the series “A” through “P”, inclusive, as shown on the map adopted by the County Council by Bill 97–01 of the County ordinances;
 - (viii) the Severn Commercial District, consisting of properties designated as “commercial zoning” by the comprehensive rezoning maps adopted by the County Council and located on that portion of Maryland Route 174 west of Maryland Route 100 and east of the railroad right-of-way owned by the National Railroad Passenger Corporation (Parcel 117, Anne Arundel County Tax Map 29);
 - (ix) the Edgewater/Mayo Commercial District, consisting of those properties that are designated “commercial zoning districts” on the comprehensive rezoning maps adopted by the County Council for the Edgewater/Mayo Small Area Planning District;
 - (x) the Pasadena Commercial District, consisting of those properties that are designated “commercial zoning areas”, including Lake Shore Crossing, Lake Shore Plaza, and the Mountain Marketplace Shopping Center on the comprehensive zoning maps adopted by the County Council for the Pasadena Small Area Planning District; or
 - (xi) the area in Pasadena known as the Brumwell Property.

(d) The Board may issue a third license to a license holder if:

(1) the license sought is a Class BLX license; and

(2) the restaurant for which the license is sought is located in:

(i) the Glen Burnie Urban Renewal Area;

(ii) the Parole Town Center Growth Management Area;

(iii) the Odenton Town Center Growth Management Area;

(iv) the Baltimore–Washington International Thurgood Marshall Airport State Priority Funding Area, as designated by the County in accordance with § 6–301(f)(8) of the Economic Development Article;

(v) a shopping center with a gross area of at least 1,000,000 square feet that is zoned C3 General Commercial OR MXD–C (MIXED USE COMMERCIAL) by the zoning article of the County Code;

(vi) the Route 198 corridor, consisting of properties located within 500 feet of the right–of–way of Maryland Route 198, from Maryland Route 32 on the east to the Prince George’s County–Anne Arundel County line on the west;

(vii) a community revitalization zone with a designation in the series “A” through “P”, inclusive, as shown on the map adopted by the County Council by Bill 97–01 of the County ordinances;

(viii) the Severn Commercial District, consisting of properties designated as “commercial zoning” by the comprehensive rezoning maps adopted by the County Council and located on that portion of Maryland Route 174 west of Maryland Route 100 and east of the railroad right–of–way owned by the National Railroad Passenger Corporation (Parcel 117, Anne Arundel County Tax Map 29);

(ix) the Edgewater/Mayo Commercial District, consisting of those properties that are designated “commercial zoning districts” on the comprehensive rezoning maps adopted by the County Council for the Edgewater/Mayo Small Area Planning District;

(x) the Pasadena Commercial District, consisting of those properties that are designated “commercial zoning areas”, including Lake Shore Crossing, Lake Shore Plaza, and the Mountain Marketplace Shopping Center on the comprehensive zoning maps adopted by the County Council for the Pasadena Small Area Planning District; or

(xi) the area in Pasadena known as the Brumwell Property.

(e) (1) The Board may issue a fourth, fifth, sixth, seventh, eighth, ninth, or tenth license to a license holder if the license sought is a Class BLX license.

(2) The restaurant for which the license is sought may be located anywhere in the County.

(f) (1) Except as provided in paragraph (2) of this subsection, a license that was issued on or before June 30, 2006, and in which a license holder holds a direct interest or an indirect interest shall be counted against the maximum number of 10 licenses that the license holder may hold under this section but is exempt from the restrictions under subsections (b) through (e) of this section.

(2) A Class H license that was issued in the period beginning on March 14, 2005, and ending on December 1, 2005, may not be counted against the maximum number of 10 licenses that the license holder may hold under this section.

(g) The Board shall adopt regulations to carry out this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 48 – *Anne Arundel County – Property Tax Credit – Blind Individuals*.

This bill authorizes Anne Arundel County and a municipal corporation in Anne Arundel County to grant, by law, a property tax credit against the county and municipal corporation property tax imposed on \$15,000 of the assessment value of a dwelling owned by a blind individual and requires that a property tax credit authorized by the Act shall be granted in addition to any property tax exemption authorized by law, except under specified circumstances.

House Bill 366, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 48.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 48

AN ACT concerning

**Anne Arundel County – Property Tax Credit – Blind Individuals ~~and Surviving~~
Spouses**

FOR the purpose of authorizing the governing body of Anne Arundel County and of a municipal corporation in Anne Arundel County to grant, by law, a property tax credit against the county and municipal corporation property tax imposed on certain residential property owned by certain blind individuals ~~or surviving spouses of blind individuals~~; requiring that a property tax credit authorized by this Act shall be granted in addition to any property tax exemption authorized by law, except under certain circumstances; authorizing the governing body of Anne Arundel County and of a municipal corporation in the county to provide, by law, for regulations, procedures, and any other provisions necessary to administer the tax credit; defining certain terms; providing for the application of this Act; and generally relating to a property tax credit for certain residential property in Anne Arundel County.

BY adding to

Article – Tax – Property

Section 9–303(b)(5)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

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

Article – Tax – Property

9–303.

(b) (5) (I) 1. IN THIS PARAGRAPH THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

2. “BLIND INDIVIDUAL” MEANS AN INDIVIDUAL WHO HAS A PERMANENT IMPAIRMENT OF BOTH EYES THAT:

A. CAUSES CENTRAL VISUAL ACUITY, WITH CORRECTIVE GLASSES, OF 20/200 OR LESS IN THE BETTER EYE; OR

B. CAUSES CENTRAL VISUAL ACUITY OF MORE THAN 20/200 IF THERE IS A FIELD DEFECT IN WHICH THE PERIPHERAL FIELD HAS CONTRACTED SO THAT THE WIDEST DIAMETER OF VISUAL FIELD SUBTENDS AN ANGULAR DISTANCE NO GREATER THAN 20 DEGREES IN THE BETTER EYE.

3. “DWELLING HOUSE” MEANS REAL PROPERTY THAT:

A. IS THE LEGAL RESIDENCE OF A BLIND INDIVIDUAL ~~OR A SURVIVING SPOUSE~~;

B. IS OCCUPIED BY NOT MORE THAN TWO FAMILIES; AND

C. INCLUDES THE LOT OR CURTILAGE, AND STRUCTURES NECESSARY TO USE THE REAL PROPERTY AS A RESIDENCE.

~~4. “SURVIVING SPOUSE” MEANS THE SURVIVING SPOUSE OF A BLIND INDIVIDUAL, IF THE SURVIVING SPOUSE HAS NOT REMARRIED.~~

(II) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS PARAGRAPH AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON \$15,000 OF THE ASSESSMENT VALUE OF A DWELLING HOUSE THAT IS OWNED BY:

~~1. A BLIND INDIVIDUAL; OR~~

~~2. A SURVIVING SPOUSE.~~

(III) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, IF A PROPERTY TAX CREDIT UNDER THIS PARAGRAPH IS GRANTED, IT SHALL BE GRANTED IN ADDITION TO ANY PROPERTY TAX EXEMPTION AUTHORIZED BY LAW.

2. AN INDIVIDUAL MAY NOT RECEIVE BOTH A PROPERTY TAX CREDIT UNDER THIS PARAGRAPH AND AN EXEMPTION UNDER § 7-208 OF THIS ARTICLE.

(IV) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY MAY PROVIDE, BY LAW, FOR:

1. REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND

2. ANY OTHER PROVISION NECESSARY TO ADMINISTER THE TAX CREDIT UNDER THIS PARAGRAPH.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016, and shall be applicable to all taxable years beginning after June 30, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 51 – *Natural Resources – Aquaculture Coordinating Council – Membership*.

This bill alters the membership of the Aquaculture Coordinating Council to include one representative of the Oyster Recovery Partnership and one representative of the Maryland Farm Bureau.

House Bill 51, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 51.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 51

AN ACT concerning

Natural Resources – Aquaculture Coordinating Council – Membership

FOR the purpose of altering the membership of the Aquaculture Coordinating Council to include certain representatives of the nonprofit sector; making a stylistic change; and generally relating to the membership of the Aquaculture Coordinating Council.

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 4-11A-03.2(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Natural Resources

Section 4–11A–03.2(b)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

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

Article – Natural Resources

4–11A–03.2.

(a) There is an Aquaculture Coordinating Council.

(b) The Coordinating Council shall consist of the following [17] members:

(1) 1 member of the Maryland Senate designated by the President of the Senate;

(2) 1 member of the Maryland House of Delegates designated by the Speaker of the House;

(3) 1 representative of the Department of Agriculture designated by the Secretary of Agriculture;

(4) 1 representative of the Department of Natural Resources Police designated by the Secretary of Natural Resources;

(5) 1 representative of the Department of Natural Resources, Fisheries Service, designated by the Secretary of Natural Resources;

(6) 2 representatives of the University of Maryland designated by the President of the University of Maryland, College Park:

(i) 1 with expertise in aquaculture research; and

(ii) 1 representing the Maryland Cooperative Extension;

(7) 1 representative of the Department of Economic Competitiveness and Commerce designated by the Secretary of Commerce;

(8) 1 representative of the Department of the Environment designated by the Secretary of the Environment;

(9) 1 representative of the Department of Health and Mental Hygiene designated by the Secretary of Health and Mental Hygiene;

(10) 3 representatives of the aquaculture industry designated by the Governor;

(11) 3 tidal fisheries licensed harvesters, including at least one who is a member of the Maryland Watermen's Association designated by the Governor; [and]

(12) 1 representative designated by the President of the University of Maryland Center for Environmental Science;

(13) 1 REPRESENTATIVE OF THE OYSTER RECOVERY PARTNERSHIP DESIGNATED BY THE OYSTER RECOVERY PARTNERSHIP; AND

(14) 1 REPRESENTATIVE OF THE MARYLAND FARM BUREAU DESIGNATED BY THE MARYLAND FARM BUREAU.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 64 – *Baltimore County – Orphans' Court Judges – Compensation*.

This bill repeals provisions of law that establish the annual compensation of the judges of the Orphans' Court for Baltimore County, requires the annual compensation of the judges of the Orphans' Court for Baltimore County to be as set by the County Executive and the County Council in accordance with specified provisions of the Baltimore County Code. The bill applies the Act to the salary or compensation of the judges of the Orphans' Court for Baltimore County at the beginning of the next following term of office with specified exceptions.

House Bill 9, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 64.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 64

AN ACT concerning

Baltimore County – Orphans’ Court Judges – Compensation

FOR the purpose of repealing provisions of law that establish the annual compensation of the judges of the Orphans’ Court for Baltimore County; requiring the annual compensation of the judges of the Orphans’ Court for Baltimore County to be as set by the County Executive and the County Council in accordance with certain provisions of the Baltimore County Code; providing for the application of this Act; and generally relating to the compensation of the judges of the Orphans’ Court for Baltimore County.

BY repealing

Article – Estates and Trusts
Section 2–108(e)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

BY adding to

Article – Estates and Trusts
Section 2–108(e)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

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

Article – Estates and Trusts

2–108.

[(e) (1) Each associate judge of the Court for Baltimore County shall receive an annual compensation of \$43,000 beginning July 1, 2014.

(2) The Chief Judge shall receive an annual compensation of \$45,000 beginning July 1, 2014.]

(E) EACH OF THE JUDGES OF THE COURT FOR BALTIMORE COUNTY SHALL RECEIVE AN ANNUAL COMPENSATION AS SET BY THE COUNTY EXECUTIVE AND THE COUNTY COUNCIL IN ACCORDANCE WITH ARTICLE 4 OF THE BALTIMORE COUNTY CODE.

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

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 117 – *Judgeships – Circuit Courts and District Court*.

This bill increases the number of resident judges of the circuit court in Anne Arundel, Baltimore, Charles, Frederick, Harford, Montgomery, and Prince George's counties, Baltimore City and increases the number of resident judges of the District Court in District 5 (Prince George's County) and District 6 (Montgomery County).

House Bill 74, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 117.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 117

AN ACT concerning

Judgeships – Circuit Courts and District Court

FOR the purpose of altering the number of resident judges of the circuit court in certain counties and Baltimore City; altering the number of resident judges of the District

Court in certain districts; and generally relating to judgeships in the circuit courts and the District Court.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 1–503 and 1–603(b)
Annotated Code of Maryland
(2013 Replacement Volume and 2015 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

1–503.

(a) In each county in the first seven judicial circuits there shall be the number of resident judges of the circuit court set forth below, including the judge or judges provided for by the Constitution:

(1)	Allegany.....	2
(2)	Anne Arundel	[12] 13
(3)	Baltimore County.....	[18] 20
(4)	Calvert.....	3
(5)	Caroline	1
(6)	Carroll.....	4
(7)	Cecil	4
(8)	Charles	[4] 5
(9)	Dorchester	1
(10)	Frederick	[5] 6
(11)	Garrett.....	1
(12)	Harford	[5] 6
(13)	Howard	5

(14) Kent 1

(15) Montgomery [22] 24

(16) Prince George’s..... [23] 24

(17) Queen Anne’s 1

(18) St. Mary’s 3

(19) Somerset 1

(20) Talbot..... 1

(21) Washington 5

(22) Wicomico..... 4

(23) Worcester..... 3

(b) In Baltimore City there shall be [33] **35** resident judges of the Circuit Court for Baltimore City.

1–603.

(b) In each of the districts provided for in § 1–602 of this subtitle, there shall be the following number of associate judges of the District Court:

(1) District 1 — 28

(2) District 2 — 6, two to be appointed from Wicomico County and two to be appointed from Worcester County

(3) District 3 — 6, two to be appointed from Cecil County

(4) District 4 — 6, two to be appointed from Calvert County and three to be appointed from Charles County

(5) District 5 — [16] **17**

(6) District 6 — [12] **13**

(7) District 7 — 9

(8) District 8 — 13

(9) District 9 — 4

(10) District 10 — 7, two to be appointed from Carroll County and five to be appointed from Howard County

(11) District 11 — 5, three to be appointed from Frederick County and two to be appointed from Washington County

(12) District 12 — 3, two to be appointed from Allegany County

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 147 – *Ethan Saylor Alliance for Self-Advocates as Educators – Membership and Duties – Community Inclusion Training Oversight*.

This bill alters the membership of the Steering Committee of the Ethan Saylor Alliance for Self-Advocates as Educators and requires the Steering Committee to review, or request that the Alliance review the content and monitor the implementation of the training objectives and curriculum adopted by the Police Training Commission for a community inclusion training program at least once every 4 years or more frequently if requested by the Commission.

House Bill 22, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 147.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 147

AN ACT concerning

Interagency Disabilities Board Ethan Saylor Alliance for Self-Advocates as Educators – Membership and Duties – Community Inclusion Training Oversight

FOR the purpose of altering the membership of the ~~Interagency Disabilities Board~~ Steering Committee of the Ethan Saylor Alliance for Self-Advocates as Educators; requiring the ~~Board~~ Steering Committee to review, or request that the Alliance review, the content and monitor the implementation of the training objectives and curriculum adopted by the Police Training Commission for a community inclusion training program at least once in a certain time period or more frequently if requested by the Commission; and generally relating to the membership and duties of the ~~Interagency Disabilities Board~~ Ethan Saylor Alliance for Self-Advocates as Educators.

BY repealing and reenacting, without amendments,

Article – Human Services

Section 7-502(a)

Annotated Code of Maryland

(2007 Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Human Services

Section ~~7-128 and 7-131~~ 7-503

Annotated Code of Maryland

(2007 Volume and 2015 Supplement)

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

Article – Human Services

~~7-128.~~

~~The Board consists of the following members:~~

- ~~(1) the Secretary of Disabilities;~~
- ~~(2) the Secretary of Aging, or the Secretary's designee;~~
- ~~(3) the Secretary of Business Commerce, or the Secretary's designee;~~
- ~~(4) the Secretary of Budget and Management, or the Secretary's designee;~~
- ~~(5) the Secretary of Health and Mental Hygiene, or the Secretary's designee;~~
- ~~(6) the Secretary of Housing and Community Development, or the Secretary's designee;~~

~~(7) the Secretary of Human Resources, or the Secretary's designee;~~

~~(8) THE SECRETARY OF JUVENILE SERVICES, OR THE SECRETARY'S DESIGNEE;~~

~~[(8)] (9) the Secretary of Labor, Licensing, and Regulation, or the Secretary's designee;~~

~~[(9)] (10) the Secretary of Planning, or the Secretary's designee;~~

~~[(10)] (11) the State Superintendent of Schools, or the Superintendent's designee;~~

~~[(11)] (12) the Secretary of Transportation, or the Secretary's designee;~~

~~[(12)] (13) the Executive Director of the Governor's Office for Children, or the Executive Director's designee;~~

~~(14) THE EXECUTIVE DIRECTOR OF THE GOVERNOR'S OFFICE OF CRIME CONTROL AND PREVENTION, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;~~

~~[(13)] (15) the Director of the Governor's Office of the Deaf and Hard of Hearing, or the Director's designee; [and]~~

~~(16) THE EXECUTIVE DIRECTOR OF THE POLICE AND CORRECTIONAL TRAINING COMMISSIONS, OR THE EXECUTIVE DIRECTOR'S DESIGNEE; AND~~

~~[(14)] (17) representatives from any other unit of State government that the Governor designates.~~

~~7-131.~~

~~The Board shall:~~

~~(1) provide ongoing examination of the structure and organization of the State's system of services and support to individuals with disabilities to ensure equal access to support services and resources by individuals with disabilities;~~

~~(2) facilitate the development of performance objectives that will result in a comprehensive, effective, efficient, and integrated service delivery system for individuals with disabilities;~~

~~(3) develop an interagency funding approach to maximize efficiencies and streamline access to services and support for individuals with disabilities;~~

~~(4) formulate policies on legislative issues and, under the direction of the Governor, communicate the policies to the General Assembly; [and]~~

~~(5) develop the State Disabilities Plan; AND~~

7-502.

(a) There is an Ethan Saylor Alliance for Self-Advocates as Educators in the Department.

7-503.

(a) There is a Steering Committee for the Alliance.

(b) The Steering Committee shall include the following members:

(1) the Secretary, or the Secretary's designee;

(2) the Superintendent of the State Police, or the Superintendent's designee;

(3) the Executive Director of the Police and Correctional Training Commissions, or the Executive Director's designee;

(4) the Deputy Secretary for Developmental Disabilities in the Department of Health and Mental Hygiene, or the Deputy Secretary's designee; and

(5) the following individuals, appointed by the Secretary:

(i) [a representative of People on the Go Maryland;

(ii) a representative of the Maryland Developmental Disabilities Council;

[(iii)] (II) two representatives of community-based organizations that support people with intellectual disabilities and developmental disabilities;

[(iv)] (III) four members of the public with knowledge of intellectual disabilities and developmental disabilities, including at least two self-advocates and a family member of an individual with an intellectual disability or developmental disability;
AND

[(v) a representative of the Maryland Association of Boards of Education; and

~~(vi)~~ **(IV)** other members deemed necessary to carry out the work of the Steering Committee.

(c) A member appointed by the Secretary:

(1) serves for a term of 3 years and until a successor is appointed and qualifies; and

(2) may be reappointed.

(d) A member of the Steering Committee:

(1) may not receive compensation as a member of the Steering Committee;
but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(e) The Steering Committee shall:

(1) develop parameters for the Alliance, including expected outcomes for and evaluation of the Alliance;

(2) select entities to operate the Alliance through a competitive process;

(3) provide general oversight of the Alliance;

(4) approve the budget for the Alliance;

(5) review the Alliance's activities and outcomes; [and]

(6) develop recommendations for sustainability and expansion of the Alliance, including:

(i) costs of sustaining and expanding the Alliance;

(ii) potential sources of funding for the Alliance; and

(iii) compensation and supports for self-advocate [educators.]

EDUCATORS; AND

~~(6)~~ (7) REVIEW, OR REQUEST THAT THE ALLIANCE REVIEW, THE CONTENT AND MONITOR THE IMPLEMENTATION OF THE TRAINING OBJECTIVES AND CURRICULUM ADOPTED BY THE POLICE TRAINING COMMISSION FOR A COMMUNITY INCLUSION TRAINING PROGRAM:

(I) AT LEAST ONCE EVERY 4 YEARS; OR

(II) MORE FREQUENTLY IF REQUESTED BY THE POLICE TRAINING COMMISSION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 208 – *Public Safety – Renewal of Handgun Permits – Fingerprinting*.

This bill specifies that a person who applies for the renewal of a handgun permit is not required to be fingerprinted unless a set of the person's fingerprints is required to resolve a question of the person's identity.

House Bill 312, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 208.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 208

AN ACT concerning

Public Safety – Renewal of Handgun Permits – Fingerprinting

FOR the purpose of specifying that a person who applies for the renewal of a handgun permit is not required to be fingerprinted except under certain circumstances; and generally relating to handgun permits.

BY repealing and reenacting, without amendments,
Article – Public Safety
Section 5-301(a) and (d)

Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Public Safety
Section 5–309(b)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

BY adding to
Article – Public Safety
Section 5–309(c)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

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

Article – Public Safety

5–301.

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

(d) “Permit” means a permit issued by the Secretary to carry, wear, or transport a handgun.

5–309.

(b) **[A] SUBJECT TO SUBSECTION (C) OF THIS SECTION,** A permit may be renewed for successive periods of 3 years each if, at the time of an application for renewal, the applicant possesses the qualifications for the issuance of a permit and pays the renewal fee stated in this subtitle.

(C) A PERSON WHO APPLIES FOR A RENEWAL OF A PERMIT IS NOT REQUIRED TO BE FINGERPRINTED UNLESS THE SECRETARY REQUIRES A SET OF THE PERSON’S FINGERPRINTS TO RESOLVE A QUESTION OF THE PERSON’S IDENTITY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 234 – *Agreements to Defend or Pay the Cost of Defense – Void*.

This bill provides that specified provisions in a contract or an agreement relating to architectural, engineering, inspecting, or surveying services that purport to require the promisor or indemnitor to defend or pay the costs of defending specified promisees or indemnitees against liability for specified damages are against public policy and are void and unenforceable under specified circumstances, and applies the Act prospectively.

House Bill 871, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 234.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 234

AN ACT concerning

Agreements to Defend or Pay the Cost of Defense – Void

FOR the purpose of providing that certain agreements to defend or pay the costs of defending certain promisees or indemnitees against liability for certain damages are against public policy and are void and unenforceable under certain circumstances; providing for the application of this Act; and generally relating to certain agreements to defend or pay the costs of defending certain promisees or indemnitees.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 5–401(a)
Annotated Code of Maryland
(2013 Replacement Volume and 2015 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

5–401.

(a) (1) A covenant, promise, agreement, or understanding in, or in connection with or collateral to, a contract or agreement relating to architectural, engineering, inspecting, or surveying services, or the construction, alteration, repair, or maintenance of a building, structure, appurtenance or appliance, including moving, demolition, and excavating connected with those services or that work, purporting to indemnify the promisee against liability for damages arising out of bodily injury to any person or damage to property caused by or resulting from the sole negligence of the promisee or indemnitee, or the agents or employees of the promisee or indemnitee, is against public policy and is void and unenforceable.

(2) A COVENANT, A PROMISE, AN AGREEMENT, OR AN UNDERSTANDING IN, OR IN CONNECTION WITH OR COLLATERAL TO, A CONTRACT OR AN AGREEMENT RELATING TO ARCHITECTURAL, ENGINEERING, INSPECTING, OR SURVEYING SERVICES, OR THE CONSTRUCTION, ALTERATION, REPAIR, OR MAINTENANCE OF A BUILDING, A STRUCTURE, AN APPURTENANCE, OR AN APPLIANCE, INCLUDING MOVING, DEMOLITION, AND EXCAVATING CONNECTED WITH THOSE SERVICES OR THAT WORK, PURPORTING TO REQUIRE THE PROMISOR OR INDEMNITOR TO DEFEND OR PAY THE COSTS OF DEFENDING THE PROMISEE OR INDEMNITEE AGAINST LIABILITY FOR DAMAGES ARISING OUT OF BODILY INJURY TO ANY PERSON OR DAMAGE TO PROPERTY CAUSED BY OR RESULTING FROM THE SOLE NEGLIGENCE OF THE PROMISEE OR INDEMNITEE, OR THE AGENTS OR EMPLOYEES OF THE PROMISEE OR INDEMNITEE, IS AGAINST PUBLIC POLICY AND IS VOID AND UNENFORCEABLE.

[(2)] (3) This subsection does not affect the validity of any insurance contract, workers' compensation, any general indemnity agreement required by a surety as a condition of execution of a bond for a construction or other contract, or any other agreement issued by an insurer.

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 this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 244 – *Somerset County Code of Public Local Laws – 2016 Edition – Legislation*.

This bill legalizes the 2016 Edition of the Somerset County Code of Public Local Laws and any supplement to the extent to which that code or supplement contains laws enacted by the General Assembly.

House Bill 147, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 244.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 244

AN ACT concerning

Somerset County Code of Public Local Laws – 2016 Edition – Legalization

FOR the purpose of legalizing the 2016 Edition of the Somerset County Code of Public Local Laws and any supplement to the extent to which that code or supplement contains laws enacted by the General Assembly; and generally relating to the 2016 Edition of the Somerset County Code of Public Local Laws.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the 2016 Edition of the Somerset County Code of Public Local Laws and any supplement to the 2016 Edition of the Somerset County Code of Public Local Laws, to the extent to which that code or supplement contains laws enacted by the General Assembly of Maryland, is legalized. The 2016 Edition of the Somerset County Code of Public Local Laws and any supplement shall be deemed and taken in all the courts of the State and by all public officials of the State and its political subdivisions to be evidence of the law enacted by the General Assembly contained in the code or a supplement to it.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President

H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 287 – *Criminal Law – False Statement Concerning Destructive Device or Toxic Material – Venue*.

This bill adds an additional venue in which a person may be prosecuted for a false statement concerning a destructive device or toxic material.

House Bill 121, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 287.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 287

AN ACT concerning

Criminal Law – False Statement Concerning Destructive Device or Toxic Material – Venue

FOR the purpose of adding an additional venue in which a person may be prosecuted for a false statement concerning a destructive device or toxic material; making certain stylistic changes; and generally relating to false statements concerning a destructive device or toxic material.

BY repealing and reenacting, without amendments,
Article – Criminal Law
Section 9–504(b)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Law
Section 9–504(d)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

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

Article – Criminal Law

9–504.

(b) A person may not circulate or transmit to another, with intent that it be acted on, a statement or rumor that the person knows to be false about the location or possible detonation of a destructive device or the location or possible release of toxic material, as those terms are defined in § 4–501 of this article.

(d) A crime under this section committed using a telephone or other electronic means may be prosecuted **IN THE COUNTY IN WHICH:**

(1) [in the county in which] the communication originated; [or]

(2) [in the county in which] the communication was received; **OR**

(3) THE DESTRUCTIVE DEVICE OR TOXIC MATERIAL WAS STATED OR WAS RUMORED TO BE LOCATED.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H–107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 296 – *Carroll County – Public Facilities Bonds*.

This bill authorizes and empowers the County Commissioners of Carroll County, to borrow not more than \$31,000,000 in order to finance the construction, improvements, or development of specified public facilities in Carroll County, including water and sewer projects, to finance loans for fire or emergency–related equipment, buildings, or other facilities of volunteer fire departments in the County, and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds.

House Bill 205, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 296.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 296

AN ACT concerning

Carroll County – Public Facilities Bonds

FOR the purpose of authorizing and empowering the County Commissioners of Carroll County, from time to time, to borrow not more than \$31,000,000 in order to finance the construction, improvement, or development of certain public facilities in Carroll County, including water and sewer projects, to finance loans for fire or emergency-related equipment, buildings, and other facilities of volunteer fire departments in the County, and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds in like ~~paramount~~ *par amount*; empowering the County to fix and determine, by resolution, the form, tenor, interest rate or rates or method of determining the same, terms, conditions, maturities, and all other details incident to the issuance and sale of the bonds; empowering the County to issue refunding bonds for the purchase or redemption of bonds in advance of maturity; providing that such borrowing may be undertaken by the County in the form of installment purchase obligations executed and delivered by the County for the purpose of acquiring agricultural land and woodland preservation easements; empowering and directing the County to levy, impose, and collect, annually, ad valorem taxes in rate and amount sufficient to provide funds for the payment of the maturing principal of and interest on the bonds; exempting the bonds and refunding bonds and the interest thereon and any income derived therefrom from all State, County, municipal, and other taxation in the State of Maryland; providing that nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes; and generally relating to the issuance and sale of such bonds.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That, as used herein, the term “County” means the body politic and corporate of the State of Maryland known as the County Commissioners of Carroll County, and the term “construction, improvement, or development of public facilities” means the acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, and repair of public buildings and facilities and public works projects, including, but not limited to, public works projects such as roads, bridges and storm drains, public school buildings and facilities, landfills, Carroll Community College buildings and facilities, public operational buildings and facilities such as buildings and facilities for County administrative use, public safety, health and social services, libraries, refuse disposal buildings and facilities, water and sewer infrastructure facilities, easements or similar or related rights in land that restrict the use of agricultural land or woodland to maintain the character of the land as agricultural land or woodland, and parks and recreation buildings and facilities, together with the costs of acquiring land

or interests in land as well as any related architectural, financial, legal, planning, or engineering services.

SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby authorized to finance any part or all of the costs of the construction, improvements or development of public facilities described in Section 1 of this Act, to make loans to each and every volunteer fire department in the County upon such terms and conditions as may be determined by the County for the purpose of financing certain fire or emergency-related equipment, buildings, or other facilities of volunteer fire departments, and to borrow money and incur indebtedness for those purposes, at one time or from time to time, in an amount not exceeding, in the aggregate, \$31,000,000 and to evidence such borrowing by the issuance and sale upon its full faith and credit of general obligation bonds in like ~~paramount~~ *par amount*, which may be issued at one time or from time to time, in one or more groups or series, as the County may determine.

SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be issued in accordance with a resolution of the County, which shall describe generally the construction, improvement, or development of public facilities, including water and sewer projects, the fire or emergency-related equipment, buildings, or other facilities of volunteer fire departments in the County for which the proceeds of the bond sale are intended and the amount needed for those purposes. The County shall have and is hereby granted full and complete authority and discretion in the resolution to fix and determine with respect to the bonds of any issue: the designation, date of issue, denomination or denominations, form or forms, and tenor of the bonds which, without limitation, may be issued in registered form within the meaning of § 19–204 of the Local Government Article, as amended; the rate or rates of interest payable thereon, or the method of determining the same, which may include a variable rate; the date or dates and amount or amounts of maturity, which need not be in equal par amounts or in consecutive annual installments, provided only that no bond of any issue shall mature later than 30 years from the date of its issue; the manner of selling the bonds, which may be at either public or private sale, for such price or prices as may be determined to be for the best interests of Carroll County; the manner of executing and sealing the bonds, which may be by facsimile; the terms and conditions of any loans made to volunteer fire departments; the terms and conditions, if any, under which bonds may be tendered for payment or purchase prior to their stated maturity; the terms or conditions, if any, under which bonds may or shall be redeemed prior to their stated maturity; the place or places of payment of the principal of and the interest on the bonds, which may be at any bank or trust company within or without the State of Maryland; covenants relating to compliance with applicable requirements of federal income tax law, including (without limitation) covenants regarding the payment of rebate or penalties in lieu of rebate; covenants relating to compliance with applicable requirements of federal or State securities laws; and generally all matters incident to the terms, conditions, issuance, sale, and delivery thereof.

The bonds may be made redeemable before maturity, at the option of the County, at such price or prices and under such terms and conditions as may be fixed by the County prior to the issuance of the bonds, either in the resolution or in subsequent resolutions. The bonds may be issued in registered form, and provision may be made for the registration of

the principal only. In case any officer whose signature appears on any bond ceases to be such officer before the delivery thereof, such signature shall nevertheless be valid and sufficient for all purposes as if the officer had remained in office until such delivery. The bonds and the issuance and sale thereof shall be exempt from the provisions of §§ 19–205 and 19–206 of the Local Government Article, as amended.

The borrowing authorized by this Act may also be undertaken by the County in the form of installment purchase obligations executed and delivered by the County for the purpose of acquiring easements or similar or related rights in land that restrict the use of agricultural land or woodland to maintain the character of the land as agricultural or woodland. The form of installment purchase obligations, the manner of accomplishing the acquisition of easements, which may be the direct exchange of installment purchase obligations for easement, and all matters incident to the execution and delivery of the installment purchase obligations and acquisition of the easements by the County shall be determined in the resolution. Except where the provisions of this Act would be inapplicable to installment purchase obligations, the term “bonds” used in this Act shall include installment purchase obligations and matters pertaining to the bonds under this Act, such as the security for the payment of the bonds, the exemption of the bonds from State, County, municipal, or other taxation, and authorization to issue refunding bonds and the limitation on the aggregate principal amount of bonds authorized for issuance, shall be applicable to installment purchase obligations.

The County may enter into agreements with agents, banks, fiduciaries, insurers, or others for the purpose of enhancing the marketability of any security for the bonds and for the purpose of securing any tender option that may be granted to holders of the bonds, all as may be determined and presented in the aforesaid resolution, which may (but need not) state as security for the performance by the County of any monetary obligations under such agreements the same security given by the County to bondholders for the performance by the County of its monetary obligations under the bonds.

If the County determines in the resolution to offer any of the bonds by solicitation of competitive bids at public sale, the resolution shall fix the terms and conditions of the public sale and shall adopt a form of notice of sale, which shall outline the terms and conditions, and a form of advertisement, which shall be published in one or more daily or weekly newspapers having a general circulation in the County and which may also be published in one or more journals having a circulation primarily among banks and investment bankers. At least one publication of the advertisement shall be made not less than 10 days before the sale of the bonds.

Upon delivery of any bonds to the purchaser or purchasers, payment therefor shall be made to the Comptroller of Carroll County or such other official of Carroll County as may be designated to receive such payment in a resolution passed by the County before such delivery.

SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the sale of bonds shall be used and applied exclusively and solely for the acquisition, construction, improvement, or development of public facilities, including water and sewer projects, to

make loans to volunteer fire departments for the financing of fire or emergency-related equipment, buildings, or other facilities of volunteer fire departments in the County for which the bonds are sold. If the amounts borrowed shall prove inadequate to finance the projects described in the resolution, the County may issue additional bonds with the limitations hereof for the purpose of evidencing the borrowing of additional funds for such financing, provided the resolution authorizing the sale of additional bonds shall so recite, but if the net proceeds of the sale of any issue of bonds exceed the amount needed to finance the projects described in the resolution, the excess funds so borrowed and not expended shall be applied to the payment of the next principal maturity of the bonds or to the redemption of any part of the bonds which have been made redeemable or to the purchase and cancellation of bonds, unless the County shall adopt a resolution allocating the excess funds to the acquisition, construction, improvement, or development of other public facilities, including water and sewer projects, or to the making of loans for fire or emergency-related equipment, buildings, or other facilities of volunteer fire departments in the County, as defined and within the limits set forth in this Act.

SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith and credit and unlimited taxing power of the County to the payment of the maturing principal of and interest on the bonds as and when they become payable. In each and every fiscal year that any of the bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes upon all the assessable property within the corporate limits of the County in rate and amount sufficient to provide for or assure the payment, when due, of the principal of and interest on all the bonds maturing in each such fiscal year and, in the event the proceeds from the taxes so levied in any such fiscal year shall prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency. The County may apply to the payment of the principal of and interest on any bonds issued hereunder any funds received by it as loan repayments from volunteer fire departments and any funds received by it from the State of Maryland, the United States of America, any agency or instrumentality thereof, or from any other source, if such funds are granted for the purpose of assisting the County in financing the acquisition, construction, improvement, or development of the public facilities defined in this Act, including the water and sewer projects or the making of loans for the aforementioned fire or emergency-related equipment, buildings, or other facilities for volunteer fire departments in the County and, to the extent of any such funds received or receivable in any fiscal year, the taxes that are required to be levied may be reduced accordingly.

SECTION 6. AND BE IT FURTHER ENACTED, That the County is further authorized and empowered, at any time and from time to time, to issue its bonds in the manner herein above described for the purpose of refunding, by payment at maturity or upon purchase or redemption, any bonds issued hereunder. The validity of any such refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the obligations so refunded. The powers herein granted with respect to the issuance of bonds shall be applicable to the issuance of refunding bonds. Such refunding bonds may be issued by the County for the purpose of providing it with funds to pay any of its outstanding bonds issued hereunder at maturity, for the purpose of providing it with funds to purchase in the open market any of its outstanding bonds issued hereunder, prior to the maturity

thereof, or for the purpose of providing it with funds for the redemption prior to maturity of any outstanding bonds issued hereunder which are, by their terms, redeemable, for the purpose of providing it with funds to pay interest on any outstanding bonds issued hereunder prior to their payment at maturity of purchase or redemption in advance of maturity, or for the purpose of providing it with funds to pay any redemption or purchase premium in connection with the refunding of any of its outstanding bonds issued hereunder. The proceeds of the sale of any such refunding bonds shall be segregated and set apart by the County as a separate trust fund to be used solely for the purpose of paying the purchase or redemption prices of the bonds to be refunded.

SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to the preparation of definitive bonds, issue interim certificates or temporary bonds, exchangeable for definitive bonds when such bonds have been executed and are available for such delivery, provided, however, that any such interim certificates or temporary bonds shall be issued in all respects subject to the restrictions and requirements set forth in this Act. The County may, by appropriate resolution, provide for the replacement of any bonds issued hereunder which shall have become mutilated or lost or destroyed upon such conditions and after receiving such indemnity as the County may require.

SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations issued pursuant to the authority of this Act, their transfer, the interest payable thereon, and any income derived therefrom in the hands of the holders thereof from time to time (including any profit made in the sale thereof) shall be and are hereby declared to be at all times exempt from State, County, municipal, or other taxation of every kind and nature whatsoever within the State of Maryland. Nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes.

SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow money and issue bonds conferred on the County by this Act shall be deemed to provide an additional and alternative authority for borrowing money and shall be regarded as supplemental and additional to powers conferred upon the County by other laws and shall not be regarded as in derogation of any power now existing; and all Acts of the General Assembly of Maryland heretofore passed authorizing the County to borrow money are hereby continued to the extent that the powers contained in such Acts have not been exercised, and nothing contained in this Act may be construed to impair, in any way, the validity of any bonds that may have been issued by the County under the authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This Act, being necessary for the welfare of the inhabitants of Carroll County, shall be liberally construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the provisions of this Act are hereby repealed to the extent of such inconsistency.

SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 309 – *Motor Vehicle Registration – Exception for Golf Carts – City of Crisfield*.

This bill creates an exception from motor vehicle registration requirements for golf carts in the City of Crisfield, and provides that a person who operates a golf cart on a highway in the City of Crisfield may do so only on specified roads at specified times and only if the golf cart is equipped with specified lighting devices and the operator possesses a valid driver's license. The bill also authorizes the State Highway Administration to develop a location in the City of Crisfield where a person operating a golf cart may cross over a specified highway.

House Bill 253, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 309.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 309

AN ACT concerning

Motor Vehicle Registration – Exception for Golf Carts – City of Crisfield

FOR the purpose of creating an exception from motor vehicle registration requirements under certain circumstances for golf carts in the City of Crisfield; providing that a person who operates a golf cart on a highway in the City of Crisfield may operate the golf cart only on certain roads at certain times and only if the golf cart is equipped with certain lighting devices; requiring a person who operates a golf cart on a highway in the City of Crisfield to keep as far to the right of the roadway as feasible and possess a valid driver's license; authorizing the State Highway Administration, in consultation with the City of Crisfield, to develop a location in the City of Crisfield where a person operating a golf cart may cross over a certain highway; and generally relating to an exception to motor vehicle registration requirements for golf carts in the City of Crisfield.

BY repealing and reenacting, without amendments,
Article – Transportation

Section 13–402(a)(1)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 13–402(c)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY adding to
Article – Transportation
Section 21–104.2
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

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

Article – Transportation

13–402.

(a) (1) Except as otherwise provided in this section or elsewhere in the Maryland Vehicle Law, each motor vehicle, trailer, semitrailer, and pole trailer driven on a highway shall be registered under this subtitle.

(c) Registration under this subtitle is not required for:

(1) A vehicle that is driven on a highway:

(i) In conformity with the provisions of this title relating to manufacturers, transporters, dealers, secured parties, owners or operators of special mobile equipment, or nonresidents; or

(ii) Under a temporary registration card issued by the Administration;

(2) A vehicle owned and used by the United States, unless an authorized officer or employee of the United States requests registration of the vehicle;

(3) A farm tractor or any farm equipment;

(4) A vehicle the front or rear wheels of which are lifted from the highway;

(5) A towed vehicle that is attached to the towing vehicle by a tow bar and for which no driver is necessary;

(6) A vehicle owned by and in the possession of a licensed dealer for purpose of sale;

(7) A vehicle owned by a new resident of this State during the first 60 days of residency provided the vehicle displays valid registration issued by the jurisdiction of the resident's former domicile;

(8) New vehicles being operated as part of a shuttle, as defined in § 13–626 of this title, while following a registered vehicle displaying a shuttle permit issued by the Administration;

(9) A vehicle operated in connection with maritime commerce exclusively within any terminal owned or leased by the Maryland Port Administration;

(10) A snowmobile that is operated on highways and roadways as prescribed by § 25–102(a)(14) of this article;

(11) A golf cart that is operated on a highway on Smith Island, provided that the golf cart is equipped with lighting devices as required by the Administration if it is operated on a highway between dusk and dawn;

(12) A GOLF CART THAT IS OPERATED ON A HIGHWAY IN THE CITY OF CRISFIELD, SOMERSET COUNTY, IN ACCORDANCE WITH § 21–104.2 OF THIS ARTICLE;

(13) A golf cart that is operated on an Allegany County highway as allowed by the county under § 25–102(a)(16) of this article; or

[(13)] (14) A vehicle owned by an accredited consular or diplomatic officer of a foreign government and operated for official or personal purposes when the vehicle displays a valid diplomatic license plate issued by the United States government.

21–104.2.

(A) A PERSON WHO OPERATES A GOLF CART ON A HIGHWAY IN THE CITY OF CRISFIELD, SOMERSET COUNTY, WITHOUT REGISTRATION AS AUTHORIZED UNDER § 13–402(C)(12) OF THIS ARTICLE:

(1) MAY OPERATE THE GOLF CART ONLY:

(i) ON A HIGHWAY ~~ON~~:

1. THAT IS NOT DESIGNATED OR MAINTAINED AS A PART OR AN EXTENSION OF THE STATE OR FEDERAL HIGHWAY SYSTEM; AND

2. ON WHICH THE MAXIMUM POSTED SPEED LIMIT DOES NOT EXCEED 35 MILES PER HOUR;

(II) BETWEEN DAWN AND DUSK; AND

(III) IF THE GOLF CART IS EQUIPPED WITH LIGHTING DEVICES AS REQUIRED BY THE ADMINISTRATION; ~~AND~~

(2) SHALL KEEP THE GOLF CART AS FAR TO THE RIGHT OF THE ROADWAY AS FEASIBLE; AND

(3) SHALL POSSESS A VALID DRIVER'S LICENSE.

(B) THE STATE HIGHWAY ADMINISTRATION, IN CONSULTATION WITH THE CITY OF CRISFIELD, MAY DESIGNATE A LOCATION IN THE CITY OF CRISFIELD WHERE A PERSON OPERATING A GOLF CART MAY CROSS, AT A RIGHT ANGLE, A HIGHWAY THAT IS DESIGNATED OR MAINTAINED AS A PART OR AN EXTENSION OF THE STATE OR FEDERAL HIGHWAY SYSTEM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 355 – *Maryland Achieving a Better Life Experience (ABLE) Program – Establishment*.

This bill requires the College Savings Plans of Maryland Board to establish the Maryland ABLE Program to help promote financial savings to support individuals with disabilities in maintaining health, independence, and quality of life. The bill also renames the College Savings Plans of Maryland Board to be the Maryland 529 Board, requires the Board to work in consultation with the Department of Disabilities regarding the Maryland ABLE Program, and apply the Act to all taxable years beginning after December 31, 2015.

House Bill 431, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 355.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 355

AN ACT concerning

Maryland Achieving a Better Life Experience (ABLE) Program – Establishment

FOR the purpose of requiring the College Savings Plans of Maryland Board to establish the Maryland Achieving a Better Life Experience (ABLE) Program for certain purposes subject to certain provisions; renaming the College Savings Plans of Maryland Board to be the Maryland 529 Board; requiring the Board to oversee the establishment and administration of the Maryland ABLE Program; altering the membership of the Board; requiring the Board to maintain the Maryland ABLE Program in compliance with certain standards; declaring that the goal of the State is that the Maryland ABLE Program be fully operational by a certain date; requiring the Board to work in consultation with the Department of Disabilities regarding the Maryland ABLE Program; authorizing the Board to collaborate and participate with other states or entities regarding the Maryland ABLE Program; requiring the Board to adopt certain procedures; requiring the Board to issue certain statements to account holders at least once each year; authorizing the Board to issue certain requests for proposals; requiring the Board to consider proposals that meet certain criteria; authorizing the Board to require certain fees; establishing certain limitations and requirements for contributions to and administration of the Maryland ABLE Program; establishing participation and distribution requirements; prohibiting money and assets in an ABLE account in any state from being considered for a certain determination of eligibility for, or the amount of, certain assistance or benefits from certain local or State means-tested programs; authorizing the Maryland ABLE Program to receive money from certain sources; providing that neither the faith and credit nor the taxing power of the State is pledged to the payment of debts, contracts, and obligations of the Maryland ABLE Program; providing that certain entities are not liable for certain losses; prohibiting certain money from being considered or commingled with certain money or deposited in the State Treasury; exempting certain entities and accounts from the Insurance Article; providing that the assets and the income of the Maryland ABLE Program are exempt from State and local taxation; prohibiting a person from seizing a certain benefit or asset; requiring certain audits; requiring the Board to issue certain refunds under certain circumstances; authorizing any state to file a certain claim on the death of a designated beneficiary of an ABLE account; altering a certain power of attorney form; allowing a subtraction modification under the State income tax for certain contributions to and distributions from an account under the Maryland ABLE Program; allowing certain amounts disallowed under the subtraction modification as a result of a certain limitation to be carried over and subtracted for succeeding taxable years; requiring an addition modification for certain distributions made

under certain accounts; making conforming changes; defining certain terms; requiring the publisher of the Annotated Code of Maryland, in consultation with the Department of Legislative Services, to correct cross-references and terminology in the Code that are rendered incorrect by this Act; providing for the application of certain provisions of this Act; and generally relating to the College Savings Plans of Maryland and the Maryland ABLE Program.

BY repealing and reenacting, with amendments,

Article – Education

Section 18–1901, 18–1902.1, 18–1904(a) through (d), 18–1905(d)(3), (e), and (f),
18–19A–05, and 18–19B–05

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Education

Section 18–1905(d)(1)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – Education

Section 18–19C–01 through 18–19C–10 to be under the new subtitle “Subtitle 19C.
Maryland ABLE Program”

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Estates and Trusts

Section 17–203

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 11–203(f)

Annotated Code of Maryland

(2015 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–803(a)(11)(ii)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10–205(a), 10–207(a), and 10–208(a)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY adding to

Article – Tax – General
Section 10–205(l), 10–207(cc), and 10–208(v)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

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

Article – Education

18–1901.

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

(B) “ABLE ACCOUNT HOLDER” MEANS AN INDIVIDUAL WHO HAS ESTABLISHED AN ACCOUNT DESCRIBED UNDER § 529A(E) OF THE INTERNAL REVENUE CODE AND IS THE DESIGNATED BENEFICIARY OF THE ACCOUNT.

[(b)] (C) “Account holder” means an individual who:

(1) Makes or undertakes the obligation to make advance payments of qualified higher education expenses as provided under a prepaid contract; and

(2) Except as provided in § 18–1909(b) of this subtitle, is a resident of Maryland or of the District of Columbia at the time that the account holder enters into a prepaid contract.

[(c)] (D) “Board” means the [College Savings Plans of] Maryland **529** Board.

[(d)] (E) “Broker–Dealer Plan” means the Maryland Broker–Dealer College Investment Plan established under Subtitle 19B of this title.

[(e)] (F) “Current prepaid contract obligations” means the scheduled payments due for the next fiscal year under existing prepaid contracts.

[(f)] (G) “Eligible institution of higher education” means an institution of higher education that:

(1) Offers an associate, bachelor, or graduate degree program; and

(2) Is eligible to participate in federal financial aid programs.

[(g)] (H) “Market value of program assets” means the amount of cash and cash equivalents held by the Trust plus the fair market value of other assets of the Trust.

(I) “MARYLAND ABLE PROGRAM” MEANS THE MARYLAND ACHIEVING A BETTER LIFE EXPERIENCE PROGRAM ESTABLISHED UNDER SUBTITLE 19C OF THIS TITLE.

[(h)] (J) “Plan” means the Maryland College Investment Plan established under Subtitle 19A of this title.

[(i)] (K) “Prepaid contract” means a contract between the Board and an account holder under the provisions of this subtitle for the advance payment of qualified higher education expenses by the account holder for a qualified beneficiary to attend an eligible institution of higher education, if the qualified beneficiary is admitted to the institution.

[(j)] (L) “Program” means [the College Savings Plans of] Maryland **529**.

[(k)] (M) “Qualified beneficiary” means an individual who:

(1) Is eligible to apply advance payments of qualified higher education expenses to undergraduate or graduate qualified higher education expenses at an eligible institution of higher education under the provisions of this subtitle; and

(2) Except as provided in § 18–1909(b) of this subtitle, is a resident of the State or of the District of Columbia at the time that the account holder enters into a prepaid contract.

[(l)] (N) “Qualified higher education expenses” has the meaning stated in § 529(e) of the Internal Revenue Code.

[(m)] (O) “Qualified state tuition program” has the meaning stated in § 529 of the Internal Revenue Code.

[(n)] (P) “Trust” means the Maryland Prepaid College Trust established under this subtitle.

[(o)] (Q) (1) “Tuition” means the actual tuition and mandatory fees assessed to all students by an eligible institution of higher education as a condition of enrollment at the institution.

(2) “Tuition” does not include any fee that is assessed by the institution for a particular course taken, year of enrollment, academic status, course of study, residency status, or any other distinguishing factor used by the institution to determine a specific fee.

(a) There is a Program entitled [the College Savings Plans of] Maryland **529**.

(b) The purpose of the Program is to provide for the administration by the Board of the Maryland Prepaid College Trust, the Maryland College Investment Plan, [and] the Maryland Broker–Dealer College Investment Plan, **AND THE MARYLAND ABLE PROGRAM.**

18–1904.

(a) There is a [College Savings Plans of] Maryland **529** Board.

(b) The Board shall administer:

(1) The Maryland Prepaid College Trust established under this subtitle;

(2) The Maryland College Investment Plan established under Subtitle 19A of this title; [and]

(3) The Maryland Broker–Dealer College Investment Plan established under Subtitle 19B of this title; **AND**

(4) THE MARYLAND ABLE PROGRAM ESTABLISHED UNDER SUBTITLE 19C OF THIS TITLE.

(c) The Board consists of the following [10] members:

(1) The Secretary of the Maryland Higher Education Commission;

(2) The State Superintendent of Schools;

(3) The State Treasurer;

(4) The State Comptroller;

(5) The Chancellor of the University System of Maryland; [and]

(6) THE SECRETARY OF DISABILITIES; AND

[(6)] (7) Five members of the public who shall be appointed by the Governor and shall have significant experience in finance, accounting, investment management, or other areas that can be of assistance to the Board.

(d) A member of the Board designated under subsection (c)(1) through [(5)] (6) of this section may designate an employee from the member's staff to represent the member of the Board, with the full voting rights, powers, and duties of the member.

18–1905.

(d) (1) The Board:

(i) Shall appoint a Program executive director who is in the executive service of the State Personnel Management System; and

(ii) May employ additional staff in accordance with the budget.

(3) The Board may retain the services of consultants, administrators, and other personnel, as necessary, to administer the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM.**

(e) The Board may adopt any regulations that the Board considers necessary to carry out the provisions of this subtitle or Subtitle 19A [or], Subtitle 19B, **OR SUBTITLE 19C** of this title.

(f) In addition, the Board may:

(1) Adopt an official seal;

(2) Sue and be sued;

(3) Execute contracts and other necessary instruments;

(4) Hold, buy, and sell instruments, obligations, securities, and other investments consistent with its comprehensive investment plan;

(5) Enter into agreements with eligible institutions of higher education and other public or private entities for the promotion, administration, or marketing of the Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM;**

(6) Invest funds not required for immediate disbursement;

(7) Solicit and accept gifts, grants, loans, or other aid from any source or participate in any government program for purposes consistent with this subtitle and Subtitles 19A [and], 19B, **AND 19C** of this title;

(8) Subject to the review of the General Assembly, impose and collect reasonable administrative fees for any transactions under the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM** or involving prepaid

contracts or transactions affecting the Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM;**

(9) Procure insurance against any loss of assets of the Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM;**

(10) Endorse insurance coverage written exclusively for the purpose of protecting:

(i) A prepaid contract under the Trust and the account holder and the qualified beneficiary of the contract; [or]

(ii) An investment account under the Plan, or the Broker–Dealer Plan, and the account holder and qualified designated beneficiary of the investment account; **OR**

(III) AN ABLE ACCOUNT UNDER THE MARYLAND ABLE PROGRAM AND THE ABLE ACCOUNT HOLDER;

(11) Designate terms under which money may be withdrawn from the Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM;**

(12) Establish additional procedural and substantive requirements for participation in and the administration or marketing of the Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM;**

(13) Appear on the Board’s own behalf before other boards, commissions, or other governmental agencies; and

(14) Take any other action that the Board considers appropriate to implement and administer the Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM.**

18–19A–05.

(a) (1) The debts, contracts, and obligations of the Plan are not the contracts, debts, or obligations of the State and neither the faith and credit nor taxing power of the State is pledged directly or indirectly or contingently, morally or otherwise, to the payment of the debts, contracts, and obligations.

(2) The Board cannot directly or indirectly or contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and obligations of the Plan or to make any appropriation for the payment of the debts and obligations of the Plan.

(b) Neither the State nor any eligible educational institution shall be liable for any losses or shortage of funds in the event that the account holder's investment account balance is insufficient to meet the tuition requirements of an institution attended by the qualified designated beneficiary.

(c) Moneys of the Plan may not be considered moneys of the State or deposited in the State Treasury.

(d) Moneys of the Plan may not be considered moneys of or commingled with the Maryland Prepaid College Trust.

(e) Moneys of the Plan may not be considered moneys of or commingled with the Maryland Broker–Dealer College Investment Plan.

(F) MONEYS OF THE PLAN MAY NOT BE CONSIDERED MONEYS OF OR COMMINGLED WITH THE MARYLAND ABLE PROGRAM.

18–19B–05.

(a) (1) The debts, contracts, and obligations of the Broker–Dealer Plan are not the contracts, debts, or obligations of the State, and neither the faith and credit nor taxing power of the State is pledged directly or indirectly or contingently, morally or otherwise, to the payment of the debts, contracts, and obligations.

(2) The Board cannot directly or indirectly or contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and obligations of the Broker–Dealer Plan or to make any appropriation for the payment of the debts and obligations of the Broker–Dealer Plan.

(b) Neither the State nor any eligible educational institution shall be liable for any losses or shortage of funds in the event that the account holder's investment account balance is insufficient to meet the tuition requirements of an institution attended by the qualified designated beneficiary.

(c) Moneys of the Broker–Dealer Plan may not be considered moneys of the State or deposited in the State Treasury.

(d) Moneys of the Broker–Dealer Plan may not be considered moneys of or commingled with the Maryland Prepaid College Trust.

(e) Moneys of the Broker–Dealer Plan may not be considered moneys of or commingled with the Maryland College Investment Plan.

(F) MONEYS OF THE BROKER–DEALER PLAN MAY NOT BE CONSIDERED MONEYS OF OR COMMINGLED WITH THE MARYLAND ABLE PROGRAM.

SUBTITLE 19C. MARYLAND ABLE PROGRAM.**18-19C-01.**

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

(B) “ABLE ACCOUNT” MEANS AN ACCOUNT DESCRIBED UNDER § 529A(E) OF THE INTERNAL REVENUE CODE.

(C) “ABLE ACCOUNT CONTRIBUTOR” MEANS AN INDIVIDUAL WHO CONTRIBUTES MONEY TO AN ABLE ACCOUNT DESCRIBED UNDER § 529A(E) OF THE INTERNAL REVENUE CODE.

(D) “ABLE ACCOUNT HOLDER” MEANS AN INDIVIDUAL WHO HAS ESTABLISHED AN ACCOUNT DESCRIBED UNDER § 529A(E) OF THE INTERNAL REVENUE CODE AND IS THE DESIGNATED BENEFICIARY OF THE ACCOUNT.

(E) “BOARD” MEANS THE MARYLAND 529 BOARD ESTABLISHED UNDER § 18-1904 OF THIS TITLE.

(F) “DESIGNATED BENEFICIARY” MEANS AN INDIVIDUAL DESCRIBED IN § 529A(E) OF THE INTERNAL REVENUE CODE.

(G) “MARYLAND ABLE PROGRAM” MEANS A QUALIFIED ABLE PROGRAM DESCRIBED IN § 529A(B) OF THE INTERNAL REVENUE CODE.

(H) “QUALIFIED DISABILITY EXPENSES” MEANS EXPENSES DESCRIBED IN § 529A(E) OF THE INTERNAL REVENUE CODE.

18-19C-02.

(A) (1) THE BOARD SHALL ESTABLISH A MARYLAND ABLE PROGRAM THAT SHALL BE SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL REVENUE CODE.

(2) IT IS THE GOAL OF THE STATE THAT THE MARYLAND ABLE PROGRAM BE FULLY OPERATIONAL BY OCTOBER 1, 2017.

(B) THE PURPOSE OF THE MARYLAND ABLE PROGRAM IS TO:

(1) ENCOURAGE AND ASSIST INDIVIDUALS AND FAMILIES IN SAVING PRIVATE FUNDS TO SUPPORT INDIVIDUALS WITH DISABILITIES TO MAINTAIN HEALTH, INDEPENDENCE, AND QUALITY OF LIFE; AND

(2) PROVIDE SECURE FUNDING FOR DISABILITY-RELATED EXPENSES ON BEHALF OF DESIGNATED BENEFICIARIES WITH DISABILITIES THAT WILL SUPPLEMENT, NOT SUPPLANT, BENEFITS PROVIDED THROUGH PRIVATE INSURANCE, THE MEDICAID PROGRAM UNDER TITLE XIX OF THE SOCIAL SECURITY ACT, THE SUPPLEMENTAL SECURITY INCOME PROGRAM UNDER TITLE XVI OF THE SOCIAL SECURITY ACT, THE BENEFICIARY'S EMPLOYMENT, AND ANY OTHER SOURCE.

(C) (1) THE BOARD SHALL DEVELOP, ESTABLISH, ADMINISTER, MANAGE, AND PROMOTE THE MARYLAND ABLE PROGRAM.

(2) THE BOARD SHALL ADMINISTER THE MARYLAND ABLE PROGRAM IN COMPLIANCE WITH INTERNAL REVENUE SERVICE STANDARDS FOR QUALIFIED ABLE PROGRAMS.

(3) THE BOARD SHALL WORK IN CONSULTATION WITH THE DEPARTMENT OF DISABILITIES TO DEVELOP, ADMINISTER, MANAGE, AND PROMOTE THE MARYLAND ABLE PROGRAM.

(4) THE BOARD MAY COLLABORATE AND PARTICIPATE WITH OTHER STATES OR ENTITIES TO DEVELOP, ADMINISTER, MANAGE, AND PROMOTE THE MARYLAND ABLE PROGRAM, INCLUDING PARTICIPATING WITH A CONSORTIUM OF STATES THAT ARE IMPLEMENTING ABLE PROGRAMS IN THOSE STATES OR AS A CONSORTIUM OF STATES.

(D) (1) THE BOARD SHALL ADOPT PROCEDURES RELATING TO:

(I) ENROLLMENT FOR PARTICIPATION IN THE MARYLAND ABLE PROGRAM; AND

(II) START-UP COSTS INCURRED BY THE STATE FOR THE DEVELOPMENT OF THE MARYLAND ABLE PROGRAM WITH THESE COSTS TO BE REIMBURSED TO THE STATE BY THE MARYLAND ABLE PROGRAM.

(2) THE BOARD SHALL ADOPT ANY OTHER PROCEDURES THAT THE BOARD CONSIDERS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE.

(E) AT LEAST ANNUALLY, THE BOARD SHALL ISSUE TO EACH ABLE ACCOUNT HOLDER A STATEMENT THAT PROVIDES A SEPARATE ACCOUNTING FOR

EACH DESIGNATED BENEFICIARY PROVIDING THE FOLLOWING INFORMATION WITH RESPECT TO EACH ACCOUNT:

- (1) THE BEGINNING BALANCE;
- (2) CONTRIBUTIONS TO THE ACCOUNT;
- (3) DISTRIBUTIONS FROM THE ACCOUNT DURING THE PREVIOUS YEAR; AND
- (4) ENDING ABLE ACCOUNT VALUE.

18-19C-03.

(A) (1) THE BOARD MAY ISSUE REQUESTS FOR PROPOSALS TO EVALUATE AND DETERMINE THE MEANS FOR THE ADMINISTRATION, MANAGEMENT, PROMOTION, OR MARKETING OF THE MARYLAND ABLE PROGRAM.

(2) THE BOARD SHALL CONSIDER PROPOSALS THAT MEET THE FOLLOWING CRITERIA:

(I) ABILITY TO DEVELOP AND ADMINISTER AN INVESTMENT PROGRAM OF A NATURE SIMILAR TO THE OBJECTIVES OF THE MARYLAND ABLE PROGRAM;

(II) ABILITY TO ADMINISTER FINANCIAL PROGRAMS WITH INDIVIDUAL ACCOUNT RECORDS AND REPORTING; AND

(III) ABILITY TO MARKET THE MARYLAND ABLE PROGRAM TO ELIGIBLE INDIVIDUALS.

(B) (1) THE BOARD MAY REQUIRE AN INITIAL ENROLLMENT FEE TO BE USED FOR ADMINISTRATIVE COSTS OF THE MARYLAND ABLE PROGRAM.

(2) THE BOARD MAY REQUIRE ADDITIONAL REASONABLE FEES ASSOCIATED WITH THE EXPENSES OF THE MARYLAND ABLE PROGRAM.

(C) (1) THE MARYLAND ABLE PROGRAM IS SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL REVENUE CODE.

(2) THE MARYLAND ABLE PROGRAM SHALL INCLUDE PROVISIONS FOR AUTOMATIC CONTRIBUTIONS.

(3) MONEY AND ASSETS IN THE ACCOUNTS ESTABLISHED UNDER THE MARYLAND ABLE PROGRAM OR AN ABLE PROGRAM IN ANY OTHER STATE MAY NOT BE CONSIDERED FOR THE PURPOSE OF DETERMINING ELIGIBILITY TO RECEIVE, OR THE AMOUNT OF, ANY ASSISTANCE OR BENEFITS FROM LOCAL OR STATE MEANS-TESTED PROGRAMS.

(4) MONEY AND ASSETS IN THE ACCOUNT OF EACH ABLE ACCOUNT HOLDER MAY NOT EXCEED THE AMOUNT SPECIFIED IN § 2503(B) OF THE INTERNAL REVENUE CODE FOR EACH CALENDAR YEAR IN WHICH THE TAXABLE YEAR BEGINS.

(D) THE MARYLAND ABLE PROGRAM MAY RECEIVE MONEY FROM:

(1) APPROPRIATIONS IN THE STATE BUDGET;

(2) REASONABLE FEES ASSESSED TO BENEFICIARIES;

(3) GRANTS OR OTHER ASSISTANCE FROM FEDERAL, STATE, OR LOCAL GOVERNMENT; AND

(4) ANY OTHER MONEY FROM ANY PUBLIC OR PRIVATE SOURCE.

(E) (1) THE MARYLAND ABLE PROGRAM:

(I) MAY BE ESTABLISHED AS ONE OR MORE SEPARATE PLANS AS DETERMINED BY THE BOARD;

(II) SHALL BE ESTABLISHED IN THE FORM DETERMINED BY THE BOARD;

(III) SHALL BE MARKETED AND PROMOTED UNDER THE NAME OR NAMES DETERMINED BY THE BOARD; AND

(IV) MAY BE ESTABLISHED AS ONE OR MORE TRUSTS TO BE DECLARED BY THE BOARD.

(2) THE MARYLAND ABLE PROGRAM MAY BE DIVIDED INTO MULTIPLE INVESTMENT OPTIONS.

18-19C-04.

(A) AN ELIGIBLE INDIVIDUAL, AS DEFINED IN § 529A(E) OF THE INTERNAL REVENUE CODE, MAY PARTICIPATE IN AND BENEFIT FROM THE MARYLAND ABLE PROGRAM.

(B) DISTRIBUTIONS SHALL BE REQUESTED BY THE DESIGNATED BENEFICIARY SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL REVENUE CODE.

18-19C-05.

(A) (1) THE DEBTS, CONTRACTS, AND OBLIGATIONS OF THE MARYLAND ABLE PROGRAM ARE NOT THE CONTRACTS, DEBTS, OR OBLIGATIONS OF THE STATE, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE IS PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY, MORALLY OR OTHERWISE, TO THE PAYMENT OF THE DEBTS, CONTRACTS, AND OBLIGATIONS.

(2) THE BOARD MAY NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE STATE TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE DEBTS AND OBLIGATIONS OF THE MARYLAND ABLE PROGRAM OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE DEBTS AND OBLIGATIONS OF THE MARYLAND ABLE PROGRAM.

(B) THE STATE MAY NOT BE LIABLE FOR ANY LOSSES OR SHORTAGE OF FUNDS IN THE EVENT THAT THE DESIGNATED BENEFICIARY'S ABLE ACCOUNT BALANCE IS INSUFFICIENT TO MEET THE DESIGNATED BENEFICIARY'S QUALIFIED DISABILITY EXPENSES.

(C) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED MONEY OF THE STATE OR DEPOSITED IN THE STATE TREASURY.

(D) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED MONEY OF OR COMMINGLED WITH THE MARYLAND PREPAID COLLEGE TRUST.

(E) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED MONEY OF OR COMMINGLED WITH THE MARYLAND COLLEGE INVESTMENT PLAN.

(F) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED MONEY OF OR COMMINGLED WITH THE MARYLAND BROKER-DEALER COLLEGE INVESTMENT PLAN.

18-19C-06.

(A) THE BOARD, THE MARYLAND ABLE PROGRAM, AND THE ABLE ACCOUNTS ISSUED UNDER THIS SUBTITLE ARE NOT SUBJECT TO THE PROVISIONS OF THE INSURANCE ARTICLE.

(B) THE ASSETS AND INCOME OF THE MARYLAND ABLE PROGRAM ARE EXEMPT FROM STATE AND LOCAL TAXATION.

18-19C-07.

(A) IN THIS SECTION, “PERSON” DOES NOT INCLUDE THE STATE.

(B) A PERSON MAY NOT ATTACH, EXECUTE, GARNISH, OR OTHERWISE SEIZE ANY CURRENT OR FUTURE BENEFIT UNDER AN ABLE ACCOUNT OR ANY ASSET OF THE MARYLAND ABLE PROGRAM.

18-19C-08.

(A) THE LEGISLATIVE AUDITOR SHALL AUDIT THE MARYLAND ABLE PROGRAM AS PROVIDED UNDER TITLE 2, SUBTITLE 12 OF THE STATE GOVERNMENT ARTICLE.

(B) THE BOARD SHALL OBTAIN AN ANNUAL AUDIT REPORT FROM A SERVICE PROVIDER WITHIN 6 MONTHS OF THE END OF THE REPORTING PERIOD OF THE SERVICE PROVIDER.

18-19C-09.

(A) THE BOARD SHALL ISSUE REFUNDS AS SPECIFIED IN THIS SECTION.

(B) IF THE CONTRIBUTION OF AN ABLE ACCOUNT CONTRIBUTOR UNDER THE MARYLAND ABLE PROGRAM WOULD RESULT IN AGGREGATE CONTRIBUTIONS FROM ALL CONTRIBUTORS TO THE ABLE ACCOUNT FOR THE TAXABLE YEAR EXCEEDING THE AMOUNT SPECIFIED IN § 2503(B) OF THE INTERNAL REVENUE CODE FOR EACH CALENDAR YEAR IN WHICH THE TAXABLE YEAR BEGINS, THE BOARD SHALL ISSUE A REFUND TO THE ABLE ACCOUNT CONTRIBUTOR.

18-19C-10.

IN ACCORDANCE WITH § 529A(F) OF THE INTERNAL REVENUE CODE, ON THE DEATH OF A DESIGNATED BENEFICIARY, ANY STATE MAY FILE A CLAIM FOR THE AMOUNT OF THE TOTAL MEDICAL ASSISTANCE PAID FOR THE DESIGNATED BENEFICIARY UNDER THE STATE’S MEDICAID PLAN AFTER THE ESTABLISHMENT OF AN ABLE ACCOUNT.

Article – Estates and Trusts

17-203.

“MARYLAND STATUTORY FORM LIMITED POWER OF ATTORNEY

PLEASE READ CAREFULLY

This power of attorney authorizes another person (your agent) to make decisions concerning your property for you (the principal). You need not give to your agent all the authorities listed below and may give the agent only those limited powers that you specifically indicate. This power of attorney gives your agent the right to make limited decisions for you. You should very carefully weigh your decision as to what powers you give your agent. Your agent will be able to make decisions and act with respect to your property (including your money) whether or not you are able to act for yourself.

If you choose to make a grant of limited authority, you should check the boxes that identify the specific authorization you choose to give your agent.

This power of attorney does not authorize the agent to make health care decisions for you.

You should select someone you trust to serve as your agent. Unless you specify otherwise, generally the agent’s authority will continue until you die or revoke the power of attorney or the agent resigns or is unable to act for you.

Your agent is not entitled to compensation unless you indicate otherwise in the special instructions of this power of attorney. If you indicate that your agent is to receive compensation, your agent is entitled to reasonable compensation or compensation as specified in the Special Instructions.

This form provides for designation of one agent. If you wish to name more than one agent you may name a coagent in the Special Instructions. Coagents are required to act together unanimously unless you specify otherwise in the Special Instructions.

If your agent is unavailable or unwilling to act for you, your power of attorney will end unless you have named a successor agent. You may also name a second successor agent.

This power of attorney becomes effective immediately unless you state otherwise in the Special Instructions.

If you have questions about the power of attorney or the authority you are granting to your agent, you should seek legal advice before signing this form.

DESIGNATION OF AGENT

This section of the form provides for designation of one agent.

If you wish to name coagents, skip this section and use the next section (“Designation of Coagents”).

I, _____, name the following person
(Name of Principal)
as my agent:

Name of Agent: _____
Agent's Address: _____
Agent's Telephone Number: _____

DESIGNATION OF COAGENTS (OPTIONAL)

This section of the form provides for designation of two or more coagents. Coagents are required to act together unanimously unless you otherwise provide in this form.

I, _____,
(Name of Principal)

Name the following persons as coagents:

Name of Coagent: _____

Coagent's Address: _____

Coagent's Telephone Number: _____

Name of Coagent: _____

Coagent's Address: _____

Coagent's Telephone Number: _____

Special Instructions Regarding Coagents: _____

DESIGNATION OF SUCCESSOR AGENT(S) (OPTIONAL)

If my agent is unable or unwilling to act for me, I name as my successor agent:

Name of Successor Agent: _____
Successor Agent's Address: _____
Successor Agent's Telephone Number: _____

If my successor agent is unable or unwilling to act for me, I name as my second successor agent:

Name of Second Successor

Agent: _____

Second Successor Agent's

Address: _____

Second Successor Agent's Telephone Number: _____

GRANT OF GENERAL AUTHORITY

I ("the principal") grant my agent and any successor agent, with respect to each subject that I choose below, the authority to do all acts that I could do to:

(1) Demand, receive, and obtain by litigation or otherwise, money or another thing of value to which the principal is, may become, or claims to be entitled, and conserve, invest, disburse, or use anything so received or obtained for the purposes intended;

(2) Contract with another person, on terms agreeable to the agent, to accomplish a purpose of a transaction and perform, rescind, cancel, terminate, reform, restate, release, or modify the contract or another contract made by or on behalf of the principal;

(3) Execute, acknowledge, seal, deliver, file, or record any instrument or communication the agent considers desirable to accomplish a purpose of a transaction, including creating a schedule contemporaneously or at a later time listing some or all of the principal's property and attaching the schedule to this power of attorney;

(4) Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to a claim existing in favor of or against the principal or intervene in litigation relating to the claim;

(5) Seek on the principal's behalf the assistance of a court or other governmental agency to carry out an act authorized in this power of attorney;

(6) Engage, compensate, and discharge an attorney, accountant, discretionary investment manager, expert witness, or other advisor;

(7) Prepare, execute, and file a record, report, or other document to safeguard or promote the principal's interest under a statute or regulation;

(8) Communicate with representatives or employees of a government or governmental subdivision, agency, or instrumentality, on behalf of the principal;

(9) Access communications intended for, and communicate on behalf of the principal, whether by mail, electronic transmission, telephone, or other means; and

(10) Do lawful acts with respect to the subject and all property related to the subject.

(INITIAL each authority in any subject you want to include in the agent's general authority. Cross through each authority in any subject that you want to exclude. If you wish to grant general authority over an entire subject, you may initial "All of the above" instead of initialing each authority.)

SUBJECTS AND AUTHORITY

A. Real Property – With respect to this category, I authorize my agent to:

Demand, buy, lease, receive, accept as a gift or as security for an extension of credit, or otherwise acquire or reject an interest in real property or a right incident to real property

Sell, exchange, convey with or without covenants, representations, or warranties, quitclaim, release, surrender, retain title for security, encumber, partition, consent to partitioning, subject to an easement or covenant, subdivide, apply for zoning or other governmental permits, plat or consent to platting, develop, grant an option concerning, lease, sublease, contribute to an entity in exchange for an interest in that entity, or otherwise grant or dispose of an interest in real property or a right incident to real property

Pledge or mortgage an interest in real property or right incident to real property as security to borrow money or pay, renew, or extend the time of payment of a debt of the principal or a debt guaranteed by the principal, including a reverse mortgage

Release, assign, satisfy, or enforce by litigation or otherwise a mortgage, deed of trust, conditional sale contract, encumbrance, lien, or other claim to real property that exists or is asserted

Manage or conserve an interest in real property or a right incident to real property owned or claimed to be owned by the principal, including:

(1) Insuring against liability or casualty or other loss;

(2) Obtaining or regaining possession of or protecting the interest or right by litigation or otherwise;

(3) Paying, assessing, compromising, or contesting taxes or assessments or applying for and receiving refunds in connection with them; and

(4) Purchasing supplies, hiring assistance or labor, and making repairs or alterations to the real property

Use, develop, alter, replace, remove, erect, or install structures or other improvements on real property in or incident to which the principal has, or claims to have, an interest or right

Participate in a reorganization with respect to real property or an entity that owns an interest in or a right incident to real property and receive, hold, and act with respect to stocks and bonds or other property received in a plan of reorganization, including:

(1) Selling or otherwise disposing of the stocks and bonds or other property;

(2) Exercising or selling an option, a right of conversion, or a similar right with respect to the stocks and bonds or other property; and

(3) Exercising voting rights in person or by proxy

Change the form of title of an interest in or a right incident to real property

Dedicate to public use, with or without consideration, easements or other real property in which the principal has, or claims to have, an interest

All of the above

B. Tangible Personal Property – With respect to this subject, I authorize my agent to:

Demand, buy, receive, accept as a gift or as security for an extension of credit, or otherwise acquire or reject ownership or possession of tangible personal property or an interest in tangible personal property

Sell, exchange, convey with or without covenants, representations, or warranties, quitclaim, release, surrender, create a security interest in, grant options concerning, lease, sublease, or otherwise dispose of tangible personal property or an interest in tangible personal property

Grant a security interest in tangible personal property or an interest in tangible personal property as security to borrow money or pay, renew, or extend the time of payment of a debt of the principal or a debt guaranteed by the principal

Release, assign, satisfy, or enforce by litigation or otherwise, a security interest, lien, or other claim on behalf of the principal, with respect to tangible personal property or an interest in tangible personal property

Manage or conserve tangible personal property or an interest in tangible personal property on behalf of the principal, including:

- (1) Insuring against liability or casualty or other loss;
- (2) Obtaining or regaining possession of or protecting the property or interest, by litigation or otherwise;
- (3) Paying, assessing, compromising, or contesting taxes or assessments or applying for and receiving refunds in connection with taxes or assessments;
- (4) Moving the property from place to place;
- (5) Storing the property for hire or on a gratuitous bailment; and
- (6) Using and making repairs, alterations, or improvements to the property

Change the form of title of an interest in tangible personal property

All of the above

C. Stocks and Bonds – With respect to this subject, I authorize my agent to:

Buy, sell, and exchange stocks and bonds

Establish, continue, modify, or terminate an account with respect to stocks and bonds

Pledge stocks and bonds as security to borrow, pay, renew, or extend the time of payment of a debt of the principal

Receive certificates and other evidences of ownership with respect to stocks and bonds

Exercise voting rights with respect to stocks and bonds in person or by proxy, enter into voting trusts, and consent to limitations on the right to vote

All of the above

D. Commodities – With respect to this subject, I authorize my agent to:

Buy, sell, exchange, assign, settle, and exercise commodity futures contracts and call or put options on stocks or stock indexes traded on a regulated option exchange

Establish, continue, modify, and terminate option accounts

All of the above

E. Banks and Other Financial Institutions – With respect to this subject, I authorize my agent to:

Continue, modify, transact all business in connection with, and terminate an account or other banking arrangement made by or on behalf of the principal

Establish, modify, transact all business in connection with, and terminate an account or other banking arrangement with a bank, trust company, savings and loan association, credit union, thrift company, brokerage firm, or other financial institution selected by the agent

Contract for services available from a financial institution, including renting a safe deposit box or space in a vault

Deposit by check, money order, electronic funds transfer, or otherwise with, or leave in the custody of, a financial institution money or property of the principal

Withdraw, by check, money order, electronic funds transfer, or otherwise, money or property of the principal deposited with or left in the custody of a financial institution

Receive statements of account, vouchers, notices, and similar documents from a financial institution and act with respect to them

Enter a safe deposit box or vault and withdraw or add to the contents

Borrow money and pledge as security personal property of the principal necessary to borrow money or pay, renew, or extend the time of payment of a debt of the principal or a debt guaranteed by the principal

Make, assign, draw, endorse, discount, guarantee, and negotiate promissory notes, checks, drafts, and other negotiable or nonnegotiable paper of the principal or payable to the principal or the principal's order, transfer money, receive the cash or other proceeds of those transactions, and accept a draft drawn by a person on the principal and pay the draft when due

Receive for the principal and act on a sight draft, warehouse receipt, other document of title whether tangible or electronic, or other negotiable or nonnegotiable instrument

Apply for, receive, and use letters of credit, credit cards and debit cards, electronic transaction authorizations, and traveler's checks from a financial institution and give an indemnity or other agreement in connection with letters of credit

Consent to an extension of the time of payment with respect to commercial paper or a financial transaction with a financial institution

All of the above

F. Operation of an Entity or a Business – With respect to this subject, I authorize my agent to:

Operate, buy, sell, enlarge, reduce, or terminate an ownership interest

Perform a duty or discharge a liability and exercise in person or by proxy a right, power, privilege, or an option that the principal has, may have, or claims to have

Enforce the terms of an ownership agreement

Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation to which the principal is a party because of an ownership interest

Exercise in person or by proxy, or enforce by litigation or otherwise, a right, power, privilege, or an option the principal has or claims to have as the holder of stocks and bonds

Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation to which the principal is a party concerning stocks and bonds

With respect to an entity or business owned solely by the principal:

(1) Continue, modify, renegotiate, extend, and terminate a contract made by or on behalf of the principal with respect to the entity or business before execution of this power of attorney;

(2) Determine:

(i) The location of the operation of the entity or business;

(ii) The nature and extent of the business of the entity or business;

(iii) The methods of manufacturing, selling, merchandising, financing, accounting, and advertising employed in the operation of the entity or business;

(iv) The amount and types of insurance carried by the entity or business; and

(v) The mode of engaging, compensating, and dealing with the employees and accountants, attorneys, or other advisors of the entity or business;

(3) Change the name or form of organization under which the entity or business is operated and enter into an ownership agreement with other persons to take over all or part of the operation of the entity or business; and

(4) Demand and receive money due or claimed by the principal or on the principal's behalf in the operation of the entity or business and control and disburse the money in the operation of the entity or business

Put additional capital into an entity or a business in which the principal has an interest

Join in a plan of reorganization, consolidation, conversion, domestication, or merger of the entity or business

Sell or liquidate all or part of an entity or business

Establish the value of an entity or a business under a buyout agreement to which the principal is a party

Prepare, sign, file, and deliver reports, compilations of information, returns, or other papers with respect to an entity or business and make related payments

Pay, compromise, or contest taxes, assessments, fines, or penalties and perform other acts to protect the principal from illegal or unnecessary taxation, assessments, fines, or penalties, with respect to an entity or a business, including attempts to recover, as permitted by law, money paid before or after the execution of this power of attorney

All of the above

G. Insurance and Annuities – With respect to this subject, I authorize my agent to:

Continue, pay the premium or make a contribution on, modify, exchange, rescind, release, or terminate a contract procured by or on behalf of the principal that insures or provides an annuity to either the principal or another person, whether or not the principal is a beneficiary under the contract

Procure new, different, and additional contracts of insurance and annuities for the principal and the principal's spouse, children, and other dependents, and select the amount, type of insurance or annuity, and mode of payment

Pay the premium or make a contribution on, modify, exchange, rescind, release, or terminate a contract of insurance or annuity procured by the agent

Apply for and receive a loan secured by a contract of insurance or annuity

Surrender and receive the cash surrender value on a contract of insurance or annuity

Exercise an election

Exercise investment powers available under a contract of insurance or annuity

Change the manner of paying premiums on a contract of insurance or annuity

Change or convert the type of insurance or annuity with respect to which the principal has or claims to have authority described in this section

Apply for and procure a benefit or assistance under a statute or regulation to guarantee or pay premiums of a contract of insurance on the life of the principal

Collect, sell, assign, hypothecate, borrow against, or pledge the interest of the principal in a contract of insurance or annuity

Select the form and timing of the payment of proceeds from a contract of insurance or annuity

Pay, from proceeds or otherwise, compromise or contest, and apply for refunds in connection with a tax or assessment levied by a taxing authority with respect to a contract of insurance or annuity or the proceeds or liability from the contract of insurance or annuity accruing by reason of the tax or assessment

All of the above

H. Estates, Trusts, and Other Beneficial Interests (including trusts, probate estates, guardianships, conservatorships, escrows, or custodianships or funds from which the principal is, may become, or claims to be entitled to a share or payment) – With respect to this subject, I authorize my agent to:

Accept, receive, receipt for, sell, assign, pledge, or exchange a share in or payment from the fund described above

Demand or obtain money or another thing of value to which the principal is, may become, or claims to be entitled by reason of the fund described above, by litigation or otherwise

Exercise for the benefit of the principal a presently exercisable general power of appointment held by the principal

Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation to ascertain the meaning, validity, or effect of a deed, will, declaration of trust, or other instrument or transaction affecting the interest of the principal

Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation to remove, substitute, or surcharge a fiduciary

Conserve, invest, disburse, or use anything received for an authorized purpose

Transfer an interest of the principal in real property, stocks and bonds, accounts with financial institutions or securities intermediaries, insurance, annuities, and other property to the trustee of a revocable trust created by the principal as settlor

Reject, renounce, disclaim, release, or consent to a reduction in or modification of a share in or payment from the fund described above

All of the above

I. Claims and Litigation – With respect to this subject, I authorize my agent to:

Assert and maintain before a court or administrative agency a claim, claim for relief, cause of action, counterclaim, offset, recoupment, or defense, including an action to recover property or other thing of value, recover damages sustained by the principal, eliminate or modify tax liability, or seek an injunction, specific performance, or other relief

Bring an action to determine adverse claims or intervene or otherwise participate in litigation

Seek an attachment, garnishment, order of arrest, or other preliminary, provisional, or intermediate relief and use an available procedure to effect or satisfy a judgment, order, or decree

Make or accept a tender, offer of judgment, or admission of facts, submit a controversy on an agreed statement of facts, consent to examination, and bind the principal in litigation

Submit to alternative dispute resolution, settle, and propose or accept a compromise

Waive the issuance and service of process on the principal, accept service of process, appear for the principal, designate persons on which process directed to the principal may be served, execute and file or deliver stipulations on the principal's behalf, verify pleadings, seek appellate review, procure and give surety and indemnity

bonds, contract and pay for the preparation and printing of records and briefs, receive, execute, and file or deliver a consent, waiver, release, confession of judgment, satisfaction of judgment, notice, agreement, or other instrument in connection with the prosecution, settlement, or defense of a claim or litigation

Act for the principal with respect to bankruptcy or insolvency, whether voluntary or involuntary, concerning the principal or some other person, or with respect to a reorganization, receivership, or application for the appointment of a receiver or trustee that affects an interest of the principal in property or other thing of value

Pay a judgment, award, or order against the principal or a settlement made in connection with a claim or litigation

Receive money or other thing of value paid in settlement of or as proceeds of a claim or litigation

All of the above

J. Personal and Family Maintenance – With respect to this subject, I authorize my agent to:

Perform the acts necessary to maintain the customary standard of living of the principal, the principal's spouse, and the following individuals, whether living when this power of attorney is executed or later born:

(1) The principal's children;

(2) Other individuals legally entitled to be supported by the principal; and

(3) The individuals whom the principal has customarily supported or indicated the intent to support;

Make periodic payments of child support and other family maintenance required by a court or governmental agency or an agreement to which the principal is a party

Provide living quarters for the individuals described above by:

(1) Purchase, lease, or other contract; or

(2) Paying the operating costs, including interest, amortization payments, repairs, improvements, and taxes, for premises owned by the principal or occupied by those individuals

Provide normal domestic help, usual vacations and travel expenses, and funds for shelter, clothing, food, appropriate education, including postsecondary and vocational education, and other current living costs for the individuals described above

Pay expenses for necessary health care and custodial care on behalf of the individuals described above

Act as the principal's personal representative in accordance with the Health Insurance Portability and Accountability Act, §§ 1171 through 1179 of the Social Security Act, 42 U.S.C. § 1320d, and applicable regulations in making decisions related to the past, present, or future payment for the provision of health care consented to by the principal or anyone authorized under the law of this State to consent to health care on behalf of the principal

Continue provisions made by the principal for automobiles or other means of transportation, including registering, licensing, insuring, and replacing the means of transportation, for the individuals described above

Maintain credit and debit accounts for the convenience of the individuals described above and open new accounts

Continue payments incidental to the membership or affiliation of the principal in a religious institution, club, society, order, or other organization or to continue contributions to those organizations

(NOTE: Authority with respect to personal and family maintenance is neither dependent on, nor limited by, authority that an agent may or may not have with respect to gifts under this power of attorney.)

All of the above

K. Benefits from Governmental Programs or Civil or Military Service (including any benefit, program, or assistance provided under a statute or regulation including Social Security, Medicare, and Medicaid) – With respect to this subject, I authorize my agent to:

Execute vouchers in the name of the principal for allowances and reimbursements payable by the United States or a foreign government or by a state or subdivision of a state to the principal, including allowances and reimbursements for transportation of the individuals described in "J. Personal and Family Maintenance" above, and for shipment of the household effects of those individuals

Take possession and order the removal and shipment of property of the principal from a post, warehouse, depot, dock, or other place of storage or safekeeping, either governmental or private, and execute and deliver a release, voucher, receipt, bill of lading, shipping ticket, certificate, or other instrument for that purpose

Enroll in, apply for, select, reject, change, amend, or discontinue, on the principal's behalf, a benefit or program

Prepare, file, and maintain a claim of the principal for a benefit or assistance, financial or otherwise, to which the principal may be entitled under a statute or regulation

Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation concerning a benefit or assistance the principal may be entitled to receive under a statute or regulation

Receive the financial proceeds of a claim described above and conserve, invest, disburse, or use for a lawful purpose anything so received

All of the above

L. Retirement Plans (including a plan or account created by an employer, the principal, or another individual to provide retirement benefits or deferred compensation of which the principal is a participant, beneficiary, or owner, including a plan or account under the following sections of the Internal Revenue Code:

(1) An individual retirement account under Internal Revenue Code Section 408, 26 U.S.C. § 408;

(2) A Roth individual retirement account under Internal Revenue Code Section 408A, 26 U.S.C. § 408A;

(3) A deemed individual retirement account under Internal Revenue Code Section 408(q), 26 U.S.C. § 408(q);

(4) An annuity or mutual fund custodial account under Internal Revenue Code Section 403(b), 26 U.S.C. § 403(b);

(5) A pension, profit-sharing, stock bonus, or other retirement plan qualified under Internal Revenue Code Section 401(a), 26 U.S.C. § 401(a);

(6) A plan under Internal Revenue Code Section 457(b), 26 U.S.C. § 457(b);
and

(7) A nonqualified deferred compensation plan under Internal Revenue Code Section 409A, 26 U.S.C. § 409A) – With respect to this subject, I authorize my agent to:

Select the form and timing of payments under a retirement plan and withdraw benefits from a plan

Make a rollover, including a direct trustee-to-trustee rollover, of benefits from one retirement plan to another

Establish a retirement plan in the principal's name

Make contributions to a retirement plan

Exercise investment powers available under a retirement plan

Borrow from, sell assets to, or purchase assets from a retirement plan

All of the above

M. Taxes – With respect to this subject, I authorize my agent to:

Prepare, sign, and file federal, state, local, and foreign income, gift, payroll, property, Federal Insurance Contributions Act, and other tax returns, claims for refunds, requests for extension of time, petitions regarding tax matters, and other tax-related documents, including receipts, offers, waivers, consents, including consents and agreements under Internal Revenue Code Section 2032A, 26 U.S.C. § 2032A, closing agreements, and other powers of attorney required by the Internal Revenue Service or other taxing authority with respect to a tax year on which the statute of limitations has not run and the following 25 tax years

Pay taxes due, collect refunds, post bonds, receive confidential information, and contest deficiencies determined by the Internal Revenue Service or other taxing authority

Exercise elections available to the principal under federal, state, local, or foreign tax law

Act for the principal in all tax matters for all periods before the Internal Revenue Service, or other taxing authority

All of the above

N. Gifts (including gifts to a trust, an account under the Uniform Transfers to Minors Act, [and] a tuition savings account or prepaid tuition plan as defined under Internal Revenue Code Section 529, 26 U.S.C. § 529, **AND AN ABLE ACCOUNT AS DEFINED UNDER INTERNAL REVENUE CODE SECTION 529A, 26 U.S.C. § 529A**) – With respect to this subject, I authorize my agent to:

Make outright to, or for the benefit of, a person, a gift of part or all of the principal's property, including by the exercise of a presently exercisable general power of appointment held by the principal, in an amount for each donee not to exceed the annual dollar limits of the federal gift tax exclusion under Internal Revenue Code Section 2503(b), 26 U.S.C. § 2503(b), without regard to whether the federal gift tax exclusion applies to the

gift, or if the principal's spouse agrees to consent to a split gift pursuant to Internal Revenue Code Section 2513, 26 U.S.C. § 2513, in an amount for each donee not to exceed twice the annual federal gift tax exclusion limit

Consent, pursuant to Internal Revenue Code Section 2513, 26 U.S.C. § 2513, to the splitting of a gift made by the principal's spouse in an amount for each donee not to exceed the aggregate annual gift tax exclusions for both spouses

(NOTE: An agent may only make a gift of the principal's property as the agent determines is consistent with the principal's objectives if actually known by the agent and, if unknown, as the agent determines is consistent with the principal's best interest based on all relevant factors, including:

- (1) The value and nature of the principal's property;
 - (2) The principal's foreseeable obligations and need for maintenance;
 - (3) Minimization of taxes, including income, estate, inheritance, generation-skipping transfer, and gift taxes;
 - (4) Eligibility for a benefit, a program, or assistance under a statute or regulation; and
 - (5) The principal's personal history of making or joining in making gifts.)
- All of the above

GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

My agent MAY NOT do any of the following specific acts for me UNLESS I have INITIALED the specific authority listed below:

(CAUTION: Granting any of the following will give your agent the authority to take actions that could significantly reduce your property or change how your property is distributed at your death. In addition, granting your agent the authority to make gifts to, or to designate as the beneficiary of any retirement plan, the agent, the agent's spouse, or a dependent of the agent may constitute a taxable gift by you and may make the property subject to that authority taxable as part of the agent's estate. INITIAL ONLY the specific authority you WANT to give your agent.)

Create an inter vivos trust, or amend, revoke, or terminate an existing inter vivos trust if the trust expressly authorizes that action by the agent

Make a gift, subject to any special instructions in this power of attorney

Create or change rights of survivorship

() Create or change a beneficiary designation, subject to any special instructions in this power of attorney; and, if I wish to authorize my agent to designate the agent, the agent’s spouse, or a dependent of the agent as a beneficiary, I will explicitly state this authority within the special instructions of this power of attorney or in a separate power of attorney

() Authorize another person to exercise the authority granted under this power of attorney

() Waive the principal’s right to be a beneficiary of a joint and survivor annuity, including a survivor benefit under a retirement plan

() Exercise fiduciary powers that the principal has authority to delegate

() Disclaim or refuse an interest in property, including a power of appointment

LIMITATION ON AGENT’S AUTHORITY

An agent that is not my ancestor, spouse, or descendant MAY NOT use my property to benefit the agent or a person to whom the agent owes an obligation of support unless I have included that authority in the Special Instructions.

SPECIAL INSTRUCTIONS (OPTIONAL)

You may give special instructions on the following lines:

EFFECTIVE DATE

This power of attorney is effective immediately unless I have stated otherwise in the Special Instructions.

TERMINATION DATE (OPTIONAL)

This power of attorney shall terminate on _____, 20_____.
(Use a specific calendar date)

NOMINATION OF GUARDIAN (OPTIONAL)

If it becomes necessary for a court to appoint a guardian of my property or guardian of my person, I nominate the following person(s) for appointment:

Name of Nominee for guardian of my property:

Nominee’s Address: _____
Nominee’s Telephone Number: _____

Name of Nominee for guardian of my person:

Nominee’s Address: _____
Nominee’s Telephone Number: _____

SIGNATURE AND ACKNOWLEDGMENT

Your Signature Date

Your Name Printed

Your Address

Your Telephone Number

STATE OF MARYLAND
(COUNTY) OF _____

This document was acknowledged before me on _____,
(Date)

by _____.
(Name of Principal)

(Seal, if any)

Signature of Notary
My commission expires: _____

WITNESS ATTESTATION

The foregoing power of attorney was, on the date written above, published and declared by

(Name of Principal)

in our presence to be his/her power of attorney. We, in his/her presence and at his/her request, and in the presence of each other, have attested to the same and have signed our names as attesting witnesses.

Witness #1 Signature

Witness #1 Name Printed

Witness #1 Address

Witness #1 Telephone Number

Witness #2 Signature

Witness #2 Name Printed

Witness #2 Address

Witness #2 Telephone Number

This document prepared by:

IMPORTANT INFORMATION FOR AGENT

Agent's Duties

When you accept the authority granted under this power of attorney, a special legal relationship is created between you and the principal. This relationship imposes on you legal duties that continue until you resign or the power of attorney is terminated or revoked. You must:

- (1) Do what you know the principal reasonably expects you to do with the principal's property or, if you do not know the principal's expectations, act in the principal's best interest;
- (2) Act with care, competence, and diligence for the best interest of the principal;
- (3) Do nothing beyond the authority granted in this power of attorney; and

(4) Disclose your identity as an agent whenever you act for the principal by writing or printing the name of the principal and signing your own name as “agent” in the following manner:

(Principal’s Name)

by

(Your Signature) as Agent

Unless the Special Instructions in this power of attorney state otherwise, you must also:

- (1) Act loyally for the principal’s benefit;
- (2) Avoid conflicts that would impair your ability to act in the principal’s best interest;
- (3) Keep a record of all receipts, disbursements, and transactions made on behalf of the principal;
- (4) Cooperate with any person that has authority to make health care decisions for the principal to do what you know the principal reasonably expects or, if you do not know the principal’s expectations, to act in the principal’s best interest; and
- (5) Attempt to preserve the principal’s estate plan if you know the plan and preserving the plan is consistent with the principal’s best interest.

Termination of Agent’s Authority

You must stop acting on behalf of the principal if you learn of any event that terminates this power of attorney or your authority under this power of attorney. Events that terminate a power of attorney or your authority to act under a power of attorney include:

- (1) Death of the principal;
- (2) The principal’s revocation of the power of attorney or your authority;
- (3) The occurrence of a termination event stated in the power of attorney;
- (4) The purpose of the power of attorney is fully accomplished; or
- (5) If you are married to the principal, a legal action is filed with a court to end your marriage, or for your legal separation, unless the Special Instructions in this power of attorney state that such an action will not terminate your authority.

Liability of Agent

The meaning of the authority granted to you is defined in the Maryland Power of Attorney Act, Title 17 of the Estates and Trusts Article. If you violate the Maryland Power of

Attorney Act, Title 17 of the Estates and Trusts Article, or act outside the authority granted, you may be liable for any damages caused by your violation.

If there is anything about this document or your duties that you do not understand, you should seek legal advice.”

Article – State Finance and Procurement

11–203.

(f) Except as provided in Title 12, Subtitle 4 and Title 14, Subtitle 3 of this article, this Division II does not apply to [the College Savings Plans of] Maryland **529** for:

(1) services of managers to invest the assets of the Maryland Prepaid College Trust in accordance with the comprehensive investment plan adopted by the [College Savings Plans of] Maryland **529** Board under § 18–1906 of the Education Article; and

(2) expenditures to manage, maintain, and enhance the value of the assets of the Maryland Prepaid College Trust in accordance with the comprehensive investment plan adopted by the [College Savings Plans of] Maryland **529** Board under § 18–1906 of the Education Article.

Article – State Government

9–803.

(a) The Commission consists of the following members:

(11) the following members, appointed by the Governor:

(ii) one member of the [College Savings Plans of] Maryland **529** Board;

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

Article – Tax – General

10–205.

(a) In addition to the modification under § 10–204 of this subtitle, the amounts under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(L) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “ABLE ACCOUNT CONTRIBUTOR” MEANS AN INDIVIDUAL WHO CONTRIBUTES MONEY TO AN ABLE ACCOUNT AS DEFINED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

(III) “ABLE ACCOUNT HOLDER” MEANS THE HOLDER OF AN ACCOUNT AS DEFINED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

(IV) “DESIGNATED BENEFICIARY” HAS THE MEANING STATED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

(V) “QUALIFIED DISABILITY EXPENSES” HAS THE MEANING STATED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

(2) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF:

(I) ANY REFUND RECEIVED IN THE TAXABLE YEAR BY AN ABLE ACCOUNT CONTRIBUTOR UNDER THE MARYLAND ABLE PROGRAM; OR

(II) ANY DISTRIBUTION RECEIVED IN THE TAXABLE YEAR BY AN ABLE ACCOUNT HOLDER IN ACCORDANCE WITH THE MARYLAND ABLE PROGRAM THAT IS NOT USED FOR THE BENEFIT OF THE DESIGNATED BENEFICIARY FOR QUALIFIED DISABILITY EXPENSES.

(3) THE AMOUNT OF THE ADDITION REQUIRED UNDER THIS SUBSECTION SHALL BE REDUCED BY ANY AMOUNT INCLUDED IN THE INDIVIDUAL’S FEDERAL ADJUSTED GROSS INCOME AS A RESULT OF A REFUND OR DISTRIBUTION.

(4) THE CUMULATIVE AMOUNT OF THE ADDITION UNDER THIS SUBSECTION FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE YEARS MAY NOT EXCEED THE CUMULATIVE AMOUNT ALLOWED AS A SUBTRACTION UNDER § 10–208(V) OF THIS SUBTITLE FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE YEARS FOR CONTRIBUTIONS MADE BY AN ABLE ACCOUNT CONTRIBUTOR TO AN ABLE ACCOUNT UNDER THE MARYLAND ABLE PROGRAM UNDER WHICH THE DISTRIBUTION IS RECEIVED.

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.

(CC) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “DESIGNATED BENEFICIARY” MEANS A DESIGNATED BENEFICIARY AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.

(III) “QUALIFIED DISABILITY EXPENSES” HAS THE MEANING STATED IN § 18-19C-01 OF THE EDUCATION ARTICLE.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME AS A RESULT OF A DISTRIBUTION TO A DESIGNATED BENEFICIARY FROM AN ABLE ACCOUNT UNDER THE MARYLAND ABLE PROGRAM.

(3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION DOES NOT APPLY TO:

(I) A REFUND UNDER THE MARYLAND ABLE PROGRAM; OR

(II) A DISTRIBUTION THAT IS NOT USED FOR THE BENEFIT OF THE DESIGNATED BENEFICIARY FOR QUALIFIED DISABILITY EXPENSES.

10-208.

(a) In addition to the modification under § 10-207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(V) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “ABLE ACCOUNT CONTRIBUTOR” MEANS AN INDIVIDUAL WHO CONTRIBUTES MONEY TO AN ABLE ACCOUNT AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.

(III) “DESIGNATED BENEFICIARY” MEANS A DESIGNATED BENEFICIARY AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.

(IV) “QUALIFIED DISABILITY EXPENSES” HAS THE MEANING STATED IN § 18-19C-01 OF THE EDUCATION ARTICLE.

(2) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT CONTRIBUTED BY AN ABLE ACCOUNT CONTRIBUTOR DURING THE TAXABLE YEAR TO AN ABLE ACCOUNT UNDER THE MARYLAND ABLE PROGRAM.

(3) (I) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, FOR EACH ABLE ACCOUNT CONTRIBUTOR UNDER THE MARYLAND ABLE PROGRAM, THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED \$2,500 FOR ANY TAXABLE YEAR PER QUALIFIED DESIGNATED BENEFICIARY.

(II) FOR PURPOSES OF THE LIMITATION UNDER THIS PARAGRAPH, EACH SPOUSE ON A JOINT RETURN SHALL BE TREATED SEPARATELY.

(4) SUBJECT TO THE \$2,500 ANNUAL LIMITATION FOR EACH ABLE ACCOUNT CONTRIBUTOR PER QUALIFIED DESIGNATED BENEFICIARY, ANY AMOUNT DISALLOWED AS A SUBTRACTION UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR AS A RESULT OF THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION MAY BE CARRIED OVER UNTIL USED TO THE NEXT 10 SUCCEEDING TAXABLE YEARS AS A SUBTRACTION.

SECTION 3. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross-references and terminology rendered incorrect by this Act or by any other Act of the General Assembly of 2016 that affects provisions enacted by this Act. The publisher shall adequately describe any such correction in an editor's note following the section affected.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after December 31, 2015.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 435 – *Business Regulation – State and Harford County Juke Box Licenses – Repeal*.

This bill repeals specified provisions of law relating to licenses for keeping juke boxes for public entertainment in the State and in Harford County.

House Bill 745, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 435.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 435

AN ACT concerning

Business Regulation – State and Harford County Juke Box Licenses – Repeal

FOR the purpose of repealing certain provisions of law relating to licenses for keeping juke boxes for public entertainment in the State and in Harford County; and generally relating to licenses for keeping juke boxes.

BY repealing

Article – Business Regulation

Section 17–1301 through 17–1318 and the subtitle “Subtitle 13. Juke Boxes”

Annotated Code of Maryland

(2015 Replacement Volume and 2015 Supplement)

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

Article – Business Regulation

[Subtitle 13. Juke Boxes.]

[Part I. Definitions.]

[17–1301.

In this subtitle, “State juke box license” means a license issued by the clerk to keep a juke box for public entertainment.]

[Part II. State Licensing.]

[17–1304.

Whenever a person keeps a juke box for public entertainment in the State, the person must have a State juke box license for that juke box.]

[17–1305.

(a) An applicant for a State juke box license shall pay to the clerk a license fee of \$10 for each juke box.

(b) The clerk shall pay to the Comptroller all license fees collected under this subtitle.]

[17–1306.

The clerk shall issue each State juke box license in the name of the owner of the juke box.]

[17–1307.

A State juke box license is transferable.]

[17–1308.

Each State juke box licensee shall display the State juke box license on the premises where the juke box is located.]

[17–1309.

(a) A person may not keep a juke box for public entertainment in the State unless the person has a State juke box license that covers that juke box.

(b) A person who violates this section is guilty of a misdemeanor and, on conviction, is subject to a fine of \$100.]

[Part III. Harford County Licensing.]

[17–1312.

In Part III of this subtitle, “Harford County juke box license” means a license issued by the clerk to keep a juke box for public entertainment in Harford County.]

[17–1313.

Whenever a person keeps a juke box for public entertainment in Harford County, the person must have both a State juke box license and a Harford County juke box license for that juke box.]

[17-1314.

An applicant for a Harford County juke box license shall pay to the clerk a license fee of \$10 for each juke box.]

[17-1315.

The clerk shall issue each Harford County juke box license in the name of the owner of the juke box.]

[17-1316.

A Harford County juke box license is transferable.]

[17-1317.

Each Harford County juke box licensee shall display the Harford County juke box license on the premises where the juke box is located.]

[17-1318.

(a) A person may not keep a juke box for public entertainment in Harford County unless the person has a Harford County juke box license that covers that juke box.

(b) A person who violates this section is guilty of a misdemeanor and, on conviction, is subject to a fine of \$100.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 451 – *Maryland Trust Act – Revocable Trust – Partial Revocation by Divorce or Annulment*.

This bill provides for the revocation of specified terms of a revocable trust on the absolute divorce of the settlor and the settlor’s spouse or the annulment of the marriage occurring after the creation of the settlor’s revocable trust, except under specified circumstances, and applies the Act prospectively.

House Bill 541, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 451.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 451

AN ACT concerning

Maryland Trust Act – Revocable Trust – Partial Revocation by Divorce or Annulment

FOR the purpose of providing for the revocation of certain terms of a revocable trust on the absolute divorce of the settlor and the settlor’s spouse or the annulment of their marriage occurring after the creation of the settlor’s revocable trust, except under certain circumstances; requiring removal of the spouse as a trustee or an advisor on the date of the divorce or annulment; prohibiting the spouse from serving as a trustee or an advisor or exercising certain powers after the divorce or annulment; providing for the application of this Act; and generally relating to the effects of divorce or annulment on a revocable trust.

BY adding to

Article – Estates and Trusts
Section 14.5–604
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

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

Article – Estates and Trusts

14.5–604.

