Laws

of the

State of Maryland

At the Session of the General Assembly Begun and Held in the
City of Annapolis on the Tenth Day of January 2018
and Ending on the Ninth Day of April 2018

Bills vetoed by the Governor appear after the Laws

VOLUME V

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Chapter 707

(Senate Bill 160)

AN ACT concerning

Juvenile Law – Truancy ~~– Applicable Age Range and Affirmative Defense~~

FOR the purpose of altering the age range for which a certain charge relating to truancy is applicable; *reducing the maximum terms of imprisonment that may be imposed on conviction of certain charges relating to truancy; authorizing the imposition of community service on conviction of certain charges related to truancy;* altering the application of a certain affirmative defense to a certain charge relating to truancy; and generally relating to ~~the applicable age range for and an affirmative defense against a charge relating to~~ truancy.

BY repealing and reenacting, with amendments,
Article – Education
Section ~~7–301(e) and (e–1)~~ 7–301(c), (e), and (e–1)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Education

7–301.

(c) Each person who has legal custody or care and control of a child who is 5 years old or older and under **[**18**] 16** shall see that the child attends school or receives instruction as required by this section.

(e) (1) Any person who induces or attempts to induce a child to be absent unlawfully from school or employs or harbors any child who is absent unlawfully from school while school is in session is guilty of a misdemeanor and on conviction is subject to a fine not to exceed $500 or imprisonment not to exceed 30 days, or both.

(2) Any person who has legal custody or care and control of a child who is 5 years old or older and under ~~18~~ **16** who fails to see that the child attends school or receives instruction under this section is guilty of a misdemeanor and:

(i) For a first conviction is subject to a fine not to exceed $50 per day of unlawful absence or imprisonment not to exceed ~~10~~ ***3*** days, or both; and

(ii) For a second or subsequent conviction is subject to a fine not to exceed $100 per day of unlawful absence or imprisonment not to exceed ~~30~~ ***5*** days, or both.

(3) ***IN ADDITION TO THE PENALTIES PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE COURT MAY ORDER A PERSON CONVICTED UNDER PARAGRAPH (2) OF THIS SUBSECTION TO PERFORM COMMUNITY SERVICE.***

(4) **(I) FOR A PERSON WITH LEGAL CUSTODY OR CARE AND CONTROL OF A CHILD AT THE TIME OF AN ALLEGED VIOLATION OF THIS SECTION, IT IS AN AFFIRMATIVE DEFENSE TO A CHARGE UNDER THIS SECTION THAT THE PERSON MADE REASONABLE AND SUBSTANTIAL EFFORTS TO SEE THAT THE CHILD ATTENDED SCHOOL AS REQUIRED BY LAW BUT WAS UNABLE TO CAUSE THE CHILD TO ATTEND SCHOOL.**

(II) IF THE COURT FINDS THE AFFIRMATIVE DEFENSE IS VALID, THE COURT SHALL DISMISS THE CHARGE UNDER THIS SECTION AGAINST THE DEFENDANT.

~~(4)~~ ***(5)*** (i) As to any sentence imposed under this section, the court may suspend the fine or the prison sentence and establish terms and conditions that would promote the child's attendance.

(ii) The suspension authority provided for under subparagraph (i) of this paragraph is in addition to and not in limitation of the suspension authority under § 6–221 of the Criminal Procedure Article.

(e–1) (1) This subsection applies only:

(i) In a county in which the circuit administrative judge has established a Truancy Reduction Pilot Program under § 3–8C–02 of the Courts Article; and

(ii) To the extent that funds are provided in an annual State budget for a Truancy Reduction Pilot Program.

(2) A charge under this section may be filed in the juvenile court and assigned to a truancy docket for disposition under Title 3, Subtitle 8C of the Courts Article.

(3) **[**(i) For a person with legal custody or care and control of a child at the time of an alleged violation of this section, it is an affirmative defense to a charge under this section that the person made reasonable and substantial efforts to see that the child attended school as required by law but was unable to cause the child to attend school.

(ii) If the court finds the affirmative defense is valid, the court shall dismiss the charge under this section against the defendant.

(4)**]** The court may condition marking a charge under this section stet on participation of the defendant in the appropriate Truancy Reduction Pilot Program under Title 3, Subtitle 8C of the Courts Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 708

(Senate Bill 444)

AN ACT concerning

Task Force on the Social Determinants of Health in Baltimore City

FOR the purpose of establishing the Task Force on the Social Determinants of Health in Baltimore City; providing for the purpose, duties, composition, cochairs, and staffing of the Task Force; requiring, to the extent practicable, the Task Force to reflect a certain diversity; requiring the Task Force to identify and examine certain social factors and develop and implement certain solutions for a certain purpose; requiring the Task Force to include certain subcommittees; authorizing the Task Force to apply for certain grants; requiring the Task Force to consult with a certain office for a certain purpose; providing for the appointment of chairs of the subcommittees of the Task Force; establishing a certain advisory board; requiring the Advisory Board to perform certain functions; providing for the composition and cochairs of the Advisory Board; providing for the terms of members of the Advisory Board; prohibiting members of the Task Force from receiving certain compensation and from receiving reimbursement for certain expenses; prohibiting members of the Advisory Board from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to submit a certain report to the Governor and the General Assembly on or before a certain date each year; defining certain terms; specifying the terms of certain initial members of the Advisory Board; *providing for the termination of this Act;* and generally relating to the Task Force on the Social Determinants of Health in Baltimore City.

BY adding to
Article – Health – General
Section 13–3601 through 13–3608 to be under the new subtitle "Subtitle 36. Task Force on the Social Determinants of Health in Baltimore City"
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Health – General

SUBTITLE 36. TASK FORCE ON THE SOCIAL DETERMINANTS OF HEALTH IN BALTIMORE CITY.

13–3601.

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

(B) "ADVISORY BOARD" MEANS THE ADVISORY BOARD FOR THE TASK FORCE ESTABLISHED UNDER § 13–3606(A) OF THIS SUBTITLE.

(C) "HEALTH INEQUITIES" MEANS THE UNFAIR AND AVOIDABLE DIFFERENCES IN HEALTH STATUS SEEN WITHIN AND BETWEEN COUNTRIES.

(D) "SOCIAL DETERMINANTS OF HEALTH" MEANS THE CONDITIONS IN WHICH INDIVIDUALS ARE BORN, GROW, LIVE, WORK, AND AGE THAT ARE:

(1) SHAPED BY THE DISTRIBUTION OF MONEY, POWER, AND RESOURCES AT GLOBAL, NATIONAL, AND LOCAL LEVELS; AND

(2) PRIMARILY RESPONSIBLE FOR HEALTH INEQUITIES.

(E) "TASK FORCE" MEANS THE TASK FORCE ON THE SOCIAL DETERMINANTS OF HEALTH IN BALTIMORE CITY ESTABLISHED UNDER § 13–3602 OF THIS SUBTITLE.

13–3602.

THERE IS A TASK FORCE ON THE SOCIAL DETERMINANTS OF HEALTH IN BALTIMORE CITY.

13–3603.

(A) THE PURPOSE OF THE TASK FORCE IS TO FUNCTION AS A MULTISECTOR COLLABORATIVE ACTION GROUP TO ADDRESS THE SOCIAL DETERMINANTS OF HEALTH IN BALTIMORE CITY.

(B) THE TASK FORCE SHALL:

(1) IDENTIFY AND EXAMINE THE NEGATIVE SOCIAL FACTORS THAT:

(I) ARE CAUSING HARDSHIP FOR RESIDENTS OF BALTIMORE CITY;

(II) ARE CYCLICAL IN NATURE; AND

(III) SPAN GENERATIONS; AND

(2) DEVELOP AND IMPLEMENT SOLUTIONS TO IMPROVE THE SOCIAL, MATERIAL, ECONOMIC, AND PHYSICAL CIRCUMSTANCES IN WHICH RESIDENTS OF BALTIMORE CITY LIVE, WORK, PLAY, AND WORSHIP SO THAT RESIDENTS OF BALTIMORE CITY AND THE COMMUNITIES IN WHICH THEY LIVE MAY HAVE THE THRIVING AND HIGH–QUALITY LIFE THEY DESERVE.

13–3604.

(A) (1) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS APPOINTED BY THE ADVISORY BOARD:

(I) REPRESENTATIVES OF COMMUNITY ORGANIZATIONS, ACADEMIC INSTITUTIONS, LAW ENFORCEMENT, AND STATE AND LOCAL GOVERNMENT;

(II) HEALTH CARE PROVIDERS;

(III) URBAN PLANNERS;

(IV) ENTREPRENEURS;

(V) MEMBERS OF THE BLACK MENTAL HEALTH ALLIANCE; AND

(VI) OTHER INDIVIDUALS WITH AN INTEREST IN THE SOCIAL DETERMINANTS OF HEALTH IN BALTIMORE CITY.

(2) TO THE EXTENT PRACTICABLE, THE MEMBERS APPOINTED TO THE TASK FORCE SHALL REFLECT THE RACIAL, ETHNIC, CULTURAL, AND GENDER DIVERSITY OF THE STATE.

(B) THE TASK FORCE SHALL INCLUDE FIVE SUBCOMMITTEES WITH EACH SUBCOMMITTEE ADDRESSING ONE OF THE FOLLOWING SUBJECT AREAS:

(1) EDUCATION, INCLUDING:

(I) THE LACK OF ADEQUATE SCHOOLS, EDUCATIONAL MATERIALS, AND OPPORTUNITIES FOR STUDENTS;

(II) LOW GRADUATION RATES; AND

(III) VIOLENCE AND ITS IMPACT ON THE ABILITY OF CHILDREN TO LEARN;

(2) HOUSING, INCLUDING:

(I) THE CONDITION OF HOUSING IN LOW–INCOME AREAS, INCLUDING THE PRESENCE OF PESTS, LEAD, AND MOLD IN HOUSING;

(II) BLIGHT;

(III) NEGLECTED AND BOARDED–UP HOUSING; AND

(IV) BROKEN PAVEMENT AND THE ABSENCE OF STREET LIGHTING IN RESIDENTIAL AREAS;

(3) WORKFORCE DEVELOPMENT AND JOBS, INCLUDING:

(I) CHRONIC UNEMPLOYMENT, UNDEREMPLOYMENT, AND THE LACK OF SUSTAINABLE EMPLOYMENT;

(II) JOB TRAINING OPPORTUNITIES AND THE NEED FOR ADDITIONAL JOB TRAINING PROGRAMS TO SPUR EMPLOYMENT OPPORTUNITIES; AND

(III) EMPLOYMENT OF RETURNING RESIDENTS;

(4) HEALTH AND HUMAN SERVICES, INCLUDING THE FOLLOWING CONDITIONS AFFECTING RESIDENTS:

(I) HIGH MORBIDITY AND PREMATURE MORTALITY;

(II) HIGH RATES OF HEPATITIS C, HIV/AIDS, DIABETES, HIGH BLOOD PRESSURE, CARDIOVASCULAR DISEASE, STROKE, SUICIDE, MENTAL ILLNESS, INFANT MORTALITY, AND ALCOHOL AND DRUG USE, INCLUDING OPIOID USE;

(III) LOW BIRTH RATES; AND

(IV) POOR AND INADEQUATE NUTRITION, INCLUDING POOR PRENATAL CARE; AND

(5) CIVIL UNREST AND SOCIAL JUSTICE, INCLUDING HOMICIDES, RAPES, ROBBERIES, DOMESTIC VIOLENCE, STREET VIOLENCE, GANG ACTIVITY, AND OTHER CRIMES AFFECTING NEIGHBORHOODS.

(C) THE TASK FORCE SHALL CONSULT WITH THE OFFICE OF MINORITY HEALTH AND DISPARITIES IN CARRYING OUT THE DUTIES OF THE TASK FORCE.

(D) THE TASK FORCE MAY APPLY FOR GRANTS FROM PUBLIC AND PRIVATE ENTITIES TO CARRY OUT THE DUTIES OF THE TASK FORCE.

13–3605.

(A) THE PRESIDENT OF THE UNIVERSITY OF MARYLAND, BALTIMORE, OR THE PRESIDENT'S DESIGNEE, SHALL APPOINT THE COCHAIRS OF THE TASK FORCE.

(B) THE COCHAIRS OF THE TASK FORCE SHALL JOINTLY APPOINT A CHAIR FOR EACH OF THE SUBCOMMITTEES ESTABLISHED UNDER § 13–3604(B) OF THIS SUBTITLE.

(C) THE UNIVERSITY OF MARYLAND, BALTIMORE, SHALL PROVIDE STAFF SUPPORT FOR THE TASK FORCE.

13–3606.

(A) THERE IS AN ADVISORY BOARD FOR THE TASK FORCE.

(B) THE ADVISORY BOARD CONSISTS OF THE FOLLOWING MEMBERS:

(1) THE COCHAIRS OF THE TASK FORCE APPOINTED UNDER § 13–3605(A) OF THIS SUBTITLE;

(2) THE CHAIRS OF THE SUBCOMMITTEES ESTABLISHED UNDER § 13–3604 OF THIS SUBTITLE APPOINTED UNDER § 13–3605(B) OF THIS SUBTITLE; AND

(3) TWO MEMBERS OF THE GENERAL ASSEMBLY, APPOINTED JOINTLY BY THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE.

(C) (1) THE TERM OF A MEMBER OF THE ADVISORY BOARD SPECIFIED IN SUBSECTION (B)(1) OR (2) OF THIS SECTION IS 3 YEARS.

(2) AT THE END OF A TERM, A 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.

(4) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON JULY 1, 2018.

(D) A MAJORITY OF THE MEMBERS PRESENT AT A MEETING SHALL CONSTITUTE A QUORUM.

(E) THE ADVISORY BOARD SHALL DETERMINE THE TIMES, PLACES, AND FREQUENCY OF ITS MEETINGS.

(F) THE COCHAIRS OF THE TASK FORCE SHALL BE THE COCHAIRS OF THE ADVISORY BOARD.

(G) THE ADVISORY BOARD SHALL:

(1) APPOINT THE MEMBERS OF THE TASK FORCE;

(2) MANAGE THE ACTIVITIES OF THE TASK FORCE; AND

(3) ADOPT BYLAWS OR RULES TO GOVERN THE OPERATIONS OF THE TASK FORCE.

13–3607.

(A) A MEMBER OF THE ADVISORY BOARD:

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

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

(B) A MEMBER OF THE TASK FORCE:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE TASK FORCE; AND

(2) IS NOT ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

13–3608.

ON OR BEFORE DECEMBER 1 EACH YEAR, THE TASK FORCE SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE ACTIVITIES OF THE TASK FORCE.

SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial members of the Advisory Board for the Task Force on the Social Determinants of Health in Baltimore City specified in § 13–3606(b)(1) and (2) of the Health – General Article, as enacted by Section 1 of this Act, shall expire as follows:

(1) two members in 2019;

(2) two members in 2020; and

(3) three members in 2021.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018. *It shall remain effective for a period of 7 years and, at the end of June 30, 2025, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.*

Approved by the Governor, May 15, 2018.

Chapter 709

(Senate Bill 599)

AN ACT concerning

Baltimore County – Property Tax – Credit for Individuals at Least 70 Years Old

FOR the purpose of requiring the governing body of Baltimore County to grant a property tax credit against the county property tax imposed on a certain dwelling owned by a certain homeowner who is at least a certain age under certain circumstances; providing for the calculation of, eligibility for, and application of the credit; authorizing a homeowner to elect not to receive the credit; providing that a homeowner who elects not to receive the credit may receive certain other credits for which the homeowner is eligible; providing that the State Department of Assessments and Taxation is responsible for certain administrative duties with respect to the credit; prohibiting the Department and the county from requiring a homeowner to file a separate application in order to receive the credit; requiring the county to reimburse the Department for certain costs; authorizing the county to

provide, by law, for certain regulations and procedures; defining certain terms; providing for the application of this Act; and generally relating to a tax credit against the county property tax imposed on real property in Baltimore County.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–245(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY adding to
Article – Tax – Property
Section 9–305(f)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Tax – Property

9–245.

(a) **[**The**]** **EXCEPT AS PROVIDED IN § 9–305 OF THIS TITLE, THE** Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may grant, by law, a tax credit against the county or municipal corporation property tax imposed on real property that is owned by and used as the principal residence of an individual who is at least 65 years old and of limited income.

9–305.

(F) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) "COMBINED INCOME" HAS THE MEANING STATED IN § 9–104 OF THIS TITLE.

(III) "DWELLING" HAS THE MEANING STATED IN § 9–104 OF THIS TITLE.

(IV) "HOMEOWNER" HAS THE MEANING STATED IN § 9–104 OF THIS TITLE.

(2) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, THE GOVERNING BODY OF BALTIMORE COUNTY SHALL GRANT A PROPERTY TAX CREDIT

UNDER THIS SUBSECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON A DWELLING THAT IS OWNED BY A HOMEOWNER WHO:

(I) IS AT LEAST 70 YEARS OLD; AND

(II) QUALIFIES TO RECEIVE EITHER THE CREDIT ALLOWED UNDER § 9–104 OF THIS TITLE OR THE LOCAL SUPPLEMENT UNDER § 11–2–111 OF THE BALTIMORE COUNTY CODE.

(3) FOR EACH TAXABLE YEAR, THE CREDIT UNDER THIS SUBSECTION EQUALS 50% OF THE SUM OF THE AMOUNTS AWARDED UNDER § 9–104 OF THIS TITLE AND § 11–2–111 OF THE BALTIMORE COUNTY CODE.

(4) A HOMEOWNER SHALL BE ELIGIBLE FOR THE CREDIT UNDER THIS SUBSECTION IF:

(I) THE HOMEOWNER, IN THE HOMEOWNER'S APPLICATION FOR THE CREDIT ALLOWED UNDER § 9–104 OF THIS TITLE OR THE LOCAL SUPPLEMENT UNDER § 11–2–111 OF THE BALTIMORE COUNTY CODE, DEMONSTRATES THAT AT LEAST ONE INDIVIDUAL WHO OWNS AND RESIDES IN THE DWELLING IS AT LEAST 70 YEARS OLD;

(II) THE HOMEOWNER HAS RESIDED IN THE DWELLING FOR THE PRECEDING 10 YEARS; ~~AND~~

(III) THE COMBINED INCOME OF THE HOMEOWNER DOES NOT EXCEED 150% OF THE FEDERAL POVERTY LEVEL; AND

(IV) WITH THE EXCEPTION OF §§ 9–104 AND 9–105 OF THIS TITLE AND § 11–2–111 OF THE BALTIMORE COUNTY CODE, THE HOMEOWNER DOES NOT RECEIVE ANY OTHER PROPERTY TAX CREDIT PROVIDED BY BALTIMORE COUNTY.

(5) (I) ~~THE~~ EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE CREDIT ALLOWED UNDER THIS SUBSECTION SHALL BE APPLIED AUTOMATICALLY EACH YEAR TO THE PROPERTY TAX DUE FROM AN ELIGIBLE HOMEOWNER.

(II) A HOMEOWNER MAY ELECT NOT TO RECEIVE THE CREDIT UNDER THIS SUBSECTION.

(III) IF, IN ACCORDANCE WITH SUBPARAGRAPH (II) OF THIS PARAGRAPH, A HOMEOWNER ELECTS NOT TO RECEIVE THE CREDIT UNDER THIS SUBSECTION, THE HOMEOWNER MAY RECEIVE ANY OTHER PROPERTY TAX CREDIT PROVIDED BY BALTIMORE COUNTY FOR WHICH THE HOMEOWNER IS ELIGIBLE.

(6) (I) THE DEPARTMENT IS RESPONSIBLE FOR ADMINISTRATIVE DUTIES THAT RELATE TO THE APPLICATION AND DETERMINATION OF ELIGIBILITY FOR A PROPERTY TAX CREDIT UNDER THIS SUBSECTION.

(II) NEITHER THE DEPARTMENT NOR THE COUNTY MAY REQUIRE A HOMEOWNER TO FILE A SEPARATE APPLICATION IN ORDER TO RECEIVE THE CREDIT UNDER THIS SUBSECTION.

(III) THE COUNTY:

1. SHALL REIMBURSE THE DEPARTMENT FOR THE REASONABLE COST OF ADMINISTERING THE TAX CREDIT UNDER THIS SUBSECTION; AND

2. MAY PROVIDE, BY LAW, FOR REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT UNDER THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2018, and shall be applicable to all taxable years beginning after June 30, 2018.

Approved by the Governor, May 15, 2018.

Chapter 710

(House Bill 800)

AN ACT concerning

State Board of Dental Examiners – Licensure – Faculty Members at the University of Maryland School of Dentistry

FOR the purpose of requiring, under certain circumstances, that a dentist who is a faculty member at the University of Maryland School of Dentistry and was trained at a foreign dental school be qualified by the State Board of Dental Examiners to take a certain examination; ~~requiring the Board to issue~~ authorizing a certain dentist to apply for a general license to practice dentistry under certain circumstances; requiring a dentist who ~~was issued~~ applied for a general license to practice dentistry under certain provisions of this Act and was issued a general license to surrender the license under certain circumstances; making a conforming change; and generally relating to the licensure of faculty members at the University of Maryland School of Dentistry.

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 4–302(d)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 4–306(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY adding to
Article – Health Occupations
Section 4–306.1
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Health Occupations

4–302.

(d) Unless waived by the Board under §§ 4–303 and 4–303.1 of this subtitle**, AND EXCEPT AS PROVIDED IN § 4–306.1 OF THIS SUBTITLE**, to qualify for a license to practice dentistry, the applicant shall hold a degree of Doctor of Dental Surgery, Doctor of Dental Medicine, or the equivalent, from a college or university that is:

(1) Authorized by any state or any province of Canada to grant the degree; and

(2) Recognized by the Board as requiring adequate preprofessional collegiate training and as maintaining an acceptable course of dental instruction.

4–306.

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

(2) "ADEX" means the American Board of Dental Examiners, Inc., or its successor organization.

(3) (i) "ADHLEX" means the American Dental Hygiene Licensing Examination designed and developed by ADEX, or its successor examination.

(ii) "ADHLEX" includes a written component and a clinical component.

(4) (i) "ADLEX" means the American Dental Licensing Examination designed and developed by ADEX, or its successor examination.

(ii) "ADLEX" includes a written component and a clinical component.

4–306.1.

(A) A DENTIST WHO IS A FACULTY MEMBER AT THE UNIVERSITY OF MARYLAND SCHOOL OF DENTISTRY AND WAS TRAINED AT A FOREIGN DENTAL SCHOOL SHALL BE QUALIFIED BY THE BOARD TO TAKE AN EXAMINATION OFFERED BY ADEX, AS DEFINED IN § 4–306 OF THIS SUBTITLE, IF THE APPLICANT:

(1) COMPLETES TRAINING IN A DENTAL SPECIALTY RECOGNIZED BY THE BOARD;

(2) IS BOARD CERTIFIED IN A DENTAL SPECIALTY RECOGNIZED BY THE BOARD;

(3) AT THE TIME THE APPLICATION IS MADE, IS A FULL–TIME FACULTY MEMBER AT THE UNIVERSITY OF MARYLAND SCHOOL OF DENTISTRY WHO HAS COMPLETED AT LEAST 7 CONSECUTIVE YEARS AS A FULL–TIME FACULTY MEMBER; AND

(4) SUBMITS TO THE BOARD A WRITTEN LETTER OF SUPPORT FROM THE UNIVERSITY OF MARYLAND SCHOOL OF DENTISTRY STATING THAT THE SCHOOL SUPPORTS THE APPLICANT TO TAKE THE ADEX EXAMINATION~~; AND~~

~~(5) AGREES IN WRITING TO LIMIT THE DENTIST'S PRACTICE TO THE SPECIALTY IN WHICH THE DENTIST IS BOARD CERTIFIED~~.

(B) IF THE DENTIST RECEIVES A PASSING SCORE ON THE ADEX EXAMINATION, ~~THE BOARD SHALL ISSUE~~ THE DENTIST MAY APPLY FOR A GENERAL LICENSE TO PRACTICE DENTISTRY.

(C) A DENTIST WHO ~~WAS ISSUED~~ APPLIED FOR A GENERAL LICENSE TO PRACTICE DENTISTRY UNDER SUBSECTION (B) OF THIS SECTION AND WAS ISSUED A GENERAL LICENSE SHALL SURRENDER THE LICENSE IF THE DENTIST~~:~~

~~(1) PRACTICES OUTSIDE THE SPECIALTY IN WHICH THE DENTIST IS BOARD CERTIFIED; OR~~

~~(2)~~ ~~VIOLATES~~ VIOLATES ANY PROVISION OF THIS TITLE OR ANY REGULATION ADOPTED BY THE BOARD.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 711

(Senate Bill 934)

AN ACT concerning

State Board of Dental Examiners – Licensure – Faculty Members at the University of Maryland School of Dentistry

FOR the purpose of requiring, under certain circumstances, that a dentist who is a faculty member at the University of Maryland School of Dentistry and was trained at a foreign dental school be qualified by the State Board of Dental Examiners to take a certain examination; ~~requiring the Board to issue~~ authorizing a certain dentist to apply for a general license to practice dentistry under certain circumstances; requiring a dentist who ~~was issued~~ applied for a general license to practice dentistry under certain provisions of this Act and was issued a general license to surrender the license under certain circumstances; making a conforming change; and generally relating to the licensure of faculty members at the University of Maryland School of Dentistry.

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 4–302(d)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 4–306(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY adding to
Article – Health Occupations
Section 4–306.1
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Health Occupations

4–302.

(d) Unless waived by the Board under §§ 4–303 and 4–303.1 of this subtitle**, AND EXCEPT AS PROVIDED IN § 4–306.1 OF THIS SUBTITLE**, to qualify for a license to practice dentistry, the applicant shall hold a degree of Doctor of Dental Surgery, Doctor of Dental Medicine, or the equivalent, from a college or university that is:

(1) Authorized by any state or any province of Canada to grant the degree; and

(2) Recognized by the Board as requiring adequate preprofessional collegiate training and as maintaining an acceptable course of dental instruction.

4–306.

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

(2) "ADEX" means the American Board of Dental Examiners, Inc., or its successor organization.

(3) (i) "ADHLEX" means the American Dental Hygiene Licensing Examination designed and developed by ADEX, or its successor examination.

(ii) "ADHLEX" includes a written component and a clinical component.

(4) (i) "ADLEX" means the American Dental Licensing Examination designed and developed by ADEX, or its successor examination.

(ii) "ADLEX" includes a written component and a clinical component.

4–306.1.

(A) A DENTIST WHO IS A FACULTY MEMBER AT THE UNIVERSITY OF MARYLAND SCHOOL OF DENTISTRY AND WAS TRAINED AT A FOREIGN DENTAL SCHOOL SHALL BE QUALIFIED BY THE BOARD TO TAKE AN EXAMINATION OFFERED BY ADEX, AS DEFINED IN § 4–306 OF THIS SUBTITLE, IF THE APPLICANT:

(1) COMPLETES TRAINING IN A DENTAL SPECIALTY RECOGNIZED BY THE BOARD;

(2) IS BOARD CERTIFIED IN A DENTAL SPECIALTY RECOGNIZED BY THE BOARD;

(3) AT THE TIME THE APPLICATION IS MADE, IS A FULL–TIME FACULTY MEMBER AT THE UNIVERSITY OF MARYLAND SCHOOL OF DENTISTRY WHO HAS COMPLETED AT LEAST 7 CONSECUTIVE YEARS AS A FULL–TIME FACULTY MEMBER; AND

(4) SUBMITS TO THE BOARD A WRITTEN LETTER OF SUPPORT FROM THE UNIVERSITY OF MARYLAND SCHOOL OF DENTISTRY STATING THAT THE SCHOOL SUPPORTS THE APPLICANT TO TAKE THE ADEX EXAMINATION~~; AND~~

~~(5) AGREES IN WRITING TO LIMIT THE DENTIST'S PRACTICE TO THE SPECIALTY IN WHICH THE DENTIST IS BOARD CERTIFIED~~.

(B) IF THE DENTIST RECEIVES A PASSING SCORE ON THE ADEX EXAMINATION, ~~THE BOARD SHALL ISSUE~~ THE DENTIST MAY APPLY FOR A GENERAL LICENSE TO PRACTICE DENTISTRY.

(C) A DENTIST WHO ~~WAS ISSUED~~ APPLIED FOR A GENERAL LICENSE TO PRACTICE DENTISTRY UNDER SUBSECTION (B) OF THIS SECTION AND WAS ISSUED A GENERAL LICENSE SHALL SURRENDER THE LICENSE IF THE DENTIST~~:~~

~~(1) PRACTICES OUTSIDE THE SPECIALTY IN WHICH THE DENTIST IS BOARD CERTIFIED; OR~~

~~(2) VIOLATES~~ VIOLATES ANY PROVISION OF THIS TITLE OR ANY REGULATION ADOPTED BY THE BOARD.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 712

(Senate Bill 245)

AN ACT concerning

Procurement – Security Requirements – Forms

FOR the purpose of requiring the Board of Public Works to adopt regulations to establish certain forms for procurement officers to use to require security for ~~construction contracts and contracts for certain supplies and services; requiring that a certain form provide for annual and renewable~~ *certain fixed–price and multiyear* contracts; and generally relating to security requirements and procurement.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 13–216
Annotated Code of Maryland
(2015 Replacement Volume and 2017 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

13–216.

(a) Except as provided in subsection (b) of this section, a procurement officer may not require a contractor to provide a performance bond, payment bond, or other security on a procurement contract for construction, construction related services, services, or supplies if the price of the procurement contract is $100,000 or less.

(b) A procurement officer shall require a contractor to provide a performance bond, payment bond, or other security if federal law or a condition of federal assistance requires the security.

(c) If the price of a procurement contract for construction exceeds $100,000, a procurement officer shall require a contractor to provide security as required under Title 17, Subtitle 1 of this article.

(d) A procurement officer may require a contractor to provide a performance bond or other security on a procurement contract for supplies, services, or construction related services if:

(1) circumstances warrant security; and

(2) the price of the procurement contract exceeds $100,000.

(E) (1) THE BOARD SHALL ADOPT REGULATIONS TO ESTABLISH SEPARATE *SURETY BOND* FORMS FOR PROCUREMENT OFFICERS TO USE TO REQUIRE SECURITY FOR ~~CONSTRUCTION CONTRACTS AND CONTRACTS FOR SUPPLIES, SERVICES, OR CONSTRUCTION RELATED SERVICES~~:

(I) FIXED–PRICE CONTRACTS; AND

***(II) MULTIYEAR CONTRACTS*.**

(2) THE FORM FOR *MULTIYEAR* CONTRACTS ~~FOR SUPPLIES, SERVICES, OR CONSTRUCTION RELATED SERVICES~~ SHALL PROVIDE FOR ANNUAL AND RENEWABLE CONTRACTS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 713

(Senate Bill 616)

AN ACT concerning

Baltimore City – Alcoholic Beverages – ~~Transfer of License~~ *License Issuance, Transfer, and Expiration*

FOR the purpose of *establishing a marketplace license in a certain alcoholic beverages district in Baltimore City; creating exceptions under which the Board of License Commissioners for Baltimore City may issue certain new Class B–D–7 licenses; authorizing the Board to issue a Class BWLT beer, wine, and liquor (on premises) tasting license to a holder of a Class A–7 license only in a certain location;* specifying that ~~a~~ certain Class B–D–7 ~~license is~~ *licenses are* considered to be unexpired until a certain date for a certain purpose in Baltimore City; *altering a certain definition; making certain provisions of this Act contingent on the taking effect of another Act;* making this Act an emergency measure; and generally relating to alcoholic beverages licenses issued in Baltimore City.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 12–102, 12–905, *12–1308(b),* and 12–1705
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 12–1001.1(b), 12–1308(a) and (c), and 12–1603
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

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.

12–905.

(a) There is a Class B–D–7 beer, wine, and liquor license.

(b) (1) The Board may issue a Class B–D–7 license if the Board determines that the license is reasonably necessary for the convenience of the public.

(2) In making the determination, the Board shall consider the number of beer, wine, and liquor outlets in a given area and the number of days the outlets are open, rather than the nature of the outlets.

(c) The license authorizes the license holder to sell beer, wine, and liquor at retail at the place described in the license, for on– and off–premises consumption.

(d) (1) Except as provided in paragraph (2) of this subsection, the license holder may sell beer, wine, and liquor during the hours and days set out under § 12–2004(c) of this title.

(2) The hours of sale for a license holder in an area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue are from 9 a.m. to 9 p.m.

(e) The Board shall adopt regulations to determine the manner of operation of a licensed premises.

(f) The annual license fee is $1,320.

12–1001.1.

(b) There is a marketplace license in the 40th ***AND 43RD*** *alcoholic beverages* ***[****district****] DISTRICTS.***

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;

(3) a Class C beer, wine, and liquor license in ward 5, precinct 1 of the 44th alcoholic beverages district;

(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;

(5) a Class B–D–7 license in the 100 block of North Avenue in the 45th alcoholic beverages district; [and]

(6) TWO CLASS B–D–7 LICENSES IN THE 2100 BLOCK OF NORTH CHARLES STREET IN THE 43RD ALCOHOLIC BEVERAGES DISTRICT;

(7) TWO CLASS B–D–7 LICENSES IN THE 2100 BLOCK OF MARYLAND AVENUE IN THE 43RD ALCOHOLIC BEVERAGES DISTRICT; AND

[(6)](8) *subject to the requirements under subsection (e) of this section, four Class B–D–7 licenses in the 43rd alcoholic beverages district.*

(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.

(e) (1) In this subsection, "Old Goucher Revitalization District" means the area surrounded by Howard Street on the west, 25th Street on the north, St. Paul Street on the east, and ***[****22nd****] 21ST*** *Street on the south.*

(2) If an establishment has a minimum capital investment, not including land and acquisition costs, of $50,000, the Board may issue one Class B–D–7 license for use in each of the following properties in the Old Goucher Revitalization District:

(i) a property that is surrounded by Maryland Avenue on the west, 24th Street on the north, Morton Street on the east, and 22nd Street on the south;

(ii) a property that is surrounded by Morton Street on the west, 23rd Street on the north, Charles Street on the east, and 22nd Street on the south;

(iii) a property that is surrounded by Morton Street on the west, Ware Street on the north, Charles Street on the east, and 24th Street on the south; and

(iv) a property that is surrounded by Maryland Avenue on the west, 24th Street on the north, Morton Street on the east, and 23rd Street on the south.

(3) A Class B–D–7 license that may be issued under § 12–1603(c)(6) of this title may be transferred within the Old Goucher Revitalization District.

12–1705.

(a) Except as provided in subsection (b) of this section, a transfer of a license shall be completed on or before 180 days after the Board approves the transfer.

(b) (1) Within 180 days after the Board approves the transfer of a license, the license holder or another appropriate interested party may make a written request to the Board to extend the time authorized to complete the transfer due to hardship.

(2) The Board may grant the extension if the Board finds after a hearing that an existing hardship caused the delay in transferring the license.

(3) An extension may not prolong the period authorized to complete the transfer beyond 270 days after the Board approves the transfer.

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

Article – Alcoholic Beverages

12–1308.

(a) This section applies in:

(1) ward 27, precincts 42 and 44 of the 41st legislative district of the City;

(2) ward 27, precincts 41 and 48 of the 43rd legislative district of the City;

(3) ward 12, precinct 3 of the 43rd legislative district of the City;

(4) ward 11, precinct 5 of the 44th legislative district of the City; ***[****and****]***

*(5) the 3000 block of Frederick Avenue in ward 20, precinct 9 of the 44A legislative district of the City, based on the Legislative Districting Plan of 2012****; AND***

(6) THE 46TH LEGISLATIVE DISTRICT OF THE CITY.

(b) There is a Class BWLT beer, wine, and liquor (on premises) tasting license.

*(c) The Board may issue the license to a holder of a****:***

(1) *Class A beer, wine, and liquor license* ***ONLY IN A LOCATION SPECIFIED IN SUBSECTION (A)(1) THROUGH (5) OF THIS SECTION; OR***

(2) CLASS A–7 BEER, WINE, AND LIQUOR LICENSE ONLY IN THE 46TH LEGISLATIVE DISTRICT OF THE CITY.

SECTION 3. AND BE IT FURTHER ENACTED, That, a Class B–D–7 beer, wine, and liquor license issued for a premises in the 2200 block of West North Avenue shall be considered to be unexpired until the end of July 1, 2019, for purposes of completing the transfer to another owner at the same location, notwithstanding § 12–1705 of the Alcoholic Beverages Article.

SECTION ~~3.~~ *4.* AND BE IT FURTHER ENACTED, *That a Class B–D–7 beer, wine, and liquor license issued for a premises in the 2000 block of North Charles Street shall be considered to be unexpired until the end of July 1, 2019, for the purposes of completing the transfer to another owner at the same location or in the same license district, notwithstanding § 12–1705 of the Alcoholic Beverages Article.*

SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2018, contingent on the taking effect of Chapter 537 of the Acts of the General

Assembly of 2018, and if Chapter 537 does not take effect, Section 2 of this Act, with no further action required by the General Assembly, shall be null and void.

SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section 5 of this Act, ~~That~~ this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 15, 2018.

Chapter 714

(Senate Bill 1098)

AN ACT concerning

Baltimore City – Tax Sales – Water Liens

FOR the purpose of prohibiting the tax collector in Baltimore City from selling certain property when the tax in arrears consists only of unpaid charges for water and sewer service; authorizing the Mayor and City Council of Baltimore City to enforce a lien for unpaid charges for water and sewer service if the property is being sold to enforce another lien; requiring the Baltimore City Department of Public Works to report to the members of the Baltimore City delegation to the General Assembly on or before a certain date on certain matters; making technical and conforming changes; providing for the termination of this Act; and generally relating to tax sales of property in Baltimore City.

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 14–801
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 14–808, 14–811, and 14–849.1
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Tax – Property

14–801.

(a) In §§ 14–801 through 14–854 of this subtitle, the following words have the meanings indicated.

(b) "Other taxing agency" means any municipal corporation or other public or quasi–public corporation that may impose a tax of any kind which is or may become a lien on real property.

(c) "Owner–occupied residential property" means, with respect to a property located in Baltimore City, the principal residence of a homeowner as defined in § 9–105(a)(7) of this article.

(d) (1) "Tax" means any tax, or charge of any kind due to the State or any of its political subdivisions, or to any other taxing agency, that by law is a lien against the real property on which it is imposed or assessed.

(2) "Tax" includes interest, penalties, and service charges.

14–808.

(a) **(1)** Except for property that has been transferred by a municipality or county to a land bank authority established under § 1–1403 of the Local Government Article, **AND EXCEPT AS PROVIDED UNDER § 14–811 OF THIS SUBTITLE,** the collector shall proceed to sell and shall sell under this subtitle, at the time required by local law but in no case, except in Baltimore City, later than 2 years from the date the tax is in arrears, all property in the county in which the collector is elected or appointed on which the tax is in arrears.

(2) The collector is required to sell, but failure of the collector to sell within the 2–year period does not affect the validity or collectability of any tax, or the validity of any sale thereafter made.

(b) In Calvert County the collector shall proceed to advertise and sell any real property immediately after the tax is delinquent for a period of 1 year.

(c) In St. Mary's County, the Board of County Commissioners shall set by resolution the date and time of a tax sale.

(d) In Garrett County, the Board of County Commissioners shall set by resolution the date and time of a tax sale.

14–811.

(a) Except as provided in subsection (b) of this section, the collector may withhold from sale any property, when the total taxes on the property, including interest and penalties, amount to less than $250 in any 1 year.

(b) **(1)** In Baltimore City, the collector shall withhold from sale owner–occupied residential property, when**:**

~~**(1)**~~ the total taxes on the property, including interest and penalties, amount to less than $750~~**; OR**~~**.**

(2) IN BALTIMORE CITY, THE COLLECTOR SHALL WITHHOLD FROM SALE RESIDENTIAL PROPERTY, IF THE TAXES ON THE PROPERTY CONSIST ONLY OF A LIEN FOR UNPAID CHARGES FOR WATER AND SEWER SERVICE.

14–849.1.

(a) In Baltimore City, the Mayor and City Council may not sell a property solely to enforce a lien for unpaid charges for water and sewer service unless:

(1) **[**(i) for a property other than owner–occupied residential property,**]** the lien is for at least $350; **[**or

(ii) for an owner–occupied residential property, the lien is for at least $750;**]**

(2) THE PROPERTY IS NOT ~~**AN OWNER–OCCUPIED**~~ **A RESIDENTIAL PROPERTY;** and

[(2)**] (3)** the unpaid charges for water and sewer service are at least 3 quarters in arrears.

(b) (1) Notwithstanding subsection **[**(a)(1)(i)**] (A)** of this section, the Mayor and City Council may enforce a lien on a property other than ~~owner–occupied~~ residential property for unpaid water and sewer service that is less than $350 if the property is being sold to enforce another lien.

(2) Notwithstanding subsection **[**(a)(1)(ii)**] (A)** of this section, the Mayor and City Council may enforce a lien on ~~owner–occupied~~ residential property for unpaid water and sewer service **[**that is less than $750**]** if the property is being sold to enforce another lien.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2019, the Baltimore City Department of Public Works shall report to the members of the Baltimore City delegation to the General Assembly, in accordance with § 2–1246 of the State Government Article, on:

(1) specific outreach and education efforts made to houses of worship regarding payment plans, emergency assistance, and other assistance programs for delinquent water bills;

(2) the administrative review process by which a customer may file a claim for the review of or in order to dispute the customer's bill; *and*

~~(3) the retention by the Department of any outside professional entity to conduct a review of the Department's customer service and bill dispute resolution processes; and~~

~~(4)~~ *(3)* alternative collection methods implemented after this Act takes effect.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018. It shall remain effective for a period of ~~2 years~~ *1 year* and 3 months and, at the end of December 31, ~~2020~~ *2019*, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 715

(House Bill 908)

AN ACT concerning

Health Insurance – Coverage of Fertility Preservation Procedures for Iatrogenic Infertility

FOR the purpose of requiring, except under certain circumstances, certain insurers, nonprofit health service plans, and health maintenance organizations that provide certain benefits under certain insurance policies or contracts to provide coverage for certain fertility preservation procedures; providing for the application of this Act; defining certain terms; providing for a delayed effective date; and generally relating to health insurance coverage for fertility preservation procedures.

BY adding to
Article – Insurance
Section 15–810.1
Annotated Code of Maryland
(2017 Replacement Volume)

BY repealing and reenacting, without amendments,
Article – Insurance
Section 31–116(a)

Annotated Code of Maryland
(2017 Replacement Volume)

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

Article – Insurance

15–810.1.

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

(2) "IATROGENIC INFERTILITY" MEANS AN IMPAIRMENT OF FERTILITY CAUSED DIRECTLY OR INDIRECTLY BY SURGERY, CHEMOTHERAPY, RADIATION, OR OTHER MEDICAL TREATMENT AFFECTING THE REPRODUCTIVE ORGANS OR PROCESSES.

(3) "MEDICAL TREATMENT THAT MAY DIRECTLY OR INDIRECTLY CAUSE IATROGENIC INFERTILITY" MEANS MEDICAL TREATMENT WITH A LIKELY SIDE EFFECT OF INFERTILITY AS ESTABLISHED BY THE AMERICAN SOCIETY FOR REPRODUCTIVE MEDICINE, THE AMERICAN COLLEGE OF OBSTETRICIANS AND GYNECOLOGISTS, OR THE AMERICAN SOCIETY OF CLINICAL ONCOLOGY.

(4) (I) "STANDARD FERTILITY PRESERVATION PROCEDURES" MEANS PROCEDURES TO PRESERVE FERTILITY THAT ARE CONSISTENT WITH ESTABLISHED MEDICAL PRACTICES AND PROFESSIONAL GUIDELINES PUBLISHED BY THE AMERICAN SOCIETY FOR REPRODUCTIVE MEDICINE, THE AMERICAN COLLEGE OF OBSTETRICIANS AND GYNECOLOGISTS, OR THE AMERICAN SOCIETY OF CLINICAL ONCOLOGY.

(II) "STANDARD FERTILITY PRESERVATION PROCEDURES" INCLUDES SPERM AND OOCYTE CRYOPRESERVATION AND EVALUATIONS, LABORATORY ASSESSMENTS, MEDICATIONS, AND TREATMENTS ASSOCIATED WITH SPERM AND OOCYTE CRYOPRESERVATION.

(III) "STANDARD FERTILITY PRESERVATION PROCEDURES" DOES NOT INCLUDE THE STORAGE OF SPERM OR OOCYTES.

(B) THIS SECTION APPLIES TO:

(1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS

ON AN EXPENSE–INCURRED BASIS UNDER HEALTH INSURANCE POLICIES THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

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

(C) ~~AN~~ EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, AN ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE COVERAGE FOR STANDARD FERTILITY PRESERVATION PROCEDURES:

(1) PERFORMED ON A POLICYHOLDER OR SUBSCRIBER OR ON THE COVERED DEPENDENT ~~SPOUSE~~ OF A POLICYHOLDER OR SUBSCRIBER; AND

(2) THAT ARE MEDICALLY NECESSARY TO PRESERVE FERTILITY FOR A POLICYHOLDER OR SUBSCRIBER OR FOR THE COVERED DEPENDENT ~~SPOUSE~~ OF A POLICYHOLDER OR SUBSCRIBER DUE TO A NEED FOR MEDICAL TREATMENT THAT MAY DIRECTLY OR INDIRECTLY CAUSE IATROGENIC INFERTILITY.

(D) AN ENTITY SUBJECT TO THIS SECTION MAY NOT BE REQUIRED TO PROVIDE COVERAGE UNDER SUBSECTION (C) OF THIS SECTION TO A RELIGIOUS ORGANIZATION THAT REQUESTS AND RECEIVES AN EXCLUSION FROM IN VITRO FERTILIZATION COVERAGE UNDER § 15–810(I) OF THIS SUBTITLE.

31–116.

(a) The essential health benefits required under § 1302(a) of the Affordable Care Act:

(1) shall be the benefits in the State benchmark plan, selected in accordance with this section; and

(2) notwithstanding any other benefits mandated by State law, shall be the benefits required in:

(i) subject to subsection (f) of this section, all individual health benefit plans and health benefit plans offered to small employers, except for grandfathered health plans, as defined in the Affordable Care Act, offered outside the Exchange; and

(ii) subject to § 31–115(c) of this title, all qualified health plans offered in the Exchange.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after January 1, 2019.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2019.

Approved by the Governor, May 15, 2018.

Chapter 716

(Senate Bill 271)

AN ACT concerning

Health Insurance – Coverage of Fertility Preservation Procedures for Iatrogenic Infertility

FOR the purpose of requiring*, except under certain circumstances,* certain insurers, nonprofit health service plans, and health maintenance organizations that provide certain benefits under certain insurance policies or contracts to provide coverage for certain fertility preservation procedures; providing for the application of this Act; defining certain terms; providing for a delayed effective date; and generally relating to health insurance coverage for fertility preservation procedures.

BY adding to
Article – Insurance
Section 15–810.1
Annotated Code of Maryland
(2017 Replacement Volume)

BY repealing and reenacting, without amendments,
Article – Insurance
Section 31–116(a)
Annotated Code of Maryland
(2017 Replacement Volume)

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

Article – Insurance

15–810.1.

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

(2) "IATROGENIC INFERTILITY" MEANS AN IMPAIRMENT OF FERTILITY CAUSED DIRECTLY OR INDIRECTLY BY SURGERY, CHEMOTHERAPY, RADIATION, OR OTHER MEDICAL TREATMENT AFFECTING THE REPRODUCTIVE ORGANS OR PROCESSES.

(3) "MEDICAL TREATMENT THAT MAY DIRECTLY OR INDIRECTLY CAUSE IATROGENIC INFERTILITY" MEANS MEDICAL TREATMENT WITH A LIKELY SIDE EFFECT OF INFERTILITY AS ESTABLISHED BY THE AMERICAN SOCIETY FOR REPRODUCTIVE MEDICINE, THE AMERICAN COLLEGE OF OBSTETRICIANS AND GYNECOLOGISTS, OR THE AMERICAN SOCIETY OF CLINICAL ONCOLOGY.

(4) (I) "STANDARD FERTILITY PRESERVATION PROCEDURES" MEANS PROCEDURES TO PRESERVE FERTILITY THAT ARE CONSISTENT WITH ESTABLISHED MEDICAL PRACTICES AND PROFESSIONAL GUIDELINES PUBLISHED BY THE AMERICAN SOCIETY FOR REPRODUCTIVE MEDICINE, THE AMERICAN COLLEGE OF OBSTETRICIANS AND GYNECOLOGISTS, OR THE AMERICAN SOCIETY OF CLINICAL ONCOLOGY.

(II) "STANDARD FERTILITY PRESERVATION PROCEDURES" INCLUDES SPERM AND OOCYTE CRYOPRESERVATION AND EVALUATIONS, LABORATORY ASSESSMENTS, MEDICATIONS, AND TREATMENTS ASSOCIATED WITH SPERM AND OOCYTE CRYOPRESERVATION.

(III) "STANDARD FERTILITY PRESERVATION PROCEDURES" DOES NOT INCLUDE THE STORAGE OF SPERM OR OOCYTES.

(B) THIS SECTION APPLIES TO:

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

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

(C) ~~AN~~ *EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, AN* ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE COVERAGE FOR STANDARD FERTILITY PRESERVATION PROCEDURES:

(1) PERFORMED ON A POLICYHOLDER OR SUBSCRIBER OR ON THE *COVERED* DEPENDENT ~~SPOUSE~~ OF A POLICYHOLDER OR SUBSCRIBER; AND

(2) THAT ARE MEDICALLY NECESSARY TO PRESERVE FERTILITY FOR A POLICYHOLDER OR SUBSCRIBER OR FOR THE *COVERED* DEPENDENT ~~SPOUSE~~ OF A POLICYHOLDER OR SUBSCRIBER DUE TO A NEED FOR MEDICAL TREATMENT THAT MAY DIRECTLY OR INDIRECTLY CAUSE IATROGENIC INFERTILITY.

(D) AN ENTITY SUBJECT TO THIS SECTION MAY NOT BE REQUIRED TO PROVIDE COVERAGE UNDER SUBSECTION (C) OF THIS SECTION TO A RELIGIOUS ORGANIZATION THAT REQUESTS AND RECEIVES AN EXCLUSION FROM IN VITRO FERTILIZATION COVERAGE UNDER § 15–810(I) OF THIS SUBTITLE.

31–116.

(a) The essential health benefits required under § 1302(a) of the Affordable Care Act:

(1) shall be the benefits in the State benchmark plan, selected in accordance with this section; and

(2) notwithstanding any other benefits mandated by State law, shall be the benefits required in:

(i) subject to subsection (f) of this section, all individual health benefit plans and health benefit plans offered to small employers, except for grandfathered health plans, as defined in the Affordable Care Act, offered outside the Exchange; and

(ii) subject to § 31–115(c) of this title, all qualified health plans offered in the Exchange.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after January 1, 2019.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2019.

Approved by the Governor, May 15, 2018.

Chapter 717

(House Bill 744)

AN ACT concerning

Transportation – Complete Streets Policy – Adoption

FOR the purpose of requiring ~~the Maryland Transportation Authority and~~ certain modal administrations of the Department of Transportation to adopt a complete streets policy that requires the implementation of certain complete streets design features for certain facilities under certain circumstances; specifying the requirements of a complete streets policy; exempting ~~the Authority and~~ certain modal administrations of the Department from adopting certain facets of a complete streets policy under certain circumstances; defining certain terms; and generally relating to the adoption of a complete streets policy by ~~the Authority and~~ certain modal administrations of the Department.

BY adding to
Article – Transportation
Section 2–112, ~~4–408,~~ 5–408.1, 7–309, and 8–204.1
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Transportation

2–112.

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

(2) (I) "COMPLETE STREETS DESIGN FEATURES" MEANS DESIGN FEATURES THAT ACCOMMODATE AND FACILITATE SAFE AND CONVENIENT ACCESS AND MOBILITY TO FACILITIES BY ALL USERS, INCLUDING BICYCLISTS, MOTORISTS, PEDESTRIANS, AND PUBLIC TRANSPORTATION USERS.

(II) "COMPLETE STREETS DESIGN FEATURES" INCLUDES:

1. PAVED SHOULDERS SUITABLE FOR USE BY BICYCLISTS;

2. PROTECTED BICYCLE LANES;

3. SHARE THE ROAD SIGNAGE;

4. CROSSWALKS;

5. PEDESTRIAN CONTROL SIGNALS;

6. BUS ACCESS AND SAFETY MEASURES;

7. SIDEWALKS; ~~AND~~

8. SHARED USE PATHWAYS; AND

9. GREEN STORMWATER INFRASTRUCTURE.

(3) "COMPLETE STREETS POLICY" MEANS A POLICY THAT ~~REQUIRES~~ PROVIDES INFORMATION FOR THE IMPLEMENTATION OF COMPLETE STREETS DESIGN FEATURES DURING THE PLANNING, DESIGN, CONSTRUCTION, AND RECONSTRUCTION OF A FACILITY.

(4) "FACILITY" MEANS:

(I) AN AIRPORT FACILITY, AS DEFINED IN § 5–101 OF THIS ARTICLE, THAT IS OWNED OR OPERATED BY THE STATE;

(II) A STATE HIGHWAY, AS DEFINED IN § 8–101 OF THIS ARTICLE; AND

(III) A TRANSIT FACILITY, AS DEFINED IN § 7–101 OF THIS ARTICLE~~; AND~~

~~(IV) A TRANSPORTATION FACILITIES PROJECT, AS DEFINED IN § 4–101 OF THIS ARTICLE~~.

(5) "GREEN STORMWATER INFRASTRUCTURE" MEANS INFRASTRUCTURE IMPLEMENTED USING BEST MANAGEMENT PRACTICES THAT REDUCE THE VOLUME OF STORMWATER RUNOFF THROUGH INFILTRATION, EVAPOTRANSPIRATION, THE BENEFICIAL REUSE OF WATER, OR ANY OTHER EFFECTIVE METHOD.

(B) THIS SECTION APPLIES TO A FACILITY IN:

(1) THE MARYLAND AVIATION ADMINISTRATION, AS REQUIRED UNDER § 5–408.1 OF THIS ARTICLE;

(2) ~~THE MARYLAND TRANSPORTATION AUTHORITY, AS REQUIRED UNDER § 4–408 OF THIS ARTICLE;~~

~~(3)~~ THE MARYLAND TRANSIT ADMINISTRATION, AS REQUIRED UNDER § 7–309 OF THIS ARTICLE; AND

~~(4)~~ (3) THE STATE HIGHWAY ADMINISTRATION, AS REQUIRED UNDER § 8–204.1 OF THIS ARTICLE.

(C) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A COMPLETE STREETS POLICY ADOPTED IN ACCORDANCE WITH THIS SECTION SHALL:

(1) BE IMPLEMENTED WITH THE OBJECTIVE OF CREATING A COMPREHENSIVE, INTEGRATED, AND CONNECTED TRANSPORTATION NETWORK THAT ALLOWS USERS TO CHOOSE AMONG DIFFERENT MODES OF TRANSPORTATION;

(2) ENSURE THAT ALL USERS ARE CONSIDERED DURING THE PLANNING, DESIGN, CONSTRUCTION, AND RECONSTRUCTION PHASES OF A FACILITY;

(3) BENEFIT ALL USERS EQUITABLY~~, PARTICULARLY~~ TO THE EXTENT FEASIBLE WHILE TAKING INTO CONSIDERATION THE NEEDS OF THE MOST UNDERINVESTED AND UNDERSERVED COMMUNITIES;

(4) WHEN PRACTICABLE, REQUIRE THE ACCOMMODATION OF OTHER MODES OF TRANSPORTATION;

(5) RECOGNIZE THAT ALL FACILITIES ARE DIFFERENT AND USER NEEDS SHOULD BE BALANCED TO ENSURE COMMUNITY ENHANCEMENT; AND

(6) INCORPORATE BEST PRACTICES RELATED TO COMPLETE STREETS DESIGN ~~ELEMENTS~~ *FEATURES*.

(D) ~~(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, EXCEPTIONS~~ EXCEPTIONS TO THE REQUIREMENTS OF THIS SECTION MAY BE ADOPTED ~~ONLY~~ WHEN CIRCUMSTANCES OR LAWS EXIST THAT PROHIBIT OR LIMIT THE ABILITY TO PROVIDE FAVORABLE CONDITIONS FOR ALL MODES OF TRANSPORTATION.

~~(2) THE DIRECTOR OF BICYCLE AND PEDESTRIAN ACCESS SHALL BE CONSULTED BEFORE THE ADOPTION OF AN EXCEPTION UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

~~4–408.~~

~~(A) IN THIS SECTION, "COMPLETE STREETS POLICY" HAS THE MEANING STATED IN § 2–112 OF THIS ARTICLE.~~

~~(B) THE AUTHORITY SHALL, IN ACCORDANCE WITH § 2–112 OF THIS ARTICLE, ADOPT A COMPLETE STREETS POLICY FOR TRANSPORTATION FACILITIES PROJECTS.~~

5–408.1.

(A) IN THIS SECTION, "COMPLETE STREETS POLICY" HAS THE MEANING STATED IN § 2–112 OF THIS ARTICLE.

(B) THE ADMINISTRATION SHALL, IN ACCORDANCE WITH § 2–112 OF THIS ARTICLE, ADOPT A COMPLETE STREETS POLICY FOR AIRPORT FACILITIES OWNED OR OPERATED BY THE STATE.

7–309.

(A) IN THIS SECTION, "COMPLETE STREETS POLICY" HAS THE MEANING STATED IN § 2–112 OF THIS ARTICLE.

(B) THE ADMINISTRATION SHALL, IN ACCORDANCE WITH § 2–112 OF THIS ARTICLE, ADOPT A COMPLETE STREETS POLICY FOR TRANSIT FACILITIES.

8–204.1.

(A) IN THIS SECTION, "COMPLETE STREETS POLICY" HAS THE MEANING STATED IN § 2–112 OF THIS ARTICLE.

(B) THE ADMINISTRATION SHALL, IN ACCORDANCE WITH § 2–112 OF THIS ARTICLE, ADOPT A COMPLETE STREETS POLICY FOR STATE HIGHWAYS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 718

(Senate Bill 850)

AN ACT concerning

Transportation – Complete Streets Policy – Adoption

FOR the purpose of requiring ~~the Maryland Transportation Authority and~~ certain modal administrations of the Department of Transportation to adopt a complete streets policy that requires the implementation of certain complete streets design features for certain facilities under certain circumstances; specifying the requirements of a complete streets policy; exempting ~~the Authority and~~ certain modal administrations

of the Department from adopting certain facets of a complete streets policy under certain circumstances; defining certain terms; and generally relating to the adoption of a complete streets policy by ~~the Authority and~~ certain modal administrations of the Department.

BY adding to
Article – Transportation
Section 2–112, ~~4–408,~~ 5–408.1, 7–309, and 8–204.1
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Transportation

2–112.

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

(2) (I) "COMPLETE STREETS DESIGN FEATURES" MEANS DESIGN FEATURES THAT ACCOMMODATE AND FACILITATE SAFE AND CONVENIENT ACCESS AND MOBILITY TO FACILITIES BY ALL USERS, INCLUDING BICYCLISTS, MOTORISTS, PEDESTRIANS, AND PUBLIC TRANSPORTATION USERS.

(II) "COMPLETE STREETS DESIGN FEATURES" INCLUDES:

1. PAVED SHOULDERS SUITABLE FOR USE BY BICYCLISTS;

2. PROTECTED BICYCLE LANES;

3. SHARE THE ROAD SIGNAGE;

4. CROSSWALKS;

5. PEDESTRIAN CONTROL SIGNALS;

6. BUS ACCESS AND SAFETY MEASURES;

7. SIDEWALKS; ~~AND~~

8. SHARED USE PATHWAYS; AND

9. GREEN STORMWATER INFRASTRUCTURE.

(3) "COMPLETE STREETS POLICY" MEANS A POLICY THAT ~~REQUIRES~~ PROVIDES INFORMATION FOR THE IMPLEMENTATION OF COMPLETE STREETS DESIGN FEATURES DURING THE PLANNING, DESIGN, CONSTRUCTION, AND RECONSTRUCTION OF A FACILITY.

(4) "FACILITY" MEANS:

(I) AN AIRPORT FACILITY, AS DEFINED IN § 5–101 OF THIS ARTICLE, THAT IS OWNED OR OPERATED BY THE STATE;

(II) A STATE HIGHWAY, AS DEFINED IN § 8–101 OF THIS ARTICLE; AND

(III) A TRANSIT FACILITY, AS DEFINED IN § 7–101 OF THIS ARTICLE~~; AND~~

~~(IV) A TRANSPORTATION FACILITIES PROJECT, AS DEFINED IN § 4–101 OF THIS ARTICLE~~.

(5) "GREEN STORMWATER INFRASTRUCTURE" MEANS INFRASTRUCTURE IMPLEMENTED USING BEST MANAGEMENT PRACTICES THAT REDUCE THE VOLUME OF STORMWATER RUNOFF THROUGH INFILTRATION, EVAPOTRANSPIRATION, THE BENEFICIAL REUSE OF WATER, OR ANY OTHER EFFECTIVE METHOD.

(B) THIS SECTION APPLIES TO A FACILITY IN:

(1) THE MARYLAND AVIATION ADMINISTRATION, AS REQUIRED UNDER § 5–408.1 OF THIS ARTICLE;

(2) ~~THE MARYLAND TRANSPORTATION AUTHORITY, AS REQUIRED UNDER § 4–408 OF THIS ARTICLE;~~

~~(3)~~ THE MARYLAND TRANSIT ADMINISTRATION, AS REQUIRED UNDER § 7–309 OF THIS ARTICLE; AND

~~(4)~~ (3) THE STATE HIGHWAY ADMINISTRATION, AS REQUIRED UNDER § 8–204.1 OF THIS ARTICLE.

(C) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A COMPLETE STREETS POLICY ADOPTED IN ACCORDANCE WITH THIS SECTION SHALL:

(1) BE IMPLEMENTED WITH THE OBJECTIVE OF CREATING A COMPREHENSIVE, INTEGRATED, AND CONNECTED TRANSPORTATION NETWORK THAT ALLOWS USERS TO CHOOSE AMONG DIFFERENT MODES OF TRANSPORTATION;

(2) ENSURE THAT ALL USERS ARE CONSIDERED DURING THE PLANNING, DESIGN, CONSTRUCTION, AND RECONSTRUCTION PHASES OF A FACILITY;

(3) BENEFIT ALL USERS EQUITABLY~~, PARTICULARLY~~ TO THE EXTENT FEASIBLE WHILE TAKING INTO CONSIDERATION THE NEEDS OF THE MOST UNDERINVESTED AND UNDERSERVED COMMUNITIES;

(4) WHEN PRACTICABLE, REQUIRE THE ACCOMMODATION OF OTHER MODES OF TRANSPORTATION;

(5) RECOGNIZE THAT ALL FACILITIES ARE DIFFERENT AND USER NEEDS SHOULD BE BALANCED TO ENSURE COMMUNITY ENHANCEMENT; AND

(6) INCORPORATE BEST PRACTICES RELATED TO COMPLETE STREETS DESIGN ~~ELEMENTS~~ *FEATURES*.

(D) ~~(1)~~ ~~SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, EXCEPTIONS~~ EXCEPTIONS TO THE REQUIREMENTS OF THIS SECTION MAY BE ADOPTED ~~ONLY~~ WHEN CIRCUMSTANCES OR LAWS EXIST THAT PROHIBIT OR LIMIT THE ABILITY TO PROVIDE FAVORABLE CONDITIONS FOR ALL MODES OF TRANSPORTATION.

~~**(2) THE DIRECTOR OF BICYCLE AND PEDESTRIAN ACCESS SHALL BE CONSULTED BEFORE THE ADOPTION OF AN EXCEPTION UNDER PARAGRAPH (1) OF THIS SUBSECTION.**~~

~~**4–408.**~~

~~**(A) IN THIS SECTION, "COMPLETE STREETS POLICY" HAS THE MEANING STATED IN § 2–112 OF THIS ARTICLE.**~~

~~**(B) THE AUTHORITY SHALL, IN ACCORDANCE WITH § 2–112 OF THIS ARTICLE, ADOPT A COMPLETE STREETS POLICY FOR TRANSPORTATION FACILITIES PROJECTS.**~~

5–408.1.

(A) IN THIS SECTION, "COMPLETE STREETS POLICY" HAS THE MEANING STATED IN § 2–112 OF THIS ARTICLE.

(B) THE ADMINISTRATION SHALL, IN ACCORDANCE WITH § 2–112 OF THIS ARTICLE, ADOPT A COMPLETE STREETS POLICY FOR AIRPORT FACILITIES OWNED OR OPERATED BY THE STATE.

7–309.

(A) IN THIS SECTION, "COMPLETE STREETS POLICY" HAS THE MEANING STATED IN § 2–112 OF THIS ARTICLE.

(B) THE ADMINISTRATION SHALL, IN ACCORDANCE WITH § 2–112 OF THIS ARTICLE, ADOPT A COMPLETE STREETS POLICY FOR TRANSIT FACILITIES.

8–204.1.

(A) IN THIS SECTION, "COMPLETE STREETS POLICY" HAS THE MEANING STATED IN § 2–112 OF THIS ARTICLE.

(B) THE ADMINISTRATION SHALL, IN ACCORDANCE WITH § 2–112 OF THIS ARTICLE, ADOPT A COMPLETE STREETS POLICY FOR STATE HIGHWAYS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 719

(Senate Bill 1260)

AN ACT concerning

Waterway Improvement Fund – Ocean City Inlet Dredging Study

FOR the purpose of ~~requiring the Department of Natural Resources, for a certain fiscal year, to use a certain amount of the funds in the Waterway Improvement Fund for the State portion of the funding for a certain dredging study of the Ocean City Inlet~~ providing that the first $300,000 received by the Waterway Improvement Fund, during a certain fiscal year, may be used only for a certain purpose; providing for the termination of this Act; and generally relating to the use of the Waterway Improvement Fund.

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 8–707(a)

Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY adding to
Article – Natural Resources
Section 8–707(d)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That, notwithstanding any other provision of law, for fiscal year 2019 only, the Department of Natural Resources shall use $300,000 of the funds in the Waterway Improvement Fund established under § 8–707 of the Natural Resources Article for the State portion of the funding for the dredging study of the Ocean City Inlet by the U.S. Army Corps of Engineers.~~

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

Article – Natural Resources

8–707.

(a) There is a Waterway Improvement Fund for the purposes specified in this subtitle. Except as provided in § 8–709 of this subtitle **AND SUBSECTION (D) OF THIS SECTION**, any money received into the Waterway Improvement Fund shall be used solely for the following projects:

(1) Marking channels and harbors and establishing aids to navigation in cooperation with and as an extension of operations of the United States Coast Guard;

(2) Clearing debris, aquatic vegetation, and obstruction from waters of the State;

(3) Dredging channels and harbors and construction of jetties and breakwaters in cooperation with and as an extension of operations of the United States Army Corps of Engineers;

(4) Dredging ponds, lakes, and reservoirs owned by the State;

(5) Constructing and maintaining marine facilities beneficial to the boating public, including constructing pump–out stations for use by the general boating public at public and private marinas. The Secretary may use the funds to install pump–out stations for use by the general boating public and to supplement maintenance costs at the discretion of the Secretary. Before approving the construction of any pump–out station at a public or private marina, the Secretary shall consult with the Department of the Environment to assure that the wastewater collection and treatment system of the marina is adequate to handle any increased flow. The Department may adopt regulations to govern

the use and operation of pump–out stations for use by the general boating public constructed or supported by State funds under this section;

(6) Improvement, reconstruction, or removal of bridges, drawbridges, or similar structures over or across waters, if those structures delay, impede, or obstruct the boating public. With the approval of the Board of Public Works, funds from another public or any private source may be received and used to supplement and increase the funds in the Waterway Improvement Fund for the purpose of this subsection. Also, the Board of Public Works may enter into an agreement with a private company or person which owns such a structure, for the improvement, reconstruction, or removal of the structure, in order to provide a sharing of the cost of the improvement, reconstruction, or removal;

(7) Evaluation of water–oriented recreation needs and recreational capacities of Maryland waterways and development of comprehensive plans for waterway improvements;

(8) To provide matching grants to local governments for the construction of marine facilities for marine firefighting, marine police, or medical services and for the acquisition of vessels and equipment for vessels for marine firefighting, police, medical, and communication equipment for promoting safety of life and property and general service to the boating public utilizing the waters of the State. The ownership, operation, and maintenance of any equipment acquired under this subtitle shall be the responsibility of the local governing body;

(9) Structural and nonstructural shore erosion control under subsection (b) of this section;

(10) Acquisition of equipment and State vessels for firefighting, policing, first aid and medical assistance, and communications, in order to promote safety of life and property and general service to the boating public utilizing waters of the State;

(11) Boating information and education; and

(12) To provide interest–free loans to a governing body for the benefit of a residential property owner, or group of residential property owners, with land abutting a channel adjacent to a federal, State, county, or municipal main channel or harbor for dredging the adjacent channel.

(D) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR FISCAL YEAR 2019, THE FIRST $300,000 OF MONEY RECEIVED INTO THE WATERWAY IMPROVEMENT FUND MAY BE USED ONLY FOR THE STATE PORTION OF FUNDING FOR THE DREDGING STUDY OF THE OCEAN CITY INLET BY THE U.S. ARMY CORPS OF ENGINEERS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018. It shall remain effective for a period of 1 year and, at the end of June 30, 2019, this

Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 720

(Senate Bill 659)

AN ACT concerning

Corporations – Transfer of Assets and Exchange of Shares of Stock

FOR the purpose of repealing a certain provision of law specifying a certain processing fee for articles of transfer; repealing each provision of law regarding executing and filing articles of transfer; altering the types of actions not required by a corporation for certain transfers of assets, creations of security interests, or exchanges of shares of stocks; altering the circumstances under which a corporation is not required to take certain actions for certain transfers of assets, creations of security interests, or exchanges of shares of stock; repealing certain provisions of law regarding abandonment of a proposed transfer of assets; altering the requirement that certain documents contain certain information related to a transfer of assets; repealing a certain provision of law requiring the State Department of Assessments and Taxation to prepare a certain certificate of transfer and to send a certain certificate to a certain clerk of the court; altering the requirement that the Department require certain business entities to submit a certain property certificate; repealing certain provisions of law regarding the effective date for a certain transfer of assets; altering the effects of a consummation of a transfer of assets; clarifying that a transfer of assets by a certain corporation occurring before a certain date is not invalid solely because of a failure to file articles of transfer with the Department; altering the time period in which a certain stockholder must make a certain written demand for payment; establishing that a certain provision requiring that a certain deed by a Maryland corporation be considered valid and effective whether or not there has been compliance with certain procedures applies only to deeds that are effective before a certain date; repealing certain provisions of law specifying the amount of a certain recordation tax for articles of transfer and requiring the collection of the recordation tax in a certain manner; repealing certain provisions of law requiring the collection of a certain county transfer tax for articles of transfer; repealing certain provisions of law specifying the circumstances under which the articles of transfer are not subject to a certain county transfer tax; altering certain definitions; repealing certain definitions; making certain conforming and stylistic changes; and generally relating to corporations and transfers of assets and exchanges of shares.

BY repealing and reenacting, with amendments,
Article – Corporations and Associations

Section 1–101(g), 1–203(b)(1), 1–301, 3–104, 3–107, 3–108, 3–109(b), 3–110, 3–111, 3–112(a) and (b), 3–113(a), 3–115, and 3–203(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing
Article – Corporations and Associations
Section 3–109(f)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Real Property
Section 14–113
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing
Article – Tax – Property
Section 12–101(d)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 12–101(f), 12–103(d), 12–109(b), 13–101, and 13–404(a), (b), and (e)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY renumbering
Article – Corporations and Associations
Section 3–109(g)
to be Section 3–109(f)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY renumbering
Article – Tax – Property
Section 12–101(e), (e–1), (e–2), (e–3), (e–4), (e–5), (f), (g), (h), (i), (j), (k), and (l), respectively
to be Section 12–101(d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), and (p), respectively
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Corporations and Associations

1–101.

(g) "Charter document" means any:

(1) Document enumerated in subsection (f) of this section; and

(2) Articles of reduction, articles **[**or agreements**]** of transfer, articles of merger, articles of share exchange, articles of conversion, articles of dissolution, and stock issuance statements.

1–203.

(b) (1) Except as provided in paragraph (11) of this subsection, for each of the following documents, the nonrefundable processing fee is $100:

Document
Articles of incorporation
Articles of amendment
Articles of extension
Articles of restatement of charter
Articles of amendment and restatement
Articles supplementary
Articles of share exchange
Articles of consolidation**[**,**]** **OR** merger**[**, or transfer**]**
Articles of dissolution
Articles of revival for stock corporation
Articles of revival for nonstock corporation
Articles of conversion

1–301.

(a) Articles supplementary and articles of amendment, restatement, amendment and restatement, consolidation, merger, share exchange, **[**transfer,**]** conversion, and extension and, except as provided in § 3–406(b) of this article, articles of dissolution shall be executed as follows:

(1) They shall be signed and acknowledged for each corporation, statutory trust, or real estate investment trust party to the articles, by its chairman or vice chairman of the board of directors or board of trustees, by its chief executive officer, chief operating officer, chief financial officer, president, or one of its vice presidents, or, if authorized by the bylaws or resolution of the board of directors or board of trustees, by any other officer or agent of the corporation, statutory trust, or real estate investment trust;

(2) They shall be witnessed or attested by the secretary, treasurer, chief financial officer, assistant treasurer, or assistant secretary of each corporation, statutory

trust, or real estate investment trust party to the articles, or, if authorized by the bylaws or resolution of the board of directors or board of trustees, by any other officer or agent of the corporation, statutory trust, or real estate investment trust;

(3) They shall be signed and acknowledged for each other entity party to the articles by a person authorized to act for the entity by law or by the governing document; and

(4) **[**Except as provided in subsection (b) of this section, the**]** **THE** matters and facts set forth in the articles with respect to authorization and approval shall be verified under oath as follows:

(i) With respect to any Maryland corporation, statutory trust, or real estate investment trust party to the articles, by the chairman or the secretary of the meeting at which the articles or transaction were approved, by the chairman or vice chairman of the board of directors or board of trustees, by the chief executive officer, chief operating officer, chief financial officer, president, vice president, secretary, or assistant secretary of the corporation, statutory trust, or real estate investment trust, or, if authorized in accordance with item (1) of this subsection, by any other officer or agent of the corporation, statutory trust, or real estate investment trust;

(ii) With respect to any foreign corporation party to articles of consolidation, merger, or share exchange, by the chief executive officer, chief operating officer, chief financial officer, president, vice president, secretary, or assistant secretary of the corporation; and

(iii) With respect to any other Maryland or foreign entity party to the articles, by a person authorized by law or by the governing document to act for the entity.

(b) **[**When articles of transfer are executed:

(1) With respect to the transferor corporation, the requirements of subsection (a)(4)(i) of this section apply;

(2) With respect to a transferee corporation, the matters and facts set forth in the articles with respect to authorization and approval shall be verified under oath by the chief executive officer, chief operating officer, president, vice president, secretary, or assistant secretary of the corporation; and

(3) With respect to a transferee which is not a corporation, the articles shall be signed and acknowledged by the transferee.

(c)**]** All other instruments required to be filed with the Department may be signed:

(1) By the chairman or vice chairman of the board of directors, the chief executive officer, chief operating officer, president, or any vice president and witnessed or attested by the secretary or any assistant secretary, or by any other officer or agent of the

corporation who is authorized by the bylaws or resolution of the board of directors to perform the duties usually performed by the secretary;

(2) If it appears from the instrument that there are no such officers, by a majority of the directors or by such directors as may be designated by the board and the instrument so states; or

(3) If it appears from the instrument that there are no officers or directors, by the holders of a majority of outstanding stock.

3–104.

(a) Notwithstanding any other provision of this subtitle, unless the charter or bylaws of a corporation provide otherwise by reference to this section or the subject matter of this section, the approval of the stockholders **[**and articles of transfer or share exchange, as the case may be, are**]** **IS** not required for any:

(1) Transfer of assets by a corporation in the ordinary course of business actually conducted by it or as a distribution as defined in § 2–301 of this article;

(2) Mortgage, pledge, or creation of any other security interest in any or all of the assets of a corporation, whether or not in the ordinary course of its business;

(3) **[**Exchange of shares of stock through voluntary action or under any agreement with the stockholders;

(4)**]** Transfer of assets by a corporation to one or more persons if all of the equity interests of the person or persons are owned, directly or indirectly, by the corporation; **[**or**]**

[(5)**]** **(4)** Transfer of assets by a corporation registered as an open–end investment company under the Investment Company Act of 1940**; OR**

(5) TRANSFER OF ASSETS BY A CORPORATION THAT IS DISSOLVED.

(B) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS SUBTITLE, UNLESS THE CHARTER OR BYLAWS OF A CORPORATION PROVIDE OTHERWISE BY REFERENCE TO THIS SECTION OR THE SUBJECT MATTER OF THIS SECTION, THE APPROVAL OF THE STOCKHOLDERS AND ARTICLES OF SHARE EXCHANGE ARE NOT REQUIRED FOR AN EXCHANGE OF SHARES OF STOCK THROUGH VOLUNTARY ACTION OR UNDER AN AGREEMENT WITH THE STOCKHOLDERS PARTICIPATING IN THE EXCHANGE.

[(b)**]** **(C)** A transaction described in subsection (a) **OR (B)** of this section also may be effected as otherwise provided in this subtitle.

3–107.

Articles of consolidation, merger, **OR** share exchange**[**, or transfer**]** shall be filed for record with the Department.

3–108.

(a) A proposed consolidation, merger, **OR** share exchange**[**, or transfer of assets**]** may be abandoned before the effective date of the articles:

(1) If the articles so provide, by majority vote of the entire board of directors of any one corporation party to the articles or of the entire board of trustees of any one business trust party to the articles; or

(2) Unless the articles provide otherwise, by majority vote of the entire board of directors of each Maryland corporation party to the articles and of the entire board of trustees of each Maryland business trust party to the articles.

(b) If the articles have been filed with the Department, notice of the abandonment shall be given promptly to the Department.

(c) (1) If the proposed consolidation, merger, **OR** share exchange**[**, or transfer of assets**]** is abandoned as provided in this section, no legal liability arises under the articles.

(2) An abandonment does not prejudice the rights of any person under any other contract made by a corporation party to the proposed articles in connection with the proposed consolidation, merger, **OR** share exchange**[**, or transfer of assets**]**.

3–109.

(b) Articles of consolidation, merger, **OR** share exchange**[**, or transfer**]** shall contain the terms and conditions of the transaction and the manner of carrying it into effect, including:

(1) A statement**[**:

(i) In a merger, consolidation, or share exchange,**]** that each party to the articles agrees to merge, to consolidate to form a new corporation, or to acquire stock or have its stock acquired in a share exchange, as the case may be; **[**or

(ii) In a transfer, that the transferor agrees to sell, lease, exchange, or transfer all or substantially all of its property and assets;**]**

(2) The name and place of incorporation or organization of:

(i) Each party to the articles; and

(ii) The successor corporation in a consolidation, merger, or share exchange or the successor domestic partnership, limited partnership or limited liability company in a merger;

(3) As to each foreign corporation:

(i) The date of its incorporation;

(ii) A statement whether it is incorporated under general law or by special act and, if incorporated by special act, the chapter number and year of passage; and

(iii) If the corporation is registered or qualified to do business in this State, the date of its registration or qualification;

(4) As to each foreign business trust:

(i) The date of its organization; and

(ii) If the business trust is registered or qualified to do business in this State, the date of its registration or qualification;

(5) As to each foreign partnership, limited partnership or limited liability company:

(i) The date of its formation; and

(ii) If the foreign partnership, limited partnership or limited liability company is registered or qualified to do business in this State, the date of its registration or qualification;

(6) **[**The name, address, and principal place of business of the transferee in a transfer of assets;

(7)**]** Each county in this State where:

(i) Each corporation, partnership, limited partnership, limited liability company, and business trust party to the articles has its principal office; and

(ii) Any of the parties in a consolidation**[**,**]** **OR** merger**[**, or transfer**]**, other than the successor, owns an interest in land;

[(8)**]** **(7)** If the successor is a foreign corporation, foreign partnership, limited partnership, limited liability company, or a foreign business trust:

(i) The location of its principal office in the place where it is organized; and

(ii) The name and address of its resident agent in the place where it is organized;

[(9)**] (8)** A statement that the terms and conditions of the transaction set forth in the articles were advised, authorized, and approved by each corporation, partnership, limited partnership, limited liability company, or business trust party to the articles in the manner and by the vote required by its charter or declaration of trust and the laws of the place where it is organized, and a statement of the manner of approval; and

[(10)**] (9)** Every other provision necessary to effect the consolidation, merger, **OR** share exchange**[**, or transfer of assets**]**.

[(f) In addition to the requirements of subsection (b) of this section, articles of transfer shall include:

(1) The nature and amount of the consideration to be paid, transferred, or issued for the assets of the transferor or a statement of the method by which the consideration is to be determined, any or all of which may be made dependent on facts ascertainable outside the articles of transfer; and

(2) In the case of a noncorporate transferee which is a nonresident of the State, the name and address of a resident agent of the transferee in this State.**]**

3–110.

Articles of consolidation, merger, **OR** share exchange**[**, or transfer**]** shall be executed for each party to the articles in the manner required by Title 1 of this article.

3–111.

(a) The Department shall prepare certificates of consolidation, merger, **OR** share exchange**[**, or transfer**]**, as the case may be, that specify:

(1) The name of each party to the articles;

(2) The name of the successor and the location of its principal office in this State or, if it has none, its principal place of business; and

(3) The time the articles are accepted for record by the Department.

(b) In addition to any other provision of law with respect to recording, the Department shall send one certificate each to the clerk of the circuit court for each county where the articles show that a merging corporation, partnership, limited partnership,

limited liability company, or business trust other than the successor**[**,**]** **OR** a consolidating corporation**[**, or a transferor corporation**]** owns an interest in land.

(c) On receipt of a certificate, a clerk promptly shall record it with the land records.

3–112.

(a) In order to keep the land assessment records current in each county, the Department shall require a corporation, limited partnership, limited liability company, or business trust to submit with the articles a property certificate for each county where a merging corporation, partnership, limited partnership, limited liability company, or business trust other than the successor**[**,**]** **OR** a consolidating corporation**[**, or a transferor corporation**]** owns an interest in land.

(b) A property certificate is not required with respect to any property in which the only interest owned by the merging corporation, partnership, limited partnership, limited liability company, or business trust or by the consolidating **[**or transferor**]** corporation is a security interest.

3–113.

(a) If the successor in a consolidation or merger~~, or the transferor in a transfer of assets,~~ or the corporation the stock of which is to be acquired in a share exchange is a Maryland corporation, a consolidation, merger, **OR** share exchange**[**, or transfer of assets**]** is effective as of the later of:

(1) The time the Department accepts the articles of consolidation, merger, **OR** share exchange**[**, or transfer**]** for record; or

(2) The time established under the articles, not to exceed 30 days after the articles are accepted for record.

3–115.

(a) Consummation of a transfer of assets has the effects provided in this section.

(b) (1) The assets of the transferor, including any legacies which it would have been capable of taking, transfer to, vest in, and devolve on the successor to the extent provided in **[**the articles without further act or deed**]** **AN AGREEMENT BETWEEN THE TRANSFEROR AND THE SUCCESSOR**.

(2) **[**Confirmatory deeds**]** **DEEDS**, assignments, or similar instruments to evidence the transfer may be executed and delivered at any time in the name of the transferor:

(i) By its current officers; or

(ii) If the corporation no longer exists, by its last acting officers.

(c) (1) The successor is liable for all the debts and obligations of the transferor to the extent provided in **[**the articles of transfer**]** **AN AGREEMENT BETWEEN THE TRANSFEROR AND THE SUCCESSOR**.

(2) A transfer of assets does not impair the rights of a creditor, including rights under the Commercial Law Article.

(D) A TRANSFER OF ASSETS BY A CORPORATION OCCURRING BEFORE OCTOBER 1, 2018, IS NOT INVALID SOLELY BECAUSE OF A FAILURE TO FILE ARTICLES OF TRANSFER WITH THE DEPARTMENT.

3–203.

(a) A stockholder of a corporation who desires to receive payment of the fair value of the stockholder's stock under this subtitle:

(1) Shall file with the corporation a written objection to the proposed transaction:

(i) With respect to a merger under § 3–106 or § 3–106.1 of this title, within 30 days after notice is given or waived under § 3–106 or § 3–106.1 of this title; or

(ii) With respect to any other transaction, at or before the stockholders' meeting at which the transaction will be considered or, in the case of action taken under § 2–505(b) of this article, within 10 days after the corporation gives the notice required by § 2–505(b) of this article;

(2) May not vote in favor of the transaction; and

(3) **[**Within 20 days after the Department accepts the articles for record, shall**]** **SHALL** make a written demand on the successor for payment for the stockholder's stock, stating the number and class of shares for which the stockholder demands payment**:**

(I) WITHIN 20 DAYS AFTER THE DEPARTMENT ACCEPTS THE ARTICLES FOR RECORD; OR

(II) WITHIN 20 DAYS AFTER CONSUMMATION OF THE TRANSFER OR TRANSACTION WITH RESPECT TO:

1. A TRANSFER OF ASSETS IN A MANNER REQUIRING STOCKHOLDER APPROVAL UNDER § 3–105 OF THIS TITLE; OR

2. A TRANSACTION THAT IS GOVERNED BY § 3–603(B) OF THIS TITLE OR EXEMPTED BY § 3–603(B) OF THIS TITLE, FOR WHICH NO ARTICLES ARE REQUIRED TO BE FILED WITH THE DEPARTMENT.

Article – Real Property

14–113.

(A) Any deed by a Maryland corporation**, HAVING AN EFFECTIVE DATE BEFORE OCTOBER 1, 2018,** containing a certification by the person executing the deed on behalf of the corporation to the effect that the grant is not part of a transaction in which there is a sale, lease, exchange, or other transfer of all or substantially all of the property and assets of the corporation, shall be considered valid and effective whether or not there has been compliance with the procedures of Title 3, Subtitle 1 of the Corporations and Associations Article despite the fact the grant is in fact part of such a transaction.

(B) Any deed by a Maryland corporation, executed and recorded before January 1, 1979 is not invalid solely because of noncompliance with those procedures unless proceedings to set the deed aside were commenced on or before July 1, 1979.

Article – Tax – Property

12–101.

[(d) "Articles of transfer" has the meaning stated in § 1–101(c) of the Corporations and Associations Article.**]**

(f) (1) "Instrument of writing" means a written instrument that:

(i) conveys title to or creates or gives notice of a security interest in real property; or

(ii) creates or gives notice of a security interest in personal property.

(2) "Instrument of writing" includes:

(i) a deed or contract;

(ii) a mortgage, deed of trust, or other contract that creates an encumbrance on real property;

(iii) a lease of real property;

(iv) an assignment of a lessee's interest in real property;

(v) **[**articles of transfer;

(vi)**]** a security agreement;

[(vii)**] (VI)** articles of merger or other document which evidences a merger of foreign corporations, foreign partnerships, foreign limited liability companies, or foreign limited partnerships; and

[(viii)**] (VII)** articles of consolidation or other document which evidences a consolidation of foreign corporations.

12–103.

(d) For **[**articles of transfer,**]** articles of merger**[**,**]** or articles of consolidation filed with the Department under § 3–107 of the Corporations and Associations Article, or other document filed with the Department which evidences a merger or consolidation of foreign corporations, foreign limited liability companies, foreign partnerships, or foreign limited partnerships, the recordation tax rate is $1.65. The Department shall collect the recordation tax when the **[**articles of transfer,**]** articles of merger, articles of consolidation, or other document which evidences a merger or consolidation of foreign corporations, foreign limited liability companies, foreign partnerships, or foreign limited partnerships are filed.

12–109.

(b) (1) Except as provided in paragraph (2) of this subsection, the recordation tax on an instrument of writing or a security agreement recorded under subsection (a)(1) of this section in any county shall be paid to the collector or the clerk of the circuit court for the county, as designated by the governing body of the county.

(2) In Prince George's County, the recordation tax on an instrument of writing or a security agreement recorded under subsection (a)(1) of this section shall be paid to the Director of Finance of Prince George's County.

(3) The recordation tax on **[**articles of transfer,**]** articles of merger, articles of consolidation**,** or other documents which evidence a merger or consolidation of foreign corporations, foreign partnerships, foreign limited liability companies, or foreign limited partnerships filed with the Department shall be paid to the Department.

13–101.

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

(b) "Articles of consolidation" means a document filed with the Department under § 3–107 of the Corporations and Associations Article which evidences a consolidation of at least one Maryland corporation with another corporation to form a new Maryland corporation.

(c) "Articles of merger" means a document filed with the Department under § 3–107, § 4A–703, § 9A–903, or § 10–208 of the Corporations and Associations Article which evidences a merger involving at least one Maryland corporation, Maryland limited liability company, Maryland partnership, or Maryland limited partnership.

(d) **[**"Articles of transfer" has the meaning stated in § 1–101(c) of the Corporations and Associations Article.

(e)**]** "Documents which evidence the merger or consolidation of foreign corporations, foreign partnerships, foreign limited liability companies, or foreign limited partnerships" means those documents that are filed or recorded with:

(1) the Department under § 3–117, § 4A–1012, § 9A–910, or § 10–912 of the Corporations and Associations Article; or

(2) the clerk of the circuit court of a county evidencing that title to real property has been conveyed through a merger or consolidation of 2 or more foreign corporations, foreign partnerships, foreign limited liability companies, or foreign limited partnerships.

[(f)**] (E)** (1) "Instrument of writing" means a written instrument that conveys title to, or a leasehold interest in, real property.

(2) "Instrument of writing" includes:

(i) a deed or contract;

(ii) a lease;

(iii) an assignment of a lessee's interest;

(iv) **[**articles of transfer;

(v)**]** articles of merger or other document which evidences a merger of foreign corporations, foreign limited liability companies, foreign partnerships, or foreign limited partnerships; and

[(vi)**] (V)** articles of consolidation or other document which evidences a consolidation of foreign corporations.

(3) "Instrument of writing" does not include:

(i) a mortgage, deed of trust, or other contract that creates an encumbrance on real property; or

(ii) a security agreement, as defined in **[**§ 12–101(h)**] § 12–101(L)** of this article.

[(g)**] (F)** "Subsidiary corporation" includes any corporation that is a subsidiary of either a parent corporation or any other subsidiary corporation of the parent corporation.

[(h)**] (G)** "Successor" has the meaning stated in § 1–101(cc) of the Corporations and Associations Article.

13–404.

(a) **[**Except as provided under subsection (b) of this section, the**] THE** Department shall collect county transfer tax at the rate set by each county for **[**articles of transfer,**]** articles of consolidation**[**,**]** or articles of merger filed with the Department as required by § 3–107, § 4A–703, § 9A–903, or § 10–208 of the Corporations and Associations Article, or other document filed with the clerk of the circuit court of a county or the Department which evidences a merger or consolidation of foreign corporations, foreign limited liability companies, foreign partnerships, or foreign limited partnerships.

(b) (1) **[**Articles of transfer are not subject to county transfer tax if the articles of transfer are for:

(i) a transfer of real property between a parent corporation and its subsidiary corporation or between 2 or more subsidiary corporations wholly owned by the same parent corporation if the parent corporation is an original stockholder of the subsidiary or subsidiaries, or became a stockholder through gift or bequest from an original stockholder of the corporation for:

1. no consideration;

2. nominal consideration; or

3. consideration that comprises only the issuance, cancellation, or surrender of a subsidiary's stock;

(ii) a transfer of real property made pursuant to a reorganization described in § 368(a) of the Internal Revenue Code; or

(iii) a transfer of title to real property from a subsidiary corporation to its parent for no consideration, nominal consideration or consideration that comprises only the issuance, cancellation, or surrender of a subsidiary's stock, where the parent corporation:

1. previously owned the real property;

2. owns the stock of the subsidiary and has owned that stock for a period greater than 18 months; or

3. acquires the stock of a subsidiary corporation which has been in existence and has owned the real property for a period of 2 years.

(2)**]** Articles of merger or other document which evidences a merger of foreign corporations are not subject to county transfer tax if the articles of merger or other document which evidences a merger of foreign corporations are for a transfer of real property from:

(i) a parent corporation to its subsidiary corporation;

(ii) a subsidiary corporation to its parent corporation where the parent corporation:

1. previously owned the real property;

2. owns the stock of the subsidiary and has owned that stock for a period greater than 18 months; or

3. acquires the stock of a subsidiary corporation which has been in existence and has owned the real property for a period of 2 years;

(iii) a corporation merging out of existence to its successor corporation where recordation tax and, if then required to have been paid, transfer tax were paid when the corporation merging out of existence acquired title to the real property; or

(iv) a corporation merging out of existence pursuant to reorganizations described in § 368(a) of the Internal Revenue Code.

[(3)**] (2)** Articles of consolidation or other document which evidences a consolidation of foreign corporations are not subject to county transfer tax if the articles of consolidation or other document which evidences a consolidation of foreign corporations are for a transfer of real property from a consolidating corporation to its successor where recordation tax and, if then required to have been paid, transfer tax were paid when the corporation consolidating acquired title to the real property.

(e) (1) Articles **[**of transfer, articles**]** of merger, articles of consolidation**,** or other document which evidences a merger or consolidation of foreign corporations or foreign limited liability companies or foreign partnerships that are subject to county transfer tax under this section also may be taxable under § 13–202 or § 13–302 of this title or § 12–102 of this article.

(2) Before a transfer of title may be made under articles of transfer, articles of merger, articles of consolidation, or other document which evidences a merger or consolidation of foreign corporations or foreign limited liability companies or foreign

partnerships for any property for which a property certificate is required under § 3–112 or § 4A–708 of the Corporations and Associations Article, all recordation and transfer taxes shall be paid.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 3–109(g) of Article – Corporations and Associations of the Annotated Code of Maryland be renumbered to be Section(s) 3–109(f).

SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 12–101(e), (e–1), (e–2), (e–3), (e–4), (e–5), (f), (g), (h), (i), (j), (k), and (l), respectively, of Article – Tax – Property of the Annotated Code of Maryland be renumbered to be Section(s) 12–101(d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), and (p), respectively.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 721

(House Bill 535)

AN ACT concerning

Transportation – Complete Streets Program – Establishment

FOR the purpose of establishing the Complete Streets Program; specifying the purpose and goals of the Program; ~~requiring the Governor to annually appropriate a certain amount of~~ providing for funding for the Program; specifying the requirements for a local government to be designated as a certified jurisdiction; authorizing a certified jurisdiction to apply for *matching* grants from the Program; specifying the use of *matching* grant funds; specifying certain requirements for a certified jurisdiction that receives a grant under the Program; requiring the Secretary of Transportation to adopt certain regulations; requiring the Department of Transportation to submit a certain report to certain committees of the General Assembly on or before a certain date each year; *requiring the Department to issue a certain report to certain committees of the General Assembly on or before a certain date;* establishing a workgroup to assist the Department in developing and reviewing certain regulations; providing that members of the workgroup may not receive compensation but are entitled to reimbursement for expenses; providing for the membership and chair of the workgroup; requiring the Department to consult with the workgroup to develop certain regulations; requiring the Department to give the workgroup a certain review and comment period on certain regulations; providing for the construction of this Act; defining certain terms; and generally relating to the establishment of the Complete Streets Program.

BY adding to
Article – Transportation
Section 8–901 through 8–908 to be under the new subtitle "Subtitle 9. Complete Streets Program"
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Transportation

SUBTITLE 9. COMPLETE STREETS PROGRAM.

8–901.

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

(B) "CERTIFIED JURISDICTION" MEANS A LOCAL GOVERNMENT THAT HAS BEEN CERTIFIED BY THE DEPARTMENT IN ACCORDANCE WITH § 8–905 OF THIS SUBTITLE.

(C) "COMPLETE STREETS" MEANS STREETS THAT PROVIDE ACCOMMODATIONS FOR USERS OF MULTIPLE MODES OF TRANSPORTATION.

(D) "COMPLETE STREETS POLICY" MEANS A LAW, A BYLAW, AN ORDINANCE, OR AN ADMINISTRATIVE POLICY ADOPTED BY A LOCAL GOVERNMENT IN ACCORDANCE WITH § 8–905 OF THIS SUBTITLE.

(E) "ELIGIBLE PROJECT" MEANS A LOCAL GOVERNMENT OR STATE HIGHWAY, STREET, OR ROAD RETROFIT PROJECT THAT INCLUDES THE ADDITION OF OR SIGNIFICANT REPAIR TO FACILITIES THAT PROVIDE ACCESS FOR USERS OF MULTIPLE MODES OF TRANSPORTATION.

(F) "GREEN STORMWATER INFRASTRUCTURE" MEANS INFRASTRUCTURE IMPLEMENTED USING BEST MANAGEMENT PRACTICES THAT REDUCE THE VOLUME OF STORMWATER RUNOFF THROUGH INFILTRATION, EVAPOTRANSPIRATION, THE BENEFICIAL REUSE OF WATER, OR ANY OTHER EFFECTIVE METHOD.

(G) "LOCAL GOVERNMENT" MEANS A COUNTY OR MUNICIPALITY IN THE STATE.

~~(G)~~ (H) "PROGRAM" MEANS THE COMPLETE STREETS PROGRAM ESTABLISHED UNDER THIS SUBTITLE.

8–902.

THERE IS A COMPETITIVE *MATCHING* GRANT PROGRAM WITHIN THE DEPARTMENT KNOWN AS THE "COMPLETE STREETS PROGRAM".

8–903.

(A) THE PURPOSE OF THE PROGRAM IS TO PROVIDE *MATCHING* GRANTS TO CERTIFIED JURISDICTIONS TO ENCOURAGE:

(1) THE REGULAR AND ROUTINE INCLUSION OF COMPLETE STREETS DESIGN ELEMENTS AND INFRASTRUCTURE DURING THE PLANNING, DESIGN, CONSTRUCTION, AND RECONSTRUCTION OF NEW OR EXISTING LOCALLY FUNDED ROADS; ~~AND~~

(2) THE ADOPTION OF URBAN ~~ARTERIAL~~ RETROFIT STREET ORDINANCES DESIGNED TO PROVIDE SAFE ACCESS TO USERS OF MULTIPLE MODES OF TRANSPORTATION; AND

(3) THE DEVELOPMENT OF RANKING SYSTEMS FOR COMPLETE STREETS PROJECTS THAT CONSIDER THE NEEDS OF UNDERINVESTED AND UNDERSERVED COMMUNITIES IN SPECIFIC GEOGRAPHIC REGIONS OF THE STATE.

(B) THE GOALS OF THE PROGRAM ARE TO:

(1) PROMOTE HEALTHY COMMUNITIES BY ENCOURAGING THE USE OF MULTIPLE MODES OF TRANSPORTATION OTHER THAN SINGLE–OCCUPANCY MOTOR VEHICLES;

(2) IMPROVE SAFETY BY DESIGNING ~~MAJOR ARTERIAL~~ STREETS TO INCLUDE FEATURES SUCH AS:

(I) WIDER SIDEWALKS;

(II) DEDICATED BIKE FACILITIES;

(III) MEDIANS; ~~AND~~

(IV) PEDESTRIAN STREETSCAPE FEATURES; AND

(V) GREEN STORMWATER INFRASTRUCTURE;

(3) PROTECT THE ENVIRONMENT AND ~~REDUCE~~ IMPROVE WATER QUALITY BY USING GREEN STORMWATER INFRASTRUCTURE TO REDUCE STORMWATER RUNOFF FROM RIGHTS–OF–WAY;

(4) REDUCE CONGESTION BY PROVIDING SAFE ALTERNATIVES TO SINGLE–OCCUPANCY MOTOR VEHICLE DRIVING; ~~AND~~

~~(4)~~ (5) PRESERVE COMMUNITY CHARACTER BY INVOLVING LOCAL AND DIVERSE COMMUNITIES ~~RESIDENTS~~ AND STAKEHOLDERS IN PLANNING, PRIORITIZATION, AND DESIGN DECISIONS; AND

(6) PROVIDE FOR THE EQUITABLE DISTRIBUTION OF COMPLETE STREETS FUNDS THAT TAKES INTO CONSIDERATION THE NEEDS OF UNDERINVESTED AND UNDERSERVED COMMUNITIES IN SPECIFIC GEOGRAPHIC REGIONS OF THE STATE.

8–904.

~~THE GOVERNOR SHALL ANNUALLY APPROPRIATE AT LEAST $1,000,000 FROM THE TRANSPORTATION TRUST FUND FOR THE PROGRAM.~~

FUNDS FOR THE PROGRAM SHALL BE AS PROVIDED BY THE GOVERNOR IN THE STATE BUDGET.

8–905.

(A) A LOCAL GOVERNMENT THAT HAS ADOPTED A COMPLETE STREETS POLICY IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION MAY APPLY TO THE DEPARTMENT FOR DESIGNATION AS A CERTIFIED JURISDICTION.

(B) (1) A COMPLETE STREETS POLICY ADOPTED BY A LOCAL GOVERNMENT SHALL:

(I) IDENTIFY THE BODY, ENTITY, OR INDIVIDUAL RESPONSIBLE FOR IMPLEMENTING THE PROGRAM;

(II) REQUIRE THE DEVELOPMENT OF PROCEDURES TO FOLLOW WHEN CONDUCTING ~~COUNTY~~ LOCAL ROAD REPAIRS, UPGRADES, OR EXPANSION PROJECTS TO INCORPORATE COMPLETE STREETS ELEMENTS;

(III) FACILITATE PROJECTS TO ACHIEVE THE GOALS ESTABLISHED UNDER § 8–903(B) OF THIS SUBTITLE;

(IV) REQUIRE THE ESTABLISHMENT OF A REVIEW PROCESS FOR PRIVATE DEVELOPMENT PROPOSALS TO ENSURE COMPLETE STREETS COMPONENTS ARE INCORPORATED INTO NEW CONSTRUCTION ACCORDING TO TERMS SPECIFIED BY THE LOCAL GOVERNMENT;

~~(IV)~~ (V) SET A 5–YEAR GOAL FOR AN INCREASED MODE SHARE OF SPECIFIED MODES OF TRANSPORTATION OTHER THAN SINGLE–OCCUPANCY MOTOR VEHICLES;

~~(V)~~ (VI) REQUIRE THE DEVELOPMENT OF A PROGRAM TO MEET THE GOAL ESTABLISHED UNDER ITEM ~~(IV)~~ (V) OF THIS PARAGRAPH;

~~(VI)~~ (VII) COMPLY WITH ANY OTHER REQUIREMENTS THAT THE DEPARTMENT CONSIDERS NECESSARY; AND

~~(VII)~~ (VIII) BE APPROVED BY THE DEPARTMENT.

(2) A LOCAL GOVERNMENT SHALL HOLD AT LEAST ONE PUBLIC HEARING PRIOR TO THE ADOPTION OF A COMPLETE STREETS POLICY.

8–906.

(A) A CERTIFIED JURISDICTION MAY:

(1) APPLY FOR *MATCHING* GRANTS FROM THE PROGRAM; AND

(2) USE *MATCHING* GRANT FUNDS ONLY FOR COSTS ASSOCIATED WITH ~~THE~~:

(I) THE IMPLEMENTATION OF THE COMPLETE STREETS POLICY, INCLUDING THE DEVELOPMENT AND UPDATES OF POLICIES, ORDINANCES, PROCEDURES, AND DESIGN MANUALS; AND

(II) THE DESIGN AND PLANNING OF ELIGIBLE PROJECTS.

(B) A CERTIFIED JURISDICTION THAT RECEIVES A *MATCHING* GRANT SHALL:

(1) MAINTAIN AND UPDATE ITS COMPLETE STREETS POLICY;

(2) COORDINATE WITH THE DEPARTMENT TO CONFIRM THE ACCURACY OF THE BASELINE INVENTORY OF PEDESTRIAN AND BICYCLE ACCOMMODATIONS TO IDENTIFY PRIORITY PROJECTS;

(3) SUBMIT AN ANNUAL PROGRESS REPORT TO THE DEPARTMENT, IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT; AND

(4) COMPLY WITH ANY OTHER REQUIREMENTS THAT THE DEPARTMENT CONSIDERS NECESSARY.

8–907.

THE SECRETARY SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

8–908.

(A) ON OR BEFORE DECEMBER 31 EACH YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE SENATE FINANCE COMMITTEE, SENATE BUDGET AND TAXATION COMMITTEE, HOUSE APPROPRIATIONS COMMITTEE, AND HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, ON THE STATUS OF THE PROGRAM.

(B) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:

(1) THE STATUS OF ANY GRANT PROJECTS FUNDED BY THE PROGRAM; AND

(2) A DISCUSSION OF WHETHER THERE IS A NEED TO REEVALUATE THE PROGRAM TO ENSURE THAT IT IS MEETING THE GOALS STATED IN § 8–903(B) OF THIS SUBTITLE.

(C) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE MADE AVAILABLE ON THE DEPARTMENT'S WEBSITE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) There is a workgroup to assist the Department of Transportation in developing and reviewing the regulations required under § 8–907 of the Transportation Article as enacted by this Act.

(b) A member of the workgroup:

(1) may not receive compensation as a member of the workgroup; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(c) The workgroup shall consist of the following members:

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

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

(3) the Secretary of Planning, or the Secretary's designee;

(4) the Secretary of the Environment, or the Secretary's designee;

(5) the Administrator of the Maryland Transit Administration, or the Administrator's designee; and

(6) the following individuals appointed by the Governor:

(i) three individuals from different regional planning or transportation agencies;

(ii) one individual from the Baltimore Metropolitan Council;

(iii) one individual from the Metropolitan Washington Council of Governments;

(iv) one individual from the Maryland Municipal League;

(v) one individual from the Maryland Association of Counties; and

(vi) one individual from ~~Bikemore~~ Bike Maryland or another bicycling advocacy organization; and

(vii) one individual from the County Engineers Association of Maryland.

(d) The President of the Senate and the Speaker of the House shall each designate a cochair of the workgroup.

(e) (1) The Department of Transportation shall consult with the workgroup to develop the regulations required under § 8–907 of the Transportation Article as enacted by this Act.

(2) In addition to the requirement under paragraph (1) of this subsection, at least 30 days before the submission of the regulations to the Joint Committee on Administrative, Executive, and Legislative Review under § 10–110 of the State Government Article, the Department shall transmit the regulations to the workgroup for review and comment.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act may not be construed to require the Maryland Department of Transportation to provide staff or operating expenses for the administration of the Complete Streets Program established under Section 1 of this Act until money is appropriated in the State budget for the Program.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1, 2020, the Maryland Department of Transportation, in accordance with § 2–1246 of the State Government Article, shall issue a report to the Senate Finance Committee and the House Environment and Transportation Committee on how the required local funding match is implemented and the effectiveness of the local match requirement.

SECTION ~~3.~~ ~~4.~~ *5.* AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 722

(Senate Bill 407)

AN ACT concerning

Transportation – Complete Streets Program – Establishment

FOR the purpose of establishing the Complete Streets Program; specifying the purpose and goals of the Program; ~~requiring the Governor to annually appropriate a certain amount of~~ *providing for* funding for the Program; specifying the requirements for a local government to be designated as a certified jurisdiction; authorizing a certified jurisdiction to apply for matching grants from the Program; specifying the use of matching grant funds; specifying certain requirements for a certified jurisdiction that receives a grant under the Program; requiring the Secretary of Transportation to adopt certain regulations; requiring the Department of Transportation to submit a certain report to certain committees of the General Assembly on or before a certain date each year; *requiring the Department to issue a certain report to certain committees of the General Assembly on or before a certain date;* establishing a workgroup to assist the Department in developing and reviewing certain regulations; providing that members of the workgroup may not receive compensation but are entitled to reimbursement for expenses; providing for the membership and chair of the workgroup; requiring the Department to consult with the workgroup to develop certain regulations; requiring the Department to give the workgroup a certain review and comment period on certain regulations; *providing for the construction of this Act; defining certain terms;* and generally relating to the establishment of the Complete Streets Program.

BY adding to

Article – Transportation
Section 8–901 through 8–908 to be under the new subtitle "Subtitle 9. Complete Streets Program"
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Transportation

SUBTITLE 9. COMPLETE STREETS PROGRAM.

8–901.

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

(B) "CERTIFIED JURISDICTION" MEANS A LOCAL GOVERNMENT THAT HAS BEEN CERTIFIED BY THE DEPARTMENT IN ACCORDANCE WITH § 8–905 OF THIS SUBTITLE.

(C) "COMPLETE STREETS" MEANS STREETS THAT PROVIDE ACCOMMODATIONS FOR USERS OF MULTIPLE MODES OF TRANSPORTATION.

(D) "COMPLETE STREETS POLICY" MEANS A LAW, A BYLAW, AN ORDINANCE, OR AN ADMINISTRATIVE POLICY ADOPTED BY A LOCAL GOVERNMENT IN ACCORDANCE WITH § 8–905 OF THIS SUBTITLE.

(E) "ELIGIBLE PROJECT" MEANS A LOCAL GOVERNMENT OR STATE HIGHWAY, STREET, OR ROAD RETROFIT PROJECT THAT INCLUDES THE ADDITION OF OR SIGNIFICANT REPAIR TO FACILITIES THAT PROVIDE ACCESS FOR USERS OF MULTIPLE MODES OF TRANSPORTATION.

(F) ***"GREEN STORMWATER INFRASTRUCTURE" MEANS INFRASTRUCTURE IMPLEMENTED USING BEST MANAGEMENT PRACTICES THAT REDUCE THE VOLUME OF STORMWATER RUNOFF THROUGH INFILTRATION, EVAPOTRANSPIRATION, THE BENEFICIAL REUSE OF WATER, OR ANY OTHER EFFECTIVE METHOD.***

(G) **"LOCAL GOVERNMENT" MEANS A COUNTY OR MUNICIPALITY IN THE STATE.**

~~(G)~~ ***(H)*** **"PROGRAM" MEANS THE COMPLETE STREETS PROGRAM ESTABLISHED UNDER THIS SUBTITLE.**

8–902.

THERE IS A COMPETITIVE MATCHING GRANT PROGRAM WITHIN THE DEPARTMENT KNOWN AS THE "COMPLETE STREETS PROGRAM".

8–903.

(A) THE PURPOSE OF THE PROGRAM IS TO PROVIDE MATCHING GRANTS TO CERTIFIED JURISDICTIONS TO ENCOURAGE:

(1) THE REGULAR AND ROUTINE INCLUSION OF COMPLETE STREETS DESIGN ELEMENTS AND INFRASTRUCTURE DURING THE PLANNING, DESIGN, CONSTRUCTION, AND RECONSTRUCTION OF NEW OR EXISTING LOCALLY FUNDED ROADS; ~~AND~~

(2) THE ADOPTION OF URBAN ~~ARTERIAL~~ RETROFIT STREET ORDINANCES DESIGNED TO PROVIDE SAFE ACCESS TO USERS OF MULTIPLE MODES OF TRANSPORTATION; AND

(3) ~~IN DEVELOPING THE PRIORITY FOR PROJECTS, ENGAGEMENT IN AN EQUITY ANALYSIS THAT INCLUDES THE IDENTIFICATION AND ANALYSIS OF OPPORTUNITY AND EQUITY GAPS~~ *THE DEVELOPMENT OF RANKING SYSTEMS FOR COMPLETE STREETS PROJECTS THAT CONSIDER THE NEEDS OF UNDERINVESTED AND UNDERSERVED COMMUNITIES IN SPECIFIC GEOGRAPHIC REGIONS OF THE STATE*.

(B) THE GOALS OF THE PROGRAM ARE TO:

(1) PROMOTE HEALTHY COMMUNITIES BY ENCOURAGING THE USE OF MULTIPLE MODES OF TRANSPORTATION OTHER THAN SINGLE–OCCUPANCY MOTOR VEHICLE TRANSPORTATION;

(2) IMPROVE SAFETY BY DESIGNING ~~MAJOR ARTERIAL~~ STREETS TO INCLUDE FEATURES SUCH AS:

(I) WIDER SIDEWALKS;

(II) DEDICATED BIKE FACILITIES;

(III) MEDIANS; ~~AND~~

(IV) PEDESTRIAN STREETSCAPE FEATURES; AND

(V) GREEN STORMWATER INFRASTRUCTURE;

(3) ~~PROTECT THE ENVIRONMENT AND REDUCE CONGESTION BY PROVIDING SAFE ALTERNATIVES TO SINGLE–OCCUPANCY MOTOR VEHICLE DRIVING; AND~~

~~(4)~~ PROTECT THE ENVIRONMENT AND IMPROVE WATER QUALITY BY USING GREEN STORMWATER INFRASTRUCTURE TO REDUCE STORMWATER RUNOFF FROM RIGHTS–OF–WAY;

(4) REDUCE CONGESTION BY PROVIDING SAFE ALTERNATIVES TO SINGLE–OCCUPANCY MOTOR VEHICLE DRIVING;

~~(4)~~ (5) PRESERVE COMMUNITY CHARACTER BY INVOLVING LOCAL AND DIVERSE COMMUNITIES ~~RESIDENTS~~ AND STAKEHOLDERS IN PLANNING, PRIORITIZATION, AND DESIGN DECISIONS; AND

(6) ~~ENCOURAGE EQUITABLE DEVELOPMENT OF COMPLETE STREETS PROJECTS~~ *PROVIDE FOR THE EQUITABLE DISTRIBUTION OF COMPLETE STREETS FUNDS THAT TAKES INTO CONSIDERATION THE NEEDS OF UNDERINVESTED AND UNDERSERVED COMMUNITIES IN SPECIFIC GEOGRAPHIC REGIONS OF THE STATE*.

8–904.

~~THE GOVERNOR SHALL ANNUALLY APPROPRIATE AT LEAST $1,000,000 FROM THE TRANSPORTATION TRUST FUND FOR THE PROGRAM.~~ *FUNDS FOR THE PROGRAM SHALL BE AS PROVIDED BY THE GOVERNOR IN THE STATE BUDGET.*

8–905.

(A) A LOCAL GOVERNMENT THAT HAS ADOPTED A COMPLETE STREETS POLICY IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION MAY APPLY TO THE DEPARTMENT FOR DESIGNATION AS A CERTIFIED JURISDICTION.

(B) (1) A COMPLETE STREETS POLICY ADOPTED BY A LOCAL GOVERNMENT SHALL:

(I) IDENTIFY THE BODY, ENTITY, OR INDIVIDUAL RESPONSIBLE FOR IMPLEMENTING THE PROGRAM;

(II) REQUIRE THE DEVELOPMENT OF PROCEDURES TO FOLLOW WHEN CONDUCTING ~~COUNTY~~ *LOCAL* ROAD REPAIRS, UPGRADES, OR EXPANSION PROJECTS TO INCORPORATE COMPLETE STREETS ELEMENTS;

(III) *FACILITATE PROJECTS TO ACHIEVE THE GOALS ESTABLISHED UNDER § 8–903(B) OF THIS SUBTITLE;*

(IV) REQUIRE THE ESTABLISHMENT OF A REVIEW PROCESS FOR PRIVATE DEVELOPMENT PROPOSALS TO ENSURE COMPLETE STREETS COMPONENTS ARE INCORPORATED INTO NEW CONSTRUCTION ACCORDING TO TERMS SPECIFIED BY THE LOCAL GOVERNMENT;

~~(IV)~~ *(V)* SET A 5–YEAR GOAL FOR AN INCREASED MODE SHARE OF SPECIFIED MODES OF TRANSPORTATION OTHER THAN SINGLE–OCCUPANCY MOTOR ~~VEHICLE TRANSPORTATION~~ *VEHICLES*;

~~(V)~~ *(VI)* REQUIRE THE DEVELOPMENT OF A PROGRAM TO MEET THE GOAL ESTABLISHED UNDER ITEM ~~(IV)~~ *(V)* OF THIS PARAGRAPH;

~~(VI)~~ *(VII)* COMPLY WITH ANY OTHER REQUIREMENTS THAT THE DEPARTMENT CONSIDERS NECESSARY; AND

~~(VII)~~ *(VIII)* BE APPROVED BY THE DEPARTMENT.

(2) A LOCAL GOVERNMENT SHALL HOLD AT LEAST ONE PUBLIC HEARING PRIOR TO THE ADOPTION OF A COMPLETE STREETS POLICY.

8–906.

(A) A CERTIFIED JURISDICTION MAY:

(1) APPLY FOR MATCHING GRANTS FROM THE PROGRAM; AND

(2) USE MATCHING GRANT FUNDS ONLY FOR COSTS ASSOCIATED WITH:

(I) THE IMPLEMENTATION OF THE COMPLETE STREETS POLICY, INCLUDING THE DEVELOPMENT AND UPDATES OF POLICIES, ORDINANCES, PROCEDURES, AND DESIGN MANUALS; AND

(II) ~~THE~~ THE DESIGN AND PLANNING OF ELIGIBLE PROJECTS.

(B) A CERTIFIED JURISDICTION THAT RECEIVES A MATCHING GRANT SHALL:

(1) MAINTAIN AND UPDATE ITS COMPLETE STREETS POLICY;

(2) COORDINATE WITH THE DEPARTMENT TO CONFIRM THE ACCURACY OF THE BASELINE INVENTORY OF PEDESTRIAN AND BICYCLE ACCOMMODATIONS TO IDENTIFY PRIORITY PROJECTS;

(3) SUBMIT AN ANNUAL PROGRESS REPORT TO THE DEPARTMENT, IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT; AND

(4) COMPLY WITH ANY OTHER REQUIREMENTS THAT THE DEPARTMENT CONSIDERS NECESSARY.

8–907.

THE SECRETARY SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

8–908.

(A) ON OR BEFORE DECEMBER 31 EACH YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE SENATE FINANCE COMMITTEE, SENATE BUDGET AND TAXATION COMMITTEE, HOUSE APPROPRIATIONS COMMITTEE, AND HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, ON THE STATUS OF THE PROGRAM.

(B) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:

(1) THE STATUS OF ANY GRANT PROJECTS FUNDED BY THE PROGRAM; AND

(2) A DISCUSSION OF WHETHER THERE IS A NEED TO REEVALUATE THE PROGRAM TO ENSURE THAT IT IS MEETING THE GOALS STATED IN § 8–903(B) OF THIS SUBTITLE.

(C) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE MADE AVAILABLE ON THE DEPARTMENT'S WEBSITE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) There is a workgroup to assist the Department of Transportation in developing and reviewing the regulations required under § 8–907 of the Transportation Article as enacted by this Act.

(b) A member of the workgroup:

(1) may not receive compensation as a member of the workgroup; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(c) The workgroup shall consist of the following members:

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

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

(3) the Secretary of Planning, or the Secretary's designee;

(4) the Secretary of the Environment, or the Secretary's designee;

(5) the Administrator of the Maryland Transit Administration, or the Administrator's designee; and

(6) the following individuals appointed by the Governor:

(i) three individuals from different regional planning or transportation agencies;

(ii) one individual from the Baltimore Metropolitan Council;

(iii) one individual from the Metropolitan Washington Council of Governments;

(iv) one individual from the Maryland Municipal League;

(v) one individual from the Maryland Association of Counties;

(vi) one individual from ~~Bikemore~~ Bike Maryland or another bicycling advocacy organization; and

(vii) one individual from the County Engineers Association of Maryland.

(d) The President of the Senate and the Speaker of the House shall each designate a cochair of the workgroup.

(e) (1) The Department of Transportation shall consult with the workgroup to develop the regulations required under § 8–907 of the Transportation Article as enacted by this Act.

(2) In addition to the requirement under paragraph (1) of this subsection, at least 30 days before the submission of the regulations to the Joint Committee on

Administrative, Executive, and Legislative Review under § 10–110 of the State Government Article, the Department shall transmit the regulations to the workgroup for review and comment.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act may not be construed to require the Maryland Department of Transportation to provide staff or operating expenses for the administration of the Complete Streets Program established under Section 1 of this Act until money is appropriated in the State budget for the Program.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1, 2020, the Maryland Department of Transportation, in accordance with § 2–1246 of the State Government Article, shall issue a report to the Senate Finance Committee and the House Environment and Transportation Committee on how the required local funding match is implemented and the effectiveness of the local match requirement.

SECTION ~~3.~~ *5.* AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 723

(House Bill 1018)

AN ACT concerning

Pensions – Administrative and Operational Expenses – Limitation and Calculation

FOR the purpose of increasing the administrative and operational expense cap of the Board of Trustees for the State Retirement and Pension System and the State Retirement Agency in certain fiscal years under certain circumstances; altering the basis for the calculation of the administrative and operational expense cap; providing for the application of this Act; making certain sections of this Act contingent on the taking effect of another Act; and generally relating to the administrative and operational expense cap for the Board of Trustees and the Agency.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–315(c)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

21–315.

(c) **(1)** [Each] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH** year the Board of Trustees shall estimate the amount, not exceeding 0.22% of [the payroll of members] **ACTIVE MEMBER PAYROLL, RETIREE BENEFITS, AND FORMER MEMBER COMPENSATION**, necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, FOR FISCAL YEARS 2019 THROUGH 2022, THE BOARD OF TRUSTEES' ESTIMATE OF THE AMOUNT NECESSARY FOR THE ADMINISTRATIVE AND OPERATIONAL EXPENSES OF THE BOARD OF TRUSTEES AND THE STATE RETIREMENT AGENCY MAY NOT EXCEED 0.26% OF ACTIVE MEMBER PAYROLL, RETIREE BENEFITS, AND FORMER MEMBER COMPENSATION.

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

Article – State Personnel and Pensions

21–315.

(c) Each year the Board of Trustees shall estimate the amount, not exceeding 0.22% of [the payroll of members] **ACTIVE MEMBER PAYROLL, RETIREE BENEFITS, AND FORMER MEMBER COMPENSATION**, necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2018, contingent on the taking effect of Chapter ___ (S.B. ___/H.B. ___)(8lr1668/8lr1669) of the Acts of the General Assembly of 2018, and if Chapter ___ (S.B. ___ / H.B. ___)(8lr1668/8lr1669) does not take effect, Section 2 of this Act, with no further action required by the General Assembly, shall be null and void.

SECTION 4. AND BE IT FURTHER ENACTED, That if Section 2 of this Act takes effect, Section 1 of this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions of Sections 3 and 4 of this Act, this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 724

(Senate Bill 784)

AN ACT concerning

Pensions – Administrative and Operational Expenses – Limitation and Calculation

FOR the purpose of increasing the administrative and operational expense cap of the Board of Trustees for the State Retirement and Pension System and the State Retirement Agency in certain fiscal years under certain circumstances; altering the basis for the calculation of the administrative and operational expense cap; providing for the application of this Act; making certain sections of this Act contingent on the taking effect of another Act; and generally relating to the administrative and operational expense cap for the Board of Trustees and the Agency.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–315(c)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

21–315.

(c) **(1)** **[**Each**]** **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH** year the Board of Trustees shall estimate the amount, not exceeding 0.22% of **[**the payroll of members**]** **ACTIVE MEMBER PAYROLL, RETIREE BENEFITS, AND FORMER MEMBER COMPENSATION**, necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, FOR FISCAL YEARS 2019 THROUGH 2022, THE BOARD OF TRUSTEES' ESTIMATE OF THE AMOUNT NECESSARY FOR THE ADMINISTRATIVE AND OPERATIONAL EXPENSES OF THE BOARD OF TRUSTEES AND THE STATE RETIREMENT AGENCY MAY NOT EXCEED 0.26% OF ACTIVE MEMBER PAYROLL, RETIREE BENEFITS, AND FORMER MEMBER COMPENSATION.

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

Article – State Personnel and Pensions

21–315.

(c) Each year the Board of Trustees shall estimate the amount, not exceeding 0.22% of **[**the payroll of members**]** **ACTIVE MEMBER PAYROLL, RETIREE BENEFITS, AND FORMER MEMBER COMPENSATION**, necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2018, contingent on the taking effect of Chapter 727 of the Acts of the General Assembly of 2018, and if Chapter 727 does not take effect, Section 2 of this Act, with no further action required by the General Assembly, shall be null and void.

SECTION 4. AND BE IT FURTHER ENACTED, That if Section 2 of this Act takes effect, Section 1 of this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions of Sections 3 and 4 of this Act, this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 725

(House Bill 1049)

AN ACT concerning

State Police Retirement System – Deferred Retirement Option Program – Alterations

FOR the purpose of increasing the maximum number of years of eligibility service that certain members of the State Police Retirement System may have to participate in the Deferred Retirement Option Program (DROP); increasing the number of years that certain members of the State Police Retirement System may participate in the DROP; authorizing certain individuals, subject to certain limitations and requirements, to elect to extend their participation in the DROP; prohibiting certain individuals from electing to extend their participation in the DROP; ~~requiring the State Retirement Agency to request certain documentation from the Internal Revenue Service; making this Act subject to a certain contingency;~~ providing for the application of this Act; and generally relating to certain members of the State Police Retirement System and the Deferred Retirement Option Program.

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 24–401.1(a), (b), and (e)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 24–401.1(c) and (d)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

24–401.1.

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

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

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

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

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

(b) There is a DROP for eligible members of the State Police Retirement System.

(c) (1) (i) This paragraph applies to an individual who is a member of the State Police Retirement System on or before June 30, 2011.

(ii) Except for the Secretary of State Police, a member of the State Police Retirement System is eligible to participate in the DROP if the member:

1. has at least 22 and less than **[**28**] 30** years of eligibility service; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 22 years of eligibility service.

(2) (i) This paragraph applies to an individual who becomes a member of the State Police Retirement System on or after July 1, 2011.

(ii) Except for the Secretary of State Police, a member of the State Police Retirement System is eligible to participate in the DROP if the member:

1. has at least 25 years and less than **[**29**]** **30** years of eligibility service; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 25 years of eligibility service.

(d) An eligible member may elect to participate in the DROP for a period not to exceed the lesser of:

(1) **[**4**]** **5** years;

(2) **[**(i)**]** the difference between **[**28**]** **30** years and the member's eligibility service as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System**[**, if the member is a member of the State Police Retirement System on or before June 30, 2011; or

(ii) the difference between 29 years and the member's eligibility service as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System, if the member becomes a member of the State Police Retirement System on or after July 1, 2011**]**;

(3) the difference between age 60 and the member's age as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System; or

(4) a term selected by the member.

(e) (1) An eligible member who elects to participate in the DROP shall:

(i) complete and submit a written election form to the Board of Trustees, on the form that the Board of Trustees provides, stating:

1. the member's intention to participate in the DROP;

2. the date when the member desires to retire;

3. the period that the member desires to participate in the DROP, as provided in subsection (d) of this section;

4. the date when the member intends to terminate employment with the Maryland State Police in the form of a binding letter of resignation accepted by the Secretary of State Police or the Secretary's designee; and

5. any other information required by the Board of Trustees to implement the DROP; and

(ii) complete and submit a written retirement application form to the Board of Trustees, on the form that the Board of Trustees provides.

(2) An eligible member's election to participate in the DROP is irrevocable.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Section 1 of this Act applies to any individual who began participation in the DROP under § 24–401.1 of the State Personnel and Pensions Article before July 1, 2018, and continues to participate in the DROP on or after July 1, 2018.

(b) (1) Except as provided in paragraph (2) of this subsection, an individual described in subsection (a) of this section may elect to extend participation in the DROP by the lesser of:

(i) the difference between 5 years and the number of years the individual elected to participate in the DROP at the time the individual joined the DROP; or

(ii) the difference between 30 years of eligibility service and the total amount of eligibility service the individual had accrued at the time the individual joined the DROP.

(2) An individual may not elect to extend participation in the DROP by a number of years that will result in the individual terminating the DROP at an age older than age 60.

(c) (1) An individual who elects to extend participation in the DROP shall do so on or before December 31, 2018, by completing a form provided by the Board of Trustees for the State Retirement and Pension System.

(2) The form submitted by the individual in paragraph (1) of this subsection shall include a signed acknowledgment by the individual's Director of Human Resources within the Department of State Police that the individual's employment with the Department of State Police and participation in DROP will be extended by the time period specified on that form.

~~SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2018, the State Retirement Agency shall request a determination letter from the Internal Revenue Service that confirms the continued qualification under § 401 of the Internal Revenue Code of the State Police Retirement System, as amended under Section 1 of this Act.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That:~~

~~(a) Section 1 of this Act shall take effect contingent on receipt of a determination letter from the Internal Revenue Service that confirms that the State Police Retirement System, as amended under Section 1 of this Act, is a qualified plan under § 401 of the Internal Revenue Code.~~

~~(b) If a favorable determination letter is received, Section 1 of this Act shall take effect the first day of the month after the State Retirement Agency receives the determination letter.~~

~~(c) If the State Retirement Agency does not receive a favorable determination letter, Section 1 of this Act, with no further action required by the General Assembly, shall be null and void and of no further force and effect.~~

~~(d) The State Retirement Agency, within 5 days after receiving the determination letter from the Internal Revenue Service, shall forward a copy of the ruling to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.~~

SECTION ~~5.~~ 3. AND BE IT FURTHER ENACTED, That~~, subject to Section 4 of this Act,~~ this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 726

(Senate Bill 895)

AN ACT concerning

State Police Retirement System – Deferred Retirement Option Program – Alterations

FOR the purpose of increasing the maximum number of years of eligibility service that certain members of the State Police Retirement System may have to participate in the Deferred Retirement Option Program (DROP); increasing the number of years that certain members of the State Police Retirement System may participate in the DROP; authorizing certain individuals, subject to certain limitations and requirements, to elect to extend their participation in the DROP; prohibiting certain

individuals from electing to extend their participation in the DROP; ~~requiring the State Retirement Agency to request certain documentation from the Internal Revenue Service; making this Act subject to a certain contingency;~~ providing for the application of this Act; and generally relating to certain members of the State Police Retirement System and the Deferred Retirement Option Program.

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 24–401.1(a), (b), and (e)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 24–401.1(c) and (d)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

24–401.1.

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

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

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

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

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

(b) There is a DROP for eligible members of the State Police Retirement System.

(c) (1) (i) This paragraph applies to an individual who is a member of the State Police Retirement System on or before June 30, 2011.

(ii) Except for the Secretary of State Police, a member of the State Police Retirement System is eligible to participate in the DROP if the member:

1. has at least 22 and less than **[**28**] 30** years of eligibility service; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 22 years of eligibility service.

(2) (i) This paragraph applies to an individual who becomes a member of the State Police Retirement System on or after July 1, 2011.

(ii) Except for the Secretary of State Police, a member of the State Police Retirement System is eligible to participate in the DROP if the member:

1. has at least 25 years and less than **[**29**] 30** years of eligibility service; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 25 years of eligibility service.

(d) An eligible member may elect to participate in the DROP for a period not to exceed the lesser of:

(1) **[**4**] 5** years;

(2) **[**(i)**]** the difference between **[**28**] 30** years and the member's eligibility service as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System**[**, if the member is a member of the State Police Retirement System on or before June 30, 2011; or

(ii) the difference between 29 years and the member's eligibility service as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System, if the member becomes a member of the State Police Retirement System on or after July 1, 2011**]**;

(3) the difference between age 60 and the member's age as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System; or

(4) a term selected by the member.

(e) (1) An eligible member who elects to participate in the DROP shall:

(i) complete and submit a written election form to the Board of Trustees, on the form that the Board of Trustees provides, stating:

1. the member's intention to participate in the DROP;

2. the date when the member desires to retire;

3. the period that the member desires to participate in the DROP, as provided in subsection (d) of this section;

4. the date when the member intends to terminate employment with the Maryland State Police in the form of a binding letter of resignation accepted by the Secretary of State Police or the Secretary's designee; and

5. any other information required by the Board of Trustees to implement the DROP; and

(ii) complete and submit a written retirement application form to the Board of Trustees, on the form that the Board of Trustees provides.

(2) An eligible member's election to participate in the DROP is irrevocable.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Section 1 of this Act applies to any individual who began participation in the DROP under § 24–401.1 of the State Personnel and Pensions Article before July 1, 2018, and continues to participate in the DROP on or after July 1, 2018.

(b) (1) Except as provided in paragraph (2) of this subsection, an individual described in subsection (a) of this section may elect to extend participation in the DROP by the lesser of:

(i) the difference between 5 years and the number of years the individual elected to participate in the DROP at the time the individual joined the DROP; or

(ii) the difference between 30 years of eligibility service and the total amount of eligibility service the individual had accrued at the time the individual joined the DROP.

(2) An individual may not elect to extend participation in the DROP by a number of years that will result in the individual terminating the DROP at an age older than age 60.

(c) (1) An individual who elects to extend participation in the DROP shall do so on or before December 31, 2018, by completing a form provided by the Board of Trustees for the State Retirement and Pension System.

(2) The form submitted by the individual in paragraph (1) of this subsection shall include a signed acknowledgment by the individual's Director of Human Resources within the Department of State Police that the individual's employment with the Department of State Police and participation in DROP will be extended by the time period specified on that form.

~~SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2018, the State Retirement Agency shall request a determination letter from the Internal Revenue Service that confirms the continued qualification under § 401 of the Internal Revenue Code of the State Police Retirement System, as amended under Section 1 of this Act.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That:~~

~~(a) Section 1 of this Act shall take effect contingent on receipt of a determination letter from the Internal Revenue Service that confirms that the State Police Retirement System, as amended under Section 1 of this Act, is a qualified plan under § 401 of the Internal Revenue Code.~~

~~(b) If a favorable determination letter is received, Section 1 of this Act shall take effect the first day of the month after the State Retirement Agency receives the determination letter.~~

~~(c) If the State Retirement Agency does not receive a favorable determination letter, Section 1 of this Act, with no further action required by the General Assembly, shall be null and void and of no further force and effect.~~

~~(d) The State Retirement Agency, within 5 days after receiving the determination letter from the Internal Revenue Service, shall forward a copy of the ruling to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.~~

SECTION ~~5.~~ 3. AND BE IT FURTHER ENACTED, That~~, subject to Section 4 of this Act,~~ this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 727

(House Bill 1012)

AN ACT concerning

State Retirement and Pension System – Investment Division

FOR the purpose of clarifying that the compensation of the Executive Director for the State Retirement Agency and certain staff shall be as provided in the State budget; requiring the Board of Trustees for the State Retirement and Pension System to adopt certain criteria for setting the qualifications and compensation of the Chief Investment Officer for the State Retirement and Pension System; prohibiting certain adjustments to the compensation of the Chief Investment Officer; requiring certain financial incentives awarded to the Chief Investment Officer and certain employees in the Investment Division to be paid in a certain manner; prohibiting certain financial incentives from being paid under certain circumstances; prohibiting certain financial incentives from being paid in a fiscal year when State employees are subject to a furlough; requiring certain financial incentives not paid under certain circumstances to be paid if certain conditions are satisfied; authorizing the Board of Trustees to determine the qualifications and compensation for positions within the Investment Division of the State Retirement Agency; authorizing the Board of Trustees to determine and create the type and number of certain positions necessary for carrying out certain investment functions; requiring the Board of Trustees to adopt objective criteria to be followed when exercising certain authority established under this Act; altering a requirement that the Board of Trustees report certain information to certain entities; requiring the Board of Trustees to report certain information to certain entities; requiring the Board of Trustees to adopt certain criteria for setting the qualifications and compensation of certain positions in the Investment Division; prohibiting the Board of Trustees from granting any increases in compensation for certain positions in the Investment Division under certain circumstances; prohibiting the Board of Trustees from setting compensation for certain positions in the Investment Division above a certain amount; requiring the Board of Trustees to adopt certain criteria for granting certain financial incentives to certain employees in the Investment Division; prohibiting the Board of Trustees from awarding financial incentives to certain positions; establishing that personnel and operational expenses of the Investment Division are investment management services to be paid from the expense fund of each State system on a pro rata basis; *establishing an Objective Criteria Committee of the Board of Trustees; providing for the membership and chair of the Committee; providing that a certain individual may not serve as chair of the Committee; requiring the Committee to meet and make certain recommendations by a certain date; requiring the Committee to meet at certain intervals; requiring the Committee to make certain recommendations to the Board of Trustees regarding the objective criteria to be used in setting compensation and awarding financial incentives to certain employees in the Investment Division; requiring the Board of Trustees to enter into an agreement with a consultant to provide certain services to the Committee; prohibiting the Board of Trustees from entering into a certain agreement with a consultant that provides certain services to the Board of Trustees; requiring the Chief Investment Officer to serve in a certain advisory role to the Committee; prohibiting the Chief Investment Officer from participating in certain deliberations of the Committee; establishing that members of the Committee are fiduciaries; altering the amount of funds to which the Board of Trustees may enter into a certain agreement for the investment of funds in certain private equity and venture capital investments in the State;* requiring the personnel and operational expenses of the Investment Division to be ~~appropriated~~ paid out of

the accumulation fund of each State system on a pro rata basis; establishing that personnel and operational expenses of the Investment Division are not included in the calculation of a certain payment by the State and local employers; making conforming changes; and generally relating to the governance and funding of the Investment Division of the State Retirement Agency.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–118(c)(1), 21–118.1, 21–122, *21–123.2(d)(1) and (2), 21–201(b),* 21–303(d)(2), 21–315, and 21–316(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 21–303(d)(1)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

21–118.

(c) (1) **(I)** The Executive Director shall employ a staff ~~in accordance with the State budget~~ ***TO CARRY OUT THE ADMINISTRATIVE DUTIES OF THE SEVERAL SYSTEMS***.

(II) EXCEPT AS PROVIDED IN § 21–315 OF THIS TITLE, THE COMPENSATION OF THE EXECUTIVE DIRECTOR AND STAFF SHALL BE AS PROVIDED IN THE STATE BUDGET.

21–118.1.

(a) Notwithstanding any other provision of law, on the recommendation of the Executive Director and the Investment Committee, the Board of Trustees shall determine the qualifications and appointment, as well as compensation and leave, for the Chief Investment Officer who shall be the head of the Investment Division.

(b) **(1)** In making determinations and appointments under this section, the Executive Director and the Investment Committee shall consider the comparative qualifications, compensation, and leave of employees serving in similar positions and discharging similar duties at comparable public pension funds.

(2) (I) ***1.*** **THE BOARD OF TRUSTEES SHALL ADOPT OBJECTIVE CRITERIA FOR SETTING THE QUALIFICATIONS AND COMPENSATION OF THE CHIEF INVESTMENT OFFICER.**

2. THE BOARD SHALL CONSIDER THE RECOMMENDATIONS OF THE OBJECTIVE CRITERIA COMMITTEE UNDER § 21–122(G) OF THIS SUBTITLE BEFORE ADOPTING OBJECTIVE CRITERIA FOR SETTING COMPENSATION.

(II) THE CRITERIA ADOPTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE OBJECTIVE BENCHMARKS OF INVESTMENT PERFORMANCE THAT SHALL BE MET OR EXCEEDED FOR THE CHIEF INVESTMENT OFFICER TO BE ELIGIBLE FOR AN INCREASE IN COMPENSATION.

(III) THE BOARD MAY NOT GRANT ANY INCREASES IN COMPENSATION TO THE CHIEF INVESTMENT OFFICER IN A FISCAL YEAR IN WHICH STATE EMPLOYEES ARE SUBJECT TO A FURLOUGH.

(IV) THE CHIEF INVESTMENT OFFICER'S COMPENSATION MAY NOT BE ADJUSTED IN ACCORDANCE WITH ~~COST–OF–LIVING~~ ***COST–OF–LIVING*** **ADJUSTMENTS AND MERIT INCREASES AVAILABLE TO STATE EMPLOYEES.**

(c) **(1)** In addition to the Board of Trustees setting the **[**salary**] COMPENSATION** of the Chief Investment Officer under subsection (a) of this section **[**in accordance with the State budget**]**, the Board of Trustees may also award financial incentives to the Chief Investment Officer in accordance with **THIS SUBSECTION AND** subsection (d) of this section.

(2) (I) ANY FINANCIAL INCENTIVES PAID SHALL BE PAID OVER MULTIPLE FISCAL YEARS IN EQUAL INSTALLMENTS.

(II) THE DATES ON WHICH FINANCIAL INCENTIVES AWARDED UNDER THIS SECTION SHALL BE PAID SHALL BE SET BY THE BOARD OF TRUSTEES AT THE TIME THE FINANCIAL INCENTIVES ARE DETERMINED.

(III) THE DATES SET UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH MAY NOT BE CHANGED AFTER BEING SET.

(3) IF THE CHIEF INVESTMENT OFFICER SEPARATES FROM EMPLOYMENT, THE BOARD OF TRUSTEES MAY NOT PAY OUT ANY REMAINING FINANCIAL INCENTIVES DUE TO BE PAID AFTER THE DATE OF SEPARATION FROM EMPLOYMENT.

(4) (I) THE BOARD OF TRUSTEES MAY NOT PAY FINANCIAL INCENTIVES IN A FISCAL YEAR IN WHICH STATE EMPLOYEES ARE SUBJECT TO A FURLOUGH.

(II) THE BOARD OF TRUSTEES SHALL PAY OUT ANY FINANCIAL INCENTIVES NOT PAID IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH ONLY:

1. AFTER THE FURLOUGH PERIOD HAS ENDED; AND

2. IF THE CHIEF INVESTMENT OFFICER IS CURRENTLY EMPLOYED AS THE CHIEF INVESTMENT OFFICER.

(d) (1) **(I)** ***1.*** On the recommendation of the Investment Committee, the Board of Trustees shall establish **OBJECTIVE** criteria for awarding financial incentives to the Chief Investment Officer.

2. THE BOARD SHALL CONSIDER THE RECOMMENDATIONS OF THE OBJECTIVE CRITERIA COMMITTEE UNDER § 21–122(G) OF THIS SUBTITLE BEFORE ADOPTING OBJECTIVE CRITERIA FOR AWARDING FINANCIAL INCENTIVES.

(II) FINANCIAL INCENTIVES MAY ONLY BE AWARDED BASED ~~UPON~~ *ON* THE OBJECTIVE CRITERIA ADOPTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(2) The criteria under paragraph (1) of this subsection shall **[**be based on**]** **INCLUDE**:

(i) objective benchmarks of investment performance for the assets of the several systems **THAT SHALL BE MET OR EXCEEDED**; **[**and**]**

(ii) **OBJECTIVE** criteria used by comparable public pension funds awarding financial incentives to chief investment officers**; AND**

(III) LIMITATIONS ON THE AMOUNT OF FINANCIAL INCENTIVES IN A FISCAL YEAR, NOT TO EXCEED 33% OF THE CHIEF INVESTMENT OFFICER'S COMPENSATION EXCLUSIVE OF FINANCIAL INCENTIVES.