(A) THIS SECTION APPLIES:

(1) (I) WITH RESPECT TO A FINAL JUDGMENT OF ABSOLUTE DIVORCE OF THE SETTLOR AND THE SETTLOR'S SPOUSE, IF THE FINAL JUDGMENT WAS ENTERED INTO ON OR AFTER OCTOBER 1, 2016; OR

(II) WITH RESPECT TO AN ANNULMENT OF THE MARRIAGE, IF THE ANNULMENT OCCURRED ON OR AFTER OCTOBER 1, 2016; AND

(2) UNLESS OTHERWISE EXPRESSLY PROVIDED:

(I) IN THE TRUST INSTRUMENT;

(II) BY COURT ORDER; OR

(III) BY WRITTEN AGREEMENT BETWEEN THE SETTLOR AND THE SETTLOR'S SPOUSE OR FORMER SPOUSE.

(B) ON THE ABSOLUTE DIVORCE OF THE SETTLOR AND THE SETTLOR'S SPOUSE OR THE ANNULMENT OF THE MARRIAGE OCCURRING AFTER THE CREATION OF THE SETTLOR'S REVOCABLE TRUST:

(1) ALL TERMS OF THE TRUST RELATING TO TRUST DISTRIBUTIONS TO OR FOR THE BENEFIT OF THE SPOUSE SHALL BE REVOKED, AND, FOR THE PURPOSES OF THE TRUST, THE SPOUSE SHALL BE DEEMED TO HAVE DIED ON THE DATE OF THE ABSOLUTE DIVORCE OR ANNULMENT;

(2) IF THE SPOUSE IS SERVING AS A TRUSTEE OR AS AN ADVISOR TO THE TRUSTEE OF THE TRUST, THE SPOUSE SHALL BE REMOVED AS A TRUSTEE OR AN ADVISOR ON THE DATE OF THE ABSOLUTE DIVORCE OR ANNULMENT WITHOUT FURTHER COURT ACTION; AND

(3) AFTER THE DIVORCE OR ANNULMENT, THE FORMER SPOUSE MAY NOT:

(I) SERVE AS A TRUSTEE OR AS AN ADVISOR TO THE TRUSTEE OF THE TRUST; OR

(II) EXERCISE ANY TRUST OR FIDUCIARY POWERS PROVIDED IN THE TERMS OF THE TRUST, INCLUDING ANY POWER OF APPOINTMENT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 460 – *Health Occupations – Dental Hygienists – Local Anesthesia*.

This bill alters the circumstances under which a dental hygienist may administer local anesthesia by infiltration or inferior nerve block.

House Bill 680, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 460.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 460

AN ACT concerning

Health Occupations – Dental Hygienists – Local Anesthesia

FOR the purpose of altering the circumstances under which a dental hygienist may administer local anesthesia by infiltration or inferior nerve block; and generally relating to the administration of local anesthesia by dental hygienists.

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 4-101(a), (k), and (l)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 4-206.1 and 4-206.3
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Health Occupations

4–101.

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

(k) “Practice dental hygiene” means to:

(1) Perform a preliminary dental examination;

(2) Perform a complete prophylaxis, including the removal of any deposit, accretion, or stain from the surface of a tooth or a restoration;

(3) Polish a tooth or a restoration;

(4) Chart cavities, restorations, missing teeth, periodontal conditions, and other features observed during preliminary examination, prophylaxis, or polishing;

(5) Apply a medicinal agent to a tooth for a prophylactic purpose;

(6) Take a dental X ray;

(7) Perform a manual curettage in conjunction with scaling and root planning;

(8) Administer local anesthesia in accordance with § 4–206.1 or § 4–206.3 of this title;

(9) Monitor, in accordance with § 4–206.2 of this title, a patient to whom nitrous oxide is administered; or

(10) Perform any other intraoral function that the Board authorizes by a rule or regulation adopted under § 4–206 of this title.

(l) “Practice dentistry” means to:

(1) Be a manager, a proprietor, or a conductor of or an operator in any place in which a dental service or dental operation is performed intraorally;

(2) Perform or attempt to perform any intraoral dental service or intraoral dental operation;

(3) Diagnose, treat, or attempt to diagnose or treat any disease, injury, malocclusion, or malposition of a tooth, gum, or jaw, or structures associated with a tooth, gum, or jaw if the service, operation, or procedure is included in the curricula of an accredited dental school or in an approved dental residency program of an accredited hospital or teaching institution;

- (4) Perform or offer to perform dental laboratory work;
- (5) Place or adjust a dental appliance in a human mouth; or
- (6) Administer anesthesia for the purposes of dentistry and not as a medical specialty.

4–206.1.

(a) Subject to the requirements of subsections (b) and (c) of this section, a dental hygienist may administer local anesthesia by infiltration [for the purpose of anesthetizing soft tissue] to facilitate the [performance] **PRACTICE** of dental hygiene [procedures] **BY A DENTAL HYGIENIST OR THE PRACTICE OF DENTISTRY BY A DENTIST**, but not as a medical specialty, provided the administration of local anesthesia is under the supervision of a dentist who:

- (1) Is physically present on the premises; and
- (2) Prescribes the administration of local anesthesia by the dental hygienist.

(b) Before a dental hygienist may administer local anesthesia under subsection (a) of this section, the dental hygienist shall successfully complete the following:

- (1) Any educational requirements established by the Board; and
- (2) A written and clinical examination as required by the Board.

(c) A dental hygienist shall obtain the educational requirements established by the Board under subsection (b)(1) of this section from an accredited dental hygiene program.

4–206.3.

(a) Subject to the requirements of subsection (b) of this section, a dental hygienist may administer local anesthesia by inferior alveolar nerve block [for the purpose of anesthetizing soft tissue] to facilitate the [performance] **PRACTICE** of dental hygiene [procedures] **BY A DENTAL HYGIENIST OR THE PRACTICE OF DENTISTRY BY A DENTIST**, but not as a medical specialty, provided the administration of the local anesthesia is under the supervision of a dentist who:

- (1) Is physically present on the premises; and
- (2) Prescribes the administration of local anesthesia by the dental hygienist.

(b) (1) Before a dental hygienist may administer local anesthesia under subsection (a) of this section, the dental hygienist shall successfully complete the following:

- (i) Any educational requirements established by the Board; and
- (ii) A written and clinical examination as required by the Board.

(2) A dental hygienist shall obtain the education required under paragraph (1) of this subsection from an accredited dental hygiene program.

(3) A dental hygienist who successfully completed the education requirements and examination required under paragraph (1) of this subsection before October 1, 2011, shall take and successfully complete a refresher course and a clinical examination from an accredited dental hygiene program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 518 – *Washington County – Collection of Fees, Charges, Penalties, and Assessments*.

This bill authorizes Washington County to include, for the purpose of collection, unpaid allocation fees, water and sewerage charges, penalties, and assessments on annual tax bills and requires that the fees, charges, penalties, and assessments be collected in the same manner as ordinary taxes, subject to the same interest and penalty for nonpayment as provided by law for the nonpayment of county taxes.

House Bill 831, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 518.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 518

AN ACT concerning

Washington County – Collection of Fees, Charges, Penalties, and Assessments

FOR the purpose of authorizing Washington County to include, for the purpose of collection, certain unpaid fees, charges, penalties, and assessments on annual tax bills; requiring that certain unpaid fees, charges, penalties, and assessments be collected in the same manner as ordinary taxes, subject to the same interest and penalty for nonpayment as provided by law for the nonpayment of county taxes; and generally relating to the collection of certain fees, charges, penalties, and assessments in Washington County.

BY repealing and reenacting, with amendments,
The Public Local Laws of Washington County
Section 6–309
Article 22 – Public Local Laws of Maryland
(2007 Edition and October 2010 Supplement, as amended)

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

Article 22 – Washington County

6–309.

(a) **(1)** All unpaid allocation fees, water charges, sewerage charges, penalties, and assessments, whether billed or unbilled, constitute a lien against the property served.

(2) FOR THE PURPOSE OF COLLECTION, THE COUNTY MAY INCLUDE UNPAID ALLOCATION FEES, WATER CHARGES, SEWERAGE CHARGES, PENALTIES, AND ASSESSMENTS ON THE ANNUAL TAX BILL OF THE PROPERTY.

(3) THE UNPAID ALLOCATION FEES, WATER CHARGES, SEWERAGE CHARGES, PENALTIES, AND ASSESSMENTS SHALL BE COLLECTED IN THE SAME MANNER AS ORDINARY TAXES ARE COLLECTED, SUBJECT TO THE SAME INTEREST AND PENALTY FOR NONPAYMENT AS PROVIDED BY LAW FOR NONPAYMENT OF COUNTY TAXES.

(b) The record of unpaid charges maintained at the office of the county constitutes public notice of the liens.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 523 – *Alcoholic Beverages – Washington County – Local Penalties*.

This bill authorizes the Board of License Commissioners of Washington County to impose a fine not exceeding \$200 on an employee of a holder of an alcoholic beverages license in the County if the employee violates a specified provision of law.

House Bill 779, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 523.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 523

AN ACT concerning

Alcoholic Beverages – Washington County – Local Penalties

FOR the purpose of authorizing the Board of License Commissioners of Washington County to impose a certain fine on an employee of a holder of an alcoholic beverages license in the County under certain circumstances; and generally relating to the imposition of fines by the Board of License Commissioners of Washington County.

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 31-2702

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

31–2702.

(a) A license holder or an employee of a license holder who is charged with a violation of § 6–304 of this article:

(1) shall receive a summons to appear in court on a certain day to answer the charges placed against the license holder or employee; and

(2) may not be required to post bail pending trial in any court in the State.

(b) A license holder or an employee of a license holder may not be found guilty of a violation of § 6–304 of this article if:

(1) the license holder or employee establishes to the satisfaction of the finder of fact that the license holder or employee used due caution to establish that the individual was not under the age of 21 years; and

(2) the individual was not a resident of the State.

(C) IF AN EMPLOYEE OF A LICENSE HOLDER VIOLATES § 6–304 OF THIS ARTICLE, THE BOARD MAY IMPOSE ON THE EMPLOYEE A FINE NOT EXCEEDING \$200.

[(c)] (D) The granting of probation before judgment to a license holder or an employee of the license holder for a violation of § 6–304 of this article does not bar the Board from proceeding administratively against the license holder for the violation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H–107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 533 – *Education – Assessments – Administration and Provision of Information*.

This bill extends to the 2018–2019 school year the period of time by which the State Department of Education is required to develop a specified assessment in the State’s

adopted curricula for a core content area. The bill also requires each county board of education to provide information relating to each assessment administered in a local school system that includes the title, purpose, grade level or subject area tested, testing window, and accommodations for students with special needs, and requires this information to be updated annually.

House Bill 412, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 533.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 533

AN ACT concerning

Education – ~~Administration of Assessments~~ – Administration and Provision of Information

FOR the purpose of extending the period of time by which the State Department of Education is required to develop a certain assessment in a certain core content area; requiring certain county boards of education to provide certain information relating to certain assessments administered in a local school system under certain circumstances; requiring certain information relating to certain assessments to be updated, posted online, and included in a certain master plan on or before a certain date each year; *defining a certain term*; and generally relating to the provision of information regarding the administration of assessments.

BY repealing and reenacting, with amendments,

Article – Education

Section 7–203(b)(3)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – Education

Section 7–203.3

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

7–203.

(b) (3) (i) After the 2014–2015 school year, the State Board shall determine whether the assessments at the middle school and high school levels required under paragraph (2)(iii)3 of this subsection adequately measure the skills and knowledge set forth in the State’s adopted curricula for the core content areas of reading, language, mathematics, science, and social studies.

(ii) If the State Board makes a determination under subparagraph (i) of this paragraph that an assessment does not adequately measure the skills and knowledge set forth in the State’s adopted curricula for a core content area, the Department shall develop a State–specific assessment in that core content area to be implemented in the [2016–2017] 2018–2019 school year.

7–203.3.

(A) (1) IN THIS SECTION, “ASSESSMENT” MEANS A LOCALLY, STATE, OR FEDERALLY MANDATED TEST THAT IS INTENDED TO MEASURE A STUDENT’S ACADEMIC READINESS, LEARNING PROGRESS, AND SKILL ACQUISITION.

(2) “ASSESSMENT” DOES NOT INCLUDE A TEACHER–DEVELOPED QUIZ OR TEST.

(B) THIS SECTION DOES NOT APPLY TO AN ASSESSMENT OR TEST GIVEN TO A STUDENT RELATING TO:

(1) A STUDENT’S 504 PLAN;

(2) THE FEDERAL INDIVIDUALS WITH DISABILITIES EDUCATION ACT, 20 U.S.C. 1400; OR

(3) FEDERAL LAW RELATING TO ENGLISH LANGUAGE LEARNERS.

~~(A)~~ (C) FOR EACH ASSESSMENT ADMINISTERED IN A LOCAL SCHOOL SYSTEM, EACH COUNTY BOARD SHALL PROVIDE THE FOLLOWING INFORMATION:

(1) THE TITLE OF THE ASSESSMENT;

(2) THE PURPOSE OF THE ASSESSMENT;

(3) WHETHER THE ASSESSMENT IS MANDATED BY A LOCAL, STATE, OR FEDERAL ENTITY;

(4) THE GRADE LEVEL OR SUBJECT AREA, AS APPROPRIATE, TO WHICH THE TEST IS ADMINISTERED;

(5) THE TESTING WINDOW OF THE ASSESSMENT; AND

(6) WHETHER ACCOMMODATIONS ARE AVAILABLE FOR STUDENTS WITH SPECIAL NEEDS AND WHAT THE ACCOMMODATIONS ARE.

~~(B)~~ (D) ON OR BEFORE OCTOBER 15 OF EACH YEAR, THE INFORMATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE:

(1) UPDATED;

(2) POSTED ON THE WEB SITE OF THE COUNTY BOARD; AND

(3) INCLUDED IN THE ANNUAL UPDATE OF THE COUNTY BOARD'S MASTER PLAN REQUIRED UNDER § 5-401 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 536 – *Office of Cemetery Oversight – Perpetual Care Trust Funds – Report Submission Requirements*.

This bill increases from 120 to 150 days the time period within which a sole proprietor registered cemeterian, specified permit holders, or specified other persons subject to specified perpetual care trust requirements are required to submit a specified report regarding a specified perpetual care trust fund to the Director of the Office of Cemetery Oversight.

House Bill 555, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 536.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 536

AN ACT concerning

Office of Cemetery Oversight – Perpetual Care Trust Funds – Report Submission Requirement

FOR the purpose of altering the time period within which a sole proprietor registered cemeterian, certain permit holders, or certain other persons subject to certain perpetual care trust requirements are required to submit a certain report regarding a certain perpetual care trust fund to the Director of the Office of Cemetery Oversight; and generally relating to perpetual care trust funds and the Office of Cemetery Oversight.

BY repealing and reenacting, without amendments,
Article – Business Regulation
Section 5–603(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 5–606
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

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

Article – Business Regulation

5–603.

(b) (1) Each sole proprietor registered cemeterian, permit holder, or any other person subject to the registration or permit provisions of this title who sells or offers to sell to the public a burial lot or burial right in a cemetery as to which perpetual care is stated or implied shall have a perpetual care trust fund.

(2) A separate perpetual care trust fund shall be established for each cemetery to which this section applies.

(3) On the general price list, contract of sale of burial space, and any conveyance documents, all cemeteries subject to the provisions of this subtitle shall state in writing the following using 12 point or larger type font:

(i) “The cemetery is a perpetual care cemetery.”; or

(ii) “The cemetery is not a perpetual care cemetery.”

(4) A cemetery created in the State after October 1, 2001, that is not exempt under § 5–602 of this subtitle shall be required to establish a perpetual care trust fund.

5–606.

(a) (1) Each sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle shall keep detailed records of all sales of burial lots or burial rights in a cemetery and money received.

(2) The records of each sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle and of each trustee appointed by the sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle are subject to examination by:

(i) the Director;

(ii) the Attorney General or an authorized representative of the Attorney General; and

(iii) the State’s Attorney for the county where the cemetery owner does business or where the cemetery is located.

(b) (1) Each sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle shall submit a report to the Director within [120] **150** days after the close of each calendar or other fiscal year chosen by the sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle.

(2) The report shall:

(i) be on the form that the Director requires;

(ii) be certified as to correctness by a certified public accountant retained by the cemetery;

(iii) be accompanied by a trustee’s annual summary statement of assets for the reporting period that includes:

1. the amount of money in the perpetual care trust fund at the beginning of the reporting period;

2. an investment portfolio summary describing the asset and the market value for each investment class;

3. a transaction summary of the perpetual care trust fund containing:
- A. trust account earnings, including interest, dividends, and realized gains or losses;
 - B. money deposited;
 - C. total receipts;
 - D. administrative expenses;
 - E. disbursements of income for cemetery care, maintenance, administration, and embellishment;
 - F. other disbursements; and
 - G. total disbursements; and
4. the amount of money in the perpetual care trust fund at the end of the reporting period;
- (iv) be accompanied by a fee of \$25; and
 - (v) include:
 - 1. the name of the sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle;
 - 2. each location of the sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle;
 - 3. the amount of money in each perpetual care trust fund at the beginning of the calendar or other fiscal year chosen by the sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle;
 - 4. the amount of money that the sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle received during that year that is subject to the trust requirements of this subtitle;
 - 5. the amount of money actually deposited into each perpetual care trust fund in that year;

6. the amount of money spent during that year to provide care, maintenance, administration, and embellishment of each cemetery, except for money used for the care of monuments and memorials; and

7. the name and address of each trustee.

(3) If the Director determines, after a review of the report and annual summary statement of assets required by this subsection, that additional documentation is required, a sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle shall provide the additional documentation to the Director.

(4) A sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle who stops selling burial lots or burial rights in a cemetery as to which perpetual care is stated or implied shall notify the Director in the required report for the year in which sales stop.

(5) The Director may require a sole proprietor registered cemeterian, permit holder, or any other person subject to the trust requirements of this subtitle to correct any underfunding, including interest, due to the perpetual care trust fund.

(c) The Director may adopt regulations:

(1) to administer subsection (b) of this section; and

(2) for determining whether registered cemeterians, permit holders, or any other person subject to the trust requirements of this subtitle are complying with this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 537 – *Department of Health and Mental Hygiene – Prescription Drug Monitoring Program – Modifications*.

This bill requires that specified authorized providers be registered with the Prescription Drug Monitoring Program before obtaining a new or renewal controlled dangerous substance registration, requires that specified prescribers be registered with the Program before obtaining a new or renewal registration or by July 1, 2017, whichever is sooner, and authorizes the Secretary of Health and Mental Hygiene to identify and publish a list of monitored prescription drugs with a low potential for abuse.

House Bill 437, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 537.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 537

AN ACT concerning

Department of Health and Mental Hygiene – Prescription Drug Monitoring Program – Modifications

FOR the purpose of requiring that certain authorized providers ~~and prescribers~~ be registered with the Prescription Drug Monitoring Program before obtaining a certain new or renewal registration ~~or by a certain date, whichever is sooner~~; requiring that certain prescribers be registered with the Program before obtaining a certain new or renewal registration or by a certain date, whichever is sooner; requiring that certain pharmacists be registered with the Program by a certain date; requiring a prescriber and a pharmacist to complete a certain course of instruction before registering with the Program; altering the mission of the Program; authorizing the Secretary of Health and Mental Hygiene to identify and publish a list of certain monitored prescription drugs; requiring the Secretary, in consultation with the Maryland Health Care Commission and the Advisory Board on Prescription Drug Monitoring, to educate pharmacists, prescriber delegates, and pharmacist delegates about the purpose and operation of the Program; requiring certain regulations adopted by the Secretary to specify a certain frequency for dispensers to submit certain information; ~~altering~~ repealing a requirement that certain regulations adopted by the Secretary specify that a prescriber or dispenser is not required or obligated to access or use certain prescription monitoring data ~~to instead require the regulations to specify the circumstances under which a prescriber or a pharmacist is required to request prescription monitoring data from the Program~~; requiring that certain regulations adopted by the Secretary specify a process for the Program's review of prescription monitoring data and reporting of a possible violation of law or possible breach of professional standards; requiring certain prescribers ~~and pharmacists~~ to request and assess certain prescription monitoring data under certain circumstances; requiring a certain prescriber to document certain information in a patient's medical records under certain circumstances; authorizing a certain prescriber or pharmacist to

authorize a prescriber delegate or pharmacist delegate to request prescription monitoring data on behalf of the prescriber or pharmacist under certain circumstances; specifying the circumstances under which certain prescribers ~~and pharmacists~~ are not required to request prescription monitoring data from the Program or to comply with certain provisions of this Act; requiring certain prescribers ~~and pharmacists~~ who do not access prescription monitoring data to take certain actions; requiring a pharmacist or pharmacist delegate to request prescription monitoring data before dispensing a monitored prescription drug under certain circumstances and for a certain purpose; providing that a pharmacist shall have the responsibility described in a certain federal regulation; authorizing the Secretary to adopt regulations regarding certain exemptions; requiring, instead of authorizing, the Program to review prescription monitoring data for signs of certain misuse or abuse and requiring, instead of authorizing, the Program to report the possible misuse or abuse to a certain prescriber or pharmacist; requiring authorizing, instead of requiring, the Program to obtain from a certain technical advisory committee certain guidance and interpretation of certain data; authorizing the Program to review prescription monitoring data for indications of a possible violation of law or a possible breach of professional standards by a prescriber or a pharmacist dispenser; requiring authorizing the Program to provide certain notification and information education under certain circumstances; requiring the Program to obtain certain guidance and certain interpretation of certain data before providing certain notification of certain possible violations; authorizing the Program, under certain circumstances, to request that a certain technical advisory committee review certain requests and provide certain clinical guidance; requiring the Program, in consultation with the Advisory Board on Prescription Drug Monitoring, to consider certain policies and procedures; altering the information that the Advisory Board on Prescription Drug Monitoring must report annually to the Governor and the General Assembly; altering the purpose and membership of a certain technical advisory committee; altering a certain immunity from liability or disciplinary action arising solely from certain actions; providing that prescribers, prescriber delegates, pharmacists, and pharmacist delegates shall be subject to disciplinary action by the appropriate licensing entity for certain violations; providing that a release of prescription monitoring data by a prescriber delegate, pharmacist, or pharmacist delegate under certain circumstances is not a violation of certain provisions of law; requiring the Department of Health and Mental Hygiene to report to certain committees, on or before certain dates, regarding the ongoing implementation and use of the Program; requiring the Department to report to certain committees, on or before a certain date, on certain matters, for a certain purpose; requiring the Department to develop and implement a certain plan; making certain provisions of this Act subject to certain contingencies; requiring the Secretary to give certain notice to the Department of Legislative Services and certain committees of the General Assembly within a certain time period after the Secretary makes a determination that certain contingencies have been satisfied; providing that certain provisions of this Act shall be null and void under certain circumstances; altering certain definitions; defining certain terms; making certain technical corrections; and generally relating to the Prescription Drug Monitoring Program.

BY repealing and reenacting, with amendments,
 Article – Criminal Law
 Section 5–304
 Annotated Code of Maryland
 (2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
 Article – Health – General
 Section 21–2A–01(a), (e), and (f), 21–2A–02(c), and 21–2A–03(a)
 Annotated Code of Maryland
 (2015 Replacement Volume)

BY repealing and reenacting, with amendments,
 Article – Health – General
 Section 21–2A–01(d), (g), (h), (i), (j), and (k), 21–2A–02(b), 21–2A–03(b) and (e),
 21–2A–04, 21–2A–05(f)(3)(i) and (ii), 21–2A–06, 21–2A–07(b) and (c),
 21–2A–08(b), and 21–2A–09
 Annotated Code of Maryland
 (2015 Replacement Volume)

BY adding to
 Article – Health – General
 Section 21–2A–01(h), (i), (k), (o), and (p), 21–2A–04.1, ~~and~~ 21–2A–04.2, and
21–2A–04.3
 Annotated Code of Maryland
 (2015 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 21–2A–09(b)(3)
Annotated Code of Maryland
(2015 Replacement Volume)
(As enacted by Section 4 of this Act)

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

Article – Criminal Law

5–304.

(a) If an authorized provider is authorized to dispense or conduct research under State law, the Department shall register the authorized provider to dispense a controlled dangerous substance or to conduct research with a controlled dangerous substance listed in Schedule II through Schedule V.

(B) AN AUTHORIZED PROVIDER WHO PRESCRIBES A CONTROLLED DANGEROUS SUBSTANCE LISTED IN SCHEDULE II THROUGH SCHEDULE V SHALL BE REGISTERED WITH THE PRESCRIPTION DRUG MONITORING PROGRAM DESCRIBED IN TITLE 21, SUBTITLE 2A OF THE HEALTH – GENERAL ARTICLE BEFORE OBTAINING A NEW OR RENEWAL REGISTRATION WITH THE DEPARTMENT UNDER SUBSECTION (A) OF THIS SECTION ~~OR BY JULY 1, 2017, WHICHEVER IS SOONER.~~

[(b)] (C) The Department need not require separate registration under this section for an authorized provider who is:

- (1) engaged in research with a nonnarcotic controlled dangerous substance in Schedule II through Schedule V; and
- (2) already registered under this subtitle in another capacity.

[(c)] (D) An authorized provider may conduct research in the State with a controlled dangerous substance listed in Schedule I if the authorized provider is registered under federal law to conduct research with a controlled dangerous substance listed in Schedule I and gives evidence of the registration to the Department.

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

Article – Health – General

21–2A–01.

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

(d) (1) “Dispenser” means a person authorized by law to dispense a monitored prescription drug to a patient or the patient’s agent in the State.

(2) “Dispenser” includes a nonresident pharmacy.

(3) “Dispenser” does not include:

(i) A licensed hospital pharmacy that only dispenses a monitored prescription drug for direct administration to an inpatient of the hospital;

(ii) An opioid [maintenance] **TREATMENT SERVICES** program;

(iii) A veterinarian licensed under Title 2, Subtitle 3 of the Agriculture Article when prescribing controlled substances for animals in the usual course of providing professional services;

(iv) A pharmacy issued a waiver permit under COMAR 10.34.17.03 that provides pharmaceutical specialty services exclusively to persons living in assisted living facilities, comprehensive care facilities, and developmental disabilities facilities; and

(v) A pharmacy that:

1. Dispenses medications to an inpatient hospice; and
2. Has been granted a waiver under § 21–2A–03(f) of this subtitle.

(e) “Licensing entity” means an entity authorized under the Health Occupations Article to license, regulate, or discipline a prescriber or dispenser.

(f) “Monitored prescription drug” means a prescription drug that contains a Schedule II, Schedule III, Schedule IV, or Schedule V controlled dangerous substance designated under Title 5, Subtitle 4 of the Criminal Law Article.

(g) “Opioid [maintenance] **TREATMENT SERVICES** program” means a program that:

(1) Is certified **IN ACCORDANCE WITH § 8–401 OF THIS ARTICLE OR LICENSED** by the State under [§ 8–404] **§ 7.5–401** of this article;

(2) Is authorized to treat patients with opioid dependence with a medication approved by the federal Food and Drug Administration for opioid dependence;

(3) Complies with:

(i) The Code of Federal Regulations 42, Part 8;

(ii) COMAR 10.47.02.11; and

(iii) Requirements for the secure storage and accounting of opioid medication imposed by the federal Drug Enforcement Administration and the State Division of Drug Control; and

(4) Has been granted a certification for operation by the Department, the federal Substance Abuse and Mental Health Services Administration, and the federal Center for Substance Abuse Treatment.

(H) “PHARMACIST” MEANS AN INDIVIDUAL WHO IS LICENSED UNDER TITLE 12 OF THE HEALTH OCCUPATIONS ARTICLE TO DISPENSE A MONITORED PRESCRIPTION DRUG.

(I) “PHARMACIST DELEGATE” MEANS AN INDIVIDUAL WHO IS:

(1) AUTHORIZED BY A REGISTERED PHARMACIST TO REQUEST OR ACCESS PRESCRIPTION MONITORING DATA; AND

(2) EMPLOYED BY OR UNDER CONTRACT WITH THE SAME PROFESSIONAL PRACTICE AS THE REGISTERED PHARMACIST.

[(h)] (J) “Prescriber” means a licensed health care professional authorized by law to prescribe a monitored prescription drug.

(K) “PRESCRIBER DELEGATE” MEANS AN INDIVIDUAL WHO IS:

(1) AUTHORIZED BY A REGISTERED PRESCRIBER TO REQUEST OR ACCESS PRESCRIPTION MONITORING DATA; AND

(2) EMPLOYED BY OR UNDER CONTRACT WITH THE SAME PROFESSIONAL PRACTICE AS THE PRESCRIBER.

[(i)] (L) “Prescription drug” has the meaning stated in § 21–201 of this title.

[(j)] (M) “Prescription monitoring data” means the information submitted to the Program for a monitored prescription drug.

[(k)] (N) “Program” means the Prescription Drug Monitoring Program established under this subtitle.

(O) “REGISTERED” MEANS REGISTERED WITH THE PROGRAM TO REQUEST OR ACCESS PRESCRIPTION MONITORING DATA FOR CLINICAL USE.

(P) “TERMINAL ILLNESS” MEANS A MEDICAL CONDITION THAT, WITHIN REASONABLE MEDICAL JUDGMENT, INVOLVES A PROGNOSIS FOR A PATIENT THAT LIKELY WILL RESULT IN THE PATIENT’S DEATH WITHIN 6 MONTHS.

21–2A–02.

(b) The mission of the Program is to:

(1) Assist prescribers, [dispensers] PHARMACISTS, and public health professionals in:

(i) The identification and prevention of prescription drug abuse; and

(ii) The identification and investigation of unlawful prescription drug diversion; and

(2) Promote a balanced use of prescription monitoring data to assist appropriate law enforcement activities while preserving the professional practice of health care providers and the access of patients to optimal pharmaceutical care.

(c) To carry out its mission, the Program shall monitor the prescribing and dispensing of all Schedule II, Schedule III, Schedule IV, and Schedule V controlled dangerous substances by all prescribers and dispensers in the State.

21–2A–03.

(a) The Department shall implement the Program, subject to the availability of funds.

(b) The Secretary may:

(1) Assign responsibility for the operation of the Program to any unit in the Department; [and]

(2) Contract with any qualified person for the efficient and economical operation of the Program; AND

(3) IDENTIFY AND PUBLISH A LIST OF MONITORED PRESCRIPTION DRUGS THAT HAVE A LOW POTENTIAL FOR ABUSE BY INDIVIDUALS.

(e) The Secretary, in consultation with the Maryland Health Care Commission and the Board, shall:

(1) Determine the appropriate technology to support the operation of the Program; and

(2) Educate dispensers, prescribers, **PHARMACISTS, PRESCRIBER DELEGATES, PHARMACIST DELEGATES**, and consumers about the purpose and operation of the Program.

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 INFORMATION BE SUBMITTED BY DISPENSERS ONCE EVERY 24 HOURS;

~~(3)~~ **(4)** 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] THE CIRCUMSTANCES UNDER WHICH A PRESCRIBER OR PHARMACIST IS REQUIRED TO REQUEST PRESCRIPTION MONITORING DATA FROM THE PROGRAM, AS PROVIDED UNDER § 21-2A-04.2 OF THIS SUBTITLE;~~

(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]:

(I) POSSIBLE misuse or abuse of a monitored prescription drug under § 21-2A-06(c) of this subtitle; **OR**

(II) A POSSIBLE VIOLATION OF LAW OR POSSIBLE BREACH OF PROFESSIONAL STANDARDS UNDER § 21-2A-06(D) OF THIS SUBTITLE;

(8) Establish requirements for Program retention of prescription monitoring data for 3 years; and

(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-04.1.

(A) A PRESCRIBER SHALL BE REGISTERED WITH THE PROGRAM BEFORE OBTAINING A NEW OR RENEWAL REGISTRATION WITH THE DEPARTMENT UNDER § 5-304(A) OF THE CRIMINAL LAW ARTICLE OR BY JULY 1, 2017, WHICHEVER IS SOONER.

(B) A PHARMACIST SHALL BE REGISTERED WITH THE PROGRAM BY JULY 1, 2017.

(C) BEFORE REGISTERING WITH THE PROGRAM, A PRESCRIBER AND A PHARMACIST SHALL COMPLETE A COURSE OF INSTRUCTION AND TRAINING DEVELOPED BY THE DEPARTMENT, ~~DEVELOPED IN COOPERATION WITH THE DEPARTMENT, ABOUT:~~

~~(1) HOW TO USE THE PROGRAM; AND~~

~~(2) SIGNS OF POSSIBLE MISUSE OR ABUSE OF CONTROLLED DANGEROUS SUBSTANCES INCLUDING THE EFFECTIVE USE OF THE PROGRAM.~~

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

Article – Health – General

21-2A-04.2.

(A) (1) BEGINNING JULY 1, 2018, A PRESCRIBER ~~OR PHARMACIST:~~

(I) SHALL REQUEST AT LEAST THE PRIOR ~~12~~ 4 MONTHS OF PRESCRIPTION MONITORING DATA FOR A PATIENT BEFORE INITIATING A COURSE OF TREATMENT FOR THE PATIENT THAT INCLUDES PRESCRIBING OR DISPENSING AN OPIOID OR A BENZODIAZEPINE;

(II) SHALL, IF A PATIENT'S COURSE OF TREATMENT CONTINUES TO INCLUDE PRESCRIBING OR DISPENSING AN OPIOID OR A BENZODIAZEPINE FOR MORE THAN 90 DAYS AFTER THE INITIAL REQUEST FOR PRESCRIPTION MONITORING DATA, REQUEST PRESCRIPTION MONITORING DATA FOR THE PATIENT AT LEAST EVERY 90 DAYS UNTIL THE COURSE OF TREATMENT HAS ENDED; AND

(III) SHALL ASSESS PRESCRIPTION MONITORING DATA REQUESTED FROM THE PROGRAM BEFORE DECIDING WHETHER TO PRESCRIBE OR DISPENSE OR CONTINUE PRESCRIBING OR DISPENSING AN OPIOID OR A BENZODIAZEPINE.

(2) IF A PRESCRIBER DECIDES TO PRESCRIBE OR CONTINUE TO PRESCRIBE AN OPIOID OR A BENZODIAZEPINE AFTER REQUESTING PRESCRIPTION MONITORING DATA FROM THE PROGRAM AND ASSESSING THE PRESCRIPTION MONITORING DATA, THE PRESCRIBER SHALL DOCUMENT IN THE PATIENT'S MEDICAL RECORD THAT THE PRESCRIPTION MONITORING DATA WAS REQUESTED AND ASSESSED.

~~(B) A PRESCRIBER OR PHARMACIST MAY AUTHORIZE A PRESCRIBER DELEGATE OR PHARMACIST DELEGATE TO REQUEST PRESCRIPTION MONITORING DATA ON BEHALF OF THE PRESCRIBER OR PHARMACIST IF:~~

~~(1) THE PRESCRIBER OR PHARMACIST TAKES REASONABLE STEPS TO ENSURE THAT THE PRESCRIBER DELEGATE OR PHARMACIST DELEGATE IS COMPETENT IN THE USE OF THE PROGRAM;~~

~~(2) THE PRESCRIBER OR PHARMACIST REMAINS RESPONSIBLE FOR:~~

~~(I) ENSURING THAT ACCESS TO THE PROGRAM BY THE PRESCRIBER DELEGATE OR PHARMACIST DELEGATE IS LIMITED TO PURPOSES AUTHORIZED BY LAW;~~

~~(II) PROTECTING THE CONFIDENTIALITY OF THE PRESCRIPTION MONITORING DATA; AND~~

~~(III) ANY BREACH OF CONFIDENTIALITY BY THE PRESCRIBER DELEGATE OR PHARMACIST DELEGATE; AND~~

~~(3) THE DECISION WHETHER TO PRESCRIBE OR DISPENSE A MONITORED PRESCRIPTION DRUG FOR A PATIENT:~~

~~(I) REMAINS WITH THE PRESCRIBER OR PHARMACIST; AND~~

~~(II) IS REASONABLY INFORMED BY THE PRESCRIPTION MONITORING DATA OBTAINED FROM THE PROGRAM.~~

~~(C) (B) A PRESCRIBER OR PHARMACIST IS NOT REQUIRED TO REQUEST PRESCRIPTION MONITORING DATA FROM THE PROGRAM IF THE OPIOID OR BENZODIAZEPINE IS PRESCRIBED OR DISPENSED TO AN INDIVIDUAL:~~

(1) IN AN AMOUNT INDICATED FOR A PERIOD NOT TO EXCEED ~~7~~ 3 DAYS;

(2) FOR THE TREATMENT OF CANCER OR ~~ANOTHER CONDITION ASSOCIATED WITH CANCER~~ CANCER-RELATED PAIN;

(3) WHO IS:

~~(I) A PATIENT TREATED AT AN INSTITUTION OF POSTSECONDARY EDUCATION TO THE EXTENT THAT IT PROVIDES INSTRUCTION TO INDIVIDUALS PREPARING TO PRACTICE AS PHYSICIANS, PODIATRISTS, DENTISTS, NURSES, PHYSICIAN ASSISTANTS, OPTOMETRISTS, OR VETERINARIANS;~~

~~(H) A PATIENT AT A RECEIVING TREATMENT IN AN INPATIENT UNIT OF A HOSPITAL, INCLUDING ANY:~~

~~1. OUTPATIENT FACILITY;~~

~~2. CLINIC OF A HOSPITAL; OR~~

~~3. OFFICE OF A HOSPITAL EMPLOYED HEALTH CARE PRACTITIONER, TO THE EXTENT THAT THE HEALTH CARE PRACTITIONER PRACTICES AT THE OFFICE AS A HOSPITAL EMPLOYEE;~~

~~(HH) (II) 1. A PATIENT AT A HOSPICE CARE FACILITY LICENSED UNDER TITLE 19, SUBTITLE 9 IN A GENERAL HOSPICE CARE PROGRAM AS DEFINED IN § 19-901 OF THIS ARTICLE; OR~~

2. ANY OTHER PATIENT DIAGNOSED WITH A TERMINAL ILLNESS;

~~(IV) (III) A PATIENT AT A FACILITY MAINTAINED OR OPERATED BY THE STATE;~~

~~(V) A PATIENT AT A NURSING FACILITY LICENSED UNDER TITLE 19, SUBTITLE 3 OF THIS ARTICLE;~~

~~(VI) A PATIENT AT A CLINIC MAINTAINED OR OPERATED BY THE FEDERAL GOVERNMENT; OR~~

~~(VII) A PATIENT AT A CLINIC, FACILITY, OR PRACTICE AT WHICH THE USE OF OPIOIDS OR BENZODIAZEPINES FOR A MAJORITY OF THE PATIENTS IS~~

~~FOR TREATMENT FOR PAIN IMMEDIATELY BEFORE, DURING, AND NOT MORE THAN 14 DAYS AFTER SURGERY WHO RESIDES IN:~~

1. AN ASSISTED LIVING FACILITY;
2. A LONG-TERM CARE FACILITY;
3. A COMPREHENSIVE CARE FACILITY; OR
4. A DEVELOPMENTAL DISABILITIES FACILITY; OR

(4) TO TREAT OR PREVENT ACUTE PAIN RESULTING FROM A SURGICAL OR OTHER INVASIVE PROCEDURE OR CHILDBIRTH FOR A PERIOD OF NOT MORE THAN 14 DAYS FOLLOWING:

(I) A SURGICAL PROCEDURE IN WHICH GENERAL ANESTHESIA WAS USED;

(II) A FRACTURE;

(III) SIGNIFICANT TRAUMA; OR

(IV) CHILDBIRTH.

~~(D)~~ (C) A PRESCRIBER ~~OR PHARMACIST~~ MAY NOT BE REQUIRED TO COMPLY WITH THE PROVISIONS OF THIS SECTION WHEN:

(1) PRESCRIBING OR DISPENSING AN OPIOID OR A BENZODIAZEPINE DRUG THAT HAS BEEN LISTED BY THE SECRETARY UNDER § 21-2A-03(B)(3) OF THIS SUBTITLE AS HAVING A LOW POTENTIAL FOR ABUSE;

(2) ACCESSING PRESCRIPTION MONITORING DATA WOULD RESULT IN A DELAY IN THE TREATMENT OF A PATIENT THAT WOULD NEGATIVELY IMPACT THE MEDICAL CONDITION OF THE PATIENT;

(3) ELECTRONIC ACCESS TO PRESCRIPTION MONITORING DATA IS NOT OPERATIONAL AS DETERMINED BY THE DEPARTMENT; OR

(4) PRESCRIPTION MONITORING DATA CANNOT BE ACCESSED BY THE PRESCRIBER ~~OR PHARMACIST~~ DUE TO A TEMPORARY TECHNOLOGICAL OR ELECTRICAL FAILURE, ~~AS DESCRIBED IN REGULATION.~~

~~(E)~~ (D) IF A PRESCRIBER ~~OR PHARMACIST~~ DOES NOT ACCESS PRESCRIPTION MONITORING DATA FOR ANY OF THE REASONS PROVIDED UNDER SUBSECTION ~~(D)(2)~~ (C)(2), (3), OR (4) OF THIS SECTION:

(1) THE PRESCRIBER ~~OR PHARMACIST~~ SHALL USE REASONABLE MEDICAL JUDGMENT IN DETERMINING WHETHER TO PRESCRIBE OR DISPENSE AN OPIOID OR A BENZODIAZEPINE; AND

(2) THE PRESCRIBER SHALL ENTER AN APPROPRIATE RECORD IN THE PATIENT'S MEDICAL CHART, INCLUDING THE REASON WHY PRESCRIPTION MONITORING DATA WAS NOT ACCESSED.

(E) IF A PHARMACIST OR PHARMACIST DELEGATE HAS A REASONABLE BELIEF THAT A PATIENT MAY BE SEEKING A MONITORED PRESCRIPTION DRUG FOR ANY PURPOSE OTHER THAN THE TREATMENT OF AN EXISTING MEDICAL CONDITION:

(1) BEFORE DISPENSING A MONITORED PRESCRIPTION DRUG TO THE PATIENT, THE PHARMACIST OR PHARMACIST DELEGATE SHALL REQUEST PRESCRIPTION MONITORING DATA TO DETERMINE IF THE PATIENT HAS RECEIVED OTHER PRESCRIPTIONS THAT INDICATE MISUSE, ABUSE, OR DIVERSION OF A MONITORED PRESCRIPTION DRUG; AND

(2) THE PHARMACIST SHALL HAVE THE RESPONSIBILITY DESCRIBED IN 21 C.F.R. § 1306.04.

(F) THE SECRETARY MAY ADOPT REGULATIONS TO PROVIDE ADDITIONAL CLINICAL, TECHNICAL, OR ADMINISTRATIVE EXEMPTIONS BASED ON NEW STANDARDS OF PRACTICE.

21-2A-09.

(b) (3) A prescriber or pharmacist who violates § 21-2A-04.1 OR § 21-2A-04.2 of this subtitle shall be subject to disciplinary action by the appropriate licensing entity.

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Health – General

21-2A-04.3.

A PRESCRIBER OR PHARMACIST MAY AUTHORIZE A PRESCRIBER DELEGATE OR PHARMACIST DELEGATE TO REQUEST PRESCRIPTION MONITORING DATA ON BEHALF OF THE PRESCRIBER OR PHARMACIST IF:

(1) THE PRESCRIBER OR PHARMACIST TAKES REASONABLE STEPS TO ENSURE THAT THE PRESCRIBER DELEGATE OR PHARMACIST DELEGATE IS COMPETENT IN THE USE OF THE PROGRAM;

(2) THE PRESCRIBER OR PHARMACIST REMAINS RESPONSIBLE FOR:

(i) ENSURING THAT ACCESS TO THE PROGRAM BY THE PRESCRIBER DELEGATE OR PHARMACIST DELEGATE IS LIMITED TO PURPOSES AUTHORIZED BY LAW;

(ii) PROTECTING THE CONFIDENTIALITY OF THE PRESCRIPTION MONITORING DATA; AND

(iii) ANY BREACH OF CONFIDENTIALITY BY THE PRESCRIBER DELEGATE OR PHARMACIST DELEGATE; AND

(3) THE DECISION WHETHER TO PRESCRIBE OR DISPENSE A MONITORED PRESCRIPTION DRUG FOR A PATIENT:

(i) REMAINS WITH THE PRESCRIBER OR PHARMACIST; AND

(ii) IS REASONABLY INFORMED BY THE PRESCRIPTION MONITORING DATA OBTAINED FROM THE PROGRAM.

21-2A-05.

(f) The Board shall:

(3) Provide annually to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly a report that includes:

(i) The number of prescribers **AND PRESCRIBER DELEGATES** registered with and using the Program;

(ii) The number of [dispensers] **PHARMACISTS AND PHARMACIST DELEGATES** registered with and using the Program;

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), (c), **(D)**, and **[(e)] (F)** 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) The State Board of Physicians, on issuance of an administrative subpoena voted on by a quorum of a disciplinary panel, as defined in § 14–101 of the Health Occupations Article, for the purposes of furthering an existing bona fide investigation of an individual;

(5) A licensing entity other than the State Board of Physicians, 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;

(6) A rehabilitation program under a health occupations board, on issuance of an administrative subpoena;

(7) A patient with respect to prescription monitoring data about the patient;

(8) Subject to subsection **[(h)] (I)** of this section, the authorized administrator of another state's prescription drug monitoring program;

(9) 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;

(10) The technical advisory committee established under § 21–2A–07 of this subtitle for the purposes set forth in subsections (c) ~~and, (d)~~, **AND (E)** of this section; or

(11) The following entities, on approval of the Secretary and for the purpose of furthering an existing bona fide individual case review:

(i) The State Child Fatality Review Team or a local child fatality review team established under Title 5, Subtitle 7 of this article, on request from the chair of the State or local team;

(ii) A local drug overdose fatality review team established under § 5–902 of this article, on request from the chair of the local team;

(iii) The Maternal Mortality Review Program established under § 13–1203 of this article, on request from the Program; and

(iv) A medical review committee described in § 1–401(b)(3) of the Health Occupations Article, on request from the committee.

(c) (1) In accordance with regulations adopted by the Secretary:

(i) The Program ~~{may}~~ **SHALL** 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}~~ **SHALL** report the possible misuse or abuse to the prescriber ~~{or dispenser}~~ of the monitored prescription drug ~~OR THE PHARMACIST WHO DISPENSED 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~~ **MAY** 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.

(D) (1) IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE SECRETARY, THE PROGRAM ~~SHALL~~ MAY REVIEW PRESCRIPTION MONITORING DATA FOR INDICATIONS OF A POSSIBLE VIOLATION OF LAW OR A POSSIBLE BREACH OF PROFESSIONAL STANDARDS BY A PRESCRIBER OR A ~~PHARMACIST~~ DISPENSER.

(2) ~~IF~~ SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, IF THE PROGRAM'S REVIEW INDICATES A POSSIBLE VIOLATION OF LAW OR A POSSIBLE BREACH OF PROFESSIONAL STANDARDS BY A PRESCRIBER OR A PHARMACIST DISPENSER, THE PROGRAM SHALL MAY:

(I) ~~NOTIFY THE APPROPRIATE LICENSING ENTITY OR LAW ENFORCEMENT AGENCY~~ PRESCRIBER OR DISPENSER OF THE POSSIBLE VIOLATION OF LAW OR POSSIBLE BREACH OF PROFESSIONAL STANDARDS; AND

(II) ~~PROVIDE INFORMATION NECESSARY TO THE LICENSING ENTITY OR LAW ENFORCEMENT AGENCY TO CARRY OUT AN INVESTIGATION~~ EDUCATION TO THE PRESCRIBER OR DISPENSER.

(3) BEFORE THE PROGRAM PROVIDES NOTIFICATION OF A POSSIBLE VIOLATION OF LAW OR A POSSIBLE BREACH OF PROFESSIONAL STANDARDS TO A PRESCRIBER OR A DISPENSER, THE PROGRAM SHALL OBTAIN FROM THE TECHNICAL ADVISORY COMMITTEE:

(I) CLINICAL GUIDANCE REGARDING INDICATIONS OF A POSSIBLE VIOLATION OF LAW OR A POSSIBLE BREACH OF PROFESSIONAL STANDARDS; AND

(II) INTERPRETATION OF THE PRESCRIPTION MONITORING DATA THAT INDICATES A POSSIBLE VIOLATION OF LAW OR A POSSIBLE BREACH OF PROFESSIONAL STANDARDS.

[(d)] (E) (1) Before the Program discloses information under subsection (b)(3), (4), (5), [(7), or (8)] **(6), (8), OR (9) of this section, THE PROGRAM MAY REQUEST THAT the technical advisory committee ~~shall~~.**

(i) Review the requests for information;

(ii) 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

(iii) Provide clinical guidance and interpretation of the information requested to the authorized recipient of the information.

(2) ~~Notwithstanding paragraph (1) of this subsection, the Program may disclose information to the authorized administrator of another state's prescription drug monitoring program for disclosure to the persons listed in subsection (b)(1), (2), and (6) of this section without the review, clinical guidance, and interpretation of the technical advisory committee~~ THE PROGRAM, IN CONSULTATION WITH THE BOARD, SHALL CONSIDER POLICIES AND PROCEDURES FOR DETERMINING THE CIRCUMSTANCES IN

WHICH THE REVIEW OF REQUESTS FOR INFORMATION AND THE PROVISION OF CLINICAL GUIDANCE AND INTERPRETATION OF INFORMATION BY THE TECHNICAL ADVISORY COMMITTEE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS FEASIBLE AND DESIRABLE.

[(e)] (F) Except as provided by regulations adopted by the Secretary, a person who receives prescription monitoring data from the Program may not disclose the data.

[(f)] (G) (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.

[(g)] (H) 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.

[(h)] (I) 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.

[(i)] (J) 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.

[(j)] (K) 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.

[(k)] (L) Prescription monitoring data may not be used as the basis for imposing clinical practice standards.

21-2A-07.

(b) The purpose of the technical advisory committee is to:

(1) Review requests for information from the Program under § 21-2A-06(b)(3), ~~(4)~~, (5), (6), ~~(8)~~, ~~and~~ **OR** (9) 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 **OR A POSSIBLE VIOLATION OF LAW OR A POSSIBLE BREACH OF PROFESSIONAL STANDARDS BY A PRESCRIBER OR A DISPENSER** under § ~~21-2A-06(e)(2)~~ **21-2A-06(C) AND (D)** of this subtitle.

(c) The technical advisory committee consists of [the following members.] MEMBERS appointed by the Secretary, INCLUDING:

(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;

(6) TWO MEDICAL PROFESSIONALS, LICENSED AND PRACTICING IN THE STATE WITH EXPERTISE OR EXPERIENCE IN PROVIDING CARE FOR PATIENTS WITH SUBSTANCE-RELATED OR MENTAL HEALTH DISORDERS;

(7) A DENTIST LICENSED AND PRACTICING IN THE STATE; AND

(8) A MEDICAL PROFESSIONAL LICENSED AND PRACTICING IN THE STATE IN THE FIELD OF INTERNAL MEDICINE OR FAMILY PRACTICE.

21-2A-08.

(b) **[A EXCEPT AS PROVIDED IN § 21-2A-09(B)(3) OF THIS SUBTITLE, A prescriber [or dispenser], PRESCRIBER DELEGATE, PHARMACIST, OR PHARMACIST**

DELEGATE, acting in good faith, is not subject to liability or disciplinary action arising solely from:

(1) Requesting or receiving, or failing to request or receive, prescription monitoring data from the Program; or

(2) Acting, or failing to act, on the basis of prescription monitoring data provided by the Program.

21-2A-09.

(a) A dispenser who knowingly fails to submit prescription monitoring data to the Program as required under this subtitle shall be subject to a civil penalty not exceeding \$500 for each failure to submit required information.

(b) (1) A person who knowingly discloses, uses, obtains, or attempts to obtain by fraud or deceit, prescription monitoring data in violation of this subtitle shall be guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 1 year or a fine not exceeding \$10,000 or both.

(2) In addition to the penalties under paragraph (1) of this subsection, a prescriber [or dispenser], **PRESCRIBER DELEGATE, PHARMACIST, OR PHARMACIST DELEGATE** who knowingly discloses or uses prescription monitoring data in violation of this subtitle shall be subject to disciplinary action by the appropriate licensing entity.

(3) A PRESCRIBER OR PHARMACIST WHO VIOLATES § 21-2A-04.1 OR ~~§ 21-2A-04.2~~ OF THIS SUBTITLE SHALL BE SUBJECT TO DISCIPLINARY ACTION BY THE APPROPRIATE LICENSING ENTITY.

~~[(3)]~~ (4) The release of prescription monitoring data by a prescriber [or dispenser], **PRESCRIBER DELEGATE, PHARMACIST, OR PHARMACIST DELEGATE** to a licensed health care professional solely for treatment purposes in a manner otherwise consistent with State and federal law is not a violation of this subtitle.

SECTION 5. AND BE IT FURTHER ENACTED, That the Department of Health and Mental Hygiene shall report, subject to § 2-1246 of the State Government Article, to the Senate Finance Committee, the House Health and Government Operations Committee, and the Joint Committee on Behavioral Health and Opioid Use Disorders, regarding the ongoing implementation and use of the Prescription Drug Monitoring Program, including:

(1) on or before December 1, 2016:

(i) the technical capacity of the Program to analyze prescription drug monitoring data for possible violations of law and possible breaches of professional standards by a prescriber or a dispenser; and

(ii) an analysis of the possibility of reporting possible violations of law or possible breaches of professional standards by a prescriber or a dispenser to law enforcement agencies, licensing entities, or units of the Department of Health and Mental Hygiene; and

(2) on or before September 1, 2017:

(i) in consultation with the Advisory Board on Prescription Drug Monitoring, the status of the implementation of providing education and notice of a possible violation of law or a possible breach of professional standards to prescribers and dispensers, as authorized under § 21–2A–06(d) of the Health – General Article, as enacted by Section 4 of this Act; and

(ii) a recommendation on whether the authority of the Program to report possible violations of law or possible breaches of professional standards should be expanded to allow reporting to law enforcement agencies, licensing boards, or units of the Department of Health and Mental Hygiene.

SECTION 6. AND BE IT FURTHER ENACTED, That, on or before November 1, 2016, the Department of Health and Mental Hygiene shall report, subject to § 2–1246 of the State Government Article, to the Joint Committee on Behavioral Health and Opioid Use Disorders on the feasibility and desirability of analyzing prescription monitoring data through the regular and ongoing use of statistical and advanced analytical techniques, including outlier detection, cluster analysis, and unsupervised data analysis techniques, for the purpose of:

(1) understanding patterns in pain management care, patient opioid use, and treatment plans;

(2) detecting possible high risk opioid behavior;

(3) improving detection of multiple provider episodes; and

(4) facilitating the sharing of information contained in State health and criminal justice records, as allowed by State and federal law, and available from interstate data sources.

SECTION 7. AND BE IT FURTHER ENACTED, That the Department of Health and Mental Hygiene shall develop and implement a plan to conduct outreach to and education of prescribers and pharmacists about the process for registering with the Prescription Drug Monitoring Program, as required by § 21–2A–04.1 of the Health – General Article, as enacted by Section 2 of this Act.

SECTION 8. AND BE IT FURTHER ENACTED, That:

(a) Section 1 of this Act is contingent on a determination by the Secretary of Health and Mental Hygiene, made in consultation with the Advisory Board on Prescription

Drug Monitoring, the Joint Committee on Behavioral Health and Opioid Use Disorders, and stakeholders, that:

(1) the requirement to register with the Prescription Drug Monitoring Program will not adversely affect or delay the issuance of a new or renewal registration by the Department of Health and Mental Hygiene under § 5–304(a) of the Criminal Law Article; and

(2) the process for obtaining a new or renewal registration from the Department of Health and Mental Hygiene under § 5–304(a) of the Criminal Law Article is capable of delivering the registrations in a timely manner.

(b) The Secretary of Health and Mental Hygiene shall notify the Department of Legislative Services and, in accordance with § 2–1246 of the State Government Article, the Senate Finance Committee and the House Health and Government Operations Committee within 5 days after the Secretary determines that the contingencies under subsection (a) of this section have been satisfied.

(c) If the notice required under subsection (b) of this section is not received by the Department of Legislative Services on or before June 30, 2022, Section 1 of this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION 9. AND BE IT FURTHER ENACTED, That:

(a) Section 3 of this Act is contingent on a determination by the Secretary of Health and Mental Hygiene, made in consultation with the Advisory Board on Prescription Drug Monitoring, the Joint Committee on Behavioral Health and Opioid Use Disorders, and stakeholders, that:

(1) the technical capabilities of the Prescription Drug Monitoring Program are sufficient to achieve a reasonable standard of access and usability by prescribers and pharmacists; and

(2) requiring a prescriber to request prescription monitoring data for a patient in accordance with § 21–2A–04.2 of the Health – General Article, as enacted by Section 3 of this Act, is important to protect public health and promote good patient care.

(b) The Secretary of Health and Mental Hygiene shall notify the Department of Legislative Services and, in accordance with § 2–1246 of the State Government Article, the Senate Finance Committee and the House Health and Government Operations Committee within 5 days after the Secretary determines that the contingencies under subsection (a) of this section have been satisfied.

(c) If the notice required under subsection (b) of this section is not received by the Department of Legislative Services on or before June 30, 2023, Section 3 of this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION ~~2~~ 10. AND BE IT FURTHER ENACTED, That, subject to Sections 8 and 9 of this Act, this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 539 – *Real Estate Brokers – Licensure Requirement – Exemption for Lawyers*.

This bill alters an exemption from the real estate broker licensure requirement for specified lawyers under specified circumstances.

House Bill 747, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 539.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 539

AN ACT concerning

Real Estate Brokers – Licensure Requirement – Exemption for Lawyers

FOR the purpose of altering an exemption from the real estate broker licensure requirement for certain lawyers under certain circumstances; and generally relating to real estate brokerage services.

BY repealing and reenacting, with amendments,
Article – Business Occupations and Professions
Section 17–301
Annotated Code of Maryland
(2010 Replacement Volume and 2015 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

17–301.

(a) (1) Except as otherwise provided in this title, an individual shall be licensed by the Commission as a real estate broker before the individual may provide real estate brokerage services in the State.

(2) Except as otherwise provided in this title, an individual shall be licensed by the Commission as an associate real estate broker or a real estate salesperson before the individual, while acting on behalf of a real estate broker, may provide real estate brokerage services in the State.

(b) A license is not required for:

(1) a financial institution, as defined in Title 1 of the Financial Institutions Article, a subsidiary or affiliate of such a financial institution, or mortgage loan institution incorporated under the laws of any state or of the United States to manage, lease, or sell any property that the institution or subsidiary or affiliate of a financial institution acquires in connection with a mortgage foreclosure or deed or assignment in lieu of foreclosure;

(2) a lawyer **AUTHORIZED TO PRACTICE LAW IN THE STATE** who:

(i) is not engaged regularly in the business of providing real estate brokerage services; [and]

(ii) does not represent to the public, by use of a sign or advertisement or otherwise, that the lawyer is in the business of providing real estate brokerage services;
AND

(III) PROVIDES REAL ESTATE BROKERAGE SERVICES WHILE REPRESENTING ANOTHER PERSON IN THE COURSE OF THE LAWYER’S REGULAR PRACTICE OF LAW;

(3) a home builder in the rental or initial sale of a home constructed by the builder;

(4) an agent of a licensed real estate broker or of an owner of real estate while managing or leasing that real estate for the real estate broker or owner;

(5) any person in negotiating the sale, lease, or other transfer of a business enterprise if the proposed transfer does not include any interest in real property other than a lease under which the business enterprise operates; or

(6) any person to subdivide and sell unimproved property owned by that person if the person meets the requirements of § 17–302 of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H–107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 540 – *Morgan State University – Student Housing*.

Senate Bill 540 represents an improper and unwarranted interference by the State legislature into what is clearly a local zoning matter in Baltimore City. Local jurisdictions must be permitted to exert authority over zoning without the threat of reversal by members of the General Assembly, the vast majority of whom have little or no understanding of the interplay among community associations in Baltimore City.

This bill would prohibit the Board of Regents of Morgan State University from entering into any contract for student housing that is located in the 1500 block of Havenwood Road in Baltimore City unless the Hillen Road Improvement Association approves. The bill also specifies conditions that must be met if the Morgan State University Board of Regents enters into such a student housing contract.

Senate Bill 540 places artificial state legislative constraints over Baltimore City zoning authority. It would remove the ability of the local authorities to enforce zoning laws and would instead give undue and wholly improper influence to one specific community association to make a determination on whether a development project should move forward.

The proposed development at Havenwood Road is an innovative public–private partnership that offers the amenities of student housing, food stores, and shopping that could spur additional economic activity adjoining the campus of Morgan State University. It is not the role of the State to micromanage such local zoning and development issues nor should the State rescind zoning authority from the local government and place it in the hands of a few members of one third–party group. If allowed to take effect, Senate Bill 540 would have serious implications for the State as a whole by undermining the local authority of municipalities and counties.

For these reasons, I have vetoed Senate Bill 540.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 540

AN ACT concerning

Morgan State University – Student Housing

FOR the purpose of prohibiting the Board of Regents of Morgan State University from entering into any contract for student housing that is located in a certain block of Havenwood Road in Baltimore City unless a certain improvement association approves; requiring the Board of Regents to give certain notice to certain committees of the General Assembly under certain circumstances; specifying certain height restrictions for certain student housing; requiring certain supervision of students who live in certain housing; requiring the Morgan State University Police and Public Safety Department to provide certain patrols of certain student housing subject to certain coordination; specifying a certain priority for certain student housing; requiring certain student housing to be converted to certain residential dwelling units under certain circumstances; requiring the developer of a certain shopping center to fulfill certain goals and employ certain individuals, to the extent practicable; and generally relating to student housing and Morgan State University.

BY repealing and reenacting, with amendments,
Article – Education
Section 14–104(g)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

14–104.

(g) (1) [Subject] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT** to any applicable State law, rule, or regulation, the Board of Regents may contract with any person to receive or provide services, research, training, or demonstrations.

(2) THE BOARD OF REGENTS MAY NOT ENTER INTO ANY CONTRACT FOR STUDENT HOUSING THAT IS LOCATED IN THE 1500 BLOCK OF HAVENWOOD ROAD IN BALTIMORE CITY UNLESS ~~THE~~:

(I) ~~THE~~ HILLEN ROAD IMPROVEMENT ASSOCIATION APPROVES; ~~AND~~

(II) ~~THE DEVELOPER EXECUTES A MEMORANDUM OF UNDERSTANDING WITH THE HILLEN ROAD IMPROVEMENT ASSOCIATION AND THE ORIGINAL NORTHWOOD COMMUNITY ASSOCIATION REGARDING DEVELOPMENT OF THE NORTHWOOD SHOPPING CENTER.~~

(3) THE MAXIMUM HEIGHT OF THE STUDENT HOUSING SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED:

~~(I) TWO STORIES ABOVE ANY RETAIL DEVELOPMENT THAT IS LOCATED ON THE SOUTH SIDE OF THE 1600 BLOCK OF ARGONNE DRIVE;~~

~~(II) FOUR STORIES ABOVE ANY RETAIL DEVELOPMENT THAT IS LOCATED ON THE NORTH SIDE OF THE 1600 BLOCK OF SHEFFIELD ROAD;~~

~~(III) TWO STORIES ABOVE ANY RETAIL DEVELOPMENT THAT IS LOCATED ON THE NORTH SIDE OF THE 1600 BLOCK OF ARGONNE DRIVE; AND~~

(I) TWO STORIES ABOVE ANY RETAIL DEVELOPMENT THAT IS LOCATED ON THE NORTH SIDE OF THE 1500 OR 1600 BLOCK OF HAVENWOOD ROAD; AND

~~(IV) (II) THREE STORIES ABOVE ANY RETAIL DEVELOPMENT THAT IS LOCATED ON THE SOUTH SIDE OF THE ~~1600~~ 1500 BLOCK OF SHEFFIELD ROAD.~~

(4) THE MANAGEMENT COMPANY OF THE STUDENT HOUSING SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION SHALL PROVIDE 24-HOUR SUPERVISION OF THE STUDENTS WHO LIVE IN THE HOUSING.

(5) (I) THE MORGAN STATE UNIVERSITY POLICE AND PUBLIC SAFETY DEPARTMENT SHALL PROVIDE 24-HOUR PATROLS OF THE STUDENT HOUSING SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION.

(II) THE MANAGEMENT COMPANY OF THE STUDENT HOUSING SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION AND THE MORGAN STATE UNIVERSITY POLICE AND PUBLIC SAFETY DEPARTMENT SHALL JOINTLY COORDINATE THE PATROLS REQUIRED UNDER THIS PARAGRAPH.

(6) PRIORITY FOR HOUSING IN THE STUDENT HOUSING SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION SHALL BE GIVEN TO STUDENTS IN THE FOLLOWING ORDER:

- (I) GRADUATE STUDENTS;**
- (II) SENIOR UNDERGRADUATE STUDENTS; ~~AND~~**
- (III) JUNIOR UNDERGRADUATE STUDENTS;**
- (IV) SOPHOMORE UNDERGRADUATE STUDENTS; AND**
- (V) FRESHMAN UNDERGRADUATE STUDENTS.**

(7) ON THE TERMINATION OF ANY CONTRACT ENTERED INTO BY THE BOARD OF REGENTS UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE HOUSING SHALL BE CONVERTED TO NONOWNER–OCCUPIED RESIDENTIAL DWELLING UNITS.

(8) TO THE EXTENT PRACTICABLE, THE DEVELOPER OF A SHOPPING CENTER LOCATED IN THE 1500 BLOCK OF HAVENWOOD ROAD IN BALTIMORE CITY SHALL:

- (I) FULFILL MINORITY BUSINESS ACCELERATOR GOALS; AND**
- (II) EMPLOY INDIVIDUALS WHO RESIDE IN THE 43RD LEGISLATIVE DISTRICT.”.**

SECTION 2. AND BE IT FURTHER ENACTED, That if the Board of Regents of Morgan State University enters into a contract for student housing in accordance with this Act, the Board of Regents shall notify the Senate Education, Health, and Environmental Affairs Committee and the House Appropriations Committee, in accordance with § 2–1246 of the State Government Article.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President

H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 561 – *Baltimore City – Alcoholic Beverages – Licenses*.

This bill establishes in Baltimore City a Class D beer license to be issued to a holder of a Class 5 brewery license and specifies that the Class D beer license authorizes the license holder to sell at retail beer brewed on the premises for on-premises consumption. The bill also reduces the minimum amount of average daily food sale receipts from 65% to 51% for a restaurant for which a Class B beer, wine and liquor license is issued, and authorizes the Board of License Commissioners to transfer a specified Class B-D-7 license to a specified location.

House Bill 1210, which was passed by the General Assembly and went into effect without my signature, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 561.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 561

AN ACT concerning

Baltimore City – Alcoholic Beverages – ~~Class C Beer, Wine, and Liquor~~ Licenses

FOR the purpose of establishing in Baltimore City a Class D beer license to be issued to a holder of a Class 5 brewery license; specifying that the Class D beer license authorizes the license holder to sell at retail beer brewed on the brewery premises for on-premises consumption; requiring the Board of License Commissioners for Baltimore City to establish hours and days of sale under the license and an annual license fee; reducing the minimum amount of average daily receipts derived from the sale of food that is required for certain restaurants for which a Class B beer, wine, and liquor license is issued; authorizing the Board of License Commissioners for Baltimore City to issue Class C beer, wine, and liquor licenses and a Class D beer license in certain locations in Baltimore City; *authorizing the Board to transfer a certain Class B-D-7 license from a certain location to a certain location*; altering the areas for which the Board may waive certain distance restrictions between a building for which a license is transferred and a place of worship or school; *altering the expiration date for certain licenses; making this Act an emergency measure*; and generally relating to ~~Class C beer, wine, and liquor~~ alcoholic beverages licenses in Baltimore City.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 12–102

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 12–604 and 12–1604(d) and (e)

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 12–1603, 12–1604(c)(2)(iv), (d), and (e), and 12–1605(a)

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B.724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

12–102.

This title applies only in Baltimore City.

12–604.

(A) THERE IS A CLASS D BEER LICENSE.

(B) THE LICENSE MAY BE ISSUED TO A HOLDER OF A CLASS 5 BREWERY LICENSE.

(C) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL AT RETAIL BEER BREWED ON THE BREWERY PREMISES FOR ON–PREMISES CONSUMPTION.

(D) THE BOARD SHALL ESTABLISH:

(1) THE HOURS AND DAYS OF SALE UNDER THE LICENSE; AND

(2) THE ANNUAL LICENSE FEE.

12–1603.

(a) The alcoholic beverages districts described in this section at all times are coterminous with the legislative districts in the Legislative Districting Plan of 2002 as ordered by the Maryland Court of Appeals on June 21, 2002.

(b) Except as provided in subsection (c) of this section, the Board may not issue a new license in:

- (1) the 40th alcoholic beverages district;
- (2) the 41st alcoholic beverages district;
- (3) the 43rd alcoholic beverages district;
- (4) the 44th alcoholic beverages district; and
- (5) the 45th alcoholic beverages district.

(c) The Board may issue:

(1) in the alcoholic beverages districts specified in subsection (b) of this section:

- (i) a 1-day license; or
- (ii) a Class B beer, wine, and liquor license to a restaurant that:

1. has a minimum capital investment, not including the cost of land and buildings, of \$200,000 for restaurant facilities; and

2. has a minimum seating capacity of 75 individuals;

(2) a Class C beer, wine, and liquor license in the 45th alcoholic beverages district; [or]

(3) a Class C beer, wine, and liquor license in ward 5, precinct 1 of the 44th alcoholic beverages district; AND

~~(4) A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF HOLLIDAY STREET IN WARD 3, PRECINCT 3 OF THE 46TH ALCOHOLIC BEVERAGES DISTRICT; OR~~

~~(5) A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF SOUTH CENTRAL AVENUE IN WARD 3, PRECINCT 3 OF THE 46TH ALCOHOLIC BEVERAGES DISTRICT;~~

~~(6) (4) A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF WEST SARATOGA STREET IN WARD 4, PRECINCT 3 OF THE 40TH ALCOHOLIC BEVERAGES DISTRICT; AND.~~

~~(7) SUBJECT TO SUBSECTION (D) OF THIS SECTION, A CLASS D BEER LICENSE FOR THE AREA IN WARD 24, PRECINCT 5 THAT IS BOUNDED BY EAST FORT AVENUE ON THE NORTH, THE CSX ACCESS WAY ON THE EAST, EAST MCCOMAS STREET ON THE SOUTH, AND WHETSTONE WAY ON THE WEST.~~

~~(D) A CLASS D BEER LICENSE MAY BE TRANSFERRED INTO THE AREA SPECIFIED UNDER SUBSECTION (C)(7) OF THIS SECTION IF ORIGINALLY ISSUED FOR ANOTHER AREA.~~

~~(D) ONE CLASS B-D-7 LICENSE ISSUED FOR A PROPERTY SURROUNDED BY MORTON STREET ON THE WEST, WEST EAGER STREET ON THE NORTH, NORTH CHARLES STREET ON THE EAST, AND WEST READ STREET ON THE SOUTH MAY BE TRANSFERRED TO A PROPERTY SURROUNDED BY 21ST STREET ON THE NORTH, MORTON STREET ON THE WEST, NORTH CHARLES STREET ON THE EAST, AND 20TH STREET ON THE SOUTH.~~

12-1604.

(c) (2) The Board may issue a Class B beer, wine, and liquor license:

(iv) for not more than three restaurants in a business planned unit development in ward 24, precinct 5, if each restaurant:

1. has a minimum capital investment of \$700,000;
2. has seating for more than 75 individuals, but not more than 150 individuals;
3. has average daily receipts from the sale of food that are at least [65%] 51% of the total daily receipts of the restaurant; and
4. except as provided in paragraph (5) of this subsection, may not sell for off-premises consumption.

(D) THE BOARD MAY ISSUE:

(1) A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF HOLLIDAY STREET IN WARD 3, PRECINCT 3;

(2) A CLASS C BEER, WINE, AND LIQUOR LICENSE IN THE 200 BLOCK OF SOUTH CENTRAL AVENUE IN WARD 3, PRECINCT 3; AND

(3) SUBJECT TO SUBSECTION (E) OF THIS SECTION, A CLASS D BEER LICENSE FOR THE AREA IN WARD 24, PRECINCT 5 THAT IS BOUNDED BY EAST FORT AVENUE ON THE NORTH, THE CSX ACCESS WAY ON THE EAST, EAST MCCOMAS STREET ON THE SOUTH, AND WHETSTONE WAY ON THE WEST.

(E) A CLASS D BEER LICENSE MAY BE TRANSFERRED INTO THE AREA SPECIFIED UNDER SUBSECTION (D)(3) OF THIS SECTION IF ORIGINALLY ISSUED FOR ANOTHER AREA.

[(d)] (F) Notwithstanding subsection (c)(1) and (2) of this section, the Board may not issue a Class B beer, wine, and liquor restaurant license in:

(1) the area covered by the Key Highway East Industrial Area Urban Renewal Plan, as adopted by the Mayor and City Council of Baltimore City in Ordinance 986 on June 29, 1987;

(2) the area covered by the Key Highway Urban Renewal Plan, as adopted by the Mayor and City Council of Baltimore City in Ordinance 622 on March 12, 1986;

(3) (i) ward 1, precinct 4 or 5;

(ii) ward 23, precinct 1; and

(iii) ward 24, precinct 5; and

(4) the area known as Pen Lucy, ward 9, precincts 1 and 2.

[(e)] (G) (1) Except as provided in paragraph (2) of this subsection, the Board may not issue a license for:

(i) ward 1, precincts 4 and 5;

(ii) ward 23, precinct 1; or

(iii) ward 24, precinct 5.

(2) The Board may issue not 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 of 829 through 919 E. Fort Avenue only if the Board:

(i) has executed a memorandum of understanding between the community associations in Riverside and Locust Point regarding the nature of the establishment; and

(ii) enforces the memorandum of understanding against any license holder that obtains a license under this paragraph and seeks to renew or transfer the license.

12-1605.

(a) (1) (i) Except as otherwise provided in this subsection, a new license may not be issued for and an existing license may not be moved to a building that is within 300 feet of the nearest point of the building of a place of worship or school.

(ii) In the 45th Legislative District, a new Class A license of any type may not be issued for a building that is within 500 feet of the nearest point of the building of a place of worship or school.

(2) Paragraph (1)(i) of this subsection does not apply to:

(i) a Class B beer and wine license outside the 46th Legislative District;

(ii) a Class B beer, wine, and liquor license outside the 46th Legislative District;

(iii) a Class C beer and wine license; and

(iv) a Class C beer, wine, and liquor license.

(3) A license for use in a building that is within 300 feet of the grounds of a place of worship or school may be renewed or extended for the same building.

(4) (i) This paragraph applies only to an area bounded by:

1. High Street on the west, [Fawn] **PRATT** Street on the north, Central Avenue on the east, and Eastern Avenue on the south; [or]

2. West Cross Street and Amity Street on the west, Clifford Street on the north, Scott Street on the east, and Carroll Street on the south; **OR**

3. HOLLIDAY STREET ON THE WEST, SARATOGA STREET ON THE NORTH, GAY STREET ON THE EAST, AND LEXINGTON STREET ON THE SOUTH.

(ii) The Board may waive the distance restrictions in paragraph (1)(i) of this subsection for an application for the transfer of a license into an area specified in subparagraph (i) of this paragraph if:

1. the application is approved by:

- A. each community association representing the area;
 - B. each business association in the area; and
 - C. the ordained leader and the board or council for each place of worship that is within 300 feet of the proposed location of the establishment for which the license transfer is sought; and
2. a memorandum of understanding is executed by the applicant for the license transfer and each community association in the area.

SECTION 2. AND BE IT FURTHER ENACTED, That all alcoholic beverages licenses issued by the Baltimore City Board of Liquor License Commissioners that are due to expire on April 30, 2016:

- (1) will expire instead on May 31, 2016; and
- (2) if renewed, will expire on April 30, 2017.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect July 1, 2016.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 634 – *Caroline County – Alcoholic Beverages – Refillable Container Permit*.

This bill authorizes the Board of License Commissioners for Caroline County to issue a refillable container permit for draft beer to a holder of a Class B alcoholic beverages license or a Class H alcoholic beverages license and requires an annual permit fee of \$500.

House Bill 549, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 634.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 634

AN ACT concerning

Caroline County – Alcoholic Beverages – Refillable Container Permit

FOR the purpose of authorizing the Board of License Commissioners for Caroline County to issue a refillable container permit for draft beer to a holder of a Class B alcoholic beverages license or a Class H alcoholic beverages license; and generally relating to alcoholic beverages in Caroline County.

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 15–1101

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 15–1102

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

15–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the County without exception or variation:

(1) § 4–1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4–1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) [The following sections] **SECTION 4–1105 (“REFILLABLE CONTAINER PERMIT — WINE”)** of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article [do] **DOES** not apply in the County[:

(1) § 4–1104 (“Refillable container permit — Draft beer”); and

(2) § 4–1105 (“Refillable container permit — Wine”)].

(C) SECTION 4–1104 (“REFILLABLE CONTAINER PERMIT — DRAFT BEER”) OF DIVISION I OF THIS ARTICLE APPLIES IN THE COUNTY, SUBJECT TO § 15–1102 OF THIS SUBTITLE.

15–1102.

(A) THE BOARD MAY ISSUE A REFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B OR CLASS H LICENSE.

(B) THE HOURS OF SALE FOR A REFILLABLE CONTAINER PERMIT BEGIN AT THE SAME TIME FOR THE UNDERLYING LICENSE AND END AT MIDNIGHT.

(C) THE ANNUAL PERMIT FEE IS \$500.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H–107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 647 – *Physicians – Prescriptions Written by Physician Assistants or Nurse Practitioners – Preparing and Dispensing*.

This bill provides that specified provisions of law do not prohibit a licensed physician who complies with specified requirements from personally preparing and dispensing a prescription written by a physician assistant in accordance with a specified delegation agreement or a nurse practitioner who is authorized to practice under a specified provision of law and is working with the physician in the same office setting.

House Bill 752, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 647.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 647

AN ACT concerning

Physicians – Prescriptions Written by Physician Assistants or Nurse Practitioners – Preparing and Dispensing

FOR the purpose of providing that certain provisions of law do not prohibit a licensed physician who complies with certain requirements from personally preparing and dispensing a prescription written by a physician assistant in accordance with a certain delegation agreement or a nurse practitioner who is authorized to practice under a certain provision of law and is working with the physician in a certain setting ~~if the physician complies with certain requirements~~; making this Act an emergency measure; and generally relating to ~~delegation agreements between physicians and physician assistants and~~ the preparing and dispensing by physicians of prescriptions ~~by physicians~~ written by physician assistants or nurse practitioners.

BY repealing and reenacting, with amendments,
 Article – Health Occupations
 Section 12–102(c)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 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.

(c) (1) This subsection does not apply to a licensed dentist who obtains a permit from the State Board of Dental Examiners under subsection (h) of this section.

(2) This title does not prohibit:

(i) A licensed veterinarian from personally preparing and dispensing the veterinarian's prescriptions;

(ii) A licensed dentist, physician, or podiatrist from personally preparing and dispensing the dentist's, physician's, or podiatrist's prescriptions when:

1. The dentist, physician, or podiatrist:

A. Has applied to the board of licensure in this State which licensed the dentist, physician, or podiatrist;

B. Has demonstrated to the satisfaction of that board that the dispensing of prescription drugs or devices by the dentist, physician, or podiatrist is in the public interest;

C. Has received a written permit from that board to dispense prescription drugs or devices except that a written permit is not required in order to dispense starter dosages or samples without charge; and

D. Posts a sign conspicuously positioned and readable regarding the process for resolving incorrectly filled prescriptions or includes written information regarding the process with each prescription dispensed;

2. The person for whom the drugs or devices are prescribed is a patient of the prescribing dentist, physician, or podiatrist;

3. The dentist, physician, or podiatrist does not have a substantial financial interest in a pharmacy; and

4. The dentist, physician, or podiatrist:

A. Complies with the dispensing and labeling requirements of this title;

B. Records the dispensing of the prescription drug or device on the patient's chart;

C. Allows the Division of Drug Control to enter and inspect the dentist's, physician's, or podiatrist's office at all reasonable hours and in accordance with § 12-102.1 of this subtitle;

D. On inspection by the Division of Drug Control, signs and dates an acknowledgment form provided by the Division of Drug Control relating to the requirements of this section;

E. Except for starter dosages or samples without charge, provides the patient with a written prescription, maintains prescription files in accordance with § 12–403(c)(13) of this title, and maintains a separate file for Schedule II prescriptions;

F. Does not direct patients to a single pharmacist or pharmacy in accordance with § 12–403(c)(8) of this title;

G. Does not receive remuneration for referring patients to a pharmacist or pharmacy;

H. Complies with the child resistant packaging requirements regarding prescription drugs under Title 22, Subtitle 3 of the Health – General Article;

I. Complies with drug recalls;

J. Maintains biennial inventories and complies with any other federal and State record-keeping requirements relating to controlled dangerous substances;

K. Purchases prescription drugs from a pharmacy or wholesale distributor who holds a permit issued by the Board of Pharmacy, as verified by the Board of Pharmacy;

L. Annually reports to the respective board of licensure whether the dentist, physician, or podiatrist has personally prepared and dispensed prescription drugs within the previous year; and

M. Completes ten continuing education credits over a 5-year period relating to the preparing and dispensing of prescription drugs, offered by the Accreditation Council for Pharmacy Education (ACPE) or as approved by the Secretary, in consultation with each respective board of licensure, as a condition of permit renewal; [or]

(III) A LICENSED PHYSICIAN WHO COMPLIES WITH THE REQUIREMENTS OF ITEM (II) OF THIS PARAGRAPH FROM PERSONALLY PREPARING AND DISPENSING A PRESCRIPTION WRITTEN BY A:

1. A PHYSICIAN ASSISTANT IN ACCORDANCE WITH A DELEGATION AGREEMENT THAT COMPLIES WITH TITLE 15, SUBTITLE 3 OF THIS ARTICLE ~~IF THE PHYSICIAN COMPLIES WITH THE REQUIREMENTS OF ITEM (II) OF THIS PARAGRAPH;~~ OR

2. A NURSE PRACTITIONER WHO IS AUTHORIZED TO PRACTICE UNDER TITLE 8, SUBTITLE 3 OF THIS ARTICLE AND IS WORKING WITH THE PHYSICIAN IN THE SAME OFFICE SETTING; OR

[(iii)] (IV) A hospital–based clinic from dispensing prescriptions to its patients.

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.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H–107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 670 – *Howard County – Alcoholic Beverages – Continuing Care Retirement Community License*.

This bill creates in Howard County an exception to the alcoholic beverages license application or renewal requirements for a Class C (continuing care retirement community) beer, wine, and liquor license issued to a nonprofit organization and requires that the license be applied for and issued to a manager or supervisor and two officers under specified circumstances. The bill also allows residents and their guests in a continuing care retirement community that holds the license to consume beer, wine, or liquor not purchased from the community.

House Bill 1090, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 670.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 670

AN ACT concerning

**Howard County – Alcoholic Beverages – Continuing Care Retirement
Community License**

FOR the purpose of creating in Howard County an exception to the alcoholic beverages license application or renewal requirements for a Class C (continuing care retirement community) beer, wine, and liquor license issued to a nonprofit organization; requiring that the license be applied for and issued to a manager or supervisor and two officers under certain circumstances; allowing residents and their guests in a continuing care retirement community that holds the license to consume beer, wine, or liquor not purchased from the community under certain circumstances; and generally relating to continuing care retirement community alcoholic beverages licenses in Howard County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 23–102

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 23–1404(a) and 23–2704

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 23–1404(d)

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

23–102.

This title applies only in Howard County.

23–1404.

(a) Except as provided in [subsection (c)] **SUBSECTIONS (C) AND (D)** of this section, an applicant for a new license for a corporation or limited liability company shall certify that as long as the applicant is the holder of the license, the applicant shall:

(1) own at least 10% of the stock in the corporation or interest in the limited liability company; or

(2) (i) serve as the manager or supervisor of the corporation or limited liability company; and

(ii) be physically present on a full-time basis at the licensed premises of the corporation or limited liability company to conduct the daily business involving transactions concerning alcoholic beverages sales.

(D) (1) THE REQUIREMENTS UNDER SUBSECTION (A) OF THIS SECTION DO NOT APPLY TO AN APPLICATION FOR OR A RENEWAL OF A CLASS C (CONTINUING CARE RETIREMENT COMMUNITY) BEER, WINE, AND LIQUOR LICENSE BY A NONPROFIT ORGANIZATION IF THE MANAGER OR SUPERVISOR OF THE CONTINUING CARE RETIREMENT COMMUNITY:

(I) IS IDENTIFIED ON THE APPLICATION;

(II) RECEIVES ALCOHOL AWARENESS TRAINING FROM AN APPROVED ALCOHOL AWARENESS TRAINING PROGRAM; AND

(III) IS PHYSICALLY PRESENT AT THE CONTINUING CARE RETIREMENT COMMUNITY ON A FULL-TIME BASIS.

(2) A CONTINUING CARE RETIREMENT COMMUNITY LICENSE SHALL BE ISSUED TO:

(I) A MANAGER OR SUPERVISOR; AND

(II) TWO OFFICERS, ONE OF WHOM SHALL HAVE BEEN A RESIDENT OF THE COUNTY FOR AT LEAST 2 YEARS BEFORE THE APPLICATION IS FILED AND BE A REGISTERED VOTER AND TAXPAYER OF THE COUNTY WHEN THE APPLICATION IS FILED.

23-2704.

(a) **(1)** The prohibitions in §§ 6-308 and 6-319 of this article concerning the on-premises consumption of alcoholic beverages not purchased from a license holder do not apply to a social event, including a dance, wedding, or fundraiser, that is held in a hall rented from and located on the premises of a veterans organization that holds a license.

[(b)] (2) The veterans organization may not sell or provide alcoholic beverages to the individuals attending the social event.

(B) RESIDENTS AND GUESTS OF RESIDENTS IN A CONTINUING CARE RETIREMENT COMMUNITY THAT HOLDS A CLASS C (CONTINUING CARE RETIREMENT COMMUNITY) BEER, WINE, AND LIQUOR LICENSE MAY CONSUME BEER, WINE, OR LIQUOR NOT PURCHASED FROM THE CONTINUING CARE RETIREMENT COMMUNITY IF:

(1) THE BEER, WINE, OR LIQUOR IS CONSUMED WITH A MEAL IN THE DINING ROOM; AND

(2) THE CONTINUING CARE RETIREMENT COMMUNITY:

(I) IS OPERATED BY A NONPROFIT ORGANIZATION FOR THE CONTINUING CARE RETIREMENT OF INDIVIDUALS AT LEAST 60 YEARS OLD;

(II) HAS BEEN INCORPORATED FOR AT LEAST 1 YEAR;

(III) HAS OBTAINED A CERTIFICATE OF REGISTRATION FROM THE DEPARTMENT OF AGING UNDER TITLE 10, SUBTITLE 4 OF THE HUMAN SERVICES ARTICLE; AND

(IV) PREPARES AND SERVES MEALS DURING REGULAR OPERATING HOURS TO RESIDENTS AND THEIR GUESTS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 677 – *Caroline County – Alcoholic Beverages Licenses – Beginning Hour of Sale.*

This bill changes to 8 a.m. the beginning hour of sale for specified alcoholic beverages licenses issued in Carroll County.

House Bill 737, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 677.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 677

AN ACT concerning

Carroll County – Alcoholic Beverages Licenses – Beginning Hour of Sale

FOR the purpose of altering the beginning hour of sale for certain alcoholic beverages licenses issued in Carroll County; and generally relating to alcoholic beverages in Carroll County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 16–102

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 16–2004 and 16–2005

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

16–102.

This title applies only in Carroll County.

16–2004.

(a) A holder of a Class A beer and wine license may sell or provide beer and wine on Monday through Sunday from 8 a.m. to 11 p.m.

(b) (1) A holder of a 6-day ~~or 7-day~~ Class B beer and wine license may sell or provide beer and wine for on-premises consumption[:

(i)] on Monday through Saturday from 8 a.m. to 1 a.m. the following day[; and

(ii) on Sunday from 11 a.m. to 1 a.m. the following day].

(2) A holder of a 7-day Class B beer and wine license may sell **OR PROVIDE** beer and wine for ~~ON OR off premises~~ **ON-PREMISES** consumption[:

(i)] on Monday through [Saturday] **SUNDAY** from 8 a.m. to ~~11 p.m.~~ **1 A.M.** the following day[; and

(ii) on Sunday from 11 a.m. to 11 p.m.].

(3) A HOLDER OF A 7-DAY CLASS B BEER AND WINE LICENSE MAY SELL BEER AND WINE FOR OFF-PREMISES CONSUMPTION ON MONDAY THROUGH SUNDAY FROM 8 A.M. TO 11 P.M.

(c) A holder of a Class C beer and wine license may sell or provide beer and wine on Monday through Saturday from 8 a.m. to 1 a.m. the following day.

(d) (1) A holder of a 6-day or 7-day Class D beer and wine license may sell or provide beer and wine on Monday through Saturday from 6 a.m. to midnight.

(2) A holder of a 7-day Class D beer and wine license may sell or provide beer and wine on Sunday from [11 a.m.] **8 A.M.** to 11 p.m.

16-2005.

(a) A holder of a Class A beer, wine, and liquor license may sell or provide beer, wine, and liquor on Monday through Sunday from 8 a.m. to 11 p.m.

(b) A holder of a Class B beer, wine, and liquor license may sell or provide beer, wine, and liquor[:

(1)] on Monday through [Saturday] **SUNDAY** from 8 a.m. to 1 a.m. the following day[; and

(2) on Sunday from 11 a.m. to 1 a.m. the following day].

(c) A holder of a Class C beer, wine, and liquor license may sell or provide beer, wine, and liquor[:

(1)] on Monday through [Saturday] **SUNDAY** from 8 a.m. to 1 a.m. the following day[; and

(2) on Sunday from 11 a.m. to 1 a.m. the following day].

(d) Reserved.

(e) A holder of a Class H beer, wine, and liquor license may sell or provide beer, wine, and liquor[:

(1)] on Monday through [Saturday] **SUNDAY** from 8 a.m. to 1 a.m. the following day[; and

(2) on Sunday from 11 a.m. to 1 a.m. the following day].

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 693 – *Frederick County – Alcoholic Beverages – Hotel Lobby License*.

This bill establishes in Frederick County a hotel lobby license and authorizes the Board of License Commissioners to issue the license for use by a hotel that does not have a restaurant and establishes that the license authorizes the license holder to sell beer and wine by the bottle to patrons of the hotel for on-premises consumption, provides for the hours of sale, and specifies an annual license fee of \$100.

House Bill 841, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 693.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 693

AN ACT concerning

Frederick County – Alcoholic Beverages – Hotel Lobby License

FOR the purpose of establishing in Frederick County a hotel lobby license; authorizing the Board of License Commissioners to issue the license for use by a certain hotel; establishing that the license authorizes the license holder to sell beer and wine by the bottle to patrons of the hotel for on–premises consumption; providing for the hours of sale; specifying an annual license fee; and generally relating to alcoholic beverages in Frederick County.

BY adding to

Article – Alcoholic Beverages

Section 20–1007.1

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

20–1007.1.

(A) THERE IS A HOTEL LOBBY LICENSE.

(B) THE BOARD MAY ISSUE THE LICENSE FOR USE BY A HOTEL THAT DOES NOT HAVE A RESTAURANT.

(C) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL BEER AND WINE BY THE BOTTLE FROM A STORE IN THE HOTEL LOBBY TO PATRONS OF THE HOTEL FOR ON–PREMISES CONSUMPTION.

(D) THE LICENSE HOLDER MAY SELL BEER AND WINE:

(1) ON MONDAY THROUGH SATURDAY, FROM 6 A.M. TO 2 A.M. THE FOLLOWING DAY; AND

(2) ON SUNDAY, FROM 11 A.M. TO 2 A.M. THE FOLLOWING DAY.

(E) THE LICENSE FEE IS \$100.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 694 – *Frederick County – Alcohol Awareness Program – Absence From Licensed Premises*.

This bill authorizes in Frederick County an individual certified by an approved alcohol awareness program to be absent from a licensed premises for a personal or business reason under specified circumstances.

House Bill 844, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 694.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 694

AN ACT concerning

Frederick County – Alcohol Awareness Program – Absence From Licensed Premises

FOR the purpose of authorizing in Frederick County an individual certified by an approved alcohol awareness program to be absent from a licensed premises for a personal or business reason under certain circumstances; and generally relating to alcoholic beverages in Frederick County.

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages

Section 20–1903

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

20–1903.

(a) (1) The individual certified by an approved alcohol awareness program may be absent from the licensed premises for **A PERSONAL OR BUSINESS REASON OR** an emergency if:

(i) the **PERSONAL OR BUSINESS REASON OR** emergency meets standards that the Board sets by regulation; and

(ii) the absence lasts for not more than 2 hours.

(2) The Board shall require the license holder to keep a log book on the licensed premises that documents each temporary absence, the length of time of the absence, and the reason for the absence, in the form that the Board requires.

(b) A license holder who violates this section is subject to:

(1) for a first offense, a \$100 fine; and

(2) for each subsequent offense, a fine not exceeding \$500 or a suspension or revocation of the license or both.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H–107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 695 – *Frederick County – Alcoholic Beverages – Beauty Salon License*.

This bill establishes in Frederick County a beauty salon beer and wine license and requires that a recipient of the license be a holder of a beauty salon permit and authorizes a license holder to provide beer and wine by the glass for consumption by a customer receiving cosmetology services or when a fund-raising event is held. The bill also prohibits the license from being transferred to another location and specifies a \$100 annual license fee.

House Bill 843, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 695.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 695

AN ACT concerning

Frederick County – Alcoholic Beverages – Beauty Salon License

FOR the purpose of establishing in Frederick County a beauty salon beer and wine license; requiring that a recipient of the license be a holder of a beauty salon permit; authorizing a holder of the license to provide beer and wine by the glass for consumption by a certain customer when a certain cosmetology service is provided or a certain fund-raising event is held; prohibiting the license from being transferred to another location; specifying the hours that the license privilege may be exercised; specifying an annual license fee; providing that an establishment for which the license is issued is subject to certain alcohol awareness training requirements; and generally relating to alcoholic beverages licenses in Frederick County.

BY renumbering

Article – Alcoholic Beverages

Section 20–1002 through 20–1014, respectively

to be Section 20–1003 through 20–1015, respectively

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 20–1002

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, without amendments,
 Article – Business Occupations and Professions
 Section 5–101(a), (c), (d), (l), (m), (n), and (o) and 5–501
 Annotated Code of Maryland
 (2010 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 20–1002 through 20–1014, respectively, of the Alcoholic Beverages Article of the Annotated Code of Maryland be renumbered to be Sections 20–1003 through 20–1015, respectively.

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

Article – Alcoholic Beverages

20–1002.

(A) **THERE IS A BEAUTY SALON BEER AND WINE LICENSE.**

(B) **THE BOARD MAY ISSUE THE LICENSE TO A HOLDER OF A BEAUTY SALON PERMIT UNDER § 5–501 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.**

(C) **THE LICENSE AUTHORIZES THE LICENSE HOLDER TO PROVIDE NO MORE THAN 5 OUNCES OF BEER OR WINE BY THE GLASS FOR ON–PREMISES CONSUMPTION BY A BEAUTY SALON CUSTOMER:**

(1) **WHEN THE CUSTOMER IS PROVIDED A COSMETOLOGY SERVICE ~~UNDER § 5–101(L)~~ DESCRIBED IN § 5–101(L)(1) OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; OR**

(2) **WHILE THE CUSTOMER IS ATTENDING A FUND–RAISING EVENT AT THE BEAUTY SALON FOR WHICH THE DEPARTMENT OF PERMITS AND INSPECTIONS, IF REQUIRED, HAS ISSUED A PERMIT.**

(D) **THE LICENSE MAY NOT BE TRANSFERRED TO ANOTHER LOCATION.**

(E) **THE LICENSE HOLDER MAY PROVIDE BEER AND WINE FOR ON–PREMISES CONSUMPTION DURING NORMAL BUSINESS HOURS BUT NOT LATER THAN 9 P.M.**

(F) THE ESTABLISHMENT FOR WHICH A BEAUTY SALON LICENSE IS ISSUED IS SUBJECT TO THE ALCOHOL AWARENESS TRAINING REQUIREMENTS UNDER § 4–505 OF THIS ARTICLE, SUBJECT TO § 20–1903 OF THIS TITLE.

(G) THE ANNUAL LICENSE FEE IS \$100.

Article – Business Occupations and Professions

5–101.

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

(c) (1) “Beauty salon” means any commercial establishment, except a barbershop, in which an individual practices cosmetology.

(2) “Beauty salon” does not include a clinic in a cosmetology school.

(d) “Beauty salon permit” means a permit issued by the Board to operate a beauty salon.

(l) (1) “Practice cosmetology” means to engage in any of the following for compensation:

(i) providing hair services;

(ii) arching or dyeing eyebrows;

(iii) dyeing eyelashes;

(iv) providing esthetic services; or

(v) providing nail technician services.

(2) The practice of cosmetology does not include:

(i) the mere sale, fitting, or styling of wigs or hairpieces;

(ii) the mere shampooing of hair; or

(iii) a service that results in tension on hair strands or roots by twisting, wrapping, weaving, extending, locking, or braiding by hand or mechanical device, provided that the service does not include the application of dyes, reactive chemicals, or other preparations to alter the color of the hair or to straighten, curl, or alter the structure of the hair.

(m) “Provide esthetic services” means to provide to an individual, for compensation, the service of:

(1) cleansing, exercising, massaging, stimulating, or performing any other similar procedure on the skin or scalp by electrical, mechanical, or any other means;

(2) applying to the face an alcohol, cream, lotion, astringent, or cosmetic preparation; or

(3) removing superfluous hair by the use of a depilatory, tweezers, or wax.

(n) “Provide hair services” means to provide to an individual for compensation the service of beautifying, cleaning, or embellishing the hair of the individual by:

(1) arranging the hair;

(2) bleaching the hair;

(3) cleansing the hair;

(4) coloring the hair;

(5) curling the hair;

(6) cutting the hair;

(7) dressing the hair;

(8) singeing the hair;

(9) permanent waving the hair;

(10) waving the hair; or

(11) performing any other similar procedure intended to beautify, clean, or embellish the hair.

(o) “Provide nail technician services” means to provide to an individual, for compensation, the service of:

(1) manicuring or pedicuring the individual’s nails;

(2) applying artificial nail enhancement products; or

(3) maintaining artificial nail enhancement products.

(a) A person shall hold a beauty salon permit issued by the Board before the person may operate a beauty salon in the State.

(b) A beauty salon may operate as a limited practice beauty salon by offering cosmetology services limited to:

- (1) providing esthetic services;
- (2) providing hair services; or
- (3) providing nail technician services.

(c) A separate beauty salon permit is required for each beauty salon that a person operates.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 696 – *Frederick County – Alcoholic Beverages – Art Gallery Beer and Wine License*.

This bill authorizes the Board of License Commissioners for Frederick County to issue an art gallery beer and wine license to nonprofit and for-profit retail businesses that display and sell original artwork, or copies of original artwork that are produced no more than 300 times, by an individual or a group of artists and specifies that a holder of the license may sell or serve beer and wine at retail for on-premises consumption when snacks are served during specified hours, and specifies a \$100 annual license fee.

House Bill 842, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 696.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 696

AN ACT concerning

**Frederick County ~~and St. Mary's County~~ – Alcoholic Beverages – Art Gallery
Beer and Wine License**

FOR the purpose of authorizing the Board of License Commissioners for Frederick County ~~and the Board of License Commissioners for St. Mary's County~~ to issue an art gallery beer and wine license to nonprofit and for-profit retail businesses that display and sell original artwork or certain copies of original artwork by an individual or a group of artists; prohibiting a certain type of business from being issued the license; specifying that a holder of the license may sell or serve beer and wine at retail for on-premises consumption when snacks are served during certain hours; specifying a license fee; prohibiting the license from being transferred from the location for which the license was originally issued to another location; and generally relating to an art gallery license in Frederick County ~~and St. Mary's County~~.

BY renumbering

Article – Alcoholic Beverages

Section 20-1001 ~~and 28-1001, respectively~~

to be Section 20-1001.1 ~~and 28-1001.1, respectively~~

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 20-1001 ~~and 28-1001~~

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly 2016)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 20-1001 ~~and 28-1001, respectively~~, of Article – Alcoholic Beverages of the Annotated Code of Maryland be renumbered to be Section(s) 20-1001.1 ~~and 28-1001.1, respectively~~.

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

Article – Alcoholic Beverages

20-1001.

(A) (1) THE BOARD MAY ISSUE AN ART GALLERY BEER AND WINE LICENSE TO A NONPROFIT OR FOR-PROFIT RETAIL BUSINESS ENGAGED IN THE DISPLAY AND SALE OF ORIGINAL ARTWORK, OR COPIES OF ORIGINAL ARTWORK THAT ARE REPRODUCED NO MORE THAN 300 TIMES, BY AN INDIVIDUAL ARTIST OR A GROUP OF ARTISTS.

(2) A BUSINESS THAT DISPLAYS AND SELLS COMMERCIALY PREPARED OR MASS-PRODUCED ARTISTIC PRODUCTS MAY NOT BE ISSUED THE LICENSE.

(B) THE LICENSE HOLDER MAY SELL OR SERVE BEER AND WINE AT RETAIL FOR ON-PREMISES CONSUMPTION WHEN SNACKS ARE SERVED DURING NORMAL BUSINESS HOURS BUT NOT LATER THAN MIDNIGHT.

(C) THE ANNUAL LICENSE FEE IS \$100.

(D) THE LICENSE MAY NOT BE TRANSFERRED FROM THE LOCATION FOR WHICH THE LICENSE WAS ORIGINALLY ISSUED TO ANOTHER LOCATION.

~~28-1001.~~

~~(A) (1) THE BOARD MAY ISSUE AN ART GALLERY BEER AND WINE LICENSE TO A NONPROFIT OR FOR-PROFIT RETAIL BUSINESS ENGAGED IN THE DISPLAY AND SALE OF ORIGINAL ARTWORK, OR COPIES OF ORIGINAL ARTWORK THAT ARE REPRODUCED NO MORE THAN 300 TIMES, BY AN INDIVIDUAL ARTIST OR A GROUP OF ARTISTS.~~

~~(2) A BUSINESS THAT DISPLAYS AND SELLS COMMERCIALY PREPARED OR MASS-PRODUCED ARTISTIC PRODUCTS MAY NOT BE ISSUED THE LICENSE.~~

~~(B) THE LICENSE HOLDER MAY SELL OR SERVE BEER AND WINE AT RETAIL FOR ON-PREMISES CONSUMPTION WHEN SNACKS ARE SERVED DURING NORMAL BUSINESS HOURS BUT NOT LATER THAN MIDNIGHT.~~

~~(C) THE ANNUAL LICENSE FEE IS \$100.~~

~~(D) THE LICENSE MAY NOT BE TRANSFERRED FROM THE LOCATION FOR WHICH THE LICENSE WAS ORIGINALLY ISSUED TO ANOTHER LOCATION.~~

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 699 – *Frederick County – Alcoholic Beverages – Theater and Entertainment Center License*.

This bill alters the scope of a Class C (theater) beer and wine license in Frederick County so that it may be issued to a theater with seating for 200 or fewer individuals per performance and provides a license fee of \$100. The bill also alters the scope of a Class EC (entertainment center) license so that it may be issued to a holder of a Class B beer, wine, and liquor license and provides an EC license fee of \$1,500.

House Bill 840, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 699.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 699

AN ACT concerning

Frederick County – Alcoholic Beverages – Theater ~~License~~ and Entertainment Center License

FOR the purpose of altering the scope of a certain alcoholic beverages license in Frederick County so that it may be issued to all theaters that meet a certain seating requirement; altering the scope of a Class EC (entertainment center) license so that it may be issued to a holder of a Class B beer, wine, and liquor license; making ~~a~~ certain technical ~~correction~~ corrections; and generally relating to alcoholic beverages licenses in Frederick County.

BY renumbering

Article – Alcoholic Beverages

Section 20–1008, 20–1009, 20–1010, 20–1011, 20–1012, and 20–1013, respectively to be Section 20–1013, 20–1008, 20–1009, 20–1010, 20–1011, and 20–1012, respectively

Annotated Code of Maryland

(As enacted by Chapter 41 ~~(S.B. —)(Ch 140)~~ (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section ~~20–1008~~ and 20–1013

Annotated Code of Maryland

(As enacted by Section 1 of this Act)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 20–1008, 20–1009, 20–1010, 20–1011, 20–1012, and 20–1013, respectively, of Article – Alcoholic Beverages of the Annotated Code of Maryland be renumbered to be Section(s) 20–1013, 20–1008, 20–1009, 20–1010, 20–1011, and 20–1012, respectively.

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

Article – Alcoholic Beverages

20–1008.

(a) There is a Class [MEC (micro–brewery/entertainment center)] **EC (ENTERTAINMENT CENTER)** license.

(b) The Board may issue the license to a person for use in conjunction with:

(I) a Class 7 micro–brewery license that the person then obtains from the Comptroller; OR

(II) A CLASS B BEER, WINE, AND LIQUOR LICENSE THAT THE PERSON HAS BEEN ISSUED BY THE BOARD.

(c) (1) The **EC** license authorizes the license holder to sell, in an entertainment center for on–premises consumption[,]:

(I) malt beverages that are brewed in the license holder’s micro–brewery, IF THE LICENSE HOLDER ALSO HOLDS A CLASS 7 MICRO–BREWERY LICENSE; OR

(II) BEER, WINE, AND LIQUOR, IF THE LICENSE HOLDER ALSO HOLDS A CLASS B BEER, WINE, AND LIQUOR LICENSE.

(2) The entertainment center may:

(i) contain:

1. rides and games such as bowling lanes, billiard tables, and go-carts; and

2. one or more food service facilities, bars, or lounges; and

(ii) allow the playing of music and dancing.

(d) The [license holder may sell beer, wine, and liquor] **HOURS OF SALE ARE:**

(1) on Monday through Saturday, from 6 a.m. to 2 a.m. the following day;
and

(2) on Sunday, from 11 a.m. to 2 a.m. the following day.

(e) The annual **EC** license fee is \$1,500.

20-1013.

(a) There is a Class C [(Maryland Ensemble Theatre)] **(THEATER)** beer and wine license.

(b) (1) The president and two other officers of the [Maryland Ensemble Theatre] **THEATER** shall sign the application for the license.

(2) Two of the signers shall be residents of the County.

(c) The Board may issue a license for use by [the Maryland Ensemble Theatre] **A THEATER WITH SEATING FOR 200 OR FEWER INDIVIDUALS PER PERFORMANCE.**

(d) [The license authorizes the license holder to sell beer and wine for on-premises consumption.

(e) The license [holder may] **AUTHORIZES THE LICENSE HOLDER TO** sell beer and wine for on-premises consumption from 1 hour before to 1 hour after:

(1) a regular performance; or

(2) a fund-raiser performance that benefits the [Maryland Ensemble Theatre] **THEATER.**

[(f)] **(E)** The annual license fee is \$100.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 715 – *Cecil County – Marriage Licenses – Applications*.

This bill repeals the requirement that, in Cecil County, both parties to be married appear together before the clerk to apply for a marriage license.

House Bill 832, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 715.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 715

AN ACT concerning

Cecil County – Marriage Licenses – Applications

FOR the purpose of repealing the requirement that, in Cecil County, both parties to be married appear together before the clerk to apply for a marriage license; and generally relating to applications for marriage licenses in Cecil County.

BY repealing and reenacting, with amendments,
Article – Family Law
Section 2-402
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

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

Article – Family Law

2–402.

(a) An applicant for a license may apply to the clerk only at the office of the clerk during regular office hours.

(b) Except as provided in [subsections] **SUBSECTION** (d) [and (e)] of this section, to apply for a license, 1 of the parties to be married shall:

(1) appear before the clerk and give, under oath, the following information, which shall be placed on an application form by the clerk:

(i) the full name of each party;

(ii) the place of residence of each party;

(iii) the age of each party;

(iv) whether the parties are related by blood or marriage and, if so, in which degree of relationship;

(v) the marital status of each party; and

(vi) whether either party was married previously, and the date and place of each death or judicial determination that ended any former marriage;

(2) sign the application form; and

(3) provide the clerk with the Social Security number of each party who has a Social Security number.

(c) The Social Security numbers of the parties:

(1) shall be included in the electronic file for the marriage license application; and

(2) except as provided in § 4–334 of the General Provisions Article, may not be disclosed as part of the public record of the marriage license application.

(d) If the parties to be married are not residents of the county where the marriage ceremony is to be performed, the clerk shall accept, instead of the application specified in subsection (b) of this section, an affidavit from 1 of the parties to be married. The affidavit shall:

(1) contain the information required by subsection (b) of this section; and

(2) be sworn to under oath before a clerk or other comparable official in the county, state, province, or country where the party resides.

(e) [In Cecil County both parties to be married shall appear together before the clerk to apply for a license.

(f) Until a license becomes effective, a clerk may not disclose the fact that an application for a license has been made except to the parent or guardian of a party to be married.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 736 – *Allegany County – Alcoholic Beverages – Sunday Sales for Class A Licenses*.

This bill authorizes a holder of a Class A beer license, a Class A beer and light wine license, or a Class A beer, wine, and liquor license to sell specified alcoholic beverages during specified hours under specified circumstances in Allegany County and authorizes the Board of License Commissioners for Allegany County to issue a 2-day Sunday sales permit to holders of specified licenses under specified circumstances.

House Bill 994, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 736.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 736

AN ACT concerning

Allegany County – Alcoholic Beverages – Sunday Sales for Class A Licenses

FOR the purpose of authorizing a holder of a Class A beer license, a Class A beer and light wine license, or a Class A beer, wine, and liquor license to sell certain alcoholic beverages during certain hours under certain circumstances in Allegany County; authorizing the Board of License Commissioners for Allegany County to issue a certain Sunday sales permit to holders of certain licenses under certain circumstances; specifying that an applicant for a certain Sunday sales permit need not have certain kitchen facilities on the licensed premises; providing that a certain Sunday sales permit authorizes the holder to sell certain alcoholic beverages for off-premises consumption during certain hours on not more than a certain number of Sundays in a year; specifying the fee for each time a certain Sunday sales permit is used; and generally relating to alcoholic beverages in Allegany County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 9–101(a) and (b), 9–102, and 9–2005

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 9–2002(a), 9–2003(a), and 9–2004(a)

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

9–101.

(a) In this title:

(1) except as provided in subsection (c) of this section, the definitions in § 1–101 of this article apply without exception or variation; and

(2) the following words have the meanings indicated.

(b) “Board” means the Board of License Commissioners for Allegany County.

9–102.

This title applies only in Allegany County.

9–2002.

(a) **(1)** Except as provided in § 9–2005 of this subtitle for December 31 and January 1, a holder of a Class A beer license may sell beer:

(I) on Monday through Saturday from 7 a.m. to 2 a.m. the following day; AND

(II) ON SUNDAY FROM 11 A.M. TO MIDNIGHT IF THE HOLDER:

1. PAYS AN ADDITIONAL FEE OF \$250; OR

2. IS ISSUED A 2–DAY SUNDAY SALES PERMIT IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION.

(2) (I) THE BOARD MAY ISSUE A 2–DAY SUNDAY SALES PERMIT TO A HOLDER OF A CLASS A BEER LICENSE.

(II) AN APPLICANT FOR A 2–DAY SUNDAY SALES PERMIT NEED NOT HAVE KITCHEN FACILITIES ON THE LICENSED PREMISES.

(III) A 2–DAY SUNDAY SALES PERMIT AUTHORIZES THE HOLDER TO SELL BEER FOR OFF–PREMISES CONSUMPTION ON NOT MORE THAN TWO SUNDAYS IN A YEAR FROM 11 A.M. TO MIDNIGHT.

(IV) THE PERMIT FEE IS \$50 FOR EACH TIME THE PERMIT IS USED.

9–2003.

(a) **(1)** Except as provided in § 9–2005 of this subtitle for December 31 and January 1, a holder of a Class A beer and light wine license may sell beer and light wine:

(I) on Monday through Saturday from 7 a.m. to 2 a.m. the following day; AND

(II) ON SUNDAY FROM 11 A.M. TO MIDNIGHT IF THE HOLDER:

1. PAYS AN ADDITIONAL FEE OF \$250; OR

2. IS ISSUED A 2–DAY SUNDAY SALES PERMIT IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION.

(2) (I) THE BOARD MAY ISSUE A 2-DAY SUNDAY SALES PERMIT TO A HOLDER OF A CLASS A BEER AND LIGHT WINE LICENSE.

(II) AN APPLICANT FOR A 2-DAY SUNDAY SALES PERMIT NEED NOT HAVE KITCHEN FACILITIES ON THE LICENSED PREMISES.

(III) A 2-DAY SUNDAY SALES PERMIT AUTHORIZES THE HOLDER TO SELL BEER AND LIGHT WINE FOR OFF-PREMISES CONSUMPTION ON NOT MORE THAN TWO SUNDAYS IN A YEAR FROM 11 A.M. TO MIDNIGHT.

(IV) THE PERMIT FEE IS \$50 FOR EACH TIME THE PERMIT IS USED.

9-2004.

(a) **(1) Except as provided in § 9-2005 of this subtitle for December 31 and January 1, a holder of a Class A beer, wine, and liquor license may sell beer, wine, and liquor for off-premises consumption:**

(I) on Monday through Saturday from 7 a.m. to 2 a.m. the following day; AND

(II) ON SUNDAY FROM 11 A.M. TO MIDNIGHT IF THE HOLDER:

1. PAYS AN ADDITIONAL FEE OF \$250; OR

2. IS ISSUED A 2-DAY SUNDAY SALES PERMIT IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION.

(2) (I) THE BOARD MAY ISSUE A 2-DAY SUNDAY SALES PERMIT TO A HOLDER OF A CLASS A BEER, WINE, AND LIQUOR LICENSE.

(II) AN APPLICANT FOR A 2-DAY SUNDAY SALES PERMIT NEED NOT HAVE KITCHEN FACILITIES ON THE LICENSED PREMISES.

(III) A 2-DAY SUNDAY SALES PERMIT AUTHORIZES THE HOLDER TO SELL BEER, WINE, AND LIQUOR FOR OFF-PREMISES CONSUMPTION ON NOT MORE THAN TWO SUNDAYS IN A YEAR FROM 11 A.M. TO MIDNIGHT.

(IV) THE PERMIT FEE IS \$50 FOR EACH TIME THE PERMIT IS USED.

9-2005.

The Board shall determine the hours of sale for December 31 and January 1, regardless of the days of the week on which those dates fall.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 746 – *Carroll County – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License*.

This bill creates in Carroll County a beer, wine, and liquor (BWL) tasting license and specifies that the Carroll County Board of License Commissioners may issue the license to a holder of a beer, wine, and liquor (BWL) license and authorizes the license holder to allow the consumption of beer, wine, and liquor for tasting under specified circumstances. The bill also requires the Board to regulate the quantity of beer and wine served to specified individuals and establishes an annual license fee of \$150 in addition to the cost of a BWL license.

House Bill 791, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 746.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 746

AN ACT concerning

Carroll County – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License

FOR the purpose of creating in Carroll County a beer, wine, and liquor (BWL) tasting license; specifying to whom the license may be issued; authorizing the license holder and the holder of a solicitor's permit to allow the consumption of beer, wine, and liquor for tasting by certain individuals under certain circumstances; requiring the

Board of License Commissioners to regulate the quantity of beer and wine served to certain individuals and the number of bottles of beer or wine or other containers of beer from which a certain quantity is served; specifying the quantity of liquor an individual may consume at a liquor tasting; specifying the time the license is valid; specifying a certain license fee; and generally relating to alcoholic beverages in Carroll County.

BY adding to

Article – Alcoholic Beverages

Section 16–308.1

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

16–308.1.

(A) THERE IS A BEER, WINE, AND LIQUOR (BWL) TASTING LICENSE.

(B) THE BOARD MAY ISSUE THE LICENSE TO A HOLDER OF A BEER, WINE, AND LIQUOR (BWL) LICENSE.

(C) THE LICENSE AUTHORIZES THE LICENSE HOLDER AND THE HOLDER OF A SOLICITOR’S PERMIT TO ALLOW THE CONSUMPTION OF BEER, WINE, AND LIQUOR FOR TASTING BY A CUSTOMER OR AN EMPLOYEE OF THE LICENSE HOLDER IF:

(1) THE LICENSE HOLDER IS AUTHORIZED TO SELL THE BEER, WINE, AND LIQUOR; AND

(2) THE CUSTOMER OR THE EMPLOYEE IS NOT CHARGED FOR THE BEER, WINE, AND LIQUOR.

(D) THE BOARD SHALL REGULATE:

(1) THE QUANTITY OF BEER SERVED TO EACH INDIVIDUAL;

(2) THE NUMBER OF BOTTLES OR OTHER CONTAINERS OF BEER FROM WHICH THE QUANTITY IS SERVED;

(3) THE SIZE OF THE BEER BOTTLES OR OTHER CONTAINERS;

(4) THE QUANTITY OF WINE SERVED TO EACH INDIVIDUAL; AND

(5) THE NUMBER OF BOTTLES OF WINE FROM WHICH THE QUANTITY IS SERVED.

(E) AN INDIVIDUAL MAY CONSUME LIQUOR AT A LIQUOR TASTING IN A QUANTITY OF NOT MORE THAN:

(1) ONE-HALF OUNCE FROM EACH OFFERING OF LIQUOR; AND

(2) FIVE OFFERINGS IN 1 DAY.

(F) A LICENSE IS VALID DURING BUSINESS HOURS.

(G) IN ADDITION TO THE COST OF A BWL LICENSE, THE ANNUAL LICENSE FEE IS \$150.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 805 – *Senior Citizen Activities Center Operating Fund – Distributions – Alteration*.

This bill increases the amount of funding required to be included in the annual State budget for the Senior Citizen Activities Center Operating Fund to \$750,000, requires \$400,000 of the Fund to be distributed based on each county's share of the senior citizen population, provides a minimum distribution of \$5,000 per county, and requires \$250,000 of the Fund be distributed to distressed counties in a specified manner.

Senate Bill 98, which was passed by the General Assembly and went into effect without my signature, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 805.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 805

AN ACT concerning

**Senior Citizen Activities Center Operating Fund – ~~Funding and Distribution~~
Distributions – Alteration**

FOR the purpose of increasing the amount of funding required to be included in the annual State budget for the Senior Citizen Activities Center Operating Fund; ~~altering the distribution of the Fund;~~ requiring a certain percentage amount of the Fund to be distributed based on each county's share of the statewide senior citizen population; ~~requiring a certain percentage of the Fund to be distributed based on each county's share of the population of senior citizens with income below a certain percentage of the federal poverty level;~~ that each county receive a minimum amount of funding; defining a certain term; altering the qualification criteria for certain need-based distributions from the Senior Citizen Activities Center Operating Fund to certain counties; and generally relating to the administration of the Senior Citizen Activities Center Operating Fund.

BY repealing and reenacting, without amendments,

Article – Human Services
Section 10–513 and 10–514
Annotated Code of Maryland
(2007 Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Human Services
Section 10–516
Annotated Code of Maryland
(2007 Volume and 2015 Supplement)

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

Article – Human Services

10–513.

- (a) In this part the following words have the meanings indicated.
- (b) “Fund” means the Senior Citizen Activities Center Operating Fund.

(c) “Senior citizen activities center” means a community or neighborhood facility in which a broad spectrum of services are organized and provided to seniors and their spouses, including health, social, nutritional, educational, and recreational services.

10-514.

(a) There is a Senior Citizen Activities Center Operating Fund.

(b) The Fund shall be used to supplement, but may not be used to supplant, any existing funding for senior citizen activities centers in the State budget.

10-516.

(A) IN THIS SECTION, “DISTRESSED COUNTY” MEANS A COUNTY:

(1) WITH AN AVERAGE RATE OF UNEMPLOYMENT FOR THE MOST RECENT 24-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE THAT EXCEEDS:

(I) 150% OF THE AVERAGE RATE OF UNEMPLOYMENT FOR THE STATE DURING THAT PERIOD; OR

(II) THE AVERAGE RATE OF UNEMPLOYMENT FOR THE STATE DURING THAT PERIOD BY AT LEAST 2 PERCENTAGE POINTS;

(2) WITH AN AVERAGE PER CAPITA PERSONAL INCOME FOR THE MOST RECENT 24-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE THAT IS EQUAL TO OR LESS THAN 67% OF THE AVERAGE PER CAPITA PERSONAL INCOME FOR THE STATE DURING THAT PERIOD; OR

(3) THAT NO LONGER MEETS EITHER CRITERION STATED IN ITEM (1) OR (2) OF THIS SUBSECTION BUT HAS MET AT LEAST ONE OF THE CRITERIA AT SOME TIME DURING THE PRECEDING 24-MONTH PERIOD.

~~(a)~~ **(B)** The Fund is a continuing, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

~~(b)~~ **(C)** (1) The Fund consists of appropriations that are made to the Fund from the State budget.

(2) **(I)** For each fiscal year, the Governor shall include in the annual State budget an appropriation of ~~[\$500,000] \$1,000,000~~ **\$750,000** for the Fund.

(II) IN ADDITION TO THE FUNDS PROVIDED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE GOVERNOR SHALL PROVIDE

SUFFICIENT FUNDS TO ENSURE THAT EACH COUNTY RECEIVES AT LEAST \$5,000 UNDER SUBSECTION (D)(2) OF THIS SECTION.

~~(e) (D) (1) Subject to [paragraph (2)] PARAGRAPHS (2) AND (3) of this subsection, money from \$100,000 OF the Fund shall be distributed to counties for senior citizen activities centers based on a competitive grant process administered by the Department.~~

(2) (I) \$400,000 OF THE FUND SHALL BE DISTRIBUTED TO COUNTIES BASED ON EACH COUNTY'S PROPORTIONAL SHARE OF THE STATEWIDE POPULATION OF SENIOR CITIZENS.

(II) A COUNTY SHALL RECEIVE AT LEAST \$5,000 UNDER THIS PARAGRAPH.

(3) [At least 50% \$250,000 of the Fund shall be distributed for senior citizen activities centers on the basis of need, as determined by the Department, to counties: TO DISTRESSED COUNTIES AS FOLLOWS:

(I) \$150,000 SHALL BE DIVIDED EVENLY; AND

(II) \$100,000 SHALL BE DIVIDED PROPORTIONATELY BY EACH COUNTY'S SHARE OF THE TOTAL POPULATION OF SENIOR CITIZENS IN DISTRESSED COUNTIES.

~~(i) that have developed and submitted a local strategic plan for economic development that has been approved by the Secretary of Commerce; and~~

~~(ii) for which:~~

~~1. the average rate of unemployment for the most recent 18 month period for which data is available is greater than 150% of the average rate of unemployment for the entire State during that same period; or~~

~~2. the average per capita personal income for the most recent 24 month period for which data is available is equal to or less than 67% of the average personal per capita income for the entire State during that same period.]~~

(I) 30% OF THE FUND SHALL BE DISTRIBUTED TO COUNTIES BASED ON EACH COUNTY'S PRO RATA SHARE OF THE STATEWIDE POPULATION OF SENIOR CITIZENS.

(II) FUNDING PROVIDED TO A COUNTY UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE IN AN AMOUNT EQUAL TO THE PRODUCT OF

~~MULTIPLYING THE FUNDING AVAILABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TIMES A FRACTION:~~

~~1. THE NUMERATOR OF WHICH IS THE NUMBER OF SENIOR CITIZENS LIVING IN THE COUNTY; AND~~

~~2. THE DENOMINATOR OF WHICH IS THE NUMBER OF SENIOR CITIZENS LIVING IN THE STATE.~~

~~(3) (i) 70% OF THE FUND SHALL BE DISTRIBUTED TO COUNTIES BASED ON EACH COUNTY'S PRO RATA SHARE OF THE STATEWIDE POPULATION OF SENIOR CITIZENS IN EACH COUNTY WITH INCOME BELOW 150% OF THE FEDERAL POVERTY LEVEL.~~

~~(ii) FUNDING PROVIDED TO A COUNTY UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH SHALL BE IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE FUNDING AVAILABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TIMES A FRACTION:~~

~~1. THE NUMERATOR OF WHICH IS THE NUMBER OF SENIOR CITIZENS WITH INCOME BELOW 150% OF THE FEDERAL POVERTY LEVEL LIVING IN THE COUNTY; AND~~

~~2. THE DENOMINATOR OF WHICH IS THE NUMBER OF SENIOR CITIZENS WITH INCOME BELOW 150% OF THE FEDERAL POVERTY LEVEL LIVING IN THE STATE.~~

~~(d) (E)~~ The Fund shall be invested and reinvested in the same manner as other State funds.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~ October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 825 – *Health Occupations – Dental Hygienists – Administration of Nitrous Oxide*.

This bill authorizes, subject to specified requirements, dental hygienists to administer nitrous oxide to patients, and alters the definition of “practice dental hygiene.”

House Bill 470, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 825.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 825

AN ACT concerning

Health Occupations – Dental Hygienists – Administration of Nitrous Oxide

FOR the purpose of authorizing, subject to certain requirements, dental hygienists to administer nitrous oxide to certain patients; altering a certain definition; making certain conforming changes; and generally relating to the administration of nitrous oxide by dental hygienists.

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 4–101(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 4–101(k)(9), 4–205(a)(1)(ix), and 4–206.2
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Health Occupations

4–101.

- (a) In this title the following words have the meaning indicated.
- (k) “Practice dental hygiene” means to:

(9) [Monitor,] **ADMINISTER NITROUS OXIDE** in accordance with § 4–206.2 of this title[, a patient to whom nitrous oxide is administered]; or
4–205.

(a) In addition to the powers set forth elsewhere in this title, the Board may:

(1) Adopt regulations governing:

(ix) Reasonable requirements for:

1. The education, training, evaluation, and examination of a dental hygienist before a dental hygienist may [monitor a patient to whom] **ADMINISTER** nitrous oxide [is being administered, subject to] **UNDER § 4–206.2** of this subtitle; and

2. [Monitoring] **ADMINISTERING NITROUS OXIDE** by a dental hygienist[, in accordance with] **UNDER § 4–206.2** of this subtitle[, of a patient to whom nitrous oxide is being administered];

4–206.2.

(a) **[A] SUBJECT TO THE REQUIREMENTS OF SUBSECTIONS (B) AND (C) OF THIS SECTION,** A dental hygienist may [monitor a patient to whom] **ADMINISTER** nitrous oxide [is administered provided the monitoring of the] **TO A** patient **PROVIDED THE ADMINISTRATION OF NITROUS OXIDE** is under the supervision of a dentist who [is]:

(1) IS physically present on the premises; AND

(2) PRESCRIBES THE ADMINISTRATION OF NITROUS OXIDE BY THE DENTAL HYGIENIST.

(b) Before a dental hygienist may [monitor a patient to whom] **ADMINISTER** nitrous oxide [is administered] **UNDER SUBSECTION (A) OF THIS SECTION,** the dental hygienist shall successfully complete the following:

(1) Any educational requirements established by the Board; and

(2) A written and clinical examination as required by the Board.

(c) A dental hygienist shall complete the educational requirements established by the Board under subsection (b)(1) of this section through an accredited dental hygiene program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 828 – *Real Estate Brokers – Agency Relationships in Residential Real Estate Transactions – Disclosure and Consent Requirements*.

This bill alters the requirements for a specified disclosure that a licensee of the State Real Estate Commission must make under specified circumstances, establishes a specified exception to a specified disclosure requirement, establishes specified exceptions to the time when a specified disclosure must occur, and requires the Commission to prepare and provide a specified required notice. The bill also requires a subagent to make a specified required disclosure under specified circumstances.

House Bill 1469, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 828.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 828

AN ACT concerning

**Real Estate Brokers – Agency Relationships in Residential Real Estate
Transactions – Disclosure and Consent Requirements**

FOR the purpose of altering the requirements for a certain disclosure that a licensee of the State Real Estate Commission must make under certain circumstances; establishing a certain exception to a certain disclosure requirement; establishing ~~a~~ certain ~~exception~~ exceptions to the time when a certain disclosure must occur; requiring the Commission to prepare and provide a certain required notice; requiring a subagent

to make a certain required disclosure under certain circumstances; requiring a seller's agent to make a certain required disclosure under certain circumstances; requiring a buyer's agent to make a certain required disclosure under certain circumstances; altering the contents of a certain required disclosure; altering a certain exception to a certain prohibition on certain licensees acting as a dual agent; altering a certain prohibition on an intra-company agent disclosing certain confidential information; requiring a certain intra-company agent to provide certain services to a client under certain circumstances; prohibiting a dual agent from also acting as an intra-company agent under certain circumstances; prohibiting an intra-company agent from also acting as a dual agent under certain circumstances; altering the contents of a certain consent for dual agency; altering who may withdraw from representing a certain client under certain circumstances and the effect of the withdrawal; requiring certain licensees to use a certain standard disclosure form under certain circumstances; requiring a certain licensee or branch office manager to use a certain standard consent form under certain circumstances; repealing certain provisions of law regarding a presumed buyer's or lessee's agency relationship; altering certain definitions; repealing a certain definition; making stylistic and conforming changes; and generally relating to agency relationships of licensees of the State Real Estate Commission in residential real estate transactions.

BY repealing and reenacting, with amendments,
Article – Business Occupations and Professions
Section 17–528 and 17–530
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY repealing
Article – Business Occupations and Professions
Section 17–533
Annotated Code of Maryland
(2010 Replacement Volume and 2015 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

17–528.

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

(b) “Agency relationship” means each relationship in which a licensee acts for or represents another person with the person's authority in a residential real estate transaction.

(c) “Broker” means a licensed real estate broker, including a corporation, limited liability company, partnership, or sole proprietorship through which a licensed real estate broker provides real estate brokerage services under § 17–321 of this title.

(d) “Brokerage agreement” means a written agreement between a broker and a client to provide real estate brokerage services under a brokerage relationship.

(e) “Brokerage relationship” means an agency relationship under a brokerage agreement between a client and a broker who has been engaged by the client to provide real estate brokerage services in a residential real estate transaction.

(F) “BUYER’S AGENT” MEANS A LICENSED REAL ESTATE BROKER, LICENSED ASSOCIATE REAL ESTATE BROKER, OR LICENSED REAL ESTATE SALESPERSON WHO, IN ACCORDANCE WITH A WRITTEN BROKERAGE AGREEMENT, REPRESENTS A PROSPECTIVE BUYER OR LESSEE IN THE ACQUISITION OF REAL ESTATE FOR SALE OR FOR LEASE.

[(f)] (G) “Client” means a person who has entered into a brokerage agreement with a broker under a brokerage relationship.

[(g)] (H) (1) “Common source information company” means any person that is a source, compiler, or supplier of information regarding residential real estate for sale or lease or other data.

(2) “Common source information company” includes a multiple listing service.

[(h)] (I) “Confidential information” includes information that:

(1) the seller or lessor will accept a price or rent less than the price or rent as set forth in the brokerage agreement or will accept terms other than those contained in the brokerage agreement;

(2) the buyer or lessee is willing to pay a price or rent higher than the price or rent the buyer or lessee offered or will accept terms other than those contained in the offer of the buyer or lessee;

(3) discloses the motivation of a buyer, lessee, seller, or lessor or the need or urgency of a seller to sell, a buyer to buy, a lessee to lease, or a lessor to lease;

(4) discloses any facts that led the seller to sell, the buyer to buy, the lessee to lease, or the lessor to lease; or

(5) relates to the negotiating strategy of a client.

(J) “DUAL AGENT” MEANS A LICENSED REAL ESTATE BROKER WHO ACTS AS, OR A BRANCH OFFICE MANAGER DESCRIBED IN § 17–518(D) OF THIS SUBTITLE WHO HAS BEEN DESIGNATED BY THE LICENSED REAL ESTATE BROKER TO ACT AS, AN AGENT FOR BOTH THE SELLER AND THE BUYER OR THE LESSOR AND THE LESSEE IN THE SAME REAL ESTATE TRANSACTION.

(K) “INTRA–COMPANY AGENT” MEANS A LICENSED ASSOCIATE REAL ESTATE BROKER OR LICENSED REAL ESTATE SALESPERSON WHO HAS BEEN DESIGNATED BY A DUAL AGENT TO ACT ON BEHALF OF A SELLER OR LESSOR OR BUYER OR LESSEE IN THE PURCHASE, SALE, OR LEASE OF REAL ESTATE.

[(i)] (L) “Ministerial act” means an act that:

(1) a licensee performs on behalf of a client before and after the execution of a contract of sale or lease;

(2) assists another person to complete or fulfill a contract of sale or lease with the client of the licensee; and

(3) does not involve discretion or the exercise of the licensee’s own judgment.

(M) “SELLER’S AGENT” MEANS A LICENSED REAL ESTATE BROKER WHO, IN ACCORDANCE WITH A WRITTEN BROKERAGE AGREEMENT, ACTS AS THE LISTING BROKER FOR REAL ESTATE, OR A LICENSED ASSOCIATE REAL ESTATE BROKER OR LICENSED REAL ESTATE SALESPERSON WHO IS AFFILIATED WITH THE LISTING BROKER.

[(j)] (N) “Subagent” [includes a cooperating agent who acts on behalf of a client of another broker] MEANS A LICENSED REAL ESTATE BROKER, LICENSED ASSOCIATE REAL ESTATE BROKER, OR LICENSED REAL ESTATE SALESPERSON WHO:

(1) IS NOT AFFILIATED WITH OR ACTING AS THE LISTING REAL ESTATE BROKER FOR A PROPERTY;

(2) IS NOT A BUYER’S AGENT;

(3) HAS AN AGENCY RELATIONSHIP WITH THE SELLER OR LESSOR;

AND

(4) ASSISTS A PROSPECTIVE BUYER OR LESSEE IN THE ACQUISITION OF REAL ESTATE FOR SALE OR FOR LEASE IN A NONAGENCY CAPACITY.

[(k)] (O) “Timely” means a reasonable time under the particular facts and circumstances.

17-530.

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

(2) “Buyer’s agent” means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who represents a prospective buyer or lessee in the acquisition of real estate for sale or for lease.

(3) “Cooperating agent” means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who:

(i) is not affiliated with or is not acting as the listing real estate broker for a property; and

(ii) assists a prospective buyer or lessee as a subagent of the listing real estate broker, in the acquisition of real estate for sale or for lease.

(4) “Intra-company agent” means a licensed associate real estate broker or licensed real estate salesperson who has been designated by the real estate broker who the associate real estate broker or licensed real estate salesperson is affiliated with to act as a dual agent on behalf of a seller or lessor or buyer or lessee in the purchase, sale, or lease of real estate that is listed with the real estate broker.

(5) “Dual agent” means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who acts as an agent for both the seller and the buyer or the lessor and the lessee in the same real estate transaction.

(6) “Seller’s agent” means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who:

(i) is affiliated with or acts as the listing broker for real estate; and

(ii) assists a prospective buyer or lessee in the acquisition of real estate for sale or for lease.

(b) (1) **[A] EXCEPT AS PROVIDED IN ~~PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A** licensee who participates in a residential real estate transaction as a seller’s agent, buyer’s agent, or [as a cooperating agent] **A SUBAGENT shall disclose in writing that the licensee represents the seller or lessor or the buyer or lessee AS PROVIDED IN THIS SECTION.**

(2) THE DISCLOSURE REQUIRED UNDER THIS SECTION DOES NOT APPLY TO A SELLER, LESSOR, BUYER, OR LESSEE WITH WHOM A BROKER HAS ENTERED INTO A WRITTEN BROKERAGE AGREEMENT.

(3) IN ADDITION TO THE WRITTEN DISCLOSURE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION:

(I) IF THE FIRST CONTACT BETWEEN A SELLER'S AGENT AND A PROSPECTIVE BUYER OR LESSOR IS NOT A FACE-TO-FACE CONTACT, THE SELLER'S AGENT SHALL DISCLOSE, THROUGH THE MEDIUM IN WHICH THE CONTACT OCCURS, THAT THE SELLER'S AGENT REPRESENTS THE SELLER OR LESSOR; AND

(II) IF THE FIRST CONTACT BETWEEN A BUYER'S AGENT AND A PROSPECTIVE SELLER OR LESSEE IS NOT A FACE-TO-FACE CONTACT, THE BUYER'S AGENT SHALL DISCLOSE, THROUGH THE MEDIUM IN WHICH THE CONTACT OCCURS, THAT THE BUYER'S AGENT REPRESENTS THE BUYER OR LESSEE.

[(2)] (B) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE disclosure shall occur not later than the first scheduled face-to-face contact with the seller or lessor or the buyer or lessee.

(2) (I) IF A LICENSEE IS HOLDING A PROPERTY OPEN TO THE PUBLIC, THE LICENSEE COMPLIES WITH THE DISCLOSURE REQUIREMENTS OF THIS SECTION IF THE LICENSEE DISPLAYS, IN A CONSPICUOUS MANNER, A NOTICE TO PROSPECTIVE BUYERS OR LESSEES THAT THE LICENSEE PRESENT ON THE PROPERTY REPRESENTS THE SELLER OR LESSOR.

(II) THE COMMISSION SHALL PREPARE AND PROVIDE THE NOTICE REQUIRED UNDER THIS PARAGRAPH.

[(3)] (C) [(i)] In any residential real estate transaction involving a [cooperating agent as defined in this section, it shall be the obligation of the cooperating agent to make the written disclosure] SUBAGENT, THE SUBAGENT SHALL DISCLOSE IN WRITING to the buyer or lessee AS required under this section THAT THE SUBAGENT REPRESENTS THE SELLER OR LESSOR.

[(ii)] (D) In any residential real estate transaction that does not involve a [cooperating agent as defined in this section, it shall be the obligation of the seller's agent, as defined in this section, to] SUBAGENT OR BUYER'S AGENT, THE SELLER'S AGENT SHALL make the written disclosure to the buyer or lessee required under this section THAT THE SELLER'S AGENT REPRESENTS THE SELLER OR LESSOR.

[(4)] (E) In any residential real estate transaction [involving a buyer's agent, it shall be the obligation of the buyer's agent to] THAT DOES NOT INVOLVE A SELLER'S AGENT, THE BUYER'S AGENT SHALL make the written disclosure to the seller or lessor [or the agent of the seller or lessor as] required under this section THAT THE BUYER'S AGENT REPRESENTS THE BUYER OR LESSEE.

[(5)] (F) The written disclosure shall explain:

[(i)] (1) the differences between a seller's agent, buyer's agent, [cooperating agent] SUBAGENT, dual agent, and intra-company agent;

[(ii)] (2) the duties of a licensee to exercise reasonable care and diligence and maintain confidentiality;

[(iii)] that a licensee who assists a buyer or lessee in locating residential real estate for purchase or lease and is neither affiliated with nor acting as the listing real estate broker for any real estate shown or located, is presumed to be acting as a buyer's agent on behalf of the prospective buyer or lessee, unless either the licensee or the prospective buyer or lessee expressly declines to have the licensee act as a buyer's agent;

[(iv)] (3) that regardless of whom a licensee represents in a real estate transaction, the licensee has a duty to treat each party fairly AND HONESTLY, promptly present each written offer and counteroffer, respond truthfully to each question, disclose all material facts that are known or should be known relating to a property, and offer each property without discrimination;

[(v)] (4) that a licensee is qualified to advise only on real estate matters and that legal or tax advice should be obtained from a licensed attorney or accountant;

[(vi)] (5) the need for an agreement with a seller's agent, buyer's agent, or dual agent to be in writing and to include the duties and obligations of the agent, how and by whom the agent will be compensated, and any fee-sharing arrangements with other agents;

[(vii)] (6) the duty of a buyer's agent to assist in the:

[1.] (I) evaluation of a property, including the provision of a market analysis of the property; and

[2.] (II) preparation of an offer on a property and to negotiate in the best interests of the buyer;

[(viii)] (7) the possibility that a dual agency may arise in a real estate transaction and the options that would become available to the buyer and seller or lessee and lessor; and

[(ix)] (8) that any complaints concerning a licensee may be filed with the [State Real Estate] Commission.

[(c)] (A) Except as otherwise provided in subsection [(d)] (B) of this section, a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson may not act as a dual agent in this State.

[(d)] (B) (1) (i) If a licensed real estate broker [or a designee of the real estate broker] obtains the written informed consent of all parties to a real estate transaction, the real estate broker, **OR A BRANCH OFFICE MANAGER DESCRIBED IN § 17-518(D) OF THIS SUBTITLE WHO HAS BEEN DESIGNATED BY THE LICENSED REAL ESTATE BROKER**, may act as a dual agent [in the transaction] **FOR BOTH THE SELLER AND THE BUYER OR THE LESSOR AND THE LESSEE IN THE SAME REAL ESTATE TRANSACTION**.

(ii) [When acting as a] **THE** dual agent in a real estate transaction[, a real estate broker or a designee of the real estate broker] shall assign a licensed associate real estate broker or licensed real estate salesperson affiliated with the real estate broker to act as the intra-company agent on behalf of the seller or lessor and another licensed associate real estate broker or licensed real estate salesperson affiliated with the real estate broker to act as the intra-company agent on behalf of the buyer or lessee.

(iii) 1. Except as otherwise required by this title and except to the [intra-company agent's real estate broker or a designee of the real estate broker] **DUAL AGENT**, an intra-company agent may not disclose **CONFIDENTIAL** information [that a seller or buyer in a real estate transaction requests to remain confidential].

2. Except as otherwise required by this title, [the real estate broker or the designee of the real estate broker acting as] the dual agent may not disclose confidential information to the buyer or seller or the buyer's or seller's intra-company agent in the same real estate transaction.

(iv) If a real estate broker offers any financial bonuses to licensees affiliated with the broker for the sale or lease of real property listed with the real estate broker, the real estate broker shall provide to each party to a real estate transaction a statement that discloses that financial bonuses are offered.

(v) An intra-company agent representing the seller or buyer [may] **SHALL** provide the same services to the client as an [exclusive] agent for the seller or buyer **WOULD PROVIDE IN A REAL ESTATE TRANSACTION THAT DOES NOT INVOLVE DUAL AGENCY**, including advising the client as to price and negotiation strategy, provided that the intra-company agent has made the appropriate disclosures to the client and the client has consented, as required by this section, to dual agency representation.

(vi) The provisions of the services specified in this subsection may not be construed to be a breach of duty of the licensee, provided that the licensee has complied with the duties specified in § 17-522 of this subtitle.

(VII) 1. A DUAL AGENT MAY NOT ALSO ACT AS AN INTRA-COMPANY AGENT IN THE SAME REAL ESTATE TRANSACTION.

2. AN INTRA-COMPANY AGENT MAY NOT ALSO ACT AS A DUAL AGENT IN THE SAME REAL ESTATE TRANSACTION.

(2) The written consent FOR DUAL AGENCY shall ~~identify~~ **INCLUDE AN AFFIRMATION THAT IDENTIFIES** [each property for which the real estate broker will serve as a dual agent] **THE PROPERTY AND ~~THE IDENTITY OF~~ THE BUYER WHEN THE REAL ESTATE BROKER OR BRANCH OFFICE MANAGER IS SERVING AS A DUAL AGENT AND THE BUYER AND SELLER OR LESSEE AND LESSOR ENTER INTO A WRITTEN CONTRACT FOR SALE OR FOR A LEASE, RESPECTIVELY.**

[(3)] (C) The written consent FOR DUAL AGENCY shall include a statement that:

[(i)] (1) the real estate broker receives compensation on the sale of a property listed only by the broker;

[(ii)] (2) as a dual agent the real estate broker represents both the seller and the buyer and there may be a conflict of interest because the interests of the seller and the buyer may be different or adverse;

[(iii)] (3) as a dual agent the real estate broker does not owe undivided loyalty to either the seller or the buyer;

[(iv)] (4) except as otherwise required by this title, a dual agent may not disclose **CONFIDENTIAL** information [that a seller or buyer in a real estate transaction requests to remain confidential] to the buyer or seller in the same real estate transaction;

[(v)] (5) unless authorized by the seller, **NEITHER AN INTRA-COMPANY AGENT NOR** a dual agent may ~~not~~ tell a buyer that the seller will accept a price lower than the listing price or accept terms other than those contained in the listing agreement ~~for suggest that the seller accept a lower price in the presence of the buyer~~;

[(vi)] (6) unless authorized by the buyer, **NEITHER AN INTRA-COMPANY AGENT NOR** a dual agent may ~~not~~ tell a seller that the buyer is willing to pay a price higher than the price the buyer offered or accept terms other than those contained in the offer of the buyer ~~for suggest that the buyer pay a higher price in the presence of the seller~~;

[(vii)] (7) a dual agent may not disclose the motivation of a buyer or seller or the need or urgency of a seller to sell or a buyer to buy;

[(viii)] (8) except as otherwise required by this title, if the information is confidential, a dual agent may not disclose any facts that lead the seller to sell;

[(ix)] (9) the buyer or seller does not have to consent to the dual agency;

[(x)] (10) the buyer or seller has voluntarily consented to the dual agency; and

[(xi)] (11) the terms of the dual agency are understood by the buyer or seller.

[(4) (i)] (D) (1) A cause of action may not arise against a licensee for disclosure of the dual agency relationship as provided by this section.

[(ii)] (2) A dual agent does not terminate any brokerage relationship by making any required disclosure of dual agency.

[(5) (i)] (E) (1) In any residential real estate transaction, a [licensee] **LICENSED REAL ESTATE BROKER** may withdraw from representing a client who refuses to consent to a disclosed dual agency and to terminate the brokerage relationship with the client.

[(ii)] (2) The withdrawal may not prejudice the ability of the [licensee] **LICENSED REAL ESTATE BROKER** to continue to represent the other client in the transaction, nor to limit the [licensee] **LICENSED REAL ESTATE BROKER** from representing the client who refused the dual agency in other transactions not involving dual agency.

17-530.2.

[(e)] (A) (1) [The State Real Estate Commission shall require a] **A** licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who participates in a residential real estate transaction [to] **SHALL** utilize a standard disclosure form in each real estate transaction that includes the information specified in [subsection (b)(5) of this section] **§ 17-530(F) OF THIS SUBTITLE.**

(2) [The State Real Estate Commission shall require a] **A** licensed real estate broker **OR BRANCH OFFICE MANAGER** who acts as a dual agent and a licensed real estate associate broker or licensed real estate salesperson who acts as an intra-company agent in a real estate transaction [to] **SHALL** utilize a standard consent form that includes the information specified in [subsection (d)(3) of this section] **§ 17-530.1(C) OF THIS SUBTITLE.**

[(f)] (B) (1) The **[State Real Estate]** Commission shall prepare and provide **[a copy of]**:

(i) the standard disclosure form required under subsection **[(b)] (A)(1)** of this section to each licensee in this State; and

(ii) the standard consent form **FOR DUAL AGENCY** required under subsection **[(d)] (A)(2)** of this section to each licensee in this State.

(2) The **STANDARD** disclosure form and the **STANDARD** consent form **FOR DUAL AGENCY** shall be:

(i) written in a clear and coherent manner using words with common and everyday meanings;

(ii) appropriately divided and captioned by their various sections;
and

(iii) printed in at least 10 point type.

[17-533.

(a) A licensee who assists a prospective buyer or lessee in locating residential real estate for purchase or lease and is neither affiliated with nor acting as the listing real estate broker for any real estate shown or located, is presumed to be acting as the buyer's or lessee's agent representing the buyer or lessee unless either the licensee or the buyer or lessee expressly declines to have the licensee act as a buyer's or lessee's agent.

(b) A presumed buyer's or lessee's agency relationship shall be terminated if:

(1) either the buyer, lessee, or licensee expressly states a wish to terminate the presumed agency relationship; or

(2) the licensee and either the buyer or the lessee enter into a brokerage agreement.

(c) The buyer or lessee does not have an obligation to continue to work with the licensee or to pay the licensee while acting under a presumed agency relationship.

(d) A licensee who is acting as a presumed buyer's or lessee's agent may show and assist the buyer or lessee only on real estate that is not listed by the broker of that licensee.

(e) Before the licensee may show or assist the buyer or lessee in locating real estate listed for sale by the broker with whom the licensee is affiliated, the licensee shall disclose to the prospective buyer or lessee that the licensee represents the seller or lessor for that real estate as provided in § 17-530(b) of this subtitle.

(f) A licensee may represent the prospective buyer or lessee for such real estate as an intra-company agent provided that:

(1) the licensee has executed a written consent for dual agency agreement;
and

(2) the licensee has made the necessary disclosure and obtained consent as required by § 17-530(d).

(g) Before the licensee may present an offer to purchase or lease or negotiate the purchase or lease of real estate, the presumed buyer's or lessee's agency must be terminated and the buyer or lessee and the licensee shall enter into a brokerage agreement for that licensee to act as an exclusive buyer's or lessee's agent or as an intra-company agent for the buyer or lessee.

(h) The licensee acting as the presumed buyer's or lessee's agent shall comply with § 17-532 of this subtitle and has the duties stated in the required disclosure form under § 17-530 of this subtitle.

(i) At the first meeting of the licensee and the buyer or lessee, the licensee shall:

(1) orally advise the prospective buyer or lessee that the licensee will act as the buyer's or lessee's agent in locating residential real estate unless the buyer or lessee declines the agency; and

(2) provide the prospective buyer or lessee with a copy of the disclosure form required by § 17-530 of this subtitle, but the licensee is not required to obtain the signature of the buyer or lessee before or during the presumed agency relationship.

(j) A licensee acting as a presumed buyer's agent shall orally disclose that fact to the seller or lessor or the licensee acting as the agent of the seller or lessor at their first contact.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 839 – *Insurance – Rate Filings – Trade Secrets*.

This bill establishes the confidentiality, under specified circumstances, of information that an insurer files with the Maryland Insurance Commissioner as proprietary rate-related information, requires the Commissioner, if the Commissioner makes a specified determination, to give an insurer specified notice of a determination and to make specified material open to specified public inspections. The bill also requires the People's Insurance Counsel Division to maintain the confidentiality of specified proprietary rate-related information.

House Bill 958, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 839.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 839

AN ACT concerning

Insurance – Rate Filings – Trade Secrets

FOR the purpose of establishing the confidentiality, under certain circumstances, of certain information that an insurer files with the Maryland Insurance Commissioner and identifies as proprietary rate-related information; ~~authorizing the Commissioner to make a certain determination concerning certain material and to make the material available to the public~~ providing that certain information is not subject to subpoena under certain circumstances; requiring the Commissioner, if the Commissioner makes a certain determination, to give an insurer certain notice of a certain determination and to make certain material open to public inspection at a certain time, with a certain exception; authorizing the Commissioner to disclose certain information for certain purposes or to certain persons in a certain manner; requiring the People's Insurance Counsel Division to maintain the confidentiality of certain proprietary rate-related information; allowing the Division to disclose certain proprietary rate-related information to a certain consultant under certain circumstances; requiring the Commissioner to give an insurer certain notice at a certain time before disclosing certain information under certain circumstances; authorizing an insurer to seek to have a certain disclosure made in a certain manner; providing that certain disclosures do not waive a certain privilege or claim of confidentiality of certain information; providing for the construction of certain provisions of this Act; defining a certain term; and generally relating to insurance rate filings and confidentiality.

BY repealing and reenacting, with amendments,
Article – Insurance
Section 11–307
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

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

Article – Insurance

11–307.

(a) (1) Except as otherwise provided in this subsection, each authorized insurer and each rating organization that has been designated by an insurer for the filing of rates under subsection (b) of this section shall file with the Commissioner all rates and supplementary rate information and all changes and amendments of rates and supplementary information made by it for use in the State on or before the date they become effective.

(2) Rates and supplementary rate information need not be filed for inland marine risks that by general custom are not written according to manual rules or rating plans.

(b) (1) An insurer may itself establish rates and supplementary rate information based on the factors in § 11–306 of this subtitle.

(2) Except for workers' compensation insurance rates, an insurer may use rates and supplementary rate information prepared and filed with the Commissioner by a rating organization of which it is a member or subscriber, with average loss factors or expense factors determined by the rating organization or with modification for its own expense and loss experience as the credibility of that experience allows.

(3) If an insurer uses rates and supplementary rate information prepared by a rating organization:

(i) the insurer shall notify the Commissioner that it uses rates and supplementary rate information prepared and filed with the Commissioner by a designated rating organization of which it is a member or subscriber and shall provide the Commissioner with information about modifications of those rates and supplementary rate information that is necessary to inform the Commissioner fully; and

(ii) subject to modifications filed by the insurer, the insurer's rates and supplementary rate information shall be those filed periodically by the rating organization, including any amendments to those filings.

(c) (1) IN THIS SUBSECTION, “PROPRIETARY RATE-RELATED INFORMATION”:

(I) MEANS A RATING MODEL; AND

(II) INCLUDES THE FORMULAS, ALGORITHMS, ANALYSES, AND SPECIFIC WEIGHTS GIVEN TO VARIABLES USED IN THE MODEL.

[(1)] (2) (I) [Each] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, EACH filing and any supporting information filed under this subtitle shall be open to public inspection as soon as filed.

[(2)] (II) On request and payment of a reasonable charge, a person may obtain copies of a filing and any supporting information.

(3) (I) INFORMATION THAT AN INSURER FILES WITH THE COMMISSIONER AND IDENTIFIES AS PROPRIETARY RATE-RELATED INFORMATION:

1. CONSTITUTES A TRADE SECRET AND CONFIDENTIAL COMMERCIAL INFORMATION;

2. SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH AND EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, SHALL BE KEPT CONFIDENTIAL BY THE COMMISSIONER; AND

3. IS NOT SUBJECT TO SUBPOENA SERVED ON THE COMMISSIONER OR ANY RECIPIENT OF PROPRIETARY RATE-RELATED INFORMATION UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH.

(II) 1. ~~IF EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, IF THE COMMISSIONER DETERMINES THAT SOME OR ALL OF THE MATERIAL THAT AN INSURER FILES AND IDENTIFIES AS PROPRIETARY RATE-RELATED INFORMATION DOES NOT CONSTITUTE PROPRIETARY RATE-RELATED INFORMATION AS DEFINED IN PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSIONER SHALL:~~

A. GIVE THE INSURER WRITTEN NOTICE OF THAT DETERMINATION AT LEAST 10 BUSINESS DAYS BEFORE MAKING THE MATERIAL AVAILABLE TO THE PUBLIC; AND

B. MAKE THE MATERIAL OPEN TO PUBLIC INSPECTION 10 BUSINESS DAYS AFTER THE DATE THE COMMISSIONER GIVES NOTICE OF THE DETERMINATION TO THE INSURER.

2. THE COMMISSIONER MAY NOT DISCLOSE THE MATERIAL IF:

A. THE INSURER HAS NOT PUT THE RATE FILING INTO EFFECT; AND

B. WITHIN THE TIME PERIOD DESCRIBED IN SUBSUBPARAGRAPH 1B OF THIS SUBPARAGRAPH, THE INSURER WITHDRAWS THE RATE FILING AND NOTIFIES THE COMMISSIONER THAT THE RATE FILING IS WITHDRAWN.

(III) THIS PARAGRAPH DOES NOT PROHIBIT THE COMMISSIONER FROM DISCLOSING AN INSURER'S PROPRIETARY RATE-RELATED INFORMATION:

1. IN FURTHERANCE OF A REGULATORY OR LEGAL ACTION THAT THE COMMISSIONER UNDERTAKES IN PERFORMING THE COMMISSIONER'S DUTIES UNDER THIS ARTICLE; ~~OR~~

2. IF THE RECIPIENT ENTERS INTO A WRITTEN AGREEMENT TO MAINTAIN THE CONFIDENTIALITY OF THE PROPRIETARY RATE-RELATED INFORMATION, TO:

A. AN OUTSIDE CONSULTANT THAT THE COMMISSIONER ENGAGES TO ASSIST THE COMMISSIONER IN REVIEWING THE INSURER'S RATE FILING;

B. ANOTHER STATE'S INSURANCE REGULATORY AGENCY;

C. THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS; OR

D. A STATE OR FEDERAL LAW ENFORCEMENT AUTHORITY, INCLUDING THE UNITED STATES DEPARTMENT OF JUSTICE AND THE MARYLAND ATTORNEY GENERAL, IF ACTING IN A LAW ENFORCEMENT CAPACITY; OR

3. IF THE PROPRIETARY RATE-RELATED INFORMATION IS PART OF A HOMEOWNER'S INSURANCE OR MEDICAL MALPRACTICE INSURANCE RATE FILING, TO THE PEOPLE'S INSURANCE COUNSEL DIVISION ACTING UNDER § 6-306 OF THE STATE GOVERNMENT ARTICLE.

(IV) 1. ~~THE EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE PEOPLE'S INSURANCE COUNSEL DIVISION SHALL MAINTAIN THE CONFIDENTIALITY OF PROPRIETARY RATE-RELATED INFORMATION DISCLOSED TO THE DIVISION UNDER ITEM 3 OF THIS SUBPARAGRAPH SUBPARAGRAPH (III)3 OF THIS PARAGRAPH.~~

2. THE PEOPLE'S INSURANCE COUNSEL MAY DISCLOSE PROPRIETARY RATE-RELATED INFORMATION TO AN OUTSIDE CONSULTANT THAT THE DIVISION ENGAGES TO ASSIST THE DIVISION IN REVIEWING A HOMEOWNER'S INSURANCE RATE FILING, PROVIDED THAT THE OUTSIDE CONSULTANT ENTERS INTO A WRITTEN AGREEMENT TO MAINTAIN THE CONFIDENTIALITY OF THE PROPRIETARY RATE-RELATED INFORMATION.

~~(IV)~~ (V) THE COMMISSIONER SHALL NOTIFY THE INSURER IN WRITING AT LEAST 10 BUSINESS DAYS BEFORE THE COMMISSIONER DISCLOSES ANY OF THE INSURER'S PROPRIETARY RATE-RELATED INFORMATION UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH.

~~(V)~~ (VI) IN ADDITION TO ANY OTHER RIGHTS AN INSURER MAY HAVE UNDER ANY OTHER APPLICABLE LAW, THE INSURER MAY SEEK TO HAVE ANY DISCLOSURE OF THE INSURER'S PROPRIETARY RATE-RELATED INFORMATION UNDER SUBPARAGRAPH (III)1 OF THIS PARAGRAPH BE MADE UNDER SEAL OR OTHER PROTECTION OF CONFIDENTIALITY.

~~(VI)~~ (VII) THERE IS NO WAIVER OF ANY APPLICABLE PRIVILEGE OR CLAIM OF CONFIDENTIALITY WITH REGARD TO ANY PROPRIETARY RATE-RELATED INFORMATION THAT IS DISCLOSED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH.

(4) THIS SUBSECTION MAY NOT BE CONSTRUED TO:

(I) AUTHORIZE AN INSURER TO DESIGNATE THE RATING FACTORS USED TO CALCULATE THE PREMIUM AS PROPRIETARY RATE-RELATED INFORMATION; OR

(II) AUTHORIZE THE COMMISSIONER TO KEEP THE RATING FACTORS CONFIDENTIAL.

(d) (1) The Commissioner may investigate and determine whether or not rates in the State are excessive, inadequate, or unfairly discriminatory.

(2) In an investigation and determination under this subsection, the Commissioner shall give due consideration to the factors specified in § 11-306 of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 851 – *Property and Casualty Insurance – Commercial Policies and Workers’ Compensation Insurance Policies – Notices of Premium Increases*.

This bill alters the scope of provisions of law that require an insurer to send to specified persons a specified notice of a premium increase for policies of commercial insurance and policies of workers’ compensation insurance. The bill also provides that the provisions of law do not apply to policies for which the renewal policy premium is an increase of a specified percentage or less over the expiring policy premium.

House Bill 1408, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 851.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 851

AN ACT concerning

**Property and Casualty Insurance – Commercial Policies and Workers’
Compensation Insurance Policies – Notices of Premium Increases**

FOR the purpose of altering the scope of certain provisions of law that require an insurer to send to certain persons a certain notice of a premium increase for policies of commercial insurance and policies of workers’ compensation insurance; providing that the provisions of law do not apply to policies for which the renewal policy premium is an increase of a certain percentage or less over the expiring policy

premium; clarifying that an insurer that sends certain documents and notices and a certain offer to certain persons at a certain time may not be required to comply with a certain notice requirement; providing for the application of this Act; and generally relating to notices of premium increases for property and casualty insurance.

BY repealing and reenacting, with amendments,
 Article – Insurance
 Section 27–608
 Annotated Code of Maryland
 (2011 Replacement Volume and 2015 Supplement)

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

Article – Insurance

27–608.

(a) (1) This section applies to:

- (i) policies of commercial insurance; and
- (ii) policies of workers' compensation insurance.

(2) This section does not apply to policies:

(i) issued to exempt commercial policyholders, as defined in § 11–206(j) of this article; or

(ii) for which the renewal policy premium is[:

1. in excess of \$1,000; and

2.] an increase over the expiring policy premium of [the lesser of 3% or \$300] **15% OR LESS.**

(b) Unless an insurer has given notice of its intention not to renew a policy subject to this section, if the insurer seeks to increase the renewal policy premium, the insurer shall send a notice to the named insured and insurance producer, if any, not less than 45 days prior to the renewal date of the policy.

(c) Subject to subsection (d) of this section, a notice under this section shall include:

(1) both the expiring policy premium and the renewal policy premium; and

(2) the telephone number for the insurer or insurance producer, if any, together with a statement that the insured may call to request additional information about the premium increase.

(d) (1) If an insurer seeks to increase the renewal policy premium and the insurer's rating methodology requires the insured to provide information to calculate the renewal policy premium, an insurer shall provide a reasonable estimate of the renewal policy premium if:

(i) the insurer has requested the required information from the insured; and

(ii) the insurer has not received the requested information.

(2) A reasonable estimate under this subsection shall be based upon the information available to the insurer at the time the notice is sent.

(e) The requirements of this section do not apply to the extent that the premium increase results from:

(1) an increase in the units of exposure;

(2) the application of an experience rating plan;

(3) the application of a retrospective rating plan;

(4) a change made by the insured that increases the insurer's exposure; or

(5) an audit of the insured.

(f) A notice required by this section shall be sent by first-class mail and may be sent together with the renewal policy.

(g) An insurer [shall be considered to have met the] **MAY NOT BE REQUIRED TO COMPLY WITH ANY** notice requirement of this section if, not less than 45 days before the effective date of the renewal policy, the insurer has sent:

(1) (i) to the named insured, a renewal policy that includes the renewal policy premium; and

(ii) to the independent insurance producer, if any:

1. a copy of the renewal policy that includes the renewal policy premium through postal or electronic mail; or

2. at the same time as the insurer sends the renewal policy to the insured, a notice of the availability of the renewal policy through the insurer's online electronic system;

(2) to the named insured and insurance producer, if any, a written notice of renewal or continuation of coverage that includes the renewal or continuation premium; or

(3) to the named insured and insurance producer, if any, a renewal offer that includes a reasonable estimate of the renewal policy premium.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies of commercial insurance and all policies of workers' compensation insurance issued, delivered, or renewed in the State on or after October 1, 2016.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 860 – *Frederick County – Alcoholic Beverages – Refillable Container Permits*.

This bill authorizes the Board of License Commissioners for Frederick County to issue refillable container permits for draft beer and for wine to a holder of a Class A alcoholic beverages license or a Class B alcoholic beverages license, and provides for specified permit fees.

House Bill 1031, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 860.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 860

AN ACT concerning

Frederick County – Alcoholic Beverages – Refillable Container Permits

FOR the purpose of authorizing the Board of License Commissioners for Frederick County to issue a refillable container permit for draft beer and for wine to a holder of a Class A alcoholic beverages license or a Class B alcoholic beverages license; providing for certain permit fees; and generally relating to alcoholic beverages in Frederick County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 20–102

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 20–1101

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 20–1104 and 20–1105

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

20–102.

This title applies only in Frederick County.

20–1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the County without exception or variation:

(1) § 4-1102 (“Corkage — Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article [do not] apply in the County:

(1) § 4-1104 (“Refillable container permit — Draft beer”), **SUBJECT TO § 20-1104 OF THIS SUBTITLE**; and

(2) § 4-1104 (“Refillable container permit — Wine”), **SUBJECT TO § 20-1105 OF THIS SUBTITLE.**

20-1104.

(A) THE BOARD MAY ISSUE A REFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS A OR CLASS B LICENSE.

(B) THE ANNUAL PERMIT FEE IS \$50.

20-1105.

(A) THE BOARD MAY ISSUE A REFILLABLE CONTAINER PERMIT FOR WINE TO A HOLDER OF A CLASS A OR CLASS B LICENSE.

(B) THE ANNUAL PERMIT FEE IS \$50.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 861 – *Frederick County – Dry Election Districts – Repeal*.

This bill repeals specified provisions of law that prohibit the Board of License Commissioners for Frederick County from issuing specified alcoholic beverages licenses in specified election districts in the County. The bill also provides that the Board may issue anywhere in the County, regardless of election district, any license authorized under a specified provision of law and requires that a specified public hearing be held for a license.

House Bill 1109, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 861.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 861

AN ACT concerning

Frederick County – Dry Election Districts – Repeal

FOR the purpose of repealing certain provisions of law that prohibit the Board of License Commissioners for Frederick County from issuing certain alcoholic beverages licenses in certain election districts in the County; providing that the Board may issue anywhere in the County, regardless of election district, any license authorized under a certain provision of law except as otherwise provided under a certain provision; requiring that a certain public hearing be held for a license; specifying that the Board may issue a Class C beer, wine, and liquor license to certain organizations; and generally relating to alcoholic beverages licenses in Frederick County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 20–102

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 20–1602

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

20–102.

This title applies only in Frederick County.

20–1602.

[(a) (1) Except as otherwise provided in this section, the Board may not issue a license for an establishment in any of the following election districts:

- (i) Catoctin (6th);
- (ii) Hauvers (10th);
- (iii) Jackson (16th);
- (iv) Linganore (19th); and
- (v) Ballenger (23rd).

(2) This subsection does not apply to a Class 8 farm brewery license issued under § 2–210 of this article.

(3) The Board may issue the following licenses for an establishment in the Ballenger election district:

- (i) a Class 7 micro–brewery license;
- (ii) a Class B–CC license;
- (iii) a Class B license; and
- (iv) a Class MEC license.

(b) (1) Except as provided in paragraph (2) of this subsection, the Board may issue a Class A, Class B, or Class C beer license for an establishment in any of the following election districts:

- (i) Jefferson (14th);
- (ii) Johnsville (17th); and
- (iii) Burkittsville (22nd).

(2) The Board may issue a Class B–CI (country inn) on–sale beer, wine, and liquor license for the use of an establishment in the Burkittsville (22nd) election district.

(c) The Board may issue a Class A, Class B, or Class C beer and wine license or a Class A, Class B, or Class C beer, wine, and liquor license for an establishment in any of the following election districts:

- (1) Buckeystown (1st);
- (2) Frederick (2nd);
- (3) Creagerstown (4th);
- (4) Emmitsburg (5th);
- (5) Urbana (7th);
- (6) Liberty (8th);
- (7) New Market (9th);
- (8) Woodsboro (11th);
- (9) Petersville (12th);
- (10) Mt. Pleasant (13th);
- (11) Thurmont (15th);
- (12) Woodville (18th);
- (13) Lewistown (20th);
- (14) Tuscarora (21st);
- (15) Braddock (24th);
- (16) Brunswick (25th); and
- (17) Walkersville (26th).

(d) The Board may issue a Class C beer, wine, and liquor license for an establishment in the 3rd election district.

(e) (1) The Board may issue within the municipal boundaries of Middletown:

- (i) Class A, Class B, or Class C beer licenses;
 - (ii) Class B beer, wine, and liquor (on-sale) licenses, if the licensed premises derives at least 70% of its monthly gross revenue from the sale of food; and
 - (iii) Middletown Wine Festival licenses.
- (2) In all other areas of the Middletown (3rd) election district, the Board may issue only:

- (i) Class A, Class B, or Class C beer licenses; or
- (ii) Middletown Wine Festival licenses.

(f) (1) Wine may be sold as provided under a winery license, a limited winery license, or a Class A wine license in any election district.

(2) A holder of a limited winery license may provide tables and chairs on the premises of the licensed facility for the sale, by the glass, of wine and pomace brandy made at the facility to an individual who participates in a guided tour of the facility or attends a scheduled promotional event or other organized activity at the licensed premises.]

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, THE BOARD MAY ISSUE ANY LICENSE:

(1) AUTHORIZED UNDER THIS TITLE ANYWHERE IN THE COUNTY, REGARDLESS OF ELECTION DISTRICT; AND

(2) FOR WHICH A PUBLIC HEARING IS HELD.

to: **[(g)] (B)** (1) The Board may issue a **CLASS C** beer, wine, and liquor license

- (i) a religious organization;
- (ii) a fraternal organization;
- (iii) a civic organization;
- (iv) a war veterans' organization; and
- (v) a patriotic organization.

(2) A license issued under this subsection may be used only for on-premises consumption.

(3) All net proceeds from the sale of alcoholic beverages by an organization listed in paragraph (1) of this subsection shall be used solely for charitable purposes or otherwise to further the purposes of the organization.

[(h) The Board may issue Class C (golf and country club) licenses for establishments in the 16th election district.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 883 – *Frederick County – Local Government Tort Claims Act – Notice of Claim*.

This bill requires notice of a claim against Frederick County under the Local Government Tort Claims Act to be given to the county solicitor or county attorney.

House Bill 357, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 883.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 883

AN ACT concerning

Frederick County – Local Government Tort Claims Act – Notice of Claim

FOR the purpose of requiring notice of a claim against Frederick County under the Local Government Tort Claims Act to be given to the county solicitor or county attorney; and generally relating to notice of a claim under the Local Government Tort Claims Act.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 5–304
Annotated Code of Maryland
(2013 Replacement Volume and 2015 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

5–304.

(a) This section does not apply to an action against a nonprofit corporation described in § 5–301(d)(23), (24), (25), (26), (28), or (29) of this subtitle or its employees.

(b) (1) Except as provided in subsections (a) and (d) of this section, an action for unliquidated damages may not be brought against a local government or its employees unless the notice of the claim required by this section is given within 1 year after the injury.

(2) The notice shall be in writing and shall state the time, place, and cause of the injury.

(c) (1) The notice required under this section shall be given in person or by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, by the claimant or the representative of the claimant.

(2) Except as otherwise provided, if the defendant local government is a county, the notice required under this section shall be given to the county commissioners or county council of the defendant local government.

(3) If the defendant local government is:

(i) Baltimore City, the notice shall be given to the City Solicitor;

(ii) Howard County or Montgomery County, the notice shall be given to the County Executive; and

(iii) Anne Arundel County, Baltimore County, **FREDERICK COUNTY**, Harford County, or Prince George's County, the notice shall be given to the county solicitor or county attorney.

(4) For any other local government, the notice shall be given to the corporate authorities of the defendant local government.

(d) Notwithstanding the other provisions of this section, unless the defendant can affirmatively show that its defense has been prejudiced by lack of required notice, upon motion and for good cause shown the court may entertain the suit even though the required notice was not given.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 884 – *Frederick County – Property Tax – Small Business Tax Credit*.

This bill alters specified requirements for an existing business entity in Frederick County to qualify for a specified property tax credit imposed on real property owned or leased by the business entity and alters the definition of “full-time position” to increase the number of hours and period of time individuals must be employed. The bill also requires a payment of at least 150% of the federal minimum wage and alters the percentage of the property tax credit authorized in specified taxable years.

House Bill 320, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 884.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 884

AN ACT concerning

Frederick County – Property Tax – Small Business Tax Credit

FOR the purpose of altering certain requirements for an existing business entity in Frederick County to qualify for a certain property tax credit imposed on real property owned or leased by the business entity; altering a certain definition to increase the

hours and period of time a certain employee must work in a certain position and to require a certain rate of payment; altering the percentage of the property tax credit authorized in certain taxable years; clarifying that the governing body of Frederick County may not grant the property tax credit until a certain taxable year under certain circumstances; making it discretionary, rather than mandatory, that the governing body of Frederick County provide, by law, for certain eligibility requirements for the property tax credit, limitations on the credit, and any appropriate provisions to implement the credit; providing for the application of this Act; making clarifying and conforming changes; and generally relating to a county property tax credit for small businesses in Frederick County.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 9–312(i)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

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

Article – Tax – Property

9–312.

(i) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Affiliate” means a person:

1. that directly or indirectly owns at least 80% of a business entity; or

2. at least 80% of which is owned, directly or indirectly, by a business entity.

(iii) “Business entity” means a person conducting a trade or business in the State that is subject to the State individual or corporate income tax or insurance premiums tax.

(iv) “Full-time position” means a position [requiring] **THAT:**

1. **REQUIRES** at least [840] **1,800** hours of an individual’s time [during at least 24 weeks in a 6-month period] **IN A CALENDAR YEAR; AND**

2. **PAYS AT LEAST 150% OF THE FEDERAL MINIMUM WAGE.**

(v) “New or expanded premises” means commercial or industrial real property, including a building or part of a building that has not been previously occupied, where a business entity or its affiliates locate to conduct business.

(vi) 1. “New permanent full–time position” means a position that is:

A. a full–time position of indefinite duration;

B. located in Frederick County;

C. newly created, as a result of the establishment or expansion of a business facility in the county; and

D. filled.

2. “New permanent full–time position” does not include a position that is:

A. created when an employment function is shifted from an existing business facility of the business entity or its affiliates located in Frederick County to another business facility of the same business entity or its affiliates, if the position does not represent a net new job in the county;

B. created through a change in ownership of a trade or business;

C. created through a consolidation, merger, or restructuring of a business entity or its affiliates, if the position does not represent a net new job in the county;

D. created when an employment function is contractually shifted from an existing business entity or its affiliates located in the county to another business entity or its affiliates, if the position does not represent a net new job in the county; or

E. filled for a period of less than 12 months.

(2) The governing body of Frederick County may grant, by law, a property tax credit against the county property tax imposed on real property owned or leased by a business entity that meets the requirements specified for the tax credit under this subsection.

(3) To qualify for a property tax credit under this subsection, before a business entity obtains the new or expanded premises or hires employees to fill the new

permanent full-time positions at the new or expanded premises, the business entity shall provide written notification to the governing body of Frederick County stating:

(i) that the business entity intends to claim the property tax credit;
and

(ii) when the business entity expects to obtain the new or expanded premises and hire the required number of employees in the new permanent full-time positions.

(4) [(i)] To qualify for a property tax credit under this subsection, [an existing] A business entity [in the county] shall:

[1. obtain at least an additional 1,500 square feet of new or expanded premises by purchasing newly constructed premises, constructing new premises, causing new premises to be constructed, or leasing previously unoccupied premises; and

2. employ at least one individual in a new permanent full-time position during a 12-month period, during which period the business entity also must obtain and occupy the new or expanded premises.

(ii) To qualify for the property tax credit under this subsection, a new business entity locating in the county shall:]

[1.] (I) obtain at least 2,500 square feet of new or expanded premises by purchasing newly constructed premises, constructing new premises, causing new premises to be constructed, or leasing previously unoccupied premises; and

[2.] (II) employ at least five individuals in new permanent full-time positions during a 24-month period, during which period the business entity also must obtain and occupy the new or expanded premises.

(5) (i) [If an existing] **SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, IF A** business entity [in the county meets the requirements of paragraph (4)(i) of] **QUALIFIES FOR THE PROPERTY TAX CREDIT UNDER** this subsection, the property tax credit [granted under this subsection] shall equal a percentage of the amount of property tax imposed on the assessment of the new or expanded premises, as follows:

1. [52%] **40%** in the 1st and 2nd taxable years;
2. [39%] **30%** in the 3rd and 4th taxable years; [and]
3. [26%] **20%** in the 5th and 6th taxable years; **AND**
4. **0% FOR EACH TAXABLE YEAR THEREAFTER.**

[(ii) If a new business entity locating in the county meets the requirements of paragraph (4)(ii) of this subsection, the property tax credit granted under this subsection shall equal a percentage of the amount of property tax imposed on the assessment of the new or expanded premises, as follows:

1. 30% in the 1st and 2nd taxable years;
2. 20% in the 3rd and 4th taxable years; and
3. 10% in the 5th and 6th taxable years.]

(II) A PROPERTY TAX CREDIT UNDER THIS SUBSECTION MAY NOT BE GRANTED UNTIL THE FIRST TAXABLE YEAR IN WHICH THE COUNTY PROPERTY TAX IMPOSED ON REAL PROPERTY OWNED OR LEASED BY THE BUSINESS ENTITY INCREASES DUE TO THE BUSINESS ENTITY'S QUALIFYING INVESTMENT IN THE NEW OR EXPANDED PREMISES.

(6) The lessor of real property granted a property tax credit under this subsection shall reduce the amount of taxes for which a business entity is contractually liable under the lease agreement by the amount of any credit granted under this subsection for improvements made by the business entity.

(7) The governing body of Frederick County [shall] **MAY** provide, by law, for:

- (i) [the specific] **ANY ADDITIONAL** requirements for eligibility for a property tax credit authorized under this subsection;
- (ii) any additional limitations on eligibility for the credit; and
- (iii) any other provision appropriate to implement the credit.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016, and shall be applicable to all taxable years beginning after June 30, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 899 – *Maryland Medical Assistance Program – Specialty Mental Health and Substance Use Disorder Services – Parity*.

This bill requires the Department of Health and Mental Hygiene to adopt regulations necessary to ensure that the Maryland Medical Assistance Program is in compliance with specified federal laws and provides that the Department is not required to adopt specified regulations for any change that may be made through a process other than the regulatory process. The bill also requires the regulations to include standards regarding treatment limitations for specialty mental health and substance use disorder services that comply with the federal laws.

House Bill 1217, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 899.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 899

AN ACT concerning

Maryland Medical Assistance Program – Specialty Mental Health and Substance Use Disorder Services – Parity

FOR the purpose of requiring the Department of Health and Mental Hygiene to adopt regulations necessary to ensure that the Maryland Medical Assistance Program is in compliance with certain federal laws; providing that the Department is not required to adopt certain regulations for certain changes; requiring the regulations to include standards regarding treatment limitations for specialty mental health and substance use disorder services that comply with the federal laws and relate to certain items; providing that the treatment limitations comply with the federal laws if certain factors used in applying a treatment limitation meet certain requirements for medical and surgical services; and generally relating to the Maryland Medical Assistance Program and compliance with federal laws relating to specialty mental health and substance use disorder services.

BY adding to

Article – Health – General

Section 15–103.6

Annotated Code of Maryland

(2015 Replacement Volume)

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

Article – Health – General

15-103.6.

(A) (1) ~~ON~~ SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ON OR BEFORE JUNE 30, 2017, THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO ENSURE THAT THE PROGRAM IS IN COMPLIANCE WITH THE FEDERAL MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT AND THE FEDERAL PATIENT PROTECTION AND AFFORDABLE CARE ACT.

(2) THE DEPARTMENT IS NOT REQUIRED TO ADOPT REGULATIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR ANY CHANGE THAT MAY BE MADE THROUGH A PROCESS OTHER THAN THE REGULATORY PROCESS.

(B) THE REGULATIONS ADOPTED UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE STANDARDS REGARDING TREATMENT LIMITATIONS FOR SPECIALTY MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES THAT COMPLY WITH THE FEDERAL MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT AND THE FEDERAL PATIENT PROTECTION AND AFFORDABLE CARE ACT, AS AMENDED BY THE FEDERAL HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010, AND RELATE TO:

(1) THE SCOPE OF BENEFITS FOR:

(I) TELEHEALTH SERVICES; AND

(II) RESIDENTIAL TREATMENT PROGRAMS THAT ARE NOT INSTITUTIONS FOR MENTAL DISEASE;

(2) SERVICE NOTIFICATION AND AUTHORIZATION REQUIREMENTS;

(3) LICENSED SPECIALTY MENTAL HEALTH OR SUBSTANCE USE DISORDER PROGRAM BILLING FOR:

(I) SERVICES PROVIDED BY PHYSICIANS, ADVANCED PRACTICE NURSES, AND PHYSICIAN ASSISTANTS;

(II) SERVICES PROVIDED BY A LICENSED SPECIALTY MENTAL HEALTH OR SUBSTANCE USE DISORDER PROGRAM AT A LOCATION THAT IS NOT THE PRIMARY LOCATION AT WHICH THE PROGRAM IS LICENSED; AND

(III) SEPARATE LEVELS OF SERVICE PROVIDED WITHIN A SINGLE DAY OR WEEK; AND

(4) REIMBURSEMENT RATES.

(C) THE TREATMENT LIMITATIONS FOR SPECIALTY MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES COMPLY WITH THE FEDERAL MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT AND THE FEDERAL PATIENT PROTECTION AND AFFORDABLE CARE ACT, AS AMENDED BY THE FEDERAL HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010, IF THE OPERABLE PROCESSES, STRATEGIES, EVIDENTIARY STANDARDS, OR OTHER FACTORS USED IN APPLYING A TREATMENT LIMITATION TO SPECIALTY MENTAL HEALTH OR SUBSTANCE USE DISORDER SERVICES, AS WRITTEN AND APPLIED, ARE COMPARABLE TO AND NO MORE RESTRICTIVE THAN, AND ARE APPLIED NO MORE STRINGENTLY THAN, THE PROCESSES, STRATEGIES, EVIDENTIARY STANDARDS, OR OTHER FACTORS USED IN APPLYING THE TREATMENT LIMITATION TO MEDICAL AND SURGICAL SERVICES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Mike Miller
President of the Senate
State House
Annapolis, Maryland, 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 907 – *Transportation – Harry W. Nice Memorial Potomac River Bridge – Replacement*.

The Harry W. Nice Memorial Potomac River Bridge is a high priority of this Administration and any claims to the contrary are simply untrue. Over \$61 million is allocated in Maryland's six-year Consolidated Transportation Plan for environmental studies, test borings, engineering, planning, right-of-way acquisition and replacement designs. To maintain the existing structure, annual inspections and prioritized repairs are accomplished to ensure safety of the bridge. As recently as last June 23, the Board of Public Works voted to approve a \$15 million design and engineering contract with a firm to perform preliminary design and engineering for the bridge's replacement.

Given this Administration's sizable investment in this facility, this legislation is entirely unnecessary.

In the context of numerous bills introduced over the past two sessions that erode the long-established powers of Maryland's Executive Branch, Senate Bill 907 intrudes on the Maryland Transportation Authority's (MDTA) statutory independence, creates an environment that encourages litigation by bondholders, and statutorily prioritizes certain MDTA projects over others. This legislation is every bit as regrettable as House Bill 1013 which the General Assembly passed in order to dictate which transportation projects get selected though a misguided and inept scoring matrix established by statute.

Instead of proceeding through the highly acclaimed professional process of MDTA to select a project of this magnitude, the General Assembly passed Senate Bill 907 which is likely the first of many bills attempting to push a transportation project to the head of the line by legislative "logrolling" – i.e. vote trading by Senators and Delegates to obtain passage of legislation provincial to each member. Since the early 20th century, Maryland has avoided the practice of logrolling in transportation projects and school construction by deferring to professional evaluations and nonpartisan processes in project selection. This bill foreshadows what will happen under House Bill 1013 whereby transportation projects with low scores are championed by powerful legislators who substitute raw political muscle instead of unbiased professional judgment for the selection of projects in Maryland's Consolidated Transportation Plan.

By substituting the judgment of the General Assembly for the rational and professional selection process of MDTA, Senate Bill 907 would mandate the appropriation of \$75 million of MDTA revenues into a fund starting in Fiscal Year 2018 solely for the Harry W. Nice Memorial Potomac River Bridge. The bill also mandates certain design elements such as the number of required lanes as well as mandating a construction and operational deadline of December 31, 2030.

Simply put, this bill is a de facto amendment to our trust agreement with bondholders and impacts MDTA's ability to fund the required and necessary maintenance of the MDTA system. The MDTA's General Account funds are used to facilitate the capital program on a pay-as-you-go basis. Mandating a \$75 million annual payment from the General Account to the Nice Bridge Replacement Fund puts the funding of the replacement project above all other MDTA capital projects, regardless of system needs. This may impact MDTA's ability to address other important needs at the William Preston Lane Jr. Memorial Bay Bridge and other facilities across the State.

Under the provisions of Senate Bill 907, the integrity of the MDTA's position with bond rating agencies is threatened. MDTA requires flexibility in meeting its required bond ratios and honoring its commitments to bondholders without legislative interference. The existing trust agreement places a priority on system maintenance and preservation and the diversion of funds required by the bill jeopardizes that agreement.

Moreover, Senate Bill 907 mandates the actual construction of a replacement Harry W. Nice Memorial Potomac River Bridge by a date certain without regard to the significant

funding gap within the legislation or compliance with the National Environmental Policy Act (NEPA) and other federal requirements. Such statutory requirements and the mandated funding under Senate Bill 907 presupposes an outcome that limits the MDTA for future options such as a public–private partnership. Doing so would be costly and would not be in the State’s best interests. Moreover, in an action contrary to Senate Bill 907’s proposed replacement costs of \$700 million to \$1 billion, the General Assembly passed the Budget Reconciliation and Financing Act of 2015 that limits MDTA borrowing authority by \$700 million until fiscal 2021.

Senate Bill 907 further violates the statutory independence of the MDTA and the terms of the Trust Agreement by requiring MDTA to seek approval from the Maryland General Assembly’s Legislative Policy Committee before reprioritizing funds in an emergency situation. Interjecting politics into this process and requiring the approval of a third party infringes on MDTA’s independent ability to address system emergencies expeditiously.

For these reasons, I have vetoed Senate Bill 907.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 907

AN ACT concerning

Transportation – Harry W. Nice Memorial Potomac River Bridge – Replacement

FOR the purpose of requiring the State and the Maryland Transportation Authority to finance a multilane replacement bridge for the Harry W. Nice Memorial Potomac River Bridge; specifying certain requirements for the replacement bridge; stating the intent of the General Assembly; establishing the Harry W. Nice Memorial Potomac River Bridge Replacement Fund; requiring the Authority to make a deposit of ~~no less than~~ a certain amount to the Fund, in certain fiscal years and under certain circumstances, to finance the design and construction of the replacement bridge; requiring the deposit to be made from a certain balance of funds deposited in a certain account before the balance of funds may be used for a certain purpose; authorizing the Authority to deposit in the Fund an amount that is less than a certain required amount under certain circumstances; and requiring certain video lottery facility revenue distributed to the Fund to supplement, but not supplant, the deposit, subject to a certain exception; prohibiting the Authority from depositing certain proceeds into the fund; requiring the Authority to submit ~~an annual report~~ certain reports to certain committees of the General Assembly; and generally relating to the replacement bridge for the Harry W. Nice Memorial Potomac River Bridge.

BY adding to

Article – Transportation
Section 4–322

Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

Preamble

WHEREAS, The Maryland Transportation Authority (MdTA) received federal approval of a National Environmental Policy Act (NEPA) study in 2012 that supported the replacement of the Harry W. Nice Memorial Potomac River Bridge and the creation of a new crossing that provides for two lanes of traffic in each direction in order to match the existing highway facilities in Maryland and Virginia on each side of the Potomac River on U.S. 301; and

WHEREAS, The Nice Bridge is the only MdTA facility that forces users to drive on a highway or bridge without a barrier or median separation between opposing directions of traffic at all times; and

WHEREAS, In 2014 MdTA publicly stated that the 75-year-old Harry W. Nice Memorial Potomac River Bridge has a deck that will reach the end of its useful life by 2025 and will need replacement; and

WHEREAS, The Harry W. Nice Memorial Potomac River Bridge serves as a critical evacuation route in the event of a national disaster or security alert, links the region's military facilities, contractors, suppliers, and businesses, and provides the only direct, logical alternative to I-95 (the primary and increasingly burdened north-south thoroughfare that traverses all of the states along the East Coast of the United States) for travel between the Washington Metropolitan Area and Richmond, Virginia, in the event of a major incident or closure on I-95; and

WHEREAS, A project limited to the replacement of the deck of the Harry W. Nice Memorial Potomac River Bridge without the availability of an additional Potomac River crossing will place an undue hardship on vital U.S. Defense Department facilities in the area and on other users of the bridge and also could require detours for users of more than 100 miles; and

WHEREAS, MdTA already has committed \$53 million to the planning, designing, preliminary engineering, and right-of-way acquisition costs associated with a Harry W. Nice Memorial Potomac River Bridge replacement project; and

WHEREAS, In order to meet a target opening date of no later than December 31, 2030, for the replacement bridge for the Harry W. Nice Memorial Potomac River Bridge, it is imperative that MdTA include the project in its capital program in the near future so that planning and design work on the project may proceed and its subsequent construction commence in a timely manner; and

WHEREAS, The users of the Harry W. Nice Memorial Potomac River Bridge have waited patiently while the State has undertaken major system expansion and system preservation projects in every other region of the State served by MdTA; now, therefore,

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

Article – Transportation

4–322.

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

(2) “EMERGENCY CIRCUMSTANCE” MEANS AN UNFORESEEN EVENT OR OCCURRENCE THAT REQUIRES THE AUTHORITY TO EXPEND AT LEAST \$25,000,000 IN A GIVEN FISCAL YEAR TO ADDRESS AN UNFORESEEN NEED THAT WAS NOT INCLUDED IN THE AUTHORITY’S MOST RECENT FINANCIAL FORECAST SUBMITTED UNDER § 4–210(B)(2) OF THIS ARTICLE.

~~(2)~~ (3) “FUND” MEANS THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE REPLACEMENT FUND.

~~(3)~~ (4) “HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE” MEANS THE 1.7 MILE–LONG BRIDGE FOR SINGLE–LANE VEHICULAR TRAFFIC IN EACH DIRECTION LOCATED ON U.S. 301 THAT CROSSES THE POTOMAC RIVER BETWEEN CHARLES COUNTY, MARYLAND, AND KING GEORGE COUNTY, VIRGINIA.

(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE AUTHORITY:

(1) PROMPTLY UNDERTAKE:

(i) ALL STEPS NECESSARY TO COMPLETE PRELIMINARY DESIGN, ENGINEERING, AND RIGHT–OF–WAY ACQUISITION, AS AUTHORIZED UNDER THE 2016 CONSOLIDATED TRANSPORTATION PLAN, FOR THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE REPLACEMENT PROJECT; AND

(ii) ANY OTHER REQUIREMENTS THAT MUST BE MET BEFORE THE AUTHORITY SOLICITS BIDS AND LETS A PROCUREMENT CONTRACT FOR THE CONSTRUCTION OF THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE REPLACEMENT BRIDGE;

(2) CONSTRUCT A REPLACEMENT BRIDGE FOR THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE IN ACCORDANCE WITH THIS SECTION; AND

(3) NOT UNDERTAKE AS A LONG–TERM PREFERRED OPTION TO ADDRESS TRAFFIC CONGESTION ON AND THE CONDITION OF THE EXISTING HARRY

W. NICE MEMORIAL POTOMAC RIVER BRIDGE A PROJECT THAT IS LIMITED TO REDECKING AND MAINTAINING THE EXISTING BRIDGE.

(C) THE STATE AND THE AUTHORITY SHALL FINANCE A MULTILANE REPLACEMENT BRIDGE FOR THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE AS PROVIDED IN THIS SECTION.

(D) THE REPLACEMENT BRIDGE FOR THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE SHALL:

(1) INCLUDE AT LEAST TWO LANES IN EACH DIRECTION; AND

(2) BE CONSTRUCTED AND COMMENCE OPERATION ON OR BEFORE DECEMBER 31, 2030.

(E) (1) THERE IS A HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE REPLACEMENT FUND.

(2) THE FUND SHALL BE ESTABLISHED AS AN IRREVOCABLE TAX-EXEMPT TRUST, IN ACCORDANCE WITH § 115 OF THE INTERNAL REVENUE CODE OR OTHER APPLICABLE FEDERAL STATUTE.

(3) THE PURPOSE OF THE FUND IS TO ASSIST THE STATE IN FINANCING THE DESIGN AND CONSTRUCTION OF THE REPLACEMENT BRIDGE FOR THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE.

(4) (I) ~~IN FISCAL YEAR 2018 AND IN EACH FISCAL YEAR THEREAFTER AND SUBJECT TO SUBPARAGRAPHS (IV) AND (VI) OF THIS PARAGRAPH,~~ EXCEPT AS PROVIDED IN SUBPARAGRAPH (IV) OF THIS PARAGRAPH, IN EACH OF FISCAL YEARS 2018 THROUGH 2027, THE AUTHORITY SHALL DEPOSIT IN THE FUND ~~\$75,000,000 AT LEAST \$26,000,000~~ \$75,000,000 FROM THE RENTALS, RATES, FEES, TOLLS, AND OTHER CHARGES AND REVENUES THE AUTHORITY ACCUMULATES FROM TRANSPORTATION FACILITIES PROJECTS UNDER THE JURISDICTION OF THE AUTHORITY.

(II) THE MONEY REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DEPOSITED FROM THE BALANCE OF FUNDS THAT ARE DEPOSITED IN THE AUTHORITY'S GENERAL ACCOUNT AFTER THE AUTHORITY HAS, AS REQUIRED UNDER ITS TRUST AGREEMENT AND ANY SUPPLEMENTAL TRUST AGREEMENTS, PAID OR SET ASIDE AMOUNTS TO FUND OR MEET CURRENT EXPENSES, DEBT SERVICE OBLIGATIONS ON BONDS ISSUED BY THE AUTHORITY, MAINTENANCE AND OPERATION RESERVE REQUIREMENTS, AND OTHER RESERVE AND JUNIOR OBLIGATIONS REQUIREMENTS.

(III) THE AUTHORITY SHALL DEPOSIT IN THE FUND THE MONEY REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH FROM THE BALANCE OF FUNDS THAT ARE DEPOSITED IN THE AUTHORITY'S GENERAL ACCOUNT, AS DESCRIBED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, BEFORE THE AUTHORITY MAY USE THE BALANCE OF FUNDS FOR ANY OTHER PURPOSE.

(IV) THE AUTHORITY MAY DEPOSIT IN THE FUND AN AMOUNT THAT IS LESS THAN THE AMOUNT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF:

1. THE AUTHORITY DETERMINES THAT AN EMERGENCY CIRCUMSTANCE EXISTS; AND

2. THE LEGISLATIVE POLICY COMMITTEE APPROVES THE REDUCTION IN THE AMOUNT DEPOSITED IN THE FUND.

(V) AN EMERGENCY CIRCUMSTANCE EXISTS UNDER SUBPARAGRAPH (IV) OF THIS PARAGRAPH IF AN UNFORESEEN CIRCUMSTANCE REQUIRES A REDUCTION IN THE AMOUNT THAT MUST BE DEPOSITED IN THE FUND UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IN ORDER FOR THE AUTHORITY TO:

1. REMAIN IN COMPLIANCE WITH REQUIREMENTS OF THE TRUST AGREEMENT AND ANY SUPPLEMENTAL TRUST AGREEMENTS; OR

2. ENSURE THAT THE UNFORESEEN CIRCUMSTANCE DOES NOT ADVERSELY AFFECT THE CONTINUITY OF OPERATIONS AT ONE OR MORE TRANSPORTATION FACILITIES PROJECTS.

(VI) 1. EXCEPT AS PROVIDED UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, ANY REVENUE DISTRIBUTED TO THE FUND FROM A VIDEO LOTTERY FACILITY LOCATED IN CHARLES COUNTY SHALL SUPPLEMENT, AND MAY NOT SUPPLANT, THE MONEY REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

2. THE AUTHORITY MAY DEPOSIT IN THE FUND AN AMOUNT THAT IS LESS THAN THE AMOUNT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THE LEGISLATIVE POLICY COMMITTEE:

A. DETERMINES THAT THERE ARE REVENUES DISTRIBUTED TO THE FUND FROM A VIDEO LOTTERY FACILITY LOCATED IN CHARLES COUNTY THAT MAY SUPPLANT ALL OR PART OF THE MONEY REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND

~~**B. APPROVES A REDUCTION IN THE AMOUNT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.**~~

1. THE AUTHORITY DETERMINES THAT AN EMERGENCY CIRCUMSTANCE EXISTS;

2. THE EMERGENCY CIRCUMSTANCE REQUIRES A REDUCTION IN THE AMOUNT THAT MUST BE DEPOSITED IN THE FUND UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IN ORDER FOR THE AUTHORITY TO:

A. REMAIN IN COMPLIANCE WITH REQUIREMENTS OF THE TRUST AGREEMENT AND ANY SUPPLEMENTAL TRUST AGREEMENTS; OR

B. ENSURE THAT THE UNFORESEEN CIRCUMSTANCE DOES NOT ADVERSELY AFFECT THE CONTINUITY OF OPERATIONS AT ONE OR MORE TRANSPORTATION FACILITIES PROJECTS; AND

3. THE AUTHORITY APPROVES AT A PUBLIC MEETING THE REDUCTION IN THE AMOUNT THAT MUST BE DEPOSITED INTO THE FUND UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

~~**(H) (VII) (V)**~~ THE AUTHORITY MAY NOT CREDIT BOND PROCEEDS TO THE FUND AS PART OF THE ANNUAL DEPOSIT REQUIRED FROM THE AUTHORITY UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

~~**(III) (VIII) (VI)**~~ ANY INTEREST EARNED ON THE MONEY DEPOSITED IN THE FUND SHALL ACCRUE TO THE FUND.

~~**(IV) (IX) (VII)**~~ THE MONEY IN THE FUND MAY NOT BE USED BY THE AUTHORITY OR APPROPRIATED BY THE STATE FOR ANY PURPOSE OTHER THAN FOR THE DESIGN AND CONSTRUCTION OF THE REPLACEMENT BRIDGE FOR THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE.

(F) (1) ON OR BEFORE DECEMBER 1 EACH YEAR UNTIL COMPLETION OF CONSTRUCTION OF THE REPLACEMENT BRIDGE FOR THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE AUTHORITY SHALL SUBMIT A REPORT ON THE STATUS OF THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE AND THE FUND TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE HOUSE COMMITTEE ON WAYS AND MEANS.

(2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL INCLUDE:

- (I) AN UPDATE ON THE PROGRESS OF THE PROJECT;
- (II) ANY REVISED ESTIMATE OF THE TOTAL COST OF THE PROJECT AND A STATEMENT OF THE REASONS FOR ANY COST SAVINGS OR COST INCREASES;
- (III) A DESCRIPTION OF ANY CHANGES TO ANY FINANCING PLAN FOR THE PROJECT;
- (IV) PLANNED EXPENDITURES BY YEAR, CATEGORIZED BY PLANNING AND ENGINEERING, RIGHT-OF-WAY ACQUISITION, UTILITY RELOCATION, PERMITS, DESIGN, CONSTRUCTION, AND OTHER CATEGORIES AS DETERMINED BY THE AUTHORITY;
- (V) FUNDING SOURCES BY YEAR, CATEGORIZED BY:
 - 1. FEDERAL FUNDS;
 - 2. AUTHORITY CASH RESERVES;
 - 3. AUTHORITY REVENUE BOND ISSUANCES;
 - 4. BOND ANTICIPATION NOTES; AND
 - 5. ANY OTHER REVENUE SOURCE; AND
- (VI) ANY OTHER INFORMATION CONCERNING THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE AND THE REPLACEMENT BRIDGE FOR THE HARRY W. NICE MEMORIAL POTOMAC RIVER BRIDGE THAT THE AUTHORITY CONSIDERS PERTINENT.

(G) (1) IF A REDUCTION IS APPROVED BY THE AUTHORITY UNDER SUBSECTION (E)(4)(IV) OF THIS SECTION, THE AUTHORITY SHALL SUBMIT, WITHIN 5 BUSINESS DAYS AFTER THE APPROVAL AND IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, A REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE FINANCE COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE ON THE APPROVAL OF THE EMERGENCY CIRCUMSTANCE.

(2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL INCLUDE:

- (1) A DESCRIPTION OF THE EMERGENCY CIRCUMSTANCE;**

(II) THE RATIONALE FOR THE APPROVAL OF THE EMERGENCY CIRCUMSTANCE;

(III) AN ACCOUNTING OF THE DECREASED AMOUNT TO BE DEPOSITED IN THE FUND; AND

(IV) IF APPLICABLE, A DESCRIPTION OF HOW THE APPROVAL OF THE EMERGENCY CIRCUMSTANCE MAY IMPEDE THE PROGRESS OF THE PROJECT.

(3) THE BUDGET COMMITTEES SHALL HAVE 45 DAYS TO REVIEW AND COMMENT ON THE REPORT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 909 – *Service, Stipends, and Scholarships – Maryland Corps Program – Established*.

This bill establishes the Maryland Corps Program, provides for stipends of up to \$15,000 for corps participants and one-time scholarships of up to \$6,000 for corps participants who complete the Program, and requires the Board of Directors to issue a Request for Proposals for an operator for the Program on or before June 1, 2017, that includes specified elements and expectations. The bill also provides that funds for the Program will be as provided in the State budget in specified fiscal years for specified purposes.

House Bill 1488, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 909.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 909

AN ACT concerning

Service, Stipends, and Scholarships – Maryland Corps Program – Established

FOR the purpose of establishing the Maryland Corps Program; providing for the purpose of the Program; requiring a certain Board of Directors to administer and manage the Program; providing for the composition of the Board; providing for the appointment, terms, and removal of members of the Board; providing that members of the Board may not receive certain compensation but are entitled to certain reimbursement; requiring the Governor's Office on Service and Volunteerism within the Governor's Office of Community Initiatives to provide certain staffing and assistance to the Board and a certain operator; requiring the Board to submit a certain Request for Proposals (RFP) on or before a certain date; requiring the RFP to include certain elements and expectations for a certain operator; requiring certain corps participants to serve a certain nonprofit or governmental entity for a certain period of time; authorizing certain corps participants to receive certain stipends and certain scholarships under certain circumstances; specifying the use of certain scholarships; establishing the Maryland Corps Program Fund; specifying the purpose of the Fund; requiring the Board to administer the Fund; specifying that the Fund is a continuing, nonlapsing fund that is not subject to a certain provision of law; requiring the State Treasurer to hold the Fund separately and invest the money in the Fund in a certain manner; requiring the Comptroller to account for the Fund; providing for the composition and uses of the Fund; prohibiting any unspent portion of the Fund from being transferred or used in a certain manner; requiring the Board to prepare certain reports annually; authorizing the Fund to be subject to a certain audit; ~~requiring the Governor to include certain appropriations~~ providing that funds for the Program will be as provided in the State budget in certain fiscal years for certain purposes; requiring the Board to explore certain possibilities; requiring the Board to submit certain reports to the Governor and the General Assembly in accordance with certain provisions of law; providing for the staggering of the terms of certain members of the Board; stating the intent of the General Assembly in awarding stipends and scholarships under this Act; requiring certain members of the Board to be appointed on or before a certain date; defining certain terms; and generally relating to the establishment of the Maryland Corps Program.

BY repealing and reenacting, without amendments,

Article – Education

Section 18–103

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

(As enacted by Chapter 277 of the Acts of the General Assembly of 2011)

BY adding to

Article – Education

Section 24–1101 through 24–1111 to be under the new subtitle “Subtitle 11. Maryland Corps Program”
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)84. and 85.
Annotated Code of Maryland
(2015 Replacement Volume)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)86.
Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – Education

18–103.

Except as otherwise provided in Subtitles 4, 5, and 12 of this title, a scholarship, grant, loan, or other student financial assistance awarded by the Office may be used only at a public or private nonprofit institution of higher education in this State that possesses a certificate of approval from the Commission.

SUBTITLE 11. MARYLAND CORPS PROGRAM.

24–1101.

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

(B) “BOARD” MEANS THE BOARD OF DIRECTORS OF THE PROGRAM.

(C) “CORPS PARTICIPANT” MEANS AN INDIVIDUAL WHO PARTICIPATES IN THE PROGRAM AND:

- (1) IS BETWEEN THE AGES OF 17 YEARS OLD AND 23 YEARS OLD;
- (2) IS ELIGIBLE FOR IN-STATE TUITION;
- (3) HAS OBTAINED A HIGH SCHOOL DIPLOMA OR GED; AND
- (4) HAS NOT OBTAINED A VOCATIONAL CERTIFICATE, AN ASSOCIATE'S DEGREE, OR A BACHELOR'S DEGREE FROM AN INSTITUTION OF HIGHER EDUCATION.

(D) "FUND" MEANS THE MARYLAND CORPS PROGRAM FUND.

(E) "PROGRAM" MEANS THE MARYLAND CORPS PROGRAM.

24-1102.

(A) THERE IS A MARYLAND CORPS PROGRAM IN THE STATE ADMINISTERED AND MANAGED BY THE BOARD.

(B) THE PURPOSE OF THE PROGRAM IS TO:

(1) PROVIDE MEANINGFUL SERVICE OPPORTUNITIES TO AT LEAST 100 CORPS PARTICIPANTS THAT WILL ADDRESS THE SOCIAL NEEDS OF THE COMMUNITY;

(2) EQUIP CORPS PARTICIPANTS WITH THE SKILLS THAT WILL ENABLE THEM TO SUCCESSFULLY MAKE THE TRANSITION FROM HIGH SCHOOL TO AN INSTITUTION OF HIGHER EDUCATION; AND

(3) PROVIDE SCHOLARSHIPS TO CORPS PARTICIPANTS WHO HAVE COMPLETED THE PROGRAM TO BE USED AT INSTITUTIONS OF HIGHER EDUCATION TOWARD VOCATIONAL CERTIFICATES, ASSOCIATE'S DEGREES, OR BACHELOR'S DEGREES.

24-1103.

(A) A BOARD OF DIRECTORS SHALL ADMINISTER AND MANAGE THE PROGRAM.

(B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

(1) TWO MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE;

(2) TWO MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE; AND

(3) THREE MEMBERS APPOINTED BY THE GOVERNOR.

(C) IN MAKING APPOINTMENTS TO THE BOARD, THE PRESIDENT, SPEAKER, AND GOVERNOR SHALL CONSIDER:

(1) THE PROFESSIONAL OR PERSONAL EXPERIENCE OF THE INDIVIDUAL IN COMMUNITY OR OTHER SERVICE, NONPROFIT MANAGEMENT, CIVIC ENGAGEMENT, OR VOLUNTEERISM; AND

(2) THE CULTURAL, GEOGRAPHIC, RACIAL, ETHNIC, AND GENDER DIVERSITY OF THE STATE.

(D) 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.

(E) (1) THE TERM OF A MEMBER OF THE BOARD IS 4 YEARS.

(2) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON JUNE 1, 2016.

(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(F) (1) A MEMBER APPOINTED BY THE PRESIDENT MAY BE REMOVED BY THE PRESIDENT FOR THE REASONS STATED IN PARAGRAPH (4) OF THIS SUBSECTION.

(2) A MEMBER APPOINTED BY THE SPEAKER MAY BE REMOVED BY THE SPEAKER FOR THE REASONS STATED IN PARAGRAPH (4) OF THIS SUBSECTION.

(3) A MEMBER APPOINTED BY THE GOVERNOR MAY BE REMOVED BY THE GOVERNOR FOR THE REASONS STATED IN PARAGRAPH (4) OF THIS SUBSECTION.

(4) A MEMBER OF THE BOARD MAY BE REMOVED FOR:

(I) INCOMPETENCE;

- (II) MISCONDUCT;
- (III) IMMORALITY; OR
- (IV) FAILURE TO PERFORM THE DUTIES OF THE POSITION.

24-1104.

THE GOVERNOR'S OFFICE ON SERVICE AND VOLUNTEERISM WITHIN THE GOVERNOR'S OFFICE OF COMMUNITY INITIATIVES SHALL PROVIDE:

- (1) STAFF AND OTHER SUPPORT TO THE BOARD; AND
- (2) TECHNICAL AND OTHER ASSISTANCE TO THE OPERATOR SELECTED UNDER § 24-1105 OF THIS SUBTITLE.

24-1105.

(A) ON OR BEFORE JUNE 1, 2017, THE BOARD SHALL ISSUE A REQUEST FOR PROPOSALS (RFP) FOR AN OPERATOR FOR THE PROGRAM.

(B) THE OPERATOR SHALL MEET THE QUALIFICATIONS ESTABLISHED BY THE BOARD.

(C) THE RFP SHALL INCLUDE THE FOLLOWING ELEMENTS AND EXPECTATIONS FOR THE OPERATOR:

- (1) IDENTIFYING MEANINGFUL SERVICE OPPORTUNITIES FOR CORPS PARTICIPANTS THAT ADDRESS THE SOCIAL NEEDS OF THE COMMUNITY THAT ARE PROVIDED BY NONPROFIT ORGANIZATIONS OR GOVERNMENT AGENCIES;
- (2) IDENTIFYING SERVICE OPPORTUNITIES THAT WILL TEACH 21ST CENTURY SKILLS TO CORPS PARTICIPANTS;
- (3) IDENTIFYING ACADEMIC CREDIT OPPORTUNITIES FOR CORPS PARTICIPANTS;
- (4) CREATING A SELECTIVE RECRUITMENT PROCESS FOR CORPS PARTICIPANTS, GIVING PRIORITY TO LOW-INCOME INDIVIDUALS;
- (5) CREATING AND IMPLEMENTING AN ORIENTATION AND TRAINING PROGRAM FOR CORPS PARTICIPANTS AND THE NONPROFIT OR GOVERNMENT AGENCIES WHERE CORPS PARTICIPANTS EFFECTUATE THEIR SERVICE;

(6) PROVIDING SUPPORT TO CORPS PARTICIPANTS IN FINDING PLACEMENTS;

(7) EMPHASIZING AND ENCOURAGING THE IMPORTANCE OF BEING A SUCCESSFUL CONTRIBUTOR TO SOCIETY, A MEASURE OF WHICH IS A VOCATIONAL CERTIFICATE, AN ASSOCIATE’S DEGREE, OR A BACHELOR’S DEGREE;

(8) CREATING TOOLS TO MEASURE THE SUCCESS OF CORPS PARTICIPANTS AS THEY TRANSITION FROM HIGH SCHOOL TO AN INSTITUTION OF HIGHER EDUCATION FOR A VOCATIONAL CERTIFICATE, AN ASSOCIATE’S DEGREE, OR A BACHELOR’S DEGREE;

(9) FACILITATING THE AWARD OF STIPENDS FOR CORPS PARTICIPANTS DURING THEIR YEAR OF SERVICE;

(10) FACILITATING THE AWARD OF SCHOLARSHIPS FOR CORPS PARTICIPANTS WHO COMPLETE THE PROGRAM TO BE USED AT INSTITUTIONS OF HIGHER EDUCATION TOWARD VOCATIONAL CERTIFICATES, ASSOCIATE’S DEGREES, OR BACHELOR’S DEGREES; ~~AND~~

(11) IDENTIFYING WHAT STATE SUPPORT WILL BE NECESSARY AND WHAT PUBLIC AND PRIVATE GRANT OPPORTUNITIES ARE AVAILABLE TO SUSTAIN AND INCREASE THE SIZE OF THE PROGRAM; AND

~~(11)~~ (12) ANY OTHER CHARACTERISTICS THAT THE BOARD DETERMINES WILL IMPROVE THE QUALITY AND SUCCESS OF THE PROGRAM.

24-1106.

A CORPS PARTICIPANT:

(1) SHALL SERVE FOR AT LEAST 9 MONTHS WITH A NONPROFIT ORGANIZATION OR GOVERNMENT AGENCY THAT HAS A FOCUS ON COMMUNITY OR OTHER SERVICE, CIVIC ENGAGEMENT, VOLUNTEERISM, OR OTHER ACTIVITIES OR EXPERIENCES WITH A SIMILAR MISSION; AND

(2) IS ELIGIBLE FOR A MONETARY STIPEND IN AN AMOUNT DETERMINED BY THE BOARD OF UP TO \$15,000.

24-1107.

(A) A CORPS PARTICIPANT WHO COMPLETES THE PROGRAM IS ELIGIBLE FOR A ONE-TIME SCHOLARSHIP AWARD, AS DETERMINED BY THE BOARD, IN THE AMOUNT OF UP TO \$6,000.

(B) A SCHOLARSHIP AWARDED UNDER SUBSECTION (A) OF THIS SECTION:

(1) MAY BE USED AT AN ELIGIBLE INSTITUTION AS DESCRIBED UNDER § 18–103 OF THIS ARTICLE TOWARD A VOCATIONAL CERTIFICATE, AN ASSOCIATE’S DEGREE, OR A BACHELOR’S DEGREE; AND

(2) MAY NOT BE CONSTRUED TO PROHIBIT OR IMPEDE THE AWARD OF ANY OTHER FINANCIAL AID FOR WHICH THE CORPS PARTICIPANT IS ELIGIBLE.

24–1108.

(A) THERE IS A MARYLAND CORPS PROGRAM FUND.

(B) THE PURPOSE OF THE FUND IS TO:

(1) PROVIDE STIPENDS TO CORPS PARTICIPANTS;

(2) PROVIDE SCHOLARSHIPS TO CORPS PARTICIPANTS WHO HAVE COMPLETED THE PROGRAM TO BE USED AT INSTITUTIONS OF HIGHER EDUCATION IN THE STATE TOWARD VOCATIONAL CERTIFICATES, ASSOCIATE’S DEGREES, AND BACHELOR’S DEGREES;

(3) COVER EXPENSES INCURRED BY THE BOARD, INCLUDING EXPENSES INCURRED DURING THE DEVELOPMENT, ISSUANCE, AWARDING, AND FUNDING OF THE RFP; AND

(4) COVER EXPENSES INCURRED BY THE OPERATOR SELECTED UNDER § 24–1105 OF THIS SUBTITLE, AS DETERMINED BY THE BOARD TO BE RELEVANT TO THE SUCCESSFUL OPERATION OF THE PROGRAM.

(C) THE BOARD SHALL ADMINISTER THE FUND.

(D) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(E) (1) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY AND SHALL INVEST THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(F) THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(G) THE BOARD:

(1) MAY ACCEPT ANY GIFT OR GRANT FROM ANY PERSON FOR THE FUND;

(2) SHALL USE ANY GIFT OR GRANT THAT IT RECEIVES FOR THE REASONS STATED UNDER SUBSECTION (B) OF THIS SECTION; AND

(3) SHALL DEPOSIT ANY GIFT OR GRANT THAT IT RECEIVES FOR THE FUND WITH THE STATE TREASURER.