(3) The Chief Investment Officer may not participate in any deliberations regarding the establishment of criteria under this subsection.

(4) The criteria established under this subsection shall be included in the investment policy manual.

(5) On or before September 1 of each year, the Board of Trustees shall submit to the Joint Committee on Pensions, in accordance with § 2–1246 of the State Government Article, a copy of the most recent criteria established under this section and any financial incentives that were awarded for the previous fiscal year to the Chief Investment Officer.

(e) **[**The compensation and any financial incentives awarded to the Chief Investment Officer shall be in accordance with the limitations on administrative and operational expenses under § 21–315(c) of this title.

(f)**]** The Chief Investment Officer appointed under this section is a State employee and shall be entitled to participate in the Employees' Pension System under Title 23 of this article.

[(g)**] (F)** On the recommendation of either the Investment Committee or the Executive Director and on receiving an affirmative vote from a majority of the Board of Trustees, the Executive Director shall terminate the appointment of the Chief Investment Officer.

21–122.

(a) (1) There is an Investment Division in the State Retirement Agency.

(2) Subject to **[**paragraph (3) of this subsection**] SUBSECTION (F) OF THIS SECTION**, the Board of Trustees shall determine the qualifications and compensation for **[**the following**]** positions within the Investment Division**[**:

(i) deputy chief investment officer; and

(ii) managing director**]**.

(3) The Board of Trustees**[**may not:

(i) set or increase the salary for the deputy chief investment officer at an amount greater than the maximum salary under the ES11 scale of the Maryland Executive Pay Plan;

(ii) set or increase the salary for a managing director at an amount greater than the maximum salary under the ES9 scale of the Maryland Executive Pay Plan;

(iii) provide bonuses for an employee; or

(iv) subject to the limitations under items (i) and (ii) of this paragraph, set or increase the salary for a position that provides more than a 10% increase over the lowest salary for the position in the prior fiscal year**]:**

(I) MAY DETERMINE AND CREATE THE TYPE AND NUMBER OF POSITIONS NECESSARY FOR CARRYING OUT THE PROFESSIONAL INVESTMENT FUNCTIONS OF THE INVESTMENT DIVISION; AND

(II) SHALL ADOPT OBJECTIVE CRITERIA TO BE FOLLOWED WHEN EXERCISING ITS AUTHORITY UNDER ITEM (I) OF THIS PARAGRAPH AND PARAGRAPH (2) OF THIS SUBSECTION.

(4) On or before October 1, 2012, and each October 1 thereafter, the Board of Trustees shall report to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions, in accordance with § 2–1246 of the State Government Article on:

(i) the current **[**salaries**] COMPENSATION** of the **[**deputy chief investment officer and the managing directors**] CHIEF INVESTMENT OFFICER AND EMPLOYEES** of the Investment Division;

(ii) any **[**salary**] COMPENSATION** increases **[**the deputy chief investment officer or managing directors**] THE CHIEF INVESTMENT OFFICER AND EMPLOYEES** of the Investment Division have received in the fiscal year immediately preceding that October 1; **[**and**]**

(iii) 1. the number of individuals in the Investment Division of the State Retirement Agency who were employed as professional investment staff and terminated employment with the State Retirement Agency in the fiscal year immediately preceding that October 1;

2. the number of years of employment an individual described in item 1 of this item had accrued with the State Retirement Agency at the time the individual terminated employment with the State Retirement Agency; and

3. to the extent possible, the new employer, position, and **[**salary**] COMPENSATION** the individual described in item 1 of this item accepted upon terminating employment with the State Retirement Agency**;**

(IV) THE CRITERIA USED TO SET THE COMPENSATION OF EMPLOYEES OF THE INVESTMENT DIVISION;

(V) THE CRITERIA USED TO DETERMINE THE TYPE AND NUMBER OF POSITIONS NECESSARY TO CARRY OUT THE FUNCTIONS OF THE INVESTMENT DIVISION;

(VI) THE NUMBER OF EMPLOYEES ELIGIBLE FOR FINANCIAL INCENTIVES, AND THE FINANCIAL INCENTIVES PAID IN THE CURRENT FISCAL YEAR; AND

(VII) THE NET IMPACT ON SYSTEM INVESTMENT RETURNS ATTRIBUTABLE TO THE COSTS OF THE INVESTMENT DIVISION FOR THE PRECEDING FISCAL YEAR.

(b) As the Board of Trustees specifies, the Investment Division shall invest the assets of the several systems.

(c) (1) Quarterly, the Investment Division shall submit to the Board of Trustees a report about the commissions that the State Retirement Agency pays on investments.

(2) The report shall detail:

(i) the identity of each recipient of a commission that the State Retirement Agency paid during the previous quarter;

(ii) the dollar amount of commission business that each recipient performs;

(iii) the average price–per–share each recipient charged or, if the commission was paid on a net basis, the markup or markdown that the recipient uses; and

(iv) a reasonable history of the allocation of commissions.

(d) On behalf of the several systems, the Chief Investment Officer:

(1) may hire external investment managers to invest the assets of the several systems;

(2) may select and invest in specific investment vehicles, including limited partnerships, private equity fund investments, and private real estate fund investments; and

(3) may terminate the appointment of an external investment manager.

(e) Prior to terminating the appointment of an external investment manager under subsection (d)(2) of this section, the Chief Investment Officer shall provide written documentation to the Board of Trustees and the Investment Committee explaining the basis for the termination.

(F) (1) (I) *1.* THE BOARD OF TRUSTEES SHALL ADOPT OBJECTIVE CRITERIA FOR SETTING THE QUALIFICATIONS AND COMPENSATION OF POSITIONS UNDER SUBSECTION (A) OF THIS SECTION.

2. THE BOARD SHALL CONSIDER THE RECOMMENDATIONS OF THE OBJECTIVE CRITERIA COMMITTEE UNDER SUBSECTION (G) OF THIS SECTION BEFORE ADOPTING OBJECTIVE CRITERIA FOR SETTING COMPENSATION.

(II) THE CRITERIA ADOPTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE:

1. CONSIDERATION OF THE COMPARATIVE QUALIFICATIONS AND COMPENSATION OF EMPLOYEES SERVING IN SIMILAR POSITIONS AND DISCHARGING SIMILAR DUTIES AT COMPARABLE PUBLIC PENSION FUNDS;

2. LIMITATIONS ON THE AMOUNT BY WHICH THE COMPENSATION FOR A POSITION MAY BE INCREASED EACH FISCAL YEAR, NOT TO EXCEED 10%; AND

3. OBJECTIVE BENCHMARKS OF INVESTMENT PERFORMANCE THAT SHALL BE MET OR EXCEEDED BY AN INDIVIDUAL TO BE ELIGIBLE FOR AN INCREASE IN COMPENSATION.

(III) THE BOARD OF TRUSTEES MAY NOT GRANT ANY INCREASES IN COMPENSATION IN A FISCAL YEAR IN WHICH STATE EMPLOYEES ARE SUBJECT TO A FURLOUGH.

(IV) FOR POSITIONS THAT DO NOT INVOLVE DISCRETION OVER INVESTMENT–RELATED DECISIONS, THE BOARD OF TRUSTEES MAY NOT SET COMPENSATION THAT EXCEEDS COMPENSATION FOR PROVIDING COMPARABLE SERVICES IN OTHER STATE EMPLOYMENT.

(V) EXCEPT FOR POSITIONS UNDER SUBPARAGRAPH (IV) OF THIS PARAGRAPH, THE COMPENSATION OF AN EMPLOYEE MAY NOT BE ADJUSTED IN ACCORDANCE WITH ~~COST OF LIVING~~ *COST–OF–LIVING* ADJUSTMENTS AND MERIT INCREASES AVAILABLE TO STATE EMPLOYEES.

(2) (I) *1.* THE BOARD OF TRUSTEES SHALL ADOPT OBJECTIVE CRITERIA FOR ~~GRANTING~~ *AWARDING* FINANCIAL INCENTIVES UNDER SUBSECTION (A) OF THIS SECTION.

2. THE BOARD SHALL CONSIDER THE RECOMMENDATIONS OF THE OBJECTIVE CRITERIA COMMITTEE UNDER SUBSECTION (G) OF THIS SECTION BEFORE ADOPTING OBJECTIVE CRITERIA FOR AWARDING FINANCIAL INCENTIVES.

(II) FINANCIAL INCENTIVES MAY ONLY BE AWARDED BASED ~~UPON~~ *ON* THE OBJECTIVE CRITERIA ADOPTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(III) THE CRITERIA ADOPTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE:

1. LIMITATIONS ON THE AMOUNT OF FINANCIAL INCENTIVES FOR A POSITION IN A FISCAL YEAR, NOT TO EXCEED 33% OF A POSITION'S COMPENSATION, EXCLUSIVE OF FINANCIAL INCENTIVES; AND

2. OBJECTIVE BENCHMARKS OF INVESTMENT PERFORMANCE THAT SHALL BE MET OR EXCEEDED BY AN INDIVIDUAL TO BE ELIGIBLE FOR FINANCIAL INCENTIVES, INCLUDING BENCHMARKS FOR THE ASSET CLASS IN WHICH INVESTMENTS ARE UNDER THE DIRECTION OF THE INDIVIDUAL.

~~(III)~~ (IV) 1. ANY FINANCIAL INCENTIVES PAID SHALL BE PAID OVER MULTIPLE FISCAL YEARS IN EQUAL INSTALLMENTS.

2. THE DATES ON WHICH FINANCIAL INCENTIVES AWARDED UNDER THIS SECTION SHALL BE PAID SHALL BE SET BY THE BOARD OF TRUSTEES AT THE TIME THE FINANCIAL INCENTIVES ARE ~~IS~~ DETERMINED.

3. THE DATES SET UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH MAY NOT BE CHANGED AFTER BEING SET.

~~(IV)~~ (V) IF AN INDIVIDUAL WHO HAS EARNED FINANCIAL INCENTIVES SEPARATES FROM EMPLOYMENT IN THE INVESTMENT DIVISION, THE BOARD OF TRUSTEES MAY NOT PAY OUT ANY REMAINING FINANCIAL INCENTIVES DUE TO BE PAID AFTER THE DATE OF SEPARATION FROM EMPLOYMENT.

~~(V)~~ (VI) THE BOARD OF TRUSTEES MAY NOT AWARD FINANCIAL INCENTIVES FOR POSITIONS THAT DO NOT INVOLVE DISCRETION OVER INVESTMENT–RELATED DECISIONS.

~~(VI)~~ (VII) 1. THE BOARD OF TRUSTEES MAY NOT PAY OUT FINANCIAL INCENTIVES IN A FISCAL YEAR IN WHICH STATE EMPLOYEES ARE SUBJECT TO A FURLOUGH.

2. THE BOARD OF TRUSTEES SHALL PAY OUT ANY FINANCIAL INCENTIVES NOT PAID TO AN INDIVIDUAL IN ACCORDANCE WITH SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH ONLY:

A. AFTER THE FURLOUGH PERIOD HAS ENDED; AND

B. IF THE INDIVIDUAL IS CURRENTLY EMPLOYED IN THE INVESTMENT DIVISION.

(3) (I) ON OR BEFORE OCTOBER 1 EACH YEAR, THE BOARD OF TRUSTEES SHALL SUBMIT TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, A COPY OF THE MOST RECENT CRITERIA ADOPTED UNDER THIS SUBSECTION.

(II) IN ADDITION TO THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE BOARD OF TRUSTEES SHALL SUBMIT, WITHIN 30 DAYS OF ADOPTION BY THE BOARD OF TRUSTEES, A COPY OF ANY CHANGES ADOPTED TO THE CRITERIA ESTABLISHED UNDER THIS SUBSECTION TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE.

(4) ON OR BEFORE OCTOBER 1, JANUARY 1, MARCH 1, AND JULY 1 EACH YEAR, THE BOARD OF TRUSTEES SHALL SUBMIT TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, A REPORT ON SYSTEM INVESTMENT RETURNS FOR THE PRECEDING FISCAL QUARTER, INCLUDING:

(I) INVESTMENT PERFORMANCE BY ASSET CLASS, INCLUDING PERFORMANCE RELATIVE TO ASSET CLASS BENCHMARKS; AND

(II) INVESTMENT PERFORMANCE OF ASSETS UNDER THE DIRECTION OF EACH INVESTMENT DIVISION EMPLOYEE.

(G) (1) THERE IS AN OBJECTIVE CRITERIA COMMITTEE OF THE BOARD OF TRUSTEES.

(2) THE COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:

(I) ONE MEMBER OF THE SENATE OF MARYLAND SERVING ON THE JOINT COMMITTEE ON PENSIONS, APPOINTED BY THE PRESIDENT OF THE SENATE;

(II) ONE MEMBER OF THE HOUSE OF DELEGATES SERVING ON THE JOINT COMMITTEE ON PENSIONS, APPOINTED BY THE SPEAKER OF THE HOUSE;

(III) THE STATE TREASURER OR THE STATE TREASURER'S DESIGNEE;

(IV) THE SECRETARY OF BUDGET AND MANAGEMENT OR THE SECRETARY'S DESIGNEE;

(V) ONE MEMBER OF THE BOARD OF TRUSTEES UNDER § 21–104(A)(4)(I), (II), (III), (IV), OR (V) OF THIS SUBTITLE, APPOINTED BY THE CHAIRMAN OF THE BOARD OF TRUSTEES;

(VI) ONE MEMBER OF THE BOARD OF TRUSTEES UNDER § 21–104(A)(4)(VIII) OF THIS SUBTITLE, APPOINTED BY THE CHAIRMAN OF THE BOARD OF TRUSTEES; AND

(VII) A MEMBER OF THE PUBLIC WITH FINANCIAL INDUSTRY EXPERIENCE, APPOINTED JOINTLY BY THE PRESIDING OFFICERS OF THE GENERAL ASSEMBLY.

(3) (I) THE CHAIRMAN OF THE BOARD OF TRUSTEES SHALL APPOINT THE CHAIR OF THE COMMITTEE.

(II) THE CHAIRMAN OF THE BOARD OF TRUSTEES MAY NOT SERVE AS THE CHAIR OF THE COMMITTEE.

(4) ON OR BEFORE DECEMBER 31, 2018, AND AT LEAST ONCE EVERY 5 YEARS THEREAFTER, THE COMMITTEE SHALL MAKE RECOMMENDATIONS TO THE BOARD OF TRUSTEES REGARDING:

(I) OBJECTIVE CRITERIA UNDER § 21–118.1(B)(2) AND (D) OF THIS SUBTITLE FOR THE COMPENSATION AND FINANCIAL INCENTIVES FOR THE CHIEF INVESTMENT OFFICER; AND

(II) OBJECTIVE CRITERIA UNDER SUBSECTIONS (A) AND (F) OF THIS SECTION FOR THE COMPENSATION AND FINANCIAL INCENTIVES FOR THE POSITIONS IN THE INVESTMENT DIVISION.

(5) (I) THE BOARD OF TRUSTEES SHALL ENTER INTO AN AGREEMENT WITH A CONSULTANT TO ASSIST THE COMMITTEE REGARDING OBJECTIVE CRITERIA UNDER THIS SUBSECTION.

(II) THE BOARD OF TRUSTEES MAY NOT ENTER INTO AN AGREEMENT WITH A CONSULTANT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THAT CONSULTANT IS ACTIVELY PROVIDING CONSULTING SERVICES FOR THE BOARD OF TRUSTEES AND THE STAFF OF THE INVESTMENT DIVISION.

(6) (I) THE CHIEF INVESTMENT OFFICER SHALL SERVE IN AN ADVISORY CAPACITY TO THE COMMITTEE.

(II) THE CHIEF INVESTMENT OFFICER MAY NOT PARTICIPATE IN ANY DELIBERATIONS REGARDING THE CRITERIA FOR COMPENSATION AND FINANCIAL INCENTIVES FOR THE CHIEF INVESTMENT OFFICER.

21–123.2.

*(d) (1) The Board of Trustees may enter into an agreement with the Maryland Technology Development Corporation or another entity to make and manage investments on behalf of the Board of Trustees in private equity and venture capital in the State with the amount of money appropriated to the system, the State Retirement Agency, or the accumulation funds of the several systems that**:***

(I) FOR FISCAL YEAR 2017, *is in addition to:*

[(i)***]*** ***1.*** *the amounts appropriated for the State and local employer contributions and the supplemental contribution required under §§ 21–308, 21–309, 21–309.1, and 21–310 of this title;*

[(ii)***]*** ***2.*** *the amount appropriated under § 7–311(j)(1)(i)1 of the State Finance and Procurement Article; and*

[(iii)***]*** ***3.*** *any other amounts required by any other provisions of law to be appropriated to the system, the State Retirement Agency, or the accumulation funds of the several systems**; AND***

(II) FOR FISCAL YEARS 2019 THROUGH 2022, IS APPROPRIATED UNDER § 21–308(A)(4) OF THIS TITLE.

*(2) If the Board of Trustees does not enter into an agreement with the Maryland Technology Development Corporation or another entity in accordance with paragraph (1) of this subsection, the Board of Trustees shall develop a process that authorizes the Maryland Technology Development Corporation or another entity to provide recommendations regarding investments in private equity and venture capital in the State with respect to the **[**additional**]** amount described under paragraph (1) of this subsection.*

21–201.

(b) "Fiduciary" means:

(1) a member of the Board of Trustees;

(2) a member of the Investment Committee;

(3) a member of a committee established by the Board of Trustees as authorized under § 21–108 of this title;

(4) A MEMBER OF A COMMITTEE ESTABLISHED UNDER § 21–122(G) OF THIS TITLE; *or*

[(4)] (5) *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.

21–303.

(d) (1) Except as provided in paragraph (2) of this subsection, each year, the Board of Trustees shall transfer from the accumulation fund of each State system to the expense fund of that system the amounts required by § 21–315 of this subtitle.

(2) The administrative and operational expenses of the Board of Trustees and the State Retirement Agency, not including amounts as authorized by the Board of Trustees necessary for investment management services **AND PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION**, shall be paid by participating employers as provided in § 21–316 of this subtitle and may not be transferred from the accumulation fund of each system.

21–315.

(a) The Board of Trustees shall credit to the expense fund of each State system its pro rata share of:

(1) the amount provided in the annual State budget to pay the administrative and operational expenses of the Board of Trustees and the State Retirement Agency;

(2) the amounts authorized by the Board of Trustees under this section for investment management services**, INCLUDING PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION**; and

(3) the amount authorized by the Board of Trustees to implement a closing agreement with the Internal Revenue Service regarding former members of the Employees' Retirement System or the Teachers' Retirement System who elected to become members of or participate in those State systems under former Article 73B, §§ 2–206 and 3–206 of the Code.

(b) **(1)** The Board of Trustees shall pay from the expense fund of each State system its pro rata share of:

[(1)**]** **(I)** the administrative and operational expenses of the Board of Trustees and the State Retirement Agency, in accordance with the annual State budget;

[(2)**]** **(II)** the amounts as authorized by the Board of Trustees necessary for investment management services**, INCLUDING PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION**; and

[(3)**]** **(III)** the amounts as authorized by the Board of Trustees necessary to implement a closing agreement with the Internal Revenue Service regarding former members of the Employees' Retirement System or the Teachers' Retirement System who elected to become members of or participate in those State systems under former Article 73B, §§ 2–206 and 3–206 of the Code.

(2) THE AMOUNTS FOR THE PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION SHALL BE ~~APPROPRIATED~~ PAID OUT OF THE ACCUMULATION FUND OF EACH STATE SYSTEM ON A PRO RATA BASIS AND MAY NOT BE PAID BY PARTICIPATING EMPLOYERS AS PROVIDED IN § 21–316 OF THIS SUBTITLE.

(c) Each year the Board of Trustees shall estimate the amount, not exceeding 0.22% of the payroll of members, necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency.

(d) (1) Each quarter of the fiscal year the Board of Trustees shall estimate one–fourth of an amount, not exceeding 0.5% of the market value as of the last day of the preceding quarter of invested assets that are externally managed exclusive of assets invested in real estate or alternative investments, necessary to procure and retain investment management services other than external real estate or alternative investment management services.

(2) The Board of Trustees is not limited in the amount of investment manager fees that the Board of Trustees may pay as necessary for external real estate or alternative investment management services.

(e) (1) The amounts estimated under subsection (c) of this section shall be paid into the expense funds of the several systems during the ensuing year on a pro rata basis according to the total membership of each system.

(2) The amounts estimated under subsection (d) of this section shall be paid into the expense funds of the several systems during the ensuing year on a pro rata basis according to the total assets held by each system.

(f) The Board of Trustees may combine the expense funds of the several systems for budgetary and administrative efficiency.

(g) **(1)** On or before December 31 of each year, the Board of Trustees shall report to the General Assembly the actual amount spent for investment management services during the preceding fiscal year.

(2) ON OR BEFORE DECEMBER 31 EACH YEAR, THE BOARD OF TRUSTEES SHALL REPORT TO THE GENERAL ASSEMBLY THE ACTUAL AMOUNT SPENT FOR INVESTMENT DIVISION OPERATIONS DURING THE PRECEDING FISCAL YEAR.

21–316.

(b) (1) Subject to paragraph (3) of this subsection, for each fiscal year, the State and each local employer shall pay to the Board of Trustees their pro rata shares of the amount necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency.

(2) The pro rata share of the State and of each local employer for each fiscal year shall be based on the number of members of the several systems employed by the State or local employer as of June 30 of the second prior fiscal year compared to the total membership of the several systems as of that date.

(3) The State shall pay the pro rata share under this section of each library.

(4) THE ADMINISTRATIVE AND OPERATIONAL EXPENSES OF THE BOARD OF TRUSTEES AND THE STATE RETIREMENT AGENCY USED TO DETERMINE THE PRO RATA SHARES UNDER THIS SUBSECTION MAY NOT INCLUDE COSTS FOR THE PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 728

(Senate Bill 899)

AN ACT concerning

State Retirement and Pension System – Investment Division

FOR the purpose of clarifying that the compensation of the Executive Director for the State Retirement Agency and certain staff shall be as provided in the State budget; requiring the Board of Trustees for the State Retirement and Pension System to adopt certain criteria for setting the qualifications and compensation of the Chief Investment Officer for the State Retirement and Pension System; prohibiting certain adjustments to the compensation of the Chief Investment Officer; requiring certain financial incentives awarded to the Chief Investment Officer and certain employees in the Investment Division to be paid in a certain manner; prohibiting certain financial incentives from being paid under certain circumstances; prohibiting certain financial incentives from being paid in a fiscal year when State employees are subject to a furlough; requiring certain financial incentives not paid under certain circumstances to be paid if certain conditions are satisfied; authorizing the Board of Trustees to determine the qualifications and compensation for positions within the Investment Division of the State Retirement Agency; authorizing the Board of Trustees to determine and create the type and number of certain positions necessary for carrying out certain investment functions; requiring the Board of Trustees to adopt objective criteria to be followed when exercising certain authority established under this Act; altering a requirement that the Board of Trustees report certain information to certain entities; requiring the Board of Trustees to report certain information to certain entities; requiring the Board of Trustees to adopt certain criteria for setting the qualifications and compensation of certain positions in the Investment Division; prohibiting the Board of Trustees from granting any increases in compensation for certain positions in the Investment Division under certain circumstances; prohibiting the Board of Trustees from setting compensation for certain positions in the Investment Division above a certain amount; requiring the Board of Trustees to adopt certain criteria for granting certain financial incentives to certain employees in the Investment Division; prohibiting the Board of Trustees from awarding financial incentives to certain positions; establishing that personnel and operational expenses of the Investment Division are investment management services to be paid from the expense fund of each State system on a pro rata basis; establishing an Objective Criteria Committee *of the Board of Trustees*; providing for the membership *and chair* of the Committee; *providing that a certain individual may not serve as chair of the Committee;* requiring the Committee to meet and make certain recommendations by a certain date; requiring the Committee to meet at certain intervals; requiring the Committee to make certain recommendations to the Board of Trustees regarding the objective criteria to be used in setting compensation and awarding financial incentives to certain employees in the Investment Division; requiring the Board of Trustees to enter into an agreement with ~~an investment~~ *a* consultant to provide certain services to the Committee; prohibiting the Board of Trustees from entering into a certain agreement with ~~an investment~~ *a* consultant that provides certain services to the Board of Trustees; requiring the Chief Investment Officer to serve in a certain advisory role to the Committee; prohibiting the Chief Investment Officer from participating in certain deliberations of the Committee; *establishing that members of the Committee are fiduciaries;* altering the amount of funds to which the Board of Trustees may enter into a certain agreement for the investment of funds in certain private equity and venture capital investments in the State; requiring the personnel and operational expenses of the Investment

Division to be ~~appropriated~~ paid out of the accumulation fund of each State system on a pro rata basis; establishing that personnel and operational expenses of the Investment Division are not included in the calculation of a certain payment by the State and local employers; making conforming changes; and generally relating to the governance and funding of the Investment Division of the State Retirement Agency.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–118(c)(1), 21–118.1, 21–122, 21–123.2(d)(1) and (2), *21–201(b)*, 21–303(d)(2), 21–315, and 21–316(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 21–303(d)(1)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

21–118.

(c) (1) **(I)** The Executive Director shall employ a staff ~~in accordance with the State budget~~ **TO CARRY OUT THE ADMINISTRATIVE DUTIES OF THE SEVERAL SYSTEMS**.

(II) EXCEPT AS PROVIDED IN § 21–315 OF THIS TITLE, THE COMPENSATION OF THE EXECUTIVE DIRECTOR AND STAFF SHALL BE AS PROVIDED IN THE STATE BUDGET.

21–118.1.

(a) Notwithstanding any other provision of law, on the recommendation of the Executive Director and the Investment Committee, the Board of Trustees shall determine the qualifications and appointment, as well as compensation and leave, for the Chief Investment Officer who shall be the head of the Investment Division.

(b) **(1)** In making determinations and appointments under this section, the Executive Director and the Investment Committee shall consider the comparative qualifications, compensation, and leave of employees serving in similar positions and discharging similar duties at comparable public pension funds.

(2) (I) 1. THE BOARD OF TRUSTEES SHALL ADOPT OBJECTIVE CRITERIA FOR SETTING THE QUALIFICATIONS AND COMPENSATION OF THE CHIEF INVESTMENT OFFICER.

2. THE BOARD SHALL CONSIDER THE RECOMMENDATIONS OF THE OBJECTIVE CRITERIA COMMITTEE UNDER § 21–122(G) OF THIS SUBTITLE BEFORE ADOPTING OBJECTIVE CRITERIA FOR SETTING COMPENSATION.

(II) THE CRITERIA ADOPTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE OBJECTIVE BENCHMARKS OF INVESTMENT PERFORMANCE THAT SHALL BE MET OR EXCEEDED FOR THE CHIEF INVESTMENT OFFICER TO BE ELIGIBLE FOR AN INCREASE IN COMPENSATION.

(III) THE BOARD MAY NOT GRANT ANY INCREASES IN COMPENSATION TO THE CHIEF INVESTMENT OFFICER IN A FISCAL YEAR IN WHICH STATE EMPLOYEES ARE SUBJECT TO A FURLOUGH.

(IV) THE CHIEF INVESTMENT OFFICER'S COMPENSATION MAY NOT BE ADJUSTED IN ACCORDANCE WITH COST–OF–LIVING ADJUSTMENTS AND MERIT INCREASES AVAILABLE TO STATE EMPLOYEES.

(c) **(1)** In addition to the Board of Trustees setting the **[**salary**] COMPENSATION** of the Chief Investment Officer under subsection (a) of this section **[**in accordance with the State budget**]**, the Board of Trustees may also award financial incentives to the Chief Investment Officer in accordance with **THIS SUBSECTION AND** subsection (d) of this section.

(2) (I) ANY FINANCIAL INCENTIVES PAID SHALL BE PAID OVER MULTIPLE FISCAL YEARS IN EQUAL INSTALLMENTS.

(II) THE DATES ON WHICH FINANCIAL INCENTIVES AWARDED UNDER THIS SECTION SHALL BE PAID SHALL BE SET BY THE BOARD OF TRUSTEES AT THE TIME THE FINANCIAL INCENTIVES ARE DETERMINED.

(III) THE DATES SET UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH MAY NOT BE CHANGED AFTER BEING SET.

(3) IF THE CHIEF INVESTMENT OFFICER SEPARATES FROM EMPLOYMENT, THE BOARD OF TRUSTEES MAY NOT PAY OUT ANY REMAINING FINANCIAL INCENTIVES DUE TO BE PAID AFTER THE DATE OF SEPARATION FROM EMPLOYMENT.

(4) (I) THE BOARD OF TRUSTEES MAY NOT PAY FINANCIAL INCENTIVES IN A FISCAL YEAR IN WHICH STATE EMPLOYEES ARE SUBJECT TO A FURLOUGH.

(II) THE BOARD OF TRUSTEES SHALL PAY OUT ANY FINANCIAL INCENTIVES NOT PAID IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH ONLY:

1. AFTER THE FURLOUGH PERIOD HAS ENDED; AND

2. IF THE CHIEF INVESTMENT OFFICER IS CURRENTLY EMPLOYED AS THE CHIEF INVESTMENT OFFICER.

(d) (1) **(I)** **1.** On the recommendation of the Investment Committee, the Board of Trustees shall establish **OBJECTIVE** criteria for awarding financial incentives to the Chief Investment Officer.

2. THE BOARD SHALL CONSIDER THE RECOMMENDATIONS OF THE OBJECTIVE CRITERIA COMMITTEE UNDER § 21–122(G) OF THIS SUBTITLE BEFORE ADOPTING OBJECTIVE CRITERIA FOR AWARDING FINANCIAL INCENTIVES.

(II) FINANCIAL INCENTIVES MAY ONLY BE AWARDED BASED ON THE OBJECTIVE CRITERIA ADOPTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(2) The criteria under paragraph (1) of this subsection shall **[**be based on**]** **INCLUDE**:

(i) objective benchmarks of investment performance for the assets of the several systems **THAT SHALL BE MET OR EXCEEDED**; **[**and**]**

(ii) **OBJECTIVE** criteria used by comparable public pension funds awarding financial incentives to chief investment officers**; AND**

(III) LIMITATIONS ON THE AMOUNT OF FINANCIAL INCENTIVES IN A FISCAL YEAR, NOT TO EXCEED 33% OF THE CHIEF INVESTMENT OFFICER'S COMPENSATION EXCLUSIVE OF FINANCIAL INCENTIVES.

(3) The Chief Investment Officer may not participate in any deliberations regarding the establishment of criteria under this subsection.

(4) The criteria established under this subsection shall be included in the investment policy manual.

(5) On or before September 1 of each year, the Board of Trustees shall submit to the Joint Committee on Pensions, in accordance with § 2–1246 of the State Government Article, a copy of the most recent criteria established under this section and any financial incentives that were awarded for the previous fiscal year to the Chief Investment Officer.

(e) **[**The compensation and any financial incentives awarded to the Chief Investment Officer shall be in accordance with the limitations on administrative and operational expenses under § 21–315(c) of this title.

(f)**]** The Chief Investment Officer appointed under this section is a State employee and shall be entitled to participate in the Employees' Pension System under Title 23 of this article.

[(g)**] (F)** On the recommendation of either the Investment Committee or the Executive Director and on receiving an affirmative vote from a majority of the Board of Trustees, the Executive Director shall terminate the appointment of the Chief Investment Officer.

21–122.

(a) (1) There is an Investment Division in the State Retirement Agency.

(2) Subject to **[**paragraph (3) of this subsection**] SUBSECTION (F) OF THIS SECTION**, the Board of Trustees shall determine the qualifications and compensation for **[**the following**]** positions within the Investment Division**[**:

(i) deputy chief investment officer; and

(ii) managing director**]**.

(3) The Board of Trustees**[**may not:

(i) set or increase the salary for the deputy chief investment officer at an amount greater than the maximum salary under the ES11 scale of the Maryland Executive Pay Plan;

(ii) set or increase the salary for a managing director at an amount greater than the maximum salary under the ES9 scale of the Maryland Executive Pay Plan;

(iii) provide bonuses for an employee; or

(iv) subject to the limitations under items (i) and (ii) of this paragraph, set or increase the salary for a position that provides more than a 10% increase over the lowest salary for the position in the prior fiscal year**]:**

(I) MAY DETERMINE AND CREATE THE TYPE AND NUMBER OF POSITIONS NECESSARY FOR CARRYING OUT THE PROFESSIONAL INVESTMENT FUNCTIONS OF THE INVESTMENT DIVISION; AND

(II) SHALL ADOPT OBJECTIVE CRITERIA TO BE FOLLOWED WHEN EXERCISING ITS AUTHORITY UNDER ITEM (I) OF THIS PARAGRAPH AND PARAGRAPH (2) OF THIS SUBSECTION.

(4) On or before October 1, 2012, and each October 1 thereafter, the Board of Trustees shall report to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions, in accordance with § 2–1246 of the State Government Article on:

(i) the current **[**salaries**]** **COMPENSATION** of the **[**deputy chief investment officer and the managing directors**]** **THE CHIEF INVESTMENT OFFICER AND EMPLOYEES** of the Investment Division;

(ii) any **[**salary**]** **COMPENSATION** increases **[**the deputy chief investment officer or managing directors**]** **THE CHIEF INVESTMENT OFFICER AND EMPLOYEES** of the Investment Division have received in the fiscal year immediately preceding that October 1; **[**and**]**

(iii) 1. the number of individuals in the Investment Division of the State Retirement Agency who were employed as professional investment staff and terminated employment with the State Retirement Agency in the fiscal year immediately preceding that October 1;

2. the number of years of employment an individual described in item 1 of this item had accrued with the State Retirement Agency at the time the individual terminated employment with the State Retirement Agency; and

3. to the extent possible, the new employer, position, and **[**salary**]** **COMPENSATION** the individual described in item 1 of this item accepted upon terminating employment with the State Retirement Agency**;**

(IV) THE CRITERIA USED TO SET THE COMPENSATION OF EMPLOYEES OF THE INVESTMENT DIVISION;

(V) THE CRITERIA USED TO DETERMINE THE TYPE AND NUMBER OF POSITIONS NECESSARY TO CARRY OUT THE FUNCTIONS OF THE INVESTMENT DIVISION;

(VI) THE NUMBER OF EMPLOYEES ELIGIBLE FOR FINANCIAL INCENTIVES, AND THE FINANCIAL INCENTIVES PAID IN THE CURRENT FISCAL YEAR; AND

(VII) THE NET IMPACT ON SYSTEM INVESTMENT RETURNS ATTRIBUTABLE TO THE COSTS OF THE INVESTMENT DIVISION FOR THE PRECEDING FISCAL YEAR.

(b) As the Board of Trustees specifies, the Investment Division shall invest the assets of the several systems.

(c) (1) Quarterly, the Investment Division shall submit to the Board of Trustees a report about the commissions that the State Retirement Agency pays on investments.

(2) The report shall detail:

(i) the identity of each recipient of a commission that the State Retirement Agency paid during the previous quarter;

(ii) the dollar amount of commission business that each recipient performs;

(iii) the average price–per–share each recipient charged or, if the commission was paid on a net basis, the markup or markdown that the recipient uses; and

(iv) a reasonable history of the allocation of commissions.

(d) On behalf of the several systems, the Chief Investment Officer:

(1) may hire external investment managers to invest the assets of the several systems;

(2) may select and invest in specific investment vehicles, including limited partnerships, private equity fund investments, and private real estate fund investments; and

(3) may terminate the appointment of an external investment manager.

(e) Prior to terminating the appointment of an external investment manager under subsection (d)(2) of this section, the Chief Investment Officer shall provide written documentation to the Board of Trustees and the Investment Committee explaining the basis for the termination.

(F) (1) (I) <u>1.</u> THE BOARD OF TRUSTEES SHALL ADOPT OBJECTIVE CRITERIA FOR SETTING THE QUALIFICATIONS AND COMPENSATION OF POSITIONS UNDER SUBSECTION (A) OF THIS SECTION.

2. THE BOARD SHALL CONSIDER THE RECOMMENDATIONS OF THE OBJECTIVE CRITERIA COMMITTEE UNDER SUBSECTION (G) OF THIS SECTION BEFORE ADOPTING OBJECTIVE CRITERIA FOR SETTING COMPENSATION.

(II) THE CRITERIA ADOPTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE:

1. CONSIDERATION OF THE COMPARATIVE QUALIFICATIONS AND COMPENSATION OF EMPLOYEES SERVING IN SIMILAR POSITIONS AND DISCHARGING SIMILAR DUTIES AT COMPARABLE PUBLIC PENSION FUNDS;

2. LIMITATIONS ON THE AMOUNT BY WHICH THE COMPENSATION FOR A POSITION MAY BE INCREASED EACH FISCAL YEAR, NOT TO EXCEED 10%; AND

3. OBJECTIVE BENCHMARKS OF INVESTMENT PERFORMANCE THAT SHALL BE MET OR EXCEEDED BY AN INDIVIDUAL TO BE ELIGIBLE FOR AN INCREASE IN COMPENSATION.

(III) THE BOARD OF TRUSTEES MAY NOT GRANT ANY INCREASES IN COMPENSATION IN A FISCAL YEAR IN WHICH STATE EMPLOYEES ARE SUBJECT TO A FURLOUGH.

(IV) FOR POSITIONS THAT DO NOT INVOLVE DISCRETION OVER INVESTMENT–RELATED DECISIONS, THE BOARD OF TRUSTEES MAY NOT SET COMPENSATION THAT EXCEEDS COMPENSATION FOR PROVIDING COMPARABLE SERVICES IN OTHER STATE EMPLOYMENT.

(V) EXCEPT FOR POSITIONS UNDER SUBPARAGRAPH (IV) OF THIS PARAGRAPH, THE COMPENSATION OF AN EMPLOYEE MAY NOT BE ADJUSTED IN ACCORDANCE WITH COST–OF–LIVING ADJUSTMENTS AND MERIT INCREASES AVAILABLE TO STATE EMPLOYEES.

(2) (I) 1. THE BOARD OF TRUSTEES SHALL ADOPT OBJECTIVE CRITERIA FOR ~~GRANTING~~ AWARDING FINANCIAL INCENTIVES UNDER SUBSECTION (A) OF THIS SECTION.

2. THE BOARD SHALL CONSIDER THE RECOMMENDATIONS OF THE OBJECTIVE CRITERIA COMMITTEE UNDER SUBSECTION (G) OF THIS SECTION BEFORE ADOPTING OBJECTIVE CRITERIA FOR AWARDING FINANCIAL INCENTIVES.

(II) FINANCIAL INCENTIVES MAY ONLY BE AWARDED BASED ON THE OBJECTIVE CRITERIA ADOPTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(III) THE CRITERIA ADOPTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE:

1. LIMITATIONS ON THE AMOUNT OF FINANCIAL INCENTIVES FOR A POSITION IN A FISCAL YEAR, NOT TO EXCEED 33% OF A POSITION'S COMPENSATION, EXCLUSIVE OF FINANCIAL INCENTIVES; AND

2. OBJECTIVE BENCHMARKS OF INVESTMENT PERFORMANCE THAT SHALL BE MET OR EXCEEDED BY AN INDIVIDUAL TO BE ELIGIBLE FOR FINANCIAL INCENTIVES, INCLUDING BENCHMARKS FOR THE ASSET CLASS IN WHICH INVESTMENTS ARE UNDER THE DIRECTION OF THE INDIVIDUAL.

~~(III)~~ (IV) 1. ANY FINANCIAL INCENTIVES PAID SHALL BE PAID OVER MULTIPLE FISCAL YEARS IN EQUAL INSTALLMENTS.

2. THE DATES ON WHICH FINANCIAL INCENTIVES AWARDED UNDER THIS SECTION SHALL BE PAID SHALL BE SET BY THE BOARD OF TRUSTEES AT THE TIME THE FINANCIAL INCENTIVES ARE DETERMINED.

3. THE DATES SET UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH MAY NOT BE CHANGED AFTER BEING SET.

~~(IV)~~ (V) IF AN INDIVIDUAL WHO HAS EARNED FINANCIAL INCENTIVES SEPARATES FROM EMPLOYMENT IN THE INVESTMENT DIVISION, THE BOARD OF TRUSTEES MAY NOT PAY OUT ANY REMAINING FINANCIAL INCENTIVES DUE TO BE PAID AFTER THE DATE OF SEPARATION FROM EMPLOYMENT.

~~(V)~~ (VI) THE BOARD OF TRUSTEES MAY NOT AWARD FINANCIAL INCENTIVES FOR POSITIONS THAT DO NOT INVOLVE DISCRETION OVER INVESTMENT–RELATED DECISIONS.

~~(VI)~~ (VII) 1. THE BOARD OF TRUSTEES MAY NOT PAY OUT FINANCIAL INCENTIVES IN A FISCAL YEAR IN WHICH STATE EMPLOYEES ARE SUBJECT TO A FURLOUGH.

2. THE BOARD OF TRUSTEES SHALL PAY OUT ANY FINANCIAL INCENTIVES NOT PAID TO AN INDIVIDUAL IN ACCORDANCE WITH SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH ONLY:

A. AFTER THE FURLOUGH PERIOD HAS ENDED; AND

B. IF THE INDIVIDUAL IS CURRENTLY EMPLOYED IN THE INVESTMENT DIVISION.

(3) (I) ON OR BEFORE OCTOBER 1 EACH YEAR, THE BOARD OF TRUSTEES SHALL SUBMIT TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, A COPY OF THE MOST RECENT CRITERIA ADOPTED UNDER THIS SUBSECTION.

(II) IN ADDITION TO THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE BOARD OF TRUSTEES SHALL SUBMIT, WITHIN 30 DAYS OF ADOPTION BY THE BOARD OF TRUSTEES, A COPY OF ANY CHANGES ADOPTED TO THE CRITERIA ESTABLISHED UNDER THIS SUBSECTION TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE.

(4) ON OR BEFORE OCTOBER 1, JANUARY 1, MARCH 1, AND JULY 1 EACH YEAR, THE BOARD OF TRUSTEES SHALL SUBMIT TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, A REPORT ON SYSTEM INVESTMENT RETURNS FOR THE PRECEDING FISCAL QUARTER, INCLUDING:

(I) INVESTMENT PERFORMANCE BY ASSET CLASS, INCLUDING PERFORMANCE RELATIVE TO ASSET CLASS BENCHMARKS; AND

(II) INVESTMENT PERFORMANCE OF ASSETS UNDER THE DIRECTION OF EACH INVESTMENT DIVISION EMPLOYEE.

(G) (1) THERE IS AN OBJECTIVE CRITERIA COMMITTEE *OF THE BOARD OF TRUSTEES*.

(2) THE COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:

(I) ONE MEMBER OF THE SENATE OF MARYLAND SERVING ON THE JOINT COMMITTEE ON PENSIONS, APPOINTED BY *THE PRESIDENT OF* THE SENATE ~~CHAIR OF THE JOINT COMMITTEE ON PENSIONS~~;

(II) ONE MEMBER OF THE HOUSE OF DELEGATES SERVING ON THE JOINT COMMITTEE ON PENSIONS, APPOINTED BY *THE SPEAKER OF* THE HOUSE ~~CHAIR OF THE JOINT COMMITTEE ON PENSIONS~~;

(III) THE STATE TREASURER OR THE STATE TREASURER'S DESIGNEE;

(IV) THE SECRETARY OF BUDGET AND MANAGEMENT OR THE SECRETARY'S DESIGNEE;

(V) ONE MEMBER OF THE BOARD OF TRUSTEES UNDER § 21–104(A)(4)(I), (II), (III), (IV), OR (V) OF THIS SUBTITLE, APPOINTED BY THE CHAIRMAN OF THE BOARD OF TRUSTEES;

(VI) ONE MEMBER OF THE BOARD OF TRUSTEES UNDER § 21–104(A)(4)(VIII) OF THIS SUBTITLE, APPOINTED BY THE CHAIRMAN OF THE BOARD OF TRUSTEES; AND

(VII) A MEMBER OF THE PUBLIC WITH FINANCIAL INDUSTRY EXPERIENCE, APPOINTED JOINTLY BY THE PRESIDING OFFICERS OF THE GENERAL ASSEMBLY.

(3) *(I)* THE ~~CHAIR OF THE COMMITTEE SHALL BE ELECTED BY THE MEMBERS OF THE COMMITTEE~~ *CHAIRMAN OF THE BOARD OF TRUSTEES SHALL APPOINT THE CHAIR OF THE COMMITTEE.*

(II) THE CHAIRMAN OF THE BOARD OF TRUSTEES MAY NOT SERVE AS THE CHAIR OF THE COMMITTEE.

(4) ON OR BEFORE DECEMBER 31, 2018, AND AT LEAST ONCE EVERY 5 YEARS THEREAFTER, THE COMMITTEE SHALL MAKE RECOMMENDATIONS TO THE BOARD OF TRUSTEES ~~ESTABLISHING~~ *REGARDING*:

(I) OBJECTIVE CRITERIA UNDER § 21–118.1(B)(2) AND (D) OF THIS SUBTITLE FOR THE COMPENSATION AND FINANCIAL INCENTIVES FOR THE CHIEF INVESTMENT OFFICER; AND

(II) OBJECTIVE CRITERIA UNDER SUBSECTIONS (A) AND (F) OF THIS SECTION FOR THE COMPENSATION AND FINANCIAL INCENTIVES FOR THE POSITIONS IN THE INVESTMENT DIVISION.

(5) (I) THE BOARD OF TRUSTEES SHALL ENTER INTO AN AGREEMENT WITH ~~AN INVESTMENT~~ *A* CONSULTANT TO ASSIST THE COMMITTEE ~~IN ESTABLISHING~~ *REGARDING* OBJECTIVE CRITERIA UNDER THIS SUBSECTION.

(II) THE BOARD OF TRUSTEES MAY NOT ENTER INTO AN AGREEMENT WITH ~~AN INVESTMENT~~ *A* CONSULTANT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THAT ~~INVESTMENT~~ CONSULTANT IS ACTIVELY PROVIDING

CONSULTING SERVICES FOR THE BOARD OF TRUSTEES AND THE STAFF OF THE INVESTMENT DIVISION.

(6) (I) THE CHIEF INVESTMENT OFFICER SHALL SERVE IN AN ADVISORY CAPACITY TO THE COMMITTEE.

(II) THE CHIEF INVESTMENT OFFICER MAY NOT PARTICIPATE IN ANY DELIBERATIONS REGARDING THE CRITERIA FOR COMPENSATION AND FINANCIAL INCENTIVES FOR THE CHIEF INVESTMENT OFFICER.

21–123.2.

(d) (1) The Board of Trustees may enter into an agreement with the Maryland Technology Development Corporation or another entity to make and manage investments on behalf of the Board of Trustees in private equity and venture capital in the State with the amount of money appropriated to the system, the State Retirement Agency, or the accumulation funds of the several systems that**:**

(I) FOR FISCAL YEAR 2017, is in addition to:

[(i)**] 1.** the amounts appropriated for the State and local employer contributions and the supplemental contribution required under §§ 21–308, 21–309, 21–309.1, and 21–310 of this title;

[(ii)**] 2.** the amount appropriated under § 7–311(j)(1)(i)1 of the State Finance and Procurement Article; and

[(iii)**] 3.** any other amounts required by any other provisions of law to be appropriated to the system, the State Retirement Agency, or the accumulation funds of the several systems**; AND**

(II) FOR FISCAL YEARS 2019 THROUGH 2022, IS APPROPRIATED UNDER § 21–308(A)(4) OF THIS TITLE.

(2) If the Board of Trustees does not enter into an agreement with the Maryland Technology Development Corporation or another entity in accordance with paragraph (1) of this subsection, the Board of Trustees shall develop a process that authorizes the Maryland Technology Development Corporation or another entity to provide recommendations regarding investments in private equity and venture capital in the State with respect to the **[**additional**]** amount described under paragraph (1) of this subsection.

21–201.

(b) "Fiduciary" means:

(1) a member of the Board of Trustees;

(2) a member of the Investment Committee;

(3) a member of a committee established by the Board of Trustees as authorized under § 21–108 of this title;

(4) A MEMBER OF A COMMITTEE ESTABLISHED UNDER § 21–122(G) OF THIS TITLE; *or*

[(4)] (5) *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.

21–303.

(d) (1) Except as provided in paragraph (2) of this subsection, each year, the Board of Trustees shall transfer from the accumulation fund of each State system to the expense fund of that system the amounts required by § 21–315 of this subtitle.

(2) The administrative and operational expenses of the Board of Trustees and the State Retirement Agency, not including amounts as authorized by the Board of Trustees necessary for investment management services **AND PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION**, shall be paid by participating employers as provided in § 21–316 of this subtitle and may not be transferred from the accumulation fund of each system.

21–315.

(a) The Board of Trustees shall credit to the expense fund of each State system its pro rata share of:

(1) the amount provided in the annual State budget to pay the administrative and operational expenses of the Board of Trustees and the State Retirement Agency;

(2) the amounts authorized by the Board of Trustees under this section for investment management services**, INCLUDING PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION**; and

(3) the amount authorized by the Board of Trustees to implement a closing agreement with the Internal Revenue Service regarding former members of the Employees' Retirement System or the Teachers' Retirement System who elected to become members of

or participate in those State systems under former Article 73B, §§ 2–206 and 3–206 of the Code.

(b) **(1)** The Board of Trustees shall pay from the expense fund of each State system its pro rata share of:

[(1)**]** **(I)** the administrative and operational expenses of the Board of Trustees and the State Retirement Agency, in accordance with the annual State budget;

[(2)**]** **(II)** the amounts as authorized by the Board of Trustees necessary for investment management services**, INCLUDING PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION**; and

[(3)**]** **(III)** the amounts as authorized by the Board of Trustees necessary to implement a closing agreement with the Internal Revenue Service regarding former members of the Employees' Retirement System or the Teachers' Retirement System who elected to become members of or participate in those State systems under former Article 73B, §§ 2–206 and 3–206 of the Code.

(2) THE AMOUNTS FOR THE PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION SHALL BE ~~APPROPRIATED~~ PAID OUT OF THE ACCUMULATION FUND OF EACH STATE SYSTEM ON A PRO RATA BASIS AND MAY NOT BE PAID BY PARTICIPATING EMPLOYERS AS PROVIDED IN § 21–316 OF THIS SUBTITLE.

(c) Each year the Board of Trustees shall estimate the amount, not exceeding 0.22% of the payroll of members, necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency.

(d) (1) Each quarter of the fiscal year the Board of Trustees shall estimate one–fourth of an amount, not exceeding 0.5% of the market value as of the last day of the preceding quarter of invested assets that are externally managed exclusive of assets invested in real estate or alternative investments, necessary to procure and retain investment management services other than external real estate or alternative investment management services.

(2) The Board of Trustees is not limited in the amount of investment manager fees that the Board of Trustees may pay as necessary for external real estate or alternative investment management services.

(e) (1) The amounts estimated under subsection (c) of this section shall be paid into the expense funds of the several systems during the ensuing year on a pro rata basis according to the total membership of each system.

(2) The amounts estimated under subsection (d) of this section shall be paid into the expense funds of the several systems during the ensuing year on a pro rata basis according to the total assets held by each system.

(f) The Board of Trustees may combine the expense funds of the several systems for budgetary and administrative efficiency.

(g) **(1)** On or before December 31 of each year, the Board of Trustees shall report to the General Assembly the actual amount spent for investment management services during the preceding fiscal year.

(2) ON OR BEFORE DECEMBER 31 EACH YEAR, THE BOARD OF TRUSTEES SHALL REPORT TO THE GENERAL ASSEMBLY THE ACTUAL AMOUNT SPENT FOR INVESTMENT DIVISION OPERATIONS DURING THE PRECEDING FISCAL YEAR.

21–316.

(b) (1) Subject to paragraph (3) of this subsection, for each fiscal year, the State and each local employer shall pay to the Board of Trustees their pro rata shares of the amount necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency.

(2) The pro rata share of the State and of each local employer for each fiscal year shall be based on the number of members of the several systems employed by the State or local employer as of June 30 of the second prior fiscal year compared to the total membership of the several systems as of that date.

(3) The State shall pay the pro rata share under this section of each library.

(4) THE ADMINISTRATIVE AND OPERATIONAL EXPENSES OF THE BOARD OF TRUSTEES AND THE STATE RETIREMENT AGENCY USED TO DETERMINE THE PRO RATA SHARES UNDER THIS SUBSECTION MAY NOT INCLUDE COSTS FOR THE PERSONNEL AND OPERATIONAL EXPENSES OF THE INVESTMENT DIVISION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 729

(House Bill 1635)

AN ACT concerning

Mental Health Law – Involuntary Admissions – ~~Requirements and~~ Procedures

FOR the purpose of ~~requiring the Maryland Department of Health to provide for admission of a certain emergency evaluee to a certain State facility or other certain facility within a certain period of time after a certain notification;~~ prohibiting a certain hearing officer from ordering the release of an individual who meets the requirements for involuntary admission under a certain provision of law on certain grounds; and generally relating to the requirements and procedures for involuntary admissions under the Maryland Mental Health Law.

BY repealing and reenacting, with amendments,
Article – Health – General
Section ~~10–625 and~~ 10–632
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Health – General

~~10–625.~~

~~(a) If an emergency evaluee meets the requirements for an involuntary admission and is unable or unwilling to agree to a voluntary admission under this subtitle, the examining physician shall take the steps needed for involuntary admission of the emergency evaluee to an appropriate facility, which may be a general hospital with a licensed inpatient psychiatric unit.~~

~~(b) (1) If the examining physician is unable to have the emergency evaluee admitted to a facility, the physician shall notify the Department.~~

~~(2) Within 6 hours after notification, the Department shall provide for admission of the emergency evaluee to~~ **[**an**]** ~~A~~ **STATE FACILITY OR ANOTHER** ~~appropriate facility.~~

10–632.

(a) Any individual proposed for involuntary admission under Part III of this subtitle shall be afforded a hearing to determine whether the individual is to be admitted to a facility or a Veterans' Administration hospital as an involuntary patient or released without being admitted.

(b) The hearing shall be conducted within 10 days of the date of the initial confinement of the individual.

(c) (1) The hearing may be postponed for good cause for no more than 7 days, and the reasons for the postponement shall be on the record.

(2) A decision shall be made within the time period provided in paragraph (1) of this subsection.

(d) The Secretary shall:

(1) Adopt rules and regulations on hearing procedures; and

(2) Designate an impartial hearing officer to conduct the hearings.

(e) The hearing officer shall:

(1) Consider all the evidence and testimony of record; and

(2) Order the release of the individual from the facility unless the record demonstrates by clear and convincing evidence that at the time of the hearing each of the following elements exist as to the individual whose involuntary admission is sought:

(i) The individual has a mental disorder;

(ii) The individual needs in–patient care or treatment;

(iii) The individual presents a danger to the life or safety of the individual or of others;

(iv) The individual is unable or unwilling to be voluntarily admitted to the facility;

(v) There is no available less restrictive form of intervention that is consistent with the welfare and safety of the individual; and

(vi) If the individual is 65 years old or older and is to be admitted to a State facility, the individual has been evaluated by a geriatric evaluation team and no less restrictive form of care or treatment was determined by the team to be appropriate.

(F) THE HEARING OFFICER MAY NOT ORDER THE RELEASE OF AN INDIVIDUAL WHO MEETS THE REQUIREMENTS FOR INVOLUNTARY ADMISSION UNDER SUBSECTION (E)(2) OF THIS SECTION ON THE GROUNDS THAT THE INDIVIDUAL WAS KEPT AT AN EMERGENCY FACILITY FOR MORE THAN 30 HOURS IN VIOLATION OF § 10–624(B)(4) OF THIS SUBTITLE.

[(f)**] (G)** The parent, guardian, or next of kin of an individual involuntarily admitted under this subtitle:

(1) Shall be given notice of the hearing on the admission; and

(2) May testify at the hearing.

[(g)**] (H)** If a hearing officer enters an order for involuntary commitment under Part III of this subtitle and the hearing officer determines that the individual cannot safely possess a firearm based on credible evidence of dangerousness to others, the hearing officer shall order the individual who is subject to the involuntary commitment to:

(1) Surrender to law enforcement authorities any firearms in the individual's possession; and

(2) Refrain from possessing a firearm unless the individual is granted relief from firearms disqualification in accordance with § 5–133.3 of the Public Safety Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 730

(Senate Bill 947)

AN ACT concerning

Mental Health Law – Involuntary Admissions – ~~Requirements and~~ Procedures

FOR the purpose of ~~requiring the Maryland Department of Health to provide for admission of a certain emergency evaluee to a certain State facility or other certain facility within a certain period of time after a certain notification;~~ prohibiting a certain hearing officer from ordering the release of an individual who meets the requirements for involuntary admission under a certain provision of law on certain grounds; and generally relating to the requirements and procedures for involuntary admissions under the Maryland Mental Health Law.

BY repealing and reenacting, with amendments,
Article – Health – General
Section ~~10–625 and~~ 10–632
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Health – General

~~10–625.~~

~~(a) If an emergency evaluee meets the requirements for an involuntary admission and is unable or unwilling to agree to a voluntary admission under this subtitle, the examining physician shall take the steps needed for involuntary admission of the emergency evaluee to an appropriate facility, which may be a general hospital with a licensed inpatient psychiatric unit.~~

~~(b) (1) If the examining physician is unable to have the emergency evaluee admitted to a facility, the physician shall notify the Department.~~

~~(2) Within 6 hours after notification, the Department shall provide for admission of the emergency evaluee to~~ **[**an**]** ~~**A STATE FACILITY OR ANOTHER** appropriate facility.~~

10–632.

(a) Any individual proposed for involuntary admission under Part III of this subtitle shall be afforded a hearing to determine whether the individual is to be admitted to a facility or a Veterans' Administration hospital as an involuntary patient or released without being admitted.

(b) The hearing shall be conducted within 10 days of the date of the initial confinement of the individual.

(c) (1) The hearing may be postponed for good cause for no more than 7 days, and the reasons for the postponement shall be on the record.

(2) A decision shall be made within the time period provided in paragraph (1) of this subsection.

(d) The Secretary shall:

(1) Adopt rules and regulations on hearing procedures; and

(2) Designate an impartial hearing officer to conduct the hearings.

(e) The hearing officer shall:

(1) Consider all the evidence and testimony of record; and

(2) Order the release of the individual from the facility unless the record demonstrates by clear and convincing evidence that at the time of the hearing each of the following elements exist as to the individual whose involuntary admission is sought:

(i) The individual has a mental disorder;

(ii) The individual needs in–patient care or treatment;

(iii) The individual presents a danger to the life or safety of the individual or of others;

(iv) The individual is unable or unwilling to be voluntarily admitted to the facility;

(v) There is no available less restrictive form of intervention that is consistent with the welfare and safety of the individual; and

(vi) If the individual is 65 years old or older and is to be admitted to a State facility, the individual has been evaluated by a geriatric evaluation team and no less restrictive form of care or treatment was determined by the team to be appropriate.

(F) THE HEARING OFFICER MAY NOT ORDER THE RELEASE OF AN INDIVIDUAL WHO MEETS THE REQUIREMENTS FOR INVOLUNTARY ADMISSION UNDER SUBSECTION (E)(2) OF THIS SECTION ON THE GROUNDS THAT THE INDIVIDUAL WAS KEPT AT AN EMERGENCY FACILITY FOR MORE THAN 30 HOURS IN VIOLATION OF § 10–624(B)(4) OF THIS SUBTITLE.

[(f)**] (G)** The parent, guardian, or next of kin of an individual involuntarily admitted under this subtitle:

(1) Shall be given notice of the hearing on the admission; and

(2) May testify at the hearing.

[(g)**] (H)** If a hearing officer enters an order for involuntary commitment under Part III of this subtitle and the hearing officer determines that the individual cannot safely possess a firearm based on credible evidence of dangerousness to others, the hearing officer shall order the individual who is subject to the involuntary commitment to:

(1) Surrender to law enforcement authorities any firearms in the individual's possession; and

(2) Refrain from possessing a firearm unless the individual is granted relief from firearms disqualification in accordance with § 5–133.3 of the Public Safety Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 731

(House Bill 1634)

AN ACT concerning

Financial Consumer Protection Act of 2018

FOR the purpose of ~~prohibiting certain persons from making certain loans under certain circumstances; providing that certain loans are void and unenforceable under certain circumstances; prohibiting certain persons from receiving or retaining certain principal, interest, fees, or other compensation under certain circumstances; prohibiting certain persons from selling, assigning, or otherwise transferring certain loans; authorizing a certain lender to collect a certain rate of interest, charge, discount, or other consideration; altering the circumstances under which certain lenders may make certain loans; altering the application of specified provisions of law regarding interest and usury and certain small consumer loans; altering a certain prohibition on a certain lender contracting for, charging, or receiving certain fees or charges; altering a certain prohibition on a certain lender taking a certain security interest; altering a certain prohibition on a person lending a specified amount under certain circumstances; prohibiting a certain person from collecting or attempting to collect a certain amount from a borrower;~~ altering the definition of "unfair or deceptive trade practice" to be "unfair, abusive, or deceptive trade practice"; providing that unfair, abusive, or deceptive trade practices include violations of the federal Military Lending Act or the federal Servicemembers Civil Relief Act; altering certain civil penalties for certain violations of the Maryland Consumer Protection Act or State financial laws and provisions regarding ~~consumer reporting agencies,~~ collection agencies, mortgage lenders, mortgage loan originators, check cashers, money transmitters, and debt management services; prohibiting a certain collector from engaging in certain unlicensed debt collection activity and certain conduct under certain circumstances; ~~requiring a consumer reporting agency to provide a certain notification of a breach of the security of a system; altering the requirement that a consumer reporting agency reinvestigate and record certain information; prohibiting a consumer reporting agency from charging for any service relating to a security freeze; altering a certain notice that must be included with a certain summary of rights provided to a consumer;~~ specifying the purpose of certain provisions of law; requiring the Commissioner of Financial Regulation and the Office of the Attorney General to use certain authority to bring certain civil actions or proceedings under certain circumstances; requiring the Governor to appropriate certain amounts in the annual State budget for the Commissioner and the Office; requiring the Commissioner and the Office to use certain funds for certain purposes; ~~providing that a certain person is a fiduciary and has a certain duty; requiring a certain person to disclose to a client certain information and to make a certain inquiry; authorizing the Commissioner of Securities of the Office of the Attorney General to adopt certain regulations; requiring the Standing Committee on Rules of Practice and Procedure of the Court of Appeals and the Commissioner of Financial~~

~~Regulation to adopt certain rules consistent with a certain model act; requiring a certain person who makes installment loans or engages in credit services business activities to be licensed under certain provisions of law and specifying that the person is subject to certain provisions; requiring certain licensing, investigatory, enforcement, and penalty provisions to be interpreted, construed, and applied in a certain manner; altering the definition of "mortgage loan originator" to include a certain seller of a manufactured home; requiring the Commissioner of Financial Regulation to designate an individual to serve as the Student Loan Ombudsman; establishing the duties and responsibilities of the Student Loan Ombudsman; requiring the Student Loan Ombudsman, in consultation with the Commissioner, to establish a certain student loan borrower education course; establishing the requirements of the course; prohibiting a person from engaging in student education loan servicing unless the person is licensed by the Commissioner or is exempt from licensing; establishing the application requirements for a student loan servicer license; requiring the Commissioner to investigate certain information under certain circumstances; requiring a certain person to provide fingerprints and pay a certain fee under certain circumstances; requiring the Commissioner to issue or deny an application for a student education loan servicing license under certain circumstances; specifying the expiration date of a certain license; establishing the requirements and procedures for the renewal of a student education loan servicing license; providing for the effective date of a certain initial license under certain circumstances; authorizing the Commissioner to refuse to approve a renewal license application under certain circumstances; establishing procedures regarding the abandonment of certain license applications; requiring a certain licensee who ceases engaging in student education loan servicing to surrender a certain license under certain circumstances; providing that a certain surrender of a license does not reduce or eliminate certain liability; requiring the Commissioner to automatically suspend a certain license under certain circumstances; establishing the duties, responsibilities, and requirements of a licensee; authorizing the Commissioner to issue more than one license to a licensee; prohibiting a licensee from transferring or assigning a license; authorizing the Commissioner to investigate and inspect certain records; authorizing the Commissioner to extend the time a licensee has to send certain records; prohibiting a licensee from taking or failing to take certain actions, making certain misrepresentations or omissions, or causing certain harm; authorizing a licensee to adopt certain procedures; authorizing the Commissioner to conduct certain investigations and examinations and certain related actions; requiring the Commissioner to review, investigate, or examine a certain licensee under certain circumstances; requiring the Commissioner to have certain access to certain books, accounts, records, files, documents, information, or evidence; authorizing the Commissioner to control access to certain documents and records and take certain actions; prohibiting a person from removing or attempting to remove certain documents or records under certain circumstances; requiring a licensee or a certain owner to have access to certain documents and records under certain circumstances; prohibiting a licensee or a certain person from knowingly taking certain actions; authorizing the Commissioner to take certain actions to enforce and carry out this Act under certain circumstances; authorizing the Commissioner to take certain enforcement actions against a certain student loan~~

~~servicer who is not licensed; requiring the Commissioner to provide a certain notice and a certain option; authorizing the Commissioner to take certain actions authorized under certain banking laws under certain circumstances; prohibiting the Commissioner from refunding certain fees; establishing certain reporting requirements; requiring the Commissioner to adopt certain regulations;~~ *requiring the Commissioner of Financial Regulation to designate an individual to serve as the Student Loan Ombudsman; requiring a certain student loan servicer to designate an individual to represent the student loan servicer in certain communications; requiring a certain student loan servicer to provide the Student Loan Ombudsman certain information; establishing the duties and responsibilities of the Student Loan Ombudsman; requiring the Student Loan Ombudsman, in consultation with the Commissioner, to establish a certain student loan borrower education course; establishing the requirements of the course; establishing certain reporting requirements;* requiring the Commissioner to conduct a certain study to assess whether the Commissioner has certain statutory authority to regulate certain firms and issue a certain report; requiring the Maryland Financial Consumer Protection Commission to ~~study cryptocurrencies and other blockchain technologies certain issues~~ *conduct certain studies* and include certain recommendations in a report; providing for the application of certain provisions of this Act; making the provisions of this Act severable; requiring the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, to correct any cross–references or terminology rendered incorrect by this Act and to describe any corrections made in an editor's note following the section affected; defining and altering certain terms; making stylistic and conforming changes; and generally relating to financial consumer protection laws.

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 7–101(i), and 7–205(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section ~~12–101, 12–111, 12–112, 12–114, 12–303, 12–311(c), 12–314, 12–601(k),~~ 13–101(k), 13–301, 13–303, 13–410, ~~14–202, 14–1206, 14–1208, 14–1212.1(i) and (j), 14–1212.2(c)(1), (g), and (i), 14–1212.3(i), and 14–1218(a)~~ and 14–202
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY adding to
Article – Commercial Law
Section ~~12–114.1; and~~ 14–4101 through 14–4104 to be under the new subtitle "Subtitle 41. Financial Consumer Protection"
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

~~BY repealing and reenacting, without amendments,~~
~~Article – Commercial Law~~
~~Section 12–601(f) and 14–1212.1(l)~~
~~Annotated Code of Maryland~~
~~(2013 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – Corporations and Associations~~
~~Section 11–803~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – Courts and Judicial Proceedings~~
~~Section 3–230.1~~
~~Annotated Code of Maryland~~
~~(2013 Replacement Volume and 2017 Supplement)~~

BY adding to
Article – Financial Institutions
Section 2–104.1
Annotated Code of Maryland
(2011 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section ~~2–105.1(b), 11–303, 11–601(q),~~ 2–115(b), 2–116(b), *11–201(e),* 11–517(c), 11–615(c), 12–126, 12–426(e)(2), and 12–928
Annotated Code of Maryland
(2011 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Financial Institutions
Section 11–504, 11–602(b), 12–105(a), 12–405(a), and 12–906(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2017 Supplement)

~~BY adding to~~
~~Article – Financial Institutions~~
~~Section 2–104.1; and 12–1101 through 12–1119 to be under the new subtitle "Subtitle 11. Student Loan Servicers"~~
~~Annotated Code of Maryland~~
~~(2011 Replacement Volume and 2017 Supplement)~~

Preamble

WHEREAS, The Maryland Financial Consumer Protection Commission was created by statute in 2017 to monitor changes in Washington and on Wall Street and make recommendations for action to the Governor, the General Assembly of Maryland, and the Maryland Congressional delegation as necessary to safeguard Maryland consumers; and

WHEREAS, The commission held two public hearings with testimony from 11 witnesses and conducted significant research; and

WHEREAS, The 2008 international financial crisis was years in the making. When it erupted, it exposed the deficiencies in prior public policies and regulatory structures and clearly showed that policies and practices that fostered, and in some cases, encouraged, excessive risk taking were detrimental to the economy in general and particularly to the American consumers who were, in many cases, victimized by bad financial practices; and

WHEREAS, Congress and the President, recalling the lessons of earlier financial crises, came together to update the rules of the road for consumer protection and the financial markets; and

WHEREAS, To protect the American economy, Congress passed the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd–Frank) along with implementing regulations adopted by the federal financial and consumer regulatory agencies; and

WHEREAS, In the years since the passage of these major reforms, along with significant monetary policy easing and fiscal stimulus, credit is flowing and the economy has significantly recovered; and

WHEREAS, Corporate and industrial loans as well as overall loans in the banking sector have grown significantly since pre–crisis levels, 35% and 31% respectively, and the financial system is back to pre–crisis levels of activity; and

WHEREAS, Bank profits were at record levels in 2016 and, in the third quarter of 2017, the banking industry's average return on assets was at a 10–year high; and

WHEREAS, The number of complaints filed by Marylanders with the Consumer Financial Protection Bureau (CFPB) is over 12,000, with the majority relating to mortgages (including loan servicing and foreclosures), debt collectors, and credit reporting; and

WHEREAS, Recent federal action to roll back certain financial consumer protections may prove detrimental to Marylanders; and

WHEREAS, The new Administration, working with Congress, has made efforts to loosen a variety of the postcrisis reforms, including personnel appointments, use of the Congressional Review Act, Congress's legislative efforts, and regulatory and administrative actions; and

WHEREAS, In light of the retrenchment on the federal level, the commission recommended that Maryland take steps to further protect consumers and investors; and

WHEREAS, Many consumer protection and financial–sector issues must be addressed at the federal level; and

WHEREAS, The General Assembly of Maryland urges the Maryland Congressional delegation remain focused on the need to maintain strong and balanced financial consumer protection laws and regulations at the federal level; and

WHEREAS, The General Assembly of Maryland recommends that the delegation continue to support the independence of CFPB; and

WHEREAS, The General Assembly of Maryland further recommends that the delegation support full funding for crucial market regulators, including the U.S. Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission; and

WHEREAS, The General Assembly of Maryland requests that the delegation regularly weigh in on behalf of everyday Marylanders with comment letters to and oversight of the financial and consumer regulators to maintain critical financial consumer protections at the federal level as well as preserve the State's authority to protect its citizens locally through, for instance, opposition to the OCC special Fintech charter; and

WHEREAS, While some safeguards can only be addressed in Washington, particularly with regards to protecting against systemic risk and the failure of the largest banks, other states are taking actions to fill new gaps in financial consumer protection; now, therefore,

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

Article – Business Regulation

7–101.

(i) "Licensed collection agency" means a person who is **[**licensed by the Board to do business as a collection agency**]** **REQUIRED TO BE LICENSED UNDER THIS SUBTITLE, REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED**.

7–205.

(b) If a violator fails to comply with a lawful order issued by the Board, the Board may impose a penalty **[**of up to $500**]** **NOT EXCEEDING $10,000** for each violation cited in the order, not to exceed **[**$5,000**]** **$25,000**, from which the violator failed to cease and desist or for which the violator failed to take affirmative action to correct, as ordered by the Board.

Article – Commercial Law

~~12–101.~~

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

~~(b) "Borrower" means a person who borrows money under this subtitle.~~

~~(c) "Commercial loan" means a loan which is made:~~

~~(1) Solely to acquire or carry on a business or commercial enterprise; or~~

~~(2) To any business or commercial organization.~~

~~(d) "Effective rate of simple interest" means the yield to maturity rate of interest received or to be received by a lender on the face amount of a loan, computed in accordance with § 12–107 of this subtitle.~~

~~(e) "Interest" means, except as specifically provided in § 12–105 of this subtitle, any compensation directly or indirectly imposed by a lender for the extension of credit for the use or forebearance of money, including any loan fee, origination fee, service and carrying charge, investigator's fee, time–price differential, and any amount payable as a discount or point or otherwise payable for services.~~

~~(f) "Lender" means a person who makes a loan under this subtitle.~~

~~**(G) (1) "LOAN" MEANS A LOAN OR AN ADVANCE OF MONEY OR CREDIT SUBJECT TO THIS SUBTITLE, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF MONEY OR CREDIT PURPORTS TO BE MADE UNDER THIS SUBTITLE.**~~

~~**(2) "LOAN" DOES NOT INCLUDE A LOAN SUBJECT TO SUBTITLE 3 OF THIS TITLE.**~~

~~**[**(g)**] (H)** "Person" includes an individual, corporation, business trust, statutory trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.~~

~~**[**(h)**] (I)** "Point" means a fee, premium, bonus, loan origination fee, service charge, or any other charge equal to 1 percent of the principal amount of a loan which is charged by the lender at or before the time the loan is made as additional compensation for the loan.~~

~~**[**(i)**] (J)** "Simple interest" means interest charged on the principal amount loaned to the borrower.~~

~~[(j)] (K) "Stated rate of interest" means the annual rate of interest stated in percentage which appears on the face of the bond, draft, mortgage, deed of trust, security agreement, promissory note, or other instrument which evidences the indebtedness.~~

~~[(k)] (L) "Usury" means the charging of interest by a lender in an amount which is greater than that allowed by this subtitle.~~

~~[(l)] (M) "Wages" means all remuneration paid to any employee for his employment, including the cash value of all remuneration paid in any medium other than cash.~~

~~12–111.~~

~~(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF THIS SUBTITLE.~~

~~(B) [An] A PRIVATE action for usury under this subtitle may not be brought more than [six] 6 months after the loan is satisfied.~~

~~12–112.~~

~~(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF THIS SUBTITLE.~~

~~(B) A claim or plea of usury is not available against a legal or equitable assignee, endorsee, or transferee of any bond, draft, mortgage, deed of trust, security agreement, promissory note, or other instrument or evidence of indebtedness, if he receives it for a bona fide and legal consideration without notice of any usury in its creation or subsequent assignment.~~

~~12–114.~~

~~(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF THIS SUBTITLE.~~

~~[(a)] (B) (1) Any person who violates the usury provisions of this subtitle shall forfeit to the borrower the greater of:~~

~~(i) Three times the amount of interest and charges collected in excess of the interest and charges authorized by this subtitle; or~~

~~(ii) The sum of $500.~~

~~(2) A claim or plea of usury is not valid if, within 30 days from the date the loan contract was executed, the lender:~~

~~(i) Notifies the borrower and any other party to the loan contract that the loan was usurious; and~~

~~(ii) Agrees to modify it by substituting for the usurious rate of interest a legal rate of interest not exceeding the stated rate of interest.~~

~~[(b)] (C) Any person who violates the disclosure provisions of § 12–106 (b) and (c) of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $1,000 or imprisonment not exceeding [one] 1 year or both.~~

~~[(c)] (D) Even if a loan document is executed outside of the State, this section is applicable if the loan is made to a resident of Maryland and is secured by property located within the State.~~

~~12–114.1.~~

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

~~(2) (I) "COVERED LOAN" MEANS A LOAN SUBJECT TO § 12–103(A)(3) OR (C) OF THIS SUBTITLE, REGARDLESS OF WHETHER THE LOAN IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE.~~

~~(II) "COVERED LOAN" DOES NOT INCLUDE A LOAN SUBJECT TO SUBTITLE 3 OF THIS TITLE.~~

~~(3) "OUT–OF–STATE LENDER" MEANS A PERSON WHO MAKES A LOAN VALIDLY IN ANOTHER STATE THAT COMPLIES WITH A COMPARABLE LOAN LAW OF THE OTHER STATE.~~

~~(4) "UNLICENSED PERSON" MEANS A PERSON WHO IS NOT:~~

~~(I) LICENSED IN THE STATE TO MAKE A COVERED LOAN; AND~~

~~(II) EXEMPT FROM LICENSING IN THE STATE.~~

~~(B) THIS SECTION APPLIES TO A COVERED LOAN MADE BY A PERSON DOMICILED IN ANOTHER STATE TO A BORROWER WHO IS A RESIDENT OF THE STATE IF THE APPLICATION FOR THE LOAN ORIGINATED IN THE STATE.~~

~~(C) (1) AN UNLICENSED PERSON MAY NOT MAKE A COVERED LOAN.~~

~~(2) A PERSON MAY NOT MAKE A COVERED LOAN IF THE PERSON DIRECTLY OR INDIRECTLY CONTRACTS FOR, CHARGES, OR RECEIVES A RATE OF~~

~~INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION THAT IS GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.~~

~~(3) A PERSON MAY NOT MAKE A COVERED LOAN THAT VIOLATES THE FEDERAL MILITARY LENDING ACT.~~

~~(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS SUBSECTION, A COVERED LOAN MADE BY AN UNLICENSED PERSON IS VOID AND UNENFORCEABLE.~~

~~(2) (I) EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS SUBSECTION AND SUBPARAGRAPH (II) OF THIS PARAGRAPH, A COVERED LOAN IS VOID AND UNENFORCEABLE IF A PERSON CONTRACTS FOR A COVERED LOAN THAT HAS A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.~~

~~(II) A COVERED LOAN IS NOT VOID AND UNENFORCEABLE IF:~~

~~1. A CLERICAL ERROR OR MISTAKE RESULTED IN THE RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION BEING GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW; AND~~

~~2. A PERSON CORRECTS THE ERROR OR MISTAKE BEFORE ANY PAYMENT IS RECEIVED UNDER THE LOAN.~~

~~(3) A COVERED LOAN THAT VIOLATES THE FEDERAL MILITARY LENDING ACT IS VOID AND UNENFORCEABLE.~~

~~(4) A PERSON MAY NOT RECEIVE OR RETAIN ANY PRINCIPAL, INTEREST, FEES, OR OTHER COMPENSATION WITH RESPECT TO ANY LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~(5) A PERSON MAY NOT SELL, ASSIGN, OR OTHERWISE TRANSFER A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~(6) (I) IF AN OUT–OF–STATE LENDER MAKES A COVERED LOAN, THE COVERED LOAN IS NOT VOID AND UNENFORCEABLE.~~

~~(II) AN OUT–OF–STATE LENDER MAY NOT COLLECT A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION THAT IS GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.~~

~~12–303.~~

~~(a) A lender may not make a loan under this subtitle unless the loan is in an original amount or value which does not exceed~~ **[**~~$6,000~~**] $12,000**~~.~~

~~(b) (1) The purpose of this subsection is to prevent evasion of the provisions of this subtitle by means of a purchase or assignment of wages.~~

~~(2) For the purposes of this subtitle:~~

~~(i) The payment of~~ **[**~~$6,000~~**] $12,000** ~~or less in money, credit, goods, or things in action as consideration for any sale, assignment, or order for the payment of wages, whether earned or to be earned, is considered a loan of money secured by the sale, assignment, or order for payment of wages; and~~

~~(ii) The amount by which the wages exceed the consideration paid for them is considered interest or charges on the loan from the date of the payment to the date the wages are payable.~~

~~(3) The transaction described in this subsection is governed by and subject to the provisions of this subtitle.~~

~~(c) This subtitle applies but is not limited to a lender who:~~

~~(1) As security for a loan, use, or forbearance of money, goods, or things in action or for any loan, use, or sale of credit, whether or not the transaction is or purports to be made under this subtitle, makes a pretended purchase of property from any person and permits the owner or pledgor to retain possession of the property; or~~

~~(2) By any device or pretense of charging for his services or otherwise, seeks to obtain any interest, charges, discount, or like consideration.~~

~~**(D) THIS SUBTITLE APPLIES TO A LOAN OR AN ADVANCE OF MONEY OF $12,000 OR LESS MADE FOR PERSONAL, FAMILY, HOUSEHOLD, OR AGRICULTURAL PURPOSES:**~~

~~**(1) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE;**~~

~~**(2) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS TO BE AN INSTALLMENT LOAN;**~~

~~**(3) REGARDLESS OF THE DURATION OF THE REPAYMENT PERIOD;**~~

~~**(4) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS TO BE NONRECOURSE OR CONTINGENT; AND**~~

~~**(5) REGARDLESS OF WHETHER THE TRANSACTION PURPORTS TO BE THE PURCHASE OF WAGES, PENSIONS, GOVERNMENTAL BENEFITS, OR OTHER SIMILAR FUTURE PAYMENT STREAMS.**~~

[(d)**] (E)** (1) ~~A lender who lends or contracts to lend an amount which exceeds~~ **[**$6,000**] $12,000** ~~may not directly or indirectly contract for, charge, or receive any interest, fee, or other charge in excess of that which~~ **[**he**] THE LENDER** ~~would be permitted to charge if~~ **[**he**] THE LENDER** ~~were not authorized to make loans under this subtitle.~~

~~(2) The provisions of this subsection apply to any debt in excess of~~ **[**$6,000**] $12,000** ~~which is directly or contingently owed or contracted to be so owed by any person jointly or severally:~~

~~(i) Whether as a borrower, an endorser, guarantor, or surety for a borrower, or otherwise; and~~

~~(ii) Whether the debt is part of a single transaction or the aggregate of more than one transaction.~~

~~12–311.~~

~~(c) (1) A lender may not take any security interest in:~~

~~(i) Real property for any loan under~~ **[**$2,000**] $4,000** ~~in value or amount; or~~

~~(ii) Personal property for any loan under~~ **[**$700**] $1,400** ~~in value or amount.~~

~~(2) Any lien taken in violation of this subsection is void.~~

~~(3) This subsection does not apply to or affect a lien on an interest in real property which results from a judgment obtained by the lender based on a loan otherwise secured or unsecured.~~

~~12–314.~~

~~(a) A person may not lend~~ **[**$6,000**] $12,000** ~~or less if~~ **[**the**]:**

~~**(1) THE** person directly or indirectly contracts for, charges, or receives a greater rate of interest, charge, discount, or other consideration than that authorized by the laws of this State~~**;**

~~**(2) THE TRANSACTION VIOLATES THE FEDERAL MILITARY LENDING ACT; OR**~~

~~(3) THE PERSON IS NOT LICENSED UNDER OR EXEMPT FROM THE LICENSING REQUIREMENTS UNDER THE MARYLAND CONSUMER LOAN LAW – LICENSING PROVISIONS.~~

~~(b) (1) (I) A loan made in the amount of [$6,000] $12,000 or less, REGARDLESS OF whether [or not] the loan is or purports to be made under this subtitle, is VOID AND unenforceable if [a]:~~

~~1. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A PERSON CONTRACTS FOR A LOAN THAT HAS A rate of interest, charge, discount, or other consideration greater than that authorized [by the laws of this State is contracted for by any person unless the excess rate contracted for is the result of a] UNDER STATE LAW;~~

~~2. THE LOAN VIOLATES THE FEDERAL MILITARY LENDING ACT; OR~~

~~3. A PERSON WHO IS NOT LICENSED UNDER OR EXEMPT FROM THE LICENSING REQUIREMENTS UNDER TITLE 11, SUBTITLE 2 OF THE FINANCIAL INSTITUTIONS ARTICLE MADE THE LOAN.~~

~~(II) A LOAN IS NOT VOID AND UNENFORCEABLE IF:~~

~~1. A clerical error or mistake RESULTED IN THE RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION BEING GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW; and [the]~~

~~2. A person corrects the error or mistake before THE FIRST PAYMENT IS DUE UNDER THE LOAN OR BEFORE any payment is received under the loan.~~

~~(2) [The] A person [who is neither a licensee nor exempt from licensing] may not receive or retain any principal, interest, FEES, or other compensation with respect to any loan that is VOID AND unenforceable under this subsection.~~

~~(3) This subsection does not apply to a person who is a licensee or who is exempt from licensing under this subtitle.~~

~~(c) (1) This section does not apply to a loan transaction validly made in another state in compliance with a similar loan law of that state. [However, a]~~

~~(2) A lender may not collect an amount that is more than the total amount that would be permitted if this subtitle were applicable.~~

~~**(3)** This section applies to all loans made by a lender domiciled in another state to a borrower who is a resident of this State if the application for the loan originated in this State.~~

~~**(D) A PERSON MAY NOT SELL, ASSIGN, OR OTHERWISE TRANSFER A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.**~~

~~**(E) A PERSON MAY NOT COLLECT OR ATTEMPT TO COLLECT, DIRECTLY OR INDIRECTLY, ANY AMOUNT FROM A BORROWER WITH RESPECT TO A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.**~~

~~12–601.~~

~~(f) "Consumer goods" means goods bought for use primarily for personal, family, or household purposes, as distinguished from industrial, commercial, or agricultural purposes.~~

~~(k) (1) "Goods" means all tangible personal property that has a cash price of~~ **[**~~$25,000~~**] $100,000** ~~or less.~~

~~(2) "Goods" does not include money or things in action.~~

13–101.

(k) "Unfair**, ABUSIVE,** or deceptive trade practice" has the meaning stated in Subtitle 3 of this title.

13–301.

Unfair**, ABUSIVE,** or deceptive trade practices include any:

(1) False, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers;

(2) Representation that:

(i) Consumer goods, consumer realty, or consumer services have a sponsorship, approval, accessory, characteristic, ingredient, use, benefit, or quantity which they do not have;

(ii) A merchant has a sponsorship, approval, status, affiliation, or connection which he does not have;

(iii) Deteriorated, altered, reconditioned, reclaimed, or secondhand consumer goods are original or new; or

(iv) Consumer goods, consumer realty, or consumer services are of a particular standard, quality, grade, style, or model which they are not;

(3) Failure to state a material fact if the failure deceives or tends to deceive;

(4) Disparagement of the goods, realty, services, or business of another by a false or misleading representation of a material fact;

(5) Advertisement or offer of consumer goods, consumer realty, or consumer services:

(i) Without intent to sell, lease, or rent them as advertised or offered; or

(ii) With intent not to supply reasonably expected public demand, unless the advertisement or offer discloses a limitation of quantity or other qualifying condition;

(6) False or misleading representation of fact which concerns:

(i) The reason for or the existence or amount of a price reduction; or

(ii) A price in comparison to a price of a competitor or to one's own price at a past or future time;

(7) Knowingly false statement that a service, replacement, or repair is needed;

(8) False statement which concerns the reason for offering or supplying consumer goods, consumer realty, or consumer services at sale or discount prices;

(9) Deception, fraud, false pretense, false premise, misrepresentation, or knowing concealment, suppression, or omission of any material fact with the intent that a consumer rely on the same in connection with:

(i) The promotion or sale of any consumer goods, consumer realty, or consumer service;

(ii) A contract or other agreement for the evaluation, perfection, marketing, brokering or promotion of an invention; or

(iii) The subsequent performance of a merchant with respect to an agreement of sale, lease, or rental;

(10) Solicitations of sales or services over the telephone without first clearly, affirmatively, and expressly stating:

(i) The solicitor's name and the trade name of a person represented by the solicitor;

(ii) The purpose of the telephone conversation; and

(iii) The kind of merchandise, real property, intangibles, or service solicited;

(11) Use of any plan or scheme in soliciting sales or services over the telephone that misrepresents the solicitor's true status or mission;

(12) Use of a contract related to a consumer transaction which contains a confessed judgment clause that waives the consumer's right to assert a legal defense to an action;

(13) Use by a seller, who is in the business of selling consumer realty, of a contract related to the sale of single family residential consumer realty, including condominiums and town houses, that contains a clause limiting or precluding the buyer's right to obtain consequential damages as a result of the seller's breach or cancellation of the contract;

(14) Violation of a provision of:

(i) This title;

(ii) An order of the Attorney General or agreement of a party relating to unit pricing under Title 14, Subtitle 1 of this article;

(iii) Title 14, Subtitle 2 of this article, the Maryland Consumer Debt Collection Act;

(iv) Title 14, Subtitle 3 of this article, the Maryland Door–to–Door Sales Act;

(v) Title 14, Subtitle 9 of this article, Kosher Products;

(vi) Title 14, Subtitle 10 of this article, Automotive Repair Facilities;

(vii) Section 14–1302 of this article;

(viii) Title 14, Subtitle 11 of this article, Maryland Layaway Sales Act;

(ix) Section 22–415 of the Transportation Article;

(x) Title 14, Subtitle 20 of this article;

(xi) Title 14, Subtitle 15 of this article, the Automotive Warranty Enforcement Act;

(xii) Title 14, Subtitle 21 of this article;

(xiii) Section 18–107 of the Transportation Article;

(xiv) Title 14, Subtitle 22 of this article, the Maryland Telephone Solicitations Act;

(xv) Title 14, Subtitle 23 of this article, the Automotive Crash Parts Act;

(xvi) Title 10, Subtitle 6 of the Real Property Article;

(xvii) Title 14, Subtitle 25 of this article, the Hearing Aid Sales Act;

(xviii) Title 14, Subtitle 26 of this article, the Maryland Door–to–Door Solicitations Act;

(xix) Title 14, Subtitle 31 of this article, the Maryland Household Goods Movers Act;

(xx) Title 14, Subtitle 32 of this article, the Maryland Telephone Consumer Protection Act;

(xxi) Title 14, Subtitle 34 of this article, the Social Security Number Privacy Act;

(xxii) Title 14, Subtitle 37 of this article, the Online Child Safety Act;

(xxiii) Section 14–1319, § 14–1320, or § 14–1322 of this article;

(xxiv) Section 7–304 of the Criminal Law Article;

(xxv) Title 7, Subtitle 3 of the Real Property Article, the Protection of Homeowners in Foreclosure Act;

(xxvi) Title 6, Subtitle 13 of the Environment Article;

(xxvii) Section 7–405(e)(2)(ii) of the Health Occupations Article;

(xxviii) Title 12, Subtitle 10 of the Financial Institutions Article;

(xxix) Title 19, Subtitle 7 of the Business Regulation Article; **[**or**]**

(xxx) Section 15–311.3 of the Transportation Article; **[**or**]**

(XXXI) THE FEDERAL MILITARY LENDING ACT; OR

(XXXII) THE FEDERAL SERVICEMEMBERS CIVIL RELIEF ACT; OR

(15) Act or omission that relates to a residential building and that is chargeable as a misdemeanor under or otherwise violates a provision of the Energy Conservation Building Standards Act, Title 7, Subtitle 4 of the Public Utilities Article.

13–303.

A person may not engage in any unfair**, ABUSIVE,** or deceptive trade practice, as defined in this subtitle or as further defined by the Division, in:

(1) The sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services;

(2) The offer for sale, lease, rental, loan, or bailment of consumer goods, consumer realty, or consumer services;

(3) The offer for sale of course credit or other educational services;

(4) The extension of consumer credit;

(5) The collection of consumer debts; or

(6) The purchase or offer for purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

13–410.

(a) A merchant who engages in a violation of this title is subject to a fine **[**of not more than $1,000**]** **NOT EXCEEDING $10,000** for each violation.

(b) A merchant who has been found to have engaged in a violation of this title and who subsequently repeats the same violation is subject to a fine **[**of not more than $5,000**]** **NOT EXCEEDING $25,000** for each subsequent violation.

(c) The fines provided for in subsections (a) and (b) of this section are civil penalties and are recoverable by the State in a civil action or an administrative cease and desist action under § 13–403(a) and (b) of this subtitle or after an administrative hearing has been held under § 13–403(d)(3) and (4) of this subtitle.

(d) The Consumer Protection Division shall consider the following in setting the amount of the penalty imposed in an administrative proceeding:

(1) The severity of the violation for which the penalty is assessed;

(2) The good faith of the violator;

(3) Any history of prior violations;

(4) Whether the amount of the penalty will achieve the desired deterrent purpose; and

(5) Whether the issuance of a cease and desist order, including restitution, is insufficient for the protection of consumers.

14–202.

In collecting or attempting to collect an alleged debt a collector may not:

(1) Use or threaten force or violence;

(2) Threaten criminal prosecution, unless the transaction involved the violation of a criminal statute;

(3) Disclose or threaten to disclose information which affects the debtor's reputation for credit worthiness with knowledge that the information is false;

(4) Except as permitted by statute, contact a person's employer with respect to a delinquent indebtedness before obtaining final judgment against the debtor;

(5) Except as permitted by statute, disclose or threaten to disclose to a person other than the debtor or his spouse or, if the debtor is a minor, his parent, information which affects the debtor's reputation, whether or not for credit worthiness, with knowledge that the other person does not have a legitimate business need for the information;

(6) Communicate with the debtor or a person related to him with the frequency, at the unusual hours, or in any other manner as reasonably can be expected to abuse or harass the debtor;

(7) Use obscene or grossly abusive language in communicating with the debtor or a person related to him;

(8) Claim, attempt, or threaten to enforce a right with knowledge that the right does not exist; **[**or**]**

(9) Use a communication which 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**;**

(10) ENGAGE IN UNLICENSED DEBT COLLECTION ACTIVITY IN VIOLATION OF THE MARYLAND COLLECTION AGENCY LICENSING ACT; OR

(11) ENGAGE IN ANY CONDUCT ~~PROHIBITED UNDER~~ THAT VIOLATES §§ 804 THROUGH 812 OF THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT.

~~14–1206.~~

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

~~**(2) "BREACH OF THE SECURITY OF A SYSTEM" HAS THE MEANING STATED IN § 14–3504 OF THIS TITLE.**~~

~~**(3) "PERSONAL INFORMATION" HAS THE MEANING STATED IN § 14–3501 OF THIS TITLE.**~~

~~**(B) (1) IF A CONSUMER REPORTING AGENCY DISCOVERS OR IS NOTIFIED OF A BREACH OF THE SECURITY OF A SYSTEM, THE CONSUMER REPORTING AGENCY SHALL NOTIFY EACH INDIVIDUAL WHO:**~~

~~**(I) IS SUBJECT TO THE BREACH; AND**~~

~~**(II) RESIDES IN THE STATE.**~~

~~**(2) A CONSUMER REPORTING AGENCY SHALL PROVIDE THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION AS SOON AS REASONABLY PRACTICABLE, BUT NOT LATER THAN 30 DAYS AFTER THE CONSUMER REPORTING AGENCY DISCOVERS OR IS NOTIFIED OF THE BREACH OF THE SECURITY OF A SYSTEM.**~~

~~**(3) THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL DISCLOSE THAT THE PERSONAL INFORMATION OF THE INDIVIDUAL MAY BE MISUSED AS A RESULT OF THE BREACH.**~~

~~**[**(a)**] (C)** A consumer reporting agency shall, **[**upon**] ON** request and proper identification of a consumer, provide the consumer:~~

~~(1) An exact copy of any file on that consumer except any part of the file which contains medical information;~~

~~(2) A written explanation of codes or trade language used;~~

~~(3) A description of the rights of the consumer under this subtitle; and~~

~~(4) The name, address, and telephone number of the Commissioner.~~

~~[(b)] (D) (1) Whenever access to a file or a copy of a file has been furnished to a consumer, the consumer reporting agency may delete the sources of information acquired solely for use in an investigative report and used for no other purpose.~~

~~(2) If any action is brought by the consumer under this subtitle, the consumer reporting agency shall make [such] THE sources available to the plaintiff under appropriate discovery procedures.~~

~~14–1208.~~

~~[(a) (1) If the completeness or accuracy of any item of information contained in his file is disputed by a consumer, and the dispute is directly conveyed to the consumer reporting agency in writing or by the consumer, the consumer reporting agency shall within 30 days reinvestigate and record the current status of that information unless it has reasonable grounds to believe that the dispute by the consumer is frivolous or irrelevant.]~~

~~(A) THIS SECTION APPLIES TO A DISPUTE BY A CONSUMER OF THE COMPLETENESS OR ACCURACY OF ANY ITEM OF INFORMATION CONTAINED IN THE FILE OF A CONSUMER.~~

~~(B) (1) A CONSUMER REPORTING AGENCY SHALL REINVESTIGATE AND RECORD THE CURRENT STATUS OF ANY INFORMATION THAT A CONSUMER DISPUTES IF THE CONSUMER CONVEYS THE DISPUTE:~~

~~(I) DIRECTLY TO THE CONSUMER REPORTING AGENCY; AND~~

~~(II) 1. IN WRITING; OR~~

~~2. BY ELECTRONIC REQUEST TRANSMITTED THROUGH A SECURE CONNECTION MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY.~~

~~(2) A CONSUMER REPORTING AGENCY SHALL COMPLETE THE ACTIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION WITHIN 30 DAYS AFTER RECEIVING A DISPUTE BY A CONSUMER.~~

~~[(2)] (3) If after reinvestigation the information is found to be inaccurate or can no longer be verified, the consumer reporting agency shall within 7 business days delete the information and mail:~~

~~(i) Written notice of the correction to the consumer and to each person to whom the erroneous information was furnished; and~~

~~(ii) A statement of the rights of the consumer under this subtitle.~~

~~**[**(3)**] (4)** If after reinvestigation the information is found to be accurate or is verified, the consumer reporting agency shall within 7 business days mail:~~

~~(i) Written notice of the finding to the consumer; and~~

~~(ii) A statement of the rights of the consumer under this subtitle.~~

~~**[**(4)**] (5)** (i) Within 60 days after receiving the notice under paragraphs **[**(2)**] (3)** and **[**(3)**] (4)** of this subsection, the consumer may request in writing that the consumer reporting agency disclose the name, address, and telephone number of each person contacted during the reinvestigation.~~

~~(ii) Within 30 days after receiving the consumer's written request under this paragraph, the consumer reporting agency shall make the requested disclosure.~~

~~**[**(5)**] (6)** A person contacted during the reinvestigation who determines that the information was inaccurate shall correct the information in the person's records within 12 business days after the determination occurs.~~

~~**[**(6)**] (7)** The presence of contradictory information in the consumer's file does not in and of itself constitute reasonable grounds for believing the dispute is frivolous or irrelevant.~~

~~**[**(b)**] (C)** If a consumer reporting agency finds that a dispute is frivolous or irrelevant, the agency within 7 business days shall mail:~~

~~(1) Written notice of the finding, including the reasons for the finding, to the consumer; and~~

~~(2) A statement of the rights of the consumer under this subtitle.~~

~~**[**(c)**] (D)** (1) If the reinvestigation does not resolve the dispute, the consumer may file a brief statement setting forth the nature of the dispute.~~

~~(2) The consumer reporting agency may limit statements to not more than 100 words if it provides the consumer with assistance in writing a clear summary of the dispute.~~

~~**[**(d)**] (E)** Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe that it is frivolous or irrelevant, the consumer reporting agency shall, in~~

~~any subsequent consumer report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary of it.~~

~~**(F) (1) THIS SUBSECTION APPLIES TO:**~~

~~**(I) THE DELETION OF ANY INFORMATION:**~~

~~**1. FOUND TO BE INACCURATE; OR**~~

~~**2. THE ACCURACY OF WHICH CAN NO LONGER BE VERIFIED; OR**~~

~~**(II) ANY NOTATION REGARDING DISPUTED INFORMATION.**~~

[(c)**]** ~~**(2)**~~ **[**~~Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the~~**] AT THE REQUEST OF A CONSUMER,** ~~A consumer reporting agency shall~~**[**~~, at the request of the consumer,~~**]** ~~furnish notification that~~ **[**~~the~~**] AN** ~~item has been deleted or the statement, codification, or summary~~ **[**~~pursuant to~~**] UNDER** ~~subsection~~ **[**(c)**] (D)** ~~or~~ **[**(d)**] (E)** ~~of this section to any person specifically designated by the consumer~~ **[**~~who has within~~**] IF THE PERSON:**

~~**(I) WITHIN** 2 years prior **HAS** received a consumer report for employment purposes~~**[**~~,~~**] THAT CONTAINED THE DELETED OR DISPUTED INFORMATION;** ~~or~~ **[**~~within~~**]**

~~**(II) WITHIN** 1 year prior **HAS** received a consumer report for any other purpose~~**[**~~, which~~**] THAT** ~~contained the deleted or disputed information.~~

~~**(3)** The consumer reporting agency shall clearly and conspicuously disclose to the consumer his rights to make such a request.~~

~~**(4)** The disclosure shall be made at or prior to the time the information is deleted or the consumer's statement regarding the disputed information is received.~~

~~14–1212.1.~~

~~(i)~~ **[**~~(1) Except as provided in paragraph (2) of this subsection, a~~**] A** ~~consumer may not be charged for any service relating to a security freeze.~~

[~~(2) A consumer reporting agency may charge a reasonable fee, not exceeding $5, for each placement, temporary lift, or removal of a security freeze.~~

~~(3) Notwithstanding paragraph (2) of this subsection, a consumer reporting agency may not charge any fee under this section to a consumer who:~~

~~(i) 1. Has obtained a report of alleged identity fraud against the consumer under § 8–304 of the Criminal Law Article or an identity theft passport under § 8–305 of the Criminal Law Article; and~~

~~2. Provides a copy of the report or passport to the consumer reporting agency; or~~

~~(ii) Requests the placement of a security freeze if the consumer has not previously requested the placement of a security freeze from the consumer reporting agency.~~**]**

~~(j) At any time that a consumer is entitled to receive a summary of rights under § 609 of the federal Fair Credit Reporting Act or § 14–1206 of this subtitle, the following notice shall be included:~~

~~"NOTICE~~

~~You have a right, under § 14–1212.1 of the Commercial Law Article of the Annotated Code of Maryland, to place a security freeze on your credit report. The security freeze will prohibit a consumer reporting agency from releasing your credit report or any information derived from your credit report without your express authorization. The purpose of a security freeze is to prevent credit, loans, and services from being approved in your name without your consent.~~ ~~**A CONSUMER REPORTING AGENCY MAY NOT CHARGE YOU A FEE FOR ANY SERVICE RELATING TO A SECURITY FREEZE, INCLUDING FOR ANY PLACEMENT, TEMPORARY LIFT, OR REMOVAL OF A SECURITY FREEZE.**~~

~~You may elect to have a consumer reporting agency place a security freeze on your credit report by written request sent by certified mail or by electronic mail or the Internet if the consumer reporting agency provides a secure electronic connection. The consumer reporting agency must place a security freeze on your credit report within 3 business days after your request is received. Within 5 business days after a security freeze is placed on your credit report, you will be provided with a unique personal identification number or password to use if you want to remove the security freeze or temporarily lift the security freeze to release your credit report to a specific person or for a specific period of time. You also will receive information on the procedures for removing or temporarily lifting a security freeze.~~

~~If you want to temporarily lift the security freeze on your credit report, you must contact the consumer reporting agency and provide all of the following:~~

~~(1) The unique personal identification number or password provided by the consumer reporting agency;~~

~~(2) The proper identifying information to verify your identity; and~~

~~(3) The proper information regarding the person who is to receive the credit report or the period of time for which the credit report is to be available to users of the credit report.~~

~~A consumer reporting agency must comply with a request to temporarily lift a security freeze on a credit report within 3 business days after the request is received, or within 15 minutes for certain requests. A consumer reporting agency must comply with a request to remove a security freeze on a credit report within 3 business days after the request is received.~~

~~If you are actively seeking credit, you should be aware that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a security freeze, either completely if you are seeking credit from a number of sources, or just for a specific creditor if you are applying only to that creditor, a few days before actually applying for new credit.~~

~~[A consumer reporting agency may charge a reasonable fee not exceeding $5 for each placement, temporary lift, or removal of a security freeze. However, a consumer reporting agency may not charge any fee to a consumer who, at the time of a request to place, temporarily lift, or remove a security freeze, presents to the consumer reporting agency a police report of alleged identity fraud against the consumer or an identity theft passport. A consumer reporting agency also may not charge any fee to a consumer for the first placement of a security freeze with the consumer reporting agency.]~~

~~A security freeze does not apply if you have an existing account relationship and a copy of your credit report is requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control, or similar activities."~~

~~(l) The exclusive remedy for a violation of subsection (e)(2)(ii) of this section shall be a complaint filed with the Commissioner under § 14–1217 of this subtitle.~~

~~14–1212.2.~~

~~(c) (1) A consumer reporting agency shall place a security freeze for a protected consumer if:~~

~~(i) The consumer reporting agency receives a request from the protected consumer's representative for the placement of the security freeze under this section; and~~

~~(ii) The protected consumer's representative:~~

~~1. Submits the request to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency;~~

~~2. Provides to the consumer reporting agency sufficient proof of identification of the protected consumer and the representative; **AND**~~

~~3. Provides to the consumer reporting agency sufficient proof of authority to act on behalf of the protected consumer**[**; and~~

~~4. Pays to the consumer reporting agency a fee as provided in subsection (i) of this section**]**.~~

~~(g) If a protected consumer or a protected consumer's representative wishes to remove a security freeze for the protected consumer, the protected consumer or the protected consumer's representative shall:~~

~~(1) Submit a request for the removal of the security freeze to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency; **AND**~~

~~(2) Provide to the consumer reporting agency:~~

~~(i) In the case of a request by the protected consumer:~~

~~1. Proof that the sufficient proof of authority for the protected consumer's representative to act on behalf of the protected consumer is no longer valid; and~~

~~2. Sufficient proof of identification of the protected consumer; or~~

~~(ii) In the case of a request by the representative of a protected consumer:~~

~~1. Sufficient proof of identification of the protected consumer and the representative; and~~

~~2. Sufficient proof of authority to act on behalf of the protected consumer**[**; and~~

~~(3) Pay to the consumer reporting agency a fee as provided in subsection (i) of this section**]**.~~

~~(i) **[**(1) Except as provided in paragraph (2) of this subsection, a**]** **A** consumer reporting agency may not charge a fee for any service performed under this section.~~

~~**[**(2) A consumer reporting agency may charge a reasonable fee, not exceeding $5, for each placement or removal of a security freeze for a protected consumer.~~

~~(3) Notwithstanding paragraph (2) of this subsection, a consumer reporting agency may not charge any fee under this section if:~~

~~(i) The protected consumer's representative:~~

~~1. Has obtained a report of alleged identity fraud against the protected consumer under § 8–304 of the Criminal Law Article or an identity theft passport under § 8–305 of the Criminal Law Article; and~~

~~2. Provides a copy of the report or passport to the consumer reporting agency; or~~

~~(ii) 1. A request for the placement or removal of a security freeze is for a protected consumer who is under the age of 16 years at the time of the request; and~~

~~2. The consumer reporting agency has a consumer report pertaining to the protected consumer.~~**]**

~~14–1212.3.~~

~~(i) A consumer reporting agency may~~ **[**~~charge a reasonable fee, not exceeding $5, for each placement or removal of a security freeze for a protected consumer~~**] NOT CHARGE A FEE FOR ANY SERVICE PERFORMED** ~~under this section.~~

~~14–1218.~~

~~(a) The Commissioner may:~~

~~(1) Hold a hearing on the complaint at a time and place in this State reasonably convenient to the parties involved;~~

~~(2) Subpoena witnesses;~~

~~(3) Take depositions of witnesses residing without the State, in the manner provided for witnesses in civil actions in courts of record;~~

~~(4) Administer oaths;~~

~~(5) Issue orders for compliance with this subtitle;~~

~~(6) Issue cease and desist orders, if after a hearing the Commissioner finds a pattern and practice of violation of this subtitle; and~~

~~(7)~~ **(I)** ~~If a consumer reporting agency that has violated any law regulating consumer credit reporting fails to comply with a lawful order of the Commissioner, impose a civil penalty of up to~~ **[**~~$100~~**] $10,000** ~~for each violation from which~~

~~the violator failed to cease and desist or for which the violator failed to take action ordered by the Commissioner for compliance with the law.~~

~~(II) In determining the amount of civil penalty to be imposed under this paragraph, the Commissioner shall consider:~~

~~[(i)] 1. The seriousness of the violation;~~

~~[(ii)] 2. The good faith of the violator;~~

~~[(iii)] 3. The violator's history of previous violations;~~

~~[(iv)] 4. The deleterious effect of the violation upon the public and the credit granting industry;~~

~~[(v)] 5. The assets and financial status of the violator; and~~

~~[(vi)] 6. Any other factors relevant to the determination of the financial penalty.~~

SUBTITLE 41. FINANCIAL CONSUMER PROTECTION.

14–4101.

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

(B) "COMMISSIONER" MEANS THE COMMISSIONER OF FINANCIAL REGULATION IN THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.

(C) "OFFICE" MEANS THE OFFICE OF THE ATTORNEY GENERAL.

14–4102.

THE PURPOSE OF THIS SUBTITLE IS TO SUPPORT VIGOROUS ENFORCEMENT BY AND FUNDING OF THE OFFICE AND THE COMMISSIONER TO PROTECT THE STATE'S RESIDENTS WHEN CONDUCTING FINANCIAL TRANSACTIONS AND RECEIVING FINANCIAL SERVICES.

14–4103.

~~THE~~ **WHENEVER THE OFFICE AND THE COMMISSIONER CONSIDER IT APPROPRIATE, THE OFFICE AND THE COMMISSIONER SHALL USE THEIR AUTHORITY UNDER § 1042 OF THE DODD–FRANK WALL STREET REFORM AND CONSUMER**

PROTECTION ACT OF 2010 TO BRING CIVIL ACTIONS OR OTHER APPROPRIATE PROCEEDINGS AUTHORIZED UNDER THE ACT.

14–4104.

(A) (1) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST ~~$800,000~~ ~~$300,000~~ *$700,000* IN GENERAL FUNDS IN THE STATE BUDGET FOR THE OFFICE FOR THE PURPOSES OF ENFORCEMENT OF:

(I) CONSUMER PROTECTION LAWS UNDER THIS TITLE;

(II) CONSUMER PROTECTION LAWS UNDER TITLE 13 OF THIS ARTICLE; AND

(III) FINANCIAL CONSUMER PROTECTION LAWS.

(2) THE OFFICE SHALL USE THE FUNDS UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR:

(I) STAFFING COSTS ASSOCIATED WITH HIRING NEW EMPLOYEES; AND

(II) INVESTIGATIONS OF ALLEGED VIOLATIONS OF CONSUMER PROTECTION LAWS IN THE STATE.

(B) (1) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST ~~$400,000~~ $300,000 IN GENERAL FUNDS IN THE STATE BUDGET FOR THE COMMISSIONER FOR THE PURPOSES OF ENFORCEMENT OF FINANCIAL CONSUMER PROTECTION LAWS.

(2) THE COMMISSIONER SHALL USE THE FUNDS UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR:

(I) STAFFING COSTS ASSOCIATED WITH HIRING NEW EMPLOYEES; AND

(II) INVESTIGATIONS OF ALLEGED VIOLATIONS OF CONSUMER PROTECTION LAWS IN THE STATE.

~~**Article – Corporations and Associations**~~

~~**11–803.**~~

~~(A) THIS SECTION APPLIES TO:~~

~~(1) A PERSON WHO ENGAGES IN THE BUSINESS OF EFFECTING TRANSACTIONS IN SECURITIES FOR THE ACCOUNT OF OTHERS OR FOR THE PERSON'S OWN ACCOUNT;~~

~~(2) A BROKER–DEALER OR AGENT;~~

~~(3) AN AGENT; AND~~

~~(4) AN INVESTMENT ADVISER.~~

~~(B) A PERSON SUBJECT TO THIS SECTION IS A FIDUCIARY AND HAS A DUTY TO ACT PRIMARILY FOR THE BENEFIT OF ITS CLIENTS.~~

~~(C) A PERSON SHALL DISCLOSE TO A CLIENT:~~

~~(1) AT THE TIME ADVICE IS GIVEN, ANY GAIN, PROFIT, OR COMMISSION THE PERSON MAY RECEIVE IF THE ADVICE IS FOLLOWED; AND~~

~~(2) A LEGAL OR DISCIPLINARY EVENT THAT IS MATERIAL TO AN EVALUATION OF THE PERSON'S INTEGRITY OR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS.~~

~~(D) A PERSON SHALL MAKE DILIGENT INQUIRY OF EACH CLIENT TO DETERMINE:~~

~~(1) THE FINANCIAL CIRCUMSTANCES AND OBLIGATIONS OF THE CLIENT INITIALLY;~~

~~(2) THE FINANCIAL CIRCUMSTANCES AND OBLIGATIONS OF THE CLIENT SUBSEQUENT TO THE FIRST CONTACT BETWEEN THE PERSON AND THE CONTACT; AND~~

~~(3) THE CLIENT'S PRESENT AND ANTICIPATED OBLIGATIONS:~~

~~(I) TO THE CLIENT'S FAMILY; AND~~

~~(II) FOR THE CLIENT'S FAMILY AND GOALS FOR THE CLIENT'S FAMILY.~~

~~(E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING REGULATIONS:~~

~~(1) DEFINING OR EXCLUDING AN ACT, A PRACTICE, OR A COURSE OF BUSINESS OF A PERSON SUBJECT TO THIS SECTION; AND~~

~~(2) DESIGNED TO PREVENT A PERSON FROM ENGAGING IN ACTS, PRACTICES, AND COURSES OF BUSINESS IN VIOLATION OF THIS SECTION.~~

~~Article – Courts and Judicial Proceedings~~

~~3–230.1.~~

~~THE STANDING COMMITTEE ON RULES OF PRACTICE AND PROCEDURE OF THE COURT OF APPEALS SHALL ADOPT RULES CONSISTENT WITH THE MODEL STATE CONSUMER AND EMPLOYEE JUSTICE ENFORCEMENT ACT.~~

Article – Financial Institutions

~~2–105.1.~~

~~(b) (1) The Commissioner may adopt and enforce regulations reasonably necessary to carry out the authority and responsibility of the office of Commissioner.~~

~~(2) THE COMMISSIONER SHALL ADOPT REGULATIONS CONSISTENT WITH TITLES III AND IV OF THE MODEL STATE CONSUMER AND EMPLOYEE JUSTICE ENFORCEMENT ACT TO PROHIBIT A PERSON OVER WHOM THE COMMISSIONER HAS JURISDICTION FROM ENGAGING IN ANY PRACTICE PROHIBITED UNDER THOSE TITLES.~~

~~11–303.~~

~~(A) A license under this subtitle shall be applied for and issued in accordance with, and is subject to, the licensing and investigatory provisions of Subtitle 2 of this title, the Maryland Consumer Loan Law – Licensing Provisions.~~

~~(B) A PERSON WHO MAKES INSTALLMENT LOANS OR ENGAGES IN CREDIT SERVICES BUSINESS ACTIVITIES REQUIRING LICENSING UNDER § 11–302(B) OF THIS SUBTITLE:~~

~~(1) SHALL BE LICENSED UNDER THIS SUBTITLE; AND~~

~~(2) IS SUBJECT TO THE LICENSING, INVESTIGATORY, ENFORCEMENT, AND PENALTY PROVISIONS OF:~~

~~(I) THIS SUBTITLE;~~

~~(II) SUBTITLE 2 OF THIS TITLE; AND~~

~~(III) THE APPLICABLE PROVISIONS OF:~~

~~1. TITLE 12, SUBTITLES 1, 9, AND 10 OF THIS ARTICLE; AND~~

~~2. TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE.~~

~~(C) THE LICENSING, INVESTIGATORY, ENFORCEMENT, AND PENALTY PROVISIONS OF SUBTITLE 2 OF THIS TITLE SHALL BE INTERPRETED, CONSTRUED, AND APPLIED TO A PERSON REQUIRING LICENSING UNDER § 11–302(B) OF THIS TITLE AS IF:~~

~~(1) THE PERSON WERE APPLYING FOR A LICENSE TO MAKE LOANS SUBJECT TO THE MARYLAND CONSUMER LOAN LAW; OR~~

~~(2) THE PERSON'S BUSINESS ACTIVITIES CONSISTED OF MAKING LOANS SUBJECT TO THE MARYLAND CONSUMER LOAN LAW.~~

~~11–601.~~

~~(q) (1) "Mortgage loan originator" means an individual who for compensation or gain, or in the expectation of compensation or gain:~~

~~(i) Takes a loan application; or~~

~~(ii) Offers or negotiates terms of a mortgage loan.~~

~~(2) "MORTGAGE LOAN ORIGINATOR" INCLUDES A RETAIL SELLER OF A MANUFACTURED HOME AS DEFINED IN § 12–301 OF THE PUBLIC SAFETY ARTICLE.~~

~~[(2)] (3) "Mortgage loan originator" does not include an individual who:~~

~~(i) Acts solely as a mortgage loan processor or underwriter;~~

~~(ii) Performs only real estate brokerage activities and is licensed in accordance with Title 17 of the Business Occupations and Professions Article, unless the individual is compensated by a mortgage lender, mortgage broker, or other mortgage loan originator or by any agent of a mortgage lender, mortgage broker, or other mortgage loan originator; or~~

~~(iii) Is involved solely in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C. § 101(53d).~~

2–115.

(b) When the Commissioner determines after notice and a hearing, unless the right to notice and a hearing is waived, that a person has engaged in an act or practice constituting a violation of a law, regulation, rule or order over which the Commissioner has jurisdiction, the Commissioner may in the Commissioner's discretion and in addition to taking any other action authorized by law:

(1) Issue a final cease and desist order against the person;

(2) Suspend or revoke the license of the person;

(3) Issue a penalty order against the person imposing a civil penalty **[**up to the maximum amount of $1,000**]** **NOT EXCEEDING:**

(I) **$10,000** for a first violation**;** and

(II) **[**a maximum amount of $5,000**]** **$25,000** for each subsequent violation; or

(4) Take any combination of the actions specified in this subsection.

2–116.

(b) When it appears to the Commissioner that a person has engaged in an act or practice constituting a violation of a law, regulation, rule, or order over which the Commissioner has jurisdiction, the Commissioner may bring an action in the circuit court of the county in which the person resides or transacts business to obtain one or more of the following remedies:

(1) A temporary restraining order;

(2) A temporary or permanent injunction;

(3) A civil penalty **[**up to a maximum amount of $1,000**]** **NOT EXCEEDING:**

(I) **$10,000** for a first violation**;** and

(II) **[**a maximum amount of $5,000**]** **$25,000** for each subsequent violation;

(4) A declaratory judgment;

(5) An order preventing access to the violator's assets;

(6) Rescission;

(7) Restitution; and

(8) Any other relief as the court deems just.

11–201.

(e) "Loan" means any loan or advance of money or credit ***[****made under****]*** ***SUBJECT TO*** *Title 12, Subtitle 3 of the Commercial Law Article, the Maryland Consumer Loan Law – Credit Provisions****, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF MONEY OR CREDIT IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE.***

11–504.

A person may not act as a mortgage lender unless the person is:

(1) A licensee; or

(2) A person exempted from licensing under this subtitle.

11–517.

(c) (1) The Commissioner may enforce the provisions of this subtitle, regulations adopted under § 11–503 of this subtitle, and the applicable provisions of Title 12 of the Commercial Law Article by:

(i) Issuing an order:

1. To cease and desist from the violation and any further similar violations; and

2. Requiring the violator to take affirmative action to correct the violation including the restitution of money or property to any person aggrieved by the violation; and

(ii) Imposing a civil penalty not exceeding **[**$5,000**]** **$10,000** for each violation.

(2) If a violator fails to comply with an order issued under paragraph (1)(i) of this subsection, the Commissioner may impose a civil penalty not exceeding **[**$5,000**]** **$25,000** for each violation from which the violator failed to cease and desist or for which the violator failed to take affirmative action to correct.

11–602.

(b) Unless exempted from this subtitle under subsection (d) of this section, an individual may not engage in the business of a mortgage loan originator unless the individual holds a valid license issued under this subtitle.

11–615.

(c) (1) The Commissioner may enforce the provisions of this subtitle, regulations adopted under this subtitle, and the applicable provisions of Title 12 of the Commercial Law Article by:

(i) Issuing an order:

1. To cease and desist from the violation and any further similar violations; and

2. Requiring the violator to take affirmative action to correct the violation, including the restitution of money or property to any person aggrieved by the violation; and

(ii) Imposing a civil penalty not exceeding **[**$5,000**] $10,000** for each violation.

(2) If a violator fails to comply with an order issued under paragraph (1)(i) of this subsection, the Commissioner may impose a civil penalty not exceeding **[**$5,000**] $25,000** for each violation from which the violator failed to cease and desist or for which the violator failed to take affirmative action to correct.

12–105.

(a) Except as provided in § 12–102(a) of this subtitle, a person may not provide check cashing services unless the person is licensed under this subtitle or is an exempt entity.

12–126.

(a) The Commissioner may impose a civil penalty against a person who violates this subtitle in an amount not exceeding:

(1) **[**$1,000**] $10,000** for a first offense; and

(2) **[**$5,000**] $25,000** for each subsequent offense.

(b) In determining the amount of civil penalty to be imposed under subsection (a) of this section, the Commissioner shall consider the following:

(1) The seriousness of the violation;

(2) The good faith of the violator;

(3) The violator's history of previous violations;

(4) The deleterious effect of the violation on the public;

(5) The assets of the violator; and

(6) Any other factor relevant to the determination of the civil penalty.

12–405.

(a) A person may not engage in the business of money transmission if that person, or the person with whom that person engages in the business of money transmission, is located in the State unless that person:

(1) Is licensed by the Commissioner;

(2) Is an authorized delegate of a licensee under whose name the business of money transmission occurs; or

(3) Is a person exempted from licensing under this subtitle.

12–426.

(e) (2) If a violator fails to comply with an order issued under paragraph (1) of this subsection, the Commissioner may impose a civil penalty **[**of up to $1,000**] NOT EXCEEDING:**

(I) **$10,000** for the first violation**;** and

(II) **[**$5,000**] $25,000** for each subsequent violation from which the violator failed to cease and desist or for which the violator failed to take affirmative action.

12–906.

(a) Whether or not the person maintains an office in this State, a person may not provide debt management services to consumers unless the person:

(1) Is licensed by the Commissioner under this subtitle; or

(2) Is exempt from licensing under this subtitle.

12–928.

(a) (1) The Commissioner may enforce the provisions of this subtitle and regulations adopted under this subtitle by:

(i) Issuing an order requiring the violator:

1. To cease and desist from the violation and any further similar violations; and

2. To take affirmative action to correct the violation, including the restitution of money or property to any person aggrieved by the violation; and

(ii) Imposing a civil penalty not exceeding **[**$1,000**] $10,000** for each violation.

(2) An order issued under this subsection may apply to a licensee's agent that violates any provision of this subtitle or the regulations adopted under this subtitle.

(3) If a violator fails to comply with an order issued under paragraph (1)(i) of this subsection, the Commissioner may impose a civil penalty not exceeding **[**$1,000**] $25,000** for each violation from which the violator failed to cease and desist or for which the violator failed to take corrective affirmative action.

(b) The Commissioner may file a petition in the circuit court for any county seeking enforcement of an order issued under this section.

(c) In determining the amount of financial penalty to be imposed under subsection (a) of this section, the Commissioner shall consider the following:

(1) The seriousness of the violation;

(2) The good faith of the violator;

(3) The violator's history of previous violations;

(4) The deleterious effect of the violation on the public;

(5) The assets of the violator; and

(6) Any other factors relevant to the determination of the financial penalty.

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

Article – Financial Institutions

2–104.1.

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

(2) "SERVICING" MEANS:

(I) RECEIVING SCHEDULED PERIODIC PAYMENTS FROM A STUDENT LOAN BORROWER ACCORDING TO THE TERMS OF A STUDENT EDUCATION LOAN;

(II) APPLYING THE PAYMENTS ACCORDING TO THE STUDENT EDUCATION LOAN TERMS; AND

(III) PERFORMING OTHER ADMINISTRATIVE SERVICES.

(3) "STUDENT EDUCATION LOAN" MEANS ANY LOAN, NOTWITHSTANDING ANY ELECTION OF LAW OR DESIGNATION OF STATUS IN ANY CONTRACT, USED FOR FINANCING POSTSECONDARY EDUCATION OR OTHER POSTSECONDARY SCHOOL–RELATED EXPENSES.

(4) "STUDENT LOAN BORROWER" MEANS:

(I) A RESIDENT OF THE STATE WHO HAS RECEIVED OR AGREED TO PAY A STUDENT EDUCATION LOAN; OR

(II) A RESIDENT WHO SHARES REPAYMENT RESPONSIBILITY WITH A RESIDENT DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH.

(5) "STUDENT LOAN OMBUDSMAN" MEANS AN INDIVIDUAL, WHETHER A PAID EMPLOYEE OR A VOLUNTEER, WHOM THE COMMISSIONER DESIGNATES TO SERVE AS A LIAISON BETWEEN STUDENT LOAN BORROWERS AND STUDENT LOAN SERVICERS.

(6) (I) "STUDENT LOAN SERVICER" MEANS A PERSON, REGARDLESS OF LOCATION, RESPONSIBLE FOR SERVICING A STUDENT EDUCATION LOAN TO A STUDENT LOAN BORROWER.

(II) "STUDENT LOAN SERVICER" INCLUDES A TRUST ENTITY PERFORMING OR RECEIVING THE BENEFIT OF STUDENT LOAN SERVICING.

(B) (1) THE COMMISSIONER SHALL DESIGNATE AN INDIVIDUAL TO SERVE AS THE STUDENT LOAN OMBUDSMAN.

(2) (I) EACH STUDENT LOAN SERVICER IN THE STATE SHALL DESIGNATE AN INDIVIDUAL TO REPRESENT THE STUDENT LOAN SERVICER IN COMMUNICATIONS WITH THE STUDENT LOAN OMBUDSMAN.

(II) A STUDENT LOAN SERVICER SHALL PROVIDE THE STUDENT LOAN OMBUDSMAN THE NAME, TELEPHONE NUMBER, AND E–MAIL ADDRESS OF THE DESIGNEE REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(C) THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL RECEIVE AND PROCESS COMPLAINTS ABOUT STUDENT EDUCATION LOAN SERVICING, INCLUDING:

(1) RECEIVING AND REVIEWING COMPLAINTS FROM STUDENT LOAN BORROWERS;

(2) ATTEMPTING TO RESOLVE COMPLAINTS RECEIVED UNDER ITEM (1) OF THIS SUBSECTION, INCLUDING BY COLLABORATING WITH INSTITUTIONS OF HIGHER EDUCATION, STUDENT LOAN SERVICERS, AND ANY OTHER PARTICIPANTS IN STUDENT LOAN LENDING, SUCH AS THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND THE MARYLAND HIGHER EDUCATION COMMISSION; AND

(3) COMPILING AND ANALYZING COMPLAINT DATA.

(D) THE STUDENT LOAN OMBUDSMAN MAY REFER ANY MATTER THAT IS ABUSIVE, UNFAIR, DECEPTIVE, OR FRAUDULENT TO THE OFFICE OF THE ATTORNEY GENERAL FOR CIVIL ENFORCEMENT OR CRIMINAL PROSECUTION.

(E) THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL DISSEMINATE INFORMATION ABOUT STUDENT EDUCATION LOANS AND SERVICING BY:

(1) HELPING STUDENT LOAN BORROWERS UNDERSTAND THEIR RIGHTS AND RESPONSIBILITIES UNDER THE TERMS OF STUDENT EDUCATION LOANS;

(2) PROVIDING INFORMATION TO THE PUBLIC, STATE AGENCIES, ELECTED OFFICIALS, AND OTHER INDIVIDUALS REGARDING STUDENT LOAN BORROWER PROBLEMS AND CONCERNS; AND

(3) DISSEMINATING INFORMATION ABOUT THE AVAILABILITY OF THE STUDENT LOAN OMBUDSMAN TO ASSIST THOSE WITH STUDENT LOAN SERVICING CONCERNS, INCLUDING DISSEMINATING THE INFORMATION TO:

(I) STUDENT LOAN BORROWERS;

(II) POTENTIAL STUDENT LOAN BORROWERS;

(III) STATE HIGHER EDUCATION INSTITUTIONS; AND

(IV) STUDENT LOAN SERVICERS.

(F) (1) THE STUDENT LOAN OMBUDSMAN SHALL:

(I) ANALYZE AND MONITOR THE DEVELOPMENT AND IMPLEMENTATION OF FEDERAL, STATE, AND LOCAL LAWS, REGULATIONS, AND POLICIES ON STUDENT LOAN BORROWERS;

(II) DISCLOSE THE COMPLAINT DATA IT COMPILES AND ANALYZES UNDER SUBSECTION (C) OF THIS SECTION, INCLUDING:

1. NOTING ANY TRENDS IN THE DATA; AND

2. IDENTIFYING THE NAMES OF STUDENT LOAN SERVICERS ENGAGING IN ANY ABUSIVE, UNFAIR, DECEPTIVE, OR FRAUDULENT PRACTICES; AND

(III) MAKE RECOMMENDATIONS REGARDING:

1. STATUTORY AND REGULATORY METHODS TO RESOLVE STUDENT LOAN BORROWER PROBLEMS AND CONCERNS; AND

2. NECESSARY CHANGES TO STATE LAW TO ENSURE THAT THE STUDENT LOAN SERVICING INDUSTRY IS FAIR, TRANSPARENT, AND EQUITABLE, INCLUDING WHETHER THE STATE SHOULD REQUIRE LICENSING OR REGISTRATION OF STUDENT LOAN SERVICERS.

(2) ON OR BEFORE JANUARY 1 EACH YEAR, THE STUDENT LOAN OMBUDSMAN SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE.

(G) (1) ON OR BEFORE OCTOBER 1, 2019, THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL ESTABLISH A STUDENT LOAN BORROWER EDUCATION COURSE.

(2) THE COURSE SHALL:

(I) INCLUDE EDUCATIONAL PRESENTATIONS AND MATERIAL ABOUT STUDENT EDUCATION LOANS; AND

(II) REVIEW THE FOLLOWING:

1. COMMON STUDENT EDUCATION LOAN TERMS;

2. DOCUMENTATION REQUIREMENTS FOR STUDENT EDUCATION LOAN APPLICATIONS;

3. MONTHLY PAYMENT OBLIGATIONS FOR STUDENT EDUCATION LOANS;

4. INCOME–BASED REPAYMENT OPTIONS FOR STUDENT EDUCATION LOANS;

5. STUDENT EDUCATION LOAN FORGIVENESS PROGRAMS; AND

6. STUDENT EDUCATION LOAN DISCLOSURE REQUIREMENTS.

(H) ON OR BEFORE JANUARY 1 EACH YEAR, THE COMMISSIONER SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) THE IMPLEMENTATION OF THE STUDENT LOAN OMBUDSMAN AND RELATED PROVISIONS UNDER THIS SECTION; AND

(2) THE OVERALL EFFECTIVENESS OF THE STUDENT LOAN OMBUDSMAN POSITION.