(H) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED UNDER § 24–1109 OF THIS SUBTITLE;

(2) GIFTS OR GRANTS RECEIVED BY THE BOARD FOR THE FUND;

(3) INVESTMENT EARNINGS OF THE FUND; AND

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

(I) THE FUND MAY BE USED ONLY FOR:

(1) PROVIDING STIPENDS TO CORPS PARTICIPANTS;

(2) PROVIDING SCHOLARSHIPS TO CORPS PARTICIPANTS WHO HAVE COMPLETED THE PROGRAM TO BE USED AT INSTITUTIONS OF HIGHER EDUCATION IN THE STATE TOWARD VOCATIONAL CERTIFICATES, ASSOCIATE’S DEGREES, AND BACHELOR’S DEGREES;

(3) COVERING EXPENSES INCURRED BY THE BOARD, INCLUDING EXPENSES INCURRED DURING THE DEVELOPMENT, ISSUANCE, AWARDING, AND FUNDING OF THE RFP; AND

(4) COVERING EXPENSES INCURRED BY THE OPERATOR SELECTED UNDER § 24–1105 OF THIS SUBTITLE, AS DETERMINED BY THE BOARD TO BE RELEVANT TO THE SUCCESSFUL OPERATION OF THE PROGRAM.

(J) ANY UNSPENT PORTION 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 SUBTITLE.

(K) (1) BEGINNING WITH FISCAL YEAR 2018, AT THE END OF THE FISCAL YEAR, THE BOARD SHALL PREPARE AN ANNUAL REPORT OF THE FUND THAT INCLUDES AN ACCOUNTING OF ALL FINANCIAL RECEIPTS AND EXPENDITURES TO AND FROM THE FUND.

(2) THE BOARD SHALL SUBMIT A COPY OF THE REPORT TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

(L) THE FUND MAY BE SUBJECT TO AN AUDIT BY THE LEGISLATIVE AUDITOR.

24-1109.

(A) FOR FISCAL YEAR 2018, ~~THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST \$250,000 IN THE STATE BUDGET FOR THE FUND~~ FUNDS FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE BUDGET FOR THE BOARD TO DEVELOP, ISSUE, AND AWARD THE RFP DESCRIBED UNDER § 24-1105 OF THIS SUBTITLE.

(B) FOR FISCAL YEAR 2019, ~~THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST \$1,000,000 IN THE STATE BUDGET FOR THE FUND~~ FUNDS FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE BUDGET FOR THE BOARD TO DISBURSE STIPENDS TO CORPS PARTICIPANTS AND TO COVER ANY ADMINISTRATIVE OR OTHER COSTS INCURRED BY THE BOARD OR OPERATOR SELECTED UNDER § 24-1105 OF THIS SUBTITLE TO OPERATIONALIZE THE PROGRAM.

(C) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER, ~~THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST \$2,000,000 IN THE STATE BUDGET FOR THE FUND~~ FUNDS FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE BUDGET FOR THE BOARD TO:

(1) PROVIDE STIPENDS TO CORPS PARTICIPANTS;

(2) PROVIDE SCHOLARSHIPS TO CORPS PARTICIPANTS WHO HAVE COMPLETED THE PROGRAM TO BE USED AT INSTITUTIONS OF HIGHER EDUCATION IN THE STATE TOWARD VOCATIONAL CERTIFICATES, ASSOCIATE'S DEGREES, AND BACHELOR'S DEGREES;

(3) COVER EXPENSES INCURRED BY THE BOARD, INCLUDING EXPENSES INCURRED DURING THE DEVELOPMENT, ISSUANCE, AWARDED, AND FUNDING OF THE RFP; AND

(4) COVER EXPENSES INCURRED BY THE OPERATOR SELECTED UNDER § 24-1105 OF THIS SUBTITLE, AS DETERMINED BY THE BOARD TO BE RELEVANT TO THE SUCCESSFUL OPERATION OF THE PROGRAM.

24-1110.

THE BOARD SHALL EXPLORE THE POSSIBILITY OF:

(1) ACCESSING FEDERAL OR OTHER GRANT FUNDING FOR THE PROGRAM; AND

(2) AWARDING CORPS PARTICIPANTS WITH ACADEMIC CREDIT FOR THEIR SERVICE.

24-1111.

ON OR BEFORE DECEMBER 1 EACH YEAR, THE BOARD SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY REGARDING:

(1) THE NUMBER AND AMOUNT OF STIPENDS AWARDED UNDER THE PROGRAM;

(2) THE NONPROFIT OR GOVERNMENT AGENCIES WITH WHICH CORPS PARTICIPANTS ARE PLACED;

(3) THE INSTITUTIONS, IF ANY, THAT AWARD ACADEMIC CREDIT FOR A CORPS PARTICIPANT'S SERVICE;

(4) THE NUMBER AND AMOUNT OF SCHOLARSHIPS AWARDED UNDER THE PROGRAM; AND

(5) AT WHICH INSTITUTIONS CORPS PARTICIPANTS USE THEIR SCHOLARSHIPS.

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:

84. the Economic Development Marketing Fund; [and]

85. the Military Personnel and Veteran–Owned Small Business No–Interest Loan Fund; AND

86. THE MARYLAND CORPS PROGRAM FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial members of the Board of Directors of the Maryland Corps Program established under Section 1 of this Act shall expire as follows:

- (1) two members in 2019;
- (2) three members in 2020; and
- (3) two members in 2021.

SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that:

- (1) the first Maryland Corps Program stipends shall be awarded on or before June 1, 2018; and
- (2) the first Maryland Corps Program scholarships shall be awarded on or before June 1, 2019.

SECTION 4. AND BE IT FURTHER ENACTED, That the members of the Board of Directors of the Maryland Corps Program as established under Section 1 of this Act shall be appointed by the President of the Senate, the Speaker of the House, and the Governor on or before September 1, 2016.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016.

May 27, 2016

The Honorable Thomas V. Mike Miller
President of the Senate
State House
Annapolis, Maryland, 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 910 – *Maryland Education Development Collaborative – Established*.

In its current form, Senate Bill 910 violates the separation of powers of Article 8 of the Maryland Declaration of Rights which specifically precludes the General Assembly from appointing its members to a board or commission that performs executive functions. This bill would establish the Maryland Education Development Collaborative to advise the Maryland State Board of Education, the General Assembly, and local school systems regarding education policies. The proposed Collaborative would have a governing board of 18 members including one member of the Senate and one member of the House of Delegates, which directly violates the separation of powers clause. The Board members collectively are given the authority to hire an executive director and may retain any necessary professional help. In addition they can accept any loans, grants, or assistance from public and private entities and can enter into contracts and other legal negotiations.

With regard to the violation of Article 8 separation of powers, statutory legislative members serving on the governing board of the Collaborative would be decision-makers as a party entering into binding contracts on behalf of the State thus performing a core executive branch function that violates long-standing separation of powers between the Executive and Legislative branches.

In addition, Senate Bill 910 likely causes a violation of the prohibition against plural office holding found in Article III, §11 of the State Constitution. If Senate Bill 910 became law, legislators who are members of the Collaborative governing board will be members of an “office of trust” that is incompatible with simultaneous service in the Maryland General Assembly.

For these reasons, I have vetoed Senate Bill 910.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 910

AN ACT concerning

Maryland Education Development Collaborative – Established

FOR the purpose of establishing the Maryland Education Development Collaborative; providing that the Collaborative is ~~a body politic and corporate and is~~ an instrumentality of the State; providing for the purposes of the Collaborative; establishing a Governing Board ~~of Directors~~ of the Collaborative; providing for the composition, residency requirement, appointment considerations, removal, chair,

and quorum requirements for the Governing Board; requiring the Collaborative to employ an executive director that meets certain qualifications; providing for the legal advisor for the Collaborative and the hiring of certain legal counsel; authorizing the Collaborative to retain certain professionals; exempting the Collaborative from certain provisions of law; providing that the Collaborative is subject to the Public Information Act; providing that the Governing Board and the officers and employees of the Collaborative are subject to the Public Ethics Law; providing that certain officers and employees of the Collaborative are not subject to certain provisions of law governing State personnel; providing that the Collaborative and its Governing Board and employees are subject to certain procurement policies and procedures governing certain exempt units of government; establishing the powers and duties of the Collaborative; providing that certain debts, claims, obligations, or liabilities of the Collaborative ~~or any subsidiary of the Collaborative~~ are not held against the State or a pledge of credit of the State; authorizing certain institutions of higher education to perform certain acts regarding the Collaborative; providing that the Collaborative is exempt from State and local taxes; providing that the books and records of the Collaborative are subject to a certain audit by certain entities at certain times; requiring the Collaborative to report certain information to the Governor, State Department of Education, and General Assembly on or before a certain date each year; defining certain terms; providing for the termination of this Act; and generally relating to the establishment of the Maryland Education Development Collaborative.

BY adding to

Article – Education

Section 9.5–101 through ~~9.5–114~~ 9.5–113 to be under the new title “Title 9.5. Maryland Education Development Collaborative”

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

Preamble

WHEREAS, Schools with freedom of curriculum and structure will innovate Maryland’s education system and allow partnerships with outside businesses and social organizations to educate all students for the modern workforce; and

WHEREAS, Increasing socioeconomic diversity in schools will prepare all students to work with people from different social and cultural backgrounds; and

WHEREAS, Research demonstrates that children from low–income families who attend economically diverse schools achieve significantly better academic outcomes compared with their peers who attend majority low–income schools; and

WHEREAS, 86% of Maryland’s black students and 78% of Maryland’s Latino students are enrolled in majority minority schools, and almost 25% of Maryland’s black students attend a school that is 99% minority; and

WHEREAS, The benefits of a public school education should extend to all students' needs and interests; now, therefore,

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

Article – Education

TITLE 9.5. MARYLAND EDUCATION DEVELOPMENT COLLABORATIVE.

9.5–101.

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

~~(B) “BOARD” MEANS THE BOARD OF DIRECTORS OF THE COLLABORATIVE.~~

~~(C)~~ (B) “COLLABORATIVE” MEANS THE MARYLAND EDUCATION DEVELOPMENT COLLABORATIVE.

(C) “GOVERNING BOARD” MEANS THE GOVERNING BOARD OF THE COLLABORATIVE.

9.5–102.

(A) THERE IS A MARYLAND EDUCATION DEVELOPMENT COLLABORATIVE.

(B) THE COLLABORATIVE IS ~~A BODY POLITIC AND CORPORATE AND IS AN INSTRUMENTALITY OF THE STATE.~~

(C) THE PURPOSES OF THE COLLABORATIVE ARE TO:

(1) ADVISE AND MAKE RECOMMENDATIONS TO THE STATE ~~BOARD AND BOARD,~~ THE GENERAL ASSEMBLY, AND LOCAL SCHOOL SYSTEMS REGARDING STATUTORY AND REGULATORY POLICIES NECESSARY TO PROMOTE 21ST CENTURY LEARNING THAT ~~ENHANCES;~~

(I) ENHANCES SOCIOECONOMIC AND DEMOGRAPHIC DIVERSITY ACROSS THE STATE STATE’S PUBLIC SCHOOLS; AND

(II) REDUCES THE ACHIEVEMENT GAP BETWEEN SOCIOECONOMIC AND DEMOGRAPHIC GROUPS ACROSS THE STATE’S PUBLIC SCHOOLS;

(2) STUDY AND PROMOTE POLICIES OR PROGRAMS THAT INCREASE THE OPPORTUNITY FOR ENHANCING SOCIOECONOMIC AND DEMOGRAPHIC DIVERSITY OF STUDENT ENROLLMENT THROUGH 21ST CENTURY LEARNING OPPORTUNITIES ACROSS ALL PUBLIC SCHOOLS AND BETWEEN LOCAL SCHOOL SYSTEMS IN THE STATE;

(3) SUPPORT THE PACKAGING AND TRANSMITTING OF KNOWLEDGE ACROSS LOCAL SCHOOL SYSTEMS, THE STATE BOARD, AND LOCAL AND STATE POLICYMAKERS OF EVIDENCE-BASED BEST PRACTICES AND ~~SCHOOL~~ PUBLIC SCHOOL PROGRAMS AND DESIGNS THAT SUPPORT THE:

(I) READINESS OF ALL CHILDREN TO BE PRODUCTIVE MEMBERS WITHIN AN INCREASINGLY DIVERSE STATE, NATIONAL, AND INTERNATIONAL COMMUNITY AND KNOWLEDGE-BASED, HIGH-SKILL, LABOR-DRIVEN ECONOMY; AND

(II) REDUCTION OF THE ACHIEVEMENT GAP BETWEEN CHILDREN FROM LOW-INCOME FAMILIES AND CHILDREN FROM MIDDLE- AND HIGH-INCOME FAMILIES;

(4) FOSTER PARTNERSHIPS AMONG PUBLIC SCHOOLS WITH PRIVATE BUSINESS, UNIVERSITIES, GOVERNMENT, AND NONPROFIT ENTITIES TO DEVELOP AND SUPPORT THE IMPLEMENTATION OF MODERN PUBLIC SCHOOL DESIGNS, 21ST CENTURY CURRICULA, POSITIVE SCHOOL CULTURE, AND RESTORATIVE DISCIPLINE TO PROMOTE SOCIOECONOMIC AND DEMOGRAPHIC DIVERSITY AND 21ST CENTURY LEARNING IN PUBLIC SCHOOLS IN THE STATE;

(5) ASSIST IN COMPILING AND TRANSMITTING KNOWLEDGE AND TECHNOLOGY TO PUBLIC SCHOOLS THAT SUPPORT MODERN ~~SCHOOL~~ PUBLIC SCHOOL PROGRAMS AND DESIGNS AND 21ST CENTURY LEARNING; AND

(6) CULTIVATE, DESIGN, AND AUTHORIZE FUNDS AND INNOVATION GRANTS THROUGH PILOT PROGRAMS AND INITIATIVES TO SUPPORT AND DEVELOP 21ST CENTURY ~~SCHOOL DESIGNS, MODERN~~ PUBLIC SCHOOL PROGRAMS, MODERN PUBLIC SCHOOL DESIGNS, AND 21ST CENTURY CURRICULA, TECHNOLOGIES, AND PRACTICES IN THE STATE.

(D) THE COLLABORATIVE SHALL PERFORM THE FOLLOWING FUNCTIONS AND DUTIES:

(1) COLLABORATE WITH LOCAL SCHOOL SYSTEMS IN THE STATE, STATE AND LOCAL GOVERNMENT, COMMUNITY ORGANIZATIONS, PARENTS, AND OTHER STAKEHOLDERS TO PROVIDE A RESEARCH AND DEVELOPMENT APPROACH

TO 21ST CENTURY LEARNING OPPORTUNITIES THAT ENHANCE SOCIOECONOMIC DIVERSITY IN THE STATE'S PUBLIC SCHOOLS;

(2) IN PARTNERSHIP WITH STAKEHOLDERS:

(I) DISSEMINATE INFORMATION ON BEST PRACTICES, PROGRAMS, AND RESOURCES;

(II) PROVIDE TECHNICAL ASSISTANCE AND TRAINING;

(III) COLLABORATE ON COLLECTION, ANALYSIS, AND INTEGRATION OF STATEWIDE, LOCAL SCHOOL SYSTEM, OR SCHOOL LEVEL DATA REGARDING 21ST CENTURY LEARNING AND SOCIOECONOMIC DIVERSITY; AND

(IV) PROMOTE INTERAGENCY EFFORTS THAT SUPPORT 21ST CENTURY LEARNING OR ENHANCE SOCIOECONOMIC DIVERSITY;

(3) ASSIST LOCAL SCHOOL SYSTEMS OR COHORTS OF PUBLIC SCHOOLS TO ASSESS OPPORTUNITIES TO ENHANCE 21ST CENTURY LEARNING THAT ENHANCES SOCIOECONOMIC DIVERSITY; AND

(4) DEVELOP A DATABASE OF EVIDENCE-BASED PROGRAMS AND INITIATIVES EXISTING IN THE STATE'S PUBLIC SCHOOLS THAT ENHANCE 21ST CENTURY LEARNING AND SOCIOECONOMIC DIVERSITY.

9.5-103.

(A) ~~A BOARD OF DIRECTORS~~ GOVERNING BOARD SHALL MANAGE THE COLLABORATIVE AND EXERCISE ITS ~~CORPORATE~~ ORGANIZATIONAL POWERS.

(B) THE GOVERNING BOARD CONSISTS OF THE FOLLOWING ~~15~~ 17 18 MEMBERS:

(1) THE STATE SUPERINTENDENT, OR THE STATE SUPERINTENDENT'S DESIGNEE;

(2) THE SECRETARY OF COMMERCE, OR THE SECRETARY'S DESIGNEE;

(3) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE SENATE;

(4) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE; AND

(5) A REPRESENTATIVE OF THE MARYLAND ASSOCIATION OF BOARDS OF EDUCATION, APPOINTED BY THE ASSOCIATION;

(6) A REPRESENTATIVE OF THE BALTIMORE TEACHERS UNION, APPOINTED BY THE UNION;

(7) A REPRESENTATIVE OF THE MARYLAND STATE EDUCATION ASSOCIATION, APPOINTED BY THE ASSOCIATION;

(8) A REPRESENTATIVE OF THE MARYLAND PARENT TEACHER ASSOCIATION, APPOINTED BY THE ASSOCIATION;

(9) A REPRESENTATIVE WITH EXPERIENCE IN EDUCATION TECHNOLOGY, APPOINTED BY THE MARYLAND TECH COUNCIL;

(10) A MARYLAND PUBLIC SCHOOL EDUCATOR, APPOINTED BY THE STATE SUPERINTENDENT OR THE STATE BOARD OF EDUCATION; ~~AND~~

(11) A REPRESENTATIVE OF THE PUBLIC SCHOOL SUPERINTENDENTS ASSOCIATION OF MARYLAND, APPOINTED BY THE ASSOCIATION;

(12) A REPRESENTATIVE OF A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE, APPOINTED BY THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF MARYLAND; AND

~~(5) (11) (13)~~ THE FOLLOWING ~~11~~ 7 6 MEMBERS, APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE:

(I) ONE REPRESENTING A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE;

~~(II) ONE REPRESENTING A LOCAL BOARD OF EDUCATION;~~

~~(III) ONE REPRESENTING A PUBLIC SCHOOL IN THE STATE;~~

~~(IV)~~ (II) ONE REPRESENTING AN INNOVATIVE PUBLIC SCHOOL IN THE STATE;

~~(V) (III) ONE REPRESENTING A PRIVATE SCHOOL THAT HAS SUCCESSFULLY ENHANCED 21ST CENTURY LEARNING AND SOCIOECONOMIC DIVERSITY;~~

~~(VI)~~ ~~(IV)~~ ONE REPRESENTING A BUSINESS INVOLVED IN INTERNATIONAL COMMERCE;

~~(VII)~~ ~~(V)~~ (IV) ONE REPRESENTING A PHILANTHROPIC ORGANIZATION WITH A FOCUS IN EDUCATION POLICY;

~~(VIII)~~ ~~(VI)~~ (V) ONE REPRESENTING AN INSTITUTION OF HIGHER EDUCATION IN THE STATE WHO HAS A BACKGROUND IN PROGRAM EVALUATION AND DESIGN; AND

~~(IX)~~ ~~ONE REPRESENTING A LABOR ORGANIZATION THAT REPRESENTS PUBLIC EDUCATION EMPLOYEES;~~

~~(X)~~ ~~ONE REPRESENTATIVE WITH EXPERIENCE IN EDUCATION TECHNOLOGY; AND~~

~~(XI)~~ ~~(VII)~~ (VI) ONE REPRESENTATIVE FROM A BUSINESS WITH EXPERIENCE IN ARCHITECTURE, DESIGN, ENGINEERING, OR THE SCIENCES.

(C) THE GOVERNOR SHALL APPOINT A REPRESENTATIVE OF A PRIVATE SCHOOL THAT HAS SUCCESSFULLY ENHANCED 21ST CENTURY LEARNING AND SOCIOECONOMIC DIVERSITY TO SERVE AS A NONVOTING, ADVISORY MEMBER TO THE GOVERNING BOARD.

~~(C)~~ (D) A MEMBER OF THE GOVERNING BOARD SHALL RESIDE IN THE STATE.

~~(D)~~ (E) IN MAKING APPOINTMENTS TO THE GOVERNING BOARD, THE GOVERNOR SHALL CONSIDER:

(1) DIVERSITY BASED ON SEX, GENDER IDENTITY, SEXUAL ORIENTATION, RACE, ETHNICITY, AND ECONOMIC STATUS; AND

(2) ALL GEOGRAPHIC REGIONS OF THE STATE.

~~(E)~~ (F) A MEMBER OF THE GOVERNING BOARD:

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

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

~~(F)~~ (G) (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 WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

~~(G)~~ (H) THE GOVERNOR MAY REMOVE AN APPOINTED MEMBER FOR INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE POSITION.

~~(H)~~ (I) THE GOVERNING BOARD SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.

~~(I)~~ (J) THE GOVERNING BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF ~~EIGHT NINE~~ TEN GOVERNING BOARD MEMBERS.

9.5-104.

(A) THE COLLABORATIVE SHALL EMPLOY AN EXECUTIVE DIRECTOR.

(B) THE EXECUTIVE DIRECTOR SHALL HAVE EXPERIENCE WITH AND POSSESS QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND PURPOSES OF THE COLLABORATIVE.

9.5-105.

(A) THE ATTORNEY GENERAL IS THE LEGAL ADVISOR TO THE COLLABORATIVE.

(B) WITH THE APPROVAL OF THE ATTORNEY GENERAL, THE COLLABORATIVE MAY RETAIN ANY NECESSARY LAWYERS.

9.5-106.

THE COLLABORATIVE MAY RETAIN ANY NECESSARY ACCOUNTANTS, FINANCIAL ADVISORS, OR OTHER CONSULTANTS.

9.5-107.

(A) EXCEPT AS PROVIDED IN SUBSECTIONS (B), (C), AND (E) OF THIS SECTION, THE COLLABORATIVE IS EXEMPT FROM:

(1) TITLE 10 AND DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

(2) §§ 3–301 AND 3–303 OF THE GENERAL PROVISIONS ARTICLE.

(B) THE COLLABORATIVE IS SUBJECT TO THE PUBLIC INFORMATION ACT.

(C) THE BOARD AND THE OFFICERS AND EMPLOYEES OF THE COLLABORATIVE ARE SUBJECT TO THE PUBLIC ETHICS LAW.

(D) THE OFFICERS AND EMPLOYEES OF THE COLLABORATIVE ARE NOT SUBJECT TO THE PROVISIONS OF DIVISION I OF THE STATE PERSONNEL AND PENSIONS ARTICLE THAT GOVERN THE STATE PERSONNEL MANAGEMENT SYSTEM.

(E) THE COLLABORATIVE AND ITS GOVERNING BOARD AND EMPLOYEES ARE SUBJECT TO TITLE 12, SUBTITLE 4 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

9.5–108.

THE COLLABORATIVE MAY:

(1) ADOPT BYLAWS FOR THE CONDUCT OF ITS BUSINESS;

(2) ADOPT A SEAL;

(3) MAINTAIN OFFICES AT A PLACE THE COLLABORATIVE DESIGNATES IN THE STATE;

(4) ACCEPT LOANS, GRANTS, OR ASSISTANCE OF ANY KIND FROM THE FEDERAL OR STATE GOVERNMENT, A LOCAL GOVERNMENT, A COLLEGE OR UNIVERSITY, OR A PRIVATE SOURCE IF THE COLLABORATIVE GIVES PRIOR NOTICE TO THE STATE BOARD AND EACH LOCAL SCHOOL SYSTEM;

(5) ENTER INTO CONTRACTS AND OTHER LEGAL INSTRUMENTS;

(6) SUE OR BE SUED; AND

~~(7) ACQUIRE, PURCHASE, HOLD, LEASE AS LESSEE, AND USE:~~

~~(I) A FRANCHISE, PATENT, OR LICENSE;~~

~~(II) ANY REAL, PERSONAL, MIXED, TANGIBLE, OR INTANGIBLE~~

~~PROPERTY; OR~~

~~(III) AN INTEREST IN THE PROPERTY LISTED IN THIS ITEM;~~

~~(8) SELL, LEASE AS LESSOR, TRANSFER, LICENSE, ASSIGN, OR DISPOSE OF PROPERTY OR A PROPERTY INTEREST THAT THE COLLABORATIVE ACQUIRES;~~

~~(9) FIX AND COLLECT RATES, RENTALS, FEES, ROYALTIES, AND CHARGES FOR SERVICES AND RESOURCES THE COLLABORATIVE PROVIDES OR MAKES AVAILABLE;~~

~~(10) CREATE, OWN, CONTROL, OR BE A MEMBER OF A CORPORATION, A LIMITED LIABILITY COMPANY, A PARTNERSHIP, OR ANY OTHER ENTITY, WHETHER OPERATED FOR PROFIT OR NOT FOR PROFIT;~~

~~(11) EXERCISE POWER USUALLY POSSESSED BY A PRIVATE CORPORATION IN PERFORMING SIMILAR FUNCTIONS UNLESS TO DO SO WOULD CONFLICT WITH STATE LAW; AND~~

~~(12)~~ (7) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE POWERS GRANTED BY THIS TITLE.

~~9.5-109.~~

~~THE COLLABORATIVE MAY:~~

~~(1) ACQUIRE, DEVELOP, IMPROVE, MANAGE, MARKET, LICENSE, SUBLICENSE, MAINTAIN, LEASE AS LESSOR OR LESSEE, OR OPERATE A PROJECT IN THE STATE TO CARRY OUT THE PURPOSES OF THE COLLABORATIVE;~~

~~(2) ACQUIRE, DIRECTLY OR INDIRECTLY, FROM A PERSON OR POLITICAL SUBDIVISION, BY PURCHASE, GIFT, OR DEVISE ANY PROPERTY, RIGHTS OF WAY, FRANCHISES, EASEMENTS, OR OTHER INTERESTS IN LAND, INCLUDING SUBMERGED LAND AND RIPARIAN RIGHTS;~~

~~(i) AS NECESSARY OR CONVENIENT TO IMPROVE OR OPERATE A PROJECT TO CARRY OUT ITS PURPOSES; AND~~

~~(ii) ON THE TERMS AND AT THE PRICES THAT THE COLLABORATIVE CONSIDERS REASONABLE; AND~~

~~(3) ENTER INTO A PROJECT WITH A MANUFACTURER TO CARRY OUT THE PURPOSES OF THE COLLABORATIVE.~~

~~9.5-110.~~ 9.5-109.

~~OR ANY SUBSIDIARY OF THE COLLABORATIVE~~ IS NOT:

(1) A DEBT, A CLAIM, AN OBLIGATION, OR A LIABILITY OF THE STATE, A UNIT OR AN INSTRUMENTALITY OF THE STATE, OR A STATE OFFICER OR STATE EMPLOYEE; OR

(2) A PLEDGE OF THE CREDIT OF THE STATE.

~~9.5-111.~~ 9.5-110.

INSTITUTIONS OF HIGHER EDUCATION MAY:

(1) CONTRACT WITH THE COLLABORATIVE ~~OR SUBSIDIARIES OF THE COLLABORATIVE~~;

(2) ASSIGN TO THE COLLABORATIVE ~~OR SUBSIDIARIES OF THE COLLABORATIVE~~ INTELLECTUAL PROPERTY AND OTHER RESOURCES TO ASSIST IN RESEARCH AND DEVELOPMENT AND ACTIVITIES; AND

(3) ASSIGN FACULTY AND STAFF TO THE COLLABORATIVE.

~~9.5-112.~~ 9.5-111.

THE COLLABORATIVE IS EXEMPT FROM STATE AND LOCAL TAXES.

~~9.5-113.~~ 9.5-112.

THE BOOKS AND RECORDS OF THE COLLABORATIVE ARE SUBJECT TO AUDIT:

(1) AT ANY TIME BY THE STATE; AND

(2) EACH YEAR BY AN INDEPENDENT AUDITOR ~~THAT THE OFFICE OF LEGISLATIVE AUDITS APPROVES.~~

~~9.5-114.~~ 9.5-113.

(A) ON OR BEFORE OCTOBER 1 EACH YEAR, THE COLLABORATIVE SHALL REPORT TO THE GOVERNOR, THE DEPARTMENT, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(B) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND FINANCIAL STATEMENT COVERING THE OPERATIONS OF THE COLLABORATIVE AND A SUMMARY OF THE COLLABORATIVE'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016. It shall remain effective for a period of 3 years and, at the end of June 30, 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

May 19, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 919 – *Insurance – Self-Funded Student Health Plans*.

This bill exempts from specified State insurance laws a self-funded student health plan operated by an independent institution of higher education that provides health care services to its students and their dependents if the institution files a specified report on July 1 each year.

House Bill 1247, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 919.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 919

AN ACT concerning

Insurance – ~~Exemption From State Insurance Laws for~~ Self-Funded Student Health Plans

FOR the purpose of exempting from certain State insurance laws a self-funded student health plan operated by an independent institution of higher education that provides health care services to its students and their dependents under certain circumstances; requiring a certain report of an independent institution of higher education to be filed on a certain date; ~~requiring certain certifications to be construed~~

~~in a certain manner; providing for the application of this Act;~~ making a stylistic change; altering certain definitions; making this Act an emergency measure; and generally relating to self-funded student health plans and State insurance laws.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 1-202, ~~15-10A-01(c), and 15-10D-01(d)~~

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Insurance

Section 15-10A-01(a) and 15-10D-01(a)

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

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

Article – Insurance

1-202.

(A) This article does not apply to:

(1) a fraternal benefit society, except as provided in Title 8, Subtitle 4 of this article;

(2) a nonprofit health service plan, except as otherwise provided in this article; [or]

(3) an organization that:

(i) is organized and operated as a nonprofit organization exclusively for the purpose of helping nonprofit educational or scientific institutions by issuing annuity contracts only to or for the benefit of those institutions or individuals serving those institutions;

(ii) irrevocably appoints the Commissioner as attorney to receive service of process issued against it in the State so as to bind the organization and its successors and to remain in effect as long as there is in force in the State a contract or obligation arising from it;

(iii) is legally organized and qualified to do business and has been actively doing business under the laws of its state of domicile for at least 10 years before July 1, 1977;

(iv) files with the Commissioner a copy of any contract form issued to residents of this State;

(v) files with the Commissioner on or before March 1 of each year:

1. a copy of its annual statement prepared under the laws of its state of domicile; and

2. any other financial material that the Commissioner requests;

(vi) agrees to submit to periodic examinations as the Commissioner considers necessary; and

(vii) pays the premium tax imposed by Title 6 of this article on all premiums allocable to this State for life insurance and health insurance in effect for residents of this State; [or]

(4) a voluntary noncontractual religious publication arrangement that:

(i) is a nonprofit religious organization for which the State may not be held in any way liable or responsible for any of its debts, claims, obligations, or liabilities;

(ii) publishes a newsletter whose subscribers are limited to members of the same denomination or religion;

(iii) acts as an organizational clearinghouse for information between subscribers who have medical costs and subscribers who choose to assist with those costs;

(iv) matches subscribers with a willingness to pay and subscribers with present medical costs;

(v) coordinates payments directly from one subscriber to another;

(vi) suggests amounts to give that are voluntary among the subscribers, with no assumption of risk or promise to pay either among the subscribers or between the subscribers and the organization;

(vii) does not use a compensated insurance producer, representative, or other person to solicit or enroll subscribers;

(viii) does not make a direct or indirect representation that it is operating in a financially sound manner or that it has had a successful history of meeting subscribers' medical costs;

(ix) provides to each subscriber a written monthly statement listing both the total dollar amount of qualified medical costs submitted for publication and the amount actually published and assigned for payment;

(x) does not use funds paid by subscribers for medical costs to cover administrative costs;

(xi) submits a registration statement, including a copy of any application forms and guidelines, promotional, or informational material distributed by or on behalf of the arrangement, to the Secretary of State in accordance with the provisions of Title 6, Subtitle 4 of the Business Regulation Article; and

(xii) provides the following verbatim written disclaimer as a separate cover sheet for any and all documents distributed by or on behalf of the exempt arrangement, including applications, guidelines, promotional, or informational material and all periodic publications:

“Notice

This publication is not issued by an insurance company nor is it offered through an insurance company. It does not guarantee or promise that your medical bills will be published or assigned to others for payment. No other subscriber will be compelled to contribute toward the cost of your medical bills. Therefore, this publication should never be considered a substitute for an insurance policy. This activity is not regulated by the State Insurance Administration, and your liabilities are not covered by the Life and Health Guaranty Fund. Whether or not you receive any payments for medical expenses and whether or not this entity continues to operate, you are always liable for any unpaid bills.”;
OR

(5) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A SELF-FUNDED STUDENT HEALTH PLAN OPERATED BY AN INDEPENDENT INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN § 10-101 OF THE EDUCATION ARTICLE, THAT PROVIDES HEALTH CARE SERVICES TO ITS STUDENTS AND THEIR DEPENDENTS IF THE INSTITUTION FILES ON JULY 1 EACH YEAR, FOR THE STUDENT HEALTH PLAN THAT WILL BE OFFERED TO STUDENTS FOR THE UPCOMING SCHOOL YEAR, A REPORT WITH THE COMMISSIONER CERTIFYING UNDER PENALTIES OF PERJURY THAT:

(I) THE STUDENT HEALTH PLAN SATISFIES ANY APPLICABLE MINIMUM ESSENTIAL COVERAGE STANDARDS UNDER FEDERAL LAW;

(II) THE INSTITUTION PLEDGES ASSETS SUFFICIENT TO SUPPORT THE LIABILITIES OF THE STUDENT HEALTH PLAN;

(III) THE INSTITUTION DEMONSTRATES AN ABILITY TO OPERATE THE STUDENT HEALTH PLAN IN A SOUND MANNER BY HAVING OPERATED AN

EMPLOYER-SPONSORED PLAN, AS DEFINED IN § 15-1401 OF THIS ARTICLE, IN THE PRIOR CALENDAR YEAR WITH AT LEAST 10,000 ENROLLEES, INCLUDING EMPLOYEES AND THEIR DEPENDENTS; ~~AND~~

(IV) THE INSTITUTION MAINTAINS AT LEAST AN AA BOND RATING BY ONE OF THE MAJOR CREDIT RATING AGENCIES; AND

(V) THE INSTITUTION OPERATES THE STUDENT HEALTH PLAN IN COMPLIANCE WITH TITLE 15, SUBTITLES 10A AND 10D OF THIS ARTICLE.

(B) TITLE 15, SUBTITLES 10A AND 10D OF THIS ARTICLE APPLY TO A SELF-FUNDED STUDENT HEALTH PLAN OPERATED BY AN INDEPENDENT INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN § 10-101 OF THE EDUCATION ARTICLE, THAT PROVIDES HEALTH CARE SERVICES TO ITS STUDENTS AND THEIR DEPENDENTS.

15-10A-01.

- (a) In this subtitle the following words have the meanings indicated.
- (c) “Carrier” means a person that offers a health benefit plan and is:
- (1) an authorized insurer that provides health insurance in the State;
 - (2) a nonprofit health service plan;
 - (3) a health maintenance organization;
 - (4) a dental plan organization; [or]

(5) A SELF-FUNDED STUDENT HEALTH PLAN OPERATED BY AN INDEPENDENT INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN § 10-101 OF THE EDUCATION ARTICLE, THAT PROVIDES HEALTH CARE TO ITS STUDENTS AND THEIR DEPENDENTS; OR

[(5)](6) except for a managed care organization as defined in Title 15, Subtitle 1 of the Health – General Article, any other person that provides health benefit plans subject to regulation by the State.

15-10D-01.

- (a) In this subtitle the following words have the meanings indicated.
- (d) “Carrier” means a person that offers a health benefit plan and is:

- (1) an authorized insurer that provides health insurance in the State;
- (2) a nonprofit health service plan;
- (3) a health maintenance organization;
- (4) a dental plan organization; [or]

(5) A SELF-FUNDED STUDENT HEALTH PLAN OPERATED BY AN INDEPENDENT INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN § 10-101 OF THE EDUCATION ARTICLE, THAT PROVIDES HEALTH CARE TO ITS STUDENTS AND THEIR DEPENDENTS; OR

[(5)](6) except for a managed care organization, as defined in Title 15, Subtitle 1 of the Health – General Article, any other person that offers a health benefit plan subject to regulation by the State.

SECTION 2. AND BE IT FURTHER ENACTED, That the first report of an independent institution of higher education required under § 1-202(5) of the Insurance Article, as enacted by Section 1 of this Act, shall be filed with the Maryland Insurance Commissioner on July 1, 2016, and the certifications made in the report shall be construed to cover the time period from July 1, ~~2015~~ 2016, through June 30, ~~2016~~ 2017.

~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect any self-funded student health plan that is operated by an independent institution of higher education on or after July 1, 2015.~~

SECTION ~~4~~ 3. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

May 27, 2016

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 921 – *Clean Energy Jobs – Renewable Energy Portfolio Standard Revisions*.

This legislation is a tax increase that will be levied upon every single electricity ratepayer in Maryland and, for that reason alone, I cannot allow it to become law. Specifically, Senate Bill 921 will impose a tax increase of between \$49 million to \$196 million by 2020 in order to fund the proposed increase in the State's Renewable Energy Portfolio Standard (RPS) compliance.

The goal of Senate Bill 921 to increase the State's Renewable Energy Portfolio Standard (RPS) to 25% by 2020 is laudable, but increasing taxes to achieve this goal is the wrong approach. In 2014, Maryland ratepayers already were assessed over \$104 million dollars for renewable energy credits (RECs) in 2014 (the last year for which data is available). As explained above, Senate Bill 921 would impose an additional burden on ratepayers.

Under the existing law, Maryland retains its status as a national leader in achieving RPS goals. Maryland's electric suppliers must meet the RPS by accumulating the equivalent amount of renewable energy credits (RECs) that equal the percentage of their respective total supply in the State. In 2016, suppliers must demonstrate they have accumulated RECs at a percentage of 15.9 of their total electric supply into Maryland. This includes 12.7% for Tier 1 renewables, 0.7% for Tier 1 solar, and 2.5% for Tier 2 hydroelectric. The current goal is for Maryland to reach 20% by 2020 with the inclusion of standards for solar (at least 2%) and offshore wind (no more than 2.5%) by 2022.

Electricity suppliers and consumers share an obligation to develop a minimum level of renewable resources in the electricity supply portfolio of the State. The State first adopted an RPS in 2004 and has subsequently revised it. Maryland's existing RPS has benefitted Maryland's clean energy industry. While I appreciate the economic benefit of Maryland's growing solar industry, there is also a corresponding cost which is borne by all citizens under Senate Bill 921. I believe the State should not add to this burden.

For these reasons, I have vetoed Senate Bill 921.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 921

AN ACT concerning

Clean Energy Jobs – Renewable Energy Portfolio Standard Revisions

FOR the purpose of ~~establishing the Clean Energy Workforce Account in the Maryland Employment Advancement Right Now Program; providing for the funding of the Account; specifying the purpose for which the Account may be used; specifying the priority for grants awarded from the Account; requiring the Department of Labor,~~

~~Licensing, and Regulation to include certain information about the Account in a certain annual report; altering the renewable energy portfolio standard percentage derived from solar energy for certain years; altering the renewable energy portfolio standard percentage derived from Tier 1 renewable sources for certain years; altering the minimum required percentage of Tier 1 renewable energy that must be derived from solar energy in the State's renewable energy portfolio standard in certain years; altering the minimum required percentage of energy that must be derived from Tier 1 renewable sources in the State's renewable energy portfolio standard in certain years; requiring an electric company to contract for certain renewable energy credits and electricity generated from certain Tier 1 renewable sources to meet a certain portion of the renewable energy portfolio standard for certain electricity suppliers beginning after a certain date; requiring an electric company to solicit bids for a certain contract from certain renewable energy facilities; requiring an electric company to use a competitive procurement process to award a certain contract; requiring that a term for a certain contract be for a certain minimum and maximum duration; authorizing an electric company to recover certain costs associated with this Act; altering the compliance fee for an electricity supplier that fails to comply with certain renewable energy portfolio standards for certain years; establishing certain compliance fees for an electricity supplier that fails to comply with certain renewable energy portfolio standards for certain years; altering the percentage of total annual electricity sales revenues based on which an electricity supplier may request a delay of certain solar energy requirements in the renewable energy portfolio standard; establishing the Clean Energy Business Development Account in the Small, Minority, and Women-Owned Businesses Account; providing for the funding in the Clean Energy Account; specifying the purpose for which the Clean Energy Account may be used; prohibiting funding from the Clean Energy Account from being limited to certain businesses; requiring the Maryland Energy Administration to use the Maryland Strategic Energy Investment Fund in a certain manner; requiring proceeds from a certain Public Service Commission order to be allocated in a certain manner; authorizing the Small, Minority, and Women-Owned Businesses Account to receive money from the Strategic Energy Investment Fund; requiring any money that the Account receives from the Fund to be used for a certain purpose; authorizing the Maryland Energy Administration to use the Strategic Energy Investment Fund for a certain purpose; requiring the Department of Labor, Licensing, and Regulation to study the workforce development training needs for the clean energy industry in the State; requiring the Department to seek input from certain agencies and stakeholders and identify certain information; requiring the Department to report to the General Assembly on or before a certain date on certain findings and recommendations; stating certain findings of the General Assembly; defining certain terms a certain term; providing for the application of this Act; making the provisions of this Act severable; and generally relating to clean energy jobs and the renewable energy portfolio standard.~~

~~BY adding to~~

~~Article — Labor and Employment
Section 11-708.1
Annotated Code of Maryland~~

~~(2008 Replacement Volume and 2015 Supplement)~~

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

~~Article – Labor and Employment~~

~~Section 11-709~~

~~Annotated Code of Maryland~~

~~(2008 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,

Article – Public Utilities

Section 7-702

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Utilities

Section ~~7-702, 7-703(b)(12)~~ 7-703(a)(2)(iii), (b)(12), (13), (14), (15), (16), and (17),
and 7-705(b) and (e)

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

~~BY adding to~~

~~Article – Public Utilities~~

~~Section 7-703.1~~

~~Annotated Code of Maryland~~

~~(2010 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, with amendments,

Article – State Government

Section ~~9-1A-35, and 9-20B-01, and 9-20B-05(f) and (i) through (l)~~

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government

Section 9-20B-05(f)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – State Government

Section ~~9-20B-05(i)~~ 9-20B-05(f-1)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

~~Article – Labor and Employment~~

~~11-708.1.~~

~~(A) THERE IS A CLEAN ENERGY WORKFORCE ACCOUNT.~~

~~(B) THE ACCOUNT SHALL BE FUNDED IN ACCORDANCE WITH § 9-20B-05(I) OF THE STATE GOVERNMENT ARTICLE.~~

~~(C) (1) MONEY IN THE ACCOUNT SHALL BE USED TO PROVIDE GRANTS ON A COMPETITIVE BASIS FOR STRATEGIC INDUSTRY PARTNERSHIPS THAT:~~

~~(I) 1. PROVIDE PRE-APPRENTICESHIP JOB TRAINING FOR CAREERS IN THE CLEAN ENERGY INDUSTRY; OR~~

~~2. PROVIDE CAREER PATHS FOR WORKERS FROM WITHIN THE CLEAN ENERGY INDUSTRY OR ASSOCIATED INDUSTRIES TO ADVANCE THEIR CAREERS WITHIN THE CLEAN ENERGY INDUSTRY; AND~~

~~(II) COMPLY WITH THIS SUBTITLE.~~

~~(2) MONEY IN THE ACCOUNT SHALL BE SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF THE ANNUAL APPROPRIATIONS TO THE MARYLAND EARN PROGRAM.~~

~~(D) GRANTS SHALL BE AWARDED FROM THE ACCOUNT WITH PRIORITY GIVEN TO STRATEGIC INDUSTRY PARTNERSHIPS THAT:~~

~~(1) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE JOB READINESS TRAINING FOR INDIVIDUALS FROM ECONOMICALLY DISTRESSED AREAS WITH HIGH RATES OF UNEMPLOYMENT OR HIGH PERCENTAGES OF HOUSEHOLDS THAT EARN LESS THAN 80% OF THE AREA MEDIAN INCOME;~~

~~(2) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE JOB READINESS TRAINING FOR DISADVANTAGED WORKERS THAT HAVE BARRIERS TO ENTRY INTO THE LABOR FORCE, INCLUDING:~~

~~(I) HOMELESSNESS;~~

~~(II) PRIOR CRIMINAL RECORDS;~~

~~(III) RECEIPT OF PUBLIC ASSISTANCE;~~

~~(IV) UNEMPLOYMENT WITH NO HIGH SCHOOL EDUCATION;~~

~~(V) VETERANS OF THE ARMED FORCES OF THE UNITED STATES;~~
~~AND~~

~~(VI) FORMER FOSTER CARE YOUTH; OR~~

~~(3) SEEK TO BUILD LOCAL WORKFORCE CAPACITY THROUGH COOPERATION WITH COMMUNITY COLLEGES OR OTHER LOCAL GOVERNMENT ORGANIZATIONS.~~

~~11-709.~~

~~(a) On or before December 31 of each year, the Department shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee on the Maryland EARN Program.~~

~~(b) The report required under subsection (a) of this section shall include:~~

~~(1) an identification of training needs statewide, including industries in urgent need of qualified workers;~~

~~(2) information on measures being used to track the success and accountability of the Maryland EARN Program, including use of the StateStat accountability process under § 3-1003(b) of the State Finance and Procurement Article;~~

~~(3) (i) a description of each strategic industry partnership receiving grant funding and the status of the partnership; and~~

~~(ii) the jurisdiction of the State in which each strategic industry partnership is located;~~

~~(4) the number of individuals:~~

~~(i) by sex, race, national origin, income, county of residence, and educational attainment, participating in each component of the Maryland EARN Program; and~~

~~(ii) participating in the Maryland EARN Program who, as a result of the Program, have obtained:~~

~~1. a credential or an identifiable skill;~~

~~2. a new employment position;~~

~~3. a title promotion; or~~

~~4. a wage promotion; [and]~~

~~(5) an assessment of whether and to what extent the approved strategic industry partnerships utilized existing data concerning:~~

~~(i) training needs in the State identified in previous studies; and~~

~~(ii) applicable skills needs identified in existing workforce studies, plans, or research; AND~~

~~(6) INFORMATION ON THE SUCCESS OF FUNDING STRATEGIC INDUSTRY PARTNERSHIPS THAT ACHIEVE THE PRIORITIES UNDER § 11-708.1 OF THIS SUBTITLE.~~

Article – Public Utilities

7-702.

(a) It is the intent of the General Assembly to:

(1) recognize the economic, environmental, fuel diversity, and security benefits of renewable energy resources;

(2) establish a market for electricity from these resources in Maryland; and

(3) lower the cost to consumers of electricity produced from these resources.

(b) The General Assembly finds that:

(1) the benefits of electricity from renewable energy resources, including long-term decreased emissions, a healthier environment, increased energy security, and decreased reliance on and vulnerability from imported energy sources, accrue to the public at large; [and]

(2) electricity suppliers and consumers share an obligation to develop a minimum level of these resources in the electricity supply portfolio of the State; AND

~~(3) THE RENEWABLE ENERGY PORTFOLIO STANDARD IS AN ESSENTIAL CARBON REDUCING PROGRAM FOR THE STATE, AS IDENTIFIED IN THE STATE'S GREENHOUSE GAS REDUCTION PLAN DEVELOPED UNDER § 2-1205 OF THE ENVIRONMENT ARTICLE; AND~~

~~(4) ACHIEVING A RENEWABLE PORTFOLIO STANDARD OF 25% FROM TIER 1 RENEWABLE SOURCES BY 2020 WOULD, IF CONTINUED AT THE SAME RATE OF GROWTH, PUT THE STATE ON A TRAJECTORY TOWARDS CONSUMING AT LEAST~~

~~40% OF ITS ELECTRICITY FROM RENEWABLE ENERGY SOURCES BY 2025, KEEPING THE STATE'S EFFORTS CONSISTENT WITH INTERNATIONAL EFFORTS TO REACH CARBON REDUCTIONS IN ACCORDANCE WITH SCIENTIFIC DATA.~~

7-703.

(a) (2) A renewable energy portfolio standard may not apply to electricity sales at retail by any electricity supplier:

(iii) to a customer served by an electric cooperative under an electricity supplier purchase agreement that existed on October 1, 2004, until the expiration of the agreement, AS THE AGREEMENT MAY BE RENEWED OR AMENDED.

(b) The renewable energy portfolio standard shall be as follows:

(12) in 2017:

(i) 13.1% from Tier 1 renewable sources, including:

1. at least [0.95%] **1.15%** derived from solar energy; and
2. an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(ii) 2.5% from Tier 2 renewable sources;

(13) in 2018:

(i) 15.8% from Tier 1 renewable sources, including:

1. at least [1.4%] **1.5%** derived from solar energy; and
2. an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(ii) 2.5% from Tier 2 renewable sources;

(14) in 2019, [17.4%] **20.4%** from Tier 1 renewable sources, including:

(i) at least [1.75%] **1.95%** derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; **AND**

(15) in 2020 **AND LATER**, [18%] **25%** from Tier 1 renewable sources, including:

- (i) at least [2.0%] **2.5%** derived from solar energy; and
 - (ii) an amount set by the Commission under § 7–704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy[;
- (16) in 2021, 18.7% from Tier 1 renewable sources, including:
- (i) at least 2.0% derived from solar energy; and
 - (ii) an amount set by the Commission under § 7–704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and
- (17) in 2022 and later, 20% from Tier 1 renewable sources, including:
- (i) at least 2% derived from solar energy; and
 - (ii) an amount set by the Commission under § 7–704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy].

~~7–703.1.~~

~~(A) NOTWITHSTANDING § 7–510 OF THIS ARTICLE OR ANY REGULATION OR ORDER UNDER THIS TITLE, BEGINNING IN 2017, AN ELECTRIC COMPANY SHALL CONTRACT FOR RENEWABLE ENERGY CREDITS AND ELECTRICITY GENERATED FROM EMISSIONS-FREE NONSOLAR TIER 1 RENEWABLE SOURCES TO MEET A PORTION OF AN ELECTRICITY SUPPLIER'S RENEWABLE ENERGY PORTFOLIO STANDARD IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.~~

~~(B) (1) AN ELECTRIC COMPANY SHALL:~~

~~(I) SOLICIT BIDS FOR A CONTRACT UNDER SUBSECTION (A) OF THIS SECTION FROM RENEWABLE ENERGY FACILITIES THAT WILL BE PLACED INTO SERVICE WITHIN 3 YEARS AFTER THE DATE OF THE SOLICITATION; AND~~

~~(II) USE A COMPETITIVE PROCUREMENT PROCESS TO AWARD THE CONTRACT.~~

~~(2) THE TERM OF A CONTRACT UNDER SUBSECTION (A) OF THIS SECTION SHALL BE FOR AT LEAST 10 YEARS AND NOT MORE THAN 20 YEARS.~~

~~(C) BEGINNING IN 2017, THE RENEWABLE ENERGY CREDITS AND ELECTRICITY CONTRACTED FOR UNDER SUBSECTION (A) OF THIS SECTION SHALL BE USED TO MEET AT LEAST 20% OF THAT YEAR'S RENEWABLE PORTFOLIO STANDARD FOR ALL ELECTRICITY SUPPLIERS THAT SELL ELECTRIC SUPPLY~~

~~SERVICE TO THE ELECTRIC COMPANY'S DISTRIBUTION SERVICE CUSTOMERS THAT THE RENEWABLE PORTFOLIO STANDARD APPLIES TO, INCLUDING CUSTOMERS OF THE ELECTRIC COMPANY'S STANDARD OFFER SERVICE.~~

~~(D) AN ELECTRIC COMPANY MAY RECOVER COSTS ASSOCIATED WITH THIS SECTION, INCLUDING LOST REVENUE, IN ITS DISTRIBUTION RATES IN A BASE RATE CASE.~~

7-705.

(b) (1) This subsection does not apply to a shortfall from the required Tier 1 renewable sources that is to be derived from offshore wind energy.

(2) If an electricity supplier fails to comply with the renewable energy portfolio standard for the applicable year, the electricity supplier shall pay into the Maryland Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article:

(i) except as provided in item (ii) of this paragraph, a compliance fee of:

1. [4 cents] **THE FOLLOWING AMOUNTS** for each kilowatt-hour of shortfall from required Tier 1 renewable sources other than the shortfall from the required Tier 1 renewable sources that is to be derived from solar energy:

A. 4 CENTS THROUGH 2016; AND

B. 3.75 CENTS IN 2017 AND LATER;

2. the following amounts for each kilowatt-hour of shortfall from required Tier 1 renewable sources that is to be derived from solar energy:

A. 45 cents in 2008;

B. 40 cents in 2009 through 2014;

C. 35 cents in 2015 and 2016;

D. [20] **19.5** cents in 2017 [and 2018];

E. [15 cents in 2019 and 2020] **17.5 CENTS IN 2018;**

F. [10 cents in 2021 and 2022] **15 CENTS IN 2019;** [and]

G. [5 cents in 2023 and later] **12.5 CENTS IN 2020;** [and]

H. 10 CENTS IN 2021;

I. 7.5 CENTS IN 2022;

J. 6 CENTS IN 2023;

K. 5 CENTS IN 2024 AND LATER; AND

3. 1.5 cents for each kilowatt–hour of shortfall from required Tier 2 renewable sources; or

(ii) for industrial process load:

1. for each kilowatt–hour of shortfall from required Tier 1 renewable sources, a compliance fee of:

A. 0.8 cents in 2006, 2007, and 2008;

B. 0.5 cents in 2009 and 2010;

C. 0.4 cents in 2011 and 2012;

D. 0.3 cents in 2013 and 2014;

E. 0.25 cents in 2015 and 2016; and

F. except as provided in paragraph (3) of this subsection, 0.2 cents in 2017 and later; and

2. nothing for any shortfall from required Tier 2 renewable sources.

(3) For industrial process load, the compliance fee for each kilowatt–hour of shortfall from required Tier 1 renewable sources is:

(i) 0.1 cents in any year during which suppliers are required to purchase ORECs under § 7–704.2 of this subtitle; and

(ii) nothing for the year following any year during which, after final calculations, the net rate impact per megawatt–hour from qualified offshore wind projects exceeded \$1.65 in 2012 dollars.

(e) (1) Notwithstanding the requirements of § 7–703(b) of this subtitle, if the actual or projected dollar–for–dollar cost incurred or to be incurred by an electricity supplier solely for the purchase of Tier 1 renewable energy credits derived from solar energy in any 1 year is greater than or equal to, or is anticipated to be greater than or equal to,

[1%] 2.5% of the electricity supplier's total annual electricity sales revenues in Maryland, the electricity supplier may request that the Commission:

(i) delay by 1 year each of the scheduled percentages for solar energy under § 7-703(b) of this subtitle that would apply to the electricity supplier; and

(ii) allow the renewable energy portfolio standard for solar energy for that year to continue to apply to the electricity supplier for the following year.

(2) In making its determination under paragraph (1) of this subsection, the Commission shall consider the actual or projected dollar-for-dollar compliance costs of other electricity suppliers.

(3) If an electricity supplier makes a request under paragraph (1) of this subsection based on projected costs, the electricity supplier shall provide verifiable evidence of the projections to the Commission at the time of the request.

(4) If the Commission allows a delay under paragraph (1) of this subsection:

(i) the renewable energy portfolio standard for solar energy applicable to the electricity supplier under the delay continues for each subsequent consecutive year that the actual or projected dollar-for-dollar costs incurred, or to be incurred, by the electricity supplier solely for the purchase of solar renewable energy credits is greater than or equal to, or is anticipated to be greater than or equal to, [1%] 2.5% of the electricity supplier's total annual retail electricity sales revenues in Maryland; and

(ii) the renewable energy portfolio standard for solar energy applicable to the electricity supplier under the delay is increased to the next scheduled percentage increase under § 7-703(b) of this subtitle for each year in which the actual or projected dollar-for-dollar costs incurred, or to be incurred, by the electricity supplier solely for the purchase of solar renewable energy credits is less than, or is anticipated to be less than, [1%] 2.5% of the electricity supplier's total annual retail electricity sales revenues in Maryland.

Article – State Government

9-1A-35.

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

~~(2) "ACCOUNT" MEANS THE SMALL, MINORITY, AND WOMEN OWNED BUSINESSES ACCOUNT ESTABLISHED UNDER THIS SECTION.~~

~~(3) “CLEAN ENERGY ACCOUNT” MEANS THE CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS SECTION.~~

~~(4) “CLEAN ENERGY INDUSTRY” HAS THE MEANING STATED IN § 9-20B-01 OF THIS TITLE.~~

~~(5) “ELIGIBLE FUND MANAGER” MEANS AN ENTITY THAT HAS SIGNIFICANT FINANCIAL OR INVESTMENT EXPERIENCE UNDER CRITERIA THAT THE BOARD OF PUBLIC WORKS DEVELOPS.~~

~~(a)~~ (B) There is a Small, Minority, and Women-Owned Businesses Account under the authority of the Board of Public Works.

~~(b)~~ (C) (1) (I) The Account shall receive money:

~~(H)~~ as required under § 9-1A-27 of this subtitle; ~~AND~~

~~(H) FROM THE CLEAN ENERGY ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS SECTION.~~

(II) THE ACCOUNT MAY RECEIVE MONEY FROM THE STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THIS TITLE.

(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.

(3) The Comptroller shall:

(i) account for the Account; and

(ii) on a properly approved transmittal prepared by the Board of Public Works, issue a warrant to pay out money from the Account in the manner provided under this section.

(4) The Account is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(5) Expenditures from the Account shall only be made on a properly approved transmittal prepared by the Board of Public Works as provided under subsection ~~(c)~~ (D) of this section.

~~(c)~~ (D) (1) ~~I~~In this subsection, “eligible fund manager” means an entity that has significant financial or investment experience, under criteria developed by the Board of Public Works.

~~[(2)]~~ Subject to ~~the provisions of~~ paragraph ~~[(3)]~~ ~~(2)~~ of this subsection, the Board of Public Works shall make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State.

~~[(3)]~~ ~~(2)~~ The Board of Public Works shall ensure that eligible fund managers allocate at least 50% of the funds from this Account to small, minority, and women-owned businesses in the jurisdictions and communities surrounding a video lottery facility.

~~(E) (1) THERE IS A CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT AS A SUBACCOUNT IN THE ACCOUNT.~~

~~(2) THE CLEAN ENERGY ACCOUNT SHALL RECEIVE MONEY IN ACCORDANCE WITH § 9-20B-05(i) OF THE STATE GOVERNMENT ARTICLE.~~

~~(3) MONEY IN THE CLEAN ENERGY ACCOUNT SHALL BE AVAILABLE TO:~~

~~(i) MAKE GRANTS TO ELIGIBLE FUND MANAGERS TO PROVIDE INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE STATE; AND~~

~~(ii) PROVIDE A MANAGEMENT FEE TO COMPENSATE A FUND MANAGER FOR ADMINISTRATIVE EXPENSES.~~

~~(4) FUNDING FROM THE CLEAN ENERGY ACCOUNT MAY NOT BE LIMITED TO SMALL, MINORITY, AND WOMEN OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE JURISDICTIONS AND COMMUNITIES SURROUNDING A VIDEO LOTTERY FACILITY.~~

~~(5) A FUND MANAGER THAT PROVIDES INVESTMENT CAPITAL AND LOANS UNDER THIS SUBSECTION SHALL BE COMPENSATED FOR MARKETING AND OPERATION ON A MANAGEMENT FEE BASIS.~~

(D) ANY MONEY RECEIVED FROM THE STRATEGIC ENERGY INVESTMENT FUND SHALL BE USED TO BENEFIT SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE STATE.

~~[(d)]~~ ~~(F)~~ (E) Fund managers receiving grants under this section shall:

- (1) keep proper records of funds and accounts;

(2) provide an annual report to the Governor and, in accordance with § 2–1246 of this article, the General Assembly on investment capital and loans made pursuant to subsection ~~[(c)] (D)~~ of this section; and

(3) be subject to audit by the Office of Legislative Audits of the Department of Legislative Services.

~~[(e)] (G) (F)~~ (1) Subject to paragraph (2) of this subsection, ~~EXCEPT FOR AN ELIGIBLE FUND MANAGER MANAGING A GRANT UNDER SUBSECTION (E) OF THIS SECTION,~~ an eligible fund manager may use money from grants received under this section to pay expenses for administrative, actuarial, legal, and technical services.

(2) The Board of Public Works shall set the maximum amount of grant money that each eligible fund manager may use under paragraph (1) of this subsection.

~~[(f)] (H) (G)~~ Each fiscal year the Legislative Auditor shall audit and evaluate the utilization of the funds that are allocated to small, minority, and women-owned businesses by eligible fund managers under subsection ~~[(c)(3)] (D)(2)~~ of this section.

9–20B–01.

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

(b) “Administration” means the Maryland Energy Administration.

(c) “Board” means the Strategic Energy Investment Advisory Board established under § 9–20B–07 of this subtitle.

(D) “CLEAN ENERGY INDUSTRY” MEANS A GROUP OF EMPLOYERS THAT ARE ASSOCIATED BY THEIR PROMOTION OF:

(1) PRODUCTS AND SERVICES THAT IMPROVE ENERGY EFFICIENCY AND CONSERVATION, INCLUDING PRODUCTS AND SERVICES PROVIDED BY:

(I) ELECTRICIANS;

(II) HEATING, VENTILATION, AND AIR-CONDITIONING INSTALLERS;

(III) PLUMBERS; AND

(IV) ENERGY AUDITORS; AND

(2) RENEWABLE AND CLEAN ENERGY RESOURCES ~~THAT REDUCE GREENHOUSE GAS EMISSIONS; AND~~

~~(3) TECHNOLOGY THAT ADVANCES EMISSIONS FREE ENERGY SYSTEMS.~~

[(d)] (E) “Fund” means the Maryland Strategic Energy Investment Fund.

[(e)] (F) “Program” means the Maryland Strategic Energy Investment Program.

9–20B–05.

(f) The Administration shall use the Fund:

(1) to invest in the promotion, development, and implementation of:

(i) cost-effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings;

(ii) renewable and clean energy resources;

(iii) climate change programs directly related to reducing or mitigating the effects of climate change; and

(iv) demand response programs that are designed to promote changes in electric usage by customers in response to:

1. changes in the price of electricity over time; or

2. incentives designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized;

(2) to provide targeted programs, projects, activities, and investments to reduce electricity consumption by customers in the low-income and moderate-income residential sectors;

(3) to provide supplemental funds for low-income energy assistance through the Electric Universal Service Program established under § 7–512.1 of the Public Utilities Article and other electric assistance programs in the Department of Human Resources;

(4) to provide rate relief by offsetting electricity rates of residential customers, including an offset of surcharges imposed on ratepayers under § 7–211 of the Public Utilities Article;

(5) to provide grants, loans, and other assistance and investment as necessary and appropriate to implement the purposes of the Program as set forth in § 9–20B–03 of this subtitle;

(6) to implement energy-related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions;

(7) to provide rebates under the Electric Vehicle Recharging Equipment Rebate Program established under § 9-2009 of this title;

(8) to provide grants to encourage combined heat and power projects at industrial facilities; ~~and~~

~~(9) TO INVEST IN PRE-APPRENTICESHIP, APPRENTICESHIP, AND OTHER WORKFORCE DEVELOPMENT PROGRAMS TO ESTABLISH CAREER PATHS IN THE CLEAN ENERGY INDUSTRY UNDER § 11-708.1 OF THE LABOR AND EMPLOYMENT ARTICLE;~~

~~(10) TO PROVIDE ACCESS TO CAPITAL FOR SMALL, MINORITY, AND WOMEN OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY UNDER § 9-1A-35 OF THIS TITLE; AND~~

~~(9)~~ (11) to pay the expenses of the Program.

~~(I) MONEY THAT THE FUND RECEIVES UNDER PUBLIC SERVICE COMMISSION ORDER NUMBER 86372 SHALL BE ALLOCATED AS FOLLOWS:~~

~~(1) \$10,000,000 TO A CLEAN ENERGY WORKFORCE ACCOUNT ESTABLISHED IN THE MARYLAND EMPLOYMENT ADVANCEMENT RIGHT NOW PROGRAM UNDER § 11-708.1 OF THE LABOR AND EMPLOYMENT ARTICLE; AND~~

~~(2) \$30,000,000 TO A CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT ESTABLISHED IN THE SMALL, MINORITY, AND WOMEN OWNED BUSINESSES ACCOUNT UNDER § 9-1A-35 OF THIS TITLE.~~

(F-1) THE ADMINISTRATION MAY USE THE FUND, INCLUDING MONEY THAT THE FUND RECEIVES UNDER PUBLIC SERVICE COMMISSION ORDER NUMBER 86372, TO PROVIDE FUNDING FOR ACCESS TO CAPITAL FOR SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY UNDER § 9-1A-35 OF THIS TITLE.

~~(i) (j) (1) Except as provided in paragraph (2) of this subsection, compliance fees paid under § 7-705(b) of the Public Utilities Article may be used only to make loans and grants to support the creation of new Tier 1 renewable energy sources in the State.~~

~~(2) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State.~~

~~[(j)] (K)~~ (1) ~~The 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 an administrative expense account within the Fund.~~

~~(3) Any repayment of principal and interest on loans made from the Fund shall be paid into the Fund.~~

~~(4) Balances in the Fund shall be held for the benefit of the Program, shall be expended solely for the purposes of the Program, and may not be used for the general obligations of government.~~

~~[(k)] (L)~~ Expenditures from the Fund shall be made by:

~~(1) an appropriation in the annual State budget; or~~

~~(2) a budget amendment in accordance with § 7-209 of the State Finance and Procurement Article.~~

~~[(1)] (M)~~ An expenditure by budget amendment may be made under subsection ~~[(k)] (L)~~ of this section only after:

~~(1) the Administration has submitted the proposed budget amendment and supporting documentation to the Senate Budget and Taxation Committee, Senate Finance Committee, House Appropriations Committee, and House Economic Matters Committee; and~~

~~(2) the committees have had 45 days for review and comment.~~

SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Labor, Licensing, and Regulation shall:

(1) study the workforce development training needs for the clean energy industry in the State;

(2) in conducting the study required under item (1) of this section, seek input from:

(i) State agencies, including the Department of Budget and Management, the Department of Commerce, the Governor's Office of Minority Affairs, the Maryland Energy Administration, and the Maryland Clean Energy Center;

(ii) clean energy industry stakeholders; and

(iii) any other persons that the Department determines appropriate;

(3) identify:

(i) existing programs that could help address the clean energy industry workforce needs;

(ii) any new program that could be developed to provide workforce development training for the clean energy workforce;

(iii) ways to advance clean energy job training and employment opportunities for:

1. individuals from economically distressed areas; and

2. disadvantaged workers who have barriers to entry into the labor force, including homelessness, prior criminal records, receipt of public assistance, unemployment with no high school education, veterans of the armed forces of the United States, and former foster care youth;

(iv) barriers to entry for small, minority, and women-owned businesses in the clean energy industry;

(v) funding ways that may be used to provide incentives for the development of clean energy workforce development training programs, including through tax credits, grants, or other forms; and

(vi) options for funding sources, including the Strategic Energy Investment Fund, money directed by Public Service Commission orders, and other sources; and

(4) on or before July 1, 2017, report, in accordance with § 2–1246 of the State Government Article, to the General Assembly its findings and any recommendations.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contract existing before the effective date of this Act.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 929 – *Health Benefit Plans – Network Access Standards and Provider Network Directories*.

This bill requires specified carriers to maintain or adhere to specified standards that ensure that enrollees have access to specified health care providers and covered service, and specifies the provisions of State insurance law relating to provider panels that apply to managed care organizations. The bill also authorizes the Commissioner to designate an insurer or nonprofit health service plan to offer a preferred provider insurance policy that conditions the payment of benefits on the use of preferred providers under specified circumstances.

House Bill 1318, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 929.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 929

AN ACT concerning

Health Benefit Plans – Network Access Standards and Provider Network Directories

FOR the purpose of requiring certain carriers to maintain or adhere to certain standards that ensure that certain enrollees have certain access to certain health care providers and covered services; requiring certain carriers to file with the Maryland Insurance Commissioner, on or before a certain date and then annually, a certain plan for a certain review ~~and approval~~; requiring certain carriers to notify the Commissioner of a certain change within a certain time period under certain circumstances; requiring a certain notice to include certain information; ~~authorizing certain carriers to request that the Commissioner deem certain information as confidential~~

~~information; requiring certain carriers to make a certain plan available to the public in a certain manner~~ authorizing the Commissioner to order corrective action under certain circumstances; requiring the Commissioner to deny inspection of the parts of a certain plan that contain certain confidential information; requiring certain regulations to identify the parts of a certain plan that may be considered confidential by the carrier; requiring a certain plan to include certain information; requiring certain carriers to monitor a certain clinical capacity of certain providers in a certain manner; requiring the Commissioner, in consultation with certain persons, to adopt certain regulations on or before a certain date; ~~establishing that certain carriers meet certain requirements by developing and making available to certain individuals a certain network directory; requiring certain carriers to develop and make available to certain individuals a certain network directory on the Internet and in printed form under certain circumstances; requiring a certain network directory to meet certain requirements and include certain information; requiring certain carriers to update a certain network directory within a certain time period under certain circumstances;~~ authorizing the Commissioner to take into consideration certain factors in adopting the regulations; requiring the Commissioner, in consultation with certain persons, to adopt regulations, on or before a certain date, that specify certain standards for dental services; requiring a carrier to have certain means by which enrollees and prospective enrollees may notify the carrier of certain information; requiring certain carriers, at certain occurrences, to notify enrollees how to access or obtain certain information; requiring certain information to be updated at certain intervals; requiring certain carriers periodically to review a certain sample of their network directory for a certain purpose and retain documentation of the review or to contact certain providers to make a certain determination under certain circumstances; ~~requiring certain carriers to treat certain services in a certain manner for a certain purpose under certain circumstances;~~ altering a certain requirement on certain carriers to update certain information; requiring certain certification standards established by the Maryland Health Benefit Exchange to be consistent with certain provisions of law and prohibiting the standards from being implemented before a certain date; requiring a certain carrier to make the carrier's network directory available to certain enrollees in a certain manner; requiring a certain carrier's network directory to include certain information; requiring a certain carrier to notify each enrollee at certain times about how to obtain certain information; requiring certain information to be accurate on a certain date; requiring a certain carrier to update certain information at certain intervals; requiring the Commissioner to take into account certain factors before imposing a penalty on a certain carrier for inaccurate network directory information; requiring certain procedures established by certain carriers to ensure that certain requests are addressed in a certain manner; prohibiting a certain procedure established by certain carriers from being used for a certain purpose; requiring certain carriers to have a certain system in place for a certain purpose and to provide certain information to the Commissioner under certain circumstances; requiring certain carriers to file with the Commissioner a copy of certain procedures that includes certain information; requiring certain carriers to make a copy of certain procedures available to certain individuals in a certain manner and under certain circumstances; specifying the provisions of State insurance law relating to provider panels that apply to managed care organizations;

repealing a requirement that certain carriers that use provider panels adhere to certain standards for accessibility of covered services in accordance with certain regulations; repealing a requirement that certain standards for health maintenance organizations set out in regulations adopted by the Secretary of Health and Mental Hygiene include provisions for assuring that certain services are accessible; repealing a certain condition for an insurer or nonprofit health service plan to receive authorization from the Commissioner to offer a certain insurance policy; authorizing the Commissioner to designate a certain system under certain circumstances; requiring a carrier to accept certain information for a provider submitted in a certain manner, from certain persons; defining certain terms; making conforming changes; providing for the application of certain provisions of this Act; providing for a delayed effective date for certain provisions of this Act; and generally relating to health benefit plans, network access standards, and provider network directories.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 15–102.3(a) and 19–705.1(b)(1)(i)

Annotated Code of Maryland

(2015 Replacement Volume)

BY repealing and reenacting, without amendments,

Article – Health – General

Section 19–705.1(a)

Annotated Code of Maryland

(2015 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Insurance

Section ~~15–112~~ 14–205.1(a), 15–112, and 15–830

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section ~~15–112(n)~~ 15–112(b)(1)(i), (n), and (p)

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

(As enacted by Section 1 of this Act)

BY adding to

Article – Insurance

Section 15–112.3 and 31–115(m)

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

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

Article – Health – General

15–102.3.

(a) ~~The provisions of [§ 15–112] § 15–112(B)(1)(II) AND (2), (E) THROUGH (L), (Q), (R), AND (T) (F) THROUGH (M), (R), (S), AND (U) THROUGH (W) of the Insurance Article (Provider panels) shall apply to managed care organizations in the same manner they apply to carriers.~~

19–705.1.

~~(a) The Secretary shall adopt regulations that set out reasonable standards of quality of care that a health maintenance organization shall provide to its members.~~

~~(b) (1) The standards of quality of care shall include:~~

~~(i) 1. A requirement that a health maintenance organization shall provide for regular hours during which a member may receive services, including providing for services to a member in a timely manner that takes into account the immediacy of need for services; and~~

~~2. Provisions for assuring that all covered services, including any services for which the health maintenance organization has contracted, are accessible to the enrollee with reasonable safeguards with respect to geographic locations;~~

~~Article – Insurance~~

14–205.1.

~~(a) The Commissioner may authorize an insurer or nonprofit health service plan to offer a preferred provider insurance policy that conditions the payment of benefits on the use of preferred providers if the insurer or nonprofit health service plan:~~

~~(1) has demonstrated to the Secretary of Health and Mental Hygiene that the provider panel of the insurer or nonprofit health service plan complies with the regulations adopted under § 19–705.1(b)(1)(i)2 of the Health – General Article; and~~

~~(2) does not restrict payment for covered services provided by nonpreferred providers;~~

~~(i) (1) for emergency services, as defined in § 19–701 of the Health – General Article;~~

~~(i) (2) for an unforeseen illness, injury, or condition requiring immediate care; or~~

~~[(iii)] (3) as required under § 15-830 of this article.~~

Article – Insurance

15-112.

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

(2) “Accredited hospital” has the meaning stated in § 19-301 of the Health – General Article.

(3) “Ambulatory surgical facility” has the meaning stated in § 19-3B-01 of the Health – General Article.

(4) (i) “Carrier” means:

1. an insurer;
2. a nonprofit health service plan;
3. a health maintenance organization;
4. a dental plan organization; or

5. any other person that provides health benefit plans subject to regulation by the State.

(ii) “Carrier” includes an entity that arranges a provider panel for a carrier.

(5) “Credentialing intermediary” means a person to whom a carrier has delegated credentialing or recredentialing authority and responsibility.

(6) “Enrollee” means a person entitled to health care benefits from a carrier.

(7) “HEALTH BENEFIT PLAN”:

(I) FOR A GROUP OR BLANKET PLAN IN THE LARGE GROUP MARKET, HAS THE MEANING STATED IN § 15-1401 OF THIS TITLE;

(II) FOR A GROUP IN THE SMALL GROUP MARKET, HAS THE MEANING STATED IN § 31-101 OF THIS ARTICLE; AND

(III) FOR AN INDIVIDUAL PLAN, HAS THE MEANING STATED IN § 15-1301 OF THIS TITLE.

(8) (I) ~~“HEALTH CARE FACILITY” MEANS A FIXED OR MOBILE FACILITY AT WHICH DIAGNOSTIC OR TREATMENT SERVICES OR INPATIENT OR AMBULATORY CARE ARE OFFERED TO TWO OR MORE UNRELATED INDIVIDUALS A HEALTH CARE SETTING OR INSTITUTION PROVIDING PHYSICAL, MENTAL, OR SUBSTANCE USE DISORDER HEALTH CARE SERVICES.~~

(II) “HEALTH CARE FACILITY” INCLUDES:

1. A HOSPITAL;
2. AN AMBULATORY SURGICAL OR TREATMENT CENTER;
3. A SKILLED NURSING FACILITY;
4. A RESIDENTIAL TREATMENT CENTER;
5. AN URGENT CARE CENTER;
6. A DIAGNOSTIC, LABORATORY, OR IMAGING CENTER;
7. A REHABILITATION FACILITY; AND
8. ANY OTHER THERAPEUTIC HEALTH CARE SETTING.

[(7)] (9) “Hospital” has the meaning stated in § 19-301 of the Health – General Article.

(10) “NETWORK” MEANS A CARRIER’S PARTICIPATING PROVIDERS AND THE HEALTH CARE FACILITIES WITH WHICH A CARRIER CONTRACTS TO PROVIDE HEALTH CARE SERVICES TO THE CARRIER’S ENROLLEES UNDER THE CARRIER’S HEALTH BENEFIT PLAN.

(11) “NETWORK DIRECTORY” MEANS A LIST OF A CARRIER’S PARTICIPATING PROVIDERS AND PARTICIPATING HEALTH CARE FACILITIES.

[(8)] ~~(10)~~ (12) “Participating provider” means a provider on a carrier’s provider panel.

[(9)] ~~(11)~~ (13) “Online credentialing system” means the system through which a provider may access an online provider credentialing application that the Commissioner has designated as the uniform credentialing form under § 15-112.1(e) of this subtitle.

[(10)] ~~(12)~~ (14) “Provider” means a health care practitioner or group of health care practitioners licensed, certified, or otherwise authorized by law to provide health care services.

[(11)] ~~(13)~~ (15) (i) “Provider panel” means the providers that contract either directly or through a subcontracting entity with a carrier to provide health care services to the carrier’s enrollees under the carrier’s health benefit plan.

(ii) “Provider panel” does not include an arrangement in which any provider may participate solely by contracting with the carrier to provide health care services at a discounted fee-for-service rate.

(b) (1) [A] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A carrier that uses a provider panel shall:

~~(i) 1. if the carrier is an insurer, nonprofit health service plan, HEALTH MAINTENANCE ORGANIZATION, or dental plan organization, maintain standards in accordance with regulations adopted by the Commissioner for availability of health care providers to meet the health care needs of enrollees; AND~~

~~2. if the carrier is a health maintenance organization, adhere to the standards for accessibility of covered services in accordance with regulations adopted under § 19-705.1(b)(1)(i)2 of the Health – General Article; and~~

~~3. if the carrier is an insurer or nonprofit health service plan that offers a preferred provider insurance policy that conditions the payment of benefits on the use of preferred providers, adhere to the standards for accessibility of covered services in accordance with regulations adopted under § 19-705.1(b)(1)(i)2 of the Health – General Article and as enforced by the Secretary of Health and Mental Hygiene; and~~

(i) 1. if the carrier is an insurer, nonprofit health service plan, or dental plan organization, maintain standards in accordance with regulations adopted by the Commissioner for availability of health care providers to meet the health care needs of enrollees;

2. if the carrier is a health maintenance organization, adhere to the standards for accessibility of covered services in accordance with regulations adopted under § 19-705.1(b)(1)(i)2 of the Health – General Article; and

3. if the carrier is an insurer or nonprofit health service plan that offers a preferred provider insurance policy that conditions the payment of benefits on the use of preferred providers, adhere to the standards for accessibility of covered services in accordance with regulations adopted under § 19-705.1(b)(1)(i)2 of the Health – General Article and as enforced by the Secretary of Health and Mental Hygiene; and

(ii) establish procedures to:

1. review applications for participation on the carrier's provider panel in accordance with this section;

2. notify an enrollee of:

A. the termination from the carrier's provider panel of the primary care provider that was furnishing health care services to the enrollee; and

B. the right of the enrollee, on request, to continue to receive health care services from the enrollee's primary care provider for up to 90 days after the date of the notice of termination of the enrollee's primary care provider from the carrier's provider panel, if the termination was for reasons unrelated to fraud, patient abuse, incompetency, or loss of licensure status;

3. notify primary care providers on the carrier's provider panel of the termination of a specialty referral services provider;

4. verify with each provider on the carrier's provider panel, at the time of credentialing and recredentialing, whether the provider is accepting new patients and update the information on participating providers that the carrier is required to provide under subsection [(j)] ~~(M)~~ (N) of this section; and

5. notify a provider at least 90 days before the date of the termination of the provider from the carrier's provider panel, if the termination is for reasons unrelated to fraud, patient abuse, incompetency, or loss of licensure status.

(2) The provisions of paragraph (1)(ii)4 of this subsection may not be construed to require a carrier to allow a provider to refuse to accept new patients covered by the carrier.

(3) FOR A CARRIER THAT IS AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION, THE STANDARDS REQUIRED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION SHALL:

(I) ENSURE THAT ALL ENROLLEES, INCLUDING ADULTS AND CHILDREN, HAVE ACCESS TO PROVIDERS AND COVERED SERVICES WITHOUT UNREASONABLE TRAVEL OR DELAY; AND

(II) 1. INCLUDE STANDARDS THAT ENSURE ACCESS TO PROVIDERS, INCLUDING ESSENTIAL COMMUNITY PROVIDERS, THAT SERVE PREDOMINANTLY LOW-INCOME AND MEDICALLY UNDERSERVED INDIVIDUALS; OR

2. FOR A CARRIER THAT PROVIDES A MAJORITY OF COVERED PROFESSIONAL SERVICES THROUGH PHYSICIANS EMPLOYED BY A SINGLE

CONTRACTED MEDICAL GROUP AND THROUGH HEALTH CARE PROVIDERS EMPLOYED BY THE CARRIER, INCLUDE ALTERNATIVE STANDARDS FOR ADDRESSING THE NEEDS OF LOW-INCOME, MEDICALLY UNDERSERVED INDIVIDUALS.

(C) (1) THIS SUBSECTION APPLIES TO A CARRIER THAT:

(I) IS AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION; AND

(II) USES A PROVIDER PANEL FOR A HEALTH BENEFIT PLAN OFFERED BY THE CARRIER.

(2) (I) ON OR BEFORE JULY 1, 2018, AND ANNUALLY THEREAFTER, A CARRIER SHALL FILE WITH THE COMMISSIONER FOR REVIEW ~~AND APPROVAL~~ BY THE COMMISSIONER AN ACCESS PLAN THAT MEETS THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION AND ANY REGULATIONS ADOPTED BY THE COMMISSIONER UNDER SUBSECTIONS (B) AND (D) OF THIS SECTION.

(II) IF THE CARRIER MAKES A MATERIAL CHANGE TO THE ~~PROVIDER NETWORK~~ ACCESS PLAN, THE CARRIER SHALL:

1. NOTIFY THE COMMISSIONER OF THE CHANGE WITHIN 15 BUSINESS DAYS AFTER THE CHANGE OCCURS; AND

2. INCLUDE IN THE NOTICE REQUIRED UNDER ITEM 1 OF THIS SUBPARAGRAPH A REASONABLE TIMEFRAME WITHIN WHICH THE CARRIER WILL FILE WITH THE COMMISSIONER AN UPDATE TO THE EXISTING ACCESS PLAN FOR REVIEW ~~AND APPROVAL~~ BY THE COMMISSIONER.

(III) THE COMMISSIONER MAY ORDER CORRECTIVE ACTION IF, AFTER REVIEW, THE ACCESS PLAN IS DETERMINED NOT TO MEET THE REQUIREMENTS OF THIS SUBSECTION.

~~(3) (I) A CARRIER MAY REQUEST THAT THE COMMISSIONER DEEM INFORMATION IN THE ACCESS PLAN FILED UNDER THIS SUBSECTION AS CONFIDENTIAL INFORMATION UNDER § 4-335 OF THE GENERAL PROVISIONS ARTICLE.~~

~~(II) A CARRIER SHALL MAKE THE ACCESS PLAN FILED UNDER THIS SUBSECTION AVAILABLE TO THE PUBLIC ON THE CARRIER'S WEB SITE AFTER REDACTION OF ANY INFORMATION DEEMED CONFIDENTIAL INFORMATION BY THE COMMISSIONER.~~

(3) (I) IN ACCORDANCE WITH § 4-335 OF THE GENERAL PROVISIONS ARTICLE, THE COMMISSIONER SHALL DENY INSPECTION OF THE PARTS OF THE ACCESS PLAN FILED UNDER THIS SUBSECTION THAT CONTAIN CONFIDENTIAL COMMERCIAL INFORMATION OR CONFIDENTIAL FINANCIAL INFORMATION.

(II) THE REGULATIONS ADOPTED BY THE COMMISSIONER UNDER SUBSECTION (D) OF THIS SECTION SHALL IDENTIFY THE PARTS OF THE ACCESS PLAN THAT MAY BE CONSIDERED CONFIDENTIAL BY THE CARRIER.

(4) AN ACCESS PLAN FILED UNDER THIS SUBSECTION SHALL INCLUDE A DESCRIPTION OF:

(I) THE CARRIER'S NETWORK, INCLUDING HOW TELEMEDICINE, TELEHEALTH, OR OTHER TECHNOLOGY MAY BE USED TO MEET NETWORK ACCESS STANDARDS REQUIRED UNDER SUBSECTION (B) OF THIS SECTION;

(II) THE CARRIER'S PROCESS FOR MONITORING AND ENSURING, ON AN ONGOING BASIS, THE SUFFICIENCY OF THE NETWORK TO MEET THE HEALTH CARE NEEDS OF ENROLLEES;

(III) THE FACTORS USED BY THE CARRIER TO BUILD ITS PROVIDER NETWORK, INCLUDING:

~~1. IN PLAIN LANGUAGE, THE CRITERIA USED TO SELECT PROVIDERS FOR PARTICIPATION IN THE NETWORK AND, IF APPLICABLE, PLACE PROVIDERS IN NETWORK TIERS; AND~~

~~2. DEMONSTRATION BY THE CARRIER THAT THE CRITERIA COMPLY WITH THE MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT;~~

(IV) THE CARRIER'S EFFORTS TO ADDRESS THE NEEDS OF BOTH ADULT AND CHILD ENROLLEES, INCLUDING ADULTS AND CHILDREN WITH:

1. LIMITED ENGLISH PROFICIENCY OR ILLITERACY;
2. DIVERSE CULTURAL OR ETHNIC BACKGROUNDS;
3. PHYSICAL OR MENTAL DISABILITIES; AND
4. SERIOUS, CHRONIC, OR COMPLEX HEALTH CONDITIONS;

(V) 1. THE CARRIER'S EFFORTS TO INCLUDE PROVIDERS, INCLUDING ESSENTIAL COMMUNITY PROVIDERS, IN ITS NETWORK WHO SERVE PREDOMINANTLY LOW-INCOME, MEDICALLY UNDERSERVED INDIVIDUALS; OR

2. FOR A CARRIER THAT PROVIDES A MAJORITY OF COVERED PROFESSIONAL SERVICES THROUGH PHYSICIANS EMPLOYED BY A SINGLE CONTRACTED MEDICAL GROUP AND THROUGH HEALTH CARE PROVIDERS EMPLOYED BY THE CARRIER, THE CARRIER'S EFFORTS TO ADDRESS THE NEEDS OF LOW-INCOME, MEDICALLY UNDERSERVED INDIVIDUALS; AND

(VI) THE CARRIER'S METHODS FOR ASSESSING THE HEALTH CARE NEEDS OF ENROLLEES AND ENROLLEE SATISFACTION WITH HEALTH CARE SERVICES PROVIDED TO THEM.

(5) EACH CARRIER SHALL MONITOR, ON AN ONGOING BASIS ~~AND AT LEAST QUARTERLY~~, THE CLINICAL CAPACITY OF ITS PARTICIPATING PROVIDERS TO PROVIDE COVERED SERVICES TO ITS ENROLLEES.

(D) (1) ON OR BEFORE DECEMBER 31, 2017, THE COMMISSIONER SHALL, IN CONSULTATION WITH INTERESTED STAKEHOLDERS, ADOPT REGULATIONS TO ESTABLISH QUANTITATIVE AND, IF APPROPRIATE, NONQUANTITATIVE CRITERIA TO EVALUATE THE NETWORK SUFFICIENCY OF HEALTH BENEFIT PLANS SUBJECT TO THE REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION, ~~INCLUDING CRITERIA RELATING TO.~~

(2) IN ADOPTING THE REGULATIONS, THE COMMISSIONER MAY TAKE INTO CONSIDERATION:

~~(1)~~ (I) GEOGRAPHIC ACCESSIBILITY OF PRIMARY CARE AND SPECIALTY PROVIDERS, INCLUDING MENTAL HEALTH AND SUBSTANCE USE DISORDER PROVIDERS;

~~(2)~~ (II) WAITING TIMES FOR AN APPOINTMENT WITH PARTICIPATING PRIMARY CARE AND SPECIALTY PROVIDERS, INCLUDING MENTAL HEALTH AND SUBSTANCE USE DISORDER PROVIDERS;

~~(3)~~ (III) PRIMARY CARE PROVIDER-TO-ENROLLEE RATIOS;

~~(4)~~ (IV) PROVIDER-TO-ENROLLEE RATIOS, BY SPECIALTY;

~~(5)~~ (V) GEOGRAPHIC VARIATION AND POPULATION DISPERSION;

~~(6)~~ (VI) HOURS OF OPERATION;

~~(7)~~ (VII) THE ABILITY OF THE NETWORK TO MEET THE NEEDS OF ENROLLEES, WHICH MAY INCLUDE:

~~(H)~~ 1. LOW-INCOME INDIVIDUALS;

~~(H)~~ 2. ADULTS AND CHILDREN WITH:

~~1.~~ A. SERIOUS, CHRONIC, OR COMPLEX HEALTH CONDITIONS; OR

~~2.~~ B. PHYSICAL OR MENTAL DISABILITIES; AND

~~(H)~~ 3. INDIVIDUALS WITH LIMITED ENGLISH PROFICIENCY OR ILLITERACY;

~~(8)~~ (VIII) OTHER HEALTH CARE SERVICE DELIVERY SYSTEM OPTIONS, INCLUDING TELEMEDICINE, TELEHEALTH, MOBILE CLINICS, AND CENTERS OF EXCELLENCE; ~~AND~~

~~(9)~~ (IX) THE VOLUME OF TECHNOLOGICAL AND SPECIALTY CARE SERVICES AVAILABLE TO SERVE THE NEEDS OF ENROLLEES REQUIRING TECHNOLOGICALLY ADVANCED OR SPECIALTY CARE SERVICES;

(X) ANY STANDARDS ADOPTED BY THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES OR USED BY THE FEDERALLY FACILITATED MARKETPLACE; AND

(XI) ANY STANDARDS ADOPTED BY ANOTHER STATE.

(E) (1) ON OR BEFORE DECEMBER 31, 2017, FOR A CARRIER THAT IS A DENTAL PLAN ORGANIZATION OR AN INSURER OR NONPROFIT HEALTH SERVICE PLAN THAT PROVIDES COVERAGE FOR DENTAL SERVICES, THE COMMISSIONER, IN CONSULTATION WITH APPROPRIATE STAKEHOLDERS, SHALL ADOPT REGULATIONS TO SPECIFY THE STANDARDS UNDER SUBSECTION (B)(1)(I) OF THIS SECTION FOR DENTAL SERVICES.

(2) THE REGULATIONS SHALL:

(I) ENSURE THAT ALL ENROLLEES, INCLUDING ADULTS AND CHILDREN, HAVE ACCESS TO PROVIDERS AND COVERED SERVICES WITHOUT UNREASONABLE DELAY AND TRAVEL;

(II) ENSURE ACCESS TO PROVIDERS, INCLUDING ESSENTIAL COMMUNITY PROVIDERS, THAT SERVE PREDOMINANTLY LOW-INCOME, MEDICALLY UNDERSERVED INDIVIDUALS; AND

(III) REQUIRE THE CARRIER TO SPECIFY HOW THE CARRIER WILL MONITOR, ON AN ONGOING BASIS, THE ABILITY OF ITS PARTICIPATING PROVIDERS TO PROVIDE COVERED SERVICES TO ITS ENROLLEES.

(3) IN ESTABLISHING THE STANDARDS FOR DENTAL SERVICES, THE COMMISSIONER MAY CONSIDER THE APPROPRIATENESS OF QUANTITATIVE AND NONQUANTITATIVE CRITERIA.

[(c)] ~~(E)~~ (F) A carrier that uses a provider panel:

(1) on request, shall provide an application and information that relates to consideration for participation on the carrier's provider panel to any provider seeking to apply for participation;

(2) shall make publicly available its application; and

(3) shall make efforts to increase the opportunity for a broad range of minority providers to participate on the carrier's provider panel.

[(d)] ~~(F)~~ (G) (1) A provider that seeks to participate on a provider panel of a carrier shall submit an application to the carrier.

(2) (i) Subject to paragraph (3) of this subsection, the carrier, after reviewing the application, shall accept or reject the provider for participation on the carrier's provider panel.

(ii) If the carrier rejects the provider for participation on the carrier's provider panel, the carrier shall send to the provider at the address listed in the application written notice of the rejection.

(3) (i) Subject to paragraph (4) of this subsection, within 30 days after the date a carrier receives a completed application, the carrier shall send to the provider at the address listed in the application written notice of:

1. the carrier's intent to continue to process the provider's application to obtain necessary credentialing information; or

2. the carrier's rejection of the provider for participation on the carrier's provider panel.

(ii) The failure of a carrier to provide the notice required under subparagraph (i) of this paragraph is a violation of this article and the carrier is subject to the penalties provided by § 4–113(d) of this article.

(iii) Except as provided in subsection [(o)] ~~(U)~~ (V) of this section, if, under subparagraph (i)1 of this paragraph, a carrier provides notice to the provider of its intent to continue to process the provider’s application to obtain necessary credentialing information, the carrier, within 120 days after the date the notice is provided, shall:

1. accept or reject the provider for participation on the carrier’s provider panel; and
2. send written notice of the acceptance or rejection to the provider at the address listed in the application.

(iv) The failure of a carrier to provide the notice required under subparagraph (iii)2 of this paragraph is a violation of this article and the carrier is subject to the provisions of and penalties provided by §§ 4–113 and 4–114 of this article.

(4) (i) 1. Except as provided in subsubparagraph 4 of this subparagraph, a carrier that receives a complete application shall notify the provider that the application is complete.

2. If a carrier does not accept applications through the online credentialing system, notice shall be given to the provider at the address listed in the application within 10 days after the date the application is received.

3. If a carrier accepts applications through the online credentialing system, the notice from the online credentialing system to the provider that the carrier has received the provider’s application shall be considered notice that the application is complete.

4. This subparagraph does not apply to a carrier that arranges a dental provider panel until the Commissioner certifies that the online credentialing system is capable of accepting the uniform credentialing form designated by the Commissioner for dental provider panels.

(ii) 1. A carrier that receives an incomplete application shall return the application to the provider at the address listed in the application within 10 days after the date the application is received.

2. The carrier shall indicate to the provider what information is needed to make the application complete.

3. The provider may return the completed application to the carrier.

4. After the carrier receives the completed application, the carrier is subject to the time periods established in paragraph (3) of this subsection.

(5) A carrier may charge a reasonable fee for an application submitted to the carrier under this section.

~~[(e)]~~ ~~(G)~~ **(H)** A carrier may not deny an application for participation or terminate participation on its provider panel on the basis of:

(1) gender, race, age, religion, national origin, or a protected category under the federal Americans with Disabilities Act;

(2) the type or number of appeals that the provider files under Subtitle 10B of this title;

(3) the number of grievances or complaints that the provider files on behalf of a patient under Subtitle 10A of this title; or

(4) the type or number of complaints or grievances that the provider files or requests for review under the carrier's internal review system established under subsection ~~[(h)]~~ ~~(K)~~ **(L)** of this section.

~~[(f)]~~ ~~(H)~~ **(I)** (1) A carrier may not deny an application for participation or terminate participation on its provider panel solely on the basis of the license, certification, or other authorization of the provider to provide health care services if the carrier provides health care services within the provider's lawful scope of practice.

(2) Notwithstanding paragraph (1) of this subsection, a carrier may reject an application for participation or terminate participation on its provider panel based on the participation on the provider panel of a sufficient number of similarly qualified providers.

(3) A violation of this subsection does not create a new cause of action.

~~[(f-1)]~~ ~~(I)~~ **(J)** (1) Subject to the provisions of this subsection, a carrier may not require a provider participating on its provider panel to be recredentialed based on:

(i) a change in the federal tax identification number of the provider;

(ii) a change in the federal tax identification number of a provider's employer; or

(iii) a change in the employer of a provider, if the new employer is:

1. a participating provider on the carrier's provider panel; or

2. the employer of providers that participate on the carrier's provider panel.

(2) A provider that participates on a carrier's provider panel or the provider's employer shall give written notice to the carrier of a change in the federal tax identification number of the provider or the provider's employer not less than 45 days before the effective date of the change.

(3) The notice required under paragraph (2) of this subsection shall include:

(i) a statement of the intention of the provider or the provider's employer to continue to provide health care services in the same field of specialization, if applicable;

(ii) the effective date of the change in the federal tax identification number of the provider or the provider's employer;

(iii) the new federal tax identification number of the provider or the provider's employer and a copy of U.S. Treasury Form W-9, or any successor or replacement form; and

(iv) the following information about a new employer of the provider:

1. the employer's name;

2. the name of the employer's contact person for carrier questions about the provider; and

3. the address, telephone number, facsimile transmission number, and electronic mail address of the contact person for the employer.

(4) If the new federal tax identification number or the form required to be included in the notice under paragraph (3)(iii) of this subsection is not available at the time the notice is given to a carrier, it shall be provided to the carrier promptly after it is received by the provider or the provider's employer.

(5) Within 30 business days after receipt of the notice required under paragraph (2) of this subsection, a carrier:

(i) shall acknowledge receipt of the notice to the provider or the provider's employer; and

(ii) if the carrier considers it necessary to issue a new provider number as a result of a change in the federal tax identification number of a provider or a provider's employer or a change in the employer of a provider, shall issue a new provider number, by mail, electronic mail, or facsimile transmission, to:

1. the provider or the provider's employer; or
2. the representative of the provider or the provider's employer designated in writing to the carrier.

(6) A carrier may not terminate its existing contract with a provider or a provider's employer based solely on a notice given to the carrier in accordance with this subsection.

~~[(g)]~~ ~~(J)~~ (K) A carrier may not terminate participation on its provider panel or otherwise penalize a provider for:

- (1) advocating the interests of a patient through the carrier's internal review system established under subsection ~~[(h)]~~ ~~(K)~~ (L) of this section;
- (2) filing an appeal under Subtitle 10B of this title; or
- (3) filing a grievance or complaint on behalf of a patient under Subtitle 10A of this title.

~~[(h)]~~ ~~(K)~~ (L) Each carrier shall establish an internal review system to resolve grievances initiated by providers that participate on the carrier's provider panel, including grievances involving the termination of a provider from participation on the carrier's provider panel.

~~[(i)]~~ ~~(H)~~ (M) (1) For at least 90 days after the date of the notice of termination of a primary care provider from a carrier's provider panel for reasons unrelated to fraud, patient abuse, incompetency, or loss of licensure status, the primary care provider shall furnish health care services to each enrollee:

- (i) who was receiving health care services from the primary care provider before the notice of termination; and
- (ii) who, after receiving notice under subsection (b) of this section of the termination of the primary care provider, requests to continue receiving health care services from the primary care provider.

(2) A carrier shall reimburse a primary care provider that furnishes health care services under this subsection in accordance with the primary care provider's agreement with the carrier.

~~[(j)]~~ ~~(M)~~ ~~(N)~~ ~~(1)~~ ~~[A] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A~~ carrier shall make available to prospective enrollees on the Internet and, on request of a prospective enrollee, in printed form:

~~(i) (1)~~ a list of providers on the carrier's provider panel; and

~~(ii) (2)~~ information on providers that are no longer accepting new patients.

~~(2) A CARRIER THAT DEVELOPS AND MAKES AVAILABLE TO ENROLLEES AND PROSPECTIVE ENROLLEES A NETWORK DIRECTORY IN ACCORDANCE WITH SUBSECTION (N) THIS SECTION MEETS THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION.~~

~~(N) (1) THIS SUBSECTION APPLIES TO A CARRIER THAT:~~

~~(I) IS AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION; AND~~

~~(II) USES A PROVIDER PANEL FOR A HEALTH BENEFIT PLAN OFFERED BY THE CARRIER.~~

~~(2) A CARRIER SHALL DEVELOP AND MAKE AVAILABLE TO ENROLLEES AND PROSPECTIVE ENROLLEES ON THE INTERNET AND, ON REQUEST OF AN ENROLLEE OR A PROSPECTIVE ENROLLEE, IN PRINTED FORM, AN UP-TO-DATE AND ACCURATE PROVIDER NETWORK DIRECTORY FOR A HEALTH BENEFIT PLAN OFFERED BY THE CARRIER TO ENROLLEES AND PROSPECTIVE ENROLLEES.~~

~~(3) THE NETWORK DIRECTORY MADE AVAILABLE TO ENROLLEES AND PROSPECTIVE ENROLLEES ON THE INTERNET UNDER PARAGRAPH (2) OF THIS SUBSECTION:~~

~~(I) SHALL BE ACCESSIBLE THROUGH A CLEARLY IDENTIFIABLE LINK OR TAB ON THE CARRIER'S WEB SITE;~~

~~(II) MAY NOT REQUIRE AN ENROLLEE OR A PROSPECTIVE ENROLLEE TO CREATE OR ACCESS AN ACCOUNT ON THE CARRIER'S WEB SITE; AND~~

~~(III) SHALL INCLUDE, IN A SEARCHABLE FORMAT, THE INFORMATION REQUIRED UNDER PARAGRAPH (4) OF THIS SUBSECTION.~~

~~(4) THE NETWORK DIRECTORY REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL:~~

~~(I) FOR EACH PARTICIPATING HEALTH CARE PRACTITIONER, INCLUDE:~~

~~1. THE HEALTH CARE PRACTITIONER'S NAME AND GENDER;~~

~~2. FOR EACH OFFICE OR HEALTH CARE FACILITY AT WHICH THE HEALTH PRACTITIONER PROVIDES SERVICES TO PATIENTS:~~

~~A. THE LOCATION OF THE OFFICE OR HEALTH CARE FACILITY, INCLUDING THE ADDRESS OF THE OFFICE OR HEALTH CARE FACILITY;~~

~~B. CONTACT INFORMATION FOR THE HEALTH CARE PRACTITIONER; AND~~

~~C. WHETHER THE HEALTH CARE PRACTITIONER IS ON THE PROVIDER PANEL AT THE OFFICE OR HEALTH CARE FACILITY;~~

~~3. THE SPECIALTY AREA OR AREAS OF THE HEALTH CARE PRACTITIONER, IF APPLICABLE;~~

~~4. THE MEDICAL GROUP AFFILIATIONS OF THE HEALTH CARE PRACTITIONER, IF APPLICABLE;~~

~~5. THE LANGUAGES SPOKEN BY THE HEALTH CARE PRACTITIONER OTHER THAN ENGLISH, IF APPLICABLE; AND~~

~~6. WHETHER THE HEALTH CARE PRACTITIONER IS ACCEPTING NEW PATIENTS;~~

~~(H) FOR EACH PARTICIPATING HOSPITAL, INCLUDE:~~

~~1. THE HOSPITAL NAME AND TYPE;~~

~~2. THE LOCATION OF THE HOSPITAL, INCLUDING THE ADDRESS OF THE HOSPITAL;~~

~~3. CONTACT INFORMATION FOR THE HOSPITAL, INCLUDING A TELEPHONE NUMBER FOR THE HOSPITAL; AND~~

~~4. THE ACCREDITATION STATUS OF THE HOSPITAL; AND~~

~~(HH) FOR HEALTH CARE FACILITIES AND PROGRAMS LICENSED UNDER TITLE 7.5 OF THE HEALTH GENERAL ARTICLE AT WHICH HEALTH CARE SERVICES ARE PROVIDED, OTHER THAN HOSPITALS, INCLUDE:~~

~~1. THE NAME AND TYPE OF THE HEALTH CARE FACILITY OR PROGRAM;~~

~~2. THE TYPES OF HEALTH CARE SERVICES PROVIDED AT THE HEALTH CARE FACILITY OR PROGRAM;~~

~~3. THE LOCATION OF THE HEALTH CARE FACILITY OR PROGRAM, INCLUDING THE ADDRESS OF THE HEALTH CARE FACILITY OR PROGRAM; AND~~

~~4. CONTACT INFORMATION FOR THE HEALTH CARE FACILITY OR PROGRAM, INCLUDING A TELEPHONE NUMBER FOR THE HEALTH CARE FACILITY OR PROGRAM.~~

~~(5) THE NETWORK DIRECTORY REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL, IN PLAIN LANGUAGE:~~

~~(I) INCLUDE A DESCRIPTION OF:~~

~~1. THE CRITERIA USED BY THE CARRIER TO:~~

~~A. SELECT PROVIDERS FOR PARTICIPATION IN THE NETWORK; AND~~

~~B. PLACE PROVIDERS IN NETWORK TIERS, IF APPLICABLE; AND~~

~~2. HOW THE CARRIER DESIGNATES DIFFERENT PROVIDER TIERS OR LEVELS IN THE NETWORK, IF APPLICABLE;~~

~~(II) FOR EACH HEALTH CARE PRACTITIONER, HOSPITAL, HEALTH CARE FACILITY, AND LICENSED PROGRAM IN THE NETWORK, IDENTIFY THE PROVIDER TIER OR LEVEL IN THE NETWORK IN WHICH THE HEALTH CARE PRACTITIONER, HOSPITAL, HEALTH CARE FACILITY, OR LICENSED PROGRAM IS PLACED;~~

~~(III) INDICATE THAT AUTHORIZATION OR REFERRAL MAY BE REQUIRED TO ACCESS PROVIDERS IN THE NETWORK, IF APPLICABLE; AND~~

~~(IV) IF APPLICABLE, IDENTIFY THE HEALTH BENEFIT PLAN TO WHICH THE NETWORK DIRECTORY APPLIES.~~

~~(6) THE NETWORK DIRECTORY REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL:~~

~~(I) ACCOMMODATE THE COMMUNICATION NEEDS OF INDIVIDUALS WITH DISABILITIES;~~

~~(II) INCLUDE INFORMATION, OR A LINK TO INFORMATION, REGARDING AVAILABLE ASSISTANCE FOR INDIVIDUALS WITH LIMITED ENGLISH PROFICIENCY;~~

~~(III) INCLUDE A CUSTOMER SERVICE PHONE NUMBER AND, IN THE NETWORK DIRECTORY MADE AVAILABLE ON THE INTERNET, AN E-MAIL LINK THAT ENROLLEES, PROSPECTIVE ENROLLEES, AND MEMBERS OF THE PUBLIC MAY USE TO NOTIFY THE CARRIER OF INACCURATE INFORMATION IN THE NETWORK DIRECTORY; AND~~

~~(IV) INCLUDE A NOTICE STATING THAT AN ENROLLEE:~~

~~1. HAS A RIGHT TO AN ACCURATE NETWORK DIRECTORY;~~
AND

~~2. MAY DIRECT A COMPLAINT TO THE COMMISSIONER IF THERE IS AN INACCURATE LISTING IN THE NETWORK DIRECTORY.~~

(O) (1) A CARRIER SHALL HAVE A CUSTOMER SERVICE TELEPHONE NUMBER, E-MAIL ADDRESS LINK, OR OTHER ELECTRONIC MEANS BY WHICH ENROLLEES AND PROSPECTIVE ENROLLEES MAY NOTIFY THE CARRIER OF INACCURATE INFORMATION IN THE CARRIER'S NETWORK DIRECTORY.

~~(7) (2)~~ IF NOTIFIED OF A POTENTIAL INACCURACY IN A NETWORK DIRECTORY BY A PERSON OTHER THAN THE PROVIDER, A CARRIER SHALL INVESTIGATE THE REPORTED INACCURACY AND TAKE CORRECTIVE ACTION, IF NECESSARY, TO UPDATE THE NETWORK DIRECTORY WITHIN 15 45 WORKING DAYS AFTER RECEIVING THE NOTIFICATION OF THE POTENTIAL INACCURACY.

[(2)] ~~(O)~~ (P) (1) A carrier shall notify each enrollee at the time of initial enrollment and renewal about how to ACCESS OR obtain the [following information on the Internet and in printed form:

(i) a list of providers on the carrier's provider panel; and

(ii) information on providers that are no longer accepting new patients] INFORMATION REQUIRED UNDER SUBSECTIONS (M) AND (N) SUBSECTION (N) OF THIS SECTION.

~~[(3)] (2)~~ (i) Information provided in printed form under [paragraphs (1) and (2)] ~~SUBSECTIONS (M) AND (N)~~ SUBSECTION (N) of this [subsection] SECTION shall be updated at least once a year.

(ii) Subject to subsection [(m)] ~~(S)~~ (T) of this section, information provided on the Internet under [paragraphs (1) and (2)] ~~SUBSECTIONS (M) AND (N)~~ SUBSECTION (N) of this [subsection] SECTION shall be updated at least once every 15 days.

~~(III) IF A PROVIDER LISTED IN A NETWORK DIRECTORY AS A PARTICIPATING PROVIDER HAS NOT SUBMITTED A CLAIM IN THE LAST 6 MONTHS, A CARRIER SHALL CONTACT THE PROVIDER TO DETERMINE IF THE PROVIDER INTENDS TO REMAIN IN THE NETWORK AND UPDATE THE NETWORK DIRECTORY ACCORDINGLY.~~

~~(3) IF AN ENROLLEE RELIES ON MATERIALLY INACCURATE INFORMATION IN A NETWORK DIRECTORY INDICATING THAT A PROVIDER IS IN NETWORK AND THEN RECEIVES HEALTH CARE SERVICES FROM THAT PROVIDER, A CARRIER SHALL TREAT THE HEALTH CARE SERVICES AS IF THEY WERE RENDERED BY A PROVIDER ON THE CARRIER'S PROVIDER PANEL FOR THE PURPOSE OF CALCULATING ANY OUT-OF-POCKET MAXIMUM, DEDUCTIBLE, COPAYMENT AMOUNT, OR COINSURANCE AMOUNT PAYABLE BY THE ENROLLEE FOR THE HEALTH CARE SERVICES.~~

(3) A CARRIER SHALL:

(I) 1. PERIODICALLY REVIEW AT LEAST A REASONABLE SAMPLE SIZE OF ITS NETWORK DIRECTORY FOR ACCURACY; AND

2. RETAIN DOCUMENTATION OF THE REVIEW AND MAKE THE REVIEW AVAILABLE TO THE COMMISSIONER ON REQUEST; OR

(II) CONTACT PROVIDERS LISTED IN THE CARRIER'S NETWORK DIRECTORY WHO HAVE NOT SUBMITTED A CLAIM IN THE LAST 6 MONTHS TO DETERMINE IF THE PROVIDERS INTEND TO REMAIN IN THE CARRIER'S PROVIDER NETWORK.

~~[(4)] ~~(P)~~ (Q)~~ A policy, certificate, or other evidence of coverage shall:

(i) (1) indicate clearly the office in the Administration that is responsible for receiving and responding to complaints from enrollees about carriers; and

(ii) (2) include the telephone number of the office and the procedure for filing a complaint.

[(k)] ~~(Q)~~ (R) The Commissioner:

(1) shall adopt regulations that relate to the procedures that carriers must use to process applications for participation on a provider panel; and

(2) in consultation with the Secretary of Health and Mental Hygiene, shall adopt strategies to assist carriers in maximizing the opportunity for a broad range of minority providers to participate in the delivery of health care services.

[(l)] ~~(R)~~ (S) A carrier may not include in a contract with a provider, ambulatory surgical facility, or hospital a term or condition that:

(1) prohibits the provider, ambulatory surgical facility, or hospital from offering to provide services to the enrollees of another carrier at a lower rate of reimbursement;

(2) requires the provider, ambulatory surgical facility, or hospital to provide the carrier with the same reimbursement arrangement that the provider, ambulatory surgical facility, or hospital has with another carrier if the reimbursement arrangement with the other carrier is for a lower rate of reimbursement; or

(3) requires the provider, ambulatory surgical facility, or hospital to certify to the carrier that the reimbursement rate being paid by the carrier to the provider, ambulatory surgical facility, or hospital is not higher than the reimbursement rate being received by the provider, ambulatory surgical facility, or hospital from another carrier.

[(m)] ~~(S)~~ (T) ~~[(1)]~~ A carrier shall update [its provider information] **THE INFORMATION THAT MUST BE MADE AVAILABLE ON THE INTERNET** under [subsection (j)(3)(ii)] **~~SUBSECTIONS (M) AND (N)~~ SUBSECTION (N)** of this section within 15 working days after receipt of [written] ~~notification~~ **ELECTRONIC NOTIFICATION OR NOTIFICATION BY FIRST-CLASS MAIL TRACKING METHOD** from the participating provider of a change in the applicable information.

[(2)] Notification is presumed to have been received by a carrier:

(i) 3 working days after the date the participating provider placed the notification in the U.S. mail, if the participating provider maintains the stamped certificate of mailing for the notice; or

(ii) on the date recorded by the courier, if the notification was delivered by courier.**]**

[(n)] ~~(P)~~ (U) (1) A carrier may not require a provider that provides health care services through a group practice or health care facility that participates on the

carrier's provider panel under a contract with the carrier to be considered a participating provider or accept the reimbursement fee schedule applicable under the contract when:

(i) providing health care services to enrollees of the carrier through an individual or group practice or health care facility that does not have a contract with the carrier; and

(ii) billing for health care services provided to enrollees of the carrier using a different federal tax identification number than that used by the group practice or health care facility under a contract with the carrier.

(2) A nonparticipating provider shall notify an enrollee:

(i) that the provider does not participate on the provider panel of the enrollee's carrier; and

(ii) of the anticipated total charges for the health care services.

[(o)] ~~(U)~~ (V) The provisions of subsection **[(d)(3)(iii)] ~~(F)(3)(III)~~ (G)(3)(III)** of this section do not apply to a carrier that uses a credentialing intermediary that:

(1) is a hospital or academic medical center;

(2) is a participating provider on the carrier's provider panel; and

(3) acts as a credentialing intermediary for that carrier for health care practitioners that:

(i) participate on the carrier's provider panel; and

(ii) have privileges at the hospital or academic medical center.

[(p)] ~~(V)~~ (W) (1) Notwithstanding subsection **[(n)(1)] ~~(T)(1)~~ (U)(1)** of this section, a carrier shall reimburse a group practice on the carrier's provider panel at the participating provider rate for covered services provided by a provider who is not a participating provider if:

(i) the provider is employed by or a member of the group practice;

(ii) the provider has applied for acceptance on the carrier's provider panel and the carrier has notified the provider of the carrier's intent to continue to process the provider's application to obtain necessary credentialing information;

(iii) the provider has a valid license issued by a health occupations board to practice in the State; and

(iv) the provider:

1. is currently credentialed by an accredited hospital in the State; or

2. has professional liability insurance.

(2) A carrier shall reimburse a group practice on the carrier's provider panel in accordance with paragraph (1) of this subsection from the date the notice required under subsection [(d)(3)(i)1] ~~(F)(3)(I)1~~ **(G)(3)(I)1** of this section is sent to the provider until the date the notice required under subsection [(d)(3)(iii)2] ~~(F)(3)(III)2~~ **(G)(3)(III)2** of this section is sent to the provider.

(3) A carrier that sends written notice of rejection of a provider for credentialing under subsection [(d)(3)(iii)2] ~~(F)(3)(III)2~~ **(G)(3)(III)2** of this section shall reimburse the provider as a nonparticipating provider for covered services provided on or after the date the notice is sent.

(4) A health maintenance organization may not deny payment to a provider under this subsection solely because the provider was not a participating provider at the time the services were provided to an enrollee.

(5) A provider who is not a participating provider of a carrier and whose group practice is eligible for reimbursement under paragraph (1) of this subsection may not hold an enrollee of the carrier liable for the cost of any covered services provided to the enrollee during the time period described in paragraph (2) of this subsection, except for any deductible, copayment, or coinsurance amount owed by the enrollee to the group practice or provider under the terms of the enrollee's contract or certificate.

(6) A group practice shall disclose in writing to an enrollee at the time services are provided that:

(i) the treating provider is not a participating provider;

(ii) the treating provider has applied to become a participating provider;

(iii) the carrier has not completed its assessment of the qualifications of the treating provider to provide services as a participating provider; and

(iv) any covered services received must be reimbursed by the carrier at the participating provider rate.

(M) ANY CERTIFICATION STANDARDS ESTABLISHED UNDER SUBSECTION (K) OF THIS SECTION RELATED TO NETWORK ADEQUACY OR NETWORK DIRECTORY ACCURACY:

(1) SHALL BE CONSISTENT WITH THE PROVISIONS OF § 15-112 OF THIS ARTICLE; AND

(2) MAY NOT BE IMPLEMENTED UNTIL JANUARY 1, 2019.

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

Article – Insurance

15-112.

(n) (1) A carrier shall make THE CARRIER'S NETWORK DIRECTORY available to prospective enrollees on the Internet and, on request of a prospective enrollee, in printed form[:

(1) a list of providers on the carrier's provider panel; and

(2) information on providers that are no longer accepting new patients].

(2) THE CARRIER'S NETWORK DIRECTORY ON THE INTERNET SHALL BE AVAILABLE:

(I) THROUGH A CLEAR LINK OR TAB; AND

(II) IN A SEARCHABLE FORMAT.

(3) THE NETWORK DIRECTORY SHALL INCLUDE:

(I) FOR EACH PROVIDER ON THE CARRIER'S PROVIDER PANEL:

1. THE NAME OF THE PROVIDER;

2. THE SPECIALTY AREAS OF THE PROVIDER;

3. WHETHER THE PROVIDER CURRENTLY IS ACCEPTING

NEW PATIENTS;

4. FOR EACH OFFICE OF THE PROVIDER WHERE THE

PROVIDER PARTICIPATES ON THE PROVIDER PANEL:

A. ITS LOCATION, INCLUDING ITS ADDRESS; AND

B. CONTACT INFORMATION FOR THE PROVIDER;

5. THE GENDER OF THE PROVIDER, IF THE PROVIDER NOTIFIES THE CARRIER OR THE MULTI-CARRIER COMMON ONLINE PROVIDER DIRECTORY INFORMATION SYSTEM DESIGNATED UNDER § 15-112.3 OF THIS SUBTITLE OF THE INFORMATION; AND

6. ANY LANGUAGES SPOKEN BY THE PROVIDER OTHER THAN ENGLISH, IF THE PROVIDER NOTIFIES THE CARRIER OR THE MULTI-CARRIER COMMON ONLINE PROVIDER DIRECTORY INFORMATION SYSTEM DESIGNATED UNDER § 15-112.3 OF THIS SUBTITLE OF THE INFORMATION;

(II) FOR EACH HEALTH CARE FACILITY IN THE CARRIER'S NETWORK:

1. THE HEALTH CARE FACILITY'S NAME;

2. THE HEALTH CARE FACILITY'S ADDRESS;

3. THE TYPES OF SERVICES PROVIDED BY THE HEALTH CARE FACILITY; AND

4. CONTACT INFORMATION FOR THE HEALTH CARE FACILITY; AND

(III) A STATEMENT THAT ADVISES ENROLLEES AND PROSPECTIVE ENROLLEES TO CONTACT A PROVIDER OR A HEALTH CARE FACILITY BEFORE SEEKING TREATMENT OR SERVICES, TO CONFIRM THE PROVIDER'S OR HEALTH CARE FACILITY'S PARTICIPATION IN THE CARRIER'S NETWORK.

(p) (1) A carrier shall notify each enrollee at the time of initial enrollment and renewal about how to access or obtain the information required under subsection (n) of this section.

(2) (i) 1. Information provided in printed form under subsection (n) of this section shall be [updated] ACCURATE ON THE DATE OF PUBLICATION.

2. A CARRIER SHALL UPDATE THE INFORMATION PROVIDED IN PRINTED FORM at least once a year.

(ii) **1. [Subject to subsection (t) of this section, information] INFORMATION provided on the Internet under subsection (n) of this section shall be [updated] ACCURATE ON THE DATE OF INITIAL POSTING AND ANY UPDATE.**

2. IN ADDITION TO THE REQUIREMENT TO UPDATE ITS PROVIDER INFORMATION UNDER SUBSECTION (T)(1) OF THIS SECTION, A CARRIER SHALL UPDATE THE INFORMATION PROVIDED ON THE INTERNET at least once every 15 days.

(3) **A carrier shall:**

(i) **1. periodically review at least a reasonable sample size of its network directory for accuracy; and**

2. retain documentation of the review and make the review available to the Commissioner on request; or

(ii) **contact providers listed in the carrier's network directory who have not submitted a claim in the last 6 months to determine if the providers intend to remain in the carrier's provider network.**

(4) A CARRIER SHALL DEMONSTRATE THE ACCURACY OF THE INFORMATION PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION ON REQUEST OF THE COMMISSIONER.

(5) BEFORE IMPOSING A PENALTY AGAINST A CARRIER FOR INACCURATE NETWORK DIRECTORY INFORMATION, THE COMMISSIONER SHALL TAKE INTO ACCOUNT, IN ADDITION TO ANY OTHER FACTORS REQUIRED BY LAW, WHETHER:

(I) THE CARRIER AFFORDED A PROVIDER OR OTHER PERSON IDENTIFIED IN § 15-112.3(C) OF THIS SUBTITLE AN OPPORTUNITY TO REVIEW AND UPDATE THE PROVIDER'S NETWORK DIRECTORY INFORMATION:

1. THROUGH THE MULTI-CARRIER COMMON ONLINE PROVIDER DIRECTORY INFORMATION SYSTEM DESIGNATED UNDER § 15-112.3 OF THIS SUBTITLE; OR

2. DIRECTLY WITH THE CARRIER;

(II) THE CARRIER CAN DEMONSTRATE THE EFFORTS MADE, IN WRITING, ELECTRONICALLY, OR BY TELEPHONE, TO OBTAIN UPDATED NETWORK DIRECTORY INFORMATION FROM A PROVIDER OR OTHER PERSON IDENTIFIED IN § 15-112.3(C) OF THIS SUBTITLE;

(III) THE CARRIER HAS CONTACTED A PROVIDER LISTED IN THE CARRIER'S NETWORK DIRECTORY WHO HAS NOT SUBMITTED A CLAIM IN THE LAST 6 MONTHS TO DETERMINE IF THE PROVIDER INTENDS TO REMAIN ON THE CARRIER'S PROVIDER PANEL;

(IV) THE CARRIER INCLUDES IN ITS NETWORK DIRECTORY THE LAST DATE THAT A PROVIDER UPDATED THE PROVIDER'S INFORMATION;

(V) THE CARRIER HAS IMPLEMENTED ANY OTHER PROCESS OR PROCEDURE TO:

1. ENCOURAGE PROVIDERS TO UPDATE THEIR NETWORK DIRECTORY INFORMATION; OR

2. INCREASE THE ACCURACY OF ITS NETWORK DIRECTORY; AND

(VI) A PROVIDER OR OTHER PERSON IDENTIFIED IN § 15-112.3(C) OF THIS SUBTITLE HAS NOT UPDATED THE PROVIDER'S NETWORK DIRECTORY INFORMATION, DESPITE OPPORTUNITIES TO DO SO.

15-112.3.

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

(2) (I) "CARRIER" HAS THE MEANING STATED IN § 15-112 OF THIS SUBTITLE.

(II) "CARRIER" DOES NOT INCLUDE A MANAGED CARE ORGANIZATION, AS DEFINED IN TITLE 15, SUBTITLE 1 OF THE HEALTH - GENERAL ARTICLE.

(3) "MULTI-CARRIER COMMON ONLINE PROVIDER DIRECTORY INFORMATION SYSTEM" MEANS THE SYSTEM DESIGNATED BY THE COMMISSIONER FOR USE BY PROVIDERS TO PROVIDE AND UPDATE THEIR NETWORK DIRECTORY INFORMATION WITH CARRIERS.

(B) THE COMMISSIONER MAY DESIGNATE A MULTI-CARRIER COMMON ONLINE PROVIDER DIRECTORY INFORMATION SYSTEM DEVELOPED BY A NONPROFIT ALLIANCE OF HEALTH PLANS AND TRADE ASSOCIATIONS IF:

(1) THE SYSTEM IS AVAILABLE TO PROVIDERS NATIONALLY;

(2) THE SYSTEM IS AVAILABLE TO PROVIDERS AT NO CHARGE;

(3) THE SYSTEM ALLOWS PROVIDERS TO:

(I) ATTEST ONLINE TO THE ACCURACY OF THEIR INFORMATION; AND

(II) 1. CORRECT ANY INACCURATE INFORMATION; AND

2. ATTEST TO THE CORRECTION; AND

(4) THE NONPROFIT ALLIANCE HAS A WELL-ESTABLISHED MECHANISM FOR OUTREACH TO PROVIDERS.

(C) A CARRIER SHALL ACCEPT NEW AND UPDATED NETWORK DIRECTORY INFORMATION FOR A PROVIDER SUBMITTED:

(1) (I) THROUGH THE MULTI-CARRIER COMMON ONLINE PROVIDER DIRECTORY INFORMATION SYSTEM; OR

(II) DIRECTLY TO THE CARRIER; AND

(2) FROM:

(I) THE PROVIDER;

(II) A HOSPITAL OR ACADEMIC MEDICAL CENTER THAT:

1. IS A PARTICIPATING PROVIDER ON THE CARRIER'S PROVIDER PANEL; AND

2. ACTS AS A CREDENTIALING INTERMEDIARY FOR THE CARRIER FOR PROVIDERS THAT:

A. PARTICIPATE ON THE CARRIER'S PROVIDER PANEL;

AND

B. HAVE PRIVILEGES AT THE HOSPITAL OR ACADEMIC MEDICAL CENTER; OR

(III) ANY OTHER PERSON THAT PERFORMS CREDENTIALING FUNCTIONS ON BEHALF OF A PROVIDER.

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

(2) “Carrier” means:

(i) an insurer that offers health insurance other than long-term care insurance or disability insurance;

(ii) a nonprofit health service plan;

(iii) a health maintenance organization;

(iv) a dental plan organization; or

(v) except for a managed care organization as defined in Title 15, Subtitle 1 of the Health – General Article, any other person that provides health benefit plans subject to State regulation.

(3) (i) “Member” means an individual entitled to health care benefits under a policy or plan issued or delivered in the State by a carrier.

(ii) “Member” includes a subscriber.

(4) “Nonphysician specialist” means a health care provider who:

(i) is not a physician;

(ii) is licensed or certified under the Health Occupations Article; and

(iii) is certified or trained to treat or provide health care services for a specified condition or disease in a manner that is within the scope of the license or certification of the health care provider.

(5) “Provider panel” has the meaning stated in § 15–112(a) of this title.

(6) “Specialist” means a physician who is certified or trained to practice in a specified field of medicine and who is not designated as a primary care provider by the carrier.

(b) (1) Each carrier that does not allow direct access to specialists shall establish and implement a procedure by which a member may receive a standing referral to a specialist in accordance with this subsection.

(2) The procedure shall provide for a standing referral to a specialist if:

(i) the primary care physician of the member determines, in consultation with the specialist, that the member needs continuing care from the specialist;

(ii) the member has a condition or disease that:

1. is life threatening, degenerative, chronic, or disabling; and
2. requires specialized medical care; and

(iii) the specialist:

1. has expertise in treating the life-threatening, degenerative, chronic, or disabling disease or condition; and
2. is part of the carrier's provider panel.

(3) Except as provided in subsection (c) of this section, a standing referral shall be made in accordance with a written treatment plan for a covered service developed by:

(i) the primary care physician;

(ii) the specialist; and

(iii) the member.

(4) A treatment plan may:

(i) limit the number of visits to the specialist;

(ii) limit the period of time in which visits to the specialist are authorized; and

(iii) require the specialist to communicate regularly with the primary care physician regarding the treatment and health status of the member.

(5) The procedure by which a member may receive a standing referral to a specialist may not include a requirement that a member see a provider in addition to the primary care physician before the standing referral is granted.

(c) (1) Notwithstanding any other provision of this section, a member who is pregnant shall receive a standing referral to an obstetrician in accordance with this subsection.

(2) After the member who is pregnant receives a standing referral to an obstetrician, the obstetrician is responsible for the primary management of the member's pregnancy, including the issuance of referrals in accordance with the carrier's policies and procedures, through the postpartum period.

(3) A written treatment plan may not be required when a standing referral is to an obstetrician under this subsection.

(d) (1) Each carrier shall establish and implement a procedure by which a member may request a referral to a specialist or nonphysician specialist who is not part of the carrier's provider panel in accordance with this subsection.

(2) The procedure shall provide for a referral to a specialist or nonphysician specialist who is not part of the carrier's provider panel if:

(i) the member is diagnosed with a condition or disease that requires specialized health care services or medical care; and

(ii) 1. the carrier does not have in its provider panel a specialist or nonphysician specialist with the professional training and expertise to treat or provide health care services for the condition or disease; or

2. the carrier cannot provide reasonable access to a specialist or nonphysician specialist with the professional training and expertise to treat or provide health care services for the condition or disease without unreasonable delay or travel.

(3) THE PROCEDURE SHALL ENSURE THAT A REQUEST TO OBTAIN A REFERRAL TO A SPECIALIST OR NONPHYSICIAN SPECIALIST WHO IS NOT PART OF THE CARRIER'S PROVIDER PANEL IS ADDRESSED IN A TIMELY MANNER THAT IS:

(I) APPROPRIATE FOR THE MEMBER'S CONDITION; AND

(II) ~~CONSISTENT~~ IN ACCORDANCE WITH THE TIMELINESS REQUIREMENTS FOR DETERMINATIONS MADE BY PRIVATE REVIEW AGENTS UNDER § 15-10B-06 OF THIS TITLE.

(4) THE PROCEDURE MAY NOT BE USED BY A CARRIER AS A SUBSTITUTE FOR ESTABLISHING AND MAINTAINING A SUFFICIENT PROVIDER NETWORK IN ACCORDANCE WITH § 15-112 OF THIS TITLE;~~OR.~~

(5) EACH CARRIER SHALL:

(I) HAVE A SYSTEM IN PLACE THAT DOCUMENTS ALL REQUESTS TO OBTAIN A REFERRAL TO RECEIVE A COVERED SERVICE FROM A SPECIALIST OR NONPHYSICIAN SPECIALIST WHO IS NOT PART OF THE CARRIER'S PROVIDER PANEL; AND

(II) PROVIDE THE INFORMATION DOCUMENTED UNDER ITEM (I) OF THIS PARAGRAPH TO THE COMMISSIONER ON REQUEST.

(e) For purposes of calculating any deductible, copayment amount, or coinsurance payable by the member, a carrier shall treat services received in accordance with subsection (d) of this section as if the service was provided by a provider on the carrier's provider panel.

(f) A decision by a carrier not to provide access to or coverage of treatment or health care services by a specialist or nonphysician specialist in accordance with this section constitutes an adverse decision as defined under Subtitle 10A of this title if the decision is based on a finding that the proposed service is not medically necessary, appropriate, or efficient.

(g) (1) Each carrier shall file with the Commissioner a copy of each of the procedures required under this section, **INCLUDING:**

(I) **STEPS THE CARRIER REQUIRES OF A MEMBER TO REQUEST A REFERRAL;**

(II) **THE CARRIER'S TIMELINE FOR DECISIONS; AND**

(III) **THE CARRIER'S GRIEVANCE PROCEDURES FOR DENIALS.**

(2) **EACH CARRIER SHALL MAKE A COPY OF EACH OF THE PROCEDURES FILED UNDER PARAGRAPH (1) OF THIS SUBSECTION AVAILABLE TO ITS MEMBERS:**

(I) **IN THE CARRIER'S ONLINE NETWORK DIRECTORY REQUIRED UNDER § ~~15-112(M)(1)~~ 15-112(N)(1) OF THIS TITLE; AND**

(II) **ON REQUEST.**

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

Article – Health – General

19-705.1.

(a) The Secretary shall adopt regulations that set out reasonable standards of quality of care that a health maintenance organization shall provide to its members.

(b) (1) The standards of quality of care shall include:

(i) [1.] A requirement that a health maintenance organization shall provide for regular hours during which a member may receive services, including providing for services to a member in a timely manner that takes into account the immediacy of need for services; [and

2. Provisions for assuring that all covered services, including any services for which the health maintenance organization has contracted, are accessible to the enrollee with reasonable safeguards with respect to geographic locations;]

Article – Insurance

14-205.1.

(a) The Commissioner may authorize an insurer or nonprofit health service plan to offer a preferred provider insurance policy that conditions the payment of benefits on the use of preferred providers if the insurer or nonprofit health service plan[:

(1) has demonstrated to the Secretary of Health and Mental Hygiene that the provider panel of the insurer or nonprofit health service plan complies with the regulations adopted under § 19-705.1(b)(1)(i)2 of the Health – General Article; and

(2)] does not restrict payment for covered services provided by nonpreferred providers:

[(i)] (1) for emergency services, as defined in § 19-701 of the Health – General Article;

[(ii)] (2) for an unforeseen illness, injury, or condition requiring immediate care; or

[(iii)] (3) as required under § 15-830 of this article.

15-112.

(b) (1) Subject to paragraph (3) of this subsection, a carrier that uses a provider panel shall:

(i) [1.] if the carrier is an insurer, nonprofit health service plan, HEALTH MAINTENANCE ORGANIZATION, or dental plan organization, maintain standards in accordance with regulations adopted by the Commissioner for availability of health care providers to meet the health care needs of enrollees; AND

[2. if the carrier is a health maintenance organization, adhere to the standards for accessibility of covered services in accordance with regulations adopted under § 19-705.1(b)(1)(i)2 of the Health – General Article; and

3. if the carrier is an insurer or nonprofit health service plan that offers a preferred provider insurance policy that conditions the payment of benefits on the use of preferred providers, adhere to the standards for accessibility of covered services in accordance with regulations adopted under § 19-705.1(b)(1)(i)2 of the Health – General Article and as enforced by the Secretary of Health and Mental Hygiene; and]

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to health benefit plans issued, delivered, or renewed in the State on and after January 1, 2019.~~

~~SECTION 3. 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2017.~~

~~SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect January 1, 2018.~~

~~SECTION 3. 4. 6. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 Sections 4 and 5 of this Act, this Act shall take effect June 1, 2016.~~

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 996 – *St. Mary's County – Local Landlord and Tenant Law – Repeal*.

This bill repeals a specified provision of law concerning the return of goods to a tenant in an action for distress for rent.

House Bill 890, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 996.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 996

AN ACT concerning

St. Mary's County – Local Landlord and Tenant Law – Repeal

FOR the purpose of repealing a certain provision of law concerning the return of goods to a tenant in an action for distress for rent in St. Mary's County; and generally relating to landlord and tenant laws in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
 Section 71-1 and the chapter "Chapter 71. Landlord and Tenant"
 Article 19 – Public Local Laws of Maryland
 (2007 Edition and March 2014 Supplement, as amended)

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

Article 19 – St. Mary's County

[Chapter 71
 Landlord and Tenant]

[71-1.

In all cases where property distrained for rent in St. Mary's county is in the hands of a constable or agent of the landlord, the tenant shall go before the District Court and confess judgment in favor of the landlord for the amount of rent claimed and the costs of the distraint and shall also make before the Court a supersedeas, which shall be substantially in the following form:

"State of Maryland _____ of _____ to wit: We do confess judgment to _____, for the sum of _____ and _____ costs, which were confessed by _____ in favor of the _____ on the _____ day of _____ before _____ District Court of the State of Maryland, the debt and costs to be levied on our goods, chattels, land and tenements, for the use of _____ in case the _____ shall not pay and satisfy to _____ the judgment and costs, with any additional costs at the expiration of six (6) months from the date of the judgment." The supersedeas shall be signed by one (1) or more sureties, who shall severally make oath before the District Court, that he is worth double the amount of debt, interest and costs, over and above all debts and exemptions. The District Court shall judge the sufficiency of the supersedeas to secure the amount of debt, interest and costs and shall require same to be sufficient to secure the debts, interest and costs. When the supersedeas is filed with the District Court and the Court is satisfied of its sufficiency as a security for the debt confessed, the District Court shall issue an order to the landlord, constable or agent to release the property in his possession, and all further proceedings in the distraint shall be null and void.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 999 – *St. Mary’s County – Keeper of the Jail – Repeal*.

This bill repeals provisions related to the position of Keeper of the Jail of St. Mary’s County.

House Bill 1092, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 999.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 999

AN ACT concerning

St. Mary’s County – Keeper of the Jail – Repeal

FOR the purpose of repealing certain provisions related to the position of Keeper of the Jail of St. Mary’s County; and generally relating to the repeal of the position of Keeper of the Jail of St. Mary’s County.

BY repealing

The Public Local Laws of St. Mary’s County
Section 68–1 and the chapter “Chapter 68. Keeper of the Jail”
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2014 Supplement, as amended)

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

Article 19 – St. Mary’s County

[Chapter 68. Keeper of the Jail.]

[68–1.

A. The Keeper of the Jail of St. Mary's County shall be appointed by the Sheriff of St. Mary's County and shall be paid a reasonable salary by the County Commissioners upon vouchers submitted by the Sheriff to the County Commissioners. The Keeper of the Jail has all the powers of a constable or other peace officer and is directly responsible to the Sheriff for the safekeeping and transportation of prisoners. He is responsible for the safekeeping, care and feeding of all prisoners in the jail from the time they are lawfully committed thereto until they are discharged, released or withdrawn therefrom by the Sheriff or pursuant to a court order or other lawful authority. He shall keep a record of the names, ages, dates when received, the offenses charged and the date of discharge and reason therefor of all persons committed to the jail and shall perform such other duties with respect thereto as the County Commissioners may assign to him.

B. Nothing in this section shall affect the powers and duties of the Sheriff in respect to the safekeeping and custody of all prisoners except if prisoners are within the jail.

C. The Sheriff may appoint other help for the operation of the jail as may be needed. These employees shall be paid reasonable salaries by the County Commissioners upon vouchers submitted by the Sheriff to the County Commissioners. The Commissioners shall annually appropriate amounts sufficient for the maintenance of the jail and the safekeeping, care and feeding of all prisoners committed thereto.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 1125 – *Education – Public School Opportunities Enhancement Act*.

This bill establishes the Public School Opportunities Enhancement Program, provides that the purpose of the Program is to provide grants to local school systems, community schools, and nonprofit organizations in the State to assist in expanding or creating extended day and summer enhancement programs and to expand and support educational programs

during the school day for specified organizations. The bill also requires the Governor, for fiscal years 2018 through 2021, to include \$7,500,000 annually in the State budget for the program.

House Bill 1402, which was passed by the General Assembly and went into effect without my signature, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 1125.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 1125

AN ACT concerning

Education – ~~Maryland Extended Day and Summer Enhancement Programs~~ Public School Opportunities Enhancement Act

FOR the purpose of establishing the ~~Maryland Extended Day and Summer~~ Public School Opportunities Enhancement Program; requiring the State Department of Education ~~(Department)~~ to administer the program and consult with the Department of Natural Resources under certain circumstances; requiring the Department to develop a certain comprehensive plan on or before a certain date; requiring the Department to review and update a certain comprehensive plan annually; requiring the Department to use a certain framework to monitor and assess the quality of certain extended day and summer enhancement programs; establishing the ~~Maryland Extended Day and Summer~~ Public School Opportunities Enhancement Grant in the Program; requiring the Department to administer the grant program and establish certain policies for the administration of the grant program; authorizing the Department to award certain grants to certain local ~~education agencies~~ school systems, certain community schools, and certain nonprofit organizations to expand or create extended day and summer enhancement programs ~~or~~, to establish certain new partnerships, or to expand or support certain educational programming during the school day; encouraging certain public schools to partner with certain nonprofit organizations to extend certain day and summer enhancement programs; providing for the qualification for a certain grant; providing for the allocation of a certain grant; providing that certain applications shall receive priority; requiring the Department to ensure that certain grantees will administer a certain grant under certain circumstances; requiring the Governor to provide a certain annual appropriation in the State budget for certain fiscal years; requiring grantees to provide certain programs and ensure that certain programs contain an educational component; requiring that certain educational programs are aligned with certain standards; requiring certain grantees to provide certain matching funds; requiring the Department to make a certain annual report on or before a certain date; requiring the Department to adopt certain regulations; defining certain

terms; and generally relating to the ~~Maryland Extended Day and Summer Enhancement Programs~~ Public School Opportunities Enhancement Act.

BY repealing

Article – Human Services

Section 8–1101 through 8–1107 and the subtitle “Subtitle 11. Maryland After–School and Summer Opportunity Fund Program”

Annotated Code of Maryland

(2007 Volume and 2015 Supplement)

BY adding to

Article – Education

Section 7–1701 through 7–1706 to be under the new subtitle “Subtitle 17. ~~Maryland Extended Day and Summer~~ Public School Opportunities Enhancement Program”

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 8–1101 through 8–1107 and the subtitle “Subtitle 11. Maryland After–School and Summer Opportunity Fund Program” of Article – Human Services of the Annotated Code of Maryland be repealed.

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

Article – Education

~~SUBTITLE 17. MARYLAND EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAM~~ PUBLIC SCHOOL OPPORTUNITIES ENHANCEMENT PROGRAM.

7–1701.

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

(B) “COMMUNITY SCHOOL” MEANS AN EXISTING PUBLIC SCHOOL IN THE STATE THAT UTILIZES A COMMUNITY SCHOOL STRATEGY THAT IS RECOGNIZED BY THE MARYLAND OUT OF SCHOOL TIME NETWORK.

~~(B)~~ (C) “EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS PROGRAM” MEANS AN EDUCATIONAL AND RECREATIONAL ENRICHMENT PROGRAMS PROGRAM FOR CHILDREN BETWEEN THE AGES OF 4 AND 19 THAT TAKE TAKES PLACE:

(1) BEFORE AND AFTER THE SCHOOL DAY;

(2) ON WEEKENDS AND HOLIDAYS; AND

(3) DURING VACATIONS AND SUMMER BREAKS.

~~(C)~~ (D) “GRANTEE” MEANS A LOCAL ~~EDUCATION AGENCY SCHOOL SYSTEM OR~~, A COMMUNITY SCHOOL, OR A NONPROFIT ORGANIZATION THAT RECEIVES A ~~MARYLAND EXTENDED DAY AND SUMMER PUBLIC SCHOOL OPPORTUNITIES~~ ENHANCEMENT GRANT FROM THE DEPARTMENT.

~~(D)~~ (E) “NONPROFIT ORGANIZATION” MEANS AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

~~(E)~~ (F) “PROGRAM” MEANS THE ~~MARYLAND EXTENDED DAY AND SUMMER PUBLIC SCHOOL OPPORTUNITIES~~ ENHANCEMENT PROGRAM.

~~(F)~~ (G) “TECHNICAL ASSISTANCE” MEANS ASSISTANCE PROVIDED BY THE DEPARTMENT TO:

(1) IDENTIFY AND IMPLEMENT EFFECTIVE PRACTICES FOR EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS;

(2) ENSURE THAT EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS COMPLY WITH THE MARYLAND OUT-OF-SCHOOL TIME PROGRAMS’ QUALITY STANDARDS FRAMEWORK; AND

(3) ENSURE THAT EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS HAVE AN EDUCATIONAL COMPONENT THAT IS AGE APPROPRIATE AND ALIGNED WITH THE MARYLAND COLLEGE AND CAREER READY STANDARDS.

7-1702.

(A) THERE IS A ~~MARYLAND EXTENDED DAY AND SUMMER PUBLIC SCHOOL OPPORTUNITIES~~ ENHANCEMENT PROGRAM.

(B) (1) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

(2) THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF NATURAL RESOURCES WHEN REVIEWING THE RECREATIONAL COMPONENTS OF AN EXTENDED DAY OR SUMMER ENHANCEMENT PROGRAM.

(C) (1) (I) ON OR BEFORE DECEMBER 1, 2016, THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF NATURAL RESOURCES, SHALL

DEVELOP A COMPREHENSIVE PLAN FOR EXTENDED DAY OR SUMMER ENHANCEMENT PROGRAMS.

(II) THE COMPREHENSIVE PLAN REQUIRED BY SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL ADDRESS:

1. LEVERAGING PUBLIC AND PRIVATE FUNDING SOURCES AS WELL AS FEDERAL FUNDING SOURCES TO SUPPORT EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS;

2. THE SPECIAL NEEDS OF CHILDREN WITH DISABILITIES;

3. USING SCHOOL BUILDINGS, PUBLIC LIBRARIES, AND LOCAL PUBLIC TRANSPORTATION RESOURCES FOR EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS;

4. PROVIDING TECHNICAL ASSISTANCE TO NONPROFIT ORGANIZATIONS;

5. EXPANDING THE NUMBER OF HIGH QUALITY EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS IN THE STATE; AND

6. INTEGRATING THE PLANS DEVELOPED BY LOCAL JURISDICTIONS TO EXPAND THE NUMBER OF HIGH QUALITY EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS.

(2) ON OR BEFORE DECEMBER 1, 2017, AND EACH YEAR THEREAFTER, THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF NATURAL RESOURCES, SHALL REVIEW AND UPDATE THE COMPREHENSIVE PLAN REQUIRED IN PARAGRAPH (1)(I) OF THIS SUBSECTION.

(D) (1) THE DEPARTMENT SHALL USE THE MARYLAND OUT-OF-SCHOOL TIME PROGRAMS' QUALITY STANDARDS FRAMEWORK TO MONITOR AND ASSESS THE QUALITY OF THE EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS PROVIDED BY NONPROFIT ORGANIZATIONS THAT RECEIVE FUNDING IN ACCORDANCE WITH THIS SUBTITLE.

(2) THE MARYLAND OUT-OF-SCHOOL TIME PROGRAMS' QUALITY STANDARDS FRAMEWORK DOES NOT SUPERSEDE APPLICABLE CHILD CARE CENTER LICENSING REGULATIONS.

(A) ~~THERE IS A MARYLAND EXTENDED DAY AND SUMMER~~ PUBLIC SCHOOL OPPORTUNITIES ENHANCEMENT GRANT IN THE PROGRAM.

(B) (1) ~~THE DEPARTMENT SHALL DEVELOP AND ADMINISTER THE GRANT PROGRAM TO ASSIST LOCAL EDUCATION AGENCIES;~~

(I) LOCAL SCHOOL SYSTEMS, COMMUNITY SCHOOLS, AND NONPROFIT ORGANIZATIONS IN THE STATE IN EXPANDING OR CREATING EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS; AND

(II) NONPROFIT ORGANIZATIONS IN THE STATE AND COMMUNITY SCHOOLS IN EXPANDING OR SUPPORTING EXISTING EDUCATIONAL PROGRAMMING DURING THE SCHOOL DAY.

(2) (I) ~~THE DEPARTMENT SHALL ESTABLISH POLICIES AND PROCEDURES FOR THE ADMINISTRATION OF THE GRANT PROGRAM, INCLUDING:~~

~~(H)~~ 1. ~~THE GRANT APPLICATION PROCESS; AND~~

~~(H)~~ 2. ~~CRITERIA FOR AWARDING GRANTS UNDER THIS SUBTITLE.~~

(II) WHEN AWARDING GRANTS TO NONPROFIT ORGANIZATIONS, THE DEPARTMENT SHALL GIVE PRIORITY TO:

1. MARYLAND-BASED NONPROFIT ORGANIZATIONS;
AND

2. NONPROFIT ORGANIZATIONS OPERATING IN MARYLAND ON OR BEFORE JULY 1, 2016.

(C) (1) ~~A LOCAL EDUCATION AGENCY~~ SCHOOL SYSTEM, COMMUNITY SCHOOL, OR A NONPROFIT ORGANIZATION MAY APPLY TO THE DEPARTMENT FOR A GRANT TO:

(I) ~~EXPAND OR CREATE AN EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAM;~~

(II) ~~EXPAND OR CREATE A SUMMER ENHANCEMENT PROGRAM;~~
OR

(III) ~~ESTABLISH NEW EDUCATIONAL OR RECREATIONAL PARTNERSHIPS WITH:~~

1. LOCAL PARKS AND RECREATION DEPARTMENTS;
2. RECREATION COUNCILS;
3. LOCAL PUBLIC SCHOOLS;
4. PUBLIC LIBRARIES;
5. INSTITUTIONS OF HIGHER EDUCATION;
6. PRIVATE SECTOR BUSINESSES; AND
7. OTHER NONPROFIT ORGANIZATIONS AND FOUNDATIONS.

(2) A NONPROFIT ORGANIZATION MAY APPLY TO THE DEPARTMENT FOR A GRANT TO SUPPORT EXISTING EDUCATIONAL PROGRAMMING DURING THE SCHOOL DAY, INCLUDING THE RECRUITMENT, TRAINING, AND ONGOING PROFESSIONAL DEVELOPMENT OF NEW TEACHERS.

~~(2)~~ (3) A PUBLIC SCHOOL IS ENCOURAGED TO PARTNER WITH NONPROFIT ORGANIZATIONS TO PROVIDE EXTENDED SCHOOL DAY AND SUMMER ENHANCEMENT PROGRAMS FOR THEIR STUDENTS.

(D) (1) TO QUALIFY FOR A GRANT AWARDED IN ACCORDANCE WITH THIS SUBTITLE, A GRANTEE SHALL PROVIDE ~~EXTENDED DAY AND SUMMER ENHANCEMENT PROGRAMS~~ THE SERVICES LISTED IN SUBSECTION (C) OF THIS SECTION IN A COUNTY IN WHICH AT LEAST 50% OF PUBLIC SCHOOL STUDENTS AS A PERCENTAGE OF FULL-TIME EQUIVALENT STUDENTS AS DEFINED IN § 5-202 OF THIS ARTICLE QUALIFY FOR A FREE LUNCH UNDER THE NATIONAL SCHOOL LUNCH PROGRAM.

(2) THE TOTAL AMOUNT OF GRANTS AWARDED SHALL BE ALLOCATED TO GRANTEES PROPORTIONALLY BASED ON THE NUMBER OF PUBLIC SCHOOLS IN EACH COUNTY THAT MEET THE ELIGIBILITY REQUIREMENT IN PARAGRAPH (1) OF THIS SUBSECTION.

(E) (1) THE DEPARTMENT SHALL SELECT APPLICATIONS THAT:

(I) BEST INCORPORATE FEATURES THAT WILL HAVE A POSITIVE MEASURABLE IMPACT ON THE CONDITIONS OF WELL-BEING FOR CHILDREN AND YOUTH AS IDENTIFIED BY THE MARYLAND OUT-OF-SCHOOL TIME PROGRAMS' QUALITY STANDARDS FRAMEWORK;

(II) FOR EXTENDED DAY PROGRAMS, BEST INTEGRATE AN EDUCATIONAL COMPONENT THAT WILL ASSIST STUDENTS IN MEETING ACADEMIC REQUIREMENTS ON GRADE LEVEL; ~~AND~~

(III) FOR SUMMER ENHANCEMENT PROGRAMS:

1. PROVIDE LEARNING AND ENRICHMENT ACTIVITIES THAT WILL ASSIST STUDENTS IN ACHIEVING AT OR ABOVE GRADE LEVEL IN THE NEXT SCHOOL YEAR; AND

2. EXPOSE STUDENTS TO FUTURE LEARNING AND LIFE OPPORTUNITIES; AND

(IV) FOR EDUCATIONAL PROGRAMMING DURING THE SCHOOL DAY, ENHANCE:

1. THE EDUCATIONAL PURPOSE OF THE SCHOOL; OR

2. STUDENTS' ACCESS TO PHYSICAL, SOCIAL, AND EMOTIONAL SUPPORT.

(2) THE DEPARTMENT SHALL GIVE PRIORITY TO APPLICATIONS THAT ILLUSTRATE THE ABILITY TO LEVERAGE PRIVATE AND EXISTING FUNDING SOURCES.

(F) (1) A GRANTEE THAT RECEIVES A GRANT UNDER ~~THIS SUBTITLE~~ SUBSECTION (C)(1) OF THIS SECTION SHALL:

~~(I) PROVIDE EXTENDED SCHOOL DAY AND SUMMER ENHANCEMENT PROGRAMS; AND~~

~~(II) ENSURE~~ ENSURE THAT AN EXTENDED SCHOOL DAY OR SUMMER ENHANCEMENT PROGRAM INCLUDES AN EDUCATIONAL COMPONENT.

(2) A GRANTEE THAT RECEIVES A GRANT UNDER THIS SUBTITLE SHALL PROVIDE EDUCATIONAL PROGRAMS THAT ARE ALIGNED WITH THE MARYLAND COLLEGE AND CAREER-READY STANDARDS.

(G) A LOCAL ~~EDUCATION AGENCY~~ SCHOOL SYSTEM THAT RECEIVES A GRANT UNDER THIS SUBTITLE SHALL PROVIDE MATCHING FUNDS THAT ARE AT LEAST EQUAL TO THE AMOUNT OF THE GRANT AWARDED.

(H) IF A GRANTEE PARTNERS WITH AN ENTITY LISTED IN SUBSECTION (C)(1)(III) OF THIS SECTION, THE DEPARTMENT SHALL ENSURE THAT THE GRANTEE ADMINISTERS ANY GRANTS AWARDED IN ACCORDANCE WITH THIS SUBTITLE.

7-1704.

FOR FISCAL YEARS 2018 THROUGH 2021, THE GOVERNOR SHALL INCLUDE ~~\$10,000,000~~ \$7,500,000 ANNUALLY IN THE STATE BUDGET FOR THE PROGRAM, ~~25%~~ OF WHICH SHALL BE MADE AVAILABLE FOR CAPITAL PURPOSES.

7-1705.

ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE IMPLEMENTATION OF THE PROGRAM, INCLUDING AN EVALUATION OF THE EFFECTIVENESS OF THE ~~EXTENDED DAY AND SUMMER ENHANCEMENT~~ PROGRAMS AND SERVICES FUNDED IN ACCORDANCE WITH THIS SUBTITLE.

7-1706.

THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 1130 – *Construction Education and Innovation – Establishment of Fund*.

This bill establishes the Construction Education and Innovation Fund as a special nonlapsing fund, and provides that the Fund may be used to support the purposes of the Maryland Center for Construction Education and Innovation. The bill also requires the Governor, each fiscal year, to include in the annual State budget an appropriation to the Fund of \$250,000 to support the operation of the Center.

House Bill 1404, which was passed by the General Assembly and went into effect without my signature, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 1130.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 1130

AN ACT concerning

~~Maryland Center for Construction Education and Innovation – Codification~~ Establishment of Fund

FOR the purpose of ~~establishing the Maryland Center for Construction Education and Innovation; providing that the Center is a body politic and corporate and is an instrumentality of the State; specifying the purposes of the Center; specifying what the Center shall seek to accomplish; establishing a Board of Directors for the Center; specifying the duties, membership, qualifications, terms, appointments, and removal of the members of the Board; specifying the manner of electing the chair of the Board; requiring the Center to employ an Executive Director; specifying the duties of the Executive Director of the Center; establishing the Construction Education and Innovation Fund as a special, nonlapsing fund; requiring the Center 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; requiring the Governor, each fiscal year, to include in the annual State budget an appropriation of a certain amount to the Fund to support certain operations; specifying the purpose for which the Fund may be used; providing for expenditures from the Fund; requiring interest earnings of the Fund to be credited to the Fund; exempting the Fund from a certain provision of law requiring interest earnings on State money to accrue to the General Fund of the State; providing that the Attorney General is the legal advisor to the Center; authorizing the Center to employ certain staff; specifying certain provisions of law from which the Center is exempt and to which the Center is subject; specifying the authority of the Center; requiring the Center to report on certain matters to certain persons on or before a certain date each year; requiring the Department of Labor, Licensing, and Regulation to report to the General Assembly, on or before a certain date, on its findings and recommendations relating to development of a framework for establishing certain additional centers; defining certain terms; and generally relating to construction education and innovation.~~

BY adding to

Article – Labor and Employment

Section 11-1301 ~~through 11-1312~~ and 11-1302 to be under the new subtitle
“Subtitle 13. ~~Maryland Center For~~ Construction Education and Innovation
Fund”

Annotated Code of Maryland

(2008 Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
 Article – State Finance and Procurement
 Section 6–226(a)(2)(i)
 Annotated Code of Maryland
 (2015 Replacement Volume)

BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section 6–226(a)(2)(ii)84. and 85.
 Annotated Code of Maryland
 (2015 Replacement Volume)

BY adding to
 Article – State Finance and Procurement
 Section 6–226(a)(2)(ii)86.
 Annotated Code of Maryland
 (2015 Replacement Volume)

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

Article – Labor and Employment

SUBTITLE 13. ~~MARYLAND CENTER FOR~~ CONSTRUCTION EDUCATION AND INNOVATION FUND.

11-1301.

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

~~(B) “BOARD” MEANS THE BOARD OF DIRECTORS OF THE CENTER.~~

~~(B)~~ (B) “CENTER” MEANS THE MARYLAND CENTER FOR CONSTRUCTION EDUCATION AND INNOVATION ~~ESTABLISHED UNDER § 11-1302 OF THIS SUBTITLE.~~

~~(C)~~ (C) “FUND” MEANS THE CONSTRUCTION EDUCATION AND INNOVATION FUND ~~ESTABLISHED UNDER § 11-1305 OF THIS SUBTITLE.~~

~~11-1302.~~

~~(A) THERE IS A MARYLAND CENTER FOR CONSTRUCTION EDUCATION AND INNOVATION.~~

~~(B) THE CENTER IS A BODY POLITIC AND CORPORATE AND IS AN INSTRUMENTALITY OF THE STATE.~~

~~(C) THE PURPOSES OF THE CENTER ARE TO:~~

~~(1) WORK IN PARTNERSHIP WITH THE CONSTRUCTION INDUSTRY, EDUCATIONAL INSTITUTIONS, AND GOVERNMENT TO CREATE A WORLD CLASS EDUCATION SYSTEM FOR THE STATE'S BUILT ENVIRONMENT;~~

~~(2) PROMOTE THE ECONOMIC VITALITY OF CONSTRUCTION IN THE STATE; AND~~

~~(3) SERVE AS A RESOURCE FOR THE CONSTRUCTION INDUSTRY, EDUCATIONAL INSTITUTIONS, AND GOVERNMENT IN ORDER TO POSITION CONSTRUCTION AS A CAREER CHOICE FOR TOMORROW'S WORKFORCE.~~

~~(D) THE CENTER SHALL SEEK TO:~~

~~(1) DETERMINE STATEWIDE INDUSTRY DEMAND FOR BACHELOR DEGREE CONSTRUCTION GRADUATES AND EXPLORE ALTERNATIVES IN POST-SECONDARY EDUCATION TO MEET INDUSTRY DEMAND;~~

~~(2) GENERATE INTEREST AMONG YOUNG MEN AND WOMEN TO PURSUE CAREERS IN CONSTRUCTION AND CONVEY ATTRACTIVE CONSTRUCTION RELATED CAREER OPTIONS;~~

~~(3) ALIGN EDUCATION PROGRAMS WITH NEW DEVELOPING TECHNOLOGIES AND SKILL SETS, INCLUDING THOSE IN GREEN CONSTRUCTION, CONSTRUCTION SOFTWARE, DIGITIZATION, MATERIALS SCIENCE, AND MECHANICAL SYSTEMS; AND~~

~~(4) ARTICULATE CONSTRUCTION EDUCATION PROGRAMS AT LEVELS FROM HIGH SCHOOL THROUGH UNIVERSITY TO CREATE CAREER PATHWAYS THAT PROVIDE A SUSTAINABLE WORKFORCE PIPELINE.~~

~~11-1303.~~

~~(A) A BOARD OF DIRECTORS SHALL MANAGE THE CENTER AND EXERCISE THE CORPORATE POWERS OF THE BOARD OF DIRECTORS.~~

~~(B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:~~

~~(1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;~~

~~(2) THE COMMISSIONER OF LABOR AND INDUSTRY, OR THE COMMISSIONER'S DESIGNEE;~~

~~(3) THE EXECUTIVE DIRECTOR OF THE GOVERNOR'S WORKFORCE INVESTMENT BOARD, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;~~

~~(4) THE SECRETARY OF EDUCATION, OR THE SECRETARY'S DESIGNEE;~~

~~(5) THE SECRETARY OF COMMERCE, OR THE SECRETARY'S DESIGNEE;~~

~~(6) THE EXECUTIVE DIRECTOR OF THE MARYLAND ASSOCIATION OF COMMUNITY COLLEGES, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;~~

~~(7) THE VICE PRESIDENT OF THE DIVISION OF INNOVATION AND APPLIED RESEARCH AT TOWSON UNIVERSITY, OR THE VICE PRESIDENT'S DESIGNEE;~~

~~(8) THE CHAIR OF THE MARYLAND APPRENTICESHIP AND TRAINING COUNCIL, OR THE CHAIR'S DESIGNEE; AND~~

~~(9) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE:~~

~~(I) TEN REPRESENTATIVES OF THE CONSTRUCTION INDUSTRY IN THE STATE, INCLUDING COMMERCIAL, INDUSTRIAL, AND RESIDENTIAL BUILDING AND CONSTRUCTION COMPANIES, REAL ESTATE DEVELOPMENT COMPANIES, REDEVELOPMENT CONSTRUCTION COMPANIES, GENERAL CONTRACTING COMPANIES, AND CONSTRUCTION MANAGEMENT COMPANIES;~~

~~(II) TWO REPRESENTATIVES OF NATIONAL OR LOCAL ASSOCIATIONS THAT REPRESENT CONTRACTORS, SUBCONTRACTORS, TRADES, AND SUPPLIERS IN THE STATE;~~

~~(III) SEVEN REPRESENTATIVES OF VARIOUS CONSTRUCTION CONTRACTORS, SUBCONTRACTORS, TRADES, OR SUPPLIERS IN THE STATE, INCLUDING MECHANICAL, ELECTRICAL, WOODWORKING, AND OTHER SPECIALTIES;~~

~~(IV) THREE REPRESENTATIVES OF THE FIELD OF ENGINEERING, INCLUDING CIVIL AND MECHANICAL;~~

~~(V) TWO REPRESENTATIVES OF THE FIELDS OF ARCHITECTURE OR DESIGN; AND~~

~~(VI) TWO REPRESENTATIVES OF THE PUBLIC WITH GENERAL EXPERTISE IN TRAINING, APPRENTICESHIP PROGRAMS, OR EDUCATION OF THE CONSTRUCTION WORKFORCE.~~

~~(C) EACH MEMBER OF THE BOARD SHALL RESIDE IN THE STATE.~~

~~(D) IN MAKING APPOINTMENTS TO THE BOARD, THE GOVERNOR SHALL CONSIDER DIVERSITY AND ALL GEOGRAPHIC REGIONS OF THE STATE.~~

~~(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) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.~~

~~(2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON OCTOBER 1, 2016.~~

~~(3) AT THE END OF A TERM, AN APPOINTED 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) AN APPOINTED MEMBER MAY SERVE MORE THAN ONE TERM.~~

~~(G) THE GOVERNOR MAY REMOVE AN APPOINTED MEMBER FOR INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE POSITION.~~

~~(H) THE BOARD SHALL ELECT A CHAIR FROM AMONG THE MEMBERS OF THE BOARD.~~

~~(I) THE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF A MAJORITY OF THE TOTAL MEMBERSHIP OF THE BOARD.~~

~~(A) THE CENTER SHALL EMPLOY AN EXECUTIVE DIRECTOR.~~

~~(B) THE EXECUTIVE DIRECTOR SHALL HAVE EXPERIENCE WITH AND POSSESS QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND PURPOSES OF THE CENTER.~~

~~11-1305. 11-1302.~~

(A) THERE IS A CONSTRUCTION EDUCATION AND INNOVATION FUND.

(B) THE CENTER SHALL ADMINISTER THE FUND.

(C) (1) THE FUND IS A SPECIAL, NONLAPSING REVOLVING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(D) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(2) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE CONTRIBUTIONS;

(3) MONEY DERIVED BY THE CENTER; OR

(4) ANY OTHER MONEY MADE AVAILABLE TO THE CENTER FOR THE FUND.

~~(E) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT FOR EACH FISCAL YEAR FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL STATE BUDGET AN APPROPRIATION TO THE FUND OF \$250,000 TO SUPPORT THE OPERATION OF THE CENTER ESTABLISHED UNDER THIS SUBTITLE.~~

(F) THE FUND MAY BE USED ONLY TO SUPPORT THE PURPOSES OF THE CENTER.

(G) (1) THE TREASURER SHALL INVEST MONEY IN 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.

~~11-1306.~~

~~(A) THE ATTORNEY GENERAL IS THE LEGAL ADVISOR TO THE CENTER.~~

~~(B) WITH THE APPROVAL OF THE ATTORNEY GENERAL, THE CENTER MAY RETAIN ANY NECESSARY LAWYERS.~~

~~11-1307.~~

~~THE CENTER MAY RETAIN ANY NECESSARY ACCOUNTANTS, FINANCIAL ADVISORS, OR OTHER CONSULTANTS.~~

~~11-1308.~~

~~(A) EXCEPT AS PROVIDED IN SUBSECTIONS (B), (C), AND (E) OF THIS SECTION, THE CENTER IS EXEMPT FROM:~~

~~(1) TITLE 10 AND DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND~~

~~(2) §§ 3-301 AND 3-303 OF THE GENERAL PROVISIONS ARTICLE.~~

~~(B) THE CENTER IS SUBJECT TO THE PUBLIC INFORMATION ACT.~~

~~(C) THE BOARD AND THE OFFICERS AND EMPLOYEES OF THE CENTER ARE SUBJECT TO THE PUBLIC ETHICS LAW.~~

~~(D) THE OFFICERS AND EMPLOYEES OF THE CENTER ARE NOT SUBJECT TO THE PROVISIONS OF DIVISION I OF THE STATE PERSONNEL AND PENSIONS ARTICLE THAT GOVERN THE STATE PERSONNEL MANAGEMENT SYSTEM.~~

~~(E) THE CENTER, THE BOARD, AND THE EMPLOYEES OF THE CENTER ARE SUBJECT TO TITLE 12, SUBTITLE 4 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

~~11-1309.~~

~~THE CENTER MAY:~~

~~(1) ADOPT BYLAWS FOR THE CONDUCT OF ITS BUSINESS;~~

~~(2) ADOPT A SEAL;~~

~~(3) MAINTAIN OFFICES AT A PLACE IN THE STATE THAT THE CENTER DESIGNATES;~~

~~(4) ACCEPT LOANS, GRANTS, OR ASSISTANCE OF ANY KIND FROM THE FEDERAL OR STATE GOVERNMENT, LOCAL GOVERNMENT, A COLLEGE OR UNIVERSITY, OR A PRIVATE SOURCE;~~

~~(5) ENTER INTO CONTRACTS AND OTHER LEGAL INSTRUMENTS;~~

~~(6) SUE OR BE SUED;~~

~~(7) ACQUIRE, PURCHASE, HOLD, LEASE AS LESSEE, AND USE:~~

~~(I) A FRANCHISE, PATENT, OR LICENSE;~~

~~(II) ANY REAL, PERSONAL, MIXED, TANGIBLE, OR INTANGIBLE PROPERTY; OR~~

~~(III) AN INTEREST IN THE PROPERTY LISTED IN THIS ITEM;~~

~~(8) SELL, LEASE AS LESSOR, TRANSFER, LICENSE, ASSIGN, OR DISPOSE OF PROPERTY OR A PROPERTY INTEREST THAT THE CENTER ACQUIRES;~~

~~(9) FIX AND COLLECT RATES, RENTALS, FEES, ROYALTIES, AND CHARGES FOR SERVICES AND RESOURCES THE CENTER PROVIDES OR MAKES AVAILABLE; AND~~

~~(10) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE POWERS GRANTED BY THIS SUBTITLE.~~

~~11-1310.~~

~~THE CENTER IS EXEMPT FROM STATE AND LOCAL TAXES.~~

~~11-1311.~~

~~THE BOOKS AND RECORDS OF THE CENTER ARE SUBJECT TO AUDIT:~~

~~(1) AT ANY TIME BY THE STATE; AND~~

~~(2) EACH YEAR BY AN INDEPENDENT AUDITOR THAT THE OFFICE OF LEGISLATIVE AUDITS APPROVES.~~

~~11-1312.~~

~~(A) ON OR BEFORE OCTOBER 1 EACH YEAR, THE CENTER SHALL REPORT TO THE GOVERNOR, THE SECRETARY, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.~~

~~(B) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND FINANCIAL STATEMENT COVERING THE CENTER'S OPERATIONS AND A SUMMARY OF THE CENTER'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.~~

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:

84. the Economic Development Marketing Fund; [and]

85. the Military Personnel and Veteran–Owned Small Business No–Interest Loan Fund; AND

86. THE CONSTRUCTION EDUCATION AND INNOVATION FUND.

~~SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding § 11-1303(f)(1) of the Labor and Employment Article, as enacted by Section 1 of this Act, the terms of the initial appointed members of the Board of Directors of the Maryland Center for Construction Education and Innovation shall expire as follows:~~

~~(1) Six members on September 30, 2019;~~

~~(2) Six members on September 30, 2020;~~

~~(3) Seven members on September 30, 2021; and~~

~~(4) Seven members on September 30, 2022.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That:~~

~~(a) (1) (i) The Department of Labor, Licensing, and Regulation shall develop a framework for establishing two additional centers that shall have purposes and structure similar to those of the Maryland Center for Construction Education and Innovation, as enacted under Section 1 of this Act.~~

~~(ii) The framework shall specify the appropriate membership and duties of the additional centers.~~

~~(2) As additional centers, the Department shall establish:~~

~~(i) one center to focus on creating a world class education system for the development of the cybersecurity industry in the State; and~~

~~(ii) another center to focus on creating a world class education system for the development of the additive manufacturing industry in the State.~~

~~(b) On or before December 1, 2016, the Department shall report to the House Economic Matters Committee and the Senate Finance Committee, in accordance with § 2-1246 of the State Government Article, on its findings and recommendations concerning the framework and other matters related to the additional centers to be established under this section.~~

SECTION ~~4~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 1170 – *Next Generation Scholars of Maryland*.

This bill alters specified criteria for prequalification of a student for a Guaranteed Access Grant, alters the name of the College Readiness Outreach Program to be the Next Generation Scholars of Maryland Program, and provides the purpose of the Program is to give guidance and services to students and to assist students in completing college preparatory curricula, graduating from high school, matriculating at an institution of higher education, and making timely progress to complete a degree program.

House Bill 1403, which was passed by the General Assembly and went into effect without my signature, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 1170.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 1170

AN ACT concerning

~~Next-Generation~~ Next Generation Scholars of Maryland

FOR the purpose of ~~altering certain criteria for the prequalification of a student for a certain grant program; changing the name of the College Readiness Outreach Program to be the Next-Generation Scholars of Maryland Program; altering the purpose and certain requirements of a certain program; establishing a certain pilot program to be administered in certain school systems; requiring certain services to be provided; mandating certain funding for certain years for the pilot program; altering certain criteria for the prequalification of a student for a Guaranteed Access Grant; altering the name of the College Readiness Outreach Program to be the Next Generation Scholars of Maryland Program; altering the purpose and certain requirements of the Program; requiring the State Department of Education to solicit certain applications from certain nonprofit organizations and give priority to certain applications; requiring certain nonprofit organizations to provide certain guidance and certain services to certain students; requiring the Governor to make a certain appropriation in the State budget for certain fiscal years; requiring the Department to make certain grants to certain nonprofits for certain fiscal years under certain circumstances; establishing the Next Generation Scholars of Maryland Program Fund; specifying the purpose of the Fund; requiring the Department to administer the Fund; specifying that the Fund is a special, nonlapsing fund that is not subject to a certain provision of law; requiring the State Treasurer to hold the Fund separately and the Comptroller to account for the Fund; providing for the composition and uses of the Fund; requiring the State Treasurer to invest the money of the Fund in a certain manner; providing that expenditures from the Fund may be made only in accordance with the State budget; requiring the State Department of Education Department and the Maryland Higher Education Commission to submit a certain report certain reports on or before a certain date; certain dates; defining certain terms; and generally relating to the Next-Generation Next Generation Scholars of Maryland Program.~~ altering certain criteria for the prequalification of a student for a Guaranteed Access Grant; altering the name of the College Readiness Outreach Program to be the Next Generation Scholars of Maryland Program; altering the purpose and certain requirements of the Program; requiring the State Department of Education to solicit certain applications from certain nonprofit organizations and give priority to certain applications; requiring certain nonprofit organizations to provide certain guidance and certain services to certain students; requiring the Governor to make a certain appropriation in the State budget for certain fiscal years; requiring the Department to make certain grants to certain nonprofits for certain fiscal years under certain circumstances; establishing the Next Generation Scholars of Maryland Program Fund; specifying the purpose of the Fund; requiring the Department to administer the Fund; specifying that the Fund is a special, nonlapsing fund that is not subject to a certain provision of law; requiring the State Treasurer to hold the Fund separately and the Comptroller to account for the Fund; providing for the composition and uses of the Fund; requiring the State Treasurer to invest the money of the Fund in a certain manner; providing that expenditures from the Fund may be made only in accordance with the State budget; requiring the State Department of Education Department and the Maryland Higher Education Commission to submit certain reports on or before certain dates; defining certain terms; and generally relating to the Next Generation Scholars of Maryland Program.

BY repealing and reenacting, with amendments,
Article – Education
Section 18–303 and 18–303.1
Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)

Annotated Code of Maryland

(2015 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)84. and 85.

Annotated Code of Maryland

(2015 Replacement Volume)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)86.

Annotated Code of Maryland

(2015 Replacement Volume)

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

Article – Education

18–303.

(a) Subject to subsection (d) of this section, each recipient of a Delegate Howard P. Rawlings Educational Excellence Award shall:

(1) Be accepted for admission in the regular undergraduate program at an eligible institution or be enrolled in a 2–year associate degree program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution;

(2) Be a resident of this State;

(3) Demonstrate to the Office a definite financial need; and

(4) Accept any other conditions attached to the award.

(b) Each recipient of a Guaranteed Access Grant shall:

(1) Have attained a grade point average of at least 2.5 on a 4.0 scale or its equivalent at the end of the first semester of the senior year in high school and have completed high school or, failing to do so, on the recommendation of the recipient's high school principal, provide evidence satisfactory to the Office of extenuating circumstances;

- (2) Begin college within 1 year of completing high school or, failing to do so, provide evidence satisfactory to the Office of extenuating circumstances;
- (3) Be under the age of 22 years at the time of receiving the first award;
- (4) Have successfully completed a college preparatory program in high school;
- (5) Enroll in college as a full-time student;
- (6) Subject to subsection (c) of this section, have an annual family income below a poverty index determined by the Commission; and
- (7) Satisfy any additional criteria the Commission may establish.

(c) To determine the annual family income eligibility of an applicant for a Guaranteed Access Grant, the Office may not consider an amount received by the applicant as an earned income credit under § 32 of the Internal Revenue Code.

(d) **(1) ~~A~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A** student in grade [9] **7** or grade [10] **8** who applies and qualifies for a Guaranteed Access Grant on the basis of financial need as established by the Commission shall prequalify for a Guaranteed Access Grant to be used at the time of enrollment in an institution of higher education by agreeing in writing, as a secondary and undergraduate student, to:

- ~~(1)~~ **(I)** Satisfy the attendance policy of the applicable school;
- ~~(2)~~ **(II)** Refrain from substance abuse;
- ~~(3)~~ **(III)** Provide information required by the Commission or the State Board of Education;
- ~~(4)~~ **(IV)** **APPLY FOR ADMISSION TO AN INSTITUTION OF HIGHER EDUCATION DURING THE STUDENT'S SENIOR YEAR OF HIGH SCHOOL;**
- ~~[(4)] ~~(5)~~~~ **(V)** Complete and file on a timely basis applications for federal student aid for each year that the student plans to enroll in postsecondary education;
- ~~[(5)] ~~(6)~~~~ **(VI)** Participate in the [College Readiness Outreach] **NEXT GENERATION SCHOLARS OF MARYLAND** Program established in § 18-303.1 of this subtitle until the student graduates from high school and matriculates at an institution of higher education; [and

(6) ~~(7)~~ **(VII) MAINTAIN A CUMULATIVE GRADE POINT AVERAGE OF AT LEAST 2.5 ON A 4.0 SCALE OR ITS EQUIVALENT; AND**

~~(8)~~ **(VIII) Satisfy any other program requirements set by the Office, the Commission, the State Board of Education, or the State Department of Education.**

(2) FOR ACADEMIC YEARS 2017–2018 AND 2018–2019, A STUDENT IN GRADE 9 WHO APPLIES AND QUALIFIES FOR A GUARANTEED ACCESS GRANT ON THE BASIS OF FINANCIAL NEED AS ESTABLISHED BY THE COMMISSION SHALL PREQUALIFY FOR A GUARANTEED ACCESS GRANT TO BE USED AT THE TIME OF ENROLLMENT IN AN INSTITUTION OF HIGHER EDUCATION IF THE STUDENT OTHERWISE MEETS THE CONDITIONS OF PARAGRAPH (1) OF THIS SUBSECTION.

18–303.1.

~~(a) In this section, “Program” means the [College Readiness Outreach Program] NEXT GENERATION SCHOLARS OF MARYLAND PROGRAM.~~

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

(2) “FUND” MEANS THE NEXT GENERATION SCHOLARS OF MARYLAND PROGRAM FUND.

(3) “PROGRAM” MEANS THE NEXT GENERATION SCHOLARS OF MARYLAND PROGRAM.

(b) The [Commission and the] Department, in collaboration with **THE COMMISSION**, county boards of education, county superintendents, and institutions of higher education, shall [jointly] administer the [College Readiness Outreach] ~~NEXT GENERATION~~ **NEXT GENERATION SCHOLARS OF MARYLAND** Program.

(c) The Program shall provide guidance **AND SERVICES** to students who qualify for a Guaranteed Access Grant in ~~[9th] 7TH or [10th] 8TH grade~~ **IN ACCORDANCE WITH § 18–303(D) OF THIS SUBTITLE** to assist the students in successfully:

(1) Completing a college preparatory curriculum;

(2) Graduating from high school; [and]

(3) Matriculating at an institution of higher education as defined in [§§ 18–305 and 18–308] **§ 18–303** of this subtitle; AND

(4) **MAKING TIMELY PROGRESS TO COMPLETE A DEGREE PROGRAM.**

(d) [(1)] The [Commission and the] Department shall: [designate statewide and regional coordinators for the Program.

(2) The statewide and regional coordinators shall:

(i) Work with county boards of education and county superintendents to provide guidance and one-on-one mentoring to participating students in high school; and

(ii) (1) Publicize the Program through community outreach and marketing materials;

(2) AWARD GRANTS TO NONPROFIT ORGANIZATIONS TO ADMINISTER THE PROGRAM;

(3) SOLICIT APPLICATIONS FROM NONPROFIT ORGANIZATIONS TO ADMINISTER THE PROGRAM IN ~~ONE OR ALL APPLICABLE~~ LOCAL SCHOOL SYSTEMS; AND

~~(3)~~ **(4) GIVE PRIORITY TO APPLICATIONS;**

(I) FROM MARYLAND-BASED NONPROFIT ORGANIZATIONS;
AND

(II) THAT ~~WHICH~~ INCLUDE BUSINESS AND INSTITUTION OF HIGHER EDUCATION PARTNERS; ~~AND~~

~~**(4) AWARD GRANTS TO NONPROFIT ORGANIZATIONS TO ADMINISTER THE PROGRAM.**~~

(e) [The Commission and the Department may enter into agreements with existing organizations that provide counseling and mentoring services to fulfill the requirements of this section.] **THE IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION, THE SERVICES TO BE PROVIDED TO STUDENTS PARTICIPATING IN THE PROGRAM SHALL INCLUDE:**

(1) A HIGH SCHOOL GRADUATION PLAN;

(2) SUMMER WORK OR INTERNSHIP OPPORTUNITIES;

(3) FINANCIAL AID LITERACY ASSISTANCE;

(4) CAREER INTEREST ASSESSMENTS;

(5) MENTORSHIP AND ONE-ON-ONE COUNSELING;

(6) VISITS TO COLLEGE CAMPUSES AND WORKPLACES;

(7) AN INTENSIVE SUMMER BRIDGE PROGRAM FOR STUDENTS ENTERING AN INSTITUTION OF HIGHER EDUCATION DIRECTLY FROM HIGH SCHOOL; AND

(8) A PLAN TO MATRICULATE AND GRADUATE FROM AN INSTITUTION OF HIGHER EDUCATION.

(f) [The Commission and the Department may supplement professional mentors with] ~~IN PROVIDING A NONPROFIT ORGANIZATION THAT RECEIVES A GRANT TO PROVIDE THE GUIDANCE AND SERVICES REQUIRED UNDER SUBSECTION (E) OF THIS SECTION, THE NONPROFIT ORGANIZATIONS THAT RECEIVE GRANTS MAY UTILIZE:~~

(1) Postsecondary students receiving work–study assistance at Maryland institutions of higher education; and

(2) Secondary students in 11th and 12th grades who are successfully completing high school graduation requirements.

(g) [(1) Funds] **EXCEPT AS PROVIDED IN SUBSECTION (H) OF THIS SECTION, FUNDS** for the Program shall be as provided in the State budget.

[(2) To the extent that funds are provided, the State shall provide 50 percent of the costs associated with the local administration and one–on–one mentoring components of the Program, except that in a county that meets the requirements of a “qualified distressed county” under § 1–101 of the Economic Development Article the State shall provide 75 percent of the costs.]

(H) FOR FISCAL ~~YEAR~~ YEARS 2018 THROUGH 2023, ~~THE~~:

(1) THE GOVERNOR SHALL ANNUALLY INCLUDE \$5,000,000 IN GENERAL FUNDS IN THE STATE BUDGET ANNUALLY FOR A NEXT-GENERATION SCHOLARS PILOT THE PROGRAM; AND

(2) THE DEPARTMENT SHALL DISTRIBUTE GRANTS TO NONPROFIT ORGANIZATIONS THAT:

(I) ARE SELECTED IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION; AND

(II) WILL ADMINISTER THE PROGRAM ~~TO BE ADMINISTERED~~ IN LOCAL SCHOOL SYSTEMS IN WHICH AT LEAST 50% OF THE STUDENTS AS A PERCENTAGE OF FULL–TIME EQUIVALENT STUDENTS AS DEFINED IN § 5–202 OF

THIS ARTICLE ARE ELIGIBLE TO RECEIVE A FREE LUNCH UNDER THE NATIONAL SCHOOL LUNCH PROGRAM IN THE 2015–2016 SCHOOL YEAR.

(1) (1) THERE IS A NEXT GENERATION SCHOLARS OF MARYLAND PROGRAM FUND.

(2) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDS FOR THE ADMINISTRATION OF THE PROGRAM.

(3) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(4) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(5) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(6) THE FUND CONSISTS OF:

(I) MONEY APPROPRIATED IN THE STATE BUDGET FOR THE PROGRAM;

(II) INTEREST EARNINGS OF THE FUND; AND

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

(7) THE FUND MAY BE USED ONLY FOR ADMINISTERING THE PROGRAM.

(8) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(II) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

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

[(h)] ~~(j)~~ (J) The [Commission and the] Department may adopt regulations necessary to implement this section.

~~(j)~~ (K) ON OR BEFORE DECEMBER 1, 2020, AND DECEMBER 1, 2022, THE COMMISSION AND THE DEPARTMENT SHALL ~~SUBMIT A~~ REPORT ~~ON~~

~~IMPLEMENTATION OF THE PROGRAM AND THE PILOT PROGRAM TO THE GOVERNOR~~
GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT
ARTICLE, THE GENERAL ASSEMBLY, INCLUDING ON THE IMPLEMENTATION OF THE
PROGRAM, INCLUDING:

(1) THE NUMBER OF STUDENTS FROM EACH LOCAL SCHOOL SYSTEM WHO WERE PREQUALIFIED FOR THE GUARANTEED ACCESS GRANT DURING EACH YEAR OF THE PROGRAM;

(2) THE RACE, DISABILITY STATUS, AND ENGLISH LANGUAGE LEARNER STATUS OF EACH PARTICIPATING STUDENT WHO PREQUALIFIED FOR THE GUARANTEED ACCESS GRANT EACH YEAR OF THE PROGRAM;

~~(3)~~ **(3) THE PROGRESS OF EACH PARTICIPATING STUDENT THROUGH THE PROGRAM, INCLUDING HIGH SCHOOL GRADUATION, INSTITUTION OF HIGHER EDUCATION MATRICULATION AND RETENTION RATES, AND, IF APPLICABLE, INSTITUTION OF HIGHER EDUCATION GRADUATION RATES;**

~~(4)~~ **(4) THE AMOUNT AND QUALITY OF SERVICES PROVIDED BY NONPROFIT ORGANIZATIONS TO PARTICIPATING STUDENTS, INCLUDING THE USE OF COLLEGE WORK-STUDY STUDENTS AND HIGH SCHOOL STUDENTS AS MENTORS AND COUNSELORS;**

~~(5)~~ **(5) THE NONPROFIT ORGANIZATIONS THAT RECEIVED GRANTS UNDER THE PROGRAM, INCLUDING ANY OTHER ENTITIES THAT PROVIDED SERVICES SUCH AS INSTITUTIONS OF HIGHER EDUCATION, THE BUSINESS COMMUNITY, AND LOCAL SCHOOLS OR LOCAL SCHOOL SYSTEMS;**

~~(6)~~ **(6) THE AMOUNT OF FINANCIAL AID, IN ADDITION TO THE GUARANTEED ACCESS GRANT, THAT PARTICIPATING STUDENTS RECEIVED EACH YEAR THAT ~~THEY~~ THE STUDENTS WERE ENROLLED IN AN INSTITUTION OF HIGHER EDUCATION; AND**

~~(7)~~ **(7) FINDINGS AND RECOMMENDATIONS ON THE SUCCESS OF THE PROGRAM AND ~~PILOT PROGRAM~~ AND WHETHER FUNDING FOR THE ~~PILOT~~ PROGRAM SHOULD BE CONTINUED OR EXPANDED.**

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:

84. the Economic Development Marketing Fund; [and]

85. the Military Personnel and Veteran–Owned Small Business No–Interest Loan Fund; AND

86. THE NEXT GENERATION OF MARYLAND SCHOLARS PROGRAM FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Thomas V. Miller, Jr.
Senate President
H–107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 1172 – *Seed Community Development Anchor Institution Fund*.

This bill establishes the Seed Community Development Anchor Institution Fund as a special, nonlapsing fund; specifying that the purpose of the Fund is to provide grants and loans to anchor institutions for community development projects in blighted areas of the State and requires the Department of Housing and Community Development to administer the Fund. The bill also requiring the Governor to include in the annual budget bill an appropriation of \$5,000,000 to the Fund for fiscal years 2018 through 2022.

House Bill 1400, which was passed by the General Assembly and went into effect without my signature, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 1172.

Sincerely,

Governor Lawrence J. Hogan, Jr.

Senate Bill 1172

AN ACT concerning

Seed Community Development Anchor Institution Fund

FOR the purpose of establishing the Seed Community Development Anchor Institution Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department of Housing and Community Development 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; specifying certain eligibility criteria and a certain process for awarding grants and loans from the Fund; providing for the investment of money in and expenditures from the Fund; requiring interest earnings of the Fund to be credited to the Fund; beginning in a certain fiscal year, requiring the Governor to include in the annual budget bill an appropriation of a certain amount to the Fund for certain fiscal years; 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 Seed Community Development Anchor Institution Fund in the Department of Housing and Community Development.

BY adding to

Article – Housing and Community Development
Section 4–508
Annotated Code of Maryland
(2006 Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)84. and 85.
Annotated Code of Maryland
(2015 Replacement Volume)

BY adding to

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)86.
Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – Housing and Community Development

4-508.

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

(2) “ANCHOR INSTITUTION” MEANS:

(I) AN INSTITUTION OF HIGHER EDUCATION IN THE STATE; OR

(II) A HOSPITAL INSTITUTION IN THE STATE THAT:

1. HAS A GROUP OF AT LEAST FIVE PHYSICIANS WHO ARE ORGANIZED AS A MEDICAL STAFF FOR THE INSTITUTION;

2. MAINTAINS FACILITIES TO PROVIDE, UNDER THE SUPERVISION OF THE MEDICAL STAFF, DIAGNOSTIC AND TREATMENT SERVICES FOR TWO OR MORE UNRELATED INDIVIDUALS; AND

3. ADMITS OR RETAINS THE INDIVIDUALS FOR OVERNIGHT CARE.

(3) “BLIGHTED AREA” MEANS AN AREA IN WHICH A MAJORITY OF BUILDINGS HAVE DECLINED IN PRODUCTIVITY BY REASON OF OBSOLESCENCE, DEPRECIATION, OR OTHER CAUSES TO AN EXTENT THAT THEY NO LONGER JUSTIFY FUNDAMENTAL REPAIRS AND ADEQUATE MAINTENANCE.

(4) “FUND” MEANS THE SEED COMMUNITY DEVELOPMENT ANCHOR INSTITUTION FUND.

(B) THERE IS A SEED COMMUNITY DEVELOPMENT ANCHOR INSTITUTION FUND.

(C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS AND LOANS TO ANCHOR INSTITUTIONS FOR COMMUNITY DEVELOPMENT PROJECTS IN BLIGHTED AREAS OF THE STATE.

(D) THE DEPARTMENT 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) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(2) INTEREST EARNINGS OF THE FUND; AND

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

(G) (1) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS AND LOANS TO ANCHOR INSTITUTIONS FOR COMMUNITY DEVELOPMENT PROJECTS IN BLIGHTED AREAS OF THE STATE.

(2) TO BE ELIGIBLE FOR A GRANT OR LOAN, AN ANCHOR INSTITUTION SHALL PROVIDE EVIDENCE OF MATCHING FUNDS FROM A PRIVATE SOURCE.

(3) THE DEPARTMENT SHALL AWARD GRANTS AND LOANS FROM THE FUND ON A COMPETITIVE BASIS.

(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 INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

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

(J) FOR FISCAL ~~YEAR 2018 AND EACH FISCAL YEAR THEREAFTER~~ YEARS 2018 THROUGH 2022, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF ~~\$10,000,000~~ \$5,000,000 TO THE FUND.

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:

84. the Economic Development Marketing Fund; [and]

85. the Military Personnel and Veteran–Owned Small Business No–Interest Loan Fund; AND

86. THE SEED COMMUNITY DEVELOPMENT ANCHOR INSTITUTION FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Vetoed House Bills and Messages

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 59 – *Department of Economic Competitiveness and Commerce – Renaming and Reorganization*.

This bill renames the Department of Economic Competitiveness and Commerce to be the Department of Commerce, repeals the Office of the Secretary of Commerce in the Office of the Governor, repeals the requirement that the Secretary of Commerce employ an Executive Director of the Department, and provides that the Department of Commerce is the successor of the Department of Economic Competitiveness and Commerce.

Senate Bill 85, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 59.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 59

AN ACT concerning

Department of Economic Competitiveness and Commerce – Renaming and Reorganization

FOR the purpose of renaming the Department of Economic Competitiveness and Commerce to be the Department of Commerce; repealing the Office of the Secretary of Commerce in the Office of the Governor; repealing the requirement that the Secretary of Commerce employ an Executive Director of the Department; repealing the qualifications and the duties of the Executive Director; providing that the Department of Commerce is the successor of the Department of Economic Competitiveness and Commerce; providing that certain names and titles of a certain unit and officials in laws and other documents mean the names and titles of the successor unit and officials; providing for the continuity of certain matters and persons; requiring the publisher of the Annotated Code of Maryland, in consultation with the Department of Legislative Services, to correct cross-references and terminology in the Code that are rendered incorrect by this Act; making conforming

changes; and generally relating to ~~renaming~~ the Department of Economic Competitiveness and Commerce and the Secretary of Commerce.

BY repealing and reenacting, without amendments,

Article – Economic Development

Section ~~1–101(a), 2–101(a), and 9–101(a)~~ 3–201(a), (b), and (c), 9–101(a), 10–401(a), (b), and (c), 10–901, and 10–903(a)

Annotated Code of Maryland

(2008 Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 1–101(c) to be under the amended division “Division I. Secretary of Commerce and Department of Commerce”; ~~2–101(e)(2)~~ 2–101; 2–108; 2.5–101(a) to be under the amended title “Title 2.5. Department of Commerce”; and ~~9–101(e)~~ 3–203(a) and (c)(1), 9–101(c), 10–403(b), and 10–903(b)

Annotated Code of Maryland

(2008 Volume and 2015 Supplement)

BY repealing

Article – Economic Development

Section 2.5–103

Annotated Code of Maryland

(2008 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government

Section 8–201(a)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 8–201(b)(4)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

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

Article – Economic Development

Division I. Secretary of Commerce and Department of [Economic Competitiveness and]
Commerce.

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

(c) “Department” means the Department of [Economic Competitiveness and] Commerce.

2–101.

[(a) There is an Office of the Secretary of Commerce in the Office of the Governor.

(b) The head of the Office is the Secretary.

~~(c)~~ (A) (1) The Secretary is the head of economic development policy and implementation efforts in the State.

~~(c)~~ (2) The Secretary is the head of and is responsible for the operations of the Department of [Economic Competitiveness and] Commerce established under Title 2.5 of this article.

[(d)] (B) (1) The Secretary also monitors the operations of:

(i) the Maryland Economic Development Corporation established under Title 10, Subtitle 1 of this article;

(ii) the Maryland Technology Development Corporation established under Title 10, Subtitle 4 of this article; and

(iii) the Maryland Public–Private Partnership Marketing Corporation established under Title 10, Subtitle 9 of this article.

(2) Nothing in this subsection may be construed to limit the independence or operations of these corporations.

2–108.

(a) The Secretary shall adopt regulations for the [Office] OFFICE of the Secretary.

(b) (1) Subject to § 2.5–206 of this article, the Secretary shall review regulations of a unit under the jurisdiction of the Department.

(2) The Secretary may approve, disapprove, or revise regulations of a unit.

Title 2.5. Department of [Economic Competitiveness and] Commerce.

2.5–101.

(a) There is a Department of [Economic Competitiveness and] Commerce.

[2.5–103.

(a) (1) The Secretary shall employ an Executive Director.

(2) The Executive Director:

(i) serves at the pleasure of the Secretary; and

(ii) is entitled to compensation provided in the State budget.

(b) (1) The Executive Director shall manage the operations of the Department on behalf of the Secretary.

(2) The Executive Director:

(i) shall advise the Secretary on all matters assigned to the Department; and

(ii) is responsible for carrying out the Secretary’s policies on matters assigned to the Department.

(c) The Executive Director shall have experience with and possess qualifications relevant to the activities and purposes of the Department.]

3–201.

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

(b) “Advisory Board” means the Maryland Life Sciences Advisory Board.

(c) “Corporation” means the Maryland Technology Development Corporation.

3–203.

(a) The Advisory Board consists of the following [19] 18 members:

(1) the Secretary or the Secretary’s designee;

(2) [the Executive Director of the Department, or the Executive Director’s designee;

(3)] the Executive Director of the Corporation, or the Executive Director’s designee; and

[(4)] (3) the following members appointed by the Governor:

(i) three representing federal agencies located in the State with life sciences missions;

(ii) seven with executive experience in life sciences businesses located in the State, at least four of whom represent small businesses;

(iii) four representing institutions of higher education located in the State, one of whom shall represent a community college;

(iv) one with general business marketing experience in a life sciences business located in the State; and

(v) one member of the general public.

(c) (1) Except for the Secretary or the Secretary's designee[, the Executive Director of the Department or the Executive Director's designee,] and the Executive Director of the Corporation or the Executive Director's designee, the term of an Advisory Board member is 2 years.

9-101.

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

(c) "Department" means the Department of [Economic Competitiveness and] Commerce.

10-401.

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

(b) "Board" means the Board of Directors of the Corporation.

(c) "Corporation" means the Maryland Technology Development Corporation.

10-403.

(b) The Board consists of the following [16] 15 members:

(1) the Secretary or the Secretary's designee; AND

(2) [the Executive Director of the Department or the Executive Director's designee; and

(3)] fourteen members appointed by the Governor with the advice and consent of the Senate;

- (i) two representing the not-for-profit research sector of the State;
- (ii) two with expertise in venture capital financing;
- (iii) five with experience in technology-based businesses;
- (iv) two representing colleges and universities; and
- (v) three members of the general public.

10-901.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Board” means the Board of Directors of the Corporation.
- (c) “Corporation” means the Maryland Public-Private Partnership Marketing Corporation.

10-903.

(a) A Board of Directors shall manage the Corporation and its units and exercise the corporate powers of the Board of Directors.

(b) The Board consists of the following ~~[18]~~ 17 members:

(1) the Secretary;

(2) [the Executive Director of the Department;

~~(3)]~~ (i) one member of the Senate of Maryland, who shall be a nonvoting member of the Board, designated by the President of the Senate; and

(ii) one member of the House of Delegates, who shall be a nonvoting member of the Board, designated by the Speaker of the House; and

~~[(4)]~~ (3) the following 14 members, appointed by the Governor with the advice and consent of the Senate:

(i) three representing businesses in the State;

(ii) two representing labor in the State;

(iii) two representing not-for-profit organizations in the State;

(iv) three with expertise in marketing or advertising;

- (v) one with expertise in public relations and communications; and
- (vi) three with expertise in economic development.

Article – State Government

8–201.

(a) The Executive Branch of the State government shall have not more than 21 principal departments, each of which shall embrace a broad, functional area of that Branch.

(b) The principal departments of the Executive Branch of the State government are:

- (4) [Economic Competitiveness and] Commerce;

SECTION 2. AND BE IT FURTHER ENACTED, That, as provided in this Act:

(1) The Department of Commerce is the successor of the Department of Economic Competitiveness and Commerce.

(2) In every law, executive order, rule, regulation, policy, or document created by an official, an employee, or a unit of this State, the names and titles of those agencies and officials mean the names and titles of the successor agency or official.

SECTION 3. AND BE IT FURTHER ENACTED, That, except as expressly provided to the contrary in this Act, nothing in this Act affects the term of office of an appointed or elected member of any commission, office, department, agency, or other unit. An individual who is a member of a unit on the effective date of this Act shall remain a member for the balance of the term to which appointed or elected, unless the member sooner dies, resigns, or is removed under provisions of law.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as expressly provided to the contrary in this Act, any transaction or employment status affected by or flowing from any change of nomenclature or any statute amended by this Act and validly entered into or existing before the effective date of this Act and every right, duty, or interest flowing from a statute amended by this Act remains valid after the effective date of this Act and may be terminated, completed, consummated, or enforced as required or allowed by any statute amended by this Act as though the amendment had not occurred. If a change in nomenclature involves a change in name or designation of any State unit, the successor unit shall be considered in all respects as having the powers and obligations granted the former unit.

SECTION 5. AND BE IT FURTHER ENACTED, That, except as expressly provided to the contrary in this Act:

(1) The continuity of every commission, office, department, agency, or other unit is retained; and

(2) The personnel, records, files, furniture, fixtures, and other properties and all appropriations, credits, assets, liabilities, and obligations of each retained unit are continued as the personnel, records, files, furniture, fixtures, properties, appropriations, credits, assets, liabilities, and obligations of the unit under the laws enacted by this Act.

SECTION 6. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross-references and terminology rendered incorrect by this Act or by any other Act of the General Assembly of 2016 that affects provisions enacted by this Act. The publisher shall adequately describe any such correction in an editor's note following the section affected.

SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 84 – *State Government – Office of Legislative Audits – Alterations in Audit Requirements*.

This bill alters the time period during which the Office of Legislative Audits and the Legislative Auditor are required to audit specified State funds, programs, authorities, units, and a specified local liquor board and requires the audit of each unit of State government to be conducted at an interval ranging from 3 to 4 years unless the Legislative Auditor determines, on a per case basis, that more frequent audits are required.

Senate Bill 116, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 84.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 84

AN ACT concerning

State Government – Office of Legislative Audits – Alterations in Audit Requirements

FOR the purpose of altering the time period during which the Office of Legislative Audits and the Legislative Auditor are required to audit certain State funds, programs, authorities, units, and a certain local liquor board; altering the statutory authority under which the Office of Legislative Audits and the Legislative Auditor are required to audit certain funds, programs, and units; repealing the requirement that the Office of Legislative Audits and the Legislative Auditor perform certain audits of certain licensees, funds, and agencies; repealing the requirement for the Office of Legislative Audits to approve certain independent auditors selected by certain corporations and centers; repealing the requirement for the Legislative Auditor to concur on certain audits of community colleges performed by certain auditors in order for the audits to meet a certain requirement; repealing the requirement for the Legislative Auditor to certify a certain form completed by a certain hospital; altering the time period during which a certain corporation is required to maintain possession and custody of certain documents related to a certain audit; authorizing, rather than requiring, the Legislative Auditor to conduct certain post audit examinations and fiscal/compliance audits of certain funds; repealing the requirement for the Office of Legislative Audits and the Legislative Auditor to evaluate, audit, and summarize certain information from certain offices and agencies; altering the time period during which the Office of Legislative Audits is required to conduct a fiscal/compliance audit of each unit of the State government, except for units in the Legislative Branch; repealing the requirement for the Legislative Auditor to evaluate the utilization of certain funds allocated to certain businesses; repealing the authorization for the Legislative Auditor to audit certain accounts of a certain system and certain administrations; making stylistic changes; and generally relating to alterations in audit requirements for the Office of Legislative Audits.

BY repealing and reenacting, without amendments,

Article – Agriculture

Section 2–505(a)

Annotated Code of Maryland

(2007 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Agriculture

Section 2–505(h)

Annotated Code of Maryland

(2007 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Business Regulation
Section 4.5–203(a)(1), 4.5–703(a), and 11–101(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 4.5–203(c) and 4.5–703(e)
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

BY repealing
Article – Business Regulation
Section 11–313(d)
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

BY repealing
Article – Correctional Services
Section 3–510
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 10–201(b), 10–401(c), 10–501(f), 10–806(a), and 10–901(c)
Annotated Code of Maryland
(2008 Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 10–227, 10–414, 10–526, 10–825, and 10–911
Annotated Code of Maryland
(2008 Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Education
Section 16–315(b)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Education
Section 16–315(f)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

- BY repealing and reenacting, without amendments,
Article – Environment
Section 9–1605(a)(1) and 9–1605.1(a)(1)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)
- BY repealing and reenacting, with amendments,
Article – Environment
Section 9–1605(a)(6) and 9–1605.1(a)(6)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)
- BY repealing and reenacting, with amendments,
Article – Health – General
Section 13–1303(d)(2), 13–2206(c), and 19–216(b)(1)
Annotated Code of Maryland
(2015 Replacement Volume)
- BY repealing and reenacting, without amendments,
Article – Health – General
Section 19–201(b) and (c) and 19–216(a)
Annotated Code of Maryland
(2015 Replacement Volume)
- BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 14–402(f)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)
- BY repealing and reenacting, without amendments,
Article – Human Services
Section 11–101(c) and 11–408(a)(2) and (b)(2)
Annotated Code of Maryland
(2007 Volume and 2015 Supplement)
- BY repealing and reenacting, with amendments,
Article – Human Services
Section 11–408(b)(4)
Annotated Code of Maryland
(2007 Volume and 2015 Supplement)
- BY repealing and reenacting, without amendments,
Article – Local Government
Section 30–102(a)
Annotated Code of Maryland

(2013 Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Local Government
Section 30–106(d)(1)
Annotated Code of Maryland
(2013 Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 3–302(a)(1)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 3–302(e)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Public Safety
Section 1–309(f)(1) and 2–514
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Public Utilities
Section 7–512.1(a)(1)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 7–512.1(c)(4)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 2–701
Annotated Code of Maryland
(2015 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 2–702(b) and 3A–506(g)(1)

Annotated Code of Maryland
(2015 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – State Government
Section 2–1220, 9–1A–34, and 9–1A–35(f)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – State Government
Section 9–101(b) and (c) and 9–1A–35(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing
Article – State Government
Section 9–121
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing
Article – State Personnel and Pensions
Section 21–127
Annotated Code of Maryland
(2015 Replacement Volume)

BY repealing and reenacting, without amendments,
Article – Transportation
Section 5–101(b), 6–101(b), and 7–101(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

BY repealing
Article – Transportation
Section 5–215.1, 6–212.1, and 7–211.1
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

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

Article – Agriculture

2–505.

(a) The Maryland Agricultural Land Preservation Fund is created and continued for the purposes specified in this subtitle.

(h) The Fund [shall be audited annually] **IS SUBJECT TO AUDIT** by the Legislative Auditor [in the manner prescribed by law] **AS PROVIDED IN § 2–1220 OF THE STATE GOVERNMENT ARTICLE.**

Article – Business Regulation

4.5–203.

(a) (1) There is a Home Builder Registration Fund.

(c) The [Office of Legislative Audits shall audit the] accounts and transactions of the Registration Fund [under §] **SHALL BE SUBJECT TO AUDIT BY THE LEGISLATIVE AUDITOR IN ACCORDANCE WITH §§ 2–1220 THROUGH 2–1227** of the State Government Article.

4.5–703.

(a) The Division shall:

(1) establish a Home Builder Guaranty Fund; and

(2) maintain the Guaranty Fund at a level of at least \$1,000,000.

(e) The [Office of Legislative Audits shall audit the] accounts and transactions of the Guaranty Fund [under §] **SHALL BE SUBJECT TO AUDIT BY THE LEGISLATIVE AUDITOR IN ACCORDANCE WITH §§ 2–1220 THROUGH 2–1227** of the State Government Article.

11–101.

(i) “Licensee” means a person who has been awarded racing days for the current calendar year.

11–313.

[(d) The Office of Legislative Audits shall audit each licensee at least once every 2 years in accordance with the provisions of §§ 2–1217 through 2–1227 of the State Government Article.]

Article – Correctional Services

[3–510.

(a) The Legislative Auditor shall conduct audits of Maryland Correctional Enterprises in accordance with Title 2, Subtitle 12, Part IV of the State Government Article.

(b) The Legislative Auditor shall advise officials of Maryland Correctional Enterprises of the frequency of audits to be conducted.

(c) Maryland Correctional Enterprises shall bear the cost of the fiscal portion of a post audit examination.]

Article – Economic Development

10–201.

(b) “Authority” means the Maryland Food Center Authority.

10–227.

[(a)] The Legislative Auditor[:

(1)] may conduct a fiscal and compliance audit of the accounts and transactions of the Authority [yearly or every 2 years; and

(2) shall advise officials of the Authority whether the audit will be yearly or every 2 years.

(b) The Authority shall pay the cost of the fiscal part of the post audit examination] **AS PROVIDED IN § 2–1220 OF THE STATE GOVERNMENT ARTICLE.**

10–401.

(c) “Corporation” means the Maryland Technology Development Corporation.

10–414.

The books and records of the Corporation are subject to audit:

(1) at any time by the State; and

(2) each year by an independent auditor [that the Office of Legislative Audits approves].

10–501.

(f) “Corporation” means the Maryland Agricultural and Resource–Based Industry Development Corporation.

10–526.

The books and records of the Corporation are subject to audit:

- (1) by the State at its discretion; and
- (2) each year by an independent auditor [approved by the Office of Legislative Audits].

10–806.

- (a) There is a Maryland Clean Energy Center.

10–825.

The books and records of the Center are subject to audit:

- (1) at any time by the State; and
- (2) each year by an independent auditor [that the Office of Legislative Audits approves].

10–901.

- (c) “Corporation” means the Maryland Public–Private Partnership Marketing Corporation.

10–911.

The books and records of the Corporation are subject to audit:

- (1) at any time by the State; and
- (2) each year by an independent auditor [that the Office of Legislative Audits approves].

Article – Education

16–315.

- (b) Each community college in the State shall have an annual audit of its books of accounts, accounting procedures and principles, and other fiscal and operational methods and procedures in accordance with guidelines as prescribed by the Commission. A copy of the audit report, together with the related management letter, shall be submitted to the Commission for review and assessment and to the Legislative Auditor within 90 days of the

close of each fiscal year. The Commission shall ascertain that the community colleges are audited in accordance with this section.

(f) An audit performed by an official auditor of any county or Baltimore City approved by the Commission [with the concurrence of the Legislative Auditor] shall satisfy the annual audit requirement if it otherwise meets the requirements of this section.

Article – Environment

9–1605.

(a) (1) There is a Maryland Water Quality Revolving Loan Fund. The Water Quality Fund shall be maintained and administered by the Administration in accordance with the provisions of this subtitle and such rules or program directives as the Secretary or the Board may from time to time prescribe.

(6) The Water Quality Fund shall be subject to [biennial] audit by the Office of Legislative Audits as provided for in § 2–1220 of the State Government Article.

9–1605.1.

(a) (1) There is a Maryland Drinking Water Revolving Loan Fund. The Drinking Water Loan Fund shall be maintained and administered by the Administration in accordance with the provisions of this subtitle and such rules or program directives as the Secretary or the Board may from time to time prescribe.

(6) The Drinking Water Loan Fund shall be subject to [biennial] audit by the Office of Legislative Audits as provided for in § 2–1220 of the State Government Article.

Article – Health – General

13–1303.

(d) (2) The [Office of Legislative Audits shall audit the] accounts and transactions of the Governor’s Wellmobile Program **SHALL BE SUBJECT TO AUDIT BY THE LEGISLATIVE AUDITOR** in accordance with §§ 2–1220 through 2–1227 of the State Government Article.

13–2206.

(c) The [Office of Legislative Audits shall audit the] accounts and transactions of the Child Abuse Medical Providers (Maryland CHAMP) Initiative **SHALL BE SUBJECT TO AUDIT BY THE LEGISLATIVE AUDITOR** in accordance with §§ 2–1220 through 2–1227 of the State Government Article.

19–201.

- (b) “Commission” means the State Health Services Cost Review Commission.
- (c) “Facility” means, whether operated for a profit or not:
 - (1) Any hospital; or
 - (2) Any related institution.

19–216.

(a) At the end of the fiscal year for a facility, at least 120 days following a merger or a consolidation, and at any other interval that the Commission sets, the facility shall file:

- (1) A balance sheet that details its assets, liabilities, and net worth;
- (2) A statement of income and expenses;
- (3) The most recent Form 990 that the facility filed with the Internal Revenue Service; and
- (4) Any other report that the Commission requires about costs incurred in providing services.

- (b) (1) A report under this section shall:
 - (i) Be in the form that the Commission requires;
 - (ii) Conform to the uniform accounting and financial reporting system adopted under this subtitle; and
 - (iii) Be certified [as follows:
 - 1. For the University of Maryland Hospital, by the Legislative Auditor; or
 - 2. For any other facility, by its] **BY THE FACILITY’S** certified public accountant.

Article – Health Occupations

14–402.

(f) The [Legislative Auditor shall every 2 years audit the accounts and transactions of the] Physician Rehabilitation Program **IS SUBJECT TO AUDIT BY THE LEGISLATIVE AUDITOR** as provided in § 2-1220 of the State Government Article.

Article – Human Services

11-101.

(c) “Corporation” means the Maryland Legal Services Corporation.

11-408.

(a) (2) For any fiscal year during which State funds are available to finance any portion of the operations of the Corporation, the Legislative Auditor may audit the financial transactions of the Corporation.

(b) (2) If owned or in use by the Corporation and necessary to facilitate the audit, the Corporation shall make available to the Legislative Auditor all:

- (i) books;
- (ii) accounts;
- (iii) financial records;
- (iv) reports;
- (v) files; and
- (vi) other papers or property.

(4) Unless the Legislative Auditor requires a longer period of retention, the items listed in paragraph (2) of this subsection shall remain in the possession and custody of the Corporation for [3] 4 years.

Article – Local Government

30-102.

(a) There is a Baltimore City Police Department Death Relief Fund.

30-106.

(d) (1) The Fund shall be audited [regularly by the Legislative Auditor and] from time to time by an independent certified public accountant that the Board retains.

Article – Natural Resources

3–302.

(a) (1) There is an Environmental Trust Fund.

(e) The Legislative Auditor [shall] **MAY** conduct post audits of a fiscal and compliance nature of the Fund and of the appropriations and expenditures made for the purposes of this subtitle. The cost of the fiscal portion of the post audit examinations shall be an operating cost of the Fund.

Article – Public Safety

1–309.

(f) (1) The Legislative Auditor [shall] **MAY** conduct fiscal/compliance audits of the 9–1–1 Trust Fund and of the appropriations and disbursements made for purposes of this subtitle.

2–514.

(a) On or before April 1, 2010, and on or before April 1 of every even-numbered year thereafter, each local law enforcement unit shall report to the Governor’s Office of Crime Control and Prevention on the status of crime scene DNA collection and analysis in its respective jurisdiction for the preceding calendar year, and the Department shall report to the Governor’s Office of Crime Control and Prevention on the status of crime scene DNA collection statewide for the preceding calendar year, including:

- (1) the crimes for which crime scene DNA evidence is routinely collected;
- (2) the approximate number of crime scene DNA evidence samples collected during the preceding year for each category of crime;
- (3) the average time between crime scene DNA evidence collection and analysis;
- (4) the number of crime scene DNA evidence samples collected and not analyzed at the time of the study;
- (5) the number of crime scene DNA evidence samples submitted to the statewide DNA data base during the preceding year; and
- (6) the number of crime scene DNA evidence samples, including sexual assault evidence, collected by hospitals in the county during the preceding year.

(b) [(1)] The Governor's Office of Crime Control and Prevention shall compile the information reported by the local law enforcement units and the Department under subsection (a) of this section and [submit the information to the Office of Legislative Audits.

(2) The Office of Legislative Audits shall evaluate the information received under paragraph (1) of this subsection and] submit an annual summary report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

Article – Public Utilities

7-512.1.

(a) (1) The Commission shall establish an electric universal service program to assist electric customers with annual incomes at or below 175% of the federal poverty level.

(c) (4) The [Office of Legislative Audits shall conduct an audit of the] electric universal service program [at least once every 3 years and shall report the results of the audit] **SHALL BE SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS** in accordance with [§ 2-1224] **§§ 2-1220 THROUGH 2-1227** of the State Government Article.

Article – State Finance and Procurement

2-701.

In this subtitle, “ethnic affairs unit” means:

- (1) the Commission on African American History and Culture;
- (2) the Commission on Indian Affairs; and
- (3) the Office of Asian-Pacific American Affairs.