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

~~**Article – Financial Institutions**~~

~~**2–104.1.**~~

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

~~**(2) "STUDENT EDUCATION LOAN" HAS THE MEANING STATED IN § 12–1101 OF THIS ARTICLE.**~~

~~(3) "STUDENT LOAN BORROWER" HAS THE MEANING STATED IN § 12–1101 OF THIS ARTICLE.~~

~~(4) "STUDENT LOAN OMBUDSMAN" MEANS AN INDIVIDUAL, WHETHER A PAID EMPLOYEE OR A VOLUNTEER, WHOM THE COMMISSIONER DESIGNATES TO SERVE AS A LIAISON BETWEEN STUDENT LOAN BORROWERS AND STUDENT LOAN SERVICERS.~~

~~(5) "STUDENT LOAN SERVICER" HAS THE MEANING STATED IN § 12–1101 OF THIS ARTICLE.~~

~~(B) THE COMMISSIONER SHALL DESIGNATE AN INDIVIDUAL TO SERVE AS THE STUDENT LOAN OMBUDSMAN.~~

~~(C) THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL:~~

~~(1) RECEIVE AND REVIEW COMPLAINTS FROM STUDENT LOAN BORROWERS;~~

~~(2) ATTEMPT TO RESOLVE COMPLAINTS RECEIVED UNDER ITEM (1) OF THIS SUBSECTION, INCLUDING BY COLLABORATING WITH INSTITUTIONS OF HIGHER EDUCATION, STUDENT LOAN SERVICERS, AND ANY OTHER PARTICIPANTS IN STUDENT LOAN LENDING, SUCH AS THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND THE MARYLAND HIGHER EDUCATION COMMISSION;~~

~~(3) COMPILE AND ANALYZE COMPLAINT DATA;~~

~~(4) HELP STUDENT LOAN BORROWERS UNDERSTAND THEIR RIGHTS AND RESPONSIBILITIES UNDER THE TERMS OF STUDENT EDUCATION LOANS;~~

~~(5) PROVIDE INFORMATION TO THE PUBLIC, STATE AGENCIES, ELECTED OFFICIALS, AND OTHER INDIVIDUALS REGARDING STUDENT LOAN BORROWER PROBLEMS AND CONCERNS;~~

~~(6) MAKE RECOMMENDATIONS REGARDING RESOLUTION OF STUDENT LOAN BORROWER PROBLEMS AND CONCERNS;~~

~~(7) ANALYZE AND MONITOR THE DEVELOPMENT AND IMPLEMENTATION OF FEDERAL, STATE, AND LOCAL LAWS, REGULATIONS, AND POLICIES ON STUDENT LOAN BORROWERS AND RECOMMEND NECESSARY CHANGES;~~

~~(8) REVIEW THE STUDENT EDUCATION LOAN HISTORY OF STUDENT LOAN BORROWERS WHO GIVE WRITTEN CONSENT TO HAVE THEIR STUDENT EDUCATION LOAN HISTORY REVIEWED;~~

~~(9) DISSEMINATE INFORMATION ABOUT THE AVAILABILITY OF THE STUDENT LOAN OMBUDSMAN TO ASSIST THOSE WITH STUDENT LOAN SERVICING CONCERNS, INCLUDING DISSEMINATING THE INFORMATION TO:~~

~~(I) STUDENT LOAN BORROWERS;~~

~~(II) POTENTIAL STUDENT LOAN BORROWERS;~~

~~(III) STATE HIGHER EDUCATION INSTITUTIONS; AND~~

~~(IV) STUDENT LOAN SERVICERS; AND~~

~~(10) TAKE ANY OTHER ACTIONS NECESSARY TO FULFILL THE DUTIES OF THE STUDENT LOAN OMBUDSMAN.~~

~~(D) (1) ON OR BEFORE OCTOBER 1, 2019, THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL ESTABLISH A STUDENT LOAN BORROWER EDUCATION COURSE.~~

~~(2) THE COURSE SHALL:~~

~~(I) INCLUDE EDUCATIONAL PRESENTATIONS AND MATERIAL ABOUT STUDENT EDUCATION LOANS; AND~~

~~(II) REVIEW THE FOLLOWING:~~

~~1. COMMON STUDENT EDUCATION LOAN TERMS;~~

~~2. DOCUMENTATION REQUIREMENTS FOR STUDENT EDUCATION LOAN APPLICATIONS;~~

~~3. MONTHLY PAYMENT OBLIGATIONS FOR STUDENT EDUCATION LOANS;~~

~~4. INCOME–BASED REPAYMENT OPTIONS FOR STUDENT EDUCATION LOANS;~~

~~5. STUDENT EDUCATION LOAN FORGIVENESS PROGRAMS; AND~~

~~6. STUDENT EDUCATION LOAN DISCLOSURE REQUIREMENTS.~~

~~SUBTITLE 11. STUDENT LOAN SERVICERS.~~

~~12–1101.~~

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

~~(B) "SERVICING" MEANS:~~

~~(1) RECEIVING SCHEDULED PERIODIC PAYMENTS FROM A STUDENT LOAN BORROWER ACCORDING TO THE TERMS OF A STUDENT EDUCATION LOAN;~~

~~(2) APPLYING THE PAYMENTS ACCORDING TO THE STUDENT EDUCATION LOAN TERMS; AND~~

~~(3) PERFORMING OTHER ADMINISTRATIVE SERVICES.~~

~~(C) "STUDENT EDUCATION LOAN" MEANS ANY LOAN, NOTWITHSTANDING ANY ELECTION OF LAW OR DESIGNATION OF STATUS IN ANY CONTRACT, USED MAINLY FOR FINANCING EDUCATION OR OTHER SCHOOL–RELATED EXPENSES.~~

~~(D) "STUDENT LOAN BORROWER" MEANS:~~

~~(1) A RESIDENT OF THE STATE WHO HAS RECEIVED OR AGREED TO PAY A STUDENT EDUCATION LOAN; OR~~

~~(2) AN INDIVIDUAL WHO SHARES REPAYMENT RESPONSIBILITY WITH A RESIDENT DESCRIBED UNDER ITEM (1) OF THIS SUBSECTION.~~

~~(E) (1) "STUDENT LOAN SERVICER" MEANS A PERSON, REGARDLESS OF LOCATION, RESPONSIBLE FOR SERVICING A STUDENT EDUCATION LOAN TO A STUDENT LOAN BORROWER.~~

~~(2) "STUDENT LOAN SERVICER" INCLUDES:~~

~~(I) A TRUST ENTITY PERFORMING OR RECEIVING THE BENEFIT OF STUDENT LOAN SERVICING; AND~~

~~(II) A PERSON CONDUCTING DEBT COLLECTION ACTIVITIES IN THE STATE.~~

~~12–1102.~~

~~THIS SUBTITLE DOES NOT APPLY TO:~~

~~(1) A BANKING INSTITUTION, A CREDIT UNION, A NATIONAL BANKING ASSOCIATION, AN OTHER–STATE BANK, OR AN OTHER–STATE CREDIT UNION;~~

~~(2) A WHOLLY OWNED SUBSIDIARY OF AN ENTITY SPECIFIED UNDER ITEM (1) OF THIS SECTION; OR~~

~~(3) AN OPERATING SUBSIDIARY OF AN ENTITY SPECIFIED UNDER ITEM (1) OF THIS SECTION IF EACH OWNER IS WHOLLY OWNED BY THE ENTITY.~~

~~12–1103.~~

~~A PERSON MAY NOT ENGAGE IN STUDENT EDUCATION LOAN SERVICING UNLESS THE PERSON:~~

~~(1) IS LICENSED BY THE COMMISSIONER UNDER THIS SUBTITLE; OR~~

~~(2) IS EXEMPT FROM LICENSING UNDER THIS SUBTITLE.~~

~~12–1104.~~

~~(A) TO APPLY FOR A LICENSE, AN APPLICANT SHALL SUBMIT AN APPLICATION ON THE FORM THAT THE COMMISSIONER PROVIDES.~~

~~(B) THE APPLICATION SHALL INCLUDE:~~

~~(1) A NONREFUNDABLE LICENSE FEE OF $1,000;~~

~~(2) A NONREFUNDABLE INVESTIGATION FEE OF $800;~~

~~(3) A NOTARIZED FINANCIAL STATEMENT OF THE APPLICANT PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT, THE ACCURACY OF WHICH IS ATTESTED TO BY SOMEONE AUTHORIZED TO EXECUTE THE DOCUMENTS;~~

~~(4) A HISTORY OF CRIMINAL CONVICTIONS OF THE APPLICANT AND EACH PARTNER, MEMBER, OFFICER, DIRECTOR, AND PRINCIPAL EMPLOYEE OF THE APPLICANT; AND~~

~~(5) ANY OTHER INFORMATION THAT THE COMMISSIONER REQUESTS.~~

~~(C) AN APPLICANT SHALL NOTIFY THE COMMISSIONER IN WRITING OF ANY CHANGE IN THE INFORMATION PROVIDED UNDER SUBSECTION (B) OF THIS SECTION NOT LATER THAN 10 DAYS AFTER THE OCCURRENCE OF THE EVENT THAT RESULTS IN THE CHANGE OF INFORMATION.~~

~~12–1105.~~

~~(A) AFTER THE FILING OF THE APPLICATION IS COMPLETE, THE COMMISSIONER SHALL INVESTIGATE:~~

~~(1) THE FINANCIAL CONDITION AND RESPONSIBILITY OF THE APPLICANT;~~

~~(2) THE FINANCIAL AND BUSINESS EXPERIENCE OF THE APPLICANT;~~

~~(3) THE CHARACTER OF THE APPLICANT;~~

~~(4) THE CRIMINAL HISTORY OF THE APPLICANT AND EACH PARTNER, MEMBER, OFFICER, DIRECTOR, AND PRINCIPAL EMPLOYEE OF THE APPLICANT; AND~~

~~(5) THE GENERAL FITNESS OF THE APPLICANT.~~

~~(B) IF REQUESTED BY THE COMMISSIONER TO COMPLETE THE INVESTIGATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, AN APPLICANT OR A PARTNER, A MEMBER, AN OFFICER, A DIRECTOR, OR A PRINCIPAL EMPLOYEE OF THE APPLICANT SHALL PROVIDE FINGERPRINTS FOR SUBMISSION TO THE FEDERAL BUREAU OF INVESTIGATION, AND ANY OTHER GOVERNMENT AGENCY OR GOVERNMENTAL ENTITY AUTHORIZED TO RECEIVE THIS INFORMATION FOR A STATE, A NATIONAL, OR AN INTERNATIONAL CRIMINAL HISTORY BACKGROUND CHECK.~~

~~(C) AN APPLICANT REQUIRED TO PROVIDE FINGERPRINTS UNDER THIS SECTION SHALL PAY ANY PROCESSING FEE OR OTHER REQUIRED FEE.~~

~~12–1106.~~

~~(A) THE COMMISSIONER SHALL ISSUE A LICENSE TO AN APPLICANT IF:~~

~~(1) THE APPLICANT MEETS THE REQUIREMENTS OF THIS SUBTITLE;~~

~~(2) THE COMMISSIONER FINDS:~~

~~(I) THE APPLICANT'S FINANCIAL CONDITION IS SOUND; AND~~

~~(II) THE APPLICANT WILL CONDUCT BUSINESS:~~

~~1. HONESTLY;~~

~~2. FAIRLY;~~

~~3. EQUITABLY;~~

~~4. CAREFULLY;~~

~~5. EFFICIENTLY;~~

~~6. IN A MANNER CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE; AND~~

~~7. IN A MANNER COMMANDING THE COMMUNITY'S CONFIDENCE AND TRUST;~~

~~(3) THE APPLICANT, AND, IF APPLICABLE, THE APPLICANT'S PARTNER, SENIOR EXECUTIVE, OR SHAREHOLDER WITH AT LEAST 10% OF EACH CLASS OF THE CORPORATION'S SECURITIES, IS QUALIFIED AND OF GOOD CHARACTER; AND~~

~~(4) NO ONE ON BEHALF OF THE APPLICANT HAS KNOWINGLY MADE A MATERIAL MISSTATEMENT OR AN OMISSION IN THE APPLICATION.~~

~~(B) IF AN APPLICANT DOES NOT MEET THE REQUIREMENTS OF THIS SUBTITLE, THE COMMISSIONER SHALL:~~

~~(1) DENY THE APPLICATION;~~

~~(2) NOTIFY THE APPLICANT IMMEDIATELY OF THE DENIAL OF THE APPLICATION; AND~~

~~(3) KEEP THE LICENSE FEE AND THE INVESTIGATION FEE.~~

~~12–1107.~~

~~(A) UNLESS A LICENSE IS RENEWED, SURRENDERED, SUSPENDED, OR REVOKED, A LICENSE ISSUED UNDER THIS SUBTITLE EXPIRES AT THE END OF SEPTEMBER 30 OF THE ODD–NUMBERED YEAR IMMEDIATELY FOLLOWING ITS ISSUANCE.~~

~~(B) ON OR BEFORE SEPTEMBER 1 OF THE YEAR THE LICENSE EXPIRES, THE LICENSE MAY BE RENEWED FOR A 2–YEAR TERM IF THE LICENSEE:~~

~~(1) IS OTHERWISE ENTITLED TO BE LICENSED;~~

~~(2) PAYS TO THE COMMISSIONER THE FEES REQUIRED WITH AN INITIAL APPLICATION UNDER § 12–1104(B)(1) AND (2) OF THIS SUBTITLE; AND~~

~~(3) SUBMITS TO THE COMMISSIONER A RENEWAL APPLICATION ON THE FORM THAT THE COMMISSIONER REQUIRES CONTAINING ALL OF THE INFORMATION REQUIRED UNDER AN INITIAL APPLICATION UNDER § 12–1104 OF THIS SUBTITLE.~~

~~(C) A RENEWAL APPLICATION FILED AFTER THE DATE SPECIFIED UNDER SUBSECTION (B) OF THIS SECTION SHALL INCLUDE A $100 LATE FEE.~~

~~(D) A LICENSEE SHALL NOTIFY THE COMMISSIONER IN WRITING OF ANY CHANGE IN THE INFORMATION PROVIDED UNDER SUBSECTION (B) OF THIS SECTION NOT LATER THAN 10 DAYS AFTER THE OCCURRENCE OF THE EVENT THAT RESULTS IN THE CHANGE OF INFORMATION.~~

~~(E) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, IF A LICENSEE FILES A RENEWAL APPLICATION ON OR BEFORE THE LICENSE EXPIRATION DATE, THE INITIAL LICENSE REMAINS EFFECTIVE UNTIL THE COMMISSIONER:~~

~~(1) ISSUES A RENEWAL LICENSE; OR~~

~~(2) NOTIFIES THE LICENSEE IN WRITING OF THE COMMISSIONER'S REFUSAL TO ISSUE A RENEWAL LICENSE, INCLUDING THE GROUNDS FOR DENIAL.~~

~~(F) THE COMMISSIONER MAY REFUSE TO APPROVE A RENEWAL LICENSE APPLICATION FOR THE SAME REASONS THE COMMISSIONER MAY DENY AN INITIAL LICENSE APPLICATION UNDER § 12–1106 OF THIS SUBTITLE.~~

~~12–1108.~~

~~(A) THE COMMISSIONER MAY DEEM AN APPLICATION UNDER § 12–1104 OR § 12–1107 OF THIS SUBTITLE ABANDONED IF THE APPLICANT FAILS TO RESPOND TO ANY REQUEST FOR INFORMATION AUTHORIZED UNDER THIS SUBTITLE.~~

~~(B) THE COMMISSIONER SHALL NOTIFY AN APPLICANT IN WRITING THAT IF THE INFORMATION REQUESTED IS NOT SUBMITTED WITHIN 60 DAYS AFTER THE REQUEST DATE, THE APPLICATION WILL BE DEEMED ABANDONED.~~

~~(C) THE COMMISSIONER SHALL KEEP THE LICENSE FEES INCLUDED WITH AN APPLICATION DEEMED ABANDONED UNDER THIS SECTION.~~

~~(D) ABANDONMENT OF AN APPLICATION UNDER THIS SECTION MAY NOT PRECLUDE AN APPLICANT OR A LICENSEE FROM SUBMITTING A NEW INITIAL APPLICATION IN ACCORDANCE WITH § 12–1104 OF THIS SUBTITLE.~~

~~12–1109.~~

~~(A) (1) WITHIN 15 DAYS AFTER A LICENSEE CEASES ENGAGING IN SERVICING IN THE STATE, THE LICENSEE SHALL:~~

~~(I) SURRENDER ITS LICENSE; AND~~

~~(II) NOTIFY THE COMMISSIONER IN WRITING.~~

~~(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL:~~

~~(I) IDENTIFY THE LOCATION WHERE THE RECORDS OF THE LICENSEE WILL BE STORED; AND~~

~~(II) INCLUDE THE NAME, MAILING ADDRESS, AND TELEPHONE NUMBER OF AN INDIVIDUAL AUTHORIZED TO PROVIDE ACCESS TO THE RECORDS.~~

~~(B) THE SURRENDER OF A LICENSE UNDER SUBSECTION (A) OF THIS SECTION DOES NOT REDUCE OR ELIMINATE THE LICENSEE'S CIVIL OR CRIMINAL LIABILITY ARISING FROM ACTS OR OMISSIONS OCCURRING BEFORE THE SURRENDER, INCLUDING ANY ACTIONS THAT THE COMMISSIONER MAY TAKE AGAINST A LICENSEE UNDER THIS SUBTITLE.~~

~~(C) THE COMMISSIONER SHALL AUTOMATICALLY SUSPEND A LICENSE IF PAYMENT IS RETURNED OR NOT ACCEPTED BY A FINANCIAL INSTITUTION FOR THE FEES REQUIRED UNDER § 12–1104(B)(1) AND (2) OR § 12–1107(B)(2) OF THIS SUBTITLE.~~

~~12–1110.~~

~~(A) A LICENSEE SHALL USE THE NAME AND BUSINESS ADDRESS SPECIFIED ON ITS LICENSE.~~

~~(B) A LICENSEE SHALL:~~

~~(1) MAINTAIN ONE PLACE OF BUSINESS UNDER THE LICENSE; AND~~

~~(2) NOTIFY THE COMMISSIONER IN WRITING OF ANY CHANGE IN ITS ADDRESS BEFORE THE LICENSEE CHANGES ITS ADDRESS.~~

~~(C) THE COMMISSIONER MAY ISSUE MORE THAN ONE LICENSE TO A LICENSEE.~~

~~(D) A LICENSEE MAY NOT TRANSFER OR ASSIGN A LICENSE.~~

~~12–1111.~~

~~(A) EXCEPT AS OTHERWISE PROVIDED IN FEDERAL LAW, A FEDERAL STUDENT EDUCATION LOAN AGREEMENT, OR A CONTRACT BETWEEN THE FEDERAL GOVERNMENT AND A LICENSEE, A LICENSEE SHALL PRESERVE:~~

~~(1) ALL RECORDS FOR EACH STUDENT EDUCATION LOAN; AND~~

~~(2) EACH COMMUNICATION WITH A STUDENT LOAN BORROWER.~~

~~(B) A LICENSEE SHALL PRESERVE THE RECORDS AND COMMUNICATIONS UNDER SUBSECTION (A) OF THIS SECTION FOR:~~

~~(1) AT LEAST 2 YEARS AFTER THE EARLIER OF:~~

~~(I) FINAL PAYMENT ON A STUDENT EDUCATION LOAN; OR~~

~~(II) THE SALE, ASSIGNMENT, OR OTHER TRANSFER OF THE SERVICING OF A STUDENT EDUCATION LOAN; OR~~

~~(2) A LONGER PERIOD IF OTHERWISE REQUIRED BY LAW.~~

~~(C) (1) THE COMMISSIONER MAY INVESTIGATE AND INSPECT THE RECORDS OF A LICENSEE.~~

~~(2) FOR THE PURPOSES OF THIS SUBSECTION, A LICENSEE SHALL:~~

~~(I) MAKE ANY RECORDS REQUESTED BY THE COMMISSIONER AVAILABLE; OR~~

~~(II) SEND COPIES OF ANY RECORDS REQUESTED BY THE COMMISSIONER TO THE COMMISSIONER WITHIN 5 BUSINESS DAYS AFTER THE REQUEST.~~

~~(3) IF REQUESTED BY A LICENSEE, THE COMMISSIONER MAY EXTEND THE TIME A LICENSEE HAS TO SEND RECORDS REQUESTED UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.~~

~~(4) A LICENSEE SHALL SEND ANY RECORDS BY:~~

~~(I) REGISTERED MAIL;~~

~~(II) CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR~~

~~(III) ANY EXPRESS DELIVERY CARRIER THAT PROVIDES A DATED DELIVERY RECEIPT.~~

~~12–1112.~~

~~A LICENSEE SHALL COMPLY WITH ALL FEDERAL LAWS CONCERNING STUDENT EDUCATION LOAN SERVICING, INCLUDING COMPLIANCE WITH THE FEDERAL TRUTH IN LENDING ACT.~~

~~12–1113.~~

~~(A) A LICENSEE MAY NOT:~~

~~(1) EMPLOY, DIRECTLY OR INDIRECTLY, ANY SCHEME, DEVICE, OR ARTIFICE TO DEFRAUD OR MISLEAD BORROWERS;~~

~~(2) ENGAGE IN ANY UNFAIR OR DECEPTIVE PRACTICE TOWARD ANY PERSON;~~

~~(3) MISREPRESENT OR OMIT ANY MATERIAL INFORMATION IN CONNECTION WITH THE SERVICING OF A STUDENT EDUCATION LOAN, INCLUDING MISREPRESENTATION OR OMISSION OF ANY FEE, PAYMENT DUE, LOAN TERM, OR BORROWER OBLIGATION;~~

~~(4) OBTAIN PROPERTY BY FRAUD OR MISREPRESENTATION;~~

~~(5) KNOWINGLY MISAPPLY OR RECKLESSLY APPLY STUDENT EDUCATION LOAN PAYMENTS TO THE OUTSTANDING BALANCE OF A STUDENT EDUCATION LOAN;~~

~~(6) CAUSE HARM TO THE CREDITWORTHINESS OF A STUDENT LOAN BORROWER BY KNOWINGLY OR RECKLESSLY PROVIDING INACCURATE INFORMATION TO A CONSUMER REPORTING AGENCY AS DEFINED IN § 14–1201 OF THE COMMERCIAL LAW ARTICLE;~~

~~(7) IF THE LICENSEE REGULARLY REPORTS INFORMATION TO A CONSUMER REPORTING AGENCY, FAIL TO REPORT BOTH THE FAVORABLE AND UNFAVORABLE PAYMENT HISTORY OF A STUDENT LOAN BORROWER TO A NATIONALLY RECOGNIZED CONSUMER REPORTING AGENCY AT LEAST ONCE A YEAR;~~

~~(8) SUBJECT TO SUBSECTION (B) OF THIS SECTION, REFUSE TO COMMUNICATE WITH AN AUTHORIZED REPRESENTATIVE OF A STUDENT LOAN BORROWER WHO PROVIDES A WRITTEN AUTHORIZATION SIGNED BY THE STUDENT LOAN BORROWER; AND~~

~~(9) NEGLIGENTLY MAKE ANY FALSE STATEMENT OR OMIT ANY MATERIAL FACT IN CONNECTION WITH:~~

~~(I) ANY INFORMATION OR REPORTS FILED WITH A GOVERNMENT AGENCY; OR~~

~~(II) ANY INVESTIGATION CONDUCTED BY THE COMMISSIONER OR ANY OTHER GOVERNMENT AGENCY.~~

~~(B) A LICENSEE MAY ADOPT PROCEDURES TO VERIFY THAT AN AUTHORIZED REPRESENTATIVE UNDER SUBSECTION (A)(8) OF THIS SECTION IS AUTHORIZED TO ACT ON BEHALF OF A STUDENT LOAN BORROWER.~~

~~12–1114.~~

~~IN ORDER TO CARRY OUT THIS SUBTITLE, THE COMMISSIONER MAY:~~

~~(1) RETAIN ATTORNEYS, ACCOUNTANTS, OTHER PROFESSIONALS, AND SPECIALISTS AS EXAMINERS, AUDITORS, OR INVESTIGATORS TO CONDUCT OR ASSIST IN CONDUCTING EXAMINATIONS OR INVESTIGATIONS;~~

~~(2) ENTER INTO AGREEMENTS OR RELATIONSHIPS WITH OTHER GOVERNMENT OFFICIALS OR REGULATORY ASSOCIATIONS TO IMPROVE EFFICIENCIES AND REDUCE REGULATORY BURDEN, INCLUDING SHARING:~~

~~(I) RESOURCES;~~

~~(II) STANDARDIZED OR UNIFORM METHODS OR PROCEDURES; AND~~

~~(III) DOCUMENTS, RECORDS, INFORMATION, OR EVIDENCE OBTAINED UNDER THE AUTHORITY OF THE COMMISSIONER;~~

~~(3) USE, HIRE, CONTRACT FOR, OR EMPLOY PUBLIC OR PRIVATELY AVAILABLE ANALYTICAL SYSTEMS, METHODS, OR SOFTWARE TO EXAMINE OR INVESTIGATE A PERSON SUBJECT TO THIS SUBTITLE;~~

~~(4) ACCEPT AND RELY ON EXAMINATION OR INVESTIGATION REPORTS MADE BY OTHER GOVERNMENT OFFICIALS; AND~~

~~(5) (I) ACCEPT AUDIT REPORTS MADE BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT FOR A LICENSEE OR OTHER PERSON ON THE SAME GENERAL SUBJECT MATTER AS THE AUDIT; AND~~

~~(II) INCORPORATE THE AUDIT REPORT IN THE REPORT OR EXAMINATION OR INVESTIGATION, OR OTHER WRITING.~~

~~12–1115.~~

~~(A) THE COMMISSIONER MAY CONDUCT INVESTIGATIONS AND EXAMINATIONS FOR THE PURPOSES OF:~~

~~(1) APPROVING OR DENYING AN INITIAL OR RENEWAL LICENSE APPLICATION UNDER THIS SUBTITLE;~~

~~(2) OBTAINING ANY INFORMATION REQUIRED BY THIS SUBTITLE; AND~~

~~(3) DISCOVERING ANY VIOLATIONS OF THIS SUBTITLE.~~

~~(B) THE COMMISSIONER SHALL REVIEW, INVESTIGATE, OR EXAMINE ANY LICENSEE OR OTHER PERSON SUBJECT TO THIS SUBTITLE AS OFTEN AS NECESSARY TO CARRY OUT ITS PURPOSE.~~

~~(C) (1) THE COMMISSIONER SHALL HAVE FULL ACCESS TO ANY BOOKS, ACCOUNTS, RECORDS, FILES, DOCUMENTS, INFORMATION, OR EVIDENCE RELEVANT TO AN INQUIRY OR INVESTIGATION UNDER THIS SECTION REGARDLESS OF THE LOCATION, POSSESSION, CONTROL, OR CUSTODY OF THE BOOKS, ACCOUNTS, RECORDS, FILES, DOCUMENTS, INFORMATION, OR EVIDENCE.~~

~~(2) RECORDS THAT THE COMMISSIONER MAY HAVE ACCESS TO UNDER PARAGRAPH (1) OF THIS SUBSECTION INCLUDE:~~

~~(I) CRIMINAL, CIVIL, AND ADMINISTRATIVE HISTORY;~~

~~(II) PERSONAL HISTORY AND EXPERIENCE;~~

~~(III) CREDIT HISTORY; AND~~

~~(IV) ANY OTHER INFORMATION NECESSARY OR RELEVANT TO AN INQUIRY OR INVESTIGATION UNDER THIS SUBSECTION.~~

~~(D) THE COMMISSIONER MAY DIRECT, SUBPOENA, OR ORDER:~~

~~(1) EXAMINATION UNDER OATH OF ANY PERSON WHOSE TESTIMONY MAY BE REQUIRED; AND~~

~~(2) PRODUCTION OF ANY BOOKS, ACCOUNTS, RECORDS, FILES, OR DOCUMENTS THE COMMISSIONER CONSIDERS RELEVANT.~~

~~(E) THE COMMISSIONER MAY:~~

~~(1) CONTROL ACCESS TO ANY DOCUMENTS AND RECORDS OF A LICENSEE OR A PERSON UNDER EXAMINATION OR INVESTIGATION UNDER THIS SECTION; AND~~

~~(2) (I) TAKE POSSESSION OF THE DOCUMENTS AND RECORDS; OR~~

~~(II) SELECT A PERSON TO BE IN CHARGE EXCLUSIVELY OF THE DOCUMENTS AND RECORDS IN THE PLACE WHERE THE DOCUMENTS AND RECORDS ARE USUALLY KEPT.~~

~~(F) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A PERSON MAY NOT REMOVE OR ATTEMPT TO REMOVE ANY OF THE DOCUMENTS OR RECORDS SUBJECT TO AN EXAMINATION OR INVESTIGATION UNDER THIS SECTION.~~

~~(2) A PERSON MAY REMOVE A DOCUMENT:~~

~~(I) BY COURT ORDER; OR~~

~~(II) WITH THE CONSENT OF THE COMMISSIONER.~~

~~(3) UNLESS THE COMMISSIONER HAS REASON TO BELIEVE THERE IS A RISK THAT DOCUMENTS OR RECORDS WILL BE ALTERED OR DESTROYED TO CONCEAL A VIOLATION OF THIS SUBTITLE, A LICENSEE OR AN OWNER OF DOCUMENTS AND RECORDS OF A LICENSEE SHALL HAVE ACCESS TO THE DOCUMENTS AND RECORDS AS NEEDED TO CONDUCT ITS ORDINARY BUSINESS.~~

~~(G) A LICENSEE OR A PERSON SUBJECT TO INVESTIGATION OR EXAMINATION UNDER THIS SUBTITLE MAY NOT KNOWINGLY WITHHOLD, ABSTRACT,~~

~~REMOVE, MUTILATE, DESTROY, OR HIDE ANY BOOKS, RECORDS, COMPUTER RECORDS, OR OTHER INFORMATION.~~

~~12–1116.~~

~~THE COMMISSIONER MAY ENFORCE THIS SUBTITLE AGAINST A STUDENT LOAN SERVICER WHO:~~

~~(1) IS DOING BUSINESS IN THE STATE; AND~~

~~(2) IS NOT LICENSED OR EXEMPTED FROM BEING LICENSED UNDER THIS SUBTITLE, WHETHER OR NOT THE STUDENT LOAN SERVICER CLAIMS TO BE LICENSED AS A STUDENT LOAN SERVICER IN ANOTHER JURISDICTION.~~

~~12–1117.~~

~~(A) (1) THIS SUBSECTION APPLIES TO:~~

~~(I) ANY VIOLATION OF THIS SUBTITLE; OR~~

~~(II) ANY ACTION THAT WOULD BE SUFFICIENT GROUNDS FOR THE COMMISSIONER TO DENY A LICENSE APPLICATION UNDER THIS SUBTITLE.~~

~~(2) THE COMMISSIONER MAY:~~

~~(I) SUSPEND, REVOKE, OR REFUSE TO RENEW THE LICENSE OF THE STUDENT LOAN SERVICER RESPONSIBLE FOR THE VIOLATION OR ACTION; OR~~

~~(II) TAKE ANY OTHER ACTION AGAINST THE LICENSEE RESPONSIBLE FOR THE VIOLATION OR ACTION.~~

~~(B) THE COMMISSIONER MAY TAKE ANY ACTION AUTHORIZED UNDER STATE BANKING LAWS WHEN IT APPEARS THAT:~~

~~(1) A PERSON VIOLATED, IS VIOLATING, OR IS ABOUT TO VIOLATE THIS SUBTITLE; OR~~

~~(2) A LICENSEE OR ANY OWNER, DIRECTOR, OFFICER, MEMBER, PARTNER, SHAREHOLDER, TRUSTEE, EMPLOYEE, OR AGENT OF THE LICENSEE HAS:~~

~~(I) COMMITTED FRAUD;~~

~~(II) ENGAGED IN DISHONEST ACTIVITIES; OR~~

~~(III) MADE ANY MISREPRESENTATION.~~

~~(C) THE COMMISSIONER SHALL PROVIDE A LICENSEE:~~

~~(1) NOTICE OF ANY SUSPENSION, REVOCATION, OR TERMINATION OF THE LICENSE OF THE LICENSEE; AND~~

~~(2) THE OPTION TO REQUEST A HEARING REGARDING THE LICENSE SUSPENSION, REVOCATION, OR TERMINATION.~~

~~(D) IF A LICENSE IS SURRENDERED, REVOKED, OR SUSPENDED BEFORE IT EXPIRES, THE COMMISSIONER MAY NOT REFUND ANY PORTION OF THE LICENSE FEE.~~

~~12–1118.~~

~~ON OR BEFORE JANUARY 1 EACH YEAR, THE COMMISSIONER SHALL REPORT TO THE GENERAL ASSEMBLY ON:~~

~~(1) THE IMPLEMENTATION OF THE STUDENT LOAN OMBUDSMAN AND RELATED PROVISIONS UNDER § 2–104.1 OF THIS ARTICLE;~~

~~(2) THE OVERALL EFFECTIVENESS OF THE STUDENT LOAN OMBUDSMAN POSITION; AND~~

~~(3) ANY ADDITIONAL STEPS NEEDED TO GAIN REGULATORY CONTROL OVER THE LICENSING AND OVERSIGHT OF STUDENT LOAN SERVICERS.~~

~~12–1119.~~

~~THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.~~

SECTION ~~3.~~ ~~2.~~ *3.* AND BE IT FURTHER ENACTED, That:

(a) The Commissioner of Financial Regulation in the Department of Labor, Licensing, and Regulation shall conduct a study to assess whether the Commissioner has enough statutory authority to regulate "Fintech firms" or technology–driven nonbank companies who compete with traditional methods in the delivery of financial services.

(b) The Commissioner shall identify any gaps in the regulation of Fintech firms, including any specific types of companies that are not subject to regulation under State law.

(c) On or before December 31, 2019, the Commissioner shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, its findings and any recommendations for legislative proposals to regulate Fintech firms.

SECTION ~~4.~~ ~~3.~~ *4.* AND BE IT FURTHER ENACTED, That the Maryland Financial Consumer Protection Commission established under Chapters 18 and 781 of the Acts of 2017 shall:

(1) study:

(i) cryptocurrencies*, initial coin offerings, cryptocurrency exchanges,* and other blockchain technologies; ~~and~~

(ii) the Consumer Financial Protection Bureau arbitration rule and the Model State Consumer and Employee Justice Enforcement Act, including reviewing similar laws adopted in other states; ~~and~~

(iii) the possible exemption of retailers of manufactured homes from the definition of "mortgage originator" in federal law; *and*

~~(2)~~ *(iv)* ~~monitor~~ the U.S. *Department of Labor rule and any* Securities and Exchange ~~Commission's~~ *Commission* actions in addressing conflicts of interest of ~~broker–dealers' offering of~~ *broker–dealers offering* investment advice by aligning the standard of care for broker–dealers with that of the fiduciary duty of investment advisors; and

~~(2)~~ ~~(3)~~ *(2)* include recommendations ~~for State actions to regulate cryptocurrencies~~ in its 2018 report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly regarding:

(i) State action to regulate cryptocurrencies, *initial coin offerings, and cryptocurrency exchanges*;

(ii) changes to State law to provide the protection intended by the Model State Consumer and Employee Justice Enforcement Act;

(iii) changes to State law to provide the protection intended by the *U.S. Department of Labor conflicts of interest rule addressing* fiduciary duty standards of care; and

(iv) clarification of State law to ensure that Maryland buyers of manufactured homes are protected in their ~~homebuying~~ *home–buying* transaction.

SECTION ~~5.~~ ~~4.~~ *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.~~ ~~5.~~ *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 2018 that affects provisions enacted by this Act. The publisher shall adequately describe any correction that is made in an editor's note following the section affected.

SECTION ~~7.~~ ~~6.~~ *7.* AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 732

(Senate Bill 1068)

AN ACT concerning

Financial Consumer Protection Act of 2018

FOR the purpose of authorizing a lender to elect to make a certain loan to a borrower under certain circumstances; providing that certain provisions of law do not apply to certain loans under certain circumstances; prohibiting certain persons from making certain loans under certain circumstances; providing that certain loans are void and unenforceable under certain circumstances; prohibiting certain persons from ~~receiving or retaining certain principal, interest, fees, or other compensation~~ collecting or attempting to collect in a certain manner certain money or enforcing or attempting to enforce a certain contract in a certain manner under certain circumstances; prohibiting certain persons from selling, assigning, or otherwise transferring certain loans under certain circumstances; authorizing a certain lender to collect a certain rate of interest, charge, discount, or other consideration; altering the circumstances under which certain lenders may make certain loans; altering the application of ~~specified~~ certain provisions of law regarding interest and usury and certain small consumer loans; altering a certain prohibition on a certain lender contracting for, charging, or receiving certain fees or charges; altering a certain prohibition on a certain lender taking a certain security interest; altering a certain prohibition on a person lending a specified amount under certain circumstances; prohibiting a certain person from collecting or attempting to collect a certain amount from a borrower; repealing a certain prohibition against a lender taking certain actions; altering the definition of "unfair or deceptive trade practice" to be "unfair, abusive, or deceptive trade practice"; providing that unfair, abusive, or deceptive

trade practices include violations of the federal Military Lending Act or the federal Servicemembers Civil Relief Act; altering certain civil penalties for certain violations of the Maryland Consumer Protection Act or State financial laws and provisions regarding ~~consumer reporting agencies~~ collection agencies, mortgage lenders, mortgage loan originators, check cashers, money transmitters, and debt management services; ~~requiring a consumer reporting agency to provide a certain notification of a breach of the security of a system; altering the requirement that a consumer reporting agency reinvestigate and record certain information;~~ prohibiting a certain collector from engaging in a certain unlicensed debt collection activity and certain conduct under certain circumstances; prohibiting a consumer reporting agency from charging for any service relating to a security freeze; altering a certain notice that must be included with a certain summary of rights provided to a consumer; specifying the purpose of certain provisions of law; requiring the Commissioner of Financial Regulation and the Office of the Attorney General to use certain authority to bring certain civil actions or proceedings under certain circumstances; requiring the Governor to appropriate certain amounts in the annual State budget for the Commissioner and the Office; requiring the Commissioner and the Office to use certain funds for certain purposes; ~~providing that a certain person is a fiduciary and has a certain duty; requiring a certain person to disclose to a client certain information and to make a certain inquiry; authorizing the Commissioner of Securities of the Office of the Attorney General to adopt certain regulations; requiring the Standing Committee on Rules of Practice and Procedure of the Court of Appeals and the Commissioner of Financial Regulation to adopt certain rules consistent with a certain model act; requiring a certain person who makes installment loans or engages in credit services business activities to be licensed under certain provisions of law and specifying that the person is subject to certain provisions; requiring certain licensing, investigatory, enforcement, and penalty provisions to be interpreted, construed, and applied in a certain manner; altering the definition of "mortgage loan originator" to include a certain seller of a manufactured home; providing that certain revenues received from licensing of certain individuals is deposited in the Nondepository Special Fund; expanding the uses and purpose of the Fund;~~ requiring the Commissioner of Financial Regulation to designate an individual to serve as the Student Loan Ombudsman; *requiring a certain student loan servicer to designate an individual to represent the student loan servicer in certain communications; requiring a certain student loan servicer to provide the Student Loan Ombudsman certain information;* establishing the duties and responsibilities of the Student Loan Ombudsman; requiring the Student Loan Ombudsman, in consultation with the Commissioner, to establish a certain student loan borrower education course; establishing the requirements of the course; ~~prohibiting a person from engaging in student education loan servicing unless the person is licensed by the Commissioner or is exempt from licensing; establishing the application requirements for a student loan servicer license; requiring the Commissioner to investigate certain information under certain circumstances; requiring a certain person to provide fingerprints and pay a certain fee under certain circumstances; requiring the Commissioner to issue or deny an application for a student education loan servicing license under certain circumstances; specifying the expiration date of a certain license; establishing the requirements and procedures~~

~~for the renewal of a student education loan servicing license; providing for the effective date of a certain initial license under certain circumstances; authorizing the Commissioner to refuse to approve a renewal license application under certain circumstances; establishing procedures regarding the abandonment of certain license applications specifying certain qualifications for an applicant to qualify for a certain license; requiring a certain applicant to provide certain information to the Nationwide Mortgage Licensing System and Registry; specifying the application requirement process, including the license and investigation fees; requiring a certain applicant to file a certain surety bond; requiring the Commissioner to conduct a certain investigation under certain circumstances; requiring the process for when an applicant does not meet certain requirements; establishing the term of a certain license; requiring a certain licensee who ceases engaging in student education loan servicing to surrender a certain license under certain circumstances; providing that a certain surrender of a license does not reduce or eliminate certain liability; requiring the Commissioner to automatically suspend a certain license under certain circumstances; establishing the duties, responsibilities, and requirements of a licensee; authorizing the Commissioner to issue more than one license to a licensee; prohibiting a licensee from transferring or assigning a license; authorizing the Commissioner to investigate and inspect certain records; authorizing the Commissioner to extend the time a licensee has to send certain records; prohibiting a licensee from taking or failing to take certain actions, making certain misrepresentations or omissions, or causing certain harm; authorizing a licensee to adopt certain procedures; authorizing the Commissioner to conduct certain investigations and examinations and certain related actions; requiring the Commissioner to review, investigate, or examine a certain licensee under certain circumstances; requiring the Commissioner to have certain access to certain books, accounts, records, files, documents, information, or evidence; authorizing the Commissioner to control access to certain documents and records and take certain actions; prohibiting a person from removing or attempting to remove certain documents or records under certain circumstances; requiring a licensee or a certain owner to have access to certain documents and records under certain circumstances; prohibiting a licensee or a certain person from knowingly taking certain actions; authorizing the Commissioner to take certain actions to enforce and carry out this Act under certain circumstances; authorizing the Commissioner to take certain enforcement actions against a certain student loan servicer who is not licensed; requiring the Commissioner to provide a certain notice and a certain option; authorizing the Commissioner to take certain actions authorized under certain banking laws under certain circumstances; prohibiting the Commissioner from refunding certain fees requiring a certain licensee to preserve certain records and communications with certain borrowers; requiring a licensee to comply with certain federal laws; specifying the process when a licensee receives a certain nonconforming payment on a certain loan; prohibiting a certain licensee from certain actions; authorizing the Commissioner to hire certain individuals; authorizing the Commissioner to conduct certain investigations; authorizing the Commissioner to enforce certain provisions of law against certain persons; authorizing the Commissioner to suspend or revoke a certain license under certain circumstances; requiring the Commissioner to provide a certain licensee an opportunity for a certain~~

~~hearing before taking certain action; providing that a certain licensee that fails to comply with certain requirements is liable to a certain borrower for certain damages;~~ establishing certain reporting requirements; ~~requiring the Commissioner to adopt certain regulations; requiring that certain revenue received for licensing certain persons be credited to the Fund;~~ requiring the Commissioner to conduct a certain study to assess whether the Commissioner has certain statutory authority to regulate certain firms and issue a certain report; requiring the Maryland Financial Consumer Protection Commission to ~~study cryptocurrencies and other blockchain technologies~~ conduct certain studies and include certain recommendations in a report; providing for the application of certain provisions of this Act; making the provisions of this Act severable; requiring the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, to correct any cross–references or terminology rendered incorrect by this Act and to describe any corrections made in an editor's note following the section affected; defining and altering certain terms; making stylistic and conforming changes; providing for a delayed effective date for certain provisions of this Act; providing for the application of certain provisions of this Act; and generally relating to financial consumer protection laws.

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 7–101(i)~~, 7–102,~~ and 7–205(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 12–101, 12–111, 12–112, 12–114, 12–301, 12–303, 12–311(c), 12–314, 12–401(c), 12–601(k), 13–101(k), 13–301, 13–303, 13–410, 14–202, ~~14–1206, 14–1208,~~ 14–1212.1(i) and (j), 14–1212.2(c)(1), (g), and (i), and 14–1212.3(i)~~, and 14–1218(a)~~
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY adding to
Article – Commercial Law
Section ~~12–114.1~~ 12–101.1, 12–114.1, and 12–402.1; and 14–4101 through 14–4104 to be under the new subtitle "Subtitle 41. Financial Consumer Protection"
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Commercial Law
Section 12–401(a) and (b), 12–601(f), and 14–1212.1(l)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

~~BY adding to~~
~~Article – Corporations and Associations~~
~~Section 11–803~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – Courts and Judicial Proceedings~~
~~Section 3–230.1~~
~~Annotated Code of Maryland~~
~~(2013 Replacement Volume and 2017 Supplement)~~

BY repealing
Article – Commercial Law
Section 12–313
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section ~~2–105.1(b), 11–303, 11–601(q)~~ 2–115(b), 2–116(b), ~~11–219~~ *11–201(e)*, 11–517(c), ~~11–610,~~ 11–615(c), 12–126, 12–426(e)(2), and 12–928
Annotated Code of Maryland
(2011 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Financial Institutions
Section ~~11–303~~ *11–201(a)*, 11–504, 11–602(b), 12–105(a), 12–405(a), and 12–906(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2017 Supplement)

BY adding to
Article – Financial Institutions
Section 2–104.1~~; and 12–1101 through 12–1119 12–1125 to be under the new subtitle "Subtitle 11. Student Loan Servicers"~~
Annotated Code of Maryland
(2011 Replacement Volume and 2017 Supplement)

Preamble

WHEREAS, The Maryland Financial Consumer Protection Commission was created by statute in 2017 to monitor changes in Washington and on Wall Street and make recommendations for action to the Governor, the General Assembly of Maryland, and the Maryland Congressional delegation as necessary to safeguard Maryland consumers; and

WHEREAS, The commission held two public hearings with testimony from 11 witnesses and conducted significant research; and

WHEREAS, The 2008 international financial crisis was years in the making. When it erupted, it exposed the deficiencies in prior public policies and regulatory structures and clearly showed that policies and practices that fostered, and in some cases, encouraged, excessive risk taking were detrimental to the economy in general and particularly to the American consumers who were, in many cases, victimized by bad financial practices; and

WHEREAS, Congress and the President, recalling the lessons of earlier financial crises, came together to update the rules of the road for consumer protection and the financial markets; and

WHEREAS, To protect the American economy, Congress passed the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd–Frank) along with implementing regulations adopted by the federal financial and consumer regulatory agencies; and

WHEREAS, In the years since the passage of these major reforms, along with significant monetary policy easing and fiscal stimulus, credit is flowing and the economy has significantly recovered; and

WHEREAS, Corporate and industrial loans as well as overall loans in the banking sector have grown significantly since pre–crisis levels, 35% and 31% respectively, and the financial system is back to pre–crisis levels of activity; and

WHEREAS, Bank profits were at record levels in 2016 and, in the third quarter of 2017, the banking industry's average return on assets was at a 10–year high; and

WHEREAS, The number of complaints filed by Marylanders with the Consumer Financial Protection Bureau (CFPB) is over 12,000, with the majority relating to mortgages (including loan servicing and foreclosures), debt collectors, and credit reporting; and

WHEREAS, Recent federal action to roll back certain financial consumer protections may prove detrimental to Marylanders; and

WHEREAS, The new Administration, working with Congress, has made efforts to loosen a variety of the postcrisis reforms, including personnel appointments, use of the Congressional Review Act, Congress's legislative efforts, and regulatory and administrative actions; and

WHEREAS, In light of the retrenchment on the federal level, the commission recommended that Maryland take steps to further protect consumers and investors; and

WHEREAS, Many consumer protection and financial–sector issues must be addressed at the federal level; and

WHEREAS, The General Assembly of Maryland urges the Maryland Congressional delegation remain focused on the need to maintain strong and balanced financial consumer protection laws and regulations at the federal level; and

WHEREAS, The General Assembly of Maryland recommends that the delegation continue to support the independence of CFPB; and

WHEREAS, The General Assembly of Maryland further recommends that the delegation support full funding for crucial market regulators, including the U.S. Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission; and

WHEREAS, The General Assembly of Maryland requests that the delegation regularly weigh in on behalf of everyday Marylanders with comment letters to and oversight of the financial and consumer regulators to maintain critical financial consumer protections at the federal level as well as preserve the State's authority to protect its citizens locally through, for instance, opposition to the OCC special Fintech charter; and

WHEREAS, While some safeguards can only be addressed in Washington, particularly with regards to protecting against systemic risk and the failure of the largest banks, other states are taking actions to fill new gaps in financial consumer protection; now, therefore,

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

Article – Business Regulation

7–101.

(i) "Licensed collection agency" means a person who is **[**licensed by the Board to do business as a collection agency**]** **REQUIRED TO BE LICENSED UNDER THIS SUBTITLE, REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED**.

~~7–102.~~

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

~~(2) "Common ownership" means direct or indirect ownership of more than 50% of a person.~~

~~(3) "Principal business" means a business activity of a person that comprises more than 50% of the total business activities of the person.~~

~~(b) This title does not apply to:~~

~~(1) a bank;~~

~~(2) a federal or State credit union;~~

~~(3) a mortgage lender;~~

~~(4) a person acting under an order of a court of competent jurisdiction;~~

~~(5) a licensed real estate broker, or an individual acting on behalf of the real estate broker, in the collection of rent or allied charges for property;~~

~~(6) a savings and loan association;~~

~~(7) a title company as to its escrow business;~~

~~(8) a trust company;~~

~~(9) a lawyer who is collecting a debt for a client, unless the lawyer has an employee who:~~

~~(i) is not a lawyer; and~~

~~(ii) is engaged primarily to solicit debts for collection or primarily makes contact with a debtor to collect or adjust a debt through a procedure identified with the operation of a collection agency; [or]~~

~~(10) a person who is collecting a debt for another person if:~~

~~(i) both persons are related by common ownership;~~

~~(ii) the person who is collecting a debt does so only for those persons to whom it is related by common ownership;~~

~~(iii) the principal business of the person who is collecting a debt is not the collection of debts; and~~

~~(iv) before collecting a debt, the person files with the Board:~~

~~1. the correct name of the person;~~

~~2. an address and telephone number of a contact person; and~~

~~3. the name of the person's resident agent; OR~~

~~(11) A LICENSED STUDENT LOAN SERVICER.~~

7–205.

(b) If a violator fails to comply with a lawful order issued by the Board, the Board may impose a penalty **[**of up to $500**]** **NOT EXCEEDING $10,000** for each violation cited in the order, not to exceed **[**$5,000**]** **$25,000**, from which the violator failed to cease and desist or for which the violator failed to take affirmative action to correct, as ordered by the Board.

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

Article – Commercial Law

12–101.

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

(b) "Borrower" means a person who borrows money under this subtitle.

(c) "Commercial loan" means a loan which is made:

(1) Solely to acquire or carry on a business or commercial enterprise; or

(2) To any business or commercial organization.

(d) "Effective rate of simple interest" means the yield to maturity rate of interest received or to be received by a lender on the face amount of a loan, computed in accordance with § 12–107 of this subtitle.

(e) "Interest" means, except as specifically provided in § 12–105 of this subtitle, any compensation directly or indirectly imposed by a lender for the extension of credit for the use or forebearance of money, including any loan fee, origination fee, service and carrying charge, investigator's fee, time–price differential, and any amount payable as a discount or point or otherwise payable for services.

(f) "Lender" means **A LICENSEE OR** a person who makes a loan ~~under~~ **SUBJECT TO** this subtitle.

(G) "LICENSEE" MEANS A PERSON THAT IS REQUIRED TO BE LICENSED TO MAKE LOANS SUBJECT TO THIS SUBTITLE, REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED.

(H) (1) "LOAN" MEANS A LOAN OR AN ADVANCE OF MONEY OR CREDIT SUBJECT TO THIS SUBTITLE, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF MONEY OR CREDIT IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE.

(2) "LOAN" DOES NOT INCLUDE ~~A~~:

(I) A LOAN OR ADVANCE OF MONEY OR CREDIT SUBJECT TO SUBTITLE 3 OF THIS TITLE, UNLESS A WRITTEN ELECTION IS MADE UNDER § 12–101.1 OF THIS SUBTITLE;

(II) A PLAN OR LOAN FOR WHICH A WRITTEN ELECTION IS MADE UNDER SUBTITLE 3, SUBTITLE 4, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE; OR

(III) AN INSTALLMENT SALE AGREEMENT AS DEFINED IN § 12–601 OF THIS TITLE.

[(g)**]** ~~(H)~~ **(I)** "Person" includes an individual, corporation, business trust, statutory trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

[(h)**]** ~~(I)~~ **(J)** "Point" means a fee, premium, bonus, loan origination fee, service charge, or any other charge equal to 1 percent of the principal amount of a loan which is charged by the lender at or before the time the loan is made as additional compensation for the loan.

[(i)**]** ~~(J)~~ **(K)** "Simple interest" means interest charged on the principal amount loaned to the borrower.

[(j)**]** ~~(K)~~ **(L)** "Stated rate of interest" means the annual rate of interest stated in percentage which appears on the face of the bond, draft, mortgage, deed of trust, security agreement, promissory note, or other instrument which evidences the indebtedness.

[(k)**]** ~~(L)~~ **(M)** "Usury" means the charging of interest by a lender in an amount which is greater than that allowed by this subtitle.

[(l)**]** ~~(M)~~ **(N)** "Wages" means all remuneration paid to any employee for ~~his~~ **THE EMPLOYEE'S** employment, including the cash value of all remuneration paid in any medium other than cash.

12–101.1.

(A) ON OR AFTER JANUARY 1, 2019, A LENDER MAY, AT THE LENDER'S OPTION, ELECT TO MAKE A LOAN TO ANY BORROWER EITHER UNDER THIS SUBTITLE OR AS OTHERWISE AUTHORIZED BY APPLICABLE LAW.

(B) IF A LENDER MAKES A WRITTEN ELECTION IN THE AGREEMENT, NOTE, OR OTHER EVIDENCE OF THE LOAN SPECIFYING THAT THIS SUBTITLE WILL GOVERN THE LOAN, SUBTITLES 3, 4, 5, 6, 9, AND 10 OF THIS TITLE DO NOT APPLY TO THE LOAN.

(C) IF A LENDER THAT MAKES OR CONTRACTS TO MAKE A LOAN DOES NOT MAKE A WRITTEN ELECTION UNDER THIS SUBTITLE OR SUBTITLE 3, SUBTITLE 4, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE, THIS SUBTITLE STILL APPLIES TO THE LOAN IF THE LOAN IS:

(1) FOR AN AMOUNT OVER $25,000; OR

(2) (I) FOR AN AMOUNT OF $25,000 OR LESS; AND

(II) NOT SUBJECT TO SUBTITLE 3 OF THIS TITLE.

12–111.

(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF THIS SUBTITLE.

(B) **[**An**] A PRIVATE** action for usury under this subtitle may not be brought more than **[**six**] 6** months after the loan is satisfied.

12–112.

(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF THIS SUBTITLE.

(B) A claim or plea of usury is not available against a legal or equitable assignee, endorsee, or transferee of any bond, draft, mortgage, deed of trust, security agreement, promissory note, or other instrument or evidence of indebtedness, if he receives it for a bona fide and legal consideration without notice of any usury in its creation or subsequent assignment.

12–114.

(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF THIS SUBTITLE.

[(a)**] (B)** (1) Any person who violates the usury provisions of this subtitle shall forfeit to the borrower the greater of:

(i) Three times the amount of interest and charges collected in excess of the interest and charges authorized by this subtitle; or

(ii) The sum of $500.

(2) A claim or plea of usury is not valid if, within 30 days from the date the loan contract was executed, the lender:

(i) Notifies the borrower and any other party to the loan contract that the loan was usurious; and

(ii) Agrees to modify it by substituting for the usurious rate of interest a legal rate of interest not exceeding the stated rate of interest.

[(b)**] (C)** Any person who violates the disclosure provisions of § 12–106 (b) and (c) of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $1,000 or imprisonment not exceeding **[**one**] 1** year or both.

[(c)**] (D)** Even if a loan document is executed outside of the State, this section is applicable if the loan is made to a resident of Maryland and is secured by property located within the State.

12–114.1.

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

(2) (I) "COVERED LOAN" MEANS A LOAN SUBJECT TO § 12–103(A)(3) OR (C) OF THIS SUBTITLE, MADE FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES, REGARDLESS OF WHETHER THE LOAN IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE.

(II) "COVERED LOAN" DOES NOT INCLUDE ~~A LOAN SUBJECT TO SUBTITLE 3 OF THIS TITLE~~:

1. A LOAN OR AN ADVANCE OF MONEY OR CREDIT SUBJECT TO SUBTITLE 3 OF THIS TITLE, UNLESS A WRITTEN ELECTION IS MADE UNDER § 12–101.1 OF THIS SUBTITLE;

2. A PLAN OR LOAN FOR WHICH A WRITTEN ELECTION HAS BEEN MADE UNDER SUBTITLE 3, SUBTITLE 4, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE; OR

3. AN INSTALLMENT SALE AGREEMENT AS DEFINED IN § 12–601 OF THIS TITLE.

~~(3) "OUT–OF–STATE LENDER" MEANS A PERSON WHO MAKES A LOAN VALIDLY IN ANOTHER STATE THAT COMPLIES WITH A COMPARABLE LOAN LAW OF THE OTHER STATE.~~

~~(4)~~ (3) "UNLICENSED PERSON" MEANS A PERSON WHO IS NOT:

(I) LICENSED IN THE STATE TO MAKE A COVERED LOAN; AND

(II) EXEMPT FROM LICENSING IN THE STATE.

(B) THIS SECTION APPLIES TO A COVERED LOAN MADE ~~BY A PERSON DOMICILED IN ANOTHER STATE TO A BORROWER WHO IS A RESIDENT OF THE STATE IF THE APPLICATION FOR THE LOAN ORIGINATED IN THE STATE~~ TO ANY PERSON.

(C) (1) AN UNLICENSED PERSON MAY NOT MAKE A COVERED LOAN.

(2) A PERSON MAY NOT MAKE A COVERED LOAN IF THE PERSON DIRECTLY OR INDIRECTLY CONTRACTS FOR, CHARGES, OR RECEIVES A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION THAT IS GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.

(3) A PERSON MAY NOT MAKE A COVERED LOAN THAT VIOLATES THE FEDERAL MILITARY LENDING ACT.

(D) (1) ~~EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS SUBSECTION, A~~ A COVERED LOAN MADE BY AN UNLICENSED PERSON IS VOID AND UNENFORCEABLE.

(2) (I) EXCEPT AS PROVIDED IN ~~PARAGRAPH (6) OF THIS SUBSECTION AND~~ SUBPARAGRAPH (II) OF THIS PARAGRAPH, A COVERED LOAN IS VOID AND UNENFORCEABLE IF A PERSON CONTRACTS FOR A COVERED LOAN THAT HAS A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.

(II) A COVERED LOAN IS NOT VOID AND UNENFORCEABLE IF:

1. A CLERICAL ERROR OR MISTAKE RESULTED IN THE RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION BEING GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW; AND

2. A PERSON CORRECTS THE ERROR OR MISTAKE BEFORE ~~ANY PAYMENT IS RECEIVED~~ THE FIRST PAYMENT IS DUE UNDER THE LOAN.

(3) A COVERED LOAN THAT VIOLATES THE FEDERAL MILITARY LENDING ACT IS VOID AND UNENFORCEABLE.

~~(4) A PERSON MAY NOT RECEIVE OR RETAIN ANY PRINCIPAL, INTEREST, FEES, OR OTHER COMPENSATION WITH RESPECT TO ANY LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~(5) A PERSON MAY NOT SELL, ASSIGN, OR OTHERWISE TRANSFER A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~(6) (I) IF AN OUT–OF–STATE LENDER MAKES A COVERED LOAN, THE COVERED LOAN IS NOT VOID AND UNENFORCEABLE.~~

~~(II) AN OUT–OF–STATE LENDER MAY NOT COLLECT A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION THAT IS GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.~~

(4) WITH RESPECT TO A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION, A PERSON MAY NOT:

(I) COLLECT OR ATTEMPT TO COLLECT, DIRECTLY OR INDIRECTLY, ANY AMOUNT FROM THE BORROWER;

(II) ENFORCE OR ATTEMPT TO ENFORCE THE CONTRACT AGAINST ANY PROPERTY SECURING THE LOAN; OR

(III) SELL, ASSIGN, OR OTHERWISE TRANSFER THE LOAN TO ANOTHER PERSON.

12–301.

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

(b) "Commissioner" means the Commissioner of Financial Regulation.

(c) "Lender" means a **LICENSEE OR A** person who makes a loan **[**under**] SUBJECT TO** this subtitle.

(d) "Licensee" means a person who is **REQUIRED TO BE** licensed under Title 11, Subtitle 2 of the Financial Institutions Article, the Maryland Consumer Loan Law — Licensing Provisions**, REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED**.

(e) **(1)** "Loan" means any loan or advance of money or credit **[**made under**] SUBJECT TO** this subtitle**, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF MONEY OR CREDIT IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE**.

(2) "LOAN" DOES NOT INCLUDE AN INSTALLMENT SALE AGREEMENT AS DEFINED IN § 12–601 OF THIS TITLE.

(f) "Person" includes an individual, corporation, business trust, statutory trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

(g) "Wages" means all remuneration paid to any employee for **[**his**] THE EMPLOYEE'S** employment, including the cash value of all remuneration paid in any medium other than cash.

12–303.

(A) (1) THIS SUBTITLE APPLIES TO A LOAN OF $25,000 OR LESS MADE FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THIS SUBTITLE APPLIES REGARDLESS OF:

(I) WHETHER THE TRANSACTION IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE;

(II) WHETHER THE TRANSACTION IS OR PURPORTS TO BE AN INSTALLMENT LOAN;

(III) THE DURATION OF THE REPAYMENT PERIOD;

(IV) WHETHER THE TRANSACTION IS OR PURPORTS TO BE NONRECOURSE OR CONTINGENT; AND

(V) WHETHER THE TRANSACTION PURPORTS TO BE THE PURCHASE OF WAGES, PENSIONS, GOVERNMENTAL BENEFITS, OR OTHER SIMILAR FUTURE PAYMENT STREAMS.

(3) THIS SUBTITLE DOES NOT APPLY TO:

(I) A PLAN OR LOAN FOR WHICH A WRITTEN ELECTION HAS BEEN MADE UNDER SUBTITLE 1, SUBTITLE 4, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE;

(II) A LOAN MADE BY AN INDIVIDUAL PROVIDED THE INDIVIDUAL:

1. DOES NOT MAKE MORE THAN THREE LOANS IN A CALENDAR YEAR; AND

2. DOES NOT ENGAGE IN THE BUSINESS OF MAKING LOANS; OR

(III) A LOAN BETWEEN AN EMPLOYER AND AN EMPLOYEE.

~~(a)~~ **(B)** A lender may not make a loan ~~under~~ **SUBJECT TO** this subtitle unless the loan is in an original amount or value which does not exceed **[**$6,000**]** ~~**$12,000**~~ **$25,000**.

~~(b)~~ **(C)** (1) The purpose of this subsection is to prevent evasion of the provisions of this subtitle by means of a purchase or assignment of wages.

(2) For the purposes of this subtitle:

(i) The payment of **[**$6,000**]** ~~**$12,000**~~ **$25,000** or less in money, credit, goods, or things in action as consideration for any sale, assignment, or order for the payment of wages, whether earned or to be earned, is considered a loan of money secured by the sale, assignment, or order for payment of wages; and

(ii) The amount by which the wages exceed the consideration paid for them is considered interest or charges on the loan from the date of the payment to the date the wages are payable.

(3) The transaction described in this subsection is governed by and subject to the provisions of this subtitle.

~~(c)~~ **(D)** This subtitle applies but is not limited to a lender who:

(1) As security for a loan, use, or forbearance of money, goods, or things in action or for any loan, use, or sale of credit, whether or not the transaction is or purports to be made under this subtitle, makes a pretended purchase of property from any person and permits the owner or pledgor to retain possession of the property; or

(2) By any device or pretense of charging for his services or otherwise, seeks to obtain any interest, charges, discount, or like consideration.

~~**(D) THIS SUBTITLE APPLIES TO A LOAN OR AN ADVANCE OF MONEY OF $12,000 OR LESS MADE FOR PERSONAL, FAMILY, HOUSEHOLD, OR AGRICULTURAL PURPOSES:**~~

~~**(1) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE;**~~

~~**(2) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS TO BE AN INSTALLMENT LOAN;**~~

~~**(3) REGARDLESS OF THE DURATION OF THE REPAYMENT PERIOD;**~~

~~**(4) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS TO BE NONRECOURSE OR CONTINGENT; AND**~~

~~**(5) REGARDLESS OF WHETHER THE TRANSACTION PURPORTS TO BE THE PURCHASE OF WAGES, PENSIONS, GOVERNMENTAL BENEFITS, OR OTHER SIMILAR FUTURE PAYMENT STREAMS.**~~

[(d)**] (E)** (1) A lender who lends or contracts to lend an amount which exceeds **[**$6,000**]** ~~**$12,000**~~ **$25,000** may not directly or indirectly contract for, charge, or receive any interest, fee, or other charge in excess of that which **[**he**] THE LENDER** would be permitted to charge if **[**he**] THE LENDER** were not authorized to make loans under this subtitle.

(2) The provisions of this subsection apply to any debt in excess of **[**$6,000**]** ~~**$12,000**~~ **$25,000** which is directly or contingently owed or contracted to be so owed by any person jointly or severally:

(i) Whether as a borrower, an endorser, guarantor, or surety for a borrower, or otherwise; and

(ii) Whether the debt is part of a single transaction or the aggregate of more than one transaction.

12–311.

(c) (1) A lender may not take any security interest in:

(i) Real property for any loan under **[**$2,000**] $4,000** in value or amount; or

(ii) Personal property for any loan under **[**$700**] $1,400** in value or amount.

(2) Any lien taken in violation of this subsection is void.

(3) This subsection does not apply to or affect a lien on an interest in real property which results from a judgment obtained by the lender based on a loan otherwise secured or unsecured.

[12–313.

(a) With respect to any loan, a lender may not:

(1) Directly or indirectly contract for, charge, or receive any interest, discount, fee, fine, commission, charge, brokerage, or other consideration in excess of that permitted by this subtitle;

(2) Divide into separate parts any contract made for the purpose or with the effect of obtaining charges in excess of those permitted by this subtitle; or

(3) Enforce a contract of surety or guarantee unless the loan contract with the borrower is executed also by the surety or guarantor.

(b) If any amount in excess of the charges permitted by this subtitle is directly or indirectly contracted for, charged, or received by a licensee or a person who is exempt from licensing, and (1) if the excess charge was made willfully for the benefit of the lender, then the lender may not receive or retain any interest or compensation with respect to the loan; or (2) if the excess charge was not made willfully for the benefit of the lender, and if the lender does not correct the error before the borrower makes the next payment on the loan, then the lender is liable to the borrower for an amount equal to three times the excess amount, but the lender may continue to receive principal, interest, or compensation with respect to the loan.**]**

12–314.

(a) A person may not lend **[**$6,000**]** ~~**$12,000**~~ **$25,000** or less if **[**the**]:**

(1) THE person directly or indirectly contracts for, charges, or receives a greater rate of interest, charge, discount, or other consideration than that authorized by the laws of this State**;**

(2) THE TRANSACTION VIOLATES THE FEDERAL MILITARY LENDING ACT; OR

(3) THE PERSON IS NOT LICENSED UNDER OR EXEMPT FROM THE LICENSING REQUIREMENTS UNDER THE MARYLAND CONSUMER LOAN LAW – LICENSING PROVISIONS.

(b) (1) **(I)** A loan made in the amount of **[**$6,000**]** ~~**$12,000**~~ **$25,000** or less, **REGARDLESS OF** whether **[**or not**]** the loan is or purports to be made under this subtitle, is **VOID AND** unenforceable if **[**a**]:**

1. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A PERSON CONTRACTS FOR A LOAN THAT HAS A rate of interest, charge, discount, or other consideration greater than that authorized **[**by the laws of this State is contracted for by any person unless the excess rate contracted for is the result of a**] UNDER STATE LAW;**

2. THE LOAN VIOLATES THE FEDERAL MILITARY LENDING ACT; OR

3. A PERSON WHO IS NOT LICENSED UNDER OR EXEMPT FROM THE LICENSING REQUIREMENTS UNDER TITLE 11, SUBTITLE 2 OF THE FINANCIAL INSTITUTIONS ARTICLE MADE THE LOAN.

(II) A LOAN IS NOT VOID AND UNENFORCEABLE IF:

1. A clerical error or mistake **RESULTED IN THE RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION BEING GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW;** and **[**the**]**

2. A person corrects the error or mistake before **THE FIRST PAYMENT IS DUE UNDER THE LOAN** ~~**OR BEFORE** any payment is received under the loan~~.

(2) **[**The**] A** person **[**who is neither a licensee nor exempt from licensing**]** may not receive or retain any principal, interest, **FEES,** or other compensation with respect to any loan that is **VOID AND** unenforceable under this subsection.

(3) This subsection does not apply to a person who is ~~a licensee or who is~~ exempt from licensing under this subtitle.

(c) **(1)** This section does not apply to a loan transaction validly made in another state in compliance with a similar loan law of that state. **[**However, a**]**

(2) A lender may not collect an amount that is more than the total amount that would be permitted if this subtitle were applicable.

(3) This section applies to all loans made by a lender domiciled in another state to a borrower who is a resident of this State if the application for the loan originated in this State.

~~**(D) A PERSON MAY NOT SELL, ASSIGN, OR OTHERWISE TRANSFER A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.**~~

~~**(E) A PERSON MAY NOT COLLECT OR ATTEMPT TO COLLECT, DIRECTLY OR INDIRECTLY, ANY AMOUNT FROM A BORROWER WITH RESPECT TO A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.**~~

(D) WITH RESPECT TO A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION, A PERSON MAY NOT:

(1) COLLECT OR ATTEMPT TO COLLECT, DIRECTLY OR INDIRECTLY, ANY AMOUNT FROM THE BORROWER;

(2) ENFORCE OR ATTEMPT TO ENFORCE THE CONTRACT AGAINST ANY PROPERTY SECURING THE LOAN; OR

(3) SELL, ASSIGN, OR OTHERWISE TRANSFER THE LOAN TO ANOTHER PERSON.

12–401.

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

(b) "Lender" means:

(1) A licensee; or

(2) A person who makes a secondary mortgage loan but is exempt expressly from the licensing requirements of the Maryland Mortgage Lender Law.

(c) "Licensee" means a person who is **REQUIRED TO BE** licensed under the Maryland Mortgage Lender Law**, REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED**.

12–402.1.

(A) (1) ON OR AFTER JANUARY 1, 2019, A LENDER MAY, AT THE LENDER'S OPTION, ELECT TO MAKE A LOAN TO ANY BORROWER EITHER UNDER THIS SUBTITLE OR AS OTHERWISE AUTHORIZED BY APPLICABLE LAW.

(2) IN ORDER TO MAKE A LOAN UNDER THIS SUBTITLE, A LENDER SHALL MAKE A WRITTEN ELECTION IN THE AGREEMENT, NOTE, OR OTHER EVIDENCE OF THE LOAN SPECIFYING THAT THIS SUBTITLE WILL GOVERN THE LOAN.

(B) (1) IF A LENDER ELECTS TO MAKE A LOAN UNDER THIS SUBTITLE IN ACCORDANCE WITH THIS SECTION, SUBTITLES 1, 3, 9, AND 10 OF THIS TITLE DO NOT APPLY TO THE LOAN.

(2) IF A LENDER WHO MAKES OR CONTRACTS TO MAKE A LOAN DOES NOT MAKE A WRITTEN ELECTION UNDER THIS SUBTITLE OR SUBTITLE 1, SUBTITLE 3, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE:

(I) SUBTITLE 1 OF THIS TITLE WILL APPLY TO THE LOAN IF THE LOAN IS:

1. FOR AN AMOUNT OVER $25,000; OR

2. A. FOR AN AMOUNT OF $25,000 OR LESS; AND

B. NOT SUBJECT TO SUBTITLE 3 OF THIS TITLE; OR

(II) SUBTITLE 3 OF THIS TITLE WILL APPLY TO THE LOAN IF THE LOAN IS:

1. FOR AN AMOUNT OF $25,000 OR LESS; AND

2. SUBJECT TO SUBTITLE 3 OF THIS TITLE.

12–601.

(f) "Consumer goods" means goods bought for use primarily for personal, family, or household purposes, as distinguished from industrial, commercial, or agricultural purposes.

(k) (1) "Goods" means all tangible personal property that has a cash price of **[**$25,000**] $100,000** or less.

(2) "Goods" does not include money or things in action.

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

Article – Commercial Law

13–101.

(k) "Unfair**, ABUSIVE,** or deceptive trade practice" has the meaning stated in Subtitle 3 of this title.

13–301.

Unfair**, ABUSIVE,** or deceptive trade practices include any:

(1) False, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers;

(2) Representation that:

(i) Consumer goods, consumer realty, or consumer services have a sponsorship, approval, accessory, characteristic, ingredient, use, benefit, or quantity which they do not have;

(ii) A merchant has a sponsorship, approval, status, affiliation, or connection which he does not have;

(iii) Deteriorated, altered, reconditioned, reclaimed, or secondhand consumer goods are original or new; or

(iv) Consumer goods, consumer realty, or consumer services are of a particular standard, quality, grade, style, or model which they are not;

(3) Failure to state a material fact if the failure deceives or tends to deceive;

(4) Disparagement of the goods, realty, services, or business of another by a false or misleading representation of a material fact;

(5) Advertisement or offer of consumer goods, consumer realty, or consumer services:

(i) Without intent to sell, lease, or rent them as advertised or offered; or

(ii) With intent not to supply reasonably expected public demand, unless the advertisement or offer discloses a limitation of quantity or other qualifying condition;

(6) False or misleading representation of fact which concerns:

(i) The reason for or the existence or amount of a price reduction; or

(ii) A price in comparison to a price of a competitor or to one's own price at a past or future time;

(7) Knowingly false statement that a service, replacement, or repair is needed;

(8) False statement which concerns the reason for offering or supplying consumer goods, consumer realty, or consumer services at sale or discount prices;

(9) Deception, fraud, false pretense, false premise, misrepresentation, or knowing concealment, suppression, or omission of any material fact with the intent that a consumer rely on the same in connection with:

(i) The promotion or sale of any consumer goods, consumer realty, or consumer service;

(ii) A contract or other agreement for the evaluation, perfection, marketing, brokering or promotion of an invention; or

(iii) The subsequent performance of a merchant with respect to an agreement of sale, lease, or rental;

(10) Solicitations of sales or services over the telephone without first clearly, affirmatively, and expressly stating:

(i) The solicitor's name and the trade name of a person represented by the solicitor;

(ii) The purpose of the telephone conversation; and

(iii) The kind of merchandise, real property, intangibles, or service solicited;

(11) Use of any plan or scheme in soliciting sales or services over the telephone that misrepresents the solicitor's true status or mission;

(12) Use of a contract related to a consumer transaction which contains a confessed judgment clause that waives the consumer's right to assert a legal defense to an action;

(13) Use by a seller, who is in the business of selling consumer realty, of a contract related to the sale of single family residential consumer realty, including condominiums and town houses, that contains a clause limiting or precluding the buyer's right to obtain consequential damages as a result of the seller's breach or cancellation of the contract;

(14) Violation of a provision of:

(i) This title;

(ii) An order of the Attorney General or agreement of a party relating to unit pricing under Title 14, Subtitle 1 of this article;

(iii) Title 14, Subtitle 2 of this article, the Maryland Consumer Debt Collection Act;

(iv) Title 14, Subtitle 3 of this article, the Maryland Door–to–Door Sales Act;

(v) Title 14, Subtitle 9 of this article, Kosher Products;

(vi) Title 14, Subtitle 10 of this article, Automotive Repair Facilities;

(vii) Section 14–1302 of this article;

(viii) Title 14, Subtitle 11 of this article, Maryland Layaway Sales Act;

(ix) Section 22–415 of the Transportation Article;

(x) Title 14, Subtitle 20 of this article;

(xi) Title 14, Subtitle 15 of this article, the Automotive Warranty Enforcement Act;

(xii) Title 14, Subtitle 21 of this article;

(xiii) Section 18–107 of the Transportation Article;

(xiv) Title 14, Subtitle 22 of this article, the Maryland Telephone Solicitations Act;

(xv) Title 14, Subtitle 23 of this article, the Automotive Crash Parts Act;

(xvi) Title 10, Subtitle 6 of the Real Property Article;

(xvii) Title 14, Subtitle 25 of this article, the Hearing Aid Sales Act;

(xviii) Title 14, Subtitle 26 of this article, the Maryland Door–to–Door Solicitations Act;

(xix) Title 14, Subtitle 31 of this article, the Maryland Household Goods Movers Act;

(xx) Title 14, Subtitle 32 of this article, the Maryland Telephone Consumer Protection Act;

(xxi) Title 14, Subtitle 34 of this article, the Social Security Number Privacy Act;

(xxii) Title 14, Subtitle 37 of this article, the Online Child Safety Act;

(xxiii) Section 14–1319, § 14–1320, or § 14–1322 of this article;

(xxiv) Section 7–304 of the Criminal Law Article;

(xxv) Title 7, Subtitle 3 of the Real Property Article, the Protection of Homeowners in Foreclosure Act;

(xxvi) Title 6, Subtitle 13 of the Environment Article;

(xxvii) Section 7–405(e)(2)(ii) of the Health Occupations Article;

(xxviii) Title 12, Subtitle 10 of the Financial Institutions Article;

(xxix) Title 19, Subtitle 7 of the Business Regulation Article; **[**or**]**

(xxx) Section 15–311.3 of the Transportation Article; **[**or**]**

(XXXI) THE FEDERAL MILITARY LENDING ACT; OR

(XXXII) THE FEDERAL SERVICEMEMBERS CIVIL RELIEF ACT; OR

(15) Act or omission that relates to a residential building and that is chargeable as a misdemeanor under or otherwise violates a provision of the Energy Conservation Building Standards Act, Title 7, Subtitle 4 of the Public Utilities Article.

13–303.

A person may not engage in any unfair**, ABUSIVE,** or deceptive trade practice, as defined in this subtitle or as further defined by the Division, in:

(1) The sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services;

(2) The offer for sale, lease, rental, loan, or bailment of consumer goods, consumer realty, or consumer services;

(3) The offer for sale of course credit or other educational services;

(4) The extension of consumer credit;

(5) The collection of consumer debts; or

(6) The purchase or offer for purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

13–410.

(a) A merchant who engages in a violation of this title is subject to a fine **[**of not more than $1,000**]** **NOT EXCEEDING $10,000** for each violation.

(b) A merchant who has been found to have engaged in a violation of this title and who subsequently repeats the same violation is subject to a fine **[**of not more than $5,000**]** **NOT EXCEEDING $25,000** for each subsequent violation.

(c) The fines provided for in subsections (a) and (b) of this section are civil penalties and are recoverable by the State in a civil action or an administrative cease and

desist action under § 13–403(a) and (b) of this subtitle or after an administrative hearing has been held under § 13–403(d)(3) and (4) of this subtitle.

(d) The Consumer Protection Division shall consider the following in setting the amount of the penalty imposed in an administrative proceeding:

(1) The severity of the violation for which the penalty is assessed;

(2) The good faith of the violator;

(3) Any history of prior violations;

(4) Whether the amount of the penalty will achieve the desired deterrent purpose; and

(5) Whether the issuance of a cease and desist order, including restitution, is insufficient for the protection of consumers.

14–202.

In collecting or attempting to collect an alleged debt a collector may not:

(1) Use or threaten force or violence;

(2) Threaten criminal prosecution, unless the transaction involved the violation of a criminal statute;

(3) Disclose or threaten to disclose information which affects the debtor's reputation for credit worthiness with knowledge that the information is false;

(4) Except as permitted by statute, contact a person's employer with respect to a delinquent indebtedness before obtaining final judgment against the debtor;

(5) Except as permitted by statute, disclose or threaten to disclose to a person other than the debtor or his spouse or, if the debtor is a minor, his parent, information which affects the debtor's reputation, whether or not for credit worthiness, with knowledge that the other person does not have a legitimate business need for the information;

(6) Communicate with the debtor or a person related to him with the frequency, at the unusual hours, or in any other manner as reasonably can be expected to abuse or harass the debtor;

(7) Use obscene or grossly abusive language in communicating with the debtor or a person related to him;

(8) Claim, attempt, or threaten to enforce a right with knowledge that the right does not exist; **[**or**]**

(9) Use a communication which 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**;**

(10) ENGAGE IN UNLICENSED DEBT COLLECTION ACTIVITY IN VIOLATION OF THE MARYLAND COLLECTION AGENCY LICENSING ACT; OR

(11) ENGAGE IN ANY CONDUCT ~~PROHIBITED UNDER~~ THAT VIOLATES §§ 804 THROUGH 812 OF THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT.

~~14–1206.~~

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

~~**(2) "BREACH OF THE SECURITY OF A SYSTEM" HAS THE MEANING STATED IN § 14–3504 OF THIS TITLE.**~~

~~**(3) "PERSONAL INFORMATION" HAS THE MEANING STATED IN § 14–3501 OF THIS TITLE.**~~

~~**(B) (1) IF A CONSUMER REPORTING AGENCY DISCOVERS OR IS NOTIFIED OF A BREACH OF THE SECURITY OF A SYSTEM, THE CONSUMER REPORTING AGENCY SHALL NOTIFY EACH INDIVIDUAL WHO:**~~

~~**(I) IS SUBJECT TO THE BREACH; AND**~~

~~**(II) RESIDES IN THE STATE.**~~

~~**(2) A CONSUMER REPORTING AGENCY SHALL PROVIDE THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION AS SOON AS REASONABLY PRACTICABLE, BUT NOT LATER THAN 30 DAYS AFTER THE CONSUMER REPORTING AGENCY DISCOVERS OR IS NOTIFIED OF THE BREACH OF THE SECURITY OF A SYSTEM.**~~

~~**(3) THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL DISCLOSE THAT THE PERSONAL INFORMATION OF THE INDIVIDUAL MAY BE MISUSED AS A RESULT OF THE BREACH.**~~

[(a)**] (C)** ~~A consumer reporting agency shall,~~ **[**upon**]** ~~**ON** request and proper identification of a consumer, provide the consumer:~~

~~(1) An exact copy of any file on that consumer except any part of the file which contains medical information;~~

~~(2) A written explanation of codes or trade language used;~~

~~(3) A description of the rights of the consumer under this subtitle; and~~

~~(4) The name, address, and telephone number of the Commissioner.~~

~~[(b)] (D) (1) Whenever access to a file or a copy of a file has been furnished to a consumer, the consumer reporting agency may delete the sources of information acquired solely for use in an investigative report and used for no other purpose.~~

~~(2) If any action is brought by the consumer under this subtitle, the consumer reporting agency shall make [such] THE sources available to the plaintiff under appropriate discovery procedures.~~

~~14–1208.~~

~~[(a) (1) If the completeness or accuracy of any item of information contained in his file is disputed by a consumer, and the dispute is directly conveyed to the consumer reporting agency in writing or by the consumer, the consumer reporting agency shall within 30 days reinvestigate and record the current status of that information unless it has reasonable grounds to believe that the dispute by the consumer is frivolous or irrelevant.]~~

~~(A) THIS SECTION APPLIES TO A DISPUTE BY A CONSUMER OF THE COMPLETENESS OR ACCURACY OF ANY ITEM OF INFORMATION CONTAINED IN THE FILE OF A CONSUMER.~~

~~(B) (1) A CONSUMER REPORTING AGENCY SHALL REINVESTIGATE AND RECORD THE CURRENT STATUS OF ANY INFORMATION THAT A CONSUMER DISPUTES IF THE CONSUMER CONVEYS THE DISPUTE:~~

~~(I) DIRECTLY TO THE CONSUMER REPORTING AGENCY; AND~~

~~(II) 1. IN WRITING; OR~~

~~2. BY ELECTRONIC REQUEST TRANSMITTED THROUGH A SECURE CONNECTION MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY ON THE WEBSITE OF THE CONSUMER REPORTING AGENCY.~~

~~(2) A CONSUMER REPORTING AGENCY SHALL COMPLETE THE ACTIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION WITHIN 30 DAYS AFTER RECEIVING A DISPUTE BY A CONSUMER.~~

~~[(2)] (3) If after reinvestigation the information is found to be inaccurate or can no longer be verified, the consumer reporting agency shall within 7 business days delete the information and mail:~~

~~(i) Written notice of the correction to the consumer and to each person to whom the erroneous information was furnished; and~~

~~(ii) A statement of the rights of the consumer under this subtitle.~~

~~[(3)] (4) If after reinvestigation the information is found to be accurate or is verified, the consumer reporting agency shall within 7 business days mail:~~

~~(i) Written notice of the finding to the consumer; and~~

~~(ii) A statement of the rights of the consumer under this subtitle.~~

~~[(4)] (5) (i) Within 60 days after receiving the notice under paragraphs [(2)] (3) and [(3)] (4) of this subsection, the consumer may request in writing that the consumer reporting agency disclose the name, address, and telephone number of each person contacted during the reinvestigation.~~

~~(ii) Within 30 days after receiving the consumer's written request under this paragraph, the consumer reporting agency shall make the requested disclosure.~~

~~[(5)] (6) A person contacted during the reinvestigation who determines that the information was inaccurate shall correct the information in the person's records within 12 business days after the determination occurs.~~

~~[(6)] (7) The presence of contradictory information in the consumer's file does not in and of itself constitute reasonable grounds for believing the dispute is frivolous or irrelevant.~~

~~[(b)] (C) If a consumer reporting agency finds that a dispute is frivolous or irrelevant, the agency within 7 business days shall mail:~~

~~(1) Written notice of the finding, including the reasons for the finding, to the consumer; and~~

~~(2) A statement of the rights of the consumer under this subtitle.~~

~~[(c)] (D) (1) If the reinvestigation does not resolve the dispute, the consumer may file a brief statement setting forth the nature of the dispute.~~

~~(2) The consumer reporting agency may limit statements to not more than 100 words if it provides the consumer with assistance in writing a clear summary of the dispute.~~

~~[(d)] (E) Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe that it is frivolous or irrelevant, the consumer reporting agency shall, in any subsequent consumer report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary of it.~~

~~(F) (1) THIS SUBSECTION APPLIES TO:~~

~~(I) THE DELETION OF ANY INFORMATION:~~

~~1. FOUND TO BE INACCURATE; OR~~

~~2. THE ACCURACY OF WHICH CAN NO LONGER BE VERIFIED; OR~~

~~(II) ANY NOTATION REGARDING DISPUTED INFORMATION.~~

~~[(e)] (2) [Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the] AT THE REQUEST OF A CONSUMER, A consumer reporting agency shall[, at the request of the consumer,] furnish notification that [the] AN item has been deleted or the statement, codification, or summary [pursuant to] UNDER subsection [(c)] (D) or [(d)] (E) of this section to any person specifically designated by the consumer [who has within] IF THE PERSON:~~

~~(I) WITHIN 2 years prior HAS received a consumer report for employment purposes[,] THAT CONTAINED THE DELETED OR DISPUTED INFORMATION; or [within]~~

~~(II) WITHIN 1 year prior HAS received a consumer report for any other purpose[, which] THAT contained the deleted or disputed information.~~

~~(3) The consumer reporting agency shall clearly and conspicuously disclose to the consumer his rights to make such a request.~~

~~(4) The disclosure shall be made at or prior to the time the information is deleted or the consumer's statement regarding the disputed information is received.~~

14–1212.1.

(i) [(1) Except as provided in paragraph (2) of this subsection, a] A consumer may not be charged for any service relating to a security freeze.

[(2) A consumer reporting agency may charge a reasonable fee, not exceeding $5, for each placement, temporary lift, or removal of a security freeze.

(3) Notwithstanding paragraph (2) of this subsection, a consumer reporting agency may not charge any fee under this section to a consumer who:

(i) 1. Has obtained a report of alleged identity fraud against the consumer under § 8–304 of the Criminal Law Article or an identity theft passport under § 8–305 of the Criminal Law Article; and

2. Provides a copy of the report or passport to the consumer reporting agency; or

(ii) Requests the placement of a security freeze if the consumer has not previously requested the placement of a security freeze from the consumer reporting agency.**]**

(j) At any time that a consumer is entitled to receive a summary of rights under § 609 of the federal Fair Credit Reporting Act or § 14–1206 of this subtitle, the following notice shall be included:

"NOTICE

You have a right, under § 14–1212.1 of the Commercial Law Article of the Annotated Code of Maryland, to place a security freeze on your credit report. The security freeze will prohibit a consumer reporting agency from releasing your credit report or any information derived from your credit report without your express authorization. The purpose of a security freeze is to prevent credit, loans, and services from being approved in your name without your consent. **A CONSUMER REPORTING AGENCY MAY NOT CHARGE YOU A FEE FOR ANY SERVICE RELATING TO A SECURITY FREEZE, INCLUDING FOR ANY PLACEMENT, TEMPORARY LIFT, OR REMOVAL OF A SECURITY FREEZE.**

You may elect to have a consumer reporting agency place a security freeze on your credit report by written request sent by certified mail or by electronic mail or the Internet if the consumer reporting agency provides a secure electronic connection. The consumer reporting agency must place a security freeze on your credit report within 3 business days after your request is received. Within 5 business days after a security freeze is placed on your credit report, you will be provided with a unique personal identification number or password to use if you want to remove the security freeze or temporarily lift the security freeze to release your credit report to a specific person or for a specific period of time. You also will receive information on the procedures for removing or temporarily lifting a security freeze.

If you want to temporarily lift the security freeze on your credit report, you must contact the consumer reporting agency and provide all of the following:

(1) The unique personal identification number or password provided by the consumer reporting agency;

(2) The proper identifying information to verify your identity; and

(3) The proper information regarding the person who is to receive the credit report or the period of time for which the credit report is to be available to users of the credit report.

A consumer reporting agency must comply with a request to temporarily lift a security freeze on a credit report within 3 business days after the request is received, or within 15 minutes for certain requests. A consumer reporting agency must comply with a request to remove a security freeze on a credit report within 3 business days after the request is received.

If you are actively seeking credit, you should be aware that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a security freeze, either completely if you are seeking credit from a number of sources, or just for a specific creditor if you are applying only to that creditor, a few days before actually applying for new credit.

[A consumer reporting agency may charge a reasonable fee not exceeding $5 for each placement, temporary lift, or removal of a security freeze. However, a consumer reporting agency may not charge any fee to a consumer who, at the time of a request to place, temporarily lift, or remove a security freeze, presents to the consumer reporting agency a police report of alleged identity fraud against the consumer or an identity theft passport. A consumer reporting agency also may not charge any fee to a consumer for the first placement of a security freeze with the consumer reporting agency.**]**

A security freeze does not apply if you have an existing account relationship and a copy of your credit report is requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control, or similar activities."

(l) The exclusive remedy for a violation of subsection (e)(2)(ii) of this section shall be a complaint filed with the Commissioner under § 14–1217 of this subtitle.

14–1212.2.

(c) (1) A consumer reporting agency shall place a security freeze for a protected consumer if:

(i) The consumer reporting agency receives a request from the protected consumer's representative for the placement of the security freeze under this section; and

(ii) The protected consumer's representative:

1. Submits the request to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency;

2. Provides to the consumer reporting agency sufficient proof of identification of the protected consumer and the representative; **AND**

3. Provides to the consumer reporting agency sufficient proof of authority to act on behalf of the protected consumer**[**; and

4. Pays to the consumer reporting agency a fee as provided in subsection (i) of this section**]**.

(g) If a protected consumer or a protected consumer's representative wishes to remove a security freeze for the protected consumer, the protected consumer or the protected consumer's representative shall:

(1) Submit a request for the removal of the security freeze to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency; **AND**

(2) Provide to the consumer reporting agency:

(i) In the case of a request by the protected consumer:

1. Proof that the sufficient proof of authority for the protected consumer's representative to act on behalf of the protected consumer is no longer valid; and

2. Sufficient proof of identification of the protected consumer; or

(ii) In the case of a request by the representative of a protected consumer:

1. Sufficient proof of identification of the protected consumer and the representative; and

2. Sufficient proof of authority to act on behalf of the protected consumer**[**; and

(3) Pay to the consumer reporting agency a fee as provided in subsection (i) of this section**]**.

(i) **[**(1) Except as provided in paragraph (2) of this subsection, a**]** **A** consumer reporting agency may not charge a fee for any service performed under this section.

[(2) A consumer reporting agency may charge a reasonable fee, not exceeding $5, for each placement or removal of a security freeze for a protected consumer.

(3) Notwithstanding paragraph (2) of this subsection, a consumer reporting agency may not charge any fee under this section if:

(i) The protected consumer's representative:

1. Has obtained a report of alleged identity fraud against the protected consumer under § 8–304 of the Criminal Law Article or an identity theft passport under § 8–305 of the Criminal Law Article; and

2. Provides a copy of the report or passport to the consumer reporting agency; or

(ii) 1. A request for the placement or removal of a security freeze is for a protected consumer who is under the age of 16 years at the time of the request; and

2. The consumer reporting agency has a consumer report pertaining to the protected consumer.**]**

14–1212.3.

(i) A consumer reporting agency may **[**charge a reasonable fee, not exceeding $5, for each placement or removal of a security freeze for a protected consumer**]** **NOT CHARGE A FEE FOR ANY SERVICE PERFORMED** under this section.

~~14–1218.~~

~~(a) The Commissioner may:~~

~~(1) Hold a hearing on the complaint at a time and place in this State reasonably convenient to the parties involved;~~

~~(2) Subpoena witnesses;~~

~~(3) Take depositions of witnesses residing without the State, in the manner provided for witnesses in civil actions in courts of record;~~

~~(4) Administer oaths;~~

~~(5) Issue orders for compliance with this subtitle;~~

~~(6) Issue cease and desist orders, if after a hearing the Commissioner finds a pattern and practice of violation of this subtitle; and~~

~~(7) **(I)** If a consumer reporting agency that has violated any law regulating consumer credit reporting fails to comply with a lawful order of the Commissioner, impose a civil penalty of up to **[**$100**] $10,000** for each violation from which the violator failed to cease and desist or for which the violator failed to take action ordered by the Commissioner for compliance with the law.~~

~~**(II)** In determining the amount of civil penalty to be imposed under this paragraph, the Commissioner shall consider:~~

~~**[**(i)**] 1.** The seriousness of the violation;~~

~~**[**(ii)**] 2.** The good faith of the violator;~~

~~**[**(iii)**] 3.** The violator's history of previous violations;~~

~~**[**(iv)**] 4.** The deleterious effect of the violation upon the public and the credit granting industry;~~

~~**[**(v)**] 5.** The assets and financial status of the violator; and~~

~~**[**(vi)**] 6.** Any other factors relevant to the determination of the financial penalty.~~

SUBTITLE 41. FINANCIAL CONSUMER PROTECTION.

14–4101.

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

(B) "COMMISSIONER" MEANS THE COMMISSIONER OF FINANCIAL REGULATION IN THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.

(C) "OFFICE" MEANS THE OFFICE OF THE ATTORNEY GENERAL.

14–4102.

THE PURPOSE OF THIS SUBTITLE IS TO SUPPORT VIGOROUS ENFORCEMENT BY AND FUNDING OF THE OFFICE AND THE COMMISSIONER TO PROTECT THE STATE'S RESIDENTS WHEN CONDUCTING FINANCIAL TRANSACTIONS AND RECEIVING FINANCIAL SERVICES.

14–4103.

~~THE~~ WHENEVER THE OFFICE AND THE COMMISSIONER CONSIDER IT APPROPRIATE, THE OFFICE AND THE COMMISSIONER SHALL USE THEIR AUTHORITY UNDER § 1042 OF THE DODD–FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2010 TO BRING CIVIL ACTIONS OR OTHER APPROPRIATE PROCEEDINGS AUTHORIZED UNDER THE ACT.

14–4104.

(A) (1) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST ~~$800,000~~ *$700,000* IN GENERAL FUNDS IN THE STATE BUDGET FOR THE OFFICE FOR THE PURPOSES OF ENFORCEMENT OF:

(I) CONSUMER PROTECTION LAWS UNDER THIS TITLE;

(II) CONSUMER PROTECTION LAWS UNDER TITLE 13 OF THIS ARTICLE; AND

(III) FINANCIAL CONSUMER PROTECTION LAWS.

(2) THE OFFICE SHALL USE THE FUNDS UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR:

(I) STAFFING COSTS ASSOCIATED WITH HIRING NEW EMPLOYEES; AND

(II) INVESTIGATIONS OF ALLEGED VIOLATIONS OF CONSUMER PROTECTION LAWS IN THE STATE.

(B) (1) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST ~~$400,000~~ *$300,000* IN GENERAL FUNDS IN THE STATE BUDGET FOR THE COMMISSIONER FOR THE PURPOSES OF ENFORCEMENT OF FINANCIAL CONSUMER PROTECTION LAWS.

(2) THE COMMISSIONER SHALL USE THE FUNDS UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR:

(I) STAFFING COSTS ASSOCIATED WITH HIRING NEW EMPLOYEES; AND

(II) INVESTIGATIONS OF ALLEGED VIOLATIONS OF CONSUMER PROTECTION LAWS IN THE STATE.

~~Article – Corporations and Associations~~

~~11–803.~~

~~(A) THIS SECTION APPLIES TO:~~

~~(1) A PERSON WHO ENGAGES IN THE BUSINESS OF EFFECTING TRANSACTIONS IN SECURITIES FOR THE ACCOUNT OF OTHERS OR FOR THE PERSON'S OWN ACCOUNT;~~

~~(2) A BROKER–DEALER OR AGENT;~~

~~(3) AN AGENT; AND~~

~~(4) AN INVESTMENT ADVISER.~~

~~(B) A PERSON SUBJECT TO THIS SECTION IS A FIDUCIARY AND HAS A DUTY TO ACT PRIMARILY FOR THE BENEFIT OF ITS CLIENTS.~~

~~(C) A PERSON SHALL DISCLOSE TO A CLIENT:~~

~~(1) AT THE TIME ADVICE IS GIVEN, ANY GAIN, PROFIT, OR COMMISSION THE PERSON MAY RECEIVE IF THE ADVICE IS FOLLOWED; AND~~

~~(2) A LEGAL OR DISCIPLINARY EVENT THAT IS MATERIAL TO AN EVALUATION OF THE PERSON'S INTEGRITY OR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS.~~

~~(D) A PERSON SHALL MAKE DILIGENT INQUIRY OF EACH CLIENT TO DETERMINE:~~

~~(1) THE FINANCIAL CIRCUMSTANCES AND OBLIGATIONS OF THE CLIENT INITIALLY;~~

~~(2) THE FINANCIAL CIRCUMSTANCES AND OBLIGATIONS OF THE CLIENT SUBSEQUENT TO THE FIRST CONTACT BETWEEN THE PERSON AND THE CONTACT; AND~~

~~(3) THE CLIENT'S PRESENT AND ANTICIPATED OBLIGATIONS:~~

~~(I) TO THE CLIENT'S FAMILY; AND~~

~~(II) FOR THE CLIENT'S FAMILY AND GOALS FOR THE CLIENT'S FAMILY.~~

~~(E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING REGULATIONS:~~

~~(1) DEFINING OR EXCLUDING AN ACT, A PRACTICE, OR A COURSE OF BUSINESS OF A PERSON SUBJECT TO THIS SECTION; AND~~

~~(2) DESIGNED TO PREVENT A PERSON FROM ENGAGING IN ACTS, PRACTICES, AND COURSES OF BUSINESS IN VIOLATION OF THIS SECTION.~~

~~Article – Courts and Judicial Proceedings~~

~~3–230.1.~~

~~THE STANDING COMMITTEE ON RULES OF PRACTICE AND PROCEDURE OF THE COURT OF APPEALS SHALL ADOPT RULES CONSISTENT WITH THE MODEL STATE CONSUMER AND EMPLOYEE JUSTICE ENFORCEMENT ACT.~~

Article – Financial Institutions

~~2–105.1.~~

~~(b) (1) The Commissioner may adopt and enforce regulations reasonably necessary to carry out the authority and responsibility of the office of Commissioner.~~

~~(2) THE COMMISSIONER SHALL ADOPT REGULATIONS CONSISTENT WITH TITLES III AND IV OF THE MODEL STATE CONSUMER AND EMPLOYEE JUSTICE ENFORCEMENT ACT TO PROHIBIT A PERSON OVER WHOM THE COMMISSIONER HAS JURISDICTION FROM ENGAGING IN ANY PRACTICE PROHIBITED UNDER THOSE TITLES.~~

2–115.

(b) When the Commissioner determines after notice and a hearing, unless the right to notice and a hearing is waived, that a person has engaged in an act or practice constituting a violation of a law, regulation, rule or order over which the Commissioner has jurisdiction, the Commissioner may in the Commissioner's discretion and in addition to taking any other action authorized by law:

(1) Issue a final cease and desist order against the person;

(2) Suspend or revoke the license of the person;

(3) Issue a penalty order against the person imposing a civil penalty **[**up to the maximum amount of $1,000**]** **NOT EXCEEDING:**

(I) ~~**$2,500**~~ ***$10,000*** for a first violation**;** and

(II) **[**a maximum amount of $5,000**]** ~~**$10,000**~~ ***$25,000*** for each subsequent violation; or

(4) Take any combination of the actions specified in this subsection.

2–116.

(b) When it appears to the Commissioner that a person has engaged in an act or practice constituting a violation of a law, regulation, rule, or order over which the Commissioner has jurisdiction, the Commissioner may bring an action in the circuit court of the county in which the person resides or transacts business to obtain one or more of the following remedies:

(1) A temporary restraining order;

(2) A temporary or permanent injunction;

(3) A civil penalty **[**up to a maximum amount of $1,000**]** **NOT EXCEEDING:**

(I) ~~**$2,500**~~ ***$10,000*** for a first violation**;** and

(II) **[**a maximum amount of $5,000**]** ~~**$10,000**~~ ***$25,000*** for each subsequent violation;

(4) A declaratory judgment;

(5) An order preventing access to the violator's assets;

(6) Rescission;

(7) Restitution; and

(8) Any other relief as the court deems just.

~~11–219.~~

~~(a) A **[**licensee**]** **PERSON** may not sell a loan account to any person who is not licensed under this subtitle.~~

~~(b) A loan account that is acquired by a person who is not licensed under this subtitle is not enforceable.~~

~~11–303.~~

~~(A) A license under this subtitle shall be applied for and issued in accordance with, and is subject to, the licensing and investigatory provisions of Subtitle 2 of this title, the Maryland Consumer Loan Law – Licensing Provisions.~~

11–201.

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

(e) "Loan" means any loan or advance of money or credit ***[****made under****]*** ***SUBJECT TO*** *Title 12, Subtitle 3 of the Commercial Law Article, the Maryland Consumer Loan Law – Credit Provisions****, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF MONEY OR CREDIT IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE.***

~~(B) A PERSON WHO MAKES INSTALLMENT LOANS OR ENGAGES IN CREDIT SERVICES BUSINESS ACTIVITIES REQUIRING LICENSING UNDER § 11–302(B) OF THIS SUBTITLE:~~

~~(1) SHALL BE LICENSED UNDER THIS SUBTITLE; AND~~

~~(2) IS SUBJECT TO THE LICENSING, INVESTIGATORY, ENFORCEMENT, AND PENALTY PROVISIONS OF:~~

~~(I) THIS SUBTITLE;~~

~~(II) SUBTITLE 2 OF THIS TITLE; AND~~

~~(III) THE APPLICABLE PROVISIONS OF:~~

~~1. TITLE 12, SUBTITLES 1, 9, AND 10 OF THIS ARTICLE; AND~~

~~2. TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE.~~

~~(C) THE LICENSING, INVESTIGATORY, ENFORCEMENT, AND PENALTY PROVISIONS OF SUBTITLE 2 OF THIS TITLE SHALL BE INTERPRETED, CONSTRUED, AND APPLIED TO A PERSON REQUIRING LICENSING UNDER § 11–302(B) OF THIS TITLE AS IF:~~

~~(1) THE PERSON WERE APPLYING FOR A LICENSE TO MAKE LOANS SUBJECT TO THE MARYLAND CONSUMER LOAN LAW; OR~~

~~(2) THE PERSON'S BUSINESS ACTIVITIES CONSISTED OF MAKING LOANS SUBJECT TO THE MARYLAND CONSUMER LOAN LAW.~~

11–504.

A person may not act as a mortgage lender unless the person is:

(1) A licensee; or

(2) A person exempted from licensing under this subtitle.

11–517.

(c) (1) The Commissioner may enforce the provisions of this subtitle, regulations adopted under § 11–503 of this subtitle, and the applicable provisions of Title 12 of the Commercial Law Article by:

(i) Issuing an order:

1. To cease and desist from the violation and any further similar violations; and

2. Requiring the violator to take affirmative action to correct the violation including the restitution of money or property to any person aggrieved by the violation; and

(ii) Imposing a civil penalty not exceeding **[**$5,000**]** **$10,000** for each violation.

(2) If a violator fails to comply with an order issued under paragraph (1)(i) of this subsection, the Commissioner may impose a civil penalty not exceeding **[**$5,000**]** **$25,000** for each violation from which the violator failed to cease and desist or for which the violator failed to take affirmative action to correct.

~~11–601.~~

~~(q) (1) "Mortgage loan originator" means an individual who for compensation or gain, or in the expectation of compensation or gain:~~

~~(i) Takes a loan application; or~~

~~(ii) Offers or negotiates terms of a mortgage loan.~~

~~**(2) "MORTGAGE LOAN ORIGINATOR" INCLUDES A RETAIL SELLER OF A MANUFACTURED HOME AS DEFINED IN § 12–301 OF THE PUBLIC SAFETY ARTICLE.**~~

[~~(2)~~**]** ~~**(3)**~~ ~~"Mortgage loan originator" does not include an individual who:~~

~~(i) Acts solely as a mortgage loan processor or underwriter;~~

~~(ii) Performs only real estate brokerage activities and is licensed in accordance with Title 17 of the Business Occupations and Professions Article, unless the individual is compensated by a mortgage lender, mortgage broker, or other mortgage loan originator or by any agent of a mortgage lender, mortgage broker, or other mortgage loan originator; or~~

~~(iii) Is involved solely in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C. § 101(53d).~~

11–602.

(b) Unless exempted from this subtitle under subsection (d) of this section, an individual may not engage in the business of a mortgage loan originator unless the individual holds a valid license issued under this subtitle.

~~11–610.~~

~~(a) There is a Nondepository Special Fund that consists of:~~

~~(1) Revenue received for the licensing of individuals under this subtitle;~~

~~**(2) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER SUBTITLE 2 OF THIS TITLE;**~~

~~**(3) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER SUBTITLE 3 OF THIS TITLE;**~~

~~**(4) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER SUBTITLE 4 OF THIS TITLE;**~~

~~**[**(2)**] (5)** Revenue received for the licensing of persons under Subtitle 5 of this title;~~

~~**(6) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER TITLE 12, SUBTITLE 1 OF THIS ARTICLE;**~~

~~**[**(3)**] (7)** Revenue received for the licensing of persons under Title 12, Subtitle 4 of this article;~~

~~**[**(4)**] (8)** Revenue received for the licensing of persons under Title 12, Subtitle 9 of this article;~~

~~**[**(5)**] (9)** Revenue received for the registration of persons under Title 12, Subtitle 10 of this article;~~

~~(10) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER TITLE 12, SUBTITLE 11 OF THIS ARTICLE;~~

~~(11) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER TITLE 7 OF THE BUSINESS REGULATION ARTICLE;~~

~~(12) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE;~~

~~[(6)] (13) Income from the investments that the State Treasurer makes for the Fund; and~~

~~[(7)] (14) Any other fee, examination assessment, or revenue received by the Commissioner AND THE STATE COLLECTION AGENCY LICENSING BOARD under TITLE 2, SUBTITLE 1 OF THIS ARTICLE, this subtitle, [Subtitle] SUBTITLES 2, 3, 4, AND 5 of this title, [and] Title 12, Subtitles 1, 4, 9, [and] 10, AND 11 of this article, TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE, AND TITLE 7 OF THE BUSINESS REGULATION ARTICLE.~~

~~(b) Notwithstanding subsection (a) of this section, the Commissioner shall pay all fines and penalties collected by the Commissioner AND THE STATE COLLECTION AGENCY LICENSING BOARD under TITLE 2, SUBTITLE 1 OF THIS ARTICLE, this subtitle, [Subtitle] SUBTITLES 2, 3, 4, AND 5 of this title, [and] Title 12, Subtitles 1, 4, 9, [and] 10, AND 11 of this article, TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE, AND TITLE 7 OF THE BUSINESS REGULATION ARTICLE into the General Fund of the State.~~

~~(c) The purpose of the Fund is to cover the direct and indirect costs of fulfilling the statutory and regulatory duties of the Commissioner AND THE STATE COLLECTION AGENCY LICENSING BOARD related to:~~

~~(1) TITLE 2, SUBTITLE 1 OF THIS ARTICLE;~~

~~(2) This subtitle;~~

~~(3) SUBTITLE 2 OF THIS TITLE;~~

~~(4) SUBTITLE 3 OF THIS TITLE;~~

~~(5) SUBTITLE 4 OF THIS TITLE;~~

~~[(2)] (6) Subtitle 5 of this title;~~

~~(7) TITLE 12, SUBTITLE 1 OF THIS ARTICLE;~~

~~[(3)] (8) Title 12, Subtitle 4 of this article;~~

~~[(4)] (9) Title 12, Subtitle 9 of this article;~~

~~[(5)] (10) Title 12, Subtitle 10 of this article; [and]~~

~~(11) TITLE 12, SUBTITLE 11 OF THIS ARTICLE;~~

~~(12) TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE;~~

~~(13) TITLE 7 OF THE BUSINESS REGULATION ARTICLE; AND~~

~~[(6)] (14) Any other expense authorized in the State budget.~~

~~(d) (1) The annual State budget shall include the costs and expenses of the Commissioner relating to the [regulation] SUPERVISION of CONSUMER LENDING, INSTALLMENT LENDING, SALES FINANCE COMPANIES, mortgage lending, mortgage origination, CHECK CASHING SERVICES, money transmission, debt management services, [and] debt settlement services, STUDENT LOAN SERVICERS, AND CREDIT SERVICES BUSINESSES, AND THE STATE COLLECTION AGENCY LICENSING BOARD RELATING TO COLLECTION AGENCIES.~~

~~(2) Any expenditures from the Fund to cover costs and expenses of the Commissioner AND THE STATE COLLECTION AGENCY LICENSING BOARD may be made only:~~

~~(i) With an appropriation from the Fund approved by the General Assembly in the annual State budget; or~~

~~(ii) By the budget amendment procedure provided for in § 7–209 of the State Finance and Procurement Article.~~

~~(3) If, in any fiscal year, the amount of the revenue collected by the Commissioner AND THE STATE COLLECTION AGENCY LICENSING BOARD and deposited into the Fund exceeds the actual appropriation for the Commissioner to [regulate] SUPERVISE CONSUMER LENDING UNDER SUBTITLE 2 OF THIS TITLE; INSTALLMENT LENDING UNDER SUBTITLE 3 OF THIS TITLE; SALES FINANCE COMPANIES UNDER SUBTITLE 4 OF THIS TITLE; mortgage lending under Subtitle 5 of this title; mortgage origination under this subtitle; CHECK CASHING SERVICES UNDER TITLE 12, SUBTITLE 1 OF THIS ARTICLE; money transmission under Title 12, Subtitle 4 of this article; debt management services under Title 12, Subtitle 9 of this article; [and] debt settlement services under Title 12, Subtitle 10 of this article; STUDENT LOAN SERVICERS UNDER TITLE 12, SUBTITLE 11 OF THIS ARTICLE; CREDIT SERVICES BUSINESSES UNDER TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE;~~

~~AND COLLECTION AGENCIES UNDER TITLE 7 OF THE BUSINESS REGULATION ARTICLE, the excess amount shall be carried forward within the Fund.~~

~~(e) (1) The State Treasurer is the custodian of the Fund.~~

~~(2) The State Treasurer shall deposit payments received from the Commissioner into the Fund.~~

~~(f) (1) (i) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.~~

~~(ii) The Fund may not be deemed a part of the General Fund of the State.~~

~~(2) Unless otherwise provided by law, no part of the Fund may revert or be credited to:~~

~~(i) The General Fund of the State; or~~

~~(ii) Any other special fund of the State.~~

11–615.

(c) (1) The Commissioner may enforce the provisions of this subtitle, regulations adopted under this subtitle, and the applicable provisions of Title 12 of the Commercial Law Article by:

(i) Issuing an order:

1. To cease and desist from the violation and any further similar violations; and

2. Requiring the violator to take affirmative action to correct the violation, including the restitution of money or property to any person aggrieved by the violation; and

(ii) Imposing a civil penalty not exceeding **[**$5,000**] $10,000** for each violation.

(2) If a violator fails to comply with an order issued under paragraph (1)(i) of this subsection, the Commissioner may impose a civil penalty not exceeding **[**$5,000**] $25,000** for each violation from which the violator failed to cease and desist or for which the violator failed to take affirmative action to correct.

12–105.

(a) Except as provided in § 12–102(a) of this subtitle, a person may not provide check cashing services unless the person is licensed under this subtitle or is an exempt entity.

12–126.

(a) The Commissioner may impose a civil penalty against a person who violates this subtitle in an amount not exceeding:

(1) **[**$1,000**] $10,000** for a first offense; and

(2) **[**$5,000**] $25,000** for each subsequent offense.

(b) In determining the amount of civil penalty to be imposed under subsection (a) of this section, the Commissioner shall consider the following:

(1) The seriousness of the violation;

(2) The good faith of the violator;

(3) The violator's history of previous violations;

(4) The deleterious effect of the violation on the public;

(5) The assets of the violator; and

(6) Any other factor relevant to the determination of the civil penalty.

12–405.

(a) A person may not engage in the business of money transmission if that person, or the person with whom that person engages in the business of money transmission, is located in the State unless that person:

(1) Is licensed by the Commissioner;

(2) Is an authorized delegate of a licensee under whose name the business of money transmission occurs; or

(3) Is a person exempted from licensing under this subtitle.

12–426.

(e) (2) If a violator fails to comply with an order issued under paragraph (1) of this subsection, the Commissioner may impose a civil penalty **[**of up to $1,000**] NOT EXCEEDING:**

(I) **$10,000** for the first violation**;** and

(II) **[**$5,000**] $25,000** for each subsequent violation from which the violator failed to cease and desist or for which the violator failed to take affirmative action.

12–906.

(a) Whether or not the person maintains an office in this State, a person may not provide debt management services to consumers unless the person:

(1) Is licensed by the Commissioner under this subtitle; or

(2) Is exempt from licensing under this subtitle.

12–928.

(a) (1) The Commissioner may enforce the provisions of this subtitle and regulations adopted under this subtitle by:

(i) Issuing an order requiring the violator:

1. To cease and desist from the violation and any further similar violations; and

2. To take affirmative action to correct the violation, including the restitution of money or property to any person aggrieved by the violation; and

(ii) Imposing a civil penalty not exceeding **[**$1,000**] $10,000** for each violation.

(2) An order issued under this subsection may apply to a licensee's agent that violates any provision of this subtitle or the regulations adopted under this subtitle.

(3) If a violator fails to comply with an order issued under paragraph (1)(i) of this subsection, the Commissioner may impose a civil penalty not exceeding **[**$1,000**] $25,000** for each violation from which the violator failed to cease and desist or for which the violator failed to take corrective affirmative action.

(b) The Commissioner may file a petition in the circuit court for any county seeking enforcement of an order issued under this section.

(c) In determining the amount of financial penalty to be imposed under subsection (a) of this section, the Commissioner shall consider the following:

(1) The seriousness of the violation;

(2) The good faith of the violator;

(3) The violator's history of previous violations;

(4) The deleterious effect of the violation on the public;

(5) The assets of the violator; and

(6) Any other factors relevant to the determination of the financial penalty.

SECTION ~~2.~~ 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Financial Institutions

2–104.1.

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

~~**(2) "STUDENT EDUCATION LOAN" HAS THE MEANING STATED IN § 12–1101 OF THIS ARTICLE.**~~

~~**(3) "STUDENT LOAN BORROWER" HAS THE MEANING STATED IN § 12–1101 OF THIS ARTICLE.**~~

~~**(4) "STUDENT LOAN OMBUDSMAN" MEANS AN INDIVIDUAL, WHETHER A PAID EMPLOYEE OR A VOLUNTEER, WHOM THE COMMISSIONER DESIGNATES TO SERVE AS A LIAISON BETWEEN STUDENT LOAN BORROWERS AND STUDENT LOAN SERVICERS.**~~

~~**(5) "STUDENT LOAN SERVICER" HAS THE MEANING STATED IN § 12–1101 OF THIS ARTICLE.**~~

~~**(B) THE COMMISSIONER SHALL DESIGNATE AN INDIVIDUAL TO SERVE AS THE STUDENT LOAN OMBUDSMAN.**~~

~~**(C) THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL:**~~

~~**(1) RECEIVE AND REVIEW COMPLAINTS FROM STUDENT LOAN BORROWERS;**~~

~~**(2) ATTEMPT TO RESOLVE COMPLAINTS RECEIVED UNDER ITEM (1) OF THIS SUBSECTION, INCLUDING BY COLLABORATING WITH INSTITUTIONS OF**~~

~~HIGHER EDUCATION, STUDENT LOAN SERVICERS, AND ANY OTHER PARTICIPANTS IN STUDENT LOAN LENDING, SUCH AS THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND THE MARYLAND HIGHER EDUCATION COMMISSION;~~

~~(3) COMPILE AND ANALYZE COMPLAINT DATA;~~

~~(4) HELP STUDENT LOAN BORROWERS UNDERSTAND THEIR RIGHTS AND RESPONSIBILITIES UNDER THE TERMS OF STUDENT EDUCATION LOANS;~~

~~(5) PROVIDE INFORMATION TO THE PUBLIC, STATE AGENCIES, ELECTED OFFICIALS, AND OTHER INDIVIDUALS REGARDING STUDENT LOAN BORROWER PROBLEMS AND CONCERNS;~~

~~(6) MAKE RECOMMENDATIONS REGARDING RESOLUTION OF STUDENT LOAN BORROWER PROBLEMS AND CONCERNS;~~

~~(7) ANALYZE AND MONITOR THE DEVELOPMENT AND IMPLEMENTATION OF FEDERAL, STATE, AND LOCAL LAWS, REGULATIONS, AND POLICIES ON STUDENT LOAN BORROWERS AND RECOMMEND NECESSARY CHANGES;~~

~~(8) REVIEW THE STUDENT EDUCATION LOAN HISTORY OF STUDENT LOAN BORROWERS WHO GIVE WRITTEN CONSENT TO HAVE THEIR STUDENT EDUCATION LOAN HISTORY REVIEWED;~~

~~(9) DISSEMINATE INFORMATION ABOUT THE AVAILABILITY OF THE STUDENT LOAN OMBUDSMAN TO ASSIST THOSE WITH STUDENT LOAN SERVICING CONCERNS, INCLUDING DISSEMINATING THE INFORMATION TO:~~

~~(I) STUDENT LOAN BORROWERS;~~

~~(II) POTENTIAL STUDENT LOAN BORROWERS;~~

~~(III) STATE HIGHER EDUCATION INSTITUTIONS; AND~~

~~(IV) STUDENT LOAN SERVICERS; AND~~

~~(10) TAKE ANY OTHER ACTIONS NECESSARY TO FULFILL THE DUTIES OF THE STUDENT LOAN OMBUDSMAN.~~

(2) "SERVICING" MEANS:

(I) RECEIVING SCHEDULED PERIODIC PAYMENTS FROM A STUDENT LOAN BORROWER ACCORDING TO THE TERMS OF A STUDENT EDUCATION LOAN;

(II) APPLYING THE PAYMENTS ACCORDING TO THE STUDENT EDUCATION LOAN TERMS; AND

(III) PERFORMING OTHER ADMINISTRATIVE SERVICES.

(3) "STUDENT EDUCATION LOAN" MEANS ANY LOAN, NOTWITHSTANDING ANY ELECTION OF LAW OR DESIGNATION OF STATUS IN ANY CONTRACT, USED FOR FINANCING POSTSECONDARY EDUCATION OR OTHER POSTSECONDARY SCHOOL–RELATED EXPENSES.

(4) "STUDENT LOAN BORROWER" MEANS:

(I) A RESIDENT OF THE STATE WHO HAS RECEIVED OR AGREED TO PAY A STUDENT EDUCATION LOAN; OR

(II) A RESIDENT WHO SHARES REPAYMENT RESPONSIBILITY WITH A RESIDENT DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH.

(5) "STUDENT LOAN OMBUDSMAN" MEANS AN INDIVIDUAL, WHETHER A PAID EMPLOYEE OR A VOLUNTEER, WHOM THE COMMISSIONER DESIGNATES TO SERVE AS A LIAISON BETWEEN STUDENT LOAN BORROWERS AND STUDENT LOAN SERVICERS.

(6) (I) "STUDENT LOAN SERVICER" MEANS A PERSON, REGARDLESS OF LOCATION, RESPONSIBLE FOR SERVICING A STUDENT EDUCATION LOAN TO A STUDENT LOAN BORROWER.

(II) "STUDENT LOAN SERVICER" INCLUDES A TRUST ENTITY PERFORMING OR RECEIVING THE BENEFIT OF STUDENT LOAN SERVICING.

(B) (1) THE COMMISSIONER SHALL DESIGNATE AN INDIVIDUAL TO SERVE AS THE STUDENT LOAN OMBUDSMAN.

(2) (I) EACH STUDENT LOAN SERVICER IN THE STATE SHALL DESIGNATE AN INDIVIDUAL TO REPRESENT THE STUDENT LOAN SERVICER IN COMMUNICATIONS WITH THE STUDENT LOAN OMBUDSMAN.

(II) A STUDENT LOAN SERVICER SHALL PROVIDE THE STUDENT LOAN OMBUDSMAN THE NAME, PHONE NUMBER, AND E–MAIL ADDRESS OF THE DESIGNEE REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(C) THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL RECEIVE AND PROCESS COMPLAINTS ABOUT STUDENT EDUCATION LOAN SERVICING, INCLUDING:

(1) RECEIVING AND REVIEWING COMPLAINTS FROM STUDENT LOAN BORROWERS;

(2) ATTEMPTING TO RESOLVE COMPLAINTS RECEIVED UNDER ITEM (1) OF THIS SUBSECTION, INCLUDING BY COLLABORATING WITH INSTITUTIONS OF HIGHER EDUCATION, STUDENT LOAN SERVICERS, AND ANY OTHER PARTICIPANTS IN STUDENT LOAN LENDING, SUCH AS THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND THE MARYLAND HIGHER EDUCATION COMMISSION; AND

(3) COMPILING AND ANALYZING COMPLAINT DATA.

(D) THE STUDENT LOAN OMBUDSMAN MAY REFER ANY MATTER THAT IS ABUSIVE, UNFAIR, DECEPTIVE, OR FRAUDULENT TO THE OFFICE OF THE ATTORNEY GENERAL FOR CIVIL ENFORCEMENT OR CRIMINAL PROSECUTION.

(E) THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL DISSEMINATE INFORMATION ABOUT STUDENT EDUCATION LOANS AND SERVICING BY:

(1) HELPING STUDENT LOAN BORROWERS UNDERSTAND THEIR RIGHTS AND RESPONSIBILITIES UNDER THE TERMS OF STUDENT EDUCATION LOANS;

(2) PROVIDING INFORMATION TO THE PUBLIC, STATE AGENCIES, ELECTED OFFICIALS, AND OTHER INDIVIDUALS REGARDING STUDENT LOAN BORROWER PROBLEMS AND CONCERNS; AND

(3) DISSEMINATING INFORMATION ABOUT THE AVAILABILITY OF THE STUDENT LOAN OMBUDSMAN TO ASSIST THOSE WITH STUDENT LOAN SERVICING CONCERNS, INCLUDING DISSEMINATING THE INFORMATION TO:

(I) STUDENT LOAN BORROWERS;

(II) POTENTIAL STUDENT LOAN BORROWERS;

(III) STATE HIGHER EDUCATION INSTITUTIONS; AND

(IV) STUDENT LOAN SERVICERS.

(F) (1) THE STUDENT LOAN OMBUDSMAN SHALL:

(I) ANALYZE AND MONITOR THE DEVELOPMENT AND IMPLEMENTATION OF FEDERAL, STATE, AND LOCAL LAWS, REGULATIONS, AND POLICIES ON STUDENT LOAN BORROWERS;

(II) DISCLOSE THE COMPLAINT DATA IT COMPILES AND ANALYZES UNDER SUBSECTION (C) OF THIS SECTION, INCLUDING:

1. NOTING ANY TRENDS IN THE DATA; AND

2. IDENTIFYING THE NAMES OF STUDENT LOAN SERVICERS ENGAGING IN ANY ABUSIVE, UNFAIR, DECEPTIVE, OR FRAUDULENT PRACTICES; AND

(III) MAKE RECOMMENDATIONS REGARDING:

1. STATUTORY AND REGULATORY METHODS TO RESOLVE STUDENT LOAN BORROWER PROBLEMS AND CONCERNS; AND

2. NECESSARY CHANGES TO STATE LAW TO ENSURE THAT THE STUDENT LOAN SERVICING INDUSTRY IS FAIR, TRANSPARENT, AND EQUITABLE, INCLUDING WHETHER THE STATE SHOULD REQUIRE LICENSING OR REGISTRATION OF STUDENT LOAN SERVICERS.

(2) ON OR BEFORE JANUARY 1 EACH YEAR, THE STUDENT LOAN OMBUDSMAN SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE.

~~(D)~~ *(G)* (1) ON OR BEFORE OCTOBER 1, 2019, THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL ESTABLISH A STUDENT LOAN BORROWER EDUCATION COURSE.

(2) THE COURSE SHALL:

(I) INCLUDE EDUCATIONAL PRESENTATIONS AND MATERIAL ABOUT STUDENT EDUCATION LOANS; AND

(II) REVIEW THE FOLLOWING:

1. COMMON STUDENT EDUCATION LOAN TERMS;

2. DOCUMENTATION REQUIREMENTS FOR STUDENT EDUCATION LOAN APPLICATIONS;

3. MONTHLY PAYMENT OBLIGATIONS FOR STUDENT EDUCATION LOANS;

4. INCOME–BASED REPAYMENT OPTIONS FOR STUDENT EDUCATION LOANS;

5. STUDENT EDUCATION LOAN FORGIVENESS PROGRAMS; AND

6. STUDENT EDUCATION LOAN DISCLOSURE REQUIREMENTS.

~~SUBTITLE 11. STUDENT LOAN SERVICERS.~~

~~12–1101.~~

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

~~(B) "SERVICING" MEANS:~~

~~(1) RECEIVING SCHEDULED PERIODIC PAYMENTS FROM A STUDENT LOAN BORROWER ACCORDING TO THE TERMS OF A STUDENT EDUCATION LOAN;~~

~~(2) APPLYING THE PAYMENTS ACCORDING TO THE STUDENT EDUCATION LOAN TERMS; AND~~

~~(3) PERFORMING OTHER ADMINISTRATIVE SERVICES.~~

~~(C) "STUDENT EDUCATION LOAN" MEANS ANY LOAN, NOTWITHSTANDING ANY ELECTION OF LAW OR DESIGNATION OF STATUS IN ANY CONTRACT, USED MAINLY FOR FINANCING POST–SECONDARY EDUCATION OR OTHER POST–SECONDARY SCHOOL–RELATED EXPENSES.~~

~~(D) "STUDENT LOAN BORROWER" MEANS:~~

~~(1) A RESIDENT OF THE STATE WHO HAS RECEIVED OR AGREED TO PAY A STUDENT EDUCATION LOAN; OR~~

~~(2) AN INDIVIDUAL A RESIDENT WHO SHARES REPAYMENT RESPONSIBILITY WITH A RESIDENT DESCRIBED UNDER ITEM (1) OF THIS SUBSECTION.~~

~~(E) (1) "STUDENT LOAN SERVICER" MEANS A PERSON, REGARDLESS OF LOCATION, RESPONSIBLE FOR SERVICING A STUDENT EDUCATION LOAN TO A STUDENT LOAN BORROWER.~~

~~(2) "STUDENT LOAN SERVICER" INCLUDES:~~

~~(I) A A TRUST ENTITY PERFORMING OR RECEIVING THE BENEFIT OF STUDENT LOAN SERVICING; AND~~

~~(II) A PERSON CONDUCTING DEBT COLLECTION ACTIVITIES IN THE STATE.~~

~~12–1102.~~

~~THIS SUBTITLE DOES NOT APPLY TO:~~

~~(1) A BANKING INSTITUTION, A CREDIT UNION, A NATIONAL BANKING ASSOCIATION, AN OTHER–STATE BANK, OR AN OTHER–STATE CREDIT UNION;~~

~~(2) A WHOLLY OWNED SUBSIDIARY OF AN ENTITY SPECIFIED UNDER ITEM (1) OF THIS SECTION; OR~~

~~(3) AN OPERATING SUBSIDIARY OF AN ENTITY SPECIFIED UNDER ITEM (1) OF THIS SECTION IF EACH OWNER IS WHOLLY OWNED BY THE ENTITY.~~

~~12–1103.~~

~~A PERSON MAY NOT ENGAGE IN STUDENT EDUCATION LOAN SERVICING UNLESS THE PERSON:~~

~~(1) IS LICENSED BY THE COMMISSIONER UNDER THIS SUBTITLE; OR~~

~~(2) IS EXEMPT FROM LICENSING UNDER THIS SUBTITLE.~~

~~12–1104.~~

~~(A) TO APPLY FOR A LICENSE, AN APPLICANT SHALL SUBMIT AN APPLICATION ON THE FORM THAT THE COMMISSIONER PROVIDES.~~

~~(B) THE APPLICATION SHALL INCLUDE:~~

~~(1) A NONREFUNDABLE LICENSE FEE OF $1,000;~~

~~(2) A NONREFUNDABLE INVESTIGATION FEE OF $800;~~

~~(3) A NOTARIZED FINANCIAL STATEMENT OF THE APPLICANT PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT, THE ACCURACY OF WHICH IS ATTESTED TO BY SOMEONE AUTHORIZED TO EXECUTE THE DOCUMENTS;~~

~~(4) A HISTORY OF CRIMINAL CONVICTIONS OF THE APPLICANT AND EACH PARTNER, MEMBER, OFFICER, DIRECTOR, AND PRINCIPAL EMPLOYEE OF THE APPLICANT; AND~~

~~(5) ANY OTHER INFORMATION THAT THE COMMISSIONER REQUESTS.~~

~~(C) AN APPLICANT SHALL NOTIFY THE COMMISSIONER IN WRITING OF ANY CHANGE IN THE INFORMATION PROVIDED UNDER SUBSECTION (B) OF THIS SECTION NOT LATER THAN 10 DAYS AFTER THE OCCURRENCE OF THE EVENT THAT RESULTS IN THE CHANGE OF INFORMATION.~~

~~12–1105.~~

~~(A) AFTER THE FILING OF THE APPLICATION IS COMPLETE, THE COMMISSIONER SHALL INVESTIGATE:~~

~~(1) THE FINANCIAL CONDITION AND RESPONSIBILITY OF THE APPLICANT;~~

~~(2) THE FINANCIAL AND BUSINESS EXPERIENCE OF THE APPLICANT;~~

~~(3) THE CHARACTER OF THE APPLICANT;~~

~~(4) THE CRIMINAL HISTORY OF THE APPLICANT AND EACH PARTNER, MEMBER, OFFICER, DIRECTOR, AND PRINCIPAL EMPLOYEE OF THE APPLICANT; AND~~

~~(5) THE GENERAL FITNESS OF THE APPLICANT.~~

~~(B) IF REQUESTED BY THE COMMISSIONER TO COMPLETE THE INVESTIGATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, AN APPLICANT OR A PARTNER, A MEMBER, AN OFFICER, A DIRECTOR, OR A PRINCIPAL EMPLOYEE OF THE APPLICANT SHALL PROVIDE FINGERPRINTS FOR SUBMISSION TO THE FEDERAL BUREAU OF INVESTIGATION, AND ANY OTHER GOVERNMENT AGENCY OR GOVERNMENTAL ENTITY AUTHORIZED TO RECEIVE THIS INFORMATION FOR A STATE, A NATIONAL, OR AN INTERNATIONAL CRIMINAL HISTORY BACKGROUND CHECK.~~

~~(C) AN APPLICANT REQUIRED TO PROVIDE FINGERPRINTS UNDER THIS SECTION SHALL PAY ANY PROCESSING FEE OR OTHER REQUIRED FEE.~~

~~12–1106.~~

~~(A) THE COMMISSIONER SHALL ISSUE A LICENSE TO AN APPLICANT IF:~~

~~(1) THE APPLICANT MEETS THE REQUIREMENTS OF THIS SUBTITLE;~~

~~(2) THE COMMISSIONER FINDS:~~

~~(I) THE APPLICANT'S FINANCIAL CONDITION IS SOUND; AND~~

~~(II) THE APPLICANT WILL CONDUCT BUSINESS:~~

~~1. HONESTLY;~~

~~2. FAIRLY;~~

~~3. EQUITABLY;~~

~~4. CAREFULLY;~~

~~5. EFFICIENTLY;~~

~~6. IN A MANNER CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE; AND~~

~~7. IN A MANNER COMMANDING THE COMMUNITY'S CONFIDENCE AND TRUST;~~

~~(3) THE APPLICANT, AND, IF APPLICABLE, THE APPLICANT'S PARTNER, SENIOR EXECUTIVE, OR SHAREHOLDER WITH AT LEAST 10% OF EACH CLASS OF THE CORPORATION'S SECURITIES, IS QUALIFIED AND OF GOOD CHARACTER; AND~~

~~(4) NO ONE ON BEHALF OF THE APPLICANT HAS KNOWINGLY MADE A MATERIAL MISSTATEMENT OR AN OMISSION IN THE APPLICATION.~~

~~(B) IF AN APPLICANT DOES NOT MEET THE REQUIREMENTS OF THIS SUBTITLE, THE COMMISSIONER SHALL:~~

~~(1) DENY THE APPLICATION;~~

~~(2) NOTIFY THE APPLICANT IMMEDIATELY OF THE DENIAL OF THE APPLICATION; AND~~

~~(3) KEEP THE LICENSE FEE AND THE INVESTIGATION FEE.~~

~~12–1107.~~

~~(A) UNLESS A LICENSE IS RENEWED, SURRENDERED, SUSPENDED, OR REVOKED, A LICENSE ISSUED UNDER THIS SUBTITLE EXPIRES AT THE END OF SEPTEMBER 30 OF THE ODD–NUMBERED YEAR IMMEDIATELY FOLLOWING ITS ISSUANCE.~~

~~(B) ON OR BEFORE SEPTEMBER 1 OF THE YEAR THE LICENSE EXPIRES, THE LICENSE MAY BE RENEWED FOR A 2–YEAR TERM IF THE LICENSEE:~~

~~(1) IS OTHERWISE ENTITLED TO BE LICENSED;~~

~~(2) PAYS TO THE COMMISSIONER THE FEES REQUIRED WITH AN INITIAL APPLICATION UNDER § 12–1104(B)(1) AND (2) OF THIS SUBTITLE; AND~~

~~(3) SUBMITS TO THE COMMISSIONER A RENEWAL APPLICATION ON THE FORM THAT THE COMMISSIONER REQUIRES CONTAINING ALL OF THE INFORMATION REQUIRED UNDER AN INITIAL APPLICATION UNDER § 12–1104 OF THIS SUBTITLE.~~

~~(C) A RENEWAL APPLICATION FILED AFTER THE DATE SPECIFIED UNDER SUBSECTION (B) OF THIS SECTION SHALL INCLUDE A $100 LATE FEE.~~

~~(D) A LICENSEE SHALL NOTIFY THE COMMISSIONER IN WRITING OF ANY CHANGE IN THE INFORMATION PROVIDED UNDER SUBSECTION (B) OF THIS SECTION NOT LATER THAN 10 DAYS AFTER THE OCCURRENCE OF THE EVENT THAT RESULTS IN THE CHANGE OF INFORMATION.~~

~~(E) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, IF A LICENSEE FILES A RENEWAL APPLICATION ON OR BEFORE THE LICENSE EXPIRATION DATE, THE INITIAL LICENSE REMAINS EFFECTIVE UNTIL THE COMMISSIONER:~~

~~(1) ISSUES A RENEWAL LICENSE; OR~~

~~(2) NOTIFIES THE LICENSEE IN WRITING OF THE COMMISSIONER'S REFUSAL TO ISSUE A RENEWAL LICENSE, INCLUDING THE GROUNDS FOR DENIAL.~~

~~(F) THE COMMISSIONER MAY REFUSE TO APPROVE A RENEWAL LICENSE APPLICATION FOR THE SAME REASONS THE COMMISSIONER MAY DENY AN INITIAL LICENSE APPLICATION UNDER § 12–1106 OF THIS SUBTITLE.~~

~~12–1108.~~

~~(A) THE COMMISSIONER MAY DEEM AN APPLICATION UNDER § 12–1104 OR § 12–1107 OF THIS SUBTITLE ABANDONED IF THE APPLICANT FAILS TO RESPOND TO ANY REQUEST FOR INFORMATION AUTHORIZED UNDER THIS SUBTITLE.~~

~~(B) THE COMMISSIONER SHALL NOTIFY AN APPLICANT IN WRITING THAT IF THE INFORMATION REQUESTED IS NOT SUBMITTED WITHIN 60 DAYS AFTER THE REQUEST DATE, THE APPLICATION WILL BE DEEMED ABANDONED.~~

~~(C) THE COMMISSIONER SHALL KEEP THE LICENSE FEES INCLUDED WITH AN APPLICATION DEEMED ABANDONED UNDER THIS SECTION.~~

~~(D) ABANDONMENT OF AN APPLICATION UNDER THIS SECTION MAY NOT PRECLUDE AN APPLICANT OR A LICENSEE FROM SUBMITTING A NEW INITIAL APPLICATION IN ACCORDANCE WITH § 12–1104 OF THIS SUBTITLE.~~

~~12–1104.~~

~~(A) TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL SATISFY THE COMMISSIONER THAT THE APPLICANT IS OF GOOD MORAL CHARACTER, AND HAS SUFFICIENT FINANCIAL RESPONSIBILITY, BUSINESS EXPERIENCE, AND GENERAL FITNESS TO:~~

~~(1) ENGAGE IN THE BUSINESS OF STUDENT LOAN SERVICER;~~

~~(2) WARRANT THE BELIEF THAT THE BUSINESS WILL BE CONDUCTED LAWFULLY, HONESTLY, FAIRLY, AND EFFICIENTLY; AND~~

~~(3) COMMAND THE CONFIDENCE OF THE PUBLIC.~~

~~(B) THE COMMISSIONER MAY DENY AN APPLICATION FOR A LICENSE TO ANY PERSON WHO HAS BEEN OFFICIALLY REPRIMANDED OR HAS COMMITTED ANY ACT THAT WOULD BE GROUNDS FOR SUSPENSION OR REVOCATION OF A LICENSE UNDER THIS SUBTITLE.~~

~~12–1105.~~

~~(A) THIS SECTION DOES NOT APPLY TO ANY CORPORATION IF SECURITIES OF THE CORPORATION ARE EXEMPT FROM REGISTRATION UNDER § 11–601(8) OR (12) OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.~~

~~(B) IN CONNECTION WITH AN INITIAL APPLICATION FOR A LICENSE UNDER § 12–1106 OF THIS SUBTITLE, AND AT ANY OTHER TIME THE COMMISSIONER REQUESTS, AN APPLICANT OR A LICENSEE SHALL PROVIDE TO THE NATIONWIDE~~

~~MORTGAGE LICENSING SYSTEM AND REGISTRY INFORMATION CONCERNING THE APPLICANT'S IDENTITY, AS WELL AS OTHER INFORMATION THAT THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY REQUIRES, INCLUDING:~~

~~(1) FINGERPRINTS FOR SUBMISSION TO THE FEDERAL BUREAU OF INVESTIGATION, AND ANY OTHER GOVERNMENTAL AGENCY OR ENTITY AUTHORIZED TO RECEIVE THE INFORMATION, FOR A STATE, NATIONAL, OR INTERNATIONAL CRIMINAL HISTORY BACKGROUND CHECK; AND~~

~~(2) PERSONAL HISTORY AND EXPERIENCE IN A FORM PRESCRIBED BY THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY, INCLUDING THE SUBMISSION OF AUTHORIZATION FOR THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY AND THE COMMISSIONER TO OBTAIN:~~

~~(I) AN INDEPENDENT CREDIT REPORT FROM A CONSUMER REPORTING AGENCY DESCRIBED IN THE FEDERAL FAIR CREDIT REPORTING ACT, 15 U.S.C. § 1681A(P); AND~~

~~(II) INFORMATION RELATED TO ANY ADMINISTRATIVE, CIVIL, OR CRIMINAL FINDINGS BY ANY GOVERNMENTAL JURISDICTION.~~

~~(C) THE COMMISSIONER MAY REQUEST FROM THE FEDERAL BUREAU OF INVESTIGATION OR THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY, AS APPLICABLE, FOR EACH APPLICANT OR LICENSEE WHO IS REQUIRED TO PROVIDE FINGERPRINTS UNDER SUBSECTION (B) OF THIS SECTION:~~

~~(1) (I) THE STATE, NATIONAL, OR INTERNATIONAL CRIMINAL HISTORY RECORDS OF THE APPLICANT OR LICENSEE; AND~~

~~(II) A PRINTED STATEMENT LISTING ANY CONVICTION OR OTHER DISPOSITION OF, AND ANY PLEA OF GUILTY OR NOLO CONTENDERE TO, ANY CRIMINAL CHARGE;~~

~~(2) (I) AN UPDATE OF THE INITIAL CRIMINAL HISTORY RECORDS CHECK OR CRIMINAL HISTORY BACKGROUND CHECK OF THE APPLICANT OR LICENSEE; AND~~

~~(II) A REVISED STATEMENT LISTING ANY CONVICTION OR OTHER DISPOSITION OF, AND ANY PLEA OF GUILTY OR NOLO CONTENDERE TO, ANY CRIMINAL CHARGE OCCURRING AFTER THE DATE OF THE INITIAL CRIMINAL HISTORY RECORDS CHECK OR CRIMINAL HISTORY BACKGROUND CHECK; AND~~

~~(3) AN ACKNOWLEDGED RECEIPT OF THE APPLICATION FOR A CRIMINAL HISTORY RECORDS CHECK OR CRIMINAL HISTORY BACKGROUND CHECK OF THE APPLICANT OR LICENSEE.~~

~~(D) AN APPLICANT OR A LICENSEE WHO IS REQUIRED TO PROVIDE FINGERPRINTS UNDER SUBSECTION (B) OF THIS SECTION SHALL PAY ANY PROCESSING OR OTHER FEES REQUIRED BY THE FEDERAL BUREAU OF INVESTIGATION AND THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY.~~

~~(E) TO IMPLEMENT THIS SUBTITLE, THE COMMISSIONER MAY USE THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY AS A CHANNELING AGENT TO REQUEST INFORMATION FROM AND DISTRIBUTE INFORMATION TO THE DEPARTMENT OF JUSTICE, ANY OTHER GOVERNMENTAL AGENCY WITH SUBJECT MATTER JURISDICTION, AND ANY OTHER STATE LICENSING ENTITY THAT HAS LOAN ORIGINATORS REGISTERED WITH THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY.~~

~~12–1106.~~

~~(A) TO APPLY FOR A LICENSE, AN APPLICANT SHALL:~~

~~(1) COMPLETE, SIGN, AND SUBMIT TO THE COMMISSIONER AN APPLICATION MADE UNDER OATH IN THE FORM, AND IN ACCORDANCE WITH THE PROCESS, THAT THE COMMISSIONER REQUIRES; AND~~

~~(2) PROVIDE ALL INFORMATION THAT THE COMMISSIONER REQUESTS.~~

~~(B) THE APPLICANT SHALL COMPLY WITH ALL CONDITIONS AND PROVISIONS OF THE APPLICATION FOR LICENSURE AND BE ISSUED A LICENSE BEFORE ACTING AS A STUDENT LOAN SERVICER.~~

~~(C) WITH EACH APPLICATION, THE APPLICANT SHALL PAY THE FOLLOWING FEES TO THE COMMISSIONER:~~

~~(1) A NONREFUNDABLE LICENSE FEE OF $1,000; AND~~

~~(2) A NONREFUNDABLE INVESTIGATION FEE OF $800.~~

~~(D) IN ADDITION TO THE LICENSE FEE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION, AN APPLICANT FOR AN INITIAL LICENSE SHALL PAY TO THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY ANY FEES THAT THE~~

~~NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY IMPOSES IN CONNECTION WITH THE APPLICATION.~~

~~(E) FOR EACH LICENSE FOR WHICH AN APPLICANT APPLIES, THE APPLICANT SHALL:~~

~~(1) SUBMIT A SEPARATE APPLICATION; AND~~

~~(2) PAY ALL FEES REQUIRED UNDER THIS SECTION.~~

~~(F) A PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT UNDER OATH ON AN APPLICATION FILED WITH THE COMMISSIONER UNDER THIS SECTION IS GUILTY OF PERJURY AND ON CONVICTION IS SUBJECT TO THE PENALTIES OF § 9–101 OF THE CRIMINAL LAW ARTICLE.~~

~~(G) THE COMMISSIONER MAY ADOPT REGULATIONS THAT REQUIRE AN APPLICANT THAT SERVICES LESS THAN 100 BORROWERS TO INCLUDE IN AN APPLICATION UNDER SUBSECTION (A) OF THIS SECTION A NONREFUNDABLE LICENSE FEE OR NONREFUNDABLE INVESTIGATION FEE THAT IS LOWER THAN THE FEES UNDER SUBSECTION (C) OF THIS SECTION.~~

~~12–1107.~~

~~(A) WITH THE APPLICATION FOR A NEW LICENSE, AN APPLICANT SHALL FILE A SURETY BOND WITH THE COMMISSIONER.~~

~~(B) (1) THE BOND SHALL RUN TO THE COMMISSIONER, AS OBLIGEE, FOR THE BENEFIT OF:~~

~~(I) THE STATE; AND~~

~~(II) ANY STUDENT LOAN BORROWER WHO HAS BEEN DAMAGED BY A VIOLATION COMMITTED BY A LICENSEE OF ANY LAW OR REGULATION GOVERNING THE ACTIVITIES OF STUDENT LOAN SERVICES.~~

~~(2) THE BOND SHALL BE:~~

~~(I) IN AN AMOUNT DETERMINED BY THE COMMISSIONER;~~

~~(II) ISSUED BY A SURETY COMPANY THAT:~~

~~1. IS AUTHORIZED TO DO BUSINESS IN THE STATE; AND~~

~~2. HOLDS A CERTIFICATE OF AUTHORITY ISSUED BY THE MARYLAND INSURANCE COMMISSIONER; AND~~

~~(III) CONDITIONED THAT THE LICENSEE SHALL COMPLY WITH ALL MARYLAND AND FEDERAL LAWS REGULATING THE STUDENT LOAN SERVICERS.~~

~~(3) THE LIABILITY OF THE SURETY:~~

~~(I) SHALL BE CONTINUOUS;~~

~~(II) MAY NOT BE AGGREGATED OR CUMULATIVE, WHETHER OR NOT THE BOND IS RENEWED, CONTINUED, REPLACED, OR MODIFIED;~~

~~(III) MAY NOT BE DETERMINED BY ADDING TOGETHER THE PENAL SUM OF THE BOND, OR ANY PART OF THE PENAL SUM OF THE BOND, IN EXISTENCE AT ANY TWO OR MORE POINTS IN TIME;~~

~~(IV) SHALL BE CONSIDERED TO BE ONE CONTINUOUS OBLIGATION, REGARDLESS OF INCREASES OR DECREASES IN THE PENAL SUM OF THE BOND;~~

~~(V) MAY NOT BE AFFECTED BY:~~

~~1. THE INSOLVENCY OR BANKRUPTCY OF THE LICENSEE;~~

~~2. ANY MISREPRESENTATION, BREACH OF WARRANTY, FAILURE TO PAY A PREMIUM, OR ANY OTHER ACT OR OMISSION OF THE LICENSEE OR AN AGENT OF THE LICENSEE; OR~~

~~3. THE SUSPENSION OF THE LICENSEE'S LICENSE;~~

~~(VI) MAY NOT REQUIRE AN ADMINISTRATIVE ENFORCEMENT ACTION BY THE COMMISSIONER AS A PREREQUISITE TO LIABILITY; AND~~

~~(VII) SHALL CONTINUE FOR 3 YEARS AFTER THE LATER OF THE DATE ON WHICH:~~

~~1. THE BOND IS CANCELED; OR~~

~~2. THE LICENSEE, FOR ANY REASON, CEASES TO BE LICENSED.~~

~~(4) (I) A BOND MAY BE CANCELED BY THE SURETY OR THE LICENSEE BY GIVING NOTICE OF CANCELLATION TO THE COMMISSIONER.~~

~~(II) NOTICE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL:~~

~~1. BE IN WRITING; AND~~

~~2. BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.~~

~~(III) A CANCELLATION OF A BOND UNDER THIS PARAGRAPH IS NOT EFFECTIVE UNTIL 90 DAYS AFTER RECEIPT OF A NOTICE OF CANCELLATION BY THE COMMISSIONER.~~

~~(5) A CLAIM AGAINST THE BOND MAY BE FILED WITH THE SURETY BY:~~

~~(I) A CLAIMANT; OR~~

~~(II) THE COMMISSIONER FOR THE BENEFIT OF A CLAIMANT OR THE STATE.~~

~~(6) IF THE AMOUNT OF CLAIMS AGAINST A BOND EXCEEDS THE AMOUNT OF THE BOND, THE SURETY:~~

~~(I) SHALL PAY THE AMOUNT OF THE BOND TO THE COMMISSIONER FOR PRO RATA DISTRIBUTION TO CLAIMANTS; AND~~

~~(II) IS RELIEVED OF LIABILITY UNDER THE BOND.~~

~~(7) IF THE PENAL AMOUNT OF A BOND IS REDUCED BY PAYMENT OF A CLAIM OR JUDGMENT, THE LICENSEE SHALL FILE A NEW OR ADDITIONAL BOND WITH THE COMMISSIONER.~~

~~(8) A PENALTY IMPOSED AGAINST A LICENSEE UNDER § 12–1120 OF THIS SUBTITLE MAY BE COLLECTED AND PAID FROM THE PROCEEDS OF A BOND REQUIRED UNDER THIS SECTION.~~

~~12–1108.~~

~~(A) WHEN AN APPLICANT FOR A LICENSE FILES A COMPLETED APPLICATION AND PAYS THE FEES REQUIRED BY § 12–1106 OF THIS SUBTITLE, THE COMMISSIONER SHALL CONDUCT AN INVESTIGATION TO DETERMINE IF THE APPLICANT MEETS THE REQUIREMENTS OF § 12–1104 OF THIS SUBTITLE.~~

~~(B) THE COMMISSIONER SHALL APPROVE OR DENY AN APPLICATION WITHIN 60 DAYS AFTER THE COMMISSIONER RECEIVES A COMPLETED APPLICATION.~~

~~12–1109.~~

~~(A) IF AN APPLICANT DOES NOT MEET THE REQUIREMENTS § 12–1104 OF OF THIS SUBTITLE, THE COMMISSIONER SHALL:~~

~~(1) IMMEDIATELY NOTIFY THE APPLICANT IN WRITING OF THIS FACT; AND~~

~~(2) RETURN THE BOND FILED UNDER § 12–1107 OF THIS SUBTITLE.~~

~~(B) WITHIN 30 DAYS AFTER THE COMMISSIONER DENIES AN APPLICATION, THE COMMISSIONER SHALL:~~

~~(1) FILE IN THE COMMISSIONER'S OFFICE A WRITTEN DECISION CONTAINING THE FINDINGS AND CONCLUSIONS ON WHICH THE DENIAL WAS BASED;~~

~~(2) SEND A COPY OF THE DECISION TO THE APPLICANT; AND~~

~~(3) NOTIFY THE APPLICANT BY CERTIFIED MAIL OF THE APPLICANT'S RIGHT TO A HEARING TO BE HELD IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURE ACT.~~

~~(C) (1) AN APPLICANT WHO SEEKS A HEARING ON A LICENSE APPLICATION DENIAL SHALL FILE A WRITTEN REQUEST FOR A HEARING WITHIN 45 DAYS FOLLOWING RECEIPT OF THE NOTICE TO THE APPLICANT OF THE APPLICANT'S RIGHT TO A HEARING.~~

~~(2) A HEARING DATE ESTABLISHED IN RESPONSE TO THE FILING OF A REQUEST FOR A HEARING UNDER THIS SUBSECTION MAY BE POSTPONED ONLY ONCE FOR A PERIOD OF UP TO 30 DAYS AFTER THE INITIAL HEARING DATE.~~

~~12–1110.~~

~~(A) AN INITIAL LICENSE TERM SHALL:~~

~~(1) BEGIN ON THE DAY THE LICENSE IS ISSUED; AND~~

~~(2) EXPIRE ON DECEMBER 31 OF THE YEAR:~~

~~(I) THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED BEFORE NOVEMBER 1; OR~~

~~(II) SUCCEEDING THE YEAR THAT THE LICENSE WAS ISSUED, IF THE LICENSE IS ISSUED ON OR AFTER NOVEMBER 1.~~

~~(B) AT LEAST 60 DAYS BEFORE ITS EXPIRATION, A LICENSE MAY BE RENEWED IF THE LICENSEE:~~

~~(1) OTHERWISE IS ENTITLED TO BE LICENSED;~~

~~(2) PAYS TO THE COMMISSIONER A NONREFUNDABLE RENEWAL FEE SET BY THE COMMISSIONER; AND~~

~~(3) SUBMITS TO THE COMMISSIONER A RENEWAL APPLICATION ON THE FORM THAT THE COMMISSIONER REQUIRES.~~

~~(C) SUBJECT TO ANY REGULATIONS THE COMMISSIONER ADOPTS IN CONNECTION WITH THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY, A RENEWAL TERM SHALL:~~

~~(1) BE FOR A PERIOD OF 1 YEAR;~~

~~(2) BEGIN ON JANUARY 1 OF EACH YEAR AFTER THE INITIAL TERM; AND~~

~~(3) EXPIRE ON DECEMBER 31 OF THE YEAR THE RENEWAL TERM BEGINS.~~

~~12–1109.~~ ~~12–1111.~~

~~(A) (1) WITHIN 15 DAYS AFTER A LICENSEE CEASES ENGAGING IN SERVICING IN THE STATE, THE LICENSEE SHALL:~~

~~(I) SURRENDER ITS LICENSE; AND~~

~~(II) NOTIFY THE COMMISSIONER IN WRITING.~~

~~(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL:~~

~~(I) IDENTIFY THE LOCATION WHERE THE RECORDS OF THE LICENSEE WILL BE STORED; AND~~

~~(II) INCLUDE THE NAME, MAILING ADDRESS, AND TELEPHONE NUMBER OF AN INDIVIDUAL AUTHORIZED TO PROVIDE ACCESS TO THE RECORDS.~~

~~(B) THE SURRENDER OF A LICENSE UNDER SUBSECTION (A) OF THIS SECTION DOES NOT REDUCE OR ELIMINATE THE LICENSEE'S CIVIL OR CRIMINAL LIABILITY ARISING FROM ACTS OR OMISSIONS OCCURRING BEFORE THE SURRENDER, INCLUDING ANY ACTIONS THAT THE COMMISSIONER MAY TAKE AGAINST A LICENSEE UNDER THIS SUBTITLE.~~

~~(C) THE COMMISSIONER SHALL AUTOMATICALLY SUSPEND A LICENSE IF PAYMENT IS RETURNED OR NOT ACCEPTED BY A FINANCIAL INSTITUTION FOR THE FEES REQUIRED UNDER § 12–1104(B)(1) AND (2) OR § 12–1107(B)(2) OF THIS SUBTITLE.~~

~~12–1110.~~ ~~12–1112.~~

~~(A) A LICENSEE SHALL USE THE NAME AND BUSINESS ADDRESS SPECIFIED ON ITS LICENSE.~~

~~(B) A LICENSEE SHALL:~~

~~(1) MAINTAIN ONE PLACE OF BUSINESS UNDER THE LICENSE; AND~~

~~(2) NOTIFY THE COMMISSIONER IN WRITING OF ANY CHANGE IN ITS ADDRESS BEFORE THE LICENSEE CHANGES ITS ADDRESS~~; ~~AND~~

~~(3) NOTIFY THE COMMISSIONER IN WRITING OF ANY CHANGE IN CONTROL AND RECEIVE WRITTEN APPROVAL FROM THE COMMISSIONER FOR THE CHANGE IN CONTROL BEFORE THE LICENSEE UNDERGOES THE CHANGE IN CONTROL.~~

~~(C) THE COMMISSIONER MAY ISSUE MORE THAN ONE LICENSE TO A LICENSEE.~~

~~(D) A LICENSEE MAY NOT TRANSFER OR ASSIGN A LICENSE.~~

~~12–1111.~~ ~~12–1113.~~

~~(A) EXCEPT AS OTHERWISE PROVIDED IN FEDERAL LAW, A FEDERAL STUDENT EDUCATION LOAN AGREEMENT, OR A CONTRACT BETWEEN THE FEDERAL GOVERNMENT AND A LICENSEE, A~~ A ~~LICENSEE SHALL PRESERVE:~~

~~(1) ALL RECORDS FOR EACH STUDENT EDUCATION LOAN; AND~~

~~(2) EACH COMMUNICATION WITH A STUDENT LOAN BORROWER.~~

~~(B) A LICENSEE SHALL PRESERVE THE RECORDS AND COMMUNICATIONS UNDER SUBSECTION (A) OF THIS SECTION FOR:~~

~~(1) AT LEAST 2 YEARS AFTER THE EARLIER OF:~~

~~(I) FINAL PAYMENT ON A STUDENT EDUCATION LOAN; OR~~

~~(II) THE SALE, ASSIGNMENT, OR OTHER TRANSFER OF THE SERVICING OF A STUDENT EDUCATION LOAN; OR~~

~~(2) A LONGER PERIOD IF OTHERWISE REQUIRED BY LAW.~~

~~(C) (1) THE COMMISSIONER MAY INVESTIGATE AND INSPECT THE RECORDS OF A LICENSEE.~~

~~(2) FOR THE PURPOSES OF THIS SUBSECTION, A LICENSEE SHALL:~~

~~(I) MAKE ANY RECORDS REQUESTED BY THE COMMISSIONER AVAILABLE; OR~~

~~(II) SEND COPIES OF ANY RECORDS REQUESTED BY THE COMMISSIONER TO THE COMMISSIONER WITHIN 5 BUSINESS DAYS AFTER THE REQUEST.~~

~~(3)~~ (2) ~~IF REQUESTED BY A LICENSEE, THE COMMISSIONER MAY EXTEND THE TIME A LICENSEE HAS TO SEND RECORDS REQUESTED UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.~~

~~(4)~~ (3) ~~A LICENSEE SHALL SEND ANY RECORDS BY:~~

~~(I) REGISTERED MAIL;~~

~~(II) CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR~~

~~(III) ANY EXPRESS DELIVERY CARRIER THAT PROVIDES A DATED DELIVERY RECEIPT.~~

~~12–1112.~~ 12–1114.

~~A LICENSEE SHALL COMPLY WITH ALL FEDERAL LAWS CONCERNING STUDENT EDUCATION LOAN SERVICING, INCLUDING COMPLIANCE WITH THE FEDERAL TRUTH IN LENDING ACT.~~

~~12–1115.~~

~~(A) IN THIS SECTION, "NONCONFORMING PAYMENT" MEANS A PAYMENT ON A STUDENT EDUCATION LOAN OF A STUDENT LOAN BORROWER THAT IS MORE OR LESS THAN THE REQUIRED PAYMENT.~~

~~(B) EXCEPT AS OTHERWISE PROVIDED IN FEDERAL LAW, FEDERAL STUDENT EDUCATION LOAN AGREEMENTS, OR A CONTRACT BETWEEN THE FEDERAL GOVERNMENT AND A LICENSEE, A LICENSEE SHALL TAKE THE ACTIONS UNDER THIS SECTION.~~

~~(C) A LICENSEE SHALL RESPOND TO A WRITTEN INQUIRY FROM A STUDENT LOAN BORROWER OR THE REPRESENTATIVE OF A STUDENT LOAN BORROWER WITHIN 30 DAYS AFTER RECEIVING THE INQUIRY.~~

~~(D) (1) IF A LICENSEE RECEIVES A NONCONFORMING PAYMENT ON A STUDENT EDUCATION LOAN OF A STUDENT LOAN BORROWER, A LICENSEE SHALL ASK THE STUDENT LOAN BORROWER HOW THE BORROWER PREFERS THE LICENSEE TO APPLY THE NONCONFORMING PAYMENT.~~

~~(2) A LICENSEE SHALL:~~

~~(I) NOTE HOW THE STUDENT LOAN BORROWER PREFERS THE LICENSEE TO APPLY A NONCONFORMING PAYMENT;~~

~~(II) APPLY THE NONCONFORMING PAYMENT IN THE MANNER PREFERRED BY THE STUDENT LOAN BORROWER; AND~~

~~(III) UNTIL THE STUDENT LOAN BORROWER INDICATES OTHERWISE, APPLY ANY FUTURE NONCONFORMING PAYMENTS IN THE SAME MANNER PREFERRED BY THE BORROWER UNDER ITEM (I) OF THIS PARAGRAPH.~~

~~(E) (1) THIS SUBSECTION APPLIES TO THE SALE, ASSIGNMENT, OR OTHER TRANSFER OF THE SERVICING OF A STUDENT EDUCATION LOAN THAT RESULTS IN A CHANGE IN THE IDENTITY OF THE PERSON TO WHOM A STUDENT LOAN BORROWER IS REQUIRED TO:~~

~~(I) SEND PAYMENTS; OR~~

~~(II) DIRECT ANY COMMUNICATIONS CONCERNING THE STUDENT EDUCATION LOAN.~~

~~(2) AS A CONDITION OF A SALE, AN ASSIGNMENT, OR ANY OTHER TRANSFER OF THE SERVICING OF A STUDENT EDUCATION LOAN, A LICENSEE SHALL REQUIRE THE NEW STUDENT LOAN SERVICER TO:~~

~~(I) HONOR ALL BENEFITS ORIGINALLY REPRESENTED AS AVAILABLE TO A STUDENT LOAN BORROWER DURING THE REPAYMENT OF THE STUDENT EDUCATION LOAN; AND~~

~~(II) PRESERVE THE AVAILABILITY OF THE BENEFITS UNDER ITEM (I) OF THIS PARAGRAPH, INCLUDING ANY BENEFITS FOR WHICH THE STUDENT LOAN BORROWER HAS NOT YET QUALIFIED.~~

~~(3) A LICENSEE SHALL TRANSFER TO THE NEW STUDENT LOAN SERVICER SERVICING THE STUDENT EDUCATION LOAN ALL INFORMATION REGARDING:~~

~~(I) THE STUDENT LOAN BORROWER;~~

~~(II) THE ACCOUNT OF THE STUDENT LOAN BORROWER; AND~~

~~(III) THE STUDENT EDUCATION LOAN OF THE STUDENT LOAN BORROWER.~~

~~(4) THE INFORMATION REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION INCLUDES:~~

~~(I) THE REPAYMENT STATUS OF THE STUDENT LOAN BORROWER; AND~~

~~(II) ANY BENEFITS ASSOCIATED WITH THE STUDENT EDUCATION LOAN OF THE STUDENT LOAN BORROWER.~~

~~(5) A LICENSEE SHALL COMPLETE THE TRANSFER OF INFORMATION REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION WITHIN 45 DAYS AFTER THE SALE, ASSIGNMENT, OR OTHER TRANSFER OF THE SERVICING OF A STUDENT EDUCATION LOAN.~~

~~(6) THE SALE, ASSIGNMENT, OR OTHER TRANSFER OF THE SERVICING OF A STUDENT EDUCATION LOAN SHALL BE COMPLETED AT LEAST 7 DAYS BEFORE THE NEXT PAYMENT ON THE LOAN IS DUE.~~

~~(F) (1) THIS SUBSECTION APPLIES TO A LICENSEE WHO OBTAINS THE RIGHT TO SERVICE A STUDENT EDUCATION LOAN.~~

~~(2) A LICENSEE SHALL ADOPT POLICIES AND PROCEDURES TO VERIFY THAT THE LICENSEE HAS RECEIVED ALL INFORMATION REGARDING:~~

~~(I) THE STUDENT LOAN BORROWER;~~

~~(II) THE ACCOUNT OF THE STUDENT LOAN BORROWER; AND~~

~~(III) THE STUDENT EDUCATION LOAN OF THE STUDENT LOAN BORROWER.~~

~~(3) THE INFORMATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION INCLUDES:~~

~~(I) THE REPAYMENT STATUS OF THE STUDENT LOAN BORROWER; AND~~

~~(II) ANY BENEFITS ASSOCIATED WITH THE STUDENT EDUCATION LOAN OF THE STUDENT LOAN BORROWER.~~

~~12–1113.~~ ~~12–1116.~~

~~(A) A LICENSEE MAY NOT:~~

~~(1) EMPLOY, DIRECTLY OR INDIRECTLY, ANY SCHEME, DEVICE, OR ARTIFICE TO DEFRAUD OR MISLEAD BORROWERS;~~

~~(2) ENGAGE IN ANY UNFAIR OR DECEPTIVE PRACTICE TOWARD ANY PERSON;~~

~~(3) MISREPRESENT OR OMIT ANY MATERIAL INFORMATION IN CONNECTION WITH THE SERVICING OF A STUDENT EDUCATION LOAN, INCLUDING MISREPRESENTATION OR OMISSION OF ANY FEE, PAYMENT DUE, LOAN TERM, OR BORROWER OBLIGATION;~~

~~(4) OBTAIN PROPERTY BY FRAUD OR MISREPRESENTATION;~~

~~(5) KNOWINGLY MISAPPLY OR RECKLESSLY APPLY STUDENT EDUCATION LOAN PAYMENTS TO THE OUTSTANDING BALANCE OF A STUDENT EDUCATION LOAN;~~

~~(6) CAUSE HARM TO THE CREDITWORTHINESS OF A STUDENT LOAN BORROWER BY KNOWINGLY OR RECKLESSLY PROVIDING INACCURATE INFORMATION TO A CONSUMER REPORTING AGENCY AS DEFINED IN § 14–1201 OF THE COMMERCIAL LAW ARTICLE;~~

~~(7) IF THE LICENSEE REGULARLY REPORTS INFORMATION TO A CONSUMER REPORTING AGENCY, FAIL TO REPORT BOTH THE FAVORABLE AND UNFAVORABLE PAYMENT HISTORY OF A STUDENT LOAN BORROWER TO A NATIONALLY RECOGNIZED CONSUMER REPORTING AGENCY AT LEAST ONCE A YEAR;~~

~~(8) SUBJECT TO SUBSECTION (B) OF THIS SECTION, REFUSE TO COMMUNICATE WITH AN AUTHORIZED REPRESENTATIVE OF A STUDENT LOAN BORROWER WHO PROVIDES A WRITTEN AUTHORIZATION SIGNED BY THE STUDENT LOAN BORROWER; AND~~

~~(9) NEGLIGENTLY MAKE ANY FALSE STATEMENT OR OMIT ANY MATERIAL FACT IN CONNECTION WITH:~~

~~(I) ANY INFORMATION OR REPORTS FILED WITH A GOVERNMENT AGENCY; OR~~

~~(II) ANY INVESTIGATION CONDUCTED BY THE COMMISSIONER OR ANY OTHER GOVERNMENT AGENCY.~~

~~(B) A LICENSEE MAY ADOPT PROCEDURES TO VERIFY THAT AN AUTHORIZED REPRESENTATIVE UNDER SUBSECTION (A)(8) OF THIS SECTION IS AUTHORIZED TO ACT ON BEHALF OF A STUDENT LOAN BORROWER.~~

~~12–1114.~~ 12–1117.

~~IN ORDER TO CARRY OUT THIS SUBTITLE, THE COMMISSIONER MAY:~~

~~(1) RETAIN~~ RETAIN ATTORNEYS, ACCOUNTANTS, OTHER PROFESSIONALS, AND SPECIALISTS AS EXAMINERS, AUDITORS, OR INVESTIGATORS TO CONDUCT OR ASSIST IN CONDUCTING EXAMINATIONS OR INVESTIGATIONS~~;~~.

~~(2) ENTER INTO AGREEMENTS OR RELATIONSHIPS WITH OTHER GOVERNMENT OFFICIALS OR REGULATORY ASSOCIATIONS TO IMPROVE EFFICIENCIES AND REDUCE REGULATORY BURDEN, INCLUDING SHARING:~~

~~(I) RESOURCES;~~

~~(II) STANDARDIZED OR UNIFORM METHODS OR PROCEDURES; AND~~

~~(III) DOCUMENTS, RECORDS, INFORMATION, OR EVIDENCE OBTAINED UNDER THE AUTHORITY OF THE COMMISSIONER;~~

~~(3) USE, HIRE, CONTRACT FOR, OR EMPLOY PUBLIC OR PRIVATELY AVAILABLE ANALYTICAL SYSTEMS, METHODS, OR SOFTWARE TO EXAMINE OR INVESTIGATE A PERSON SUBJECT TO THIS SUBTITLE;~~

~~(4) ACCEPT AND RELY ON EXAMINATION OR INVESTIGATION REPORTS MADE BY OTHER GOVERNMENT OFFICIALS; AND~~

~~(5) (I) ACCEPT AUDIT REPORTS MADE BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT FOR A LICENSEE OR OTHER PERSON ON THE SAME GENERAL SUBJECT MATTER AS THE AUDIT; AND~~

~~(II) INCORPORATE THE AUDIT REPORT IN THE REPORT OR EXAMINATION OR INVESTIGATION, OR OTHER WRITING.~~

~~12–1115.~~ ~~12–1118.~~

~~(A) THE COMMISSIONER MAY CONDUCT INVESTIGATIONS AND EXAMINATIONS FOR THE PURPOSES OF:~~

~~(1) APPROVING OR DENYING AN INITIAL OR RENEWAL LICENSE APPLICATION UNDER THIS SUBTITLE;~~

~~(2) OBTAINING ANY INFORMATION REQUIRED BY THIS SUBTITLE; AND~~

~~(3) DISCOVERING~~ ~~DISCOVERING~~ ~~ANY VIOLATIONS OF THIS SUBTITLE.~~

~~(B) A LICENSEE SHALL PAY TO THE COMMISSIONER A PER–DAY FEE SET BY THE COMMISSIONER FOR EACH OF THE COMMISSIONER'S EMPLOYEES ENGAGED IN THE INVESTIGATION AND OTHER COSTS ASSOCIATED WITH THE INVESTIGATION.~~

~~(B) THE COMMISSIONER SHALL REVIEW, INVESTIGATE, OR EXAMINE ANY LICENSEE OR OTHER PERSON SUBJECT TO THIS SUBTITLE AS OFTEN AS NECESSARY TO CARRY OUT ITS PURPOSE.~~

~~(C) (1) THE COMMISSIONER SHALL HAVE FULL ACCESS TO ANY BOOKS, ACCOUNTS, RECORDS, FILES, DOCUMENTS, INFORMATION, OR EVIDENCE RELEVANT TO AN INQUIRY OR INVESTIGATION UNDER THIS SECTION REGARDLESS OF THE LOCATION, POSSESSION, CONTROL, OR CUSTODY OF THE BOOKS, ACCOUNTS, RECORDS, FILES, DOCUMENTS, INFORMATION, OR EVIDENCE.~~

~~(2) RECORDS THAT THE COMMISSIONER MAY HAVE ACCESS TO UNDER PARAGRAPH (1) OF THIS SUBSECTION INCLUDE:~~

~~(I) CRIMINAL, CIVIL, AND ADMINISTRATIVE HISTORY;~~

~~(II) PERSONAL HISTORY AND EXPERIENCE;~~

~~(III) CREDIT HISTORY; AND~~

~~(IV) ANY OTHER INFORMATION NECESSARY OR RELEVANT TO AN INQUIRY OR INVESTIGATION UNDER THIS SUBSECTION.~~

~~(D) THE COMMISSIONER MAY DIRECT, SUBPOENA, OR ORDER:~~

~~(1) EXAMINATION UNDER OATH OF ANY PERSON WHOSE TESTIMONY MAY BE REQUIRED; AND~~

~~(2) PRODUCTION OF ANY BOOKS, ACCOUNTS, RECORDS, FILES, OR DOCUMENTS THE COMMISSIONER CONSIDERS RELEVANT.~~

~~(E) THE COMMISSIONER MAY:~~

~~(1) CONTROL ACCESS TO ANY DOCUMENTS AND RECORDS OF A LICENSEE OR A PERSON UNDER EXAMINATION OR INVESTIGATION UNDER THIS SECTION; AND~~

~~(2) (I) TAKE POSSESSION OF THE DOCUMENTS AND RECORDS; OR~~

~~(II) SELECT A PERSON TO BE IN CHARGE EXCLUSIVELY OF THE DOCUMENTS AND RECORDS IN THE PLACE WHERE THE DOCUMENTS AND RECORDS ARE USUALLY KEPT.~~

~~(F) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A PERSON MAY NOT REMOVE OR ATTEMPT TO REMOVE ANY OF THE DOCUMENTS OR RECORDS SUBJECT TO AN EXAMINATION OR INVESTIGATION UNDER THIS SECTION.~~

~~(2) A PERSON MAY REMOVE A DOCUMENT:~~

~~(I) BY COURT ORDER; OR~~

~~(II) WITH THE CONSENT OF THE COMMISSIONER.~~

~~(3) UNLESS THE COMMISSIONER HAS REASON TO BELIEVE THERE IS A RISK THAT DOCUMENTS OR RECORDS WILL BE ALTERED OR DESTROYED TO CONCEAL A VIOLATION OF THIS SUBTITLE, A LICENSEE OR AN OWNER OF DOCUMENTS AND RECORDS OF A LICENSEE SHALL HAVE ACCESS TO THE DOCUMENTS AND RECORDS AS NEEDED TO CONDUCT ITS ORDINARY BUSINESS.~~

~~(G) A LICENSEE OR A PERSON SUBJECT TO INVESTIGATION OR EXAMINATION UNDER THIS SUBTITLE MAY NOT KNOWINGLY WITHHOLD, ABSTRACT, REMOVE, MUTILATE, DESTROY, OR HIDE ANY BOOKS, RECORDS, COMPUTER RECORDS, OR OTHER INFORMATION.~~

~~12–1116.~~ ~~12–1119.~~

~~(A) THE COMMISSIONER MAY ENFORCE THIS SUBTITLE AGAINST A STUDENT LOAN SERVICER~~ ~~ANY PERSON~~ ~~WHO:~~

~~(1) IS DOING BUSINESS IN THE STATE; AND~~

~~(2) IS NOT LICENSED OR~~ ~~IS NOT~~ ~~EXEMPTED FROM BEING LICENSED UNDER THIS SUBTITLE, WHETHER OR NOT THE STUDENT LOAN SERVICER CLAIMS TO BE LICENSED AS A STUDENT LOAN SERVICER IN ANOTHER JURISDICTION.~~

~~(B) THIS SECTION APPLIES TO ANY PERSON WHO IS ENGAGED IN THE BUSINESS OF SERVICING STUDENT EDUCATION LOANS IN THE STATE ACTUALLY OR THROUGH SUBTERFUGE.~~

~~12–1117.~~

~~(A) (1) THIS SUBSECTION APPLIES TO:~~

~~(I) ANY VIOLATION OF THIS SUBTITLE; OR~~

~~(II) ANY ACTION THAT WOULD BE SUFFICIENT GROUNDS FOR THE COMMISSIONER TO DENY A LICENSE APPLICATION UNDER THIS SUBTITLE.~~

~~(2) THE COMMISSIONER MAY:~~

~~(I) SUSPEND, REVOKE, OR REFUSE TO RENEW THE LICENSE OF THE STUDENT LOAN SERVICER RESPONSIBLE FOR THE VIOLATION OR ACTION; OR~~

~~(II) TAKE ANY OTHER ACTION AGAINST THE LICENSEE RESPONSIBLE FOR THE VIOLATION OR ACTION.~~

~~(B) THE COMMISSIONER MAY TAKE ANY ACTION AUTHORIZED UNDER STATE BANKING LAWS WHEN IT APPEARS THAT:~~

~~(1) A PERSON VIOLATED, IS VIOLATING, OR IS ABOUT TO VIOLATE THIS SUBTITLE; OR~~

~~(2) A LICENSEE OR ANY OWNER, DIRECTOR, OFFICER, MEMBER, PARTNER, SHAREHOLDER, TRUSTEE, EMPLOYEE, OR AGENT OF THE LICENSEE HAS:~~

~~(I) COMMITTED FRAUD;~~

~~(II) ENGAGED IN DISHONEST ACTIVITIES; OR~~

~~(III) MADE ANY MISREPRESENTATION.~~

~~(C) THE COMMISSIONER SHALL PROVIDE A LICENSEE:~~

~~(1) NOTICE OF ANY SUSPENSION, REVOCATION, OR TERMINATION OF THE LICENSE OF THE LICENSEE; AND~~

~~(2) THE OPTION TO REQUEST A HEARING REGARDING THE LICENSE SUSPENSION, REVOCATION, OR TERMINATION.~~

~~(D) IF A LICENSE IS SURRENDERED, REVOKED, OR SUSPENDED BEFORE IT EXPIRES, THE COMMISSIONER MAY NOT REFUND ANY PORTION OF THE LICENSE FEE.~~

~~12–1120.~~

~~(A) SUBJECT TO THE HEARING PROVISIONS OF § 12–1121 OF THIS SUBTITLE, THE COMMISSIONER MAY SUSPEND OR REVOKE THE LICENSE OF ANY LICENSEE IF THE LICENSEE OR ANY OWNER, DIRECTOR, OFFICER, MEMBER, PARTNER, STOCKHOLDER, EMPLOYEE, OR AGENT OF THE LICENSEE:~~

~~(1) MAKES ANY MATERIAL MISSTATEMENT IN AN APPLICATION FOR A LICENSE;~~

~~(2) IS CONVICTED UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE OF:~~

~~(I) A FELONY; OR~~

~~(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE FITNESS AND QUALIFICATION OF THE PERSON TO ENGAGE IN STUDENT LOAN SERVICING;~~

~~(3) IN CONNECTION WITH ANY STUDENT EDUCATION LOAN:~~

~~(I) COMMITS ANY FRAUD;~~

~~(II) ENGAGES IN ANY ILLEGAL OR DISHONEST ACTIVITIES; OR~~

~~(III) MISREPRESENTS OR FAILS TO DISCLOSE ANY MATERIAL FACTS TO ANYONE ENTITLED TO THAT INFORMATION;~~

~~(4) VIOLATES ANY PROVISION OF THIS SUBTITLE OR ANY RULE OR REGULATION ADOPTED UNDER IT OR ANY OTHER LAW REGULATING STUDENT LOAN SERVICERS IN THE STATE; OR~~

~~(5) OTHERWISE DEMONSTRATES UNWORTHINESS, BAD FAITH, DISHONESTY, OR ANY OTHER QUALITY THAT INDICATES THAT THE BUSINESS OF THE LICENSEE HAS NOT BEEN OR WILL NOT BE CONDUCTED HONESTLY, FAIRLY, EQUITABLY, AND EFFICIENTLY.~~

~~(B) IN DETERMINING WHETHER THE LICENSE OF A LICENSEE SHOULD BE SUSPENDED OR REVOKED FOR A REASON DESCRIBED IN SUBSECTION (A)(2) OF THIS SECTION, THE COMMISSIONER SHALL CONSIDER:~~

~~(1) THE NATURE OF THE CRIME;~~

~~(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES AUTHORIZED BY THE LICENSE;~~

~~(3) WITH RESPECT TO A MISDEMEANOR, THE RELEVANCE OF THE CONVICTION TO THE FITNESS AND QUALIFICATION OF THE LICENSEE TO ENGAGE IN STUDENT LOAN SERVICING;~~

~~(4) THE LENGTH OF TIME SINCE THE CONVICTION; AND~~

~~(5) THE BEHAVIOR AND ACTIVITIES OF THE LICENSEE SINCE THE CONVICTION.~~

~~(C) (1) THE COMMISSIONER MAY ENFORCE THE PROVISIONS OF THIS SUBTITLE AND REGULATIONS ADOPTED UNDER THIS SUBTITLE BY:~~

~~(I) ISSUING AN ORDER:~~

~~1. TO CEASE AND DESIST FROM THE VIOLATION AND ANY FURTHER SIMILAR VIOLATIONS; AND~~

~~2. REQUIRING THE VIOLATOR TO TAKE AFFIRMATIVE ACTION TO CORRECT THE VIOLATION, INCLUDING THE RESTITUTION OF MONEY OR PROPERTY TO ANY PERSON AGGRIEVED BY THE VIOLATION; AND~~

~~(II) IMPOSING A CIVIL PENALTY NOT EXCEEDING $5,000 FOR EACH VIOLATION.~~

~~(D) IF A VIOLATOR FAILS TO COMPLY WITH AN ORDER ISSUED UNDER SUBSECTION (C)(1)(I) OF THIS SECTION, THE COMMISSIONER MAY IMPOSE A CIVIL PENALTY NOT EXCEEDING $100,000 FOR EACH VIOLATION FROM WHICH THE VIOLATOR FAILED TO CEASE AND DESIST OR FOR WHICH THE VIOLATOR FAILED TO TAKE AFFIRMATIVE ACTION TO CORRECT.~~

~~(E) THE COMMISSIONER MAY FILE A PETITION IN THE CIRCUIT COURT FOR ANY COUNTY SEEKING ENFORCEMENT OF AN ORDER ISSUED UNDER THIS SECTION.~~

~~(F) IN DETERMINING THE AMOUNT OF A FINANCIAL PENALTY TO BE IMPOSED UNDER SUBSECTION (C) OF THIS SECTION, THE COMMISSIONER SHALL CONSIDER:~~

~~(1) THE SERIOUSNESS OF THE VIOLATION;~~

~~(2) THE GOOD FAITH OF THE VIOLATOR;~~

~~(3) THE VIOLATOR'S HISTORY OF PREVIOUS VIOLATIONS;~~

~~(4) THE DELETERIOUS EFFECT OF THE VIOLATION ON THE PUBLIC AND STUDENT LOAN SERVICER INDUSTRY;~~

~~(5) THE ASSETS OF THE VIOLATOR; AND~~

~~(6) ANY OTHER FACTORS RELEVANT TO THE DETERMINATION OF THE FINANCIAL PENALTY.~~

~~12–1121.~~

~~(A) BEFORE THE COMMISSIONER TAKES ANY ACTION UNDER § 12–1120 OF THIS SUBTITLE, THE COMMISSIONER SHALL GIVE THE LICENSEE AN OPPORTUNITY FOR A HEARING.~~

~~(B) NOTICE OF THE HEARING SHALL BE GIVEN AND THE HEARING SHALL BE HELD IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURE ACT.~~

~~(C) THE HEARING NOTICE TO THE LICENSEE SHALL BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PRINCIPAL PLACE OF BUSINESS OF THE LICENSEE AT LEAST 30 DAYS BEFORE THE HEARING.~~

~~12–1122.~~

~~(A) A LICENSEE WHO WILLFULLY FAILS TO COMPLY WITH ANY REQUIREMENT IMPOSED UNDER THIS SUBTITLE WITH RESPECT TO A STUDENT LOAN BORROWER IS LIABLE TO THE BORROWER IN AN AMOUNT EQUAL TO THE SUM OF:~~

~~(1) ANY ACTUAL DAMAGES SUSTAINED BY THE BORROWER AS A RESULT OF THE FAILURE;~~

~~(2) A MONETARY AWARD EQUAL TO 3 TIMES THE TOTAL AMOUNT THE LICENSEE COLLECTED FROM THE BORROWER, AS DETERMINED BY THE COMMISSIONER;~~

~~(3) PUNITIVE DAMAGES AS THE COURT MAY ALLOW; AND~~

~~(4) IF A BORROWER PREVAILS IN AN ACTION UNDER THIS SUBSECTION:~~

~~(I) THE COSTS OF THE ACTION; AND~~

~~(II) REASONABLE ATTORNEY'S FEES AS DETERMINED BY THE COURT.~~

~~(B) A LICENSEE WHO NEGLIGENTLY FAILS TO COMPLY WITH ANY REQUIREMENT IMPOSED UNDER THIS SUBTITLE WITH RESPECT TO A STUDENT LOAN BORROWER IS LIABLE TO THAT BORROWER IN AN AMOUNT EQUAL TO THE SUM OF:~~

~~(1) ANY ACTUAL DAMAGES SUSTAINED BY THE CONSUMER AS A RESULT OF THE FAILURE; AND~~

~~(2) IF A BORROWER PREVAILS IN AN ACTION UNDER THIS SUBSECTION:~~

~~(I) THE COSTS OF THE ACTION; AND~~

~~(II) REASONABLE ATTORNEY'S FEES AS DETERMINED BY THE COURT.~~

~~12–1118.~~ 12–1123.

(H) ON OR BEFORE JANUARY 1 EACH YEAR, THE COMMISSIONER SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) THE IMPLEMENTATION OF THE STUDENT LOAN OMBUDSMAN AND RELATED PROVISIONS UNDER ~~§ 2–104.1 OF THIS ARTICLE~~ *THIS SECTION*; AND

(2) THE OVERALL EFFECTIVENESS OF THE STUDENT LOAN OMBUDSMAN POSITION~~; AND~~

~~**(3) ANY ADDITIONAL STEPS NEEDED TO GAIN REGULATORY CONTROL OVER THE LICENSING AND OVERSIGHT OF STUDENT LOAN SERVICERS**~~**.**

~~**12–1119.**~~ ~~**12–1124.**~~

~~**(A) THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE THAT ARE:**~~

~~**(1) CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE; AND**~~

~~**(2) APPROPRIATE FOR THE EFFECTIVE ADMINISTRATION OF THIS SUBTITLE.**~~

~~**(B) REGULATIONS THAT THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE SHALL INCLUDE REGULATIONS:**~~

~~**(1) REGARDING THE ACTIVITIES OF STUDENT LOAN SERVICERS THAT ARE NECESSARY AND APPROPRIATE FOR THE PROTECTION OF STUDENT LOAN BORROWERS IN THE STATE;**~~

~~**(2) NECESSARY AND APPROPRIATE TO DEFINE UNFAIR AND DECEPTIVE PRACTICES BY STUDENT LOAN SERVICERS;**~~

~~**(3) DEFINING THE TERMS USED IN THIS SUBTITLE;**~~

~~**(4) NECESSARY AND APPROPRIATE TO INTERPRET AND IMPLEMENT THIS SUBTITLE; AND**~~

~~**(5) NECESSARY FOR THE ENFORCEMENT OF THIS SUBTITLE.**~~

~~**12–1125.**~~

~~**(A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS SUBTITLE AND ANY OTHER FEE, INVESTIGATION FEE OR ASSESSMENT, OR REVENUE RECEIVED BY THE COMMISSIONER UNDER THIS SUBTITLE SHALL BE:**~~

~~**(1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND ESTABLISHED UNDER TITLE 11, SUBTITLE 6 OF THIS ARTICLE; AND**~~

~~(2) USED IN ACCORDANCE WITH § 11–610 OF THIS ARTICLE.~~

~~(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE COMMISSIONER SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE COMMISSIONER UNDER THIS SUBTITLE INTO THE GENERAL FUND OF THE STATE.~~

SECTION ~~3.~~ 5. AND BE IT FURTHER ENACTED, That:

(a) The Commissioner of Financial Regulation in the Department of Labor, Licensing, and Regulation shall conduct a study to assess whether the Commissioner has enough statutory authority to regulate "Fintech firms" or technology–driven nonbank companies who compete with traditional methods in the delivery of financial services.

(b) The Commissioner shall identify any gaps in the regulation of Fintech firms, including any specific types of companies that are not subject to regulation under State law.

(c) On or before December 31, 2019, the Commissioner shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, its findings and any recommendations for legislative proposals to regulate Fintech firms.

SECTION ~~4.~~ 6. AND BE IT FURTHER ENACTED, That the Maryland Financial Consumer Protection Commission established under Chapters 18 and 781 of the Acts of 2017 shall:

(1) study:

(i) cryptocurrencies, initial coin offerings, cryptocurrency exchanges, and other blockchain technologies; ~~and~~

(ii) the Consumer Financial Protection Bureau arbitration rule and the Model State Consumer and Employee Justice Enforcement Act, including reviewing similar laws adopted in other states;

(iii) the possible exemption of retailers of manufactured homes from the definition of "mortgage originator" in federal law; and

(iv) the U.S. Department of Labor rule and any Securities and Exchange Commission actions in addressing conflicts of interest of broker–dealers offering ~~of~~ investment advice by aligning the standard of care for broker–dealers with that of the fiduciary duty of investment advisors; and

(2) include recommendations ~~for State actions to regulate cryptocurrencies~~ in its 2018 report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly regarding:

(i) State action to regulate cryptocurrencies, initial coin offerings, and cryptocurrency exchanges;

(ii) changes to State law to provide the protection intended by the Model State Consumer and Employee Justice Enforcement Act;

(iii) changes to State law to provide the protection intended by the U.S. Department of Labor conflicts of interest rule addressing fiduciary duty standards of care; and

(iv) clarification of State law to ensure that Maryland buyers of manufactured homes are protected in their ~~homebuying~~ *home–buying* transaction.

SECTION ~~5.~~ 7. 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.~~ 8. 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 2018 that affects provisions enacted by this Act. The publisher shall adequately describe any correction that is made in an editor's note following the section affected.

SECTION 9. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2019.

SECTION ~~7.~~ 10. AND BE IT FURTHER ENACTED, That, except as provided in Section 9 of this Act, this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 733

(Senate Bill 29)

AN ACT concerning

State Government – Websites – Language Access

FOR the purpose of requiring each State department, agency, and program to provide equal access versions of certain websites in certain languages except under certain

circumstances; repealing a certain provision of law providing that the reasonable steps certain departments, agencies, and programs are required to take related to equal access to public services for individuals with limited English proficiency include the operation and maintenance of certain equal access versions of certain websites; making conforming changes; and generally relating to equal access to public services for individuals with limited English proficiency.

BY repealing and reenacting, without amendments,
Article – State Government
Section 10–1102(a), (b), (c), and (e)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 10–1103, 10–1104, and 10–1105
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY adding to
Article – State Government
Section 10–1105
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – State Government

10–1102.

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

(b) "Equal access" means to be informed of, participate in, and benefit from public services offered by a State department, agency, or program, at a level equal to English proficient individuals.

(c) "Limited English proficiency" means the inability to adequately understand or express oneself in the spoken or written English language.

(e) "Program" means all of the operations of a State department, State agency, or any other instrumentality of the State.

10–1103.

(a) Each State department, agency, or program listed or identified under

subsection **[**(d)**] (C)** of this section shall take reasonable steps to provide equal access to public services for individuals with limited English proficiency.

(b) Reasonable steps to provide equal access to public services include:

(1) the provision of oral language services for individuals with limited English proficiency, which must be through face–to–face, in–house oral language services if contact between the agency and individuals with limited English proficiency is on a weekly or more frequent basis;

(2) (i) the translation of vital documents ordinarily provided to the public into any language spoken by any limited English proficient population that constitutes 3% of the overall population within the geographic area served by a local office of a State program as measured by the United States Census; and

(ii) the provision of vital documents translated under item (i) of this paragraph on a statewide basis to any local office as necessary; and

(3) any additional methods or means necessary to achieve equal access to public services.

[(c) (1) (i) Except as provided in paragraphs (2) and (3) of this subsection, beginning October 1, 2016, reasonable steps to provide equal access to public services include the operation and maintenance, for each Web site that may reasonably be expected to be available to and used by members of the general public, of equal access versions in any language that:

1. is spoken by any limited English proficient population that constitutes at least 0.5% of the overall population within the State, as measured by the most recent United States Census; and

2. can be translated free–of–charge.

(ii) If machine translation services are used to carry out the provisions of this subsection, the State department, agency, or program may post conspicuously on its Web site, a disclaimer that the State department, agency, or program:

1. does not guarantee the accuracy or reliability of the translation; and

2. is not liable for any loss or damage arising out of the use of or reliance on the translated content.

(2) A State department, agency, or program is not required to provide equal access to Web site content if:

(i) the State department, agency, or program determines that an

inaccurate translation of the content could lead to a denial of services or benefits; or

(ii) the content cannot be translated due to the limitations of machine translation software, including files in PDF format, images, and videos.

(3) A unit of local government is encouraged to take the steps under paragraph (1) of this subsection, but may not be required to do so.**]**

[(d)**] (C)** The provisions of this **[**subtitle**] SECTION** shall be fully implemented according to the following schedule:

(1) on or before July 1, 2003, full implementation by:

(i) the Department of Human Services;

(ii) the Department of Labor, Licensing, and Regulation;

(iii) the Maryland Department of Health;

(iv) the Department of Juvenile Services; and

(v) the Workers' Compensation Commission;

(2) on or before July 1, 2004, full implementation by:

(i) the Department of Aging;

(ii) the Department of Public Safety and Correctional Services;

(iii) the Department of Transportation, not including the Maryland Transit Administration;

(iv) the Commission on Civil Rights;

(v) the Department of State Police; and

(vi) five independent agencies, boards, or commissions, to be determined by the Secretary of Human Services, in consultation with the Office of the Attorney General;

(3) on or before July 1, 2005, full implementation by:

(i) the Comptroller of Maryland;

(ii) the Department of Housing and Community Development;

(iii) the Maryland Transit Administration;

(iv) the Department of Natural Resources;

(v) the Maryland State Department of Education;

(vi) the Office of the Attorney General; and

(vii) five independent agencies, boards, or commissions to be determined by the Secretary of Human Services, in consultation with the Office of the Attorney General; and

(4) on or before July 1, 2006, full implementation by:

(i) the Department of Agriculture;

(ii) the Department of Commerce;

(iii) the Department of Veterans Affairs;

(iv) the Department of the Environment; and

(v) five independent agencies, boards, or commissions to be determined by the Secretary of Human Services, in consultation with the Office of the Attorney General.

10–1104.

Each State department, agency, or program not listed or identified under **[**§ 10–1103(d)**] § 10–1103(C)** of this subtitle shall monitor its operations to determine if the State department, agency, or program should take reasonable steps **UNDER § 10–1103** to achieve equal access to public services for individuals with limited English proficiency.

10–1105.

(A) (1) EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS SECTION, EACH STATE DEPARTMENT, AGENCY, AND PROGRAM SHALL PROVIDE FOR EACH WEBSITE THAT MAY REASONABLY BE EXPECTED TO BE AVAILABLE TO AND USED BY MEMBERS OF THE GENERAL PUBLIC EQUAL ACCESS VERSIONS OF THE WEBSITE IN ANY LANGUAGE THAT:

(I) IS SPOKEN BY ANY LIMITED ENGLISH PROFICIENT POPULATION THAT CONSTITUTES AT LEAST 0.5% OF THE OVERALL POPULATION WITHIN THE STATE, AS MEASURED BY THE MOST RECENT UNITED STATES CENSUS; AND

(II) CAN BE TRANSLATED FREE OF CHARGE.

(2) IF MACHINE TRANSLATION SERVICES ARE USED TO CARRY OUT THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION, THE STATE DEPARTMENT, AGENCY, OR PROGRAM MAY POST CONSPICUOUSLY ON ITS WEBSITE, A DISCLAIMER THAT THE STATE DEPARTMENT, AGENCY, OR PROGRAM:

(I) DOES NOT GUARANTEE THE ACCURACY OR RELIABILITY OF THE TRANSLATION; AND

(II) IS NOT LIABLE FOR ANY LOSS OR DAMAGE ARISING OUT OF THE USE OF OR RELIANCE ON THE TRANSLATED CONTENT.

(B) A STATE DEPARTMENT, AGENCY, OR PROGRAM IS NOT REQUIRED TO PROVIDE EQUAL ACCESS TO WEBSITE CONTENT IF:

(1) THE STATE DEPARTMENT, AGENCY, OR PROGRAM DETERMINES THAT AN INACCURATE TRANSLATION OF THE CONTENT COULD LEAD TO A DENIAL OF SERVICES OR BENEFITS; OR

(2) THE CONTENT CANNOT BE TRANSLATED DUE TO THE LIMITATIONS OF MACHINE TRANSLATION SOFTWARE, INCLUDING FILES IN PDF FORMAT, IMAGES, AND VIDEOS.

(C) A UNIT OF LOCAL GOVERNMENT IS ENCOURAGED TO PROVIDE EQUAL ACCESS VERSIONS OF WEBSITES TO THE SAME EXTENT STATE DEPARTMENTS, AGENCIES, AND PROGRAMS ARE REQUIRED TO UNDER SUBSECTION (A) OF THIS SECTION, BUT MAY NOT BE REQUIRED TO DO SO.

[10–1105.**] 10–1106.**

(a) The Department of Human Services, in consultation with the Office of the Attorney General and the Department of Information Technology, shall provide central coordination and technical assistance to State departments, agencies, and programs to aid compliance with this subtitle.

(b) (1) The Department of Information Technology shall establish minimum standards to which the equal access versions of **[**Web sites**] WEBSITES** required under **[**§ 10–1103(c)**] § 10–1105** of this subtitle must conform.

(2) The minimum standards established under paragraph (1) of this subsection shall include a standard regarding the prominent placement of links on the English version of a **[**Web site**] WEBSITE** to each equal access version of the **[**Web site**] WEBSITE**.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 734

(Senate Bill 1045)

AN ACT concerning

State Government – Grants and Contracts – Reimbursement of Indirect Costs

FOR the purpose of requiring that the terms of a certain grant or contract allow for reimbursement of indirect costs at the same rate the nonprofit organization has negotiated ~~to receive for certain reimbursement~~ and received for indirect costs under a direct federal award or negotiated and received from a nonfederal entity based on certain cost principles or, under certain circumstances, at a rate of at least a certain percent of certain costs; providing for the application of this Act; defining certain terms; and generally relating to State–funded grants and contracts.

BY adding to
Article – State Finance and Procurement
Section 2–208
Annotated Code of Maryland
(2015 Replacement Volume and 2017 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

2–208.

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

(2) "INDIRECT COSTS" MEANS ANY COSTS THAT WOULD BE CONSIDERED TO BE INDIRECT COSTS UNDER ~~2 C.F.R. 200.414~~ OMB UNIFORM GUIDANCE.

(3) "NONPROFIT ORGANIZATION" MEANS AN ORGANIZATION THAT IS TAX EXEMPT UNDER § 501(C)(3), (4), OR (6) OF THE INTERNAL REVENUE CODE.

(4) "OMB UNIFORM GUIDANCE" MEANS THE UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS ADOPTED BY THE OFFICE OF MANAGEMENT AND BUDGET IN 2 C.F.R. 200 AND ANY RELATED GUIDANCE PUBLISHED BY THE OFFICE OF MANAGEMENT AND BUDGET.

(B) IF A NONPROFIT ORGANIZATION IS A DIRECT RECIPIENT OR SUBRECIPIENT OF A GRANT OR CONTRACT FOR THE PROVISION OF SERVICES THAT IS FUNDED ~~EITHER PARTIALLY OR~~ WHOLLY WITH STATE FUNDS OR WITH A COMBINATION OF STATE AND OTHER NONFEDERAL FUNDS, THE TERMS OF THE GRANT OR CONTRACT SHALL ALLOW FOR REIMBURSEMENT OF INDIRECT COSTS:

(1) AT THE SAME RATE THE NONPROFIT ORGANIZATION HAS NEGOTIATED ~~TO RECEIVE FOR REIMBURSEMENT OF~~ AND RECEIVED:

(I) FOR INDIRECT COSTS UNDER A DIRECT FEDERAL AWARD; OR

(II) FROM A NONFEDERAL ENTITY BASED ON THE COST PRINCIPLES IN SUBPART E OF OMB UNIFORM GUIDANCE; OR

(2) IF THE NONPROFIT ORGANIZATION HAS NOT NEGOTIATED ~~A FEDERAL REIMBURSEMENT~~ AND RECEIVED AN INDIRECT COST RATE DESCRIBED IN ITEM (1) OF THIS SUBSECTION, AT A RATE OF AT LEAST 10% OF THE COSTS THAT WOULD BE CONSIDERED MODIFIED TOTAL DIRECT COSTS UNDER OMB UNIFORM GUIDANCE.

(C) THIS SECTION APPLIES WHETHER OR NOT THE FUNDS AWARDED THROUGH THE GRANT OR CONTRACT ARE TRANSFERRED DIRECTLY BY THE STATE OR THROUGH A THIRD PARTY TO THE NONPROFIT ORGANIZATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 735

(Senate Bill 1053)

AN ACT concerning

~~Public Safety~~ *Property Tax Credit* – 9–1–1 Public Safety Telecommunicators – ~~Benefits~~

FOR the purpose of ~~expanding the eligibility for the Edward T. and Mary A. Conroy Memorial Scholarship Program to include certain 9–1–1 public safety telecommunicators and certain eligible dependents of 9–1–1 public safety telecommunicators; authorizing the governing body of a county to grant, by law, certain death benefits and funeral benefits for certain 9–1–1 public safety telecommunicators; authorizing the governing body of a county to provide, by law, for certain matters;~~ authorizing the Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation to grant a certain property tax credit for certain 9–1–1 public safety telecommunicators in the county or municipal corporation where the individuals reside; providing that the credit may not exceed a certain amount*;* ~~per dwelling and the amount of property tax imposed on the dwelling; requiring the State Department of Assessments and Taxation to be responsible for certain administrative duties relating to the credit; requiring a county or municipal corporation to reimburse the Department for certain administrative costs;~~ authorizing the governing body of a county or municipal corporation to provide, by law, for certain matters relating to the tax credit; defining ~~a~~ certain ~~term; altering certain definitions;~~ *terms;* providing for the application of ~~certain provisions of~~ this Act; and generally relating to ~~benefits~~ *a property tax credit* for 9–1–1 public safety telecommunicators.

~~BY repealing and reenacting, without amendments,~~
~~Article – Education~~
~~Section 18–601(a)(1) through (3) and (6), (c), and (d)(1), (2), and (3)(iii) and (iv)~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

~~BY repealing and reenacting, with amendments,~~
~~Article – Education~~
~~Section 18–601(a)(5)~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – Public Safety~~
~~Section 1–202.1~~
~~Annotated Code of Maryland~~
~~(2011 Replacement Volume and 2017 Supplement)~~

BY adding to
Article – Tax – Property
Section 9–261
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

~~**Article – Education**~~

~~18–601.~~

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

~~(2) "Disabled public safety employee" means a State or local public safety employee who sustains an injury in the line of duty that:~~

~~(i) Precludes the individual from continuing to serve or be employed as a State or local public safety employee; and~~

~~(ii) In the case of a volunteer member of a fire department or ambulance or rescue company or squad, precludes the member from continuing to be employed in the nonpublic safety occupation in which the member is engaged at the time of the injury.~~

~~(3) "Fund" means the Edward T. Conroy and Jean B. Cryor Scholarship Fund.~~

~~(5) "State or local public safety employee" means a person who is:~~

~~(i) A career or volunteer member of a:~~

~~1. Fire department;~~

~~2. Ambulance company or squad; or~~

~~3. Rescue company or squad;~~

~~(ii) A law enforcement officer;~~

~~(iii) A correctional officer; [or]~~

~~(iv) A member of the Maryland National Guard who was a resident of this State at the time of death; OR~~

~~**(V) A 9–1–1 PUBLIC SAFETY TELECOMMUNICATOR, AS DEFINED IN § 1–202.1 OF THE PUBLIC SAFETY ARTICLE.**~~

~~(6) "Surviving spouse" means a person who has not remarried.~~

~~(c) (1) The program for military and public safety personnel and their eligible dependents is the Edward T. and Mary A. Conroy Memorial Scholarship Program.~~

~~(2) The program for eligible dependents of public and nonpublic school employees is the Jean B. Cryor Memorial Scholarship Program.~~

~~(d) A person may apply to an eligible postsecondary institution for a scholarship under this section if the person:~~

~~(1) (i) Is a resident of Maryland at the time of application; or~~

~~(ii) Was a resident of Maryland when an event described in paragraph (3) of this subsection occurred;~~

~~(2) (i) Is accepted for admission or enrolled in the regular undergraduate, graduate or professional program at an eligible institution; or~~

~~(ii) Is enrolled in a 2–year terminal certificate program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution; and~~

~~(3) (iii) 1. Is at least 16 years old and a son, daughter, stepson, or stepdaughter of any State or local public safety employee killed in the line of duty; or~~

~~2. Is the surviving spouse of any State or local public safety employee killed in the line of duty;~~

~~(iv) 1. Is a disabled public safety employee;~~

~~2. Is at least 16 years old and a son, daughter, stepson, or stepdaughter of a disabled public safety employee who sustains an injury in the line of duty that renders the public safety employee 100% disabled; or~~

~~3. Is the surviving spouse of a disabled public safety employee who sustains an injury in the line of duty that renders the public safety employee 100% disabled;~~

~~**Article – Public Safety**~~

~~**1–202.1.**~~

~~**(A) IN THIS SECTION, "9–1–1 PUBLIC SAFETY TELECOMMUNICATOR" MEANS AN EMPLOYEE OF A COUNTY WHOSE DUTIES AND RESPONSIBILITIES INCLUDE:**~~

~~**(1) ANSWERING, RECEIVING, TRANSFERRING, DISPATCHING, AND OTHER SUPPORT FUNCTIONS RELATED TO 9–1–1 CALLS; OR**~~

~~(2) DISPATCHING LAW ENFORCEMENT OFFICERS, FIRE RESCUE SERVICES, EMERGENCY MEDICAL SERVICES, AND OTHER PUBLIC SAFETY SERVICES TO THE SCENE OF AN EMERGENCY.~~

~~(B) (1) THE GOVERNING BODY OF A COUNTY MAY GRANT, BY LAW, A DEATH BENEFIT TO BE PAID TO THE SURVIVING SPOUSE, CHILD, DEPENDENT PARENT, OR ESTATE OF A 9–1–1 PUBLIC SAFETY TELECOMMUNICATOR.~~

~~(2) A DEATH BENEFIT UNDER THIS SUBSECTION IS IN ADDITION TO:~~

~~(I) ANY WORKERS' COMPENSATION BENEFITS;~~

~~(II) THE PROCEEDS OF ANY FORM OF LIFE INSURANCE, REGARDLESS OF WHO PAID THE PREMIUMS ON THE INSURANCE; AND~~

~~(III) A FUNERAL BENEFIT PROVIDED IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.~~

~~(C) (1) THE GOVERNING BODY OF A COUNTY MAY PROVIDE, BY LAW, FOR THE PAYMENT OF REASONABLE FUNERAL EXPENSES TO THE SURVIVING SPOUSE, CHILD, PARENT, OR ESTATE OF A 9–1–1 PUBLIC SAFETY TELECOMMUNICATOR.~~

~~(2) THE FUNERAL BENEFIT UNDER THIS SUBSECTION SHALL BE REDUCED BY THE AMOUNT OF ANY RELATED WORKERS' COMPENSATION BENEFITS PAID UNDER § 9–689 OF THE LABOR AND EMPLOYMENT ARTICLE.~~

~~(D) THE GOVERNING BODY OF A COUNTY MAY ESTABLISH, BY LAW:~~

~~(1) THE AMOUNT OF A DEATH BENEFIT UNDER THIS SECTION;~~

~~(2) THE AMOUNT OF A FUNERAL BENEFIT UNDER THIS SECTION;~~

~~(3) ADDITIONAL ELIGIBILITY REQUIREMENTS TO QUALIFY FOR THE DEATH BENEFIT OR FUNERAL BENEFIT; AND~~

~~(4) ANY OTHER PROVISIONS NECESSARY TO CARRY OUT THIS SECTION.~~

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

Article – Tax – Property

9–261.

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

(2) "DWELLING" HAS THE MEANING STATED IN § 9–105 OF THIS TITLE.

(3) "9–1–1 PUBLIC SAFETY TELECOMMUNICATOR" ~~HAS THE MEANING STATED IN § 1–202.1 OF THE PUBLIC SAFETY ARTICLE.~~ *MEANS AN EMPLOYEE OF A COUNTY WHOSE DUTIES AND RESPONSIBILITIES INCLUDE:*

(I) ANSWERING, RECEIVING, TRANSFERRING, AND DISPATCHING 9–1–1 CALLS;

(II) OTHER SUPPORT FUNCTIONS RELATED TO 9–1–1 CALLS; OR

(III) DISPATCHING LAW ENFORCEMENT OFFICERS, FIRE RESCUE SERVICES, EMERGENCY MEDICAL SERVICES, AND OTHER PUBLIC SAFETY SERVICES TO THE SCENE OF AN EMERGENCY.

(B) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON A DWELLING LOCATED IN THE COUNTY OR MUNICIPAL CORPORATION THAT IS OWNED BY A 9–1–1 PUBLIC SAFETY TELECOMMUNICATOR IF THE 9–1–1 PUBLIC SAFETY TELECOMMUNICATOR IS OTHERWISE ELIGIBLE FOR THE CREDIT AUTHORIZED UNDER § 9–105 OF THIS TITLE.

(C) ~~IN~~ FOR ANY TAXABLE YEAR, THE CREDIT UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

(1) $2,500 PER DWELLING; ~~AND~~ OR

(2) THE AMOUNT OF PROPERTY TAX IMPOSED ON THE DWELLING.

~~(D) (1) THE DEPARTMENT SHALL BE RESPONSIBLE FOR THE ADMINISTRATIVE DUTIES THAT RELATE TO THE APPLICATION AND DETERMINATION OF ELIGIBILITY FOR THE PROPERTY TAX CREDIT UNDER THIS SECTION.~~

~~(2) A COUNTY OR MUNICIPAL CORPORATION SHALL REIMBURSE THE DEPARTMENT FOR THE REASONABLE COST OF ADMINISTERING THE CREDIT UNDER THIS SECTION.~~

~~(E)~~ (D) THE GOVERNING BODY OF A COUNTY OR A MUNICIPAL CORPORATION MAY ESTABLISH, BY LAW:

(1) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE AMOUNT OF THE CREDIT UNDER THIS SECTION;

(2) THE DURATION OF THE CREDIT; ~~AND~~

(3) ADDITIONAL ELIGIBILITY REQUIREMENTS FOR 9–1–1 PUBLIC SAFETY TELECOMMUNICATORS TO QUALIFY FOR THE CREDIT;

(4) PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE CREDIT; AND

(5) ANY OTHER PROVISIONS NECESSARY TO CARRY OUT THIS SECTION.

SECTION ~~3.~~ *2.* AND BE IT FURTHER ENACTED, That ~~Section 2 of this Act~~ *this Act shall take effect June 1, 2018, and* shall be applicable to all taxable years beginning after June 30, 2018.

~~SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2018.~~

Approved by the Governor, May 15, 2018.

Chapter 736

(House Bill 251)

AN ACT concerning

Education – Family Life and Human Sexuality Curriculum – Boundaries and Consent

FOR the purpose of requiring a county board of education to provide age–appropriate instruction on the meaning of "consent" and respect for personal boundaries as part of the Family Life and Human Sexuality curriculum in all grades in which the curriculum is taught in public schools in the county beginning in a certain school year; defining a certain term; and generally relating to the Family Life and Human Sexuality curriculum in public schools in the State.

BY adding to
Article – Education
Section 7–441
Annotated Code of Maryland

(2014 Replacement Volume and 2017 Supplement)

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

Article – Education

7–441.

(A) IN THIS SECTION, "CONSENT" MEANS THE UNAMBIGUOUS AND VOLUNTARY AGREEMENT BETWEEN ALL PARTICIPANTS ~~TO ENGAGE~~ IN EACH PHYSICAL ACT WITHIN THE COURSE OF ~~SEXUAL ACTIVITY~~ INTERPERSONAL RELATIONSHIPS, INCLUDING RESPECT FOR PERSONAL BOUNDARIES.

(B) BEGINNING IN THE 2018–2019 SCHOOL YEAR, A COUNTY BOARD SHALL PROVIDE AGE–APPROPRIATE INSTRUCTION ON THE MEANING OF "CONSENT" AND RESPECT FOR PERSONAL BOUNDARIES AS PART OF THE FAMILY LIFE AND HUMAN SEXUALITY CURRICULUM IN EVERY GRADE IN WHICH THE CURRICULUM IS TAUGHT IN PUBLIC SCHOOLS IN THE COUNTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 737

(Senate Bill 402)

AN ACT concerning

Education – Family Life and Human Sexuality Curriculum – Boundaries and Consent

FOR the purpose of requiring a county board of education to provide age–appropriate instruction on the meaning of "consent" and respect for personal boundaries as part of the Family Life and Human Sexuality curriculum in all grades in which the curriculum is taught in public schools in the county beginning in a certain school year; defining a certain term; and generally relating to the Family Life and Human Sexuality curriculum in public schools in the State.

BY adding to
Article – Education
Section 7–441

Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Education

7–441.

(A) IN THIS SECTION, "CONSENT" MEANS THE UNAMBIGUOUS AND VOLUNTARY AGREEMENT BETWEEN ALL PARTICIPANTS ~~TO ENGAGE AND RESPECT FOR PERSONAL BOUNDARIES~~ IN EACH PHYSICAL ACT WITHIN THE COURSE OF INTERPERSONAL RELATIONSHIPS, INCLUDING RESPECT FOR PERSONAL BOUNDARIES.

(B) BEGINNING IN THE 2018–2019 SCHOOL YEAR, A COUNTY BOARD SHALL PROVIDE AGE–APPROPRIATE INSTRUCTION ON THE MEANING OF "CONSENT" AND RESPECT FOR PERSONAL BOUNDARIES AS PART OF THE FAMILY LIFE AND HUMAN SEXUALITY CURRICULUM IN EVERY GRADE IN WHICH THE CURRICULUM IS TAUGHT IN PUBLIC SCHOOLS IN THE COUNTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 738

(House Bill 1596)

AN ACT concerning

~~Labor and Employment – Sexual Harassment – Contractual Waivers and Reporting Requirements~~
Disclosing Sexual Harassment in the Workplace Act of 2018

FOR the purpose of providing that, except as prohibited by federal law, a provision in certain employment contracts, policies, or agreements that waive certain rights or remedies to a claim of sexual harassment~~, discrimination,~~ or certain retaliation is null and void as being against the public policy of the State; prohibiting an employer from taking certain adverse actions against certain employees; providing that certain employers are liable for certain attorney's fees; *requiring certain employers to submit a certain survey to the Commission on Civil Rights on or before certain*

dates; requiring employers to submit a certain survey electronically; requiring the Commission to include a certain space in a certain survey for a certain purpose; requiring the Commission to publish and make accessible to the public certain information in a certain manner; requiring the Commission to take certain actions related to certain surveys and submit a certain executive summary to the Governor and certain committees of the General Assembly on or before certain dates; providing for the termination of certain provisions of this Act; defining certain terms; ~~requiring certain employers to submit a certain report to the Commission on Civil Rights on or before a certain date each year; requiring the Commission to publish and make accessible to the public on the Commission's website certain reports; defining certain terms;~~ providing for the application of this Act; and generally relating to sexual harassment in the workplace.

BY adding to
Article – Labor and Employment
Section 3–715
Annotated Code of Maryland
(2016 Replacement Volume and 2017 Supplement)

~~BY repealing and reenacting, without amendments,~~
~~Article – State Government~~
~~Section 20–101(a) and (b)~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – State Government~~
~~Section 20–208~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

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

Article – Labor and Employment

3–715.

(A) ~~**(1)**~~ ~~**SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,**~~ **EXCEPT AS PROHIBITED BY FEDERAL LAW, A PROVISION IN AN EMPLOYMENT CONTRACT, POLICY, OR AGREEMENT THAT WAIVES ANY** ~~**FUTURE**~~ **SUBSTANTIVE OR PROCEDURAL RIGHT OR REMEDY TO A CLAIM *THAT ACCRUES IN THE FUTURE* OF SEXUAL HARASSMENT**~~**, DISCRIMINATION,**~~ **OR RETALIATION FOR REPORTING OR ASSERTING A RIGHT OR REMEDY BASED ON SEXUAL HARASSMENT IS NULL AND VOID AS BEING AGAINST THE PUBLIC POLICY OF THE STATE.**

~~(2) PARAGRAPH (1) OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO THE TERMS OF A COLLECTIVE BARGAINING AGREEMENT.~~

(B) (1) AN EMPLOYER MAY NOT TAKE ADVERSE ACTION AGAINST AN EMPLOYEE BECAUSE THE EMPLOYEE FAILS OR REFUSES TO ENTER INTO AN AGREEMENT THAT CONTAINS A WAIVER THAT IS VOID UNDER SUBSECTION (A) OF THIS SECTION.

(2) ADVERSE ACTION PROHIBITED UNDER THIS SUBSECTION INCLUDES:

(I) ~~FAILURE TO HIRE;~~

~~(II)~~ DISCHARGE;

~~(III)~~ (II) SUSPENSION;

~~(IV)~~ (III) DEMOTION;

~~(V)~~ (IV) DISCRIMINATION IN THE TERMS, CONDITIONS, OR PRIVILEGES OF EMPLOYMENT; OR

~~(VI)~~ (V) ANY OTHER RETALIATORY ACTION THAT RESULTS IN A CHANGE TO THE TERMS OR CONDITIONS OF EMPLOYMENT THAT WOULD DISSUADE A REASONABLE EMPLOYEE FROM MAKING A COMPLAINT, BRINGING AN ACTION, OR TESTIFYING IN AN ACTION REGARDING A VIOLATION OF THIS SECTION.

(C) AN EMPLOYER WHO ENFORCES OR ATTEMPTS TO ENFORCE A PROVISION THAT VIOLATES SUBSECTION (A) OF THIS SECTION SHALL BE LIABLE FOR THE EMPLOYEE'S REASONABLE ATTORNEY'S FEES AND COSTS.

~~**Article – State Government**~~

~~20–101.~~

~~(a) In Subtitles 1 through 11 of this title the following words have the meanings indicated.~~

~~(b) "Commission" means the Commission on Civil Rights.~~

~~**20–208.**~~

~~**(A) IN THIS SECTION, "EMPLOYER" MEANS AN EMPLOYER WITH 50 OR MORE EMPLOYEES.**~~

~~(B) ON OR BEFORE JANUARY 1 EACH YEAR, AN EMPLOYER SHALL SUBMIT A REPORT TO THE COMMISSION ON:~~

~~(1) THE NUMBER OF SETTLEMENTS MADE BY OR ON BEHALF OF THE EMPLOYER AFTER AN ALLEGATION OF SEXUAL HARASSMENT BY AN EMPLOYEE;~~

~~(2) THE NUMBER OF TIMES THE EMPLOYER HAS PAID A SETTLEMENT TO RESOLVE A SEXUAL HARASSMENT ALLEGATION AGAINST THE SAME EMPLOYEE OVER THE PAST 20 YEARS OF EMPLOYMENT; AND~~

~~(3) THE NUMBER OF SETTLEMENTS MADE AFTER AN ALLEGATION OF SEXUAL HARASSMENT THAT INCLUDED A PROVISION REQUIRING BOTH PARTIES TO KEEP THE TERMS OF THE SETTLEMENT CONFIDENTIAL.~~

~~(C) THE COMMISSION SHALL PUBLISH AND MAKE ACCESSIBLE TO THE PUBLIC ON THE COMMISSION'S WEBSITE EACH EMPLOYER'S ANNUAL REPORT REQUIRED UNDER SUBSECTION (B) OF THIS SECTION.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

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

(2) "Commission" means the Maryland Commission on Civil Rights.

(3) "Employer" means an employer with 50 or more employees.

(b) (1) On or before July 1, 2020, and on or before July 1, 2022, an employer shall submit a short survey to the Commission on:

(i) the number of settlements made by or on behalf of the employer after an allegation of sexual harassment by an employee;

(ii) the number of times the employer has paid a settlement to resolve a sexual harassment allegation against the same employee over the past 10 years of employment; and

(iii) the number of settlements made after an allegation of sexual harassment that included a provision requiring both parties to keep the terms of the settlement confidential.

(2) (i) An employer shall submit the survey required under paragraph (1) of this subsection to the Commission electronically.

(ii) The Commission shall include in the survey a space for an employer to report whether the employer took personnel action against an employee who was the subject of a settlement included in the survey under paragraph (1)(ii) of this subsection.

(c) (1) The Commission shall publish and make accessible to the public:

(i) by posting on the Commission's website, the aggregate number of responses from employers for each item listed under subsection (b) of this section; and

(ii) by retaining for public inspection on request, the response from a specific employer regarding the number of settlements included in the survey under subsection (b)(1)(ii) of this section.

(2) On or before December 15, 2020, and on or before December 15, 2022, the Commission shall:

(i) review a random selection of surveys submitted under subsection (b) of this section;

(ii) create an executive summary of the randomly selected surveys, redacting any identifying information for specific employers; and

(iii) submit the executive summary to the Governor and, in accordance with § 2–1246 of the State Government Article, the Senate Finance Committee and the House Economic Matters Committee.

SECTION ~~2.~~ *3.* AND BE IT FURTHER ENACTED, That this Act shall apply to any employment contract, policy, or agreement executed, implicitly or explicitly extended, or renewed on or after the effective date of this Act.

SECTION ~~3.~~ *4.* AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018. *Section 2 of this Act shall remain effective for a period of 4 years and 9 months and, at the end of June 30, 2023, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.*

Approved by the Governor, May 15, 2018.

Chapter 739

(Senate Bill 1010)

AN ACT concerning

~~Labor and Employment – Sexual Harassment – Contractual Waivers and Reporting Requirements~~
Disclosing Sexual Harassment in the Workplace Act of 2018

FOR the purpose of providing that, except as ~~provided~~ *prohibited* by federal law, a provision in certain employment contracts, policies, or agreements that waive certain rights or remedies to a claim of sexual harassment~~, discrimination,~~ or certain retaliation is null and void as being against the public policy of the State; prohibiting an employer from taking certain adverse actions against certain employees; providing that certain employers are liable for certain attorney's fees; requiring certain employers to submit a certain ~~report~~ survey to the Commission on Civil Rights on or before ~~a~~ certain ~~date~~ *dates* ~~each year~~; requiring employers to submit a certain survey electronically; requiring the Commission to include a certain space in a certain survey for a certain purpose; requiring the Commission to publish and make accessible to the public ~~on the Commission's website certain reports;~~ certain information in a certain manner; requiring the Commission to take certain actions related to certain surveys and submit a certain executive summary to the Governor and certain committees of the General Assembly on or before ~~a~~ certain ~~date each year;~~ *dates; providing for the termination of certain provisions of this Act;* defining certain terms; providing for the application of this Act; and generally relating to sexual harassment in the workplace.

BY adding to
Article – Labor and Employment
Section 3–715
Annotated Code of Maryland
(2016 Replacement Volume and 2017 Supplement)

~~BY repealing and reenacting, without amendments,~~
~~Article – State Government~~
~~Section 20–101(a) and (b)~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – State Government~~
~~Section 20–208~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

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

Article – Labor and Employment

3–715.

(A) ~~(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A~~ EXCEPT AS PROHIBITED BY FEDERAL LAW, A PROVISION IN AN EMPLOYMENT CONTRACT, POLICY, OR AGREEMENT THAT WAIVES ANY ~~FUTURE~~ SUBSTANTIVE OR PROCEDURAL

RIGHT OR REMEDY TO A CLAIM THAT ACCRUES IN THE FUTURE OF SEXUAL HARASSMENT~~, DISCRIMINATION,~~ OR RETALIATION FOR REPORTING OR ASSERTING A RIGHT OR REMEDY BASED ON SEXUAL HARASSMENT IS NULL AND VOID AS BEING AGAINST THE PUBLIC POLICY OF THE STATE.

~~(2) PARAGRAPH (1) OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO THE TERMS OF A COLLECTIVE BARGAINING AGREEMENT.~~

(B) (1) AN EMPLOYER MAY NOT TAKE ADVERSE ACTION AGAINST AN EMPLOYEE BECAUSE THE EMPLOYEE FAILS OR REFUSES TO ENTER INTO AN AGREEMENT THAT CONTAINS A WAIVER THAT IS VOID UNDER SUBSECTION (A) OF THIS SECTION.

(2) ADVERSE ACTION PROHIBITED UNDER THIS SUBSECTION INCLUDES:

(I) ~~FAILURE TO HIRE;~~

~~(II)~~ DISCHARGE;

~~(III)~~ *(II)* SUSPENSION;

~~(IV)~~ *(III)* DEMOTION;

~~(V)~~ *(IV)* DISCRIMINATION IN THE TERMS, CONDITIONS, OR PRIVILEGES OF EMPLOYMENT; OR

~~(VI)~~ *(V)* ANY OTHER RETALIATORY ACTION THAT RESULTS IN A CHANGE TO THE TERMS OR CONDITIONS OF EMPLOYMENT THAT WOULD DISSUADE A REASONABLE EMPLOYEE FROM MAKING A COMPLAINT, BRINGING AN ACTION, OR TESTIFYING IN AN ACTION REGARDING A VIOLATION OF THIS SECTION.

(C) AN EMPLOYER WHO ENFORCES OR ATTEMPTS TO ENFORCE A PROVISION THAT VIOLATES SUBSECTION (A) OF THIS SECTION SHALL BE LIABLE FOR THE EMPLOYEE'S REASONABLE ATTORNEY'S FEES AND COSTS.

~~**Article – State Government**~~

~~20–101.~~

~~(a) In Subtitles 1 through 11 of this title the following words have the meanings indicated.~~

~~(b) "Commission" means the Commission on Civil Rights.~~

~~20–208.~~

~~(A) IN THIS SECTION, "EMPLOYER" MEANS AN EMPLOYER WITH 50 OR MORE EMPLOYEES.~~

~~(B) (1) ON OR BEFORE JANUARY JULY 1 EACH YEAR, AN EMPLOYER SHALL SUBMIT A REPORT SHORT SURVEY TO THE COMMISSION ON:~~

~~(1) (I) THE NUMBER OF SETTLEMENTS MADE BY OR ON BEHALF OF THE EMPLOYER AFTER AN ALLEGATION OF SEXUAL HARASSMENT BY AN EMPLOYEE;~~

~~(2) (II) THE NUMBER OF TIMES THE EMPLOYER HAS PAID A SETTLEMENT TO RESOLVE A SEXUAL HARASSMENT ALLEGATION AGAINST THE SAME EMPLOYEE OVER THE PAST 20 10 YEARS OF EMPLOYMENT; AND~~

~~(3) (III) THE NUMBER OF SETTLEMENTS MADE AFTER AN ALLEGATION OF SEXUAL HARASSMENT THAT INCLUDED A PROVISION REQUIRING BOTH PARTIES TO KEEP THE TERMS OF THE SETTLEMENT CONFIDENTIAL.~~

~~(2) (I) AN EMPLOYER SHALL SUBMIT THE SURVEY REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE COMMISSION ELECTRONICALLY.~~

~~(II) THE COMMISSION SHALL INCLUDE IN THE SURVEY A SPACE FOR AN EMPLOYER TO REPORT WHETHER THE EMPLOYER TOOK PERSONNEL ACTION AGAINST AN EMPLOYEE WHO WAS THE SUBJECT OF A SETTLEMENT INCLUDED IN THE SURVEY UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION.~~

~~(C) (1) THE COMMISSION SHALL PUBLISH AND MAKE ACCESSIBLE TO THE PUBLIC: ON THE COMMISSION'S WEBSITE EACH EMPLOYER'S ANNUAL REPORT REQUIRED UNDER SUBSECTION (B) OF THIS SECTION.~~

~~(I) BY POSTING ON THE COMMISSION'S WEBSITE, THE AGGREGATE NUMBER OF RESPONSES FROM EMPLOYERS FOR EACH ITEM LISTED UNDER SUBSECTION (B) OF THIS SECTION; AND~~

~~(II) BY RETAINING FOR PUBLIC INSPECTION ON REQUEST, THE RESPONSE FROM A SPECIFIC EMPLOYER REGARDING THE NUMBER OF SETTLEMENTS INCLUDED IN THE SURVEY UNDER SUBSECTION (B)(1)(II) OF THIS SECTION.~~

~~(2) ON OR BEFORE DECEMBER 15 EACH YEAR, THE COMMISSION SHALL:~~

~~(I) REVIEW A RANDOM SELECTION OF SURVEYS SUBMITTED UNDER SUBSECTION (B) OF THIS SECTION;~~

~~(II) CREATE AN EXECUTIVE SUMMARY OF THE RANDOMLY SELECTED SURVEYS, REDACTING ANY IDENTIFYING INFORMATION FOR SPECIFIC EMPLOYERS; AND~~

~~(III) SUBMIT THE EXECUTIVE SUMMARY TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THIS ARTICLE, THE SENATE FINANCE COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

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

(2) "Commission" means the Maryland Commission on Civil Rights.

(3) "Employer" means an employer with 50 or more employees.

(b) (1) On or before July 1, 2020, and on or before July 1, 2022, an employer shall submit a short survey to the Commission on:

(i) the number of settlements made by or on behalf of the employer after an allegation of sexual harassment by an employee;

(ii) the number of times the employer has paid a settlement to resolve a sexual harassment allegation against the same employee over the past 10 years of employment; and

(iii) the number of settlements made after an allegation of sexual harassment that included a provision requiring both parties to keep the terms of the settlement confidential.

(2) (i) An employer shall submit the survey required under paragraph (1) of this subsection to the Commission electronically.

(ii) The Commission shall include in the survey a space for an employer to report whether the employer took personnel action against an employee who was the subject of a settlement included in the survey under paragraph (1)(ii) of this subsection.

(c) (1) The Commission shall publish and make accessible to the public:

(i) by posting on the Commission's website, the aggregate number of responses from employers for each item listed under subsection (b) of this section; and

(ii) by retaining for public inspection on request, the response from a specific employer regarding the number of settlements included in the survey under subsection (b)(1)(ii) of this section.

(2) On or before December 15, 2020, and on or before December 15, 2022, the Commission shall:

(i) review a random selection of surveys submitted under subsection (b) of this section;

(ii) create an executive summary of the randomly selected surveys, redacting any identifying information for specific employers; and

(iii) submit the executive summary to the Governor and, in accordance with § 2–1246 of the State Government Article, the Senate Finance Committee and the House Economic Matters Committee.

SECTION ~~2.~~ *3.* AND BE IT FURTHER ENACTED, That this Act shall apply to any employment contract, policy, or agreement executed, implicitly or explicitly extended, or renewed on or after the effective date of this Act.

SECTION ~~3.~~ *4.* AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018. *Section 2 of this Act shall remain effective for a period of 4 years and 9 months and, at the end of June 30, 2023, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.*

Approved by the Governor, May 15, 2018.

Chapter 740

(Senate Bill 1165)

AN ACT concerning

Procurement – Veteran–Owned Small Business Enterprise Participation

FOR the purpose of altering the definition of "veteran" for purposes of certain provisions of law governing veteran–owned small business enterprise participation in procurement to include only individuals who are verified by the State Department of Veterans Affairs as having served on certain duty and were discharged or released under conditions other than dishonorable; requiring the Governor's Office of Small, Minority, and Women Business Affairs, rather than the Board of Public Works, to adopt regulations to implement certain provisions of law, to establish procedures for tracking and reporting participation of veteran–owned small business enterprises under certain provisions of law, and to report to a certain committee on or before a

certain date each year; providing for the effective date of certain provisions of this Act; and generally relating to veteran–owned small business enterprise participation in procurement.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 14–601
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)
(As enacted by Chapters 708 and 709 of the Acts of the General Assembly of 2017)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 14–604
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Finance and Procurement

14–601.

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

(b) "Veteran" means an individual who **IS VERIFIED BY THE STATE DEPARTMENT OF VETERANS AFFAIRS AS HAVING** served on active duty in the armed forces of the United States, other than for training, and was discharged or released under conditions other than dishonorable.

(c) "Veteran–owned small business enterprise" means a business that:

(1) meets the size standards adopted by the United States Small Business Administration in 13 C.F.R. 121.201 and any subsequent revision of that regulation; and

(2) is at least 51% owned by one or more individuals who:

(i) are veterans; and

(ii) control the management and daily operations of the business.

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

Article – State Finance and Procurement

14–604.

The **[**Board**]** **GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS** shall:

(1) adopt regulations to implement this subtitle;

(2) establish procedures for tracking and reporting participation of veteran–owned small business enterprises under this subtitle; and

(3) on or before December 1 of each year, report to the Legislative Policy Committee on:

(i) the number and amount of contracts awarded to veteran–owned small business enterprises under this subtitle; and

(ii) the effectiveness of the program under this subtitle.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect October 1, 2018, the effective date of Chapters 708 and 709 of the Acts of the General Assembly of 2017. If the effective date of Chapters 708 and 709 is amended, Section 1 of this Act shall take effect on the taking effect of Chapters 708 and 709.

SECTION 4. AND BE IT FURTHER ENACTED, That, subject to Section 3 of this Act, this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 741

(House Bill 110)

AN ACT concerning

St. Mary's County – Inmate Release Programs

FOR the purpose of authorizing the St. Mary's County Sheriff to establish a pretrial release program and a prerelease program; authorizing a certain inmate to leave a certain detention center for certain purposes; repealing a provision authorizing the Sheriff and the Board of County Commissioners of St. Mary's County to charge a certain inmate a certain amount or fee to pay for certain costs; requiring the Sheriff or the Sheriff's designee to collect the earnings of a certain inmate, less a certain deduction; authorizing the Sheriff to deduct certain amounts from the earnings of an inmate for certain purposes; requiring the Sheriff to credit to a certain inmate's account a certain balance and dispose of a certain account balance in a certain manner; making

a technical change; and generally relating to inmate release programs in St. Mary's County.

BY repealing and reenacting, with amendments,
Article – Correctional Services
Section 11–720
Annotated Code of Maryland
(2017 Replacement Volume)

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

Article – Correctional Services

11–720.

(a) This section applies only in St. Mary's County.

(b) (1) The Sheriff may establish:

(i) a home detention program; **[**and**]**

(ii) a work release program**;**

(III) A PRETRIAL RELEASE PROGRAM; AND

(IV) A PRERELEASE PROGRAM.

(2) (i) If the Sheriff establishes a program under this section, the Sheriff shall adopt regulations necessary to implement each program established.

(ii) If a condition that a court imposes on an inmate is inconsistent with a regulation adopted under this subsection, the condition imposed by the court controls as to that inmate.

(c) (1) At the time of sentencing or at any time during an individual's confinement, the court may allow the individual to participate in any program established under this section if the individual:

(i) is sentenced to the custody of the Sheriff; and

(ii) has no other charges for a felony or a violation of a crime of violence as defined in § 14–101 of the Criminal Law Article pending in any jurisdiction.

(2) An inmate who is participating in any program established under this section and who is sentenced to the St. Mary's County Detention **AND REHABILITATION**

Center may leave the detention center to:

(i) continue regular employment;

(ii) seek new employment; **[**or**]**

(iii) attend any court–ordered treatment appointments**;**

(IV) RECEIVE INTENSIVE COUNSELING;

(V) OBTAIN ACADEMIC EDUCATION; OR

(VI) MAXIMIZE USE OF OTHER COMMUNITY RESOURCES OR OTHER SIMILAR REHABILITATIVE ACTIVITIES.

[(d) The Sheriff and the Board of County Commissioners of St. Mary's County may charge an inmate participating in the work release program a reasonable monetary amount or program participation fee to pay for the costs incurred by the county for providing the inmate with food, lodging, and clothing.**]**

(D) (1) THE SHERIFF OR THE SHERIFF'S DESIGNEE SHALL COLLECT THE EARNINGS OF AN INMATE PARTICIPATING IN A PROGRAM ESTABLISHED UNDER THIS SECTION, LESS ANY PAYROLL DEDUCTION REQUIRED BY LAW.

(2) FROM THE EARNINGS OF THE INMATE, THE SHERIFF MAY DEDUCT:

(I) THE AMOUNT DETERMINED TO BE THE COST TO THE COUNTY OF PROVIDING FOOD, LODGING, CLOTHING, AND TRANSPORTATION FOR THE INMATE;

(II) ACTUAL AND NECESSARY FOOD, TRAVEL, AND OTHER EXPENSES INCIDENTAL TO THE INMATE'S PARTICIPATION IN THE PROGRAM;

(III) AN AMOUNT THE INMATE IS LEGALLY OBLIGATED OR DESIRES TO PAY FOR THE SUPPORT OF A DEPENDENT;

(IV) IF APPLICABLE, A REASONABLE AMOUNT TO REPAY THE STATE OR THE COUNTY FOR AN ATTORNEY APPOINTED BY THE COURT; AND

(V) COURT–ORDERED PAYMENTS FOR RESTITUTION.

(3) THE SHERIFF SHALL:

(I) CREDIT TO THE INMATE'S ACCOUNT ANY REMAINING BALANCE; AND

(II) DISPOSE OF THE BALANCE IN THE INMATE'S ACCOUNT AS THE INMATE REQUESTS AND THE SHERIFF APPROVES.

(e) (1) If an inmate violates a trust or a condition that a court or Sheriff has established for participating in any program established under this section, the Sheriff or the Sheriff's designee shall notify the court in writing of the violation.

(2) An inmate who violates a trust or a condition that a court or Sheriff has established for participating in any program established under this section is subject to:

(i) removal from the program; and

(ii) cancellation of any earned diminution of the inmate's term of confinement.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 742

(Senate Bill 450)

AN ACT concerning

State Designations – State Paleontology Collection and Research Center – Calvert Marine Museum

FOR the purpose of designating the Calvert Marine Museum as the State paleontology collection and research center; and generally relating to a State paleontology collection and research center.

BY adding to
Article – General Provisions
Section 7–325
Annotated Code of Maryland
(2014 Volume and 2017 Supplement)

Preamble

WHEREAS, The Calvert Marine Museum is located in Southern Maryland near the Calvert Cliffs, one of the richest fossil deposits along the Atlantic coastal ~~plane~~ plain; and

WHEREAS, Calvert Cliffs is home to fossils as old as 18,000,000 years and represents one of the most important Miocene Epoch sites in the world; and

WHEREAS, Calvert Marine Museum paleontologists collect, identify, preserve, and interpret fossils from Calvert Cliffs; and

WHEREAS, Calvert Marine Museum has been building a fossil collection for almost 40 years and currently has 100,000 fossils, 600 skeletons, 200 casts, and 5,000 modern shells in its collection; and

WHEREAS, Given the Calvert Marine Museum's contributions to the study of paleontology in Maryland, the nation, and around the world, the Calvert Marine Museum is a valuable and unique State institution necessary for the collection and research of Maryland's prehistoric treasures; and

WHEREAS, The Calvert Marine Museum plans to construct a new paleontology research and collections center, within the next 5 years, with the capacity to prepare and house fossils from across the State, host researchers from around the world, and create a publically accessible statewide directory of fossils; now, therefore,

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

Article – General Provisions

7–325.

THE CALVERT MARINE MUSEUM IS THE STATE PALEONTOLOGY COLLECTION AND RESEARCH CENTER.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 743

(House Bill 727)

AN ACT concerning

State Designations – State Paleontology Collection and Research Center – Calvert Marine Museum

FOR the purpose of designating the Calvert Marine Museum as the State paleontology collection and research center; and generally relating to a State paleontology collection and research center.

BY adding to
Article – General Provisions
Section 7–325
Annotated Code of Maryland
(2014 Volume and 2017 Supplement)

Preamble

WHEREAS, The Calvert Marine Museum is located in Southern Maryland near the Calvert Cliffs, one of the richest fossil deposits along the Atlantic coastal plain; and

WHEREAS, Calvert Cliffs is home to fossils as old as 18,000,000 years and represents one of the most important Miocene Epoch sites in the world; and

WHEREAS, Calvert Marine Museum paleontologists collect, identify, preserve, and interpret fossils from Calvert Cliffs; and

WHEREAS, Calvert Marine Museum has been building a fossil collection for almost 40 years and currently has 100,000 fossils, 600 skeletons, 200 casts, and 5,000 modern shells in its collection; and

WHEREAS, Given the Calvert Marine Museum's contributions to the study of paleontology in Maryland, the nation, and around the world, the Calvert Marine Museum is a valuable and unique State institution necessary for the collection and research of Maryland's prehistoric treasures; and

WHEREAS, The Calvert Marine Museum plans to construct a new paleontology research and collections center, within the next 5 years, with the capacity to prepare and house fossils from across the State, host researchers from around the world, and create a publicly accessible statewide directory of fossils; now, therefore,

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

Article – General Provisions

7–325.

THE CALVERT MARINE MUSEUM IS THE STATE PALEONTOLOGY COLLECTION AND RESEARCH CENTER.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 744

(House Bill 815)

AN ACT concerning

Calvert County – Procurement – Contracts and Bidding

FOR the purpose of increasing the minimum dollar amount of contracts for which the Calvert County Commissioners are required to undergo a formal bidding process; requiring a certain contract to be awarded to the most responsible offeror under certain circumstances; requiring certain emergency purchases by the County Commissioners to be published in certain newspapers for a certain amount of time; requiring certain contracts of duration longer than 1 year to be structured as a certain option contract; and generally relating to procurement in Calvert County.

BY repealing and reenacting, with amendments,
The Public Local Laws of Calvert County
Section 6–101(a), 6–102, and 6–103
Article 5 – Public Local Laws of Maryland
(2002 Edition and August 2017 Supplement)

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

Article 5 – Calvert County

6–101.

(a) **(1)** Except as otherwise provided in this title, contracts for the purchase by the county of supplies or services involving **[**$15,000**]** ~~**$50,000**~~ **$30,000** or more shall be by formal bidding procedures and the contract shall be awarded at a regularly scheduled meeting of the Commissioners or by the official authorized to contract for the county to **[**the**]:**

(I) **THE** lowest responsible bidder meeting specifications**; OR**

(II) FOR A REQUEST FOR PROPOSALS, THE MOST RESPONSIBLE OFFEROR.

(2) FOR A REVENUE GENERATING CONTRACT, THE CONTRACT SHALL BE AWARDED TO THE HIGHEST RESPONSIBLE BIDDER.

(3) A contract may not be subdivided to avoid the requirements of this section.

6–102.

(a) The following types of contracts may be awarded without complying with the bidding procedures otherwise required under this subtitle:

(1) Purchases or contracts involving less than **[**$15,000**]** ~~**$50,000**~~ **$30,000**;

(2) Purchases of supplies or services that are available only through one source;

(3) Contracts for professional services such as those of attorneys, physicians, architects, engineers, accountants, consultants, and others possessing a similar high degree of technical skill and expertise, provided that to the extent appropriate for the particular service to be provided, an attempt is made to secure competitive proposals for these services;

(4) Purchases or contracts made when the County Commissioners determine that an emergency exists, provided that the Commissioners publish an explanation of the circumstances deemed to constitute the emergency in at least two county newspapers **FOR** ~~**ONE WEEK**~~ **TWO WEEKS**;

(5) Purchases based on federal, state, county, or municipal contracts that are established by a legal competitive process; and

(6) Purchases or contracts as provided for in Subsection (b) of this section.

(b) For purchases or contracts involving less than $250,000 where the County is acting as the general contractor, the purchase or contract may be awarded after the County obtains quotes for the purchase or contract from at least three vendors or subcontractors.

6–103.

(a) When it is advantageous to the county to do so, the county may contract to purchase supplies or services for periods of more than one year if:

(1) Funds for the total cost of the contract are available at the time of the contract is executed; or

(2) **[**A**] SUBJECT TO SUBSECTION (C) OF THIS SECTION, A** contract requiring the payment of funds from appropriations of more than one fiscal year is approved by resolution of the Commissioners**[**, and is not for more than a three–year term**]**.

(b) Notwithstanding Subsection (a) of this section, the County may enter into a contract for solid waste disposal that:

(1) May include transportation;

(2) May require payment of funds from appropriations of the County or receipt of payment to the County; and

(3) Is not for more than a twenty–year initial term.

(C) A CONTRACT REQUIRING THE PAYMENT OF FUNDS FROM APPROPRIATIONS OF MORE THAN ONE FISCAL YEAR, APPROVED BY RESOLUTION OF THE COMMISSIONERS, SHALL BE AWARDED AS A ONE–YEAR CONTRACT WITH THE OPTION TO RENEW FOR FOUR ADDITIONAL ONE–YEAR TERMS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 745

(Senate Bill 730)

AN ACT concerning

Local Government – Municipal Elections – No–Excuse Absentee Voting

FOR the purpose of prohibiting a municipality from requiring an individual to provide a certain reason in order to vote by absentee ballot; and generally relating to absentee voting in municipal elections.

BY repealing and reenacting, with amendments,
Article – Local Government
Section 4–108
Annotated Code of Maryland
(2013 Volume and 2017 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

Article – Local Government

4–108.

(a) A qualified voter may vote in a municipal election by absentee ballot.

(b) **(1)** [A] **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A** municipality shall provide a procedure to vote by absentee ballot.

(2) A MUNICIPALITY MAY NOT REQUIRE AN INDIVIDUAL TO PROVIDE A REASON THAT THE INDIVIDUAL WILL BE UNABLE TO VOTE IN PERSON ON ELECTION DAY IN ORDER TO VOTE BY ABSENTEE BALLOT.

(c) A municipality may use any method to enable absentee voters to vote, including using any facilities to transmit and receive applications for absentee ballots.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 746

(House Bill 829)

AN ACT concerning

Local Government – Municipal Elections – No–Excuse Absentee Voting

FOR the purpose of prohibiting a municipality from requiring an individual to provide a certain reason in order to vote by absentee ballot; and generally relating to absentee voting in municipal elections.

BY repealing and reenacting, with amendments,
Article – Local Government
Section 4–108
Annotated Code of Maryland
(2013 Volume and 2017 Supplement)

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

Article – Local Government

4–108.

(a) A qualified voter may vote in a municipal election by absentee ballot.

(b) **(1)** [A] **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A** municipality shall provide a procedure to vote by absentee ballot.

(2) A MUNICIPALITY MAY NOT REQUIRE AN INDIVIDUAL TO PROVIDE A REASON THAT THE INDIVIDUAL WILL BE UNABLE TO VOTE IN PERSON ON ELECTION DAY IN ORDER TO VOTE BY ABSENTEE BALLOT.

(c) A municipality may use any method to enable absentee voters to vote, including using any facilities to transmit and receive applications for absentee ballots.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 747

(Senate Bill 1037)

AN ACT concerning

Montgomery County – Fire and Explosive Investigator – Definition

FOR the purpose of altering a certain definition to provide that a Montgomery County fire and explosive investigator is an individual who is assigned full time to the Fire and Explosive Investigations ~~Section~~ Unit of the Montgomery County Fire and Rescue Service, rather than the Montgomery County Fire Marshal's Office; and generally relating to fire and explosive investigators.

BY repealing and reenacting, with amendments,
Article – Criminal Procedure
Section 2–208.1(a)
Annotated Code of Maryland
(2008 Replacement Volume and 2017 Supplement)

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

Article – Criminal Procedure

2–208.1.

(a) In this section, "Montgomery County fire and explosive investigator" means an individual who:

(1) is assigned full time to the Fire and Explosive Investigations ~~Section~~ **UNIT** of the Montgomery County Fire **[**Marshal's Office**]** **AND RESCUE SERVICE** and is a paid employee;

(2) has been employed by the Montgomery County Fire and Rescue Service as a firefighter/rescuer for at least 5 years;

(3) has successfully completed a training program from a police training school approved by the Police Training Commission established under Title 3, Subtitle 2 of the Public Safety Article; and

(4) at all times maintains active certification by the Police Training Commission.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 748

(Senate Bill 1218)

AN ACT concerning

Ending Youth Homelessness Act of 2018

FOR the purpose of establishing the Ending Youth Homelessness Grant Program; specifying the purposes of the Program; requiring the Department of Housing and Community Development to administer the Program and establish certain procedures; authorizing certain uses of grants under the Program; establishing the Ending Youth Homelessness Grant Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; requiring the Department to follow a certain grant ~~approval~~ making process; specifying that eligible recipients of grant funding are limited to certain

types of programs; requiring the Department to establish for all grant recipients certain performance standards and reporting requirements; requiring the Department to serve as the lead State agency for a certain program; requiring the Secretary of Housing and Community Development to report to the General Assembly on or before a certain date; specifying authorized spending purposes for any funds appropriated for programs under this Act; requiring, in and after a certain year of funding, the Department to allocate a certain percentage of the money appropriated to the Fund for certain programs; authorizing the Secretary to adopt regulations under certain circumstances; defining certain terms; and generally relating to the Ending Youth Homelessness Grant Program.

BY adding to
Article – Housing and Community Development
Section 11.5–101 through 11.5–111 to be under the new title "Title 11.5. Ending Youth Homelessness Act"
Annotated Code of Maryland
(2006 Volume and 2017 Supplement)

Preamble

WHEREAS, Every night, thousands of homeless youth in Maryland go to sleep without the safety, stability, and support of a family or home; and

WHEREAS, This population is exposed to an increased level of violence, human trafficking, and exploitation resulting in a higher incidence of mental health problems, substance abuse, illness, and death; and

WHEREAS, Racial minority youth and lesbian, gay, bisexual, and transgender youth are overrepresented among unaccompanied homeless youth and young adults; and

WHEREAS, The prevention and reduction of youth and young adult homelessness, protection of unaccompanied homeless youth, and reduction of disparities based on race, sexual orientation, and gender is of key concern to the State; and

WHEREAS, The intent of the legislature is to further enhance the State's efforts to encourage family reconciliation or permanent housing and support through foster care when family reconciliation is not a viable alternative; and

WHEREAS, Providing appropriate, relevant, and readily accessible housing and services is critical for addressing one–time, episodic, or longer–term homelessness among youth and young adults, and ensuring that youth and young adults remain safe, housed, and connected to family; and

WHEREAS, It is the goal of the General Assembly that every homeless youth and young adult in our State will have the opportunity to engage in education or employment training and be able to access employment; and

WHEREAS, With both education and employment support and opportunities, young adults will have the skills they need to become self–sufficient and independent; and

WHEREAS, Successfully addressing youth and young adult homelessness ensures that homeless youth and young adults in our State have the support they need to thrive and avoid involvement in the justice system, human trafficking, long–term, avoidable use of public benefits, and extended youth homelessness; now, therefore,

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

Article – Housing and Community Development

TITLE 11.5. ENDING YOUTH HOMELESSNESS ACT.

11.5–101.

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

(B) "FUND" MEANS THE ENDING YOUTH HOMELESSNESS GRANT FUND.

(C) "PROGRAM" MEANS THE ENDING YOUTH HOMELESSNESS GRANT PROGRAM.

(D) (1) "SUPPORTIVE SERVICES" MEANS THOSE INTERVENTIONS, SERVICES, AND RESOURCES NECESSARY TO ASSIST PROGRAM PARTICIPANTS IN ACCESSING AND MAINTAINING HOUSING AND ECONOMIC SELF–SUFFICIENCY.

(2) "SUPPORTIVE SERVICES" INCLUDES:

(I) SERVICES FOR FAMILIES TO PREVENT SEPARATION AND SUPPORT REUNIFICATION WHERE SAFE AND APPROPRIATE;

(II) HOUSING SEARCH, COUNSELING, RENTAL ASSISTANCE, FINANCIAL ASSISTANCE WITH EVICTION PREVENTION, UTILITIES, SECURITY DEPOSIT, AND RELOCATION, AND OTHER HOUSING SUPPORT SERVICES;

(III) EMPLOYMENT ASSISTANCE, JOB TRAINING, AND JOB PLACEMENT;

(IV) ASSISTANCE AND ADVOCACY TO ENSURE ACCESS TO FEDERAL, STATE, AND LOCAL BENEFITS;

(V) ASSISTANCE AND ADVOCACY TO ENSURE ACCESS TO EDUCATION UNDER THE MCKINNEY–VENTO HOMELESSNESS ASSISTANCE ACT, FINANCIAL SUPPORT FOR HIGHER EDUCATION UNDER THE APPLICABLE PROVISIONS OF THE COLLEGE COST REDUCTION AND ACCESS ACT, 20 U.S.C. § 10877VV(D)(1)(H), AND THE MARYLAND TUITION WAIVER PROGRAM, § 15–106.1 OF THE EDUCATION ARTICLE;

(VI) SERVICES TO PREVENT AND TREAT VIOLENCE AND CRIME VICTIMIZATION;

(VII) CASE MANAGEMENT;

(VIII) CHILD CARE OPERATIONS AND VOUCHERS;

(IX) LEGAL SERVICES;

(X) LIFE SKILLS TRAINING;

(XI) OUTPATIENT HEALTH, BEHAVIORAL HEALTH, AND SUBSTANCE ABUSE TREATMENT SERVICES;

(XII) TRANSPORTATION;

(XIII) OUTREACH SERVICES;

(XIV) HOMELESSNESS PREVENTION SERVICES;

(XV) AFTERCARE SERVICES; AND

(XVI) OTHER SERVICES AS DEEMED NECESSARY BY THE SECRETARY.

(E) (1) "UNACCOMPANIED HOMELESS YOUTH" MEANS AN INDIVIDUAL OF 24 YEARS OF AGE OR YOUNGER WHO IS NOT IN THE PHYSICAL CUSTODY OF A PARENT OR GUARDIAN AND LACKS A FIXED, REGULAR, AND ADEQUATE NIGHTTIME RESIDENCE.

(2) "UNACCOMPANIED HOMELESS YOUTH" INCLUDES AN INDIVIDUAL 24 YEARS OF AGE OR YOUNGER WHO:

(I) LIVES IN A SUPERVISED PUBLICLY OR PRIVATELY OPERATED SHELTER DESIGNATED TO PROVIDE TEMPORARY LIVING ARRANGEMENTS;

(II) LIVES IN A MOTEL, HOTEL, OR CAMPGROUND DUE TO LACK OF ALTERNATIVE ADEQUATE ACCOMMODATIONS;

(III) SHARES THE HOUSING OF OTHER INDIVIDUALS DUE TO LOSS OF HOUSING, ECONOMIC HARDSHIP, OR SIMILAR REASON;

(IV) LIVES IN A TRANSITIONAL HOUSING PROGRAM OR OTHER TIME–LIMITED HOUSING; OR

(V) HAS A PRIMARY NIGHTTIME RESIDENCE WHICH IS A PUBLIC OR PRIVATE PLACE NOT DESIGNED OR ORDINARILY USED AS A REGULAR SLEEPING ACCOMMODATION FOR INDIVIDUALS, SUCH AS A CAR, A PARK, AN ABANDONED BUILDING, A BUS OR TRAIN STATION, OR AN AIRPORT.

(F) (1) "YOUTH AT RISK OF HOMELESSNESS" MEANS AN INDIVIDUAL 24 YEARS OF AGE OR YOUNGER WHOSE STATUS OR CIRCUMSTANCES INDICATE A SIGNIFICANT DANGER OF EXPERIENCING HOMELESSNESS IN THE NEAR FUTURE.

(2) "YOUTH AT RISK OF HOMELESSNESS" INCLUDES:

(I) AN INDIVIDUAL 24 YEARS OF AGE OR YOUNGER EXITING A PUBLICLY FUNDED INSTITUTION OR SYSTEM OF CARE;

(II) AN INDIVIDUAL 24 YEARS OF AGE OR YOUNGER WHO HAS PREVIOUSLY EXPERIENCED HOMELESSNESS;

(III) AN INDIVIDUAL 24 YEARS OF AGE OR YOUNGER WHOSE PRIMARY CAREGIVERS ARE CURRENTLY HOMELESS OR HAVE PREVIOUSLY BEEN HOMELESS; AND

(IV) AN INDIVIDUAL 24 YEARS OF AGE OR YOUNGER WHO EXPERIENCES SERIOUS OR SUSTAINED CONFLICT WITH THE INDIVIDUAL'S CAREGIVERS THAT IS LIKELY TO RESULT IN FAMILY SEPARATION.

11.5–102.

(A) (1) THERE IS AN ENDING YOUTH HOMELESSNESS GRANT PROGRAM.

(2) THE PURPOSE OF THE PROGRAM IS TO:

(I) PREVENT AND END YOUTH HOMELESSNESS IN THE STATE; AND

(II) ADDRESS RELATED DISPARITIES BASED ON RACE, ETHNICITY, SEXUAL ORIENTATION, AND GENDER IDENTITY.

(B) (1) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

(2) THE DEPARTMENT SHALL ESTABLISH:

(I) APPLICATION PROCEDURES; AND

(II) ANY OTHER PROCEDURES OR CRITERIA NECESSARY TO CARRY OUT THIS TITLE.

(C) (1) THE PROGRAM SHALL BE A COMPETITIVE, PERFORMANCE–BASED GRANT PROGRAM TO PROVIDE FUNDS TO HOUSING AND SUPPORTIVE SERVICES FOR UNACCOMPANIED HOMELESS YOUTH AND YOUTH AT RISK OF HOMELESSNESS.

(2) THE PROGRAM MAY PROVIDE A GRANT ONLY TO SERVICES THAT ARE VOLUNTARY AND INDIVIDUALIZED.

(3) RECIPIENTS OF GRANTS FROM THE PROGRAM MAY PROVIDE SUPPORTIVE SERVICES DIRECTLY, OR MAY PROVIDE SERVICES THROUGH SUB–RECIPIENTS OR PARTNERS.

(4) RECIPIENTS OF GRANTS FROM THE PROGRAM SHALL CONDUCT AN ANNUAL ASSESSMENT OF PROGRAM PARTICIPANTS AND UPDATE AND ADJUST THE SERVICES OFFERED ACCORDINGLY.

(5) GRANTS APPROPRIATED FROM THE PROGRAM SHALL BE ALLOCATED BASED ON AN ASSESSMENT OF THE GAPS IN EXISTING RESOURCES, WITH A PRIMARY FOCUS ON ENSURING ACCESS TO PERMANENT AFFORDABLE HOUSING.

11.5–103.

(A) THERE IS AN ENDING YOUTH HOMELESSNESS GRANT FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDS TO THE PROGRAM.

(C) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(E) THE FUND CONSISTS OF:

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

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

(F) THE FUND MAY BE USED ONLY FOR GRANTS MADE BY THE DEPARTMENT FOR THE PROGRAM.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

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

11.5–104.

(A) THE DEPARTMENT SHALL ESTABLISH A GRANT ~~APPROVAL~~ MAKING PROCESS THAT IS INCLUSIVE OF CURRENTLY AND FORMERLY HOMELESS YOUTH FROM DIVERSE GEOGRAPHIC REGIONS WITHIN THE STATE.

(B) THE GRANT ~~APPROVAL~~ MAKING PROCESS SHALL:

(1) ENSURE THAT YOUTH ARE INVOLVED IN THE PLANNING AND EVALUATION ACTIVITIES, INCLUDING BY PROVIDING OPPORTUNITIES FOR YOUTH TO PARTICIPATE IN DECISION MAKING;

(2) ~~ENSURE THAT YOUTH HAVE DECISION–MAKING AUTHORITY;~~

~~(3)~~ ADEQUATELY SUPPORT YOUTH PARTICIPATION IN THE GRANT ~~APPROVAL~~ MAKING PROCESS; AND

~~(4) COMPENSATE YOUTH FOR THEIR PARTICIPATION IN THE GRANT APPROVAL PROCESS.~~

(3) TO THE EXTENT PRACTICABLE, SUPPORT YOUTH PARTICIPATION IN THE GRANT MAKING PROCESS THROUGH STIPENDS AND REASONABLE REIMBURSEMENT FOR EXPENSES.

(C) THE DEPARTMENT SHALL ENGAGE CURRENTLY OR FORMERLY HOMELESS YOUTH AND REPRESENTATIVES OF SERVICE PROVIDER OR ADVOCACY ORGANIZATIONS THAT ADDRESS YOUTH HOMELESSNESS IN THE DEVELOPMENT OF REQUESTS OR PROPOSALS OR OTHER GRANT APPLICATION MATERIALS AS MAY BE REQUIRED UNDER THIS TITLE.

11.5–105.

ELIGIBLE RECIPIENTS OF GRANT FUNDING ARE LIMITED TO THE FOLLOWING TYPES OF PROGRAMS:

(1) STREET AND COMMUNITY–BASED OUTREACH AND DROP–IN PROGRAMS THAT:

(I) LOCATE, CONTACT, AND PROVIDE INFORMATION, REFERRALS, AND SUPPORTIVE SERVICES;

(II) PROVIDE WALK–IN ACCESS TO CRISIS INTERVENTION AND ONGOING SUPPORTIVE SERVICES THAT INCLUDE ONE–TO–ONE CASE MANAGEMENT SERVICES ON A SELF–REFERRAL BASIS; OR

(III) HELP UNACCOMPANIED HOMELESS YOUTH AND YOUTH AT RISK OF HOMELESSNESS ACCESS AND MAINTAIN SAFE, DECENT, AND AFFORDABLE HOUSING;

(2) EMERGENCY SHELTER PROGRAMS THAT:

(I) PROVIDE UNACCOMPANIED HOMELESS YOUTH AND YOUTH AT RISK OF HOMELESSNESS WITH REFERRAL AND WALK–IN ACCESS TO EMERGENCY SHORT–TERM RESIDENTIAL CARE; AND

(II) PROVIDE UNACCOMPANIED HOMELESS YOUTH WITH:

1. SAFE, DIGNIFIED SHELTER WHERE PRIVACY AND SECURITY CONCERNS ARE ADDRESSED THAT INCLUDES ~~PRIVATE SHOWER FACILITIES,~~ BEDS, LOCKERS OR OTHER STORAGE OPTIONS, AND ~~THREE~~ TWO MEALS EACH DAY;

2. ASSISTANCE WITH REUNIFICATION WITH THEIR FAMILY OR LEGAL GUARDIAN WHEN REQUIRED OR APPROPRIATE; AND

3. ASSISTANCE TO ACCESS AND MAINTAIN SAFE, DECENT, AND AFFORDABLE HOUSING; AND

(3) HOUSING PROGRAMS, EITHER TIME–LIMITED OR NONTIME–LIMITED, THAT:

(I) PROVIDE SUPPORTIVE SERVICES; AND

(II) AID PARTICIPANTS IN OBTAINING PERMANENT, SAFE, DECENT, AND AFFORDABLE HOUSING.

11.5–106.

(A) (1) THE DEPARTMENT SHALL FOR ALL RECIPIENTS OF A GRANT:

(I) ESTABLISH PERFORMANCE STANDARDS;

(II) MONITOR PERFORMANCE; AND

(III) REQUIRE DATA COLLECTION AND REPORTING.

(2) THE STANDARDS REQUIRED BY PARAGRAPH (1) OF THIS SUBSECTION SHALL:

(I) INCORPORATE EVIDENCE–BASED PRACTICES AND INTERVENTIONS;

(II) REQUIRE GRANT RECIPIENTS TO DEMONSTRATE THE CAPACITY TO COMPETENTLY SERVE GROUPS OVERREPRESENTED IN THE HOMELESS YOUTH POPULATION, INCLUDING RACIAL AND ETHNIC MINORITY YOUTH AND LESBIAN, GAY, BISEXUAL, AND TRANSGENDER YOUTH;

(III) EVALUATE YOUTH PARTICIPATION AND ENGAGEMENT, INCLUDING THE ABILITY TO INTEGRATE CURRENTLY AND FORMERLY HOMELESS YOUTH INTO STAFFING AND GOVERNANCE ROLES; AND

(IV) REQUIRE PARTICIPATION IN YOUTH REACH MARYLAND.

(B) THE DEPARTMENT SHALL MONITOR PERFORMANCE AND COLLECT DATA FROM GRANTEES TO ENSURE HIGH–QUALITY SERVICES AND EQUITABLE OUTCOMES.

(C) THE DEPARTMENT SHALL ENGAGE CURRENTLY AND FORMERLY HOMELESS YOUTH AND REPRESENTATIVES OF SERVICE PROVIDER OR ADVOCACY ORGANIZATIONS THAT ADDRESS YOUTH HOMELESSNESS IN THE DEVELOPMENT OF PERFORMANCE STANDARDS AND DATA COLLECTION TOOLS UNDER THIS SECTION.

11.5–107.

(A) THE DEPARTMENT SHALL SERVE AS THE LEAD STATE AGENCY FOR YOUTH REACH MARYLAND.

(B) (1) THE DEPARTMENT SHALL WORK WITH YOUTH REACH MARYLAND TO PERFORM DATA COLLECTION AND ANALYSIS IN ORDER TO DETERMINE THE NUMBER AND CHARACTER OF UNACCOMPANIED HOMELESS YOUTH IN EACH JURISDICTION IN THE STATE.

(2) THE DEPARTMENT SHALL SELECT AND MONITOR A COORDINATING ENTITY TO ~~OVERSEE~~ ASSIST THE DEPARTMENT'S INVOLVEMENT WITH YOUTH REACH MARYLAND.

(3) THE SELECTED COORDINATING ENTITY SHALL ~~OVERSEE~~ ASSIST IN THE COLLECTION OF QUANTITATIVE AND QUALITATIVE DATA THROUGH SURVEYS ADMINISTERED IN SCHOOLS AND THROUGH STREET AND COMMUNITY–BASED OUTREACH.

(C) PARTICIPATING JURISDICTIONS SHALL IMPLEMENT PROCEDURES TO CONDUCT THE DATA COLLECTION DESCRIBED IN SUBSECTION (B) OF THIS SECTION ONCE EVERY 2 YEARS.

11.5–108.

ON OR BEFORE DECEMBER 1 EACH YEAR, THE SECRETARY SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) A LIST OF THE AREAS OF THE STATE WITH THE GREATEST NEED FOR SERVICES AND HOUSING FOR UNACCOMPANIED HOMELESS YOUTH AND YOUTH AT RISK OF HOMELESSNESS, AND THE LEVEL AND NATURE OF THE NEEDS IDENTIFIED;

(2) DETAILS ABOUT GRANTS MADE, INCLUDING DISTRIBUTION OF FUNDS THROUGHOUT THE STATE;

(3) GRANTEE OUTCOME DATA, INCLUDING OUTCOMES BY RACE, SEXUAL ORIENTATION, GENDER IDENTITY, AND OTHER DEMOGRAPHICS;

(4) FOLLOW–UP INFORMATION, IF AVAILABLE, ON THE STATUS OF UNACCOMPANIED HOMELESS YOUTH AND WHETHER THEY HAVE STABLE HOUSING ~~6 MONTHS, 12 MONTHS, AND 24 MONTHS~~ 3 MONTHS AND 6 MONTHS AFTER SERVICES ARE PROVIDED;

(5) PROCEDURAL OR SYSTEMIC BARRIERS AFFECTING UNACCOMPANIED HOMELESS YOUTH, YOUTH AT RISK OF HOMELESSNESS, AND GRANTEE PROGRAMS; AND

(6) ANY OTHER OUTCOMES FOR POPULATIONS SERVED BY THE PROGRAM TO DETERMINE THE EFFECTIVENESS OF THE PROGRAM AND THE EFFICACY OF FUNDING.

11.5–109.

(A) FUNDS APPROPRIATED OR OTHERWISE ALLOCATED FOR PROGRAMS UNDER THIS TITLE MAY BE EXPENDED FOR ANY LAWFUL PURPOSE AUTHORIZED BY THIS TITLE, AS WELL AS:

(1) OUTREACH;

(2) TECHNICAL ASSISTANCE; ~~AND~~

(3) CAPACITY BUILDING FOR RECIPIENT AND PROSPECTIVE RECIPIENT ENTITIES WITH THE GOAL OF BUILDING CAPACITY TO EFFECTIVELY MEET THE GREATEST NEED ON A STATEWIDE BASIS; AND

(4) ADMINISTRATIVE COSTS TO THE DEPARTMENT.

(B) IN AND AFTER THE THIRD YEAR OF FUNDING, EACH YEAR THE DEPARTMENT SHALL ALLOCATE AT LEAST 50% OF THE MONEY APPROPRIATED TO THE FUND FOR HOUSING PROGRAMS AS DESCRIBED IN § 11.5–105(3) OF THIS TITLE.

(C) THE DEPARTMENT MAY PARTNER OR CONTRACT TO PROVIDE PROGRAMS OR SERVICES AUTHORIZED UNDER SUBSECTION (A) OF THIS SECTION, INCLUDING CONDUCTING TRAINING ON RACIAL EQUITY, HARM REDUCTION, TRAUMA–INFORMED CARE, AND NEEDS OF OVERREPRESENTED OR PARTICULARLY VULNERABLE GROUPS, INCLUDING:

(1) RACIAL MINORITY YOUTH;

(2) LESBIAN, GAY, BISEXUAL, AND TRANSGENDER YOUTH;

(3) MINORS;

(4) VICTIMS OF HUMAN TRAFFICKING AND INTIMATE PARTNER VIOLENCE;

(5) YOUTH WITH DISABILITIES;

(6) PREGNANT AND PARENTING YOUTH; AND

(7) IMMIGRANT YOUTH.

11.5–110.

THE SECRETARY SHALL ADOPT REGULATIONS NECESSARY FOR THE EFFECTIVE ADMINISTRATION OF THIS TITLE.

11.5–111.

THIS TITLE MAY BE CITED AS THE ENDING YOUTH HOMELESSNESS ACT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 749

(Senate Bill 1239)

AN ACT concerning

Appointment or Designation of Standby Guardian – ~~Immigration Action Against a Parent~~ Adverse Immigration Action

FOR the purpose of ~~authorizing a parent of a minor to file a petition for the judicial appointment of a standby guardian of the person or property of the minor if there is a significant risk that the petitioner will be detained by immigration officials, be granted voluntary departure in lieu of removal under certain federal law, or be removed from the United States within a certain period of time after the filing of the petition; requiring a court to issue a certain decree for the appointment of a standby guardian of the person or property of a minor if the court finds that there is a significant risk that the petitioner will be detained by immigration officials, be granted voluntary departure in lieu of removal under certain federal law, or be removed from the United States within a certain period of time after the filing of the~~

~~petition under certain circumstances; specifying certain procedures for the appointment or designation of a standby guardian of the person or property of a minor in the case of detainment by immigration officials, voluntary departure in lieu of removal under certain federal law, or removal from the United States of a parent; specifying when the authority of a standby guardian under this Act begins under certain circumstances; requiring a standby guardian to take certain actions;~~ making certain provisions relating to the appointment or designation of a standby guardian of the person or property of a minor in cases of incapacity, debilitation, or death of a parent applicable to the appointment or designation of a standby guardian of the person or property of a minor in the ~~case of detainment by immigration officials, voluntary departure in lieu of removal under certain federal law, or removal from the United States of~~ event of an adverse immigration action against a parent; authorizing a parent to designate a standby guardian by means of a written designation in the event ~~that~~ of an adverse immigration action against the parent ~~is detained by immigration officials, granted voluntary departure in lieu of removal under certain federal law, or removed from the United States~~ under certain circumstances; providing that a standby guardian may file a petition without the consent of certain persons under certain circumstances; requiring the court to appoint a person to be a standby guardian if the court finds that ~~notice of detainment by immigration officials, notice or an order of voluntary departure in lieu of removal under certain federal law, or an order of removal from the United States has been issued~~ there is evidence of an adverse immigration action and specified parental consent has been given; specifying that a standby guardian's authority under certain provisions may not, itself, divest a parent of any parental or guardianship rights; providing for the construction of this Act; making certain conforming changes; altering certain definitions; defining a certain term; making this Act an emergency measure; and generally relating to ~~official~~ adverse immigration actions ~~taken against a parent~~ and standby guardianship of the person or property of a minor.

~~BY repealing and reenacting, without amendments,~~
~~Article – Estates and Trusts~~
~~Section 13–901(a) and 13–902~~
~~Annotated Code of Maryland~~
~~(2017 Replacement Volume)~~

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section ~~13–901(c)~~ 13–901, ~~13–903,~~ 13–904, and 13–907
Annotated Code of Maryland
(2017 Replacement Volume)

BY repealing and reenacting, without amendments,
Article – Estates and Trusts
Section 13–902
Annotated Code of Maryland
(2017 Replacement Volume)

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

Article – Estates and Trusts

13–901.

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

(b) **"ADVERSE IMMIGRATION ACTION" INCLUDES:**

(1) ARREST OR APPREHENSION BY A LAW ENFORCEMENT OFFICER FOR AN ALLEGED VIOLATION OF FEDERAL IMMIGRATION LAW;

(2) DETENTION OR CUSTODY BY THE DEPARTMENT OF HOMELAND SECURITY OR A FEDERAL, STATE, OR LOCAL AGENCY AUTHORIZED OR ACTING ON BEHALF OF THE DEPARTMENT OF HOMELAND SECURITY;

(3) DEPARTURE FROM THE UNITED STATES UNDER AN ORDER OF REMOVAL, DEPORTATION, EXCLUSION, VOLUNTARY DEPARTURE, OR EXPEDITED REMOVAL, OR A STIPULATION OF VOLUNTARY DEPARTURE;

(4) THE DENIAL, REVOCATION, OR DELAY OF THE ISSUANCE OF A VISA OR TRANSPORTATION LETTER BY THE DEPARTMENT OF STATE;

(5) THE DENIAL, REVOCATION, OR DELAY OF THE ISSUANCE OF A PAROLE DOCUMENT OR REENTRY PERMIT BY THE DEPARTMENT OF HOMELAND SECURITY; OR

(6) THE DENIAL OF ADMISSION OR ENTRY INTO THE UNITED STATES BY THE DEPARTMENT OF HOMELAND SECURITY.

(C) (1) "Attending physician" means a physician who has primary responsibility for the treatment and care of a parent described under this subtitle.

(2) If more than one physician shares the responsibility for the treatment and care of a parent or if another physician is acting on the attending physician's behalf, any physician described in this paragraph may act as the attending physician under this subtitle.

(3) If no physician has responsibility for the treatment and care of a parent, any physician who is familiar with the parent's medical condition may act as the attending physician under this subtitle.

[(c)**] (D)** (1) "Debilitation" means a person's chronic and substantial inability, as a result of a physically incapacitating illness, disease, or injury, to care for the person's dependent minor child.

(2) "Debilitated" means the state of having a debilitation.

[(d)**] (E)** (1) "Incapacity" means a person's chronic and substantial inability, as a result of mental impairment, to understand the nature and consequences of decisions concerning the care of the person's dependent minor child, and a consequent inability to care for the child.

(2) "Incapacitated" means the state of having an incapacity.

~~(e)~~ **(F)** "Standby guardian" means a person:

(1) Appointed by a court under § 13–903 of this subtitle as standby guardian of the person or property of a minor, whose authority becomes effective on the incapacity~~, DETAINMENT BY IMMIGRATION OFFICIALS, VOLUNTARY DEPARTURE UNDER THE IMMIGRATION AND NATIONALITY ACT, REMOVAL FROM THE UNITED STATES,~~ or death of the minor's parent, or on the consent of the parent; or

(2) Designated under § 13–904 of this subtitle as standby guardian of the person or property of a minor, whose authority becomes effective on the incapacity of the minor's parent, **[**or**]** ~~ON THE DETAINMENT BY IMMIGRATION OFFICIALS AND CONSENT OF THE PARENT, ON THE VOLUNTARY DEPARTURE UNDER THE IMMIGRATION AND NATIONALITY ACT AND CONSENT OF THE PARENT, ON THE REMOVAL FROM THE UNITED STATES AND CONSENT OF THE PARENT, OR~~ on the debilitation and consent of the parent**, OR IN THE EVENT OF AN ADVERSE IMMIGRATION ACTION AGAINST THE PARENT AND THE CONSENT OF THE PARENT**.

13–902.

Except as otherwise provided in this subtitle, the provisions of this title concerning a guardian of the person or property of a minor shall apply to standby guardians.

~~13–903.~~

~~(a) (1) Subject to the provisions of paragraphs (2) and (3) of this subsection, a petition for the judicial appointment of a standby guardian of the person or property of a minor under this section may be filed only by a parent of the minor, and if filed, shall be joined by each person having parental rights over the minor.~~

~~(2) If a person who has parental rights cannot be located after reasonable efforts have been made to locate the person, the parent may file a petition for the judicial appointment of a standby guardian.~~

~~(3) If the petitioner submits documentation, satisfactory to the court, of the reasonable efforts to locate the person who has parental rights, the court may issue a decree under this section.~~

~~(b) A petition for the judicial appointment of a standby guardian shall state:~~

~~(1) The duties of the standby guardian;~~

~~(2) Whether the authority of the standby guardian is to become effective on the petitioner's incapacity, **ON THE PETITIONER'S DETAINMENT BY IMMIGRATION OFFICIALS, ON THE PETITIONER'S VOLUNTARY DEPARTURE UNDER THE IMMIGRATION AND NATIONALITY ACT, ON THE PETITIONER'S REMOVAL FROM THE UNITED STATES,** on the petitioner's death, or on whichever occurs first; and~~

~~(3) That there is a significant risk that the petitioner will become incapacitated**, BE DETAINED BY IMMIGRATION OFFICIALS, BE GRANTED VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, BE REMOVED FROM THE UNITED STATES,** or die, as applicable, within 2 years of the filing of the petition, and the basis for this statement.~~

~~(c) If the petitioner is medically unable to appear, the petitioner's appearance in court may not be required, except on a motion and for good cause shown.~~

~~(d) (1) If the court finds that there is a significant risk that the petitioner will become incapacitated**, BE DETAINED BY IMMIGRATION OFFICIALS, BE GRANTED VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, OR BE REMOVED FROM THE UNITED STATES,** or die within 2 years of the filing of the petition and that the interests of the minor will be promoted by the appointment of a standby guardian of the person or property of the minor, the court shall issue a decree accordingly.~~

~~(2) A decree under this subsection shall:~~

~~(i) Specify whether the authority of the standby guardian is effective on the receipt of a determination of the petitioner's incapacity, **ON THE RECEIPT OF OFFICIAL NOTICE OF DETAINMENT OF THE PETITIONER BY IMMIGRATION OFFICIALS, ON THE RECEIPT OF AN ORDER OR OTHER OFFICIAL NOTICE OF A GRANT OF VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, ON THE RECEIPT OF AN ORDER OF REMOVAL FROM THE UNITED STATES ENTERED AGAINST THE PETITIONER,** on the receipt of the certificate of the petitioner's death, or on whichever occurs first; and~~

~~(ii) Provide that the authority of the standby guardian may become effective earlier on written consent of the petitioner in accordance with subsection **[**(c)(3)**] (E)(4)** of this section.~~

~~(3) If at any time before the beginning of the authority of the standby guardian the court finds that the requirements of paragraph (1) of this subsection are no longer satisfied, the court may rescind the decree.~~

~~(c) (1) (i) If a decree under subsection (d) of this section provides that the authority of the standby guardian is effective on receipt of a determination of the petitioner's incapacity, the standby guardian's authority shall begin on the standby guardian's receipt of a copy of a determination of incapacity made under § 13–906 of this subtitle.~~

~~(ii) A standby guardian shall file a copy of the determination of incapacity with the court that issued the decree within 90 days of the date of receipt of the determination.~~

~~(iii) If a standby guardian fails to comply with subparagraph (ii) of this paragraph, the court may rescind the standby guardian's authority.~~

~~(2) (i) If a decree under subsection (d) of this section provides that the authority of the standby guardian is effective on receipt of a certificate of the petitioner's death, the standby guardian's authority shall begin on the standby guardian's receipt of a certificate of death.~~

~~(ii) The standby guardian shall file a copy of the certificate of death with the court that issued the decree within 90 days of the date of the petitioner's death.~~

~~(iii) If the standby guardian fails to comply with subparagraph (ii) of this paragraph, the court may rescind the standby guardian's authority.~~

~~**(3) (I) IF A DECREE UNDER SUBSECTION (D) OF THIS SECTION PROVIDES THAT THE AUTHORITY OF THE STANDBY GUARDIAN IS EFFECTIVE ON RECEIPT OF OFFICIAL NOTICE OF DETAINMENT OF THE PETITIONER BY IMMIGRATION OFFICIALS, ON THE RECEIPT OF AN ORDER OR OTHER OFFICIAL NOTICE OF A GRANT OF VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, ON THE RECEIPT OF AN ORDER OF REMOVAL FROM THE UNITED STATES OF THE PETITIONER, THE STANDBY GUARDIAN'S AUTHORITY SHALL BEGIN ON THE STANDBY GUARDIAN'S RECEIPT OF A COPY OF OFFICIAL NOTICE OF DETAINMENT OF THE PETITIONER BY IMMIGRATION OFFICIALS, ON THE RECEIPT OF AN ORDER OR OTHER OFFICIAL NOTICE OF A GRANT OF VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, OR ON THE RECEIPT OF AN ORDER OF REMOVAL.~~**

~~**(II) THE STANDBY GUARDIAN SHALL FILE A COPY OF THE ORDER OF REMOVAL WITH THE COURT THAT ISSUED THE DECREE WITHIN 90 DAYS OF THE DATE OF RECEIPT OF THE ORDER.**~~

~~**(III) IF THE STANDBY GUARDIAN FAILS TO COMPLY WITH SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COURT MAY RESCIND THE STANDBY GUARDIAN'S AUTHORITY.**~~

[~~(3)~~**] (4)** ~~(i) Notwithstanding paragraphs (1)~~ **[**~~and~~**],** ~~(2)~~**, AND (3)** ~~of this subsection, a standby guardian's authority shall begin on the standby guardian's receipt of the petitioner's written consent to the beginning of the standby guardian's authority signed by:~~

~~1. The petitioner in the presence of two witnesses at least 18 years of age, neither of whom may be the standby guardian; and~~

~~2. The standby guardian.~~

~~(ii) 1. If the petitioner is physically unable to sign a written consent to the beginning of the standby guardian's authority, another person may sign the consent on the petitioner's behalf and at the petitioner's direction.~~

~~2. A consent under this subparagraph to the beginning of the standby guardian's authority shall be signed in the presence of the petitioner and two witnesses at least 18 years of age, neither of whom may be the standby guardian.~~

~~3. A standby guardian also shall sign a written consent to the beginning of the standby guardian's authority under this subparagraph.~~

~~(iii) The standby guardian shall file the written consent with the court that issued the decree within 90 days of the date of receipt of the written consent.~~

~~(iv) If the standby guardian fails to comply with subparagraph (iii) of this paragraph, the court may rescind the standby guardian's authority.~~

~~(f) The petitioner may revoke a standby guardianship created under this section by:~~

~~(1) Executing a written revocation;~~

~~(2) Filing the revocation with the court that issued the decree; and~~

~~(3) Promptly notifying the standby guardian of the revocation.~~

~~(g) A person who is judicially appointed as a standby guardian under this section may at any time before the beginning of the person's authority renounce the appointment by:~~

~~(1) Executing a written renunciation;~~

~~(2) Filing the renunciation with the court that issued the decree; and~~

~~(3) Promptly notifying in writing the petitioner of the revocation.~~

13–904.

(a) (1) A parent may designate a standby guardian by means of a written designation:

(i) Signed in the presence of two witnesses, at least 18 years old, neither of whom is the standby guardian; and

(ii) Signed by the standby guardian.

(2) (i) If a parent is physically unable to sign a written designation, another person may sign the designation on the parent's behalf and at the parent's direction.

(ii) 1. A designation under this paragraph shall be signed in the presence of the parent and two witnesses at least 18 years of age, neither of whom may be the standby guardian.

2. The standby guardian also shall sign a designation under this paragraph.

(b) (1) A designation of a standby guardian shall identify the parent, the minor, and the person designated to be the standby guardian, state the duties of the standby guardian, and indicate that the parent intends for the standby guardian to become the minor's guardian in the event the parent **[**either**]**:

(i) Becomes incapacitated; **[**or**]**

~~**(II) IS DETAINED BY IMMIGRATION OFFICIALS, IS GRANTED VOLUNTARY DEPARTURE, OR IS REMOVED FROM THE UNITED STATES AND CONSENTS TO THE BEGINNING OF THE STANDBY GUARDIAN'S AUTHORITY; OR**~~

~~**[**~~(ii)~~**]** **(III)**~~ Becomes debilitated and consents to the beginning of the standby guardian's authority**; OR**

(III) IS SUBJECT TO AN ADVERSE IMMIGRATION ACTION AND CONSENTS TO THE BEGINNING OF THE STANDBY GUARDIAN'S AUTHORITY.

(2) A parent may designate an alternate standby guardian in the same writing and by the same manner as the designation of a standby guardian.

(3) A designation may, but need not, be in the following form:

Designation of Standby Guardian

I (name of parent) hereby designate (name, home address, and telephone number of standby guardian) as standby guardian of the person and property of my child(ren) (name of child(ren)).

(You may, if you wish, provide that the standby guardian's authority shall extend only to the person, or only to the property, of your child, by crossing out "person" or "property", whichever is inapplicable, above.)

The standby guardian's authority shall take effect if and when **[**either**]**:

(1) My doctor concludes I am mentally incapacitated, and thus unable to care for my child(ren); **[**or**]**

(2) My doctor concludes that I am physically debilitated, and thus unable to care for my child(ren) and I consent in writing, before two witnesses, to the standby guardian's authority taking effect**; OR**

(3) I ~~**HAVE BEEN DETAINED BY IMMIGRATION OFFICIALS, GRANTED VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, OR REMOVED FROM THE UNITED STATES**~~ **AM SUBJECT TO AN ADVERSE IMMIGRATION ACTION, AND I AM THUS UNABLE TO CARE FOR MY CHILD(REN) AND I CONSENT IN WRITING, BEFORE TWO WITNESSES, TO THE STANDBY GUARDIAN'S AUTHORITY TAKING EFFECT**.

If the person I designate above is unable or unwilling to act as guardian for my child(ren), I hereby designate (name, home address, and telephone number of alternate standby guardian), as standby guardian of my child(ren).

I also understand that my standby guardian's authority will cease 180 days after beginning unless by that date my standby guardian petitions the court for appointment as guardian.

I understand that I retain full parental rights even after the beginning of the standby guardian's authority, and may revoke the standby guardianship at any time.

Parent's Signature: _____

Address: _____

Date: _____

I declare that the person whose name appears above signed this document in my presence, or was physically unable to sign and asked another to sign this document, who did so in my presence. I further declare that I am at least 18 years old and am not the person designated as standby guardian.

Witness's Signature: _____

Address: _____

Date: _____

Witness's Signature: _____

Address: _____

Date: _____

Standby Guardian's Signature: _____

Address: _____

Date: _____

(4) A consent by another person with parental rights to a designation of a standby guardian by a parent may, but need not be, in the following form:

Consent to Designation of Standby Guardian

I (name of person with parental rights) agree with the designation by (name of parent) of (name, home address, and telephone number of standby guardian) as standby guardian of the person and property of my child(ren) (name of child(ren)).

I agree also to the terms stated above and understand that I retain full parental rights even after the beginning of the standby guardian's authority, and may revoke my consent to the standby guardianship at any time.

Signature of Person with Parental Rights: _____

Address: _____

Date: _____

I declare that the person whose name appears above signed this document in my presence, or was physically unable to sign and asked another to sign this document, who did so in my presence. I further declare that I am at least 18 years old and am not the person designated as standby guardian.

Witness's Signature: _____

Address: _____

Date: _____

Witness's Signature: _____

Address: _____

Date: _____

Standby Guardian's Signature: _____

Address: _____

Date: _____

(c) The authority of the standby guardian under a designation shall begin on:

(1) The standby guardian's receipt of a copy of a determination of incapacity under § 13–906 of this subtitle; **[**or**]**

(2) The standby guardian's receipt of:

(i) A copy of a determination of debilitation under § 13–906 of this subtitle;

(ii) A copy of the parent's written consent to the beginning of the standby guardianship, signed by the parent in the presence of two witnesses at least 18 years of age, neither of whom is the standby guardian, and signed by the standby guardian; and

(iii) A copy of the birth certificate for each child for whom the standby guardian is designated**; OR**

(3) THE STANDBY GUARDIAN'S RECEIPT OF:

~~(I) A COPY OF OFFICIAL NOTICE OF THE PARENT'S DETAINMENT BY IMMIGRATION OFFICIALS, A COPY OF AN ORDER OR OTHER OFFICIAL NOTICE GRANTING VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, OR AN ORDER OF REMOVAL FROM THE UNITED STATES;~~

(I) EVIDENCE OF AN ADVERSE IMMIGRATION ACTION AGAINST THE PARENT; AND

(II) A COPY OF THE PARENT'S WRITTEN CONSENT TO THE BEGINNING OF THE STANDBY GUARDIANSHIP, SIGNED BY THE PARENT IN THE PRESENCE OF TWO WITNESSES AT LEAST 18 YEARS OF AGE, NEITHER OF WHOM IS THE STANDBY GUARDIAN, AND SIGNED BY THE STANDBY GUARDIAN~~; AND~~

~~(III) A COPY OF THE BIRTH CERTIFICATE FOR EACH CHILD FOR WHOM THE STANDBY GUARDIAN IS DESIGNATED~~.

(d) (1) If a parent is physically unable to sign a written consent to the beginning of the standby guardianship, another person may sign the written consent to the beginning of the standby guardianship on the parent's behalf and at the parent's direction.

(2) A consent under this subsection to the beginning of the standby guardianship shall be signed in the presence of the parent and two witnesses at least 18 years of age, neither of whom may be the standby guardian.

(3) The standby guardian also shall sign a consent to the beginning of the standby guardianship under this subsection.

(e) (1) A standby guardian shall file a petition for judicial appointment within 180 days of the date of the beginning of the standby guardianship under this section.

(2) If the standby guardian fails to file the petition within the time specified in this subsection, the standby guardian's authority shall terminate 180 days from the date of the beginning of the standby guardianship.

(3) The standby guardian's authority shall begin again on the filing of the petition.

(f) (1) A standby guardian shall file a petition for appointment as guardian after receipt of:

(i) A copy of a determination of incapacity made under § 13–906 of this subtitle; **[**or**]**

(ii) Copies of:

1. A determination of debilitation made under § 13–906 of this subtitle; and

2. The parent's written consent to the beginning of the standby guardianship under this section**; OR**

~~(III) COPIES OF:~~

~~1. OFFICIAL NOTICE OF THE PARENT'S DETAINMENT BY IMMIGRATION OFFICIALS, AN ORDER OR OTHER OFFICIAL NOTICE GRANTING VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, OR AN ORDER OF REMOVAL FROM THE UNITED STATES; AND~~

(III) 1. EVIDENCE OF AN ADVERSE IMMIGRATION ACTION AGAINST THE PARENT; AND

2. ~~THE~~ COPIES OF THE PARENT'S WRITTEN CONSENT TO THE BEGINNING OF THE STANDBY GUARDIANSHIP UNDER THIS SECTION.

(2) Subject to the provisions of paragraphs (3) and (4) of this subsection, the petition shall be accompanied by:

(i) The written designation of the standby guardian signed, or consented to, by each person having parental rights over the child;

(ii) **1.** A copy of:

~~1.~~ **A.** The determination of incapacity of the parent; **[**or**]**

~~2.~~ **B.** The determination of debilitation and the parental consent to the beginning of the standby guardianship; **OR**

~~3.~~ **2.** ~~THE OFFICIAL NOTICE OF THE PARENT'S DETAINMENT BY IMMIGRATION OFFICIALS, THE ORDER OR OTHER OFFICIAL NOTICE GRANTING VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, OR THE ORDER OF REMOVAL FROM THE UNITED STATES AND THE PARENTAL CONSENT TO THE BEGINNING OF THE STANDBY GUARDIANSHIP~~ **EVIDENCE OF AN ADVERSE IMMIGRATION ACTION AGAINST THE PARENT, THE PARENTAL CONSENT TO THE BEGINNING OF THE GUARDIANSHIP, AND A COPY OF THE BIRTH CERTIFICATE OR OTHER EVIDENCE OF PARENTAGE FOR EACH CHILD FOR WHOM THE STANDBY GUARDIAN IS DESIGNATED;** and

(iii) If the petition is filed by a person designated as alternate standby guardian, a statement that the person designated as standby guardian is unwilling or unable to act as standby guardian, and the basis for the statement.

(3) **(I)** If a person who has parental rights cannot be located after reasonable efforts have been made to locate the person, the standby guardian may file a petition under this section without the consent of the person to the designation of the standby guardian.

(II) IF A PETITION INVOLVES AN ADVERSE IMMIGRATION ACTION AGAINST A PARENT AND A PERSON WHO HAS PARENTAL RIGHTS RESIDES OUTSIDE THE UNITED STATES, THE STANDBY GUARDIAN MAY FILE A PETITION UNDER THIS SECTION WITHOUT THE CONSENT OF THE PERSON WHO HAS PARENTAL RIGHTS TO THE DESIGNATION OF THE STANDBY GUARDIAN.

(4) If the standby guardian submits documentation, satisfactory to the court, of the reasonable efforts to locate the person who has parental rights, the court may appoint a standby guardian under this section.

(g) The court shall appoint a person to be a standby guardian under this section if the court finds that:

(1) The person was duly designated as standby guardian;

(2) **(I)** A determination of incapacity, or a determination of debilitation and parental consent to the beginning of the standby guardianship, has been made under this section; **OR**

(II) ~~**NOTICE OF DETENTION BY IMMIGRATION OFFICIALS, AN ORDER OR OTHER NOTICE OF VOLUNTARY DEPARTURE IN LIEU OF REMOVAL UNDER THE IMMIGRATION AND NATIONALITY ACT, OR AN ORDER OF REMOVAL FROM THE UNITED STATES HAS BEEN ISSUED**~~ **THERE IS EVIDENCE OF AN ADVERSE IMMIGRATION ACTION AND PARENTAL CONSENT TO THE BEGINNING OF THE STANDBY GUARDIANSHIP HAS BEEN GIVEN UNDER THIS SECTION;**

(3) The interests of the minor will be promoted by the appointment of a standby guardian of the person or property of the minor; and

(4) If the petition is by a person designated as alternate standby guardian, the person designated as standby guardian is unwilling or unable to act as standby guardian.

(h) A parent may revoke a standby guardianship created under this section:

(1) Before the filing of a petition, by notifying the standby guardian verbally or in writing or by any other act that is evidence of a specific intent to revoke the standby guardianship; and

(2) If a petition has been filed by:

(i) Executing a written revocation;

(ii) Filing the revocation with the court in which the petition was filed; and

(iii) Promptly notifying the standby guardian of the revocation.

(i) A person who is judicially appointed as a standby guardian under this section may at any time before the beginning of the person's authority renounce the appointment by:

(1) Executing a written renunciation;

(2) Filing the renunciation with the court that issued the decree; and

(3) Promptly notifying in writing the parent of the revocation.

13–907.

(a) **[**The beginning of a standby guardian's authority in accordance with a determination of incapacity, determination of debilitation, or consent**]** **A STANDBY GUARDIAN'S AUTHORITY UNDER THIS SUBTITLE** may not, itself, divest a parent of any parental or guardianship rights.

(b) The authority of a standby guardian with respect to the minor is limited to the express authority granted to the standby guardian by a court under this subtitle.

(C) THE APPOINTMENT OF A STANDBY GUARDIAN OF A MINOR UNDER THIS SUBTITLE MAY NOT BE CONSTRUED TO REQUIRE THE TERMINATION OF PARENTAL RIGHTS WITH RESPECT TO THE MINOR UNDER TITLE 5 OF THE FAMILY LAW ARTICLE.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 15, 2018.

Chapter 750

(Senate Bill 118)

AN ACT concerning

Baltimore City – ~~Alcoholic Beverages – Waivers –~~ *Board of License Commissioners – New Licenses, Waivers, and* License Transfers

FOR the purpose of *requiring that an appointment to the Board of License Commissioners for Baltimore City made when the Senate is not in session be subject to the advice and consent of the Senate when the Senate next convenes; authorizing the Board to issue a Class D beer, wine, and liquor license to a certain applicant; providing that a certain Class D beer, wine, and liquor license may be transferred only to a certain license holder;* authorizing the Board ~~of License Commissioners of Baltimore City~~ to waive the minimum capital investment requirement and the minimum seating requirement for an additional licensed restaurant under certain circumstances; authorizing the transfer of certain alcoholic beverages licenses from certain areas in Baltimore City to other areas in Baltimore City; specifying that a certain license is considered unexpired until a certain date for a certain purpose; specifying that, unless transferred to another location, a certain license expires not later than a certain date; making this Act an emergency measure; and generally relating to alcoholic beverages licenses issued in Baltimore City.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 12–102 *and 12–202(a)(1)*
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section *12–202(a)(2), 12–1604,* 12–1609, and 12–1706(b)
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

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.