2-702.

(b) An ethnic affairs unit receiving funds under this section shall be subject to [an annual fiscal] audit by the Legislative Auditor **AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.**

3A-506.

(g) (1) The Legislative Auditor [shall] **MAY** conduct postaudits of a fiscal and compliance nature of the Universal Service Trust Fund and the expenditures made for purposes of § 3A-504(a) of this subtitle and § 3A-602(a) of this title.

Article – State Government

2–1220.

(a) (1) In this subsection, “unit” includes each State department, agency, unit, and program, including each clerk of court and each register of wills.

(2) (i) [At least once every 3 years, the] **THE** Office of Legislative Audits shall conduct a fiscal/compliance audit of each unit of the State government, except for units in the Legislative Branch.

(II) THE AUDIT OF EACH UNIT SHALL BE CONDUCTED AT AN INTERVAL RANGING FROM 3 TO 4 YEARS UNLESS THE LEGISLATIVE AUDITOR DETERMINES, ON A CASE-BY-CASE BASIS, THAT MORE FREQUENT AUDITS ARE REQUIRED.

[(ii)] (III) In determining the audit [schedule] **INTERVAL** for a unit, the Office of Legislative Audits shall take into consideration:

1. the materiality and risk of the unit’s fiscal activities with respect to the State’s fiscal activities;
2. the complexity of the unit’s fiscal structure; and
3. the nature and extent of audit findings in the unit’s prior audit reports.

[(iii)] (IV) Each agency or program may be audited separately or as part of a larger organizational unit of State government.

(3) Performance audits or financial statement audits shall be conducted when authorized by the Legislative Auditor, when directed by the Joint Audit Committee or the Executive Director, or when otherwise required by law.

(4) (i) In addition to the audits required under paragraph (2) of this subsection, the Office of Legislative Audits may conduct a review when the objectives of the work to be performed can be satisfactorily fulfilled without conducting an audit as prescribed in § 2–1221 of this subtitle.

(ii) 1. The Office of Legislative Audits has the authority to conduct a separate investigation of an act or allegation of fraud, waste, or abuse in the obligation, expenditure, receipt, or use of State resources.

2. The Legislative Auditor shall determine whether an investigation shall be conducted in conjunction with an audit undertaken in accordance with this subsection or separately.

(5) If, on request of the Comptroller, the Joint Audit Committee so directs, the Office of Legislative Audits shall audit or review a claim that has been presented to the Comptroller for payment of an expenditure or disbursement and that is alleged to have been made by or for an officer or unit of the State government.

(6) The Office of Legislative Audits shall conduct an audit or review to determine the accuracy of information about or procedures of a unit of the State government, as directed by the Joint Audit Committee or the Executive Director.

(b) If the General Assembly, by resolution, or the Joint Audit Committee so directs, the Office of Legislative Audits shall conduct an audit or review of a corporation or association to which the General Assembly has appropriated money or that has received funds from an appropriation from the State Treasury.

(c) The Office of Legislative Audits may audit any county officer or unit that collects State taxes.

(d) (1) The Office of Legislative Audits shall review any audit report prepared under the authority of:

(i) §§ 16–305 through 16–308 of the Local Government Article, with respect to a county, municipal corporation, or taxing district; or

(ii) § 16–315 of the Education Article, with respect to a community college.

(2) The results of any review made by the Office of Legislative Audits under paragraph (1) of this subsection shall be reported as provided in § 2–1224 of this subtitle.

(e) (1) At least once every 6 years, the Office of Legislative Audits shall conduct an audit of each local school system to evaluate the effectiveness and efficiency of the financial management practices of the local school system.

(2) The audits may be performed concurrently or separately.

(3) The Office of Legislative Audits shall provide information regarding the audit process to the local school system before the audit is conducted.

(f) (1) At least once every [3] 4 years, the Office of Legislative Audits shall conduct a performance audit of the Board of Liquor License Commissioners for Baltimore City to evaluate the effectiveness and efficiency of the management practices of the Board and of the economy with which the Board uses resources.

(2) The performance audit shall focus on operations relating to liquor inspections, licensing, disciplinary procedures, and management oversight.

9–101.

- (b) “Agency” means the State Lottery and Gaming Control Agency.
- (c) “Commission” means the State Lottery and Gaming Control Commission.

[9–121.

(a) (1) The Legislative Auditor shall audit the accounts and transactions of the Agency as provided in § 2–1220 of this article.

(2) If the Legislative Auditor gives the Agency advance notice, the Legislative Auditor may conduct annually a fiscal and compliance audit of the accounts and transactions of the Agency.

- (b) The Agency shall pay the cost of the fiscal part of each audit.]

9–1A–34.

[(a)] The Commission shall make an annual report to the Governor and, subject to § 2–1246 of this article, to the General Assembly:

- (1) on the operation and finances of the video lottery facilities;
- (2) with the assistance of local police departments and the Department of State Police, detailing the crimes that occur within the communities surrounding a video lottery facility; and
- (3) on the attainment of minority business participation goals specified for licensees under § 9–1A–10(a)(1) and (2) of this subtitle and the efforts by licensees to maintain those goals.

[(b)] Each fiscal year the Legislative Auditor shall audit and evaluate the information submitted to the Commission by licensees under subsection (a)(3) of this section, with special emphasis on the licensee’s utilization of contractors across a broad spectrum of its business activities, including those that are functionally related to the gaming industry.]

9–1A–35.

(a) There is a Small, Minority, and Women–Owned Businesses Account under the authority of the Board of Public Works.

(f) [Each fiscal year the] **THE** Legislative Auditor shall audit [and evaluate] the utilization of the funds that are allocated to small, minority, and women–owned businesses

by eligible fund managers under subsection (c)(3) of this section **DURING AN AUDIT OF THE APPLICABLE STATE UNIT AS PROVIDED IN § 2-1220 OF THIS ARTICLE.**

Article – State Personnel and Pensions

[21-127.

The Legislative Auditor:

(1) may conduct an annual or biennial fiscal and compliance audit of the accounts and transactions of the several systems; and

(2) shall advise officials of the several systems whether the audit will be annual or biennial.]

Article – Transportation

5-101.

(b) “Administration” means the Maryland Aviation Administration.

[5-215.1.

At his discretion, the Legislative Auditor may conduct an annual audit of a fiscal and compliance nature of the accounts and transactions of the Administration in place of conducting these audits on a biennial basis. Officials of the Administration shall be advised whether annual or biennial audits will be conducted. The cost of the fiscal portion of the post audit examinations shall be borne by the Administration.]

6-101.

(b) “Administration” means the Maryland Port Administration.

[6-212.1.

At his discretion, the Legislative Auditor may conduct an annual audit of a fiscal and compliance nature of the accounts and transactions of the Administration in place of conducting these audits on a biennial basis. Officials of the Administration shall be advised whether annual or biennial audits will be conducted. The cost of the fiscal portion of the post audit examinations shall be borne by the Administration.]

7-101.

(b) “Administration” means the Maryland Transit Administration.

[7-211.1.

At his discretion, the Legislative Auditor may conduct an annual audit of a fiscal and compliance nature of the accounts and transactions of the Administration in place of conducting these audits on a biennial basis. Officials of the Administration shall be advised whether annual or biennial audits will be conducted. The cost of the fiscal portion of the post audit examinations shall be borne by the Administration.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 122 – *Critical Area Commission for the Chesapeake and Atlantic Coastal Bays – Membership From Ocean City*.

This bill authorizes the Mayor of Ocean City to appoint a designee of the Mayor as a member of the Critical Area Commission for the Chesapeake and Atlantic Coastal Bays, and establishes that a member from the Atlantic Coastal Bays Watershed who is the Mayor of Ocean City or the designee of the Mayor is not subject to the advice and consent of the Senate.

Senate Bill 132, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 122.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 122

AN ACT concerning

**Critical Area Commission for the Chesapeake and Atlantic Coastal Bays
– Membership From Ocean City**

FOR the purpose of authorizing the Mayor of Ocean City to appoint a designee of the Mayor as a member of the Critical Area Commission for the Chesapeake and Atlantic Coastal Bays; establishing that a certain member of the Commission who is the Mayor of Ocean City or the designee of the Mayor is not subject to the advice and consent of the Senate; and generally relating to membership from Ocean City on the Critical Area Commission for the Chesapeake and Atlantic Coastal Bays.

BY repealing and reenacting, without amendments,
 Article – Natural Resources
 Section 8–1803(a)
 Annotated Code of Maryland
 (2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
 Article – Natural Resources
 Section 8–1804(a)
 Annotated Code of Maryland
 (2012 Replacement Volume and 2015 Supplement)

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

Article – Natural Resources

8–1803.

(a) There is a Critical Area Commission for the Chesapeake and Atlantic Coastal Bays in the Department.

8–1804.

(a) (1) The Commission consists of 29 voting members who are appointed by the Governor, as follows:

(i) A full–time chairman, appointed with the advice and consent of the Senate, who shall serve at the pleasure of the Governor;

(ii) 13 individuals, appointed with the advice and consent of the Senate, each of whom is a resident and an elected or appointed official of a local jurisdiction. At least 1 of these 13 individuals must be an elected or appointed official of a municipality. These individuals shall serve on the Commission only while they hold local office. Each shall be selected from certain counties or from municipalities within the counties as follows, and only after the Governor has consulted with elected county and municipal officials:

1. 1 from each of Baltimore City and Anne Arundel, Baltimore, and Prince George’s counties;

2. 1 from Harford County or Cecil County;
3. 1 from Kent County or Queen Anne’s County;
4. 1 from Caroline County;
5. 1 from Talbot County or Dorchester County;
6. 1 from Wicomico County or Somerset County;
7. 2 from Calvert County, Charles County, or St. Mary’s County, both of whom may not be from the same county; and
8. 2 from Worcester County, 1 of whom shall be a resident of the Chesapeake Bay Watershed and the other of whom shall be a resident of the Atlantic Coastal Bays Watershed;

(iii) 8 individuals, appointed with the advice and consent of the Senate, who shall represent diverse interests, and among whom shall be a resident from each of the 5 counties that are listed and from which an appointment has not been made under paragraph (2) of this subsection and 3 of the 8 members appointed under this item shall be at large members, 1 of whom shall be a private citizen and resident of the Atlantic Coastal Bays Watershed; and

(iv) The Secretaries of Agriculture, Commerce, Housing and Community Development, the Environment, Transportation, Natural Resources, and Planning, ex officio, or the designee of the Secretaries.

(2) **(I)** Of the 2 Worcester County members from the Atlantic Coastal Bays Watershed, 1 shall be the Mayor of Ocean City **OR THE DESIGNEE OF THE MAYOR.**

(II) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, A MEMBER FROM THE ATLANTIC COASTAL BAYS WATERSHED WHO IS THE MAYOR OF OCEAN CITY OR THE DESIGNEE OF THE MAYOR IS NOT SUBJECT TO THE ADVICE AND CONSENT OF THE SENATE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House

H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 169 – *Carroll County – Turkey Hunting on Private Property – Sundays*.

This bill authorizes a person to hunt turkey on private property on Sundays during the spring turkey hunting season in Carroll County and makes the Act an emergency measure.

Senate Bill 219, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 169.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 169

AN ACT concerning

Carroll County – Turkey Hunting on Private Property – Sundays

FOR the purpose of authorizing a person to hunt turkey on private property on certain Sundays in Carroll County; making this Act an emergency measure; and generally relating to turkey hunting on Sundays in Carroll County.

BY repealing and reenacting, without amendments,
Article – Natural Resources
Section 10-410(a)(1)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 10-410(a)(2)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

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

Article – Natural Resources

10-410.

(a) (1) Except as provided in paragraphs (2), (3), (4), (6), (7), (8), and (9) of this subsection, a person may not hunt any game bird or mammal on Sundays.

(2) The following persons may hunt the specified game birds and mammals on Sundays:

(i) A person using State certified raptors to hunt game birds or mammals during open season;

(ii) An unarmed person participating in an organized fox chase to chase foxes;

(iii) Provided that the provisions of § 10–906(b)(3) of this title are met, a person:

1. Using a regulated shooting ground under § 10–906 of this title to hunt the following pen-reared game birds:

A. Pheasants;

B. Bobwhite quail;

C. Chukar partridge;

D. Hungarian partridge;

E. Tower released flighted mallard ducks; and

F. Turkey on a regulated shooting ground that was permitted to release turkey before September 1, 1992; and

2. Having the written permission of the owner of the land or other person designated by the owner of the land, if the land is owned or leased by a person other than the person hunting on Sundays;

(iv) Subject to the provisions of § 10–411 of this subtitle, in Calvert, Caroline, Carroll, Charles, Dorchester, Harford, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico, and Worcester counties, a person hunting deer on private property with a bow and arrow or crossbow during open season on the last three Sundays in October and the second Sunday in November;

(v) In Calvert County, Caroline County, **CARROLL COUNTY**, Charles County, Dorchester County, and St. Mary's County, a person hunting turkey on private property on any Sunday during the spring turkey hunting season; and

(vi) In Dorchester County, a person hunting turkey on public land that is designated for hunting by the Department on any Sunday during the spring turkey hunting season.

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.

April 5, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 172 – *Anne Arundel County Board of Education and School Board Nominating Commission*.

On its face, House Bill 172 is unconstitutional because it only terminates the terms of the Governor’s members of the Anne Arundel County School Board Nominating Commission. This action by the Legislature violates the separation of powers doctrine as outlined by the Court of Appeals in *Schisler v. State*, 394 Md. 519 (2006). While the General Assembly may change the appointment method of prospective members of a governmental body, it cannot abrogate the Governor’s authority under Article II, Section 15 of the Maryland Constitution by terminating his current appointees prior to the expiration of the their terms.

In its current form, Section 3-110 of the Education Article of the Maryland Code provides that the Governor shall appoint five of the eleven members of the School Board Nominating Commission of Anne Arundel County, with each member serving a four-year term. Section 2 of House Bill 172, however, provides for premature termination, *i.e.*, removal, of the Governor’s incumbent members, an improper reconstitution of the Commission that the Court of Appeals has found to be an unconstitutional “usurpation of executive power in violation of Article II, [Sections] 1, 9 and 15 of the Maryland Constitution” and a “violation of Article 8 of the Declaration of Rights of Maryland.” *Schisler*, 394 Md. at 596. Ultimately, the Governor’s appointees must remain in office until the end of their terms, unless terminated earlier by the Governor pursuant to Article II, Section 15 of the Maryland Constitution.

In addition to the legal flaws with the bill, House Bill 172 also unnecessarily injects the politics of the General Assembly into a local school issue and significantly diminishes public accountability by adding commission members appointed by private advocacy organizations instead of elected officials. A recent *Baltimore Sun* editorial stated that House Bill 172 “goes too far to dilute public accountability” by skewing the membership of the Commission towards special interest groups instead of those who answer to the broader education community.

I am open to a dialog with the General Assembly on ways to improve the process for appointing school board members to ensure that they reflect the needs and values of Anne Arundel County, including legislation to provide for direct election of school board members by the voters or appointment by a local authority such as the County Executive.

House Bill 172 is not the appropriate vehicle to ensure public accountability of the nominating process for members of the Anne Arundel County Board of Education. For these reasons, I have vetoed House Bill 172.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 172

AN ACT concerning

Anne Arundel ~~County~~ County Board of Education and School Board Nominating Commission ~~Membership~~

FOR the purpose of altering the membership of the School Board Nominating Commission of Anne Arundel County ~~to provide that, beginning on a certain date and every certain number of years thereafter, one member shall be appointed by certain chambers of commerce on a rotating basis in a specified order; altering the term of the member appointed by a chamber of commerce;~~ requiring each member of the Commission to be a resident of Anne Arundel County; prohibiting, with a certain exception, a member of the Commission from being an employee of a county school board; altering the method of selecting and the term of the chair of the Commission; authorizing the reappointment of a member of the Commission; specifying the terms of certain members of the Commission; prohibiting a member of the Commission from serving more than a certain number of years; altering the entity required to provide staff for the Commission; requiring the affirmative vote of a certain number of members of the Commission for the approval of any action; prohibiting a member of the Commission from voting by proxy; requiring the Commission to require each applicant for a certain nomination to complete an application that includes certain information and a certain declaration; requiring the Commission to consult the Maryland Judiciary Case Search to verify certain statements; requiring a certain member of the Anne Arundel County Board of Education to resign effective a certain

number of days after certification of certain election results; prohibiting a certain member of the Board from continuing to serve under certain circumstances; providing for the termination of the ~~term of a certain member~~ terms of certain members of the Commission; and generally relating to the ~~membership of the Anne Arundel County Board of Education and the School Board Nominating Commission~~ of Anne Arundel County.

BY repealing and reenacting, with amendments,
 Article – Education
 Section 3–110(b) and (c)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 Supplement)

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

Article – Education

3–110.

(b) (1) (i) There is a School Board Nominating Commission of Anne Arundel County.

(ii) The purpose of the Commission is to select nominees to be recommended to the Governor as qualified candidates for appointment to the Anne Arundel County Board of Education.

(iii) The Commission shall hold at least two public hearings on the selection of nominees before recommending to the Governor nominees for appointment to the county board.

(2) ~~(i)~~ The Commission consists of ~~11~~ **THE FOLLOWING 13** members ~~who shall be appointed in accordance with this paragraph.~~

~~(ii) The Governor shall appoint five members, one from each legislative district that lies in whole or in part in Anne Arundel County.~~

~~(iii) The County Executive of Anne Arundel County shall appoint one member from the county at large.~~

~~(iv) The following organizations shall each appoint one member:~~

~~1. The Teachers Association of Anne Arundel County;~~

~~2. [The Annapolis and Anne Arundel County Chamber of Commerce;~~

~~3.] The Anne Arundel County Council of Parent Teacher Associations;~~

~~[4.] 3. The Anne Arundel County Community College Board of Trustees; and~~

~~[5.] 4. The Association of Educational Leaders (AEL);:~~

(I) THREE MEMBERS APPOINTED BY THE COUNTY EXECUTIVE OF ANNE ARUNDEL COUNTY FROM THE COUNTY AT LARGE:

1. ONE OF WHOM SHALL BE A PARENT OF A CHILD ENROLLED IN THE ANNE ARUNDEL COUNTY PUBLIC SCHOOL SYSTEM; AND

2. NO MORE THAN ONE OF WHOM MAY BE A CURRENT EMPLOYEE OF ANNE ARUNDEL COUNTY;

(II) ONE MEMBER APPOINTED BY THE TEACHERS ASSOCIATION OF ANNE ARUNDEL COUNTY;

(III) ONE MEMBER APPOINTED BY THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CHAMBER OF COMMERCE;

(IV) ONE MEMBER APPOINTED BY THE ANNE ARUNDEL COUNTY COMMUNITY COLLEGE BOARD OF TRUSTEES;

(V) ONE MEMBER APPOINTED BY THE ASSOCIATION OF EDUCATIONAL LEADERS (AEL);

(VI) TWO MEMBERS APPOINTED BY THE ANNE ARUNDEL COUNTY COUNCIL OF PARENT TEACHER ASSOCIATIONS WHO MAY NOT:

1. BE AFFILIATED WITH A TEACHERS' UNION OR ASSOCIATION; OR

2. BE A CURRENT EMPLOYEE OF ANNE ARUNDEL COUNTY;

(VII) ONE MEMBER APPOINTED BY THE ANNE ARUNDEL COUNTY BRANCH OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE (NAACP);

(VIII) ONE MEMBER APPOINTED BY CASA DE MARYLAND;

(IX) ONE MEMBER APPOINTED BY THE ANNE ARUNDEL SPECIAL EDUCATION CITIZENS' ADVISORY COMMITTEE WHO IS A PARENT OF A CHILD WITH SPECIAL NEEDS IN THE ANNE ARUNDEL COUNTY PUBLIC SCHOOL SYSTEM; AND

~~(v)~~ (X) BEGINNING ~~JULY~~ JUNE 1, 2016, AND EVERY 2 YEARS THEREAFTER, ONE MEMBER ~~SHALL BE~~ APPOINTED BY A CHAMBER OF COMMERCE BASED IN ANNE ARUNDEL COUNTY ON A ROTATING BASIS IN THE FOLLOWING ORDER:

1. THE WEST ANNE ARUNDEL COUNTY CHAMBER OF COMMERCE;

2. THE NORTHERN ANNE ARUNDEL COUNTY CHAMBER OF COMMERCE;

3. THE SOUTHERN ANNE ARUNDEL CHAMBER OF COMMERCE;

4. THE GREATER CROFTON CHAMBER OF COMMERCE;
AND

5. THE GREATER SEVERNA PARK AND ARNOLD CHAMBER OF COMMERCE;~~AND~~

~~6. THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CHAMBER OF COMMERCE.~~

(3) (I) EACH MEMBER OF THE COMMISSION MUST BE A RESIDENT OF ANNE ARUNDEL COUNTY.

(II) EXCEPT FOR THE MEMBERS APPOINTED UNDER PARAGRAPH (2)(II) AND (V) OF THIS SUBSECTION, A MEMBER OF THE COMMISSION MAY NOT BE A CURRENT EMPLOYEE OF A COUNTY SCHOOL BOARD.

~~(3) (4) (i) The Governor shall designate as chair of the Commission one of the five members appointed by the Governor under paragraph (2)(ii) of this subsection~~
COMMISSION SHALL SELECT A CHAIR FROM AMONG ITS MEMBERS.

(ii) The term of the chair of the Commission is ~~4~~ 2 years.

~~(iii) The Governor may reappoint the chair of the Commission for a second term.~~

~~(iv)~~ **(5)** ~~1. (I)~~ [The] **EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH SUBPARAGRAPH (II) OF THIS PARAGRAPH,** THE term of a member of the Commission is 4 years.

~~2. (II)~~ **THE TERM OF A MEMBER APPOINTED BY A CHAMBER OF COMMERCE UNDER PARAGRAPH (2)(X) OF THIS SUBSECTION IS 2 YEARS.**

(III) A MEMBER MAY BE REAPPOINTED BUT MAY NOT SERVE MORE THAN 8 YEARS.

~~(4)~~ **(6)** The ~~Department of Legislative Services~~ **ANNE ARUNDEL COUNTY BOARD OF EDUCATION** shall provide staff for the Commission.

(7) (I) THE AFFIRMATIVE VOTE OF AT LEAST EIGHT MEMBERS OF THE COMMISSION IS REQUIRED FOR THE APPROVAL OF ANY ACTION.

(II) A MEMBER OF THE COMMISSION MAY NOT VOTE BY PROXY.

(8) (I) THE COMMISSION SHALL REQUIRE EACH APPLICANT FOR NOMINATION TO COMPLETE AN APPLICATION THAT INCLUDES:

- 1. THE FULL NAME AND ADDRESS OF THE INDIVIDUAL;**
- 2. ANY FORMER NAME USED BY THE INDIVIDUAL;**
- 3. A STATEMENT AS TO WHETHER THE INDIVIDUAL HAS ANY CONVICTION FOR A CRIME THAT:**
 - A. RELATES TO THE RESPONSIBILITIES OF A MEMBER OF THE COUNTY BOARD; AND**
 - B. HAS NOT BEEN EXPUNGED OR OTHERWISE SHIELDED;**
- 4. A STATEMENT AS TO WHETHER THE INDIVIDUAL HAS BEEN ADJUDGED BANKRUPT OR INSOLVENT; AND**
- 5. A DECLARATION THAT THE STATEMENTS MADE IN THE APPLICATION ARE TRUE, CORRECT, AND COMPLETE TO THE BEST OF THE INDIVIDUAL'S KNOWLEDGE AND BELIEF.**

(II) THE COMMISSION SHALL CONSULT THE MARYLAND JUDICIARY CASE SEARCH TO VERIFY THE STATEMENTS MADE BY THE APPLICANT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

~~(5)~~ **(9)** Beginning January 1, 2008, for each nomination to the county board, the Commission shall submit to the Governor a list of nominees that contains:

(i) At least two names for each vacancy; or

(ii) If there are fewer than two applicants for a vacancy, the number of names that is equal to the number of applicants for the vacancy.

(c) (1) Following the appointment of a member of the Anne Arundel County Board of Education by the Governor, a member may serve for the remainder of the member's term, as provided in § 3-108(c) of this subtitle, subject to the approval or rejection of the registered voters of the county at the next general election.

(2) A member of the county board is eligible for nomination and reappointment for a second consecutive term in accordance with the provisions of subsections (a) and (b) of this section.

(3) (i) The approval or rejection of a member of the county board by the registered voters of the county provided for in subparagraph (ii) of this paragraph shall be a vote for the member's retention or removal.

(ii) On receipt of the notice required under § 5-301(h) of the Election Law Article, the name of the member of the county board shall be placed on the appropriate ballot and shown, without opposition, and the voters shall vote for or against the member's retention as a member of the county board.

(4) If the voters reject the retention of the member, or the vote is tied:

(i) The position shall become vacant 10 days after certification of the election returns; [and]

(ii) The member [serves until a successor is appointed and qualifies] **SHALL RESIGN FROM THE COUNTY BOARD EFFECTIVE 10 DAYS AFTER CERTIFICATION OF THE ELECTION RETURNS; AND**

(iii) **THE MEMBER MAY NOT CONTINUE TO SERVE ON THE COUNTY BOARD.**

SECTION 2. AND BE IT FURTHER ENACTED, That the ~~term of the member terms~~ of the members of the School Board Nominating Commission of Anne Arundel County who ~~was were~~ appointed by the ~~Annapolis and Anne Arundel County Chamber of Commerce~~ and is Governor and are in office on the effective date of this Act shall terminate ~~at the end of June 30~~ on June 1, 2016.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 190 – *Civil Remedies for Shoplifting and Employee Theft*.

This bill repeals a specified provision of law providing that a responsible person is civilly liable to a merchant for specified civil penalties for shoplifting and employee theft, alters requirements for specified demand letters relating to alleged acts of shoplifting or employee theft, and provides that a responsible person who prevails in a specified civil action is entitled to an award of court costs and reasonable attorney's fees, under specified circumstances.

Senate Bill 508, which was passed by the General Assembly and went into effect without my signature, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 190.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 190

AN ACT concerning

Civil ~~Penalties~~ Remedies for Shoplifting and Employee Theft —Repeal

FOR the purpose of ~~repealing certain provisions establishing liability to a merchant for civil penalties for shoplifting and employee theft~~ repealing a certain provision of law providing that a responsible person is civilly liable to a merchant for certain civil penalties for shoplifting and employee theft; altering requirements for certain demand letters relating to alleged acts of shoplifting or employee theft; providing that a responsible person who prevails in a certain civil action is entitled to an award of court costs and reasonable attorney's fees, under certain circumstances; requiring a court to reduce the amount of restitution awarded in a certain criminal proceeding by an amount equal to certain damages; prohibiting a person from taking certain actions in recovering or attempting to recover certain damages; establishing a certain penalty for certain violations; requiring certain merchants to report certain information to the Department of Labor, Licensing, and Regulation on or before a certain date; providing

for the termination of a certain provision of this Act; making stylistic and conforming changes; and generally relating to civil ~~penalties~~ remedies for shoplifting and employee theft.

~~BY repealing~~

~~Article – Courts and Judicial Proceedings
Section 3-1301 through 3-1308 and the subtitle “Subtitle 13. Civil Penalties for Shoplifting and Employee Theft”
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,

*Article – Courts and Judicial Proceedings
Section 3-1301, 3-1302, 3-1304, 3-1307, and 3-1308
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)*

BY repealing and reenacting, with amendments,

*Article – Courts and Judicial Proceedings
Section 3-1303, 3-1305, and 3-1306
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)*

BY adding to

*Article – Courts and Judicial Proceedings
Section 3-1306.1 and 3-1309
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)*

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

Article – Courts and Judicial Proceedings

~~¶~~Subtitle 13. ~~Civil Penalties~~ **REMEDIES** for Shoplifting and Employee Theft.~~¶~~

~~¶~~3-1301.

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

(b) “Employee theft” means the theft of any merchandise from a mercantile establishment by an employee, agent, or contractor of the mercantile establishment.

(c) “Mercantile establishment” means any place where merchandise is displayed, held, or offered for sale, either at retail or wholesale.

(d) “Merchandise” means any goods, wares, commodity, money, or other personal property located on the premises of a mercantile establishment.

(e) “Merchant” means the owner or operator of a mercantile establishment.

(f) “Responsible person” means:

(1) Any individual, whether an adult or a minor, who commits or attempts to commit an act of shoplifting or employee theft; and

(2) The parents or legal guardians of an unemancipated minor who commits or attempts to commit an act of shoplifting or employee theft.

(g) “Shoplift” means any 1 or more of the following acts committed by a person without the consent of the merchant and with the purpose or intent of appropriating merchandise to that person’s own use without payment, obtaining merchandise at less than its stated sales price, or otherwise depriving a merchant of all or any part of the value or use of merchandise:

(1) Removing any merchandise from its immediate place of display or from any other place on the premises of the mercantile establishment;

(2) Obtaining or attempting to obtain possession of any merchandise by charging that merchandise to another person without the authority of that person or by charging that merchandise to a fictitious person;

(3) Concealing any merchandise;

(4) Substituting, altering, removing, or disfiguring any label or price tag;

(5) Transferring any merchandise from a container in which that merchandise is displayed or packaged to any other container; or

(6) Disarming any alarm tag attached to any merchandise.†

†3-1302.

A responsible person is civilly liable to the merchant:

(1) To restore the merchandise to the merchant or, if the merchandise is not recoverable, has been damaged, or otherwise has lost all or part of its value, to pay the merchant an amount equal to the merchant’s stated sales price for the merchandise; **AND**

(2) To pay the merchant for any other actual damages sustained by the merchant, not including the loss of time or wages incurred in connection with the apprehension or prosecution of the shoplifter or employee; ~~and~~

~~(3) Subject to the merchant's compliance with the procedures contained in § 3-1303 of this subtitle, to pay the merchant a civil penalty equal to twice the merchant's stated sales price for the merchandise, but not less than \$50 nor more than \$1,000.~~

~~§ 3-1303.~~

~~(a) If a merchant elects to seek the civil penalty available under § 3-1302(3) of this subtitle, the merchant:~~

~~(1) Shall comply with the procedures contained in this section;~~

~~(2) May not orally request or accept any payment at the time of apprehension; and~~

~~(3) May not accept any payment in cash without issuing a receipt for the payment.~~

~~(b) (A)~~ (1) **The IF A MERCHANT ELECTS TO SEEK THE DAMAGES AVAILABLE UNDER § 3-1302 OF THIS SUBTITLE, THE merchant shall cause an initial demand letter, PREPARED BY A LAWYER ADMITTED TO PRACTICE LAW IN THE STATE, to be:**

(i) Hand delivered personally to the responsible person; or

(ii) Mailed to the responsible person at that person's last known address **BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.**

(2) The initial demand letter shall:

(i) Identify the act of shoplifting or employee theft alleged to have been committed, **INCLUDING THE DATE AND TIME THE ACT IS ALLEGED TO HAVE OCCURRED;**

(II) SPECIFY THE BASIS ON WHICH THE RESPONSIBLE PERSON OR, IF APPLICABLE, THE CHILD OF THE RESPONSIBLE PERSON HAS BEEN ACCUSED OF THE ACT OF SHOPLIFTING OR EMPLOYEE THEFT;

~~(ii) (III)~~ Specify the amount of damages sought under § 3-1302(1) and (2) of this subtitle;

~~(iii) Specify the amount of the civil penalty sought under § 3-1302(3) of this subtitle and explain the method of calculating that amount;~~

(iv) Request payment of the damages ~~and civil penalty~~ by cash, money order, certified check, or cashier's check;

(v) Contain a conspicuous notice advising the responsible person that payment of the damages ~~and civil penalty~~ does not preclude the possibility of criminal prosecution, but that the payment would not be admissible in any criminal proceeding as an admission or evidence of guilt; ~~and~~

(vi) Specify the date by which the responsible person shall make the required payment to avoid civil action, which date shall be at least 15 days after the date of hand delivery or from the postmark date, as the case may be, of the initial demand letter; AND

(VII) SPECIFY THAT, IF THE RESPONSIBLE PERSON DISPUTES LIABILITY FOR THE ALLEGED ACT OF SHOPLIFTING OR EMPLOYEE THEFT:

1. THE RESPONSIBLE PERSON MAY REFUSE TO PAY THE DAMAGES; AND

2. IF THE RESPONSIBLE PERSON PREVAILS IN A CIVIL SUIT FOR DAMAGES ARISING FROM THE ALLEGED ACT OF SHOPLIFTING OR EMPLOYEE THEFT, THE RESPONSIBLE PERSON IS ENTITLED TO AN AWARD OF COURT COSTS AND REASONABLE ATTORNEY'S FEES.

(3) IF APPLICABLE, THE MERCHANT SHALL CAUSE A COPY OF ANY POLICE REPORT CONCERNING THE ALLEGED ACT OF SHOPLIFTING OR EMPLOYEE THEFT TO BE ATTACHED TO THE INITIAL DEMAND LETTER.

~~(B)~~ **(B)** (1) If payment in full is not received by the merchant on or before the date specified in the initial demand letter, the merchant shall cause a second demand letter, **PREPARED BY A LAWYER ADMITTED TO PRACTICE LAW IN THE STATE**, to be mailed to the responsible person at that person's last known address **BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.**

(2) The second demand letter shall:

(i) Contain the same information, request for payment, and notice that is required by subsection ~~(b)(2)(i) through (v)~~ **(A)(2)(I) THROUGH (VII)** of this section for an initial demand letter;

(ii) Specify the date by which the responsible person shall make the required payment to avoid civil action, which date shall be at least 10 days from the postmark date of the second demand letter; and

(iii) Advise the responsible person that, if the required payment is not made in full on or before the date specified in the second demand letter, the responsible person will be subject to immediate institution of a civil suit for damages, ~~penalties~~, court costs, and reasonable attorney's fees.

~~(d)~~ **(C)** The merchant shall get a certificate of mailing from the U.S. Postal Service for each initial demand letter and second demand letter mailed to a responsible person under this section.†

†3-1304.

A responsible person who complies fully with an initial demand letter or a second demand letter on or before the date specified in that demand letter may not incur any further civil liability to the merchant for damages arising out of the act of shoplifting or employee theft that was the subject of the demand letter.†

†3-1305.

(a) If the second demand letter is returned unclaimed to the merchant or if full payment is not otherwise received by the merchant on or before the date specified in the second demand letter, the merchant may file a civil action to recover the damages ~~and the civil penalty~~ provided for in § 3-1302 of this subtitle, together with court costs and reasonable attorney's fees.

(b) IN A CIVIL ACTION BROUGHT UNDER THIS SUBTITLE, THE MERCHANT SHALL SUBMIT PROOF TO THE COURT THAT THE MERCHANT COMPLIED WITH ALL REQUIREMENTS UNDER § 3-1303 OF THIS SUBTITLE CONCERNING DEMAND LETTERS.

(C) If the merchant prevails in a civil action brought under this subtitle, the merchant shall also be entitled to an award of court costs and reasonable attorney's fees, to be assessed without regard to the ability of the responsible person to pay.†

(D) IF THE RESPONSIBLE PERSON PREVAILS IN A CIVIL ACTION BROUGHT UNDER THIS SUBTITLE, THE RESPONSIBLE PERSON SHALL BE ENTITLED TO AN AWARD OF COURT COSTS AND REASONABLE ATTORNEY'S FEES, TO BE ASSESSED WITHOUT REGARD TO THE ABILITY OF THE MERCHANT TO PAY.

†3-1306.

(a) Criminal prosecution for an offense of theft under § 7-104 of the Criminal Law Article is not a prerequisite to the maintenance of a civil action under this subtitle.

(b) The recovery of damages ~~and penalties~~ under this subtitle does not preclude criminal prosecution. ~~However, the~~

(C) THE payment of damages ~~and penalties~~ under this subtitle is not admissible in any criminal proceeding as an admission of guilt or as evidence of guilt.†

(D) A COURT SHALL REDUCE THE AMOUNT OF ANY RESTITUTION AWARDED IN A CRIMINAL PROCEEDING REGARDING AN ACT FOR WHICH A RESPONSIBLE PERSON HAS PAID DAMAGES UNDER THIS SUBTITLE BY AN AMOUNT EQUAL TO THOSE DAMAGES.

3-1306.1.

(A) IN RECOVERING OR ATTEMPTING TO RECOVER DAMAGES ARISING FROM AN ALLEGED ACT OF SHOPLIFTING OR EMPLOYEE THEFT UNDER THIS SUBTITLE, A PERSON MAY NOT:

(1) USE OR THREATEN FORCE OR VIOLENCE;

(2) COMMUNICATE WITH A RESPONSIBLE PERSON, IN A MANNER THAT REASONABLY CAN BE EXPECTED TO ABUSE OR HARASS THE RESPONSIBLE PERSON, INCLUDING COMMUNICATING WITH EXCESSIVE FREQUENCY OR AT UNUSUAL HOURS;

(3) USE OBSCENE OR GROSSLY ABUSIVE LANGUAGE IN COMMUNICATING WITH THE RESPONSIBLE PERSON;

(4) CLAIM, ATTEMPT, OR THREATEN TO ENFORCE A RIGHT WITH KNOWLEDGE THAT THE RIGHT DOES NOT EXIST; OR

(5) USE A COMMUNICATION THAT SIMULATES LEGAL OR JUDICIAL PROCESS OR GIVES THE APPEARANCE OF BEING AUTHORIZED, ISSUED, OR APPROVED BY A GOVERNMENT, GOVERNMENTAL AGENCY, OR LAWYER WHEN IT IS NOT.

(B) A PERSON WHO VIOLATES THIS SECTION IS LIABLE FOR:

(1) ANY ACTUAL DAMAGES PROXIMATELY CAUSED BY THE VIOLATION;

AND

(2) REASONABLE COURT COSTS AND ATTORNEY'S FEES.

3-1307.

The procedures required by § 3-1303 of this subtitle:

~~(1) Apply only to the extent that a merchant elects to seek recovery of the civil penalty available under § 3-1302(3) of this subtitle; and~~

~~(2) Do~~ DO not otherwise limit a merchant or other person from electing to pursue any other civil remedy or cause of action for damages against any responsible person under this subtitle or otherwise as permitted by law.~~‡~~

~~§~~3-1308.

The District Court has exclusive original civil jurisdiction in an action under this subtitle if the damages ~~and civil penalty~~ claimed do not exceed \$10,000, exclusive of attorney's fees.†

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

Article – Courts and Judicial Proceedings

3-1309.

ON OR BEFORE JANUARY 15 OF EACH YEAR, A MERCHANT THAT SOUGHT DAMAGES UNDER THIS SUBTITLE DURING THE PRECEDING CALENDAR YEAR SHALL SUBMIT A LETTER TO THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION THAT INCLUDES THE FOLLOWING INFORMATION FOR THE PRECEDING CALENDAR YEAR:

(1) THE NUMBER OF ALLEGED SHOPLIFTING OR EMPLOYEE THEFT INCIDENTS;

(2) THE NUMBER OF DEMAND LETTERS SENT BY THE MERCHANT;

(3) THE AMOUNT OF MONEY RECEIVED IN RESPONSE TO THOSE DEMAND LETTERS;

(4) THE NUMBER OF CRIMINAL PROSECUTIONS SOUGHT BY THE MERCHANT AND THE FINAL DISPOSITIONS OF THOSE PROSECUTIONS; AND

(5) THE NUMBER OF CIVIL SUITS FILED UNDER THIS SUBTITLE BY THE MERCHANT AND THE FINAL DISPOSITION OF THOSE SUITS.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016. *Section 2 of this Act shall remain effective for a period of 3 years and, at the end of September 30, 2019, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.*

May 27, 2016

The Honorable Michael E. Busch

Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 194 – *Carroll County – State’s Attorney’s Office and Child Support Enforcement Administration – Transfer of Personnel*.

This bill transfers the Child Support Unit of the Office of the State’s Attorney for Carroll County to the Child Support Enforcement Administration of the Department of Human Resources and requires that the employees be transferred in accordance with provisions of law. The bill also requires that specified transferred employees be given credit with the State for years of county employment for purposes of determining specified retirement eligibility and also be subject to specified benefit selections in the Employees’ Pension System.

Senate Bill 195, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 194.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 194

AN ACT concerning

Carroll County – State’s Attorney’s Office and Child Support Enforcement Administration – Transfer of Personnel

FOR the purpose of transferring the functions, powers, and duties of the Child Support Unit of the Office of the State’s Attorney for Carroll County to the Child Support Enforcement Administration of the Department of Human Resources; requiring that certain employees be transferred in accordance with certain provisions of law that provide for inclusion in the State Personnel Management System, seniority, compensation, annual leave accrual, transfer of certain pension contributions, and other personnel matters for employees transferring to the Child Support Enforcement Administration; requiring Carroll County to pay certain personnel certain compensation as of a certain date; requiring the creation of certain Position Identification Numbers for certain transferred employees; providing for the determination of salary grade and seniority for transferred employees; ~~prohibiting the assignment of a transferred employee to a certain office for a certain period of time unless the employee agrees to the assignment;~~ requiring that certain transferred employees be given credit with the State for years of county employment

for purposes of determining eligibility for participation as a retiree in the State Employee and Retiree Health and Welfare Benefits Program; requiring that certain transferred employees be subject to certain benefit selections in the Employees' Pension System; providing that certain transferred employees are not responsible for depositing the difference between certain member contributions and interest in the Carroll County Pension Plan and the Employees' Pension System for certain creditable service earned in the Carroll County Pension Plan; requiring a certain valuation to be performed by a certain actuary; and generally relating to the transfer of certain personnel to the Child Support Enforcement Administration of 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 2015 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, 2016, all the functions, powers, and duties of the Child Support Unit of the Office of the State's Attorney for Carroll County 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) Except for the assistant State's Attorneys, all employees of the Child Support Unit of the Office of the State's Attorney for Carroll County on June 30, 2016, shall be transferred to the Child Support Enforcement Administration of the Department of Human Resources in accordance with the provisions of § 10–117(c) of the Family Law Article.

(b) Except for the assistant State's Attorneys, 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 the transfer. 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. Each transferred employee shall be given credit with the State for years of County employment for purposes of seniority including the determination of leave accumulation and determination of layoff rights under Title 11, Subtitle 2 of the State Personnel and Pensions Article.

(c) If an employee of the Office of the State's Attorney for Carroll County who provides services as an assistant State's Attorney under the 2016 agreement between the Child Support Enforcement Administration and the Office of the State's Attorney for Carroll County for the period between October 1, 2015, and June 30, 2016, both inclusive, is appointed by the Office of the Attorney General to continue providing services for the Child Support Enforcement Administration as a State employee on or after June 30, 2016, 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 the transfer. 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. Each transferred employee shall be given credit with the State for years of County employment for purposes of seniority including the determination of leave accumulation and determination of layoff rights under Title 11, Subtitle 2 of the State Personnel and Pensions Article.

(d) Each transferred employee who is a member of the Carroll County Pension Plan on June 30, 2016, shall be given credit with the State for years of County employment for purposes of 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 the Child Support Unit of the Office of the State's Attorney for Carroll County instead of the starting date of employment with the State.

(e) Each transferred employee who is a member of the Carroll County Pension Plan on June 30, 2016, and who becomes a member of the Employees' Pension System of the State of Maryland in accordance with this Act shall be subject to:

(1) 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 individual's employment with the Child Support Unit of the Office of the State's Attorney for Carroll County was on or before June 30, 2011; or

(2) 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 individual's employment with the Child Support Unit of the Office of the State's Attorney for Carroll County was on or after July 1, 2011.

(f) Notwithstanding § 37-203.1(a) of the State Personnel and Pensions Article, each transferred employee who transfers service credit from the Carroll County Pension Plan to the Employees' Pension System of the State of Maryland in accordance with this Act is not responsible for depositing in the annuity savings fund of the Employees' Pension System the difference between the member contributions at the rate provided for in the Carroll County Pension Plan, including interest on those contributions, and the member contributions at the rate provided for in the Employees' Pension System, including interest on those contributions of 5% per year compounded annually, for the individual's creditable service that was earned in the Carroll County Pension Plan.

(g) The actuarial valuation required under § 37-205 of the State Personnel and Pensions Article for employees transferred under this Act shall be performed by the actuary designated by the Board of Trustees in accordance with § 21-125 of the State Personnel and Pensions Article.

~~(e)~~ (h) It shall be the responsibility of Carroll County to pay to each employee transferred under this Act any compensation due to the employee on termination of County employment as of June 30, 2016.

~~(d) An employee transferred under this Act may not be assigned to work in any office of the Child Support Enforcement Administration outside Carroll County before July 1, 2021, unless the employee agrees to the assignment.~~

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 262 – *Senior Citizen Activities Center Operating Fund – Distributions – Alteration*.

This bill increases the amount of funding required to be included in the annual State budget for the Senior Citizen Activities Center Operating Fund to \$750,000, requires that \$400,000 of the Fund be distributed to counties based on each county's share of the senior citizen population, provides a minimum distribution of \$5,000 per county, and requires \$250,000 of the Fund be distributed to distressed counties in a specified manner.

Senate Bill 98, which was passed by the General Assembly and went into effect without my signature, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 262.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 262

AN ACT concerning

Senior Citizen Activities Center Operating Fund – ~~Funding and Distribution~~ Distributions – Alteration

FOR the purpose of increasing the amount of funding required to be included in the annual State budget for the Senior Citizen Activities Center Operating Fund; ~~altering the distribution of the Fund;~~ requiring a certain percentage amount of the Fund to be distributed based on each county's share of the statewide senior citizen population; ~~requiring a certain percentage of the Fund to be distributed based on each county's share of the population of senior citizens with income below a certain percentage of the federal poverty level;~~ that each county receive a minimum amount of funding; defining a certain term; altering the qualification criteria for certain need-based distributions from the Senior Citizen Activities Center Operating Fund to certain counties; and generally relating to the administration of the Senior Citizen Activities Center Operating Fund.

BY repealing and reenacting, without amendments,

Article – Human Services
Section 10–513 and 10–514
Annotated Code of Maryland
(2007 Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Human Services
Section 10–516
Annotated Code of Maryland

(2007 Volume and 2015 Supplement)

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

Article – Human Services

10-513.

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

(b) “Fund” means the Senior Citizen Activities Center Operating Fund.

(c) “Senior citizen activities center” means a community or neighborhood facility in which a broad spectrum of services are organized and provided to seniors and their spouses, including health, social, nutritional, educational, and recreational services.

10-514.

(a) There is a Senior Citizen Activities Center Operating Fund.

(b) The Fund shall be used to supplement, but may not be used to supplant, any existing funding for senior citizen activities centers in the State budget.

10-516.

(A) IN THIS SECTION, “DISTRESSED COUNTY” MEANS A COUNTY:

(1) WITH AN AVERAGE RATE OF UNEMPLOYMENT FOR THE MOST RECENT 24-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE THAT EXCEEDS:

(I) 150% OF THE AVERAGE RATE OF UNEMPLOYMENT FOR THE STATE DURING THAT PERIOD; OR

(II) THE AVERAGE RATE OF UNEMPLOYMENT FOR THE STATE DURING THAT PERIOD BY AT LEAST 2 PERCENTAGE POINTS;

(2) WITH AN AVERAGE PER CAPITA PERSONAL INCOME FOR THE MOST RECENT 24-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE THAT IS EQUAL TO OR LESS THAN 67% OF THE AVERAGE PER CAPITA PERSONAL INCOME FOR THE STATE DURING THAT PERIOD; OR

(3) THAT NO LONGER MEETS EITHER CRITERION STATED IN ITEM (1) OR (2) OF THIS SUBSECTION BUT HAS MET AT LEAST ONE OF THE CRITERIA AT SOME TIME DURING THE PRECEDING 24-MONTH PERIOD.

~~(a)~~ **(B)** The Fund is a continuing, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

~~(b)~~ **(C)** (1) The Fund consists of appropriations that are made to the Fund from the State budget.

(2) **(I)** For each fiscal year, the Governor shall include in the annual State budget an appropriation of ~~[\$500,000] \$1,000,000~~ **\$750,000** for the Fund.

(II) IN ADDITION TO THE FUNDS PROVIDED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE GOVERNOR SHALL PROVIDE SUFFICIENT FUNDS TO ENSURE THAT EACH COUNTY RECEIVES AT LEAST \$5,000 UNDER ~~PARAGRAPH (3) OF THIS SUBSECTION~~ SUBSECTION (D)(2) OF THIS SECTION.

~~(c)~~ **(D)** (1) ~~Subject to [paragraph (2)] PARAGRAPHS (2) AND (3) of this subsection, money from~~ **\$100,000** OF the Fund shall be distributed to counties for senior citizen activities centers based on a competitive grant process administered by the Department.

(2) **(I)** **\$400,000 OF THE FUND SHALL BE DISTRIBUTED TO COUNTIES BASED ON EACH COUNTY'S PROPORTIONAL SHARE OF THE STATEWIDE POPULATION OF SENIOR CITIZENS.**

(II) **A COUNTY SHALL RECEIVE AT LEAST \$5,000 UNDER THIS PARAGRAPH.**

(3) ~~At least 50%~~ **\$250,000** of the Fund shall be distributed for senior citizen activities centers ~~on the basis of need, as determined by the Department, to counties:~~ **TO DISTRESSED COUNTIES AS FOLLOWS:**

(I) **\$150,000 SHALL BE DIVIDED EVENLY; AND**

(II) **\$100,000 SHALL BE DIVIDED PROPORTIONATELY BY EACH COUNTY'S SHARE OF THE TOTAL POPULATION OF SENIOR CITIZENS IN DISTRESSED COUNTIES.**

~~(i) that have developed and submitted a local strategic plan for economic development that has been approved by the Secretary of Commerce; and~~

~~(ii) for which:~~

~~1. the average rate of unemployment for the most recent 18-month period for which data is available is greater than 150% of the average rate of unemployment for the entire State during that same period; or~~

~~2. the average per capita personal income for the most recent 24-month period for which data is available is equal to or less than 67% of the average personal per capita income for the entire State during that same period.]~~

~~(I) 30% OF THE FUND SHALL BE DISTRIBUTED TO COUNTIES BASED ON EACH COUNTY'S PRO RATA SHARE OF THE STATEWIDE POPULATION OF SENIOR CITIZENS.~~

~~(II) FUNDING PROVIDED TO A COUNTY UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE FUNDING AVAILABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TIMES A FRACTION:~~

~~1. THE NUMERATOR OF WHICH IS THE NUMBER OF SENIOR CITIZENS LIVING IN THE COUNTY; AND~~

~~2. THE DENOMINATOR OF WHICH IS THE NUMBER OF SENIOR CITIZENS LIVING IN THE STATE.~~

~~(3) (I) 70% OF THE FUND SHALL BE DISTRIBUTED TO COUNTIES BASED ON EACH COUNTY'S PRO RATA SHARE OF THE STATEWIDE POPULATION OF SENIOR CITIZENS IN EACH COUNTY WITH INCOME BELOW 150% OF THE FEDERAL POVERTY LEVEL.~~

~~(II) FUNDING PROVIDED TO A COUNTY UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE FUNDING AVAILABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TIMES A FRACTION:~~

~~1. THE NUMERATOR OF WHICH IS THE NUMBER OF SENIOR CITIZENS WITH INCOME BELOW 150% OF THE FEDERAL POVERTY LEVEL LIVING IN THE COUNTY; AND~~

~~2. THE DENOMINATOR OF WHICH IS THE NUMBER OF SENIOR CITIZENS WITH INCOME BELOW 150% OF THE FEDERAL POVERTY LEVEL LIVING IN THE STATE.~~

~~(d)~~ (E) The Fund shall be invested and reinvested in the same manner as other State funds.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~ October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 272 – *Anne Arundel County – Property Tax Credit – Benefit Corporations and Benefit Limited Liability Companies*.

This bill authorizes the governing body of Anne Arundel County or of a municipal corporation in Anne Arundel County to grant, by law, a tax credit against the county or municipal corporation property tax imposed on property owned or leased by a benefit corporation or benefit limited liability company, property that is not used for residential purposes, and property used in a trade or business by a benefit corporation or benefit limited liability company.

Senate Bill 47, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 272.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 272

AN ACT concerning

Anne Arundel County – Property Tax Credit – Benefit Corporations and Benefit Limited Liability Companies

FOR the purpose of authorizing the governing body of Anne Arundel County or of a municipal corporation in Anne Arundel County to grant, by law, a tax credit against the county or municipal corporation property tax imposed on certain property owned or leased by a benefit corporation or benefit limited liability company; authorizing the governing body of Anne Arundel County or of a municipal corporation in Anne Arundel County to provide, by law, for the eligibility criteria, amount, duration, application process, and other aspects of the credit; defining certain terms; providing for the application of this Act; and generally relating to authorizing a property tax credit in Anne Arundel County for benefit corporations and benefit limited liability companies.

BY adding to

Article – Tax – Property
 Section 9–303(b)(5)
 Annotated Code of Maryland
 (2012 Replacement Volume and 2015 Supplement)

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

Article – Tax – Property

9–303.

(b) (5) (i) 1. IN THIS PARAGRAPH THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

2. “BENEFIT CORPORATION” MEANS A MARYLAND CORPORATION THAT ELECTS TO BE A BENEFIT CORPORATION AND COMPLIES WITH TITLE 5, SUBTITLE 6C OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

3. “BENEFIT LIMITED LIABILITY COMPANY” MEANS A MARYLAND LIMITED LIABILITY COMPANY THAT ELECTS TO BE A BENEFIT LIMITED LIABILITY COMPANY AND COMPLIES WITH TITLE 4A, SUBTITLE 12 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

(ii) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS PARAGRAPH AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON REAL OR PERSONAL PROPERTY THAT IS:

1. OWNED OR LEASED BY A BENEFIT CORPORATION OR BENEFIT LIMITED LIABILITY COMPANY;

2. NOT USED FOR RESIDENTIAL PURPOSES; AND

3. USED IN A TRADE OR BUSINESS BY A BENEFIT CORPORATION OR BENEFIT LIMITED LIABILITY COMPANY.

(iii) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY MAY PROVIDE, BY LAW, FOR:

1. ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT;

2. THE AMOUNT OF THE TAX CREDIT;
3. THE DURATION OF THE TAX CREDIT, FOR A PERIOD NOT TO EXCEED 10 YEARS;
4. REGULATIONS AND PROCEDURES FOR THE APPLICATION, CERTIFICATION, AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT;
5. A LIMITATION ON THE AGGREGATE AMOUNT OF TAX CREDITS GRANTED UNDER THIS PARAGRAPH; AND
6. ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX CREDIT UNDER THIS PARAGRAPH.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016, and shall be applicable to all taxable years beginning after June 30, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 299 – *Worcester County – Alcoholic Beverages – Refillable Container Permit for Draft Beer*.

This bill establishes a refillable container permit for draft beer in Worcester County and authorizes the Worcester County Board of License Commissioners to issue a refillable container permit for draft beer to holders of a Class B or a Class D license, requires licensees to complete the form provided by the Board and pay an annual permit fee of \$500, and provides that the hours of sale for the permit begin at the same time as those for the underlying license and end at midnight.

Senate Bill 130, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 299.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 299

AN ACT concerning

Worcester County – Alcoholic Beverages – Refillable Container Permit for Draft Beer

FOR the purpose of establishing a refillable container permit for draft beer in Worcester County; authorizing the Worcester County Board of License Commissioners to issue a refillable container permit for draft beer to certain holders of certain licenses under certain circumstances and conditions; ~~specifying that a refillable container permit authorizes a holder to sell draft beer for off-premises consumption in a certain refillable container under certain circumstances and conditions; specifying the term, hours for sale, and advertising, posting of notice, and public hearing requirements associated with a refillable container permit; specifying the hours of sale for the permit; specifying a permit fee; requiring an applicant for a refillable container permit to take certain actions before the Board may issue a refillable container permit to an applicant; requiring that certain receipts collected be included in certain calculations of average daily receipts; defining a certain term;~~ and generally relating to refillable container permits for draft beer in Worcester County.

~~BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 8-103
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)~~

~~BY adding to
Article 2B – Alcoholic Beverages
Section 8-224.1
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)~~

~~BY repealing and reenacting, without amendments,
Article 2B – Alcoholic Beverages
Section 21-107
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 33-102
Annotated Code of Maryland
(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 33–1101

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 33–1103

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724) of the Acts of the General Assembly of 2016)

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

~~Article 2B – Alcoholic Beverages~~

~~§ 103.~~

~~(a) (1) This section applies with respect to draft beer in the following jurisdictions:~~

- ~~(i) Baltimore County;~~
- ~~(ii) Carroll County;~~
- ~~(iii) Charles County;~~
- ~~(iv) Harford County;~~
- ~~(v) Howard County;~~
- ~~(vi) Prince George’s County;~~
- ~~(vii) Queen Anne’s County;~~
- ~~(viii) St. Mary’s County; [and]~~
- ~~(ix) Washington County; AND~~
- ~~(x) WORCESTER COUNTY.~~

~~(2) This section applies with respect to wine in the following jurisdictions:~~

- ~~(i) Harford County;~~

~~(ii) Howard County; and~~

~~(iii) Montgomery County.~~

~~(b) There is a refillable container permit.~~

~~(e) With respect to the alcoholic beverages authorized for the local jurisdiction under subsection (a) of this section, a refillable container permit entitles the permit holder to sell draft beer or wine, respectively, for consumption off the licensed premises in a refillable container that meets the standards under § 21-107 of this article.~~

~~(d) The term of a refillable container permit is the same as that of the underlying alcoholic beverages license.~~

~~(e) Except as otherwise specifically provided, the hours of sale for a refillable container permit are the same as those for the underlying alcoholic beverages license.~~

~~(f) An applicant who holds an underlying alcoholic beverages license without an off-sale privilege shall meet the same advertising, posting of notice, and public hearing requirements as those for the underlying license.~~

~~(g) A holder of a refillable container permit may refill only a refillable container that meets the standards under § 21-107 of this article.~~

~~§ 224.1.~~

~~(A) THIS SECTION APPLIES ONLY IN WORCESTER COUNTY.~~

~~(B) IN THIS SECTION, "BOARD" MEANS THE WORCESTER COUNTY BOARD OF LICENSE COMMISSIONERS.~~

~~(C) THERE IS A REFILLABLE CONTAINER PERMIT.~~

~~(D) THE BOARD MAY ISSUE A REFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B LICENSE OR A CLASS D LICENSE.~~

~~(E) BEFORE THE BOARD ISSUES A REFILLABLE CONTAINER PERMIT TO AN APPLICANT, THE APPLICANT SHALL:~~

~~(1) COMPLETE THE FORM THAT THE BOARD PROVIDES; AND~~

~~(2) PAY AN ANNUAL PERMIT FEE OF \$500.~~

~~(F) THE HOURS FOR SALE FOR A REFILLABLE CONTAINER PERMIT:~~

~~(1) BEGIN AT THE SAME TIME AS THOSE FOR THE LICENSE ALREADY HELD BY THE PERSON TO WHOM THE REFILLABLE CONTAINER PERMIT IS ISSUED; AND~~

~~(2) END AT MIDNIGHT.~~

~~(G) RECEIPTS COLLECTED UNDER A REFILLABLE CONTAINER PERMIT SHALL BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES UNDER A CLASS B RESTAURANT LICENSE AND A CLASS B HOTEL LICENSE.~~

~~21-107.~~

~~(a) This section governs the standards for and use of containers that may be sold, filled, and refilled under the authority of a refillable container permit issued under this article.~~

~~(b) To be used as a refillable container for beer under the authority of a refillable container permit issued under this article, a container shall:~~

~~(1) Have a capacity of not less than 32 ounces and not more than 128 ounces;~~

~~(2) Be sealable;~~

~~(3) Be branded with an identifying mark of the seller of the container;~~

~~(4) Bear the federal health warning statement required for containers of alcoholic beverages under 27 C.F.R. 16.21;~~

~~(5) Display instructions for cleaning the container; and~~

~~(6) Bear a label stating that:~~

~~(i) Cleaning the container is the responsibility of the consumer; and~~

~~(ii) The contents of the container are perishable and should be refrigerated immediately and consumed within 48 hours after purchase.~~

~~(c) To be used as a refillable container for wine under the authority of a refillable container permit issued under this article, a container shall:~~

~~(1) Have a capacity of not less than 17 ounces and not more than 34 ounces;~~

~~(2) Be sealable;~~

- ~~(3) Be branded with an identifying mark of the seller of the container;~~
- ~~(4) Bear the federal health warning statement required for containers of alcoholic beverages under 27 C.F.R. 16.21;~~
- ~~(5) Display instructions for cleaning the container; and~~
- ~~(6) Bear a label stating that cleaning the container is the responsibility of the consumer.~~

~~(d) The Comptroller may adopt standards on containers that qualify for use under this section as refillable containers for beer and for wine, respectively, including containers originating from outside the State.~~

~~(e) Notwithstanding any other provision of this article, the holder of a refillable container permit issued under this article may refill a refillable container originating from inside or outside the State that meets standards adopted by the Comptroller under this section for a beer container or a wine container, as appropriate.~~

Article – Alcoholic Beverages

33-102.

This title applies only in Worcester County.

33-1101.

(a) The following sections of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article apply in the County without exception or variation:

(1) § 4-1102 (“Corkage – Consuming wine not purchased from license holder on licensed premises”); and

(2) § 4-1103 (“Removal of partially consumed bottle of wine from licensed premises”).

(b) [The following sections] SECTION 4-1105 (“REFILLABLE CONTAINER PERMIT – WINE”) of Title 4, Subtitle 11 (“Additional License Privileges”) of Division I of this article [do] DOES not apply in the County[:

(1) § 4-1104 (“Refillable container permit – Draft beer”); and

(2) § 4-1105 (“Refillable container permit – Wine”)].

(C) SECTION 4-1104 (“REFILLABLE CONTAINER PERMIT – DRAFT BEER”) OF TITLE 4, SUBTITLE 11 (“ADDITIONAL LICENSE PRIVILEGES”) OF DIVISION I OF THIS ARTICLE APPLIES IN THE COUNTY, SUBJECT TO § 33-1103 OF THIS SUBTITLE.

33-1103.

(A) THE BOARD MAY ISSUE A REFILLABLE CONTAINER PERMIT FOR DRAFT BEER TO A HOLDER OF A CLASS B OR CLASS D LICENSE.

(B) BEFORE THE BOARD ISSUES THE PERMIT TO AN APPLICANT, THE APPLICANT SHALL:

(1) COMPLETE THE FORM THAT THE BOARD PROVIDES; AND

(2) PAY AN ANNUAL PERMIT FEE OF \$500.

(C) THE HOURS OF SALE FOR THE PERMIT:

(1) BEGIN AT THE SAME TIME AS THOSE FOR THE UNDERLYING LICENSE; AND

(2) END AT MIDNIGHT.

(D) RECEIPTS COLLECTED UNDER THE PERMIT SHALL BE INCLUDED IN THE CALCULATION OF AVERAGE DAILY RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES UNDER A CLASS B RESTAURANT LICENSE AND A CLASS B HOTEL LICENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 335 – *Income Tax Subtraction Modification – College Savings Plans – Contributions.*

This bill provides a subtraction modification under the Maryland income tax for contributions made by specified individuals to specified college savings accounts subject to specified limitations, defines specified terms, and applies the Act to all taxable years beginning after December 31, 2015.

Senate Bill 374, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 335.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 335

AN ACT concerning

Income Tax Subtraction Modification – College Savings Plans – Contributions

FOR the purpose of providing a subtraction modification under the Maryland income tax for contributions made by certain individuals to certain college savings accounts subject to certain limitations; defining certain terms; providing for the application of this Act; and generally relating to a subtraction modification under the Maryland income tax for contributions made to certain college savings accounts.

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 10–208(a)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–208(n) and (o)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

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

Article – Tax – General

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(n) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Account holder” has the meaning stated in § 18–1901 of the Education Article.

(iii) **“CONTRIBUTOR” MEANS AN INDIVIDUAL WHO CONTRIBUTES FUNDS TO A MARYLAND PREPAID COLLEGE TRUST ACCOUNT UNDER TITLE 18, SUBTITLE 19 OF THE EDUCATION ARTICLE.**

(IV) “Qualified higher education expenses” has the meaning stated in § 529 of the Internal Revenue Code.

(2) The subtraction under subsection (a) of this section includes the amount of advance payments of qualified higher education expenses made by an account holder **OR A CONTRIBUTOR** during the taxable year as provided under a prepaid contract in accordance with the Maryland Prepaid College Trust.

(3) Subject to paragraph (4) of this subsection, for each prepaid contract, the subtraction under paragraph (2) of this subsection may not exceed \$2,500 for any taxable year.

(4) The amount disallowed as a subtraction under this subsection for any taxable year as a result of the limitation under paragraph (3) of this subsection shall be treated as having been made in the next succeeding taxable year and, subject to the \$2,500 annual limitation for each prepaid contract, may be carried over to succeeding taxable years until the full amount of the advance payments has been allowed as a subtraction.

(o) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Account holder” means an account holder as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(iii) **“CONTRIBUTOR” MEANS AN INDIVIDUAL WHO CONTRIBUTES FUNDS TO A MARYLAND COLLEGE INVESTMENT PLAN OR BROKER–DEALER COLLEGE INVESTMENT PLAN ACCOUNT UNDER TITLE 18, SUBTITLE 19A OR SUBTITLE 19B OF THE EDUCATION ARTICLE.**

(IV) “Investment account” means an investment account as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

~~[(iv)]~~ (v) “Qualified designated beneficiary” means a qualified designated beneficiary as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(2) Subject to the limitation under paragraph (3) of this subsection, the subtraction under subsection (a) of this section includes the amount contributed by an account holder **OR A CONTRIBUTOR** during the taxable year to an investment account.

(3) (i) Subject to paragraph (4) of this subsection, for each account holder **OR CONTRIBUTOR** for all investment accounts maintained in the Maryland College Investment Plan and the Maryland Broker–Dealer College Investment Plan for the same qualified designated beneficiary, the subtraction under paragraph (2) of this subsection may not exceed \$2,500 for any taxable year per qualified designated beneficiary.

(ii) For purposes of the limitation under this paragraph, each spouse on a joint return shall be treated separately.

(4) Subject to the \$2,500 annual limitation for each account holder **OR CONTRIBUTOR** for each qualified designated beneficiary, the amount disallowed as a subtraction under this subsection for any taxable year as a result of the limitation under paragraph (3) of this subsection may be carried over until used to the next 10 succeeding taxable years as a subtraction.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H–101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 374 – *Criminal Law – Pretrial Release – Prior Crimes*.

This bill prohibits a District Court commissioner from authorizing the pretrial release of a defendant charged with a crime of violence if the defendant has previously been convicted of a specified crime, and prohibits a District Court commissioner from authorizing release of a defendant charged with a specified crime if the defendant has previously been convicted of a crime of violence.

Senate Bill 603, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 374.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 374

AN ACT concerning

Criminal Law – Pretrial Release – Prior ~~Crime of Violence~~ Crimes

FOR the purpose of prohibiting a District Court commissioner from authorizing the pretrial release of a defendant charged with a crime of violence if the defendant has previously been convicted of a certain crime; prohibiting a District Court commissioner from authorizing release of a defendant charged with a certain crime if the defendant has previously been convicted of a crime of violence; and generally relating to pretrial release.

BY repealing and reenacting, without amendments,
Article – Criminal Law
Section 14–101(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,
Article – Criminal Procedure
Section 1–101(a) and (e)
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Procedure
Section ~~5–202(f)~~ 5–202(c) and (f)
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)

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

Article – Criminal Law

14–101.

(a) In this section, “crime of violence” means:

- (1) abduction;
- (2) arson in the first degree;
- (3) kidnapping;
- (4) manslaughter, except involuntary manslaughter;
- (5) mayhem;
- (6) maiming, as previously proscribed under former Article 27, §§ 385 and 386 of the Code;
- (7) murder;
- (8) rape;
- (9) robbery under § 3–402 or § 3–403 of this article;
- (10) carjacking;
- (11) armed carjacking;
- (12) sexual offense in the first degree;
- (13) sexual offense in the second degree;
- (14) use of a handgun in the commission of a felony or other crime of violence;
- (15) child abuse in the first degree under § 3–601 of this article;
- (16) sexual abuse of a minor under § 3–602 of this article if:
 - (i) the victim is under the age of 13 years and the offender is an adult at the time of the offense; and
 - (ii) the offense involved:
 1. vaginal intercourse, as defined in § 3–301 of this article;
 2. a sexual act, as defined in § 3–301 of this article;
 3. an act in which a part of the offender’s body penetrates, however slightly, into the victim’s genital opening or anus; or

4. the intentional touching, not through the clothing, of the victim's or the offender's genital, anal, or other intimate area for sexual arousal, gratification, or abuse;

(17) an attempt to commit any of the crimes described in items (1) through (16) of this subsection;

(18) continuing course of conduct with a child under § 3–315 of this article;

(19) assault in the first degree;

(20) assault with intent to murder;

(21) assault with intent to rape;

(22) assault with intent to rob;

(23) assault with intent to commit a sexual offense in the first degree; and

(24) assault with intent to commit a sexual offense in the second degree.

Article – Criminal Procedure

1–101.

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

(e) “Crime of violence” has the meaning stated in § 14–101 of the Criminal Law Article.

5–202.

(c) (1) A District Court commissioner may not authorize the pretrial release of a defendant charged with a crime of violence if the defendant has been previously convicted:

(i) in this State of a crime of violence; [or]

(ii) in any other jurisdiction of a crime that would be a crime of violence if committed in this State; OR

(III) OF AN OFFENSE LISTED IN SUBSECTION (F)(1) OF THIS SECTION.

(2) (i) A judge may authorize the pretrial release of a defendant described in paragraph (1) of this subsection on:

1. suitable bail;

2. any other conditions that will reasonably ensure that the defendant will not flee or pose a danger to another person or the community; or

3. both bail and other conditions described under item 2 of this subparagraph.

(ii) When a defendant described in paragraph (1) of this subsection is presented to the court under Maryland Rule 4-216(f), the judge shall order the continued detention of the defendant if the judge determines that neither suitable bail nor any condition or combination of conditions will reasonably ensure that the defendant will not flee or pose a danger to another person or the community before the trial.

(3) There is a rebuttable presumption that a defendant described in paragraph (1) of this subsection will flee and pose a danger to another person or the community.

(f) (1) A District Court commissioner may not authorize the pretrial release of a defendant charged with one of the following crimes if the defendant has previously been convicted of **A CRIME OF VIOLENCE OR** one of the following crimes:

(i) wearing, carrying, or transporting a handgun under § 4-203 of the Criminal Law Article;

(ii) use of a handgun or an antique firearm in commission of a crime under § 4-204 of the Criminal Law Article;

(iii) violating prohibitions relating to assault weapons under § 4-303 of the Criminal Law Article;

(iv) use of a machine gun in a crime of violence under § 4-404 of the Criminal Law Article;

(v) use of a machine gun for an aggressive purpose under § 4-405 of the Criminal Law Article;

(vi) use of a weapon as a separate crime under § 5-621 of the Criminal Law Article;

(vii) possession of a regulated firearm under § 5-133 of the Public Safety Article;

(viii) transporting a regulated firearm for unlawful sale or trafficking under § 5-140 of the Public Safety Article; or

(ix) possession of a rifle or shotgun by a person with a mental disorder under § 5-205 of the Public Safety Article.

(2) (i) A judge may authorize the pretrial release of a defendant described in paragraph (1) of this subsection on:

1. suitable bail;
2. any other conditions that will reasonably ensure that the defendant will not flee or pose a danger to another person or the community; or
3. both bail and other conditions described under item 2 of this subparagraph.

(ii) When a defendant described in paragraph (1) of this subsection is presented to the court under Maryland Rule 4–216(f), the judge shall order the continued detention of the defendant if the judge determines that neither suitable bail nor any condition or combination of conditions will reasonably ensure that the defendant will not flee or pose a danger to another person or the community before the trial.

(3) There is a rebuttable presumption that a defendant described in paragraph (1) of this subsection will flee and pose a danger to another person or the community.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H–101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 379 – *Employees’ and Teachers’ Pension Systems – Alternate Contributory Pension Selection and Reformed Contributory Pension Benefit*.

This bill repeals the June 30, 2016, date by which individuals who were subject to the Alternate Contributory Pension Selection in the Employees’ Pension System or Teachers’ Pension System before separating from employment must resume employment in order to resume participation in the Alternate Contributory Pension Selection. It also requires the Board of Trustees to submit a report by October 1 annually, to the Joint Committee on Pensions.

Senate Bill 343, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 379.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 379

AN ACT concerning

Employees' and Teachers' Pension Systems – Alternate Contributory Pension Selection and Reformed Contributory Pension Benefit – Eligibility Service Clarifications

FOR the purpose of repealing the date by which certain individuals who were subject to the Alternate Contributory Pension Selection in the Employees' Pension System or Teachers' Pension System before separating from employment must resume employment in order to resume participation in the Alternate Contributory Pension Selection; making a certain requirement for the Board of Trustees for the State Retirement and Pension System to report on the number of certain members who resume employment in certain systems and resume participation in the Alternate Contributory Pension Selection to be an ongoing requirement for an annual report; clarifying that a member of the Employees' Pension System or the Teachers' Pension System is eligible to receive certain prorated eligibility service credit if the member is subject to the Reformed Contributory Pension Benefit and works less than a certain number of hours in a fiscal year; clarifying that certain eligibility service rules relating to a member's break in service do not apply to a member who is subject to the Reformed Contributory Pension Benefit; clarifying that eligibility service for a member who is subject to the Reformed Contributory Pension Benefit and has transferred between the Employees' Pension System and the Teachers' Pension System includes certain eligibility service under the previous system; and generally relating to the Alternate Contributory Pension Selection and the Reformed Contributory Pension Benefit of the Employees' Pension System and the Teachers' Pension System.

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 23-215.1, 23-302(d), 23-303(b), and 23-304
 Annotated Code of Maryland
 (2015 Replacement Volume)

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

Article – State Personnel and Pensions

23-215.1.

(a) This section applies to a member who:

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

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

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

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

(iii) 1. is separated from employment for more than 4 years; and

2. on or before June 30, 2011, accrues the minimum eligibility service needed to be eligible for a vested allowance in the Alternate Contributory Pension Selection under Title 29, Subtitle 3 of this article;

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

(4) does not become a retiree.

(b) A member described in subsection (a) of this section who [on or before June 30, 2016,] resumes employment in a position that is included in the Employees' Pension System or Teachers' Pension System, shall resume participation in the Alternate Contributory Pension Selection if the employer participates in the Alternate Contributory Pension Selection.

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

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

(2) participating in the Alternate Contributory Pension Selection.

(d) If a member who is subject to the contributory pension benefit [or], the Alternate Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY PENSION BENEFIT** completes less than 500 hours of employment while a member, the Board of Trustees shall prorate the member's eligibility service based on the number of hours worked.

23-303.

(b) (1) This section applies to a member of the Employees' Pension System or the Teachers' Pension System who was a member of one of those State systems.

(2) This section does not apply to:

(i) a retiree of the Employees' Pension System or the Teachers' Pension System; or

(ii) a member of the Employees' Pension System or Teachers' Pension System who is subject to the contributory pension benefit [or], the Alternate Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY PENSION BENEFIT**.

23-304.

A member is entitled to eligibility service that equals:

(1) the member's service credit transferred from a retirement or pension system under Title 37 of this article;

(2) for a member who has transferred to the Employees' Pension System from the Employees' Retirement System or to the Teachers' Pension System from the Teachers' Retirement System, the member's creditable service recognized under the previous system through the date before the member became a member of the current system;

(3) for a member of the Employees' Pension System, the member's service credit transferred from a retirement or pension system under Title 31, Subtitle 1 of this article; and

(4) for a member who has transferred between the Employees' Pension System and the Teachers' Pension System, the member's eligibility service under the previous system through the date before the member became a member of the current system if the member:

(i) is not subject to the noncontributory pension benefit in both the current and previous systems;

(ii) is subject to the contributory pension benefit in both the current and previous systems; [or]

(iii) is subject to the Alternate Contributory Pension Selection in both the current and previous systems; **OR**

(IV) IS SUBJECT TO THE REFORMED CONTRIBUTORY PENSION BENEFIT IN BOTH THE CURRENT AND PREVIOUS SYSTEMS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 380 – *State Retirement and Pension System – Local Fire and Police System – Commingling of Assets*.

This bill repeals obsolete language authorizing the commingling of Local Fire and Police System assets with other State Retirement and Pension System assets.

Senate Bill 344, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 380.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 380

AN ACT concerning

**State Retirement and Pension System – Local Fire and Police System –
Commingling of Assets**

FOR the purpose of repealing obsolete language authorizing the commingling of Local Fire and Police System assets with other State Retirement and Pension System assets; making conforming changes; and generally relating to the Local Fire and Police System in the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–123(e)
Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – State Personnel and Pensions

21–123.

(e) (1) The Board of Trustees may commingle assets of the several systems, including the Postretirement Health Benefits Trust Fund, if the Board of Trustees keeps **[seven] SEPARATE** sets of records **FOR EACH STATE SYSTEM OR GROUP OF STATE SYSTEMS LISTED IN PARAGRAPH (2) OF THIS SUBSECTION** that show:

(i) the percentage of participation of each State system or group of State systems, including the Postretirement Health Benefits Trust Fund;

(ii) the percentage of income, gains, and losses applicable to each State system or group of State systems, including the Postretirement Health Benefits Trust Fund; and

(iii) the total contributions and disbursements applicable to each State system or group of State systems, including the Postretirement Health Benefits Trust Fund.

(2) The Board of Trustees shall keep records required by paragraph (1) of this subsection for each of the following:

(i) the group that consists of the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, and the Legislative Pension Plan;

(ii) the Judges' Retirement System;

(iii) **[the Local Fire and Police System;**

(iv)] the Law Enforcement Officers' Pension System;

[(v)] (IV) the State Police Retirement System;

[(vi)] (V) the group that consists of the Teachers' Pension System and the Teachers' Retirement System; and

[(vii)] (VI) the Postretirement Health Benefits Trust Fund.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 381 – *State Retirement and Pension System – Board of Trustees – Designee Appointments and Fiduciary Duties*.

This bill authorizes the Secretary of Budget and Management, the State Comptroller, and the State Treasurer to each appoint their respective deputies to serve as designees on the Board of Trustees for the State Retirement and Pension System. The bill also alters a specified defined term to provide for specified fiduciary duties of members of specified committees established by the Board.

Senate Bill 321, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 381.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 381

AN ACT concerning

**State Retirement and Pension System – Board of Trustees – Designee
Appointments and Fiduciary Duties**

FOR the purpose of authorizing the Secretary of Budget and Management, the State Comptroller, and the State Treasurer to appoint certain individuals to serve as designees on the Board of Trustees for the State Retirement and Pension System; altering a certain defined term to provide for certain fiduciary duties of members of certain committees established by the Board; and generally relating to the Board of Trustees for the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 21–104(a) and 21–201(b)
 Annotated Code of Maryland
 (2015 Replacement Volume)

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

Article – State Personnel and Pensions

21–104.

(a) The Board of Trustees consists of the following 15 trustees:

(1) the Secretary of Budget and Management, ex officio, **WHO MAY APPOINT A DEPUTY SECRETARY** ~~OR THE SECRETARY'S CHIEF OF STAFF~~ **AS DESIGNEE;**

(2) the State Comptroller, ex officio, **WHO MAY APPOINT A DEPUTY COMPTROLLER** ~~OR THE COMPTROLLER'S CHIEF OF STAFF~~ **AS DESIGNEE;**

(3) the State Treasurer, ex officio, who may appoint a deputy treasurer ~~OR THE TREASURER'S CHIEF OF STAFF~~ as designee; and

(4) 12 trustees elected or appointed as follows:

(i) one trustee who is a member of the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, the Judges' Retirement System, the Legislative Pension Plan, the Local Fire and Police System, or the Law Enforcement Officers' Pension Plan, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(ii) one trustee who is a retiree of the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, the Judges' Retirement System, the Legislative Pension Plan, the Local Fire and Police System, or the Law Enforcement Officers' Pension Plan, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(iii) one trustee who is a member of the Teachers' Pension System or the Teachers' Retirement System, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(iv) one trustee who is a retiree of the Teachers' Pension System or the Teachers' Retirement System, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(v) one trustee who is either a member or retiree of the State Police Retirement System, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(vi) one trustee who represents the interests of participating governmental units in the Employees' Pension System and the Employees' Retirement System;

(vii) one trustee who represents the interests of county governments who has at least 10 years of experience in financial management and oversight of county government budgets; and

(viii) five trustees who:

1. represent the interests of the public;
2. are not members of any of the several systems;
3. are not employees, directors, partners, or officers of any of the external investment managers for the several systems;
4. do not have an ownership interest in any of the external investment managers of the several systems that is greater than 5% of the issued or outstanding stock;
5. are not directors, partners, or officers of any corporation or large organization in which any of the external managers for the several systems own 10% or more of the issued or outstanding stock of the corporation or large organization; and
6. have at least 10 years of substantial experience overseeing similar pension systems, large foundations, or other similar large organizations with fiduciary responsibilities relating to different classes of participants.

21–201.

(b) “Fiduciary” means:

- (1) a member of the Board of Trustees;

(2) a member of the Investment Committee; [or]

(3) A MEMBER OF A COMMITTEE ESTABLISHED BY THE BOARD OF TRUSTEES AS AUTHORIZED UNDER § 21-108 OF THIS TITLE; OR

[(3)] (4) an employee of the State Retirement Agency who exercises any discretionary authority or control over:

(i) the management or administration of the several systems; or

(ii) the management or disposition of the assets of the several systems.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 382 – *State Retirement and Pension System – Optional Retirement Allowances – Designated Beneficiaries*.

This bill repeals redundant specified provisions relating to members of the Judges' Retirement System designating multiple beneficiaries under a specified optional retirement allowance in the State Retirement and Pension System. The bill also clarifies that specified members of the State Retirement and Pension System may designate multiple beneficiaries under specified optional retirement allowances.

Senate Bill 345, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 382.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 382

AN ACT concerning

**State Retirement and Pension System – Optional Retirement Allowances –
Designated Beneficiaries**

FOR the purpose of repealing as redundant certain language relating to members of the Judges' Retirement System designating multiple beneficiaries under a certain optional retirement allowance in the State Retirement and Pension System; clarifying that certain members of the State Retirement and Pension System may designate multiple beneficiaries under certain optional retirement allowances; and generally relating to optional retirement allowances for members of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–403(a) and (d)
Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – State Personnel and Pensions

21–403.

(a) (1) Under Option 1, if a retiree dies before receiving payments equal to the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement, the Board of Trustees shall pay the balance as a single payment:

- (i) to the designated beneficiary; or
- (ii) if there is no designated beneficiary, to the retiree's estate.

(2) (i) At the time of retirement, a member [of the Judges' Retirement System described in § 21–401(a)(2) of this subtitle] may designate more than one beneficiary for the optional benefit provided in paragraph (1) of this subsection.

(ii) If, at the time of retirement, a member [of the Judges' Retirement System] does designate more than one beneficiary for the optional benefit provided in paragraph (1) of this subsection, the single payment will be paid in equal shares to each of the designated beneficiaries.

(d) (1) Under Option 4, if a retiree dies before receiving payments equal to the value of the retiree's accumulated contributions at the time of retirement, the Board of Trustees shall pay the balance as a single payment:

[(1)] (I) to the designated beneficiary; or

[(2)] (II) if there is no designated beneficiary, to the retiree's estate.

(2) (I) **AT THE TIME OF RETIREMENT, A MEMBER MAY DESIGNATE MORE THAN ONE BENEFICIARY FOR THE OPTIONAL BENEFIT PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION.**

(II) **IF, AT THE TIME OF RETIREMENT, A MEMBER DOES DESIGNATE MORE THAN ONE BENEFICIARY FOR THE OPTIONAL BENEFIT PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION, THE SINGLE PAYMENT WILL BE PAID IN EQUAL SHARES TO EACH OF THE DESIGNATED BENEFICIARIES.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 445 – *Food Stamp Program – Minimum Benefit – State Supplement*.

This bill requires the State to provide a supplement to increase the total benefit to \$30 per month to a household that includes an individual who is at least 62 years old and receives a federally funded benefit in an amount less than \$30 per month under the food stamp program.

Senate Bill 758, which was passed by the General Assembly and went into effect without my signature, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 445.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 445

AN ACT concerning

Food Stamp Program – Minimum Benefit – State Supplement

FOR the purpose of ~~requiring~~ ~~authorizing~~ *requiring* the State to provide a certain supplement to a household that *includes a certain individual who* receives a federally funded benefit of less than a certain amount per month under the food stamp program; ~~requiring the Department of Human Resources to notify the Department of Legislative Services within a certain time period after the federal government fully funds a certain minimum benefit; providing for the termination of this Act;~~ and generally relating to the food stamp program.

BY repealing and reenacting, with amendments,
 Article – Human Services
 Section 5–501
 Annotated Code of Maryland
 (2007 Volume and 2015 Supplement)

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

Article – Human Services

5–501.

(a) The Department may implement a food stamp program in accordance with the federal Food Stamp Act.

(b) The State shall bear the nonfederal portion of the administrative costs of the food stamp program for each county.

(c) Each local department shall administer the food stamp program:

(1) under the supervision and control of the Department; and

(2) in accordance with the regulations of the Department and federal law.

(D) IF A HOUSEHOLD INCLUDES AN INDIVIDUAL WHO IS AT LEAST 62 YEARS OLD AND RECEIVES A FEDERALLY FUNDED BENEFIT IN AN AMOUNT LESS THAN \$30 PER MONTH UNDER THE FOOD STAMP PROGRAM, THE STATE ~~SHALL MAY~~ SHALL PROVIDE A SUPPLEMENT TO INCREASE THE TOTAL BENEFIT TO \$30 PER MONTH.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Human Resources shall notify the Department of Legislative Services within 5 days after the federal government fully funds a minimum benefit of at least \$30 under the federal Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program.~~

~~SECTION ~~2~~ ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016. It shall remain effective until 30 days after the day on which the Department of Legislative Services receives notice under Section 2 of this Act, and at the end of the 30th day, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 451 – *Admissions and Amusement Tax – Revenue Distribution – Maryland State Arts Council*.

This bill alters a distribution of revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars to provide up to an aggregate amount of \$1,000,000 in each fiscal year to the Special Fund for Preservation of Cultural Arts in Maryland. The bill also provides that the Maryland State Arts Council is entitled to a specified revenue distribution from the State admissions and amusement tax, and requires that the funds distributed to the Council be included in the Council's prior fiscal year appropriations.

Senate Bill 377, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 451.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 451

AN ACT concerning

Admissions and Amusement Tax – Revenue Distribution – Maryland State Arts Council

FOR the purpose of altering a certain distribution of revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars; ~~repealing a certain special fund~~; providing that the Maryland State Arts Council is entitled to certain revenue distributed from the State admissions and amusement tax on electronic bingo and electronic tip jars; requiring that certain funds distributed to the Council be included in the Council's prior fiscal year appropriation for purposes of a certain calculation; and generally relating to the distribution of revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars.

~~BY repealing~~

~~Article – Economic Development~~

~~Section 4–801 and the subtitle “Subtitle 8. Special Fund for Preservation of Cultural Arts in Maryland”~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 4–501(a) and (c)

Annotated Code of Maryland

(2008 Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 4–512(a) and 4–801

Annotated Code of Maryland

(2008 Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 2–202(a)(1)

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 7–325(a)(2)

Annotated Code of Maryland

(2015 Replacement Volume)

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 4–801 and the subtitle “Subtitle 8. Special Fund for Preservation of Cultural Arts in Maryland” of Article – Economic Development of the Annotated Code of Maryland be repealed.~~

SECTION ~~2~~ 1. ~~AND IT BE FURTHER ENACTED~~ BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Economic Development

4-501.

- (a) In this subtitle the following words have the meanings indicated.
- (c) “Council” means the Maryland State Arts Council.

4-512.

- (a) The Council is entitled to:

(1) REVENUE DISTRIBUTED UNDER ~~§ 2-202(A)(1)(H)~~ § 2-202(A)(1)(II)2 OF THE TAX – GENERAL ARTICLE; AND

- (2)** funding in accordance with the State budget.

4-801.

(a) In this section, “Fund” means the Special Fund for Preservation of Cultural Arts in Maryland.

(b) There is a Special Fund for Preservation of Cultural Arts in Maryland.

(c) The purpose of the Fund is to provide supplemental grants to cultural arts organizations in the State that qualify for general operating support grants from the Maryland State Arts Council.

(d) The Secretary of Commerce 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 [§ 2-202(a)(1)(ii)] § 2-202(A)(1)(II)1 of the Tax – General Article; and

(2) any other money from any other source accepted for the benefit of the Fund.

(g) The Fund shall be used to provide supplemental grants for operating and programmatic improvements that strengthen the organizational capacity and financial stability of cultural arts organizations in the State that qualify for general operating support grants from the Maryland State Arts Council.

(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 credited to the General Fund of the State.

(i) For each appropriation to the Fund, the Governor may:

(1) include the funds in the State budget subject to appropriation by the General Assembly; or

(2) transfer the funds by budget amendment from the Fund to the expenditure account of the Maryland State Arts Council.

(i) Supplemental grants made from the Fund are supplemental to and may not take the place of funding that otherwise would be appropriated for qualifying organizations.

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 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% **AS FOLLOWS:**

1. ~~\$1,000,000~~ to the ~~Special~~ Fund for Preservation of Cultural Arts in Maryland, as provided in § 4-801 of the Economic Development Article, **UP TO AN AGGREGATE AMOUNT OF \$1,000,000 IN EACH FISCAL YEAR**; **AND**

2. THE REMAINDER TO THE MARYLAND STATE ARTS COUNCIL, AS PROVIDED IN § 4-512 OF THE ECONOMIC DEVELOPMENT ARTICLE;
and

Article – State Finance and Procurement

7-325.

(a) (2) For fiscal year 2013 and each fiscal year thereafter, the Governor shall include in the annual budget bill submitted to the General Assembly a General Fund appropriation for the Maryland State Arts Council in an amount not less than the amount of the General Fund appropriation for the Council as approved in the State budget as enacted by the General Assembly for the prior fiscal year, increased by not less than the percentage by which the projected total General Fund revenues for the upcoming fiscal year exceed the revised estimate of total General Fund revenues for the current fiscal year, as contained in the report of estimated State revenues submitted by the Board of Revenue Estimates to the Governor under § 6-106(b) of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That any funds distributed to the Maryland State Arts Council in accordance with § 2-202 of the Tax – General Article as enacted in this Act shall be included in the Maryland State Arts Council’s prior fiscal year appropriation for purposes of calculating the required appropriation under § 7-325 of the State Finance and Procurement Article.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 460 – *Housing and Community Development – Community Development Administration – Student and Residential Mortgage Loans.*

This bill authorizes the Community Development Administration in the Department of Housing and Community Development to make, participate in making, and undertake a commitment for financial assistance to a homeowner for purchasing a homeowner's primary residence and making payments on the homeowner's student loan debt under specified circumstances. The bill also requires the Secretary of Housing and Community Development to determine the terms and qualifications of specified financial assistance to homeowners.

Senate Bill 381, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 460.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 460

AN ACT concerning

Housing and Community Development – Community Development Administration – Student and Residential Mortgage Loans

FOR the purpose of authorizing the Community Development Administration in the Department of Housing and Community Development to ~~provide~~ make, participate in making, and undertake a commitment for financial assistance ~~to homeowners under certain circumstances; authorizing the Administration to provide financial assistance to purchase a home and pay off~~ to a homeowner for purchasing a homeowner's primary residence and making payments on the homeowner's student loan ~~debts~~ debt under certain circumstances; requiring the Secretary of Housing and Community Development to determine the terms and qualifications of certain financial assistance to homeowners; authorizing the Administration to purchase or commit to purchase from a mortgage lender a note or mortgage that evidences a residential mortgage loan for ~~the purchase of~~ purchasing a homeowner's primary residence and ~~pay off~~ making payments on student loan debt of the homeowner under certain circumstances; authorizing the Secretary to waive the requirements for a certain mortgage lender's certificate under certain circumstances; requiring the Administration to give priority to selling residential property owned by the Administration under certain circumstances; requiring the Department to report to the General Assembly on or before a certain date; and generally relating to the Community Development Administration and student and residential mortgage loans.

BY repealing and reenacting, with amendments,
Article – Housing and Community Development
Section 4–235(b), 4–237(a), 4–238(a)(1), and 4–240

Annotated Code of Maryland
(2006 Volume and 2015 Supplement)

BY adding to

Article – Housing and Community Development

Section 4–242

Annotated Code of Maryland

(2006 Volume and 2015 Supplement)

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

Article – Housing and Community Development

4–235.

(b) (1) The Administration may make, participate in making, and undertake a commitment for:

(i) a residential mortgage loan to a family of limited income:

1. for a family that has a disabled family member who will reside in the dwelling;

2. for an emergency housing need as determined by the Secretary;

3. for settlement and down payment costs; or

4. that is made in conjunction with a loan funded with State appropriated funds if the State appropriated funded loan comprises at least 20% of the total amount loaned;

(ii) financial assistance to a family of limited income:

1. for maintaining or modifying their existing residential mortgage loan; or

2. that is made in conjunction with a new residential mortgage loan to enable a homeowner to refinance an existing residential mortgage loan; [and]

(iii) the refinancing of a residential mortgage loan of a homeowner if the loan was made by the Department or Administration; **AND**

(IV) FINANCIAL ASSISTANCE TO A HOMEOWNER FOR:

1. PURCHASING THE HOMEOWNER’S PRIMARY RESIDENCE AND MAKING PAYMENTS ON THE HOMEOWNER’S STUDENT LOAN DEBT; OR

2. MAKING PAYMENTS ON THE HOMEOWNER’S STUDENT LOAN DEBT IN CONJUNCTION WITH THE HOMEOWNER OBTAINING SEPARATE FINANCIAL ASSISTANCE FROM A SOURCE OTHER THAN THE ADMINISTRATION FOR PURCHASING THE HOMEOWNER’S PRIMARY RESIDENCE.

(2) The Secretary shall determine the terms and qualifications for financial assistance under paragraph [(1)(ii) and (iii)] **(1)** of this subsection.

4-237.

(a) The Administration may:

(1) purchase or commit to purchase, from a mortgage lender that is eligible under § 4-236 of this subtitle, a note, mortgage, or partial interest in a note or mortgage that evidences:

(i) a residential mortgage loan to a family of limited income;

(ii) a mortgage loan to a sponsor of a community development project or a public purpose project;

(iii) a residential mortgage loan to a homeowner for the purchase or rehabilitation of the homeowner’s primary residence if the primary residence is located in a sustainable community; [or]

(iv) a residential mortgage loan for the refinancing of a residential mortgage loan made by the Department or Administration; **OR**

(V) A RESIDENTIAL MORTGAGE LOAN TO A HOMEOWNER FOR:

1. PURCHASING THE HOMEOWNER’S PRIMARY RESIDENCE AND MAKING PAYMENTS ON THE HOMEOWNER’S STUDENT LOAN DEBT; OR

2. ~~MAKING PAYMENTS ON THE HOMEOWNER’S STUDENT LOAN DEBT IN CONJUNCTION WITH PURCHASING THE HOMEOWNER’S PRIMARY RESIDENCE~~ PURCHASING THE HOMEOWNER’S PRIMARY RESIDENCE IN CONJUNCTION WITH THE HOMEOWNER OBTAINING SEPARATE FINANCIAL ASSISTANCE FROM THE ADMINISTRATION FOR MAKING PAYMENTS ON THE HOMEOWNER’S STUDENT LOAN DEBT;

(2) make a loan to an eligible mortgage lender in accordance with this subtitle;

(3) finance, with proceeds of its revenue bonds or notes, all or part of a mortgage purchase program or a loan to a mortgage lenders program; and

(4) take any action necessary or convenient to carry out this subsection, including:

(i) settling or compromising an obligation or debt to the Administration, subject to any agreement with bondholders;

(ii) acquiring an interest in real or personal property by gift, purchase, foreclosure, or otherwise, and selling or otherwise disposing of the property;

(iii) obtaining insurance against loss in connection with its property and other assets, including mortgage loans, in the amount and from the insurer that the Administration considers desirable;

(iv) contracting for servicing of a mortgage loan or an interest in a mortgage loan that the Administration holds or takes as collateral; and

(v) making a contract or commitment that relates to the exercise of any of the powers listed in this subsection.

4-238.

(a) (1) New mortgage loans that the Administration purchases shall be loans to:

(i) families of limited income;

(ii) sponsors of community development projects; or

(iii) homeowners:

1. with primary residences located in sustainable communities; [or]

2. who refinance a residential mortgage loan made by the Department or Administration; **OR**

3. WHO USE THE LOAN PROCEEDS TO:

A. PURCHASE THE HOMEOWNER'S PRIMARY RESIDENCE AND MAKE PAYMENTS ON THE HOMEOWNER'S STUDENT LOAN DEBT; OR

B. ~~MAKE PAYMENTS ON THE HOMEOWNER'S STUDENT LOAN DEBT IN CONJUNCTION WITH PURCHASING THE HOMEOWNER'S PRIMARY RESIDENCE~~ PURCHASE THE HOMEOWNER'S PRIMARY RESIDENCE IN CONJUNCTION WITH THE HOMEOWNER OBTAINING SEPARATE FINANCIAL ASSISTANCE FROM THE ADMINISTRATION FOR MAKING PAYMENTS ON THE HOMEOWNER'S STUDENT LOAN DEBT.

4-240.

(a) Except as provided in subsection (c) of this section, a mortgage lender shall make a certificate under this section for every residential mortgage loan that the lender makes under a purchase commitment by the Administration with:

- (1) the proceeds of purchase of a mortgage loan by the Administration; or
- (2) the proceeds of a loan from the Administration.

(b) The certificate shall state that in the mortgage lender's opinion, based on information given by the mortgagor and on the lender's knowledge of the prevailing terms and standards of mortgage lending in the area, the mortgagor could not get a mortgage loan on the property in the unassisted private lending market.

(c) The Secretary may waive the requirement for the mortgage lender's certificate for a residential mortgage loan to a homeowner:

- (1) if the homeowner's primary residence is located in a sustainable community, for the purchase or rehabilitation of the homeowner's primary residence; [or]
- (2) for the refinancing of a residential mortgage loan of the homeowner if the loan was made by the Department or Administration; **OR**

(3) ~~FOR THE PURCHASE OF THE HOMEOWNER'S PRIMARY RESIDENCE AND MAKING PAYMENTS ON THE HOMEOWNER'S LOAN DEBT~~ EITHER OF THE PURPOSES SPECIFIED IN § 4-237(A)(1)(V) OF THIS SUBTITLE.

4-242.

IN PROVIDING FINANCIAL ASSISTANCE TO A HOMEOWNER THAT INCLUDES THE PURCHASE OF THE HOMEOWNER'S PRIMARY RESIDENCE AND PAYMENTS ON THE HOMEOWNER'S STUDENT LOAN DEBT, THE ADMINISTRATION SHALL GIVE PRIORITY TO SELLING RESIDENTIAL PROPERTY THAT IS OWNED BY THE ADMINISTRATION.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31, 2018, the Department of Housing and Community Development shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the implementation of this Act, including:

(1) information about the location and source of residential properties sold by the Department as part of any financial assistance provided under this Act; and

(2) recommendations for expanding the scope of the financial assistance provided under this Act.

~~SECTION 2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 537 – *Teachers' Retirement and Pension Systems – Reemployment of Retirees – Clarification*.

This bill clarifies the number of retirees of the Teachers' Retirement System or the Teachers' Pension System that are exempt from a specified offset of a retirement allowance if they are reemployed in specified positions in a local school system or the Maryland School for the Deaf.

Senate Bill 373, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 537.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 537

AN ACT concerning

**Teachers' Retirement and Pension Systems – Reemployment of
Retirees – Clarification**

FOR the purpose of clarifying the number of retirees of the Teachers' Retirement System or the Teachers' Pension System that are exempt from a certain offset of a retirement allowance if they are reemployed in certain positions in a local school system or the Maryland School for the Deaf; and generally relating to the reemployment of retirees of the teachers' retirement and pension systems.

BY repealing and reenacting, without amendments,

Article – State Personnel and Pensions

Section 22–406(c)(4)(iv), (v), (vi), and (xi), (5), and (6) and 23–407(c)(4)(iv), (v), and (ix), (5), and (6)

Annotated Code of Maryland
(2015 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 22–406(c)(8) and 23–407(c)(8)

Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – State Personnel and Pensions

22–406.

(c) (4) Except for an individual whose allowance is subject to a reduction as provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an allowance under this subsection does not apply to:

(iv) a retiree of the Teachers' Retirement System:

1. who retired and was reemployed by a participating employer other than the State on or before September 30, 1994; and

2. whose employment compensation does not derive, in whole or in part, from State funds;

(v) a retiree of the Teachers' Retirement System who:

1. is or has been certified to teach in the State;

2. has verification of satisfactory or better performance in the last assignment prior to retirement;

3. based on the retired teacher's qualifications, has been appointed in accordance with § 4–103 of the Education Article; and

4. receives verification of satisfactory or better performance each year the teacher is employed under paragraph (5) of this subsection;

(vi) a retiree of the Teachers' Retirement System who:

1. A. was employed as a principal within 5 years of retirement; or

B. was employed as a principal not more than 10 years before retirement and was employed in a position supervising principals in the retiree's last assignment prior to retirement;

2. has verification of satisfactory performance for each year as a principal and, if applicable, in a position supervising principals prior to retirement;

3. based on the retiree's qualifications, has been hired as a principal; and

4. receives verification of satisfactory performance each year the retiree is employed as a principal under paragraph (6) of this subsection;

(xi) a retiree of the Teachers' Retirement System who is reemployed by a local school system or the Maryland School for the Deaf and is rehired in accordance with subsection (c)(8) of this section.

(5) (i) An individual who is rehired under paragraph (4)(v) of this subsection shall be employed as a classroom teacher, substitute classroom teacher, or teacher mentor in:

1. a public school that:

A. is not making adequate yearly progress or is a school in need of improvement as defined under the federal No Child Left Behind Act of 2001 and as implemented by the State Department of Education;

B. is receiving funds under Title 1 of the federal No Child Left Behind Act of 2001;

C. has more than 50% of the students attending that school who are eligible for free and reduced-price meals established by the United States Department of Agriculture; or

D. provides an alternative education program for adjudicated youths or students who have been expelled, suspended, or identified for suspension or expulsion from a public school; or

2. the Maryland School for the Deaf.

(ii) An individual rehired at a school described under subparagraph (i) of this paragraph shall teach:

1. in an area of critical shortage;

2. a special education class for students with special needs;

or

3. a class for students with limited English proficiency.

(6) An individual who is rehired under paragraph (4)(vi) of this subsection shall be employed as a principal at:

(i) a public school that:

1. is not making adequate yearly progress or is a school in need of improvement as defined under the federal No Child Left Behind Act of 2001 and as implemented by the State Department of Education;

2. is receiving funds under Title 1 of the federal No Child Left Behind Act of 2001;

3. has more than 50% of the students attending that school who are eligible for free and reduced-price meals established by the United States Department of Agriculture; or

4. provides an alternative education program for adjudicated youths or students who have been expelled, suspended, or identified for suspension or expulsion from a public school; or

(ii) the Maryland School for the Deaf.

(8) **(I) [Notwithstanding] IN ADDITION TO ANY INDIVIDUALS REHIRED IN ACCORDANCE WITH** paragraph (5) of this subsection, **AND SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH**, each superintendent of a local school system and the superintendent of the Maryland School for the Deaf may rehire a maximum of five individuals who are retirees of the Teachers' Retirement System in any position at any school in the superintendent's local school system or the Maryland School for the Deaf.

(II) THE NUMBER OF INDIVIDUALS REHIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR EACH LOCAL SCHOOL SYSTEM OR THE MARYLAND SCHOOL FOR THE DEAF MAY NOT EXCEED A TOTAL OF FIVE RETIREES AT ANY ONE TIME WHEN ADDED TO THE NUMBER OF INDIVIDUALS REHIRED UNDER § 23-407(C)(8)(I) OF THIS ARTICLE FOR THAT SAME LOCAL SCHOOL SYSTEM OR THE MARYLAND SCHOOL FOR THE DEAF.

23-407.

(c) (4) Except for an individual whose allowance is subject to a reduction as provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an allowance under this subsection does not apply to:

(iv) a retiree of the Teachers' Pension System who:

1. is or has been certified to teach in the State;
2. has verification of satisfactory or better performance in the last assignment prior to retirement;
3. based on the retired teacher's qualifications, has been appointed in accordance with § 4-103 of the Education Article; and
4. receives verification of satisfactory or better performance each year the teacher is employed under paragraph (5) of this subsection;

(v) a retiree of the Teachers' Pension System who:

1. A. was employed as a principal within 5 years of retirement; or
B. was employed as a principal not more than 10 years before retirement and was employed in a position supervising principals in the retiree's last assignment prior to retirement;
2. has verification of satisfactory performance for each year as a principal and, if applicable, in a position supervising principals prior to retirement;
3. based on the retiree's qualifications, has been hired as a principal; and
4. receives verification of satisfactory performance each year the retiree is employed as a principal under paragraph (6) of this subsection;

(ix) a retiree of the Teachers' Pension System who is reemployed by a local school system or the Maryland School for the Deaf and is rehired in accordance with subsection (c)(8) of this section.

(5) (i) An individual who is rehired under paragraph (4)(iv) of this subsection shall be employed as a classroom teacher, substitute classroom teacher, or teacher mentor in:

1. a public school that:

A. is not making adequate yearly progress or is a school in need of improvement as defined under the federal No Child Left Behind Act of 2001 and as implemented by the State Department of Education;

B. is receiving funds under Title 1 of the federal No Child Left Behind Act of 2001;

C. has more than 50% of the students attending that school who are eligible for free and reduced-price meals established by the United States Department of Agriculture; or

D. provides an alternative education program for adjudicated youths or students who have been expelled, suspended, or identified for suspension or expulsion from a public school; or

2. the Maryland School for the Deaf.

(ii) An individual rehired at a school described under subparagraph (i) of this paragraph shall teach:

1. in an area of critical shortage;

2. a special education class for students with special needs;

or

3. a class for students with limited English proficiency.

(6) An individual who is rehired under paragraph (4)(v) of this subsection shall be employed as a principal at:

(i) a public school that:

1. is not making adequate yearly progress or is a school in need of improvement as defined under the federal No Child Left Behind Act of 2001 and as implemented by the State Department of Education;

2. is receiving funds under Title 1 of the federal No Child Left Behind Act of 2001;

3. has more than 50% of the students attending that school who are eligible for free and reduced-price meals established by the United States Department of Agriculture; or

4. provides an alternative education program for adjudicated youths or students who have been expelled, suspended, or identified for suspension or expulsion from a public school; or

(ii) the Maryland School for the Deaf.

(8) (I) [Notwithstanding] **IN ADDITION TO ANY INDIVIDUALS REHIRED IN ACCORDANCE WITH** paragraph (5) of this subsection, **AND SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH**, each superintendent of a local school system and the superintendent of the Maryland School for the Deaf may rehire a maximum of five individuals who are retirees of the Teachers' Pension System in any position at any school in the superintendent's local school system or the Maryland School for the Deaf.