12–202.

(a) (1) The Mayor shall appoint two regular members to the Board and the President of the City Council shall appoint one regular member and one substitute member to the Board.

(2) The appointments shall be made:

(i) if the Senate is in session, with the advice and consent of the Senate; or

(ii) if the Senate is not in session, by the Mayor or President of the City Council ***[****alone****]*** ***SUBJECT TO THE ADVICE AND CONSENT OF THE SENATE WHEN THE SENATE NEXT CONVENES****.*

12–1604.

(a) This section applies only to the 46th alcoholic beverages district, which at all times is coterminous with the 46th legislative district in the Legislative Districting Plan of 2002 as ordered by the Maryland Court of Appeals on June 21, 2002.

(b) Except as provided in ***[****subsection (c)****]*** ***SUBSECTIONS (C) AND (D)*** *of this section, the Board may not issue a new license in the 46th alcoholic beverages district.*

(c) (1) The Board may issue:

(i) a 1–day license; and

(ii) except as provided in paragraph (2) of this subsection, and subject to paragraphs (3) and (4) of this subsection, a Class B beer, wine, and liquor license for use by a restaurant if the average daily receipts from the sale of food are at least 51% of the total daily receipts of the restaurant.

(2) The Board may issue a Class B beer, wine, and liquor license:

(i) for a restaurant in ward 26, precinct 8, ward 4, precinct 1, or ward 3, precinct 3 that has:

1. seating for more than 150 individuals;

2. a minimum capital investment of $700,000; and

3. subject to paragraph (3) of this subsection, average daily receipts from the sale of food that are at least 65% of the total daily receipts of the restaurant;

(ii) for a restaurant in ward 4, precinct 1, or ward 22, precinct 1, if the restaurant has:

1. seating for more than 75 individuals;

2. a minimum capital investment of $700,000;

3. average daily receipts from the sale of food that are at least 65% of the total daily receipts of the restaurant; and

4. except as provided in paragraph (5) of this subsection, no sales for off–premises consumption;

(iii) for not more than three restaurants in a residential planned unit development for Silo Point as approved by the Mayor and City Council of Baltimore City in Ordinance 04–697 on June 23, 2004, if each restaurant has:

1. a minimum capital investment of $700,000;

2. seating for more than 75 individuals;

3. average daily receipts from the sale of food that are at least 65% of the total daily receipts of the restaurant; and

4. except as provided in paragraph (5) of this subsection, no sales for off–premises consumption;

(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 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; and

(v) for a restaurant in the area that is commonly known as Port Covington, bounded on the north by Interstate 95, on the east by the South Locust Point Terminal, and on the south and west by the Patapsco River, and that has:

1. seating for more than 150 individuals;

2. a minimum capital investment of $700,000; and

3. subject to paragraph (3) of this subsection, average daily receipts from the sale of food that are at least 60% of the total daily receipts of the restaurant.

(3) When a license is renewed, the license holder shall file with the Board a statement of average daily receipts and an affidavit of a licensed certified public accountant that verify that the license holder has met the requirement under paragraph (1)(ii) or (2)(i)3 or (v)3 of this subsection.

(4) (i) A license may not be issued under paragraph (1)(ii) of this subsection for use in an establishment that is a fast–food–style restaurant.

(ii) A license issued under paragraph (1)(ii) of this subsection may not be transferred from the location of its first issuance.

(5) A license specified under this subsection, including a license that does not allow sales for off–premises consumption, may include an off–sale privilege for sales of refillable containers under a refillable container license issued in accordance with § 12–1102 of this title.

(D) (1) THE BOARD MAY ISSUE A CLASS D BEER, WINE, AND LIQUOR LICENSE TO AN APPLICANT WHO HOLDS OR HAS APPLIED FOR A CLASS 9 LIMITED DISTILLERY LICENSE.

(2) A CLASS D BEER, WINE, AND LIQUOR LICENSE ISSUED UNDER THIS SUBSECTION MAY BE TRANSFERRED ONLY TO A HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE.

[(d)***] (E)*** *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)***] (F)*** *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)***] (F)*** *A Class D beer license may be transferred into the area specified under subsection* ***[***(d)(3)***] (E)(3)*** *of this section if originally issued for another area.*

[(f)***] (G)*** *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.

***[**(g)**] (H)** (1) Except as provided in paragraphs (2) and (3) 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.

(3) (i) The Board may issue not more than a combined total of five Class B beer, wine, and liquor licenses for use by establishments on the north side of the 900 block of East Fort Avenue and on the west side of the 1400 block of Lawrence Street.

(ii) A license issued for an establishment in these areas may not be transferred to another establishment.

12–1609.

(a) The Board may:

(1) subject to subsection (c) of this section, issue an additional Class B (on–sale — hotels and restaurants) beer, wine, and liquor license for premises used as a restaurant that meets the requirements of subsection (b) of this section to the holder of a Class B (on–sale — hotels and restaurants) beer, wine, and liquor license; and

(2) define "restaurant" by regulation.

(b) (1) **[**A**]** **EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A** restaurant under this section is required to have:

(i) a minimum capital investment of $500,000 for restaurant facilities; and

(ii) a minimum seating capacity of 125 individuals.

(2) The capital investment described in paragraph (1)(i) of this subsection may not include the cost of land or buildings.

(c) The Board may not issue more than five licenses under this section to or for the use of the same person.

(d) Additional licenses shall be limited to providing alcoholic beverages for on–premises consumption.

(E) THE BOARD MAY WAIVE THE MINIMUM CAPITAL INVESTMENT REQUIREMENT AND THE MINIMUM SEATING CAPACITY REQUIREMENT UNDER SUBSECTION (B)(1) OF THIS SECTION FOR AN ADDITIONAL RESTAURANT THAT A LICENSE HOLDER SEEKS UNDER THIS SECTION IF THE BOARD:

(1) HOLDS A PUBLIC MEETING AT WHICH THE BOARD REVIEWS THE BUSINESS PRACTICE OF THE LICENSE HOLDER; AND

(2) DETERMINES THAT THE LICENSE HOLDER IS IN GOOD STANDING AND HAS A REPUTABLE BUSINESS PRACTICE.

12–1706.

(b) (1) Except as provided in paragraphs (2) **[**and**]**, (3)**, AND (4)** of this subsection, the Board may not transfer a license into:

(i) ward 1, precincts 4 and 5;

(ii) ward 23, precinct 1; or

(iii) ward 24, precinct 5.

(2) The Board may allow the transfer of one Class D license into the residential planned unit development for Silo Point located in ward 24, precinct 5 that was enacted by the Mayor and City Council of Baltimore City in Ordinance 04–697 on June 23,

2004, if the Class D license holder operates the establishment in accordance with the provisions of Ordinance 04–697.

(3) **THE BOARD MAY ALLOW THE TRANSFER OF:**

(I) A CLASS B–D–7 BEER, WINE, AND LIQUOR LICENSE FROM AN AREA IN WARD 1, PRECINCT 4 BOUNDED ON THE NORTH BY ELLIOTT STREET, ON THE WEST BY SOUTH ROBINSON STREET, ON THE SOUTH BY TOONE STREET, AND ON THE EAST BY SOUTHEAST AVENUE INTO AN AREA IN WARD 1, PRECINCT 5 BOUNDED ON THE NORTH BY FAIT AVENUE, ON THE WEST BY SOUTH KENWOOD AVENUE, ON THE SOUTH BY HUDSON STREET, AND ON THE EAST BY SOUTH STREEPER STREET; AND

(II) A CLASS D BEER, WINE, AND LIQUOR LICENSE FROM AN AREA IN WARD 1, PRECINCT 5 BOUNDED ON THE NORTH BY FAIT AVENUE, ON THE WEST BY SOUTH KENWOOD AVENUE, ON THE SOUTH BY HUDSON STREET, AND ON THE EAST BY SOUTH STREEPER STREET INTO AN AREA IN WARD 1, PRECINCT 4 BOUNDED ON THE NORTH BY ELLIOTT STREET, ON THE WEST BY SOUTH ROBINSON STREET, ON THE SOUTH BY TOONE STREET, AND ON THE EAST BY SOUTHEAST AVENUE.

(4) (i) The Board may allow the transfer of 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:

1. the Board has executed a memorandum of understanding between the community associations in Riverside and Locust Point regarding the nature of the proposed establishment; and

2. the Board enforces the memorandum of understanding against any license holder that obtains a license under § 12–1604 of this title and seeks to transfer the license.

(ii) The Board may not allow a license to be transferred out of the area described in subparagraph (i) of this paragraph and into any other area of ward 24, precinct 5.

SECTION 2. AND BE IT FURTHER ENACTED, That, a Class D (7–day) beer and light wine license issued for a premises in the 600 block of South Montford Avenue in ward 1, precinct 3:

(1) shall be considered to be unexpired until the end of July 1, 2019, for purposes of being transferred to another owner and location, notwithstanding § 12–1706(d)(1)(i) of the Alcoholic Beverages Article; and

(2) if not transferred to another owner and location by the end of July 1, 2019, shall be considered to have expired.

SECTION 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.

Approved by the Governor, May 15, 2018.

Chapter 751

(Senate Bill 480)

AN ACT concerning

Baltimore City – South Baltimore Gateway Community Impact District Management Authority – Distribution of Local Impact Grants

FOR the purpose of specifying that the State distribute certain funding directly to the South Baltimore Gateway Community Impact District Management Authority; providing, under certain circumstances, that a certain percentage of local impact grants from video lottery proceeds be distributed directly to the Authority; ~~defining a certain term;~~ and generally relating to the distribution of local impact grants from video lottery proceeds in Baltimore City.

BY repealing and reenacting, with amendments,
The Charter of Baltimore City
Article II – General Powers
Section (69)(c)(1)(i)
(2007 Replacement Volume, as amended)
(As enacted by Section 2 of Chapter 314 of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–1A–31
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)
(As enacted by Chapter 446 of the Acts of the General Assembly of 2017)

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

The Charter of Baltimore City

Article II – General Powers

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

(69)

(c) (1) The ordinance establishing the South Baltimore Gateway Community Impact District Management Authority shall address the following:

(i) specify the powers and functions within the limits of this section, which may be exercised and conducted by the Authority and **PROVIDE THAT THE STATE** fund the Authority with not less than **THE** 50% of the local impact grants from video lottery proceeds **[**distributed to Baltimore City under § 9–1A–31(a)(3)(i)**]** **THAT** ~~**§ 9–1A–31(B)(3)(I)**~~ ***§ 9–1A–31(A)(3)(I)*** of the State Government Article of the Annotated Code of Maryland **REQUIRES THE STATE TO DISTRIBUTE DIRECTLY TO THE AUTHORITY**;

Article – State Government

9–1A–31.

(a) ~~**IN THIS SECTION, "LOCAL JURISDICTION" INCLUDES THE SOUTH BALTIMORE GATEWAY COMMUNITY IMPACT DISTRICT MANAGEMENT AUTHORITY.**~~

~~**(B)**~~ (1) Except as provided in paragraph (8) of this subsection, the local impact grants provided under § 9–1A–27 of this subtitle shall be distributed as provided in this subsection.

(2) The following amounts shall be distributed to the following jurisdictions:

(i) Allegany County – $200,000;

(ii) Cecil County – $130,000;

(iii) Town of Perryville – $70,000; and

(iv) Worcester County – $200,000.

(3) The remaining funds for local impact grants shall be distributed in the following manner:

(i) 82% to the local jurisdictions with video lottery facilities, based on each jurisdiction's percentage of overall gross revenues from video lottery terminals; and

(ii) except as provided in paragraph (4) of this subsection, for operations at a video lottery facility starting in fiscal year 2012 and ending in fiscal year 2032, 18% to Baltimore City with the Pimlico Community Development Authority acting as the local development council in accordance with subsection **[**(d)**]** ~~(E)~~ of this section, to be distributed primarily for capital projects benefiting economic and community development in the following manner:

1. at least 75% in a manner that is consistent with the Park Heights Master Plan; and

2. the remainder dedicated to the needs of:

A. any census blockgroup that Baltimore City identifies as being located partly or entirely within 1 mile of Pimlico Race Course but not within the boundaries of the Park Heights Master Plan in a manner that is consistent with adopted neighborhood priorities;

B. any neighborhood included in the Northwest Community Planning Forum Strategic Neighborhood Action Plan in a manner that is consistent with the adopted Northwest Community Planning Forum Strategic Neighborhood Action Plan priorities; and

C. beginning after a video lottery operation license is issued to a video lottery facility in Baltimore City, any neighborhood within an area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue in a manner that is consistent with adopted neighborhood priorities.

(4) (i) Of the amount specified under paragraph (3)(ii) of this subsection:

1. $1,000,000 shall be provided annually to Prince George's County to be used for public safety projects in the community within 5 miles surrounding Rosecroft Raceway; and

2. for fiscal years 2015 through 2019, $500,000 shall be provided annually for impact aid to be distributed as provided under § 11–404(d) of the Business Regulation Article to help pay for facilities and services in communities within 3 miles of the Laurel Race Course.

(ii) The Legislative Policy Committee shall report its findings and recommendations concerning the advisability of the continuation of the distribution of

funds after fiscal year 2032 to the Comptroller and, in accordance with § 2–1246 of this article, the General Assembly, on or before November 1, 2030.

(5) Anne Arundel County, Howard County, Prince George's County, and the City of Laurel shall report to the Legislative Policy Committee by December 31 of each year as to the distribution of the funds provided under this section.

(6) Baltimore City shall:

(i) **EXCEPT AS PROVIDED IN SUBSECTION ~~(C)(3)(I)~~ *(B)(3)(I)* OF THIS SECTION,** establish a schedule for the distribution and expenditure of funds provided under this section; and

(ii) provide a quarterly report to the Legislative Policy Committee on the distribution of the funds provided under this section.

(7) (i) The distribution under paragraph (3)(i) of this subsection to Anne Arundel County, Baltimore City, and Prince George's County equals the sum of the amounts to be distributed to Anne Arundel County, Baltimore City, and Prince George's County divided by three.

(ii) Notwithstanding subparagraph (i) of this paragraph, the amount distributed to Anne Arundel County and Baltimore City under paragraph (3)(i) of this subsection may not be less than the amount received in the fiscal year before the video lottery operation license for a video lottery facility in Prince George's County was issued.

(8) Beginning after a video lottery operation license is issued to a video lottery facility in Baltimore City, 100% of the local impact grants provided under § 9–1A–27 of this subtitle from the proceeds of the video lottery facilities located in Allegany, Cecil, and Worcester counties shall be distributed to the local jurisdictions in which those video lottery facilities are located.

~~[~~(b)~~]~~ ~~(C)~~ (1) Except as otherwise provided in paragraphs (2) and (3) of this subsection and subject to paragraph (4) of this subsection, local impact grants provided under subsection ~~[~~(a)(3)(i)~~]~~ ~~(B)(3)(I)~~ of this section shall be used for improvements primarily in the communities in immediate proximity to the video lottery facilities and may be used for the following purposes:

(i) infrastructure improvements;

(ii) facilities;

(iii) public safety;

(iv) sanitation;

(v) economic and community development, including housing; and

(vi) other public services and improvements.

(2) (i) Subject to subparagraph (ii) of this paragraph, in Allegany County, local impact grants provided under subsection **[**(a)(3)(i)**]** ~~(B)(3)(I)~~ of this section may be used:

1. for purposes listed in paragraph (1) of this subsection throughout the county; and

2. to pay down the debt incurred by the county in the construction and related costs for the golf course, lodge, and other improvements in Rocky Gap State Park.

(ii) At least 20% of the local impact grants provided under subsection **[**(a)(3)(i)**]** ~~(B)(3)(I)~~ of this section in Allegany County shall be used for capital projects for municipalities and nonprofit organizations in the county.

(3) In Baltimore City:

(i) beginning in fiscal year 2018, at least 50% of the local impact grants provided under subsection **[**(a)(3)(i)**]** ~~(B)(3)(I)~~ of this section shall be distributed **DIRECTLY** to the South Baltimore Gateway Community Impact District Management Authority; and

(ii) local impact grants provided under subsection **[**(a)(3)(i)**]** ~~(B)(3)(I)~~ of this section shall be used for improvements in the communities in immediate proximity to the video lottery facility and may be used for the following purposes:

1. infrastructure improvements;

2. facilities;

3. public safety;

4. sanitation;

5. economic and community development, including housing; and

6. other public services and improvements.

(4) (i) 1. Subject to subsubparagraph 2 of this subparagraph, in Prince George's County, 40% of local impact grants provided under this section shall be used to address infrastructure needs related to Maryland Route 210 in Prince George's County.

2. The amount of local impact grants used as provided in subsubparagraph 1 of this subparagraph may not exceed $15,000,000 in a fiscal year.

3. Prince George's County may be reimbursed by the State for any money used as provided in this subparagraph.

(ii) In Prince George's County, $125,000 of the local impact grants provided under this section shall be provided annually to be used in communities within 2.5 miles northeast of the video lottery facility in Prince George's County.

~~[~~(c)~~]~~ ~~(D)~~ (1) A local development council shall be established in each geographic area where a video lottery facility is located.

(2) Subject to paragraph (3) of this subsection, a local development council shall consist of the following 15 members appointed by the chief executive of the county in which the local development council is located, in consultation with the Senators and Delegates who represent the communities surrounding the facility and the respective county councils, city councils, or county commissioners:

(i) one Senator who represents the district where the facility is located or the Senator's designee;

(ii) two Delegates who represent the districts where the communities surrounding the facility are located or the Delegates' designees;

(iii) one representative of the video lottery operation licensee;

(iv) seven residents of the communities in immediate proximity to the facility; and

(v) four representatives of businesses or institutions located in immediate proximity to the facility.

(3) (i) If the video lottery facility is at a racetrack location at Laurel Park, the County Executive of Anne Arundel County, the County Executive of Prince George's County, and the County Executive of Howard County shall jointly appoint the local development council.

(ii) If the video lottery facility is at a racetrack location at the Ocean Downs Race Course:

1. the County Commissioners of Worcester County shall appoint the local development council;

2. the Senator or the Senator's designee shall serve as a member of the local development council; and

3. the Delegates or the Delegates' designees shall serve as members of the local development council.

[(d)] ~~(E)~~ (1) Prior to any expenditure of local impact grant funds provided under § 9–1A–27 of this subtitle, a county or municipality shall develop, in consultation with the local development council, a multiyear plan for the expenditure of the local impact grant funds for services and improvements consistent with subsection [(b)] ~~(C)~~ of this section.

(2) A county or municipality shall submit the plan to the local development council for review and comment before adopting the plan or expending any grant funds.

(3) The local development council shall advise the county or municipality on the impact of the facility on the communities and the needs and priorities of the communities in immediate proximity to the facility.

(4) (i) A local development council shall have 45 days to review, comment, and make recommendations on the plan required under this subsection.

(ii) Except as provided in subparagraph (iii) of this paragraph, on the request of a local development council, the county or municipality shall hold a public hearing on the plan.

(iii) Baltimore City shall hold a public hearing on the plan for the expenditure of funds allocated under subsection [(a)(3)(ii)] ~~(B)(3)(II)~~ of this section.

(5) A county or municipality shall make best efforts to accommodate the recommendations of the local development council and any testimony presented at the hearing before adopting the plan required under this subsection.

[(e)] ~~(F)~~ A video lottery operation licensee shall provide to the local development council a master plan for the development of the site on which the video lottery facility will be located.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 752

(Senate Bill 859)

AN ACT concerning

State Employees – Parental Leave

FOR the purpose of providing that certain State employees may be entitled to parental leave with pay under certain circumstances; establishing the maximum number of days of parental leave that certain employees may use for the care and nurturing of a child ~~within a certain amount of time~~ immediately following the birth or adoption of the child; authorizing certain employees to use certain leave for a certain purpose; requiring certain State agencies to provide certain employees with additional paid leave under certain circumstances; providing that an employee may use parental leave only after obtaining approval from the employee's appointing authority; prohibiting an employee who uses parental leave from receiving certain payment unless the employee takes a certain action; requiring the Secretary of Budget and Management to adopt certain regulations; requiring the Secretary to report to certain committees on or before a certain date certain information regarding the importance of employee benefits for certain purposes; and generally relating to parental leave for State employees.

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 9–1101
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY adding to
Article – State Personnel and Pensions
Section 9–1108
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

9–1101.

Except as otherwise provided in this subtitle, this subtitle applies to all employees in the State Personnel Management System, except temporary employees.

9–1108.

(A) THIS SECTION APPLIES TO ALL EMPLOYEES IN THE ~~LEGISLATIVE AND~~ EXECUTIVE ~~BRANCHES~~ BRANCH OF STATE GOVERNMENT.

(B) ON REQUEST, AN EMPLOYEE SUBJECT TO THIS SECTION MAY BE ENTITLED TO PARENTAL LEAVE WITH PAY.

(C) ~~AN~~ (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN EMPLOYEE WHO IS THE PRIMARY CAREGIVER RESPONSIBLE FOR THE CARE AND NURTURING OF A CHILD MAY USE UP TO 60 DAYS OF PARENTAL LEAVE TO CARE FOR THE CHILD DURING THE PERIOD ~~WITHIN 1 YEAR~~ IMMEDIATELY FOLLOWING:

~~(1)~~ (I) THE BIRTH OF THE EMPLOYEE'S CHILD; OR

~~(2)~~ (II) THE PLACEMENT OF THE CHILD UNDER 6 YEARS OF AGE WITH THE EMPLOYEE FOR ADOPTION.

(2) (I) AN EMPLOYEE ENTITLED TO PARENTAL LEAVE AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY USE ACCRUED ANNUAL LEAVE~~, ACCRUED SICK LEAVE,~~ AND PERSONAL LEAVE AVAILABLE TO THE EMPLOYEE.

(II) IF THE AMOUNT OF LEAVE SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS LESS THAN 60 DAYS, THE STATE AGENCY THAT EMPLOYS THE EMPLOYEE SHALL PROVIDE THE EMPLOYEE WITH ADDITIONAL PAID LEAVE TO ATTAIN 60 DAYS OF PARENTAL LEAVE.

(D) AN EMPLOYEE MAY USE PARENTAL LEAVE ONLY AFTER OBTAINING APPROVAL FROM THE EMPLOYEE'S APPOINTING AUTHORITY.

(E) (1) AN EMPLOYEE WHO USES PARENTAL LEAVE FOLLOWING THE BIRTH OF THE EMPLOYEE'S CHILD MAY NOT RECEIVE PAYMENT UNDER THIS SECTION UNLESS THE EMPLOYEE GIVES THE EMPLOYEE'S IMMEDIATE SUPERVISOR INFORMATION REQUIRED BY GUIDELINES ISSUED BY THE SECRETARY ON THE FEDERAL FAMILY AND MEDICAL LEAVE ACT OF 1993.

(2) AN EMPLOYEE WHO USES PARENTAL LEAVE FOR ADOPTION PURPOSES MAY NOT RECEIVE PAYMENT UNDER THIS SUBTITLE UNLESS THE EMPLOYEE GIVES THE EMPLOYEE'S IMMEDIATE SUPERVISOR THE CERTIFICATE REQUIRED BY GUIDELINES ISSUED BY THE SECRETARY ON THE FEDERAL FAMILY AND MEDICAL LEAVE ACT OF 1993.

(F) THE SECRETARY SHALL ADOPT REGULATIONS GOVERNING PARENTAL LEAVE, INCLUDING REGULATIONS THAT ESTABLISH CONDITIONS AND PROCEDURES FOR REQUESTING AND APPROVING PARENTAL LEAVE.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1, 2021, the Secretary of Budget and Management shall report to the Senate Finance

Committee and the House Appropriations Committee, in accordance with § 2–1246 of the State Government Article, on what employee benefits, including paid parental leave, are important in order to attract and retain young people to State employment.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 753

(Senate Bill 1099)

AN ACT concerning

~~Office of Legislative Audits – Audits of the Baltimore City Police Department~~
Baltimore City Police Department – Commission to Restore Trust in Policing and Audit Review

FOR the purpose of ~~requiring the Office of Legislative Audits to conduct a certain audit of the Baltimore City Police Department within a certain time period and at certain intervals; requiring the Office of Legislative Audits to provide certain information to the Baltimore City Police Department; and generally relating to the audits of the Baltimore City Police Department by the Office of Legislative Audits~~ establishing the Commission to Restore Trust in Policing; providing for the composition, chair, and staffing of the Commission; prohibiting a member of the Commission from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Commission to study and make recommendations regarding certain matters; providing that certain proceedings, testimony, and other evidence are public information; authorizing the Commission, on a certain vote, to deem confidential certain proceedings, testimony, and other evidence that is protected from disclosure under the Public Information Act; providing for the service of a certain subpoena; authorizing the Commission to report the failure to obey a certain subpoena to a certain court; requiring the Commission to provide a copy of a certain subpoena and service of process to a certain court; authorizing a certain court to grant relief under certain circumstances; authorizing certain persons to have an attorney present for certain proceedings; requiring the Commission to advise certain persons of certain rights; requiring the Commission to report its preliminary and final findings and recommendations to the Governor and the General Assembly on or before a certain date; requiring the Joint Audit Committee to review certain Baltimore Police Department audit reports issued by the Baltimore City Comptroller; requiring the Joint Audit Committee to submit certain findings and recommendations to the General Assembly; requiring the Joint Audit Committee to review the audit process and procedures of the Baltimore Police Department and provide comment and recommendations to certain individuals; providing for the

effective date of certain provisions of this Act; providing for the termination of certain provisions of this Act; making this Act an emergency measure; and generally relating to the Commission to Restore Trust in Policing and audit reviews of the Baltimore Police Department by the Joint Audit Committee.

BY adding to
The Charter of Baltimore City
Article II – General Powers
Section (70)
(2007 Replacement Volume, as amended)

BY adding to
Article – State Government
Section ~~2–1220(h)~~ 2–606
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

The Charter of Baltimore City

Article II – General Powers

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

(70)

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

(2) "COMMISSION" MEANS THE COMMISSION TO RESTORE TRUST IN POLICING.

(3) "POLICE DEPARTMENT" MEANS THE BALTIMORE POLICE DEPARTMENT.

(4) "TASK FORCE" MEANS THE BALTIMORE POLICE DEPARTMENT'S GUN TRACE TASK FORCE.

(B) THERE IS A COMMISSION TO RESTORE TRUST IN POLICING.

(C) (1) THE COMMISSION CONSISTS OF THE FOLLOWING MEMBERS:

(I) TWO INDIVIDUALS APPOINTED BY THE PRESIDENT OF THE SENATE;

(II) TWO INDIVIDUALS APPOINTED BY THE SPEAKER OF THE HOUSE; AND

(III) TWO INDIVIDUALS APPOINTED BY THE GOVERNOR.

(2) FOUR MEMBERS OF THE COMMISSION SHALL POSSESSES A JURIS DOCTOR AND HAVE LITIGATION EXPERIENCE.

(3) THREE MEMBERS OF THE COMMISSION SHALL BE BALTIMORE CITY RESIDENTS.

(D) THE GOVERNOR, THE PRESIDENT OF THE SENATE, AND THE SPEAKER OF THE HOUSE SHALL JOINTLY APPOINT AND DESIGNATE THE CHAIR OF THE COMMISSION.

(E) THE DEPARTMENT OF LEGISLATIVE SERVICES 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 OPERATION OF THE TASK FORCE, INCLUDING:

(I) THE TASK FORCE'S ESTABLISHMENT, PERSONNEL, AND OVERSIGHT;

(II) INVESTIGATIONS AND CASES HANDLED BY THE TASK FORCE;

(III) ANY FEDERAL CRIMINAL INVESTIGATIONS AND CASES RELATING TO THE TASK FORCE AND ITS MEMBERS; AND

(IV) ANY VIOLATIONS OF EXISTING DEPARTMENTAL POLICIES AND PROCEDURES RELATED TO THE CONDUCT OF THE TASK FORCE;

(2) UTILIZE VARIOUS METHODS OF INVESTIGATION AND INFORMATION GATHERING, INCLUDING REVIEWING OF TRANSCRIPTS OR OTHER SWORN TESTIMONY, COLLECTING AND ANALYZING DOCUMENTS, INTERVIEWING OF WITNESSES THROUGH SUBPOENA OR OTHER MEANS, AND ANY OTHER REASONABLE MEANS;

(3) WITH CONSIDERATION OF THE COMMISSION'S FINDINGS AND THE 2017 FEDERAL CONSENT DECREE BETWEEN BALTIMORE CITY, THE POLICE DEPARTMENT, AND THE U.S. DEPARTMENT OF JUSTICE, MAKE RECOMMENDATIONS REGARDING:

(I) WHETHER A REORGANIZATION OF THE POLICE DEPARTMENT IS WARRANTED AND, IF SO, OPTIONS FOR REORGANIZATION;

(II) BEST PRACTICES REGARDING THE ESTABLISHMENT AND OVERSIGHT OF SPECIALIZED UNITS, SIMILAR TO THE TASK FORCE, WITHIN LAW ENFORCEMENT AGENCIES;

(III) ONGOING STATE AND CITY OVERSIGHT OF THE POLICE DEPARTMENT;

(IV) WHETHER THERE EXIST ANY LEGAL IMPEDIMENTS TO THE POLICE DEPARTMENT EFFECTIVELY MANAGING AND DISCIPLINING SWORN OFFICERS; AND

(V) ANY OTHER MATTERS RELATING TO THE COMMISSION'S FINDINGS.

(H) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE PROCEEDINGS, TESTIMONY, AND ANY OTHER EVIDENCE BEFORE THE COMMISSION ARE PUBLIC INFORMATION.

(2) ON A VOTE OF FIVE OR MORE MEMBERS OF THE COMMISSION, PROCEEDINGS, TESTIMONY, AND ANY OTHER EVIDENCE BEFORE THE COMMISSION THAT ARE PROTECTED FROM DISCLOSURE UNDER THE PUBLIC INFORMATION ACT MAY BE DEEMED CONFIDENTIAL AND PRIVILEGED.

(I) THE COMMISSION MAY:

(1) CONDUCT HEARINGS;

(2) ADMINISTER OATHS AND AFFIRMATIONS;

(3) ISSUE PROCESS TO COMPEL THE ATTENDANCE OF WITNESSES AND THE PRODUCTION OF EVIDENCE; AND

(4) REQUIRE A PERSON TO TESTIFY AND PRODUCE EVIDENCE.

(J) (1) A SUBPOENA MAY BE SERVED IN THE SAME MANNER AS ONE ISSUED BY A CIRCUIT COURT.

(2) THE COMMISSION MAY IMMEDIATELY REPORT THE FAILURE OF A PERSON TO OBEY A LAWFULLY SERVED SUBPOENA TO THE CIRCUIT COURT OF THE COUNTY HAVING JURISDICTION.

(3) THE COMMISSION SHALL PROVIDE A COPY OF THE SUBPOENA AND PROOF OF SERVICE TO THE CIRCUIT COURT.

(4) AFTER CONDUCTING A HEARING AT WHICH THE PERSON WHO ALLEGEDLY FAILED TO COMPLY WITH A SUBPOENA HAS AN OPPORTUNITY TO BE HEARD AND REPRESENTED BY COUNSEL, THE COURT MAY GRANT APPROPRIATE RELIEF.

(K) (1) A PERSON MAY HAVE AN ATTORNEY PRESENT DURING ANY CONTACT WITH THE COMMISSION.

(2) THE COMMISSION SHALL ADVISE A PERSON OF THE RIGHT TO COUNSEL WHEN A SUBPOENA IS SERVED.

(L) ON OR BEFORE DECEMBER 31, 2018, THE COMMISSION SHALL SUBMIT A PRELIMINARY REPORT OF ITS INITIAL FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(M) ON OR BEFORE DECEMBER 31, 2019, THE COMMISSION SHALL SUBMIT A FINAL REPORT OF ITS FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

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

Article – State Government

~~2–1220.~~

~~(II) (1) BEGINNING JULY 1, 2019, AND AT LEAST ONCE EVERY 6 YEARS THEREAFTER, THE OFFICE OF LEGISLATIVE AUDITS SHALL CONDUCT AN AUDIT OF THE BALTIMORE CITY POLICE DEPARTMENT TO EVALUATE THE EFFECTIVENESS AND EFFICIENCY OF THE FINANCIAL MANAGEMENT PRACTICES OF THE BALTIMORE CITY POLICE DEPARTMENT.~~

~~(2) THE OFFICE OF LEGISLATIVE AUDITS SHALL PROVIDE INFORMATION REGARDING THE AUDIT PROCESS TO THE BALTIMORE CITY POLICE DEPARTMENT BEFORE THE AUDIT IS CONDUCTED.~~

2–606.

THE COMMITTEE SHALL:

(1) BEGINNING WITH THE 2018 AUDIT, REVIEW THE BALTIMORE POLICE DEPARTMENT'S AUDIT REPORTS ISSUED BY THE BALTIMORE CITY COMPTROLLER AND SUBMIT FINDINGS AND RECOMMENDATIONS TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1246 OF THIS TITLE, WITH RESPECT TO ISSUES IN AUDIT REPORTS; AND

(2) REVIEW THE AUDIT PROCESS AND PROCEDURES AND PROVIDE COMMENT AND RECOMMENDATIONS, IN ACCORDANCE WITH § 2–1246 OF THIS TITLE, TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF DELEGATES, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LEGISLATIVE SERVICES, AND THE LEGISLATIVE AUDITOR.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2018. Section 2 of this Act shall remain effective for a period of 5 years and, at the end of September 30, 2023, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

SECTION 4. 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, except as provided in Section 3 of this Act, shall take effect from the date it is enacted. Section 1 of this Act shall remain effective for a period of 1 year and 8 months and, at the end of 1 year and 8 months from the date of enactment, Section 1 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 754

(House Bill 22)

AN ACT concerning

Baltimore City – Alcoholic Beverages – Hours of Sale – References to Park Heights Redevelopment Area

FOR the purpose of creating an exception from hours of sale restrictions for certain alcoholic beverages licenses issued for establishments in a certain area in Baltimore City; repealing certain references to the "Park Heights Redevelopment Area"; making this Act an emergency measure; providing for the effective date of certain provisions of this Act; and generally relating to alcoholic beverages in Baltimore City.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 12–102
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 12–2003, 12–2004, and 12–2005(c)
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

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.

12–2005.

(c) **(1) THIS SUBSECTION DOES NOT APPLY TO:**

(I) A CLASS B BEER AND LIGHT WINE LICENSE;

(II) A CLASS B BEER, WINE, AND LIQUOR LICENSE;

(III) A CLASS C BEER AND LIGHT WINE LICENSE; AND

(IV) A CLASS C BEER, WINE, AND LIQUOR LICENSE.

(2) For a license holder in an area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue, the hours of sale:

[(1)**]** **(I)** may not begin before 9 a.m. or end after ~~9 p.m.~~ ***10 P.M.***; and

[(2)**]** **(II)** may not be extended if they begin later than 9 a.m. or end before ~~9 p.m.~~ ***10 P.M.***

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

Article – Alcoholic Beverages

12–2003.

(a) (1) Except as provided in § 12–2005 of this subtitle, a holder of a Class A beer and light wine license may sell beer and light wine:

(i) on Monday through Saturday:

1. from 9 a.m. to ~~midnight~~ ***10 P.M.*** in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

2. from 6 a.m. to midnight in all other locations in the City; and

(ii) on the Sundays that fall between Thanksgiving Day and New Year's Day, from 1 p.m. to 9 p.m., if, on or before September 30 of that year, the license holder has paid a supplementary license fee of $75 for each Sunday the privilege is to be exercised.

(2) In addition to the privileges specified under paragraph (1)(ii) of this subsection, the license holder may sell beer and light wine for off–premises consumption on two additional Sundays during the calendar year if the holder pays a license fee of $75 at least 2 weeks before each time the privilege is exercised.

(b) (1) Except as provided in § 12–2005 of this subtitle, a holder of a Class B beer and light wine license may sell beer and light wine:

(i) from 9 a.m. to 2 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(2) Except as provided in § 12–2005 of this subtitle and § 12–903(d) of this title, the license holder may sell beer and light wine at a bar or counter on Sunday.

(c) (1) Except as otherwise provided in this subtitle, a holder of a Class C beer and light wine license may sell beer and light wine:

(i) from 9 a.m. to 2 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(2) Except as provided in § 12–2005 of this subtitle, the license holder may sell beer and light wine at a bar or counter on Sunday.

(d) Except as provided in § 12–2005 of this subtitle, a holder of a Class D beer and light wine license may sell beer and light wine:

(1) from 9 a.m. to 1 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(2) from 6 a.m. to 1 a.m. the following day in all other locations in the City.

12–2004.

(a) (1) Except as otherwise provided in this subtitle, a holder of a Class A beer, wine, and liquor license may sell beer, wine, and liquor:

(i) on Monday through Saturday:

1. from 9 a.m. to ~~midnight~~ ***10 P.M.*** in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

2. from 6 a.m. to midnight in all other locations in the City; and

(ii) on the Sundays that fall between Thanksgiving Day and New Year's Day, from 1 p.m. to 9 p.m., if, on or before September 30 of that year, the license holder has paid a supplementary license fee of $75 for each Sunday the privilege is to be exercised.

(2) In addition to the privileges specified under paragraph (1)(ii) of this subsection, the license holder may sell beer, wine, and liquor for off–premises consumption on two additional Sundays during the calendar year if the holder pays a license fee of $75 at least 2 weeks before each time the privilege is exercised.

(b) (1) Except as provided in § 12–2005 of this subtitle, a holder of a Class B beer, wine, and liquor license may sell beer, wine, and liquor:

(i) from 9 a.m. to 2 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(2) In the 47th alcoholic beverages district in the City, the hours for sales of beer, wine, and liquor for off–premises consumption under a Class B beer, wine, and liquor license for use in a restaurant are as provided in § 12–903(d) of this title.

(3) Except as provided in § 12–2005 of this subtitle and § 12–903(d) of this title, the license holder may sell beer, wine, and liquor at a bar or counter on Sunday.

(c) Except as provided in § 12–2005 of this subtitle, a holder of a Class B–D–7 beer, wine, and liquor license may sell beer, wine, and liquor:

(1) from 9 a.m. to ~~2 a.m. the following day~~ ***10 P.M.*** in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(2) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(d) (1) Except as otherwise provided in this subtitle, a holder of a Class C beer, wine, and liquor license may sell beer, wine, and liquor:

(i) from 9 a.m. to 2 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(2) Except as provided in § 12–2005 of this subtitle and § 12–903 of this title, the license holder may sell beer, wine, and liquor at a bar or counter on Sunday.

(e) A holder of a Class D beer, wine, and liquor amusement permit may sell all alcoholic beverages at all hours except between 2 a.m. and 6 a.m. each day.

(f) (1) Except as provided in § 12–2005 of this subtitle, a holder of a Class D beer, wine, and liquor license may sell beer, wine, and liquor on Monday through Saturday:

(i) from 9 a.m. to 1 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 1 a.m. the following day in all other locations in the City.

(2) Except as provided in paragraph (3) of this subsection and § 12–2007(b) of this subtitle, the license holder may not exercise the privileges of the license without an amusement permit from 1 a.m. on Sunday to 6 a.m. the following day.

(3) (i) The Board may issue a supplemental license not more than four times during a calendar year to the license holder authorizing the license holder to sell beer, wine, and liquor from 6 a.m. on Sunday to 1 a.m. the following day.

(ii) The fee for the supplemental license is $75 per issuance and is in addition to the annual fee for the underlying Class D beer, wine, and liquor license.

(iii) A holder of a supplemental license shall notify the Board at least 2 weeks in advance of exercising the privileges under the supplemental license.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2018.

SECTION 4. 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, except as provided in Section 3 of this Act, shall take effect from the date it is enacted.

Approved by the Governor, May 15, 2018.

Chapter 755

(Senate Bill 809)

AN ACT concerning

Baltimore City – Alcoholic Beverages – Hours of Sale – References to Park Heights Redevelopment Area

FOR the purpose of creating an exception from hours of sale restrictions for certain alcoholic beverages licenses issued for establishments in a certain area in Baltimore City; altering the closing hour of sale for a certain license holder in a certain area of Baltimore City; repealing certain references to the "Park Heights Redevelopment Area"; *altering the time during which establishments for which certain alcoholic beverages licenses are issued in a certain area specified in the Park Heights Master Plan may sell alcoholic beverages; making a conforming change;* making this Act an emergency measure; providing for the effective date of certain provisions of this Act; and generally relating to alcoholic beverages in Baltimore City.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 12–102
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 12–2003, 12–2004, and 12–2005(c)
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

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.

12–2005.

(c) **(1) THIS SUBSECTION DOES NOT APPLY TO:**

(I) A CLASS B BEER AND LIGHT WINE LICENSE;

(II) A CLASS B BEER, WINE, AND LIQUOR LICENSE;

(III) A CLASS C BEER AND LIGHT WINE LICENSE; AND

(IV) A CLASS C BEER, WINE, AND LIQUOR LICENSE.

(2) For a license holder in an area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue, the hours of sale:

[(1)**]** **(I)** may not begin before 9 a.m. or end after ~~9~~ **10** p.m.; and

[(2)**]** **(II)** may not be extended if they begin later than 9 a.m. or end before ~~9 p.m.~~ ***10 P.M.***

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

Article – Alcoholic Beverages

12–2003.

(a) (1) Except as provided in § 12–2005 of this subtitle, a holder of a Class A beer and light wine license may sell beer and light wine:

(i) on Monday through Saturday:

1. from 9 a.m. to ~~midnight~~ ***10 P.M.*** in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

2. from 6 a.m. to midnight in all other locations in the City; and

(ii) on the Sundays that fall between Thanksgiving Day and New Year's Day, from 1 p.m. to 9 p.m., if, on or before September 30 of that year, the license holder has paid a supplementary license fee of $75 for each Sunday the privilege is to be exercised.

(2) In addition to the privileges specified under paragraph (1)(ii) of this subsection, the license holder may sell beer and light wine for off–premises consumption on two additional Sundays during the calendar year if the holder pays a license fee of $75 at least 2 weeks before each time the privilege is exercised.

(b) (1) Except as provided in § 12–2005 of this subtitle, a holder of a Class B beer and light wine license may sell beer and light wine:

(i) from 9 a.m. to 2 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(2) Except as provided in § 12–2005 of this subtitle and § 12–903(d) of this title, the license holder may sell beer and light wine at a bar or counter on Sunday.

(c) (1) Except as otherwise provided in this subtitle, a holder of a Class C beer and light wine license may sell beer and light wine:

(i) from 9 a.m. to 2 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(2) Except as provided in § 12–2005 of this subtitle, the license holder may sell beer and light wine at a bar or counter on Sunday.

(d) Except as provided in § 12–2005 of this subtitle, a holder of a Class D beer and light wine license may sell beer and light wine:

(1) from 9 a.m. to 1 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(2) from 6 a.m. to 1 a.m. the following day in all other locations in the City.

12–2004.

(a) (1) Except as otherwise provided in this subtitle, a holder of a Class A beer, wine, and liquor license may sell beer, wine, and liquor:

(i) on Monday through Saturday:

1. from 9 a.m. to ~~midnight~~ ***10 P.M.*** in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

2. from 6 a.m. to midnight in all other locations in the City; and

(ii) on the Sundays that fall between Thanksgiving Day and New Year's Day, from 1 p.m. to 9 p.m., if, on or before September 30 of that year, the license holder has paid a supplementary license fee of $75 for each Sunday the privilege is to be exercised.

(2) In addition to the privileges specified under paragraph (1)(ii) of this subsection, the license holder may sell beer, wine, and liquor for off–premises consumption on two additional Sundays during the calendar year if the holder pays a license fee of $75 at least 2 weeks before each time the privilege is exercised.

(b) (1) Except as provided in § 12–2005 of this subtitle, a holder of a Class B beer, wine, and liquor license may sell beer, wine, and liquor:

(i) from 9 a.m. to 2 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(2) In the 47th alcoholic beverages district in the City, the hours for sales of beer, wine, and liquor for off–premises consumption under a Class B beer, wine, and liquor license for use in a restaurant are as provided in § 12–903(d) of this title.

(3) Except as provided in § 12–2005 of this subtitle and § 12–903(d) of this title, the license holder may sell beer, wine, and liquor at a bar or counter on Sunday.

(c) Except as provided in § 12–2005 of this subtitle, a holder of a Class B–D–7 beer, wine, and liquor license may sell beer, wine, and liquor:

(1) from 9 a.m. to ~~2 a.m. the following day~~ ***10 P.M.*** in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(2) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(d) (1) Except as otherwise provided in this subtitle, a holder of a Class C beer, wine, and liquor license may sell beer, wine, and liquor:

(i) from 9 a.m. to 2 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 2 a.m. the following day in all other locations in the City.

(2) Except as provided in § 12–2005 of this subtitle and § 12–903 of this title, the license holder may sell beer, wine, and liquor at a bar or counter on Sunday.

(e) A holder of a Class D beer, wine, and liquor amusement permit may sell all alcoholic beverages at all hours except between 2 a.m. and 6 a.m. each day.

(f) (1) Except as provided in § 12–2005 of this subtitle, a holder of a Class D beer, wine, and liquor license may sell beer, wine, and liquor on Monday through Saturday:

(i) from 9 a.m. to 1 a.m. the following day in the **[**Park Heights Redevelopment Area that is**]** **AREA** specified in the Park Heights Master Plan adopted by the City in 2006; and

(ii) from 6 a.m. to 1 a.m. the following day in all other locations in the City.

(2) Except as provided in paragraph (3) of this subsection and § 12–2007(b) of this subtitle, the license holder may not exercise the privileges of the license without an amusement permit from 1 a.m. on Sunday to 6 a.m. the following day.

(3) (i) The Board may issue a supplemental license not more than four times during a calendar year to the license holder authorizing the license holder to sell beer, wine, and liquor from 6 a.m. on Sunday to 1 a.m. the following day.

(ii) The fee for the supplemental license is $75 per issuance and is in addition to the annual fee for the underlying Class D beer, wine, and liquor license.

(iii) A holder of a supplemental license shall notify the Board at least 2 weeks in advance of exercising the privileges under the supplemental license.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2018.

SECTION 4. 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, except as provided in Section 3 of this Act, shall take effect from the date it is enacted.

Approved by the Governor, May 15, 2018.

Chapter 756

(House Bill 742)

AN ACT concerning

State Board of Professional Counselors and Therapists – Sunset Extension and Program Evaluation

FOR the purpose of continuing the State Board of Professional Counselors and Therapists in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to a certain date the termination provisions relating to statutory and regulatory authority of the Board; ~~altering the composition of the Board~~ prohibiting a certain number of individuals appointed as certain members of the Board from holding a certain credential; requiring the Board to submit a certain report to the General Assembly, in addition to the Governor and the Secretary of Health, on or before a certain date each year; requiring the Board to create an Alcohol and Drug Counselor Subcommittee to perform certain functions; altering the educational requirements for licensure to practice clinical alcohol and drug counseling; altering the educational requirements for licensure to practice clinical marriage and family therapy; altering the educational requirements for licensure to practice clinical professional counseling; altering the educational requirements for licensure to practice clinical professional art therapy; altering the circumstances under which the Board is required to waive certain application requirements for certain individuals; altering the educational requirements for licensure to practice certified associate counselor–alcohol and drug counseling; altering the educational requirements for certification to practice certified supervised counselor–alcohol and drug counseling; ~~repealing certain provisions of law establishing and governing the Behavior Analyst Advisory Committee; repealing certain provisions of law establishing and governing the behavior analyst rehabilitation subcommittee; establishing the Alcohol and Drug Counselor Subcommittee; specifying the composition of the Subcommittee; providing for the terms of a member of the Subcommittee; authorizing the Board to remove a member of the Subcommittee for certain reasons; requiring the Subcommittee to annually elect a chair and vice chair and to determine the manner of election of officers and the duties of each officer; providing that a majority of the members then serving on the Subcommittee is a quorum; requiring the Subcommittee to meet at certain times and places; authorizing the Subcommittee to hold special meetings under certain circumstances; requiring that certain notice of Subcommittee meetings be given in a certain manner; providing for the compensation of Subcommittee members; requiring the Subcommittee to evaluate and make certain recommendations on certain matters;~~ providing for the termination of certain provisions of this Act and certain rules and regulations adopted under certain provisions of this Act subject to certain provisions of law; requiring the Board, in consultation with the Maryland Department of Health and the Department of Budget and Management, to report on certain matters to the Department of Legislative Services on or before a certain date and at certain intervals thereafter; requiring the Board to submit certain emergency and proposed regulations to the Joint Committee on Administrative, Executive, and Legislative Review within a certain number of days after the effective date of this Act; requiring the Board to submit certain regulations to update provisions regarding certain education and experience requirements to the Joint Committee on or before a certain date; requiring the Board to distribute certain drafts to and receive feedback from certain stakeholders and hold at least a certain number of meetings when drafting certain regulations; requiring the Maryland Department of Health to make certain employees available to the Board to assist in drafting certain regulations; requiring the Board to make a certain determination regarding the regulation of the practice

of behavior analysis on or before a certain date and after consulting with the State Board of Examiners of Psychologists, receiving input from certain stakeholders, and holding at least a certain number of meetings; requiring the Board to make a certain determination regarding the regulation of certain creative counselors and therapists on or before a certain date and after receiving certain input and holding at least a certain number of meetings; requiring the Board to make a certain determination for a certain Board composition on or before a certain date and after making certain other determinations, receiving input from certain stakeholders, and holding at least a certain number of meetings; requiring the Department of Legislative Services to submit a report and make certain recommendations to certain committees of the General Assembly on or before a certain date; requiring ~~that the terms of~~ certain members of the Board ~~terminate on a certain date~~ to continue to serve until the end of a certain term and that at a certain time, the Governor appoint certain members in accordance with certain provisions of this Act; requiring that certain members of the Board continue to serve until a successor is appointed and qualifies; ~~specifying the terms of the initial members of the Subcommittee;~~ making conforming changes; defining a certain term; making this Act an emergency measure; and generally relating to the State Board of Professional Counselors and Therapists.

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 17–202(a), 17–205(b), 17–302(d) and (f), 17–303(d) and (f), 17–304(d) and (e), 17–304.1(e), 17–305, 17–403, 17–404, 17–405, ~~17–6A–01,~~ and 17–702
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 17–302(a), 17–303(a), 17–304(a), 17–304.1(a), and 17–502
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

~~BY repealing~~
~~Article – Health Occupations~~
~~Section 17–6A–05 through 17–6A–09 and 17–6A–26~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – Health Occupations~~
~~Section 17–6B–01 through 17–6B–07 to be under the new subtitle "Subtitle 6B. Alcohol and Drug Counselor Subcommittee"~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

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

Article – Health Occupations

17–202.

(a) (1) The Board consists of 13 members appointed by the Governor with the advice of the Secretary.

(2) Of the 13 Board members:

(i) **[**Four**]** ~~**FIVE**~~ shall be licensed as clinical professional counselors;

(ii) **[**Three shall be licensed as clinical marriage and family therapists;

(iii)**]** Three shall be licensed as clinical alcohol and drug counselors;

~~**(III) ONE SHALL BE LICENSED AS A CLINICAL MARRIAGE AND FAMILY THERAPIST;**~~

(iv) One shall be licensed as a clinical professional art therapist;

~~**(V) ONE SHALL BE A LICENSED BEHAVIOR ANALYST;**~~ and

[(v)**]** ~~**(VI)**~~ Two shall be consumer members.

(3) The composition of the Board as to the race and sex of its members shall reflect the composition of the population of the State.

(4) The Governor shall appoint the counselors and therapists from a list submitted to the Governor by the Secretary. Any association representing professional counselors, marriage and family therapists, alcohol and drug counselors, or professional art therapists may submit recommendations for Board members to the Secretary.

(5) TWO OF THE INDIVIDUALS APPOINTED AS A LICENSED CLINICAL PROFESSIONAL COUNSELOR MEMBER UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION MAY NOT HOLD ANOTHER CREDENTIAL ISSUED BY THE BOARD.

17–205.

(b) In addition to the duties set forth elsewhere in this title, the Board shall:

(1) Maintain a registry of all counselors or therapists currently licensed or certified by the Board and all individuals currently working as trainees in accordance with § 17–406(b) of this title;

(2) Submit an annual report to the Governor **[**and**]**, the Secretary**, AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 31 EACH YEAR**;

(3) Adopt a code of ethics that the Board considers to be appropriate and applicable to the counselors or therapists currently certified or licensed by the Board and the individuals currently working as trainees in accordance with § 17–406(b) of this title;

(4) Establish continuing education requirements for the counselors or therapists currently certified or licensed by the Board;

(5) Adopt an official seal; ~~and~~

(6) Create committees as it deems appropriate to advise the Board on special issues**; AND**

(7) ESTABLISH AN ALCOHOL AND DRUG COUNSELOR SUBCOMMITTEE TO:

(I) EVALUATE AND MAKE RECOMMENDATIONS TO THE BOARD ON METHODS TO IMPROVE AND EXPEDITE THE LICENSURE AND CERTIFICATION PROCESSES FOR ALCOHOL AND DRUG COUNSELORS AND DRUG TRAINEES;

(II) EVALUATE AND MAKE RECOMMENDATIONS TO THE BOARD ON METHODS TO IMPROVE AND EXPEDITE THE DISCIPLINARY PROCESS FOR ALCOHOL AND DRUG COUNSELORS AND DRUG TRAINEES;

(III) ASSIST THE BOARD IN DRAFTING REGULATIONS RELATED TO ALCOHOL AND DRUG COUNSELORS AND DRUG TRAINEES; AND

(IV) OTHERWISE ASSIST THE BOARD TO FULFILL THE PURPOSE STATED IN § 17–102(B) OF THIS TITLE.

17–302.

(a) To qualify for a license to practice clinical alcohol and drug counseling, an applicant shall be an individual who meets the requirements of this section.

(d) (1) Except as provided in § 17–305 of this subtitle, the applicant shall at a minimum:

(i) Hold a master's or doctoral degree in a health and human services counseling field from a regionally accredited educational institution that is approved by the Board; or

(ii) Hold a master's degree from a regionally accredited educational institution and have completed a program of studies judged by the Board to be substantially equivalent in subject matter as **MAY BE** required **[**under this section**]** **BY THE BOARD IN REGULATION**.

(2) The applicant shall have completed **[**a minimum of 60 semester credit hours or 90 quarter credit hours approved by the Board.

(3) The applicant shall have completed a minimum of 39 semester credit hours or 65 quarter credit hours in alcohol and drug counselor training, including:

(i) A 3 semester credit hour or 5 quarter credit hour course taken at a regionally accredited educational institution in each of the following:

1. Medical aspects of chemical dependency;

2. Group counseling;

3. Individual counseling;

4. Family counseling;

5. Addictions treatment delivery;

6. Ethics that includes alcohol and drug counseling issues;

7. Human development;

8. Abnormal psychology;

9. Theories of counseling;

10. Treatment of co–occurring disorders; and

11. Topics in substance–related and addictive disorders; and

(ii) An internship in alcohol and drug counseling that totals 6 semester credit hours or 10 quarter credit hours**]** **ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(f) The applicant shall provide documentation to the Board evidencing the completion of **[**60 hours of graduate course work**]** **ANY EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**, completed at a regionally accredited educational institution approved by the Board **[**that included training in:

(1) Personality development;

(2) Diagnosis and treatment of mental and emotional disorders;

(3) Psychopathology; and

(4) Psychotherapy**]**.

17–303.

(a) To qualify for a license to practice clinical marriage and family therapy, an applicant shall be an individual who meets the requirements of this section.

(d) (1) Except as provided in § 17–306 of this subtitle, the applicant shall hold a master's or doctoral degree in a marriage and family field from an accredited educational institution that is approved by the Board or have completed a program of studies judged by the Board to be substantially equivalent in subject matter and extent of training as **MAY BE** required **[**under this section**]** **BY THE BOARD IN REGULATION**.

(2) **[**In the case of an applicant holding a doctoral degree, the applicant shall have completed a minimum of 90 graduate credit hours in training in marriage and family therapy approved by the Board that includes instruction in the following specialized areas:

(i) Analysis of family systems;

(ii) Family therapy, theory, and techniques;

(iii) Couples therapy, theory, and techniques;

(iv) Gender and ethnicity in marriage and family therapy; and

(v) Sexual issues in marriage and family therapy.

(3) In the case of an applicant holding only a master's degree, the applicant shall have completed a minimum of 60 graduate credit hours in training in marriage and family therapy approved by the Board that includes instruction in the specialized areas set forth in paragraph (2) of this subsection**]** **THE APPLICANT SHALL HAVE COMPLETED ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(f) The applicant shall provide documentation to the Board evidencing the completion of **[**60 hours of graduate course work**]** **ANY EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION,** completed at an accredited college or university approved by the Board**[**, that included training in:

(1) Personality development;

(2) Diagnosis and treatment of mental and emotional disorders;

(3) Psychopathology;

(4) Family therapy; and

(5) Psychotherapy**]**.

17–304.

(a) Except as provided in § 17–307 of this subtitle, to qualify for a license to practice clinical professional counseling, an applicant shall be an individual who meets the requirements of this section.

(d) (1) The applicant shall hold a master's or doctoral degree in a professional counseling field from an accredited educational institution that is approved by the Board.

(2) **[**In the case of an applicant holding a doctoral degree, the applicant shall have completed:

(i) A minimum of 90 graduate credit hours in counselor training approved by the Board, including instruction in:

1. Counseling theory and ethics;

2. Counseling techniques;

3. Human growth and development and maladaptive behaviors;

4. Group dynamics, processing, and counseling;

5. Social and cultural foundations;

6. Lifestyle and career development;

7. Appraisal of individuals;

8. Research and evaluation;

9. Participation in a supervised practicum in professional counseling;

10. Marriage and family therapy; and

11. Alcohol and drug counseling; and

(ii) Not less than 2 years of supervised experience in counseling approved by the Board, 1 year of which shall have been completed after the award of the doctoral degree.

(3) In the case of an applicant holding only a master's degree, the applicant shall have completed:

(i) A minimum of 60 graduate credit hours in counselor training in the areas set forth in paragraph (2) of this subsection; and

(ii) Not less than 3 years, with a minimum of 3,000 hours, of supervised experience in counseling approved by the Board, 2 years of which shall have been completed after the award of the master's degree**] THE APPLICANT SHALL HAVE COMPLETED ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(e) The applicant shall provide documentation to the Board evidencing the completion of **[**60 hours of graduate course work**] ANY EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION,** in the applicant's respective area of practice from an accredited college or university program approved by the Board**[**, including training in:

(1) Personality development;

(2) Diagnosis and treatment of mental and emotional disorders;

(3) Psychopathology; and

(4) Psychotherapy**]**.

17–304.1.

(a) Except as provided in §§ 17–304.2 and 17–307.1 of this subtitle, to qualify for a license to practice clinical professional art therapy, an applicant shall be an individual who meets the requirements of this section.

(e) The applicant shall provide documentation to the Board evidencing the completion of **[**60 hours of graduate course work in art therapy**] ANY EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION,** from an accredited college or university program that is accredited by the American Art Therapy Association, approved by the Board**[**, and includes training in:

(1) Personality development;

(2) Diagnosis and treatment of mental and emotional disorders;

(3) Psychopathology;

(4) Psychotherapy;

(5) Marriage and family therapy;

(6) Addictions; and

(7) Lifestyle and career development**]**.

17–305.

(a) The Board shall waive the requirements for licensure for an applicant to practice clinical alcohol and drug counseling if the applicant:

(1) ~~(I)~~ ~~Is licensed or certified~~ **HOLDS A LICENSE** as a clinical alcohol and drug counselor in another state, territory, or jurisdiction that ~~has requirements that are~~ **IS** equivalent to ~~or exceed the requirements of § 17–302 of~~ **THE LICENSE THE APPLICANT IS APPLYING FOR UNDER** this subtitle; ~~OR~~

~~(II) 1. IS PRACTICING ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN ANOTHER STATE, TERRITORY, OR JURISDICTION AT THE TIME OF APPLICATION;~~

~~2. HAS PRACTICED ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN GOOD STANDING IN THE OTHER STATE, TERRITORY, OR JURISDICTION FOR AT LEAST 5 YEARS;~~

~~3. HAS PASSED A NATIONAL CERTIFICATION EXAM APPROVED BY THE BOARD; AND~~

~~4. HAS PASSED THE STATE LAW EXAMINATION;~~

(2) Submits an application to the Board on a form that the Board requires; ~~and~~

(3) Pays to the Board an application fee set by the Board**; AND**

(4) SATISFIES ANY OTHER EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED BY THE BOARD.

(B) THE BOARD MAY WAIVE EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED UNDER SUBSECTION (A)(4) OF THIS SECTION:

(1) UNDER CIRCUMSTANCES DETERMINED BY THE BOARD; AND

(2) FOR APPLICANTS WHO PETITION THE BOARD FOR WAIVER.

~~(b)~~ **(C)** The Board shall adopt regulations to implement this section.

17–403.

(a) Except as provided in § 17–405 of this subtitle, to qualify as a certified associate counselor–alcohol and drug, an applicant shall:

(1) Be of good moral character;

(2) At a minimum:

(i) Hold a bachelor's degree from a regionally accredited educational institution approved by the Board in a health and human services counseling field; or

(ii) Hold a bachelor's degree from a regionally accredited educational institution and have completed a program of studies judged by the Board to be substantially equivalent in subject matter **AS MAY BE REQUIRED BY THE BOARD IN REGULATION**;

(3) Have completed not less than 1 year with a minimum of 2,000 hours of clinically supervised experience in alcohol and drug counseling approved by the Board; and

(4) Have **[**a minimum of 33 semester credit hours or 50 quarter credit hours in alcohol and drug counselor training, including:

(i) A 3 semester credit hour or 5 quarter credit hour course taken at a regionally accredited educational institution in each of the following:

1. Medical aspects of chemical dependency;

2. Addictions treatment delivery;

3. Group counseling;

4. Individual counseling;

5. Ethics that includes alcohol and drug counseling issues; and

6. Abnormal psychology; and

(ii) Any three of the following 3 semester credit hour or 5 quarter credit hour courses taken at a regionally accredited educational institution:

1. Family counseling;

2. Theories of counseling;

3. Human development;

4. Topics in substance–related and addictive disorders; and

5. Treatment of co–occurring disorders; and

(iii) An internship in alcohol and drug counseling that totals 6 semester credit hours or 10 quarter credit hours**] COMPLETED ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(b) Except as otherwise provided in this title, the applicant shall pass:

(1) An examination approved by the Board under this title; and

(2) The law examination on this title administered by the Board.

(c) A certified associate counselor–alcohol and drug shall practice alcohol and drug counseling under the supervision of a Board–approved alcohol and drug supervisor who is:

(1) A licensed clinical alcohol and drug counselor;

(2) A certified professional counselor–alcohol and drug;

(3) A licensed clinical professional counselor;

(4) A licensed clinical marriage and family therapist;

(5) A licensed clinical professional art therapist; or

(6) A health care provider licensed under this article with documented expertise in alcohol and drug counseling.

(d) A certified associate counselor–alcohol and drug:

(1) May provide only:

(i) Alcohol and drug counseling as an employee of an agency or a facility that is certified or licensed by the State;

(ii) Alcohol and drug counseling under the supervision of a Board–approved supervisor as specified in subsection (c) of this section; and

(iii) Supervision with approval by the Board; and

(2) May not practice independently.

17–404.

(a) To qualify as a certified supervised counselor–alcohol and drug, an applicant shall:

(1) Be of good moral character;

(2) At a minimum:

(i) Hold an associate's degree from a regionally accredited educational institution in a health and human services counseling field; or

(ii) Hold an associate's degree from a regionally accredited educational institution and have completed a program of studies judged by the Board to be substantially equivalent in subject matter **AS MAY BE REQUIRED BY THE BOARD IN REGULATION**; and

(3) Have **[**a minimum of 24 semester credit hours or 37 quarter credit hours including:

(i) A 3 semester credit hour or 5 quarter credit hour course taken at a regionally accredited educational institution in each of the following courses:

1. Medical aspects of chemical dependency;

2. Addictions treatment delivery; and

3. Ethics that includes alcohol and drug counseling issues;

(ii) Any three of the following 3 semester credit hour or 5 quarter credit hour courses taken at a regionally accredited educational institution:

1. Group counseling;

2. Individual counseling;

3. Family counseling;

4. Theories of counseling;

5. Human development;

6. Abnormal psychology;

7. Topics in substance–related and addictive disorders; and

8. Treatment of co–occurring disorders; and

(iii) An internship in alcohol and drug counseling that totals 6 semester credit hours or 10 quarter credit hours**]** **COMPLETED ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(b) Except as otherwise provided in this title, the applicant shall pass:

(1) An examination approved by the Board under this title; and

(2) The law examination on this title administered by the Board.

(c) A certified supervised counselor–alcohol and drug shall practice alcohol and drug counseling under the supervision of a Board–approved alcohol and drug supervisor who is:

(1) A licensed clinical alcohol and drug counselor;

(2) A certified professional counselor–alcohol and drug;

(3) A certified associate counselor–alcohol and drug;

(4) A licensed clinical professional counselor;

(5) A licensed clinical marriage and family therapist;

(6) A licensed clinical professional art therapist; or

(7) A health care provider licensed under this article with documented expertise in alcohol and drug counseling.

(d) A certified supervised counselor–alcohol and drug:

(1) May provide only:

(i) Alcohol and drug counseling as an employee of an agency or facility that is certified or licensed by the State; and

(ii) Alcohol and drug counseling under the supervision of a Board–approved supervisor as specified in subsection (c) of this section; and

(2) May not:

(i) Provide supervision; or

(ii) Practice independently.

17–405.

(a) The Board shall waive the requirements for certification for an applicant to practice alcohol and drug counseling if the applicant meets the requirements of this section.

(b) If the applicant is licensed or certified to practice as an associate counselor–alcohol and drug, the Board shall grant a waiver under this section only if the applicant:

(1) ~~(I)~~ ~~Is licensed or certified~~ **HOLDS A LICENSE OR CERTIFICATE** in another state, territory, or jurisdiction that ~~has requirements that are~~ **IS** equivalent to ~~or exceed the requirements of § 17–403 of~~ **THE CERTIFICATE THE APPLICANT IS APPLYING FOR UNDER** this subtitle; ~~OR~~

~~(II) 1. IS PRACTICING ASSOCIATE ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN ANOTHER STATE, TERRITORY, OR JURISDICTION AT THE TIME OF APPLICATION;~~

~~2. HAS PRACTICED ASSOCIATE ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN GOOD STANDING IN THE OTHER STATE, TERRITORY, OR JURISDICTION FOR AT LEAST 5 YEARS;~~

~~3. HAS PASSED A NATIONAL CERTIFICATION EXAM APPROVED BY THE BOARD; AND~~

~~4. HAS PASSED THE STATE LAW EXAMINATION;~~

(2) Submits an application to the Board on a form that the Board requires; ~~and~~

(3) Pays to the Board an application fee set by the Board**; AND**

(4) SATISFIES ANY OTHER EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED BY THE BOARD.

(C) THE BOARD MAY WAIVE EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED UNDER SUBSECTION (B)(4) OF THIS SECTION:

(1) UNDER CIRCUMSTANCES DETERMINED BY THE BOARD; AND

(2) FOR APPLICANTS WHO PETITION THE BOARD FOR WAIVER.

~~(c)~~ **(D)** If the applicant is licensed or certified to practice as a supervised counselor–alcohol and drug, the Board shall grant a waiver under this section only if the applicant:

(1) ~~(I)~~ ~~Is licensed or certified~~ **HOLDS A LICENSE OR CERTIFICATE** in another state, territory, or jurisdiction that ~~has requirements that are~~ **IS** equivalent to ~~or exceed the requirements of § 17–404 of~~ **THE CERTIFICATE THE APPLICANT IS APPLYING FOR UNDER** this subtitle; ~~OR~~

~~(II) 1. IS PRACTICING SUPERVISORY ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN ANOTHER STATE, TERRITORY, OR JURISDICTION AT THE TIME OF APPLICATION;~~

~~2. HAS PRACTICED SUPERVISORY ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN GOOD STANDING IN THE OTHER STATE, TERRITORY, OR JURISDICTION FOR AT LEAST 5 YEARS;~~

~~3. HAS PASSED A NATIONAL CERTIFICATION EXAM APPROVED BY THE BOARD; AND~~

~~4. HAS PASSED THE STATE LAW EXAMINATION;~~

(2) Submits an application to the Board on a form that the Board requires; ~~and~~

(3) Pays to the Board an application fee set by the Board**; AND**

(4) SATISFIES ANY OTHER EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED BY THE BOARD.

(E) THE BOARD MAY WAIVE EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED UNDER SUBSECTION (D)(4) OF THIS SECTION:

(1) UNDER CIRCUMSTANCES DETERMINED BY THE BOARD; AND

(2) FOR APPLICANTS WHO PETITION THE BOARD FOR WAIVER.

~~(d)~~ **(F)** The Board shall adopt regulations to carry out this section.

17–502.

(a) An applicant who otherwise qualifies for a license or certificate is entitled to be examined as provided in this section.

(b) The Board shall give examinations to applicants at least twice a year, at the times and places that the Board determines.

(c) The Board shall notify each qualified applicant of the time and place of examination.

(d) (1) The Board may not limit the number of times an applicant may take an examination required under this title.

(2) The applicant shall pay to the Board a reexamination fee set by the Board for each reexamination.

(e) The examination shall include a portion that tests an applicant's knowledge of the Maryland Professional Counselors and Therapists Act.

~~17–6A–01.~~

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

~~(b) [“Committee” means the Behavior Analyst Advisory Committee established under § 17–6A–05 of this subtitle.~~

~~(c)]~~ ~~“License” means a license issued by the Board to practice behavior analysis.~~

~~[(d)] (C)~~ ~~“Licensed behavior analyst” means an individual who is licensed by the Board to practice behavior analysis.~~

~~[(e)] (D)~~ ~~“Licensee” means a licensed behavior analyst.~~

~~[(f)] (E)~~ ~~(1) “Practice of behavior analysis” means the design, implementation, and evaluation of systematic instructional and environmental modifications to produce socially significant improvements in human behavior.~~

~~(2) “Practice of behavior analysis” includes:~~

~~(i) The empirical identification of functional relations between behavior and environmental factors, known as functional assessment and analysis; and~~

~~(ii) Interventions based on scientific research and the direct observation and measurement of behavior and environment.~~

~~(3) “Practice of behavior analysis” does not include psychological testing, diagnosis of a mental or physical disorder, neuropsychology, psychotherapy, cognitive therapy, sex therapy, psychoanalysis, hypnotherapy, counseling, or any subdiscipline of psychology as treatment modalities.~~

~~[17–6A–05.~~

~~There is a Behavior Analyst Advisory Committee within the Board.]~~

~~[17–6A–06.~~

~~(a) The Committee consists of five members appointed by the Board as follows:~~

~~(1) (i) On or before December 31, 2014, four behavior analysts who:~~

~~1. Are certified by the Behavior Analyst Certification Board; and~~

~~2. Have a minimum of 5 years of clinical experience; and~~

~~(ii) On or after January 1, 2015, four licensed behavior analysts who:~~

~~1. Are certified by the Behavior Analyst Certification Board; and~~

~~2. Have a minimum of 5 years of clinical experience; and~~

~~(2) One consumer member who is receiving services, has received services, or has a child who is receiving services for a behavioral disorder, including an autism spectrum disorder.~~

~~(b) The consumer member of the Committee:~~

~~(1) Shall be a member of the general public;~~

~~(2) May not be or ever have been a behavior analyst or in training to become a behavior analyst;~~

~~(3) May not have a household member who is a behavior analyst or in training to become a behavior analyst;~~

~~(4) May not participate or ever have participated in a commercial or professional field related to behavior analysis;~~

~~(5) May not have a household member who participates in a commercial or professional field related to behavior analysis; and~~

~~(6) May not have had within 2 years before appointment a substantial financial interest in a person regulated by the Board.~~

~~(c) (1) The term of a member is 4 years.~~

~~(2) The terms of members are staggered as required by the terms provided for members of the Committee on October 1, 2014.~~

~~(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.~~

~~(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.~~

~~(5) A member may not serve more than 2 consecutive full terms.~~

~~(d) The Board may remove a member for incompetence or misconduct.~~**]**

~~**[**17–6A–07.~~

~~(a) From among its members, the Committee annually shall elect a chair and a vice chair.~~

~~(b) The Committee shall determine:~~

~~(1) The manner of election of officers; and~~

~~(2) The duties of each officer.~~**]**

~~**[**17–6A–08.~~

~~(a) A majority of the members then serving on the Committee is a quorum.~~

~~(b) (1) The Committee shall meet at least once a year, at the times and places that it determines.~~

~~(2) The Committee may hold special meetings if:~~

~~(i) Requested by the Board; or~~

~~(ii) The chair or a majority of the members then serving on the Committee consider a meeting to be necessary or advisable.~~

~~(3) Reasonable notice of all Committee meetings shall be given in the manner determined by the Committee.~~

~~(c) A member of the Committee:~~

~~(1) May not receive compensation as a member of the Committee; but~~

~~(2) Is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.~~]

[~~17–6A–09.~~

~~In addition to the powers and duties set forth elsewhere in this subtitle, the Committee shall:~~

~~(1) Develop and recommend to the Board regulations to carry out this subtitle;~~

~~(2) Develop and recommend to the Board a code of ethics for the practice of behavior analysis;~~

~~(3) Develop and recommend to the Board the requirements for licensure as a behavior analyst, including:~~

~~(i) Criteria for the educational and clinical training of licensed behavior analysts; and~~

~~(ii) Criteria for a professional competency examination and testing of applicants for a license to practice behavior analysis;~~

~~(4) Develop and recommend to the Board continuing education requirements for license renewal;~~

~~(5) Provide the Board with recommendations concerning the practice of behavior analysis;~~

~~(6) Keep a record of its proceedings; and~~

~~(7) Report to the Board as required in regulations adopted by the Board.~~]

[~~17–6A–26.~~

~~(a) In this section, "behavior analyst rehabilitation subcommittee" means a subcommittee that:~~

~~(1) Is defined in subsection (b) of this section; and~~

~~(2) Performs any of the functions listed in subsection (d) of this section.~~

~~(b) For purposes of this section, a behavior analyst rehabilitation subcommittee is a subcommittee of the Committee that:~~

~~(1) Is recognized by the Board; and~~

~~(2) Includes but is not limited to behavior analysts.~~

~~(c) A rehabilitation subcommittee of the Committee or recognized by the Committee may function:~~

~~(1) Solely for the Committee; or~~

~~(2) Jointly with a rehabilitation committee representing another board or boards.~~

~~(d) For purposes of this section, a behavior analyst rehabilitation subcommittee evaluates and provides assistance to any behavior analyst in need of treatment and rehabilitation for alcoholism, drug abuse, chemical dependency, or other physical, emotional, or mental condition.~~

~~(e) (1) Except as otherwise provided in this subsection, the proceedings, records, and files of the behavior analyst rehabilitation subcommittee are not discoverable and are not admissible in evidence in any civil action arising out of the matters that are being or have been reviewed and evaluated by the behavior analyst rehabilitation subcommittee.~~

~~(2) Paragraph (1) of this subsection does not apply to any record or document that is considered by the behavior analyst rehabilitation subcommittee and that otherwise would be subject to discovery or introduction into evidence in a civil action.~~

~~(3) For purposes of this subsection, civil action does not include a proceeding before the Board or judicial review of a proceeding before the Board.~~

~~(f) A person who acts in good faith and within the scope of jurisdiction of the behavior analyst rehabilitation subcommittee is not civilly liable for any action as a member of the behavior analyst rehabilitation subcommittee or for giving information to, participating in, or contributing to the function of the behavior analyst rehabilitation subcommittee.]~~

~~**SUBTITLE 6B. ALCOHOL AND DRUG COUNSELOR SUBCOMMITTEE.**~~

~~**17–6B–01.**~~

~~**IN THIS SUBTITLE, "SUBCOMMITTEE" MEANS THE ALCOHOL AND DRUG COUNSELOR SUBCOMMITTEE ESTABLISHED UNDER § 17–6B–02 OF THIS SUBTITLE.**~~

~~**17–6B–02.**~~

~~**THERE IS AN ALCOHOL AND DRUG COUNSELOR SUBCOMMITTEE WITHIN THE BOARD.**~~

~~17–6B–03.~~

~~(A) THE SUBCOMMITTEE CONSISTS OF MEMBERS APPOINTED BY THE BOARD AS FOLLOWS:~~

~~(1) TWO BOARD MEMBERS WHO ARE LICENSED AS ALCOHOL AND DRUG COUNSELORS;~~

~~(2) TWO LICENSED OR CERTIFIED ALCOHOL AND DRUG COUNSELORS WHO ARE NOT BOARD MEMBERS; AND~~

~~(3) ONE CONSUMER WHO IS A MEMBER OF THE BOARD.~~

~~(B) (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 SUBCOMMITTEE ON JUNE 1, 2018.~~

~~(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.~~

~~(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.~~

~~(5) A MEMBER MAY NOT SERVE MORE THAN 2 CONSECUTIVE FULL TERMS.~~

~~(C) THE BOARD MAY REMOVE A MEMBER FOR INCOMPETENCE OR MISCONDUCT.~~

~~17–6B–04.~~

~~(A) FROM AMONG ITS MEMBERS, THE SUBCOMMITTEE ANNUALLY SHALL ELECT A CHAIR AND A VICE CHAIR.~~

~~(B) THE SUBCOMMITTEE SHALL DETERMINE:~~

~~(1) THE MANNER OF ELECTION OF OFFICERS; AND~~

~~(2) THE DUTIES OF EACH OFFICER.~~

~~17–6B–05.~~

~~(A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE SUBCOMMITTEE IS A QUORUM.~~

~~(B) (1) THE SUBCOMMITTEE SHALL MEET AT LEAST ONCE EVERY 2 MONTHS, AT THE TIMES AND PLACES IT DETERMINES.~~

~~(2) THE SUBCOMMITTEE MAY HOLD SPECIAL MEETINGS IF:~~

~~(I) REQUESTED BY THE BOARD; OR~~

~~(II) THE CHAIR OR A MAJORITY OF THE MEMBERS THEN SERVING ON THE SUBCOMMITTEE CONSIDERS A MEETING TO BE NECESSARY OR ADVISABLE.~~

~~(3) REASONABLE NOTICE OF ALL SUBCOMMITTEE MEETINGS SHALL BE GIVEN IN THE MANNER DETERMINED BY THE SUBCOMMITTEE.~~

~~(C) A MEMBER OF THE SUBCOMMITTEE:~~

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

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

~~17–6B–06.~~

~~IN ADDITION TO THE POWERS AND DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE, THE SUBCOMMITTEE SHALL:~~

~~(1) EVALUATE AND MAKE RECOMMENDATIONS TO THE BOARD FOR METHODS TO IMPROVE AND EXPEDITE THE LICENSURE AND CERTIFICATION PROCESSES FOR ALCOHOL AND DRUG COUNSELORS AND ALCOHOL AND DRUG TRAINEES;~~

~~(2) EVALUATE APPLICATIONS FOR LICENSURE AND CERTIFICATION OF ALCOHOL AND DRUG COUNSELORS AND TRAINEES; AND~~

~~(3) EVALUATE AND MAKE PRELIMINARY RECOMMENDATIONS ON INDIVIDUAL DISCIPLINARY MATTERS WHEN THE SUBJECT OF THE DISCIPLINARY MATTER IS:~~

~~(I) AN ALCOHOL AND DRUG TRAINEE;~~

~~**(II) A CERTIFIED SUPERVISED COUNSELOR–ALCOHOL AND DRUG;**~~

~~**(III) A CERTIFIED ASSOCIATE COUNSELOR–ALCOHOL AND DRUG;**~~

~~**(IV) A CERTIFIED PROFESSIONAL COUNSELOR–ALCOHOL AND DRUG;**~~

~~**(V) A LICENSED GRADUATE ALCOHOL AND DRUG COUNSELOR; OR**~~

~~**(VI) A LICENSED CLINICAL ALCOHOL AND DRUG COUNSELOR.**~~

~~**17–6B–07.**~~

~~**SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF THE MARYLAND PROGRAM EVALUATION ACT, THIS SUBTITLE AND ANY RULES AND REGULATIONS ADOPTED UNDER THIS SUBTITLE SHALL TERMINATE AND BE OF NO EFFECT AFTER JULY 1, 2021.**~~

17–702.

Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, this title and all rules or regulations adopted under this title shall terminate and be of no effect after July 1, **[**2019**] 2021**.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before October 1, 2018, and every 6 months thereafter until October 1, 2021, the State Board of Professional Counselors and Therapists, in consultation with the Maryland Department of Health and the Department of Budget and Management, shall submit to the Department of Legislative Services a report on the progress made implementing the recommendations contained within the December 2017 publication "Sunset Review: Evaluation of the State Board of Professional Counselors and Therapists".

(b) The progress reports required under subsection (a) of this section shall address:

(1) the efforts made by the Board, in conjunction with the Maryland Department of Health and the Department of Budget and Management, to:

(i) obtain additional personnel resources to allow the Board to conduct a systematic evaluation and triage of the Board's complaint backlog;

(ii) prioritize complaints based on potential public safety risks; and

(iii) develop a plan to systematically address the complaint backlog and implement strategies to prevent future backlogs;

(2) the practices adopted by the Board to improve the thoroughness, completeness, and legibility of investigative notes and the progress made in moving to an electronic system to track complaints and investigations;

(3) the development of concrete timelines for the duration of investigations, wherein after a certain period of time, a case should be dismissed or advanced except under specified circumstances;

(4) the progress the Board has made in ~~proposing educational requirements in regulation, if the Board has decided to do so~~ adopting regulations as required under subsection (c) of this section;

(5) the research and consideration the Board has given to extending the use of education programs accredited by the respective professional accrediting organizations for education requirements for licensed clinical professional counselors, clinical alcohol and drug counselors, clinical marriage and family therapists, certified associate counselors–alcohol and drug, and certified supervised counselors–alcohol and drug;

(6) any progress made toward the implementation of the proposed portability plan for professional counselors and levels of reciprocity or endorsement to other levels of licensees or certificate holders in other states who have practiced for a specified number of years, passed a state law exam, and passed either a specified national examination or hold a specified national certification from a respective national credentialing organization;

(7) the specific efforts have been undertaken to train Board staff in current requirements for direct licensure or certification responsibilities, and cross–training for additional licensure and certification responsibilities;

(8) the progress of the investigation by the Board into implementing an online licensing and certification system that:

(i) allows applicants to submit applications electronically;

(ii) assists the Board in keeping accurate records of the number of applicants, licensees, and certificate holders; and

(iii) tracks applications through the licensing and certification process;

(9) whether the number and types of licenses and certificates currently issued are necessary to protect the public or if a reduced number would adequately protect the public and provide better access to services;

(10) the progress that has been made to implement systems to track progress toward licensure and complaint resolution goals, in conjunction with the Department of Budget and Management; ~~and~~

(11) the progress that has been made, in conjunction with the Maryland Department of Health and the Department of Information Technology, to determine whether the Board should be a part of the electronic licensing and disciplinary system;

(12) the progress the Board has made in determining whether it is more appropriate for the Board or the State Board of Examiners of Psychologists to regulate the practice of behavior analysis as required under subsection (d) of this section;

(13) the progress the Board has made in determining whether or not it would be in the best interest of the State to regulate additional creative or expressive counselors and therapists as required under subsection (e) of this section; and

(14) the progress the Board has made in determining a Board composition that appropriately represents the professions credentialed by the Board while providing the best protection to the public as required under subsection (f) of this section.

(c) (1) Within 30 days after the effective date of this Act, the Board shall submit emergency and proposed regulations to the Joint Committee on Administrative, Executive, and Legislative Review:

(i) on licensed clinical professional art therapists and licensed graduate professional art therapists; and

(ii) clarifying internship and supervised work experience requirements for an applicant to qualify as a certified associate counselor–alcohol and drug or a certified supervised counselor–alcohol and drug.

(2) On or before January 1, 2019, the Board shall submit regulations to the Joint Committee on Administrative, Executive, and Legislative Review to update, as appropriate, provisions regarding education and experience requirements for:

(i) licensed clinical professional counselors;

(ii) licensed graduate professional counselors;

(iii) licensed clinical marriage and family therapists;

(iv) licensed graduate marriage and family therapists;

(v) licensed clinical alcohol and drug counselors;

(vi) licensed graduate alcohol and drug counselors;

(vii) certified associate counselors–alcohol and drug;

(viii) certified supervised counselors–alcohol and drug; and

(ix) alcohol and drug trainees.

(3) When drafting regulations in accordance with paragraph (2) of this subsection, the Board shall:

(i) distribute drafts to and receive feedback from interested stakeholders; and

(ii) hold at least one public meeting.

(4) The Maryland Department of Health shall make employees of the Department available to the Board to assist in drafting the regulations required by this subsection.

(d) On or before June 1, 2019, the Board shall determine whether the Board or the State Board of Examiners of Psychologists is the most appropriate board to regulate the practice of behavior analysis after:

(1) consulting with the State Board of Examiners of Psychologists;

(2) receiving input from interested stakeholders; and

(3) holding at least one public meeting.

(e) (1) On or before June 1, 2019, the Board shall determine whether or not it would be in the best interest of the State to regulate additional creative or expressive counselors and therapists and, if so, whether the Board or another existing health occupations board should or a new board should be established to regulate the creative or expressive counselors and therapists.

(2) The Board shall make the determination after:

(i) receiving input from interested stakeholders; and

(ii) holding at least one public meeting.

(f) On or before October 1, 2019, the Board shall determine a Board composition that appropriately represents the professions credentialed by the Board while providing the best protection to the public after:

(1) making the determinations required under subsections (d) and (e) of this section;

(2) receiving input from interested stakeholders; and

(3) holding at least one public meeting.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1, 2019, the Department of Legislative Services shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee, in accordance with § 2–1246 of the State Government Article, on the progress to date of the State Board of Professional Counselors and Therapists in implementing the recommendations contained within the December 2017 publication "Sunset Review: Evaluation of the State Board of Professional Counselors and Therapists" and recommend whether and for how long the termination date of the Board should be extended.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) Subject to subsection (b) of this section, ~~the terms of~~ the two longest serving members of the State Board of Professional Counselors and Therapists who are licensed as clinical ~~marriage and family therapists and that expire June 30, 2021, shall terminate on the effective date~~ professional counselors on the effective date of this Act shall continue to serve until the end of the members' current term at which time the Governor shall appoint two licensed clinical professional counselors who do not hold another credential issued by the Board as required by § 17–202(a)(5) of the Health Occupations Article, as enacted by Section 1 of this Act.

(b) A member ~~whose appointment is terminated under~~ who finishes the member's term in accordance with subsection (a) of this section shall continue to serve until a successor is appointed and qualifies.

~~SECTION 5. AND BE IT FURTHER ENACTED, That the terms of the initial members of the Alcohol and Drug Counselor Subcommittee shall expire as follows:~~

~~(1) two members in 2019;~~

~~(2) two members in 2020; and~~

~~(3) one member in 2021.~~

SECTION ~~6.~~ 5. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 15, 2018.

Chapter 757

(Senate Bill 552)

AN ACT concerning

State Board of Professional Counselors and Therapists – Sunset Extension and Program Evaluation

FOR the purpose of continuing the State Board of Professional Counselors and Therapists in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to a certain date the termination provisions relating to statutory and regulatory authority of the Board; ~~altering the composition of the Board~~ prohibiting a certain number of individuals appointed as certain members of the Board from holding a certain credential; requiring the Board to submit a certain report to the General Assembly, in addition to the Governor and the Secretary of Health, on or before a certain date each year; requiring the Board to create an Alcohol and Drug Counselor Subcommittee to perform certain functions; altering the educational requirements for licensure to practice clinical alcohol and drug counseling; altering the educational requirements for licensure to practice clinical marriage and family therapy; altering the educational requirements for licensure to practice clinical professional counseling; altering the educational requirements for licensure to practice clinical professional art therapy; altering the circumstances under which the Board is required to waive certain application requirements for certain individuals; altering the educational requirements for licensure to practice certified associate counselor–alcohol and drug counseling; altering the educational requirements for certification to practice certified supervised counselor–alcohol and drug counseling; ~~repealing certain provisions of law establishing and governing the Behavior Analyst Advisory Committee; repealing certain provisions of law establishing and governing the behavior analyst rehabilitation subcommittee; establishing the Alcohol and Drug Counselor Subcommittee; specifying the composition of the Subcommittee; providing for the terms of a member of the Subcommittee; authorizing the Board to remove a member of the Subcommittee for certain reasons; requiring the Subcommittee to annually elect a chair and vice chair and to determine the manner of election of officers and the duties of each officer; providing that a majority of the members then serving on the Subcommittee is a quorum; requiring the Subcommittee to meet at certain times and places; authorizing the Subcommittee to hold special meetings under certain circumstances; requiring that certain notice of Subcommittee meetings be given in a certain manner; providing for the compensation of Subcommittee members; requiring the Subcommittee to evaluate and make certain recommendations on certain matters;~~ providing for the termination of certain provisions of this Act and certain rules and regulations adopted under certain provisions of this Act subject to certain provisions

of law; requiring the Board, in consultation with the Maryland Department of Health and the Department of Budget and Management, to report on certain matters to the Department of Legislative Services on or before a certain date and at certain intervals thereafter; requiring the Board to submit certain emergency and proposed regulations to the Joint Committee on Administrative, Executive, and Legislative Review within a certain number of days after the effective date of this Act; requiring the Board to submit certain regulations to update provisions regarding certain education and experience requirements to the Joint Committee on or before a certain date; requiring the Board to distribute certain drafts to and receive feedback from certain stakeholders and hold at least a certain number of meetings when drafting certain regulations; requiring the Maryland Department of Health to make certain employees available to the Board to assist in drafting certain regulations; requiring the Board to make a certain determination regarding the regulation of the practice of behavior analysis on or before a certain date and after consulting with the State Board of Examiners of Psychologists, receiving input from certain stakeholders, and holding at least a certain number of meetings; requiring the Board to make a certain determination regarding the regulation of certain creative counselors and therapists on or before a certain date and after receiving certain input and holding at least a certain number of meetings; requiring the Board to make a certain determination for a certain Board composition on or before a certain date and after making certain other determinations, receiving input from certain stakeholders, and holding at least a certain number of meetings; requiring the Department of Legislative Services to submit a report and make certain recommendations to certain committees of the General Assembly on or before a certain date; requiring ~~that the terms of~~ certain members of the Board ~~terminate on a certain date~~ to continue to serve until the end of a certain term and that at a certain time, the Governor appoint certain members in accordance with certain provisions of this Act; requiring that certain members of the Board continue to serve until a successor is appointed and qualifies; ~~specifying the terms of the initial members of the Subcommittee;~~ making conforming changes; defining a certain term; making this Act an emergency measure; and generally relating to the State Board of Professional Counselors and Therapists.

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section 17–202(a), 17–205(b), 17–302(d) and (f), 17–303(d) and (f), 17–304(d) and (e), 17–304.1(e), 17–305, 17–403, 17–404, 17–405, ~~17–6A–01,~~ and 17–702
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 17–302(a), 17–303(a), 17–304(a), 17–304.1(a), and 17–502
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

~~BY repealing~~
~~Article – Health Occupations~~

~~Section 17–6A–05 through 17–6A–09 and 17–6A–26~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – Health Occupations~~
~~Section 17–6B–01 through 17–6B–07 to be under the new subtitle "Subtitle 6B. Alcohol and Drug Counselor Subcommittee"~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

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

Article – Health Occupations

17–202.

(a) (1) The Board consists of 13 members appointed by the Governor with the advice of the Secretary.

(2) Of the 13 Board members:

(i) **[**Four**]** ~~**FIVE**~~ shall be licensed as clinical professional counselors;

(ii) **[**Three shall be licensed as clinical marriage and family therapists;

(iii)**]** Three shall be licensed as clinical alcohol and drug counselors;

~~**(III) ONE SHALL BE LICENSED AS A CLINICAL MARRIAGE AND FAMILY THERAPIST;**~~

(iv) One shall be licensed as a clinical professional art therapist;

~~**(V) ONE SHALL BE A LICENSED BEHAVIOR ANALYST;**~~ and

[(v)**]** ~~**(VI)**~~ Two shall be consumer members.

(3) The composition of the Board as to the race and sex of its members shall reflect the composition of the population of the State.

(4) The Governor shall appoint the counselors and therapists from a list submitted to the Governor by the Secretary. Any association representing professional counselors, marriage and family therapists, alcohol and drug counselors, or professional art therapists may submit recommendations for Board members to the Secretary.

(5) TWO OF THE INDIVIDUALS APPOINTED AS A LICENSED CLINICAL PROFESSIONAL COUNSELOR MEMBER UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION MAY NOT HOLD ANOTHER CREDENTIAL ISSUED BY THE BOARD.

17–205.

(b) In addition to the duties set forth elsewhere in this title, the Board shall:

(1) Maintain a registry of all counselors or therapists currently licensed or certified by the Board and all individuals currently working as trainees in accordance with § 17–406(b) of this title;

(2) Submit an annual report to the Governor **[**and**]**, the Secretary**, AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 31 EACH YEAR**;

(3) Adopt a code of ethics that the Board considers to be appropriate and applicable to the counselors or therapists currently certified or licensed by the Board and the individuals currently working as trainees in accordance with § 17–406(b) of this title;

(4) Establish continuing education requirements for the counselors or therapists currently certified or licensed by the Board;

(5) Adopt an official seal; ~~and~~

(6) Create committees as it deems appropriate to advise the Board on special issues**; AND**

(7) ESTABLISH AN ALCOHOL AND DRUG COUNSELOR SUBCOMMITTEE TO:

(I) EVALUATE AND MAKE RECOMMENDATIONS TO THE BOARD ON METHODS TO IMPROVE AND EXPEDITE THE LICENSURE AND CERTIFICATION PROCESSES FOR ALCOHOL AND DRUG COUNSELORS AND DRUG TRAINEES;

(II) EVALUATE AND MAKE RECOMMENDATIONS TO THE BOARD ON METHODS TO IMPROVE AND EXPEDITE THE DISCIPLINARY PROCESS FOR ALCOHOL AND DRUG COUNSELORS AND DRUG TRAINEES;

(III) ASSIST THE BOARD IN DRAFTING REGULATIONS RELATED TO ALCOHOL AND DRUG COUNSELORS AND DRUG TRAINEES; AND

(IV) OTHERWISE ASSIST THE BOARD TO FULFILL THE PURPOSE STATED IN § 17–102(B) OF THIS TITLE.

17–302.

(a) To qualify for a license to practice clinical alcohol and drug counseling, an applicant shall be an individual who meets the requirements of this section.

(d) (1) Except as provided in § 17–305 of this subtitle, the applicant shall at a minimum:

(i) Hold a master's or doctoral degree in a health and human services counseling field from a regionally accredited educational institution that is approved by the Board; or

(ii) Hold a master's degree from a regionally accredited educational institution and have completed a program of studies judged by the Board to be substantially equivalent in subject matter as **MAY BE** required **[**under this section**]** **BY THE BOARD IN REGULATION**.

(2) The applicant shall have completed **[**a minimum of 60 semester credit hours or 90 quarter credit hours approved by the Board.

(3) The applicant shall have completed a minimum of 39 semester credit hours or 65 quarter credit hours in alcohol and drug counselor training, including:

(i) A 3 semester credit hour or 5 quarter credit hour course taken at a regionally accredited educational institution in each of the following:

1. Medical aspects of chemical dependency;

2. Group counseling;

3. Individual counseling;

4. Family counseling;

5. Addictions treatment delivery;

6. Ethics that includes alcohol and drug counseling issues;

7. Human development;

8. Abnormal psychology;

9. Theories of counseling;

10. Treatment of co–occurring disorders; and

11. Topics in substance–related and addictive disorders; and

(ii) An internship in alcohol and drug counseling that totals 6 semester credit hours or 10 quarter credit hours**]** **ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(f) The applicant shall provide documentation to the Board evidencing the completion of **[**60 hours of graduate course work**]** **ANY EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**, completed at a regionally accredited educational institution approved by the Board **[**that included training in:

(1) Personality development;

(2) Diagnosis and treatment of mental and emotional disorders;

(3) Psychopathology; and

(4) Psychotherapy**]**.

17–303.

(a) To qualify for a license to practice clinical marriage and family therapy, an applicant shall be an individual who meets the requirements of this section.

(d) (1) Except as provided in § 17–306 of this subtitle, the applicant shall hold a master's or doctoral degree in a marriage and family field from an accredited educational institution that is approved by the Board or have completed a program of studies judged by the Board to be substantially equivalent in subject matter and extent of training as **MAY BE** required **[**under this section**]** **BY THE BOARD IN REGULATION**.

(2) **[**In the case of an applicant holding a doctoral degree, the applicant shall have completed a minimum of 90 graduate credit hours in training in marriage and family therapy approved by the Board that includes instruction in the following specialized areas:

(i) Analysis of family systems;

(ii) Family therapy, theory, and techniques;

(iii) Couples therapy, theory, and techniques;

(iv) Gender and ethnicity in marriage and family therapy; and

(v) Sexual issues in marriage and family therapy.

(3) In the case of an applicant holding only a master's degree, the applicant shall have completed a minimum of 60 graduate credit hours in training in marriage and family therapy approved by the Board that includes instruction in the specialized areas set forth in paragraph (2) of this subsection**]** **THE APPLICANT SHALL HAVE COMPLETED ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(f) The applicant shall provide documentation to the Board evidencing the completion of **[**60 hours of graduate course work**]** **ANY EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION,** completed at an accredited college or university approved by the Board**[**, that included training in:

(1) Personality development;

(2) Diagnosis and treatment of mental and emotional disorders;

(3) Psychopathology;

(4) Family therapy; and

(5) Psychotherapy**]**.

17–304.

(a) Except as provided in § 17–307 of this subtitle, to qualify for a license to practice clinical professional counseling, an applicant shall be an individual who meets the requirements of this section.

(d) (1) The applicant shall hold a master's or doctoral degree in a professional counseling field from an accredited educational institution that is approved by the Board.

(2) **[**In the case of an applicant holding a doctoral degree, the applicant shall have completed:

(i) A minimum of 90 graduate credit hours in counselor training approved by the Board, including instruction in:

1. Counseling theory and ethics;

2. Counseling techniques;

3. Human growth and development and maladaptive behaviors;

4. Group dynamics, processing, and counseling;

5. Social and cultural foundations;

6. Lifestyle and career development;

7. Appraisal of individuals;

8. Research and evaluation;

9. Participation in a supervised practicum in professional counseling;

10. Marriage and family therapy; and

11. Alcohol and drug counseling; and

(ii) Not less than 2 years of supervised experience in counseling approved by the Board, 1 year of which shall have been completed after the award of the doctoral degree.

(3) In the case of an applicant holding only a master's degree, the applicant shall have completed:

(i) A minimum of 60 graduate credit hours in counselor training in the areas set forth in paragraph (2) of this subsection; and

(ii) Not less than 3 years, with a minimum of 3,000 hours, of supervised experience in counseling approved by the Board, 2 years of which shall have been completed after the award of the master's degree**] THE APPLICANT SHALL HAVE COMPLETED ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(e) The applicant shall provide documentation to the Board evidencing the completion of **[**60 hours of graduate course work**] ANY EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION,** in the applicant's respective area of practice from an accredited college or university program approved by the Board**[**, including training in:

(1) Personality development;

(2) Diagnosis and treatment of mental and emotional disorders;

(3) Psychopathology; and

(4) Psychotherapy**]**.

17–304.1.

(a) Except as provided in §§ 17–304.2 and 17–307.1 of this subtitle, to qualify for a license to practice clinical professional art therapy, an applicant shall be an individual who meets the requirements of this section.

(e) The applicant shall provide documentation to the Board evidencing the completion of **[**60 hours of graduate course work in art therapy**]** **ANY EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION,** from an accredited college or university program that is accredited by the American Art Therapy Association, approved by the Board**[**, and includes training in:

(1) Personality development;

(2) Diagnosis and treatment of mental and emotional disorders;

(3) Psychopathology;

(4) Psychotherapy;

(5) Marriage and family therapy;

(6) Addictions; and

(7) Lifestyle and career development**]**.

17–305.

(a) The Board shall waive the requirements for licensure for an applicant to practice clinical alcohol and drug counseling if the applicant:

(1) ~~(I) Is licensed or certified~~ **HOLDS A LICENSE** as a clinical alcohol and drug counselor in another state, territory, or jurisdiction that ~~has requirements that are~~ **IS** equivalent to ~~or exceed the requirements of § 17–302 of~~ **THE LICENSE THE APPLICANT IS APPLYING FOR UNDER** this subtitle; ~~**OR**~~

~~**(II) 1. IS PRACTICING ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN ANOTHER STATE, TERRITORY, OR JURISDICTION AT THE TIME OF APPLICATION;**~~

~~**2. HAS PRACTICED ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN GOOD STANDING IN THE OTHER STATE, TERRITORY, OR JURISDICTION FOR AT LEAST 5 YEARS;**~~

~~**3. HAS PASSED A NATIONAL CERTIFICATION EXAM APPROVED BY THE BOARD; AND**~~

~~**4. HAS PASSED THE STATE LAW EXAMINATION;**~~

(2) Submits an application to the Board on a form that the Board requires; ~~and~~

(3) Pays to the Board an application fee set by the Board**; AND**

(4) SATISFIES ANY OTHER EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED BY THE BOARD.

(B) THE BOARD MAY WAIVE EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED UNDER SUBSECTION (A)(4) OF THIS SECTION:

(1) UNDER CIRCUMSTANCES DETERMINED BY THE BOARD; AND

(2) FOR APPLICANTS WHO PETITION THE BOARD FOR WAIVER.

~~(b)~~ **(C)** The Board shall adopt regulations to implement this section.

17–403.

(a) Except as provided in § 17–405 of this subtitle, to qualify as a certified associate counselor–alcohol and drug, an applicant shall:

(1) Be of good moral character;

(2) At a minimum:

(i) Hold a bachelor's degree from a regionally accredited educational institution approved by the Board in a health and human services counseling field; or

(ii) Hold a bachelor's degree from a regionally accredited educational institution and have completed a program of studies judged by the Board to be substantially equivalent in subject matter **AS MAY BE REQUIRED BY THE BOARD IN REGULATION**;

(3) Have completed not less than 1 year with a minimum of 2,000 hours of clinically supervised experience in alcohol and drug counseling approved by the Board; and

(4) Have **[**a minimum of 33 semester credit hours or 50 quarter credit hours in alcohol and drug counselor training, including:

(i) A 3 semester credit hour or 5 quarter credit hour course taken at a regionally accredited educational institution in each of the following:

1. Medical aspects of chemical dependency;

2. Addictions treatment delivery;

3. Group counseling;

4. Individual counseling;

5. Ethics that includes alcohol and drug counseling issues; and

6. Abnormal psychology; and

(ii) Any three of the following 3 semester credit hour or 5 quarter credit hour courses taken at a regionally accredited educational institution:

1. Family counseling;

2. Theories of counseling;

3. Human development;

4. Topics in substance–related and addictive disorders; and

5. Treatment of co–occurring disorders; and

(iii) An internship in alcohol and drug counseling that totals 6 semester credit hours or 10 quarter credit hours**]** **COMPLETED ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(b) Except as otherwise provided in this title, the applicant shall pass:

(1) An examination approved by the Board under this title; and

(2) The law examination on this title administered by the Board.

(c) A certified associate counselor–alcohol and drug shall practice alcohol and drug counseling under the supervision of a Board–approved alcohol and drug supervisor who is:

(1) A licensed clinical alcohol and drug counselor;

(2) A certified professional counselor–alcohol and drug;

(3) A licensed clinical professional counselor;

(4) A licensed clinical marriage and family therapist;

(5) A licensed clinical professional art therapist; or

(6) A health care provider licensed under this article with documented expertise in alcohol and drug counseling.

(d) A certified associate counselor–alcohol and drug:

(1) May provide only:

(i) Alcohol and drug counseling as an employee of an agency or a facility that is certified or licensed by the State;

(ii) Alcohol and drug counseling under the supervision of a Board–approved supervisor as specified in subsection (c) of this section; and

(iii) Supervision with approval by the Board; and

(2) May not practice independently.

17–404.

(a) To qualify as a certified supervised counselor–alcohol and drug, an applicant shall:

(1) Be of good moral character;

(2) At a minimum:

(i) Hold an associate's degree from a regionally accredited educational institution in a health and human services counseling field; or

(ii) Hold an associate's degree from a regionally accredited educational institution and have completed a program of studies judged by the Board to be substantially equivalent in subject matter **AS MAY BE REQUIRED BY THE BOARD IN REGULATION**; and

(3) Have **[**a minimum of 24 semester credit hours or 37 quarter credit hours including:

(i) A 3 semester credit hour or 5 quarter credit hour course taken at a regionally accredited educational institution in each of the following courses:

1. Medical aspects of chemical dependency;

2. Addictions treatment delivery; and

3. Ethics that includes alcohol and drug counseling issues;

(ii) Any three of the following 3 semester credit hour or 5 quarter credit hour courses taken at a regionally accredited educational institution:

1. Group counseling;

2. Individual counseling;

3. Family counseling;

4. Theories of counseling;

5. Human development;

6. Abnormal psychology;

7. Topics in substance–related and addictive disorders; and

8. Treatment of co–occurring disorders; and

(iii) An internship in alcohol and drug counseling that totals 6 semester credit hours or 10 quarter credit hours**] COMPLETED ANY ADDITIONAL EDUCATIONAL REQUIREMENTS ESTABLISHED BY THE BOARD IN REGULATION**.

(b) Except as otherwise provided in this title, the applicant shall pass:

(1) An examination approved by the Board under this title; and

(2) The law examination on this title administered by the Board.

(c) A certified supervised counselor–alcohol and drug shall practice alcohol and drug counseling under the supervision of a Board–approved alcohol and drug supervisor who is:

(1) A licensed clinical alcohol and drug counselor;

(2) A certified professional counselor–alcohol and drug;

(3) A certified associate counselor–alcohol and drug;

(4) A licensed clinical professional counselor;

(5) A licensed clinical marriage and family therapist;

(6) A licensed clinical professional art therapist; or

(7) A health care provider licensed under this article with documented expertise in alcohol and drug counseling.

(d) A certified supervised counselor–alcohol and drug:

(1) May provide only:

(i) Alcohol and drug counseling as an employee of an agency or facility that is certified or licensed by the State; and

(ii) Alcohol and drug counseling under the supervision of a Board–approved supervisor as specified in subsection (c) of this section; and

(2) May not:

(i) Provide supervision; or

(ii) Practice independently.

17–405.

(a) The Board shall waive the requirements for certification for an applicant to practice alcohol and drug counseling if the applicant meets the requirements of this section.

(b) If the applicant is licensed or certified to practice as an associate counselor–alcohol and drug, the Board shall grant a waiver under this section only if the applicant:

(1) ~~(I)~~ ~~Is licensed or certified~~ **HOLDS A LICENSE OR CERTIFICATE** in another state, territory, or jurisdiction that ~~has requirements that are~~ **IS** equivalent to ~~or exceed the requirements of § 17–403 of~~ **THE CERTIFICATE THE APPLICANT IS APPLYING FOR UNDER** this subtitle; ~~**OR**~~

~~(II) 1. IS PRACTICING ASSOCIATE ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN ANOTHER STATE, TERRITORY, OR JURISDICTION AT THE TIME OF APPLICATION;~~

~~2. HAS PRACTICED ASSOCIATE ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN GOOD STANDING IN THE OTHER STATE, TERRITORY, OR JURISDICTION FOR AT LEAST 5 YEARS;~~

~~3. HAS PASSED A NATIONAL CERTIFICATION EXAM APPROVED BY THE BOARD; AND~~

~~4. HAS PASSED THE STATE LAW EXAMINATION;~~

(2) Submits an application to the Board on a form that the Board requires; ~~and~~

(3) Pays to the Board an application fee set by the Board**; AND**

(4) SATISFIES ANY OTHER EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED BY THE BOARD.

(C) THE BOARD MAY WAIVE EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED UNDER SUBSECTION (B)(4) OF THIS SECTION:

(1) UNDER CIRCUMSTANCES DETERMINED BY THE BOARD; AND

(2) FOR APPLICANTS WHO PETITION THE BOARD FOR WAIVER.

~~(c)~~ **(D)** If the applicant is licensed or certified to practice as a supervised counselor–alcohol and drug, the Board shall grant a waiver under this section only if the applicant:

(1) ~~(I)~~ ~~Is licensed or certified~~ **HOLDS A LICENSE OR CERTIFICATE** in another state, territory, or jurisdiction that ~~has requirements that are~~ **IS** equivalent to ~~or exceed the requirements of § 17–404 of~~ **THE CERTIFICATE THE APPLICANT IS APPLYING FOR UNDER** this subtitle; ~~**OR**~~

~~(II) 1. IS PRACTICING SUPERVISORY ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN ANOTHER STATE, TERRITORY, OR JURISDICTION AT THE TIME OF APPLICATION;~~

~~2. HAS PRACTICED SUPERVISORY ALCOHOL AND DRUG COUNSELING AS A LICENSED PROFESSIONAL IN GOOD STANDING IN THE OTHER STATE, TERRITORY, OR JURISDICTION FOR AT LEAST 5 YEARS;~~

~~3. HAS PASSED A NATIONAL CERTIFICATION EXAM APPROVED BY THE BOARD; AND~~

~~4. HAS PASSED THE STATE LAW EXAMINATION;~~

(2) Submits an application to the Board on a form that the Board requires; ~~and~~

(3) Pays to the Board an application fee set by the Board**; AND**

(4) SATISFIES ANY OTHER EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED BY THE BOARD.

(E) THE BOARD MAY WAIVE EDUCATIONAL AND EXPERIENCE REQUIREMENTS ESTABLISHED UNDER SUBSECTION (D)(4) OF THIS SECTION:

(1) UNDER CIRCUMSTANCES DETERMINED BY THE BOARD; AND

(2) FOR APPLICANTS WHO PETITION THE BOARD FOR WAIVER.

~~(d)~~ **(F)** The Board shall adopt regulations to carry out this section.

17–502.

(a) An applicant who otherwise qualifies for a license or certificate is entitled to be examined as provided in this section.

(b) The Board shall give examinations to applicants at least twice a year, at the times and places that the Board determines.

(c) The Board shall notify each qualified applicant of the time and place of examination.

(d) (1) The Board may not limit the number of times an applicant may take an examination required under this title.

(2) The applicant shall pay to the Board a reexamination fee set by the Board for each reexamination.

(e) The examination shall include a portion that tests an applicant's knowledge of the Maryland Professional Counselors and Therapists Act.

~~17–6A–01.~~

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

~~(b)~~ **[**~~"Committee" means the Behavior Analyst Advisory Committee established under § 17–6A–05 of this subtitle.~~

~~(c)~~**]** ~~"License" means a license issued by the Board to practice behavior analysis.~~

[~~(d)~~**] (C)** ~~"Licensed behavior analyst" means an individual who is licensed by the Board to practice behavior analysis.~~

[~~(e)~~**] (D)** ~~"Licensee" means a licensed behavior analyst.~~

[~~(f)~~**] (E)** ~~(1) "Practice of behavior analysis" means the design, implementation, and evaluation of systematic instructional and environmental modifications to produce socially significant improvements in human behavior.~~

~~(2) "Practice of behavior analysis" includes:~~

~~(i) The empirical identification of functional relations between behavior and environmental factors, known as functional assessment and analysis; and~~

~~(ii) Interventions based on scientific research and the direct observation and measurement of behavior and environment.~~

~~(3) "Practice of behavior analysis" does not include psychological testing, diagnosis of a mental or physical disorder, neuropsychology, psychotherapy, cognitive therapy, sex therapy, psychoanalysis, hypnotherapy, counseling, or any subdiscipline of psychology as treatment modalities.~~

~~[17–6A–05.~~

~~There is a Behavior Analyst Advisory Committee within the Board.]~~

~~[17–6A–06.~~

~~(a) The Committee consists of five members appointed by the Board as follows:~~

~~(1) (i) On or before December 31, 2014, four behavior analysts who:~~

~~1. Are certified by the Behavior Analyst Certification Board; and~~

~~2. Have a minimum of 5 years of clinical experience; and~~

~~(ii) On or after January 1, 2015, four licensed behavior analysts who:~~

~~1. Are certified by the Behavior Analyst Certification Board; and~~

~~2. Have a minimum of 5 years of clinical experience; and~~

~~(2) One consumer member who is receiving services, has received services, or has a child who is receiving services for a behavioral disorder, including an autism spectrum disorder.~~

~~(b) The consumer member of the Committee:~~

~~(1) Shall be a member of the general public;~~

~~(2) May not be or ever have been a behavior analyst or in training to become a behavior analyst;~~

~~(3) May not have a household member who is a behavior analyst or in training to become a behavior analyst;~~

~~(4) May not participate or ever have participated in a commercial or professional field related to behavior analysis;~~

~~(5) May not have a household member who participates in a commercial or professional field related to behavior analysis; and~~

~~(6) May not have had within 2 years before appointment a substantial financial interest in a person regulated by the Board.~~

~~(c) (1) The term of a member is 4 years.~~

~~(2) The terms of members are staggered as required by the terms provided for members of the Committee on October 1, 2014.~~

~~(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.~~

~~(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.~~

~~(5) A member may not serve more than 2 consecutive full terms.~~

~~(d) The Board may remove a member for incompetence or misconduct.~~**]**

~~**[**17–6A–07.~~

~~(a) From among its members, the Committee annually shall elect a chair and a vice chair.~~

~~(b) The Committee shall determine:~~

~~(1) The manner of election of officers; and~~

~~(2) The duties of each officer.~~**]**

~~**[**17–6A–08.~~

~~(a) A majority of the members then serving on the Committee is a quorum.~~

~~(b) (1) The Committee shall meet at least once a year, at the times and places that it determines.~~

~~(2) The Committee may hold special meetings if:~~

~~(i) Requested by the Board; or~~

~~(ii) The chair or a majority of the members then serving on the Committee consider a meeting to be necessary or advisable.~~

~~(3) Reasonable notice of all Committee meetings shall be given in the manner determined by the Committee.~~

~~(e) A member of the Committee:~~

~~(1) May not receive compensation as a member of the Committee; but~~

~~(2) Is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.~~**]**

~~**[**17–6A–09.~~

~~In addition to the powers and duties set forth elsewhere in this subtitle, the Committee shall:~~

~~(1) Develop and recommend to the Board regulations to carry out this subtitle;~~

~~(2) Develop and recommend to the Board a code of ethics for the practice of behavior analysis;~~

~~(3) Develop and recommend to the Board the requirements for licensure as a behavior analyst, including:~~

~~(i) Criteria for the educational and clinical training of licensed behavior analysts; and~~

~~(ii) Criteria for a professional competency examination and testing of applicants for a license to practice behavior analysis;~~

~~(4) Develop and recommend to the Board continuing education requirements for license renewal;~~

~~(5) Provide the Board with recommendations concerning the practice of behavior analysis;~~

~~(6) Keep a record of its proceedings; and~~

~~(7) Report to the Board as required in regulations adopted by the Board.~~**]**

~~**[**17–6A–26.~~

~~(a) In this section, "behavior analyst rehabilitation subcommittee" means a subcommittee that:~~

~~(1) Is defined in subsection (b) of this section; and~~

~~(2) Performs any of the functions listed in subsection (d) of this section.~~

~~(b) For purposes of this section, a behavior analyst rehabilitation subcommittee is a subcommittee of the Committee that:~~

~~(1) Is recognized by the Board; and~~

~~(2) Includes but is not limited to behavior analysts.~~

~~(c) A rehabilitation subcommittee of the Committee or recognized by the Committee may function:~~

~~(1) Solely for the Committee; or~~

~~(2) Jointly with a rehabilitation committee representing another board or boards.~~

~~(d) For purposes of this section, a behavior analyst rehabilitation subcommittee evaluates and provides assistance to any behavior analyst in need of treatment and rehabilitation for alcoholism, drug abuse, chemical dependency, or other physical, emotional, or mental condition.~~

~~(e) (1) Except as otherwise provided in this subsection, the proceedings, records, and files of the behavior analyst rehabilitation subcommittee are not discoverable and are not admissible in evidence in any civil action arising out of the matters that are being or have been reviewed and evaluated by the behavior analyst rehabilitation subcommittee.~~

~~(2) Paragraph (1) of this subsection does not apply to any record or document that is considered by the behavior analyst rehabilitation subcommittee and that otherwise would be subject to discovery or introduction into evidence in a civil action.~~

~~(3) For purposes of this subsection, civil action does not include a proceeding before the Board or judicial review of a proceeding before the Board.~~

~~(f) A person who acts in good faith and within the scope of jurisdiction of the behavior analyst rehabilitation subcommittee is not civilly liable for any action as a member of the behavior analyst rehabilitation subcommittee or for giving information to, participating in, or contributing to the function of the behavior analyst rehabilitation subcommittee.]~~

~~**SUBTITLE 6B. ALCOHOL AND DRUG COUNSELOR SUBCOMMITTEE.**~~

~~**17–6B–01.**~~

~~IN THIS SUBTITLE, "SUBCOMMITTEE" MEANS THE ALCOHOL AND DRUG COUNSELOR SUBCOMMITTEE ESTABLISHED UNDER § 17–6B–02 OF THIS SUBTITLE.~~

~~17–6B–02.~~

~~THERE IS AN ALCOHOL AND DRUG COUNSELOR SUBCOMMITTEE WITHIN THE BOARD.~~

~~17–6B–03.~~

~~(A) THE SUBCOMMITTEE CONSISTS OF MEMBERS APPOINTED BY THE BOARD AS FOLLOWS:~~

~~(1) TWO BOARD MEMBERS WHO ARE LICENSED AS ALCOHOL AND DRUG COUNSELORS;~~

~~(2) TWO LICENSED OR CERTIFIED ALCOHOL AND DRUG COUNSELORS WHO ARE NOT BOARD MEMBERS; AND~~

~~(3) ONE CONSUMER WHO IS A MEMBER OF THE BOARD.~~

~~(B) (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 SUBCOMMITTEE ON JUNE 1, 2018.~~

~~(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.~~

~~(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.~~

~~(5) A MEMBER MAY NOT SERVE MORE THAN 2 CONSECUTIVE FULL TERMS.~~

~~(C) THE BOARD MAY REMOVE A MEMBER FOR INCOMPETENCE OR MISCONDUCT.~~

~~17–6B–04.~~

~~(A) FROM AMONG ITS MEMBERS, THE SUBCOMMITTEE ANNUALLY SHALL ELECT A CHAIR AND A VICE CHAIR.~~

~~(B) THE SUBCOMMITTEE SHALL DETERMINE:~~

~~(1) THE MANNER OF ELECTION OF OFFICERS; AND~~

~~(2) THE DUTIES OF EACH OFFICER.~~

~~17–6B–05.~~

~~(A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE SUBCOMMITTEE IS A QUORUM.~~

~~(B) (1) THE SUBCOMMITTEE SHALL MEET AT LEAST ONCE EVERY 2 MONTHS, AT THE TIMES AND PLACES IT DETERMINES.~~

~~(2) THE SUBCOMMITTEE MAY HOLD SPECIAL MEETINGS IF:~~

~~(I) REQUESTED BY THE BOARD; OR~~

~~(II) THE CHAIR OR A MAJORITY OF THE MEMBERS THEN SERVING ON THE SUBCOMMITTEE CONSIDERS A MEETING TO BE NECESSARY OR ADVISABLE.~~

~~(3) REASONABLE NOTICE OF ALL SUBCOMMITTEE MEETINGS SHALL BE GIVEN IN THE MANNER DETERMINED BY THE SUBCOMMITTEE.~~

~~(C) A MEMBER OF THE SUBCOMMITTEE:~~

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

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

~~17–6B–06.~~

~~IN ADDITION TO THE POWERS AND DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE, THE SUBCOMMITTEE SHALL:~~

~~(1) EVALUATE AND MAKE RECOMMENDATIONS TO THE BOARD FOR METHODS TO IMPROVE AND EXPEDITE THE LICENSURE AND CERTIFICATION PROCESSES FOR ALCOHOL AND DRUG COUNSELORS AND ALCOHOL AND DRUG TRAINEES;~~

~~(2) EVALUATE APPLICATIONS FOR LICENSURE AND CERTIFICATION OF ALCOHOL AND DRUG COUNSELORS AND TRAINEES; AND~~

~~(3) EVALUATE AND MAKE PRELIMINARY RECOMMENDATIONS ON INDIVIDUAL DISCIPLINARY MATTERS WHEN THE SUBJECT OF THE DISCIPLINARY MATTER IS:~~

~~(I) AN ALCOHOL AND DRUG TRAINEE;~~

~~(II) A CERTIFIED SUPERVISED COUNSELOR–ALCOHOL AND DRUG;~~

~~(III) A CERTIFIED ASSOCIATE COUNSELOR–ALCOHOL AND DRUG;~~

~~(IV) A CERTIFIED PROFESSIONAL COUNSELOR–ALCOHOL AND DRUG;~~

~~(V) A LICENSED GRADUATE ALCOHOL AND DRUG COUNSELOR; OR~~

~~(VI) A LICENSED CLINICAL ALCOHOL AND DRUG COUNSELOR.~~

~~**17–6B–07.**~~

~~SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF THE MARYLAND PROGRAM EVALUATION ACT, THIS SUBTITLE AND ANY RULES AND REGULATIONS ADOPTED UNDER THIS SUBTITLE SHALL TERMINATE AND BE OF NO EFFECT AFTER JULY 1, 2021.~~

17–702.

Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, this title and all rules or regulations adopted under this title shall terminate and be of no effect after July 1, **[**2019**] 2021**.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before October 1, 2018, and every 6 months thereafter until October 1, 2021, the State Board of Professional Counselors and Therapists, in consultation with the Maryland Department of Health and the Department of Budget and Management, shall submit to the Department of Legislative Services a report on the progress made implementing the recommendations contained within the December 2017 publication "Sunset Review: Evaluation of the State Board of Professional Counselors and Therapists".

(b) The progress reports required under subsection (a) of this section shall address:

(1) the efforts made by the Board, in conjunction with the Maryland Department of Health and the Department of Budget and Management, to:

(i) obtain additional personnel resources to allow the Board to conduct a systematic evaluation and triage of the Board's complaint backlog;

(ii) prioritize complaints based on potential public safety risks; and

(iii) develop a plan to systematically address the complaint backlog and implement strategies to prevent future backlogs;

(2) the practices adopted by the Board to improve the thoroughness, completeness, and legibility of investigative notes and the progress made in moving to an electronic system to track complaints and investigations;

(3) the development of concrete timelines for the duration of investigations, wherein after a certain period of time, a case should be dismissed or advanced except under specified circumstances;

(4) the progress the Board has made in ~~proposing educational requirements in regulation, if the Board has decided to do so~~ adopting regulations as required under subsection (c) of this section;

(5) the research and consideration the Board has given to extending the use of education programs accredited by the respective professional accrediting organizations for education requirements for licensed clinical professional counselors, clinical alcohol and drug counselors, clinical marriage and family therapists, certified associate counselors–alcohol and drug, and certified supervised counselors–alcohol and drug;

(6) any progress made toward the implementation of the proposed portability plan for professional counselors and levels of reciprocity or endorsement to other levels of licensees or certificate holders in other states who have practiced for a specified number of years, passed a state law exam, and passed either a specified national examination or hold a specified national certification from a respective national credentialing organization;

(7) the specific efforts have been undertaken to train Board staff in current requirements for direct licensure or certification responsibilities, and cross–training for additional licensure and certification responsibilities;

(8) the progress of the investigation by the Board into implementing an online licensing and certification system that:

(i) allows applicants to submit applications electronically;

(ii) assists the Board in keeping accurate records of the number of applicants, licensees, and certificate holders; and

(iii) tracks applications through the licensing and certification process;

(9) whether the number and types of licenses and certificates currently issued are necessary to protect the public or if a reduced number would adequately protect the public and provide better access to services;

(10) the progress that has been made to implement systems to track progress toward licensure and complaint resolution goals, in conjunction with the Department of Budget and Management; ~~and~~

(11) the progress that has been made, in conjunction with the Maryland Department of Health and the Department of Information Technology, to determine whether the Board should be a part of the electronic licensing and disciplinary system;

(12) the progress the Board has made in determining whether it is more appropriate for the Board or the State Board of Examiners of Psychologists to regulate the practice of behavior analysis as required under subsection (d) of this section;

(13) the progress the Board has made in determining whether or not it would be in the best interest of the State to regulate additional creative or expressive counselors and therapists as required under subsection (e) of this section; and

(14) the progress the Board has made in determining a Board composition that appropriately represents the professions credentialed by the Board while providing the best protection to the public as required under subsection (f) of this section.

(c) (1) Within 30 days after the effective date of this Act, the Board shall submit emergency and proposed regulations to the Joint Committee on Administrative, Executive, and Legislative Review:

(i) on licensed clinical professional art therapists and licensed graduate professional art therapists; and

(ii) clarifying internship and supervised work experience requirements for an applicant to qualify as a certified associate counselor–alcohol and drug or a certified supervised counselor–alcohol and drug.

(2) On or before January 1, 2019, the Board shall submit regulations to the Joint Committee on Administrative, Executive, and Legislative Review to update, as appropriate, provisions regarding education and experience requirements for:

(i) licensed clinical professional counselors;

(ii) licensed graduate professional counselors;

(iii) licensed clinical marriage and family therapists;

(iv) licensed graduate marriage and family therapists;

(v) licensed clinical alcohol and drug counselors;

(vi) licensed graduate alcohol and drug counselors;

(vii) certified associate counselors–alcohol and drug;

(viii) certified supervised counselors–alcohol and drug; and

(ix) alcohol and drug trainees.

(3) When drafting regulations in accordance with paragraph (2) of this subsection, the Board shall:

(i) distribute drafts to and receive feedback from interested stakeholders; and

(ii) hold at least one public meeting.

(4) The Maryland Department of Health shall make employees of the Department available to the Board to assist in drafting the regulations required by this subsection.

(d) On or before June 1, 2019, the Board shall determine whether the Board or the State Board of Examiners of Psychologists is the most appropriate board to regulate the practice of behavior analysis after:

(1) consulting with the State Board of Examiners of Psychologists;

(2) receiving input from interested stakeholders; and

(3) holding at least one public meeting.

(e) (1) On or before June 1, 2019, the Board shall determine whether or not it would be in the best interest of the State to regulate additional creative or expressive counselors and therapists and, if so, whether the Board or another existing health occupations board should or a new board should be established to regulate the creative or expressive counselors and therapists.

(2) The Board shall make the determination after:

(i) receiving input from interested stakeholders; and

(ii) holding at least one public meeting.

(f) On or before October 1, 2019, the Board shall determine a Board composition that appropriately represents the professions credentialed by the Board while providing the best protection to the public after:

(1) making the determinations required under subsections (d) and (e) of this section;

(2) receiving input from interested stakeholders; and

(3) holding at least one public meeting.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1, 2019, the Department of Legislative Services shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee, in accordance with § 2–1246 of the State Government Article, on the progress to date of the State Board of Professional Counselors and Therapists in implementing the recommendations contained within the December 2017 publication "Sunset Review: Evaluation of the State Board of Professional Counselors and Therapists" and recommend whether and for how long the termination date of the Board should be extended.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) Subject to subsection (b) of this section, ~~the terms of~~ the two longest serving members of the State Board of Professional Counselors and Therapists who are licensed as clinical ~~marriage and family therapists and that expire June 30, 2021, shall terminate on the effective date~~ professional counselors on the effective date of this Act shall continue to serve until the end of the members' current term at which time the Governor shall appoint two licensed clinical professional counselors who do not hold another credential issued by the Board as required by § 17–202(a)(5) of the Health Occupations Article, as enacted by Section 1 of this Act.

(b) A member ~~whose appointment is terminated under~~ who finishes the member's term in accordance with subsection (a) of this section shall continue to serve until a successor is appointed and qualifies.

~~SECTION 5. AND BE IT FURTHER ENACTED, That the terms of the initial members of the Alcohol and Drug Counselor Subcommittee shall expire as follows:~~

~~(1) two members in 2019;~~

~~(2) two members in 2020; and~~

~~(3) one member in 2021.~~

SECTION ~~6.~~ 5. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 15, 2018.

Chapter 758

(House Bill 24)

AN ACT concerning

Public Safety – Maryland Police Training and Standards Commission Fund – Establishment

FOR the purpose of requiring the Comptroller to pay annually a certain portion of certain court costs collected by the District Court to the Maryland Police Training and Standards Commission Fund; establishing the Maryland Police Training and Standards Commission Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department of Public Safety and Correctional Services to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; requiring certain distributions from the Fund to be used to supplement and not supplant certain other funds; specifying that the Fund is subject to a certain audit; 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 a certain term; and generally relating to the establishment and use of the Maryland Police Training and Standards Commission Fund.

BY repealing and reenacting, without amendments,
Article – Courts and Judicial Proceedings
Section 7–301(a) and (b)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 7–301(e)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY adding to
Article – Public Safety
Section 3–206.1
Annotated Code of Maryland
(2011 Replacement Volume and 2017 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 and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)101. and 102.
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)103.
Annotated Code of Maryland
(2015 Replacement Volume and 2017 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

7–301.

(a) (1) Except as provided in paragraphs (2) and (3) of this subsection, the court costs in a traffic case, including parking and impounding cases, cases under § 21–202.1, § 21–809, § 21–810, § 21–1414, or § 24–111.3 of the Transportation Article in which costs are imposed, and cases under § 10–112 of the Criminal Law Article in which costs are imposed:

(i) Are $22.50; and

(ii) Shall also be applicable to those cases in which the defendant elects to waive the defendant's right to trial and pay the fine or penalty deposit established by the Chief Judge of the District Court by administrative regulation.

(2) In an uncontested case under § 21–202.1, § 21–809, § 21–810, § 21–1414, or § 24–111.3 of the Transportation Article, an uncontested case under § 10–112 of the Criminal Law Article, or an uncontested parking or impounding case in which the

fines are paid directly to a political subdivision or municipality, costs are $2.00, which costs shall be paid to and retained by the political subdivision or municipality.

(3) (i) In an uncontested case in which the fine is paid directly to an agency of State government authorized by law to regulate parking of motor vehicles, the court costs are $2.00.

(ii) The fine and the costs under this paragraph shall be paid to the agency, which shall receive and account for these funds as in all other cases involving sums due the State through a State agency.

(b) (1) The court costs in a criminal case in which costs are imposed are $22.50.

(2) The costs shall be in addition to any costs imposed in a criminal case under the Criminal Injuries Compensation Act.

(e) The Comptroller shall annually pay from the court costs collected by the District Court under subsections (a) and (b)(1) of this section:

(1) $500,000 into the Criminal Injuries Compensation Fund established under § 11–819 of the Criminal Procedure Article; **[**and**]**

(2) $125,000 into the Victim and Witness Protection and Relocation Fund established under § 11–905 of the Criminal Procedure Article**; AND**

(3) $2,000,000 INTO THE MARYLAND POLICE TRAINING AND STANDARDS COMMISSION FUND ESTABLISHED UNDER § 3–206.1 OF THE PUBLIC SAFETY ARTICLE.

Article – Public Safety

3–206.1.

(A) IN THIS SECTION, "FUND" MEANS THE MARYLAND POLICE TRAINING AND STANDARDS COMMISSION FUND.

(B) THERE IS A MARYLAND POLICE TRAINING AND STANDARDS COMMISSION FUND.

(C) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR ACTIVITIES AND TRAINING BY THE COMMISSION.

(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) REVENUE DISTRIBUTED TO THE FUND UNDER § 7–301 OF THE COURTS ARTICLE;

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

(3) INTEREST EARNINGS OF THE FUND; AND

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

(G) THE FUND MAY BE USED ONLY TO PROVIDE FUNDING TO THE COMMISSION.

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

(2) MONEY DISTRIBUTED FROM THE FUND SHALL BE USED TO SUPPLEMENT, BUT NOT SUPPLANT, ANY OTHER FUNDING FOR THE COMMISSION.

(J) THE FUND SHALL BE SUBJECT TO AUDIT BY THE LEGISLATIVE AUDITOR AS PROVIDED IN § 2–1220 OF THE STATE GOVERNMENT ARTICLE.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General

Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

101. the Advance Directive Program Fund; **[**and**]**

102. the Make Office Vacancies Extinct Matching Fund**; AND**

103. THE MARYLAND POLICE TRAINING AND STANDARDS COMMISSION FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 759

(House Bill 64)

AN ACT concerning

Business Occupations – Real Estate Appraisers – Payment by Real Estate Appraisal Management Companies

FOR the purpose of requiring an appraisal management company to pay the appraiser for each appraisal or valuation assignment, except under certain circumstances; decreasing the number of days after the completion of ~~a~~ each certain appraisal or valuation assignment during which an appraisal management company must pay the appraiser, except under certain circumstances; *authorizing the Commission to bring a disciplinary action for violation of a certain provision of law;* making a certain technical correction; and generally relating to the payment of real estate appraisers by real estate appraisal management companies.

BY repealing and reenacting, with amendments,
Article – Business Occupations and Professions
Section ~~16–5B–14(a)~~ 16–5B–14
Annotated Code of Maryland
(2010 Replacement Volume and 2017 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

16–5B–14.

(a) Except in cases of breach of contract or substandard performance of services, an appraisal management company shall pay an appraiser for the completion of ~~an~~ **EACH** appraisal or valuation assignment within **[**60**]** ~~**30**~~ ***45*** days after the appraiser provides the ***INITIAL*** completed appraisal or valuation study to the appraisal management company or its assignee.

(b) ***(1)*** The Commission may ~~not~~ bring ***A*** disciplinary action under **[**§ 16–702.2**]** **§ 16–701.2** of this title ***BASED ON A VIOLATION OF SUBSECTION (A) OF THIS SECTION.*** ~~or~~

(2) ***THE COMMISSION MAY NOT*** recommend criminal sanctions under § 16–706 of this title based solely on subsection (a) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 760

(House Bill 33)

AN ACT concerning

Guardianship of Disabled Persons – Voluntary Admission to Mental Facility

FOR the purpose of authorizing a certain disabled person to apply for voluntary admission to a certain facility under certain circumstances; providing that a certain certificate for admission of a disabled person shall be based on a certain examination and be in the form that the Secretary of Health adopts by rule or regulation; requiring the rules and regulations to require certain contents of the form; prohibiting a certificate from being used for admission under certain circumstances; prohibiting a facility from admitting a disabled person under this Act except under certain circumstances; prohibiting a State facility from admitting a disabled person of a certain age except under certain circumstances; requiring a certain geriatric evaluation team, if the admission of a certain disabled person is denied, to inform the disabled person and the guardian of the disabled person of the denial and help the disabled person to obtain certain treatment; requiring a facility to notify the guardian of the person of the disabled person that the disabled person has been admitted to the facility and of a certain request for discharge from the facility; requiring a facility to discharge a

disabled person under certain circumstances; providing that the appointment of a guardian of a disabled person does not modify the right of the disabled person to apply for a certain voluntary admission; providing that the fact that a disabled person executes an application for voluntary admission under this Act does not diminish certain rights, duties, or responsibilities or confer certain additional powers of authority on the guardian of the person; defining certain terms; making a stylistic change; and generally relating to guardianship of certain disabled persons and standards for voluntary admissions to facilities for the treatment of mental disorders.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 13–706 and 13–708(b)(2)
Annotated Code of Maryland
(2017 Replacement Volume)

BY repealing and reenacting, without amendments,
Article – Estates and Trusts
Section 13–708(a)
Annotated Code of Maryland
(2017 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 10–609(a)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY adding to
Article – Health – General
Section 10–611
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Estates and Trusts

13–706.

(a) An adjudication of a disability for purposes of appointing a guardian of a person may not be the basis for commitment of the disabled person to a mental institution.

(b) Appointment of a guardian of the person:

(1) Is not evidence of incompetency of the disabled person; and

(2) Does not modify any civil right of the disabled person unless the court orders, including any civil service ranking, appointment, **THE RIGHT TO APPLY FOR VOLUNTARY ADMISSION TO A FACILITY UNDER § 10–611 OF THE HEALTH – GENERAL ARTICLE,** and rights relating to licensure, permit, privilege, or benefit under any law.

13–708.

(a) (1) The court may grant to a guardian of a person only those powers necessary to provide for the demonstrated need of the disabled person.

(2) (i) The court may appoint a guardian of the person of a disabled person for the limited purpose of making one or more decisions related to the health care of that person.

(ii) The court may appoint a guardian of the person of a disabled person for a limited period of time if it appears probable that the disability will cease within 1 year of the appointment of the guardian.

(b) Subject to subsection (a) of this section, the rights, duties, and powers which the court may order include, but are not limited to:

(2) The right to custody of the disabled person and to establish **[**his**] THE DISABLED PERSON'S** place of abode within and without the State, provided there is court authorization for any change in the classification of abode, except that**, EXCEPT AS PROVIDED UNDER § 10–611 OF THE HEALTH – GENERAL ARTICLE,** no one may be committed to a mental facility without an involuntary commitment proceeding as provided by law;

Article – Health – General

10–609.

(a) **[**Application**] EXCEPT AS PROVIDED IN § 10–611 OF THIS SUBTITLE, APPLICATION** for voluntary admission of an individual to a facility may be made under this section by the individual, if the individual is 16 years old or older.

10–611.

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

(2) "DISABLED PERSON" HAS THE MEANING STATED IN § 13–101 OF THE ESTATES AND TRUSTS ARTICLE.

(3) "GUARDIAN OF THE PERSON" MEANS A GUARDIAN OF THE PERSON OF A DISABLED PERSON APPOINTED UNDER TITLE 13, SUBTITLE 7, PART II OF THE ESTATES AND TRUSTS ARTICLE.

(4) "MENTAL DISORDER" HAS THE MEANING STATED IN § 10–620 OF THIS SUBTITLE.

(B) A DISABLED PERSON MAY APPLY FOR VOLUNTARY ADMISSION OF THE DISABLED PERSON IF:

(1) THE DISABLED PERSON SUBMITS A FORMAL, WRITTEN APPLICATION THAT CONTAINS THE DISABLED PERSON'S PERSONAL INFORMATION AND IS ON THE FORM REQUIRED BY THE ADMINISTRATION; AND

(2) IN ACCORDANCE WITH SUBSECTIONS (C) THROUGH (E) OF THIS SECTION, ~~TWO PSYCHIATRISTS~~ EITHER A PHYSICIAN AND A PSYCHOLOGIST, TWO PHYSICIANS, OR A PHYSICIAN AND A PSYCHIATRIC NURSE PRACTITIONER CERTIFY THAT:

(I) THE DISABLED PERSON HAS THE CAPACITY TO EXECUTE AN APPLICATION FOR VOLUNTARY ADMISSION; AND

(II) THE DISABLED PERSON UNDERSTANDS BOTH THE CRITERIA FOR VOLUNTARY ADMISSION SET FORTH UNDER THIS SECTION AND THE PROCEDURE FOR REQUESTING DISCHARGE FROM THE FACILITY.

(C) (1) A CERTIFICATE FOR VOLUNTARY ADMISSION OF A DISABLED PERSON UNDER SUBSECTION (B) OF THIS SECTION SHALL:

(I) BE BASED ON THE PERSONAL EXAMINATION OF THE ~~PSYCHIATRIST~~ PHYSICIAN, PSYCHOLOGIST, OR PSYCHIATRIC NURSE PRACTITIONER WHO SIGNS THE CERTIFICATE; AND

(II) BE IN THE FORM THAT THE SECRETARY OF HEALTH ADOPTS, BY RULE OR REGULATION.

(2) THE RULES AND REGULATIONS SHALL REQUIRE THE FORM TO INCLUDE AN OPINION THAT:

(I) THE DISABLED PERSON HAS A MENTAL DISORDER;

(II) THE MENTAL DISORDER IS SUSCEPTIBLE TO CARE OR TREATMENT;

(III) THE DISABLED PERSON UNDERSTANDS THE NATURE OF THE REQUEST FOR ADMISSION; AND

(IV) THE DISABLED PERSON IS ABLE TO GIVE CONTINUOUS ASSENT TO RETENTION BY THE FACILITY.

(D) A CERTIFICATE MAY NOT BE USED FOR ADMISSION IF THE EXAMINATION ON WHICH THE CERTIFICATE IS MADE WAS CONDUCTED MORE THAN 1 WEEK BEFORE THE CERTIFICATE IS SIGNED.

(E) A CERTIFICATE MAY NOT BE USED FOR AN ADMISSION IF THE ~~PSYCHIATRIST~~ PHYSICIAN, PSYCHOLOGIST, OR PSYCHIATRIC NURSE PRACTITIONER WHO SIGNED THE CERTIFICATE:

(1) HAS A FINANCIAL INTEREST, THROUGH OWNERSHIP OR COMPENSATION, IN A PROPRIETARY FACILITY AND ADMISSION TO THAT PROPRIETARY FACILITY IS SOUGHT FOR THE DISABLED PERSON WHOSE STATUS IS BEING CERTIFIED; OR

(2) IS RELATED, BY BLOOD OR MARRIAGE, TO THE DISABLED PERSON OR THE GUARDIAN OF THE PERSON OF THE DISABLED PERSON.

(F) A FACILITY MAY NOT ADMIT A DISABLED PERSON UNDER THIS SECTION UNLESS:

(1) AS CERTIFIED IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION, THE DISABLED PERSON SATISFIES THE CRITERIA UNDER SUBSECTION (B)(2) OF THIS SECTION; AND

(2) THE DISABLED PERSON IS ABLE TO ASK FOR RELEASE.

(G) (1) IN ADDITION TO THE LIMITATIONS IN SUBSECTION (F) OF THIS SECTION, A STATE FACILITY MAY NOT ADMIT A DISABLED PERSON WHO IS 65 YEARS OLD OR OLDER UNLESS A GERIATRIC EVALUATION TEAM DETERMINES THAT THERE IS NO AVAILABLE LESS RESTRICTIVE FORM OF CARE OR TREATMENT THAT IS ADEQUATE FOR THE NEEDS OF THE DISABLED PERSON.