(II) THE NUMBER OF INDIVIDUALS REHIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR EACH LOCAL SCHOOL SYSTEM OR THE MARYLAND SCHOOL FOR THE DEAF MAY NOT EXCEED A TOTAL OF FIVE RETIREES AT ANY ONE TIME WHEN ADDED TO THE NUMBER OF INDIVIDUALS REHIRED UNDER § 22-406(C)(8)(I) OF THIS ARTICLE FOR THAT SAME LOCAL SCHOOL SYSTEM OR THE MARYLAND SCHOOL FOR THE DEAF.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
 Speaker of the House
 H-101 State House
 Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 543 – *Allegany County – Alcoholic Beverages – Minimum Age to Serve Liquor*.

This bill decreases in Allegany County the minimum age for an individual to serve liquor from 21 years to 18 years.

Senate Bill 483, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 543.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 543

AN ACT concerning

Allegany County – Alcoholic Beverages – Minimum Age to Serve Liquor

FOR the purpose of altering in Allegany County the minimum age for an individual to serve liquor; and generally relating to alcoholic beverages in Allegany County.

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 9–1902

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

9–1902.

(a) A license holder may employ an individual between the ages of 18 and 21 years.

(b) To be allowed to sell or serve beer [and], light wine, **AND LIQUOR**, an individual shall be at least 18 years old.

[(c) To be allowed to sell or serve liquor, an individual shall be at least 21 years old.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 550 – *Distillery License Holders – Sale of Product to Participants in Guided Tours*.

This bill repeals a specified provision of law that limits a distillery license holder to selling product and related merchandise to an individual on a guided tour only if the license holder manufactures not more than 27,500 gallons of products annually.

Senate Bill 410, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 550.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 550

AN ACT concerning

Distillery License Holders – Sale of Product to Participants in Guided Tours

FOR the purpose of repealing a certain provision of law that limits a distillery license holder to selling product and related merchandise to an individual on a guided tour of the distillery only if the license holder manufactures not more than a certain gallonage annually; and generally relating to sales of alcoholic beverages by holders of distillery licenses.

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 2-202

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

2–202.

(a) There is a Class 1 distillery license.

(b) The license shall be obtained for each trade name and each distillery in the State.

(c) A license holder may:

(1) establish and operate a plant for distilling brandy, rum, whiskey, alcohol, and neutral spirits at the location described in the license;

(2) sell and deliver the alcoholic beverages:

(i) in bulk to a person in the State that is authorized to acquire them; and

(ii) to a person outside the State that is authorized to acquire them;

(3) manufacture an alcoholic beverage listed in item (1) of this subsection in the name of another person or under a trade name if the other person or trade name also holds a Class 1 distillery license;

(4) acquire alcoholic beverages in bulk from the holder of a Class 1 distillery license, Class 2 rectifying license, Class 3 winery license, or nonresident dealer's permit; and

(5) (i) conduct guided tours of the licensed premises;

(ii) serve not more than three samples of products manufactured at the licensed premises, with each sample consisting of not more than one-half ounce from a single product, to an individual who has attained the legal drinking age and participated in a guided tour of the licensed premises; and

(iii) [subject to subsection (d) of this section,] sell not more than three 750-milliliter bottles of products manufactured on the licensed premises, for off-premises consumption, and related merchandise to an individual who has attained the legal drinking age and participated in a guided tour of the licensed premises.

(d) [A license holder may sell bottles of products under subsection (c)(5)(iii) of this section only if the license holder manufactures not more than 27,500 gallons of products annually.

(e)] A license holder or entity in which a license holder has a pecuniary interest may not act as a caterer of food.

[(f)](E) Subject to subsection [(g)] (F) of this section, a license holder may conduct the activities specified in subsection (c)(5) of this section:

(1) for off-premises consumption of products manufactured at the licensed premises and for sampling, from 10 a.m. to 10 p.m. each day; and

(2) for on-premises consumption of products manufactured at the licensed premises:

(i) from 10 a.m. to 6 p.m. each day; or

(ii) if guests are attending a planned promotional event or other organized activity on the licensed premises, from 10 a.m. to 10 p.m. each day.

[(g)](F) A Class 1 distillery license allows the license holder to operate 7 days a week.

[(h)](G) At least 14 days before holding a planned promotional event after 6 p.m., a license holder shall file a notice of the promotional event with the Comptroller on the form that the Comptroller provides.

[(i)](H) (1) Except as provided in paragraph (2) of this subsection, a license holder may not sell or allow to be consumed at the licensed premises any product other than products produced by the license holder under the authority of this section.

(2) A holder of a caterer's license or privilege under Subtitle 5 of this title or Subtitle 12 of various titles of Division II of this article may exercise the privileges of the license or privilege on the licensed premises of the license holder.

[(j)](I) Nothing in this section limits the application of relevant provisions of Title 21 of the Health – General Article, and regulations adopted under that title, to a license holder.

[(k)](J) The annual license fee is \$2,000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 575 – *Portable Electronics Insurance – Required Notices – Method of Mailing*.

This bill alters the method of mailing that an insurer or a vendor is required to use when the insurer or vendor sends to a policyholder or covered customer specified notices about a termination or any other change in the terms and conditions of a policy of portable electronics insurance.

Senate Bill 541, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 575.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 575

AN ACT concerning

Portable Electronics Insurance – Required Notices – Method of Mailing

FOR the purpose of altering the method of mailing that an insurer or vendor is required to use when the insurer or vendor sends to a policyholder or covered customer certain notices about a termination or any other change in the terms and conditions of a policy of portable electronics insurance; and generally relating to required notices about portable electronics insurance.

BY repealing and reenacting, without amendments,
Article – Insurance
Section 19-903(a) and (h)(1)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Insurance
Section 19-903(h)(2)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

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

Article – Insurance

19–903.

(a) Notwithstanding any other provision of law and except as otherwise provided in this section, an insurer may not terminate or otherwise change the terms and conditions of a policy of portable electronics insurance unless the insurer provides the policyholder and covered customers with at least 60 days' notice.

(h) (1) Whenever notice is required in accordance with this section, the notice shall be in writing and sent by mail or electronic means as specified in this subsection.

(2) (i) Unless notice by electronic means is authorized under paragraph (3) or (4) of this subsection, notice under this section shall be provided by [a first-class] mail [tracking method] in accordance with subparagraphs (ii) and (iii) of this paragraph.

(ii) Notice shall be mailed to the vendor at the vendor's last known mailing address on file with the insurer.

(iii) Notice shall be mailed to a covered customer at the covered customer's last known mailing address on file with the insurer or vendor.

(iv) The insurer or vendor responsible for mailing the notice under this section shall maintain proof of mailing.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 577 – *Allegany County and Garrett County – Annual Financial Reports – Filing Date*.

This bill provides that Allegany County and Garrett County are required to file annual financial reports with the Department of Legislative Services on or before December 31 after the close of the county's fiscal year.

Senate Bill 431, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 577.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 577

AN ACT concerning

Allegany County and Garrett County – Annual Financial Reports – Filing Date

FOR the purpose of altering the date by which Allegany County and Garrett County are required to file certain financial reports with the Department of Legislative Services; and generally relating to the date by which Allegany County and Garrett County are required to file financial reports.

BY repealing and reenacting, with amendments,

Article – Local Government

Section 16–304

Annotated Code of Maryland

(2013 Volume and 2015 Supplement)

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

Article – Local Government

16–304.

(a) (1) Except as provided in paragraph (2) of this subsection, on or before October 31 after the close of its fiscal year, each county, municipality, and special taxing district shall file with the Department of Legislative Services a financial report for that fiscal year.

(2) (i) A county, municipality, or special taxing district with a population of over 400,000 may file its financial report on or before December 31 after the close of its fiscal year.

(ii) Unless subparagraph (i) of this paragraph applies, Howard County may file its financial report on or before November 30 after the close of its fiscal year.

(iii) **ALLEGANY COUNTY**, Calvert County, Caroline County, Frederick County, **GARRETT COUNTY**, Queen Anne's County, St. Mary's County, Talbot County, and Wicomico County may file the county's financial report on or before December 31 after the close of the county's fiscal year.

(b) The financial report required under subsection (a) of this section shall be:

(1) prepared on the form established by the Department of Legislative Services; and

(2) verified by the chief executive officer of the county, municipality, or special taxing district.

(c) If a county, municipality, or special taxing district does not comply with subsection (a) of this section, the Comptroller, on notice from the Executive Director of the Department of Legislative Services, may order the discontinuance of all money, grants, or State aid that the county, municipality, or special taxing district is entitled to receive under State law, including money from:

- (1) the income tax;
- (2) the tax on racing;
- (3) the recordation tax;
- (4) the admissions and amusement tax; and
- (5) the license tax.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 581 – *State Retirement and Pension System – Reemployment of Ordinary Disability Retirees – Earnings Limitation*.

This bill exempts from a specified reemployment earnings limitation specified disability retirees whose average final compensation was less than \$25,000 and who are reemployed while receiving an ordinary disability retirement allowance from the State Retirement and Pension System.

Senate Bill 477, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 581.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 581

AN ACT concerning

State Retirement and Pension System – Reemployment of Ordinary Disability Retirees – Earnings Limitation

FOR the purpose of exempting from a certain reemployment earnings limitation certain retirees whose average final compensation was less than a certain amount and who are reemployed while receiving an ordinary disability retirement allowance from the State Retirement and Pension System; making stylistic changes; and generally relating to the reemployment earnings limitation for ordinary disability retirees in the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 29–116
Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – State Personnel and Pensions

29–116.

- (a) This section does not apply to a **DISABILITY** retiree [who is]:

(1) ~~(I)~~ **WHO IS** a retiree of:

~~(i)~~ **1.** the State Police Retirement System;

~~(ii)~~ **2.** the Law Enforcement Officers' Pension System;

~~(iii)~~ **3.** the Local Fire and Police System; or

~~(iv)~~ **4.** the Employees' Retirement System or the Employees' Pension System, if at the time of retirement the retiree was a law enforcement officer for a participating employer under § 26–201(a) of this article; and

~~(2)~~ **(II) WHO IS** reemployed by a participating employer in any position other than a probationary status law enforcement officer, a law enforcement officer, or chief, as defined in § 3–101 of the Public Safety Article; **OR**

~~(3)~~ **(2) (I) WHOSE AVERAGE FINAL COMPENSATION WAS LESS THAN \$25,000; AND**

(II) WHO IS REEMPLOYED BY A PARTICIPATING EMPLOYER.

(b) The Board of Trustees shall reduce the pension of a retiree on ordinary disability if:

(1) the retiree is under normal retirement age;

(2) the medical board certifies in a report to the Board of Trustees that the retiree is employed by a participating employer at an annual compensation that is greater than the difference between:

(i) the retiree's retirement allowance at retirement; and

(ii) the retiree's average final compensation plus \$5,000;

(3) the Board of Trustees agrees with the medical board's report; and

(4) the retiree's allowance has not been temporarily suspended as provided in § 29–115 of this subtitle.

(c) The Board of Trustees shall reduce the pension of a retiree who has been receiving an ordinary disability retirement allowance for:

(1) less than 10 years, by \$1 for every \$2 that the retiree's current compensation exceeds the limit under subsection (b) of this section; or

(2) at least 10 years, by \$1 for every \$5 that the retiree's current compensation exceeds the limit under subsection (b) of this section.

(d) The pension to be reduced under this section is the pension at retirement without any cost-of-living adjustment.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 582 – *Correctional Officers' Retirement System – Clifton T. Perkins Maximum Security Guards – Allowances*.

This bill alters the age at which a normal service retirement allowance begins for a member of the Correctional Officers' Retirement System who is a maximum security attendant at the Clifton T. Perkins Hospital Center and alters the age at which a vested allowance begins for specified members of the Correctional Officers' Retirement System who serve as maximum security attendants at the Clifton T. Perkins Hospital Center. The bill also applies the Act only prospectively to an individual who retires on or after July 1, 2016.

Senate Bill 473, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 582.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 582

AN ACT concerning

**Correctional Officers' Retirement System – Clifton T. Perkins Maximum
Security Guards – ~~Vested~~ Allowances**

FOR the purpose of altering the age at which a normal service retirement allowance begins for a member of the Correctional Officers' Retirement System who is a maximum security attendant at the Clifton T. Perkins Hospital Center ~~and begins membership after a certain date~~; altering the age at which a vested allowance begins for ~~a member~~ certain members of the Correctional Officers' Retirement System who ~~is a~~ serve as maximum security ~~attendant~~ attendants at the Clifton T. Perkins Hospital Center ~~and begins membership after a certain date~~; providing for the application of certain provisions of this Act; and generally relating to allowances for members of the Correctional Officers' Retirement System.

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 25–401(a) and 29–302(c)
 Annotated Code of Maryland
 (2015 Replacement Volume)

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

Article – State Personnel and Pensions

25–401.

(a) A member may retire with a normal service retirement allowance if:

(1) on or before the date of retirement, the member:

(i) has at least 20 years of eligibility service; OR

(ii) is at least 55 years old and has:

1. at least 5 years of eligibility service credit, if the member is a member on or before June 30, 2011; or

2. at least 10 years of eligibility service credit, if the member becomes a member on or after July 1, 2011; ~~[or]~~ AND

~~(iii) is a maximum security attendant at the Clifton T. Perkins Hospital Center who is at least 60 years old and has:~~

~~1. at least 5 years of eligibility service credit, if the member is a member on or before June 30, 2011; or~~

~~2. at least 10 years of eligibility service credit, if the member becomes a member on or after July 1, 2011, BUT BEFORE JULY 1, 2016; [and] OR~~

~~(IV) IS A MAXIMUM SECURITY ATTENDANT AT THE CLIFTON T. PERKINS HOSPITAL CENTER WHO IS AT LEAST 55 YEARS OLD AND HAS AT LEAST 10 YEARS OF ELIGIBILITY SERVICE CREDIT, IF THE MEMBER BECOMES A MEMBER ON OR AFTER JULY 1, 2016; AND~~

(2) the member completes and submits a written application to the Board of Trustees stating the date when the member desires to retire.

29–302.

(c) A vested allowance is a deferred allowance starting at:

(1) normal retirement age for members of:

- (i) the Employees' Retirement System;
- (ii) the State Police Retirement System; and
- (iii) the Teachers' Retirement System;

(2) except as provided in item (3) of this subsection, age 55 for a member of the Correctional Officers' Retirement System; or

(3) age 60 for a member of the Correctional Officers' Retirement System who:

~~(I) IS SERVED AS a maximum security attendant at the Clifton T. Perkins Hospital Center AND IS A MEMBER OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM BEFORE JULY 1, 2016 WHILE A MEMBER;~~

~~(II) IS NOT EMPLOYED AS A MEMBER ON SEPARATED FROM EMPLOYMENT AS A MAXIMUM SECURITY ATTENDANT AT THE CLIFTON T. PERKINS HOSPITAL CENTER BEFORE JULY 1, 2016; AND~~

~~(III) DOES NOT RESUME EMPLOYMENT AS A MAXIMUM SECURITY ATTENDANT AT THE CLIFTON T. PERKINS HOSPITAL CENTER IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.~~

SECTION 2. AND BE IT FURTHER ENACTED, That the provisions of this Act relating to a normal service retirement under § 25–401 of the State Personnel and Pensions Article shall be construed to apply only prospectively to an individual who retires on or after the effective date of this Act and may not be applied or interpreted to have any effect on or application to an individual who retires before the effective date of this Act.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 610 – *Greenhouse Gas Emissions Reduction Act – Reauthorization*.

This bill requires the State to reduce statewide greenhouse gas emissions by 40% from 2006 levels by 2030 and requires the Department of the Environment to submit specified plans to the Governor and the General Assembly on or before a specified date. The bill also requires the Maryland Commission on Climate Change to oversee a study of the economic impact of requiring specified reductions from the manufacturing sector.

Senate Bill 323, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 610.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 610

AN ACT concerning

Greenhouse Gas Emissions Reduction Act – Reauthorization

FOR the purpose of repealing the termination date for a certain provision of law requiring the State to reduce statewide greenhouse gas emissions by a certain amount by a certain date; requiring the State to reduce statewide greenhouse gas emissions by a certain amount by a certain date; requiring the Department of the Environment to submit a proposed plan in accordance with certain requirements to the Governor and the General Assembly on or before a certain date; requiring the Department to adopt a final plan in accordance with certain requirements on or before a certain date; requiring an institution of higher education in the State to conduct a certain study in accordance with certain requirements and submit the study to the Governor and

the General Assembly on or before a certain date; authorizing the General Assembly to maintain, revise, or eliminate certain statewide greenhouse gas emissions reduction requirements under certain circumstances; requiring the General Assembly to consider whether to continue certain manufacturing provisions under certain circumstances; altering the date by which the Department must monitor the implementation of certain plans and submit certain reports to the Governor and the General Assembly on or before certain dates; requiring the Department to include certain agencies and entities in certain discussions regarding certain matters; making the provisions of this Act severable; providing for the termination of a certain provision of this Act; and generally relating to the reduction of statewide greenhouse gas emissions.

BY repealing and reenacting, with amendments,
Chapter 171 of the Acts of the General Assembly of 2009
Section 7

BY repealing and reenacting, with amendments,
Chapter 172 of the Acts of the General Assembly of 2009
Section 7

BY repealing and reenacting, without amendments,
Article – Environment
Section 2–1204
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

BY adding to
Article – Environment
Section 2–1204.1
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Environment
Section 2–1205, 2–1206, 2–1207, 2–1210, and 2–1211
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

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

Chapter 171 of the Acts of 2009

SECTION 7. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2009. [It shall remain effective for a period of 7 years and 3 months, and at the end of December 31, 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.]

Chapter 172 of the Acts of 2009

SECTION 7. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2009. [It shall remain effective for a period of 7 years and 3 months, and at the end of December 31, 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.]

Article – Environment

2–1204.

The State shall reduce statewide greenhouse gas emissions by 25% from 2006 levels by 2020.

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

Article – Environment

2–1204.1.

THE STATE SHALL REDUCE STATEWIDE GREENHOUSE GAS EMISSIONS BY 40% FROM 2006 LEVELS BY 2030.

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

Article – Environment

2–1205.

(a) The State shall develop [a plan] **PLANS**, adopt regulations, and implement programs that reduce statewide greenhouse gas emissions in accordance with this subtitle.

(b) On or before December 31, [2011] **2018**, the Department shall:

(1) Submit a proposed plan **THAT REDUCES STATEWIDE GREENHOUSE GAS EMISSIONS BY 40% FROM 2006 LEVELS BY 2030** to the Governor and General Assembly;

(2) Make the proposed plan available to the public; and

(3) Convene a series of public workshops to provide interested parties with an opportunity to comment on the proposed plan.

(c) (1) The Department shall, on or before December 31, 2012, adopt a final plan that reduces statewide greenhouse gas emissions by 25% from 2006 levels by 2020.

(2) THE DEPARTMENT SHALL, ON OR BEFORE DECEMBER 31, 2019, ADOPT A FINAL PLAN THAT REDUCES STATEWIDE GREENHOUSE GAS EMISSIONS BY 40% FROM 2006 LEVELS BY 2030.

~~[(2)]~~ **(3)** The ~~[plan]~~ **PLANS** shall be developed ~~[as the initial State action]~~ in recognition of the finding by the Intergovernmental Panel on Climate Change that developed countries will need to reduce greenhouse gas emissions by between 80% and 95% from 1990 levels by 2050.

(d) The final ~~[plan]~~ **PLANS** required under subsection (c) of this section shall include:

(1) Adopted regulations that implement all plan measures for which State agencies have existing statutory authority; and

(2) A summary of any new legislative authority needed to fully implement the ~~[plan]~~ **PLANS** and a timeline for seeking legislative authority.

(e) In developing and adopting a final plan to reduce statewide greenhouse gas emissions, the Department shall consult with State and local agencies as appropriate.

(f) (1) Unless required by federal law or regulations or existing State law, regulations adopted by State agencies to implement ~~[the]~~ **A final plan** may not:

(i) Require greenhouse gas emissions reductions from the State's manufacturing sector; or

(ii) Cause a significant increase in costs to the State's manufacturing sector.

(2) Paragraph (1) of this subsection may not be construed to exempt greenhouse gas emissions sources in the State's manufacturing sector from the obligation to comply with:

(i) Greenhouse gas emissions monitoring, recordkeeping, and reporting requirements for which the Department had existing authority under § 2–301(a) of this title on or before October 1, 2009; or

(ii) Greenhouse gas emissions reductions required of the manufacturing sector as a result of the State's implementation of the Regional Greenhouse Gas Initiative.

(g) A regulation adopted by a State agency for the purpose of reducing greenhouse gas emissions in accordance with this section may not be construed to result in a significant increase in costs to the State's manufacturing sector unless the source would not incur the cost increase but for the new regulation.

2-1206.

In developing and implementing the [plan] PLANS required by § 2-1205 of this subtitle, the Department shall:

(1) Analyze the feasibility of measures to comply with the greenhouse gas emissions reductions required by this subtitle;

(2) Consider the impact on rural communities of any transportation related measures proposed in the [plan] PLANS;

(3) Provide that a greenhouse gas emissions source that voluntarily reduces its greenhouse gas emissions before the implementation of this subtitle shall receive appropriate credit for its early voluntary actions;

(4) Provide for the use of offset credits generated by alternative compliance mechanisms executed within the State, including carbon sequestration projects, to achieve compliance with greenhouse gas emissions reductions required by this subtitle;

(5) Ensure that the [plan does] PLANS DO not decrease the likelihood of reliable and affordable electrical service and statewide fuel supplies;

(6) Consider whether the measures would result in an increase in electricity costs to consumers in the State;

(7) Consider the impact of the [plan] PLANS on the ability of the State to:

(i) Attract, expand, and retain commercial aviation services; and

(ii) Conserve, protect, and retain agriculture; and

(8) Ensure that the greenhouse gas emissions reduction measures implemented in accordance with the [plan] PLANS:

(i) Are implemented in an efficient and cost-effective manner;

(ii) Do not disproportionately impact rural or low-income, low- to moderate-income, or minority communities or any other particular class of electricity ratepayers;

(iii) Minimize leakage;

- (iv) Are quantifiable, verifiable, and enforceable;
- (v) Directly cause no loss of existing jobs in the manufacturing sector;
- (vi) Produce a net economic benefit to the State's economy and a net increase in jobs in the State; and
- (vii) Encourage new employment opportunities in the State related to energy conservation, alternative energy supply, and greenhouse gas emissions reduction technologies.

2–1207.

(a) (1) An institution of higher education in the State shall conduct an independent study of the economic impact of requiring greenhouse gas emissions reductions from the State's manufacturing sector.

(2) The [Governor shall appoint a task force to] **MARYLAND COMMISSION ON CLIMATE CHANGE SHALL** oversee the independent study required by this section.

[(3) The task force shall include representatives of:

- (i) Labor unions;
- (ii) Affected industries and businesses;
- (iii) Environmental organizations; and
- (iv) Low-income and minority communities.

(4) To the extent practicable, the members appointed to the task force shall reflect the geographic, racial, and gender diversity of the State.]

(b) On or before October 1, [2015] **2022**, the institution of higher education responsible for the independent study shall complete and submit the study to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

2–1210.

On review of the study required under § 2–1207 of this subtitle, and the ~~report~~ **REPORTS** required under § ~~2–1209~~ **2–1211** of this subtitle, the General Assembly [may]:

(1) MAY act to maintain, revise, or eliminate the [25%] 40% greenhouse gas emissions reduction required under § 2–1204.1 OF this subtitle; AND

(2) SHALL CONSIDER WHETHER TO CONTINUE THE SPECIAL MANUFACTURING PROVISIONS IN § 2–1205(F)(1) OF THIS SUBTITLE.

2–1211.

The Department shall monitor implementation of the [plan] PLANS required under § 2–1205 of this subtitle and shall submit a report, on or before October 1, [2020] 2022, and every 5 years thereafter, to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly that describes the State's progress toward achieving:

(1) The [reduction] REDUCTIONS in greenhouse gas emissions required under this subtitle, or any revisions conducted in accordance with § 2–1210 of this subtitle; and

(2) The greenhouse gas emissions reductions needed by 2050 in order to avoid dangerous anthropogenic changes to the Earth's climate system, based on the predominant view of the scientific community at the time of the latest report.

SECTION 4. AND BE IT FURTHER ENACTED, That during the process outlined in § 2–1205(a) of the Environment Article, as enacted by Section 3 of this Act, the Department of the Environment shall include the Department of Agriculture, the Maryland Farm Bureau, the Maryland Association of Soil Conservation Districts, the Delmarva Poultry Industry, the Maryland Dairy Industry Association, and the Maryland Agricultural Commission in discussions on the role to be played by agriculture to reduce greenhouse gas emissions.

SECTION 5. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2016. It shall remain effective for a period of 7 years and 3 months and at the end of December 31, 2023, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in Section 6 of this Act, this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 689 – *Procurement – Prevailing Wage – Liquidated Damages*.

This bill makes a contractor under a public work contract that knew or reasonably should have known of the contractor's obligation to pay the prevailing wage rate, and that deliberately failed or refused to pay the prevailing wage rate, is liable to a public body for liquidated damages of \$250 for each laborer or other employee under specified circumstances.

Senate Bill 1009, which was passed by the General Assembly and went into effect without my signature,, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 689.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 689

AN ACT concerning

Procurement – Prevailing Wage – Liquidated Damages

FOR the purpose of ~~altering the circumstances under which a certain contractor is liable for certain damages and the amount of certain damages for which a certain contractor is liable~~ making a certain contractor liable to a public body for a higher amount of liquidated damages when certain laborers or certain other employees are paid less than certain prevailing wage rates under certain circumstances; and generally relating to the enforcement of the prevailing wage law.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 17-222
Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – State Finance and Procurement

17-222.

(a) **(1) [A] EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, A** contractor under a public work contract is liable to the public body for liquidated damages of ~~[\$20] \$50~~ for each laborer or other employee for each day for which:

[(1)] (I) the laborer is paid less than the prevailing wage rate of a mechanic while performing a task required to be performed by a mechanic or mechanic's apprentice; or

[(2)] (II) the employee is paid less than the prevailing wage rate.

(2) A CONTRACTOR UNDER A PUBLIC WORK CONTRACT THAT KNEW OR REASONABLY SHOULD HAVE KNOWN OF THE CONTRACTOR'S OBLIGATION TO PAY THE PREVAILING WAGE RATE AND THAT DELIBERATELY FAILED OR REFUSED TO PAY THE PREVAILING WAGE RATE IS LIABLE TO THE PUBLIC BODY FOR LIQUIDATED DAMAGES OF ~~\$500~~ \$250 FOR EACH LABORER OR OTHER EMPLOYEE FOR EACH DAY FOR WHICH:

(I) THE LABORER IS PAID LESS THAN THE PREVAILING WAGE RATE OF A MECHANIC WHILE THE LABORER IS PERFORMING A TASK REQUIRED TO BE PERFORMED BY A MECHANIC OR MECHANIC'S APPRENTICE; OR

(II) THE EMPLOYEE IS PAID LESS THAN THE PREVAILING WAGE RATE.

(b) (1) If a contractor or subcontractor pays an employee less than the amount the employee is entitled to receive for the work performed, the contractor shall make restitution to the employee.

(2) The contractor and the subcontractor shall be jointly and severally liable for restitution to the subcontractor's employees.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 717 – *Dorchester County – Class B Beer, Wine, and Liquor License – Minimum Seating Requirement*.

This bill alters the minimum seating requirement from 50 to 25 individuals for facilities for which a specified Class B beer, wine, and liquor license may be issued in Dorchester County.

Senate Bill 530, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 717.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 717

AN ACT concerning

Dorchester County – Class B Beer, Wine, and Liquor License – Minimum Seating Requirement

FOR the purpose of altering the minimum seating requirement for facilities for which a certain Class B beer, wine, and liquor license may be issued in Dorchester County; and generally relating to Class B beer, wine, and liquor licenses in Dorchester County.

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 19-902

Annotated Code of Maryland

(As enacted by Chapter 41 (S.B. 724)(6lr1406) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

19-902.

- (a) There is a Class B beer, wine, and liquor license.
- (b) The Board may issue the license for use by a restaurant, motel, or hotel that has a facility:
 - (1) for serving full-course meals at least twice daily; and
 - (2) with seating at tables for at least **[50] 25** individuals, not including seats at bars or counters.
- (c) The license authorizes the license holder to sell beer, wine, and liquor at the place described in the license for on-premises consumption.
- (d) The annual license fee is \$1,000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 785 – *Public Safety – Motorcycle Profiling – Training*.

This bill requires the Police Training Commission to require a specified statement condemning motorcycle profiling to be included in existing written policies regarding other profiling, and requires the Commission to include in a specified curriculum and courses of study training on motorcycle profiling in conjunction with existing training regarding other profiling, and defines the term “motorcycle profiling.”

Senate Bill 233, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 785.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 785

AN ACT concerning

Public Safety – Motorcycle Profiling – Training

FOR the purpose of requiring the Police Training Commission to require a certain statement condemning motorcycle profiling to be included in certain written policies; requiring the Commission to include in certain curriculum and courses of study training on motorcycle profiling; defining a certain term; and generally relating to requiring certain training on motorcycle profiling.

BY renumbering

Article – Public Safety
Section 3–201(e) and (f), respectively
to be Section 3–201(f) and (g), respectively
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Public Safety
Section 3–201(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

BY adding to

Article – Public Safety
Section 3–201(e) and 3–207(18)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Safety
Section 3–207(17) and (18)
Annotated Code of Maryland
(2011 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 3–201(e) and (f), respectively, of Article – Public Safety of the Annotated Code of Maryland be renumbered to be Section(s) 3–201(f) and (g), respectively.

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

Article – Public Safety

3-201.

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

(E) “MOTORCYCLE PROFILING” MEANS THE ARBITRARY USE OF THE FACT THAT AN INDIVIDUAL RIDES A MOTORCYCLE OR WEARS MOTORCYCLE-RELATED CLOTHING OR PARAPHERNALIA AS A FACTOR IN DECIDING TO STOP, QUESTION, TAKE ENFORCEMENT ACTION, ARREST, OR SEARCH THE INDIVIDUAL OR VEHICLE.

3-207.

Subject to the authority of the Secretary, the Commission has the following powers and duties:

(17) to develop, with the cooperation of the Office of the Attorney General, the Governor’s Office of Crime Control and Prevention, and the Federal Trade Commission, a uniform identity fraud reporting form that:

(i) makes transmitted data available on or before October 1, 2011, for use by each law enforcement agency of State and local government; and

(ii) may authorize the data to be transmitted to the Consumer Sentinel program in the Federal Trade Commission; [and]

(18) TO REQUIRE:

(I) A STATEMENT CONDEMNING MOTORCYCLE PROFILING TO BE INCLUDED IN EXISTING WRITTEN POLICIES REGARDING OTHER PROFILING; AND

(II) FOR ENTRANCE-LEVEL POLICE TRAINING AND FOR IN-SERVICE LEVEL TRAINING CONDUCTED BY THE STATE AND EACH COUNTY AND MUNICIPAL POLICE TRAINING SCHOOL, THAT THE CURRICULUM AND MINIMUM COURSES OF STUDY INCLUDE, CONSISTENT WITH ESTABLISHED LAW ENFORCEMENT STANDARDS AND FEDERAL AND STATE CONSTITUTIONAL PROVISIONS, TRAINING RELATED TO MOTORCYCLE PROFILING IN CONJUNCTION WITH EXISTING TRAINING REGARDING OTHER PROFILING; AND

[(18)] **(19)** to perform any other act that is necessary or appropriate to carry out the powers and duties of the Commission under this subtitle.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 805 – *Motor Vehicles – Autocycles – Standards and Requirements*.

This bill establishes that an autocycle is considered to be a motorcycle for the purposes of the Maryland Vehicle Law and defines the term “autocycle” to include a motor vehicle manufactured in compliance with federal safety standards. The bill also prohibits an applicant for a specified driver skills examination from using an autocycle for the examination and requires that the form for specified written accident reports distinguish autocycles from motorcycles.

Senate Bill 774, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 805.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 805

AN ACT concerning

Motor Vehicles – Autocycles – Standards and Requirements

FOR the purpose of establishing that an autocycle is considered to be a motorcycle for the purposes of the Maryland Vehicle Law; defining the term “autocycle”; establishing certain driver’s licensing requirements for an operator of an autocycle; prohibiting certain persons from towing certain vehicles when driving an autocycle; prohibiting an applicant for a certain driver skills examination from using an autocycle for the examination; restricting the course of instruction for certain motorcycle safety courses to the use and operation of certain motorcycles; requiring that the form for certain written accident reports distinguish autocycles from motorcycles; restricting the requirement that a person ride on a motorcycle in a certain manner to persons riding certain motorcycles; requiring the Motor Vehicle Administration and the Department of State Police to adopt certain regulations establishing equipment standards for autocycles; making certain conforming changes; making a certain stylistic change; and generally relating to the application of the Maryland Vehicle Law to autocycles.

BY adding to

Article – Transportation

Section 11–103.3

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation

Section 11–136, 16–104.1, 16–110(e), 16–601, 20–113, 21–1302(d) and (e), 22–412,
and 23–104

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

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

Article – Transportation

11–103.3.

“AUTOCYCLE” MEANS A MOTOR VEHICLE THAT:

- (1) HAS TWO FRONT WHEELS AND ONE REAR WHEEL;**
- (2) HAS A STEERING WHEEL;**
- (3) HAS PERMANENT SEATS ON WHICH THE OPERATOR OR A PASSENGER IS NOT REQUIRED TO SIT ASTRIDE;**
- (4) HAS FOOT PEDALS TO CONTROL ACCELERATION, BRAKING, AND, IF APPLICABLE, A CLUTCH; AND**
- (5) IS MANUFACTURED TO COMPLY WITH FEDERAL ~~MOTOR VEHICLE~~ SAFETY STANDARDS ~~APPLICABLE TO~~ FOR MOTORCYCLES.**

11–136.

(a) “Motorcycle” means a motor vehicle that:

- (1) (I) Has motive power;**
- [(2)] (II) Has a seat or saddle for the use of the rider;**
- [(3)] (III) Is designed to travel:**

and [(i)] 1. On not more than three wheels in contact with the ground;

[(ii)] 2. At speeds exceeding 35 miles per hour; and

[(4)] (IV) Is of a type required to comply with all motor vehicle safety standards applicable to motorcycles under federal law; **OR**

(2) IS AN AUTOCYCLE.

(b) A detachable sidecar is an accessory to and not a part of a motorcycle.

16–104.1.

(a) (1) A noncommercial Class A driver's license authorizes the licensee to drive combinations of Class F (tractor) and Class G (trailer) vehicles and any vehicle that a noncommercial Class B driver's license authorizes its holder to drive, except:

(i) Commercial motor vehicles; and

(ii) Motorcycles **OTHER THAN AUTOCYCLES.**

(2) An individual who is issued a noncommercial Class A driver's license under this subsection may not drive or attempt to drive a motor vehicle on any highway in this State unless a noncommercial Class A driver's license authorizes the individual to drive a vehicle of the class that the individual is driving or attempting to drive.

(b) (1) A noncommercial Class B driver's license authorizes the licensee to drive any single vehicle or combinations of vehicles with a gross vehicle weight rating (GVWR) or gross combination weight rating (GCWR), as defined in § 16–803 of this title, of 26,001 pounds and more and any vehicle that a noncommercial Class C driver's license authorizes its holder to drive, except:

(i) Commercial motor vehicles;

(ii) Motorcycles **OTHER THAN AUTOCYCLES;** and

(iii) Combinations of Class F (tractor) and Class G (trailer) vehicles.

(2) An individual who is issued a noncommercial Class B driver's license under this subsection may not drive or attempt to drive a motor vehicle on any highway in this State unless a noncommercial Class B driver's license authorizes the individual to drive a vehicle of the class that the individual is driving or attempting to drive.

(c) (1) A noncommercial Class C driver's license authorizes the licensee to drive any vehicle or combination of vehicles with a gross vehicle weight rating (GVWR), as defined in § 16–803 of this title, of less than 26,001 pounds, except:

- (i) Commercial motor vehicles; and
- (ii) Motorcycles **OTHER THAN AUTOCYCLES**.

(2) An individual who is issued a noncommercial Class C driver's license under this subsection may not drive or attempt to drive a motor vehicle on any highway in this State unless a noncommercial Class C driver's license authorizes the individual to drive a vehicle of the class that the individual is driving or attempting to drive.

(d) (1) A Class M driver's license authorizes the licensee to drive motorcycles **OTHER THAN AUTOCYCLES**.

(2) An individual who is issued a Class M driver's license under this subsection may not drive or attempt to drive a motor vehicle on any highway in this State unless a Class M driver's license authorizes the individual to drive a vehicle of the class that the individual is driving or attempting to drive.

(e) (1) **[Except] THIS SUBSECTION DOES NOT APPLY TO AN AUTOCYCLE OR** when the towing vehicle is a commercial motor vehicle**[and subject]**.

(2) **SUBJECT** to the provisions of this section, a noncommercial Class A, B, or C license holder may:

- [(1)] (I)** Tow any travel trailer as defined in § 11–170 of this article;
- [(2)] (II)** Tow any camping trailer as defined in § 11–106 of this article; or
- [(3)] (III)** Tow any boat trailer as defined in § 11–104.1 of this article.

(f) This section applies to any license issued or renewed on or after January 1, 1990.

16–110.

(e) (1) **(I) [For] SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, FOR a required driver skills examination or driver road examination, each applicant shall provide a motor vehicle of a type appropriate to test the applicant's ability to drive all vehicles that may be driven under the license class applied for.**

(II) AN APPLICANT MAY NOT USE AN AUTOCYCLE TO TEST THE APPLICANT'S ABILITY TO DRIVE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(2) Except as provided in paragraphs (3) and (4) of this subsection, when the holder of a learner's instructional permit appears for the driving test, the permit holder shall be accompanied by an individual qualified under § 16–105 of this subtitle to accompany the holder of a learner's permit while driving on a highway. That individual shall have his driver's license with him.

(3) The holder of a Class M (motorcycle) learner's instructional permit may:

(i) Transport a motorcycle to the driving test by truck or other vehicle unaccompanied by another individual, if the permit holder is licensed to drive the truck or other vehicle; or

(ii) Be accompanied by a person transporting a motorcycle to the test by truck or other vehicle, if that person is licensed to drive the truck or other vehicle.

(4) The holder of a learner's instructional permit may be driven to the examination station and to the starting point where the examiner begins the test by any individual authorized to drive the class of vehicle in which the test is being given. That individual shall have a valid driver's license in the individual's possession.

16–601.

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

(b) “Mobile training center” means a mobile unit equipped and managed by the Administration that may be available for the offering of motorcycle safety courses and for conducting public awareness activities at various locations in the State.

(c) “Motorcycle safety courses” and “courses” mean courses of instruction, designated and approved by the Administration and offered by a training center, in the safe use and operation of motorcycles **OPERATED UNDER A CLASS M DRIVER'S LICENSE**, including instruction in the safe on–road operation of motorcycles, the rules of the road, and the laws of this State relating to motor vehicles.

(d) “Motorcycle safety training center” and “training center” mean places designated and approved by the Administration where approved motorcycle safety courses are offered.

20–113.

(a) (1) The Administration shall prepare and, on request, supply to police departments, sheriffs, and other appropriate agencies or individuals, forms for the written accident reports required by § 20–107 of this title.

(2) The forms shall:

(I) [require] REQUIRE sufficiently detailed information to disclose the cause of the reported accident, the conditions then existing, and the persons and vehicles involved; AND

(II) DISTINGUISH AUTOCYCLES FROM MOTORCYCLES.

(b) Each written accident report required by § 20–107 of this title shall be made on the form that the Administration requires and shall contain all the available information required by the report.

21–1302.

(d) A person may ride on a motorcycle **OPERATED UNDER A CLASS M DRIVER'S LICENSE** only while sitting astride the seat, facing forward, with one leg on each side of the motorcycle.

(e) A person may not operate a motorcycle while carrying any package, bundle, or other article that prevents [him] **THE PERSON** from keeping both hands on the [handlebars] **STEERING MECHANISM**.

22–412.

(a) Every motor vehicle registered in this State and manufactured or assembled after June 1, 1964, shall be equipped with two sets of seat belts on the front seat of the vehicle.

(b) Every motor vehicle registered in this State and manufactured or assembled with a rear seat after June 1, 1969, shall be equipped with two sets of seat belts on the rear seat of the vehicle.

(c) A person may not sell or offer for sale any vehicle in violation of this section.

(d) For the purpose of this section only, “motor vehicle” does not include any motorcycle **OTHER THAN AN AUTOCYCLE**, bus, truck, or taxicab.

(e) For the purpose of this section only, “seat belt” means any belt, strap, harness, or like device.

(f) A seat belt may not be sold or offered for sale for use in connection with the operation of a motor vehicle in this State after June 1, 1964, unless it meets applicable federal motor vehicle safety standards.

23–104.

(a) Every vehicle driven on the highways in this State shall, where applicable, have the following equipment, meeting or exceeding the standards established jointly by

the Administration and the Division: brakes, steering, suspension, horn, door handles, mirrors, tires, exhaust system, lights, glazing, windshield wipers, odometer, speedometer, bumpers, properly aligned wheels, wheels and wheel lugs, fenders, floor pans, hood, hood catches, emissions equipment, fuel system, front seat, motor mounts, gear selection indicator for automatic transmissions, universal joints, and seat belts or combination seat belt–shoulder harness if required as original equipment under § 22–412 or § 22–412.1 of this article.

(b) (1) The Administration and the Division jointly may establish standards by rule or regulation for this equipment.

(2) The Administration and the Division shall adopt, consistent with federal law, regulations establishing equipment, performance, and other technical standards for [low]:

(I) **AUTOCYCLES; AND**

(II) **LOW** speed vehicles.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H–101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 867 – *Washington County – Contributions to Nonprofit Organizations – Process*.

This bill alters the process by which the County Commissioners of Washington County make contributions to specified nonprofit organizations in Washington County, alters the deadline for submission of applications for contributions, requires the County Commissioners to hold a public hearing on the applications and authorizes the County Commissioners to remove specified organizations from a specified list and on request by the organization, to revise or amend the name of an organization.

Senate Bill 517, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 867.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 867

AN ACT concerning

Washington County – Contributions to Nonprofit Organizations – Process

FOR the purpose of altering the process by which the County Commissioners of Washington County make contributions to certain nonprofit organizations in Washington County; altering the deadline for submission of applications for contributions; ~~altering the timing of a certain~~ requiring the County Commissioners to hold a public hearing on ~~certain~~ the applications; authorizing the County Commissioners to remove certain organizations from a certain list and, on request by the organization, to revise or amend the name of an organization; and generally relating to contributions made to nonprofit organizations by the County Commissioners of Washington County.

BY repealing and reenacting, with amendments,
The Public Local Laws of Washington County
Section 1–108
Article 22 – Public Local Laws of Maryland
(2007 Edition and October 2010 Supplement, as amended)

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

Article 22 – Washington County

1–108.

(a) Subject to subsections (b) and (c) of this section, the County Commissioners may contribute annually to the care, operation, maintenance, or capital expense of non–profit organizations in Washington County, if the amount is included in the regular annual budget of Washington County for that fiscal year.

(b) (1) The County Commissioners shall maintain a list of non–profit organizations that are eligible to receive funds under this section.

(2) The County Commissioners may include on the list of non–profit organizations any organization approved by Public Local Law or by the County Commissioners on or before September 30, 1998 without requiring an application or hearing before inclusion on the list.

(c) (1) The County Commissioners may add to the list under subsection (b) of this section upon application by an organization.

(2) The application shall be made [at least 90 days before the county’s fiscal year begins and after a public hearing on the request for funds has been held] **ON OR BEFORE THE FIRST DAY OF AUGUST PRECEDING THE FISCAL YEAR IN WHICH THE ORGANIZATION PLANS TO REQUEST FUNDING.**

(3) THE COUNTY COMMISSIONERS SHALL HOLD A PUBLIC HEARING ON THE APPLICATION.

(d) (1) The County Commissioners shall make the list under this section available for public inspection and may publish it in the manner the County Commissioners consider appropriate.

(2) THE COUNTY COMMISSIONERS MAY REMOVE FROM THE LIST ANY ORGANIZATION THAT CEASES OPERATIONS OR IS NO LONGER IN GOOD STANDING WITH THE STATE.

(3) ON REQUEST BY AN ORGANIZATION ON THE LIST, THE COUNTY COMMISSIONERS MAY REVISE OR AMEND THE NAME OF THE ORGANIZATION.

(e) The County Commissioners may not reduce in the county budget the total amount of appropriations to nonprofit organizations below the total amount of appropriations made to nonprofit organizations in the budget for fiscal year 1996.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 926 – *Optional Retirement Program – Eligibility – Alterations*.

This bill alters the eligibility provisions of the Optional Retirement Program to include individuals in specified position categories designated by specified governing boards of

institutions of higher education or the Secretary of Higher Education. The bill also requires an individual who was a participant in the Optional Retirement Program as of August 22, 2004, to continue to participate in the Program under specified circumstances, and conforms specified terminology to current institutional policies regarding employment categories.

Senate Bill 979, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 926.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 926

AN ACT concerning

Optional Retirement Program – Eligibility – Alterations

FOR the purpose of altering the eligibility provisions of the Optional Retirement Program to include individuals in certain position categories designated by certain governing boards of institutions of higher education or the Secretary of Higher Education; ~~authorizing~~ requiring an individual who was a participant in the Optional Retirement Program as of a certain date to continue to participate in the Program under certain circumstances; conforming certain terminology to current institutional policies regarding employment categories; and generally relating to eligibility for the Optional Retirement Program.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 30–301
Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – State Personnel and Pensions

30–301.

(a) An individual is eligible to participate in the program if the individual is eligible for membership in a retirement system or a pension system and is:

(1) a member of the faculty of an employing institution;

(2) a professional employee at a community college or regional community college established under Title 16 of the Education Article;

(3) an employee of the University System of Maryland who is in a position designated as exempt under a policy adopted by the University System of Maryland Board of Regents;

(4) an employee of Morgan State University who is in a position designated as **EXECUTIVE OR** professional [or] administrative by the Board of Regents of Morgan State University;

(5) an employee of St. Mary's College of Maryland who is in a position determined by the Board of Trustees of the College to be [a professional or faculty] **AN EXEMPT** position; or

(6) an employee of the Maryland Higher Education Commission who is in a position determined by the Secretary of Higher Education to be a professional position.

(b) (1) This subsection applies to an individual who:

(i) on August 22, 2004, was eligible to participate in the program;
and

(ii) is in a position that, as of August 23, 2004, was reclassified by the University System of Maryland Board of Regents or the Board of Regents of Morgan State University and would no longer be eligible for participation in the program under subsection (a) of this section.

(2) An individual described under paragraph (1) of this subsection ~~may~~ **SHALL** continue to participate in the program if the individual:

(i) would otherwise be eligible for membership in a system under the State Retirement and Pension System; and

(ii) is employed by an employing institution.

(C) (1) THIS SUBSECTION APPLIES TO AN INDIVIDUAL WHO:

(I) IS IN A POSITION THAT WAS ELIGIBLE TO PARTICIPATE IN THE PROGRAM BUT WAS RECLASSIFIED BY THE GOVERNING BOARD OF THE INDIVIDUAL'S EMPLOYING INSTITUTION OR THE SECRETARY OF HIGHER EDUCATION TO A POSITION THAT WOULD NO LONGER BE ELIGIBLE FOR PARTICIPATION IN THE PROGRAM UNDER SUBSECTION (A) OF THIS SECTION; AND

(II) WAS A PARTICIPANT IN THE PROGRAM ON THE DATE IMMEDIATELY PRECEDING THE RECLASSIFICATION.

(2) AN INDIVIDUAL DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION ~~MAY~~ SHALL CONTINUE TO PARTICIPATE IN THE PROGRAM IF THE INDIVIDUAL:

(I) WOULD OTHERWISE BE ELIGIBLE FOR MEMBERSHIP IN A SYSTEM UNDER THE STATE RETIREMENT AND PENSION SYSTEM; AND

(II) IS EMPLOYED BY AN EMPLOYING INSTITUTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 972 – *St. Mary's County – Local Licenses – Repeal*.

This bill repeals provisions of law that relate to specified licenses issued in St. Mary's County for hucksters, peddlers, and other specified businesses.

Senate Bill 995, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 972.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 972

AN ACT concerning

St. Mary's County – Local Licenses – Repeal

FOR the purpose of repealing certain provisions of law that relate to certain licenses issued in St. Mary's County.

BY repealing

The Public Local Laws of St. Mary's County
Section 61–1 through 61–3 and the chapter "Chapter 61. Hucksters and Peddlers"
Article 19 – Public Local Laws of Maryland
(2007 Edition and March 2014 Supplement, as amended)

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

Article 19 – St. Mary's County

[Chapter 61. Hucksters and Peddlers.]

[61–1.

A. (1) A huckster, hawker or peddler may not sell or offer for sale any fruits or vegetables in St. Mary's County without a license.

(2) This section does not apply to farmers or growers selling their own fruits or vegetables.

B. (1) An applicant for a license shall pay an annual license fee set by the County Commissioners, by resolution, to the Clerk of the Circuit Court of St. Mary's County.

(2) The Clerk of the Court shall pay the receipts from the issuance of the licenses to the County Treasurer for the use of the county.

C. Any person violating the provisions of this section on conviction is subject to a fine not exceeding one thousand dollars (\$1,000.00).]

[61–2.

A. A person may not conduct the business of or act as an itinerant or door-to-door peddler or salesman of goods, wares or merchandise, either by sample or otherwise, in St. Mary's County unless the person holds a current license issued by the Sheriff of the county. As used in this section, "peddler or salesman" includes one who offers for sale or solicits subscriptions for magazines or other periodical publications.

B. The Sheriff shall make available application forms for a peddler's and magazine seller's license, requiring such information as, in the opinion of the Sheriff, may be necessary to keep an appropriate listing of the persons in St. Mary's County who are engaged in these occupations. The license shall be issued on application, at an annual cost

set by the County Commissioners, by resolution. The cost may not be prorated for portions of a year. The license year begins as of January 1.

C. This section may not be construed or used to apply to any person who is going from door to door in any activity or enterprise which is conducted for and on behalf of any nonprofit, charitable or eleemosynary agency or organization; or to any person who is going from door to door or utilizing roadside stands in the sale of farm produce or seafood of any kind which the person has produced or taken within the limits of St. Mary's County; or to any person who is selling or delivering newspapers.

D. Any person who violates any provision of this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding one thousand dollars (\$1,000.00) for each violation.]

[61-3.

A. An individual may not conduct business as a palm reader, fortune teller, soothsayer, or psychic in St. Mary's County without a current license issued by the Sheriff of the county.

B. The Sheriff of St. Mary's County shall make available license application forms for palm readers, fortune tellers, soothsayers, and psychics. The license shall cover a 1-year period and shall cost a fee set by the County Commissioners, by resolution.

C. The Sheriff may issue a license only upon photographing and fingerprinting the applicant and determining that the applicant has never been convicted of a felony or misdemeanor for which a sentence of unsuspended imprisonment of six (6) months or more was imposed unless the applicant:

(1) Was pardoned by the Governor of Maryland under Article II, Section 20 of the Maryland Constitution; or

(2) Was granted relief under Title 18, Section 925(c) of the United States Code.

D. Any conviction of a license holder for a felony or misdemeanor for which an unsuspended imprisonment of six (6) months or more has been imposed shall result in automatic revocation of the license.

E. This section does not apply to any activity conducted on behalf of any nonprofit or charitable agency or organization.

F. Any person violating the provisions of this section is guilty of a misdemeanor and is subject to a fine of not more than one thousand dollars (\$1,000.00) for each violation and imprisonment for not more than 60 days, or both.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
State House
Annapolis, Maryland 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 1010 – *Maryland Transit Administration Oversight and Planning Board*.

The proposed “oversight” provisions in House Bill 1010 represent a sophomoric attack on sound transportation policy by creating an unprecedented imposition of a politically–driven board to second–guess the authority of an executive branch agency. The board created by this bill does a disservice to the millions of taxpayers and visitors to Maryland that ride transit all over the State and continues the General Assembly’s attempts over the past two sessions to erode the long–established powers of Maryland’s Executive Branch.

House Bill 1010 would establish a Maryland Transit Administration (MTA) Oversight and Planning Board within the Maryland Department of Transportation (MDOT) with specific provisions related to membership, duties, and staffing of the board. MTA’s exercise of powers and duties would be subject to the authority of the board including reporting requirements on the MTA for any purpose when the board determines it is necessary to do so.

Perhaps the most alarming aspect of House Bill 1010 is its out and out rejection of the “One Maryland” principle in favor of a regional oversight board of a statewide agency. Specifically, the bill requires that 11 of 16 members of the oversight board come from just six jurisdictions in the State, to the exclusion of 19 other counties, representing over 3.25 million Marylanders who, through gas taxes and other measures, fund the MTA.

In short, more than half of the people in Maryland who will pay for the operation of MTA will have no say in its oversight, including the entire Eastern Shore, Western Maryland, Southern Maryland and the Washington D.C. suburbs, where the largest MTA project in a generation will soon begin. Simply put, that is a terrible idea. It is the equivalent of handing oversight of the Maryland Aviation Administration to Anne Arundel County, simply because that is where Baltimore/Washington International Thurgood Marshall Airport is located.

I have made statewide transit and transportation a top priority of my Administration, and MTA has several projects outside the Baltimore area. For example, the Administration in 2016 will begin the construction phase of the Purple Line, the largest transit project in Maryland history, exclusively in Montgomery and Prince George's Counties. Additionally, increased attention to MARC train service in Montgomery and Frederick Counties as well as commuter bus and other transit options in Southern Maryland will require the focus of the Administration in coming years.

Additionally, the MTA Oversight and Planning Board proposed to be established by House Bill 1010 would review and comment on the operations, plans, and services of all locally-operated transit systems in the state. MTA provides over \$100 million statewide each year to local jurisdictions in the State and provides essential operational support to local transit systems. Locally-operated transit systems (LOTS) provide over 39 million trips each year, and in some of Maryland's rural areas, LOTS and other nonprofit transit organizations supported by MTA are the only means of transportation for disabled and transit-dependent individuals. These areas are sure to be neglected by an oversight board whose concentration will be on planning and development in the Baltimore area alone.

The MTA currently has three existing advisory councils comprised of riders. The Citizens' Advisory Council (CAC), the Consumers Advisory Council for Accessible Transportation (CACAT), and the MARC Riders Advisory Council meet on a monthly basis and provide valuable feedback to the Administration. While House Bill 1010 codifies all of these advisory councils, this is unnecessary. The current structure allows for maximum flexibility and adaptability to MTA's changing needs and priorities, while also giving the public and stakeholders meaningful input into MTA plans, projects, and initiatives.

Finally, House Bill 1010 requires the Administration to produce several reports and surveys at a cost of \$7.3 million in FY 2017 alone. These funds would surely be better used to provide transit service to Maryland residents instead of supporting an unnecessary bureaucracy.

Under my Administration, we have focused our attention on improving a long-neglected agency and have obtained tangible results. The MTA is succeeding according to every measurable metric in its core service area, including on-time performance, safety, and customer service, while continuing to support local transit in other parts of the State.

Placing a politically-motivated regional oversight board at MTA at a time of tremendous improvement and progress is unnecessary, unwarranted, and unwise. The oversight board as structured in House Bill 1010 does not fit the organization of the MTA within state government and would serve to impede the Administration's statewide mission at significant cost to the taxpayer.

For these reasons, I have vetoed House Bill 1010.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 1010

AN ACT concerning

Maryland Transit Administration Oversight and Planning Board

FOR the purpose of establishing the Maryland Transit Administration Oversight and Planning Board; providing for the membership, term of office, powers, duties, and staffing of the Board; providing that a member of the Board may not receive compensation, but is entitled to reimbursement for certain expenses; requiring the Board to submit an annual report to the Secretary of Transportation, the Governor, and the General Assembly; requiring the Administration to ~~produce and submit to the Board for review and approval a~~ prepare a certain ~~strategic~~ comprehensive multimodal transit development plan and certain other plans and reports; requiring the Board to keep certain records on a public Web site that allows for citizen review and communication; requiring the Administration to establish the Citizens Advisory Council for the Maryland Transit Administration, the MARC Riders Advisory Council for the Maryland Transit Administration, and the Accessible Transportation Advisory Council for the Maryland Transit Administration; providing for the membership, term of office, powers, and duties of the ~~Council~~ respective Councils; providing that a member of ~~the~~ a Council may not receive compensation, but is entitled to reimbursement for certain expenses; requiring the Administration to submit a certain report to certain committees of the General Assembly on or before a certain date each year; declaring a certain intent of the General Assembly relating to the appointment of certain members to certain councils established under this Act; requiring the Department of Legislative Services to conduct a certain review and make certain recommendations on or before a certain date; applying certain requirements in certain provisions of law to a certain review; providing for the termination of this Act; defining a certain term certain terms; making a stylistic change; and generally relating to the Maryland Transit Administration Oversight and Planning Board.

BY repealing and reenacting, with amendments,
 Article – Transportation
 Section ~~7-203 and~~ 7-204(q)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2015 Supplement)

BY adding to
 Article – Transportation
 Section 7-204(q), 7-205, ~~and 7-213~~ 7-213, 7-214, and 7-215, and 7-216
 Annotated Code of Maryland
 (2015 Replacement Volume and 2015 Supplement)

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

Article – Transportation

~~7-203.~~

~~(a) The exercise of the powers and duties of the Administration is subject to the authority of the Secretary and, where applicable, the Maryland Transportation Authority AND THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD.~~

~~(b) By regulation or directive, the Secretary or, where applicable, the Maryland Transportation Authority may require that the exercise of any power or duty of the Administration be subject to the prior approval of the Secretary [or], the Maryland Transportation Authority, [as the case may be] OR THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD.~~

7-204.

(Q) THE ADMINISTRATION SHALL ~~DESIGNATE AN EXECUTIVE DIRECTOR AND OTHER STAFF AS NEEDED TO PROVIDE ASSISTANCE TO~~ PROVIDE STAFF SUPPORT FOR THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD ESTABLISHED UNDER § 7-205 OF THIS SUBTITLE.

[(q)] (R) Subject to the limitations imposed by this title, the Administration may exercise all powers reasonably necessary to the declared objects and purposes of this title.

7-205.

(A) IN THIS SECTION, “BOARD” MEANS THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD.

(B) THERE IS A MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD.

(C) THE BOARD CONSISTS OF:

(1) THE FOLLOWING VOTING MEMBERS:

(i) FOUR MEMBERS FROM BALTIMORE CITY, APPOINTED AS FOLLOWS:

1. TWO MEMBERS APPOINTED BY THE MAYOR OF BALTIMORE CITY; AND

2. TWO MEMBERS APPOINTED BY THE GOVERNOR;

(II) THREE MEMBERS FROM BALTIMORE COUNTY, APPOINTED AS FOLLOWS:

1. TWO MEMBERS APPOINTED BY THE COUNTY EXECUTIVE OF BALTIMORE COUNTY; AND

2. ONE MEMBER APPOINTED BY THE GOVERNOR;

(III) TWO MEMBERS FROM ANNE ARUNDEL COUNTY, APPOINTED AS FOLLOWS:

1. ONE MEMBER APPOINTED BY THE COUNTY EXECUTIVE OF ANNE ARUNDEL COUNTY; AND

2. ONE MEMBER APPOINTED BY THE GOVERNOR;

(IV) ONE MEMBER FROM HOWARD COUNTY, APPOINTED BY THE COUNTY EXECUTIVE OF HOWARD COUNTY;

(V) ONE MEMBER FROM HARFORD COUNTY, APPOINTED BY THE COUNTY EXECUTIVE OF HARFORD COUNTY;

(VI) ONE MEMBER OF THE CITIZENS ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION, DESIGNATED BY THE COUNCIL AND APPOINTED BY THE GOVERNOR; ~~AND~~

(VII) ONE MEMBER OF THE MARC RIDERS ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION, DESIGNATED BY THE COUNCIL AND APPOINTED BY THE GOVERNOR;

(VIII) ONE MEMBER OF THE ACCESSIBLE TRANSPORTATION ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION, DESIGNATED BY THE COUNCIL AND APPOINTED BY THE GOVERNOR; ~~AND~~

(IX) ONE MEMBER WHO IS A USER OF COMMUTER BUS SERVICES, APPOINTED BY THE GOVERNOR; AND

~~(VII)~~ ~~(IX)~~ (X) TWO MEMBERS OF THE GENERAL ASSEMBLY, APPOINTED AS FOLLOWS:

1. ONE MEMBER APPOINTED BY THE PRESIDENT OF THE SENATE; AND

2. ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF DELEGATES; AND

(2) THE SECRETARY OF TRANSPORTATION, OR THE SECRETARY'S DESIGNEE, AS A NONVOTING MEMBER, EXCEPT THAT THE SECRETARY, OR THE SECRETARY'S DESIGNEE, MAY VOTE TO BREAK A TIE ON ANY ITEM VOTED BY THE BOARD.

(3) WHEN APPOINTING THE MEMBERS OF THE GENERAL ASSEMBLY TO THE BOARD UNDER PARAGRAPH (1)(IX) OF THIS SUBSECTION, THE PRESIDING OFFICERS SHALL:

(i) GIVE STRONG CONSIDERATION TO MEMBERS WHOSE BACKGROUND AND GENERAL ASSEMBLY COMMITTEE ASSIGNMENTS INVOLVE TRANSIT-RELATED MATTERS; AND

(ii) ENDEAVOR TO ENSURE THAT THE APPOINTEES ENHANCE THE GEOGRAPHIC DIVERSITY OF THE BOARD.

(4) THE ADMINISTRATION SHALL:

(i) REVIEW THE MEMBERSHIP OF THE BOARD:

1. AT LEAST EVERY 5 YEARS; AND

2. WHENEVER A MAJOR INCREASE TO THE CAPACITY OF THE TRANSIT SYSTEM UNDER THE ADMINISTRATION TAKES PLACE, INCLUDING THE OPENING OF THE PURPLE LINE IN MONTGOMERY AND PRINCE GEORGE'S COUNTIES; AND

(ii) MAKE RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, ON ANY CHANGES THAT THE ADMINISTRATION BELIEVES SHOULD BE MADE TO THE MEMBERSHIP OF THE BOARD.

(D) (1) EACH MEMBER OF THE BOARD:

(i) SERVES FOR A TERM OF 3 YEARS; AND

(ii) MAY NOT SERVE MORE THAN TWO CONSECUTIVE TERMS.

(2) THE TERM OF A MEMBER BEGINS ON JANUARY 1.

(3) IN THE EVENT OF A VACANCY ON THE BOARD, THE APPOINTING AUTHORITY FOR THAT MEMBER SHALL APPOINT A NEW MEMBER TO FILL THE VACANCY FOR THE REMAINDER OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(4) WHEN MAKING AN APPOINTMENT TO THE BOARD, THE APPOINTING AUTHORITY SHALL CONSIDER AS A FACTOR IN ASSESSING AN INDIVIDUAL'S SUITABILITY FOR THE APPOINTMENT THE INDIVIDUAL'S FAMILIARITY AND EXPERIENCE WITH LOCAL AND COMMUTER TRANSIT SERVICES OPERATED BY THE ADMINISTRATION, WHETHER AS A RIDER OR AN EMPLOYER OF REGULAR RIDERS OR BECAUSE OF OTHER EXPERIENCES OR CIRCUMSTANCES.

(E) THE BOARD SHALL:

(1) ~~ANNUALLY~~ EVERY 2 YEARS, ELECT A CHAIR AND VICE CHAIR FROM AMONG THE MEMBERS OF THE BOARD, EXCEPT THAT THE SECRETARY OF TRANSPORTATION MAY NOT SERVE AS CHAIR OR VICE CHAIR;

(2) ORGANIZE AND ESTABLISH POLICIES AND PROCEDURES FOR THE OPERATIONS OF THE BOARD AS IT CONSIDERS APPROPRIATE, INCLUDING CONFLICT OF INTEREST STANDARDS THAT PROHIBIT A MEMBER OF THE BOARD FROM HAVING ANY INAPPROPRIATE FINANCIAL OR NONFINANCIAL INTEREST IN A MATTER OVER WHICH THE BOARD HAS JURISDICTION;

(3) NO LATER THAN 6 MONTHS AFTER THE BOARD FIRST MEETS, AND AFTER AN OPPORTUNITY FOR PUBLIC REVIEW AND COMMENT FOR NOT LESS THAN 60 DAYS BUT NOT LONGER THAN 90 DAYS, ADOPT BYLAWS TO GOVERN THE OPERATIONS OF THE BOARD;

(4) (I) ~~MEET EACH QUARTER AND AS THE BOARD CONSIDERS NECESSARY TO CARRY OUT ITS DUTIES; AND~~

(II) RECEIVE PUBLIC COMMENTS DURING AT LEAST TWO OF ITS QUARTERLY MEETINGS EACH YEAR;

(5) (I) KEEP MINUTES OF THE MEETINGS OF THE BOARD AND MAINTAIN PROPER RECORDS OF ALL TRANSACTIONS OF THE BOARD;

(II) POST ALL MINUTES, RECORDS, NOTICES, COMMENTS, OR OTHER INFORMATION ISSUED BY THE BOARD OR RECEIVED FROM THE PUBLIC IN A SEARCHABLE DATABASE ON A PUBLIC WEB SITE ESTABLISHED AND MAINTAINED BY THE BOARD; AND

(III) ALLOW THE PUBLIC TO SUBMIT COMMENTS TO THE BOARD THROUGH THE PUBLIC WEB SITE AND VIEW WITHOUT RESTRICTION ALL MINUTES, RECORDS, NOTICES, COMMENTS, OR OTHER INFORMATION ISSUED BY THE BOARD OR SUBMITTED TO THE BOARD BY THE PUBLIC.

(F) IN ACCORDANCE WITH § 7-204(Q) OF THIS SUBTITLE, PRINCIPAL STAFF FOR THE BOARD SHALL BE PROVIDED BY THE ADMINISTRATION.

(G) 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.

(H) IN ADDITION TO ITS DUTIES UNDER SUBSECTION (E) OF THIS SECTION, THE BOARD SHALL:

(1) ON BEHALF OF THE RESIDENTS AND BUSINESSES OF THE STATE, EXERCISE ~~RIGOROUS~~ OVERSIGHT OF AND ENGAGE IN ADVOCACY FOR THE PUBLIC TRANSIT SYSTEMS MAINTAINED BY THE ADMINISTRATION;

(2) ~~REQUIRE THE ADMINISTRATION TO PRODUCE AND SUBMIT TO THE BOARD FOR REVIEW AND EDIT COMMENT A STRATEGIC PLAN FOR TRANSIT EVERY 3 YEARS EVERY 5 YEARS A COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN~~ REVIEW AND COMMENT ON THE MULTIMODAL TRANSIT DEVELOPMENT PLAN PREPARED BY THE ADMINISTRATION EVERY 5 YEARS UNDER SUBSECTION (J)(2) OF THIS SECTION;

(3) REVIEW ANY REPORT PREPARED BY OR FOR THE ADMINISTRATION CONCERNING THE ATTAINMENT OF ITS GOALS, INCLUDING PERFORMANCE GOALS AND METRICS, AND EVALUATE ANY OTHER MEASURES OF THE PERFORMANCE OF THE TRANSIT SYSTEM, AND ~~THEN MAKE~~ ISSUE WRITTEN RECOMMENDATIONS CONCERNING HOW THE RESULTS OF THE BOARD'S REVIEW AND EVALUATION SHOULD INFLUENCE THE ADMINISTRATION'S PRIORITIES IN THE COMING YEAR.

(4) ANNUALLY REVIEW AND COMMENT ON TRANSIT-RELATED SPENDING PRIORITIES UNDER THE MARYLAND CONSOLIDATED TRANSPORTATION PROGRAM, PARTICULARLY WITH REGARD TO THE ADMINISTRATION'S ADHERENCE TO ITS ~~STRATEGIC~~ COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN AND THE POTENTIAL TO ACHIEVE MEASURABLE IMPROVEMENT IN ATTAINING THE ADMINISTRATION'S GOALS OR OTHER SUITABLE MEASURES OF PERFORMANCE;

(5) REVIEW AND COMMENT ON TRANSPORTATION OPERATIONS, PLANS, AND SERVICES PROPOSED BY OR FOR ~~BALTIMORE CITY AND THE COUNTIES IN THE BALTIMORE METROPOLITAN AREA~~ ANY LOCAL GOVERNMENT THAT COMPLEMENT THE TRANSIT PLANS AND SERVICES OF THE ADMINISTRATION;

(6) REVIEW AND COMMENT ON:

(I) THE ADMINISTRATION'S ANNUAL OPERATING AND CAPITAL BUDGET; AND

(II) SPECIFIC POLICIES AND DECISIONS THAT ARE KEY TO ADMINISTRATION SERVICE QUALITY;

(7) ON OR BEFORE FEBRUARY 15 EACH YEAR, IN COOPERATION WITH THE ADMINISTRATION, PROVIDE COMMENTS CONCERNING THE ADMINISTRATION'S ~~STRATEGIC~~ COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN, BUDGET, AND POLICIES TO THE GOVERNOR, THE SENATE BUDGET AND TAXATION COMMITTEE AND ~~THE FINANCE COMMITTEE~~, AND THE HOUSE ~~COMMITTEE ON WAYS AND MEANS~~ APPROPRIATIONS COMMITTEE AND ENVIRONMENT AND TRANSPORTATION COMMITTEE;

(8) CONVENE SUBCOMMITTEES OR OTHER APPROPRIATE ENTITIES TO GATHER INFORMATION AND SUGGESTIONS REGARDING TRANSIT SERVICE FROM A WIDE RANGE OF INTERESTED PARTIES, INCLUDING NONPROFIT ORGANIZATIONS, CIVIC FOUNDATIONS, EMPLOYERS, AND TRANSIT RIDERS;

(9) AS IT DEEMS APPROPRIATE, PROPOSE TO THE ADMINISTRATION AND TO THE GENERAL ASSEMBLY THE ADOPTION OF POLICIES THAT ENCOURAGE ADMINISTRATION PRACTICES THAT PROMOTE PUBLIC SAFETY, TRANSPARENCY, ACCOUNTABILITY, CUSTOMER SERVICE, REGULAR COMMUNICATION WITH THE PUBLIC, AND PRUDENT FINANCIAL DECISION MAKING; AND

(10) ON OR BEFORE NOVEMBER 1 OF EACH YEAR, COMPILE AND SUBMIT TO THE SECRETARY OF TRANSPORTATION, THE SECRETARY OF COMMERCE, THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT CONCERNING THE ADMINISTRATION'S PROGRESS IN MEETING THE ~~STRATEGIC~~ COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN SUBMITTED TO THE BOARD UNDER ~~THIS~~ SUBSECTION (J) OF THIS SECTION.

(I) IN CARRYING OUT ITS DUTIES UNDER SUBSECTION (H) OF THIS SECTION, THE BOARD SHALL ENDEAVOR TO ENSURE THAT THE ADMINISTRATION'S PLANS, BUDGET, DECISIONS, POLICIES, GOALS, PRIORITIES, OPERATIONS, AND

SERVICES ADDRESS THE PUBLIC TRANSIT NEEDS OF RESIDENTS AND BUSINESSES IN ALL OF THE GEOGRAPHIC REGIONS OF THE STATE.

~~(H) (J) (1) THE ADMINISTRATION SHALL REPORT TO THE BOARD AS PRESCRIBED IN THIS SUBSECTION~~ BOARD AT ITS QUARTERLY MEETINGS AS PRESCRIBED IN SUBSECTION (E)(4) OF THIS SECTION AND AT OTHER TIMES AND FOR ANY PURPOSE THAT THE BOARD DETERMINES IT NECESSARY TO DO SO.

~~(2) (I) 1. THE COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN REQUIRED UNDER SUBSECTION (H)(2) OF THIS SECTION SHALL INCLUDE~~ THE ADMINISTRATION SHALL, EVERY 5 YEARS, PREPARE A COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN THAT INCLUDES A DETAILED PLAN AND ANALYSIS OF THE ADMINISTRATION'S SERVICES, INCLUDING INFORMATION CONCERNING:

A. EACH MODE OF TRANSIT SERVICE PROVIDED BY THE ADMINISTRATION;

B. SHORT-TERM, MEDIUM-TERM, AND LONG-TERM GOALS AND PLANS FOR EACH MODE OF TRANSIT SERVICE AND FOR THE TRANSIT SYSTEM OVERALL; AND

C. NECESSARY FUNDING AND OTHER REQUIREMENTS FOR ACHIEVING THE ADMINISTRATION'S TRANSIT GOALS.

2. THE COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN ALSO SHALL INCLUDE:

A. SUFFICIENT DETAIL CONCERNING THE SHORT-TERM GOALS AND PLANS TO ALLOW THE BOARD TO GAIN A CLEAR UNDERSTANDING OF AND COMPLETE AN EVALUATION OF THE EFFECTIVENESS OF THE ADMINISTRATION'S CURRENT PERFORMANCE; AND

B. ANY OTHER INFORMATION REQUESTED BY THE BOARD OR DETERMINED BY THE ADMINISTRATION TO BE HELPFUL TO THE BOARD IN DISCHARGING THE BOARD'S DUTY TO INFORM THE PUBLIC OF THE ADMINISTRATION'S PLANS AND PERFORMANCE.

~~(II) IN ADDITION TO THE STRATEGIC PLAN REQUIRED UNDER SUBSECTION (G)(2) OF THIS SECTION~~ COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN, THE THE ADMINISTRATION SHALL SUBMIT TO THE BOARD EACH YEAR:

1. ANY CHANGES THAT HAVE BEEN MADE TO THE COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN;

~~(I)~~ 1. 2. A PERFORMANCE REPORT;

~~(II)~~ 2. 3. AN OPERATING, CAPITAL IMPROVEMENT, AND SYSTEM MAINTENANCE PLAN; AND

~~(III)~~ 3. 4. A SUMMARY OF ANY AUDIT REPORT RECEIVED BY THE ADMINISTRATION.

(3) THE ADMINISTRATION SHALL SUBMIT TO THE BOARD EVERY ~~THREE~~ 5 YEARS:

(I) ~~AN IN ACCORDANCE WITH SUBSECTION (H)(2) OF THIS SECTION, AN~~ AN UPDATED ~~LONG TERM MULTI-MODAL~~ COMPREHENSIVE LONG-TERM MULTIMODAL TRANSIT DEVELOPMENT PLAN;

(II) AN UPDATED PLAN FOR CORE, COMMUTER, LIGHT RAIL, AND HEAVY RAIL TRANSIT SERVICE; AND

(III) THE RESULTS OF ~~A RIDE-ON~~ AN ON-BOARD OR ON-PLATFORM SURVEY CONDUCTED AS PART OF ITS LONG RANGE PLANNING FOR TRANSIT SERVICE.

7-213.

(A) IN THIS SECTION, “COUNCIL” MEANS THE CITIZEN’S ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION.

(B) THE ADMINISTRATION SHALL ESTABLISH A CITIZEN’S ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION.

(C) (1) ~~THE COUNCIL SHALL INCLUDE AT LEAST 13 MEMBERS~~ RIDERS FROM EACH MODE OF TRANSIT OPERATED BY THE ADMINISTRATION AND WHO REPRESENT MULTIPLE LOCAL JURISDICTIONS.

(2) THE ADMINISTRATION SHALL APPOINT NO FEWER THAN THREE REPRESENTATIVES OF TRANSIT ADVOCACY ORGANIZATIONS AS MEMBERS OF THE COUNCIL.

(3) EACH MEMBER OF THE COUNCIL:

(I) SERVES FOR A TERM OF ~~1-YEAR~~ 2 YEARS; AND

(II) MAY NOT SERVE FOR MORE THAN ~~5~~ 6 CONSECUTIVE YEARS.

(4) THE TERM OF A MEMBER BEGINS ON JANUARY 1.

(5) A MEMBER OF THE COUNCIL:

(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE COUNCIL; BUT

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

(D) THE ADMINISTRATION SHALL ESTABLISH AND MAINTAIN AN OFFICIAL PUBLIC WEB SITE FOR THE COUNCIL.

(E) (1) THE PURPOSE OF THE COUNCIL IS TO SOLICIT AND RECEIVE COMMENTS FROM THE USERS OF THE MASS TRANSIT SYSTEMS MAINTAINED BY THE ADMINISTRATION AND PROVIDE RECOMMENDATIONS FOR SERVICE IMPROVEMENTS TO THE ADMINISTRATION AND THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD.

(2) THE COUNCIL SHALL SUMMARIZE AND REPORT TO THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD AND THE ADMINISTRATION THE COMMENTS AND RECOMMENDATIONS IT RECEIVES FROM THE PUBLIC UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(F) THE COUNCIL SHALL:

(1) ADOPT BYLAWS TO GOVERN ITS OPERATIONS;

(2) MEET AT LEAST ~~ONCE EACH MONTH~~ QUARTERLY;

(3) AT EACH MEETING, RECEIVE PUBLIC COMMENTS FROM THE USERS OF THE MASS TRANSIT SYSTEMS MAINTAINED BY THE ADMINISTRATION; AND

(4) KEEP MINUTES OF ITS MEETINGS AND POST ALL MINUTES, RECORDS, NOTICES, COMMENTS, OR OTHER INFORMATION ISSUED BY THE COUNCIL OR RECEIVED FROM THE PUBLIC IN A SEARCHABLE DATABASE ON THE COUNCIL'S WEB SITE ESTABLISHED AND MAINTAINED BY THE ADMINISTRATION.

(G) (1) THE COUNCIL SHALL ELECT A CHAIR AND VICE CHAIR FROM AMONG ITS MEMBERS.

(2) THE TERM OF THE CHAIR AND VICE CHAIR IS 2 YEARS.

(3) THE CHAIR AND VICE CHAIR MAY NOT SERVE TWO CONSECUTIVE TERMS IN THE SAME OFFICE.

7-214.

(A) IN THIS SECTION, “COUNCIL” MEANS THE MARC RIDERS ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION.

(B) THE ADMINISTRATION SHALL ESTABLISH THE MARC RIDERS ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION.

(C) (1) THE COUNCIL SHALL INCLUDE MARC RIDERS FROM ALL GEOGRAPHIC AREAS OF THE STATE SERVED BY MARC.

(2) THE ADMINISTRATION SHALL APPOINT AT LEAST ONE REPRESENTATIVE OF AN ADVOCACY ORGANIZATION FOR MARC RIDERS AS A MEMBER OF THE COUNCIL.

(3) EACH MEMBER OF THE COUNCIL:

(I) SERVES FOR A TERM OF 2 YEARS; AND

(II) MAY NOT SERVE FOR MORE THAN 6 CONSECUTIVE YEARS.

(4) THE TERM OF A MEMBER BEGINS ON JANUARY 1.

(5) A MEMBER OF THE COUNCIL:

(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE COUNCIL; BUT

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

(D) THE ADMINISTRATION SHALL ESTABLISH AND MAINTAIN AN OFFICIAL PUBLIC WEB SITE FOR THE COUNCIL.

(E) (1) THE PURPOSE OF THE COUNCIL IS TO SOLICIT AND RECEIVE COMMENTS FROM MARC RIDERS AND THE PUBLIC GENERALLY AND PROVIDE

RECOMMENDATIONS FOR SERVICE IMPROVEMENTS TO THE ADMINISTRATION AND THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD.

(2) THE COUNCIL SHALL SUMMARIZE AND REPORT TO THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD AND THE ADMINISTRATION THE COMMENTS AND RECOMMENDATIONS IT RECEIVES UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(F) THE COUNCIL SHALL:

(1) ADOPT BYLAWS TO GOVERN ITS OPERATIONS;

(2) MEET AT LEAST QUARTERLY;

(3) AT EACH MEETING, RECEIVE PUBLIC COMMENTS FROM MARC RIDERS AND THE PUBLIC GENERALLY; AND

(4) KEEP MINUTES OF ITS MEETINGS AND POST ALL MINUTES, RECORDS, NOTICES, COMMENTS, OR OTHER INFORMATION ISSUED BY THE COUNCIL OR RECEIVED FROM MARC RIDERS AND THE PUBLIC GENERALLY IN A SEARCHABLE DATABASE ON THE COUNCIL'S WEB SITE ESTABLISHED AND MAINTAINED BY THE ADMINISTRATION.

(G) (1) THE COUNCIL SHALL ELECT A CHAIR AND VICE CHAIR FROM AMONG ITS MEMBERS.

(2) THE TERM OF THE CHAIR AND VICE CHAIR IS 2 YEARS.

(3) THE CHAIR AND VICE CHAIR MAY NOT SERVE TWO CONSECUTIVE TERMS IN THE SAME OFFICE.

7-215.

(A) IN THIS SECTION, "COUNCIL" MEANS THE ACCESSIBLE TRANSPORTATION ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION.

(B) THE ADMINISTRATION SHALL ESTABLISH THE ACCESSIBLE TRANSPORTATION ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION.

(C) (1) THE COUNCIL SHALL INCLUDE INDIVIDUALS FROM ALL GEOGRAPHIC AREAS THROUGHOUT THE STATE WHO USE ACCESSIBLE TRANSIT.

(2) THE ADMINISTRATION SHALL APPOINT AT LEAST ONE REPRESENTATIVE OF AN ADVOCACY ORGANIZATION FOR ACCESSIBLE TRANSPORTATION AS A MEMBER OF THE COUNCIL.

(3) EACH MEMBER OF THE COUNCIL:

(I) SERVES FOR A TERM OF 2 YEARS; AND

(II) MAY NOT SERVE FOR MORE THAN 6 CONSECUTIVE YEARS.

(4) THE TERM OF A MEMBER BEGINS ON JANUARY 1.

(5) A MEMBER OF THE COUNCIL:

(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE COUNCIL; BUT

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

(D) THE ADMINISTRATION SHALL ESTABLISH AND MAINTAIN AN OFFICIAL PUBLIC WEB SITE FOR THE COUNCIL.

(E) (1) THE PURPOSE OF THE COUNCIL IS TO SOLICIT AND RECEIVE COMMENTS FROM USERS OF ACCESSIBLE TRANSIT AND THE PUBLIC GENERALLY AND PROVIDE RECOMMENDATIONS FOR SERVICE IMPROVEMENTS TO THE ADMINISTRATION AND THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD.

(2) THE COUNCIL SHALL SUMMARIZE AND REPORT TO THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD AND THE ADMINISTRATION THE COMMENTS AND RECOMMENDATIONS IT RECEIVES UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(F) THE COUNCIL SHALL:

(1) ADOPT BYLAWS TO GOVERN ITS OPERATIONS;

(2) MEET AT LEAST QUARTERLY;

(3) AT EACH MEETING, RECEIVE PUBLIC COMMENTS FROM THE USERS OF ACCESSIBLE TRANSIT AND THE PUBLIC GENERALLY; AND

(4) KEEP MINUTES OF ITS MEETINGS AND POST ALL MINUTES, RECORDS, NOTICES, COMMENTS, OR OTHER INFORMATION ISSUED BY THE COUNCIL OR RECEIVED FROM THE USERS OF ACCESSIBLE TRANSIT AND THE PUBLIC GENERALLY IN A SEARCHABLE DATABASE ON THE COUNCIL'S WEB SITE ESTABLISHED AND MAINTAINED BY THE ADMINISTRATION.

(G) (1) THE COUNCIL SHALL ELECT A CHAIR AND VICE CHAIR FROM AMONG ITS MEMBERS.

(2) THE TERM OF THE CHAIR AND VICE CHAIR IS 2 YEARS.

(3) THE CHAIR AND VICE CHAIR MAY NOT SERVE TWO CONSECUTIVE TERMS IN THE SAME OFFICE.

7-216.

ON OR BEFORE DECEMBER 1 EACH YEAR, THE ADMINISTRATION SHALL SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE FINANCE COMMITTEE AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE ON:

(1) THE ADMINISTRATION'S PROCESS FOR AND PROGRESS ON PREPARING THE COMPREHENSIVE MULTIMODAL TRANSIT DEVELOPMENT PLAN REQUIRED UNDER SUBSECTION (J)(2) OF THIS SECTION; AND

(2) (I) THE STATUS OF THE ESTABLISHMENT OF THE MARYLAND TRANSIT ADMINISTRATION OVERSIGHT AND PLANNING BOARD, THE CITIZEN'S ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION, THE MARC RIDERS ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION, AND THE ACCESSIBLE TRANSPORTATION ADVISORY COUNCIL FOR THE MARYLAND TRANSIT ADMINISTRATION; AND

(II) RECOMMENDATIONS ON ANY CHANGES NEEDED TO THE MEMBERSHIP OF THE BOARD AND ADVISORY COUNCILS, AND TO THE ORGANIZATIONAL STRUCTURE OF THE BOARD AND ADVISORY COUNCILS WITHIN THE ADMINISTRATION, TO IMPROVE THE OPERATIONS OF THE BOARD AND ADVISORY COUNCILS.

SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the members of the Maryland Transit Administration Oversight and Planning Board established under this Act shall be staggered as follows:

(1) of the two members from Baltimore City appointed by the Mayor of Baltimore City, one member shall serve for an initial term of two years and one member shall serve and initial term of three years;

(2) of the two members from Baltimore City appointed by the Governor, one member shall serve for an initial term of two years and one member shall serve an initial term of three years;

(3) of the two members from Baltimore County appointed by the County Executive of Baltimore County, one member shall serve for an initial term of two years and one member shall serve an initial term of three years;

(4) the member from Baltimore County appointed by the Governor shall serve an initial term of three years;

(5) the member from Anne Arundel County appointed by the County Executive of Anne Arundel County shall serve an initial term of three years;

(6) the member from Anne Arundel County appointed by the Governor shall serve an initial term of two years;

(7) the member from Howard County appointed by the County Executive of Howard County shall serve an initial term of three years;

(8) the member from Harford County appointed by the County Executive of Harford County shall serve an initial term of two years;

(9) the member of the Citizens Advisory Council appointed by the Governor shall serve an initial term of three years; ~~and~~

(10) the member of the MARC Riders Advisory Council appointed by the Governor shall serve an initial term of two years;

(11) the member of the Accessible Transportation Advisory Council appointed by the Governor shall serve an initial term of two years;

(12) the member who is a user of commuter bus services appointed by the Governor shall serve an initial term of two years; and

~~(10)~~ (13) the members of the General Assembly, one appointed by the President of the Senate and one appointed by the Speaker of the House, each shall serve an initial term of three years.

SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Maryland Transit Administration, when appointing members to the advisory councils established under this Act, include members who have served or are serving on the existing advisory councils established by the Administration.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) On or before December 15, 2020, the Department of Legislative Services shall conduct a review of the Maryland Transit Administration Oversight and Planning Board and the advisory councils established under Section 1 of this Act and make recommendations, including any proposed legislation necessary to implement the recommendations, to the Senate Finance Committee and the House Environment and Transportation Committee regarding:

(1) whether the termination date of the Board and advisory councils should be extended; and

(2) what, if any, statutory or nonstatutory changes should be made to improve the operations of the Board and advisory councils, including any changes that should be made to:

(i) the membership of the Board and advisory councils relating to geographic representation and other criteria;

(ii) the duties of the Board and advisory councils; and

(iii) the organizational structure of the Board and advisory councils within the Maryland Transit Administration, including:

1. whether the Board and each of the advisory councils should continue to function as separate entities; and

2. whether any modifications should be made to the reporting process and requirements that specify the entities to which the Board and each of the advisory councils is to report information.

(b) The requirements of § 8-408 of the State Government Article shall apply to the review conducted under subsection (a) of this section.

SECTION ~~3~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2016. It shall remain effective for a period of 5 years and, at the end of May 31, 2021, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

April 1, 2016

The Honorable Michael E. Busch
Speaker of the House

State House
Annapolis, Maryland 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, today I have vetoed House Bill 1013 – *Maryland Open Transportation Investment Decision Act of 2016*.

This regrettable legislation exemplifies the worst kind of policymaking and it is not in the best interest of Maryland taxpayers. House Bill 1013 represents the beginning of what could be a long term fundamental shift in how transportation decisions are made, with political forces and unaccountable special interests manipulating the legislative process to dictate what projects get built.

I have said repeatedly that every decision I make will be put to a simple test: Will this law or action make it easier for families and small businesses to stay in Maryland, and will it make more families and businesses want to come to Maryland? This bill miserably fails the simple test.

By establishing arbitrary new criteria to guide transportation decisions in Maryland, the bill may harm our State's competitiveness and could degrade the quality of life for Marylanders for decades to come. In a worrying preview of what could happen in future years, this bill was constructed in a secretive and haphazard manner with enormous input from political pressure groups but with no real thought and no meaningful input from the Department of Transportation.

The obvious intent of the legislation is to severely limit the decision making of local governments, to strip the Executive Branch of its authority over transportation decisions and to create new mechanisms to divert taxpayer dollars away from highway infrastructure. Vague and imprecise language as well as multiple technical problems associated with the implementation of this bill only further diminish the quality of what was already poorly conceived legislation. For these reasons, I cannot support the enactment of House Bill 1013.

My Administration has taken a balanced approach to transportation that includes an appropriate mix of major highway projects across Maryland, as well as important transit project like the Purple Line and Baltimore Link in densely populated regions. Conversely, by reshaping our State's transportation priorities and decision making processes, House Bill 1013 potentially puts at risk major road, bridge and transit investments in every Maryland county as well as in Baltimore City.

Under this bill, certain capital projects of the State Highway Administration or Maryland Transit Administration will be subjected to a new scoring and ranking system composed of nine specified goals of 100 points each (900 point scale). The Department must develop and adopt regulations on how to score each measure within each goal before January 1, 2017.

In the context of numerous bills considered this session to erode the long-established powers of Maryland's Executive Branch, House Bill 1013 infringes upon the Maryland Department of Transportation authority for identifying priorities in local jurisdictions throughout the State. The existing Consolidated Transportation Program is a well-established process for identifying transportation needs based upon extensive input from local stakeholders. The Department of Transportation opposed this bill during the hearings in the Senate and House of Delegates because the bill complicates the existing system which has been praised by State and local officials with new language that would impose a contrived ranking process that was created by outside, unknown bill drafters without the inclusion of the expertise of the Department.

Put simply, this bill is just bad public policy. For example, safety is the most important consideration in all Maryland Department of Transportation's current review of transportation projects. Under House Bill 1013, however, safety scoring at 100 points caps the consideration of safety at 11% of the total. Thus the bill language equates a safety factor such as reduction in fatalities at the same level with the degree to which a project is projected to increase the use of walking, biking, and transit.

This bill also requires that all major capital projects be scored and ranked for inclusion in the draft and final Consolidated Transportation Program. This creates a practice by which local governments are incentivized to submit as many priorities as possible. For example, if Montgomery County had 50 transportation priorities, they would submit everything project (local prioritization would account for only 11% of the points) and most of these projects (transit and urban focused) would generally score higher than projects in other parts of the State because of the population multiplier required under the bill.

Lastly, the bill emasculates the Maryland Transportation Plan Advisory Committee, an inclusive and comprehensive committee that has been in place since 1971. This Committee is charged with setting the State's transportation goals and is left intact but the authority of this Committee is usurped by prescribing nine transportation goals for Maryland, each with an equal weight. It is unclear how the Committee and scoring system will function together or what role the Committee will play moving forward.

I was an outspoken critic of the transportation decisions made under the previous administration, including the wide scale cuts to local road funding and the syphoning of a billion dollars from the Transportation Trust Fund, which the legislature later put under lock and key to prevent future raids.

The previous Governor acknowledged that our highways were deteriorating and our bridges were crumbling but House Bill 1013 has the potential to once again put Maryland roads and highways on a path of neglect and underinvestment. I would be defaulting on my vow to Marylanders if I did not make every effort to resist the passage of this bill.

For these reasons, I have vetoed House Bill 1013.

Sincerely,

Lawrence J. Hogan, Jr.
Governor

House Bill 1013

AN ACT concerning

Maryland Open Transportation Investment Decision Act of 2016

FOR the purpose of establishing State transportation goals; establishing measures by which the Department of Transportation is required to score the extent to which *certain* major capital projects satisfy the goals; requiring the Department to develop a project-based scoring system and promulgate certain regulations; requiring the Department to submit a certain list; requiring the Department to evaluate, score, and rank *certain* major capital projects for inclusion in the ~~draft and~~ final Consolidated Transportation Program, in a certain manner; requiring, with a certain exception, that certain capital projects with higher scores be ranked ahead of capital projects with lower scores; requiring the Department to incorporate the State transportation goals in the Consolidated Transportation Program and Maryland Transportation Plan; requiring that certain analyses and benchmarks are included in the Consolidated Transportation Program and Maryland Transportation Plan; providing for the *construction and* application of this Act; defining a certain term; altering certain definitions; making certain conforming changes; and generally relating to State transportation goals.

BY repealing and reenacting, with amendments,
Article – Transportation
Section 2–103.1
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

BY adding to
Article – Transportation
Section 2–103.7
Annotated Code of Maryland
(2015 Replacement Volume and 2015 Supplement)

Preamble

WHEREAS, It is the intent of the General Assembly that a public process for transportation planning be developed that provides Maryland citizens with a clear and transparent explanation as to how their transportation taxes and revenues are allocated to fund major capital transportation projects; now, therefore,

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

Article – Transportation

2–103.1.

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

(2) “Capital project” means:

(i) Any project for which funds are expended for construction, reconstruction, or rehabilitation of a transportation facility by the Department or of a transportation facilities project by the Maryland Transportation Authority; or

(ii) Capital equipment, as defined by the Secretary.

(3) “Construction phase” means the phase of a capital project in which the project is committed and advanced from the project development phase to completion.

(4) “Major capital project” means any new, expanded, or significantly improved facility or service that involves planning, environmental studies, design, right-of-way, construction, or purchase of essential equipment related to the facility or service.

(5) “MAJOR TRANSPORTATION PROJECT” HAS THE MEANING STATED IN § 2–103.7 OF THIS SUBTITLE.

~~(5)~~ **(6)** “Minor capital project” means any project for the preservation or rehabilitation of an existing facility or service, including the planning, design, right-of-way, construction, or purchase of equipment essential to the facility or service, and generally not requiring the preparation of an environmental impact assessment.

~~(6)~~ **(7)** “Project development phase” means the phase of a capital project in which planning, engineering, and environmental studies and analyses are conducted with full participation by the public, prior to commitment to construction.

~~(7)~~ **(8)** (i) “Proposing entity” means a government agency or political subdivision that requests that a transportation project be included in the Consolidated Transportation Program.

(ii) “Proposing entity” includes a county, a municipality, a metropolitan planning organization, or a modal administration or any other agency of the Department.

~~(8)~~ **(9)** “Purpose and need summary statement” means a brief statement that specifies the underlying purpose and need for a project.

~~(9)~~ **(10)** “Significant change” means any change that affects the size or character of a project to the extent that the change:

- (i) Substantially modifies the capacity, level of service, or cost of the project;
- (ii) Alters the function or purpose of the project; or
- (iii) Impacts the ability of a modal administration to accomplish the program priorities established by the Secretary in the State Report on Transportation.

~~(10)~~ **(11)** “State transportation goals” means the goals described in [the Maryland Transportation Plan] **§ 2-103.7 OF THIS SUBTITLE.**

~~(11)~~ **(12)** “Transportation facilities project” has the meaning stated in § 4-101(i) of this article.

~~(12)~~ **(13)** “Transportation facility” has the meaning stated in § 3-101(l) of this article.

(b) The State Report on Transportation consists of the Consolidated Transportation Program and the Maryland Transportation Plan.

(c) (1) The Consolidated Transportation Program shall:

(i) Be revised annually ~~IN ACCORDANCE WITH § 2-103.7 OF THIS SUBTITLE~~; and

(ii) Include:

1. A list of:

A. The ~~current~~ State transportation goals;

B. Program priorities; ~~and~~

C. For projects in the construction phase, the criteria used to select major capital projects for inclusion in the capital program[, as determined by the Department]; **AND**

D. ~~IF APPLICABLE, THE~~ THE MANNER IN WHICH EACH MAJOR CAPITAL TRANSPORTATION PROJECT WAS EVALUATED AND RANKED UNDER § 2-103.7 OF THIS SUBTITLE;

2. A statement of the Department's projected annual operating costs, set forth separately for the Office of the Secretary and for each modal administration;
3. Expanded descriptions of major capital projects;
4. A list of major capital projects for the current year, the budget request year, and the 4 successive planning years;
5. A list of anticipated minor capital projects, including a specific list of anticipated special projects for the current year and the budget request year and an estimate of the Program level for each of the 4 successive planning years;
6. A list of major bridge work projects;
7. A summary of the capital and operating programs, as defined by the Secretary, for the Maryland Transportation Authority;
8. For each listed major capital project, an indication whether the revenue source anticipated to support that project consists of federal, special, general, or other funds;
9. The Department's estimates of the levels and sources of revenues to be used to fund the projects in the Program;
10. A glossary of terms; and
11. A cross-reference table for the information contained in the various parts of the State Report on Transportation.

(2) In addition to the items listed in paragraph (1) of this subsection, the Consolidated Transportation Program shall include:

(i) A summary of current efforts and future plans, prepared after consultation with the Director of Bicycle and Pedestrian Access and the Bicycle and Pedestrian Advisory Committee established under § 2-606 of this title:

1. To develop and promote bicycle and pedestrian transportation; and
2. Working together with local jurisdictions, to accommodate in a safe and effective manner pedestrians and bicycles within a reasonable distance for walking and bicycling to rail stops, light rail stops, and subway stations;

(ii) A listing of all bicycle and pedestrian transportation projects expected to use State or federal highway funds; and

(iii) Reflected under the Office of the Secretary, any technology-related project to be funded from the account established under § 2–111 of this subtitle, along with a description and projected cost of each.

(3) Annually, the Consolidated Transportation Program shall include a report that:

(i) Identifies each major capital project for which the budget bill or a supplemental budget amendment first requests funds for the project development phase or for the construction phase;

(ii) With respect to each major capital project for which funds are requested in the budget request year, states:

1. The amount of the funds requested; and
2. The total estimated cost of the project;

(iii) Identifies significant changes in the cost, scope, design, or scheduling of major capital projects for each completed fiscal year;

(iv) When there is a significant change in cost, states the amount by which the expenditures that have been authorized exceed the original project estimate;

(v) When there is a significant change, states:

1. The amount by which costs exceed projected costs during each completed fiscal year; and
2. The total amount that has been expended for a major capital project;

(vi) Provides a purpose and need summary statement that includes:

1. A general description and summary that describes why the project is necessary and satisfies State **TRANSPORTATION** goals, including [current State transportation goals and] Climate Action Plan goals required by the Greenhouse Gas Emissions Reduction Act of 2009 under § 2–1205(b) of the Environment Article;

2. The location of the project, including a map of the project limits, project area, or transportation corridor; and

3. A summary of how the project meets the selection criteria ~~ESTABLISHED UNDER § 2–103.7 OF THIS SUBTITLE~~ for inclusion in the capital program; and

(vii) Includes any other information that the Secretary believes would be useful to the members of the General Assembly, the general public, or other recipients of the Consolidated Transportation Program.

(4) The total operating and capital expenditures for the Department or for the Office of the Secretary or any modal administration projected in the Consolidated Transportation Program for the budget request year may not exceed the budget request for the Department, Office, or modal administration for that year.

(5) For a major capital project to be considered for inclusion in the construction program of the Consolidated Transportation Program, a request must be submitted to the Secretary by the proposing entity along with a purpose and need summary statement justifying the project that includes:

(i) The location of the project, including a map of the project limits, project area, or transportation corridor;

(ii) The need for the project; and

(iii) A discussion of how the project:

1. Addresses State transportation goals; and

2. Supports local government land use plans and goals.

(6) (i) The Department shall evaluate requests for major capital projects based on the State's **TRANSPORTATION** goals **AND, IF APPLICABLE, USING THE MEASURES ESTABLISHED UNDER § 2-103.7 OF THIS SUBTITLE** and, as appropriate, criteria as determined by the information submitted by the proposing entity and the availability of funding.

(ii) As part of the evaluation under this paragraph, the Department shall acknowledge the difference between urban and rural transportation needs.

(7) (i) The Department, in developing a construction or improvement project involving a bridge or other transportation facility that is adjacent to or crosses a waterway for inclusion in the Consolidated Transportation Program, shall consider any reasonable and appropriate measures to provide or improve in the vicinity of the bridge or other transportation facility water access for fishing, canoeing, kayaking, or any other nonmotorized water dependent recreational activity.

(ii) The Department, in consultation with the Department of Natural Resources and interested stakeholders, shall establish:

1. Standards and guidelines for identifying appropriate bridges and other transportation facilities to be considered for the provision or improvement of water access under this paragraph; and

2. Best practices and cost effective strategies for accommodating water access under this paragraph.

(d) The Maryland Transportation Plan shall:

(1) [Be] **EXCEPT AS OTHERWISE PROVIDED, BE** revised every 5 years through an inclusive public participation process;

(2) Include a 20–year forecast of State transportation needs, based on the financial resources anticipated to be available to the Department during that 20–year period;

(3) Be expressed in terms of **THE STATE TRANSPORTATION** goals and [objectives] **MEASURES**; and

(4) Include a summary of the types of projects and programs that are proposed to accomplish the **STATE TRANSPORTATION** goals and [objectives] **MEASURES**, using a multi–modal approach when feasible.

(e) On or before November 15 of each year, the Department shall visit each county to give local governments and local legislative delegations information about and an opportunity to comment on the proposed Consolidated Transportation Program and the proposed Maryland Transportation Plan.

(f) At the earliest practical date but no later than November 1 of each year, the Department shall provide the proposed Consolidated Transportation Program and the proposed Maryland Transportation Plan to the Department of Planning for review and comment on planning issues including consistency between transportation investments and the State Economic Growth, Resource Protection, and Planning Policy and State priority funding areas established under Title 5, Subtitle 7B of the State Finance and Procurement Article.

(g) Beginning with the year 2002 State Report on Transportation and continuing thereafter, before the General Assembly considers the proposed Maryland Transportation Plan and the proposed Consolidated Transportation Program, the Department shall submit an annual report on the attainment of **STATE** transportation goals and benchmarks for the approved and proposed Maryland Transportation Plan and the approved and proposed Consolidated Transportation Program to the Governor and, subject to § 2–1246 of the State Government Article, to the General Assembly.

(h) (1) The report required under subsection (g) of this section shall include:

(i) The establishment of certain measurable performance indicators or benchmarks, in priority funding areas at a minimum, designed to quantify the **STATE**

TRANSPORTATION goals and [objectives] MEASURES specified in the Maryland Transportation Plan AND § 2-103.7 OF THIS SUBTITLE; and

(ii) The degree to which the projects and programs contained in the approved Maryland Transportation Plan and Consolidated Transportation Program attain those goals and benchmarks as measured by the performance indicators or benchmarks.

(2) The Department shall include in its report measurable long-term goals, and intermediate benchmarks of progress toward the attainment of the long-term goals, for the following measurable transportation indicators:

(i) An increase in the share of total person trips for each of transit, high occupancy auto, pedestrian, and bicycle modes of travel;

(ii) A decrease in indicators of traffic congestion as determined by the Department; and

(iii) Any other performance goals established by the Department for reducing automobile traffic and increasing the use of nonautomobile traffic.

(3) The performance indicators or benchmarks described in this subsection shall acknowledge the difference between urban and rural transportation needs.

(i) The Smart Growth Subcabinet, established under Title 9, Subtitle 14 of the State Government Article, shall conduct an annual review of the **STATE** transportation goals, benchmarks, and indicators.

(j) (1) An advisory committee shall be assembled to advise the Department on the [establishment of the] **STATE** transportation goals, benchmarks, and indicators under subsection (h) of this section.

(2) Membership of the advisory committee shall include but is not limited to the following members appointed by the Governor:

(i) A representative of the Maryland business community;

(ii) A representative of the disabled citizens community;

(iii) A representative of rural interests;

(iv) A representative of an auto users group;

(v) A representative of a transit users group;

(vi) A representative of the goods movement industry;

(vii) A nationally recognized expert on transportation demand management;

(viii) A nationally recognized expert on pedestrian and bicycle transportation;

(ix) A nationally recognized expert on transportation performance measurement;

(x) A representative of an environmental advocacy organization;

(xi) A representative from the Maryland Department of Planning;

(xii) A representative of the Maryland Association of Counties; and

(xiii) A representative of the Maryland Municipal League.

(3) The Governor shall appoint the chairman of the advisory committee.

(4) The advisory committee shall meet at least four times during the process of developing the Maryland Transportation Plan to provide advice to the Department on meeting the requirements of this subsection.

(5) The Department and the advisory committee shall consider the following:

(i) Transportation and population trends and their impact on the State's transportation system and priority funding areas;

(ii) Past and present State funding devoted to the various transportation modes and demand management;

(iii) The full range of unmet transportation needs in priority funding areas;

(iv) The full range of transportation measures and facilities available, and their role, effectiveness, and cost effectiveness in providing travel choices and reducing congestion;

(v) A review of transportation performance indicators and their use in other states;

(vi) A review of the coordination of State transportation investments with local growth plans for priority funding areas;

(vii) The types of investments needed and their levels of funding for supporting the **STATE TRANSPORTATION** goals and [objectives of the Maryland Transportation Plan] **MEASURES ESTABLISHED UNDER § 2-103.7 OF THIS SUBTITLE**;

(viii) The impact of transportation investment on:

1. The environment;
2. Environmental justice as defined in § 1-701 of the Environment Article;
3. Communities; and
4. Economic development; and

(ix) The Climate Action Plan goals required by the Greenhouse Gas Emissions Reduction Act of 2009 under § 2-1205(b) of the Environment Article.

(k) The Department may:

(1) Conduct its analysis of planned transportation investments in priority funding areas on a statewide basis or in groupings of priority funding areas centered on regions, metropolitan areas, cities, or other groupings suitable for transportation modeling; and

(2) Choose to exclude from its analysis priority funding areas which have an insignificant role in transportation trends because of small size, population, or physical isolation.

(l) In the report required under subsection (g) of this section, the Department shall:

(1) Use narrative, graphs, charts, tables, and maps as appropriate to make the results easily understood by the public;

(2) Include projected long-term trends for each of the indicators and the effect of planned transportation investments on the trends;

(3) To the extent practicable, account for the effect of planned transportation investments on inducing automobile travel;

(4) To the extent practicable, account for automobile trips not taken due to demand management measures, including teleworking, teleshopping, and land use patterns supporting alternatives to driving; and

(5) Indicate the cost effectiveness of investments for achieving relevant performance goals and benchmarks, including a specific analysis of planned transportation investments detailing:

(i) Any projected decreases or increases in indicators of traffic congestion and accessibility as defined by the Department; and

(ii) The cost per passenger mile and other indicators of cost effectiveness as defined by the Department, including the estimated annual cost of maintenance and operations.