(2) IF ADMISSION IS DENIED BECAUSE OF THE DETERMINATION OF THE GERIATRIC EVALUATION TEAM, THE TEAM SHALL:

(I) INFORM THE DISABLED PERSON AND THE GUARDIAN OF THE PERSON OF THE DISABLED PERSON OF THE DENIAL; AND

(II) HELP THE DISABLED PERSON TO OBTAIN THE LESS RESTRICTIVE FORM OF CARE OR TREATMENT THAT THE GERIATRIC EVALUATION TEAM FINDS WOULD BE ADEQUATE FOR THE NEEDS OF THE INDIVIDUAL.

(H) THE FACILITY SHALL NOTIFY THE GUARDIAN OF THE PERSON OF A DISABLED PERSON ADMITTED TO THE FACILITY UNDER THIS SECTION:

(1) THAT THE DISABLED PERSON HAS BEEN ADMITTED TO THE FACILITY; AND

(2) IF THE DISABLED PERSON REQUESTS TO BE DISCHARGED FROM A FACILITY TO WHICH THE DISABLED PERSON WAS VOLUNTARILY ADMITTED~~, THE FACILITY SHALL NOTIFY THE GUARDIAN OF THE PERSON OF THE DISABLED PERSON OF THE REQUEST~~.

(I) IF AT ANY TIME A FACILITY REASONABLY BELIEVES THAT THE DISABLED PERSON NO LONGER MEETS THE CRITERIA FOR VOLUNTARY ADMISSION UNDER THIS SECTION, THE FACILITY SHALL DISCHARGE THE DISABLED PERSON UNLESS:

(1) THE ADMISSION STATUS OF THE DISABLED PERSON HAS BEEN CHANGED TO AN INVOLUNTARY ADMISSION IN ACCORDANCE WITH PART III OF THIS SUBTITLE; AND

(2) AN INVOLUNTARY COMMITMENT PROCEEDING IS HELD.

(J) THE EXECUTION BY A DISABLED PERSON OF AN APPLICATION FOR VOLUNTARY ADMISSION UNDER THIS SECTION DOES NOT ~~CONFER~~:

(1) DIMINISH THE RIGHTS, DUTIES, OR RESPONSIBILITIES CONFERRED ON THE GUARDIAN OF THE PERSON UNDER § 13–708 OF THE ESTATES AND TRUSTS ARTICLE; OR

(2) CONFER ANY ADDITIONAL POWER OR AUTHORITY ON THE GUARDIAN OF THE PERSON, INCLUDING THE POWER OR AUTHORITY TO COMMIT THE DISABLED PERSON TO A MENTAL FACILITY, THAT A COURT HAS NOT OTHERWISE CONFERRED ON THE GUARDIAN OF THE PERSON UNDER § 13–708 OF THE ESTATES AND TRUSTS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 761

(House Bill 1393)

AN ACT concerning

Baltimore County – Alcoholic Beverages – Interest in Multiple Licenses

FOR the purpose of specifying that a certain prohibition against a person having an interest in more than one alcoholic beverages license issued by the Board of License Commissioners for Baltimore County does not apply to a license issued for a certain hotel; and generally relating to alcoholic beverages licenses in Baltimore County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 13–102 and 13–1606
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 13–1503
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

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

Article – Alcoholic Beverages

13–102.

This title applies only in Baltimore County.

13–1503.

(a) Except as provided in subsection (b) of this section **AND § 13–1606 OF THIS TITLE**, a person may not have an interest in more than one license issued by the Board, regardless of whether that interest is held or controlled by direct or indirect ownership, stock ownership, interlocking directors or interlocking stock ownership, or any other direct or indirect manner.

(b) This section does not apply to a license issued for a place operated as a **HOTEL,** motel**,** or motor court that has at least 100 rooms.

13–1606.

(a) The Board may allow a person to obtain a direct or indirect interest in:

(1) not more than 12 Class B (on–sale — hotels and restaurants) beer, wine, and liquor licenses; or

(2) if one of the restaurants for which a license is issued is located in the Liberty Road Commercial Revitalization District as defined by the County Council on October 18, 1999, not more than 13 Class B (on–sale — hotels and restaurants) beer, wine, and liquor licenses.

(b) A restaurant described in subsection (a) of this section shall:

(1) meet the requirements of the regulations of the Board regarding the availability and issuance of licenses;

(2) meet the definition requirements of "restaurant" established under the regulations of the Board;

(3) have a minimum dining seating capacity of 190 individuals;

(4) have a cocktail lounge or bar area seating capacity that does not exceed 25% of the dining seating capacity; and

(5) have not more than 40% of sales in alcoholic beverages in connection with the business.

(c) An indirect interest is presumed to exist between two persons, if the persons:

(1) have a common parent company;

(2) are parties to a franchise agreement, licensing agreement, or concession agreement;

(3) are part of a chain of businesses that is commonly owned and operated;

(4) share a director, stockholder, partner, or member;

(5) share a director, stockholder, partner, or member of a parent or subsidiary;

(6) share, directly or indirectly, profit from the sale of alcoholic beverages; or

(7) share a trade name, trademark, logo or theme, or mode of operation identifiable by the public.

(d) A license described in subsection (a) of this section does not confer an off–sale privilege.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 762

(House Bill 1395)

AN ACT concerning

Baltimore County – Alcoholic Beverages – Authorization for Issuing an Additional Class B License – Repealed

FOR the purpose of repealing the authorization for the Board of License Commissioners for Baltimore County to issue an additional Class B beer, wine, and liquor license for premises used as a restaurant that meets certain requirements; and generally relating to alcoholic beverages licenses in Baltimore County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 13–102
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

BY repealing
Article – Alcoholic Beverages
Section 13–1605
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

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

Article – Alcoholic Beverages

13–102.

This title applies only in Baltimore County.

[13–1605.

(a) The Board may:

(1) subject to subsection (c) of this section and § 13–1606 of this subtitle, issue an additional Class B (on–sale — hotels and restaurants) beer, wine, and liquor license for premises used as a restaurant that meets the requirements of subsection (b) of this section to the holder of a Class B (on–sale — hotels and restaurants) beer, wine, and liquor license; and

(2) define "restaurant" by regulation.

(b) (1) A restaurant under this section is required to have:

(i) a minimum capital investment of $500,000 for restaurant facilities; and

(ii) a minimum seating capacity of 125 individuals.

(2) The capital investment described in paragraph (1)(i) of this subsection may not include the cost of land or buildings.

(c) The Board may not issue more than five licenses under this section to or for the use of the same person.

(d) Additional licenses shall be limited to providing alcoholic beverages for on–premises consumption.**]**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 763

(House Bill 1396)

AN ACT concerning

Baltimore County – Alcoholic Beverages – Class B Beer, Wine, and Liquor License

FOR the purpose of repealing a certain restriction on the person to whom the Board of License Commissioners for Baltimore County may issue a Class B beer, wine, and liquor license; and generally relating to alcoholic beverages licenses in Baltimore County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 13–102
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 13–902
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

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

Article – Alcoholic Beverages

13–102.

This title applies only in Baltimore County.

13–902.

(a) There is a Class B beer, wine, and liquor license.

(b) **[**The Board may issue the license to the owner of a hotel that:

(1) is in a building at least three stories tall that was originally constructed for hotel purposes;

(2) has a capital investment of at least $500,000; and

(3) contains:

(i) at least one passenger elevator;

(ii) at least 100 rooms for the accommodation of the public; and

(iii) a dining room with facilities for preparing and serving regular meals for at least 125 individuals at one seating.

(c)**]** (1) The license authorizes the license holder to sell beer, wine, and liquor for consumption at a hotel or restaurant at the place described in the license, for on– or off–premises consumption.

(2) The area of the licensed premises normally used as a restaurant to prepare and consume food and beverages may occupy not less than 80% of the square footage, unless the license holder has held the license since before December 31, 1966.

[(d)**] (C)** The annual license fee is $1,500.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 764

(House Bill 1410)

AN ACT concerning

Baltimore County – Alcoholic Beverages Licenses – Expiration

FOR the purpose of extending, in Baltimore County, the time period after which an alcoholic beverages license expires when the license holder has closed the business or stopped active alcoholic beverages business operations at the premises; repealing a provision of law authorizing the Board of License Commissioners for Baltimore County to grant a hardship extension if the Board makes a certain finding after a hearing; establishing that submission of a certain request for a hardship extension automatically extends the life of a license for a certain time period; clarifying that a hardship extension may not prolong the life of an inactive license for more than a certain total time period; clarifying that the period for automatic expiration of a license may not be suspended on the basis of a certain withdrawn application or request; extending the time period the Board may extend a license without circuit court approval if a licensed premises is forced to close because of a casualty loss; making conforming changes; and generally relating to the expiration of alcoholic beverages licenses in Baltimore County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 13–102
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 13–2202
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

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

Article – Alcoholic Beverages

13–102.

This title applies only in Baltimore County.

13–2202.

(a) A license expires **[**180 days**] 1 YEAR** after the license holder has closed the business or stopped active alcoholic beverages business operations at the premises for which the license is held unless:

(1) an application for approval of a transfer to another location or another person under Subtitle 17 of this title has been approved or is pending;

(2) an application for a certificate of permission or a renewal license for continuation of business under Subtitle 23 of this title has been approved or is pending; or

(3) a written request for a hardship extension under subsection (b) of this section is filed within the **[**180–day**] 1–YEAR** period.

(b) Except as provided in subsection (d) of this section:

(1) the license holder or another appropriate interested party may make a written request to the Board to extend the life of the license due to hardship;

(2) **[**the Board may grant the extension if the Board finds after a hearing that existing hardship caused**] SUBMISSION OF A REQUEST UNDER ITEM (1) OF THIS SUBSECTION SHALL AUTOMATICALLY EXTEND THE LIFE OF THE LICENSE FOR 2 YEARS AFTER THE DATE OF** the closing or stopping of business operations; and

(3) **[**an**] A HARDSHIP** extension may not prolong the life of **[**the**] AN INACTIVE** license beyond **[**360 days**] THE TOTAL OF:**

(I) 2 YEARS after the date of closing or stopping of alcoholic beverages business operations at the premises for which the license is held**; AND**

(II) ANY TIME PERIOD DURING WHICH THE LICENSE IS SUSPENDED UNDER SUBSECTION (A)(1) OR (2) OF THIS SECTION.

(c) (1) The period for which a license may be considered unexpired:

(i) begins at the earlier of the closing of the business or stopping of alcoholic beverages business operations; and

(ii) may be suspended only by filing an application or request under subsection (a) of this section.

(2) The expiration period resumes on the last to occur of the following events:

(i) **[**final action of the Board granting or denying a request for a hardship extension under subsection (b) of this section;

(ii)**]** final action of the Board denying an application described in subsection (a)(1) or (2) of this section;

[(iii)**] (II)** final judgment of the reviewing court if judicial review of the Board's action on an application or request authorized by subsection **[**(a) or (b)**] (A)(1) OR (2)** of this section has **[**been granted**] AFFIRMED THE BOARD'S ACTION**; or

[(iv)**] (III)** dismissal of a petition for judicial review of the Board's action.

(3) If an application or request described in subsection (a) or (b) of this section is withdrawn:

(i) the period for automatic expiration of the license may not be suspended **ON THE BASIS OF THE WITHDRAWN APPLICATION OR REQUEST**; and

(ii) the application or request shall be considered as if it had not been filed.

(d) If a licensed premises is forced to close because of a casualty loss, the Board, without circuit court approval, may extend the license for not more than **[**2**] 3** years after the closing.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 765

(House Bill 1575)

AN ACT concerning

Baltimore County – Alcoholic Beverages – Multiple Class B Licenses

FOR the purpose of authorizing the Board of License Commissioners for Baltimore County to allow a person to obtain a certain interest in one or more licenses issued in another jurisdiction or state and a certain number of Class B beer, wine, and liquor licenses that the Board issues; repealing ~~a requirement~~ requirements that a restaurant for which a certain license is issued have a certain minimum dining seating capacity and a certain cocktail lounge or bar seating capacity; altering the percentage of sales in alcoholic beverages that a restaurant for which a certain license is issued is required to have; requiring a restaurant for which a certain second or subsequent license is issued to have a certain minimum capital investment for restaurant facilities; altering the off–sale privileges of a certain license; and generally relating to Class B beer, wine, and liquor licenses issued in Baltimore County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages
Section 13–102
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 13–1606
Annotated Code of Maryland
(2016 Volume and 2017 Supplement)

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

Article – Alcoholic Beverages

13–102.

This title applies only in Baltimore County.

13–1606.

(a) The Board may allow a person to obtain a direct or indirect interest in:

(1) **IN ADDITION TO ONE OR MORE LICENSES ISSUED IN ANOTHER JURISDICTION OR STATE,** not more than 12 Class B (on–sale — hotels and restaurants) beer, wine, and liquor licenses; or

(2) if one of the restaurants for which a license is issued is located in the Liberty Road Commercial Revitalization District as defined by the County Council on

October 18, 1999, not more than 13 Class B (on–sale — hotels and restaurants) beer, wine, and liquor licenses.

(b) A restaurant described in subsection (a) of this section shall:

(1) meet the requirements of the regulations of the Board regarding the availability and issuance of licenses;

(2) meet the definition requirements of "restaurant" established under the regulations of the Board;

(3) ~~have a minimum dining seating capacity of 190 individuals;~~

~~(4)~~ **[**have a cocktail lounge or bar area seating capacity that does not exceed 25% of the dining seating capacity; and

(5)**]** have not more than ~~40%~~ **49%** of sales in alcoholic beverages in connection with the business**; AND**

~~(5)~~ **(4)** **FOR A SECOND OR SUBSEQUENT LICENSE, HAVE A MINIMUM CAPITAL INVESTMENT OF $250,000 FOR RESTAURANT FACILITIES**.

(c) An indirect interest is presumed to exist between two persons, if the persons:

(1) have a common parent company;

(2) are parties to a franchise agreement, licensing agreement, or concession agreement;

(3) are part of a chain of businesses that is commonly owned and operated;

(4) share a director, stockholder, partner, or member;

(5) share a director, stockholder, partner, or member of a parent or subsidiary;

(6) share, directly or indirectly, profit from the sale of alcoholic beverages; or

(7) share a trade name, trademark, logo or theme, or mode of operation identifiable by the public.

(d) A **SECOND OR SUBSEQUENT** license described in subsection (a) of this section does not confer an off–sale privilege.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 766

(House Bill 108)

AN ACT concerning

Department of Housing and Community Development – Baltimore Regional Neighborhood Initiative Program – Application Requirement

FOR the purpose of repealing the requirement that an application to the Department of Housing and Community Development for funds under the Baltimore Regional Neighborhood Initiative Program contain a local government resolution of support or letter of support; providing for the application of this Act; and generally relating to the Baltimore Regional Neighborhood Initiative Program.

BY repealing and reenacting, without amendments,
Article – Housing and Community Development
Section 6–502
Annotated Code of Maryland
(2006 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Housing and Community Development
Section 6–505
Annotated Code of Maryland
(2006 Volume and 2017 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

6–502.

(a) There is a Baltimore Regional Neighborhood Initiative Program.

(b) The Department shall administer the Program.

(c) The purpose of the Program is to:

(1) provide strategic investment in local housing and businesses to encourage healthy, sustainable communities with a growing tax base and enhanced quality of life; and

(2) focus on areas where modest investment and coordinated strategies will have an appreciable neighborhood revitalization impact.

6–505.

(a) (1) A community development organization may apply to the Department to receive Program funds for community enhancement projects.

(2) The Department shall establish the application process.

(3) The application shall contain:

(i) the neighborhood revitalization plan;

(ii) a description of each community enhancement project;

(iii) **[**a local government resolution of support or letter of support;

(iv)**]** organizational documents for the community development organization; and

[(v)**] (IV)** any other information the Department requires.

(b) (1) The Department, by regulation, shall establish a quantitative system to evaluate each application.

(2) The quantitative evaluation system shall evaluate each application based on:

(i) the neighborhood revitalization plan and how the plan relates to the goals outlined in the community's larger sustainable communities plan;

(ii) the description of the community conditions and the appropriateness of outlined strategies to address those conditions;

(iii) the ability of each proposed community enhancement project to address identified challenges within the community; and

(iv) the capacity and experience of the applicant and the applicant's partners to complete the proposals and leverage additional financing.

(c) The Department may give additional consideration to applications that include:

(1) opportunities that promote compact redevelopment and connect housing and job opportunities with transportation options;

(2) activities in specially designated districts that encourage residential reinvestment that reinforces the success of the businesses in the districts;

(3) community enhancement projects that encourage or incorporate elements that address environmental responsibility and stewardship into the site and project development, design, and construction;

(4) community enhancement projects that incorporate additional State and local revitalization and smart growth programs and financing tools;

(5) capital investments and business practices that incorporate inclusionary hiring practices that increase local workforce opportunities; and

(6) projects whose purpose is to identify for acquisition, acquire, develop, or promote the development of vacant or blighted properties.

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 application to the Department of Housing and Community Development for funds under the Baltimore Regional Neighborhood Initiative Program submitted before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 767

(House Bill 130)

AN ACT concerning

Video Lottery Terminal Proceeds – Local Impact Grants – Distribution to Communities Near Laurel Race Course

FOR the purpose of repealing the termination of a certain distribution of local impact grant funds from video lottery terminal proceeds to communities within a certain distance of the Laurel Race Course; and generally relating to the distribution of local impact grant funds from video lottery terminal proceeds.

BY repealing and reenacting, without amendments,
Article – State Government
Section 9–1A–31(a)(1) through (3)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–1A–31(a)(4)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – State Government

9–1A–31.

(a) (1) Except as provided in paragraph (8) of this subsection, the local impact grants provided under § 9–1A–27 of this subtitle shall be distributed as provided in this subsection.

(2) The following amounts shall be distributed to the following jurisdictions:

(i) Allegany County – $200,000;

(ii) Cecil County – $130,000;

(iii) Town of Perryville – $70,000; and

(iv) Worcester County – $200,000.

(3) The remaining funds for local impact grants shall be distributed in the following manner:

(i) 82% to the local jurisdictions with video lottery facilities, based on each jurisdiction's percentage of overall gross revenues from video lottery terminals; and

(ii) except as provided in paragraph (4) of this subsection, for operations at a video lottery facility starting in fiscal year 2012 and ending in fiscal year 2032, 18% to Baltimore City with the Pimlico Community Development Authority acting as the local development council in accordance with subsection (d) of this section, to be distributed primarily for capital projects benefiting economic and community development in the following manner:

1. at least 75% in a manner that is consistent with the Park Heights Master Plan; and

2. the remainder dedicated to the needs of:

A. any census blockgroup that Baltimore City identifies as being located partly or entirely within 1 mile of Pimlico Race Course but not within the boundaries of the Park Heights Master Plan in a manner that is consistent with adopted neighborhood priorities;

B. any neighborhood included in the Northwest Community Planning Forum Strategic Neighborhood Action Plan in a manner that is consistent with the adopted Northwest Community Planning Forum Strategic Neighborhood Action Plan priorities; and

C. beginning after a video lottery operation license is issued to a video lottery facility in Baltimore City, any neighborhood within an area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue in a manner that is consistent with adopted neighborhood priorities.

(4) (i) Of the amount specified under paragraph (3)(ii) of this subsection:

1. $1,000,000 shall be provided annually to Prince George's County to be used for public safety projects in the community within 5 miles surrounding Rosecroft Raceway; and

2. **[**for fiscal years 2015 through 2019,**]** $500,000 shall be provided annually for impact aid to be distributed as provided under § 11–404(d) of the Business Regulation Article to help pay for facilities and services in communities within 3 miles of the Laurel Race Course.

(ii) The Legislative Policy Committee shall report its findings and recommendations concerning the advisability of the continuation of the distribution of funds after fiscal year 2032 to the Comptroller and, in accordance with § 2–1246 of this article, the General Assembly, on or before November 1, 2030.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 768

(House Bill 230)

AN ACT concerning

Regional Greenhouse Gas Initiative – Withdrawal – Legislative Approval Required
(Regional Greenhouse Gas Initiative Extension Act)

FOR the purpose of altering the circumstances under which the State may withdraw from the Regional Greenhouse Gas Initiative by requiring the General Assembly to enact a law approving the withdrawal; and generally relating to the Regional Greenhouse Gas Initiative.

BY repealing and reenacting, with amendments,
Article – Environment
Section 2–1002(g)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

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

Article – Environment

2–1002.

(g) (1) In this subsection, "allowance" means one ton of carbon dioxide that may be bought, sold, traded, or banked for use under the Regional Greenhouse Gas Initiative.

(2) Not later than June 30, 2007, the Governor shall include the State as a full participant in the Regional Greenhouse Gas Initiative among Mid–Atlantic and Northeast states.

(3) The State may withdraw from the Initiative, as provided in the December 20, 2005 memorandum of understanding of the Initiative, at any time after January 1, 2009**, IF THE GENERAL ASSEMBLY ENACTS A LAW TO APPROVE THE WITHDRAWAL**.

(4) If the Regional Greenhouse Gas Initiative expires and there is a successor organization with the same purposes and goals, the Governor is encouraged to join the State in the successor organization.

(5) Notwithstanding § 2–107 of this title, all of the proceeds from the sale of Maryland allowances under the Regional Greenhouse Gas Initiative shall be deposited in the Maryland Strategic Energy Investment Fund under § 9–20B–05 of the State Government Article.

(6) If the State's participation in the Regional Greenhouse Gas Initiative ceases for any reason, the Governor shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, regarding:

(i) Why participation ceased; and

(ii) A plan to reduce carbon dioxide emissions from power plants in the State that considers the use of Maryland grown, native, warm season grasses as a possible method of reducing carbon emissions.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 769

(House Bill 993)

AN ACT concerning

Maryland Pension ~~Climate Change Risk~~ *Risk Mitigation* Act

FOR the purpose of requiring that, consistent with certain fiduciary duties, the investment policy manual adopted by the Board of Trustees for the State Retirement and Pension System include certain policies and address certain details regarding the management of ~~climate~~ *certain* risks in the investment of State Retirement and Pension System assets; requiring the Board of Trustees to ~~conduct or commission a climate~~ *submit a report on its* risk assessment of the investments of the several systems on or before a certain date and at certain intervals; specifying the information that must be included in a ~~climate~~ risk assessment; requiring the State Retirement Agency to post a certain report regarding a ~~climate~~ *certain* risk assessment to its website; requiring the Agency, to the extent practicable, to request certain information from certain entities necessary to carry out the policies of the Board of Trustees with respect to a ~~climate~~ *certain* risk assessment; providing that the Board of Trustees, or any other fiduciary of the several systems, may not be held liable for certain actions under certain circumstances; providing that nothing in this Act shall require the Board of Trustees to take certain actions unless certain circumstances exist; and generally relating to ~~climate change and~~ *risk assessments* the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–116
Annotated Code of Maryland

(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

21–116.

(a) By resolution, the Board of Trustees shall specify the powers of the Investment Committee.

(b) The Investment Committee shall advise the Board of Trustees and make recommendations on:

(1) the investment programs;

(2) compliance of the investment programs with the policies of the Board of Trustees; and

(3) bonding for employees of the State Retirement Agency in the form and amount required by law.

(c) (1) Subject to **[**subsection (d)**]** **SUBSECTIONS (D) AND (E)** of this section, the Board of Trustees shall adopt an investment policy manual that details:

(i) the functions of the Investment Division of the State Retirement Agency;

(ii) the goals and objectives of the several investment programs; and

(iii) the policies that govern the selection and retention of investments.

(2) The Investment Committee shall:

(i) prepare and maintain the investment policy manual; and

(ii) submit the investment policy manual, and any subsequent amendments to the manual, to the Board of Trustees for approval.

(d) (1) (i) Consistent with minority business purchasing standards applicable to units of State government under the State Finance and Procurement Article and consistent with the fiduciary duties of the Board of Trustees, the Board of Trustees shall direct the Investment Committee to attempt to use to the greatest extent feasible minority business enterprises to provide brokerage and investment management services to the Board.

(ii) For purposes of this subsection, brokerage and investment management services shall include services relating to all allocated asset classes.

(2) (i) To assist it in achieving the goal described under paragraph (1) of this subsection, the Investment Committee shall undertake measures to remove any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded under this title.

(ii) The measures undertaken by the Investment Committee shall include the use of a wide variety of media, including the State Retirement Agency's Web site, to provide notice to a broad and varied range of potential providers about the brokerage and investment management services opportunities afforded by the State Retirement Agency.

(3) In consultation with the Governor's Office of Small, Minority, and Women Business Affairs and the Investment Committee, the Board of Trustees shall develop guidelines to assist the Investment Committee in identifying and evaluating qualified minority business enterprises in order to help the State Retirement Agency achieve the objective for greater use of minority business enterprises for brokerage and investment management services.

(4) On or before September 1 each year, the Investment Committee shall submit a report to the Board of Trustees, the Governor's Office of Small, Minority, and Women Business Affairs and, subject to § 2–1246 of the State Government Article, the General Assembly on:

(i) the identity of the minority business enterprise brokerage and investment management services firms used by the Investment Committee in the immediately preceding fiscal year;

(ii) the percentage and dollar value of the assets that are under the control of the Investment Committee that are under the investment control of minority business enterprise brokerage and investment management services firms for each allocated asset class; and

(iii) the measures the Investment Committee undertook in the immediately preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

(E) (1) CONSISTENT WITH ITS FIDUCIARY DUTIES, THE BOARD OF TRUSTEES SHALL INCLUDE POLICIES IN THE INVESTMENT POLICY MANUAL ADOPTED UNDER SUBSECTION (C) OF THIS SECTION REGARDING THE MANAGEMENT OF *RISK, INCLUDING* CLIMATE RISKS, IN THE INVESTMENT OF SYSTEM ASSETS, AND SHALL ADDRESS:

(I) INVESTMENT PRINCIPLES, GUIDELINES, AND POLICIES THAT GOVERN THE SELECTION AND RETENTION OF THE INVESTMENTS OF THE SEVERAL SYSTEMS, INCLUDING PROXY VOTING AND ENGAGEMENT GUIDELINES; AND

(II) A POLICY THAT PROXY VOTES AND SAMPLE DUE DILIGENCE QUESTIONNAIRES FOR PROSPECTIVE MANAGERS BE PUBLISHED ON THE STATE RETIREMENT AGENCY'S WEBSITE.

(2) (I) CONSISTENT WITH ITS FIDUCIARY DUTIES, ON OR BEFORE JANUARY 31, 2019, AND EVERY ~~4 YEARS THEREAFTER, THE BOARD OF TRUSTEES SHALL CONDUCT OR COMMISSION A CLIMATE RISK ASSESSMENT OF THE INVESTMENTS OF THE SEVERAL SYSTEMS~~ *YEAR THEREAFTER, THE BOARD OF TRUSTEES SHALL SUBMIT A REPORT ON THE RISK ASSESSMENT OF THE SEVERAL SYSTEMS, INCLUDING CLIMATE RISK, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY*.

(II) THE ASSESSMENT SHALL:

1. IDENTIFY RECENT STUDIES OR ACTIONS ~~ON CLIMATE CHANGE~~ BY OTHER U.S. STATE PUBLIC PENSION FUNDS, FINANCIAL INSTITUTIONS, OR ~~CLIMATE~~ RISK EXPERTS, INCLUDING THOSE RELATED TO DISCLOSURE, RISK ASSESSMENT, INVESTMENT PRINCIPLES, OR OTHER RELATED ISSUES OR ACTIVITIES;

2. BASED ON THE INFORMATION OBTAINED IN ITEM 1 OF THIS SUBPARAGRAPH, RECOMMEND BEST PRACTICES AND CONSIDER WHETHER THESE BEST PRACTICES CAN BE INCORPORATED INTO THE INVESTMENT POLICY MANUAL;

3. EXAMINE THE POTENTIAL MAGNITUDE OF THE LONG–TERM RISKS AND OPPORTUNITIES OF MULTIPLE ~~CLIMATE~~ SCENARIOS AND RELATED REGULATORY DEVELOPMENTS ACROSS INDUSTRY SECTORS, ASSET CLASSES, AND THE TOTAL PORTFOLIO OF THE SEVERAL SYSTEMS; AND

4. INCLUDE ANY OTHER INFORMATION THE BOARD OF TRUSTEES OR INVESTMENT COMMITTEE DEEMS NECESSARY.

(III) THE STATE RETIREMENT AGENCY SHALL POST A REPORT REGARDING THE ~~CLIMATE~~ RISK ASSESSMENT ON ITS WEBSITE.

(3) TO THE EXTENT PRACTICABLE, THE STATE RETIREMENT AGENCY SHALL REQUEST ALL INFORMATION NECESSARY FROM MANAGERS, BROKERS, OR OTHER ENTITIES TO CARRY OUT THE POLICIES OF THE BOARD OF TRUSTEES WITH

RESPECT TO ~~A CLIMATE RISK ASSESSMENT DESCRIBED IN~~ *AN ASSESSMENT CONDUCTED IN ACCORDANCE WITH* THIS SUBSECTION.

(4) THE BOARD OF TRUSTEES, OR ANY OTHER FIDUCIARY OF THE SEVERAL SYSTEMS AS DEFINED IN § 21–201(B) OF THIS TITLE, MAY NOT BE HELD LIABLE FOR ANY ACTIONS TAKEN OR DECISIONS MADE IN GOOD FAITH FOR THE PURPOSE OF COMPLYING WITH OR EXECUTING THIS SUBSECTION.

(5) NOTHING IN THIS SUBSECTION SHALL REQUIRE THE BOARD OF TRUSTEES TO TAKE ACTION AS DESCRIBED IN THIS SECTION UNLESS THE BOARD OF TRUSTEES DETERMINES, IN GOOD FAITH, THAT THE ACTION IS CONSISTENT WITH THE FIDUCIARY RESPONSIBILITIES OF THE BOARD OF TRUSTEES AS DESCRIBED IN SUBTITLE 2 OF THIS TITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 770

(House Bill 417)

AN ACT concerning

Washington Suburban Sanitary Commission – Funding Accountability and Transparency Act

PG/MC 111–18

FOR the purpose of requiring the Washington Suburban Sanitary Commission to develop and operate a certain website that includes certain information about certain payees and certain payments; specifying certain requirements for the website; defining certain terms; and generally relating to the development and operation of a searchable website by the Washington Suburban Sanitary Commission.

BY repealing and reenacting, without amendments,
Article – Public Utilities
Section 16–101(a) and (b)
Annotated Code of Maryland
(2010 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Public Utilities

Section 17–401
Annotated Code of Maryland
(2010 Replacement Volume and 2017 Supplement)

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

Article – Public Utilities

16–101.

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

(b) "Commission" means the Washington Suburban Sanitary Commission.

17–401.

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

(2) (I) "PAYEE" MEANS A PERSON THAT RECEIVES FROM THE COMMISSION AN AGGREGATE PAYMENT OF $25,000 IN A SINGLE FISCAL YEAR.

(II) "PAYEE" DOES NOT INCLUDE:

1. A COMMISSION EMPLOYEE WITH RESPECT TO THE EMPLOYEE'S COMPENSATION; OR

2. A COMMISSION RETIREE WITH RESPECT TO THE RETIREE'S RETIREMENT ALLOWANCE.

(3) "SEARCHABLE WEBSITE" MEANS A WEBSITE CREATED IN ACCORDANCE WITH THIS SECTION THAT DISPLAYS AND SEARCHES PAYMENT DATA OF THE COMMISSION.

[(a)**] (B)** The Commission shall:

(1) publish annually in at least one newspaper in Montgomery County and one newspaper in Prince George's County a copy of the current financial statement of the Commission;

(2) employ a certified public accountant licensed to practice in the State to audit the books and accounts of the Commission;

(3) keep available for public inspection during business hours at its principal office the annual audit and current financial statement; and

(4) file annually with the county executives and county councils of Montgomery County and Prince George's County, and the Montgomery County and Prince George's County Senate and House delegations to the Maryland General Assembly a certified copy of the annual audit and current financial statement.

(C) ON OR BEFORE ~~JANUARY 1, 2020~~ JULY 1, 2020, THE COMMISSION SHALL DEVELOP AND OPERATE A SINGLE SEARCHABLE WEBSITE ACCESSIBLE TO THE PUBLIC AT NO COST THROUGH THE INTERNET.

(D) THE SEARCHABLE WEBSITE SHALL CONTAIN COMMISSION PAYMENT DATA INCLUDING:

(1) THE NAME OF EACH PAYEE RECEIVING A PAYMENT;

(2) THE LOCATION OF THE PAYEE BY POSTAL ZIP CODE; AND

(3) THE AMOUNT OF THE PAYMENT.

(E) THE SEARCHABLE WEBSITE SHALL ALLOW THE USER TO:

(1) SEARCH DATA FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER; AND

(2) SEARCH BY THE FOLLOWING DATA FIELDS:

(I) A PAYEE RECEIVING A PAYMENT; AND

(II) THE ZIP CODE OF A PAYEE RECEIVING A PAYMENT.

(F) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE THE DISCLOSURE OF INFORMATION THAT IS REQUIRED TO BE KEPT CONFIDENTIAL UNDER FEDERAL, STATE, OR LOCAL LAW.

[(b)**] (G)** (1) Subject to paragraph (2) of this subsection, the county council or county executive of Montgomery County or Prince George's County may, in person or by a duly authorized agent, audit and examine the books and records of the Commission.

(2) The Commission may not be required to pay the cost of the audit or examination under paragraph (1) of this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 771

(House Bill 447)

AN ACT concerning

Pretrial Services Program Grant Fund – Establishment

FOR the purpose of ~~requiring that certain proceeds from the sale of certain forfeited property be paid to the Pretrial Services Program Grant Fund;~~ establishing the Pretrial Services Program Grant Fund; requiring the Executive Director of the Governor's Office of Crime Control and Prevention to administer the Fund; providing that the Fund is a special, nonlapsing fund that is not subject to certain provisions of law; requiring the State Treasurer to hold the Fund separately and the State Comptroller to account for the Fund; providing for the uses, purposes, sources of funding, investment of money, and auditing of the Fund; requiring that the interest earnings of the Fund be credited to the Fund; specifying that expenditures from the Fund may be made only in accordance with the State budget; requiring the Executive Director to establish certain procedures and solicit grant proposals from eligible counties; requiring an eligible county that applies for a grant from the Fund to provide certain information to the Executive Director; requiring the Executive Director to make grants from the Fund; requiring an eligible county that receives a grant to submit proof of grant expenditures; requiring certain distributions from the Fund to be used to supplement and not supplant certain other funds; establishing the requirements for a pretrial services program established using grants from the Fund; exempting the Fund from a certain provision of law requiring interest on State money in special funds to accrue to the General Fund of the State; providing for the termination of this Act; defining certain terms; and generally relating to forfeitures and the Pretrial Services Program Grant Fund.

~~BY repealing and reenacting, with amendments,~~
~~Article – Criminal Procedure~~
~~Section 12–403~~
~~Annotated Code of Maryland~~
~~(2008 Replacement Volume and 2017 Supplement)~~

BY adding to
Article – Public Safety
Section 4–801 through 4–804 to be under the new subtitle "Subtitle 8. Pretrial Services Program Grant Fund"
Annotated Code of Maryland
(2011 Replacement Volume and 2017 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 and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)101. and 102.
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)103.
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

~~**Article – Criminal Procedure**~~

~~12–403.~~

~~(a) (1) Whenever property is forfeited under this title, the governing body where the property was seized may:~~

~~(i) keep the property for official use;~~

~~(ii) require an appropriate unit to take custody of the property and destroy or otherwise dispose of it; or~~

~~(iii) sell the property if:~~

~~1. the law does not require the property to be destroyed; and~~

~~2. the property is not harmful to the public.~~

~~(2) The proceeds of a sale under this subsection shall first be used to pay all proper expenses of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, and court costs.~~

~~(b) If the seizing authority was a State law enforcement unit:~~

~~(1) under § 12–402(b) of this subtitle, the court shall order the property to be forfeited to the State law enforcement unit; or~~

~~(2) under § 12–402(d)(2)(iv) of this subtitle, the proceeds of the sale shall be paid to the State law enforcement unit.~~

~~(c) Except as provided in subsection (d) of this section, the State law enforcement unit that receives forfeited property or proceeds from a sale of forfeited property under this section shall:~~

~~(1) dispose of the forfeited property as provided in subsection (a) of this section; and~~

~~(2) pay to the [General Fund of the State] PRETRIAL SERVICES PROGRAM GRANT FUND ESTABLISHED UNDER TITLE 4, SUBTITLE 8 OF THE PUBLIC SAFETY ARTICLE any proceeds of the sale of the forfeited property.~~

~~(d) Except as otherwise provided under federal law, a law enforcement unit other than a State law enforcement unit that participated with a State law enforcement unit in seizing property forfeited under this section:~~

~~(1) shall be paid by the State law enforcement unit the share of the proceeds from the sale of the forfeited property as agreed by the law enforcement units; or~~

~~(2) may ask the Governor's Office of Crime Control and Prevention to determine its share.~~

~~(e) Proceeds that a law enforcement unit other than a State law enforcement unit receives under subsection (d) of this section shall be deposited in the general fund of the political subdivision of that law enforcement unit.~~

Article – Public Safety

SUBTITLE 8. PRETRIAL SERVICES PROGRAM GRANT FUND.

4–801.

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

(B) "ELIGIBLE COUNTY" MEANS:

(1) A COUNTY THAT DOES NOT PROVIDE DEFENDANTS WITH PRETRIAL SERVICES; OR

(2) A COUNTY THAT DOES PROVIDE DEFENDANTS WITH PRETRIAL SERVICES, BUT SEEKS TO IMPROVE THE PRETRIAL SERVICES TO COMPLY WITH § 4–804 OF THIS SUBTITLE.

(C) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE GOVERNOR'S OFFICE OF CRIME CONTROL AND PREVENTION.

(D) "FUND" MEANS THE PRETRIAL SERVICES PROGRAM GRANT FUND.

(E) "PRETRIAL SERVICES PROGRAM" MEANS A PROGRAM ESTABLISHED IN ACCORDANCE WITH § 4–804 OF THIS SUBTITLE.

4–802.

(A) THERE IS A PRETRIAL SERVICES PROGRAM GRANT FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO ELIGIBLE COUNTIES TO:

(1) ESTABLISH PRETRIAL SERVICES PROGRAMS; OR

(2) IMPROVE EXISTING PRETRIAL SERVICE PROGRAMS TO COMPLY WITH § 4–804 OF THIS SUBTITLE.

(C) THE EXECUTIVE DIRECTOR SHALL ADMINISTER THE FUND.

(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND IN CONJUNCTION WITH THE EXECUTIVE DIRECTOR.

(E) THE FUND CONSISTS OF:

(1) ~~REVENUE DISTRIBUTED TO THE FUND UNDER § 12–403 OF THE CRIMINAL PROCEDURE ARTICLE;~~

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

~~(3)~~ (2) INTEREST EARNINGS OF THE FUND; AND

~~(4)~~ (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS TO ELIGIBLE COUNTIES TO ESTABLISH OR IMPROVE PRETRIAL SERVICES PROGRAMS.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

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

(I) THE ACCOUNTS AND TRANSACTIONS OF THE FUND SHALL BE SUBJECT TO AUDIT BY THE LEGISLATIVE AUDITOR AS PROVIDED IN § 2–1220 OF THE STATE GOVERNMENT ARTICLE.

4–803.

(A) THE EXECUTIVE DIRECTOR SHALL:

(1) ESTABLISH PROCEDURES FOR ELIGIBLE COUNTIES TO APPLY FOR AND RECEIVE GRANTS FROM THE FUND; AND

(2) SOLICIT GRANT PROPOSALS FROM ELIGIBLE COUNTIES.

(B) AN ELIGIBLE COUNTY THAT APPLIES FOR A GRANT FROM THE FUND SHALL PROVIDE THE EXECUTIVE DIRECTOR WITH:

(1) A DESCRIPTION OF HOW THE PROPOSED PRETRIAL SERVICES PROGRAM <u>OR PROPOSED PRETRIAL SERVICES PROGRAM IMPROVEMENTS</u> WILL MEET THE REQUIREMENTS OF § 4–804 OF THIS SUBTITLE; AND

(2) ANY OTHER INFORMATION THAT THE EXECUTIVE DIRECTOR CONSIDERS NECESSARY.

(C) THE EXECUTIVE DIRECTOR SHALL MAKE GRANTS FROM THE FUND TO ELIGIBLE COUNTIES FOR THE ESTABLISHMENT <u>OR IMPROVEMENT</u> OF A PRETRIAL SERVICES PROGRAM IN ACCORDANCE WITH § 4–804 OF THIS SUBTITLE.

(D) AN ELIGIBLE COUNTY THAT RECEIVES A GRANT FROM THE FUND SHALL SUBMIT TO THE EXECUTIVE DIRECTOR PROOF OF THE EXPENDITURE OF THE GRANT FUNDS.

(E) MONEY DISTRIBUTED UNDER THIS SUBTITLE SHALL BE USED TO SUPPLEMENT AND NOT SUPPLANT ANY OTHER FUNDING FOR THE ESTABLISHMENT <u>OR IMPROVEMENT</u> OF A PRETRIAL SERVICES PROGRAM.

4–804.

A PRETRIAL SERVICES PROGRAM ESTABLISHED OR IMPROVED USING A GRANT DISTRIBUTED IN ACCORDANCE WITH § 4–803 OF THIS SUBTITLE SHALL:

(1) USE A VALIDATED, EVIDENCE–BASED, RACE–NEUTRAL RISK SCORING INSTRUMENT THAT IS CONSISTENT WITH THE MARYLAND RULES TO MAKE RECOMMENDATIONS TO A JUDICIAL OFFICER TO DETERMINE WHETHER A DEFENDANT:

(I) IS ELIGIBLE FOR RELEASE:

1. ON PERSONAL RECOGNIZANCE; OR

2. WITH APPROPRIATE PRETRIAL SUPERVISION; OR

(II) SHOULD BE HELD WITHOUT BAIL;

(2) APPLY BEST PRACTICES SHOWN TO BE EFFECTIVE IN OTHER JURISDICTIONS; AND

(3) INCORPORATE MULTIPLE LEVELS OF SUPERVISION BASED ON DEFENDANT RISK SCORES WITH FEATURES THAT INCLUDE:

(I) CELLULAR TELEPHONE REMINDERS OF A DEFENDANT'S HEARING DATE;

(II) DRUG AND ALCOHOL TESTING;

(III) GLOBAL POSITIONING SATELLITE MONITORING, IF APPLICABLE; AND

(IV) SUBSTANCE ABUSE, MENTAL HEALTH, OR MEDIATION REFERRALS, IF APPROVED BY THE JUDICIAL OFFICER AND AVAILABLE IN THE ELIGIBLE COUNTY.

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:

101. the Advance Directive Program Fund; **[**and**]**

102. the Make Office Vacancies Extinct Matching Fund**; AND**

103. THE PRETRIAL SERVICES PROGRAM GRANT FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018. It shall remain effective for a period of 5 years and, at the end of June 30, 2023, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 772

(House Bill 517)

AN ACT concerning

~~Pharmacy~~ *Prescription* Drug Monitoring Program – Data Request Exemption – ~~Regional Anesthesia Patients~~ Surgical Procedures

FOR the purpose of altering a certain provision of law to exempt a prescriber from being required to request certain data from the ~~Pharmacy~~ *Prescription* Drug Monitoring Program if the opioid or benzodiazepine is prescribed or dispensed to an individual to treat or prevent acute pain for a certain period of time following ~~a~~ any surgical procedure ~~in which regional anesthesia, including certain techniques, was used~~, rather than only surgical procedures in which general anesthesia was used; making this Act subject to a certain contingency; and generally relating to the ~~Pharmacy~~ *Prescription* Drug Monitoring Program.

BY repealing and reenacting, without amendments,
Article – Health – General
Section 21–2A–04.2(a)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)
(As enacted by Chapter 147 of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 21–2A–04.2(b)
Annotated Code of Maryland

(2015 Replacement Volume and 2017 Supplement)
(As enacted by Chapter 147 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 – Health – General

21–2A–04.2.

(a) (1) Beginning July 1, 2018, a prescriber:

(i) Shall request at least the prior 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 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 3 days;

(2) For the treatment of cancer or cancer–related pain;

(3) Who is:

(i) A patient receiving treatment in an inpatient unit of a hospital;

(ii) 1. A patient in a general hospice care program as defined in § 19–901 of this article; or

2. Any other patient diagnosed with a terminal illness;

(iii) A patient 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 for a period of not more than 14 days following:

(i) A surgical procedure ~~in which general anesthesia **OR REGIONAL ANESTHESIA, INCLUDING SPINAL AND EPIDURAL TECHNIQUES,** was used~~;

(ii) A fracture;

(iii) Significant trauma; or

(iv) Childbirth.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018, contingent on the taking effect of Chapter 147 of the Acts of the General Assembly of 2016, and if Chapter 147 does not become effective, this Act, with no further action required by the General Assembly, shall be null and void.

Approved by the Governor, May 15, 2018.

Chapter 773

(House Bill 784)

AN ACT concerning

Electric Facilities – Construction of Overhead Transmission Lines – ~~Repeal of Condemnation Authority, Location, and Workgroup~~ Additional Notice Requirements

FOR the purpose of ~~repealing the authority of a person to which a certain certificate of public convenience and necessity is issued for the construction of a certain overhead transmission line to acquire certain property or rights by condemnation; prohibiting~~ requiring the Public Service Commission ~~from issuing a certificate of public convenience and necessity for the construction of an overhead transmission line that is designed to carry a certain voltage unless the overhead transmission line will be located on certain sites or on land subject to a certain easement~~ to provide certain

notice of an application for a certificate of public convenience and necessity on its website and social media platforms; ~~authorizing the Commission to issue a certificate of public convenience and necessity for the construction of an overhead transmission line at a location other than~~ requiring a certain applicant to identify whether a certain overhead transmission line is located on certain sites or on land subject to a certain easement under certain circumstances; ~~establishing the Workgroup on Overhead Transmission Lines; providing for the composition, chair, and staffing of the Workgroup; prohibiting a member of the Workgroup from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Workgroup to study certain matters; requiring the Workgroup to report its findings to the Governor and the General Assembly on or before a certain date;~~ defining certain terms; making a stylistic change; providing for the application of this Act; ~~providing for the termination of certain provisions of this Act;~~ and generally relating to overhead transmission lines.

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 7–207
Annotated Code of Maryland
(2010 Replacement Volume and 2017 Supplement)

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

Article – Public Utilities

7–207.

(a) (1) (i) In this section and § 7–208 of this subtitle, "construction" means:

1. any physical change at a site, including fabrication, erection, installation, or demolition; or

2. the entry into a binding agreement or contractual obligation to purchase equipment exclusively for use in construction in the State or to undertake a program of actual construction in the State which cannot be canceled or modified without substantial loss to the owner or operator of the proposed generating station.

(ii) "Construction" does not include a change that is needed for the temporary use of a site or route for nonutility purposes or for use in securing geological data, including any boring that is necessary to ascertain foundation conditions.

(2) **(I)** In this section **[**, "qualified**] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(II) "BROWNFIELDS SITE" MEANS:

1. A FORMER INDUSTRIAL OR COMMERCIAL SITE IDENTIFIED BY FEDERAL OR STATE LAWS OR REGULATION AS CONTAMINATED OR POLLUTED;

2. A CLOSED LANDFILL REGULATED BY THE DEPARTMENT OF THE ENVIRONMENT; OR

3. MINED LAND.

(III) 1. "MINED LAND" MEANS THE SURFACE OR SUBSURFACE OF AN AREA IN WHICH SURFACE MINING OPERATIONS WILL BE, ARE BEING, OR HAVE BEEN CONDUCTED.

2. "MINED LAND" INCLUDES:

A. PRIVATE WAYS AND ROADS USED FOR MINING APPURTENANT TO ANY SURFACE MINING AREA;

B. LAND EXCAVATIONS;

C. WORKINGS; AND

D. OVERBURDEN.

(IV) "QUALIFIED generator lead line" means an overhead transmission line that is designed to carry a voltage in excess of 69,000 volts and would allow an out–of–state Tier 1 or Tier 2 renewable source to interconnect with a portion of the electric system in Maryland that is owned by an electric company.

(b) (1) (i) Unless a certificate of public convenience and necessity for the construction is first obtained from the Commission, a person may not begin construction in the State of:

1. a generating station; or

2. a qualified generator lead line.

(ii) If a person obtains Commission approval for construction under § 7–207.1 of this subtitle, the Commission shall exempt a person from the requirement to obtain a certificate of public convenience and necessity under this section.

(iii) Notwithstanding subparagraph (i) of this paragraph, a person may not apply to obtain a certificate of public convenience and necessity for construction of a qualified generator lead line unless:

1. at least 90 days before the filing of an application for a certificate of public convenience and necessity, the person had in good faith offered the electric company that owns that portion of the electric grid in Maryland to which the qualified generator lead line would interconnect a full and fair opportunity for the electric company to construct the qualified generator lead line; and

2. at any time at least 10 days before the filing of an application for a certificate of public convenience and necessity, the electric company:

A. did not accept from the person a proposal or a negotiated version of the proposal under which the electric company would construct the qualified generator lead line; or

B. stated in writing that the electric company did not intend to construct the qualified generator lead line.

(2) Unless a certificate of public convenience and necessity for the construction is first obtained from the Commission, and the Commission has found that the capacity is necessary to ensure a sufficient supply of electricity to customers in the State, a person may not exercise a right of condemnation in connection with the construction of a generating station.

(3) (i) Except as provided in paragraph (4) of this subsection, unless a certificate of public convenience and necessity for the construction is first obtained from the Commission, a person may not begin construction of an overhead transmission line that is designed to carry a voltage in excess of 69,000 volts or exercise a right of condemnation with the construction.

(ii) For construction related to an existing overhead transmission line, the Commission may waive the requirement in subparagraph (i) of this paragraph for good cause.

(iii) Notwithstanding subparagraph (i) of this paragraph and subject to subparagraph (iv) of this paragraph, the Commission may issue a certificate of public convenience and necessity for the construction of an overhead transmission line only if the applicant for the certificate of public convenience and necessity:

1. is an electric company; or

2. is or, on the start of commercial operation of the overhead transmission line, will be subject to regulation as a public utility by an officer or an agency of the United States.

(iv) The Commission may not issue a certificate of public convenience and necessity for the construction of an overhead transmission line in the electric distribution service territory of an electric company to an applicant other than an electric company if:

1. the overhead transmission line is to be located solely within the electric distribution service territory of that electric company; and

2. the cost of the overhead transmission line is to be paid solely by that electric company and its ratepayers.

[(v) 1. This subparagraph applies to the construction of an overhead transmission line for which a certificate of public convenience and necessity is required under this section.

2. On issuance of a certificate of public convenience and necessity for the construction of an overhead transmission line, a person may acquire by condemnation, in accordance with Title 12 of the Real Property Article, any property or right necessary for the construction or maintenance of the transmission line.]

(4) (i) Except as provided in subparagraph (ii) of this paragraph, for construction related to an existing overhead transmission line designed to carry a voltage in excess of 69,000 volts, the Commission shall waive the requirement to obtain a certificate of public convenience and necessity if the Commission finds that the construction does not:

1. require the person to obtain new real property or additional rights–of–way through eminent domain; or

2. require larger or higher structures to accommodate:

A. increased voltage; or

B. larger conductors.

(ii) 1. For construction related to an existing overhead transmission line, including repairs, that is necessary to avoid an imminent safety hazard or reliability risk, a person may undertake the necessary construction.

2. Within 30 days after construction is completed under subsubparagraph 1 of this subparagraph, a person shall file a report with the Commission describing the work that was completed.

~~(5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COMMISSION MAY NOT ISSUE A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION OF AN OVERHEAD TRANSMISSION LINE THAT IS DESIGNED TO CARRY A VOLTAGE IN EXCESS OF 69,000 VOLTS UNLESS THE OVERHEAD TRANSMISSION LINE WILL BE LOCATED ON:~~

~~1. AN EXISTING BROWNFIELDS SITE;~~

~~2. PROPERTY THAT IS SUBJECT TO AN EXISTING EASEMENT; OR~~

~~3. A SITE WHERE A TOWER STRUCTURE OR COMPONENTS OF A TOWER STRUCTURE USED TO SUPPORT AN OVERHEAD TRANSMISSION LINE EXIST.~~

~~(II) THE COMMISSION MAY ISSUE A CERTIFICATE OF PUBLIC CONVENIENCE FOR THE CONSTRUCTION OF AN OVERHEAD TRANSMISSION LINE AT A LOCATION OTHER THAN THE LOCATIONS LISTED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THE COMMISSION DETERMINES THAT THE LOCATIONS LISTED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH ARE AT FULL CAPACITY, AS VERIFIED BY AN INDEPENDENT AUTHORITY.~~

(c) (1) On receipt of an application for a certificate of public convenience and necessity under this section, the Commission shall provide notice immediately or require the applicant to provide notice immediately of the application to:

(i) the Department of Planning;

(ii) the governing body, and if applicable the executive, of each county or municipal corporation in which any portion of the generating station, overhead transmission line, or qualified generator lead line is proposed to be constructed;

(iii) the governing body, and if applicable the executive, of each county or municipal corporation within 1 mile of the proposed location of the generating station, overhead transmission line, or qualified generator lead line;

(iv) each member of the General Assembly representing any part of a county in which any portion of the generating station, overhead transmission line, or qualified generator lead line is proposed to be constructed;

(v) each member of the General Assembly representing any part of each county within 1 mile of the proposed location of the generating station, overhead transmission line, or qualified generator lead line; and

(vi) all other interested persons.

(2) The Commission, when sending the notice required under paragraph (1) of this subsection, shall forward a copy of the application to:

(i) each appropriate State unit and unit of local government for review, evaluation, and comment regarding the significance of the proposal to State, area–wide, and local plans or programs; and

(ii) each member of the General Assembly included under paragraph (1)(iv) and (v) of this subsection who requests a copy of the application.

(3) ON RECEIPT OF AN APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER THIS SECTION, THE COMMISSION SHALL PROVIDE NOTICE OF THE APPLICATION ON THE COMMISSION'S SOCIAL MEDIA PLATFORMS AND WEBSITE.

(d) (1) The Commission shall provide an opportunity for public comment and hold a public hearing on the application for a certificate of public convenience and necessity in each county and municipal corporation in which any portion of the construction of a generating station, an overhead transmission line designed to carry a voltage in excess of 69,000 volts, or a qualified generator lead line is proposed to be located.

(2) The Commission shall hold the public hearing jointly with the governing body of the county or municipal corporation in which any portion of the construction of the generating station, overhead transmission line, or qualified generator lead line is proposed to be located, unless the governing body declines to participate in the hearing.

(3) (i) Once in each of the 4 successive weeks immediately before the hearing date, the Commission shall provide weekly notice of the public hearing and an opportunity for public comment:

1. by advertisement in a newspaper of general circulation in the county or municipal corporation affected by the application;

2. on two types of social media; and

3. on the Commission's ~~Web site~~ **WEBSITE**.

(ii) Before a public hearing, the Commission shall coordinate with the governing body of the county or municipal corporation in which any portion of the construction of the generating station, overhead transmission line, or qualified generator lead line is proposed to be located to identify additional options for providing, in an efficient and cost–effective manner, notice of the public hearing through other types of media that are familiar to the residents of the county or municipal corporation.

(4) (i) On the day of a public hearing, an informational sign shall be posted prominently at or near each public entrance of the building in which the public hearing will be held.

(ii) The informational sign required under subparagraph (i) of this paragraph shall:

1. state the time, room number, and subject of the public hearing; and

2. be at least 17 by 22 inches in size.

(5) (i) The Commission shall ensure presentation and recommendations from each interested State unit, and shall allow representatives of each State unit to sit during hearing of all parties.

(ii) The Commission shall allow each State unit 15 days after the conclusion of the hearing to modify the State unit's initial recommendations.

(e) The Commission shall take final action on an application for a certificate of public convenience and necessity only after due consideration of:

(1) the recommendation of the governing body of each county or municipal corporation in which any portion of the construction of the generating station, overhead transmission line, or qualified generator lead line is proposed to be located;

(2) the effect of the generating station, overhead transmission line, or qualified generator lead line on:

(i) the stability and reliability of the electric system;

(ii) economics;

(iii) esthetics;

(iv) historic sites;

(v) aviation safety as determined by the Maryland Aviation Administration and the administrator of the Federal Aviation Administration;

(vi) when applicable, air and water pollution; and

(vii) the availability of means for the required timely disposal of wastes produced by any generating station; and

(3) for a generating station:

(i) the consistency of the application with the comprehensive plan and zoning of each county or municipal corporation where any portion of the generating station is proposed to be located; and

(ii) the efforts to resolve any issues presented by a county or municipal corporation where any portion of the generating station is proposed to be located.

(f) For the construction of an overhead transmission line, in addition to the considerations listed in subsection (e) of this section, the Commission shall:

(1) take final action on an application for a certificate of public convenience and necessity only after due consideration of the need to meet existing and future demand for electric service; ~~and~~

(2) require as an ongoing condition of the certificate of public convenience and necessity that an applicant complies with:

(i) all relevant agreements with PJM Interconnection, L.L.C., or its successors, related to the ongoing operation and maintenance of the overhead transmission line; and

(ii) all obligations imposed by the North America Electric Reliability Council and the Federal Energy Regulatory Commission related to the ongoing operation and maintenance of the overhead transmission line**; AND**

(3) REQUIRE THE APPLICANT TO IDENTIFY WHETHER THE OVERHEAD TRANSMISSION LINE IS PROPOSED TO BE CONSTRUCTED ON:

(I) AN EXISTING BROWNFIELDS SITE;

(II) PROPERTY THAT IS SUBJECT TO AN EXISTING EASEMENT; OR

(III) A SITE WHERE A TOWER STRUCTURE OR COMPONENTS OF A TOWER STRUCTURE USED TO SUPPORT AN OVERHEAD TRANSMISSION LINE EXIST.

(g) (1) The Commission may not authorize, and a person may not undertake, the construction of an overhead transmission line that is aligned with and within 1 mile of either end of a public airport runway, unless:

(i) the Federal Aviation Administration determines that the construction of an overhead transmission line will not constitute a hazard to air navigation; and

(ii) the Maryland Aviation Administration concurs in that determination.

(2) A privately owned airport runway shall qualify as a public airport runway under this subsection only if the runway has been on file with the Federal Aviation Administration for at least 2 years as being open to the public without restriction.

~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~

~~(a) There is a Workgroup on Overhead Transmission Lines.~~

~~(b) The Workgroup consists of the following members:~~

~~(1) the Chair of the Public Service Commission, or the Chair's designee; and~~

~~(2) the following members, appointed by the Governor:~~

~~(i) three individuals who own land that has been, is, or will be impacted by the condemnation of land for the construction or maintenance of an overhead transmission line;~~

~~(ii) one representative of the fossil fuel industry; and~~

~~(iii) one representative of the renewable energy industry.~~

~~(c) The Chair of the Public Service Commission, or the Chair's designee, shall chair the Workgroup.~~

~~(d) The Public Service Commission shall provide staff for the Workgroup.~~

~~(e) A member of the Workgroup:~~

~~(1) may not receive compensation as a member of the Workgroup; but~~

~~(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.~~

~~(f) The Workgroup shall examine:~~

~~(1) whether the authority to condemn land for the construction or maintenance of an overhead transmission line is necessary;~~

~~(2) whether private companies should have the authority to condemn land for the construction or maintenance of an overhead transmission line;~~

~~(3) how to adequately compensate a person whose property or right is condemned for the construction or maintenance of an overhead transmission line, including valuing the property or right without reduction based on the value of development or other rights restricted by a permanent conservation easement or another form of land preservation program;~~

~~(4) whether there are other methods to acquire land for the construction or maintenance of an overhead transmission line; and~~

~~(5) how to meet the State's energy demands without:~~

~~(i) increasing the amount of energy in the State from renewable sources or out–of–state sources; and~~

~~(ii) constructing new overhead transmission lines.~~

~~(g) On or before December 31, 2018, the Workgroup shall report its findings to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any application for a certificate of public convenience and necessity filed before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2018. ~~Section 2 of this Act shall remain effective for a period of 1 year and 1 month and, at the end of June 30, 2019, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.~~

Approved by the Governor, May 15, 2018.

Chapter 774

(House Bill 822)

AN ACT concerning

Personnel and Pensions – Phased Retirement Plan ~~– Development and Implementation~~

FOR the purpose of requiring, on or before a certain date, the Department of Budget and Management and the State Retirement Agency to develop ~~and, to the extent authorized under law, implement a certain phased retirement plan for certain eligible individuals;~~ *recommendations for a phased retirement plan;* requiring the Department and the Agency to consider certain options and work with certain representatives in developing the ~~plan~~ *recommendations*; requiring, on or before certain dates, the Department and the Agency to submit certain reports to the Department of Legislative Services and the Joint Committee on Pensions; requiring, on or before a certain date, the Department and the Agency to submit ~~the plan~~ *certain recommendations* to the Department of Legislative Services, certain committees of the General Assembly, and the Joint Committee on Pensions; requiring the Department and the Agency to make certain recommendations to the Joint Committee on Pensions on certain statutory changes to implement ~~the~~ *a phased retirement* plan; defining certain terms; providing for the termination of

certain provisions of this Act; and generally relating to the development ~~and implementation~~ of a phased retirement plan.

~~BY adding to~~
~~Article – State Personnel and Pensions~~
~~The new title "Title 41. Phased Retirement Plans"~~
~~Annotated Code of Maryland~~
~~(2015 Replacement Volume and 2017 Supplement)~~

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

~~**Article – State Personnel and Pensions**~~

~~**TITLE 41. PHASED RETIREMENT PLANS.**~~

~~**41–101. RESERVED.**~~

~~**41–102. RESERVED.**~~

~~SECTION 2. AND BE IT FURTHER ENACTED,~~ That:

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

(2) "Agency" means the State Retirement Agency.

(3) "Department" means the Department of Budget and Management.

(4) "Eligible individual" means an individual who:

(i) is a member of:

1. the Correctional Officers' Retirement System;

2. the Employees' Pension System;

3. the Employees' Retirement System;

4. the Law Enforcement Officers' Pension System;

5. the State Police Retirement System;

6. the Teachers' Pension System; or

7. the Teachers' Retirement System; and

(ii) is not:

1. a member of a pension or retirement system specified in subparagraph (i) of this paragraph by virtue of the individual's employment with a participating governmental unit; or

2. participating in a deferred retirement option program.

(5) "Phased retirement plan" means a plan that~~, at a minimum,~~ authorizes a retirement–eligible employee to remain in State service on a part–time basis and receive regular compensation for the time spent working while also collecting ~~prorated~~ retirement benefits.

(b) The Department and the Agency shall develop *recommendations for* a phased retirement plan for eligible individuals.

(c) In developing ~~the~~ *recommendations for a* phased retirement plan, the Department and the Agency shall:

(1) consider all options to incentivize eligible individuals to stay in State service to mentor or train employees who will later fill the positions of the experienced employees who are preparing for retirement; and

(2) work with the exclusive representatives of the employees for which the phased retirement plan is being developed.

(d) (1) On or before January 1, 2019, and on or before May 1, 2019, the Department and the Agency shall submit a report to the Department of Legislative Services and, in accordance with § 2–1246 of the State Government Article, the Joint Committee on Pensions on the development of the *recommendations for a* phased retirement plan.

(2) On or before July 1, 2019, the Department and the Agency shall:

(i) finalize the development of the *recommendations for a* phased retirement plan; and

(ii) submit the finalized *recommendations for a* phased retirement plan to the Department of Legislative Services and, in accordance with § 2–1246 of the State Government Article, the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions.

(3) On or before December ~~31~~ *1*, 2019, the Department and the Agency shall make recommendations to the Joint Committee on Pensions on the suggested statutory changes to implement ~~the finalized~~ *a* phased retirement plan.

~~(4) On or before July 1, 2020, to the extent authorized under law, the Department and the Agency shall implement the finalized phased retirement plan.~~

SECTION ~~3.~~ *2.* AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018. ~~Section 2 of this Act~~ *It* shall remain effective for a period of 3 years and, at the end of June 30, 2021, ~~Section 2 of~~ this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 775

(House Bill 1254)

AN ACT concerning

Education – School Discipline – ~~Guidelines and~~ Data Collection

FOR the purpose of requiring ~~each county board of education to adopt the Maryland Guidelines for a State Code of Discipline as the code of discipline for the local school system; requiring~~ the State Department of Education to disaggregate certain data in any student discipline data report in a certain manner; requiring that special education data in a certain student discipline data report be disaggregated in a certain manner; ~~requiring the Department to report certain discipline-related data in an electronic spreadsheet format for the Maryland Report Card and the Maryland Longitudinal Data System;~~ requiring the Department to collect certain data on alternative school discipline practices; ~~requiring the Department to disaggregate certain data in an alternative school discipline practices data report in a certain manner; requiring that special education data in an alternative school discipline practices data report be disaggregated in a certain manner; requiring the Department to report certain alternative school discipline practices data in an electronic spreadsheet format for the Maryland Report Card and the Maryland Longitudinal Data System;~~ defining a certain term; making a stylistic change; and generally relating to discipline in public schools.

BY repealing and reenacting, with amendments,
Article – Education
Section 7–306
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Education

7–306.

(a) Notwithstanding any bylaw, rule, or regulation made or approved by the State Board, a principal, vice principal, or other employee may not administer corporal punishment to discipline a student in a public school in the State.

(b) The State Board **[**of Education**]** shall:

(1) Establish guidelines that define a State code of discipline for all public schools with standards of conduct and consequences for violations of the standards; and

(2) Assist each county board with the implementation of the guidelines.

(c) ~~[~~(1) Subject to the provisions of subsections (a) and (b) of this section, each~~]~~ ~~EACH~~ county board shall adopt ~~[~~regulations designed to create and maintain within the schools under its jurisdiction the atmosphere of order and discipline necessary for effective learning.

(2) The regulations adopted by a county board under this subsection:

(i) Shall provide for educational and behavioral interventions, counseling, and student and parent conferencing; and

(ii) Shall provide alternative programs, which may include in–school suspension, suspension, expulsion, or other disciplinary measures that are deemed appropriate~~]~~ ~~THE MARYLAND GUIDELINES FOR A STATE CODE OF DISCIPLINE AS APPROVED BY THE STATE BOARD ON JULY 22, 2014, AS THE CODE OF DISCIPLINE FOR THE LOCAL SCHOOL SYSTEM~~.

(D) (1) THE DEPARTMENT SHALL DISAGGREGATE THE INFORMATION IN ANY STUDENT DISCIPLINE DATA REPORT PREPARED BY THE DEPARTMENT BY RACE, ETHNICITY, GENDER, DISABILITY STATUS, ELIGIBILITY FOR FREE OR REDUCED PRICE MEALS OR AN EQUIVALENT MEASURE OF SOCIOECONOMIC STATUS, AND ENGLISH LANGUAGE PROFICIENCY FOR:

(I) THE STATE;

(II) EACH LOCAL SCHOOL SYSTEM; AND

(III) EACH PUBLIC SCHOOL.

(2) SPECIAL EDUCATION–RELATED DATA IN ANY REPORT PREPARED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE DISAGGREGATED BY RACE, ETHNICITY, AND GENDER.

~~(E) THE DEPARTMENT SHALL REPORT ALL DISCIPLINE–RELATED DATA IN AN ELECTRONIC SPREADSHEET FORMAT FOR:~~

~~(1) THE MARYLAND REPORT CARD AT THE STATE, LOCAL SCHOOL SYSTEM, AND SCHOOL LEVEL; AND~~

~~(2) THE MARYLAND LONGITUDINAL DATA SYSTEM UNDER TITLE 24, SUBTITLE 7 OF THIS ARTICLE.~~

~~(F)~~ (E) (1) IN THIS SUBSECTION, "ALTERNATIVE SCHOOL DISCIPLINE PRACTICE" MEANS A DISCIPLINE PRACTICE USED IN A PUBLIC SCHOOL THAT IS NOT AN IN–SCHOOL SUSPENSION OR AN OUT–OF–SCHOOL SUSPENSION.

(2) THE DEPARTMENT SHALL COLLECT DATA ON ALTERNATIVE SCHOOL DISCIPLINE PRACTICES IN PUBLIC SCHOOLS FOR EACH LOCAL SCHOOL SYSTEM, INCLUDING:

(I) THE TYPES OF ALTERNATIVE SCHOOL DISCIPLINE PRACTICES THAT ARE USED IN A LOCAL SCHOOL SYSTEM; AND

(II) ~~THE NUMBER OF TIMES AN ALTERNATIVE DISCIPLINE PRACTICE IS USED IN A LOCAL SCHOOL SYSTEM; AND~~

~~(III)~~ THE TYPE OF MISCONDUCT FOR WHICH AN ALTERNATIVE DISCIPLINE PRACTICE IS USED.

~~(3) THE DEPARTMENT SHALL DISAGGREGATE THE INFORMATION IN AN ALTERNATIVE SCHOOL DISCIPLINE PRACTICE REPORT PREPARED BY THE DEPARTMENT UNDER THIS SUBSECTION BY RACE, ETHNICITY, GENDER, DISABILITY STATUS, AND ENGLISH LANGUAGE PROFICIENCY FOR:~~

~~(I) THE STATE;~~

~~(II) EACH LOCAL SCHOOL SYSTEM; AND~~

~~(III) EACH PUBLIC SCHOOL.~~

~~(4) SPECIAL EDUCATION–RELATED DATA IN ANY REPORT PREPARED UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL BE DISAGGREGATED BY RACE, ETHNICITY, AND GENDER.~~

~~(5) THE DEPARTMENT SHALL REPORT ALL ALTERNATIVE SCHOOL DISCIPLINE PRACTICE–RELATED DATA IN AN ELECTRONIC SPREADSHEET FORMAT FOR:~~

~~(I) THE MARYLAND REPORT CARD AT THE STATE, LOCAL SCHOOL SYSTEM, AND SCHOOL LEVEL; AND~~

~~(II) THE MARYLAND LONGITUDINAL DATA SYSTEM UNDER TITLE 24, SUBTITLE 7 OF THIS ARTICLE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 776

(House Bill 236)

AN ACT concerning

Prince George's County – Affordable Housing Commission

PG 408–18

FOR the purpose of establishing the Affordable Housing Commission for Prince George's County; providing for the composition, chair, and staffing of the Commission; prohibiting a member of the Commission from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Commission to review certain procedures and practices and use certain information to examine the state of affordable housing in the county; requiring the Commission to report its findings and recommendations to certain persons on or before a certain date; providing for the termination of this Act; and generally relating to the Affordable Housing Commission for Prince George's County.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is an Affordable Housing Commission for Prince George's County.

(b) The Commission 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 chair of the Housing Authority of Prince George's County or the

chair's designee; and

(4) the following members, appointed by the County Executive:

(i) two representatives of the housing industry, including representatives of the Home Builders Association of Maryland and the Maryland Association of Realtors;

(ii) two representatives of banking or lending institutions;

(iii) two representatives of rental property owner organizations;

(iv) two representatives of affordable housing programs of municipalities in the county; and

(v) four members of the public.

(c) The County Executive shall designate the chair of the Commission.

(d) The County Department of Housing and Community Development shall provide staff for the Commission.

(e) 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.

(f) The Commission shall:

(1) review the procedures and practices currently used in the county administration of housing and community development policies;

(2) use existing studies, reports, and census data to examine the state of affordable housing in the county, including:

(i) the need for the preservation and production of rental housing, special needs housing, transitional housing, and shelters for the homeless;

(ii) homeownership opportunities;

(iii) possible barriers to the creation of affordable housing, including economic factors, local government regulations and procedures, and community perceptions;

(iv) successful State and national housing initiatives;

(v) challenges facing healthy, at–risk, distressed, and blighted communities; and

(vi) the impact of housing choice vouchers and other forms of housing assistance; and

(3) examine industry trends in the location, production, and rehabilitation of single–family and multifamily housing.

(g) On or before January 1, 2019, the Commission shall report its findings and recommendations to the members of the Prince George's County Senate delegation to the General Assembly, the members of the Prince George's County House delegation to the General Assembly, the Governor, and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018. It shall remain effective for a period of 1 year and, at the end of June 30, 2019, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 777

(House Bill 238)

AN ACT concerning

Prince George's County – Vehicle Laws – Authority to Tow ~~Abandoned~~ Vehicles

PG 418–18

FOR the purpose of *prohibiting the governing body of Prince George's County and the police department in Prince George's County from using other persons, equipment, or facilities for removing, preserving, and storing vehicles under State and local law except under certain circumstances;* altering the definition of "police department" to include an ~~entity~~ *appropriate agency or department* designated by the County Executive of Prince George's County for purposes of provisions relating to the towing of abandoned vehicles in Prince George's County; *making conforming changes; making this Act an emergency measure;* and generally relating to the authority to tow ~~abandoned~~ vehicles in Prince George's County.

BY repealing and reenacting, without amendments,
Article – Transportation

Section 16–303.1(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section *16–303.1(b),* 25–201*, and 25–203*
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY ~~repealing and reenacting, without amendments,~~ *adding to*
Article – Transportation
Section ~~25–203~~ *25–115*
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Transportation

16–303.1.

(a) In this section, "police department" has the meaning stated in § 25–201 of this article.

(b) (1) For the purpose of impounding or immobilizing a vehicle under this section, the police department may use its own personnel, equipment, and facilities or, subject to the provisions of paragraph (2) of this subsection ***AND EXCEPT AS PROVIDED IN § 25–115 OF THIS ARTICLE****, use other persons, equipment, and facilities for immobilizing vehicles or removing, preserving, and storing impounded vehicles.*

(2) A police department may not authorize the use of a tow truck under paragraph (1) of this subsection unless the tow truck is registered under § 13–920 of this article.

25–115.

(A) IN THIS SECTION, "POLICE DEPARTMENT" HAS THE MEANING STATED IN § 25–201(E)(5) OF THIS TITLE.

(B) NEITHER THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY NOR THE POLICE DEPARTMENT MAY USE OTHER PERSONS, EQUIPMENT, OR FACILITIES FOR REMOVING, PRESERVING, AND STORING VEHICLES UNDER § 16–303.1 OF THIS ARTICLE, § 25–203 OF THIS TITLE, OR ANY OTHER STATE OR LOCAL LAW UNLESS THE SERVICES OF THE PERSON OR THE EQUIPMENT OR FACILITIES ARE SELECTED FROM

AN OPEN PROCUREMENT ADMINISTERED BY THE PRINCE GEORGE'S COUNTY OFFICE OF CENTRAL SERVICES.

25–201.

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

(b) "Abandoned vehicle" means any motor vehicle, trailer, or semitrailer:

(1) That is inoperable and left unattended on public property for more than 48 hours;

(2) That has remained illegally on public property for more than 48 hours;

(3) That has remained on private property for more than 48 hours without the consent of the owner or person in control of the property;

(4) That has remained in a garage for more than 10 days after the garage keeper has given the owner of the vehicle notice by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to remove the vehicle;

(5) That has remained in a garage for more than 10 days after the period when, by contract, the vehicle was to remain in the garage;

(6) That was left for more than 10 days in a garage by:

(i) Someone other than its registered owner; or

(ii) A person authorized to have possession of the vehicle under a contract of use, service, storage, or repair;

(7) That has remained on public property for more than 48 hours and:

(i) Is not displaying currently valid registration plates; or

(ii) Is displaying registration plates of another vehicle;

(8) That has been left unattended on any portion of a "controlled access highway" as defined in § 8–101(f) of this article for more than 24 hours;

(9) That has been left unattended on any portion of a primary or secondary highway or controlled access highway, as defined in § 8–101 of this article, and is in violation of any of the provisions of § 22–408 of this article; or

(10) That is not reclaimed as provided under § 27–111 of this article.

(c) "Garage" means any of the following, if operated for commercial purposes:

(1) A parking place or establishment;

(2) A vehicle storage facility; or

(3) An establishment for the servicing, repair, or maintenance of vehicles.

(d) (1) "Lessor" means a person who regularly leases or offers to lease motor vehicles.

(2) "Lessor" includes:

(i) An assignee of leases; and

(ii) A person who during any 12–month period offers to lease 5 or more motor vehicles or who is assigned 5 or more leases.

(e) "Police department" means:

(1) The Department of State Police;

(2) The police department of any political subdivision of this State;

(3) In Baltimore City, the appropriate agency designated by the Board of Estimates;

(4) The police forces of public colleges and universities;

(5) In Prince George's County, **[**if designated by the County Executive, the Prince George's County Department of Environmental Resources**]** **AN** ~~**ENTITY**~~ ***APPROPRIATE AGENCY OR DEPARTMENT*** **DESIGNATED BY THE COUNTY EXECUTIVE**;

(6) In any municipality in Prince George's County or Montgomery County, an appropriate agency or department designated by the governing body of the municipality; and

(7) The police force of any State government agency.

25–203.

(a) A police department may take any abandoned vehicle into custody. For this purpose, the police department may use its own personnel, equipment, and facilities or, subject to the provisions of subsection (b) of this section ***AND EXCEPT AS PROVIDED IN § 25–115 OF THIS TITLE***, use other persons, equipment, and facilities for removing, preserving, and storing abandoned vehicles.

(b) A police department may not authorize the use of a tow truck under subsection (a) of this section unless the tow truck is registered under § 13–920 of this article.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 15, 2018.

Chapter 778

(House Bill 239)

AN ACT concerning

Prince George's County – Sales of Residential Real Property – Community Amenities – Advertising

PG 412–18

FOR the purpose of ~~requiring any~~ altering requirements relating to advertising for the sale of residential real property in a community development in Prince George's County that will include a certain community amenity ~~to include a certain disclosure statement~~; requiring a copy of a certain recreational facilities agreement to be made available to prospective purchasers in a certain location; requiring certain information to be displayed in a certain manner in a certain office of a community development; providing for the application of this Act; and generally relating to community amenities in Prince George's County.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 10–710
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Real Property

10–710.

(a) In this section, "community amenity" includes:

(1) A country club;

(2) A golf course;

(3) A health club;

(4) A park;

(5) A swimming pool;

(6) A tennis court; and

(7) A walking trail.

(b) (1) In Prince George's County, a contract of sale for residential real property that includes an agreement by the home builder to provide a community amenity shall include a disclosure statement that:

(i) Identifies the community amenity provided in the contract of sale; and

(ii) Specifies when the community amenity will be completed in accordance with a recreational facilities agreement recorded with the Prince George's County Planning Department.

(2) The disclosure statement required under paragraph (1) of this subsection shall be:

(i) Dated and signed by the purchaser and the home builder; and

(ii) Included in or attached to the contract of sale.

(3) A purchaser who does not receive the disclosure statement required under paragraph (1) of this subsection on or before entering into the contract of sale has an unconditional right, on written notice to the home builder, to rescind the contract of sale at any time:

(i) Before the receipt of the disclosure statement; or

(ii) Within 5 days after receipt of the disclosure statement.

(c) Any advertising for **THE SALE OF RESIDENTIAL REAL PROPERTY IN** a community development in Prince George's County that will include a community amenity

shall include disclosure of the requirements under this section~~, INCLUDING A DISCLOSURE STATEMENT THAT:~~

~~(1) IDENTIFIES THE COMMUNITY AMENITY THAT WILL BE PROVIDED; AND~~

~~(2) SPECIFIES WHEN THE COMMUNITY AMENITY WILL BE COMPLETED~~.

(d) In Prince George's County, a home builder that does not make the community amenity available as provided in the contract of sale may be liable for breach of contract.

(E) IN PRINCE GEORGE'S COUNTY, A HOME BUILDER SHALL MAKE A COPY OF ANY RECREATIONAL FACILITIES AGREEMENT RECORDED WITH THE PRINCE GEORGE'S COUNTY PLANNING DEPARTMENT AVAILABLE TO PROSPECTIVE PURCHASERS IN THE SALES OR MANAGEMENT OFFICE OF THE COMMUNITY DEVELOPMENT.

(F) IN PRINCE GEORGE'S COUNTY, A HOME BUILDER SHALL DISPLAY THE FOLLOWING INFORMATION IN THE SALES OR MANAGEMENT OFFICE OF THE COMMUNITY DEVELOPMENT IN A LOCATION VISIBLE TO PROSPECTIVE PURCHASERS:

(1) THE AMENITIES LISTED IN ANY RECREATIONAL FACILITIES AGREEMENT RECORDED WITH THE PRINCE GEORGE'S COUNTY PLANNING DEPARTMENT;

(2) A DETAILED SITE PLAN AND THE BUILDING PERMIT NUMBER OF EACH AMENITY LISTED IN THE RECREATIONAL FACILITIES AGREEMENT; AND

(3) THE EXPECTED COMPLETION DATES OF EACH AMENITY AS STATED IN THE RECREATIONAL FACILITIES AGREEMENT.

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 advertising for a community development located in Prince George's County that will include a community amenity listed in a recreational facilities agreement that is recorded with the Prince George's County Planning Department before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 779

(House Bill 183)

AN ACT concerning

Prince George's County Environmental Justice Commission

PG 411–18

FOR the purpose of establishing the Prince George's County Environmental Justice Commission; providing for the composition, chair, and staffing of the Commission; prohibiting a member of the Commission from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Commission to study and make recommendations regarding certain environmental justice issues and other matters; requiring the Commission to report its findings and recommendations to the Prince George's County House Delegation on or before a certain date; providing for the termination of this Act; and generally relating to the Prince George's County Environmental Justice Commission.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Prince George's County Environmental Justice Commission.

(b) The Commission consists of the following members:

(1) the County Executive of Prince George's County, or the County Executive's designee;

(2) the chair of the Prince George's County Council, or the chair's designee;

(3) the Director of the Prince George's County Department of the Environment, or the Director's designee;

(4) the Director of the Prince George's County Department of Permitting, Inspections and Enforcement, or the Director's designee;

(5) one representative of an environmental organization that works on environmental justice issues in Prince George's County, appointed by the chair of the Commission; and

(6) two members of the public who reside in Prince George's County, appointed by the chair of the Commission.

(c) The chair of the Prince George's County House Delegation shall designate the

chair of the Commission.

(d) The Prince George's County Department of the Environment shall provide staff for the Commission.

(e) 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.

(f) The Commission shall:

(1) study environmental justice issues in Prince George's County; and

(2) make recommendations regarding:

(i) actions that should be taken to address environmental justice issues in Prince George's County; and

(ii) whether the duration of the Commission should be extended.

(g) On or before December 31, 2018, the Commission shall report its findings and recommendations to the Prince George's County House Delegation in accordance with § 2–1246 of the State Government Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2018. It shall remain effective for a period of 1 year and 1 month and, at the end of June 30, 2019, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 780

(House Bill 903)

AN ACT concerning

Washington County – Highway Parking – Prohibition on Prolonged Parking of Inoperable or Disabled Vehicle

FOR the purpose of prohibiting the parking of a disabled, inoperable, or immobilized vehicle on a public street for more than a certain amount of time in Washington County;

requiring that certain notice be posted on a vehicle parked in violation of this Act prior to towing the vehicle; requiring that certain notice be provided following the impounding of a vehicle under this Act; establishing a certain penalty; defining a certain term; providing for the application of this Act; and generally relating to parking requirements in Washington County.

BY adding to
Article – Transportation
Section 21–1004(g)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Transportation
Section 25–204
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Transportation

21–1004.

(G) (1) (I) IN THIS SUBSECTION, "AN INOPERABLE OR DISABLED VEHICLE" MEANS A VEHICLE THAT IS VISIBLY UNABLE TO FUNCTION OR MOVE OR THAT, THOUGH ABLE TO OPERATE OR MOVE, POSES A SEVERE SAFETY HAZARD.

(II) "AN INOPERABLE OR DISABLED VEHICLE" INCLUDES:

1. A VEHICLE THAT IS MISSING A WHEEL OR WHEELS;

2. A VEHICLE THAT HAS A SEVERELY UNDERINFLATED OR FLAT TIRE OR TIRES; AND

3. A VEHICLE WITH A SEVERELY DAMAGED WINDSHIELD.

(2) THIS SUBSECTION APPLIES ONLY IN WASHINGTON COUNTY.

(3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A PERSON MAY NOT LEAVE AN INOPERABLE OR DISABLED VEHICLE CONTINUOUSLY PARKED IN THE SAME LOCATION ON A HIGHWAY FOR MORE THAN 7 DAYS.

(II) SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT APPLY TO A VEHICLE THAT HAS BEEN IMMOBILIZED BY A LOCAL GOVERNMENTAL ENTITY OR AN AGENT OF A LOCAL GOVERNMENTAL ENTITY.

(4) A PERSON WHO VIOLATES PARAGRAPH (3) OF THIS SUBSECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING $500.

(5) (I) A VEHICLE THAT IS LEFT IN VIOLATION OF PARAGRAPH (3) OF THIS SUBSECTION MAY BE TOWED ONLY IF NOTICE OF THE INTENT TO TOW THE VEHICLE IS POSTED PROMINENTLY ON THE VEHICLE AT LEAST 72 HOURS IN ADVANCE.

(II) THE NOTICE OF THE INTENT TO TOW AN INOPERABLE OR DISABLED VEHICLE SHALL INCLUDE:

1. THE ADDRESS AND TELEPHONE NUMBER OF THE FACILITY WHERE THE VEHICLE WILL BE IMPOUNDED; AND

2. CONTACT INFORMATION WHERE THE OWNER OF THE VEHICLE MAY DIRECT QUESTIONS REGARDING THE NOTICE OF THE INTENT TO TOW.

(6) IF A VEHICLE IS TAKEN INTO CUSTODY UNDER THIS SECTION, A POLICE DEPARTMENT SHALL FOLLOW THE SAME NOTICE REQUIREMENTS AS THOSE FOR ABANDONED VEHICLES UNDER § 25–204 OF THIS ARTICLE.

25–204.

(a) As soon as reasonably possible and within 7 days at most after it takes an abandoned vehicle into custody, a police department shall send a notice, by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, to:

(1) The last known registered owner of the vehicle; and

(2) Each secured party, as shown on the records of the Administration.

(b) The notice shall:

(1) State that the abandoned vehicle has been taken into custody;

(2) Describe the year, make, model, and vehicle identification number of the vehicle;

(3) Give the location of the facility where the vehicle is held;

(4) (i) Inform the owner and secured party of the owner's and secured party's right to reclaim the vehicle within 3 weeks after the date of the notice, on payment of all towing, preservation, and storage charges resulting from taking or placing the vehicle in custody; or

(ii) In Baltimore City and Montgomery County, be sent by certified mail, return receipt requested, and inform the owner and secured party of the owner's and secured party's right to reclaim the vehicle within 11 working days after the receipt of the notice, on payment of all towing, preservation, and storage charges resulting from taking or placing the vehicle in custody; and

(5) State that the failure of the owner or secured party to exercise this right in the time provided is:

(i) A waiver by the owner or secured party of all of the owner's or secured party's right, title, and interest in the vehicle;

(ii) A consent to the sale of the vehicle at public auction; and

(iii) A consent by the owner other than a lessor to the retention of the vehicle for public purposes as provided in § 25–207 of this subtitle.

(c) In Baltimore City, Prince George's County, and Montgomery County, a police department or its agent may seek to recover costs of impoundment, storage, and sale of a vehicle as provided by §§ 25–206.1 and 25–206.2 of this subtitle. If a police department or its agent seeks to apply the provisions of §§ 25–206.1 and 25–206.2 of this subtitle, the notice required by this section shall also state that the failure of the owner or secured party to exercise the right to reclaim the vehicle in the time provided may cause:

(1) Continuing liability of the owner for costs of:

(i) Impoundment;

(ii) Storage within the chargeable limit for storage as provided in § 25–206.1(b) of this subtitle; and

(iii) Sale of the vehicle; and

(2) Denial of any application by the owner to renew the registration of any vehicle as required by § 25–206.2 of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 781

(House Bill 990)

AN ACT concerning

Homestead Property Tax Credit – Notification on Acquisition of Property

FOR the purpose of requiring the State Department of Assessments and Taxation to mail ~~to~~ a certain notice to each individual who acquires residential real property within a reasonable period of time after the individual acquires the property ~~a certain notice~~ by recorded deed and indicates in a certain manner that the property will be the individual's principal residence about the homestead tax credit; specifying the contents of the notice; requiring the Department to ensure that the information it provides is accurate and up–to–date; and generally relating to the homestead tax credit.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–105(f)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Tax – Property

9–105.

(f) **(1)** The Department shall give notice of the possible property tax credit under this section.

~~**(2) IN ADDITION TO ANY OTHER NOTICE THE DEPARTMENT PROVIDES UNDER THIS SUBSECTION, THE DEPARTMENT SHALL MAIL TO EACH INDIVIDUAL WHO ACQUIRES RESIDENTIAL REAL PROPERTY WITHIN A REASONABLE PERIOD OF TIME AFTER THE INDIVIDUAL ACQUIRES THE PROPERTY A NOTICE:**~~

~~**(I) INFORMING THE INDIVIDUAL THAT THE INDIVIDUAL MAY BE ELIGIBLE FOR THE PROPERTY TAX CREDIT UNDER THIS SECTION; AND**~~

~~**(II) CONTAINING INFORMATION ON HOW TO APPLY FOR THE CREDIT.**~~

(2) IN ADDITION TO ANY OTHER NOTICE THE DEPARTMENT PROVIDES UNDER THIS SUBSECTION, THE DEPARTMENT SHALL MAIL A NOTICE TO EACH INDIVIDUAL WHO ACQUIRES RESIDENTIAL REAL PROPERTY WITHIN A REASONABLE PERIOD OF TIME AFTER THE INDIVIDUAL:

(I) ACQUIRES THE PROPERTY BY RECORDED DEED; AND

(II) INDICATES THAT THE PROPERTY WILL BE THE INDIVIDUAL'S PRINCIPAL RESIDENCE ON THE CORRESPONDING LAND INSTRUMENT INTAKE SHEET DESCRIBED UNDER § 3–104 OF THE REAL PROPERTY ARTICLE.

(3) THE NOTICE REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL:

(I) INFORM THE INDIVIDUAL THAT THE INDIVIDUAL MAY BE ELIGIBLE FOR THE PROPERTY TAX CREDIT UNDER THIS SECTION; AND

(II) CONTAIN INFORMATION ON HOW TO APPLY FOR THE CREDIT.

~~(3)~~ (4) THE DEPARTMENT SHALL ENSURE THAT THE INFORMATION IT PROVIDES UNDER THIS SUBSECTION IS ACCURATE AND UP–TO–DATE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 782

(House Bill 1368)

AN ACT concerning

Grounds for Divorce – 12–Month Separation – Oral Amendment to Application for Divorce

FOR the purpose of establishing that the "filing of the application for divorce", for purposes of a provision of law authorizing a court to decree an absolute divorce on the grounds of a 12–month separation when the parties have met certain conditions before the filing of the application for divorce, includes an oral amendment made by a party with the consent of the other party at a hearing on the merits in open court to a

previously filed application for limited or absolute divorce; and generally relating to divorce.

BY repealing and reenacting, with amendments,
Article – Family Law
Section 7–103
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Family Law

7–103.

(a) The court may decree an absolute divorce on the following grounds:

(1) adultery;

(2) desertion, if:

(i) the desertion has continued for 12 months without interruption before the filing of the application for divorce;

(ii) the desertion is deliberate and final; and

(iii) there is no reasonable expectation of reconciliation;

(3) conviction of a felony or misdemeanor in any state or in any court of the United States if before the filing of the application for divorce the defendant has:

(i) been sentenced to serve at least 3 years or an indeterminate sentence in a penal institution; and

(ii) served 12 months of the sentence;

(4) 12–month separation, when the parties have lived separate and apart without cohabitation for 12 months without interruption before the filing of the application for divorce;

(5) insanity if:

(i) the insane spouse has been confined in a mental institution, hospital, or other similar institution for at least 3 years before the filing of the application for divorce;

(ii) the court determines from the testimony of at least 2 physicians who are competent in psychiatry that the insanity is incurable and there is no hope of recovery; and

(iii) 1 of the parties has been a resident of this State for at least 2 years before the filing of the application for divorce;

(6) cruelty of treatment toward the complaining party or a minor child of the complaining party, if there is no reasonable expectation of reconciliation;

(7) excessively vicious conduct toward the complaining party or a minor child of the complaining party, if there is no reasonable expectation of reconciliation; or

(8) mutual consent, if:

(i) the parties do not have any minor children in common;

(ii) the parties execute and submit to the court a written settlement agreement signed by both parties that resolves all issues relating to:

1. alimony; and

2. the distribution of property, including the relief provided in §§ 8–205 and 8–208 of this article;

(iii) neither party files a pleading to set aside the settlement agreement prior to the divorce hearing required under the Maryland Rules; and

(iv) both parties appear before the court at the absolute divorce hearing.

(b) Recrimination is not a bar to either party obtaining an absolute divorce on the grounds set forth in subsection (a)(1) through (7) of this section, but is a factor to be considered by the court in a case involving the ground of adultery.

(c) Res judicata with respect to another ground under this section is not a bar to either party obtaining an absolute divorce on the ground of 12–month separation.

(d) Condonation is not an absolute bar to a decree of an absolute divorce on the ground of adultery, but is a factor to be considered by the court in determining whether the divorce should be decreed.

(e) (1) A court may decree an absolute divorce even if a party has obtained a limited divorce.

(2) If a party obtained a limited divorce on the ground of desertion that at the time of the decree did not meet the requirements of subsection (a)(2) of this section, the

party may obtain an absolute divorce on the ground of desertion when the desertion meets the requirements of subsection (a)(2) of this section.

(f) If a court decrees an absolute divorce on the grounds of mutual consent under subsection (a)(8) of this section, the court may:

(1) merge or incorporate the settlement agreement into the divorce decree; and

(2) modify or enforce the settlement agreement consistent with Title 8, Subtitle 1 of this article.

(G) FOR PURPOSES OF SUBSECTION (A)(4) OF THIS SECTION, THE "FILING OF THE APPLICATION FOR DIVORCE" INCLUDES AN ORAL AMENDMENT MADE BY A PARTY WITH THE CONSENT OF THE OTHER PARTY AT A HEARING ON THE MERITS IN OPEN COURT TO A PREVIOUSLY FILED APPLICATION FOR LIMITED OR ABSOLUTE DIVORCE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 783

(House Bill 1023)

AN ACT concerning

Juvenile Law – Witnesses – Body Attachment

FOR the purpose of authorizing the juvenile court, in a certain case in which jurisdiction is transferred from a court exercising criminal jurisdiction, to issue body attachments for witnesses as provided by a certain Maryland Rule; and generally relating to juvenile law.

BY adding to
Article – Courts and Judicial Proceedings
Section 3–8A–18(f)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Criminal Procedure

Section 4–202(b)
Annotated Code of Maryland
(2008 Replacement Volume and 2017 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

3–8A–18.

(F) A COURT MAY ISSUE A BODY ATTACHMENT FOR WITNESSES AS PROVIDED BY MARYLAND RULE 4–267, IF:

(1) THE WITNESS IS AT LEAST 18 YEARS OLD; AND

(2) THE CASE WAS TRANSFERRED TO THE COURT UNDER § 4–202 OF THE CRIMINAL PROCEDURE ARTICLE.

Article – Criminal Procedure

4–202.

(b) Except as provided in subsection (c) of this section, a court exercising criminal jurisdiction in a case involving a child may transfer the case to the juvenile court before trial or before a plea is entered under Maryland Rule 4–242 if:

(1) the accused child was at least 14 but not 18 years of age when the alleged crime was committed;

(2) the alleged crime is excluded from the jurisdiction of the juvenile court under § 3–8A–03(d)(1), (4), or (5) of the Courts Article; and

(3) the court determines by a preponderance of the evidence that a transfer of its jurisdiction is in the interest of the child or society.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 784

(House Bill 1042)

AN ACT concerning

Law Enforcement Officers' Pension System – Benefit Cap Increase

FOR the purpose of altering the maximum benefit that a member of the Law Enforcement Officers' Pension System may receive for the normal service retirement allowance; and generally relating to the Law Enforcement Officers' Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 26–401(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

26–401.

(b) (1) Except as provided in paragraphs (2) and (3) of this subsection, on retirement under this section, a member is entitled to receive a normal service retirement allowance that equals the number of years of the member's creditable service multiplied by 2% of the member's average final compensation.

(2) A member's normal service retirement allowance under paragraph (1) of this subsection may not exceed **[**60%**] 65%** of the member's average final compensation.

(3) (i) This paragraph applies only to a member who is not subject to the Law Enforcement Officers' Modified Pension Benefit under Subtitle 2, Part II of this title.

(ii) On retirement under this paragraph, the member is entitled to receive a normal service retirement allowance that equals:

1. 2.3% of the member's average final compensation multiplied by each year of the member's first 30 years of creditable service; and

2. 1% of the member's average final compensation multiplied by each year of creditable service in excess of 30 years.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 785

(House Bill 1094)

AN ACT concerning

Distribution of Electronic Cigarettes to Minors – Prohibition and Penalties

FOR the purpose of prohibiting under criminal law a person that distributes tobacco products for commercial purposes from distributing to a minor an electronic nicotine delivery system; prohibiting under criminal law certain persons from purchasing for or selling an electronic nicotine delivery system to a minor; establishing a certain criminal penalty for distributing certain electronic nicotine delivery systems to a minor; prohibiting under criminal law certain minors from using, possessing, obtaining, or attempting to obtain an electronic nicotine delivery system; providing that a conviction for a violation of certain provisions of law precludes a proceeding for a certain civil penalty arising out of the same violation; altering certain civil penalties associated with distributing certain electronic nicotine delivery systems to a minor; providing that enforcement of a certain civil penalty precludes a prosecution for a violation of certain provisions of law arising out of the same violation; <u>authorizing certain law enforcement officers to issue a civil citation to a person who distributes certain tobacco products to a minor;</u> correcting a cross–reference; <u>making certain technical corrections;</u> and generally relating to the distribution of electronic cigarettes to minors.

BY repealing and reenacting, without amendments,
Article – Business Regulation
Section 16.7–101(a) and (c)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Law
Section 10–107 and 10–108
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Health – General
Section 24–305(a) and (b) <u>and 24–307(b) and (e)(1)</u>
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 24–305(c) <u>and 24–307(c) and (e)(2)</u>

Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Business Regulation

16.7–101.

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

(c) (1) "Electronic nicotine delivery system" means an electronic device, a component for an electronic device, or a product used to refill or resupply an electronic device that can be used to deliver nicotine to an individual inhaling from the device.

(2) "Electronic nicotine delivery system" includes an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, and vaping liquid.

(3) "Electronic nicotine delivery system" does not include:

(i) a nicotine device that contains or delivers nicotine intended for human consumption if the device has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product and is being marketed and sold solely for that purpose;

(ii) cannabis oil or any other unlawful substance; or

(iii) an electronic device that is being used to deliver cannabis oil or another unlawful substance.

Article – Criminal Law

10–107.

(a) This section does not apply to the distribution of a coupon that is redeemable for a tobacco product, if the coupon is:

(1) contained in a newspaper, magazine, or other type of publication in which the coupon is incidental to the primary purpose of the publication; or

(2) sent through the mail.

(b) (1) This subsection does not apply to the distribution of a tobacco product **[**or**]**, tobacco paraphernalia**, OR AN ELECTRONIC NICOTINE DELIVERY SYSTEM** to a minor who is acting solely as the agent of the minor's employer if the employer distributes

tobacco products **[**or**]**, tobacco paraphernalia**, OR ELECTRONIC NICOTINE DELIVERY SYSTEMS** for commercial purposes.

(2) A person who distributes tobacco products for commercial purposes, including a person licensed under Title 16 of the Business Regulation Article, may not distribute to a minor:

(i) a tobacco product;

(ii) tobacco paraphernalia; **[**or**]**

(iii) a coupon redeemable for a tobacco product**; OR**

(IV) AN ELECTRONIC NICOTINE DELIVERY SYSTEM, AS DEFINED IN § 16.7–101 OF THE BUSINESS REGULATION ARTICLE.

(c) A person not described in subsection (b)(2) of this section may not:

(1) purchase for or sell a tobacco product **OR AN ELECTRONIC NICOTINE DELIVERY SYSTEM** to a minor; or

(2) distribute tobacco paraphernalia to a minor.

(d) In a prosecution for a violation of this section, it is a defense that the defendant examined the purchaser's or recipient's driver's license or other valid identification issued by an employer, government unit, or institution of higher education that positively identified the purchaser or recipient as at least 18 years of age.

(e) (1) A person who violates this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding:

(i) $300 for a first violation;

(ii) $1,000 for a second violation occurring within 2 years after the first violation; and

(iii) $3,000 for each subsequent violation occurring within 2 years after the preceding violation.

(2) ~~Enforcement of a civil penalty for a violation of this section~~ **ISSUANCE OF A CIVIL CITATION FOR THE SALE OF A TOBACCO PRODUCT OR AN ELECTRONIC NICOTINE DELIVERY SYSTEM TO A MINOR** precludes a prosecution for a violation of ~~**[**this section**] § 24–305 OR § 24–307 OF THE HEALTH – GENERAL ARTICLE**~~ arising out of the same violation.

(f) For purposes of this section, each separate incident at a different time and occasion is a violation.

10–108.

(a) In this section, "violation" has the meaning stated in § 3–8A–01 of the Courts Article.

(b) This section does not apply to the possession of a tobacco product **[**or**],** cigarette rolling paper**, OR AN ELECTRONIC NICOTINE DELIVERY SYSTEM** by a minor who is acting as the agent of the minor's employer within the scope of employment.

(c) A minor may not:

(1) use or possess a tobacco product **[**or**],** cigarette rolling paper**, OR AN ELECTRONIC NICOTINE DELIVERY SYSTEM**; or

(2) obtain or attempt to obtain a tobacco product **[**or**],** cigarette rolling paper**, OR AN ELECTRONIC NICOTINE DELIVERY SYSTEM** by using a form of identification that:

(i) is falsified; or

(ii) identifies an individual other than the minor.

(d) (1) A violation of this section is a civil offense.

(2) A minor who violates this section is subject to the procedures and dispositions provided in Title 3, Subtitle 8A of the Courts Article.

(e) A law enforcement officer authorized to make arrests shall issue a citation to a minor if the law enforcement officer has probable cause to believe that the minor is committing or has committed a violation of this section.

Article – Health – General

24–305.

(a) This section does not apply to a tobacco product that is regulated under Title 16 of the Business Regulation Article.

(b) (1) Except as provided in paragraph (2) of this subsection, a person may not sell, distribute, or offer for sale to a minor an electronic nicotine delivery system, as defined in § 16.7–101(c) of the Business Regulation Article.

(2) This subsection does not apply to an electronic nicotine delivery system that contains or delivers nicotine intended for human consumption if the device has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product and is being marketed and sold solely for this purpose.

(c) **(1)** A person that violates this section is subject to a civil penalty **[**of**]** **NOT EXCEEDING**:

[(1)**]** **(I)** **[**Except as provided in item (2) of this subsection,**]** $300 **FOR A FIRST VIOLATION**; **[**and**]**

[(2)**]** **(II)** **[**$500**]** **$1,000** for **[**any**]** **A SECOND** violation occurring within 24 months after **[**a previous**]** **THE FIRST** violation**; AND**

(III) $3,000 FOR EACH SUBSEQUENT VIOLATION OCCURRING WITHIN 24 MONTHS AFTER THE PRECEDING VIOLATION.

(2) ~~**A CONVICTION**~~ **ISSUANCE OF A CIVIL CITATION FOR A VIOLATION OF THIS SECTION PRECLUDES** ~~**A PROCEEDING FOR A CIVIL PENALTY**~~ **PROSECUTION UNDER § 10–107 OF THE CRIMINAL LAW ARTICLE ARISING OUT OF THE SAME VIOLATION.**

24–307.

(b) A person who distributes tobacco products for commercial purposes, including a person licensed under Title 16 of the Business Regulation Article, may not distribute to a minor:

(1) A tobacco product;

(2) Tobacco paraphernalia; or

(3) A coupon redeemable for a tobacco product.

(c) (1) A person who violates subsection (b) of this section is subject to a civil penalty not exceeding:

(i) $300 for a first violation;

(ii) $1,000 for a second violation occurring within 24 months after the first violation; and

(iii) $3,000 for each subsequent violation occurring within 24 months after the preceding violation.

(2) The local health departments shall report violations of subsection (b) of this section to the Comptroller's Office.

(3) **[**A conviction**] ISSUANCE OF A CIVIL CITATION** for a violation of this section precludes **[**a proceeding for a civil penalty**] PROSECUTION** under **[**§ 24–307 of the Health – General**] § 10–107 OF THE CRIMINAL LAW** Article arising out of the same violation.

(e) (1) In this subsection, "designee" means a retired sworn law enforcement officer employed by a county health officer or an employee of a local health department trained in civil enforcement.

(2) A **SWORN LAW ENFORCEMENT OFFICER, A** county health officer**,** or a designee of a county health officer may issue a civil citation for a violation of subsection (b) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 786

(House Bill 1096)

AN ACT concerning

~~**Health Occupations – Mental Health Veteran Employment Pilot Program – Establishment**~~
State Government – Veteran Employment and Transition Success Program

FOR the purpose of establishing the ~~Mental Health Veteran Employment Pilot Program under the State Board of Physicians, the State Board of Professional Counselors and Therapists, and the State Board of Examiners of Psychologists; specifying the purposes of the Program; requiring the boards, in consultation with the Department of Veterans Affairs, to adopt regulations establishing the requirements for veteran mental health specialists, mental health professionals, and employers to participate in the Program and listing any mental health occupational specialties that qualify an individual to participate in the Program as a veteran mental health specialist; requiring the Department and certain boards, on or before a certain date, to report certain information to the General Assembly; altering certain definitions to exempt performing a delegated mental health act while participating in the Program from certain scopes of practice; defining certain terms; providing for the termination of this Act; and generally relating to the Mental Health Veteran Employment Pilot Program~~ Veteran Employment and Transition Success Program; providing for the

purpose of the Program; requiring the Department of Veterans Affairs to adopt certain regulations; establishing the Veteran Employment and Transition Success Fund as a special, nonlapsing fund; providing for the purpose of the Fund; requiring the Secretary of Veterans Affairs to administer the Fund; authorizing the Program to provide certain individuals grants; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of 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; 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 expenditures from the Fund shall be made in accordance with the State budget; and generally relating to the Veteran Employment and Transition Success Program.

~~BY renumbering~~
~~Article – Health Occupations~~
~~Section 1–706~~
~~to be Section 1–707~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 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 and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)101. and 102.
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)103.
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY adding to
Article – ~~Health Occupations~~ State Government
Section ~~1–706~~ 9–960 and 9–961 to be under ~~the amended subtitle "Subtitle 7. Service Members, Veterans, and Military Spouses~~ the new part "Part IX. Veteran Employment and Transition Success Program"
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

~~Article – Health Occupations~~
~~Section 14–101(o), 17–101(v), and 18–101(f)~~
~~Annotated Code of Maryland~~
~~(2014 Replacement Volume and 2017 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That ~~Section(s) 1–706 of Article – Health Occupations of the Annotated Code of Maryland be renumbered to be Section(s) 1–707.~~

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

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:

101. the Advance Directive Program Fund; **[**and**]**

102. the Make Office Vacancies Extinct Matching Fund**;** ***AND***

103. THE VETERAN EMPLOYMENT AND TRANSITION SUCCESS FUND.

Article – ~~Health Occupations~~ State Government

9–958. RESERVED.

9–959. RESERVED.

PART IX. VETERAN EMPLOYMENT AND TRANSITION SUCCESS PROGRAM.

9–960.

(A) THERE IS A VETERAN EMPLOYMENT AND TRANSITION SUCCESS PROGRAM IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO ASSIST TRANSITIONING VETERANS IN OBTAINING A CERTIFICATION, LICENSE, OR REGISTRATION UNDER THE HEALTH OCCUPATIONS ARTICLE.

(C) THE DEPARTMENT SHALL ADOPT REGULATIONS THAT:

(1) ESTABLISH THE ADMINISTRATION OF THE PROGRAM; AND

(2) SPECIFY WHICH INDIVIDUALS ARE ELIGIBLE FOR A GRANT UNDER § 9–961 OF THIS SUBTITLE.

9–961.

(A) THERE IS A VETERAN EMPLOYMENT AND TRANSITION SUCCESS FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO TRANSITIONING VETERANS SEEKING A CERTIFICATION, LICENSE, OR REGISTRATION UNDER THE HEALTH OCCUPATIONS ARTICLE.

(C) THE SECRETARY SHALL ADMINISTER THE FUND.

(D) SUBJECT TO THE AVAILABILITY OF MONEY IN THE FUND, THE PROGRAM MAY PROVIDE AN ELIGIBLE INDIVIDUAL A GRANT.

(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; AND

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

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

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

~~Subtitle 7. Service Members, Veterans, and Military Spouses [– Licensing].~~

~~1–706.~~

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

~~(2) "DELEGATED MENTAL HEALTH ACT" MEANS AN ACTIVITY THAT IS DELEGATED BY A MENTAL HEALTH PROFESSIONAL TO A VETERAN MENTAL HEALTH SPECIALIST UNDER THIS SECTION AND UNDER REGULATIONS ADOPTED BY THE HEALTH OCCUPATIONS BOARDS THAT LICENSE OR CERTIFY THE MENTAL HEALTH PROFESSIONAL.~~

~~(3) "DIRECT SUPERVISION" MEANS THAT A MENTAL HEALTH PROFESSIONAL IS PHYSICALLY AVAILABLE, NOTWITHSTANDING APPROPRIATE BREAKS, ON–SITE IN THE AREA WHERE MENTAL HEALTH SERVICES ARE PROVIDED, TO SUPERVISE DELEGATED MENTAL HEALTH ACTS.~~

~~(4) "MENTAL HEALTH PROFESSIONAL" MEANS AN INDIVIDUAL:~~

~~(I) LICENSED OR CERTIFIED BY THE BOARD OF PHYSICIANS UNDER TITLE 14 OF THIS ARTICLE, THE BOARD OF PROFESSIONAL COUNSELORS AND THERAPISTS UNDER TITLE 17 OF THIS ARTICLE, OR THE BOARD OF EXAMINERS OF PSYCHOLOGISTS UNDER TITLE 18 OF THIS ARTICLE; AND~~

~~(II) WHO PROVIDES MENTAL HEALTH SERVICES.~~

~~(5) "PROGRAM" MEANS THE MENTAL HEALTH VETERAN EMPLOYMENT PILOT PROGRAM ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION.~~

~~(6) "VETERAN MENTAL HEALTH SPECIALIST" MEANS A VETERAN WHO SERVED IN THE MILITARY IN A MENTAL HEALTH OCCUPATIONAL SPECIALTY, INCLUDING:~~

~~(I) AS A MENTAL HEALTH SPECIALIST IN THE UNITED STATES ARMY;~~

~~(II) AS A PSYCHIATRY TECHNICIAN IN THE UNITED STATES NAVY;~~

~~(III) IN A MENTAL HEALTH SERVICE JOB IN THE UNITED STATES AIR FORCE; OR~~

~~(IV) IN ANY OTHER SPECIALTY DESIGNATED UNDER REGULATIONS ADOPTED UNDER SUBSECTION (D) OF THIS SECTION.~~

~~(B) THERE IS A MENTAL HEALTH VETERAN EMPLOYMENT PILOT PROGRAM.~~

~~(C) THE PURPOSES OF THE PROGRAM ARE TO:~~

~~(1) ALLOW VETERAN MENTAL HEALTH SPECIALISTS TO PRACTICE AND PERFORM CERTAIN DELEGATED MENTAL HEALTH ACTS UNDER THE DIRECT SUPERVISION OF A MENTAL HEALTH PROFESSIONAL;~~

~~(2) INCREASE CIVILIAN EMPLOYMENT OPPORTUNITIES FOR VETERAN MENTAL HEALTH SPECIALISTS; AND~~

~~(3) USE THE TRAINING AND EXPERIENCE OF VETERAN MENTAL HEALTH SPECIALISTS TO FILL EMPLOYMENT GAPS IN THE MENTAL HEALTH FIELD.~~

~~(D) IN CONSULTATION WITH THE DEPARTMENT OF VETERANS AFFAIRS, THE HEALTH OCCUPATIONS BOARDS THAT LICENSE OR CERTIFY MENTAL HEALTH PROFESSIONALS SHALL ADOPT REGULATIONS:~~

~~(1) ESTABLISHING THE REQUIREMENTS FOR VETERAN MENTAL HEALTH SPECIALISTS, MENTAL HEALTH PROFESSIONALS, AND EMPLOYERS TO PARTICIPATE IN THE PROGRAM; AND~~

~~(2) LISTING ANY MENTAL HEALTH OCCUPATIONAL SPECIALTIES, IN ADDITION TO THOSE LISTED UNDER SUBSECTION (A)(6) OF THIS SECTION, THAT QUALIFY AN INDIVIDUAL TO PARTICIPATE IN THE PROGRAM AS A VETERAN MENTAL HEALTH SPECIALIST.~~

~~14–101.~~

~~(o) (1) "Practice medicine" means to engage, with or without compensation, in medical:~~

~~(i) Diagnosis;~~

~~(ii) Healing;~~

~~(iii) Treatment; or~~

~~(iv) Surgery.~~

~~(2) "Practice medicine" includes doing, undertaking, professing to do, and attempting any of the following:~~

~~(i) Diagnosing, healing, treating, preventing, prescribing for, or removing any physical, mental, or emotional ailment or supposed ailment of an individual:~~

~~1. By physical, mental, emotional, or other process that is exercised or invoked by the practitioner, the patient, or both; or~~

~~2. By appliance, test, drug, operation, or treatment;~~

~~(ii) Ending of a human pregnancy; and~~

~~(iii) Performing acupuncture as provided under § 14–504 of this title.~~

~~(3) "Practice medicine" does not include:~~

~~(i) Selling any nonprescription drug or medicine;~~

~~(ii) Practicing as an optician; [or]~~

~~(iii) Performing a massage or other manipulation by hand, but by no other means; OR~~

~~(IV) PERFORMING A DELEGATED MENTAL HEALTH ACT WHILE PARTICIPATING IN THE MENTAL HEALTH VETERAN EMPLOYMENT PILOT PROGRAM ESTABLISHED UNDER § 1–706 OF THIS ARTICLE.~~

~~17–101.~~

~~(v) (1) "Practice clinical professional counseling" means to engage professionally and for compensation in counseling and appraisal activities by providing services involving the application of counseling principles and methods in the diagnosis, prevention, treatment, and amelioration of psychological problems and emotional or mental conditions of individuals or groups.~~

~~(2) "PRACTICE CLINICAL PROFESSIONAL COUNSELING" DOES NOT INCLUDE THE PERFORMANCE OF A DELEGATED MENTAL HEALTH ACT WHILE PARTICIPATING IN THE MENTAL HEALTH VETERAN EMPLOYMENT PILOT PROGRAM ESTABLISHED UNDER § 1–706 OF THIS ARTICLE.~~

~~18–101.~~

~~(f) (1) "Practice psychology" means to provide to any person:~~

~~(i) Any service for compensation involving the application of psychological principles, psychological methods, or psychological procedures for understanding, predicting, or influencing behavior, including the principles that relate to learning, perception, motivation, emotions, organizational relationships, and interpersonal relationships;~~

~~(ii) Any service for compensation involving the application of psychological methods or psychological procedures for interviewing, counseling, psychotherapy, behavior modification, or hypnosis; or~~

~~(iii) Any service for compensation involving the application of psychological methods or psychological procedures for constructing, administering, or interpreting tests of mental abilities, neuropsychological functioning, aptitudes, interests, attitudes, personality characteristics, emotions, or motivations.~~

~~(2) "Practice psychology" includes:~~

~~(i) The application of psychological principles and psychological methods in the diagnosis, prevention, treatment, and amelioration of psychological problems, emotional conditions, or mental conditions of individuals or groups;~~

~~(ii) The use of psychological methods to assist an individual in acquiring greater human effectiveness or to modify feelings, conditions, attitudes, or behavior that is emotionally, intellectually, or socially ineffectual or maladjusted; and~~

~~(iii) The use of biofeedback instruments that do not pierce or cut the skin to measure physical and mental functioning.~~

~~(3) **"PRACTICE PSYCHOLOGY" DOES NOT INCLUDE THE PERFORMANCE OF A DELEGATED MENTAL HEALTH ACT WHILE PARTICIPATING IN THE MENTAL HEALTH VETERAN EMPLOYMENT PILOT PROGRAM ESTABLISHED UNDER § 1–706 OF THIS ARTICLE.**~~

~~**(4)** In this subsection, "psychological methods", "psychological principles", and "psychological procedures" include the body of information that can be derived from a graduate program in psychology, and other education or training recognized by the Board as prerequisites for a license under this title, and that does not amount to the practice of medicine.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That on or before December 1, 2021, the Department of Veterans Affairs, the State Board of Physicians, the State Board of Professional Counselors and Therapists, and the State Board of Examiners of Psychologists jointly shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, on:~~

~~(1) the number and categories of participants in the Mental Health Veteran Employment Pilot Program established under Section 2 of this Act;~~

~~(2) any recommended changes to the Program; and~~

~~(3) any other information related to the Program that the Department or boards consider relevant.~~

SECTION ~~4.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018. It shall remain effective for a period of 4 years and, at the end of September 30, 2022, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 787

(House Bill 1257)

AN ACT concerning

Residential Leases – Lease Option Agreements – Required Statements

FOR the purpose of requiring a lease option agreement to purchase improved residential property, if executed on or after a certain date, to state in a certain manner that the agreement is ~~a lease~~ an integral part of the lease and is governed by certain provisions of law and a tenant or prospective tenant shall have certain rights and remedies; making stylistic changes; and generally relating to lease option agreements.

BY repealing and reenacting, without amendments,
Article – Real Property
Section 1–101(h)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Real Property
Section 8–202
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Real Property

1–101.

(h) "Lease" means any oral or written agreement, express or implied, creating a landlord and tenant relationship, including any "sublease" and any further sublease.

8–202.

(a) For the purposes of this section, a "lease option agreement" means any clause in a lease agreement or separate document that confers on the tenant some power, either qualified or unqualified, to purchase the landlord's interest in the property.

(b) (1) A lease option agreement to purchase improved residential property, with or without a ground rent**[**,**]:**

(I) IF executed after July 1, 1971**,** shall contain **[**a**] THE FOLLOWING** statement in capital letters: **"**THIS IS NOT A CONTRACT TO BUY**."; AND**

(II) IF EXECUTED ON OR AFTER JULY 1, 2018, SHALL ALSO CONTAIN THE FOLLOWING STATEMENT IN CAPITAL LETTERS AND IN CLOSE PROXIMITY TO THE TENANT'S SIGNATURE LINE:

"THIS ~~IS A LEASE~~ AGREEMENT IS AN INTEGRAL PART OF YOUR LEASE AND IS GOVERNED BY TITLE 8 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND AND A TENANT OR PROSPECTIVE TENANT SHALL HAVE ALL APPLICABLE RIGHTS AND REMEDIES PROVIDED UNDER THAT TITLE.".

(2) In addition, the agreement shall contain a clear statement of its purpose and effect with respect to the ultimate purchase of the property which is the subject of the lease option.

(c) If a lease option agreement fails to comply with subsection (b) of this section and is otherwise enforceable, the lease, the lease option agreement, or both may be voided at the option of the party that did not draft the lease option agreement.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 788

(House Bill 1228)

AN ACT concerning

Equal Employment Opportunity Program – Sexual Harassment Reporting

FOR the purpose of requiring certain Equal Employment Opportunity Program reports to include certain information about sexual harassment policies, prevention training, and complaints; and generally relating to the Equal Employment Opportunity Program and sexual harassment.

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 5–201
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 5–205(a)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

5–201.

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

(b) "Coordinator" means the Equal Employment Opportunity Coordinator.

(c) "Program" means the Equal Employment Opportunity Program established under this subtitle.

(d) "Unit" means a unit of the Executive Branch of State government.

5–205.

(a) In accordance with the provisions and intent of the Maryland Constitution and other laws of the State, each unit shall:

(1) comply with all applicable regulations, policies, guidelines, and

directives of the Secretary to carry out this section;

(2) cooperate fully with the Coordinator in the investigation of complaints of discrimination in violation of § 5–208 of this subtitle;

(3) (i) in accordance with the regulations, policies, guidelines, and directives of the Secretary, annually prepare a plan that includes the development and implementation of policies and programs to ensure that protected group members are appropriately represented and that the personnel practices in the unit are not discriminatory; and

(ii) submit to the Secretary the progress reports about the plan that the Secretary requires;

(4) for each fiscal year, submit to the Coordinator by the following October 15 an annual report about the activities that the unit undertook in that fiscal year to implement the Program, including:

(i) information about personnel practices within the unit;

(ii) a summary of complaints filed, investigated, resolved, and pending; **[**and**]**

(iii) information about relations with other units of State government; **[**and**]**

(IV) INFORMATION ABOUT SEXUAL HARASSMENT POLICIES AND PREVENTION TRAINING; AND

(V) A SUMMARY OF SEXUAL HARASSMENT COMPLAINTS FILED, INVESTIGATED, RESOLVED, AND PENDING; AND

(5) provide a copy of the annual report to the Commission on Civil Rights.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 789

(House Bill 1245)

AN ACT concerning

Task Force on the Canal Place Preservation and Development Authority

FOR the purpose of establishing the Task Force on the Canal Place Preservation and Development Authority; providing for the composition, chair, staffing, and purpose of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to consult with certain entities and study and make recommendations on certain matters; requiring the Department of General Services to conduct a certain appraisal for a certain purpose; requiring the Task Force to report its findings and recommendations to certain committees of the General Assembly on or before a certain date; defining a certain term; providing for the termination of this Act; and generally relating to the Task Force on the Canal Place Preservation and Development Authority.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) In this section, "Authority" means the Canal Place Preservation and Development Authority.

(b) There is a Task Force on the Canal Place Preservation and Development Authority.

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

(1) the Chair of the Authority, or the Chair's designee;

(2) a member of the Allegany County Delegation to the General Assembly, appointed by the Chair of the Allegany County Delegation;

(3) the Mayor of the City of Cumberland, or the Mayor's designee;

(4) the Secretary of Budget and Management, or the Secretary's designee;

(5) the Secretary of General Services, or the Secretary's designee; and

(6) the Secretary of Planning, or the Secretary's designee; and

(7) a current leaseholder at the Shops at Canal Place, appointed by the Executive Director of the Authority.

(d) The Task Force shall elect a chair of the Task Force from among its members.

(e) The Department of Planning 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) (1) The purpose of the Task Force is to determine how to alter the powers of the Authority as a State agency established under Title 13, Subtitle 10 of the Financial Institutions Article in order to align the mission and purpose of the Canal Place Heritage Area with that of other certified heritage areas under Title 13, Subtitle 11 of the Financial Institutions Article.

(2) The Task Force shall, at a minimum:

(i) determine the most feasible method to restructure or continue the operations of the Authority as a State entity;

(ii) determine the best method for the disposition of the assets of the Authority, which may include:

1. the transfer of all or part of the assets to another State agency under § 10–304 of the State Finance and Procurement Article; and

2. the sale and transfer of all or part of the assets to a private entity, which must provide the current leaseholders of the Shops at Canal Place with a right of first refusal on the sale or transfer of the Shops at Canal Place; and

(iii) determine the best method for the transfer of all leases held and maintained by the Authority;

(iv) examine the effect of the Task Force's recommendations on State employees at the Authority;

(v) examine the costs associated with the dissolution of the Authority;

(vi) consult with the United States Department of the Interior and other applicable federal entities regarding the disposition of Authority assets;

(vii) undertake any other studies or examinations deemed necessary; and

(viii) recommend draft legislation to implement the conclusions of the Task Force.

(3) (i) In order to carry out the Task Force's duties, on or before August 1, 2018, the Department of General Services shall conduct an independent appraisal on the property owned and maintained by the Authority.

(ii) The appraisal required under this paragraph shall be used to issue a Request for Expressions of Interest to determine the external interest in the purchase of any or all assets managed by the Authority.

(h) On or before June 1, 2019, the Task Force shall report its 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 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2018. It shall remain effective for a period of 1 year and 3 months and, at the end of August 31, 2019, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 790

(House Bill 1297)

AN ACT concerning

Commercial Law – Consumer Loans and Credit – Miscellaneous Provisions

FOR the purpose of authorizing a lender to elect to make a certain loan to a borrower under certain circumstances; providing that certain provisions of law do not apply to certain loans under certain circumstances; prohibiting certain persons from making certain loans under certain circumstances; providing that certain loans are void and unenforceable under certain circumstances; prohibiting certain persons from ~~receiving or retaining certain principal, interest, fees, or other compensation~~ collecting or attempting to collect in a certain manner certain money or enforcing or attempting to enforce a certain contract in a certain manner under certain circumstances; prohibiting certain persons from selling, assigning, or otherwise transferring certain loans under certain circumstances; authorizing a certain lender to collect a certain rate of interest, charge, discount, or other consideration; altering the circumstances under which certain lenders may make certain loans; altering the application of certain provisions of law regarding interest and usury and certain small consumer loans; altering a certain prohibition on a certain lender contracting for, charging, or receiving certain fees or charges; altering a certain prohibition on a certain lender taking a certain security interest; altering a certain prohibition on a person lending a certain amount under certain circumstances; prohibiting a certain person from collecting or attempting to collect a certain amount from a borrower;

repealing a certain prohibition against a lender taking certain actions; ~~requiring a certain person who makes installment loans or engages in credit services business activities to be licensed under certain provisions of law and specifying that the person is subject to certain provisions; requiring certain licensing, investigatory, enforcement, and penalty provisions to be interpreted, construed, and applied in a certain manner;~~ providing for a delayed effective date; providing for the application of certain provisions of this Act; defining and altering certain terms; making stylistic and conforming changes; and generally relating to consumer loans and credit.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 12–101, 12–111, 12–112, 12–114, 12–301, 12–303, 12–311(c), 12–314, 12–401, and 12–601(k)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY adding to
Article – Commercial Law
Section ~~12–114.1~~ 12–101.1, 12–114.1, and 12–402.1
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing
Article – Commercial Law
Section 12–313
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Commercial Law
Section 12–601(f)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

~~BY repealing and reenacting, with amendments,~~
~~Article – Financial Institutions~~
~~Section 11–303~~
~~Annotated Code of Maryland~~
~~(2011 Replacement Volume and 2017 Supplement)~~

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

Article – Commercial Law

12–101.

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

(b) "Borrower" means a person who borrows money under this subtitle.

(c) "Commercial loan" means a loan which is made:

(1) Solely to acquire or carry on a business or commercial enterprise; or

(2) To any business or commercial organization.

(d) "Effective rate of simple interest" means the yield to maturity rate of interest received or to be received by a lender on the face amount of a loan, computed in accordance with § 12–107 of this subtitle.

(e) "Interest" means, except as specifically provided in § 12–105 of this subtitle, any compensation directly or indirectly imposed by a lender for the extension of credit for the use or forebearance of money, including any loan fee, origination fee, service and carrying charge, investigator's fee, time–price differential, and any amount payable as a discount or point or otherwise payable for services.

(f) "Lender" means **A LICENSEE OR** a person who makes a loan ~~under~~ **SUBJECT TO** this subtitle.

(G) "LICENSEE" MEANS A PERSON THAT IS REQUIRED TO BE LICENSED TO MAKE LOANS SUBJECT TO THIS SUBTITLE, REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED.

~~(G)~~ **(H) (1) "LOAN" MEANS A LOAN OR AN ADVANCE OF MONEY OR CREDIT SUBJECT TO THIS SUBTITLE, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF MONEY OR CREDIT IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE.**

(2) "LOAN" DOES NOT INCLUDE ~~A~~:

(I) A LOAN OR ADVANCE OF MONEY OR CREDIT SUBJECT TO SUBTITLE 3 OF THIS TITLE, UNLESS A WRITTEN ELECTION IS MADE UNDER § 12–101.1 OF THIS SUBTITLE;

(II) A PLAN OR LOAN FOR WHICH A WRITTEN ELECTION IS MADE UNDER SUBTITLE 3, SUBTITLE 4, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE; OR

(III) AN INSTALLMENT SALE AGREEMENT AS DEFINED IN § 12–601 OF THIS TITLE.

[(g)**]** ~~(H)~~ **(I)** "Person" includes an individual, corporation, business trust, statutory trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

[(h)**]** ~~(I)~~ **(J)** "Point" means a fee, premium, bonus, loan origination fee, service charge, or any other charge equal to 1 percent of the principal amount of a loan which is charged by the lender at or before the time the loan is made as additional compensation for the loan.

[(i)**]** ~~(J)~~ **(K)** "Simple interest" means interest charged on the principal amount loaned to the borrower.

[(j)**]** ~~(K)~~ **(L)** "Stated rate of interest" means the annual rate of interest stated in percentage which appears on the face of the bond, draft, mortgage, deed of trust, security agreement, promissory note, or other instrument which evidences the indebtedness.

[(k)**]** ~~(L)~~ **(M)** "Usury" means the charging of interest by a lender in an amount which is greater than that allowed by this subtitle.

[(l)**]** ~~(M)~~ **(N)** "Wages" means all remuneration paid to any employee for ~~his~~ **THE EMPLOYEE'S** employment, including the cash value of all remuneration paid in any medium other than cash.

12–101.1.

(A) ON OR AFTER JANUARY 1, 2019, A LENDER MAY, AT THE LENDER'S OPTION, ELECT TO MAKE A LOAN TO ANY BORROWER EITHER UNDER THIS SUBTITLE OR AS OTHERWISE AUTHORIZED BY APPLICABLE LAW.

(B) IF A LENDER MAKES A WRITTEN ELECTION IN THE AGREEMENT, NOTE, OR OTHER EVIDENCE OF THE LOAN SPECIFYING THAT THIS SUBTITLE WILL GOVERN THE LOAN, SUBTITLES 3, 4, 5, 6, 9, AND 10 OF THIS TITLE DO NOT APPLY TO THE LOAN.

(C) IF A LENDER THAT MAKES OR CONTRACTS TO MAKE A LOAN DOES NOT MAKE A WRITTEN ELECTION UNDER THIS SUBTITLE OR SUBTITLE 3, SUBTITLE 4, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE, THIS SUBTITLE STILL APPLIES TO THE LOAN IF THE LOAN IS:

(1) FOR AN AMOUNT OVER $25,000; OR

(2) (I) FOR AN AMOUNT OF $25,000 OR LESS; AND

(II) NOT SUBJECT TO SUBTITLE 3 OF THIS TITLE.

12–111.

(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF THIS SUBTITLE.

(B) **[**An**] A PRIVATE** action for usury under this subtitle may not be brought more than **[**six**] 6** months after the loan is satisfied.

12–112.

(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF THIS SUBTITLE.

(B) A claim or plea of usury is not available against a legal or equitable assignee, endorsee, or transferee of any bond, draft, mortgage, deed of trust, security agreement, promissory note, or other instrument or evidence of indebtedness, if he receives it for a bona fide and legal consideration without notice of any usury in its creation or subsequent assignment.

12–114.

(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF THIS SUBTITLE.

[(a)**] (B)** (1) Any person who violates the usury provisions of this subtitle shall forfeit to the borrower the greater of:

(i) Three times the amount of interest and charges collected in excess of the interest and charges authorized by this subtitle; or

(ii) The sum of $500.

(2) A claim or plea of usury is not valid if, within 30 days from the date the loan contract was executed, the lender:

(i) Notifies the borrower and any other party to the loan contract that the loan was usurious; and

(ii) Agrees to modify it by substituting for the usurious rate of interest a legal rate of interest not exceeding the stated rate of interest.

[(b)**] (C)** Any person who violates the disclosure provisions of § 12–106(b) and (c) of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $1,000 or imprisonment not exceeding **[**one**] 1** year or both.

[(c)] **(D)** Even if a loan document is executed outside of the State, this section is applicable if the loan is made to a resident of Maryland and is secured by property located within the State.

12–114.1.

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

(2) (I) "COVERED LOAN" MEANS A LOAN SUBJECT TO § 12–103(A)(3) OR (C) OF THIS SUBTITLE, MADE FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES, REGARDLESS OF WHETHER THE LOAN IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE.

(II) "COVERED LOAN" DOES NOT INCLUDE ~~A LOAN SUBJECT TO SUBTITLE 3 OF THIS TITLE~~:

1. A LOAN OR AN ADVANCE OF MONEY OR CREDIT SUBJECT TO SUBTITLE 3 OF THIS TITLE, UNLESS A WRITTEN ELECTION IS MADE UNDER § 12–101.1 OF THIS SUBTITLE;

2. A PLAN OR LOAN FOR WHICH A WRITTEN ELECTION HAS BEEN MADE UNDER SUBTITLE 3, SUBTITLE 4, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE; OR

3. AN INSTALLMENT SALE AGREEMENT AS DEFINED IN § 12–601 OF THIS TITLE.

~~(3) "OUT–OF–STATE LENDER" MEANS A PERSON WHO MAKES A LOAN VALIDLY IN ANOTHER STATE THAT COMPLIES WITH A COMPARABLE LOAN LAW OF THE OTHER STATE.~~

~~(4)~~ (3) "UNLICENSED PERSON" MEANS A PERSON WHO IS NOT:

(I) LICENSED IN THE STATE TO MAKE A COVERED LOAN; AND

(II) EXEMPT FROM LICENSING IN THE STATE.

(B) THIS SECTION APPLIES TO A COVERED LOAN MADE ~~BY A PERSON DOMICILED IN ANOTHER STATE TO A BORROWER WHO IS A RESIDENT OF THE STATE IF THE APPLICATION FOR THE LOAN ORIGINATED IN THE STATE~~ TO ANY PERSON.

(C) (1) AN UNLICENSED PERSON MAY NOT MAKE A COVERED LOAN.

(2) A PERSON MAY NOT MAKE A COVERED LOAN IF THE PERSON DIRECTLY OR INDIRECTLY CONTRACTS FOR, CHARGES, OR RECEIVES A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION THAT IS GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.

(3) A PERSON MAY NOT MAKE A COVERED LOAN THAT VIOLATES THE FEDERAL MILITARY LENDING ACT.

(D) (1) ~~EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS SUBSECTION, A~~ A COVERED LOAN MADE BY AN UNLICENSED PERSON IS VOID AND UNENFORCEABLE.

(2) (I) EXCEPT AS PROVIDED IN ~~PARAGRAPH (6) OF THIS SUBSECTION AND~~ SUBPARAGRAPH (II) OF THIS PARAGRAPH, A COVERED LOAN IS VOID AND UNENFORCEABLE IF A PERSON CONTRACTS FOR A COVERED LOAN THAT HAS A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.

(II) A COVERED LOAN IS NOT VOID AND UNENFORCEABLE IF:

1. A CLERICAL ERROR OR MISTAKE RESULTED IN THE RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION BEING GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW; AND

2. A PERSON CORRECTS THE ERROR OR MISTAKE BEFORE ~~ANY PAYMENT IS RECEIVED~~ THE FIRST PAYMENT IS DUE UNDER THE LOAN.

(3) A COVERED LOAN THAT VIOLATES THE FEDERAL MILITARY LENDING ACT IS VOID AND UNENFORCEABLE.

~~(4) A PERSON MAY NOT RECEIVE OR RETAIN ANY PRINCIPAL, INTEREST, FEES, OR OTHER COMPENSATION WITH RESPECT TO ANY LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~(5) A PERSON MAY NOT SELL, ASSIGN, OR OTHERWISE TRANSFER A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~(6) (I) IF AN OUT-OF-STATE LENDER MAKES A COVERED LOAN, THE COVERED LOAN IS NOT VOID AND UNENFORCEABLE.~~

~~(II) AN OUT-OF-STATE LENDER MAY NOT COLLECT A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION THAT IS GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.~~

(4) WITH RESPECT TO A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION, A PERSON MAY NOT:

(I) COLLECT OR ATTEMPT TO COLLECT, DIRECTLY OR INDIRECTLY, ANY AMOUNT FROM THE BORROWER;

(II) ENFORCE OR ATTEMPT TO ENFORCE THE CONTRACT AGAINST ANY PROPERTY SECURING THE LOAN; OR

(III) SELL, ASSIGN, OR OTHERWISE TRANSFER THE LOAN TO ANOTHER PERSON.

12–301.

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

(b) "Commissioner" means the Commissioner of Financial Regulation.

(c) "Lender" means a **LICENSEE OR A** person who makes a loan **[**under**] SUBJECT TO** this subtitle.

(d) "Licensee" means a person who is **REQUIRED TO BE** licensed under Title 11, Subtitle 2 of the Financial Institutions Article, the Maryland Consumer Loan Law – Licensing Provisions**, REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED**.

(e) **(1)** "Loan" means any loan or advance of money or credit **[**made under**] SUBJECT TO** this subtitle**, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF MONEY OR CREDIT IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE**.

(2) "LOAN" DOES NOT INCLUDE AN INSTALLMENT SALE AGREEMENT AS DEFINED IN § 12–601 OF THIS TITLE.

(f) "Person" includes an individual, corporation, business trust, statutory trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

(g) "Wages" means all remuneration paid to any employee for **[**his**] THE EMPLOYEE'S** employment, including the cash value of all remuneration paid in any medium other than cash.

12–303.

(A) (1) THIS SUBTITLE APPLIES TO A LOAN OF $25,000 OR LESS MADE FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.

(2) EXCEPT AS PROVIDED IN PARAGRAPH ~~(2)~~ *(3)* OF THIS SUBSECTION, THIS SUBTITLE APPLIES REGARDLESS OF:

(I) WHETHER THE TRANSACTION IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE;

(II) WHETHER THE TRANSACTION IS OR PURPORTS TO BE AN INSTALLMENT LOAN;

(III) THE DURATION OF THE REPAYMENT PERIOD;

(IV) WHETHER THE TRANSACTION IS OR PURPORTS TO BE NONRECOURSE OR CONTINGENT; AND

(V) WHETHER THE TRANSACTION PURPORTS TO BE THE PURCHASE OF WAGES, PENSIONS, GOVERNMENTAL BENEFITS, OR OTHER SIMILAR FUTURE PAYMENT STREAMS.

(3) THIS SUBTITLE DOES NOT APPLY TO:

(I) A PLAN OR LOAN FOR WHICH A WRITTEN ELECTION HAS BEEN MADE UNDER SUBTITLE 1, SUBTITLE 4, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE;

(II) A LOAN MADE BY AN INDIVIDUAL PROVIDED THE INDIVIDUAL:

1. DOES NOT MAKE MORE THAN THREE LOANS IN A CALENDAR YEAR; AND

2. DOES NOT ENGAGE IN THE BUSINESS OF MAKING LOANS; OR

(III) A LOAN BETWEEN AN EMPLOYER AND AN EMPLOYEE.

~~(a)~~ **(B)** A lender may not make a loan ~~under~~ **SUBJECT TO** this subtitle unless the loan is in an original amount or value which does not exceed **[**$6,000**]** ~~**$12,000**~~ **$25,000**.

~~(b)~~ **(C)** (1) The purpose of this subsection is to prevent evasion of the provisions of this subtitle by means of a purchase or assignment of wages.

(2) For the purposes of this subtitle:

(i) The payment of **[**$6,000**]** ~~**$12,000**~~ **$25,000** or less in money, credit, goods, or things in action as consideration for any sale, assignment, or order for the payment of wages, whether earned or to be earned, is considered a loan of money secured by the sale, assignment, or order for payment of wages; and

(ii) The amount by which the wages exceed the consideration paid for them is considered interest or charges on the loan from the date of the payment to the date the wages are payable.

(3) The transaction described in this subsection is governed by and subject to the provisions of this subtitle.

~~(c)~~ **(D)** This subtitle applies but is not limited to a lender who:

(1) As security for a loan, use, or forbearance of money, goods, or things in action or for any loan, use, or sale of credit, whether or not the transaction is or purports to be made under this subtitle, makes a pretended purchase of property from any person and permits the owner or pledgor to retain possession of the property; or

(2) By any device or pretense of charging for his services or otherwise, seeks to obtain any interest, charges, discount, or like consideration.

~~**(D) THIS SUBTITLE APPLIES TO A LOAN OR AN ADVANCE OF MONEY OF $12,000 OR LESS MADE FOR PERSONAL, FAMILY, HOUSEHOLD, OR AGRICULTURAL PURPOSES:**~~

~~**(1) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE;**~~

~~**(2) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS TO BE AN INSTALLMENT LOAN;**~~

~~**(3) REGARDLESS OF THE DURATION OF THE REPAYMENT PERIOD;**~~

~~**(4) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS TO BE NONRECOURSE OR CONTINGENT; AND**~~

~~**(5) REGARDLESS OF WHETHER THE TRANSACTION PURPORTS TO BE THE PURCHASE OF WAGES, PENSIONS, GOVERNMENTAL BENEFITS, OR OTHER SIMILAR FUTURE PAYMENT STREAMS.**~~

[(d)**]** **(E)** (1) A lender who lends or contracts to lend an amount which exceeds **[**$6,000**]** ~~**$12,000**~~ **$25,000** may not directly or indirectly contract for, charge, or receive any interest, fee, or other charge in excess of that which **[**he**]** **THE LENDER** would be

permitted to charge if **[**he**]** **THE LENDER** were not authorized to make loans under this subtitle.

(2) The provisions of this subsection apply to any debt in excess of **[**$6,000**]** ~~**$12,000**~~ **$25,000** which is directly or contingently owed or contracted to be so owed by any person jointly or severally:

(i) Whether as a borrower, an endorser, guarantor, or surety for a borrower, or otherwise; and

(ii) Whether the debt is part of a single transaction or the aggregate of more than one transaction.

12–311.

(c) (1) A lender may not take any security interest in:

(i) Real property for any loan under **[**$2,000**]** **$4,000** in value or amount; or

(ii) Personal property for any loan under **[**$700**]** **$1,400** in value or amount.

(2) Any lien taken in violation of this subsection is void.

(3) This subsection does not apply to or affect a lien on an interest in real property which results from a judgment obtained by the lender based on a loan otherwise secured or unsecured.

[12–313.

(a) With respect to any loan, a lender may not:

(1) Directly or indirectly contract for, charge, or receive any interest, discount, fee, fine, commission, charge, brokerage, or other consideration in excess of that permitted by this subtitle;

(2) Divide into separate parts any contract made for the purpose or with the effect of obtaining charges in excess of those permitted by this subtitle; or

(3) Enforce a contract of surety or guarantee unless the loan contract with the borrower is executed also by the surety or guarantor.

(b) If any amount in excess of the charges permitted by this subtitle is directly or indirectly contracted for, charged, or received by a licensee or a person who is exempt from licensing, and (1) if the excess charge was made willfully for the benefit of the lender, then

the lender may not receive or retain any interest or compensation with respect to the loan; or (2) if the excess charge was not made willfully for the benefit of the lender, and if the lender does not correct the error before the borrower makes the next payment on the loan, then the lender is liable to the borrower for an amount equal to three times the excess amount, but the lender may continue to receive principal, interest, or compensation with respect to the loan.**]**

12–314.

(a) A person may not lend **[**$6,000**]** ~~**$12,000**~~ **$25,000** or less if **[**the**]:**

(1) THE person directly or indirectly contracts for, charges, or receives a greater rate of interest, charge, discount, or other consideration than that authorized by the laws of this State**;**

(2) THE TRANSACTION VIOLATES THE FEDERAL MILITARY LENDING ACT; OR

(3) THE PERSON IS NOT LICENSED UNDER OR EXEMPT FROM THE LICENSING REQUIREMENTS UNDER THE MARYLAND CONSUMER LOAN LAW – LICENSING PROVISIONS.

(b) (1) **(I)** A loan made in the amount of **[**$6,000**]** ~~**$12,000**~~ **$25,000** or less, **REGARDLESS OF** whether **[**or not**]** the loan is or purports to be made under this subtitle, is **VOID AND** unenforceable if **[**a**]:**

1. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A PERSON CONTRACTS FOR A LOAN THAT HAS A rate of interest, charge, discount, or other consideration greater than that authorized **[**by the laws of this State is contracted for by any person unless the excess rate contracted for is the result of a**] UNDER STATE LAW;**

2. THE LOAN VIOLATES THE FEDERAL MILITARY LENDING ACT; OR

3. A PERSON WHO IS NOT LICENSED UNDER OR EXEMPT FROM THE LICENSING REQUIREMENTS UNDER TITLE 11, SUBTITLE 2 OF THE FINANCIAL INSTITUTIONS ARTICLE MADE THE LOAN.

(II) A LOAN IS NOT VOID AND UNENFORCEABLE IF:

1. A clerical error or mistake **RESULTED IN THE RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION BEING GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW;** and **[**the**]**

2. **A** person corrects the error or mistake before **THE FIRST PAYMENT IS DUE UNDER THE LOAN** ~~**OR BEFORE** any payment is received under the loan~~.

(2) **[**The**]** **A** person **[**who is neither a licensee nor exempt from licensing**]** may not receive or retain any principal, interest, **FEES,** or other compensation with respect to any loan that is **VOID AND** unenforceable under this subsection.

(3) This subsection does not apply to a person who is ~~a licensee or who is~~ exempt from licensing under this subtitle.

(c) **(1)** This section does not apply to a loan transaction validly made in another state in compliance with a similar loan law of that state. **[**However, a**]**

(2) **A** lender may not collect an amount that is more than the total amount that would be permitted if this subtitle were applicable.

(3) This section applies to all loans made by a lender domiciled in another state to a borrower who is a resident of this State if the application for the loan originated in this State.

~~**(D) A PERSON MAY NOT SELL, ASSIGN, OR OTHERWISE TRANSFER A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.**~~

~~**(E) A PERSON MAY NOT COLLECT OR ATTEMPT TO COLLECT, DIRECTLY OR INDIRECTLY, ANY AMOUNT FROM A BORROWER WITH RESPECT TO A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.**~~

(D) WITH RESPECT TO A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION, A PERSON MAY NOT:

(1) COLLECT OR ATTEMPT TO COLLECT, DIRECTLY OR INDIRECTLY, ANY AMOUNT FROM THE BORROWER;

(2) ENFORCE OR ATTEMPT TO ENFORCE THE CONTRACT AGAINST ANY PROPERTY SECURING THE LOAN; OR

(3) SELL, ASSIGN, OR OTHERWISE TRANSFER THE LOAN TO ANOTHER PERSON.

12–401.

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

(b) "Lender" means:

(1) A licensee; or

(2) A person who makes a secondary mortgage loan but is exempt expressly from the licensing requirements of the Maryland Mortgage Lender Law.

(c) "Licensee" means a person who is **REQUIRED TO BE** licensed under the Maryland Mortgage Lender Law**, REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED**.

12–402.1.

(A) (1) ON OR AFTER JANUARY 1, 2019, A LENDER MAY, AT THE LENDER'S OPTION, ELECT TO MAKE A LOAN TO ANY BORROWER EITHER UNDER THIS SUBTITLE OR AS OTHERWISE AUTHORIZED BY APPLICABLE LAW.

(2) IN ORDER TO MAKE A LOAN UNDER THIS SUBTITLE, A LENDER SHALL MAKE A WRITTEN ELECTION IN THE AGREEMENT, NOTE, OR OTHER EVIDENCE OF THE LOAN SPECIFYING THAT THIS SUBTITLE WILL GOVERN THE LOAN.

(B) (1) IF A LENDER ELECTS TO MAKE A LOAN UNDER THIS SUBTITLE IN ACCORDANCE WITH THIS SECTION, SUBTITLES 1, 3, 9, AND 10 OF THIS TITLE DO NOT APPLY TO THE LOAN.

(2) IF A LENDER WHO MAKES OR CONTRACTS TO MAKE A LOAN DOES NOT MAKE A WRITTEN ELECTION UNDER THIS SUBTITLE OR SUBTITLE 1, SUBTITLE 3, SUBTITLE 9, OR SUBTITLE 10 OF THIS TITLE:

(I) SUBTITLE 1 OF THIS TITLE WILL APPLY TO THE LOAN IF THE LOAN IS:

1. FOR AN AMOUNT OVER $25,000; OR

2. A. FOR AN AMOUNT OF $25,000 OR LESS; AND

B. NOT SUBJECT TO SUBTITLE 3 OF THIS TITLE; OR

(II) SUBTITLE 3 OF THIS TITLE WILL APPLY TO THE LOAN IF THE LOAN IS:

1. FOR AN AMOUNT OF $25,000 OR LESS; AND

2. SUBJECT TO SUBTITLE 3 OF THIS TITLE.

12–601.

(f) "Consumer goods" means goods bought for use primarily for personal, family, or household purposes, as distinguished from industrial, commercial, or agricultural purposes.

(k) (1) "Goods" means all tangible personal property that has a cash price of **[**$25,000**] $100,000** or less.

(2) "Goods" does not include money or things in action.

~~**Article – Financial Institutions**~~

~~11–303.~~

~~**(A)** A license under this subtitle shall be applied for and issued in accordance with, and is subject to, the licensing and investigatory provisions of Subtitle 2 of this title, the Maryland Consumer Loan Law – Licensing Provisions.~~

~~**(B)** **A PERSON WHO MAKES INSTALLMENT LOANS OR ENGAGES IN CREDIT SERVICES BUSINESS ACTIVITIES REQUIRING LICENSING UNDER § 11–302(B) OF THIS SUBTITLE:**~~

~~**(1)** **SHALL BE LICENSED UNDER THIS SUBTITLE; AND**~~

~~**(2)** **IS SUBJECT TO THE LICENSING, INVESTIGATORY, ENFORCEMENT, AND PENALTY PROVISIONS OF:**~~

~~**(I)** **THIS SUBTITLE;**~~

~~**(II)** **SUBTITLE 2 OF THIS TITLE; AND**~~

~~**(III)** **THE APPLICABLE PROVISIONS OF:**~~

~~**1.** **TITLE 12, SUBTITLES 1, 9, AND 10 OF THIS ARTICLE; AND**~~

~~**2.** **TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE.**~~

~~**(C)** **THE LICENSING, INVESTIGATORY, ENFORCEMENT, AND PENALTY PROVISIONS OF SUBTITLE 2 OF THIS TITLE SHALL BE INTERPRETED, CONSTRUED, AND APPLIED TO A PERSON REQUIRING LICENSING UNDER § 11–302(B) OF THIS SUBTITLE AS IF:**~~

~~**(1)** **THE PERSON WERE APPLYING FOR A LICENSE TO MAKE LOANS SUBJECT TO THE MARYLAND CONSUMER LOAN LAW; OR**~~

~~(2) THE PERSON'S BUSINESS ACTIVITIES CONSISTED OF MAKING LOANS SUBJECT TO THE MARYLAND CONSUMER LOAN LAW.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2018~~ January 1, 2019.

Approved by the Governor, May 15, 2018.

Chapter 791

(House Bill 1423)

AN ACT concerning

State Personnel – Sexual Harassment Prevention Training – Required

FOR the purpose of requiring each State employee to complete a certain amount of sexual harassment prevention training at certain times; requiring that the training include certain information; requiring each unit to designate a representative to coordinate with the Maryland Commission on Civil Rights to implement the training; authorizing ~~an entity~~ a unit to incorporate the training into existing employment training; requiring the Commission to train certain representatives in the prevention of sexual harassment, discrimination and retaliation, and best practices in sexual harassment prevention; providing that certain representatives are encouraged to use certain materials to prevent sexual harassment in the workplace; authorizing a unit to require an employee to retake any part or all of the training or to participate in certain additional training or classes; ~~requiring each unit to report certain information to the Commission on or before a certain date each year; requiring the Commission to report certain information to the Department of Budget and Management and the General Assembly on or before a certain date each year~~ requiring the Equal Employment Opportunity Coordinator to enforce certain requirements for certain units in the Executive Branch of State government; authorizing the ~~Commission~~ Equal Employment Opportunity Coordinator to recommend that a certain performance audit or review be ~~performed~~ conducted under certain circumstances; prohibiting a person from bringing a certain action against the State except under certain circumstances; providing that certain training is a minimum requirement; requiring the Commission to adopt regulations to implement this section; providing for the application and construction of this Act; defining certain terms; and generally relating to sexual harassment prevention training.

BY adding to
Article – State Personnel and Pensions
Section 2–203.1

Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

2–203.1.

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

(2) "COMMISSION" MEANS THE COMMISSION ON CIVIL RIGHTS.

(3) "SEXUAL HARASSMENT" INCLUDES UNWELCOME SEXUAL ADVANCES, REQUESTS FOR SEXUAL FAVORS, AND OTHER VERBAL, NONVERBAL, OR PHYSICAL CONTACT OF A SEXUAL NATURE WHEN:

(I) SUBMISSION TO THE CONDUCT IS MADE EITHER EXPLICITLY OR IMPLICITLY A TERM OR CONDITION OF AN INDIVIDUAL'S EMPLOYMENT;

(II) SUBMISSION TO OR REJECTION OF THE CONDUCT BY AN INDIVIDUAL IS USED AS A BASIS FOR EMPLOYMENT DECISIONS AFFECTING THE INDIVIDUAL; OR

(III) THE CONDUCT HAS THE PURPOSE OR EFFECT OF UNREASONABLY INTERFERING WITH AN INDIVIDUAL'S WORK PERFORMANCE OR CREATING AN INTIMIDATING OR OFFENSIVE WORKING ENVIRONMENT THAT IS PERCEIVED BY THE VICTIM TO BE ABUSIVE OR HOSTILE.

(B) THIS SECTION APPLIES TO ALL UNITS IN THE EXECUTIVE, JUDICIAL, AND LEGISLATIVE BRANCHES OF STATE GOVERNMENT, INCLUDING ALL UNITS WITH INDEPENDENT PERSONNEL SYSTEMS.

(C) (1) EACH STATE EMPLOYEE SHALL COMPLETE AT LEAST A CUMULATIVE 2 HOURS OF ~~CLASSROOM OR OTHER~~ IN–PERSON OR VIRTUAL, INTERACTIVE TRAINING ON SEXUAL HARASSMENT PREVENTION WITHIN:

(I) 6 MONTHS AFTER THE EMPLOYEE'S INITIAL APPOINTMENT; AND ~~AND ONCE~~

(II) EVERY ~~2 YEARS~~ 2–YEAR PERIOD THEREAFTER.

(2) THE TRAINING REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:

(I) INFORMATION ON THE FEDERAL AND STATE ~~STATUTORY PROVISIONS~~ LAWS CONCERNING THE PROHIBITION OF SEXUAL HARASSMENT;

(II) BEST PRACTICES IN PREVENTION AND CORRECTION OF SEXUAL HARASSMENT, ABUSIVE CONDUCT, AND RETALIATION;

(III) REMEDIES AND PROCEDURES AVAILABLE TO VICTIMS OF SEXUAL HARASSMENT IN EMPLOYMENT; AND

(IV) ADDITIONAL TRAINING FOR SUPERVISORS REGARDING INFORMATION ON:

1. PROPERLY RESPONDING TO COMPLAINTS OF SEXUAL HARASSMENT AND PREVENTING FURTHER ABUSE AND RETALIATION; AND

2. CREATING AND MAINTAINING A WORKPLACE CULTURE IN WHICH SEXUAL HARASSMENT IS NOT TOLERATED.

(D) (1) (I) EACH UNIT SHALL DESIGNATE A REPRESENTATIVE TO COORDINATE WITH THE COMMISSION TO IMPLEMENT THE TRAINING STATE EMPLOYEES ARE REQUIRED TO COMPLETE UNDER SUBSECTION (C) OF THIS SECTION.

(II) ~~AN ENTITY~~ A UNIT MAY INCORPORATE THE TRAINING INTO EXISTING EMPLOYMENT TRAINING FOR NEW EMPLOYEES AND SUPERVISORS.

(2) THE COMMISSION SHALL TRAIN EACH REPRESENTATIVE DESIGNATED UNDER PARAGRAPH (1) OF THIS SUBSECTION IN:

(I) THE PREVENTION OF SEXUAL HARASSMENT, DISCRIMINATION, AND RETALIATION~~, AND~~; AND

(II) BEST PRACTICES IN SEXUAL HARASSMENT PREVENTION.

(3) ~~IN ADDITION TO THE TRAINING REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE~~ THE REPRESENTATIVES DESIGNATED UNDER PARAGRAPH (1) OF THIS SUBSECTION ARE ENCOURAGED TO USE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION MATERIALS TO PREVENT SEXUAL HARASSMENT IN THE WORKPLACE.

(E) ~~A~~ IF DETERMINED TO BE NECESSARY BY THE APPOINTING AUTHORITY, A UNIT MAY REQUIRE AN EMPLOYEE TO RETAKE ANY PART OR ALL OF THE TRAINING, OR TO PARTICIPATE IN ADDITIONAL CLASSES OR TRAINING ~~DETERMINED TO BE NECESSARY BY THE APPOINTING AUTHORITY~~.

~~(F) (1) ON OR BEFORE SEPTEMBER 1 EACH YEAR, EACH UNIT SHALL REPORT TO THE COMMISSION REGARDING THE UNIT'S COMPLIANCE WITH THIS SECTION, INCLUDING HOW MANY EMPLOYEES HAVE BEEN TRAINED AND THE CONTENT OF THE UNIT'S TRAINING PROGRAM.~~

~~(2) ON OR BEFORE DECEMBER 1 EACH YEAR, THE COMMISSION SHALL REPORT TO THE DEPARTMENT OF BUDGET AND MANAGEMENT AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY THE INFORMATION SUBMITTED TO THE COMMISSION UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

~~(G) THE COMMISSION MAY RECOMMEND THAT A PERFORMANCE REVIEW BE PERFORMED BY THE OFFICE OF LEGISLATIVE AUDITS IF A UNIT DOES NOT COMPLY WITH THIS SECTION.~~

(F) FOR A UNIT IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT, THE EQUAL EMPLOYMENT OPPORTUNITY COORDINATOR ESTABLISHED UNDER § 5–206 OF THIS ARTICLE:

(1) SHALL ENFORCE THE REQUIREMENTS OF THIS SECTION; AND

(2) MAY RECOMMEND TO THE LEGISLATIVE AUDITOR, THE JOINT AUDIT COMMITTEE, OR THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LEGISLATIVE SERVICES THAT THE OFFICE OF LEGISLATIVE AUDITS CONDUCT A PERFORMANCE AUDIT OR REVIEW OF A UNIT IF THE EQUAL EMPLOYMENT OPPORTUNITY COORDINATOR DETERMINES THAT THE UNIT HAS NOT COMPLIED WITH THIS SECTION.

~~(H)~~ (G) UNLESS THE ACTS OR OMISSIONS OF AN EMPLOYEE WHO COMPLETED THE TRAINING REQUIRED UNDER SUBSECTION (C) OF THIS SECTION ARE WILLFUL, WANTON, OR GROSSLY NEGLIGENT, A PERSON MAY NOT BRING AN ACTION AGAINST THE STATE FOR ANY ACT OR OMISSION RESULTING FROM:

(1) ANY TRAINING OR LACK OF TRAINING OF A STATE EMPLOYEE; OR

(2) THE IMPLEMENTATION OF THE TRAINING REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.

~~(H)~~ (H) THE TRAINING REQUIRED IN THIS SECTION IS A MINIMUM REQUIREMENT AND MAY NOT BE CONSTRUED TO DISCOURAGE OR RELIEVE ANY UNIT FROM PROVIDING A LONGER, MORE FREQUENT, OR MORE INFORMATIVE TRAINING ON WORKPLACE SEXUAL HARASSMENT PREVENTION.

~~(J)~~ (I) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 792

(House Bill 1448)

AN ACT concerning

Clerks of the Courts – Traffic Fines – Installment Payments

FOR the purpose of allowing the District Court or a circuit court to authorize the clerk of the court to approve certain agreements for the payment of certain fines for traffic offenses under certain circumstances; authorizing a certain defendant to apply to the clerk of the court to make certain installment payments; specifying certain duties of the clerk of the court; providing for the content and posting of certain agreements; prohibiting the Motor Vehicle Administration from suspending or continuing to suspend a driver's license or privilege to drive under certain circumstances; and generally relating to certain agreements for the payment of certain fines for traffic offenses under certain circumstances.

BY adding to
Article – Courts and Judicial Proceedings
Section 7–504.1
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Transportation
Section 26–204(e) and (g) and 27–103
Annotated Code of Maryland
(2012 Replacement Volume and 2017 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

7–504.1.

(A) THIS SECTION APPLIES TO A DEFENDANT WHOSE DRIVER'S LICENSE OR PRIVILEGE TO DRIVE MAY BE OR IS SUSPENDED FOR FAILURE TO PAY A FINE FOR ONE OR MORE TRAFFIC OFFENSES, INCLUDING ONE OR MORE CITATIONS FOR A VIOLATION OF A PARKING ORDINANCE OR REGULATION ADOPTED UNDER TITLE 26, SUBTITLE 3 OF THE TRANSPORTATION ARTICLE.

(B) THE DISTRICT COURT OR A CIRCUIT COURT MAY AUTHORIZE THE CLERK OF THE COURT TO APPROVE AN INDIVIDUAL INSTALLMENT PLAN AGREEMENT IN ACCORDANCE WITH THIS SECTION FOR THE PAYMENT OF ONE OR MORE FINES IMPOSED BY THE COURT.

(C) (1) A DEFENDANT WHO IS SENTENCED TO PAY ONE OR MORE FINES THAT TOTAL AT LEAST $300 AND CERTIFIES THAT THE DEFENDANT IS UNABLE TO PAY THE FINE OR FINES MAY APPLY TO THE CLERK OF THE COURT TO MAKE INSTALLMENT PAYMENTS IN ACCORDANCE WITH THIS SECTION.

(2) AN INSTALLMENT PLAN AGREEMENT UNDER THIS SECTION SHALL:

(I) REQUIRE THAT THE DEFENDANT MAKE INSTALLMENT PAYMENTS OF 10% PER MONTH ON THE TOTAL AMOUNT OF THE FINE OR FINES COVERED BY THE AGREEMENT;

(II) SPECIFY THE OFFENSES AND CITATIONS TO WHICH THE AGREEMENT APPLIES; AND

(III) STATE WHETHER THE DEFENDANT'S DRIVER'S LICENSE OR DRIVING PRIVILEGES ARE CURRENTLY SUSPENDED FOR FAILURE TO PAY THE FINE OR FINES TO WHICH THE AGREEMENT APPLIES.

(3) AS A CONDITION OF AN INSTALLMENT PLAN AGREEMENT, A DEFENDANT WHO ENTERS INTO THE AGREEMENT SHALL INFORM THE CLERK OF THE COURT OF ANY CHANGE OF ADDRESS DURING THE TERM OF THE AGREEMENT.

(4) THE CLERK OF THE COURT SHALL PROMPTLY:

(I) NOTIFY THE MOTOR VEHICLE ADMINISTRATION BY SENDING A COPY OF THE INSTALLMENT PAYMENT AGREEMENT TO THE MOTOR VEHICLE ADMINISTRATION, IF THE DRIVER'S LICENSE OR PRIVILEGE TO DRIVE OF THE DEFENDANT IS CURRENTLY SUSPENDED FOR FAILURE TO PAY A FINE FOR ONE OR MORE TRAFFIC OFFENSES TO WHICH THE AGREEMENT APPLIES;

(II) NOTIFY THE MOTOR VEHICLE ADMINISTRATION OF THE FAILURE OF THE DEFENDANT TO PAY A FINE IN ACCORDANCE WITH AN INSTALLMENT PLAN AGREEMENT UNDER THIS SECTION; AND

(III) SEND TO THE DEFENDANT A COPY OF THE NOTICES REQUIRED UNDER ITEMS (I) AND (II) OF THIS PARAGRAPH.

(D) THE REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION SHALL BE POSTED IN THE CLERK'S OFFICE AND ON THE WEBSITE OF THE COURT.

(E) (1) IF A DEFENDANT'S APPLICATION FOR INSTALLMENT PAYMENTS IS GRANTED BY THE CLERK OF THE COURT, THE MOTOR VEHICLE ADMINISTRATION MAY NOT SUSPEND OR CONTINUE TO SUSPEND THE DRIVER'S LICENSE OR DRIVING PRIVILEGES OF THE DEFENDANT UNDER § 26–204 OR § 27–103 OF THE TRANSPORTATION ARTICLE FOR THE VIOLATIONS SPECIFIED IN THE INSTALLMENT PLAN AGREEMENT UNLESS THE DEFENDANT SUBSEQUENTLY FAILS TO MAKE AN INSTALLMENT PAYMENT.

(2) THE CLERK OF THE COURT SHALL NOTIFY THE MOTOR VEHICLE ADMINISTRATION IF A DEFENDANT FAILS TO MAKE AN INSTALLMENT PAYMENT UNDER THIS SECTION.

Article – Transportation

26–204.

(e) If a person fails to pay the fine or post the bond or penalty deposit under subsection (d) of this section, the Administration may suspend the driving privileges of the person.

(g) With the cooperation of the District Court and circuit courts, the Administration shall develop procedures to carry out those provisions of this section that relate to the suspension of driving privileges.

27–103.

(a) (1) If a person fined under the Maryland Vehicle Law or under a federal traffic law or regulation for a violation occurring in the State does not pay the fine in

accordance with the court's directive, the court may certify the failure to pay to the Administration.

(2) When the Administration receives a certification under paragraph (1) of this subsection, after giving the person 10 days advance written notice, the Administration may suspend the driving privileges or license of the person until the fine has been paid.

(b) With the cooperation of the District Court and the U.S. District Court, the Administration shall develop procedures to carry out this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 793

(House Bill 1468)

AN ACT concerning

Transit – Job Access and Reverse Commute (JARC) Program

FOR the purpose of establishing the Job Access and Reverse Commute Program in the Maryland Transit Administration; authorizing the Administration to make certain grants under the Program to certain providers for certain employment and commuter projects; providing for certain administrative expenses; providing for the distribution of funds under the Program; requiring the Administration to conduct certain solicitations before accepting grant applications under the Program; establishing a certain application process for a grant under the Program; establishing certain standards for grants awarded under the Program; establishing certain limitations on and a minimum duration of a grant for operating assistance; providing for funding for the Program; requiring the Administration to conduct a certain study on the Program and submit the study to the Governor and the General Assembly on or before a certain date; defining certain terms; and generally relating to the Job Access and Reverse Commute Program.

BY adding to
Article – Transportation
Section 7–1101 through 7–1108 to be under the new subtitle "Subtitle 11. Job Access and Reverse Commute Program"
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Transportation

SUBTITLE 11. JOB ACCESS AND REVERSE COMMUTE PROGRAM.

7–1101.

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

(B) (1) "JOB ACCESS AND REVERSE COMMUTE PROJECT" MEANS A PROJECT THAT:

(I) PROVIDES TRANSPORTATION SERVICES TO TARGETED POPULATIONS; AND

(II) SERVES TARGETED EMPLOYMENT AREAS.

(2) "JOB ACCESS AND REVERSE COMMUTE PROJECT" INCLUDES:

(I) THE EXTENSION OF SERVICE HOURS ON LOCAL FIXED ROUTE TRANSIT SYSTEMS TO A TARGETED EMPLOYMENT AREA;

(II) VANPOOL SERVICES;

(III) EMPLOYER PROVIDED TRANSPORTATION SERVICES; OR

(IV) DEMAND–RESPONSE OR DEVIATED FIXED ROUTE TRANSIT SERVICES.

(3) "JOB ACCESS AND REVERSE COMMUTE PROJECT" DOES NOT INCLUDE:

(I) RIDE MATCHING, MOBILITY MANAGEMENT, OR COMMUTER ASSISTANCE SERVICES;

(II) SERVICES PROVIDED BY A FOR–HIRE VEHICLE OR A TRANSPORTATION NETWORK COMPANY;

(III) CARPOOL SERVICES;

(IV) VOLUNTEER DRIVER PROGRAMS; OR

(V) EXCEPT FOR SERVICES IN SUPPORT OF A JOB ACCESS AND REVERSE COMMUTE PROJECT, OTHER SERVICES PROVIDED ON AN INDIVIDUAL BASIS.

(C) "PROGRAM" MEANS THE JOB ACCESS AND REVERSE COMMUTE PROGRAM.

(D) "PROVIDER" MEANS A PRIVATE NONPROFIT ORGANIZATION, A LOCAL TRANSIT SYSTEM, OR ONE OR MORE EMPLOYER THAT IMPLEMENTS A JOB ACCESS AND REVERSE COMMUTE PROJECT.

(E) "TARGETED EMPLOYMENT AREA" MEANS AN AREA THAT HAS RECENTLY EXPERIENCED A SIGNIFICANT GROWTH IN EMPLOYMENT OPPORTUNITIES IN SECTORS INCLUDING CONSTRUCTION, MANUFACTURING, LOGISTICS, WAREHOUSING, RETAIL TRADE, OR THE SERVICE INDUSTRY.

(F) "TARGETED POPULATION" MEANS INDIVIDUALS IN DEFINED AREAS WHO:

(1) RESIDE IN LOW INCOME AREAS, AS DETERMINED BY THE ADMINISTRATION;

(2) HAVE LIMITED OR NO ACCESS TO THE USE OF A PERSONAL VEHICLE; AND

(3) RESIDE IN AREAS WITH LIMITED ACCESS TO FIXED ROUTE TRANSIT SERVICE~~;~~

~~(4) RECEIVE OR HAVE RECENTLY RECEIVED PUBLIC ASSISTANCE; AND~~

~~(5) HAVE NOT MORE THAN:~~

~~(I) A GRADE 12 EDUCATION; OR~~

~~(II) 1 YEAR OF WORK EXPERIENCE~~.

7–1102.

THERE IS A JOB ACCESS AND REVERSE COMMUTE PROGRAM IN THE ADMINISTRATION.

7–1103.

(A) THE ADMINISTRATION MAY MAKE GRANTS UNDER THIS SUBTITLE TO A PROVIDER FOR JOB ACCESS AND REVERSE COMMUTE PROJECTS THAT CONNECT TARGETED POPULATIONS WITH TARGETED EMPLOYMENT AREAS.

(B) A PROVIDER MAY USE NOT MORE THAN 10% OF THE AMOUNT DISTRIBUTED TO THE PROVIDER UNDER THIS SUBTITLE FOR ADMINISTRATIVE COSTS, AS DETERMINED BY THE ADMINISTRATION.

(C) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, THE ADMINISTRATION SHALL DISTRIBUTE AMOUNTS MADE AVAILABLE FOR A FISCAL YEAR TO IMPLEMENT THIS SUBTITLE AS FOLLOWS:

(1) 70% OF THE FUNDS SHALL BE DISTRIBUTED TO PROVIDERS FOR USE IN URBANIZED AREAS; AND

(2) 30% OF THE FUNDS SHALL BE DISTRIBUTED TO PROVIDERS FOR USE IN RURAL AREAS.

(D) THE ADMINISTRATION MAY DISTRIBUTE FUNDS:

(1) UNDER SUBSECTION (C)(1) OF THIS SECTION FOR RURAL PROJECTS IF THE ADMINISTRATION CERTIFIES THAT NO ELIGIBLE GRANT REQUESTS HAVE BEEN MADE IN URBANIZED AREAS; AND

(2) UNDER SUBSECTION (C)(2) OF THIS SECTION FOR URBAN PROJECTS IF THE ADMINISTRATION CERTIFIES THAT NO ELIGIBLE GRANT REQUESTS HAVE BEEN MADE IN RURAL AREAS.

7–1104.

(A) BEFORE ACCEPTING GRANT APPLICATIONS UNDER § 7–1103(C)(1) OF THIS SUBTITLE, THE ADMINISTRATION SHALL CONDUCT, IN COOPERATION WITH THE APPROPRIATE METROPOLITAN PLANNING ORGANIZATION, AN AREA–WIDE SOLICITATION FOR GRANT APPLICATIONS FOR PROJECTS.

(B) BEFORE ACCEPTING GRANT APPLICATIONS UNDER § 7–1103(C)(2) OF THIS SUBTITLE, THE ADMINISTRATION SHALL CONDUCT A STATEWIDE SOLICITATION FOR GRANT APPLICATIONS FOR PROJECTS.

(C) A PROVIDER THAT IS SEEKING A GRANT UNDER THIS SUBTITLE SHALL SUBMIT TO THE ADMINISTRATION AN APPLICATION ON A FORM AND IN THE MANNER THAT THE ADMINISTRATION REQUIRES.

7–1105.

THE ADMINISTRATION SHALL:

(1) AWARD GRANTS UNDER THIS SUBTITLE ON A COMPETITIVE BASIS;

(2) ENSURE THAT GRANTS ARE AWARDED AND DISTRIBUTED TO PROVIDERS ON A FAIR AND EQUITABLE BASIS; AND

(3) FOR PROJECTS IN URBANIZED AREAS, AWARD GRANTS ONLY TO PROJECTS ENDORSED BY THE APPROPRIATE METROPOLITAN PLANNING ORGANIZATION.

7–1106.

A GRANT UNDER THIS SUBTITLE:

(1) MAY NOT EXCEED 80% OF THE NET OPERATING COSTS OF THE PROJECT, AS DETERMINED BY THE ADMINISTRATION; AND

(2) SHALL PROVIDE SERVICES FOR MORE THAN 3 YEARS.

7–1107.

FUNDS FOR THE PROGRAM SHALL BE AS PROVIDED BY THE GOVERNOR IN THE STATE BUDGET, NOT TO EXCEED $400,000 ANNUALLY.

7–1108.

ON OR BEFORE DECEMBER 1, 2021, THE ADMINISTRATION SHALL CONDUCT A STUDY TO EVALUATE THE EFFECTIVENESS OF THE PROGRAM AND SUBMIT THE STUDY TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 794

(House Bill 1506)

AN ACT concerning

Office of the Attorney General – Securities Commissioner – Asset Recovery for Exploited Seniors

FOR the purpose of authorizing the Securities Commissioner of the Division of Securities of the Office of the Attorney General to bring a civil action for damages against a certain person that violates certain provisions of law on behalf of a certain person; authorizing the Commissioner to recover certain damages; authorizing the Commissioner to recover certain costs under certain circumstances; providing that a certain criminal conviction is not a prerequisite for maintenance of an action under this Act; providing for the application of this Act; and generally relating to the authority of the Securities Commissioner of the Division of Securities of the Office of the Attorney General to bring civil actions.

BY adding to
Article – Corporations and Associations
Section 11–209
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Criminal Law
Section 8–801
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Corporations and Associations

11–209.

(A) THE COMMISSIONER MAY:

(1) BRING A CIVIL ACTION FOR DAMAGES AGAINST A PERSON THAT VIOLATES § 8–801 OF THE CRIMINAL LAW ARTICLE ON BEHALF OF A VICTIM OF THE VIOLATION OR, IF THE VICTIM IS DECEASED, THE VICTIM'S ESTATE;

(2) RECOVER DAMAGES UNDER THIS SUBSECTION FOR PROPERTY LOSS OR DAMAGE; AND

(3) IF THE COMMISSIONER PREVAILS IN AN ACTION BROUGHT UNDER THIS SUBSECTION, RECOVER THE COSTS OF THE ACTION FOR THE USE OF THE OFFICE OF THE ATTORNEY GENERAL.

(B) A CONVICTION FOR A VIOLATION OF § 8–801 OF THE CRIMINAL LAW ARTICLE IS NOT A PREREQUISITE FOR MAINTENANCE OF AN ACTION UNDER SUBSECTION (A) OF THIS SECTION.

Article – Criminal Law

8–801.

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

(2) "Deception" has the meaning stated in § 7–101 of this article.

(3) "Deprive" has the meaning stated in § 7–101 of this article.

(4) "Obtain" has the meaning stated in § 7–101 of this article.

(5) "Property" has the meaning stated in § 7–101 of this article.

(6) (i) "Undue influence" means domination and influence amounting to force and coercion exercised by another person to such an extent that a vulnerable adult or an individual at least 68 years old was prevented from exercising free judgment and choice.

(ii) "Undue influence" does not include the normal influence that one member of a family has over another member of the family.

(7) "Value" has the meaning stated in § 7–103 of this article.

(8) "Vulnerable adult" has the meaning stated in § 3–604 of this article.

(b) (1) A person may not knowingly and willfully obtain by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is a vulnerable adult with intent to deprive the vulnerable adult of the vulnerable adult's property.

(2) A person may not knowingly and willfully obtain by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is at least 68 years old, with intent to deprive the individual of the individual's property.

(c) (1) (i) A person convicted of a violation of this section when the value of the property is at least $1,500 but less than $25,000 is guilty of a felony and:

1. is subject to imprisonment not exceeding 5 years or a fine not exceeding $10,000 or both; and

2. shall restore the property taken or its value to the owner, or, if the owner is deceased, restore the property or its value to the owner's estate.

(ii) A person convicted of a violation of this section when the value of the property is at least $25,000 but less than $100,000 is guilty of a felony and:

1. is subject to imprisonment not exceeding 10 years or a fine not exceeding $15,000 or both; and

2. shall restore the property taken or its value to the owner, or, if the owner is deceased, restore the property or its value to the owner's estate.

(iii) A person convicted of a violation of this section when the value of the property is $100,000 or more is guilty of a felony and:

1. is subject to imprisonment not exceeding 20 years or a fine not exceeding $25,000 or both; and

2. shall restore the property taken or its value to the owner, or, if the owner is deceased, restore the property or its value to the owner's estate.

(2) A person convicted of a violation of this section when the value of the property is less than $1,500 is guilty of a misdemeanor and:

(i) is subject to imprisonment not exceeding 1 year or a fine not exceeding $500 or both; and

(ii) shall restore the property taken or its value to the owner, or, if the owner is deceased, restore the property or its value to the owner's estate.

(d) A sentence imposed under this section may be separate from and consecutive to or concurrent with a sentence for any crime based on the act or acts establishing the violation of this section.

(e) (1) If a defendant fails to restore fully the property taken or its value as ordered under subsection (c) of this section, the defendant is disqualified, to the extent of the defendant's failure to restore the property or its value, from inheriting, taking, enjoying, receiving, or otherwise benefiting from the estate, insurance proceeds, or property of the victim of the offense, whether by operation of law or pursuant to a legal document executed or entered into by the victim before the defendant shall have been convicted under this section.

(2) The defendant has the burden of proof with respect to establishing under paragraph (1) of this subsection that the defendant has fully restored the property taken or its value.

(f) This section may not be construed to impose criminal liability on a person who, at the request of the victim of the offense, the victim's family, or the court appointed guardian of the victim, has made a good faith effort to assist the victim in the management of or transfer of the victim's property.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any cause of action arising before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 795

(House Bill 1542)

AN ACT concerning

Department of Commerce – Employment in the State's Defense Industry – ~~Army Alliance~~ Study

FOR the purpose of requiring*, subject to the receipt of certain funding,* the Department of Commerce, in conjunction with the Department of Veterans Affairs and the Department of Labor, Licensing, and Regulation, to conduct a study on employment in the State's defense industry; specifying the minimum requirements of the study; requiring the Department of Commerce to consult with certain entities; requiring the Department of Commerce to report, on or before a certain date, to the General Assembly on the findings of the study; providing for the termination of this Act; and generally relating to a study on employment in the State's defense industry.

Preamble

WHEREAS, The State is home to 12 major military installations and 20 military facilities; and

WHEREAS, The State is also home to a number of defense industry organizations that, as major employers, provide substantial economic benefit to the State, accounting for almost one–fifth of the Maryland economy; and

WHEREAS, The workforce required to support these organizations, both public and private, is highly specialized and often requires a security clearance; and

WHEREAS, The personal income tax structure of the State may affect the availability of qualified employees for the State's defense industry, including employees with experience in cybersecurity matters; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) ~~The~~ *Subject to the receipt of funding from a grant provided by the Office of Economic Adjustment within the United States Department of Defense or from any other source, the* Department of Commerce, in conjunction with the Department of Veterans Affairs and the Department of Labor, Licensing, and Regulation, shall conduct a study of employment in the State's defense industry.

(b) The study required under subsection (a) of this section shall, at a minimum:

(1) identify the types, and estimate the approximate number, of jobs in the State's defense industry facing shortages of qualified employees for employment in the next decade at the qualification requirement for each broad occupational category;

(2) determine the factors affecting the availability of qualified employees for employment in the State's defense industry;

~~(2)~~ (3) calculate the approximate number of retired military personnel in the State who are eligible for employment in the State's defense industry, including those retired military personnel who hold, have held, or are qualified to hold security clearances;

~~(3)~~ (4) identify and report any recommendations to facilitate the recruitment of retired military personnel for positions in the State's defense industry;

~~(4)~~ (5) identify, assess, and quantify the effects, if any, of the State's personal income tax structure on the employment decisions of retired military personnel to:

(i) reside in the State for employment in the State's defense industry;

(ii) not relocate to the State for employment in the State's defense industry; and

(iii) leave the State for employment in another state's defense industry; ~~and~~

~~(5)~~ (6) examine the following issues related to the accessibility of positions in the State's defense industry:

(i) the number of jobs in the State that require a security clearance; and

(ii) the number of retired military personnel who are employed in State defense industry jobs that require a security clearance; and

(7) consider implications on employment at military installations and military facilities in the State that have been, or may be, under threat to close in a future Base Realignment and Closure (BRAC) process.

(c) In conducting the study required under subsection (a) of this section, the Department of Commerce shall consult with:

(1) the State's defense industry;

(2) State employers who employ individuals in positions where a security clearance is required;

(3) public–private partnerships that serve to support military installations in the State;

(4) nonprofit organizations that exist to support the mission of military installations in the State; and

(5) nonprofit associations that serve to support retired military personnel.

(d) On or before ~~December 31, 2018~~ *June 30, 2019*, the Department of Commerce shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, the findings of the study required under subsection (a) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018. It shall remain effective for a period of 1 year and, at the end of June 30, 2019, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 796

(House Bill 1597)

AN ACT concerning

Occupational Licenses or Certificates – Application Determinations – Use of Criminal History – *Reports*

FOR the purpose of ~~prohibiting certain departments that issue occupational licenses or certificates from denying an application for a license or certificate based on an~~

~~applicant's criminal history if a certain period of time has passed since the applicant's conviction for any crime unless the department makes a certain determination under certain circumstances; repealing a certain provision of law that requires a certain department to consider certain information in making application determinations for occupational licenses or certificates; providing for the application of this Act~~ *requiring certain Executive Branch Departments to report to the Governor and the General Assembly, on or before a certain date, regarding how many applications for occupational licenses and certificates were received during a certain period of time, how many of these applicants had a certain criminal record, how much time had passed since the criminal conviction, how many applications were denied on the basis that the applicant had previously been convicted of a crime, and under which provision of law the license or certificate was denied*; and generally relating to the use of criminal history for application determinations of occupational licenses or certificates.

~~BY repealing and reenacting, with amendments,~~
~~Article – Criminal Procedure~~
~~Section 1–209~~
~~Annotated Code of Maryland~~
~~(2008 Replacement Volume and 2017 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That ~~the Laws of Maryland read as follows~~ *on or before October 1, 2018, the Department of Agriculture, the Department of the Environment, the Maryland Department of Health, the Department of Human Services, the Department of Labor, Licensing, and Regulation, and the Department of Public Safety and Correctional Services shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly, disaggregated by year, regarding*:

(1) how many applications for an occupational license or certificate were received during the preceding 5 years;

(2) of the applications received under item (1) of this section, how many applicants had a criminal record that would be applicable under § 1–209 of the Criminal Procedure Article;

(3) of the applications described under item (2) of this section:

(i) how much time had passed since the criminal conviction; and

(ii) how many applications were denied on the basis that the applicant had previously been convicted of a crime; and

(4) of the applications denied under item (3)(ii) of this section, under which specific exemption in § 1–209(d) of the Criminal Procedure Article the license or certificate was denied.

~~**Article – Criminal Procedure**~~

~~1–209.~~

~~(a) (1) In this section, "department" means:~~

~~(i) the Department of Agriculture;~~

~~(ii) the Department of the Environment;~~

~~(iii) the Maryland Department of Health;~~

~~(iv) the Department of Human Services;~~

~~(v) the Department of Labor, Licensing, and Regulation; or~~

~~(vi) the Department of Public Safety and Correctional Services.~~

~~(2) "Department" includes any unit of a department specified in paragraph (1) of this subsection.~~

~~[(b) This section does not apply to a person who was previously convicted of a crime of violence, as defined in § 14–101 of the Criminal Law Article.]~~

~~[(c)] (B) It is the policy of the State to encourage the employment of nonviolent ex–offenders and remove barriers to their ability to demonstrate fitness for occupational licenses or certifications required by the State.~~

~~(C) (1) THIS SUBSECTION DOES NOT APPLY TO AN INDIVIDUAL WHO IS:~~

~~(I) ON PAROLE OR PROBATION AT THE TIME OF APPLICATION FOR A LICENSE OR CERTIFICATE; OR~~

~~(II) THE SUBJECT OF PENDING CRIMINAL CHARGES.~~

~~[(d)] (2) [A] IF A PERIOD OF 5 YEARS OR MORE HAS PASSED SINCE AN APPLICANT'S CONVICTION FOR ANY CRIME, EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A department may not deny an occupational license or certificate to [an] THE applicant [solely on the basis that the applicant has previously been convicted of a crime], unless the department determines that:~~

~~[(1)] (I) there is a direct relationship between the applicant's previous conviction and the specific occupational license or certificate sought, AFTER CONSIDERING:~~

~~1. THE SPECIFIC DUTIES AND RESPONSIBILITIES REQUIRED OF A LICENSEE OR CERTIFICATE HOLDER; AND~~

~~2. WHETHER THE APPLICANT'S PREVIOUS CONVICTION HAS ANY IMPACT ON THE APPLICANT'S FITNESS OR ABILITY TO PERFORM THE DUTIES AND RESPONSIBILITIES AUTHORIZED BY THE LICENSE OR CERTIFICATE~~; ~~or~~

~~[(2)]~~ ~~(II)~~ ~~the issuance of the license or certificate would involve an unreasonable risk to property or to the safety or welfare of specific individuals or the general public.~~

~~[(e) In making the determination under subsection (d) of this section, the department shall consider:~~

~~(1) the policy of the State expressed in subsection (c) of this section;~~

~~(2) the specific duties and responsibilities required of a licensee or certificate holder;~~

~~(3) whether the applicant's previous conviction has any impact on the applicant's fitness or ability to perform the duties and responsibilities authorized by the license or certificate;~~

~~(4) the age of the applicant at the time of the conviction and the amount of time that has elapsed since the conviction;~~

~~(5) the seriousness of the offense for which the applicant was convicted;~~

~~(6) other information provided by the applicant or on the applicant's behalf with regard to the applicant's rehabilitation and good conduct; and~~

~~(7) the legitimate interest of the department in protecting property and the safety and welfare of specific individuals or the general public.]~~

~~(F)~~ ~~(1)~~ ~~THIS SUBSECTION DOES NOT APPLY TO A CONVICTION OF A CRIME FOR WHICH REGISTRATION ON THE SEX OFFENDER REGISTRY IS REQUIRED UNDER TITLE 11, SUBTITLE 7 OF THIS ARTICLE.~~

~~(2)~~ ~~IF A PERIOD OF 10 YEARS OR MORE HAS PASSED SINCE AN APPLICANT COMPLETED SERVING THE SENTENCE FOR A CRIME, INCLUDING ALL IMPRISONMENT, MANDATORY SUPERVISION, PROBATION, AND PAROLE, AND THE APPLICANT HAS NOT BEEN CHARGED WITH ANOTHER CRIME OTHER THAN A MINOR TRAFFIC VIOLATION, AS DEFINED IN § 10–101 OF THIS ARTICLE, DURING THAT TIME, A DEPARTMENT MAY NOT DENY AN OCCUPATIONAL LICENSE OR CERTIFICATE TO~~

~~THE APPLICANT SOLELY ON THE BASIS THAT THE APPLICANT WAS PREVIOUSLY CONVICTED OF THE CRIME.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ *June* 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 797

(House Bill 1598)

AN ACT concerning

Massage Therapists – Licenses and Registrations – Education and Display Requirements

FOR the purpose of ~~altering the exemption from certain licensure and registration requirements for certain students enrolled in an approved education program who practice massage therapy;~~ altering the educational requirements to qualify for a license to practice massage therapy; altering the educational requirements to qualify to be registered to practice massage therapy; requiring each holder of a license or registration to practice massage therapy to display the license or registration ~~and a certain renewal certificate~~ in a certain location; defining certain terms; and generally relating to the licensure and registration of massage therapists.

BY repealing and reenacting, without amendments,
Article – Health Occupations
Section 6–301
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Health Occupations
Section ~~6–301 and~~ 6–302
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY adding to
Article – Health Occupations
Section 6–306.1
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Health Occupations

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 ~~**OF MASSAGE THERAPY**~~ enrolled in an approved education program **[**as determined by the Board while practicing massage therapy in the State**]** ~~**FOR MASSAGE THERAPY WHO PRACTICES MASSAGE THERAPY, WITHOUT COMPENSATION, TIPS, OR BARTERING, AS A REQUIRED COMPONENT OF THE COURSE OF STUDY**~~;

(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.

6–302.

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

~~**(2) "CONTACT HOUR" MEANS A SINGLE PERIOD OF 50 MINUTES DURING WHICH A STUDENT RECEIVES DIRECT OR SUPERVISED FACULTY INSTRUCTION IN AN ACADEMIC COURSE OR THROUGH OTHER EDUCATIONAL ACTIVITIES, INCLUDING LABORATORY WORK OR PRACTICUM.**~~

~~**(3) "CREDIT HOUR" MEANS CREDIT AWARDED BY AN INSTITUTION OF HIGHER EDUCATION FOR THE SUCCESSFUL COMPLETION OF AT LEAST 15 CONTACT HOURS PER SEMESTER OF COURSEWORK OR OTHER EDUCATIONAL ACTIVITIES.**~~

(2) "CONTACT HOUR" MEANS 50 MINUTES OF ACTUAL INSTRUCTIONAL TIME PER EACH 60–MINUTE HOUR.

(3) "CREDIT HOUR" MEANS A MINIMUM OF:

(I) 15 CONTACT HOURS, DURING WHICH THE INSTRUCTIONAL TIME WAS PROVIDED THROUGH ACTUAL CLASS TIME, EXCLUSIVE OF REGISTRATION, STUDY DAYS, AND HOLIDAYS;

(II) 30 CONTACT HOURS, DURING WHICH THE INSTRUCTIONAL TIME WAS PROVIDED THROUGH SUPERVISED LABORATORY OR STUDIO TIME, EXCLUSIVE OF REGISTRATION, STUDY DAYS, AND HOLIDAYS; OR

(III) 45 CONTACT HOURS, DURING WHICH THE INSTRUCTIONAL TIME WAS PROVIDED THROUGH SUPERVISED PRACTICA, INTERNSHIPS, AND COOPERATIVE EDUCATION PLACEMENTS, WHEN LEARNING WAS DOCUMENTED.

[(a)**] (B)** 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**] GRADUATED WITH**:

(i) ~~**[**~~At least 60 credit hours of education at~~**]**~~ ~~**BEEN AWARDED AN ASSOCIATE OF APPLIED SCIENCE IN MASSAGE THERAPY FROM**~~ 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~~**]**~~ ~~**AND**~~ **ACCREDITED BY AN ACCREDITING AGENCY OR ORGANIZATION THAT ACCREDITS BOTH INSTITUTIONS OF HIGHER EDUCATION AND PROGRAMS OFFERING**

INSTRUCTION IN MASSAGE THERAPY ~~**AND BODYWORK, THAT INCLUDES AT LEAST 750 CONTACT HOURS OF CLASSROOM INSTRUCTION**~~; or

(ii) ~~**SUCCESSFULLY COMPLETED:**~~

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 **CREDIT** hours **OR 360 CONTACT HOURS** of advanced massage therapy continuing education as approved by the Board in basic and applied science courses related to health care~~**, INCLUDING AT LEAST 25 HOURS OF SUPERVISED CLINICAL EXPERIENCE IN A HEALTH CARE FACILITY**~~;

(4) Has completed **[**600**]** ~~**750**~~ **CONTACT** 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; ~~**AND**~~

(V) PATHOLOGY; AND ~~**RESEARCH;**~~

(VI) RESEARCH;

(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)**] (C)** 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 ~~**SUCCESSFULLY** completed~~ **GRADUATED FROM A PROGRAM FOR THE STUDY OF MASSAGE THERAPY:**

(I) THAT HAS BEEN APPROVED BY THE MARYLAND HIGHER EDUCATION COMMISSION AND ACCREDITED BY AN ACCREDITING AGENCY OR

ORGANIZATION THAT ACCREDITS BOTH INSTITUTIONS OF HIGHER EDUCATION AND PROGRAMS OFFERING INSTRUCTION IN MASSAGE THERAPY ~~AND BODYWORK~~; ~~OR~~ AND

(II) THAT HAS BEEN APPROVED BY THE BOARD ~~AND THE MARYLAND HIGHER EDUCATION COMMISSION~~ AND THAT REQUIRES AT LEAST 600 **CONTACT** hours of **[**education in a Board–approved program for the study of massage therapy**] CLASSROOM INSTRUCTION** that includes the following areas of content:

[(i)**]** **1.** Anatomy, physiology, and kinesiology;

[(ii)**]** **2.** Massage theory, techniques, and practice;

[(iii)**]** **3.** Contraindications to massage therapy; ~~and~~

[(iv)**]** **4.** Professional ethics;

5. PATHOLOGY; AND

6. RESEARCH;

(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)**] (D)** (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.

6–306.1.

EACH HOLDER OF A LICENSE OR REGISTRATION ~~TO PRACTICE MASSAGE THERAPY~~ SHALL DISPLAY THE LICENSE OR REGISTRATION ~~AND ANY CURRENT RENEWAL CERTIFICATE~~ CONSPICUOUSLY ~~IN THE OFFICE~~ WHERE THE HOLDER IS ENGAGED IN PRACTICE~~, INCLUDING ANY TEMPORARY PRACTICE LOCATION~~.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 798

(House Bill 1696)

AN ACT concerning

Task Force to Study Access to Home Health Care for Children and Adults With Medical Disabilities and Report on Home– and Community–Based Services

FOR the purpose of establishing the Task Force to Study Access to Home Health Care for Children and Adults with Medical Disabilities; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to meet monthly; requiring the Task Force to conduct certain studies and make certain determinations and recommendations; requiring the Task Force to report its findings and recommendations to certain committees in the General Assembly on or before a certain date; requiring the Maryland Department of Health to compare certain rates of reimbursement with certain costs, review certain requirements, make a certain determination, and consult with certain entities in making a certain determination; requiring the Department to report its findings and recommendations to the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the Task Force to Study Access to Home Health Care for Children and Adults with Medical Disabilities and a report on home– and community–based services.

~~Preamble~~

~~WHEREAS, Appropriate use of home health care helps children and adults with medical disabilities be as healthy as possible for as long as possible in their communities and with their families; and~~

~~WHEREAS, Appropriate use of home health care typically results in medical outcomes equal to or better than the same care provided in a hospital, a skilled nursing facility, or any other health care facility; and~~

~~WHEREAS, Appropriate use of home health care is preferred by patients over the same care provided in a hospital, a skilled nursing facility, or any other health care facility; and~~

~~WHEREAS, Appropriate use of home health care promotes a reduced overall expenditure for children and adults with medical disabilities in the Medicaid program; and~~

~~WHEREAS, Appropriate use of home health care supports families in living together and maintaining employment outside the home, and improves mental well–being for all family members of a child or an adult with medical disabilities; and~~

~~WHEREAS, Having an adequate number of high–quality home health care providers to care for Maryland's children and adults with medical disabilities in all areas of the State promotes appropriate use of home health care; now, therefore,~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Task Force to Study Access to Home Health Care for Children and Adults with Medical Disabilities.

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

(1) one representative from the Office of the Governor with experience with health care legislation, appointed by the Governor;

(2) the Director of the Center for Health Care Facilities Planning and Development within the Maryland Health Care Commission, or the Director's designee;

(3) the President of the Maryland Board of Nursing, or the President's designee;

(4) one representative of the Maryland Department of Health with experience with Medicaid Long Term Services and Supports, appointed by the Secretary of Health;

(5) the Director of the HealthChoice Program within the Maryland Department of Health, or the Director's designee;

(6) the President of the Maryland Hospital Association, or the President's designee;

(7) the President of the Maryland–National Capital Homecare Association, or the President's designee;

(8) the Executive Director of the Parents' Place of Maryland, or the Executive Director's designee;

(9) the President of the Coordinating Center, or the President's designee;

(10) two family members of children or adults with disabilities or advocates with disabilities, appointed by the Governor;

(11) one representative from a specialized children's hospital in the State, appointed by the Governor; and

(12) one representative from a home health care provider in the State, appointed by the Governor.

(c) The Governor shall designate the chair of the Task Force.

(d) The Maryland Department of Health shall provide staff for the Task Force.

(e) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Task Force shall meet at least monthly.

(g) The Task Force shall, to the extent information is publicly available:

(1) determine the total number of home health care hours at the licensed practical nurse (LPN) level prescribed to children and adults with medical disabilities in Medicaid or managed Medicaid programs, including any waiver programs, in 2017 and how many of those home health care hours were not administered, both statewide and at the county level;

(2) determine how many children and adults with medical disabilities in Medicaid or managed Medicaid programs, including any waiver programs, have previously been authorized home health care services at the LPN level and are currently authorized for certified nursing assistant care;

(3) determine:

(i) how many children and adults are currently on waiting lists or registries for home health care in Medicaid or managed Medicaid programs, including any waiver programs;

(ii) whether any of the waiting lists or registries have become longer or shorter over the previous year; and

(iii) the extent of change in the length of any of the waiting lists or registries;

(4) study the history of the Medicaid–provided LPN–level home health care reimbursement rates for any Medicaid or managed Medicaid programs, including any waiver programs that have served children or adults with medical disabilities over the last 10 years;

(5) study the history of the average wages for LPNs in the State over the last 10 years;

(6) study Medicaid–provided reimbursement rates for LPN–level home health care in neighboring states; and

(7) make recommendations for improving access to home health care in all areas of the State, including a recommendation relating to reimbursement rates.

(h) On or before November 30, 2018, the Task Force shall report its findings and recommendations to the Senate Education, Health, and Environmental Affairs Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Health and Government Operations Committee in accordance with § 2–1246 of the State Government Article.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Department of Health shall:

(1) for home– and community–based services provided under Program M00Q01.03 Medical Care Provider Reimbursements – Medical Care Programs Administration or the Rare and Expensive Case Management Program:

(i) compare the rate of reimbursement with the actual cost to providers, to the extent information is publicly available, for:

1. providing care to individuals approved for direct care services;

2. coordinating care services; and

3. providing any other services; and

(ii) review:

1. specific services required to be provided;

2. any licensure requirements imposed on entities that provide the home– and community– based services;

3. any requirements imposed by a health occupations board that are specific to individuals providing home– and community–based services; and

4. any other State or local requirements associated with the cost of providing the services in the State;

(2) determine, to the extent information is publicly available, the costs associated with providing service and care under other home– and community–based programs; and

(3) in making the determination under item (2) of this subsection, consult with persons providing the services required under each home– and community–based program, including:

(i) entities providing adult medical day care;

(ii) private duty nurses;

(iii) assisted living providers; and

(iv) personal care assistance providers.

(b) On or before November 30, 2018, the Maryland Department of Health shall report its findings and recommendations to the General Assembly in accordance with § 2–1246 of the State Government Article.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018. It shall remain effective for a period of 1 year and, at the end of June 30, 2019, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 15, 2018.

Chapter 799

(House Bill 1747)

AN ACT concerning

Residential Child Care Programs – Statement of Need – Exceptions

FOR the purpose of providing that the Department of Human Services and the Department of Juvenile Services are not required to issue a statement of need before granting a license to a residential child care program if there is no placement available in an existing licensed program that can provide certain services; providing that a statement of need is not required before the number of placements in an existing licensed residential child care program is increased if there is no placement available in an existing licensed program that can provide certain services; providing that a statement of need is not required before an existing licensed residential child care program is relocated if the existing site of the program necessitates certain rehabilitation that is impractical or infeasible and certain other requirements are met; and generally relating to statements of need for residential child care programs.

BY repealing and reenacting, without amendments,
Article – Human Services
Section 8–703.1(a)
Annotated Code of Maryland
(2007 Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Human Services
Section 8–703.1(d) and (e)
Annotated Code of Maryland
(2007 Volume and 2017 Supplement)

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

Article – Human Services

8–703.1.

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

(2) "Licensing agency" means:

(i) the Department of Human Services; and

(ii) the Department of Juvenile Services.

(3) "Statement of need" means an official certification of public need for the location and establishment of a residential child care program in a county issued by a licensing agency under this section.

(d) **(1)** **[**An**]** **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN** application may not be submitted to the office and a license may not be granted by a licensing agency for a residential child care program until a licensing agency issues a statement of need for a residential child care program in a county.

(2) A STATEMENT OF NEED IS NOT REQUIRED BEFORE A LICENSE MAY BE GRANTED BY A LICENSING AGENCY FOR A RESIDENTIAL CHILD CARE PROGRAM IF THERE IS NO PLACEMENT AVAILABLE IN AN EXISTING LICENSED RESIDENTIAL CHILD CARE PROGRAM THAT CAN PROVIDE THE SERVICES NEEDED FOR A CHILD.

(e) (1) Except as provided in paragraphs (2) **[**and (3)**]** **THROUGH (4)** of this subsection, in addition to the statement of need required under subsection (d) of this section, a statement of need is required before:

(i) an existing or previously licensed residential child care program is relocated to another site;

(ii) the physical site of a residential child care program is expanded; or

(iii) the number of placements in a residential child care program is increased.

(2) A statement of need is not required before an existing licensed residential child care program is relocated to another site on a temporary basis if:

(i) the site of the existing licensed residential child care program is in a state of disrepair that necessitates rehabilitation for the health, safety, and well–being of the residents;

(ii) the temporary site meets the requirements of the residential child care program's license;

(iii) the temporary site is located:

1. within the same jurisdiction as the site undergoing rehabilitation; or

2. within 10 miles of the site undergoing rehabilitation; and

(iv) the rehabilitation of the existing site:

1. will be completed within 180 days; or

2. if not completed within 180 days, will be completed within a period of time determined by the licensing agency, on request of the licensee, not to exceed an additional 180 days.

(3) A statement of need is not required before an existing licensed residential child care program is relocated to another site if:

(i) the relocation is necessary**:**

1. due to circumstances beyond the control of the licensee, including the nonrenewal of the lease for the site of the existing licensed residential child care program; **OR**

2. BECAUSE THE SITE OF THE EXISTING LICENSED RESIDENTIAL CHILD CARE PROGRAM IS IN A STATE OF DISREPAIR THAT:

A. NECESSITATES REHABILITATION OF THE SITE FOR THE HEALTH, SAFETY, AND WELL–BEING OF THE RESIDENTS; AND

B. THE REHABILITATION IS IMPRACTICAL OR INFEASIBLE;

(ii) the new site meets the requirements of the residential child care program's license; and

(iii) the new site is located:

1. within the same jurisdiction as the site being closed; or

2. within 10 miles of the site being closed.

(4) A STATEMENT OF NEED IS NOT REQUIRED BEFORE THE NUMBER OF PLACEMENTS IN AN EXISTING LICENSED RESIDENTIAL CHILD CARE PROGRAM IS INCREASED IF THERE IS NO PLACEMENT AVAILABLE IN AN EXISTING LICENSED RESIDENTIAL CHILD CARE PROGRAM THAT CAN PROVIDE THE SERVICES NEEDED FOR A CHILD.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2018.

Approved by the Governor, May 15, 2018.

Chapter 800

(House Bill 87)

AN ACT concerning

Baltimore County Board of Education – Nonstudent ~~Members –~~ Member Compensation and Student Member Scholarships

FOR the purpose of altering the amount of compensation of the nonstudent members of the Baltimore County Board of Education; altering the amount a student member of the Board is granted for a certain scholarship; providing for the application of this Act; and generally relating to ~~the amount of compensation of the nonstudent members of~~ the Baltimore County Board of Education.

BY repealing and reenacting, with amendments,
Article – Education
Section 3–2B–06
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Education

3–2B–06.

(a) (1) Each nonstudent member of the county board is entitled to receive **[**$100**] $7,500** annually as compensation.

(2) A student member who completes a full term on the county board shall be granted a scholarship of ~~$100~~ **$1,000** to be applied toward the student's higher education costs.

(b) After submitting vouchers under the regulations adopted by the county board, a member is entitled to the allowances for travel and other expenses provided for in the Baltimore County budget.

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 nonstudent members or the scholarship amount for the student members of the Baltimore County Board of Education while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the salary or compensation of the nonstudent members and the scholarship amount for the student members of the Baltimore County Board of Education shall take effect at the

beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 801

(House Bill 109)

AN ACT concerning

Community Development Program Act of 2018

FOR the purpose of establishing the Community Development Program in the Department of Housing and Community Development; requiring the Department to perform certain duties; establishing the Community Development Board in the Department; providing for the membership and chair of the Board; requiring the Board to perform certain duties; establishing the Community Development Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department to administer the Fund with the assistance of the Board; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; defining certain terms; providing for the construction of this Act; and generally relating to the Community Development Program Act.

BY adding to
Article – Housing and Community Development
Section 6–601 through 6–609 to be under the new subtitle "Subtitle 6. Community Development Program Act"
Annotated Code of Maryland
(2006 Volume and 2017 Supplement)

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

Article – Housing and Community Development

SUBTITLE 6. COMMUNITY DEVELOPMENT PROGRAM ACT.

6–601.

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

(B) "BOARD" MEANS THE COMMUNITY DEVELOPMENT BOARD.

(C) "FUND" MEANS THE COMMUNITY DEVELOPMENT FUND.

(D) "PROGRAM" MEANS THE COMMUNITY DEVELOPMENT PROGRAM.

6–602.

(A) THERE IS A COMMUNITY DEVELOPMENT PROGRAM IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS AROUND THE STATE.

6–603.

THE DEPARTMENT SHALL:

(1) ADMINISTER THE PROGRAM; AND

(2) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

6–604.

(A) THERE IS A COMMUNITY DEVELOPMENT BOARD IN THE PROGRAM.

(B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

(1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE; AND

(2) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR, IN CONSULTATION WITH THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE:

(I) ONE REPRESENTATIVE OF THE COMMUNITY DEVELOPMENT NETWORK OF MARYLAND;

(II) ONE REPRESENTATIVE OF THE SMALL BUSINESS COMMUNITY;

(III) ONE REPRESENTATIVE OF THE NONPROFIT DEVELOPMENT COMMUNITY;

(IV) ONE REPRESENTATIVE OF THE FOR–PROFIT DEVELOPMENT COMMUNITY;

(V) ONE REPRESENTATIVE INVOLVED WITH RURAL COMMUNITY DEVELOPMENT;

(VI) ONE REPRESENTATIVE INVOLVED WITH SUBURBAN COMMUNITY DEVELOPMENT; AND

(VII) ONE REPRESENTATIVE INVOLVED WITH URBAN COMMUNITY DEVELOPMENT.

(C) THE SECRETARY SHALL DESIGNATE THE CHAIR OF THE BOARD.

(D) (1) THE TERM OF A MEMBER MAY NOT EXCEED 3 YEARS.

(2) A MEMBER MAY BE REAPPOINTED.

(E) SERVICE AS A MEMBER IS NOT A STATE OFFICE OR STATE EMPLOYMENT FOR PURPOSES OF ANY PROHIBITION AGAINST HOLDING TWO PUBLIC POSITIONS.

6–605.

THE BOARD SHALL:

(1) MAKE RECOMMENDATIONS ON HOW THE FUND IS TO BE USED;

(2) PROVIDE A PERIOD OF AT LEAST 30 DAYS FOR PUBLIC COMMENT ON THE RECOMMENDATIONS; AND

(3) REPORT ON OR BEFORE DECEMBER 31 EACH YEAR ON THE ACTIVITIES OF THE FUND AND MAKE ANY RECOMMENDATIONS REGARDING THE FUND TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

6–606.

(A) THERE IS A COMMUNITY DEVELOPMENT FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS AROUND THE STATE.

(C) THE DEPARTMENT SHALL ADMINISTER THE FUND WITH THE ASSISTANCE OF THE BOARD.

(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(E) THE FUND CONSISTS OF:

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

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

(F) THE FUND MAY BE USED ONLY FOR:

(1) ADMINISTRATIVE EXPENSES OF THE DEPARTMENT IN ADMINISTERING THE PROGRAM; AND

(2) FINANCIAL ASSISTANCE FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS AS PROVIDED UNDER § 6–607 OF THIS SUBTITLE.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

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

(I) MONEY EXPENDED FROM THE FUND FOR THE PROGRAM IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE PROGRAM.

6–607.

IN CONSULTATION WITH THE BOARD, THE DEPARTMENT SHALL ADMINISTER THE FUND TO PROVIDE FINANCIAL ASSISTANCE, INCLUDING CAPITAL AND OPERATING GRANTS, TO COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS TO PROVIDE AND SUPPORT:

(1) AFFORDABLE HOUSING;

(2) NEIGHBORHOOD REVITALIZATION FOR RESIDENTIAL AND COMMERCIAL AREAS;

(3) HOUSING COUNSELING, FINANCIAL COUNSELING, AND FORECLOSURE PREVENTION;

(4) COMMUNITY ORGANIZING;

(5) SMALL BUSINESS DEVELOPMENT;

(6) COMMUNITY SERVICES; AND

(7) ANY OTHER COMMUNITY DEVELOPMENT PURPOSE.

6–608.

THE DEPARTMENT SHALL PROVIDE FINANCIAL ASSISTANCE FROM THE FUND IN THE FORM AND MANNER THE DEPARTMENT DETERMINES APPROPRIATE, INCLUDING PROVIDING CAPITAL AND OPERATING GRANTS.

6–609.

THIS SUBTITLE IS THE COMMUNITY DEVELOPMENT PROGRAM ACT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be construed to require the Department of Housing and Community Development to provide staff or operating expenses for the administration of the Community Development Program established under Section 1 of this Act until money is appropriated in the State budget for the Community Development Fund.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 802

(Senate Bill 821)

AN ACT concerning

Community Development Program Act of 2018

FOR the purpose of establishing the Community Development Program in the Department of Housing and Community Development; requiring the Department to perform certain duties; establishing the Community Development Board in the Department; providing for the membership and chair of the Board; requiring the Board to perform certain duties; establishing the Community Development Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department to administer the Fund with the assistance of the Board; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; defining certain terms; providing for the construction of this Act; and generally relating to the Community Development Program Act.

BY adding to
Article – Housing and Community Development
Section 6–601 through 6–609 to be under the new subtitle "Subtitle 6. Community Development Program Act"
Annotated Code of Maryland
(2006 Volume and 2017 Supplement)

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

Article – Housing and Community Development

SUBTITLE 6. COMMUNITY DEVELOPMENT PROGRAM ACT.

6–601.

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

(B) "BOARD" MEANS THE COMMUNITY DEVELOPMENT BOARD.

(C) "FUND" MEANS THE COMMUNITY DEVELOPMENT FUND.

(D) "PROGRAM" MEANS THE COMMUNITY DEVELOPMENT PROGRAM.

6–602.

(A) THERE IS A COMMUNITY DEVELOPMENT PROGRAM IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS AROUND THE STATE.

6–603.

THE DEPARTMENT SHALL:

(1) ADMINISTER THE PROGRAM; AND

(2) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

6–604.

(A) THERE IS A COMMUNITY DEVELOPMENT BOARD IN THE PROGRAM.

(B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

(1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE; AND

(2) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR, IN CONSULTATION WITH THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE:

(I) ONE REPRESENTATIVE OF THE COMMUNITY DEVELOPMENT NETWORK OF MARYLAND;

(II) ONE REPRESENTATIVE OF THE SMALL BUSINESS COMMUNITY;

(III) ONE REPRESENTATIVE OF THE NONPROFIT DEVELOPMENT COMMUNITY;

(IV) ONE REPRESENTATIVE OF THE FOR–PROFIT DEVELOPMENT COMMUNITY;

(V) ONE REPRESENTATIVE INVOLVED WITH RURAL COMMUNITY DEVELOPMENT;

(VI) ONE REPRESENTATIVE INVOLVED WITH SUBURBAN COMMUNITY DEVELOPMENT; AND

(VII) ONE REPRESENTATIVE INVOLVED WITH URBAN COMMUNITY DEVELOPMENT.

(C) THE SECRETARY SHALL DESIGNATE THE CHAIR OF THE BOARD.

(D) (1) THE TERM OF A MEMBER MAY NOT EXCEED 3 YEARS.

(2) A MEMBER MAY BE REAPPOINTED.

(E) SERVICE AS A MEMBER IS NOT A STATE OFFICE OR STATE EMPLOYMENT FOR PURPOSES OF ANY PROHIBITION AGAINST HOLDING TWO PUBLIC POSITIONS.

6–605.

THE BOARD SHALL:

(1) MAKE RECOMMENDATIONS ON HOW THE FUND IS TO BE USED;

(2) PROVIDE A PERIOD OF AT LEAST 30 DAYS FOR PUBLIC COMMENT ON THE RECOMMENDATIONS; AND

(3) REPORT ON OR BEFORE DECEMBER 31 EACH YEAR ON THE ACTIVITIES OF THE FUND AND MAKE ANY RECOMMENDATIONS REGARDING THE FUND TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

6–606.

(A) THERE IS A COMMUNITY DEVELOPMENT FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS AROUND THE STATE.

(C) THE DEPARTMENT SHALL ADMINISTER THE FUND WITH THE ASSISTANCE OF THE BOARD.

(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(E) THE FUND CONSISTS OF:

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

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

(F) THE FUND MAY BE USED ONLY FOR:

(1) ADMINISTRATIVE EXPENSES OF THE DEPARTMENT IN ADMINISTERING THE PROGRAM; AND

(2) FINANCIAL ASSISTANCE FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS AS PROVIDED UNDER § 6–607 OF THIS SUBTITLE.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

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

(I) MONEY EXPENDED FROM THE FUND FOR THE PROGRAM IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE PROGRAM.

6–607.

IN CONSULTATION WITH THE BOARD, THE DEPARTMENT SHALL ADMINISTER THE FUND TO PROVIDE FINANCIAL ASSISTANCE, INCLUDING CAPITAL AND OPERATING GRANTS, TO COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS TO PROVIDE AND SUPPORT:

(1) AFFORDABLE HOUSING;

(2) NEIGHBORHOOD REVITALIZATION FOR RESIDENTIAL AND COMMERCIAL AREAS;

(3) HOUSING COUNSELING, FINANCIAL COUNSELING, AND FORECLOSURE PREVENTION;

(4) COMMUNITY ORGANIZING;

(5) SMALL BUSINESS DEVELOPMENT;

(6) COMMUNITY SERVICES; AND

(7) ANY OTHER COMMUNITY DEVELOPMENT PURPOSE.

6–608.

THE DEPARTMENT SHALL PROVIDE FINANCIAL ASSISTANCE FROM THE FUND IN THE FORM AND MANNER THE DEPARTMENT DETERMINES APPROPRIATE, INCLUDING PROVIDING CAPITAL AND OPERATING GRANTS.

6–609.

THIS SUBTITLE IS THE COMMUNITY DEVELOPMENT PROGRAM ACT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be construed to require the Department of Housing and Community Development to provide staff or operating expenses for the administration of the Community Development Program established under Section 1 of this Act until money is appropriated in the State budget for the Community Development Fund.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 803

(House Bill 137)

AN ACT concerning

Transportation – Aviation – Nonairport Taxicab Operators at BWI

FOR the purpose of prohibiting a certain taxicab operator from soliciting commercial passengers at Baltimore–Washington International Thurgood Marshall Airport; requiring a certain taxicab operator to immediately depart the Baltimore–Washington International Thurgood Marshall Airport terminal after

dropping off a commercial passenger, subject to a certain exception; authorizing a certain taxicab operator to park in a public parking lot at Baltimore–Washington International Thurgood Marshall Airport when not transporting a commercial passenger; defining a certain term; establishing a certain civil penalty; and generally relating to taxicab service at Baltimore–Washington International Thurgood Marshall Airport.

BY repealing and reenacting, with amendments,
Article – Transportation
Section 5–413(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Transportation

5–413.

(b) **(1)** Notwithstanding any public local or other law, the operator of a taxicab authorized and licensed to operate in a political subdivision of this State may, without being required to obtain an additional permit or license from any other political subdivision:

[(1)**]** **(I)** Transport passengers to Baltimore–Washington International Thurgood Marshall Airport from the political subdivision in which the taxicab is authorized and licensed to operate; and

[(2)**]** **(II)** After transporting passengers to the airport from that political subdivision, pick up passengers at the airport and transport them to the political subdivision on its return trip.

(2) (I) IN THIS PARAGRAPH, "NONAIRPORT TAXICAB OPERATOR" MEANS A PERSON AUTHORIZED AND LICENSED TO OPERATE A TAXICAB IN A POLITICAL SUBDIVISION OF THIS STATE WHO IS NOT EMPLOYED BY, OR UNDER CONTRACT WITH, AN ENTITY THAT HOLDS A CONTRACT WITH THE ADMINISTRATION TO PROVIDE TAXICAB SERVICES AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT.

(II) A NONAIRPORT TAXICAB OPERATOR MAY NOT SOLICIT COMMERCIAL PASSENGERS AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT, INCLUDING IN OR AT THE TERMINAL BUILDING, VESTIBULES, SIDEWALKS, ROADWAYS, AND PARKING LOTS.

(III) EXCEPT AS PROVIDED IN SUBPARAGRAPH (IV) OF THIS PARAGRAPH, A NONAIRPORT TAXICAB OPERATOR SHALL IMMEDIATELY DEPART THE TERMINAL AFTER DROPPING OFF A COMMERCIAL PASSENGER.

(IV) A NONAIRPORT TAXICAB OPERATOR MAY PARK AT THE OPERATOR'S EXPENSE IN A PUBLIC PARKING LOT WHEN NOT TRANSPORTING COMMERCIAL PASSENGERS TO BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT.

(V) A NONAIRPORT TAXICAB OPERATOR WHO VIOLATES THIS PARAGRAPH IS SUBJECT TO A CIVIL FINE NOT EXCEEDING $500.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 804

(House Bill 158)

AN ACT concerning

Anne Arundel County Board of Elections – Salary

FOR the purpose of altering the salary of the regular members of the Anne Arundel County Board of Elections; providing that this Act does not apply to the salary or compensation of the incumbent members of the Anne Arundel County Board of Elections; and generally relating to the salary of the regular members of the Anne Arundel County Board of Elections.

BY repealing and reenacting, with amendments,
Article – Election Law
Section 2–204(a)(2)
Annotated Code of Maryland
(2017 Replacement Volume and 2017 Supplement)

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

Article – Election Law

2–204.

(a) Each regular member of a local board shall receive the salary and reimbursement of expenses provided in the county budget, but in no event may the annual compensation be less than the following amounts:

(2) in Anne Arundel County, **[**$2,400**]** ~~**$4,000**~~ **$5,000 FOR THE PRESIDENT AND $4,500 FOR OTHER REGULAR MEMBERS**;

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 members of the Anne Arundel County Board of Elections 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 members of the Anne Arundel County Board of Elections 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 805

(Senate Bill 49)

AN ACT concerning

Anne Arundel County Board of Elections – Salary

FOR the purpose of altering the salary of the regular members of the Anne Arundel County Board of Elections; providing that this Act does not apply to the salary or compensation of the incumbent members of the Anne Arundel County Board of Elections; and generally relating to the salary of the regular members of the Anne Arundel County Board of Elections.

BY repealing and reenacting, with amendments,
Article – Election Law
Section 2–204(a)(2)
Annotated Code of Maryland
(2017 Replacement Volume and 2017 Supplement)

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

Article – Election Law

2–204.

(a) Each regular member of a local board shall receive the salary and reimbursement of expenses provided in the county budget, but in no event may the annual compensation be less than the following amounts:

(2) in Anne Arundel County, **[**$2,400**]** ~~**$4,000**~~ **$5,000 FOR THE PRESIDENT AND $4,500 FOR OTHER REGULAR MEMBERS**;

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 members of the Anne Arundel County Board of Elections 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 members of the Anne Arundel County Board of Elections 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 806

(House Bill 175)

AN ACT concerning

Prince George's County – Speed Monitoring Systems – Intersection of Old Fort Road and Maryland Route 210 (Indian Head Highway)

PG 302–18

FOR the purpose of authorizing local jurisdictions to use one speed monitoring ~~systems on~~ system at the intersection of Old Fort Road and Maryland Route 210 (Indian Head Highway) in Prince George's County, subject to certain placement and signage and device requirements; making a stylistic change; *providing for the termination of this Act;* and generally relating to the use of speed monitoring systems in Prince George's County.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 7–302(e)(4)

Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Criminal Procedure
Section 11–819(a)(1)
Annotated Code of Maryland
(2008 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Procedure
Section 11–819(a)(2)
Annotated Code of Maryland
(2008 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Transportation
Section 21–809(a), (b)(1)(i), and (c)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 21–809(b)(1)(vi) and (vii)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY adding to
Article – Transportation
Section 21–809(b)(1)(vii)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

Preamble

WHEREAS, Maryland Route 210 (Indian Head Highway), an approximately 21–mile–long highway in Prince George's and Charles counties, is an old road with outdated safety design features; and

WHEREAS, Regional population growth surrounding the Maryland Route 210 corridor combined with a constant influx of visitors to the recently opened National Harbor have contributed to a significant increase in vehicular traffic on the highway; and

WHEREAS, As a result of these and other factors, Maryland Route 210 has become one of the deadliest highways in Maryland; and

WHEREAS, From 2007 through 2017, 46 fatal crashes resulting in 58 fatalities occurred on Maryland Route 210; now, therefore,

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

Article – Courts and Judicial Proceedings

7–302.

(e) (4) (i) From the fines collected by a political subdivision as a result of violations enforced by speed monitoring systems or school bus monitoring cameras, a political subdivision:

1. May recover the costs of implementing and administering the speed monitoring systems or school bus monitoring cameras; and

2. Subject to **[**subparagraph**]** **SUBPARAGRAPHS** (ii) **AND (III)** of this paragraph, may spend any remaining balance solely for public safety purposes, including pedestrian safety programs.

(ii) 1. For any fiscal year, if the balance remaining from the fines collected by a political subdivision as a result of violations enforced by speed monitoring systems, after the costs of implementing and administering the systems are recovered in accordance with subparagraph (i)1 of this paragraph, is greater than 10% of the total revenues of the political subdivision for the fiscal year, the political subdivision shall remit any funds that exceed 10% of the total revenues to the Comptroller.

2. The Comptroller shall deposit any money remitted under this subparagraph to the General Fund of the State.

(III) THE FINES COLLECTED BY PRINCE GEORGE'S COUNTY AS A RESULT OF VIOLATIONS ENFORCED BY A SPEED MONITORING SYSTEM AT THE INTERSECTION OF OLD FORT ROAD AND MARYLAND ROUTE 210 SHALL BE REMITTED TO THE COMPTROLLER FOR DEPOSIT INTO THE CRIMINAL INJURIES COMPENSATION FUND UNDER § 11–819 OF THE CRIMINAL PROCEDURE ARTICLE.

Article – Criminal Procedure

11–819.

(a) (1) There is a Criminal Injuries Compensation Fund.

(2) The Fund consists of:

(i) [moneys] **MONEY** distributed to the Fund from the additional court costs collected from defendants under § 7–409 of the Courts Article;

(ii) MONEY DISTRIBUTED TO THE FUND UNDER § 7–302(E)(4)(III) OF THE COURTS ARTICLE FROM FINES COLLECTED FOR VIOLATIONS ENFORCED BY A SPEED MONITORING SYSTEM AT THE INTERSECTION OF OLD FORT ROAD AND MARYLAND ROUTE 210;

(III) any investment earnings or federal matching funds received by the State for criminal injuries compensation; and

[(iii)] **(IV)** funds made available to the Fund from any other source.

Article – Transportation

21–809.

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

(2) "Agency" means:

(i) A law enforcement agency of a local political subdivision that is authorized to issue a citation for a violation of the Maryland Vehicle Law or of local traffic laws or regulations; or

(ii) For a municipal corporation that does not maintain a police force, an agency established or designated by the municipal corporation to implement this subtitle using speed monitoring systems in accordance with this section.

(3) (i) "Erroneous violation" means a potential violation submitted by a speed monitoring system contractor for review by an agency that is apparently inaccurate based on a technical variable that is under the control of the contractor.

(ii) "Erroneous violation" includes a potential violation based on:

1. A recorded image of a registration plate that does not match the registration plate issued for the motor vehicle in the recorded image;

2. A recorded image that shows a stopped vehicle or no progression;

3. An incorrectly measured speed for a motor vehicle;

4. A measured speed of a motor vehicle that is below the threshold speed that would subject the owner to a civil citation under this section;

5. A recorded image that was taken outside of the hours and days that speed monitoring systems are authorized for use in school zones; and

6. A recorded image that was taken by a speed monitoring system with an expired calibration certificate.

(4) (i) "Owner" means the registered owner of a motor vehicle or a lessee of a motor vehicle under a lease of 6 months or more.

(ii) "Owner" does not include:

1. A motor vehicle rental or leasing company; or

2. A holder of a special registration plate issued under Title 13, Subtitle 9, Part III of this article.

(5) "Program administrator" means an employee or a representative of the local jurisdiction designated by the local jurisdiction to oversee a contract with a speed monitoring system contractor.

(6) "Recorded image" means an image recorded by a speed monitoring system:

(i) On:

1. A photograph;

2. A microphotograph;

3. An electronic image;

4. Videotape; or

5. Any other medium; and

(ii) Showing:

1. The rear of a motor vehicle;

2. At least two time–stamped images of the motor vehicle that include the same stationary object near the motor vehicle; and

3. On at least one image or portion of tape, a clear and legible identification of the entire registration plate number of the motor vehicle.

(7) "School zone" means a designated roadway segment within up to a half–mile radius of a school for any of grades kindergarten through grade 12 where school–related activity occurs, including:

(i) Travel by students to or from school on foot or by bicycle; or

(ii) The dropping off or picking up of students by school buses or other vehicles.

(8) "Speed monitoring system" means a device with one or more motor vehicle sensors producing recorded images of motor vehicles traveling at speeds at least 12 miles per hour above the posted speed limit.

(9) "Speed monitoring system operator" means a representative of an agency or contractor that operates a speed monitoring system.

(b) (1) (i) A speed monitoring system may not be used in a local jurisdiction under this section unless its use is authorized by the governing body of the local jurisdiction by local law enacted after reasonable notice and a public hearing.

(vi) This section applies to a violation of this subtitle recorded by a speed monitoring system that meets the requirements of this subsection and has been placed:

1. In Montgomery County, on a highway in a residential district, as defined in § 21–101 of this title, with a maximum posted speed limit of 35 miles per hour, which speed limit was established using generally accepted traffic engineering practices;

2. In a school zone with a posted speed limit of at least 20 miles per hour; or

3. In Prince George's County~~, on~~ **[**that**]:**

A. <u>SUBJECT TO SUBPARAGRAPH (VII) OF THIS PARAGRAPH, AT THE INTERSECTION OF OLD FORT ROAD AND</u> MARYLAND ROUTE 210 (INDIAN HEAD HIGHWAY); OR

B. ~~**THAT**~~ <u>**ON THAT**</u> part of a highway located within the grounds of an institution of higher education as defined in § 10–101(h) of the Education Article, or within one–half mile of the grounds of a building or property used by the institution of higher education where generally accepted traffic and engineering practices indicate that motor vehicle, pedestrian, or bicycle traffic is substantially generated or influenced by the institution of higher education.

(VII) 1. NOT MORE THAN ONE SPEED MONITORING SYSTEM MAY BE PLACED AT THE INTERSECTION OF OLD FORT ROAD AND MARYLAND ROUTE 210 (INDIAN HEAD HIGHWAY).

2. A SPEED MONITORING SYSTEM PLACED IN ACCORDANCE WITH THIS SUBPARAGRAPH MAY RECORD ONLY VEHICLES TRAVELING IN THE SOUTHBOUND LANE OF THE ROADWAY.

[(vii)**] (VIII)** Before activating a speed monitoring system, the local jurisdiction shall:

1. Publish notice of the location of the speed monitoring system on its website and in a newspaper of general circulation in the jurisdiction;

2. Ensure that each sign that designates a school zone is proximate to a sign that:

A. Indicates that speed monitoring systems are in use in the school zone; and

B. Is in accordance with the manual for and the specifications for a uniform system of traffic control devices adopted by the State Highway Administration under § 25–104 of this article; ~~and~~

3. With regard to a speed monitoring system established ~~ON~~ **AT THE INTERSECTION OF OLD FORT ROAD AND MARYLAND ROUTE 210 (INDIAN HEAD HIGHWAY) OR** based on proximity to an institution of higher education under paragraph (1)(vi)3 of this subsection, ensure that all speed limit signs approaching and within the segment of highway on which the speed monitoring system is located include signs that:

A. Are in accordance with the manual and specifications for a uniform system of traffic control devices adopted by the State Highway Administration under § 25–104 of this article; and

B. Indicate that a speed monitoring system is in use**; AND**

4. WITH REGARD TO A SPEED MONITORING SYSTEM PLACED ON MARYLAND ROUTE 210 (INDIAN HEAD HIGHWAY), ENSURE THAT EACH SIGN THAT INDICATES THAT A SPEED MONITORING SYSTEM IS IN USE IS PROXIMATE TO A DEVICE THAT DISPLAYS A REAL–TIME POSTING OF THE SPEED AT WHICH A DRIVER IS TRAVELING.

(c) (1) Unless the driver of the motor vehicle received a citation from a police officer at the time of the violation, the owner or, in accordance with subsection (f)(4) of this

section, the driver of a motor vehicle is subject to a civil penalty if the motor vehicle is recorded by a speed monitoring system while being operated in violation of this subtitle.

(2) A civil penalty under this subsection may not exceed $40.

(3) For purposes of this section, the District Court shall prescribe:

(i) A uniform citation form consistent with subsection (d)(1) of this section and § 7–302 of the Courts Article; and

(ii) A civil penalty, which shall be indicated on the citation, to be paid by persons who choose to prepay the civil penalty without appearing in District Court.

SECTION 2. AND BE IT FURTHER ENACTED, That on or before January 1, 2023, Prince George's County shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly on:

(1) the number of speed monitoring citations issued under this Act by month;

(2) the number of fatal motor vehicle crashes and fatalities by month on Maryland Route 210 during any period during which speed monitoring systems are active; and

(3) any measurable decreases in the speed of vehicles traveling on Maryland Route 210.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018. It shall remain effective for a period of 5 years and, at the end of September 30, 2023, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 807

(House Bill 225)

AN ACT concerning

Kent County – Orphans' Court Judges – Compensation

FOR the purpose of establishing that a judge of the Orphans' Court for Kent County shall receive a salary set by the Kent County Commissioners; establishing that each judge shall receive an allowance for travel expenses in accordance with the county budget;

requiring the County Commissioners to pay the travel allowance in a certain manner; providing for the application of this Act; and generally relating to the Orphans' Court for Kent County.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 2–108(p)
Annotated Code of Maryland
(2017 Replacement Volume)

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.

(p) **(1)** Each of the judges of the Court for Kent County shall receive**[**an annual compensation of $4,000. Each judge shall also receive an allowance for traveling expenses of $520 annually, to be paid quarterly by the County Commissioners**]** **A SALARY AS SET BY THE COUNTY COMMISSIONERS**.

(2) (I) EACH JUDGE SHALL RECEIVE AN ALLOWANCE FOR TRAVEL EXPENSES IN ACCORDANCE WITH THE COUNTY BUDGET.

(II) THE COUNTY COMMISSIONERS SHALL PAY QUARTERLY TO EACH JUDGE THE TRAVEL ALLOWANCE PROVIDED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH.

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 a judge of the Orphans' Court for Kent 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 a judge of the Orphans' Court for Kent 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 808

(Senate Bill 173)

AN ACT concerning

Kent County – Orphans' Court Judges – Compensation

FOR the purpose of establishing that a judge of the Orphans' Court for Kent County shall receive a salary set by the Kent County Commissioners; establishing that each judge shall receive an allowance for travel expenses in accordance with the county budget; requiring the County Commissioners to pay the travel allowance in a certain manner; providing for the application of this Act; and generally relating to the Orphans' Court for Kent County.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 2–108(p)
Annotated Code of Maryland
(2017 Replacement Volume)

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.

(p) **(1)** Each of the judges of the Court for Kent County shall receive **[**an annual compensation of $4,000. Each judge shall also receive an allowance for traveling expenses of $520 annually, to be paid quarterly by the County Commissioners**]** **A SALARY AS SET BY THE COUNTY COMMISSIONERS**.

(2) (I) EACH JUDGE SHALL RECEIVE AN ALLOWANCE FOR TRAVEL EXPENSES IN ACCORDANCE WITH THE COUNTY BUDGET.

(II) THE COUNTY COMMISSIONERS SHALL PAY QUARTERLY TO EACH JUDGE THE TRAVEL ALLOWANCE PROVIDED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH.

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 a judge of the Orphans' Court for Kent 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 a judge of the Orphans' Court for Kent 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 809

(House Bill 286)

AN ACT concerning

Circuit Court Clerks – Salary Increase

FOR the purpose of increasing the limit on the maximum salary that the Board of Public Works may set for a clerk of a circuit court; providing for the application of this Act; and generally relating to the salary of a clerk of a circuit court.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–504(a)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 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

2–504.

(a) The clerk of each circuit court shall receive an annual salary of not more than **[**$114,500**] $124,500** as set by the Board of Public Works on the basis of the relative volume of business and receipts in the clerk's office.

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 clerk of a circuit court 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 clerk of a circuit court 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 810

(Senate Bill 668)

AN ACT concerning

Circuit Court Clerks – Salary Increase

FOR the purpose of increasing the limit on the maximum salary that the Board of Public Works may set for a clerk of a circuit court; providing for the application of this Act; and generally relating to the salary of a clerk of a circuit court.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–504(a)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 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

2–504.

(a) The clerk of each circuit court shall receive an annual salary of not more than **[**$114,500**] $124,500** as set by the Board of Public Works on the basis of the relative volume of business and receipts in the clerk's office.

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 clerk of a circuit court 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 clerk of a circuit court 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 811

(House Bill 340)

AN ACT concerning

Howard County – Board of Education – Salaries

Ho. Co. 17–18

FOR the purpose of altering the compensation received by the chair and other elected members of the Howard County Board of Education; providing that this Act does not apply to the salary of the chair and other elected members of the county board during a certain term of office; making stylistic changes; and generally relating to the Howard County Board of Education.

BY repealing and reenacting, without amendments,
Article – Education
Section 3–701(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Education
Section 3–702 and 3–703
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Education

3–701.

(a) (1) The Howard County Board consists of:

(i) Seven elected members; and

(ii) One student member.

(2) The seven elected members shall be elected as follows:

(i) Five members, each of whom resides in a different one of the five councilmanic districts in the county; and

(ii) Two members who may reside anywhere in the county.

3–702.

At its first meeting in December, the county board shall elect a **[**chairman**]** **CHAIR** from among its members.

3–703.

(a) The **[**chairman**]** **CHAIR** of the county board is entitled to receive **[**$17,000**]** **$18,000** annually as compensation and the other elected members are entitled to receive **[**$15,000**]** **$16,000** each annually as compensation.

(b) After submitting vouchers under the rules and regulations adopted by the county board, the **[**chairman**]** **CHAIR** and the other elected members are entitled to receive reimbursement for travel and other expenses as provided in the Howard County budget.

(c) The employer's share for State retirement and pension contributions made on behalf of the **[**chairman**]** **CHAIR** and other elected board members may not be considered compensation for the purpose of calculating compensation under subsection (a) of this section.

(d) (1) The **[**chairman**]** **CHAIR** and other elected board members may participate in health insurance and other benefit programs sponsored by the board.

(2) An elected board member's participation in a benefit program sponsored by the board under this subsection may not be considered compensation for the purpose of calculating compensation under subsection (a) of this section.

(e) (1) (i) A student member who completes a full term on the board shall be entitled to a scholarship of $5,000 to be applied to the student's higher education costs.

(ii) The scholarship shall be paid directly to the educational institution that the student attends.

(iii) A student may receive only one scholarship regardless of the number of terms the student serves as the student member of the county board.

(iv) The scholarship may not be considered compensation for the purpose of calculating taxable income.

(2) On the submission of expense vouchers, the student member is entitled to reimbursement for travel and other expenses incurred in the performance of official

duties for the county board.

(3) The student member is not entitled to any compensation or payment other than that specified under paragraphs (1) and (2) of this subsection for their work as the student member of the county board.

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

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 812

(House Bill 420)

AN ACT concerning

Higher Education – Financial Aid – In–State Students
(The Jill Wrigley Memorial Scholarship Expansion Act)

FOR the purpose of making a certain individual eligible for certain financial aid if the individual is eligible for certain in–State tuition; and generally relating to financial aid for in–State students.

BY repealing and reenacting, with amendments,
Article – Education
Section 18–303(a) and 18–1401(c)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY adding to
Article – Education
Section 18–303.2 and 18–1401.1
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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**] EXCEPT AS PROVIDED IN § 18–303.2 OF THIS SUBTITLE, 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.

18–303.2.

NOTWITHSTANDING § 18–303(A)(2) OF THIS SUBTITLE, AN INDIVIDUAL IS ELIGIBLE FOR AN AWARD UNDER THIS SUBTITLE IF THE INDIVIDUAL IS ELIGIBLE FOR IN–STATE TUITION UNDER THIS ARTICLE.

18–1401.

(c) A recipient of a part–time grant shall:

(1) **[**Be**] EXCEPT AS PROVIDED IN § 18–1401.1 OF THIS SUBTITLE, BE** a resident of the State; and

(2) Have demonstrated a definite financial need according to criteria established by the Commission.

18–1401.1.

NOTWITHSTANDING § 18–1401(C)(1) OF THIS SUBTITLE, AN INDIVIDUAL IS ELIGIBLE FOR AN AWARD UNDER THIS SUBTITLE IF THE INDIVIDUAL IS ELIGIBLE FOR IN–STATE TUITION UNDER THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 813

(Senate Bill 532)

AN ACT concerning

Higher Education – Financial Aid – In–State Students
(The Jill Wrigley Memorial Scholarship Expansion Act)

FOR the purpose of making a certain individual eligible for certain financial aid if the individual is eligible for certain in–State tuition; and generally relating to financial aid for in–State students.

BY repealing and reenacting, with amendments,
Article – Education
Section 18–303(a) and 18–1401(c)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY adding to
Article – Education
Section 18–303.2 and 18–1401.1
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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**] EXCEPT AS PROVIDED IN § 18–303.2 OF THIS SUBTITLE, 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.

18–303.2.

NOTWITHSTANDING § 18–303(A)(2) OF THIS SUBTITLE, AN INDIVIDUAL IS ELIGIBLE FOR AN AWARD UNDER THIS SUBTITLE IF THE INDIVIDUAL IS ELIGIBLE FOR IN–STATE TUITION UNDER THIS ARTICLE.

18–1401.

(c) A recipient of a part–time grant shall:

(1) **[**Be**] EXCEPT AS PROVIDED IN § 18–1401.1 OF THIS SUBTITLE, BE** a resident of the State; and

(2) Have demonstrated a definite financial need according to criteria established by the Commission.

18–1401.1.

NOTWITHSTANDING § 18–1401(C)(1) OF THIS SUBTITLE, AN INDIVIDUAL IS ELIGIBLE FOR AN AWARD UNDER THIS SUBTITLE IF THE INDIVIDUAL IS ELIGIBLE FOR IN–STATE TUITION UNDER THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 814

(House Bill 451)

AN ACT concerning

State Personnel – Collective Bargaining – State Institutions of Higher Education

FOR the purpose of clarifying that a member of the ~~State Labor Relations Board or~~ State Higher Education Labor Relations Board may petition the circuit court to order certain entities to comply with an order from the Board; establishing that the failure

to meet an established negotiation deadline is an unfair labor practice for certain entities under certain circumstances; ~~requiring a system institution in the University System of Maryland to designate a representative of the University System of Maryland Board of Regents to participate as a party in collective bargaining; providing for an extension of the effective period of a memorandum of understanding under certain circumstances; providing for the expiration of a memorandum of understanding under certain circumstances;~~ and generally relating to collective bargaining and State institutions of higher education.

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 3–101 and 3–601
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
~~Section 3–2A–09, 3–306, 3–501, and 3–601~~ Section 3–2A–09~~, 3–306, and~~ ~~3–501~~ *and 3–306*
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

3–101.

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

(b) "Board" means:

(1) with regard to any matter relating to employees of any of the units of State government described in § 3–102(a)(1)(i) through (iv) and (vi) through (x) of this subtitle and employees described in § 3–102(a)(2) of this subtitle, the State Labor Relations Board; and

(2) with regard to any matter relating to employees of any State institution of higher education described in § 3–102(a)(1)(v) of this subtitle, the State Higher Education Labor Relations Board.

(c) "Collective bargaining" means:

(1) good faith negotiations by authorized representatives of employees and their employer with the intention of:

(i) 1. reaching an agreement about wages, hours, and other terms and conditions of employment; and

2. incorporating the terms of the agreement in a written memorandum of understanding or other written understanding; or

(ii) clarifying terms and conditions of employment;

(2) administration of terms and conditions of employment; or

(3) the voluntary adjustment of a dispute or disagreement between authorized representatives of employees and their employer that arises under a memorandum of understanding or other written understanding.

(d) "Employee organization" means a labor or other organization in which State employees participate and that has as one of its primary purposes representing employees.

(e) "Exclusive representative" means an employee organization that has been certified by the Board as an exclusive representative under Subtitle 4 of this title.

(f) "President" means:

(1) with regard to a constituent institution, as defined in § 12–101 of the Education Article, the president of the constituent institution;

(2) with regard to a center or institute, as those terms are defined in § 12–101 of the Education Article, the president of the center or institute;

(3) with regard to the University System of Maryland Office, the Chancellor of the University System of Maryland; and

(4) with regard to Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College, the president of the institution.

(g) "System institution" means:

(1) a constituent institution, as defined in § 12–101 of the Education Article;

(2) a center or institute, as those terms are defined in § 12–101 of the Education Article; and

(3) the University System of Maryland Office.

3–2A–09.

(a) If ~~THE STATE,~~ **A PRESIDENT, A SYSTEM INSTITUTION, AN EXCLUSIVE REPRESENTATIVE, OR** a person fails to comply with an order issued by the Board, a member of the Board may petition the circuit court to order the ~~STATE,~~ **PRESIDENT, SYSTEM INSTITUTION, AN EXCLUSIVE REPRESENTATIVE, OR** person to comply with the Board's order.

(b) The Board shall not be required to post bond in an action under subsection (a) of this section.

3–306.

(a) The State and its officers, employees, agents, or representatives are prohibited from engaging in any unfair labor practice, including:

(1) interfering with, restraining, or coercing employees in the exercise of their rights under this title;

(2) dominating, interfering with, contributing financial or other support to, or assisting in the formation, existence, or administration of any labor organization;

(3) granting administrative leave to employees to attend employer sponsored or supported meetings or events relating to an election under § 3–405 of this title, unless the employer grants employees at least the same amount of administrative leave to attend labor organization sponsored or supported meetings or employee meetings;

(4) discriminating in hiring, tenure, or any term or condition of employment to encourage or discourage membership in an employee organization;

(5) discharging or discriminating against an employee because of the signing or filing of an affidavit, petition, or complaint, or giving information or testimony in connection with matters under this subtitle;

(6) failing to provide all employee organizations involved in an election the same rights of access as prescribed by the Board through regulation;

(7) engaging in surveillance of union activities;

(8) refusing to bargain in good faith; ~~[or]~~

(9) engaging in a lockout~~; OR~~

~~(10) UNLESS A WRITTEN AGREEMENT BETWEEN THE STATE, OR ITS OFFICERS, EMPLOYEES, AGENTS, OR REPRESENTATIVES, AND THE EXCLUSIVE REPRESENTATIVE PROVIDES OTHERWISE, FAILING TO MEET AN ESTABLISHED NEGOTIATION DEADLINE~~.

(b) Employee organizations and their agents or representatives are prohibited from engaging in any unfair labor practice, including:

(1) interfering with, restraining, or coercing employees in the exercise of their rights under this title;

(2) causing or attempting to cause an employer to discriminate in hiring, tenure, or any term or condition of employment to encourage or discourage membership in an employee organization;

(3) engaging in, inducing, or encouraging any person to engage in a strike, as defined in § 3–303(a) of this subtitle;

(4) interfering with the statutory duties of the State or an employer;

(5) refusing to bargain in good faith; or

(6) not fairly representing employees in collective bargaining or in any other matter in which the employee organization has the duty of fair representation.

(C) (1) THIS SUBSECTION APPLIES TO A SYSTEM INSTITUTION, AN EMPLOYEE ORGANIZATION FOR EMPLOYEES OF A SYSTEM INSTITUTION, AND ITS OFFICERS, EMPLOYEES, AGENTS, OR REPRESENTATIVES.

(2) IN ADDITION TO THE UNFAIR LABOR PRACTICES IN SUBSECTIONS (A) AND (B) OF THIS SECTION, A SYSTEM INSTITUTION AND AN EMPLOYEE ORGANIZATION ARE PROHIBITED FROM FAILING TO MEET AN ESTABLISHED NEGOTIATION DEADLINE, UNLESS A WRITTEN AGREEMENT BETWEEN THE SYSTEM INSTITUTION, OR ITS OFFICERS, EMPLOYEES, AGENTS, OR REPRESENTATIVES, AND THE EXCLUSIVE REPRESENTATIVE PROVIDES OTHERWISE.

~~3–501.~~

~~(a) (1) The following individuals or entities shall designate one or more representatives to participate as a party in collective bargaining on behalf of the State or the following institutions:~~

~~(i) on behalf of the State, the Governor;~~

~~(ii) on behalf of a system institution[,]:~~

~~1. the president of the system institution; and~~

~~2. IF APPLICABLE, A REPRESENTATIVE FOR THE UNIVERSITY SYSTEM OF MARYLAND BOARD OF REGENTS; AND~~

~~(iii) on behalf of Morgan State University, St. Mary's College of Maryland, or Baltimore City Community College, the governing board of the institution.~~

~~(2) The exclusive representative shall designate one or more representatives to participate as a party in collective bargaining on behalf of the exclusive representative.~~

~~(b) The parties shall meet at reasonable times and engage in collective bargaining in good faith to conclude a written memorandum of understanding or other written understanding as defined under § 3–101(c)(1)(ii) of this title.~~

~~(c) (1) The parties shall make every reasonable effort to conclude negotiations in a timely manner for inclusion by the principal unit in its budget request to the Governor.~~

~~(2) (i) The parties shall conclude negotiations before January 1 for any item requiring an appropriation of funds for the fiscal year that begins on the following July 1.~~

~~(ii) In the budget bill submitted to the General Assembly, the Governor shall include any amounts in the budgets of the principal units required to accommodate any additional cost resulting from the negotiations, including the actuarial impact of any legislative changes to any of the State pension or retirement systems that are required, as a result of the negotiations, for the fiscal year beginning the following July 1 if the legislative changes have been negotiated to become effective in that fiscal year.~~

~~(3) (i) If the parties do not conclude negotiations for the next fiscal year before October 25, either party may request that a fact finder be employed to resolve the issues.~~

~~(ii) The fact finder shall be employed no later than November 1.~~

~~(iii) A fact finder shall be a neutral party appointed by alternate striking from a list by the parties provided:~~

~~1. by the Federal Mediation and Conciliation Service; or~~

~~2. under the Labor Arbitration Rules of the American Arbitration Association.~~

~~(iv) The fact finder:~~

~~1. may give notice and hold hearings in accordance with the Administrative Procedure Act;~~

~~2. may administer oaths and take testimony and other evidence;~~

~~3. may issue subpoenas; and~~

~~4. before November 20, shall make written recommendations regarding wages, hours, and working conditions, and any other terms or conditions of employment that may be in dispute.~~

~~(v) The written recommendations of the fact finder shall be delivered to the Governor, the exclusive representative, the President of the Senate, and the Speaker of the House of Delegates by the Secretary on or before December 1.~~

~~(d) (1) A memorandum of understanding that incorporates all matters of agreement reached by the parties shall be executed by the exclusive representative and:~~

~~(i) for a memorandum of understanding relating to the State, the Governor or the Governor's designee;~~

~~(ii) for a memorandum of understanding relating to a system institution, the president of the system institution or the president's designee; and~~

~~(iii) for a memorandum of understanding relating to Morgan State University, St. Mary's College of Maryland, or Baltimore City Community College, the governing board of the institution or the governing board's designee.~~

~~(2) To the extent these matters require legislative approval or the appropriation of funds, the matters shall be recommended to the General Assembly for approval or for the appropriation of funds.~~

~~(3) To the extent matters involving a State institution of higher education require legislative approval, the legislation shall be recommended to the Governor for submission to the General Assembly.~~

~~(e) Negotiations for a memorandum of understanding shall be considered closed sessions under § 3–305 of the General Provisions Article.~~

~~(f) (1) The terms of a memorandum of understanding executed by the Governor or the Governor's designee and an exclusive representative of a bargaining unit for skilled service or professional service employees in the State Personnel Management System are not applicable to employees of a State institution of higher education.~~

~~(2) The terms of a memorandum of understanding executed by a president of a system institution or the governing board of Morgan State University, St. Mary's College of Maryland, or Baltimore City Community College, or their respective designees, and the exclusive representative of a bargaining unit for employees of a State institution of higher education are not applicable to skilled service or professional service employees in the State Personnel Management System.~~

3–601.

(a) (1) A memorandum of understanding shall contain all matters of agreement reached in the collective bargaining process.

(2) The memorandum shall be in writing and signed by the exclusive representative involved in the collective bargaining negotiations and:

(i) for a memorandum of understanding relating to the State, the Governor or the Governor's designee;

(ii) for a memorandum of understanding relating to a system institution, the president of the system institution or the president's designee; and

(iii) for a memorandum of understanding relating to Morgan State University, St. Mary's College of Maryland, or Baltimore City Community College, the governing board of the institution or the governing board's designee.

(b) No memorandum of understanding is valid if it extends for less than 1 year or for more than 3 years.

(c) (1) Except as provided in paragraph **[**(2)**]** ~~**(2)(I)**~~ of this subsection, a memorandum of understanding is not effective until it is ratified by the Governor and a majority of the votes cast by the employees in the bargaining unit.

(2) In the case of a State institution of higher education, a memorandum of understanding~~**:**~~

~~**(I)**~~ is not effective until it is ratified by the institution's governing board and a majority of the votes cast by the employees in the bargaining unit~~**;**~~

~~**(II) SUBJECT TO ITEM (III) OF THIS PARAGRAPH, SHALL REMAIN IN EFFECT, NOTWITHSTANDING ANY EXPIRATION DATE SPECIFIED IN THE MEMORANDUM OF UNDERSTANDING, IF THE INSTITUTION:**~~

~~**1. A. IS BEING INVESTIGATED BY A STATE OR FEDERAL AGENCY DURING THE EFFECTIVE PERIOD OF THE MEMORANDUM OF UNDERSTANDING FOR COMMITTING AN UNFAIR LABOR PRACTICE; OR**~~

~~**B. IS FOUND BY A STATE OR FEDERAL AGENCY DURING THE EFFECTIVE PERIOD OF THE MEMORANDUM OF UNDERSTANDING TO HAVE COMMITTED AN UNFAIR LABOR PRACTICE; AND**~~

~~**2. HAS NOT RATIFIED A SUCCESSOR MEMORANDUM OF UNDERSTANDING WITH THE BARGAINING UNIT; AND**~~

~~(III) IF IN EFFECT UNDER ITEM (II) OF THIS PARAGRAPH, SHALL EXPIRE ON:~~

~~1. IF THE STATE OR FEDERAL AGENCY DETERMINES THAT AN UNFAIR LABOR PRACTICE DID NOT OCCUR, THE CONCLUSION OF THE INVESTIGATION; OR~~

~~2. IF THE STATE OR FEDERAL AGENCY DETERMINES THAT AN UNFAIR LABOR PRACTICE DID OCCUR, THE CONCLUSION OF ANY LEGAL PROCEEDINGS INITIATED TO REMEDY THE UNFAIR LABOR PRACTICE~~.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 815

(House Bill 524)

AN ACT concerning

Family Law – Protecting the Resources of Children in State Custody

FOR the purpose of requiring the Department of Human Services, when applying for certain benefits for a child in the Department's custody, to identify a representative payee or fiduciary in consultation with the child's attorney; establishing certain duties of the Department when the Department serves as the representative payee or fiduciary for a child receiving certain benefits; requiring the Department to provide certain notice to the child through the child's attorney of certain actions taken with respect to certain benefits for the child; providing for the application and construction of this Act; and generally relating to children in State custody.

BY adding to
Article – Family Law
Section 5–527.1
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Family Law

5–527.1.

(A) THIS SECTION APPLIES TO CHILDREN COMMITTED TO THE CUSTODY OF THE DEPARTMENT.

(B) WHEN APPLYING FOR BENEFITS UNDER THIS SECTION FOR A CHILD IN THE DEPARTMENT'S CUSTODY, THE DEPARTMENT SHALL, IN COOPERATION WITH THE CHILD'S ATTORNEY, IDENTIFY A REPRESENTATIVE PAYEE OR FIDUCIARY IN ACCORDANCE WITH THE REQUIREMENTS OF ~~20 C.F.R. §§ 404.2021 AND 416.621 FEDERAL LAW~~ *20 C.F.R. §§ 404.2021 AND 416.621*.

(C) CONSISTENT WITH FEDERAL LAW, WHEN THE DEPARTMENT SERVES AS THE REPRESENTATIVE PAYEE OR IN ANY OTHER FIDUCIARY CAPACITY FOR A CHILD RECEIVING *VETERANS ADMINISTRATION BENEFITS*, ~~VETERANS ADMINISTRATION BENEFITS,~~ SUPPLEMENTAL SECURITY INCOME, *OR SOCIAL SECURITY BENEFITS*, ~~OR SOCIAL SECURITY BENEFITS,~~ THE DEPARTMENT SHALL:

(1) USE OR CONSERVE THE BENEFITS IN THE CHILD'S BEST INTEREST, INCLUDING USING THE BENEFITS FOR SERVICES FOR SPECIAL NEEDS NOT OTHERWISE PROVIDED BY THE DEPARTMENT OR CONSERVING THE BENEFITS FOR THE CHILD'S REASONABLY FORESEEABLE FUTURE NEEDS;

(2) ENSURE THAT WHEN THE CHILD ATTAINS THE AGE OF 14 YEARS AND UNTIL THE DEPARTMENT NO LONGER SERVES AS THE REPRESENTATIVE PAYEE OR FIDUCIARY, A MINIMUM PERCENTAGE OF THE CHILD'S BENEFITS ARE NOT USED TO REIMBURSE THE STATE FOR THE COSTS OF CARE FOR THE CHILD AND ARE USED OR CONSERVED IN ACCORDANCE WITH ITEMS (3) AND (4) OF THIS SUBSECTION, AS FOLLOWS:

(I) FROM AGE 14 THROUGH AGE 15, AT LEAST 40%;

(II) FROM AGE 16 THROUGH AGE 17, AT LEAST 80%; AND

(III) FROM AGE 18 THROUGH AGE 20, 100%;

(3) FOR THE CHILD'S BENEFITS OR RESOURCES THAT ARE BELOW OR NOT SUBJECT TO ANY FEDERAL ASSET OR RESOURCE LIMIT, EXERCISE DISCRETION IN ACCORDANCE WITH FEDERAL LAW AND IN THE BEST INTEREST OF THE CHILD TO CONSERVE THE FUNDS OR USE THE FUNDS FOR SERVICES FOR SPECIAL NEEDS NOT OTHERWISE PROVIDED BY THE DEPARTMENT, INCLUDING CHOOSING ONE OR MORE OF THE OPTIONS LISTED UNDER ITEM (4) OF THIS SUBSECTION;

(4) APPROPRIATELY MONITOR ANY FEDERAL ASSET OR RESOURCE LIMITS FOR THE BENEFITS AND ENSURE THAT THE CHILD'S BEST INTEREST IS

SERVED BY USING OR CONSERVING THE BENEFITS IN A WAY THAT AVOIDS VIOLATING ANY FEDERAL ASSET OR RESOURCE LIMITS THAT WOULD AFFECT THE CHILD'S ELIGIBILITY TO RECEIVE THE BENEFITS, INCLUDING:

(I) APPLYING TO THE SOCIAL SECURITY ADMINISTRATION TO ESTABLISH A PLAN FOR ACHIEVING SELF–SUPPORT (PASS) ACCOUNT FOR THE CHILD UNDER THE SOCIAL SECURITY ACT AND DETERMINING WHETHER IT IS IN THE BEST INTEREST OF THE CHILD TO CONSERVE ALL OR PART OF THE BENEFITS IN THE PASS ACCOUNT;

(II) ESTABLISHING A 529A PLAN FOR THE CHILD AND CONSERVING THE CHILD'S BENEFITS IN THAT ACCOUNT IN A MANNER THAT APPROPRIATELY AVOIDS ANY FEDERAL ASSET OR RESOURCE LIMITS;

(III) ESTABLISHING AN INDIVIDUAL DEVELOPMENT ACCOUNT FOR THE CHILD AND CONSERVING THE CHILD'S BENEFITS IN THAT ACCOUNT IN A MANNER THAT APPROPRIATELY AVOIDS ANY FEDERAL ASSET OR RESOURCE LIMITS;

(IV) ESTABLISHING A SPECIAL NEEDS TRUST FOR THE CHILD AND CONSERVING THE CHILD'S BENEFITS IN THE TRUST IN A MANNER THAT IS CONSISTENT WITH FEDERAL REQUIREMENTS FOR SPECIAL NEEDS TRUSTS AND THAT APPROPRIATELY AVOIDS ANY FEDERAL ASSET OR RESOURCE LIMITS;

(V) IF THE DEPARTMENT DETERMINES THAT USING THE BENEFITS FOR SERVICES FOR CURRENT SPECIAL NEEDS NOT ALREADY PROVIDED BY THE DEPARTMENT IS IN THE BEST INTERESTS OF THE CHILD, USING THE BENEFITS FOR THOSE SERVICES;

(VI) IF FEDERAL LAW REQUIRES CERTAIN BACK PAYMENTS OF BENEFITS TO BE PLACED IN A DEDICATED ACCOUNT, COMPLYING WITH THE REQUIREMENTS FOR DEDICATED ACCOUNTS UNDER 20 C.F.R. § 416.640(E); AND

(VII) APPLYING ANY OTHER EXCLUSIONS FROM FEDERAL ASSET OR RESOURCE LIMITS AVAILABLE UNDER FEDERAL LAW AND USING OR CONSERVING THE CHILD'S BENEFITS IN A MANNER THAT APPROPRIATELY AVOIDS ANY FEDERAL ASSET OR RESOURCE LIMITS;

(5) PROVIDE AN ANNUAL ACCOUNTING TO THE CHILD AND THE CHILD'S ATTORNEY OF HOW THE CHILD'S RESOURCES, INCLUDING *VETERANS ADMINISTRATION BENEFITS*, ~~VETERANS ADMINISTRATION BENEFITS,~~ SUPPLEMENTAL SECURITY INCOME, *AND SOCIAL SECURITY BENEFITS*, ~~AND SOCIAL SECURITY BENEFITS,~~ HAVE BEEN USED OR CONSERVED IN ACCORDANCE WITH THIS SECTION; AND

(6) PROVIDE THE CHILD WITH FINANCIAL LITERACY TRAINING WHEN THE CHILD HAS ATTAINED THE AGE OF 14 YEARS.

(D) (1) THE DEPARTMENT SHALL IMMEDIATELY NOTIFY THE CHILD THROUGH THE CHILD'S ATTORNEY OF:

(I) ANY APPLICATION FOR *VETERANS ADMINISTRATION BENEFITS*, ~~VETERANS ADMINISTRATION BENEFITS,~~ SUPPLEMENTAL SECURITY INCOME, *OR SOCIAL SECURITY BENEFITS*~~, OR SOCIAL SECURITY BENEFITS~~ MADE ON THE CHILD'S BEHALF OR ANY APPLICATION TO BECOME REPRESENTATIVE PAYEE FOR THOSE BENEFITS ON THE CHILD'S BEHALF;

(II) ANY DECISIONS OR COMMUNICATIONS FROM *THE VETERANS ADMINISTRATION OR* ~~THE VETERANS ADMINISTRATION OR~~ THE SOCIAL SECURITY ADMINISTRATION REGARDING AN APPLICATION FOR BENEFITS DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH; AND

(III) ANY APPEAL OR OTHER ACTION REQUESTED BY THE DEPARTMENT REGARDING AN APPLICATION FOR BENEFITS DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH.

(2) WHEN THE DEPARTMENT SERVES AS THE REPRESENTATIVE PAYEE OR OTHERWISE RECEIVES *VETERANS ADMINISTRATION BENEFITS*, ~~VETERANS ADMINISTRATION BENEFITS,~~ SUPPLEMENTAL SECURITY INCOME, *OR SOCIAL SECURITY BENEFITS*~~, OR SOCIAL SECURITY BENEFITS~~ ON THE CHILD'S BEHALF, THE DEPARTMENT SHALL PROVIDE NOTICE TO THE CHILD THROUGH THE CHILD'S ATTORNEY OF THE FOLLOWING BEFORE EACH JUVENILE COURT HEARING REGARDING THE CHILD:

(I) THE DATES AND THE AMOUNT OF BENEFIT FUNDS RECEIVED ON THE CHILD'S BEHALF SINCE ANY PRIOR NOTIFICATION TO THE CHILD'S ATTORNEY; AND

(II) INFORMATION REGARDING ALL THE CHILD'S ASSETS AND RESOURCES, INCLUDING THE CHILD'S BENEFITS, INSURANCE, CASH ASSETS, TRUST ACCOUNTS, EARNINGS, AND OTHER RESOURCES.

(E) THIS SECTION MAY NOT BE CONSTRUED TO AFFECT ANY ADDITIONAL NOTICE REQUIRED BY A STATE COURT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 816

(Senate Bill 291)

AN ACT concerning

Family Law – Protecting the Resources of Children in State Custody

FOR the purpose of requiring the Department of Human Services, when applying for certain benefits for a child in the Department's custody, to identify a representative payee or fiduciary in consultation with the child's attorney; establishing certain duties of the Department when the Department serves as the representative payee or fiduciary for a child receiving certain benefits; requiring the Department to provide certain notice to the child through the child's attorney of certain actions taken with respect to certain benefits for the child; providing for the application and construction of this Act; and generally relating to children in State custody.

BY adding to
Article – Family Law
Section 5–527.1
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Family Law

5–527.1.

(A) THIS SECTION APPLIES TO CHILDREN COMMITTED TO THE CUSTODY OF THE DEPARTMENT.

(B) WHEN APPLYING FOR BENEFITS UNDER THIS SECTION FOR A CHILD IN THE DEPARTMENT'S CUSTODY, THE DEPARTMENT SHALL, IN COOPERATION WITH THE CHILD'S ATTORNEY, IDENTIFY A REPRESENTATIVE PAYEE OR FIDUCIARY IN ACCORDANCE WITH THE REQUIREMENTS OF 20 C.F.R. §§ 404.2021 AND 416.621.

(C) CONSISTENT WITH FEDERAL LAW, WHEN THE DEPARTMENT SERVES AS THE REPRESENTATIVE PAYEE OR IN ANY OTHER FIDUCIARY CAPACITY FOR A CHILD RECEIVING VETERANS ADMINISTRATION BENEFITS, SUPPLEMENTAL SECURITY INCOME, OR SOCIAL SECURITY BENEFITS, THE DEPARTMENT SHALL:

(1) USE OR CONSERVE THE BENEFITS IN THE CHILD'S BEST INTEREST, INCLUDING USING THE BENEFITS FOR SERVICES FOR SPECIAL NEEDS NOT

OTHERWISE PROVIDED BY THE DEPARTMENT OR CONSERVING THE BENEFITS FOR THE CHILD'S REASONABLY FORESEEABLE FUTURE NEEDS;

(2) ENSURE THAT WHEN THE CHILD ATTAINS THE AGE OF 14 YEARS AND UNTIL THE DEPARTMENT NO LONGER SERVES AS THE REPRESENTATIVE PAYEE OR FIDUCIARY, A MINIMUM PERCENTAGE OF THE CHILD'S BENEFITS ARE NOT USED TO REIMBURSE THE STATE FOR THE COSTS OF CARE FOR THE CHILD AND ARE USED OR CONSERVED IN ACCORDANCE WITH ITEMS (3) AND (4) OF THIS SUBSECTION, AS FOLLOWS:

(I) FROM AGE 14 THROUGH AGE 15, AT LEAST 40%;

(II) FROM AGE 16 THROUGH AGE 17, AT LEAST 80%; AND

(III) FROM AGE 18 THROUGH AGE 20, 100%;

(3) FOR THE CHILD'S BENEFITS OR RESOURCES THAT ARE BELOW OR NOT SUBJECT TO ANY FEDERAL ASSET OR RESOURCE LIMIT, EXERCISE DISCRETION IN ACCORDANCE WITH FEDERAL LAW AND IN THE BEST INTEREST OF THE CHILD TO CONSERVE THE FUNDS OR USE THE FUNDS FOR SERVICES FOR SPECIAL NEEDS NOT OTHERWISE PROVIDED BY THE DEPARTMENT, INCLUDING CHOOSING ONE OR MORE OF THE OPTIONS LISTED UNDER ITEM (4) OF THIS SUBSECTION;

(4) APPROPRIATELY MONITOR ANY FEDERAL ASSET OR RESOURCE LIMITS FOR THE BENEFITS AND ENSURE THAT THE CHILD'S BEST INTEREST IS SERVED BY USING OR CONSERVING THE BENEFITS IN A WAY THAT AVOIDS VIOLATING ANY FEDERAL ASSET OR RESOURCE LIMITS THAT WOULD AFFECT THE CHILD'S ELIGIBILITY TO RECEIVE THE BENEFITS, INCLUDING:

(I) APPLYING TO THE SOCIAL SECURITY ADMINISTRATION TO ESTABLISH A PLAN FOR ACHIEVING SELF–SUPPORT (PASS) ACCOUNT FOR THE CHILD UNDER THE SOCIAL SECURITY ACT AND DETERMINING WHETHER IT IS IN THE BEST INTEREST OF THE CHILD TO CONSERVE ALL OR PART OF THE BENEFITS IN THE PASS ACCOUNT;

(II) ESTABLISHING A 529A PLAN FOR THE CHILD AND CONSERVING THE CHILD'S BENEFITS IN THAT ACCOUNT IN A MANNER THAT APPROPRIATELY AVOIDS ANY FEDERAL ASSET OR RESOURCE LIMITS;

(III) ESTABLISHING AN INDIVIDUAL DEVELOPMENT ACCOUNT FOR THE CHILD AND CONSERVING THE CHILD'S BENEFITS IN THAT ACCOUNT IN A MANNER THAT APPROPRIATELY AVOIDS ANY FEDERAL ASSET OR RESOURCE LIMITS;

(IV) ESTABLISHING A SPECIAL NEEDS TRUST FOR THE CHILD

AND CONSERVING THE CHILD'S BENEFITS IN THE TRUST IN A MANNER THAT IS CONSISTENT WITH FEDERAL REQUIREMENTS FOR SPECIAL NEEDS TRUSTS AND THAT APPROPRIATELY AVOIDS ANY FEDERAL ASSET OR RESOURCE LIMITS;

(V) IF THE DEPARTMENT DETERMINES THAT USING THE BENEFITS FOR SERVICES FOR CURRENT SPECIAL NEEDS NOT ALREADY PROVIDED BY THE DEPARTMENT IS IN THE BEST INTERESTS OF THE CHILD, USING THE BENEFITS FOR THOSE SERVICES;

(VI) IF FEDERAL LAW REQUIRES CERTAIN BACK PAYMENTS OF BENEFITS TO BE PLACED IN A DEDICATED ACCOUNT, COMPLYING WITH THE REQUIREMENTS FOR DEDICATED ACCOUNTS UNDER 20 C.F.R. § 416.640(E); AND

(VII) APPLYING ANY OTHER EXCLUSIONS FROM FEDERAL ASSET OR RESOURCE LIMITS AVAILABLE UNDER FEDERAL LAW AND USING OR CONSERVING THE CHILD'S BENEFITS IN A MANNER THAT APPROPRIATELY AVOIDS ANY FEDERAL ASSET OR RESOURCE LIMITS;

(5) PROVIDE AN ANNUAL ACCOUNTING TO THE CHILD AND THE CHILD'S ATTORNEY OF HOW THE CHILD'S RESOURCES, INCLUDING VETERANS ADMINISTRATION BENEFITS, SUPPLEMENTAL SECURITY INCOME, AND SOCIAL SECURITY BENEFITS, HAVE BEEN USED OR CONSERVED IN ACCORDANCE WITH THIS SECTION; AND

(6) PROVIDE THE CHILD WITH FINANCIAL LITERACY TRAINING WHEN THE CHILD HAS ATTAINED THE AGE OF 14 YEARS.

(D) (1) THE DEPARTMENT SHALL IMMEDIATELY NOTIFY THE CHILD THROUGH THE CHILD'S ATTORNEY OF:

(I) ANY APPLICATION FOR VETERANS ADMINISTRATION BENEFITS, SUPPLEMENTAL SECURITY INCOME, OR SOCIAL SECURITY BENEFITS MADE ON THE CHILD'S BEHALF OR ANY APPLICATION TO BECOME REPRESENTATIVE PAYEE FOR THOSE BENEFITS ON THE CHILD'S BEHALF;

(II) ANY DECISIONS OR COMMUNICATIONS FROM THE VETERANS ADMINISTRATION OR THE SOCIAL SECURITY ADMINISTRATION REGARDING AN APPLICATION FOR BENEFITS DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH; AND

(III) ANY APPEAL OR OTHER ACTION REQUESTED BY THE DEPARTMENT REGARDING AN APPLICATION FOR BENEFITS DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH.

(2) WHEN THE DEPARTMENT SERVES AS THE REPRESENTATIVE PAYEE OR OTHERWISE RECEIVES VETERANS ADMINISTRATION BENEFITS, SUPPLEMENTAL SECURITY INCOME, OR SOCIAL SECURITY BENEFITS ON THE CHILD'S BEHALF, THE DEPARTMENT SHALL PROVIDE NOTICE TO THE CHILD THROUGH THE CHILD'S ATTORNEY OF THE FOLLOWING BEFORE EACH JUVENILE COURT HEARING REGARDING THE CHILD:

(I) THE DATES AND THE AMOUNT OF BENEFIT FUNDS RECEIVED ON THE CHILD'S BEHALF SINCE ANY PRIOR NOTIFICATION TO THE CHILD'S ATTORNEY; AND

(II) INFORMATION REGARDING ALL THE CHILD'S ASSETS AND RESOURCES, INCLUDING THE CHILD'S BENEFITS, INSURANCE, CASH ASSETS, TRUST ACCOUNTS, EARNINGS, AND OTHER RESOURCES.

(E) THIS SECTION MAY NOT BE CONSTRUED TO AFFECT ANY ADDITIONAL NOTICE REQUIRED BY A STATE COURT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 817

(House Bill 546)

AN ACT concerning

Prevailing Wage – Tax Increment Financing Developments – Application

FOR the purpose of altering the prevailing wage law to apply to certain structures or works constructed on property located in a certain tax increment financing development <u>district</u> funded with certain bond proceeds under certain State or local laws; providing that the prevailing wage law applies to the construction of certain structures or works only if authorized by certain political subdivisions, Baltimore City, or the Revenue Authority of Prince George's County; providing for the application of this Act; and generally relating to the applicability of the prevailing wage law.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 17–202
Annotated Code of Maryland

(2015 Replacement Volume and 2017 Supplement)

Preamble

WHEREAS, The State has a well–established history of generosity to business, and Maryland's expansion of opportunities such as tax increment financing, enterprise zones, and payments in lieu of taxes serves to continue that generosity; and

WHEREAS, The State's generosity to business can spur a vibrant economy that offers more residents access to a desirable quality of life; and

WHEREAS, Generous business subsidies benefit only the few Maryland residents fortunate enough to own businesses that can access such programs; and

WHEREAS, A desirable quality of life fueled by hallmarks such as family–supporting wages, an equitable work environment, and career stability depends on employment outcomes based on a strong education system and robust apprenticeship programs to prepare workers for the jobs of tomorrow; and

WHEREAS, Business subsidies must be tied to employment outcomes for those subsidies to truly offer quality of life outcomes for an inclusive portion of Maryland residents, which expands the social good created by each dollar spent through the subsidy; now, therefore,

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

Article – State Finance and Procurement

17–202.

(a) This subtitle does not limit:

(1) the hours of work an employee may work in a particular period of time; or

(2) the right of a contractor to pay an employee under a public work contract more than the prevailing wage rate.

(b) This subtitle does not apply to:

(1) a public work contract of less than $500,000; or

(2) the part of a public work contract for which the federal government provides money if, as to that part, the contractor is required to pay the prevailing wage rate as determined by the United States Secretary of Labor.

(c) If this subtitle and the federal Davis–Bacon Act apply and the federal act is suspended, the Governor may declare this subtitle suspended for the same period for:

(1) the part of that public work contract for which the United States Secretary of Labor would have been required to make a determination of a prevailing wage rate; or

(2) that entire public work contract.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS SUBTITLE APPLIES TO THE CONSTRUCTION OF A STRUCTURE OR WORK, INCLUDING A BRIDGE, A BUILDING, A DITCH, A ROAD, AN ALLEY, A WATERWORK, OR A SEWAGE DISPOSAL PLANT, FUNDED WITH BOND PROCEEDS FROM BONDS ISSUED IN ACCORDANCE WITH TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE THAT IS LOCATED IN A DESIGNATED TAX INCREMENT FINANCING DEVELOPMENT DISTRICT CREATED ON OR AFTER JULY 1, 2018, ESTABLISHED UNDER STATE OR LOCAL LAW.

(2) THIS SUBSECTION APPLIES TO THE CONSTRUCTION OF A STRUCTURE OR WORK ONLY IF A POLITICAL SUBDIVISION OF THE STATE, BALTIMORE CITY, OR THE REVENUE AUTHORITY OF PRINCE GEORGE'S COUNTY AUTHORIZES THAT THE CONSTRUCTION OF THE STRUCTURE OR WORK IS SUBJECT TO THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply only to a contract executed on or after July 1, 2018.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 818

(Senate Bill 278)

AN ACT concerning

Prevailing Wage – Tax Increment Financing Developments – Application

FOR the purpose of altering the prevailing wage law to apply to certain structures or works constructed on property located in a certain tax increment financing development district funded with certain bond proceeds under certain State or local laws; providing that the prevailing wage law applies to the construction of certain

structures or works only if authorized by certain political subdivisions, Baltimore City, or the Revenue Authority of Prince George's County; providing for the application of this Act; and generally relating to the applicability of the prevailing wage law.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 17–202
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

Preamble

WHEREAS, The State has a well–established history of generosity to business, and Maryland's expansion of opportunities such as tax increment financing, enterprise zones, and payments in lieu of taxes serves to continue that generosity; and

WHEREAS, The State's generosity to business can spur a vibrant economy that offers more residents access to a desirable quality of life; and

WHEREAS, Generous business subsidies benefit only the few Maryland residents fortunate enough to own businesses that can access such programs; and

WHEREAS, A desirable quality of life fueled by hallmarks such as family–supporting wages, an equitable work environment, and career stability depends on employment outcomes based on a strong education system and robust apprenticeship programs to prepare workers for the jobs of tomorrow; and

WHEREAS, Business subsidies must be tied to employment outcomes for those subsidies to truly offer quality of life outcomes for an inclusive portion of Maryland residents, which expands the social good created by each dollar spent through the subsidy; now, therefore,

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

Article – State Finance and Procurement

17–202.

(a) This subtitle does not limit:

(1) the hours of work an employee may work in a particular period of time; or

(2) the right of a contractor to pay an employee under a public work contract more than the prevailing wage rate.

(b) This subtitle does not apply to:

(1) a public work contract of less than $500,000; or

(2) the part of a public work contract for which the federal government provides money if, as to that part, the contractor is required to pay the prevailing wage rate as determined by the United States Secretary of Labor.

(c) If this subtitle and the federal Davis–Bacon Act apply and the federal act is suspended, the Governor may declare this subtitle suspended for the same period for:

(1) the part of that public work contract for which the United States Secretary of Labor would have been required to make a determination of a prevailing wage rate; or

(2) that entire public work contract.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS SUBTITLE APPLIES TO THE CONSTRUCTION OF A STRUCTURE OR WORK, INCLUDING A BRIDGE, A BUILDING, A DITCH, A ROAD, AN ALLEY, A WATERWORK, OR A SEWAGE DISPOSAL PLANT, FUNDED WITH BOND PROCEEDS FROM BONDS ISSUED IN ACCORDANCE WITH TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE THAT IS LOCATED IN A DESIGNATED TAX INCREMENT FINANCING DEVELOPMENT DISTRICT CREATED ON OR AFTER JULY 1, 2018, ESTABLISHED UNDER STATE OR LOCAL LAW.

(2) THIS SUBSECTION APPLIES TO THE CONSTRUCTION OF A STRUCTURE OR WORK ONLY IF A POLITICAL SUBDIVISION OF THE STATE, BALTIMORE CITY, OR THE REVENUE AUTHORITY OF PRINCE GEORGE'S COUNTY AUTHORIZES THAT THE CONSTRUCTION OF THE STRUCTURE OR WORK IS SUBJECT TO THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply only to a contract executed on or after July 1, 2018.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 819

(House Bill 550)

AN ACT concerning

Charles County – Orphans' Court Judges – Salary

FOR the purpose of altering the salary for judges of the Orphans' Court for Charles County; establishing that the Chief Judge shall receive certain additional compensation; providing for the application of this Act; and generally relating to the Orphans' Court for Charles County.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 2–108(j)
Annotated Code of Maryland
(2017 Replacement Volume)

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.

(j) (1) The annual salary for each judge of the Court for Charles County is:

(i) **[**$10,500 for calendar year 2015;

(ii) $11,000 for calendar year 2016;

(iii) $11,500 for calendar year 2017; and

(iv)**]** $12,000 for calendar year 2018**;**

(II) $12,250 FOR CALENDAR YEAR 2019;

(III) $12,500 FOR CALENDAR YEAR 2020;

(IV) $12,750 FOR CALENDAR YEAR 2021; AND

(V) $13,000 FOR CALENDAR YEAR 2022 and each subsequent calendar year.

(2) BEGINNING IN CALENDAR YEAR 2019, THE CHIEF JUDGE SHALL RECEIVE AN ADDITIONAL $500 ANNUALLY.

[(2)**] (3)** Each judge is entitled to $500 each year for travel expenses,

payable quarterly.

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 a judge of the Orphans' Court for Charles 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 a judge of the Orphans' Court for Charles 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 820

(House Bill 554)

AN ACT concerning

Caroline County, Dorchester County, and Kent County – ~~Sheriff – Salary~~ Sheriffs' Salaries

FOR the purpose of altering the ~~annual~~ salary of the Sheriff of Caroline County to be equal to a certain percentage of the annual salary of the State's Attorney for Caroline County; altering the salary of the Sheriff of Dorchester County to make it a certain percentage of the salary of the State's Attorney for Dorchester County; altering the salary of the Sheriff of Kent County to make it a certain percentage of the salary of the State's Attorney for Kent County; providing for the application of this Act; and generally relating to the annual ~~salary~~ salaries of the Sheriff of Caroline County and the Sheriff of Dorchester County and the Sheriff of Kent County.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–309(g)(1), (k)(1), and (p)(1)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 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.

(g) (1) The Sheriff of Caroline County shall receive an annual salary **[**of $80,000**]** **EQUAL TO 80% OF THE ANNUAL SALARY OF THE STATE'S ATTORNEY FOR CAROLINE COUNTY**.

(k) (1) (i) The Sheriff of Dorchester County shall receive an annual salary **[**of:

1. $65,500 for calendar year 2009;

2. $65,500 for calendar year 2010;

3. $85,000 for calendar year 2011;

4. $86,500 for calendar year 2012;

5. $88,000 for calendar year 2013; and

6. $89,500 for calendar year 2014.

(ii) For calendar year 2015 and thereafter, the Sheriff of Dorchester County shall receive the same annual salary as paid in 2014**]** **EQUAL TO 80% OF THE ANNUAL SALARY OF THE STATE'S ATTORNEY FOR DORCHESTER COUNTY**.

[(iii)**]** **(II)** The Sheriff of Dorchester County shall be allowed the actual operating costs of the Sheriff's Office, including the maintenance of automobiles.

(p) (1) The Sheriff of Kent County shall receive a salary **[**of:

(i) $67,000 for the calendar year 2009;

(ii) $68,000 for the calendar year 2010;

(iii) $82,000 for the calendar year 2011;

(iv) $83,000 for the calendar year 2012;

(v) $84,000 for the calendar year 2013; and

(vi) $85,000 for the calendar year 2014 and each calendar year thereafter**]** **EQUAL TO 80% OF THE ANNUAL SALARY OF THE STATE'S ATTORNEY FOR KENT COUNTY**.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary

or compensation of the Sheriff of Caroline County, the Sheriff of Dorchester County, or the Sheriff of Kent 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 Sheriff of Caroline County, the Sheriff of Dorchester County, or the Sheriff of Kent 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 821

(Senate Bill 436)

AN ACT concerning

Caroline County, Dorchester County, and Kent County – ~~Sheriff Salary~~ Sheriffs' Salaries

FOR the purpose of altering the salary of the Sheriff of Caroline County to make it a certain percentage of the salary of the State's Attorney for Caroline County; altering the salary of the Sheriff of Kent County to make it a certain percentage of the salary of the State's Attorney for Kent County; providing for the application of this Act; altering the salary of the Sheriff of Dorchester County to make it a certain percentage of the salary of the State's Attorney for Dorchester County; and generally relating to the ~~salary~~ salaries of the Sheriff of Caroline County and the Sheriff of Dorchester County and the Sheriff of Kent County.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–309(g)(1), (k)(1), and (p)(1)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 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.

(g) (1) The Sheriff of Caroline County shall receive an annual salary **[**of $80,000**]** **EQUAL TO 80% OF THE ANNUAL SALARY OF THE STATE'S ATTORNEY FOR CAROLINE COUNTY**.

(k) (1) (i) The Sheriff of Dorchester County shall receive an annual salary **[**of:

1. $65,500 for calendar year 2009;

2. $65,500 for calendar year 2010;

3. $85,000 for calendar year 2011;

4. $86,500 for calendar year 2012;

5. $88,000 for calendar year 2013; and

6. $89,500 for calendar year 2014.

(ii) For calendar year 2015 and thereafter, the Sheriff of Dorchester County shall receive the same annual salary as paid in 2014**]** **EQUAL TO 80% OF THE ANNUAL SALARY OF THE STATE'S ATTORNEY FOR DORCHESTER COUNTY**.

[(iii)**]** **(II)** The Sheriff of Dorchester County shall be allowed the actual operating costs of the Sheriff's Office, including the maintenance of automobiles.

(p) (1) The Sheriff of Kent County shall receive a salary **[**of:

(i) $67,000 for the calendar year 2009;

(ii) $68,000 for the calendar year 2010;

(iii) $82,000 for the calendar year 2011;

(iv) $83,000 for the calendar year 2012;

(v) $84,000 for the calendar year 2013; and

(vi) $85,000 for the calendar year 2014 and each calendar year thereafter**]** **EQUAL TO 80% OF THE ANNUAL SALARY OF THE STATE'S ATTORNEY FOR KENT COUNTY**.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the Sheriff of Caroline County, the Sheriff of Dorchester County, or the Sheriff of Kent 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 Sheriff of Caroline County, the Sheriff of Dorchester County, or the Sheriff of Kent 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 822

(House Bill 640)

AN ACT concerning

Register of Wills – Salary

FOR the purpose of increasing the maximum salary of a register of wills; providing for the application of this Act; and generally relating to registers of wills.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 2–205
Annotated Code of Maryland
(2017 Replacement Volume)

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

Article – Estates and Trusts

2–205.

(a) (1) It is the intent of this section that each register shall receive a fair and adequate compensation for the effort and duties required of the register by the register's office.

(2) The volume and character of work done by the register shall be in comparison to the salary fixed by the Board of Public Works for each of the other registers.

(b) (1) Each register is entitled to receive an annual salary of not more than **[**$114,500**] $124,500**, to be determined in each instance by the Board of Public Works.

(2) In determining the annual salary of the register, the Board of Public Works shall be guided in the exercise of its discretion by:

(i) The population of the county determined by the last official United States census;

(ii) The dollar volume of total fees and taxes collected and excess fees turned over to the State for each of the preceding 5 years by the office of the register for which the salary is being fixed; and

(iii) Other pertinent data which have relation to the reasonableness of the salary in relation to the work done and volume handled by the office.

(c) The minimum annual salary for the register in Baltimore City is $12,000.