(m) (1) (i) Subject to § 2–1246 of the State Government Article:

1. On or before September 1 of each year, the Department shall submit copies of the proposed Consolidated Transportation Program, ~~INCLUDING THE MANNER IN WHICH EACH MAJOR PROJECT WAS EVALUATED AND RANKED UNDER § 2–103.7 OF THIS SUBTITLE,~~ and the supporting financial forecast to the General Assembly; and

2. On submission of the budget bill to the presiding officers of the General Assembly, the Department shall submit copies of the approved Consolidated Transportation Program, **INCLUDING THE MANNER IN WHICH EACH MAJOR *TRANSPORTATION* PROJECT WAS EVALUATED AND RANKED UNDER § 2–103.7 OF THIS SUBTITLE,** and the supporting financial forecast to the General Assembly.

(ii) Notwithstanding § 2–1246(b)(2) of the State Government Article, the Department shall provide to each member of the General Assembly a copy of the proposed Consolidated Transportation Program and the approved Consolidated Transportation Program.

(2) (i) The financial forecast supporting the Consolidated Transportation Program to be submitted to the General Assembly under paragraph (1) of this subsection shall include the following components:

1. A schedule of operating expenses for each specific modal administration;

2. A schedule of revenues, including tax and fee revenues, deductions from revenues for other agencies, Department program and fees, Motor Vehicle Administration cost recovery, deductions for highway user revenues, operating revenues by modal administration, and miscellaneous revenues; and

3. A summary schedule for the Transportation Trust Fund that includes the opening and closing Fund balance, revenues, transfers, bond sales, bond premiums, any other revenues, expenditures for debt service, operating expenses, amounts available for capital expenses, bond interest rates, bond coverage ratios, total bonds

outstanding, federal capital aid, and the total amount for the Transportation Capital Program.

(ii) The financial forecast shall include, for each of the components specified in subparagraph (i) of this paragraph:

1. Actual information for the last full fiscal year; and
2. Forecasts of the information for each of the six subsequent fiscal years, including the current fiscal year, the fiscal year for the proposed budget, and the next four subsequent fiscal years.

(iii) The Department shall incorporate in the financial forecast the most recent estimates by the Board of Revenue Estimates of the revenues from:

1. The corporate income tax and the sales and use tax for each of the six subsequent years, including the current fiscal year and the fiscal year for the proposed budget; and
2. Motor fuel taxes and motor vehicle titling taxes for the current fiscal year and the fiscal year for the proposed budget.

2-103.7.

(A) (1) ~~IN THIS SECTION, "MAJOR CAPITAL PROJECT" HAS THE MEANING STATED IN § 2-103.1 OF THIS SUBTITLE~~ THE FOLLOWING WORDS HAVE THE MEANING INDICATED.

(2) "MAJOR CAPITAL PROJECT" HAS THE MEANING STATED IN § 2-103.1 OF THIS SUBTITLE.

(3) (i) "MAJOR TRANSPORTATION PROJECT" MEANS A MAJOR CAPITAL PROJECT IN THE STATE HIGHWAY ADMINISTRATION OR THE MARYLAND TRANSIT ADMINISTRATION WHOSE TOTAL COST FOR ALL PHASES EXCEEDS \$5,000,000 AND THAT:

- 1. INCREASES HIGHWAY OR TRANSIT CAPACITY;**
- 2. IMPROVES TRANSIT STATIONS OR STATION AREAS;**

OR

3. IMPROVES HIGHWAY CAPACITY THROUGH THE USE OF INTELLIGENT TRANSPORTATION SYSTEMS OR CONGESTION MANAGEMENT SYSTEMS.

(II) “MAJOR TRANSPORTATION PROJECT” DOES NOT INCLUDE:

1. PROJECTS IN THE MARYLAND AVIATION ADMINISTRATION, THE MARYLAND PORT ADMINISTRATION, OR THE MARYLAND TRANSPORTATION AUTHORITY;

2. MAINTENANCE AND STORAGE FACILITIES PROJECTS;

3. WATER QUALITY IMPROVEMENT PROJECTS; ~~OR~~

4. PROJECTS RELATED TO MARYLAND’S PRIORITIES FOR TOTAL MAXIMUM DAILY LOAD DEVELOPMENT;

5. SAFETY-RELATED PROJECTS THAT DO NOT INCREASE HIGHWAY OR TRANSIT CAPACITY; OR

6. ROADS WITHIN THE APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM.

~~(B) THE DEPARTMENT SHALL EVALUATE AND RANK MAJOR CAPITAL PROJECTS FOR INCLUSION IN THE DRAFT AND FINAL CONSOLIDATED TRANSPORTATION PROGRAM BASED ON THE GOALS AND MEASURES ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION.~~

(B) THE DEPARTMENT SHALL:

(1) IN ACCORDANCE WITH FEDERAL TRANSPORTATION REQUIREMENTS, DEVELOP A PROJECT-BASED SCORING SYSTEM USING THE GOALS AND MEASURES ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION;

(2) DEVELOP THE WEIGHTING METRICS FOR EACH GOAL AND MEASURE ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION;

(3) ON OR BEFORE JANUARY 1, 2017, ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION; AND

(4) IN ACCORDANCE WITH THE PROJECT-BASED SCORING SYSTEM DEVELOPED UNDER THIS SUBSECTION, RANK MAJOR TRANSPORTATION PROJECTS FOR INCLUSION IN THE DRAFT AND FINAL CONSOLIDATED TRANSPORTATION PROGRAM.

(C) (1) THE STATE TRANSPORTATION GOALS ARE:

(I) SAFETY AND SECURITY;

- (II) SYSTEM PRESERVATION;
- (III) QUALITY OF SERVICE;
- (IV) ENVIRONMENTAL STEWARDSHIP;
- (V) COMMUNITY VITALITY;
- (VI) ECONOMIC PROSPERITY;
- (VII) EQUITABLE ACCESS TO TRANSPORTATION; ~~AND~~
- (VIII) COST EFFECTIVENESS AND RETURN ON INVESTMENT; AND
- (IX) LOCAL PRIORITIES AND PLANNING.

(2) IN EVALUATING WHETHER AND TO WHAT EXTENT A MAJOR ~~CAPITAL~~ TRANSPORTATION PROJECT SATISFIES THE GOALS ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT, USING A 20-YEAR FORECAST IN THE PROJECT AREA, SHALL ASSIGN A SCORE FROM 1 TO 100 FOR EACH GOAL ~~IN THE FOLLOWING MANNER~~ USING THE FOLLOWING MEASURES:

(I) FOR SAFETY AND SECURITY:

1. THE EXPECTED REDUCTION IN TOTAL FATALITIES AND SEVERE INJURIES IN ALL MODES AFFECTED BY THE PROJECT ~~SHALL ACCOUNT FOR 50% OF THE SCORE;~~ AND

2. THE EXTENT TO WHICH THE PROJECT IMPLEMENTS THE MARYLAND STATE HIGHWAY ADMINISTRATION'S COMPLETE STREETS POLICIES ~~SHALL ACCOUNT FOR 25% OF THE SCORE;~~ AND

~~3. THE EXTENT TO WHICH THE PROJECT IS EXPECTED TO REDUCE VEHICLE MILES TRAVELED SHALL ACCOUNT FOR 25% OF THE SCORE.~~

(II) FOR SYSTEM PRESERVATION:

1. THE DEGREE TO WHICH THE PROJECT INCREASES THE LIFESPAN OF THE AFFECTED FACILITY ~~SHALL ACCOUNT FOR 40% OF THE SCORE;~~

2. THE DEGREE TO WHICH THE PROJECT INCREASES THE FUNCTIONALITY OF THE FACILITY ~~SHALL ACCOUNT FOR 30% OF THE SCORE;~~ AND

3. THE DEGREE TO WHICH THE PROJECT RENDERS THE FACILITY MORE RESILIENT ~~SHALL ACCOUNT FOR 30% OF THE SCORE.~~

(III) FOR QUALITY OF SERVICE:

1. THE EXPECTED CHANGE IN CUMULATIVE JOB ACCESSIBILITY WITHIN AN APPROXIMATELY ~~45-MINUTE~~ 60-MINUTE COMMUTE FOR HIGHWAY PROJECTS OR ~~AN APPROXIMATELY 60-MINUTE COMMUTE FOR TRANSIT PROJECTS~~ ~~SHALL ACCOUNT FOR 50% OF THE SCORE;~~

~~2. THE EXPECTED CHANGE IN CUMULATIVE JOB ACCESSIBILITY FOR DISADVANTAGED POPULATIONS WITHIN A 45-MINUTE COMMUTE FOR HIGHWAY PROJECTS OR AN APPROXIMATELY 60-MINUTE COMMUTE FOR TRANSIT PROJECTS SHALL ACCOUNT FOR 20% OF THE SCORE; AND~~

2. THE DEGREE TO WHICH THE PROJECT HAS A POSITIVE IMPACT ON TRAVEL TIME RELIABILITY; AND

3. THE DEGREE TO WHICH THE PROJECT SUPPORTS CONNECTIONS BETWEEN DIFFERENT MODES OF TRANSPORTATION AND PROMOTES MULTIPLE TRANSPORTATION CHOICES ~~SHALL ACCOUNT FOR 30% OF THE SCORE.~~

(IV) FOR ENVIRONMENTAL STEWARDSHIP:

1. THE POTENTIAL OF THE PROJECT TO LIMIT OR REDUCE HARMFUL EMISSIONS ~~SHALL ACCOUNT FOR 30% OF THE SCORE;~~

2. THE DEGREE TO WHICH THE PROJECT AVOIDS IMPACTS ON STATE RESOURCES IN THE PROJECT AREA AND ADJACENT AREAS ~~SHALL ACCOUNT FOR 30% OF THE SCORE; AND~~

3. THE DEGREE TO WHICH THE PROJECT ADVANCES THE STATE ENVIRONMENTAL GOALS ~~OF THE STATE SHALL ACCOUNT FOR 40% OF THE SCORE.~~

(V) FOR COMMUNITY VITALITY:

1. THE DEGREE TO WHICH THE PROJECT IS PROJECTED TO INCREASE THE USE OF WALKING, BIKING, AND TRANSIT ~~SHALL ACCOUNT FOR 25% OF THE SCORE;~~

2. THE DEGREE TO WHICH THE PROJECT ENHANCES EXISTING COMMUNITY ASSETS ~~SHALL ACCOUNT FOR 25% OF THE SCORE;~~ AND

3. THE DEGREE TO WHICH THE PROJECT FURTHERS THE AFFECTED COMMUNITY'S AND STATE'S PLANS FOR REVITALIZATION ~~SHALL ACCOUNT FOR 25% OF THE SCORE;~~ AND

~~4. THE DEGREE TO WHICH THE PROJECT SUPPORTS COMPACT DEVELOPMENT PATTERNS IN EXISTING COMMUNITIES AND DOES NOT INDUCE PREMATURE AND LOW DENSITY DEVELOPMENT ON THE OUTSKIRTS OF EXISTING COMMUNITIES SHALL ACCOUNT FOR 25% OF THE SCORE.~~

(VI) FOR ECONOMIC PROSPERITY:

1. THE PROJECTED INCREASE IN THE CUMULATIVE JOB ACCESSIBILITY WITHIN AN APPROXIMATELY ~~45-MINUTE~~ 60-MINUTE COMMUTE FOR PROJECTS ~~SHALL ACCOUNT FOR 40% OF THE SCORE;~~

2. THE EXTENT TO WHICH THE PROJECT IS PROJECTED TO ENHANCE ACCESS TO CRITICAL INTERMODAL LOCATIONS FOR THE MOVEMENT OF GOODS AND SERVICES ~~SHALL ACCOUNT FOR 30% OF THE SCORE;~~ AND

3. THE PROJECTED INCREASE IN FURTHERING NONSPECULATIVE LOCAL AND STATE ECONOMIC DEVELOPMENT STRATEGIES IN EXISTING COMMUNITIES ~~SHALL ACCOUNT FOR 30% OF THE SCORE.~~

(VII) FOR EQUITABLE ACCESS TO TRANSPORTATION:

1. THE EXPECTED INCREASE IN JOB ACCESSIBILITY FOR DISADVANTAGED POPULATIONS WITHIN AN APPROXIMATELY ~~45-MINUTE~~ 60-MINUTE COMMUTE FOR PROJECTS ~~SHALL ACCOUNT FOR 40% OF THE SCORE;~~ AND

2. THE PROJECTED ECONOMIC DEVELOPMENT IMPACT ON LOW-INCOME COMMUNITIES ~~SHALL ACCOUNT FOR 30% OF THE SCORE;~~ AND

~~3. THE POTENTIAL FOR THE PROJECT TO REVITALIZE AND ENHANCE LOW-INCOME COMMUNITIES SHALL ACCOUNT FOR 30% OF THE SCORE.~~

(VIII) FOR COST EFFECTIVENESS AND RETURN ON INVESTMENT:

~~1. THE EXTENT TO WHICH THE PROJECT IS PROJECTED TO ENHANCE ACCESS TO CRITICAL INTERMODAL LOCATIONS FOR THE MOVEMENT OF GOODS AND SERVICES SHALL ACCOUNT FOR 50% OF THE SCORE; AND~~

~~2. THE DEGREE TO WHICH THE ENHANCEMENTS TO THE PROJECT AREA ARE WEIGHTED AGAINST THE PER CAPITA COST OF THE PROJECT SHALL ACCOUNT FOR 50% OF THE SCORE.~~

1. THE ESTIMATED TRAVEL TIME SAVINGS DIVIDED BY THE PROJECT COST;

2. THE DEGREE TO WHICH THE PROJECT LEVERAGES ADDITIONAL FEDERAL, STATE, LOCAL, AND PRIVATE SECTOR TRANSPORTATION INVESTMENT; AND

3. THE DEGREE TO WHICH THE PROJECT WILL INCREASE TRANSPORTATION ALTERNATIVES AND REDUNDANCY.

(IX) FOR LOCAL PRIORITIES AND PLANNING, THE DEGREE TO WHICH THE PROJECT SUPPORTS LOCAL GOVERNMENT LAND USE PLANS AND GOALS.

(3) ~~THE FOR REGIONAL EQUITY, THE~~ THE DEPARTMENT SHALL MULTIPLY THE TOTAL COMBINED SCORE OF EACH MAJOR ~~CAPITAL~~ TRANSPORTATION PROJECT BY A WEIGHTING FACTOR EQUAL TO ONE PLUS THE RESULTS OF DIVIDING THE POPULATION IN THE ~~PROJECT AREA COUNTY OR COUNTIES WHERE THE PROJECT WILL BE LOCATED~~ AREA SERVED BY THE PROJECT, AS DETERMINED IN REGULATIONS ADOPTED BY THE DEPARTMENT, BY THE POPULATION OF MARYLAND.

(D) (1) THE SCORE OF A MAJOR ~~CAPITAL~~ TRANSPORTATION PROJECT SHALL BE BASED SOLELY ON THE GOALS AND MEASURES ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION.

(2) EXCEPT AS PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE DEPARTMENT SHALL PRIORITIZE MAJOR ~~CAPITAL~~ TRANSPORTATION PROJECTS WITH HIGHER SCORES FOR INCLUSION IN THE CONSOLIDATED TRANSPORTATION PROGRAM OVER MAJOR ~~CAPITAL~~ TRANSPORTATION PROJECTS WITH LOWER SCORES.

(3) THE DEPARTMENT MAY INCLUDE IN THE CONSOLIDATED TRANSPORTATION PROGRAM A MAJOR ~~CAPITAL~~ TRANSPORTATION PROJECT WITH A LOWER SCORE OVER A MAJOR ~~CAPITAL~~ TRANSPORTATION PROJECT WITH A HIGHER SCORE IF IT PROVIDES IN WRITING A RATIONAL BASIS FOR THE DECISION.

(E) NOTHING IN THIS SECTION MAY BE CONSTRUED TO IMPEDE OR ALTER:

(1) THE PRIORITY LETTER PROCESS THAT OUTLINES LOCAL TRANSPORTATION PRIORITIES FOR THE DEPARTMENT'S CONSIDERATION FOR INCLUSION IN THE CONSOLIDATED TRANSPORTATION PROGRAM UNDER § 2-103.1 OF THIS SUBTITLE; OR

(2) THE DEPARTMENT'S VISIT TO EACH COUNTY UNDER § 2-103.1(E) OF THIS SUBTITLE.

~~(E) THIS SECTION DOES NOT APPLY TO MINOR CAPITAL PROJECTS, AS DEFINED IN § 2-103.1 OF THIS SUBTITLE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Transportation update the 2014 Maryland Transportation Plan to reflect the goals and measures established under this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any major ~~capital~~ transportation project moved to the construction phase before the effective date of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That nothing in this Act may be construed to prohibit or prevent the funding of the capital transportation priorities in each jurisdiction.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
 Speaker of the House
 H-101 State House
 Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 1095 – *Education – Prekindergarten Programs – Notification of Eligibility by Local Departments of Social Services*.

This bill requires specified local departments of social services and specified local health departments, under specified circumstances, to provide specified parents or guardians with an oral and written notice that their child may be eligible for publicly funded prekindergarten programs, and requires specified local departments of social services and specified local health departments to report annually to the General Assembly on the number of parents who were given a notification and who subsequently enrolled their child in the specified program.

Senate Bill 369, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 1095.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 1095

AN ACT concerning

Education – Prekindergarten Programs – Notification of Eligibility by Local Departments of Social Services

FOR the purpose of requiring certain local departments of social services and certain local health departments, under certain circumstances, to provide to certain parents or guardians a certain notice that their children may be eligible for certain publicly funded prekindergarten programs; requiring certain local departments of social services and certain local health departments to make a certain annual report on or before a certain date; and generally relating to notification of eligibility for publicly funded prekindergarten programs in the State.

BY repealing and reenacting, with amendments,
Article – Education
Section 7–101.1
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

7–101.1.

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

(2) “Economically disadvantaged background” means a family whose income would make a child eligible for free or reduced price meals if the child were in kindergarten.

(3) “Eligible child” means a child:

(i) Who is from an economically disadvantaged background;

(ii) Whose parent or guardian seeks to enroll the child in a public prekindergarten program; and

(iii) Who is 4 years old on September 1 of the school year in which the parent or legal guardian seeks to enroll the child in a public prekindergarten program.

(4) “Eligible for free or reduced price meals” means eligible for free or reduced price meals based on eligibility requirements established by the United States Department of Agriculture.

(b) By the 2007–2008 school year, all eligible children shall be admitted free of charge to publicly funded prekindergarten programs established by each of the county boards.

(C) (1) A LOCAL DEPARTMENT OF SOCIAL SERVICES OR A LOCAL HEALTH DEPARTMENT SHALL PROVIDE A PARENT OR GUARDIAN WITH AN ORAL AND WRITTEN NOTICE THAT THEIR CHILD MAY BE ELIGIBLE FOR ~~PUBLICALLY~~ PUBLICLY FUNDED PREKINDERGARTEN PROGRAMS IF THE PARENT OR GUARDIAN:

(I) APPLIED FOR ECONOMIC SERVICES WITH THE LOCAL DEPARTMENT OF SOCIAL SERVICES OR THE LOCAL HEALTH DEPARTMENT; AND

(II) ~~HAS A FAMILY INCOME OF NO MORE THAN 185% OF THE FEDERAL POVERTY GUIDELINE; AND~~

(~~III~~) HAS A CHILD WHO WILL BE 4 YEARS OLD ON SEPTEMBER 1 OF THE NEXT ACADEMIC YEAR.

(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE CONTACT INFORMATION FOR THE ENROLLMENT OFFICE OF THE LOCAL SCHOOL SYSTEM AND THE DIVISION OF EARLY CHILDHOOD DEVELOPMENT IN THE DEPARTMENT.

~~(2)~~ (3) ON OR BEFORE DECEMBER 1 OF EACH YEAR, EACH LOCAL DEPARTMENT OF SOCIAL SERVICES AND EACH LOCAL HEALTH DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE NUMBER OF PARENTS WHO WERE GIVEN A

NOTIFICATION AND SUBSEQUENTLY ENROLLED THEIR CHILD IN A PUBLICALLY PUBLICLY FUNDED PREKINDERGARTEN PROGRAM.

[(c)] (D) The requirements set forth in § 7–101(b) of this subtitle regarding the domicile of a child and the residency of the child’s parent or guardian shall apply to prekindergarten programs established by county boards as required by this section.

[(d)] (E) In the comprehensive master plan that is submitted under § 5–401 of this article, a county board shall identify the strategies that will be used in that county to ensure that publicly funded prekindergarten programs are available to all eligible children in that county by the 2007–2008 school year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
State House
Annapolis, Maryland 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 1106 – *Clean Energy Jobs – Renewable Energy Portfolio Standard Revisions*.

This legislation is a tax increase that will be levied upon every single electricity ratepayer in Maryland and, for that reason alone, I cannot allow it to become law. Specifically, House Bill 1106 will impose a tax increase of between \$49 million to \$196 million by 2020 in order to fund the proposed increase in the State’s Renewable Energy Portfolio Standard (RPS) compliance.

The goal of House Bill 1106 to increase the State’s Renewable Energy Portfolio Standard (RPS) to 25% by 2020 is laudable, but increasing taxes to achieve this goal is the wrong approach. In 2014, Maryland ratepayers already were assessed over \$104 million dollars for renewable energy credits (RECs) in 2014 (the last year for which data is available). As explained above, House Bill 1106 would impose an additional burden on ratepayers.

Under the existing law, Maryland retains its status as a national leader in achieving RPS goals. Maryland’s electric suppliers must meet the RPS by accumulating the equivalent amount of renewable energy credits (RECs) that equal the percentage of their respective total supply in the State. In 2016, suppliers must demonstrate they have accumulated RECs at a percentage of 15.9 of their total electric supply into Maryland. This includes

12.7% for Tier 1 renewables, 0.7% for Tier 1 solar, and 2.5% for Tier 2 hydroelectric. The current goal is for Maryland to reach 20% by 2020 with the inclusion of standards for solar (at least 2%) and offshore wind (no more than 2.5%) by 2022.

Electricity suppliers and consumers share an obligation to develop a minimum level of renewable resources in the electricity supply portfolio of the State. The State first adopted an RPS in 2004 and has subsequently revised it. Maryland's existing RPS has benefitted Maryland's clean energy industry. While I appreciate the economic benefit of Maryland's growing solar industry, there is also a corresponding cost which is borne by all citizens under House Bill 1106. I believe the State should not add to this burden.

For these reasons, I have vetoed House Bill 1106.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 1106

AN ACT concerning

Clean Energy ~~Jobs~~ ~~Jobs~~ – Renewable Energy Portfolio Standard Revisions

FOR the purpose of ~~establishing the Clean Energy Workforce Account in the Maryland Employment Advancement Right Now Program; providing for the funding of the Account; specifying the purpose for which the Account may be used; specifying the priority for grants awarded from the Account; requiring the Department of Labor, Licensing, and Regulation to include certain information about the Account in a certain annual report; altering the renewable energy portfolio standard percentage derived from solar energy for certain years; altering the renewable energy portfolio standard percentage derived from Tier 1 renewable sources for certain years; altering the minimum required percentage of Tier 1 renewable energy that must be derived from solar energy in the State's renewable energy portfolio standard in certain years; altering the minimum required percentage of energy that must be derived from Tier 1 renewable sources in the State's renewable energy portfolio standard in certain years; altering the compliance fee for an electricity supplier that fails to comply with certain renewable energy portfolio standards for certain years; establishing certain compliance fees for an electricity supplier that fails to comply with certain renewable energy portfolio standards for certain years; altering the percentage of total annual electricity sales revenues based on which an electricity supplier may request a delay of certain solar energy requirements in the renewable energy portfolio standard; establishing the Clean Energy Business Development Account in the Small, Minority, and Women Owned Businesses Account; providing for the funding in the Clean Energy Account; specifying the purpose for which the Clean Energy Account may be used; prohibiting funding from the Clean Energy Account from being limited to certain businesses; requiring the Maryland Energy Administration to use the Maryland Strategic Energy Investment Fund in a certain~~

~~manner; requiring proceeds from a certain Public Service Commission order to be allocated in a certain manner; *authorizing the Small, Minority, and Women-Owned Businesses Account to receive money from the Strategic Energy Investment Fund; requiring any money that the Account receives from the Fund to be used for a certain purpose; authorizing the Maryland Energy Administration to use the Strategic Energy Investment Fund for a certain purpose; requiring the Department of Labor, Licensing, and Regulation to study the workforce development training needs for the clean energy industry in the State; requiring the Department to seek input from certain agencies and stakeholders and identify certain information; requiring the Department to report to the General Assembly on or before a certain date on certain findings and recommendations; stating certain findings of the General Assembly; defining certain terms; defining a certain term;* providing for the application of this Act; making the provisions of this Act severable; and generally relating to clean energy ~~jobs jobs~~ and the renewable energy portfolio standard.~~

~~BY adding to~~

~~Article – Labor and Employment
Section 11-708.1
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)~~

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

~~Article – Labor and Employment
Section 11-709
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,

Article – Public Utilities
Section 7-702
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Utilities
Section ~~7-702, 7-703(b)(12)~~ 7-703(a)(2)(iii), *and* (b)(12), (13), (14), (15), (16), and (17), and 7-705(b) and (e)
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

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

~~Article – State Government
Section ~~9-1A-35, 9-20B-01, and 9-20B-05(f) and (i) through (l)~~
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)~~

~~BY adding to~~

~~Article – State Government
Section 9-20B-05(i)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, with amendments,

Article – State Government
Section 9-1A-35 and 9-20B-01
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government
Section 9-20B-05(f)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – State Government
Section 9-20B-05(f-1)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

~~Article – Labor and Employment~~

~~11-708.1.~~

~~(A) THERE IS A CLEAN ENERGY WORKFORCE ACCOUNT.~~

~~(B) THE ACCOUNT SHALL BE FUNDED IN ACCORDANCE WITH § 9-20B-05(i)
OF THE STATE GOVERNMENT ARTICLE.~~

~~(C) (1) MONEY IN THE ACCOUNT SHALL BE USED TO PROVIDE GRANTS ON
A COMPETITIVE BASIS FOR STRATEGIC INDUSTRY PARTNERSHIPS THAT:~~

~~(i) 1. PROVIDE PRE-APPRENTICESHIP JOB TRAINING FOR
CAREERS IN THE CLEAN ENERGY INDUSTRY; OR~~

~~2. PROVIDE CAREER PATHS FOR WORKERS FROM
WITHIN THE CLEAN ENERGY INDUSTRY OR ASSOCIATED INDUSTRIES TO ADVANCE
THEIR CAREERS WITHIN THE CLEAN ENERGY INDUSTRY; AND~~

~~(ii) COMPLY WITH THIS SUBTITLE.~~

~~(2) MONEY IN THE ACCOUNT SHALL BE SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF THE ANNUAL APPROPRIATIONS TO THE MARYLAND EARN PROGRAM.~~

~~(D) GRANTS SHALL BE AWARDED FROM THE ACCOUNT WITH PRIORITY GIVEN TO STRATEGIC INDUSTRY PARTNERSHIPS THAT:~~

~~(1) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE JOB READINESS TRAINING FOR INDIVIDUALS FROM ECONOMICALLY DISTRESSED AREAS WITH HIGH RATES OF UNEMPLOYMENT OR HIGH PERCENTAGES OF HOUSEHOLDS THAT EARN LESS THAN 80% OF THE AREA MEDIAN INCOME;~~

~~(2) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE JOB READINESS TRAINING FOR DISADVANTAGED WORKERS THAT HAVE BARRIERS TO ENTRY INTO THE LABOR FORCE, INCLUDING:~~

~~(I) HOMELESSNESS;~~

~~(II) PRIOR CRIMINAL RECORDS;~~

~~(III) RECEIPT OF PUBLIC ASSISTANCE;~~

~~(IV) UNEMPLOYMENT WITH NO HIGH SCHOOL EDUCATION;~~

~~(V) VETERANS OF THE ARMED FORCES OF THE UNITED STATES;~~

~~AND~~

~~(VI) FORMER FOSTER CARE YOUTH; OR~~

~~(3) SEEK TO BUILD LOCAL WORKFORCE CAPACITY THROUGH COOPERATION WITH COMMUNITY COLLEGES OR OTHER LOCAL GOVERNMENT ORGANIZATIONS.~~

~~11-700.~~

~~(a) On or before December 31 of each year, the Department shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee on the Maryland EARN Program.~~

~~(b) The report required under subsection (a) of this section shall include:~~

~~(1) an identification of training needs statewide, including industries in urgent need of qualified workers;~~

~~(2) information on measures being used to track the success and accountability of the Maryland EARN Program, including use of the StateStat accountability process under § 3-1003(b) of the State Finance and Procurement Article;~~

~~(3) (i) a description of each strategic industry partnership receiving grant funding and the status of the partnership; and~~

~~(ii) the jurisdiction of the State in which each strategic industry partnership is located;~~

~~(4) the number of individuals:~~

~~(i) by sex, race, national origin, income, county of residence, and educational attainment, participating in each component of the Maryland EARN Program; and~~

~~(ii) participating in the Maryland EARN Program who, as a result of the Program, have obtained:~~

~~1. a credential or an identifiable skill;~~

~~2. a new employment position;~~

~~3. a title promotion; or~~

~~4. a wage promotion; [and]~~

~~(5) an assessment of whether and to what extent the approved strategic industry partnerships utilized existing data concerning:~~

~~(i) training needs in the State identified in previous studies; and~~

~~(ii) applicable skills needs identified in existing workforce studies, plans, or research; AND~~

~~(6) INFORMATION ON THE SUCCESS OF FUNDING STRATEGIC INDUSTRY PARTNERSHIPS THAT ACHIEVE THE PRIORITIES UNDER § 11-708.1 OF THIS SUBTITLE:~~

Article – Public Utilities

7-702.

(a) It is the intent of the General Assembly to:

(1) recognize the economic, environmental, fuel diversity, and security benefits of renewable energy resources;

(2) establish a market for electricity from these resources in Maryland; and

(3) lower the cost to consumers of electricity produced from these resources.

(b) The General Assembly finds that:

(1) the benefits of electricity from renewable energy resources, including long-term decreased emissions, a healthier environment, increased energy security, and decreased reliance on and vulnerability from imported energy sources, accrue to the public at large; ~~and~~

(2) electricity suppliers and consumers share an obligation to develop a minimum level of these resources in the electricity supply portfolio of the State; ~~AND~~

~~(3) THE RENEWABLE ENERGY PORTFOLIO STANDARD IS AN ESSENTIAL CARBON REDUCING PROGRAM FOR THE STATE, AS IDENTIFIED IN THE STATE'S GREENHOUSE GAS REDUCTION PLAN DEVELOPED UNDER § 2-1205 OF THE ENVIRONMENT ARTICLE; AND~~

~~(4) ACHIEVING A RENEWABLE PORTFOLIO STANDARD OF 25% FROM TIER 1 RENEWABLE SOURCES BY 2020 WOULD, IF CONTINUED AT THE SAME RATE OF GROWTH, PUT THE STATE ON A TRAJECTORY TOWARDS CONSUMING AT LEAST 40% OF ITS ELECTRICITY FROM RENEWABLE ENERGY SOURCES BY 2025, KEEPING THE STATE'S EFFORTS CONSISTENT WITH INTERNATIONAL EFFORTS TO REACH CARBON REDUCTIONS IN ACCORDANCE WITH SCIENTIFIC DATA.~~

7-703.

(a) (2) A renewable energy portfolio standard may not apply to electricity sales at retail by any electricity supplier:

(iii) to a customer served by an electric cooperative under an electricity supplier purchase agreement that existed on October 1, 2004, until the expiration of the agreement, AS THE AGREEMENT MAY BE RENEWED OR AMENDED.

(b) The renewable energy portfolio standard shall be as follows:

(12) in 2017:

(i) 13.1% from Tier 1 renewable sources, including:

1. at least [0.95%] **1.15%** derived from solar energy; and

2. an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(ii) 2.5% from Tier 2 renewable sources;

(13) in 2018:

(i) 15.8% from Tier 1 renewable sources, including:

1. at least [1.4%] **1.5%** derived from solar energy; and

2. an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(ii) 2.5% from Tier 2 renewable sources;

(14) in 2019, [17.4%] **20.4%** from Tier 1 renewable sources, including:

(i) at least [1.75%] **1.95%** derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; **AND**

(15) in 2020 **AND LATER**, [18%] **25%** from Tier 1 renewable sources, including:

(i) at least [2.0%] **2.5%** derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy[;

(16) in 2021, 18.7% from Tier 1 renewable sources, including:

(i) at least 2.0% derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(17) in 2022 and later, 20% from Tier 1 renewable sources, including:

(i) at least 2% derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy].

(b) (1) This subsection does not apply to a shortfall from the required Tier 1 renewable sources that is to be derived from offshore wind energy.

(2) If an electricity supplier fails to comply with the renewable energy portfolio standard for the applicable year, the electricity supplier shall pay into the Maryland Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article:

(i) except as provided in item (ii) of this paragraph, a compliance fee of:

1. [4 cents] **THE FOLLOWING AMOUNTS** for each kilowatt–hour of shortfall from required Tier 1 renewable sources other than the shortfall from the required Tier 1 renewable sources that is to be derived from solar energy:

A. 4 CENTS THROUGH 2016; AND

B. 3.75 CENTS IN 2017 AND LATER;

2. the following amounts for each kilowatt–hour of shortfall from required Tier 1 renewable sources that is to be derived from solar energy:

A. 45 cents in 2008;

B. 40 cents in 2009 through 2014;

C. 35 cents in 2015 and 2016;

D. [20] **19.5** cents in 2017 [and 2018];

E. [15 cents in 2019 and 2020] **17.5 CENTS IN 2018;**

F. [10 cents in 2021 and 2022] **15 CENTS IN 2019;** [and]

G. [5 cents in 2023 and later] **12.5 CENTS IN 2020;** [and]

H. 10 CENTS IN 2021;

I. 7.5 CENTS IN 2022;

J. 6 CENTS IN 2023; AND

K. 5 CENTS IN 2024 AND LATER; AND

3. 1.5 cents for each kilowatt–hour of shortfall from required Tier 2 renewable sources; or

(ii) for industrial process load:

1. for each kilowatt–hour of shortfall from required Tier 1 renewable sources, a compliance fee of:

A. 0.8 cents in 2006, 2007, and 2008;

B. 0.5 cents in 2009 and 2010;

C. 0.4 cents in 2011 and 2012;

D. 0.3 cents in 2013 and 2014;

E. 0.25 cents in 2015 and 2016; and

F. except as provided in paragraph (3) of this subsection, 0.2 cents in 2017 and later; and

2. nothing for any shortfall from required Tier 2 renewable sources.

(3) For industrial process load, the compliance fee for each kilowatt–hour of shortfall from required Tier 1 renewable sources is:

(i) 0.1 cents in any year during which suppliers are required to purchase ORECs under § 7–704.2 of this subtitle; and

(ii) nothing for the year following any year during which, after final calculations, the net rate impact per megawatt–hour from qualified offshore wind projects exceeded \$1.65 in 2012 dollars.

(e) (1) Notwithstanding the requirements of § 7–703(b) of this subtitle, if the actual or projected dollar–for–dollar cost incurred or to be incurred by an electricity supplier solely for the purchase of Tier 1 renewable energy credits derived from solar energy in any 1 year is greater than or equal to, or is anticipated to be greater than or equal to, [1%] **2.5%** of the electricity supplier’s total annual electricity sales revenues in Maryland, the electricity supplier may request that the Commission:

(i) delay by 1 year each of the scheduled percentages for solar energy under § 7–703(b) of this subtitle that would apply to the electricity supplier; and

(ii) allow the renewable energy portfolio standard for solar energy for that year to continue to apply to the electricity supplier for the following year.

(2) In making its determination under paragraph (1) of this subsection, the Commission shall consider the actual or projected dollar-for-dollar compliance costs of other electricity suppliers.

(3) If an electricity supplier makes a request under paragraph (1) of this subsection based on projected costs, the electricity supplier shall provide verifiable evidence of the projections to the Commission at the time of the request.

(4) If the Commission allows a delay under paragraph (1) of this subsection:

(i) the renewable energy portfolio standard for solar energy applicable to the electricity supplier under the delay continues for each subsequent consecutive year that the actual or projected dollar-for-dollar costs incurred, or to be incurred, by the electricity supplier solely for the purchase of solar renewable energy credits is greater than or equal to, or is anticipated to be greater than or equal to, [1%] **2.5%** of the electricity supplier's total annual retail electricity sales revenues in Maryland; and

(ii) the renewable energy portfolio standard for solar energy applicable to the electricity supplier under the delay is increased to the next scheduled percentage increase under § 7-703(b) of this subtitle for each year in which the actual or projected dollar-for-dollar costs incurred, or to be incurred, by the electricity supplier solely for the purchase of solar renewable energy credits is less than, or is anticipated to be less than, [1%] **2.5%** of the electricity supplier's total annual retail electricity sales revenues in Maryland.

~~Article State Government~~

~~9-1A-35.~~

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

~~(2) "ACCOUNT" MEANS THE SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES ACCOUNT ESTABLISHED UNDER THIS SECTION.~~

~~(3) "CLEAN ENERGY ACCOUNT" MEANS THE CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS SECTION.~~

~~(4) "CLEAN ENERGY INDUSTRY" HAS THE MEANING STATED IN § 9-20B-01 OF THIS TITLE.~~

~~(5) "ELIGIBLE FUND MANAGER" MEANS AN ENTITY THAT HAS SIGNIFICANT FINANCIAL OR INVESTMENT EXPERIENCE UNDER CRITERIA THAT THE BOARD OF PUBLIC WORKS DEVELOPS.~~

~~[(a)] (B) There is a Small, Minority, and Women Owned Businesses Account under the authority of the Board of Public Works.~~

~~[(b)] (C) (1) The Account shall receive money:~~

~~(I) as required under § 9-1A-27 of this subtitle; AND~~

~~(II) FROM THE CLEAN ENERGY ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS SECTION.~~

~~(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.~~

~~(3) The Comptroller shall:~~

~~(i) account for the Account; and~~

~~(ii) on a properly approved transmittal prepared by the Board of Public Works, issue a warrant to pay out money from the Account in the manner provided under this section.~~

~~(4) The Account is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.~~

~~(5) Expenditures from the Account shall only be made on a properly approved transmittal prepared by the Board of Public Works as provided under subsection [(e)] (D) of this section.~~

~~[(e)] (D) (1) [In this subsection, "eligible fund manager" means an entity that has significant financial or investment experience, under criteria developed by the Board of Public Works.~~

~~(2) Subject to [the provisions of] paragraph [(3)] (2) of this subsection, the Board of Public Works shall make grants to eligible fund managers to provide investment capital and loans to small, minority, and women owned businesses in the State.~~

~~[(3)] (2) The Board of Public Works shall ensure that eligible fund managers allocate at least 50% of the funds from this Account to small, minority, and women owned businesses in the jurisdictions and communities surrounding a video lottery facility.~~

~~(E) (1) THERE IS A CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT AS A SUBACCOUNT IN THE ACCOUNT.~~

~~(2) THE CLEAN ENERGY ACCOUNT SHALL RECEIVE MONEY IN ACCORDANCE WITH § 9-20B-05(i) OF THE STATE GOVERNMENT ARTICLE.~~

~~(3) MONEY IN THE CLEAN ENERGY ACCOUNT SHALL BE AVAILABLE TO:~~

~~(i) MAKE GRANTS TO ELIGIBLE FUND MANAGERS TO PROVIDE INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE STATE; AND~~

~~(ii) PROVIDE A MANAGEMENT FEE TO COMPENSATE A FUND MANAGER FOR ADMINISTRATIVE EXPENSES.~~

~~(4) FUNDING FROM THE CLEAN ENERGY ACCOUNT MAY NOT BE LIMITED TO SMALL, MINORITY, AND WOMEN OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE JURISDICTIONS AND COMMUNITIES SURROUNDING A VIDEO LOTTERY FACILITY.~~

~~(5) A FUND MANAGER THAT PROVIDES INVESTMENT CAPITAL AND LOANS UNDER THIS SUBSECTION SHALL BE COMPENSATED FOR MARKETING AND OPERATION ON A MANAGEMENT FEE BASIS.~~

~~[(d)] (F) Fund managers receiving grants under this section shall:~~

~~(1) keep proper records of funds and accounts;~~

~~(2) provide an annual report to the Governor and, in accordance with § 2-1246 of this article, the General Assembly on investment capital and loans made pursuant to subsection [(c)] (D) of this section; and~~

~~(3) be subject to audit by the Office of Legislative Audits of the Department of Legislative Services.~~

~~[(c)] (G) (1) Subject to paragraph (2) of this subsection, EXCEPT FOR AN ELIGIBLE FUND MANAGER MANAGING A GRANT UNDER SUBSECTION (E) OF THIS SECTION, an eligible fund manager may use money from grants received under this section to pay expenses for administrative, actuarial, legal, and technical services.~~

~~(2) The Board of Public Works shall set the maximum amount of grant money that each eligible fund manager may use under paragraph (1) of this subsection.~~

~~[(f)] (H) Each fiscal year the Legislative Auditor shall audit and evaluate the utilization of the funds that are allocated to small, minority, and women owned businesses by eligible fund managers under subsection [(c)(3)] (D)(2) of this section.~~

~~9-20B-01.~~

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

~~(b) "Administration" means the Maryland Energy Administration.~~

~~(c) "Board" means the Strategic Energy Investment Advisory Board established under § 9-20B-07 of this subtitle.~~

~~(D) "CLEAN ENERGY INDUSTRY" MEANS A GROUP OF EMPLOYERS THAT ARE ASSOCIATED BY THEIR PROMOTION OF:~~

~~(1) PRODUCTS AND SERVICES THAT IMPROVE ENERGY EFFICIENCY AND CONSERVATION, INCLUDING PRODUCTS AND SERVICES PROVIDED BY:~~

~~(I) ELECTRICIANS;~~

~~(II) HEATING, VENTILATION, AND AIR CONDITIONING INSTALLERS;~~

~~(III) PLUMBERS; AND~~

~~(IV) ENERGY AUDITORS;~~

~~(2) RENEWABLE AND CLEAN ENERGY RESOURCES THAT REDUCE GREENHOUSE GAS EMISSIONS; AND~~

~~(3) TECHNOLOGY THAT ADVANCES EMISSIONS FREE ENERGY SYSTEMS.~~

~~[(d)] (E) "Fund" means the Maryland Strategic Energy Investment Fund.~~

~~[(c)] (F) "Program" means the Maryland Strategic Energy Investment Program.~~

~~9-20B-05.~~

~~(f) The Administration shall use the Fund:~~

~~(1) to invest in the promotion, development, and implementation of:~~

~~(i) cost-effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings;~~

~~(ii) renewable and clean energy resources;~~

~~(iii) climate change programs directly related to reducing or mitigating the effects of climate change; and~~

~~(iv) demand response programs that are designed to promote changes in electric usage by customers in response to:~~

~~1. changes in the price of electricity over time; or~~

~~2. incentives designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized;~~

~~(2) to provide targeted programs, projects, activities, and investments to reduce electricity consumption by customers in the low income and moderate income residential sectors;~~

~~(3) to provide supplemental funds for low income energy assistance through the Electric Universal Service Program established under § 7-512.1 of the Public Utilities Article and other electric assistance programs in the Department of Human Resources;~~

~~(4) to provide rate relief by offsetting electricity rates of residential customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the Public Utilities Article;~~

~~(5) to provide grants, loans, and other assistance and investment as necessary and appropriate to implement the purposes of the Program as set forth in § 9-20B-03 of this subtitle;~~

~~(6) to implement energy related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions;~~

~~(7) to provide rebates under the Electric Vehicle Recharging Equipment Rebate Program established under § 9-2009 of this title;~~

~~(8) to provide grants to encourage combined heat and power projects at industrial facilities; [and]~~

~~(9) TO INVEST IN PRE-APPRENTICESHIP, APPRENTICESHIP, AND OTHER WORKFORCE DEVELOPMENT PROGRAMS TO ESTABLISH CAREER PATHS IN THE CLEAN ENERGY INDUSTRY UNDER § 11-708.1 OF THE LABOR AND EMPLOYMENT ARTICLE;~~

~~(10) TO PROVIDE ACCESS TO CAPITAL FOR SMALL, MINORITY, AND WOMEN OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY UNDER § 9-1A-35 OF THIS TITLE; AND~~

~~[(0)] (11)~~ to pay the expenses of the Program.

~~(I) MONEY THAT THE FUND RECEIVES UNDER PUBLIC SERVICE COMMISSION ORDER NUMBER 86372 SHALL BE ALLOCATED AS FOLLOWS:~~

~~(1) \$10,000,000 TO A CLEAN ENERGY WORKFORCE ACCOUNT ESTABLISHED IN THE MARYLAND EMPLOYMENT ADVANCEMENT RIGHT NOW PROGRAM UNDER § 11-708.1 OF THE LABOR AND EMPLOYMENT ARTICLE; AND~~

~~(2) \$30,000,000 TO A CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT ESTABLISHED IN THE SMALL, MINORITY, AND WOMEN OWNED BUSINESSES ACCOUNT UNDER § 9-1A-35 OF THIS TITLE.~~

~~[(i)] (J) (1) Except as provided in paragraph (2) of this subsection, compliance fees paid under § 7-705(b) of the Public Utilities Article may be used only to make loans and grants to support the creation of new Tier 1 renewable energy sources in the State.~~

~~(2) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State.~~

~~[(j)] (K) (1) The 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 an administrative expense account within the Fund.~~

~~(3) Any repayment of principal and interest on loans made from the Fund shall be paid into the Fund.~~

~~(4) Balances in the Fund shall be held for the benefit of the Program, shall be expended solely for the purposes of the Program, and may not be used for the general obligations of government.~~

~~[(k)] (L) Expenditures from the Fund shall be made by:~~

~~(1) an appropriation in the annual State budget; or~~

~~(2) a budget amendment in accordance with § 7-209 of the State Finance and Procurement Article.~~

~~[(l)] (M) An expenditure by budget amendment may be made under subsection [(k)] (L) of this section only after:~~

~~(1) the Administration has submitted the proposed budget amendment and supporting documentation to the Senate Budget and Taxation Committee, Senate Finance Committee, House Appropriations Committee, and House Economic Matters Committee; and~~

~~(2) the committees have had 45 days for review and comment.~~

Article – State Government

9-1A-35.

(a) There is a Small, Minority, and Women-Owned Businesses Account under the authority of the Board of Public Works.

(b) (1) (I) The Account shall receive money as required under § 9-1A-27 of this subtitle.

(II) THE ACCOUNT MAY RECEIVE MONEY FROM THE STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THIS TITLE.

(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.

(3) The Comptroller shall:

(i) account for the Account; and

(ii) on a properly approved transmittal prepared by the Board of Public Works, issue a warrant to pay out money from the Account in the manner provided under this section.

(4) The Account is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(5) Expenditures from the Account shall only be made on a properly approved transmittal prepared by the Board of Public Works as provided under subsection (c) of this section.

(c) (1) In this subsection, “eligible fund manager” means an entity that has significant financial or investment experience, under criteria developed by the Board of Public Works.

(2) Subject to the provisions of paragraph (3) of this subsection, the Board of Public Works shall make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State.

(3) The Board of Public Works shall ensure that eligible fund managers allocate at least 50% of the funds from this Account to small, minority, and women-owned businesses in the jurisdictions and communities surrounding a video lottery facility.

(D) ANY MONEY RECEIVED FROM THE STRATEGIC ENERGY INVESTMENT FUND SHALL BE USED TO BENEFIT SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE STATE.

~~[(d)](E) Fund managers receiving grants under this section shall:~~

~~(1) keep proper records of funds and accounts;~~

~~(2) provide an annual report to the Governor and, in accordance with § 2-1246 of this article, the General Assembly on investment capital and loans made pursuant to subsection (c) of this section; and~~

~~(3) be subject to audit by the Office of Legislative Audits of the Department of Legislative Services.~~

~~[(e)] (F) (1) Subject to paragraph (2) of this subsection, an eligible fund manager may use money from grants received under this section to pay expenses for administrative, actuarial, legal, and technical services.~~

~~(2) The Board of Public Works shall set the maximum amount of grant money that each eligible fund manager may use under paragraph (1) of this subsection.~~

~~[(f)] (G) Each fiscal year the Legislative Auditor shall audit and evaluate the utilization of the funds that are allocated to small, minority, and women-owned businesses by eligible fund managers under subsection (c)(3) of this section.~~

9-20B-01.

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

(b) “Administration” means the Maryland Energy Administration.

(c) “Board” means the Strategic Energy Investment Advisory Board established under § 9-20B-07 of this subtitle.

(D) “CLEAN ENERGY INDUSTRY” MEANS A GROUP OF EMPLOYERS THAT ARE ASSOCIATED BY THEIR PROMOTION OF:

(1) PRODUCTS AND SERVICES THAT IMPROVE ENERGY EFFICIENCY AND CONSERVATION, INCLUDING PRODUCTS AND SERVICES PROVIDED BY:

(I) ELECTRICIANS;

(II) HEATING, VENTILATION, AND AIR-CONDITIONING INSTALLERS;

(III) PLUMBERS; AND

(IV) ENERGY AUDITORS; AND

(2) RENEWABLE AND CLEAN ENERGY RESOURCES.

[(d)] (E) “Fund” means the Maryland Strategic Energy Investment Fund.

[(e)] (F) “Program” means the Maryland Strategic Energy Investment Program.

9-20B-05.

(f) The Administration shall use the Fund:

(1) to invest in the promotion, development, and implementation of:

(i) cost-effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings;

(ii) renewable and clean energy resources;

(iii) climate change programs directly related to reducing or mitigating the effects of climate change; and

(iv) demand response programs that are designed to promote changes in electric usage by customers in response to:

1. changes in the price of electricity over time; or

2. incentives designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized;

(2) to provide targeted programs, projects, activities, and investments to reduce electricity consumption by customers in the low-income and moderate-income residential sectors;

(3) to provide supplemental funds for low-income energy assistance through the Electric Universal Service Program established under § 7-512.1 of the Public Utilities Article and other electric assistance programs in the Department of Human Resources;

(4) to provide rate relief by offsetting electricity rates of residential customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the Public Utilities Article;

(5) to provide grants, loans, and other assistance and investment as necessary and appropriate to implement the purposes of the Program as set forth in § 9-20B-03 of this subtitle;

(6) to implement energy-related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions;

(7) to provide rebates under the Electric Vehicle Recharging Equipment Rebate Program established under § 9-2009 of this title;

(8) to provide grants to encourage combined heat and power projects at industrial facilities; and

(9) to pay the expenses of the Program.

(F-1) THE ADMINISTRATION MAY USE THE FUND, INCLUDING MONEY THAT THE FUND RECEIVES UNDER PUBLIC SERVICE COMMISSION ORDER NUMBER 86372, TO PROVIDE FUNDING FOR ACCESS TO CAPITAL FOR SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY UNDER § 9-1A-35 OF THIS TITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Labor, Licensing, and Regulation shall:

(1) study the workforce development training needs for the clean energy industry in the State;

(2) in conducting the study required under item (1) of this section, seek input from:

(i) State agencies, including the Department of Budget and Management, the Department of Commerce, the Governor's Office of Minority Affairs, the Maryland Energy Administration, and the Maryland Clean Energy Center;

(ii) clean energy industry stakeholders; and

(iii) any other persons that the Department determines appropriate;

(3) identify:

(i) existing programs that could help address the clean energy industry workforce needs;

(ii) any new program that could be developed to provide workforce development training for the clean energy workforce;

(iii) ways to advance clean energy job training and employment opportunities for:

1. individuals from economically distressed areas; and

2. disadvantaged workers who have barriers to entry into the labor force, including homelessness, prior criminal records, receipt of public assistance, unemployment with no high school education, veterans of the armed forces of the United States, and former foster care youth;

(iv) barriers to entry for small, minority, and women-owned businesses in the clean energy industry;

(v) funding ways that may be used to provide incentives for the development of clean energy workforce development training programs, including through tax credits, grants, or other forms; and

(vi) options for funding sources, including the Strategic Energy Investment Fund, money directed by Public Service Commission orders, and other sources; and

(4) on or before July 1, 2017, report, in accordance with § 2-1246 of the State Government Article, to the General Assembly its findings and any recommendations.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contract existing before the effective date of this Act.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch

Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 1150 – *Health Insurance – Consumer Health Claim Filing Fairness Act*.

This bill requires a specified health benefit plan to include provisions that permit enrollees a minimum of 1 year to submit a claim for a service, provides for the suspension of the minimum period of time, and provides that failure to submit a claim within the minimum period of time does not invalidate or reduce the amount of the claim and creates an exception to a provision of law that requires proof of loss to be furnished to an insurer in case of claim for loss within a specified period of time.

Senate Bill 887, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 1150.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 1150

AN ACT concerning

Health Insurance – Consumer Health Claim Filing Fairness Act

FOR the purpose of requiring a certain health benefit plan to include provisions that permit enrollees a certain minimum period of time to submit a claim for a service, provide for the suspension of the minimum period of time under certain circumstances, and provide that failure to submit a claim within the minimum period of time does not invalidate or reduce the amount of the claim under certain circumstances; creating an exception to a provision of law that requires certain proof of loss to be furnished to an insurer in case of claim for loss within a certain period of time; defining certain terms; providing for the application of this Act; providing for a delayed effective date; and generally relating to the time period for submitting a claim under health insurance.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 12-102 and 15-213

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

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

Article – Insurance

12–102.

(a) Except as provided in subsection (b)(1) of this section, an insurance contract or annuity contract shall contain the standard provisions required under this article.

(b) (1) The Commissioner may waive the required use of a provision in an insurance policy or contract form if the Commissioner:

(i) finds that the provision is unnecessary to protect the insured or is inconsistent with the purposes of the policy; and

(ii) approves the policy.

(2) A required standard provision may not be waived by agreement between an insurer and another person.

(C) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “CARRIER” MEANS:

1. AN INSURER AUTHORIZED TO SELL HEALTH INSURANCE;

2. A NONPROFIT HEALTH SERVICE PLAN;

3. A HEALTH MAINTENANCE ORGANIZATION; OR

~~**4. A DENTAL PLAN ORGANIZATION; OR**~~

~~**5.**~~ **4. ANY OTHER ENTITY PROVIDING A PLAN OF HEALTH INSURANCE, HEALTH BENEFITS, OR HEALTH SERVICES AUTHORIZED UNDER THIS ARTICLE OR THE AFFORDABLE CARE ACT.**

(III) “ENROLLEE” MEANS AN INDIVIDUAL ENTITLED TO BENEFITS FROM A CARRIER’S HEALTH BENEFIT PLAN.

(IV) “HEALTH BENEFIT PLAN” HAS THE MEANING STATED IN § ~~15–140~~ 15–1301 OF THIS ARTICLE.

(2) EACH HEALTH BENEFIT PLAN ISSUED BY A CARRIER SHALL INCLUDE PROVISIONS THAT:

(I) PERMIT ENROLLEES A MINIMUM OF 1 YEAR AFTER THE DATE OF SERVICE TO SUBMIT A CLAIM FOR THE SERVICE;

(II) PROVIDE THAT:

1. AN ENROLLEE'S LEGAL INCAPACITY SHALL SUSPEND THE TIME TO SUBMIT A CLAIM; AND

2. THE SUSPENSION PERIOD ENDS WHEN LEGAL CAPACITY IS REGAINED; AND

(III) PROVIDE THAT THE FAILURE TO SUBMIT A CLAIM WITHIN 1 YEAR AFTER THE DATE OF SERVICE DOES NOT INVALIDATE OR REDUCE THE AMOUNT OF THE CLAIM IF:

1. ~~THE DELAY WAS NOT UNREASONABLE~~ IT WAS NOT REASONABLY POSSIBLE TO SUBMIT THE CLAIM WITHIN 1 YEAR AFTER THE DATE OF SERVICE; AND

2. THE CLAIM IS SUBMITTED WITHIN 2 YEARS AFTER THE DATE OF SERVICE.

[(c)] (D) The Commissioner may approve a substitute provision in an insurance policy or annuity contract if the provision is not less favorable than the required provision to the insured, annuitant, or beneficiary.

[(d)] (E) Instead of a provision required by this article, a foreign insurer or alien insurer may use a substantially similar provision required by the law of the foreign insurer's or alien insurer's domicile if the substantially similar provision does not conflict with the law of this State.

[(e)] (F) A policy or contract may not contain a provision that is inconsistent with a standard provision used or required to be used.

15-213.

[Each] EXCEPT AS PROVIDED IN § 12-102(C) OF THIS ARTICLE, EACH policy of health insurance shall contain the following provision:

“Proofs of loss: Written proof of loss must be furnished to the insurer at its said office in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss within ninety (90) days after the termination of the period for which the

insurer is liable and in case of claim for any other loss within ninety (90) days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one (1) year from the time proof is otherwise required.”

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all health benefit plans issued, delivered, or renewed in the State on or after January 1, 2017.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2017.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 1155 – *Calvert County – Bonding Authority*.

This bill authorizes and empowers the County Commissioners of Calvert County, from time to time, to borrow not more than \$9,410,000 to finance the construction, improvement, or development of specified public facilities in Calvert County, and to effect such borrowing by the issuance and sale of its general obligation bonds.

Senate Bill 307, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 1155.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 1155

AN ACT concerning

Calvert County – Bonding Authority

FOR the purpose of authorizing and empowering the County Commissioners of Calvert County, from time to time, to borrow not more than \$9,410,000 to finance the construction, improvement, or development of certain public facilities in Calvert County, as herein defined, and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds in like par amount; empowering the County to fix and determine, by resolution, the form, tenor, interest rate or rates or method of determining the same, terms, conditions, maturities, and all other details incident to the issuance and sale of the bonds; empowering the County to issue refunding bonds for the purchase or redemption of bonds in advance of maturity; empowering and directing the County to levy, impose, and collect, annually, ad valorem taxes in rate and amount sufficient to provide funds for the payment of the maturing principal of and interest on the bonds; exempting the bonds and refunding bonds and the interest thereon and any income derived therefrom from all State, county, municipal, and other taxation in the State of Maryland; providing that nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes; and generally relating to the issuance and sale of such bonds.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That, as used herein, the term “County” means the body politic and corporate of the State of Maryland known as the County Commissioners of Calvert County, and the term “construction, improvement, or development of public facilities” means the acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, and repair of public buildings and facilities, including but not limited to the Prince Frederick Volunteer Fire Department, West Dares Beach Road, the Appeal Landfill transfer station, and acquisition of fire and rescue apparatus, and issuance costs together with the costs of acquiring land or interests in land as well as any related architectural, financial, legal, planning, or engineering services.

SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby authorized to finance any part or all of the costs of the public facilities described in Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at one time or from time to time, in an amount not exceeding, in the aggregate, \$9,410,000 and to evidence such borrowing by the issuance and sale upon its full faith and credit of general obligation bonds in like par amount, which may be issued at one time or from time to time, in one or more groups or series, as the County may determine.

SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be issued in accordance with a resolution of the County, which shall describe generally the construction, improvement, or development of public facilities for which the proceeds of the bond sale are intended and the amount needed for those purposes. The County shall have and is hereby granted full and complete authority and discretion in the resolution to fix and determine with respect to the bonds of any issue: the designation, date of issue, denomination or

denominations, form or forms, and tenor of the bonds which, without limitation, may be issued in registered form within the meaning of § 19–204 of the Local Government Article of the Annotated Code of Maryland, as amended; the rate or rates of interest payable thereon, or the method of determining the same, which may include a variable rate; the date or dates and amount or amounts of maturity, which need not be in equal par amounts or in consecutive annual installments, provided only that no bond of any issue shall mature later than 30 years from the date of its issue; the manner of selling the bonds, which may be at either public or private sale, for such price or prices as may be determined to be for the best interests of Calvert County; the manner of executing and sealing the bonds, which may be by facsimile; the terms and conditions, if any, under which bonds may be tendered for payment or purchase prior to their stated maturity; the terms or conditions, if any, under which bonds may or shall be redeemed prior to their stated maturity; the place or places of payment of the principal of and the interest on the bonds, which may be at any bank or trust company within or without the State of Maryland; covenants relating to compliance with applicable requirements of federal income tax law, including (without limitation) covenants regarding the payment of rebate or penalties in lieu of rebate; covenants relating to compliance with applicable requirements of federal or state securities laws; and generally all matters incident to the terms, conditions, issuance, sale, and delivery thereof.

The bonds may be made redeemable before maturity, at the option of the County, at such price or prices and under such terms and conditions as may be fixed by the County prior to the issuance of the bonds, either in the resolution or in a bond order pursuant to the bond resolution. The bonds may be issued in registered form and provision may be made for the registration of the principal only. In case any officer whose signature appears on any bond ceases to be such officer before the delivery thereof, such signature shall nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery. The bonds and the issuance and sale thereof shall be exempt from the provisions of §§ 19–205 and 19–206 of the Local Government Article of the Annotated Code of Maryland, as amended.

The County may enter into agreements with agents, banks, fiduciaries, insurers, or others for the purpose of enhancing the marketability of any security for the bonds and for the purpose of securing any tender option that may be granted to holders of the bonds, all as may be determined and presented in the aforesaid resolution, which may (but need not) state as security for the performance by the County of any monetary obligations under such agreements the same security given by the County to bondholders for the performance by the County of its monetary obligations under the bonds.

If the County determines in the resolution to offer any of the bonds by solicitation of competitive bids at public sale, the resolution shall fix the terms and conditions of the public sale and shall adopt a form of notice of sale, which shall outline the terms and conditions, and a form of advertisement, which shall be published in one or more daily or weekly newspapers having a general circulation in the County and which may also be published in one or more journals having a circulation primarily among banks and investment bankers. At least one publication of the advertisement shall be made not less than 10 days before the sale of the bonds.

Upon delivery of any bonds to the purchaser or purchasers, payment therefor shall be made to the Treasurer of Calvert County or such other official of Calvert County as may be designated to receive such payment in a resolution passed by the County before such delivery.

SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the sale of bonds shall be used and applied exclusively and solely for the acquisition, construction, improvement, or development of public facilities for which the bonds are sold. If the amounts borrowed shall prove inadequate to finance the projects described in the resolution, the County may issue additional bonds with the limitations hereof for the purpose of evidencing the borrowing of additional funds for such financing, provided the resolution authorizing the sale of additional bonds shall so recite, but if the net proceeds of the sale of any issue of bonds exceed the amount needed to finance the projects described in the resolution, the excess funds so borrowed and not expended shall be applied to the payment of the next principal maturity of the bonds or to the redemption of any part of the bonds which have been made redeemable or to the purchase and cancellation of bonds, unless the County shall adopt a resolution allocating the excess funds to the acquisition, construction, improvement, or development of other public facilities, as defined and within the limits set forth in this Act.

SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby authorized shall constitute, and they shall so recite, an irrevocable pledge of the full faith and credit and unlimited taxing power of the County to the payment of the maturing principal of and interest on the bonds as and when they become payable. In each and every fiscal year that any of the bonds are outstanding, the County shall levy or cause to be levied ad valorem taxes upon all the assessable property within the corporate limits of the County in rate and amount sufficient to provide for or assure the payment, when due, of the principal of and interest on all the bonds maturing in each such fiscal year and, in the event the proceeds from the taxes so levied in any such fiscal year shall prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency. The County may apply to the payment of the principal of and interest on any bonds issued hereunder any funds received by it from the State of Maryland, the United States of America, any agency or instrumentality thereof, or from any other source, if such funds are granted for the purpose of assisting the County in financing the acquisition, construction, improvement, or development of the public facilities defined in this Act and, to the extent of any such funds received or receivable in any fiscal year, the taxes that are required to be levied may be reduced accordingly.

SECTION 6. AND BE IT FURTHER ENACTED, That the County is further authorized and empowered, at any time and from time to time, to issue its bonds in the manner hereinabove described for the purpose of refunding, by payment at maturity or upon purchase or redemption, any bonds issued hereunder. The validity of any such refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the obligations so refunded. The powers herein granted with respect to the issuance of bonds shall be applicable to the issuance of refunding bonds. Such refunding bonds may be issued by the County in such an amount as shall be necessary for the purpose of providing

it with funds to pay any of its outstanding bonds issued hereunder at maturity, for the purpose of providing it with funds to purchase in the open market any of its outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose of providing it with funds for the redemption prior to maturity of any outstanding bonds issued hereunder which are, by their terms, redeemable, for the purpose of providing it with funds to pay interest on any outstanding bonds issued hereunder prior to their payment at maturity of purchase or redemption in advance of maturity, or for the purpose of providing it with funds to pay any redemption or purchase premium in connection with the refunding of any of its outstanding bonds issued hereunder. The proceeds of the sale of any such refunding bonds shall be segregated and set apart by the County as a separate trust fund to be used solely for the purpose of paying the purchase or redemption prices of the bonds to be refunded.

SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior to the preparation of definitive bonds, issue interim certificates or temporary bonds, exchangeable for definitive bonds when such bonds have been executed and are available for such delivery, provided, however, that any such interim certificates or temporary bonds shall be issued in all respects subject to the restrictions and requirements set forth in this Act. The County may, by appropriate resolution, provide for the replacement of any bonds issued hereunder which shall have become mutilated or lost or destroyed upon such conditions and after receiving such indemnity as the County may require.

SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations issued pursuant to the authority of this Act, their transfer, the interest payable thereon, and any income derived therefrom in the hands of the holders thereof from time to time (including any profit made in the sale thereof) shall be and are hereby declared to be at all times exempt from State, county, municipal, or other taxation of every kind and nature whatsoever within the State of Maryland. Nothing in this Act shall prevent the County from authorizing the issuance and sale of bonds the interest on which is not excludable from gross income for federal income tax purposes.

SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow money and issue bonds conferred on the County by this Act shall be deemed to provide an additional and alternative authority for borrowing money and shall be regarded as supplemental and additional to powers conferred upon the County by other laws and shall not be regarded as in derogation of any power now existing; and all Acts of the General Assembly of Maryland heretofore passed authorizing the County to borrow money are hereby continued to the extent that the powers contained in such Acts have not been exercised, and nothing contained in this Act may be construed to impair, in any way, the validity of any bonds that may have been issued by the County under the authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed, and approved. This Act, being necessary for the welfare of the inhabitants of Calvert County, shall be liberally construed to effect the purposes hereof. All Acts and parts of Acts inconsistent with the provisions of this Act are hereby repealed to the extent of such inconsistency.

SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 1352 – *Wicomico County Board of Education – Election and Appointment of Members*.

This bill requires that, beginning in 2018, members of the Wicomico County Board of Education be elected by districts and members be elected at large, as specified, and provides that, alternatively, beginning in 2018, members of the Wicomico County Board of Education be elected by districts and members be appointed. The bill also establishes a School Board Nominating Commission and submits the Act to a referendum of the qualified voters of Wicomico County.

Senate Bill 145, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 1352.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 1352

AN ACT concerning

Wicomico County Board of Education – Election and Appointment of Members

FOR the purpose of requiring that, beginning with a certain election, certain members of the Wicomico County Board of Education be elected by districts and certain members be elected at large; providing that, alternatively, beginning with a certain election, certain members of the Wicomico County Board of Education be elected by districts and certain members be appointed; establishing the composition of the county board; providing for the qualifications, terms of office, and filling of a vacancy of certain members of the county board; establishing certain removal, hearing, and appeal procedures for certain members of the county board; establishing a Wicomico County School Board Nominating Commission to select nominees to be recommended to the Wicomico County Council to fill certain appointments or vacancies on the county board; providing for the membership and duties of the Commission; repealing certain provisions concerning the appointment by the Governor of the members of the Wicomico County Board of Education; providing for the termination of the terms of

certain members of the county board; submitting this Act to a referendum of the qualified voters of Wicomico County for their adoption or rejection of certain provisions of this Act; and generally relating to the election and appointment of the members of the Wicomico County Board of Education.

BY repealing and reenacting, with amendments,
Article – Education
Section 3–105 and 3–114
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

BY adding to
Article – Education
Section 3–13A–01 through 3–13A–06 to be under the new subtitle “Subtitle 13A.
Wicomico County”
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

3–105.

(a) Subsections (b), (c), and (d) of this section do not apply to a county if the number of members of the county board is regulated by other provisions of this title.

(b) If a county school system has an enrollment of less than 50,000 students, the county board shall have five members, except that:

(1) The Worcester County Board shall have the number of members provided in subsection (e) of this section; **AND**

(2) Any county board that had more than five members on July 1, 1969, shall retain that number of members[; and

(3) The Wicomico County Board shall have the number of members provided in subsection (f) of this section].

(c) If a county school system has an enrollment of 50,000 students or more but less than 100,000 students, the county board shall have seven members.

(d) If a county school system has an enrollment of 100,000 students or more, the county board shall have nine members except as provided in § 3–901 of this title for Montgomery County and § 3–1002 of this title for Prince George’s County.

(e) The Worcester County Board consists of seven voting members and one nonvoting student member from each public high school in the county.

[(f) (1) The Wicomico County Board consists of seven members.

(2) The term of a member is 5 years.]

3-114.

(a) In the following counties, the members of the county board shall be elected:

(1) Allegany;

(2) Calvert;

(3) Carroll;

(4) Cecil;

(5) Charles;

(6) Dorchester;

(7) Frederick;

(8) Garrett;

(9) Howard;

(10) Kent;

(11) Montgomery;

(12) Queen Anne's;

(13) St. Mary's;

(14) Somerset;

(15) Talbot;

(16) Washington; **[and]**

(17) WICOMICO; AND

[(17) (18) Worcester.

(b) In Baltimore County, in accordance with Subtitle 2A of this title, the members of the county board shall be a combination of members who are elected and appointed.

(c) In Caroline County, in accordance with Subtitle 3A of this title, the members of the county board shall be a combination of members who are elected and appointed.

(d) In Harford County, in accordance with Subtitle 6A of this title, the members of the county board shall be a combination of members who are elected and appointed.

(e) In Prince George's County, in accordance with Subtitle 10 of this title, the members of the county board shall be a combination of members who are elected and appointed.

(f) An individual subject to the authority of the county board may not serve as a member of the county board. At the time of filing a certificate of candidacy for election to a county board, a person shall certify to the local board of supervisors of elections whether or not the person is subject to the authority of the county board. The Governor may not issue a commission of election to a person who has certified affirmatively and who is elected to a county board until the member-elect offers proof that the member-elect is no longer subject to the authority of the county board.

(g) The election of the county boards shall be held as provided in Subtitles 2 through 14 of this title and the Election Law Article.

SUBTITLE 13A. WICOMICO COUNTY.

3-13A-01.

(A) (1) THE WICOMICO COUNTY BOARD CONSISTS OF SEVEN NONPARTISAN ELECTED VOTING MEMBERS.

(2) THE SEVEN MEMBERS SHALL BE ELECTED AS FOLLOWS:

(I) ONE MEMBER FROM EACH OF THE FIVE COUNCILMANIC DISTRICTS IN THE COUNTY, ELECTED BY THE VOTERS OF THAT DISTRICT; AND

(II) TWO MEMBERS AT LARGE, ELECTED BY THE VOTERS OF THE COUNTY.

(B) (1) A CANDIDATE WHO BECOMES AN ELECTED MEMBER OF THE COUNTY BOARD MUST BE A RESIDENT AND REGISTERED VOTER OF WICOMICO COUNTY.

(2) (I) AN ELECTED MEMBER WHO NO LONGER RESIDES IN WICOMICO COUNTY MAY NOT CONTINUE AS A MEMBER OF THE BOARD.

(II) A MEMBER ELECTED FROM A COUNCILMANIC DISTRICT WHO NO LONGER RESIDES IN THAT DISTRICT MAY NOT CONTINUE AS A MEMBER OF THE BOARD.

(3) IF THE BOUNDARY LINE OF A WICOMICO COUNTY COUNCILMANIC DISTRICT IS CHANGED, THE TERM OF AN INCUMBENT MEMBER OF THE COUNTY BOARD WHO NO LONGER RESIDES IN THAT COUNCILMANIC DISTRICT BECAUSE OF THE CHANGE IS NOT AFFECTED DURING THIS TERM.

3-13A-02.

(A) THE SEVEN MEMBERS OF THE WICOMICO COUNTY BOARD SHALL BE ELECTED:

(1) AT THE GENERAL ELECTION IN 2018 AND AT THE GENERAL ELECTION EVERY 4 YEARS THEREAFTER; AND

(2) IN ACCORDANCE WITH § 3-13A-01 OF THIS SUBTITLE AND TITLE 8, SUBTITLE 8 OF THIS ARTICLE.

(B) THE TERMS OF THE MEMBERS ARE AS PROVIDED IN THIS SUBSECTION.

(1) EACH TERM OF OFFICE BEGINS ON THE FIRST MONDAY IN DECEMBER AFTER THE ELECTION OF A MEMBER AND UNTIL A SUCCESSOR IS ELECTED AND QUALIFIES.

(2) THE TERM OF OFFICE OF EACH MEMBER IS 4 YEARS.

3-13A-03.

(A) (1) THERE IS A WICOMICO COUNTY SCHOOL BOARD NOMINATING COMMISSION.

(2) THE PURPOSE OF THE COMMISSION IS TO SELECT NOMINEES TO RECOMMEND TO THE WICOMICO COUNTY COUNCIL AS QUALIFIED CANDIDATES FOR APPOINTMENT TO FILL A VACANCY ON THE WICOMICO COUNTY BOARD.

(3) WITHIN 60 DAYS OF A VACANCY ON THE COUNTY BOARD, THE COMMISSION SHALL:

(I) DEVELOP AND PUBLICIZE CRITERIA FOR CHOOSING NOMINEES TO FILL THE VACANCY;

(II) MAKE PUBLIC THE NAMES OF THE CANDIDATES THAT APPLY FOR APPOINTMENT TO FILL A VACANCY ON THE COUNTY BOARD;

(III) HOLD AT LEAST TWO PUBLIC HEARINGS ON THE APPLICANTS FOR APPOINTMENT; AND

(IV) MAKE PUBLIC AND SUBMIT TO THE COUNTY COUNCIL THE NAMES OF TWO NOMINEES FOR ANY VACANCY.

(4) (I) WITHIN 60 DAYS AFTER THE COUNTY COUNCIL RECEIVES THE NAMES OF THE NOMINEES FROM THE COMMISSION, THE COUNTY COUNCIL SHALL HOLD A PUBLIC HEARING REGARDING THE NOMINEES.

(II) AFTER THE HEARING, IF THE COUNTY COUNCIL DEEMS AT LEAST ONE OF THE NOMINEES ACCEPTABLE, THE COUNTY COUNCIL SHALL VOTE ON THE NOMINEES AND FILL THE VACANCY.

(III) IF THE COUNTY COUNCIL DEEMS BOTH NOMINEES UNACCEPTABLE, THE COUNTY COUNCIL SHALL RETURN THE NAMES TO THE COMMISSION AND REQUEST THAT THE COMMISSION SUBMIT THE NAMES OF AT LEAST TWO ADDITIONAL QUALIFIED NOMINEES FROM WHICH THE COUNTY COUNCIL SHALL SELECT AN INDIVIDUAL TO FILL THE VACANCY.

(5) (I) THE COMMISSION CONSISTS OF 14 MEMBERS.

(II) THE MEMBERS OF THE COMMISSION SHALL BE APPOINTED ~~BY THE COUNTY EXECUTIVE OF WICOMICO COUNTY, SUBJECT TO CONFIRMATION BY THE COUNTY COUNCIL,~~ FROM THE NAMES SUBMITTED BY THE FOLLOWING ORGANIZATIONS, ENTITIES, OR COMMUNITIES OF INTEREST:

1. ONE MEMBER FROM THE WICOMICO COUNTY BRANCH OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE;

2. ONE MEMBER FROM THE WICOMICO COUNTY EDUCATION ASSOCIATION;

3. ONE MEMBER FROM THE WICOMICO COUNTY AREA CHAMBERS OF COMMERCE, SELECTED BY THE CHAMBERS BY CONSENSUS;

4. ONE MEMBER FROM THE WICOMICO COUNTY EDUCATIONAL SUPPORT PROFESSIONALS ASSOCIATION;

5. ONE MEMBER FROM THE WICOMICO COUNTY COUNCIL OF PTAS;

6. ONE MEMBER FROM EACH OF THE EIGHT INCORPORATED MUNICIPALITIES IN WICOMICO COUNTY; AND

7. ONE MEMBER WHO IS A PARENT OF A CHILD WITH SPECIAL NEEDS IN THE WICOMICO COUNTY PUBLIC SCHOOL SYSTEM AND WHO IS AFFILIATED WITH AN ADVOCACY GROUP FOR CHILDREN WITH SPECIAL NEEDS IN THE COUNTY.

(6) TO THE EXTENT PRACTICABLE, THE COMMISSION SHALL REFLECT THE GENDER, ETHNIC, AND RACIAL MAKEUP OF THE COUNTY.

(7) THE COUNTY EXECUTIVE OF WICOMICO COUNTY SHALL APPOINT THE MEMBERS OF THE COMMISSION, WITH THE ADVICE AND CONSENT OF THE COUNTY COUNCIL, FROM THE NAMES SUBMITTED BY THE ORGANIZATIONS, ENTITIES, OR COMMUNITIES OF INTEREST LISTED UNDER PARAGRAPH (5) OF THIS SUBSECTION.

(8) THE TERM OF A MEMBER OF THE COMMISSION IS 4 YEARS.

(9) THE COMMISSION SHALL SELECT A CHAIR AND VICE CHAIR FROM AMONG THE MEMBERS.

(B) THE WICOMICO COUNTY PUBLIC SCHOOL SYSTEM SHALL PROVIDE STAFF FOR THE COMMISSION.

3-13A-04.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE WICOMICO COUNTY COUNCIL SHALL APPOINT AN INDIVIDUAL TO FILL A VACANCY ON THE COUNTY BOARD IN ACCORDANCE WITH § 3-13A-03 OF THIS SUBTITLE.

(B) (1) IF A VACANCY FOR A MEMBER OCCURS BEFORE THE DATE THAT IS 30 DAYS BEFORE THE DATE FOR FILING A CERTIFICATE OF CANDIDACY FOR THE PRIMARY ELECTION IN THE PRESIDENTIAL ELECTION YEAR, THE INDIVIDUAL APPOINTED UNDER SUBSECTION (A) OF THIS SECTION SHALL SERVE ONLY UNTIL A SUCCESSOR IS ELECTED BY THE VOTERS AT THE NEXT GENERAL ELECTION.

(2) CANDIDATES FOR THE VACATED OFFICE MAY BE NOMINATED AT A PRIMARY ELECTION IN THE SAME MANNER AS FOR ANY OTHER POSITION ON THE COUNTY BOARD.

3-13A-05.

(A) THE STATE BOARD MAY REMOVE AN ELECTED OR APPOINTED MEMBER OF THE COUNTY BOARD FOR ANY OF THE FOLLOWING REASONS:

- (1) IMMORALITY;**
- (2) MISCONDUCT IN OFFICE;**
- (3) INCOMPETENCY;**
- (4) WILLFUL NEGLECT OF DUTY; OR**

(5) FAILURE TO ATTEND, WITHOUT GOOD CAUSE, AT LEAST 75% OF THE SCHEDULED MEETINGS OF THE COUNTY BOARD IN ANY 1 CALENDAR YEAR.

(B) BEFORE REMOVING A MEMBER, THE STATE BOARD SHALL SEND THE MEMBER A COPY OF THE CHARGES AGAINST THE MEMBER AND GIVE THE MEMBER AN OPPORTUNITY TO REQUEST A HEARING WITHIN 10 DAYS.

(C) IF THE MEMBER REQUESTS A HEARING WITHIN THE 10-DAY PERIOD:

(1) THE STATE BOARD PROMPTLY SHALL HOLD A HEARING, BUT A HEARING MAY NOT BE SET WITHIN 10 DAYS AFTER THE STATE BOARD SENDS THE MEMBER A NOTICE OF THE HEARING; AND

(2) THE MEMBER SHALL HAVE AN OPPORTUNITY TO BE HEARD PUBLICLY BEFORE THE STATE BOARD IN THE MEMBER’S OWN DEFENSE IN PERSON OR BY COUNSEL.

(D) A MEMBER REMOVED UNDER THIS SECTION HAS THE RIGHT TO A DE NOVO REVIEW OF THE REMOVAL BY THE CIRCUIT COURT FOR WICOMICO COUNTY.

3-13A-06.

AT THE FIRST MEETING OF THE COUNTY BOARD IN DECEMBER OF EACH YEAR, THE COUNTY BOARD SHALL ELECT A CHAIR AND VICE CHAIR FROM AMONG THE MEMBERS.

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

Article – Education

(a) Subsections (b), (c), and (d) of this section do not apply to a county if the number of members of the county board is regulated by other provisions of this title.

(b) If a county school system has an enrollment of less than 50,000 students, the county board shall have five members, except that:

(1) The Worcester County Board shall have the number of members provided in subsection (e) of this section; **AND**

(2) Any county board that had more than five members on July 1, 1969, shall retain that number of members[; and

(3) The Wicomico County Board shall have the number of members provided in subsection (f) of this section].

(c) If a county school system has an enrollment of 50,000 students or more but less than 100,000 students, the county board shall have seven members.

(d) If a county school system has an enrollment of 100,000 students or more, the county board shall have nine members except as provided in § 3–901 of this title for Montgomery County and § 3–1002 of this title for Prince George’s County.

(e) The Worcester County Board consists of seven voting members and one nonvoting student member from each public high school in the county.

[(f) (1) The Wicomico County Board consists of seven members.

(2) The term of a member is 5 years.]

3–114.

(a) In the following counties, the members of the county board shall be elected:

(1) Allegany;

(2) Calvert;

(3) Carroll;

(4) Cecil;

(5) Charles;

(6) Dorchester;

- (7) Frederick;
- (8) Garrett;
- (9) Howard;
- (10) Kent;
- (11) Montgomery;
- (12) Queen Anne's;
- (13) St. Mary's;
- (14) Somerset;
- (15) Talbot;
- (16) Washington; and
- (17) Worcester.

(b) In Baltimore County, in accordance with Subtitle 2A of this title, the members of the county board shall be a combination of members who are elected and appointed.

(c) In Caroline County, in accordance with Subtitle 3A of this title, the members of the county board shall be a combination of members who are elected and appointed.

(d) In Harford County, in accordance with Subtitle 6A of this title, the members of the county board shall be a combination of members who are elected and appointed.

(e) In Prince George's County, in accordance with Subtitle 10 of this title, the members of the county board shall be a combination of members who are elected and appointed.

(F) IN WICOMICO COUNTY, IN ACCORDANCE WITH SUBTITLE 13A OF THIS TITLE, THE MEMBERS OF THE COUNTY BOARD SHALL BE A COMBINATION OF MEMBERS WHO ARE ELECTED AND APPOINTED.

[(f)] (G) An individual subject to the authority of the county board may not serve as a member of the county board. At the time of filing a certificate of candidacy for election to a county board, a person shall certify to the local board of supervisors of elections whether or not the person is subject to the authority of the county board. The Governor may not issue a commission of election to a person who has certified affirmatively and who is elected to a county board until the member-elect offers proof that the member-elect is no longer subject to the authority of the county board.

[(g)] (H) The election of the county boards shall be held as provided in Subtitles 2 through 14 of this title and the Election Law Article.

SUBTITLE 13A. WICOMICO COUNTY.

3-13A-01.

(A) THE WICOMICO COUNTY BOARD OF EDUCATION CONSISTS OF:

- (1) FIVE NONPARTISAN ELECTED MEMBERS; AND**
- (2) TWO APPOINTED MEMBERS.**

(B) (1) OF THE SEVEN ELECTED AND APPOINTED MEMBERS OF THE COUNTY BOARD:

(I) ONE MEMBER SHALL BE ELECTED FROM EACH OF THE FIVE COUNCILMANIC DISTRICTS IN THE COUNTY, ESTABLISHED BY THE WICOMICO COUNTY COUNCIL, BY THE VOTERS OF THAT DISTRICT; AND

(II) TWO MEMBERS SHALL BE APPOINTED BY THE WICOMICO COUNTY COUNCIL FROM THE COUNTY AT LARGE.

(2) (I) THE FIVE ELECTED MEMBERS SHALL BE ELECTED AT A GENERAL ELECTION IN ACCORDANCE WITH § 3-13A-02 OF THIS SUBTITLE AND TITLE 8, SUBTITLE 8 OF THIS ARTICLE.

(II) THE TWO APPOINTED MEMBERS SHALL BE APPOINTED BY THE WICOMICO COUNTY COUNCIL FROM A LIST OF NOMINEES SUBMITTED BY THE WICOMICO COUNTY SCHOOL BOARD NOMINATING COMMISSION AS PROVIDED IN § 3-13A-03 OF THIS SUBTITLE:

1. ON THE EXPIRATION OF THE TERM OF AN INCUMBENT APPOINTED MEMBER AND WITHIN ~~30~~ 60 DAYS AFTER THE GENERAL ELECTION; OR

2. WITHIN THE ~~30-DAY~~ 60-DAY PERIOD OTHERWISE REQUIRED UNDER THIS SUBTITLE.

(III) WHEN APPOINTING MEMBERS TO THE COUNTY BOARD, THE WICOMICO COUNTY COUNCIL SHALL ENDEAVOR TO ENSURE, TO THE EXTENT PRACTICABLE, THAT THE COUNTY BOARD REFLECTS THE GENDER, ETHNIC, AND RACIAL MAKEUP OF THE COUNTY.

(3) (I) A MEMBER FROM A DISTRICT MUST BE AT LEAST 21 YEARS OLD, A RESIDENT OF THAT DISTRICT FOR AT LEAST 2 YEARS, AND A REGISTERED VOTER OF THE COUNTY BEFORE THE ELECTION.

(II) A MEMBER FROM A DISTRICT WHO DOES NOT MAINTAIN RESIDENCY IN THAT DISTRICT MAY NOT CONTINUE AS A MEMBER OF THE COUNTY BOARD AND THE OFFICE SHALL BE DEEMED VACANT.

(III) IF THE BOUNDARY LINE OF A DISTRICT IS CHANGED, THE TERM OF AN INCUMBENT MEMBER OF THE COUNTY BOARD WHO NO LONGER RESIDES IN THE DISTRICT BECAUSE OF THE CHANGE IS NOT AFFECTED DURING THIS TERM.

3-13A-02.

(A) AT THE GENERAL ELECTION FOR THE ELECTED MEMBERS OF THE COUNTY BOARD, THE BALLOT SHALL PROVIDE THE VOTERS OF THAT DISTRICT WITH THE CHOICE TO CAST A VOTE “FOR” A CANDIDATE FOR ELECTION FROM THAT DISTRICT ONLY.

(B) AFTER THE ELECTION RESULTS ARE CERTIFIED, THE STATE BOARD SHALL DECLARE FOR EACH DISTRICT WHETHER A CANDIDATE HAS BEEN ELECTED.

(C) IN ANY ELECTION, IF NO CANDIDATE FILES A CERTIFICATE OF CANDIDACY FOR THE OFFICE OR IF NO INDIVIDUAL OTHERWISE QUALIFIES TO HAVE THE INDIVIDUAL’S NAME PLACED ON THE BALLOT, THE WICOMICO COUNTY COUNCIL SHALL APPOINT A MEMBER FROM A LIST OF NOMINEES SUBMITTED BY THE WICOMICO COUNTY SCHOOL BOARD NOMINATING COMMISSION TO FILL THAT VACANCY NO LATER THAN 30 DAYS AFTER THE GENERAL ELECTION.

3-13A-03.

(A) (1) THERE IS A WICOMICO COUNTY SCHOOL BOARD NOMINATING COMMISSION.

(2) THE PURPOSE OF THE COMMISSION IS TO SELECT NOMINEES TO RECOMMEND TO THE WICOMICO COUNTY COUNCIL AS QUALIFIED CANDIDATES FOR APPOINTMENT TO FILL A VACANCY ON THE WICOMICO COUNTY BOARD.

(3) WITHIN 60 DAYS OF A VACANCY ON THE COUNTY BOARD, THE COMMISSION SHALL:

(I) DEVELOP AND PUBLICIZE CRITERIA FOR CHOOSING NOMINEES TO FILL THE VACANCY;

(II) MAKE PUBLIC THE NAMES OF THE CANDIDATES THAT APPLY FOR APPOINTMENT TO FILL A VACANCY ON THE COUNTY BOARD;

(III) HOLD AT LEAST TWO PUBLIC HEARINGS ON THE APPLICANTS FOR APPOINTMENT; AND

(IV) MAKE PUBLIC AND SUBMIT TO THE COUNTY COUNCIL THE NAMES OF TWO NOMINEES FOR ANY VACANCY.

(4) (I) WITHIN 60 DAYS AFTER THE COUNTY COUNCIL RECEIVES THE NAMES OF THE NOMINEES FROM THE COMMISSION, THE COUNTY COUNCIL SHALL HOLD A PUBLIC HEARING REGARDING THE NOMINEES.

(II) AFTER THE HEARING, IF THE COUNTY COUNCIL DEEMS AT LEAST ONE OF THE NOMINEES ACCEPTABLE, THE COUNTY COUNCIL SHALL VOTE ON THE NOMINEES AND FILL THE VACANCY.

(III) IF THE COUNTY COUNCIL DEEMS BOTH NOMINEES UNACCEPTABLE, THE COUNTY COUNCIL SHALL RETURN THE NAMES TO THE COMMISSION AND REQUEST THAT THE COMMISSION SUBMIT THE NAMES OF AT LEAST TWO ADDITIONAL QUALIFIED NOMINEES FROM WHICH THE COUNTY COUNCIL SHALL SELECT AN INDIVIDUAL TO FILL THE VACANCY.

(5) (I) THE COMMISSION CONSISTS OF 14 MEMBERS.

(II) THE MEMBERS OF THE COMMISSION SHALL BE APPOINTED ~~BY THE COUNTY EXECUTIVE OF WICOMICO COUNTY, SUBJECT TO CONFIRMATION BY THE COUNTY COUNCIL,~~ FROM THE NAMES SUBMITTED BY THE FOLLOWING ORGANIZATIONS, ENTITIES, OR COMMUNITIES OF INTEREST:

1. ONE MEMBER FROM THE WICOMICO COUNTY BRANCH OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE;

2. ONE MEMBER FROM THE WICOMICO COUNTY EDUCATION ASSOCIATION;

3. ONE MEMBER FROM THE WICOMICO COUNTY AREA CHAMBERS OF COMMERCE, SELECTED BY THE CHAMBERS BY CONSENSUS;

4. ONE MEMBER FROM THE WICOMICO COUNTY EDUCATIONAL SUPPORT PROFESSIONALS ASSOCIATION;

5. ONE MEMBER FROM THE WICOMICO COUNTY COUNCIL OF PTAS;

6. ONE MEMBER FROM EACH OF THE EIGHT INCORPORATED MUNICIPALITIES IN WICOMICO COUNTY; AND

7. ONE MEMBER WHO IS A PARENT OF A CHILD WITH SPECIAL NEEDS IN THE WICOMICO COUNTY PUBLIC SCHOOL SYSTEM AND WHO IS AFFILIATED WITH AN ADVOCACY GROUP FOR CHILDREN WITH SPECIAL NEEDS IN THE COUNTY.

(6) TO THE EXTENT PRACTICABLE, THE COMMISSION SHALL REFLECT THE GENDER, ETHNIC, AND RACIAL MAKEUP OF THE COUNTY.

(7) THE COUNTY EXECUTIVE OF WICOMICO COUNTY SHALL APPOINT THE MEMBERS OF THE COMMISSION, WITH THE ADVICE AND CONSENT OF THE COUNTY COUNCIL, FROM THE NAMES SUBMITTED BY THE ORGANIZATIONS, ENTITIES, OR COMMUNITIES OF INTEREST LISTED UNDER PARAGRAPH (5) OF THIS SUBSECTION.

(8) THE TERM OF A MEMBER OF THE COMMISSION IS 4 YEARS.

(9) THE COMMISSION SHALL SELECT A CHAIR AND VICE CHAIR FROM AMONG THE MEMBERS.

(B) THE WICOMICO COUNTY PUBLIC SCHOOL SYSTEM SHALL PROVIDE STAFF FOR THE COMMISSION.

3-13A-04.

(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A MEMBER OF THE COUNTY BOARD SERVES FOR A TERM OF 4 YEARS BEGINNING ON THE FIRST MONDAY IN DECEMBER, IN THE YEAR IN WHICH THE GOVERNOR IS ELECTED, AFTER THE MEMBER'S ELECTION OR APPOINTMENT AND UNTIL A SUCCESSOR IS ELECTED OR APPOINTED AND QUALIFIES.

(2) (I) THE INITIAL TERM OF THE TWO MEMBERS AT LARGE OF THE COUNTY BOARD WHOSE TERM BEGINS IN DECEMBER 2018 IS 2 YEARS.

(II) THE SUCCESSORS OF THE TWO MEMBERS AT LARGE SHALL BE APPOINTED IN 2020 AND BE APPOINTED EVERY 4 YEARS THEREAFTER FOR A TERM OF 4 YEARS.

(B) AN INDIVIDUAL WHO TAKES OFFICE TO FILL A VACANCY FOR AN ELECTED OR APPOINTED MEMBER SERVES FOR THE REMAINDER OF THE TERM FOR WHICH THE APPOINTMENT WAS MADE AND UNTIL A SUCCESSOR IS ELECTED OR APPOINTED AND QUALIFIES.

3-13A-05.

(A) THE STATE BOARD MAY REMOVE AN ELECTED OR APPOINTED MEMBER OF THE COUNTY BOARD FOR ANY OF THE FOLLOWING REASONS:

- (1) IMMORALITY;**
- (2) MISCONDUCT IN OFFICE;**
- (3) INCOMPETENCY;**
- (4) WILLFUL NEGLECT OF DUTY; OR**

(5) FAILURE TO ATTEND, WITHOUT GOOD CAUSE, AT LEAST 75% OF THE SCHEDULED MEETINGS OF THE COUNTY BOARD IN ANY 1 CALENDAR YEAR.

(B) BEFORE REMOVING A MEMBER, THE STATE BOARD SHALL SEND THE MEMBER A COPY OF THE CHARGES AGAINST THE MEMBER AND GIVE THE MEMBER AN OPPORTUNITY TO REQUEST A HEARING WITHIN 10 DAYS.

(C) IF THE MEMBER REQUESTS A HEARING WITHIN THE 10-DAY PERIOD:

(1) THE STATE BOARD PROMPTLY SHALL HOLD A HEARING, BUT A HEARING MAY NOT BE SET WITHIN 10 DAYS AFTER THE STATE BOARD SENDS THE MEMBER A NOTICE OF THE HEARING; AND

(2) THE MEMBER SHALL HAVE AN OPPORTUNITY TO BE HEARD PUBLICLY BEFORE THE STATE BOARD IN THE MEMBER'S OWN DEFENSE IN PERSON OR BY COUNSEL.

(D) A MEMBER REMOVED UNDER THIS SECTION HAS THE RIGHT TO A DE NOVO REVIEW OF THE REMOVAL BY THE CIRCUIT COURT FOR WICOMICO COUNTY.

3-13A-06.

AT THE FIRST MEETING OF THE COUNTY BOARD IN DECEMBER OF EACH YEAR, THE COUNTY BOARD SHALL ELECT A CHAIR AND VICE CHAIR FROM AMONG THE MEMBERS.

SECTION 3. AND BE IT FURTHER ENACTED, That the terms of the members of the Wicomico County Board of Education in office at the end of December 2, 2018, shall expire at the end of December 2, 2018.

SECTION 4. AND BE IT FURTHER ENACTED, That before this Act becomes effective it shall first be submitted to a referendum of the qualified voters of Wicomico County at the general election to be held in November of 2016. The cost of the election shall be paid by the County governing body. The County governing body and the Wicomico County Board of Elections shall do those things necessary and proper to provide for and hold the referendum required by this section. There shall be printed on the ballot to be used at this election the title of this Act and underneath the title, on separate lines, a square or box for each of the following questions:

Question 1: “For Retaining the Current System, a Board of Education with Seven Members Appointed by the Governor”;

Question 2: “For a Board of Education with Five Members Elected by District and Two Members Elected At Large”; and

Question 3: “For a Board of Education with Five Members Elected by District and Two Members Appointed by the Wicomico County Council”.

A voter may cast a vote only on one of the questions.

If the highest number of the votes cast on the three questions is “For Retaining the Current System, a Board of Education with Seven Members Appointed by the Governor”, the provisions of Sections 1, 2, and 3 of this Act are of no effect and null and void. If the highest number of votes cast on the three questions is “For a Board of Education with Five Members Elected by District and Two Members Elected At Large”, the provisions of Section 2 of this Act are of no effect and null and void. If the highest number of votes cast on the three questions is “For a Board of Education with Five Members Elected by District and Two Members Appointed by the Wicomico County Council”, the provisions of Section 1 of this Act are of no effect and null and void.

SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 4 of this Act and for the sole purpose of providing for the referendum required by Section 4 of this Act, this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 1397 – *Participating Governmental Units – Amortization Schedule*.

This bill alters the calculation of the accrued liability contributions required to be paid by a participating governmental unit on account of members of the Employees' Retirement System and Employees' Pension System who are employees of a participating governmental unit, and clarifies the application of a specified amortization period to specified legislative changes.

Senate Bill 821, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 1397.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 1397

AN ACT concerning

Participating Governmental Units – Amortization Schedule

FOR the purpose of altering the calculation of the accrued liability contributions required to be paid by a participating governmental unit on account of members of the Employees' Retirement System and Employees' Pension System who are employees of a participating governmental unit; clarifying the application of a certain amortization period to certain changes; and generally relating to the funding of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–305.2
Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – State Personnel and Pensions

21–305.2.

(a) In this section, “employees’ systems” means the Employees’ Pension System and the Employees’ Retirement System.

(b) As part of each actuarial valuation, the actuary shall determine the accrued liability contributions on account of members of the employees’ systems who are employees of participating governmental units.

(c) [Beginning July 1, 2001, each] **EACH** year the Board of Trustees shall set contribution rates for each State system that shall amortize:

(1) all unfunded liabilities or surpluses accrued as of June 30, [2000] **2016**, over [20] **100** years;

(2) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2017, OVER 40 YEARS;

(3) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2018, OVER 35 YEARS;

(4) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2019, OVER 30 YEARS;

(5) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2020, OVER 25 YEARS;

(6) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2021, OVER 22 YEARS;

(7) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2022, OVER 20 YEARS; and

[(2)] (8) BEGINNING JULY 1, 2023, any new unfunded liabilities or surpluses that have accrued from July 1 of the preceding fiscal year over [25 years] **THE TIME REMAINING UNTIL JUNE 30, 2041**, to reflect:

(i) experience gains and losses;

(ii) the effect of changes in actuarial assumptions; and

(iii) the effect of legislation effective on or after July 1, [2001] **2023**.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 1461 – *Commercial Drivers’ Licenses – Cancellations and Downgrades (Driving Privilege Preservation Act of 2016)*.

This bill requires the Motor Vehicle Administration to cancel the commercial driver’s license of an individual who fails to submit to the Administration a current certificate of physical examination. The bill also authorizes the Administration to immediately reinstate and, subject to specified conditions, issue a noncommercial driver’s license of an appropriate class to an individual whose commercial driver’s license is canceled as a result of the failure to submit a specified certificate of physical examination.

Senate Bill 80, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 1461.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 1461

AN ACT concerning

**Commercial Drivers’ Licenses – Cancellations and Downgrades
(Driving Privilege Preservation Act of 2016)**

FOR the purpose of requiring the Motor Vehicle Administration to cancel the commercial driver’s license of an individual who fails to submit to the Administration a certain certificate of physical examination; authorizing the Administration to issue a noncommercial driver’s license of an appropriate class to an individual whose commercial driver’s license is canceled, under certain circumstances; authorizing the Administration to immediately reinstate and, subject to certain conditions, issue a noncommercial driver’s license of an appropriate class to an individual whose commercial driver’s license is canceled as a result of the failure to submit a certain certificate of physical examination, under certain circumstances; and generally relating to commercial drivers’ license cancellations and downgrades.

BY repealing and reenacting, with amendments,

Article – Transportation
Section 16–812(k) and (o)
Annotated Code of Maryland
(2012 Replacement Volume and 2015 Supplement)

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

Article – Transportation

16–812.

(k) (1) The Administration shall cancel a commercial instructional permit or commercial driver's license if the applicant provides information that is incomplete or incorrect.

(2) If the Administration determines, in its check of an applicant's license status and record prior to issuing a commercial instructional permit or commercial driver's license, or at any time after the commercial instructional permit or commercial driver's license has been issued, that the applicant has falsified any information or certification submitted in connection with an application for a commercial instructional permit or commercial driver's license, the Administration shall suspend, cancel, or revoke the commercial instructional permit or commercial driver's license or pending application, or disqualify the person from operating a commercial motor vehicle, for a period of not less than 60 days.

(3) THE ADMINISTRATION SHALL CANCEL THE COMMERCIAL DRIVER'S LICENSE OF ANY INDIVIDUAL WHO FAILS TO SUBMIT TO THE ADMINISTRATION A CURRENT CERTIFICATE OF PHYSICAL EXAMINATION, AS REQUIRED UNDER 49 C.F.R. § 391.43 AND § 391.45.

(o) (1) The Administration may issue a noncommercial driver's license of an appropriate class to an individual who is disqualified **OR WHOSE COMMERCIAL DRIVER'S LICENSE IS CANCELED** under this section if:

[(1)] (I) The individual surrenders the commercial instructional permit or commercial driver's license; and

[(2)] (II) The individual's driving privilege is not otherwise refused, suspended, revoked, or canceled in this State or any other state.

(2) (I) THE ADMINISTRATION MAY IMMEDIATELY REINSTATE AN INDIVIDUAL'S NONCOMMERCIAL DRIVING PRIVILEGE AND, SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, ISSUE A NONCOMMERCIAL DRIVER'S LICENSE OF AN APPROPRIATE CLASS TO AN INDIVIDUAL WHOSE COMMERCIAL DRIVER'S LICENSE IS CANCELED UNDER SUBSECTION (K)(3) OF THIS SECTION IF:

1. THE CANCELLATION RESULTS SOLELY FROM THE FAILURE TO SUBMIT A CERTIFICATE OF PHYSICAL EXAMINATION;

2. THE INDIVIDUAL'S DRIVING PRIVILEGE IS NOT EXPIRED; AND

3. THE INDIVIDUAL'S DRIVING PRIVILEGE IS NOT OTHERWISE REFUSED, SUSPENDED, REVOKED, OR CANCELED IN THIS STATE OR ANY OTHER STATE.

(II) THE ADMINISTRATION MAY NOT ISSUE A NONCOMMERCIAL DRIVER'S LICENSE UNDER THIS PARAGRAPH UNLESS THE INDIVIDUAL SURRENDERS THE COMMERCIAL DRIVER'S LICENSE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

May 27, 2016

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 1463 – *Coordinating Council for Juvenile Services Educational Programs – Membership*.

This bill alters the membership of the Coordinating Council for Juvenile Services Educational Programs.

Senate Bill 317, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 1463.

Sincerely,

Governor Lawrence J. Hogan, Jr.

House Bill 1463

AN ACT concerning

**Coordinating Council for Juvenile Services Educational Programs –
Membership**

FOR the purpose of altering the membership of the Coordinating Council for Juvenile Services Educational Programs; providing for the terms of office of the appointed members of the Coordinating Council; providing for the termination of the term of a certain member of the Coordinating Council; providing that the terms of certain members of the Coordinating Council begin on a certain date; providing for the construction of this Act; and generally relating to the membership of the Coordinating Council for Juvenile Services Educational Programs.

BY repealing and reenacting, with amendments,
Article – Education
Section 22–305
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)

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

Article – Education

22–305.

(a) (1) There is a Coordinating Council for Juvenile Services Educational Programs in the Department.

(2) The Council is within the State Department of Education for administrative and budgetary purposes.

(b) (1) The Council consists of [seven] **THE FOLLOWING** members[.]:

[(2) Two of the members shall be residents of the State appointed by the Governor for a term of 4 years and until a successor is appointed and qualifies.

(3) (I) [The following officials shall serve as] **AS** ex officio members [of the Council]:

[(i)] 1. The State Superintendent of Schools;

[(ii)] 2. The Secretary of Budget and Management;

[(iii)] 3. The Secretary of Juvenile Services;

[(iv)] 4. The Secretary of Higher Education; and

[(v)] 5. **THE EXECUTIVE DIRECTOR OF THE MARYLAND ASSOCIATION OF COMMUNITY COLLEGES, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;**

(II) A county superintendent of schools, from a county in which a residential facility is located, [whom the State Superintendent shall select with the concurrence of the Secretary] APPOINTED BY THE PUBLIC SCHOOL SUPERINTENDENTS' ASSOCIATION OF MARYLAND;

(III) ONE MEMBER APPOINTED BY THE MARYLAND ASSOCIATION OF BOARDS OF EDUCATION;

(IV) ONE RESIDENT OF EACH OF THE FOLLOWING COUNTIES, APPOINTED BY THE GOVERNOR, IN CONSULTATION WITH THE COUNTY EXECUTIVE OR MAYOR OF THE COUNTY:

1. **ANNE ARUNDEL COUNTY;**

2. **BALTIMORE CITY;**

3. **BALTIMORE COUNTY;**

4. **FREDERICK COUNTY;**

5. **HOWARD COUNTY;**

6. **MONTGOMERY COUNTY; AND**

7. **PRINCE GEORGE'S COUNTY; AND**

(V) TWO RESIDENTS OF THE STATE APPOINTED BY THE GOVERNOR.

(2) (I) THE TERM OF EACH MEMBER APPOINTED UNDER PARAGRAPH (1)(II), (III), AND (IV) OF THIS SUBSECTION IS 2 YEARS.

(II) THE TERM OF EACH MEMBER APPOINTED UNDER PARAGRAPH (1)(V) OF THIS SUBSECTION IS 4 YEARS.

(III) AT THE END OF A TERM, AN APPOINTED 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.

(c) Each member of the Council:

(1) Serves without compensation; but

(2) Is entitled to reimbursement for expenses in accordance with the Standard State Travel Regulations.

(d) (1) The State Superintendent shall serve as chairman of the Council.

(2) The Council shall designate the time and place of its meetings and may adopt rules for the conduct of the meetings.

(3) The State Department of Education shall provide technical and clerical assistance and support to the Council.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The term of the member of the Coordinating Council for Juvenile Services Educational Programs who is a county superintendent of schools and in office at the end of December 31, 2016, shall terminate at the end of December 31, 2016, and the Public School Superintendents' Association of Maryland shall appoint a county superintendent of schools to succeed that member for a term of 2 years beginning on January 1, 2017, until a successor is appointed and qualifies.

(b) The Maryland Association of Boards of Education and the Governor shall appoint additional members to the Coordinating Council, as authorized under this Act, to serve for a term of 2 years beginning on January 1, 2017, until a successor is appointed and qualifies.

(c) The Executive Director of the Maryland Association of Community Colleges, or the Executive Director's designee, shall take office as a member of the Coordinating Council beginning on January 1, 2017.

(d) This Act may not be construed to alter the terms of the members of the Coordinating Council who were appointed by the Governor to a term of 4 years and are in office on the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.