(d) (1) The salaries of the registers shall be paid semimonthly from the fees and receipts of the office, after deducting the expenses of the office.

(2) Expenses include salaries of deputies and clerks, books, stationery, office supplies, and other necessary and customary expenses of doing business.

(e) (1) If the fees and receipts of the office are insufficient in any fiscal year to pay all or a part of the expenses of the office and authorized salary of a register, the deficiency shall be funded from the taxes remitted to the Comptroller of the treasury by the register during that fiscal year. Written authority for the transfer of funds shall be first obtained from the Comptroller.

(2) In the event that tax collections for the fiscal year are insufficient, the Comptroller shall make up the deficit from excess fees remitted from all other registers.

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 register of wills 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 register of wills 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 823

(Senate Bill 672)

AN ACT concerning

Register of Wills – Salary

FOR the purpose of increasing the maximum salary of a register of wills; providing for the application of this Act; and generally relating to registers of wills.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 2–205
Annotated Code of Maryland
(2017 Replacement Volume)

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

Article – Estates and Trusts

2–205.

(a) (1) It is the intent of this section that each register shall receive a fair and adequate compensation for the effort and duties required of the register by the register's office.

(2) The volume and character of work done by the register shall be in comparison to the salary fixed by the Board of Public Works for each of the other registers.

(b) (1) Each register is entitled to receive an annual salary of not more than **[**$114,500**] $124,500**, to be determined in each instance by the Board of Public Works.

(2) In determining the annual salary of the register, the Board of Public Works shall be guided in the exercise of its discretion by:

(i) The population of the county determined by the last official United States census;

(ii) The dollar volume of total fees and taxes collected and excess fees turned over to the State for each of the preceding 5 years by the office of the register for which the salary is being fixed; and

(iii) Other pertinent data which have relation to the reasonableness of the salary in relation to the work done and volume handled by the office.

(c) The minimum annual salary for the register in Baltimore City is $12,000.

(d) (1) The salaries of the registers shall be paid semimonthly from the fees and receipts of the office, after deducting the expenses of the office.

(2) Expenses include salaries of deputies and clerks, books, stationery, office supplies, and other necessary and customary expenses of doing business.

(e) (1) If the fees and receipts of the office are insufficient in any fiscal year to pay all or a part of the expenses of the office and authorized salary of a register, the deficiency shall be funded from the taxes remitted to the Comptroller of the treasury by the register during that fiscal year. Written authority for the transfer of funds shall be first obtained from the Comptroller.

(2) In the event that tax collections for the fiscal year are insufficient, the Comptroller shall make up the deficit from excess fees remitted from all other registers.

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 register of wills 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 register of wills 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 824

(House Bill 686)

AN ACT concerning

Income Tax – Wynne Case – Local Government Repayments to the Local Reserve Account

FOR the purpose of altering the date on which the Comptroller is required to begin withholding from certain quarterly income tax distributions certain amounts owed by certain local governments to the Local Reserve Account; and generally relating to required repayments to the Local Reserve Account.

BY repealing and reenacting, with amendments,

Chapter 489 of the Acts of the General Assembly of 2015, as amended by Chapter 24 of the Acts of the General Assembly of 2016
Section 27

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

Chapter 489 of the Acts of 2015, as amended by Chapter 24 of the Acts of 2016

SECTION 27. AND BE IT FURTHER ENACTED, That the Attorney General shall review the decision of the U.S. Supreme Court in the appeal of Maryland State Comptroller of the Treasury v. Brian Wynne, et ux. 431 Md. 147 (2013) and advise the Comptroller whether the decision, expressly or in effect, requires the payment of income tax refunds and interest attributable to taxable years beginning after December 31, 2005, but before January 1, 2015, and, if the Attorney General so advises, the Comptroller shall initially pay the refunds and interest from the Local Reserve Account (Account) established to comply with § 2–606 of the Tax – General Article. After the Comptroller pays the refunds and interest from the Account, each local government shall reimburse the Account for its share of related refunds and interest. If an affected local government does not reimburse the Account in a timely fashion, the Comptroller shall withhold the amount owed to the Account from the quarterly income tax distributions in twenty equal installments, beginning with the first applicable quarterly distribution made after February **[**2019**]** **2021**, until the Account is fully reimbursed.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 825

(House Bill 740)

AN ACT concerning

Commercial Law – Consumer Protection – Ticket Website Domain Names

FOR the purpose of prohibiting a person who owns, operates, or controls a ticket website from using in the Uniform Resource Locator (URL) of the ticket website certain lower–level domain names; providing for the application of this Act; defining certain terms; and generally relating to ticket website domain names and ticket sales and resales.

BY repealing and reenacting, with amendments,
Article – Commercial Law

Section 14–4001 and 14–4003
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY adding to
Article – Commercial Law
Section 14–4003
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

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

Article – Commercial Law

14–4001.

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

(b) (1) "Entertainment event" means:

(i) A performance;

(ii) A recreation;

(iii) An amusement;

(iv) A diversion;

(v) A spectacle;

(vi) A show; or

(vii) Any similar event.

(2) "Entertainment event" includes:

(i) A theatrical or musical performance;

(ii) A concert;

(iii) A film;

(iv) A game;

(v) A ride; and

(vi) A sporting event.

(C) (1) "LOWER–LEVEL DOMAIN NAME" MEANS THE PORTION OF TEXT IN A URL THAT IS TO THE LEFT OF TOP–LEVEL DOMAINS SUCH ~~AS.COM,.NET, OR.ORG~~ AS .COM, .NET, OR .ORG.

(2) "LOWER–LEVEL DOMAIN NAME" INCLUDES:

(I) A SECOND–LEVEL DOMAIN NAME;

(II) A THIRD–LEVEL DOMAIN NAME; AND

(III) ANY OTHER SUBDOMAIN NAME.

[(c)**] (D)** "Ticket" means a ticket for admission to an entertainment event.

(E) "TICKET WEBSITE" MEANS A WEBSITE:

(1) ADVERTISING THE SALE OR RESALE OF TICKETS;

(2) OFFERING THE SALE OR RESALE OF TICKETS; OR

(3) FACILITATING A SECONDARY TICKET EXCHANGE OR ELECTRONIC MARKETPLACE THAT ENABLES CONSUMERS TO SELL, PURCHASE, AND RESELL TICKETS TO AN ENTERTAINMENT EVENT IN THE STATE.

(F) "URL" MEANS THE UNIFORM RESOURCE LOCATOR FOR A WEBSITE.

(G) "VENUE" MEANS A THEATER, A STADIUM, A FIELD, A HALL, A CONVENTION CENTER, A FAIRGROUND, OR ANY OTHER FACILITY WHERE AN ENTERTAINMENT EVENT TAKES PLACE.

14–4003.

(A) THIS SECTION DOES NOT APPLY TO A PERSON WHO IS ACTING ON BEHALF OF A VENUE.

(B) A PERSON WHO OWNS, OPERATES, OR CONTROLS A TICKET WEBSITE MAY NOT USE IN THE URL OF THE TICKET WEBSITE A LOWER–LEVEL DOMAIN NAME THAT CONTAINS:

(1) ~~ALL OR PART OF THE~~ THE NAME OF THE VENUE FOR WHICH THE TICKET GRANTS ADMISSION;

(2) ~~ALL OR PART OF THE~~ THE NAME OF THE ENTERTAINMENT EVENT, INCLUDING THE NAME OF AN INDIVIDUAL OR A GROUP SCHEDULED TO PERFORM OR APPEAR AT THE EVENT; OR

(3) A NAME SUBSTANTIALLY SIMILAR TO THE NAME IN ITEM (1) OR (2) OF THIS SUBSECTION.

[14–4003.**] 14–4004.**

A violation of this subtitle is:

(1) An unfair or deceptive trade practice within the meaning of Title 13 of this article; and

(2) Subject to the enforcement and penalty provisions contained in Title 13 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 826

(Senate Bill 693)

AN ACT concerning

Commercial Law – Consumer Protection – Ticket Website Domain Names

FOR the purpose of prohibiting a person who owns, operates, or controls a ticket website from using in the Uniform Resource Locator (URL) of the ticket website certain lower–level domain names; providing for the application of this Act; defining certain terms; and generally relating to ticket website domain names and ticket sales and resales.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 14–4001 and 14–4003
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY adding to
Article – Commercial Law

Section 14–4003
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

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

Article – Commercial Law

14–4001.

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

(b) (1) "Entertainment event" means:

(i) A performance;

(ii) A recreation;

(iii) An amusement;

(iv) A diversion;

(v) A spectacle;

(vi) A show; or

(vii) Any similar event.

(2) "Entertainment event" includes:

(i) A theatrical or musical performance;

(ii) A concert;

(iii) A film;

(iv) A game;

(v) A ride; and

(vi) A sporting event.

(C) (1) "LOWER–LEVEL DOMAIN NAME" MEANS THE PORTION OF TEXT IN A URL THAT IS TO THE LEFT OF TOP–LEVEL DOMAINS SUCH AS .COM, .NET, OR .ORG.

(2) "LOWER–LEVEL DOMAIN NAME" INCLUDES:

(I) A SECOND–LEVEL DOMAIN NAME;

(II) A THIRD–LEVEL DOMAIN NAME; AND

(III) ANY OTHER SUBDOMAIN NAME.

[(c)**] (D)** "Ticket" means a ticket for admission to an entertainment event.

(E) "TICKET WEBSITE" MEANS A WEBSITE:

(1) ADVERTISING THE SALE OR RESALE OF TICKETS;

(2) OFFERING THE SALE OR RESALE OF TICKETS; OR

(3) FACILITATING A SECONDARY TICKET EXCHANGE OR ELECTRONIC MARKETPLACE THAT ENABLES CONSUMERS TO SELL, PURCHASE, AND RESELL TICKETS TO AN ENTERTAINMENT EVENT IN THE STATE.

(F) "URL" MEANS THE UNIFORM RESOURCE LOCATOR FOR A WEBSITE.

(G) "VENUE" MEANS A THEATER, A STADIUM, A FIELD, A HALL, A CONVENTION CENTER, A FAIRGROUND, OR ANY OTHER FACILITY WHERE AN ENTERTAINMENT EVENT TAKES PLACE.

14–4003.

(A) THIS SECTION DOES NOT APPLY TO A PERSON WHO IS ACTING ON BEHALF OF A VENUE.

(B) A PERSON WHO OWNS, OPERATES, OR CONTROLS A TICKET WEBSITE MAY NOT USE IN THE URL OF THE TICKET WEBSITE A LOWER–LEVEL DOMAIN NAME THAT CONTAINS:

(1) THE NAME OF THE VENUE FOR WHICH THE TICKET GRANTS ADMISSION;

(2) THE NAME OF THE ENTERTAINMENT EVENT, INCLUDING THE NAME OF AN INDIVIDUAL OR A GROUP SCHEDULED TO PERFORM OR APPEAR AT THE EVENT; OR

(3) A NAME SUBSTANTIALLY SIMILAR TO THE NAME IN ITEM (1) OR (2) OF THIS SUBSECTION.

[14–4003.**] 14–4004.**

A violation of this subtitle is:

(1) An unfair or deceptive trade practice within the meaning of Title 13 of this article; and

(2) Subject to the enforcement and penalty provisions contained in Title 13 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 827

(House Bill 787)

AN ACT concerning

Correctional Facilities – Pregnant Inmates – Medical Care

FOR the purpose of requiring each local correctional facility and each correctional facility in the Department of Public Safety and Correctional Services to have a certain policy in place regarding the medical care of pregnant inmates that addresses certain matters; requiring the managing official of each correctional facility to provide the written policy to an inmate at a certain time; requiring the Maryland Commission on Correctional Standards to review each correctional facility's policy during regular inspections; and generally relating to pregnant inmates.

BY repealing and reenacting, with amendments,
Article – Correctional Services
Section 9–601
Annotated Code of Maryland
(2017 Replacement Volume)

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

Article – Correctional Services

9–601.

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

(2) "Labor" means, as determined by the medical professional responsible for the care of the inmate or detainee, the period of time before a birth during which contractions are of sufficient frequency, intensity, and duration to bring about effacement and progressive dilation of the cervix.

(3) "Physical restraint" means a restraint or device used to control or bind the movement of any part of an individual's body or limbs.

(4) "Postpartum recovery" means the period immediately following delivery as determined by the medical professional responsible for the care of the inmate, including the entire period during which the inmate is in the hospital or infirmary after a birth.

(b) If a representation is made to the managing official of a correctional facility in the Department that an inmate in the correctional facility is pregnant and about to give birth, the managing official:

(1) a reasonable time before the anticipated birth, shall make an investigation; and

(2) if the facts require, shall recommend through the Maryland Parole Commission that the Governor exercise executive clemency.

(c) Without notice, the Governor may:

(1) parole the inmate;

(2) commute the inmate's sentence; or

(3) suspend the execution of the inmate's sentence for a definite period or from time to time.

(d) If the Governor suspends the execution of an inmate's sentence, the managing official of the correctional facility:

(1) a reasonable time before the anticipated birth, shall have the inmate transferred from the correctional facility to another facility that provides comfortable accommodations, maintenance, and medical care under supervision and safeguards that the managing official determines necessary to prevent the inmate's escape from custody; and

(2) shall require the inmate to be returned to the correctional facility as soon after giving birth as the inmate's health allows, as determined by the medical professional responsible for the care of the inmate.

(e) A physical restraint may not be used on an inmate while the inmate is in labor or during delivery, except as determined by the medical professional responsible for the care of the inmate.

(f) (1) Subject to paragraph (2) of this subsection, a physical restraint may not be used on an inmate known to be pregnant or in postpartum recovery.

(2) A physical restraint may be used on an inmate known to be pregnant or in postpartum recovery if:

(i) the managing official of a correctional facility, the managing official's designee, or a local sheriff makes an individualized determination, which shall be recorded on the transport or medical record of the inmate, that a physical restraint is required to ensure the safety and security of the inmate, the staff of the correctional facility or medical facility, other inmates, or the public according to policies and procedures adopted by the Department and the managing official of a local correctional facility or the managing official of the agency designated to transport inmates; and

(ii) the physical restraint is the least restrictive necessary and does not include waist or leg restraints.

(3) Notwithstanding paragraph (2) of this subsection, if a doctor, nurse, or other health professional treating an inmate known to be pregnant or in postpartum recovery requests that physical restraints not be used, the correctional officer or other law enforcement officer accompanying the inmate shall immediately remove all physical restraints.

(4) The Department and the managing official of each local correctional facility or the managing official of the agency designated to transport inmates shall develop a policy for use at each correctional facility that:

(i) requires a physical restraint used on a pregnant inmate during transport to be the least restrictive necessary; and

(ii) establishes a method for reporting the use of physical restraints on pregnant inmates.

(g) (1) The expenses of an inmate's accommodation, maintenance, and medical care incurred as a result of the inmate's transfer under subsection (d)(1) of this section shall be paid:

(i) by the inmate;

(ii) by relatives or friends of the inmate; or

(iii) from any available fund that may be used to pay the hospital expenses of an inmate in the correctional facility.

(2) If money is not available under any of the sources identified in paragraph (1) of this subsection to pay the specified expenses:

(i) the county from which the inmate was committed is responsible for payment of the expenses; and

(ii) the managing official of the correctional facility to which the inmate was committed shall collect payment in accordance with Title 16 of the Health – General Article.

(h) (1) After receiving proof from the father or other relative of the child of the ability to properly care for the child, the Department may order that the father or other relative take custody of the child.

(2) The father or other relative of the child that receives custody under paragraph (1) of this subsection shall maintain and care for the child at the father's or other relative's expense until the inmate is released from the correctional facility or the child, as provided by law, is adopted.

(3) If the father or other relative of the child is unable to properly maintain and care for the child, the Department shall place the child in the care of the Department of Human Services.

(i) Notwithstanding any other provision of this section, the Department may allow an inmate to participate in programming and to retain custody of the newborn child in or out of custody if:

(1) the environment and program is consistent with the best interests of the child and consistent with public safety; and

(2) the custody is not inconsistent with the parental rights of any individual who is not detained or confined in a correctional facility.

(J) (1) THIS SUBSECTION APPLIES TO LOCAL CORRECTIONAL FACILITIES AND CORRECTIONAL FACILITIES IN THE DEPARTMENT.

(2) EACH CORRECTIONAL FACILITY SHALL HAVE A WRITTEN POLICY IN PLACE REGARDING THE MEDICAL CARE OF PREGNANT INMATES THAT ADDRESSES:

(I) PROCEDURES FOR PROVIDING PREGNANCY TESTING TO ALL FEMALE INMATES, INCLUDING ON INTAKE;

(II) ACCESS TO PRENATAL CARE, INCLUDING:

1. ROUTINE APPOINTMENTS, LABORATORY WORK, AND ULTRASOUNDS;

2. PROCEDURES AND SCHEDULES FOR PROVIDING PREGNANT INMATES WITH LABORATORY AND TESTING RESULTS; AND

3. NUTRITIONAL NEEDS AND COUNSELING;

(III) HIGH–RISK PREGNANCIES, INCLUDING MATERNAL SUBSTANCE ABUSE DISORDER;

(IV) MISCARRIAGE MANAGEMENT, INCLUDING:

1. PROCEDURES FOR EVALUATING THE APPROPRIATE LEVEL OF CARE;

2. PROTOCOL FOR ON–SITE AND OFF–SITE MISCARRIAGE MANAGEMENT;

3. EMERGENCY MISCARRIAGE MANAGEMENT; AND

4. FOLLOW–UP CARE;

(V) ACCESS TO ABORTION CARE, INCLUDING:

1. INFORMATION ABOUT ABORTION PROVIDERS; AND

2. TRANSPORTATION;

(VI) ACCESS TO CHILD PLACEMENT RESOURCES, INCLUDING:

1. INFORMATION ABOUT ADOPTION OR REFERRAL TO ADOPTION RESOURCES, INCLUDING KINSHIP ADOPTION, OPEN AND CLOSED ADOPTION, AND AGENCY AND PRIVATE ADOPTION;

2. FOSTER CARE; AND

3. KINSHIP CARE;

~~(VI)~~ (VII) LABOR AND DELIVERY, INCLUDING:

1. THE FACILITY WHERE LABOR AND DELIVERY SHALL OCCUR;

2. TRANSPORTATION; AND

3. TRANSMITTAL OF MEDICAL RECORDS TO THE FACILITY FOR LABOR AND DELIVERY;

~~(VII)~~ (VIII) POSTPARTUM RECOVERY CARE, INCLUDING:

1. TRANSPORTATION TO THE CORRECTIONAL FACILITY FROM THE LABOR AND DELIVERY FACILITY;

2. ACCESS TO HYGIENE PRODUCTS;

3. A SCHEDULE FOR POSTPARTUM RECOVERY CARE; AND

4. ACCOMMODATIONS FOR PUMPING AND STORAGE OF BREAST MILK;

~~(VIII)~~ (IX) ELIGIBILITY AND ACCESS TO BEHAVIORAL HEALTH COUNSELING AND SOCIAL SERVICES DURING THE PRENATAL AND POSTPARTUM RECOVERY PERIODS; AND

~~(IX)~~ (X) USE OF RESTRAINTS DURING PREGNANCY, TRANSPORTATION, LABOR AND DELIVERY, AND POSTPARTUM RECOVERY.

(3) THE MANAGING OFFICIAL OF A CORRECTIONAL FACILITY SHALL PROVIDE THE WRITTEN POLICY REQUIRED UNDER THIS SUBSECTION TO AN INMATE AT THE TIME OF A POSITIVE PREGNANCY TEST RESULT.

(4) THE MARYLAND COMMISSION ON CORRECTIONAL STANDARDS SHALL REVIEW EACH CORRECTIONAL FACILITY'S POLICY REQUIRED UNDER THIS SUBSECTION DURING REGULAR INSPECTIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 828

(Senate Bill 629)

AN ACT concerning

Correctional Facilities – Pregnant Inmates – Medical Care

FOR the purpose of requiring each local correctional facility and each correctional facility in the Department of Public Safety and Correctional Services to have a certain policy in place regarding the medical care of pregnant inmates that addresses certain matters; requiring the managing official of each correctional facility to provide the written policy to an inmate at a certain time; requiring the Maryland Commission on Correctional Standards to review each correctional facility's policy during regular inspections; and generally relating to pregnant inmates.

BY repealing and reenacting, with amendments,
Article – Correctional Services
Section 9–601
Annotated Code of Maryland
(2017 Replacement Volume)

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

Article – Correctional Services

9–601.

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

(2) "Labor" means, as determined by the medical professional responsible for the care of the inmate or detainee, the period of time before a birth during which contractions are of sufficient frequency, intensity, and duration to bring about effacement and progressive dilation of the cervix.

(3) "Physical restraint" means a restraint or device used to control or bind the movement of any part of an individual's body or limbs.

(4) "Postpartum recovery" means the period immediately following delivery as determined by the medical professional responsible for the care of the inmate, including the entire period during which the inmate is in the hospital or infirmary after a birth.

(b) If a representation is made to the managing official of a correctional facility in the Department that an inmate in the correctional facility is pregnant and about to give birth, the managing official:

(1) a reasonable time before the anticipated birth, shall make an investigation; and

(2) if the facts require, shall recommend through the Maryland Parole Commission that the Governor exercise executive clemency.

(c) Without notice, the Governor may:

(1) parole the inmate;

(2) commute the inmate's sentence; or

(3) suspend the execution of the inmate's sentence for a definite period or from time to time.

(d) If the Governor suspends the execution of an inmate's sentence, the managing official of the correctional facility:

(1) a reasonable time before the anticipated birth, shall have the inmate transferred from the correctional facility to another facility that provides comfortable accommodations, maintenance, and medical care under supervision and safeguards that the managing official determines necessary to prevent the inmate's escape from custody; and

(2) shall require the inmate to be returned to the correctional facility as soon after giving birth as the inmate's health allows, as determined by the medical professional responsible for the care of the inmate.

(e) A physical restraint may not be used on an inmate while the inmate is in labor or during delivery, except as determined by the medical professional responsible for the care of the inmate.

(f) (1) Subject to paragraph (2) of this subsection, a physical restraint may not be used on an inmate known to be pregnant or in postpartum recovery.

(2) A physical restraint may be used on an inmate known to be pregnant or in postpartum recovery if:

(i) the managing official of a correctional facility, the managing official's designee, or a local sheriff makes an individualized determination, which shall be recorded on the transport or medical record of the inmate, that a physical restraint is required to ensure the safety and security of the inmate, the staff of the correctional facility or medical facility, other inmates, or the public according to policies and procedures adopted by the Department and the managing official of a local correctional facility or the managing official of the agency designated to transport inmates; and

(ii) the physical restraint is the least restrictive necessary and does not include waist or leg restraints.

(3) Notwithstanding paragraph (2) of this subsection, if a doctor, nurse, or other health professional treating an inmate known to be pregnant or in postpartum recovery requests that physical restraints not be used, the correctional officer or other law

enforcement officer accompanying the inmate shall immediately remove all physical restraints.

(4) The Department and the managing official of each local correctional facility or the managing official of the agency designated to transport inmates shall develop a policy for use at each correctional facility that:

(i) requires a physical restraint used on a pregnant inmate during transport to be the least restrictive necessary; and

(ii) establishes a method for reporting the use of physical restraints on pregnant inmates.

(g) (1) The expenses of an inmate's accommodation, maintenance, and medical care incurred as a result of the inmate's transfer under subsection (d)(1) of this section shall be paid:

(i) by the inmate;

(ii) by relatives or friends of the inmate; or

(iii) from any available fund that may be used to pay the hospital expenses of an inmate in the correctional facility.

(2) If money is not available under any of the sources identified in paragraph (1) of this subsection to pay the specified expenses:

(i) the county from which the inmate was committed is responsible for payment of the expenses; and

(ii) the managing official of the correctional facility to which the inmate was committed shall collect payment in accordance with Title 16 of the Health – General Article.

(h) (1) After receiving proof from the father or other relative of the child of the ability to properly care for the child, the Department may order that the father or other relative take custody of the child.

(2) The father or other relative of the child that receives custody under paragraph (1) of this subsection shall maintain and care for the child at the father's or other relative's expense until the inmate is released from the correctional facility or the child, as provided by law, is adopted.

(3) If the father or other relative of the child is unable to properly maintain and care for the child, the Department shall place the child in the care of the Department of Human Services.

(i) Notwithstanding any other provision of this section, the Department may allow an inmate to participate in programming and to retain custody of the newborn child in or out of custody if:

(1) the environment and program is consistent with the best interests of the child and consistent with public safety; and

(2) the custody is not inconsistent with the parental rights of any individual who is not detained or confined in a correctional facility.

(J) (1) THIS SUBSECTION APPLIES TO LOCAL CORRECTIONAL FACILITIES AND CORRECTIONAL FACILITIES IN THE DEPARTMENT.

(2) EACH CORRECTIONAL FACILITY SHALL HAVE A WRITTEN POLICY IN PLACE REGARDING THE MEDICAL CARE OF PREGNANT INMATES THAT ADDRESSES:

(I) PROCEDURES FOR PROVIDING PREGNANCY TESTING TO ALL FEMALE INMATES, INCLUDING ON INTAKE;

(II) ACCESS TO PRENATAL CARE, INCLUDING:

1. ROUTINE APPOINTMENTS, LABORATORY WORK, AND ULTRASOUNDS;

2. PROCEDURES AND SCHEDULES FOR PROVIDING PREGNANT INMATES WITH LABORATORY AND TESTING RESULTS; AND

3. NUTRITIONAL NEEDS AND COUNSELING;

(III) HIGH–RISK PREGNANCIES, INCLUDING MATERNAL SUBSTANCE ABUSE DISORDER;

(IV) MISCARRIAGE MANAGEMENT, INCLUDING:

1. PROCEDURES FOR EVALUATING THE APPROPRIATE LEVEL OF CARE;

2. PROTOCOL FOR ON–SITE AND OFF–SITE MISCARRIAGE MANAGEMENT;

3. EMERGENCY MISCARRIAGE MANAGEMENT; AND

4. FOLLOW–UP CARE;

(V) ACCESS TO ABORTION CARE, INCLUDING:

1. INFORMATION ABOUT ABORTION PROVIDERS; AND

2. TRANSPORTATION;

(VI) ACCESS TO CHILD PLACEMENT RESOURCES, INCLUDING:

1. INFORMATION ABOUT ADOPTION OR REFERRAL TO ADOPTION RESOURCES, INCLUDING KINSHIP ADOPTION, OPEN AND CLOSED ADOPTION, AND AGENCY AND PRIVATE ADOPTION;

2. FOSTER CARE; AND

3. KINSHIP CARE;

~~(VI)~~ (VII) LABOR AND DELIVERY, INCLUDING:

1. THE FACILITY WHERE LABOR AND DELIVERY SHALL OCCUR;

2. TRANSPORTATION; AND

3. TRANSMITTAL OF MEDICAL RECORDS TO THE FACILITY FOR LABOR AND DELIVERY;

~~(VII)~~ (VIII) POSTPARTUM RECOVERY CARE, INCLUDING:

1. TRANSPORTATION TO THE CORRECTIONAL FACILITY FROM THE LABOR AND DELIVERY FACILITY;

2. ACCESS TO HYGIENE PRODUCTS;

3. A SCHEDULE FOR POSTPARTUM RECOVERY CARE; AND

4. ACCOMMODATIONS FOR PUMPING AND STORAGE OF BREAST MILK;

~~(VIII)~~ (IX) ELIGIBILITY AND ACCESS TO BEHAVIORAL HEALTH COUNSELING AND SOCIAL SERVICES DURING THE PRENATAL AND POSTPARTUM RECOVERY PERIODS; AND

~~(IX)~~ (X) USE OF RESTRAINTS DURING PREGNANCY, TRANSPORTATION, LABOR AND DELIVERY, AND POSTPARTUM RECOVERY.

(3) THE MANAGING OFFICIAL OF A CORRECTIONAL FACILITY SHALL PROVIDE THE WRITTEN POLICY REQUIRED UNDER THIS SUBSECTION TO AN INMATE AT THE TIME OF A POSITIVE PREGNANCY TEST RESULT.

(4) THE MARYLAND COMMISSION ON CORRECTIONAL STANDARDS SHALL REVIEW EACH CORRECTIONAL FACILITY'S POLICY REQUIRED UNDER THIS SUBSECTION DURING REGULAR INSPECTIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 829

(House Bill 809)

AN ACT concerning

Howard County – Sheriff's Salary

Ho. Co. 8–18

FOR the purpose of altering the salary of the Sheriff of Howard County; providing for the application of this Act; and generally relating to the Sheriff of Howard County.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–309(o)(1)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 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.

(o) (1) (i) The Sheriff of Howard County shall receive an annual salary as follows:

1. $85,000 each calendar year for calendar year 2010 through

calendar year 2014;

2. $88,000 for calendar year 2015;

3. $91,000 for calendar year 2016;

4. $94,000 for calendar year 2017; **[**and**]**

5. $97,000 for calendar year 2018**;**

6. $101,000 FOR CALENDAR YEAR 2019;

7. $105,000 FOR CALENDAR YEAR 2020;

8. $109,000 FOR CALENDAR YEAR 2021; AND

9. $113,000 FOR CALENDAR YEAR 2022.

(ii) **1.** The Sheriff shall appoint the number of deputies authorized by the county government.

2. The compensation of the deputies shall be set by the county government.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the Sheriff of Howard 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 Sheriff of Howard 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 830

(House Bill 816)

AN ACT concerning

Public–Private Partnership Agreements – Compensation Provisions and Noncompete Clauses – Alterations

FOR the purpose of prohibiting a public–private partnership agreement from including certain provisions regarding compensation for certain entities under certain circumstances; prohibiting a public–private partnership agreement for certain projects from including a certain noncompete clause; and generally relating to altering certain requirements regarding compensation provisions and noncompete clauses in public–private partnership agreements.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 10A–401(b) and (c)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 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

10A–401.

(b) (1) A public–private partnership agreement may include a provision that, except as provided in paragraph (2) of this subsection, compensation may be provided for competing infrastructure developments that directly result in a documented revenue loss for the private entity in a public–private partnership.

(2) Compensation may not be provided as a result of State infrastructure developments already in the State's Capital Improvement Program or Consolidated Transportation Program planning documents at the time the public–private partnership agreement is executed, safety initiatives, **TRANSIT PROJECTS,** infrastructure improvements with minimal capacity increases, or infrastructure **OR TRANSIT SERVICE IMPROVEMENTS** for other transportation modes that are not the ~~PRIMARY~~ subject of the public–private partnership.

(c) A public–private partnership agreement **FOR A PROJECT INVOLVING ROAD, HIGHWAY, OR BRIDGE ASSETS** may not include a noncompete clause **[**for public–private partnership projects involving road, highway, or bridge assets**]** **THAT WOULD INHIBIT THE PLANNING, CONSTRUCTION, OR IMPLEMENTATION OF** ~~OTHER TRANSPORTATION FACILITIES OR SERVICES, INCLUDING~~ **STATE–FUNDED TRANSIT PROJECTS**.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 831

(House Bill 885)

AN ACT concerning

Carroll County – Board of Education – Compensation

FOR the purpose of altering the amount of compensation of the president and other voting members of the Carroll County Board of Education; providing that this Act does not apply to the compensation of the president or other voting members of the county board during a certain term of office; and generally relating to the Carroll County Board of Education.

BY repealing and reenacting, with amendments,
Article – Education
Section 3–403(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Education

3–403.

(a) The president of the county board is entitled to receive **[**$7,500**]** **$9,000** annually as compensation and the other voting members are entitled to receive **[**$6,500**]** **$8,000** each annually as compensation.

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 compensation of the president and other voting members of the Carroll County Board of Education while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the compensation of the president and other voting members of the Carroll County Board of Education shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 832

(Senate Bill 735)

AN ACT concerning

Carroll County – Board of Education – Compensation

FOR the purpose of altering the amount of compensation of the president and other voting members of the Carroll County Board of Education; providing that this Act does not apply to the compensation of the president or other voting members of the county board during a certain term of office; and generally relating to the Carroll County Board of Education.

BY repealing and reenacting, with amendments,
Article – Education
Section 3–403(a)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Education

3–403.

(a) The president of the county board is entitled to receive **[**$7,500**]** **$9,000** annually as compensation and the other voting members are entitled to receive **[**$6,500**]** **$8,000** each annually as compensation.

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 compensation of the president and other voting members of the Carroll County Board of Education while serving in a term of office beginning before the effective date of this Act, but the provisions of this Act concerning the compensation of the president and other voting members of the Carroll County Board of Education shall take effect at the beginning of the next following term of office. This limitation does not apply to an individual appointed or elected after the effective date of this Act to fill out an unexpired term.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 833

(Senate Bill 875)

AN ACT concerning

Online Electioneering Transparency and Accountability Act

FOR the purpose of ~~altering the definition of "public communication" to include online political advertisements for the purposes of certain provisions of law that require a person who makes independent expenditures of a certain amount to file a certain report; altering the definition of "electioneering communication" to include online political advertisements for the purposes of certain provisions of law that require a person who makes disbursements for electioneering communications of a certain amount to file a certain report; prohibiting a foreign principal from making a donation to certain persons or entities; prohibiting a foreign–influenced corporation from making a contribution or donation to certain persons or entities; requiring certain persons making independent expenditures or disbursements for electioneering communications to retain a copy of an item of campaign material for a certain period of time; requiring an online platform to retain a digital copy of each online political advertisement that the online platform distributes or transmits for a certain period of time; requiring an online platform to maintain account books and records that include certain information relating to online political advertisements for a certain period of time; requiring an online platform to make certain records available for public inspection and provide certain records to the State Board of Elections on request; requiring an online platform to provide certain information to the State Board within a certain period of time if certain persons purchase an online political advertisement; defining certain terms; making a technical correction; and generally relating to disclosure of online political advertisements and campaign material.~~ altering the definition of "campaign material" to include certain material that is disseminated and certain qualifying paid digital communications; altering the definition of "public communication" to include certain qualifying paid digital communications for purposes of certain provisions of law that require a person who makes independent expenditures of a certain amount to file a certain report; altering the definition of "electioneering communication" to include certain qualifying paid digital communications for purposes of certain provisions of law that require a person who makes disbursements for electioneering communications of a certain amount to file a certain report; providing that the definition of "electioneering communication" does not include a news story, commentary, or editorial disseminated through certain electronic or print media; providing that, if campaign material is too small to include certain information in a legible manner, the authority line need only contain the information required by the State Board of Elections by regulation, rather than the name and title of a certain person; requiring certain persons making independent expenditures or disbursements for electioneering communications to retain a copy of an item of campaign material for a certain period of time; requiring a person who directly or indirectly requests placement of a certain

qualifying paid digital communication on an online platform to provide a certain express notice to the online platform in a certain manner; requiring a purchaser of a qualifying paid digital communication to take certain actions if the online platform does not provide a method to provide a certain notice; requiring an online platform to make available for public inspection on the Internet in a certain format certain records regarding certain qualifying paid digital communications disseminated through the online platform except under certain circumstances; requiring an online platform to allow the public to search certain records in a certain manner; requiring that certain records be available for public inspection on the Internet in a certain location for a certain period of time; authorizing an online platform to apply to the State Board for a certain compliance waiver; requiring the State Board to require an applicant for a compliance waiver to provide certain information; prohibiting the State Board from granting more than one compliance waiver to an online platform; prohibiting the State Board from granting a compliance waiver to an online platform within a certain period of time; providing that a certain compliance waiver is not effective during a certain period of time; requiring, under certain circumstances, an online platform to apply for a certain compliance waiver before receiving payment for a qualifying paid digital communication; requiring an online platform to maintain and make available to the State Board on request certain records regarding qualifying paid digital communications disseminated through the online platform; requiring certain records to be available on the request of the State Board for a certain period of time; providing that certain information obtained by the State Board concerning qualifying paid digital communications is not subject to inspection under the Public Information Act; requiring a purchaser of a certain qualifying paid digital communication to provide the online platform that disseminates the qualifying paid digital communication with certain information; providing that an online platform may rely in good faith on information provided by a purchaser of a certain qualifying paid digital communication; requiring an online platform to make reasonable efforts to allow the State Board to obtain certain information and request that a purchaser of a certain qualifying paid digital communication comply with certain provisions of law; requiring an online platform that disseminates certain qualifying paid digital communications to make reasonable efforts in accordance with a certain federal law to comply with any subpoena that is issued in connection with certain investigations concerning certain qualifying paid digital communications; authorizing the State Administrator of Elections to investigate certain potential violations of certain provisions of law and this Act by a purchaser of a certain qualifying paid digital communication; authorizing the State Administrator to issue a subpoena in furtherance of a certain investigation; providing for service of a certain subpoena; authorizing a circuit court to compel compliance with a subpoena on petition of the State Administrator; authorizing the State Board to request that the Attorney General seek injunctive relief in a circuit court to require a purchaser of a certain qualifying paid digital communication to comply with certain provisions of law and this Act, or require an online platform to remove a qualifying paid digital communication that does not comply with certain provisions of law and this Act; requiring the State Board to provide a certain notice and hold a public meeting before requesting that the Attorney General seek an injunction; authorizing a circuit court to grant injunctive relief only if the Attorney

General shows clear and convincing evidence of a violation of certain provisions of law or this Act; providing that a person who violates an injunction is subject to certain penalties; prohibiting a person from purchasing campaign material or an electioneering communication using any currency other than United States currency; prohibiting a person from willfully and knowingly selling campaign material or an electioneering communication to a person who uses any currency other than United States currency to make the purchase; making conforming and technical changes; defining certain terms; and generally relating to the disclosure of qualifying paid digital communications and campaign material.

~~BY repealing and reenacting, with amendments,~~
~~Article – Election Law~~
~~Section 1–101(k), 13–236.1, 13–306(a), 13–307(a) and (e), and 13–403~~
~~Annotated Code of Maryland~~
~~(2017 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – Election Law~~
~~Section 1–101(dd–1) and (dd–2) and 13–403.1~~
~~Annotated Code of Maryland~~
~~(2017 Replacement Volume and 2017 Supplement)~~

~~BY repealing and reenacting, without amendments,~~
~~Article – Election Law~~
~~Section 13–306(b) through (e), 13–307(b) through (d), and 13–401~~
~~Annotated Code of Maryland~~
~~(2017 Replacement Volume and 2017 Supplement)~~

BY repealing and reenacting, without amendments,
Article – Election Law
Section 1–101(a), 13–306(b) through (e), and 13–307(b) through (d)
Annotated Code of Maryland
(2017 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Election Law
Section 1–101(k), 13–306(a), 13–307(a) and (e), 13–401, and 13–403
Annotated Code of Maryland
(2017 Replacement Volume and 2017 Supplement)

BY adding to
Article – Election Law
Section 1–101(dd–1) and (ll–1), 13–405, 13–405.1, and 13–405.2
Annotated Code of Maryland
(2017 Replacement Volume and 2017 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.~~

~~(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) AN ONLINE POLITICAL ADVERTISEMENT;**~~

~~**[**(i)**] (II)** **ANY OTHER** material transmitted by or appearing on the Internet or other electronic medium; and~~

~~**[**(ii)**] (III)** an oral commercial campaign advertisement.~~

~~**(DD–1) "ONLINE PLATFORM" MEANS ANY PUBLIC–FACING WEBSITE, WEB APPLICATION, OR DIGITAL APPLICATION, INCLUDING A SOCIAL NETWORK OR SEARCH ENGINE, THAT HAS 100,000 OR MORE UNIQUE MONTHLY UNITED STATES VISITORS OR USERS FOR A MAJORITY OF MONTHS DURING THE IMMEDIATELY PRECEDING 12 MONTHS.**~~

~~**(DD–2) (1) "ONLINE POLITICAL ADVERTISEMENT" MEANS ANY ELECTRONIC COMMUNICATION THAT:**~~

~~**(I) IS PLACED OR PROMOTED FOR A FEE ON AN ONLINE PLATFORM;**~~

~~**(II) IS DISTRIBUTED OR TRANSMITTED TO 5,000 OR MORE INDIVIDUALS;**~~

~~**(III) REFERS TO A CLEARLY IDENTIFIED CANDIDATE OR BALLOT ISSUE; AND**~~

~~**(IV) DOES NOT PROPOSE A COMMERCIAL TRANSACTION.**~~

~~(2) FOR PURPOSES OF THIS SUBSECTION, "CLEARLY IDENTIFIED" MEANS:~~

~~(I) THE NAME OF A CANDIDATE APPEARS;~~

~~(II) A PHOTOGRAPH OR DRAWING OF A CANDIDATE APPEARS; OR~~

~~(III) THE IDENTITY OF A CANDIDATE OR BALLOT ISSUE IS APPARENT BY UNAMBIGUOUS REFERENCE.~~

~~13–236.1.~~

~~(a) (1) In this section[, "foreign principal"]. THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "FOREIGN–INFLUENCED CORPORATION" MEANS A CORPORATION AT LEAST 5% OF WHICH IS OWNED BY FOREIGN NATIONALS.~~

~~(3) "FOREIGN NATIONAL" HAS THE MEANING STATED IN 52 U.S.C. § 30121(B).~~

~~(4) "FOREIGN PRINCIPAL" has the meaning stated in 22 U.S.C. § 611(b).~~

~~(b) A foreign principal OR FOREIGN–INFLUENCED CORPORATION may not:~~

~~(1) make a contribution to a ballot issue committee; or~~

~~(2) make a donation to [a person that makes independent expenditures or electioneering communications relating to a ballot issue]:~~

~~(I) A PERSON REQUIRED TO FILE AN INDEPENDENT EXPENDITURE REPORT UNDER § 13–306 OF THIS TITLE;~~

~~(II) A PERSON REQUIRED TO FILE AN ELECTIONEERING COMMUNICATION REPORT UNDER § 13–307 OF THIS TITLE;~~

~~(III) A POLITICAL ACTION COMMITTEE REQUIRED TO FILE A DISCLOSURE REPORT UNDER § 13–309.1 OF THIS TITLE; OR~~

~~(IV) A PARTICIPATING ORGANIZATION REQUIRED TO FILE A PARTICIPATING ORGANIZATION REPORT UNDER § 13–309.2 OF THIS TITLE.~~

~~13–306.~~

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

~~(2) (i) "Donation" means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a person who makes independent expenditures.~~

~~(ii) "Donation" does not include any amount of money or any other thing of value:~~

~~1. received by a person in the ordinary course of any trade or business conducted by the person, whether for profit or not for profit, or in the form of investments in the person's business; or~~

~~2. A. that the donor and the person receiving the money or thing of value expressly agree in writing may not be used for independent expenditures; and~~

~~B. in the case of a monetary donation, is deposited in a separate bank account that is never used for independent expenditures.~~

~~(3) "E–mail blast" means a transmission of electronic mail messages of an identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.~~

~~(4) "Mass mailing" means a mailing by United States mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30–day period.~~

~~(5) (i) "Person" includes an individual, a partnership, a committee, an association, a corporation, a labor organization, or any other organization or group of persons.~~

~~(ii) "Person" does not include a campaign finance entity organized under Subtitle 2, Part II of this title.~~

~~(6) (i) "Public communication" means a communication by means of any broadcast television or radio communication, cable television communication, satellite television or radio communication, newspaper, magazine, outdoor advertising facility, mass mailing, e–mail blast, text blast, **ONLINE POLITICAL ADVERTISEMENT,** or telephone bank to the general public, or any other form of general public political advertising.~~

~~(ii) "Public communication" does not include:~~

~~1. a news story, a commentary, or an editorial disseminated by a broadcasting station, including a cable television operator, programmer, or producer, satellite television or radio provider, Web site, newspaper, magazine, or other periodical publication, including any Internet or electronic publication, that is not controlled by a candidate or political party;~~

~~2. an internal membership communication by a business or other entity to its stockholders or members and executive and administrative personnel and their immediate families, or by a membership entity, as defined under § 13–243 of this title, to its members, executive and administrative personnel and their immediate families; or~~

~~3. a candidate debate or forum.~~

~~(7) "Telephone bank" means more than 500 telephone calls of an identical or substantially similar nature within any 30–day period.~~

~~(8) "Text blast" means a transmission of text messages of an identical or substantially similar nature to 5,000 or more telephone numbers simultaneously.~~

~~(b) Within 48 hours after a person makes aggregate independent expenditures of $5,000 or more in an election cycle for campaign material that is a public communication, the person shall file a registration form with the State Board.~~

~~(c) Within 48 hours after a day on which a person makes aggregate independent expenditures of $10,000 or more in an election cycle for campaign material that is a public communication, the person shall file an independent expenditure report with the State Board.~~

~~(d) A person who files an independent expenditure report under subsection (c) of this section shall file an additional independent expenditure report with the State Board within 48 hours after a day on which the person makes aggregate independent expenditures of $10,000 or more for campaign material that is a public communication following the closing date of the person's previous independent expenditure report.~~

~~(e) An independent expenditure report shall include the following information:~~

~~(1) the identity of the person making the independent expenditures and of the person exercising direction or control over the activities of the person making the independent expenditures;~~

~~(2) the business address of the person making the independent expenditures;~~

~~(3) the amount and date of each independent expenditure during the period covered by the report and the person to whom the expenditure was made;~~

~~(4) the candidate or ballot issue to which the independent expenditure relates and whether the independent expenditure supports or opposes that candidate or ballot issue; and~~

~~(5) the identity of each person who made cumulative donations of $6,000 or more to the person making the independent expenditures during the period covered by the report.~~

~~13–307.~~

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

~~(2) (i) "Donation" means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a person that makes disbursements for electioneering communications.~~

~~(ii) "Donation" does not include any amount of money or any other thing of value:~~

~~1. received by a person in the ordinary course of any trade or business conducted by the person, whether for profit or not for profit, or in the form of investments in the person's business; or~~

~~2. A. that the donor and the person receiving the money or thing of value expressly agree in writing may not be used for electioneering communications; and~~

~~B. in the case of a monetary donation, is deposited in a separate bank account that is never used for electioneering communications.~~

~~(3) (i) "Electioneering communication" means a broadcast television or radio communication, a cable television communication, a satellite television or radio communication, a mass mailing, an e–mail blast, a text blast, a telephone bank,~~ **~~AN ONLINE POLITICAL ADVERTISEMENT,~~** ~~or an advertisement in a print publication that:~~

~~1. refers to a clearly identified candidate or ballot issue;~~

~~2. is made within 60 days of an election day on which the candidate or ballot issue is on the ballot;~~

~~3. is capable of being received by:~~

~~A. 50,000 or more individuals in the constituency where the candidate or ballot issue is on the ballot, if the communication is transmitted by television or radio; or~~

~~B. 5,000 or more individuals in the constituency where the candidate or ballot issue is on the ballot, if the communication is a mass mailing, an e–mail blast, a text blast, a telephone bank, or an advertisement in a print publication; and~~

~~4. is not made in coordination with, or at the request or suggestion of, a candidate, a campaign finance entity of a candidate, an agent of a candidate, or a ballot issue committee.~~

~~(ii) "Electioneering communication" does not include:~~

~~1. an independent expenditure;~~

~~2. a news story, a commentary, or an editorial disseminated by a broadcasting station, including a cable television operator, programmer, or producer, or satellite television or radio provider that is not controlled by a candidate or political party;~~

~~3. a candidate debate or forum;~~

~~4. an internal membership communication by a business or other entity to its stockholders or members and executive and administrative personnel and their immediate families, or by a membership entity, as defined under § 13–243 of this title, to its members, executive and administrative personnel and their immediate families; or~~

~~5. a communication that proposes a commercial transaction.~~

~~(iii) For purposes of this paragraph, "clearly identified" means:~~

~~1. the name of a candidate appears;~~

~~2. a photograph or drawing of a candidate appears; or~~

~~3. the identity of a candidate or ballot issue is apparent by unambiguous reference.~~

~~(4) "E–mail blast" means a transmission of electronic mail messages of an identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.~~

~~(5) "Mass mailing" means a mailing by United States mail or facsimile of more than 5,000 pieces of mail matter of an identical or substantially similar nature within any 30–day period.~~

~~(6) (i) "Person" includes an individual, a partnership, a committee, an association, a corporation, a labor organization, or any other organization or group of persons.~~

~~(ii) "Person" does not include a campaign finance entity organized under Subtitle 2, Part II of this title.~~

~~(7) "Telephone bank" means more than 5,000 telephone calls of an identical or substantially similar nature within any 30–day period.~~

~~(8) "Text blast" means a transmission of text messages of an identical or substantially similar nature to 5,000 or more telephone numbers simultaneously.~~

~~(b) Within 48 hours after a person makes aggregate disbursements of $5,000 or more in an election cycle for electioneering communications, the person shall file a registration form with the State Board.~~

~~(c) Within 48 hours after a day on which a person makes aggregate disbursements of $10,000 or more in an election cycle for electioneering communications, the person shall file an electioneering communication report with the State Board.~~

~~(d) A person who files an electioneering communication report under subsection (c) of this section shall file an additional electioneering communication report with the State Board within 48 hours after a day on which the person makes aggregate disbursements of $10,000 or more for electioneering communications following the closing date of the person's previous electioneering communication report.~~

~~(e) An electioneering communication report shall include the following information:~~

~~(1) the identity of the person making disbursements for electioneering communications and of the person exercising direction or control over the activities of the person making the disbursements for electioneering communications;~~

~~(2) the business address of the person making the disbursements for electioneering communications;~~

~~(3) the amount and date of each disbursement for electioneering communications during the period covered by the report and the person to whom the disbursement was made;~~

~~(4) the candidate or ballot issue to which the electioneering communications relate; AND~~

~~(5) the identity of each person who made cumulative donations of $6,000 or more to the person making the disbursements for electioneering communications during the period covered by the report.~~

~~13–401.~~

~~(a) (1) Except as otherwise provided in this section, each item of campaign material shall contain, set apart from any other message, an authority line that states:~~

~~(i) as to campaign material published or distributed by a campaign finance entity:~~

~~1. the name and address of the treasurer of each campaign finance entity responsible for the campaign material; and~~

~~2. as to each treasurer named under item 1 of this item, the name of each campaign finance entity for which the treasurer is acting; and~~

~~(ii) as to campaign material published or distributed by any other person, the name and address of the person responsible for the campaign material.~~

~~(2) The authority line may omit an address that is on file with the State Board or a local board.~~

~~(3) If the campaign material is too small to include all the information specified in paragraph (1) of this subsection in a legible manner, the authority line need only contain the name and title of the treasurer or other person responsible for it.~~

~~(4) The authority line for campaign material that is a commercial advertisement need only contain the information specified in paragraphs (1) and (2) of this subsection for one campaign finance entity or other person responsible for the advertisement.~~

~~(b) Campaign material that is published or distributed in support of or in opposition to a candidate, but is not authorized by the candidate, shall include the following statement:~~

~~"This message has been authorized and paid for by (name of payor or any organization affiliated with the payor), (name and title of treasurer or president). This message has not been authorized or approved by any candidate."~~

~~13–403.~~

~~(a) (1) Subject to paragraph (2) of this subsection, each campaign finance entity~~**~~, EACH PERSON REQUIRED TO FILE AN INDEPENDENT EXPENDITURE REPORT UNDER § 13–306 OF THIS TITLE, AND EACH PERSON REQUIRED TO FILE AN ELECTIONEERING COMMUNICATION REPORT UNDER § 13–307 OF THIS TITLE THAT IS~~** ~~responsible for, publisher of, and distributor of, an item of campaign material shall keep a sample copy of the item for at least 1 year after the general election next following the date when the item was published or distributed.~~

~~(2) For each item of campaign material disseminated through the Internet, the sample copy shall be:~~

~~(i) a paper facsimile; or~~

~~(ii) a copy on an electronic medium that can be produced as a paper facsimile on request.~~

~~(b) Subsection (a) of this section does not apply to a billboard or a sign.~~

~~**13–403.1.**~~

~~**(A) (1) AN ONLINE PLATFORM SHALL:**~~

~~**(I) RETAIN A DIGITAL COPY OF EACH ONLINE POLITICAL ADVERTISEMENT THAT THE ONLINE PLATFORM DISTRIBUTES OR TRANSMITS; AND**~~

~~**(II) MAINTAIN ACCOUNT BOOKS AND RECORDS THAT INCLUDE:**~~

~~**1. THE NAME AND ADDRESS OF EACH PERSON WHO PURCHASES AN ONLINE POLITICAL ADVERTISEMENT FROM THE ONLINE PLATFORM; AND**~~

~~**2. THE COST AND METHOD OF PAYMENT FOR THE ONLINE POLITICAL ADVERTISEMENT.**~~

~~**(2) AN ONLINE PLATFORM SHALL RETAIN THE RECORDS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR AT LEAST 1 YEAR AFTER THE GENERAL ELECTION NEXT FOLLOWING THE DATE WHEN THE ONLINE PLATFORM DISTRIBUTED OR TRANSMITTED THE ONLINE POLITICAL ADVERTISEMENT TO WHICH THE RECORDS RELATE.**~~

~~**(3) THE RECORDS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE:**~~

~~**(I) AVAILABLE FOR PUBLIC INSPECTION AT THE OFFICES OF THE ONLINE PLATFORM DURING NORMAL BUSINESS HOURS; AND**~~

~~**(II) PROVIDED TO THE STATE BOARD ON REQUEST.**~~

~~**(B) (1) IN THIS SUBSECTION, "FOREIGN PRINCIPAL" HAS THE MEANING STATED IN 22 U.S.C. § 611(B).**~~

~~**(2) IF A FOREIGN PRINCIPAL, A PERSON USING A FOREIGN INTERNET PROTOCOL ADDRESS, OR A PERSON USING FOREIGN CURRENCY PURCHASES AN ONLINE POLITICAL ADVERTISEMENT, THE ONLINE PLATFORM USED TO DISTRIBUTE OR TRANSMIT THE ONLINE POLITICAL ADVERTISEMENT SHALL PROVIDE THE FOLLOWING TO THE STATE BOARD WITHIN 48 HOURS AFTER THE ONLINE POLITICAL ADVERTISEMENT IS DISTRIBUTED OR TRANSMITTED:**~~

~~(I) A DIGITAL COPY OF THE ONLINE POLITICAL ADVERTISEMENT; AND~~

~~(II) THE AMOUNT PAID TO THE ONLINE PLATFORM TO DISTRIBUTE OR TRANSMIT THE ONLINE POLITICAL ADVERTISEMENT.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.~~

1–101.

(a) In this article the following words have the meanings indicated unless a different meaning is clearly intended from the context.

(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**, OR DISSEMINATED**.

(2) "Campaign material" includes:

(I) A QUALIFYING PAID DIGITAL COMMUNICATION;

[(i)**] (II)** **ANY OTHER** material transmitted by or appearing on the Internet or other electronic medium; and

[(ii)**] (III)** an oral commercial campaign advertisement.

(DD–1) "ONLINE PLATFORM" MEANS ANY PUBLIC–FACING WEBSITE, WEB APPLICATION, OR DIGITAL APPLICATION, INCLUDING A SOCIAL NETWORK, AD NETWORK, OR SEARCH ENGINE, THAT:

(1) HAS 100,000 OR MORE UNIQUE MONTHLY UNITED STATES VISITORS OR USERS FOR A MAJORITY OF MONTHS DURING THE IMMEDIATELY PRECEDING 12 MONTHS; AND

(2) RECEIVES PAYMENT FOR QUALIFYING PAID DIGITAL COMMUNICATIONS.

(LL–1) "QUALIFYING PAID DIGITAL COMMUNICATION" MEANS ANY ELECTRONIC COMMUNICATION THAT:

(1) IS CAMPAIGN MATERIAL;

(2) IS PLACED OR PROMOTED FOR A FEE ON AN ONLINE PLATFORM;

(3) IS DISSEMINATED TO 500 OR MORE INDIVIDUALS; AND

(4) DOES NOT PROPOSE A COMMERCIAL TRANSACTION.

13–306.

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

(2) (i) "Donation" means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a person who makes independent expenditures.

(ii) "Donation" does not include any amount of money or any other thing of value:

1. received by a person in the ordinary course of any trade or business conducted by the person, whether for profit or not for profit, or in the form of investments in the person's business; or

2. A. that the donor and the person receiving the money or thing of value expressly agree in writing may not be used for independent expenditures; and

B. in the case of a monetary donation, is deposited in a separate bank account that is never used for independent expenditures.

(3) "E–mail blast" means a transmission of electronic mail messages of an identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.

(4) "Mass mailing" means a mailing by United States mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30–day period.

(5) (i) "Person" includes an individual, a partnership, a committee, an association, a corporation, a labor organization, or any other organization or group of persons.

(ii) "Person" does not include a campaign finance entity organized under Subtitle 2, Part II of this title.

(6) (i) "Public communication" means a communication by means of any broadcast television or radio communication, cable television communication, satellite television or radio communication, newspaper, magazine, outdoor advertising facility, mass

mailing, e–mail blast, text blast, **QUALIFYING PAID DIGITAL COMMUNICATION,** or telephone bank to the general public, or any other form of general public political advertising.

(ii) "Public communication" does not include:

1. a news story, a commentary, or an editorial disseminated by a broadcasting station, including a cable television operator, programmer, or producer, satellite television or radio provider, Web site, newspaper, magazine, or other periodical publication, including any Internet or electronic publication, that is not controlled by a candidate or political party;

2. an internal membership communication by a business or other entity to its stockholders or members and executive and administrative personnel and their immediate families, or by a membership entity, as defined under § 13–243 of this title, to its members, executive and administrative personnel and their immediate families; or

3. a candidate debate or forum.

(7) "Telephone bank" means more than 500 telephone calls of an identical or substantially similar nature within any 30–day period.

(8) "Text blast" means a transmission of text messages of an identical or substantially similar nature to 5,000 or more telephone numbers simultaneously.

(b) Within 48 hours after a person makes aggregate independent expenditures of $5,000 or more in an election cycle for campaign material that is a public communication, the person shall file a registration form with the State Board.

(c) Within 48 hours after a day on which a person makes aggregate independent expenditures of $10,000 or more in an election cycle for campaign material that is a public communication, the person shall file an independent expenditure report with the State Board.

(d) A person who files an independent expenditure report under subsection (c) of this section shall file an additional independent expenditure report with the State Board within 48 hours after a day on which the person makes aggregate independent expenditures of $10,000 or more for campaign material that is a public communication following the closing date of the person's previous independent expenditure report.

(e) An independent expenditure report shall include the following information:

(1) the identity of the person making the independent expenditures and of the person exercising direction or control over the activities of the person making the independent expenditures;

(2) the business address of the person making the independent expenditures;

(3) the amount and date of each independent expenditure during the period covered by the report and the person to whom the expenditure was made;

(4) the candidate or ballot issue to which the independent expenditure relates and whether the independent expenditure supports or opposes that candidate or ballot issue; and

(5) the identity of each person who made cumulative donations of $6,000 or more to the person making the independent expenditures during the period covered by the report.

13–307.

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

(2) (i) "Donation" means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a person that makes disbursements for electioneering communications.

(ii) "Donation" does not include any amount of money or any other thing of value:

1. received by a person in the ordinary course of any trade or business conducted by the person, whether for profit or not for profit, or in the form of investments in the person's business; or

2. A. that the donor and the person receiving the money or thing of value expressly agree in writing may not be used for electioneering communications; and

B. in the case of a monetary donation, is deposited in a separate bank account that is never used for electioneering communications.

(3) (i) "Electioneering communication" means a broadcast television or radio communication, a cable television communication, a satellite television or radio communication, a mass mailing, an e–mail blast, a text blast, a telephone bank, **A QUALIFYING PAID DIGITAL COMMUNICATION,** or an advertisement in a print publication that:

1. refers to a clearly identified candidate or ballot issue;

2. is made within 60 days of an election day on which the candidate or ballot issue is on the ballot;

3. is capable of being received by:

A. 50,000 or more individuals in the constituency where the candidate or ballot issue is on the ballot, if the communication is transmitted by television or radio; or

B. 5,000 or more individuals in the constituency where the candidate or ballot issue is on the ballot, if the communication is a mass mailing, an e–mail blast, a text blast, a telephone bank, **A QUALIFYING PAID DIGITAL COMMUNICATION,** or an advertisement in a print publication; and

4. is not made in coordination with, or at the request or suggestion of, a candidate, a campaign finance entity of a candidate, an agent of a candidate, or a ballot issue committee.

(ii) "Electioneering communication" does not include:

1. an independent expenditure;

2. a news story, a commentary, or an editorial disseminated by a broadcasting station, including a cable television operator, programmer, or producer, or satellite television or radio provider**, WEBSITE, NEWSPAPER, MAGAZINE, OR OTHER PERIODICAL PUBLICATION, INCLUDING ANY INTERNET OR ELECTRONIC PUBLICATION,** that is not controlled by a candidate or political party;

3. a candidate debate or forum;

4. an internal membership communication by a business or other entity to its stockholders or members and executive and administrative personnel and their immediate families, or by a membership entity, as defined under § 13–243 of this title, to its members, executive and administrative personnel and their immediate families; or

5. a communication that proposes a commercial transaction.

(iii) For purposes of this paragraph, "clearly identified" means:

1. the name of a candidate appears;

2. a photograph or drawing of a candidate appears; or

3. the identity of a candidate or ballot issue is apparent by unambiguous reference.

(4) "E–mail blast" means a transmission of electronic mail messages of an identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.

(5) "Mass mailing" means a mailing by United States mail or facsimile of more than 5,000 pieces of mail matter of an identical or substantially similar nature within any 30–day period.

(6) (i) "Person" includes an individual, a partnership, a committee, an association, a corporation, a labor organization, or any other organization or group of persons.

(ii) "Person" does not include a campaign finance entity organized under Subtitle 2, Part II of this title.

(7) "Telephone bank" means more than 5,000 telephone calls of an identical or substantially similar nature within any 30–day period.

(8) "Text blast" means a transmission of text messages of an identical or substantially similar nature to 5,000 or more telephone numbers simultaneously.

(b) Within 48 hours after a person makes aggregate disbursements of $5,000 or more in an election cycle for electioneering communications, the person shall file a registration form with the State Board.

(c) Within 48 hours after a day on which a person makes aggregate disbursements of $10,000 or more in an election cycle for electioneering communications, the person shall file an electioneering communication report with the State Board.

(d) A person who files an electioneering communication report under subsection (c) of this section shall file an additional electioneering communication report with the State Board within 48 hours after a day on which the person makes aggregate disbursements of $10,000 or more for electioneering communications following the closing date of the person's previous electioneering communication report.

(e) An electioneering communication report shall include the following information:

(1) the identity of the person making disbursements for electioneering communications and of the person exercising direction or control over the activities of the person making the disbursements for electioneering communications;

(2) the business address of the person making the disbursements for electioneering communications;

(3) the amount and date of each disbursement for electioneering communications during the period covered by the report and the person to whom the disbursement was made;

(4) the candidate or ballot issue to which the electioneering communications relate; **AND**

(5) the identity of each person who made cumulative donations of $6,000 or more to the person making the disbursements for electioneering communications during the period covered by the report.

13–401.

(a) (1) Except as otherwise provided in this section, each item of campaign material shall contain, set apart from any other message, an authority line that states:

(i) as to campaign material published **[**or**]**, distributed**, OR DISSEMINATED** by a campaign finance entity:

1. the name and address of the treasurer of each campaign finance entity responsible for the campaign material; and

2. as to each treasurer named under item 1 of this item, the name of each campaign finance entity for which the treasurer is acting; and

(ii) as to campaign material published **[**or**]**, distributed**, OR DISSEMINATED** by any other person, the name and address of the person responsible for the campaign material.

(2) The authority line may omit an address that is on file with the State Board or a local board.

(3) If the campaign material is too small to include all the information specified in paragraph (1) of this subsection in a legible manner, the authority line need only contain the **[**name and title of the treasurer or other person responsible for it**] INFORMATION REQUIRED BY REGULATIONS ADOPTED BY THE STATE BOARD**.

(4) The authority line for campaign material that is a commercial advertisement need only contain the information specified in paragraphs (1) and (2) of this subsection for one campaign finance entity or other person responsible for the advertisement.

(b) Campaign material that is published or distributed in support of or in opposition to a candidate, but is not authorized by the candidate, shall include the following statement:

"This message has been authorized and paid for by (name of payor or any organization affiliated with the payor), (name and title of treasurer or president). This message has not been authorized or approved by any candidate."

13–403.

(a) (1) Subject to paragraph (2) of this subsection, each campaign finance entity**, EACH PERSON REQUIRED TO REGISTER UNDER § 13–306(B) OF THIS TITLE, AND EACH PERSON REQUIRED TO REGISTER UNDER § 13–307(B) OF THIS TITLE THAT IS** responsible for, publisher of, and distributor of, an item of campaign material shall keep a sample copy of the item for at least 1 year after the general election next following the date when the item was published or distributed.

(2) For each item of campaign material disseminated through the Internet, the sample copy shall be:

(i) a paper facsimile; or

(ii) a copy on an electronic medium that can be produced as a paper facsimile on request.

(b) Subsection (a) of this section does not apply to a billboard or a sign.

13–405.

(A) (1) A PERSON WHO DIRECTLY OR INDIRECTLY REQUESTS PLACEMENT OF A QUALIFYING PAID DIGITAL COMMUNICATION ON AN ONLINE PLATFORM SHALL EXPRESSLY NOTIFY THE ONLINE PLATFORM AT THE TIME THE REQUEST FOR PLACEMENT OF A QUALIFYING PAID DIGITAL COMMUNICATION IS MADE THAT THE COMMUNICATION IS A QUALIFYING PAID DIGITAL COMMUNICATION.

(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) SHALL BE PROVIDED USING THE METHOD PRESCRIBED BY THE ONLINE PLATFORM; AND

(II) MAY NOT BE PROVIDED THROUGH THE INCLUSION OF THE AUTHORITY LINE REQUIRED UNDER § 13–401 OF THIS SUBTITLE ON THE QUALIFYING PAID DIGITAL COMMUNICATION.

(3) IF AN ONLINE PLATFORM DOES NOT PROVIDE A METHOD FOR A REQUESTER OF A QUALIFYING PAID DIGITAL COMMUNICATION TO GIVE NOTICE AS REQUIRED BY PARAGRAPH (2)(I) OF THIS SUBSECTION, THE REQUESTER SHALL:

(I) NOTIFY THE STATE BOARD THAT THE ONLINE PLATFORM IS NOT IN COMPLIANCE WITH PARAGRAPH (2)(I) OF THIS SUBSECTION; AND

(II) PROVIDE THE INFORMATION REQUIRED UNDER SUBSECTION (B)(6) OF THIS SECTION TO THE STATE BOARD.

(B) (1) AN ONLINE PLATFORM SHALL MAKE AVAILABLE FOR PUBLIC INSPECTION ON THE INTERNET IN A MACHINE–READABLE FORMAT THE RECORDS DESCRIBED IN PARAGRAPH (6) OF THIS SUBSECTION REGARDING QUALIFYING PAID DIGITAL COMMUNICATIONS DISSEMINATED THROUGH THE ONLINE PLATFORM FOR WHICH THE ONLINE PLATFORM HAS RECEIVED NOTICE IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

(2) AN ONLINE PLATFORM SHALL ALLOW THE PUBLIC TO SEARCH THE RECORDS DESCRIBED IN PARAGRAPH (6) OF THIS SUBSECTION BY PURCHASER.

(3) EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, THE RECORDS DESCRIBED IN PARAGRAPH (6) OF THIS SUBSECTION SHALL BE AVAILABLE FOR PUBLIC INSPECTION ON THE INTERNET IN A CLEARLY IDENTIFIABLE LOCATION ON THE ONLINE PLATFORM'S ~~HOMEPAGE~~ *WEBSITE*:

(I) WITHIN 48 HOURS AFTER A QUALIFYING PAID DIGITAL COMMUNICATION IS PURCHASED; AND

(II) FOR AT LEAST 1 YEAR AFTER THE GENERAL ELECTION FOLLOWING THE DATE WHEN THE ONLINE PLATFORM DISSEMINATED THE QUALIFYING PAID DIGITAL COMMUNICATION TO WHICH THE RECORDS RELATE.

(4) FOR PURPOSES OF PARAGRAPH (3) OF THIS SUBSECTION, A PERSON SHALL BE CONSIDERED TO HAVE PURCHASED A QUALIFYING PAID DIGITAL COMMUNICATION IF THE PERSON HAS EXECUTED A CONTRACT TO PURCHASE A QUALIFYING PAID DIGITAL COMMUNICATION.

(5) (I) AN ONLINE PLATFORM MAY APPLY TO THE STATE BOARD FOR A COMPLIANCE WAIVER TO ALLOW THE ONLINE PLATFORM TO MAKE THE RECORDS DESCRIBED IN PARAGRAPH (6) OF THIS SUBSECTION AVAILABLE FOR PUBLIC INSPECTION ON THE INTERNET WITHIN UP TO 7 DAYS AFTER A QUALIFYING PAID DIGITAL COMMUNICATION IS PURCHASED.

(II) THE STATE BOARD SHALL REQUIRE AN APPLICANT FOR A COMPLIANCE WAIVER UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO:

1. DESCRIBE WHY COMPLYING WITH THE REQUIREMENTS UNDER PARAGRAPH (3) OF THIS SUBSECTION PRESENTS AN UNREASONABLE BURDEN ON THE APPLICANT; AND

2. PRESENT MEASURES THE APPLICANT WILL TAKE TO MEET THE REQUIREMENTS UNDER PARAGRAPH (3) OF THIS SUBSECTION WITHIN 6 MONTHS AFTER THE DATE THE COMPLIANCE WAIVER IS GRANTED.

(III) THE STATE BOARD MAY NOT GRANT:

1. MORE THAN ONE COMPLIANCE WAIVER TO AN ONLINE PLATFORM; AND

2. A COMPLIANCE WAIVER TO AN ONLINE PLATFORM WITHIN 30 DAYS BEFORE AN ELECTION.

(IV) A COMPLIANCE WAIVER IS NOT EFFECTIVE DURING THE 30 DAYS IMMEDIATELY PRECEDING AN ELECTION.

~~(IV)~~ (V) IF AN ONLINE PLATFORM WILL APPLY FOR A COMPLIANCE WAIVER UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE ONLINE PLATFORM SHALL APPLY FOR A COMPLIANCE WAIVER BEFORE RECEIVING PAYMENT FOR A QUALIFYING PAID DIGITAL COMMUNICATION.

(6) FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION A PURCHASER REQUESTS TO DISSEMINATE THROUGH AN ONLINE PLATFORM AND FOR WHICH THE PURCHASER HAS PROVIDED NOTICE IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION, THE ONLINE PLATFORM SHALL MAINTAIN THE FOLLOWING RECORDS:

(I) FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION PURCHASED BY A POLITICAL COMMITTEE:

1. THE NAME OF THE PERSON AND ANY CONTACT INFORMATION FOR THE PERSON REQUIRED BY THE STATE BOARD, OF THE POLITICAL COMMITTEE;

2. THE TREASURER OF THE POLITICAL COMMITTEE; AND

3. THE TOTAL AMOUNT PAID BY THE PURCHASER TO THE ONLINE PLATFORM FOR THE PLACEMENT OF THE QUALIFYING PAID DIGITAL COMMUNICATION;

(II) FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION PURCHASED BY A PERSON OTHER THAN A POLITICAL COMMITTEE OR AN AD NETWORK:

1. THE NAME OF THE PERSON AND ANY CONTACT INFORMATION FOR THE PERSON REQUIRED BY THE STATE BOARD, OF THE PERSON;

2. THE IDENTITY OF THE INDIVIDUALS EXERCISING DIRECTION OR CONTROL OVER THE ACTIVITIES OF THE PERSON, INCLUDING THE CHIEF EXECUTIVE OFFICER OR BOARD OF DIRECTORS, IF APPLICABLE; AND

3. THE TOTAL AMOUNT PAID BY THE PURCHASER TO THE ONLINE PLATFORM FOR THE PLACEMENT OF THE QUALIFYING PAID DIGITAL COMMUNICATION; AND

(III) FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION PURCHASED BY AN AD NETWORK:

1. THE CONTACT INFORMATION FOR THE AD NETWORK; OR

2. A HYPERLINK TO THE AD NETWORK'S WEBSITE WHERE THE CONTACT INFORMATION IS LOCATED.

(C) (1) AN ONLINE PLATFORM SHALL MAINTAIN AND MAKE AVAILABLE TO THE STATE BOARD ON REQUEST THE RECORDS DESCRIBED IN PARAGRAPH (3) OF THIS SUBSECTION REGARDING QUALIFYING PAID DIGITAL COMMUNICATIONS DISSEMINATED THROUGH THE ONLINE PLATFORM FOR WHICH THE ONLINE PLATFORM HAS RECEIVED NOTICE IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

(2) THE RECORDS DESCRIBED IN PARAGRAPH (3) OF THIS SUBSECTION SHALL BE AVAILABLE ON THE REQUEST OF THE STATE BOARD:

(I) WITHIN 48 HOURS AFTER A QUALIFYING PAID DIGITAL COMMUNICATION IS FIRST DISSEMINATED ON THE ONLINE PLATFORM; AND

(II) FOR AT LEAST 1 YEAR AFTER THE GENERAL ELECTION FOLLOWING THE DATE WHEN THE ONLINE PLATFORM DISSEMINATED THE QUALIFYING PAID DIGITAL COMMUNICATION TO WHICH THE RECORDS RELATE.

(3) FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION A PURCHASER REQUESTS TO DISSEMINATE THROUGH AN ONLINE PLATFORM AND FOR WHICH THE PURCHASER HAS PROVIDED NOTICE IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION, THE ONLINE PLATFORM SHALL MAINTAIN THE FOLLOWING RECORDS:

(I) THE CANDIDATE OR BALLOT ISSUE TO WHICH THE QUALIFYING PAID DIGITAL COMMUNICATION RELATES AND WHETHER THE QUALIFYING PAID DIGITAL COMMUNICATION SUPPORTS OR OPPOSES THAT CANDIDATE OR BALLOT ISSUE;

(II) THE DATES AND TIMES THAT THE QUALIFYING PAID DIGITAL COMMUNICATION WAS FIRST DISSEMINATED AND LAST DISSEMINATED;

(III) A DIGITAL COPY OF THE CONTENT OF THE QUALIFYING PAID DIGITAL COMMUNICATION;

(IV) AN APPROXIMATE DESCRIPTION OF THE GEOGRAPHIC LOCATIONS WHERE THE QUALIFYING PAID DIGITAL COMMUNICATION WAS DISSEMINATED;

(V) AN APPROXIMATE DESCRIPTION OF THE AUDIENCE THAT RECEIVED OR WAS TARGETED TO RECEIVE THE QUALIFYING PAID DIGITAL COMMUNICATION; AND

(VI) THE TOTAL NUMBER OF IMPRESSIONS GENERATED BY THE QUALIFYING PAID DIGITAL COMMUNICATION.

(4) INFORMATION OBTAINED BY THE STATE BOARD UNDER THIS SUBSECTION IS NOT SUBJECT TO INSPECTION UNDER THE PUBLIC INFORMATION ACT.

(D) (1) A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION SHALL PROVIDE THE ONLINE PLATFORM THAT DISSEMINATES THE QUALIFYING PAID DIGITAL COMMUNICATION WITH THE INFORMATION NECESSARY FOR THE ONLINE PLATFORM TO COMPLY WITH SUBSECTIONS (B) AND (C) OF THIS SECTION.

(2) AN ONLINE PLATFORM MAY RELY IN GOOD FAITH ON THE INFORMATION PROVIDED BY A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION TO COMPLY WITH SUBSECTIONS (B) AND (C) OF THIS SECTION.

(E) AN ONLINE PLATFORM SHALL MAKE REASONABLE EFFORTS TO ALLOW THE STATE BOARD TO:

(1) OBTAIN THE INFORMATION REQUIRED UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION;

(2) OBTAIN THE INFORMATION THAT A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION PROVIDED TO THE ONLINE PLATFORM IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION; AND

(3) OTHERWISE REQUEST THAT A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION COMPLY WITH THIS SECTION OR § 13–401 OF THIS SUBTITLE.

(F) AN ONLINE PLATFORM THAT DISSEMINATES QUALIFYING PAID DIGITAL COMMUNICATIONS SHALL MAKE REASONABLE EFFORTS, IN ACCORDANCE WITH THE FEDERAL STORED COMMUNICATIONS ACT, TO COMPLY WITH ANY SUBPOENA THAT IS ISSUED IN CONNECTION WITH AN INVESTIGATION CONCERNING THE COMPLIANCE OF A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION WITH THIS SECTION OR § 13–401 OF THIS SUBTITLE.

13–405.1.

(A) (1) THE STATE ADMINISTRATOR MAY INVESTIGATE A POTENTIAL VIOLATION OF § 13–401 OR § 13–405 OF THIS SUBTITLE BY A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION.

(2) IN FURTHERANCE OF AN INVESTIGATION UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE STATE ADMINISTRATOR MAY ISSUE A SUBPOENA FOR THE ATTENDANCE OF A WITNESS TO TESTIFY OR THE PRODUCTION OF RECORDS.

(3) A SUBPOENA ISSUED UNDER THIS SUBSECTION SHALL BE SERVED IN ACCORDANCE WITH THE MARYLAND RULES.

(4) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER THIS SUBSECTION, ON PETITION OF THE STATE ADMINISTRATOR, A CIRCUIT COURT OF COMPETENT JURISDICTION MAY COMPEL COMPLIANCE WITH THE SUBPOENA.

(B) (1) AT THE CONCLUSION OF AN INVESTIGATION UNDER SUBSECTION (A)(1) OF THIS SECTION, SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE STATE BOARD MAY REQUEST THAT THE ATTORNEY GENERAL INSTITUTE AN ACTION IN A CIRCUIT COURT FOR INJUNCTIVE RELIEF IN ACCORDANCE WITH THE MARYLAND RULES TO:

(I) REQUIRE A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION TO COMPLY WITH § 13–401 OR § 13–405 OF THIS SUBTITLE; OR

(II) REQUIRE AN ONLINE PLATFORM TO REMOVE A QUALIFIED PAID DIGITAL COMMUNICATION THAT DOES NOT COMPLY WITH § 13–401 OF THIS SUBTITLE OR IF THE PURCHASER OF THE COMMUNICATION DOES NOT COMPLY WITH § 13–405 OF THIS SUBTITLE.

(2) BEFORE REQUESTING THAT THE ATTORNEY GENERAL SEEK AN INJUNCTION UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE STATE BOARD SHALL:

(I) NOTIFY A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION WHO IS THE SUBJECT OF AN INVESTIGATION OF THE CIRCUMSTANCES THAT GAVE RISE TO THE INVESTIGATION; AND

(II) PROVIDE THE PERSON REASONABLE OPPORTUNITY TO BE HEARD AT A PUBLIC MEETING OF THE STATE BOARD.

(3) A CIRCUIT COURT MAY GRANT INJUNCTIVE RELIEF UNDER THIS SUBSECTION ONLY IF THE ATTORNEY GENERAL SHOWS BY CLEAR AND CONVINCING EVIDENCE THAT A VIOLATION OF § 13–401 OR § 13–405 OF THIS SUBTITLE IS BEING COMMITTED.

(4) A PERSON WHO VIOLATES AN INJUNCTION ISSUED UNDER THIS SUBSECTION IS SUBJECT TO THE PENALTIES PROVIDED IN § 13–605(B) OF THIS TITLE.

13–405.2.

(A) IN THIS SECTION, "ELECTIONEERING COMMUNICATION" HAS THE MEANING STATED IN § 13–307(A) OF THIS TITLE.

(B) A PERSON MAY NOT PURCHASE CAMPAIGN MATERIAL OR AN ELECTIONEERING COMMUNICATION USING ANY CURRENCY OTHER THAN UNITED STATES CURRENCY.

(C) A PERSON MAY NOT WILLFULLY AND KNOWINGLY SELL CAMPAIGN MATERIAL OR AN ELECTIONEERING COMMUNICATION TO A PERSON WHO USES ANY CURRENCY OTHER THAN UNITED STATES CURRENCY TO PAY FOR THE CAMPAIGN MATERIAL OR ELECTIONEERING COMMUNICATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 834

(House Bill 981)

AN ACT concerning

Online Electioneering Transparency and Accountability Act

FOR the purpose of ~~altering the definition of "public communication" to include online political advertisements for the purposes of certain provisions of law that require a person who makes independent expenditures of a certain amount to file a certain report; altering the definition of "electioneering communication" to include online political advertisements for the purposes of certain provisions of law that require a person who makes disbursements for electioneering communications of a certain amount to file a certain report; prohibiting a foreign principal from making a donation to certain persons or entities; prohibiting a foreign–influenced corporation from making a contribution or donation to certain persons or entities; requiring certain persons making independent expenditures or disbursements for electioneering communications to retain a copy of an item of campaign material for a certain period of time; requiring an online platform to retain a digital copy of each online political advertisement that the online platform distributes or transmits for a certain period of time; requiring an online platform to maintain account books and records that include certain information relating to online political advertisements for a certain period of time; requiring an online platform to make certain records available for public inspection and provide certain records to the State Board of Elections on request; requiring an online platform to provide certain information to the State Board within a certain period of time if certain persons purchase an online political advertisement; defining certain terms; making a technical correction; and generally relating to disclosure of online political advertisements and campaign material.~~ altering the definition of "campaign material" to include certain material that is disseminated and certain qualifying paid digital communications; altering the definition of "public communication" to include certain qualifying paid digital communications for purposes of certain provisions of law that require a person who makes independent expenditures of a certain amount to file a certain report; altering the definition of "electioneering communication" to include certain qualifying paid digital communications for purposes of certain provisions of law that require a person who makes disbursements for electioneering communications of a certain amount to file a certain report; providing that the definition of "electioneering communication" does not include a news story, commentary, or editorial disseminated through certain electronic or print media; providing that, if campaign material is too small to include certain information in a legible manner, the authority line need only contain the information required by the State Board of Elections by regulation, rather than the name and title of a certain person; requiring certain persons making independent expenditures or disbursements for electioneering communications to retain a copy of an item of campaign material for a certain period of time; requiring a person who directly or indirectly requests placement of a certain qualifying paid digital communication on an online platform to provide a certain express notice to the online platform in a certain manner; requiring a purchaser of a qualifying paid digital communication to take certain actions if the online platform does not provide a method to provide a certain notice; requiring an online platform to make available for public inspection on the Internet in a certain format certain records regarding certain qualifying paid digital communications disseminated through the online platform *except under certain circumstances*; requiring an online platform to allow the public to search certain records in a certain manner; requiring that certain records be available for public inspection on the Internet *in a certain*

location for a certain period of time; *authorizing an online platform to apply to the State Board for a certain compliance waiver; requiring the State Board to require an applicant for a compliance waiver to provide certain information; prohibiting the State Board from granting more than one compliance waiver to an online platform; prohibiting the State Board from granting a compliance waiver to an online platform within a certain period of time; providing that a certain compliance waiver is not effective during a certain period of time; requiring, under certain circumstances, an online platform to apply for a compliance waiver before receiving payment for a qualifying paid digital communication;* requiring an online platform to maintain and make available to the State Board on request certain records regarding qualifying paid digital communications disseminated through the online platform; ~~requiring an online platform to allow the State Board to search certain records in a certain manner;~~ requiring certain records to be available on the request of the State Board for a certain period of time; providing that certain information obtained by the State Board concerning qualifying paid digital communications is not subject to inspection under the Public Information Act; requiring a purchaser of a certain qualifying paid digital communication to provide the online platform that disseminates the qualifying paid digital communication with certain information; providing that an online platform may rely in good faith on information provided by a purchaser of a certain qualifying paid digital communication; requiring an online platform to make reasonable efforts to allow the State Board to obtain certain information and request that a purchaser of a certain qualifying paid digital communication comply with certain provisions of law; requiring an online platform that disseminates certain qualifying paid digital communications to make reasonable efforts in accordance with a certain federal law to comply with any subpoena that is issued in connection with certain investigations concerning certain qualifying paid digital communications; authorizing the State Administrator of Elections to investigate certain potential violations of certain provisions of law and this Act by a purchaser of a certain qualifying paid digital communication; authorizing the State Administrator to issue a subpoena in furtherance of a certain investigation; providing for service of a certain subpoena; authorizing a circuit court to compel compliance with a subpoena on petition of the State Administrator; authorizing the State Board to request that the Attorney General seek injunctive relief in a circuit court to require a purchaser of a certain qualifying paid digital communication to comply with certain provisions of law and this Act, or require an online platform to remove a qualifying paid digital communication that does not comply with certain provisions of law and this Act; requiring the State Board to provide a certain notice and hold a public meeting before requesting that the Attorney General seek an injunction; authorizing a circuit court to grant injunctive relief only if the Attorney General shows clear and convincing evidence of a violation of certain provisions of law or this Act; providing that a person who violates an injunction is subject to certain penalties; prohibiting a person from purchasing campaign material or an electioneering communication using any currency other than United States currency; prohibiting a person from willfully and knowingly selling campaign material or an electioneering communication to a person who uses any currency other than United States currency to make the purchase; making conforming and

technical changes; defining certain terms; and generally relating to the disclosure of qualifying paid digital communications and campaign material.

~~BY repealing and reenacting, with amendments,~~
~~Article – Election Law~~
~~Section 1–101(k), 13–236.1, 13–306(a), 13–307(a) and (e), and 13–403~~
~~Annotated Code of Maryland~~
~~(2017 Replacement Volume and 2017 Supplement)~~

~~BY adding to~~
~~Article – Election Law~~
~~Section 1–101(dd–1) and (dd–2) and 13–403.1~~
~~Annotated Code of Maryland~~
~~(2017 Replacement Volume and 2017 Supplement)~~

~~BY repealing and reenacting, without amendments,~~
~~Article – Election Law~~
~~Section 13–306(b) through (e), 13–307(b) through (d), and 13–401~~
~~Annotated Code of Maryland~~
~~(2017 Replacement Volume and 2017 Supplement)~~

BY repealing and reenacting, without amendments,
Article – Election Law
Section 1–101(a), 13–306(b) through (e), and 13–307(b) through (d)
Annotated Code of Maryland
(2017 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Election Law
Section 1–101(k), 13–306(a), 13–307(a) and (e), 13–401, and 13–403
Annotated Code of Maryland
(2017 Replacement Volume and 2017 Supplement)

BY adding to
Article – Election Law
Section 1–101(dd–1) and (ll–1), 13–405, 13–405.1, and 13–405.2
Annotated Code of Maryland
(2017 Replacement Volume and 2017 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.~~

~~(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) AN ONLINE POLITICAL ADVERTISEMENT;**~~

~~**[**(i)**] (II) ANY OTHER** material transmitted by or appearing on the Internet or other electronic medium; and~~

~~**[**(ii)**] (III)** an oral commercial campaign advertisement.~~

~~**(DD–1) "ONLINE PLATFORM" MEANS ANY PUBLIC–FACING WEBSITE, WEB APPLICATION, OR DIGITAL APPLICATION, INCLUDING A SOCIAL NETWORK OR SEARCH ENGINE, THAT HAS 100,000 OR MORE UNIQUE MONTHLY UNITED STATES VISITORS OR USERS FOR A MAJORITY OF MONTHS DURING THE IMMEDIATELY PRECEDING 12 MONTHS.**~~

~~**(DD–2) (1) "ONLINE POLITICAL ADVERTISEMENT" MEANS ANY ELECTRONIC COMMUNICATION THAT:**~~

~~**(I) IS PLACED OR PROMOTED FOR A FEE ON AN ONLINE PLATFORM;**~~

~~**(II) IS DISTRIBUTED OR TRANSMITTED TO 5,000 OR MORE INDIVIDUALS;**~~

~~**(III) REFERS TO A CLEARLY IDENTIFIED CANDIDATE OR BALLOT ISSUE; AND**~~

~~**(IV) DOES NOT PROPOSE A COMMERCIAL TRANSACTION.**~~

~~**(2) FOR PURPOSES OF THIS SUBSECTION, "CLEARLY IDENTIFIED" MEANS:**~~

~~**(I) THE NAME OF A CANDIDATE APPEARS;**~~

~~**(II) A PHOTOGRAPH OR DRAWING OF A CANDIDATE APPEARS; OR**~~

~~(III) THE IDENTITY OF A CANDIDATE OR BALLOT ISSUE IS APPARENT BY UNAMBIGUOUS REFERENCE.~~

~~13–236.1.~~

~~(a) (1) In this section~~[~~, "foreign principal"~~]~~ THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "FOREIGN–INFLUENCED CORPORATION" MEANS A CORPORATION AT LEAST 5% OF WHICH IS OWNED BY FOREIGN NATIONALS.~~

~~(3) "FOREIGN NATIONAL" HAS THE MEANING STATED IN 52 U.S.C. § 30121(B).~~

~~(4) "FOREIGN PRINCIPAL" has the meaning stated in 22 U.S.C. § 611(b).~~

~~(b) A foreign principal OR FOREIGN–INFLUENCED CORPORATION may not:~~

~~(1) make a contribution to a ballot issue committee; or~~

~~(2) make a donation to~~ [~~a person that makes independent expenditures or electioneering communications relating to a ballot issue~~]~~:~~

~~(I) A PERSON REQUIRED TO FILE AN INDEPENDENT EXPENDITURE REPORT UNDER § 13–306 OF THIS TITLE;~~

~~(II) A PERSON REQUIRED TO FILE AN ELECTIONEERING COMMUNICATION REPORT UNDER § 13–307 OF THIS TITLE;~~

~~(III) A POLITICAL ACTION COMMITTEE REQUIRED TO FILE A DISCLOSURE REPORT UNDER § 13–309.1 OF THIS TITLE; OR~~

~~(IV) A PARTICIPATING ORGANIZATION REQUIRED TO FILE A PARTICIPATING ORGANIZATION REPORT UNDER § 13–309.2 OF THIS TITLE.~~

~~13–306.~~

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

~~(2) (i) "Donation" means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a person who makes independent expenditures.~~

~~(ii) "Donation" does not include any amount of money or any other thing of value:~~

~~1. received by a person in the ordinary course of any trade or business conducted by the person, whether for profit or not for profit, or in the form of investments in the person's business; or~~

~~2. A. that the donor and the person receiving the money or thing of value expressly agree in writing may not be used for independent expenditures; and~~

~~B. in the case of a monetary donation, is deposited in a separate bank account that is never used for independent expenditures.~~

~~(3) "E–mail blast" means a transmission of electronic mail messages of an identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.~~

~~(4) "Mass mailing" means a mailing by United States mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30–day period.~~

~~(5) (i) "Person" includes an individual, a partnership, a committee, an association, a corporation, a labor organization, or any other organization or group of persons.~~

~~(ii) "Person" does not include a campaign finance entity organized under Subtitle 2, Part II of this title.~~

~~(6) (i) "Public communication" means a communication by means of any broadcast television or radio communication, cable television communication, satellite television or radio communication, newspaper, magazine, outdoor advertising facility, mass mailing, e–mail blast, text blast,~~ **ONLINE POLITICAL ADVERTISEMENT,** ~~or telephone bank to the general public, or any other form of general public political advertising.~~

~~(ii) "Public communication" does not include:~~

~~1. a news story, a commentary, or an editorial disseminated by a broadcasting station, including a cable television operator, programmer, or producer, satellite television or radio provider, Web site, newspaper, magazine, or other periodical publication, including any Internet or electronic publication, that is not controlled by a candidate or political party;~~

~~2. an internal membership communication by a business or other entity to its stockholders or members and executive and administrative personnel and their immediate families, or by a membership entity, as defined under § 13–243 of this title, to its members, executive and administrative personnel and their immediate families; or~~

~~3. a candidate debate or forum.~~

~~(7) "Telephone bank" means more than 500 telephone calls of an identical or substantially similar nature within any 30–day period.~~

~~(8) "Text blast" means a transmission of text messages of an identical or substantially similar nature to 5,000 or more telephone numbers simultaneously.~~

~~(b) Within 48 hours after a person makes aggregate independent expenditures of $5,000 or more in an election cycle for campaign material that is a public communication, the person shall file a registration form with the State Board.~~

~~(c) Within 48 hours after a day on which a person makes aggregate independent expenditures of $10,000 or more in an election cycle for campaign material that is a public communication, the person shall file an independent expenditure report with the State Board.~~

~~(d) A person who files an independent expenditure report under subsection (c) of this section shall file an additional independent expenditure report with the State Board within 48 hours after a day on which the person makes aggregate independent expenditures of $10,000 or more for campaign material that is a public communication following the closing date of the person's previous independent expenditure report.~~

~~(e) An independent expenditure report shall include the following information:~~

~~(1) the identity of the person making the independent expenditures and of the person exercising direction or control over the activities of the person making the independent expenditures;~~

~~(2) the business address of the person making the independent expenditures;~~

~~(3) the amount and date of each independent expenditure during the period covered by the report and the person to whom the expenditure was made;~~

~~(4) the candidate or ballot issue to which the independent expenditure relates and whether the independent expenditure supports or opposes that candidate or ballot issue; and~~

~~(5) the identity of each person who made cumulative donations of $6,000 or more to the person making the independent expenditures during the period covered by the report.~~

~~13–307.~~

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

~~(2) (i) "Donation" means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a person that makes disbursements for electioneering communications.~~

~~(ii) "Donation" does not include any amount of money or any other thing of value:~~

~~1. received by a person in the ordinary course of any trade or business conducted by the person, whether for profit or not for profit, or in the form of investments in the person's business; or~~

~~2. A. that the donor and the person receiving the money or thing of value expressly agree in writing may not be used for electioneering communications; and~~

~~B. in the case of a monetary donation, is deposited in a separate bank account that is never used for electioneering communications.~~

~~(3) (i) "Electioneering communication" means a broadcast television or radio communication, a cable television communication, a satellite television or radio communication, a mass mailing, an e–mail blast, a text blast, a telephone bank,~~ **~~AN ONLINE POLITICAL ADVERTISEMENT,~~** ~~or an advertisement in a print publication that:~~

~~1. refers to a clearly identified candidate or ballot issue;~~

~~2. is made within 60 days of an election day on which the candidate or ballot issue is on the ballot;~~

~~3. is capable of being received by:~~

~~A. 50,000 or more individuals in the constituency where the candidate or ballot issue is on the ballot, if the communication is transmitted by television or radio; or~~

~~B. 5,000 or more individuals in the constituency where the candidate or ballot issue is on the ballot, if the communication is a mass mailing, an e–mail blast, a text blast, a telephone bank, or an advertisement in a print publication; and~~

~~4. is not made in coordination with, or at the request or suggestion of, a candidate, a campaign finance entity of a candidate, an agent of a candidate, or a ballot issue committee.~~

~~(ii) "Electioneering communication" does not include:~~

~~1. an independent expenditure;~~

~~2. a news story, a commentary, or an editorial disseminated by a broadcasting station, including a cable television operator, programmer, or producer, or satellite television or radio provider that is not controlled by a candidate or political party;~~

~~3. a candidate debate or forum;~~

~~4. an internal membership communication by a business or other entity to its stockholders or members and executive and administrative personnel and their immediate families, or by a membership entity, as defined under § 13–243 of this title, to its members, executive and administrative personnel and their immediate families; or~~

~~5. a communication that proposes a commercial transaction.~~

~~(iii) For purposes of this paragraph, "clearly identified" means:~~

~~1. the name of a candidate appears;~~

~~2. a photograph or drawing of a candidate appears; or~~

~~3. the identity of a candidate or ballot issue is apparent by unambiguous reference.~~

~~(4) "E–mail blast" means a transmission of electronic mail messages of an identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.~~

~~(5) "Mass mailing" means a mailing by United States mail or facsimile of more than 5,000 pieces of mail matter of an identical or substantially similar nature within any 30–day period.~~

~~(6) (i) "Person" includes an individual, a partnership, a committee, an association, a corporation, a labor organization, or any other organization or group of persons.~~

~~(ii) "Person" does not include a campaign finance entity organized under Subtitle 2, Part II of this title.~~

~~(7) "Telephone bank" means more than 5,000 telephone calls of an identical or substantially similar nature within any 30–day period.~~

~~(8) "Text blast" means a transmission of text messages of an identical or substantially similar nature to 5,000 or more telephone numbers simultaneously.~~

~~(b) Within 48 hours after a person makes aggregate disbursements of $5,000 or more in an election cycle for electioneering communications, the person shall file a registration form with the State Board.~~

~~(c) Within 48 hours after a day on which a person makes aggregate disbursements of $10,000 or more in an election cycle for electioneering communications, the person shall file an electioneering communication report with the State Board.~~

~~(d) A person who files an electioneering communication report under subsection (c) of this section shall file an additional electioneering communication report with the State Board within 48 hours after a day on which the person makes aggregate disbursements of $10,000 or more for electioneering communications following the closing date of the person's previous electioneering communication report.~~

~~(e) An electioneering communication report shall include the following information:~~

~~(1) the identity of the person making disbursements for electioneering communications and of the person exercising direction or control over the activities of the person making the disbursements for electioneering communications;~~

~~(2) the business address of the person making the disbursements for electioneering communications;~~

~~(3) the amount and date of each disbursement for electioneering communications during the period covered by the report and the person to whom the disbursement was made;~~

~~(4) the candidate or ballot issue to which the electioneering communications relate;~~ ~~**AND**~~

~~(5) the identity of each person who made cumulative donations of $6,000 or more to the person making the disbursements for electioneering communications during the period covered by the report.~~

~~13–401.~~

~~(a) (1) Except as otherwise provided in this section, each item of campaign material shall contain, set apart from any other message, an authority line that states:~~

~~(i) as to campaign material published or distributed by a campaign finance entity:~~

~~1. the name and address of the treasurer of each campaign finance entity responsible for the campaign material; and~~

~~2. as to each treasurer named under item 1 of this item, the name of each campaign finance entity for which the treasurer is acting; and~~

~~(ii) as to campaign material published or distributed by any other person, the name and address of the person responsible for the campaign material.~~

~~(2) The authority line may omit an address that is on file with the State Board or a local board.~~

~~(3) If the campaign material is too small to include all the information specified in paragraph (1) of this subsection in a legible manner, the authority line need only contain the name and title of the treasurer or other person responsible for it.~~

~~(4) The authority line for campaign material that is a commercial advertisement need only contain the information specified in paragraphs (1) and (2) of this subsection for one campaign finance entity or other person responsible for the advertisement.~~

~~(b) Campaign material that is published or distributed in support of or in opposition to a candidate, but is not authorized by the candidate, shall include the following statement:~~

~~"This message has been authorized and paid for by (name of payor or any organization affiliated with the payor), (name and title of treasurer or president). This message has not been authorized or approved by any candidate."~~

~~13–403.~~

~~(a) (1) Subject to paragraph (2) of this subsection, each campaign finance entity~~**~~, EACH PERSON REQUIRED TO FILE AN INDEPENDENT EXPENDITURE REPORT UNDER § 13–306 OF THIS TITLE, AND EACH PERSON REQUIRED TO FILE AN ELECTIONEERING COMMUNICATION REPORT UNDER § 13–307 OF THIS TITLE THAT IS~~** ~~responsible for, publisher of, and distributor of, an item of campaign material shall keep a sample copy of the item for at least 1 year after the general election next following the date when the item was published or distributed.~~

~~(2) For each item of campaign material disseminated through the Internet, the sample copy shall be:~~

~~(i) a paper facsimile; or~~

~~(ii) a copy on an electronic medium that can be produced as a paper facsimile on request.~~

~~(b) Subsection (a) of this section does not apply to a billboard or a sign.~~

~~**13–403.1.**~~

~~**(A) (1) AN ONLINE PLATFORM SHALL:**~~

~~(I) RETAIN A DIGITAL COPY OF EACH ONLINE POLITICAL ADVERTISEMENT THAT THE ONLINE PLATFORM DISTRIBUTES OR TRANSMITS; AND~~

~~(II) MAINTAIN ACCOUNT BOOKS AND RECORDS THAT INCLUDE:~~

~~1. THE NAME AND ADDRESS OF EACH PERSON WHO PURCHASES AN ONLINE POLITICAL ADVERTISEMENT FROM THE ONLINE PLATFORM; AND~~

~~2. THE COST AND METHOD OF PAYMENT FOR THE ONLINE POLITICAL ADVERTISEMENT.~~

~~(2) AN ONLINE PLATFORM SHALL RETAIN THE RECORDS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR AT LEAST 1 YEAR AFTER THE GENERAL ELECTION NEXT FOLLOWING THE DATE WHEN THE ONLINE PLATFORM DISTRIBUTED OR TRANSMITTED THE ONLINE POLITICAL ADVERTISEMENT TO WHICH THE RECORDS RELATE.~~

~~(3) THE RECORDS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE:~~

~~(I) AVAILABLE FOR PUBLIC INSPECTION AT THE OFFICES OF THE ONLINE PLATFORM DURING NORMAL BUSINESS HOURS; AND~~

~~(II) PROVIDED TO THE STATE BOARD ON REQUEST.~~

~~(B) (1) IN THIS SUBSECTION, "FOREIGN PRINCIPAL" HAS THE MEANING STATED IN 22 U.S.C. § 611(B).~~

~~(2) IF A FOREIGN PRINCIPAL, A PERSON USING A FOREIGN INTERNET PROTOCOL ADDRESS, OR A PERSON USING FOREIGN CURRENCY PURCHASES AN ONLINE POLITICAL ADVERTISEMENT, THE ONLINE PLATFORM USED TO DISTRIBUTE OR TRANSMIT THE ONLINE POLITICAL ADVERTISEMENT SHALL PROVIDE THE FOLLOWING TO THE STATE BOARD WITHIN 48 HOURS AFTER THE ONLINE POLITICAL ADVERTISEMENT IS DISTRIBUTED OR TRANSMITTED:~~

~~(I) A DIGITAL COPY OF THE ONLINE POLITICAL ADVERTISEMENT; AND~~

~~(II) THE AMOUNT PAID TO THE ONLINE PLATFORM TO DISTRIBUTE OR TRANSMIT THE ONLINE POLITICAL ADVERTISEMENT.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.~~

1–101.

(a) In this article the following words have the meanings indicated unless a different meaning is clearly intended from the context.

(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**, OR DISSEMINATED**.

(2) "Campaign material" includes:

(I) A QUALIFYING PAID DIGITAL COMMUNICATION;

[(i)**] (II) ANY OTHER** material transmitted by or appearing on the Internet or other electronic medium; and

[(ii)**] (III)** an oral commercial campaign advertisement.

(DD–1) "ONLINE PLATFORM" MEANS ANY PUBLIC–FACING WEBSITE, WEB APPLICATION, OR DIGITAL APPLICATION, INCLUDING A SOCIAL NETWORK, AD NETWORK, OR SEARCH ENGINE, THAT:

(1) HAS 100,000 OR MORE UNIQUE MONTHLY UNITED STATES VISITORS OR USERS FOR A MAJORITY OF MONTHS DURING THE IMMEDIATELY PRECEDING 12 MONTHS; AND

(2) RECEIVES PAYMENT FOR QUALIFYING PAID DIGITAL COMMUNICATIONS.

(LL–1) "QUALIFYING PAID DIGITAL COMMUNICATION" MEANS ANY ELECTRONIC COMMUNICATION THAT:

(1) IS CAMPAIGN MATERIAL;

(2) IS PLACED OR PROMOTED FOR A FEE ON AN ONLINE PLATFORM;

(3) IS DISSEMINATED TO 500 OR MORE INDIVIDUALS; AND

(4) DOES NOT PROPOSE A COMMERCIAL TRANSACTION.

13–306.

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

(2) (i) "Donation" means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a person who makes independent expenditures.

(ii) "Donation" does not include any amount of money or any other thing of value:

1. received by a person in the ordinary course of any trade or business conducted by the person, whether for profit or not for profit, or in the form of investments in the person's business; or

2. A. that the donor and the person receiving the money or thing of value expressly agree in writing may not be used for independent expenditures; and

B. in the case of a monetary donation, is deposited in a separate bank account that is never used for independent expenditures.

(3) "E–mail blast" means a transmission of electronic mail messages of an identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.

(4) "Mass mailing" means a mailing by United States mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30–day period.

(5) (i) "Person" includes an individual, a partnership, a committee, an association, a corporation, a labor organization, or any other organization or group of persons.

(ii) "Person" does not include a campaign finance entity organized under Subtitle 2, Part II of this title.

(6) (i) "Public communication" means a communication by means of any broadcast television or radio communication, cable television communication, satellite television or radio communication, newspaper, magazine, outdoor advertising facility, mass mailing, e–mail blast, text blast, **QUALIFYING PAID DIGITAL COMMUNICATION,** or telephone bank to the general public, or any other form of general public political advertising.

(ii) "Public communication" does not include:

1. a news story, a commentary, or an editorial disseminated by a broadcasting station, including a cable television operator, programmer, or producer, satellite television or radio provider, Web site, newspaper, magazine, or other periodical publication, including any Internet or electronic publication, that is not controlled by a candidate or political party;

2. an internal membership communication by a business or other entity to its stockholders or members and executive and administrative personnel and their immediate families, or by a membership entity, as defined under § 13–243 of this title, to its members, executive and administrative personnel and their immediate families; or

3. a candidate debate or forum.

(7) "Telephone bank" means more than 500 telephone calls of an identical or substantially similar nature within any 30–day period.

(8) "Text blast" means a transmission of text messages of an identical or substantially similar nature to 5,000 or more telephone numbers simultaneously.

(b) Within 48 hours after a person makes aggregate independent expenditures of $5,000 or more in an election cycle for campaign material that is a public communication, the person shall file a registration form with the State Board.

(c) Within 48 hours after a day on which a person makes aggregate independent expenditures of $10,000 or more in an election cycle for campaign material that is a public communication, the person shall file an independent expenditure report with the State Board.

(d) A person who files an independent expenditure report under subsection (c) of this section shall file an additional independent expenditure report with the State Board within 48 hours after a day on which the person makes aggregate independent expenditures of $10,000 or more for campaign material that is a public communication following the closing date of the person's previous independent expenditure report.

(e) An independent expenditure report shall include the following information:

(1) the identity of the person making the independent expenditures and of the person exercising direction or control over the activities of the person making the independent expenditures;

(2) the business address of the person making the independent expenditures;

(3) the amount and date of each independent expenditure during the period covered by the report and the person to whom the expenditure was made;

(4) the candidate or ballot issue to which the independent expenditure relates and whether the independent expenditure supports or opposes that candidate or ballot issue; and

(5) the identity of each person who made cumulative donations of $6,000 or more to the person making the independent expenditures during the period covered by the report.

13–307.

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

(2) (i) "Donation" means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a person that makes disbursements for electioneering communications.

(ii) "Donation" does not include any amount of money or any other thing of value:

1. received by a person in the ordinary course of any trade or business conducted by the person, whether for profit or not for profit, or in the form of investments in the person's business; or

2. A. that the donor and the person receiving the money or thing of value expressly agree in writing may not be used for electioneering communications; and

B. in the case of a monetary donation, is deposited in a separate bank account that is never used for electioneering communications.

(3) (i) "Electioneering communication" means a broadcast television or radio communication, a cable television communication, a satellite television or radio communication, a mass mailing, an e–mail blast, a text blast, a telephone bank, **A QUALIFYING PAID DIGITAL COMMUNICATION,** or an advertisement in a print publication that:

1. refers to a clearly identified candidate or ballot issue;

2. is made within 60 days of an election day on which the candidate or ballot issue is on the ballot;

3. is capable of being received by:

A. 50,000 or more individuals in the constituency where the candidate or ballot issue is on the ballot, if the communication is transmitted by television or radio; or

B. 5,000 or more individuals in the constituency where the candidate or ballot issue is on the ballot, if the communication is a mass mailing, an e–mail blast, a text blast, a telephone bank, **A QUALIFYING PAID DIGITAL COMMUNICATION,** or an advertisement in a print publication; and

4. is not made in coordination with, or at the request or suggestion of, a candidate, a campaign finance entity of a candidate, an agent of a candidate, or a ballot issue committee.

(ii) "Electioneering communication" does not include:

1. an independent expenditure;

2. a news story, a commentary, or an editorial disseminated by a broadcasting station, including a cable television operator, programmer, or producer, or satellite television or radio provider**, WEBSITE, NEWSPAPER, MAGAZINE, OR OTHER PERIODICAL PUBLICATION, INCLUDING ANY INTERNET OR ELECTRONIC PUBLICATION,** that is not controlled by a candidate or political party;

3. a candidate debate or forum;

4. an internal membership communication by a business or other entity to its stockholders or members and executive and administrative personnel and their immediate families, or by a membership entity, as defined under § 13–243 of this title, to its members, executive and administrative personnel and their immediate families; or

5. a communication that proposes a commercial transaction.

(iii) For purposes of this paragraph, "clearly identified" means:

1. the name of a candidate appears;

2. a photograph or drawing of a candidate appears; or

3. the identity of a candidate or ballot issue is apparent by unambiguous reference.

(4) "E–mail blast" means a transmission of electronic mail messages of an identical or substantially similar nature to 5,000 or more e–mail accounts simultaneously.

(5) "Mass mailing" means a mailing by United States mail or facsimile of more than 5,000 pieces of mail matter of an identical or substantially similar nature within any 30–day period.

(6) (i) "Person" includes an individual, a partnership, a committee, an association, a corporation, a labor organization, or any other organization or group of persons.

(ii) "Person" does not include a campaign finance entity organized under Subtitle 2, Part II of this title.

(7) "Telephone bank" means more than 5,000 telephone calls of an identical or substantially similar nature within any 30–day period.

(8) "Text blast" means a transmission of text messages of an identical or substantially similar nature to 5,000 or more telephone numbers simultaneously.

(b) Within 48 hours after a person makes aggregate disbursements of $5,000 or more in an election cycle for electioneering communications, the person shall file a registration form with the State Board.

(c) Within 48 hours after a day on which a person makes aggregate disbursements of $10,000 or more in an election cycle for electioneering communications, the person shall file an electioneering communication report with the State Board.

(d) A person who files an electioneering communication report under subsection (c) of this section shall file an additional electioneering communication report with the State Board within 48 hours after a day on which the person makes aggregate disbursements of $10,000 or more for electioneering communications following the closing date of the person's previous electioneering communication report.

(e) An electioneering communication report shall include the following information:

(1) the identity of the person making disbursements for electioneering communications and of the person exercising direction or control over the activities of the person making the disbursements for electioneering communications;

(2) the business address of the person making the disbursements for electioneering communications;

(3) the amount and date of each disbursement for electioneering communications during the period covered by the report and the person to whom the disbursement was made;

(4) the candidate or ballot issue to which the electioneering communications relate; **AND**

(5) the identity of each person who made cumulative donations of $6,000 or more to the person making the disbursements for electioneering communications during the period covered by the report.

13–401.

(a) (1) Except as otherwise provided in this section, each item of campaign material shall contain, set apart from any other message, an authority line that states:

(i) as to campaign material published **[**or**]**, distributed**, OR DISSEMINATED** by a campaign finance entity:

1. the name and address of the treasurer of each campaign finance entity responsible for the campaign material; and

2. as to each treasurer named under item 1 of this item, the name of each campaign finance entity for which the treasurer is acting; and

(ii) as to campaign material published **[**or**]**, distributed**, OR DISSEMINATED** by any other person, the name and address of the person responsible for the campaign material.

(2) The authority line may omit an address that is on file with the State Board or a local board.

(3) If the campaign material is too small to include all the information specified in paragraph (1) of this subsection in a legible manner, the authority line need only contain the **[**name and title of the treasurer or other person responsible for it**] INFORMATION REQUIRED BY REGULATIONS ADOPTED BY THE STATE BOARD**.

(4) The authority line for campaign material that is a commercial advertisement need only contain the information specified in paragraphs (1) and (2) of this subsection for one campaign finance entity or other person responsible for the advertisement.

(b) Campaign material that is published or distributed in support of or in opposition to a candidate, but is not authorized by the candidate, shall include the following statement:

"This message has been authorized and paid for by (name of payor or any organization affiliated with the payor), (name and title of treasurer or president). This message has not been authorized or approved by any candidate."

13–403.

(a) (1) Subject to paragraph (2) of this subsection, each campaign finance entity**, EACH PERSON REQUIRED TO REGISTER UNDER § 13–306(B) OF THIS TITLE, AND EACH PERSON REQUIRED TO REGISTER UNDER § 13–307(B) OF THIS TITLE THAT IS** responsible for, publisher of, and distributor of, an item of campaign material shall keep

a sample copy of the item for at least 1 year after the general election next following the date when the item was published or distributed.

(2) For each item of campaign material disseminated through the Internet, the sample copy shall be:

(i) a paper facsimile; or

(ii) a copy on an electronic medium that can be produced as a paper facsimile on request.

(b) Subsection (a) of this section does not apply to a billboard or a sign.

13–405.

(A) (1) A PERSON WHO DIRECTLY OR INDIRECTLY REQUESTS PLACEMENT OF A QUALIFYING PAID DIGITAL COMMUNICATION ON AN ONLINE PLATFORM SHALL EXPRESSLY NOTIFY THE ONLINE PLATFORM AT THE TIME THE REQUEST FOR PLACEMENT OF A QUALIFYING PAID DIGITAL COMMUNICATION IS MADE THAT THE COMMUNICATION IS A QUALIFYING PAID DIGITAL COMMUNICATION.

(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) SHALL BE PROVIDED USING THE METHOD PRESCRIBED BY THE ONLINE PLATFORM; AND

(II) MAY NOT BE PROVIDED THROUGH THE INCLUSION OF THE AUTHORITY LINE REQUIRED UNDER § 13–401 OF THIS SUBTITLE ON THE QUALIFYING PAID DIGITAL COMMUNICATION.

(3) IF AN ONLINE PLATFORM DOES NOT PROVIDE A METHOD FOR A REQUESTER OF A QUALIFYING PAID DIGITAL COMMUNICATION TO GIVE NOTICE AS REQUIRED BY PARAGRAPH (2)(I) OF THIS SUBSECTION, THE REQUESTER SHALL:

(I) NOTIFY THE STATE BOARD THAT THE ONLINE PLATFORM IS NOT IN COMPLIANCE WITH PARAGRAPH (2)(I) OF THIS SUBSECTION; AND

(II) PROVIDE THE INFORMATION REQUIRED UNDER SUBSECTION ~~(B)(5)~~ *(B)(6)* OF THIS SECTION TO THE STATE BOARD.

(B) (1) AN ONLINE PLATFORM SHALL MAKE AVAILABLE FOR PUBLIC INSPECTION ON THE INTERNET IN A MACHINE–READABLE FORMAT THE RECORDS DESCRIBED IN PARAGRAPH ~~(5)~~ *(6)* OF THIS SUBSECTION REGARDING QUALIFYING

PAID DIGITAL COMMUNICATIONS DISSEMINATED THROUGH THE ONLINE PLATFORM FOR WHICH THE ONLINE PLATFORM HAS RECEIVED NOTICE IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

(2) AN ONLINE PLATFORM SHALL ALLOW THE PUBLIC TO SEARCH THE RECORDS DESCRIBED IN PARAGRAPH ~~(5)~~ *(6)* OF THIS SUBSECTION BY PURCHASER.

(3) ~~THE~~ *EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, THE* RECORDS DESCRIBED IN PARAGRAPH ~~(5)~~ *(6)* OF THIS SUBSECTION SHALL BE AVAILABLE FOR PUBLIC INSPECTION ON THE INTERNET *IN A CLEARLY IDENTIFIABLE LOCATION ON THE ONLINE PLATFORM'S* ~~*HOMEPAGE*~~ *WEBSITE*:

(I) WITHIN 48 HOURS AFTER A QUALIFYING PAID DIGITAL COMMUNICATION IS PURCHASED; AND

(II) FOR AT LEAST 1 YEAR AFTER THE GENERAL ELECTION FOLLOWING THE DATE WHEN THE ONLINE PLATFORM DISSEMINATED THE QUALIFYING PAID DIGITAL COMMUNICATION TO WHICH THE RECORDS RELATE.

(4) FOR PURPOSES OF PARAGRAPH (3) OF THIS SUBSECTION, A PERSON SHALL BE CONSIDERED TO HAVE PURCHASED A QUALIFYING PAID DIGITAL COMMUNICATION IF THE PERSON HAS EXECUTED A CONTRACT TO PURCHASE A QUALIFYING PAID DIGITAL COMMUNICATION.

(5) (I) AN ONLINE PLATFORM MAY APPLY TO THE STATE BOARD FOR A COMPLIANCE WAIVER TO ALLOW THE ONLINE PLATFORM TO MAKE THE RECORDS DESCRIBED IN PARAGRAPH (6) OF THIS SUBSECTION AVAILABLE FOR PUBLIC INSPECTION ON THE INTERNET WITHIN UP TO 7 DAYS AFTER A QUALIFYING PAID DIGITAL COMMUNICATION IS PURCHASED.

(II) THE STATE BOARD SHALL REQUIRE AN APPLICANT FOR A COMPLIANCE WAIVER UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO:

1. DESCRIBE WHY COMPLYING WITH THE REQUIREMENTS UNDER PARAGRAPH (3) OF THIS SUBSECTION PRESENTS AN UNREASONABLE BURDEN ON THE APPLICANT; AND

2. PRESENT MEASURES THE APPLICANT WILL TAKE TO MEET THE REQUIREMENTS UNDER PARAGRAPH (3) OF THIS SUBSECTION WITHIN 6 MONTHS AFTER THE DATE THE COMPLIANCE WAIVER IS GRANTED.

(III) THE STATE BOARD MAY NOT GRANT:

1. MORE THAN ONE COMPLIANCE WAIVER TO AN ONLINE PLATFORM; AND

2. A COMPLIANCE WAIVER TO AN ONLINE PLATFORM WITHIN 30 DAYS BEFORE AN ELECTION.

(IV) A COMPLIANCE WAIVER IS NOT EFFECTIVE DURING THE 30 DAYS IMMEDIATELY PRECEDING AN ELECTION.

~~(IV)~~ *(V) IF AN ONLINE PLATFORM WILL APPLY FOR A COMPLIANCE WAIVER UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE ONLINE PLATFORM SHALL APPLY FOR THE COMPLIANCE WAIVER BEFORE RECEIVING PAYMENT FOR A QUALIFYING PAID DIGITAL COMMUNICATION.*

~~(5)~~ *(6)* **FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION A PURCHASER REQUESTS TO DISSEMINATE THROUGH AN ONLINE PLATFORM AND FOR WHICH THE PURCHASER HAS PROVIDED NOTICE IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION, THE ONLINE PLATFORM SHALL MAINTAIN THE FOLLOWING RECORDS:**

(I) FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION PURCHASED BY A POLITICAL COMMITTEE:

1. THE NAME OF THE PERSON AND ANY CONTACT INFORMATION FOR THE PERSON REQUIRED BY THE STATE BOARD, OF THE POLITICAL COMMITTEE; ~~AND~~

2. THE TREASURER OF THE POLITICAL COMMITTEE; *AND*

3. THE TOTAL AMOUNT PAID BY THE PURCHASER TO THE ONLINE PLATFORM FOR THE PLACEMENT OF THE QUALIFYING PAID DIGITAL COMMUNICATION;

(II) FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION PURCHASED BY A PERSON OTHER THAN A POLITICAL COMMITTEE *OR AN AD NETWORK*:

1. THE NAME OF THE PERSON AND ANY CONTACT INFORMATION FOR THE PERSON REQUIRED BY THE STATE BOARD, OF THE PERSON; ~~AND~~

2. THE IDENTITY OF THE INDIVIDUALS EXERCISING DIRECTION OR CONTROL OVER THE ACTIVITIES OF THE PERSON, INCLUDING THE CHIEF EXECUTIVE OFFICER OR BOARD OF DIRECTORS, IF APPLICABLE; AND

3. THE TOTAL AMOUNT PAID BY THE PURCHASER TO THE ONLINE PLATFORM FOR THE PLACEMENT OF THE QUALIFYING PAID DIGITAL COMMUNICATION; AND

(III) ~~THE TOTAL AMOUNT PAID BY THE PURCHASER TO THE ONLINE PLATFORM FOR THE PLACEMENT OF THE QUALIFYING PAID DIGITAL COMMUNICATION, UPDATED WEEKLY~~ *FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION PURCHASED BY AN AD NETWORK:*

1. THE CONTACT INFORMATION FOR THE AD NETWORK; OR

2. A HYPERLINK TO THE AD NETWORK'S WEBSITE WHERE THE CONTACT INFORMATION IS LOCATED.

(C) (1) AN ONLINE PLATFORM SHALL MAINTAIN AND MAKE AVAILABLE TO THE STATE BOARD ON REQUEST THE RECORDS DESCRIBED IN PARAGRAPH ~~(4)~~ *(3)* OF THIS SUBSECTION REGARDING QUALIFYING PAID DIGITAL COMMUNICATIONS DISSEMINATED THROUGH THE ONLINE PLATFORM FOR WHICH THE ONLINE PLATFORM HAS RECEIVED NOTICE IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

~~(2) AN ONLINE PLATFORM SHALL ALLOW THE STATE BOARD TO SEARCH THE RECORDS DESCRIBED IN PARAGRAPH (4) OF THIS SUBSECTION BY CANDIDATE, BALLOT ISSUE, PURCHASER, AND DATE.~~

~~(3)~~ *(2)* THE RECORDS DESCRIBED IN PARAGRAPH ~~(4)~~ *(3)* OF THIS SUBSECTION SHALL BE AVAILABLE ON THE REQUEST OF THE STATE BOARD:

(I) WITHIN 48 HOURS AFTER A QUALIFYING PAID DIGITAL COMMUNICATION IS FIRST DISSEMINATED ON THE ONLINE PLATFORM; AND

(II) FOR AT LEAST 1 YEAR AFTER THE GENERAL ELECTION FOLLOWING THE DATE WHEN THE ONLINE PLATFORM DISSEMINATED THE QUALIFYING PAID DIGITAL COMMUNICATION TO WHICH THE RECORDS RELATE.

~~(4)~~ *(3)* FOR EACH QUALIFYING PAID DIGITAL COMMUNICATION A PURCHASER REQUESTS TO DISSEMINATE THROUGH AN ONLINE PLATFORM AND FOR WHICH THE PURCHASER HAS PROVIDED NOTICE IN ACCORDANCE WITH SUBSECTION

(A) OF THIS SECTION, THE ONLINE PLATFORM SHALL MAINTAIN THE FOLLOWING RECORDS:

(I) THE CANDIDATE OR BALLOT ISSUE TO WHICH THE QUALIFYING PAID DIGITAL COMMUNICATION RELATES AND WHETHER THE QUALIFYING PAID DIGITAL COMMUNICATION SUPPORTS OR OPPOSES THAT CANDIDATE OR BALLOT ISSUE;

(II) THE DATES AND TIMES THAT THE QUALIFYING PAID DIGITAL COMMUNICATION WAS FIRST DISSEMINATED AND LAST DISSEMINATED~~, UPDATED WEEKLY~~;

(III) A DIGITAL COPY OF THE CONTENT OF THE QUALIFYING PAID DIGITAL COMMUNICATION;

(IV) AN APPROXIMATE DESCRIPTION OF THE GEOGRAPHIC LOCATIONS WHERE THE QUALIFYING PAID DIGITAL COMMUNICATION WAS DISSEMINATED~~, UPDATED WEEKLY~~;

(V) AN APPROXIMATE DESCRIPTION OF THE AUDIENCE THAT RECEIVED *OR WAS TARGETED TO RECEIVE* THE QUALIFYING PAID DIGITAL COMMUNICATION~~, UPDATED WEEKLY~~; AND

(VI) THE TOTAL NUMBER OF IMPRESSIONS GENERATED BY THE QUALIFYING PAID DIGITAL COMMUNICATION~~, UPDATED WEEKLY~~.

(5) INFORMATION OBTAINED BY THE STATE BOARD UNDER THIS SUBSECTION IS NOT SUBJECT TO INSPECTION UNDER THE PUBLIC INFORMATION ACT.

(D) (1) A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION SHALL PROVIDE THE ONLINE PLATFORM THAT DISSEMINATES THE QUALIFYING PAID DIGITAL COMMUNICATION WITH THE INFORMATION NECESSARY FOR THE ONLINE PLATFORM TO COMPLY WITH SUBSECTIONS (B) AND (C) OF THIS SECTION.

(2) AN ONLINE PLATFORM MAY RELY IN GOOD FAITH ON THE INFORMATION PROVIDED BY A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION TO COMPLY WITH SUBSECTIONS (B) AND (C) OF THIS SECTION.

(E) AN ONLINE PLATFORM SHALL MAKE REASONABLE EFFORTS TO ALLOW THE STATE BOARD TO:

(1) OBTAIN THE INFORMATION REQUIRED UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION;

(2) OBTAIN THE INFORMATION THAT A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION PROVIDED TO THE ONLINE PLATFORM IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION; AND

(3) OTHERWISE REQUEST THAT A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION COMPLY WITH THIS SECTION OR § 13–401 OF THIS SUBTITLE.

(F) AN ONLINE PLATFORM THAT DISSEMINATES QUALIFYING PAID DIGITAL COMMUNICATIONS SHALL MAKE REASONABLE EFFORTS, IN ACCORDANCE WITH THE FEDERAL STORED COMMUNICATIONS ACT, TO COMPLY WITH ANY SUBPOENA THAT IS ISSUED IN CONNECTION WITH AN INVESTIGATION CONCERNING THE COMPLIANCE OF A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION WITH THIS SECTION OR § 13–401 OF THIS SUBTITLE.

13–405.1.

(A) (1) THE STATE ADMINISTRATOR MAY INVESTIGATE A POTENTIAL VIOLATION OF § 13–401 OR § 13–405 OF THIS SUBTITLE BY A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION.

(2) IN FURTHERANCE OF AN INVESTIGATION UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE STATE ADMINISTRATOR MAY ISSUE A SUBPOENA FOR THE ATTENDANCE OF A WITNESS TO TESTIFY OR THE PRODUCTION OF RECORDS.

(3) A SUBPOENA ISSUED UNDER THIS SUBSECTION SHALL BE SERVED IN ACCORDANCE WITH THE MARYLAND RULES.

(4) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER THIS SUBSECTION, ON PETITION OF THE STATE ADMINISTRATOR, A CIRCUIT COURT OF COMPETENT JURISDICTION MAY COMPEL COMPLIANCE WITH THE SUBPOENA.

(B) (1) AT THE CONCLUSION OF AN INVESTIGATION UNDER SUBSECTION (A)(1) OF THIS SECTION, SUBJECT TO PARAGRAPH (2) OF THE SUBSECTION, THE STATE BOARD MAY REQUEST THAT THE ATTORNEY GENERAL INSTITUTE AN ACTION IN A CIRCUIT COURT FOR INJUNCTIVE RELIEF IN ACCORDANCE WITH THE MARYLAND RULES TO:

(I) REQUIRE A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION TO COMPLY WITH § 13–401 OR § 13–405 OF THIS SUBTITLE; OR

(II) REQUIRE AN ONLINE PLATFORM TO REMOVE A QUALIFIED PAID DIGITAL COMMUNICATION THAT DOES NOT COMPLY WITH § 13–401 OF THIS

SUBTITLE OR IF THE PURCHASER OF THE COMMUNICATION DOES NOT COMPLY WITH § 13–405 OF THIS SUBTITLE.

(2) BEFORE REQUESTING THAT THE ATTORNEY GENERAL SEEK AN INJUNCTION UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE STATE BOARD SHALL:

(I) NOTIFY A PURCHASER OF A QUALIFYING PAID DIGITAL COMMUNICATION WHO IS THE SUBJECT OF AN INVESTIGATION OF THE CIRCUMSTANCES THAT GAVE RISE TO THE INVESTIGATION; AND

(II) PROVIDE THE PERSON REASONABLE OPPORTUNITY TO BE HEARD AT A PUBLIC MEETING OF THE STATE BOARD.

(3) A CIRCUIT COURT MAY GRANT INJUNCTIVE RELIEF UNDER THIS SUBSECTION ONLY IF THE ATTORNEY GENERAL SHOWS BY CLEAR AND CONVINCING EVIDENCE THAT A VIOLATION OF § 13–401 OR § 13–405 OF THIS SUBTITLE IS BEING COMMITTED.

(4) A PERSON WHO VIOLATES AN INJUNCTION ISSUED UNDER THIS SUBSECTION IS SUBJECT TO THE PENALTIES PROVIDED IN § 13–605(B) OF THIS TITLE.

13–405.2.

(A) IN THIS SECTION, "ELECTIONEERING COMMUNICATION" HAS THE MEANING STATED IN § 13–307(A) OF THIS TITLE.

(B) A PERSON MAY NOT PURCHASE CAMPAIGN MATERIAL OR AN ELECTIONEERING COMMUNICATION USING ANY CURRENCY OTHER THAN UNITED STATES CURRENCY.

(C) A PERSON MAY NOT WILLFULLY AND KNOWINGLY SELL CAMPAIGN MATERIAL OR AN ELECTIONEERING COMMUNICATION TO A PERSON WHO USES ANY CURRENCY OTHER THAN UNITED STATES CURRENCY TO PAY FOR THE CAMPAIGN MATERIAL OR ELECTIONEERING COMMUNICATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June~~ *July* 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 835

(House Bill 1103)

AN ACT concerning

Higher Education – Private Career Schools ~~and~~, For–Profit Institutions of Higher Education, and For–Profit Online Distance Education Programs – Regulation

FOR the purpose of prohibiting certain private career schools ~~and~~, for–profit institutions of higher education, and certain institutions of higher education required to register with the Maryland Higher Education Commission under certain circumstances from enrolling certain students ~~unless the students are made aware of certain information~~ in certain programs under certain circumstances; requiring certain schools or institutions to provide to certain students certain information before the student signs an enrollment agreement, completes registration, or makes a financial commitment to the school or institution; requiring certain information to be displayed in a certain manner; requiring certain schools and institutions to maintain certain records for a certain period of time; requiring the ~~Maryland Higher Education~~ Commission to require certain ~~private career~~ schools and ~~for–profit~~ institutions ~~of higher education~~ to furnish a performance bond or ~~other form of financial guarantee that covers certain tuition liability~~ irrevocable letter of credit in a certain amount and between the surety and the Commission in addition to and separate from certain other requirements; ~~requiring a certain fund established for for–profit institutions of higher education to maintain a certain balance; requiring certain for–profit institutions of higher education to pay a certain fee into the fund; specifying that the requirement to pay a certain fee may not be satisfied by certain methods; requiring the Commission to make certain calculations and refund certain money or require the payment of a certain fee under certain circumstances; making a technical correction~~ authorizing the Commission to create and provide for certain guaranty funds; making this Act an emergency measure; and generally relating to the regulation of private career schools ~~and~~, for–profit institutions of higher education, and for–profit online distance education programs.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 13–320
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Education
Section 11–202.2(a) and (b)
Annotated Code of Maryland
(2018 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Education
Section ~~11–203~~ 11–203(a) through (c) and (d)(1)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Commercial Law

13–320.

(A) A private career school or for–profit institution of higher education, as defined under § 10–101 of the Education Article, **OR A FOR–PROFIT INSTITUTION OF HIGHER EDUCATION THAT IS REQUIRED TO REGISTER WITH THE MARYLAND HIGHER EDUCATION COMMISSION UNDER § 11–202.2 OF THE EDUCATION ARTICLE,** may not enroll a student in a program that is intended to lead to employment in a field that requires licensure or certification in the State if:

(1) Successful completion of the educational course offerings in the program at the private career school or for–profit institution of higher education will not meet the State educational requirements for licensure or certification;

(2) The State entity that licenses or certifies individuals in the field requires as a condition of licensure or certification that the private career school or for–profit institution of higher education attended by the individual satisfies a statutory or regulatory requirement, and the school does not satisfy the requirement; or

(3) The private career school or for–profit institution of higher education is aware or reasonably should have been aware of any other factors that may lead to the ineligibility of the student to pursue or obtain licensure or certification in the State.

(B) (1) ~~A~~ **BEFORE A PROSPECTIVE STUDENT SIGNS AN ENROLLMENT AGREEMENT, COMPLETES REGISTRATION, OR MAKES A FINANCIAL COMMITMENT TO A PRIVATE CAREER SCHOOL** ~~OR~~**, FOR–PROFIT INSTITUTION OF HIGHER EDUCATION, OR FOR–PROFIT INSTITUTION OF HIGHER EDUCATION THAT IS REQUIRED TO REGISTER WITH THE COMMISSION, THE SCHOOL OR INSTITUTION SHALL PROVIDE TO THE STUDENT** ~~MAY NOT ENROLL A STUDENT UNLESS THE INSTITUTION MAKES THE STUDENT AWARE OF THE FOLLOWING INFORMATION:~~

~~(1) TOTAL COST OF THE PROGRAM;~~

~~(2) LENGTH OF THE PROGRAM;~~

~~(3) REFUND INFORMATION;~~

~~(4) TRANSFERABILITY OF CREDITS; AND~~

~~(5) THE COHORT DEFAULT RATE OF THE INSTITUTION.~~

(I) THE TOTAL COST OF ATTENDANCE FOR THE PROGRAM, AS DEFINED IN 20 U.S.C. § 1087LL;

(II) THE LENGTH OF THE PROGRAM;

(III) THE NUMBER OF CLOCK OR CREDIT HOURS, OR THE EQUIVALENT INFORMATION;

(IV) THE SCHOOL OR INSTITUTION'S CANCELLATION AND REFUND POLICY;

(V) THE PROGRAM'S COMPLETION RATES FOR BOTH FULL–TIME AND PART–TIME STUDENTS;

(VI) THE PROGRAM'S WITHDRAWAL RATES; AND

(VII) THE MEDIAN COMBINED LOAN DEBT FOR FEDERAL LOANS, INSTITUTIONAL LOANS, AND PRIVATE LOANS CERTIFIED BY THE SCHOOL OR INSTITUTION, FOR ALL STUDENTS WHO COMPLETED THE PROGRAM DURING THE MOST RECENTLY COMPLETED AWARD YEAR.

(2) (I) THE INFORMATION DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PROMINENTLY DISPLAYED IN A LETTER OR E–MAIL TO A PROSPECTIVE STUDENT.

(II) THE LETTER OR E–MAIL MAY NOT CONTAIN ANY OTHER SUBSTANTIVE INFORMATION FROM THE SCHOOL OR INSTITUTION.

(3) THE SCHOOL OR INSTITUTION SHALL MAINTAIN RECORDS OF THE SCHOOL'S OR INSTITUTION'S EFFORTS TO PROVIDE THE INFORMATION DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO A PROSPECTIVE STUDENT FOR AT LEAST 5 YEARS AFTER THE STUDENT ENROLLS AT THE SCHOOL OR INSTITUTION.

Article – Education

11–202.2.

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

(2) "Fully online distance education program in the State" means a program, originating outside the State, offered by an out–of–state institution in which:

(i) A student domiciled in Maryland enrolls;

(ii) 51% or more of the program is offered through electronic distribution; and

(iii) The Commission determines that the portion of the program offered at a location in the State, if any, does not require a certificate of approval under § 11–202 of this subtitle for the institution to operate in the State.

(3) "Out–of–state institution" means an institution of higher education whose primary campus exists outside Maryland and whose authority to grant degrees is conferred by another state.

(b) (1) An institution of higher education that enrolls Maryland students in a fully online distance education program in the State shall file an application to register with the Commission before or within 3 months of enrolling the first Maryland student.

(2) This section does not apply to an institution of higher education that enrolls Maryland students in a fully online distance education program in the State that:

(i) Is subject to program review by the Commission under § 11–206 or § 11–206.1 of this subtitle;

(ii) Participates in the Southern Regional Education Board's Electronic Campus; or

(iii) Participates in the State Authorization Reciprocity Agreement (SARA).

(3) (i) After filing an application under paragraph (1) of this subsection, an institution that has enrolled a Maryland student before obtaining a registration under this section may continue to operate without a registration while the Commission considers the institution's application, conducts a hearing concerning the institution's application, or participates in judicial review regarding an institution's application.

(ii) An institution that continues to operate without a registration under subparagraph (i) of this paragraph shall furnish a performance bond or other form of financial guarantee to the State in an amount set by regulation that is in addition to and separate from a performance bond or other form of financial guarantee required under § 11–203 of this subtitle.

11–203.

(a) **(1)** **[**The**]** **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE** Commission may require any institution of postsecondary education that is required to obtain a certificate of approval or an institution of higher education that is required to register under § 11–202.2 of this subtitle to furnish a performance bond or other form of financial guarantee for either the certificate of approval or the registration to the State conditioned that the institution will:

[(1)**]** **(I)** Perform faithfully all agreements or contracts it makes with its students; and

[(2)**]** **(II)** Comply with this article.

(2) IN ADDITION TO AND SEPARATE FROM THE REQUIREMENTS OF SUBSECTION (D)(4) ~~AND (5)~~ OF THIS SECTION, THE COMMISSION SHALL REQUIRE EACH PRIVATE CAREER SCHOOL AND FOR–PROFIT INSTITUTION OF HIGHER EDUCATION THAT OPERATES IN THE STATE, AND EACH FOR–PROFIT INSTITUTION OF HIGHER EDUCATION THAT IS REQUIRED TO REGISTER WITH THE COMMISSION UNDER § 11–202.2 OF THIS SUBTITLE, TO FURNISH A PERFORMANCE BOND OR ~~OTHER FORM OF FINANCIAL GUARANTEE THAT COVERS THE TOTAL MARYLAND STUDENT TUITION LIABILITY OF THE SCHOOL OR INSTITUTION~~ IRREVOCABLE LETTER OF CREDIT IN AN AMOUNT EQUAL TO THE SCHOOL'S OR INSTITUTION'S NON–TITLE IV ADJUSTED GROSS TUITION AND FEES FOR THE PRIOR JULY 1 THROUGH JUNE 30.

(b) **(1)** **[**Any**]** **EXCEPT AS PROVIDED UNDER SUBSECTION (A)(2) OF THIS SECTION AND SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ANY** bond or guarantee required under this section shall be in the form and amount the Secretary requires.

(2) A PERFORMANCE BOND OR IRREVOCABLE LETTER OF CREDIT REQUIRED UNDER THIS SECTION SHALL BE BETWEEN THE SURETY AND THE COMMISSION.

(c) (1) The total liability of a surety on a bond or guarantee under this section may not exceed the amount of the bond or guarantee.

(2) If the total amount of claims filed against a bond or guarantee exceeds the amount of the bond or guarantee, the surety shall pay the amount of the bond or guarantee to the Secretary for distribution to the claimants.

(d) (1) By regulation, the Commission:

(i) ~~Shall~~ **MAY** create and provide for the operation of two separate guaranty funds for:

1. For–profit institutions of higher education; and

2. Private career schools; and

(ii) May create and provide for the operation of a guaranty fund for institutions of higher education that are required to register under § 11–202.2 of this subtitle.

~~(2) (i) The for–profit institutions of higher education fund and the private career school fund shall be used:~~

~~1. In the event of a school closure by a for–profit institution of higher education or a private career school, to provide a full refund of tuition and fees incurred by a student that have not been reimbursed or discharged;~~

~~2. Subject to paragraph (3) of this subsection, to provide a refund, as determined by the Secretary, of tuition and fees incurred by a student that have not been reimbursed or discharged, if a for–profit institution of higher education or a private career school fails to:~~

~~A. Perform faithfully any enrollment agreement or contract with the student; or~~

~~B. Comply with any provisions of this article; or~~

~~3. For any other reason directly related to the original purpose of the fund deemed appropriate by the Secretary.~~

~~(ii) 1. The fund for institutions of higher education that are required to register under § 11–202.2 of this subtitle shall be used to reimburse any student at any of these institutions who is entitled to a refund of tuition and fees because the institution has failed to perform faithfully any agreement or contract with the student or failed to comply with any provision of this article.~~

~~2. A. After 3 years of claims history during which no claim against the fund has been sustained on behalf of a Maryland student participating in a fully online distance education program offered in the State by an institution registered under § 11–202.2 of this subtitle, the Commission shall exempt that institution from the requirement to contribute to the fund.~~

~~B. Notwithstanding subsubsubparagraph A of this subsubparagraph, an institution shall be required to contribute to the fund following a claim against the fund being sustained on behalf of a Maryland student participating in a fully online distance education program offered in the State by the institution.~~

~~3. Notwithstanding subsubparagraph 2 of this subparagraph, a student who takes courses from an institution exempted from contribution~~

~~to the fund under subsubparagraph 2 of this subparagraph may make a claim against the fund in accordance with subsubparagraph 1 of this subparagraph.~~

~~(iii) 1. The funds shall be continuing, nonlapsing funds, not subject to § 7–302 of the State Finance and Procurement Article.~~

~~2. Any unspent portions of the funds may not be transferred or revert to the General Fund of the State, but shall remain in the funds to be used for the purposes specified in this subsection.~~

~~3. No other State money may be used to support the funds.~~

~~(iv) The Commission shall be subrogated to and may enforce the claim of any student to the extent of any actual or authorized reimbursement from the funds.~~

~~(3) (i) Subject to subparagraph (ii) of this paragraph, a student shall follow the complaint process of the institution before making a claim under paragraph (2)(i)2 of this subsection to a guaranty fund established under this section.~~

~~(ii) If an institution does not respond within 30 days after the receipt of a complaint filed under subparagraph (i) of this paragraph, the student may make a claim to a guaranty fund established under this section.~~

~~(4) (i) Each **[**for–profit institution of higher education or**]** private career school that is required to obtain a certificate of approval and, subject to paragraph **[**(2)(iii)2**]** **(2)(II)2** of this subsection, each institution of higher education required to register under § 11–202.2 of this subtitle shall pay an annual fee into the appropriate fund.~~

~~(ii) The Commission shall determine the amount of the fee based on the probable amount of money needed for the funds for each fiscal year. If the moneys in the guaranty funds are insufficient to satisfy duly authorized claims, the participating institutions may be reassessed and shall pay the additional amounts required.~~

~~(iii) The Commission may not issue a certificate of approval or registration to, and shall revoke any certificate of approval or registration previously issued to, an institution that fails to pay any annual fee or reassessment.~~

~~(iv) The Commission shall deposit into the appropriate fund any penalty assessed against **[**a for–profit institution of higher education,**]** AN institution of higher education required to register under § 11–202.2 of this subtitle**[**,**]** or A private career school, respectively, under the terms of § 11–204 of this subtitle.~~

~~**(5) (I) THE FUND REQUIRED TO BE ESTABLISHED FOR FOR–PROFIT INSTITUTIONS OF HIGHER EDUCATION UNDER PARAGRAPH (1)(I)1 OF THIS SUBSECTION SHALL MAINTAIN A BALANCE THAT IS NOT LESS THAN THE**~~

~~AMOUNT OF MONEY THAT WOULD BE NEEDED TO REFUND ALL OF THE MARYLAND STUDENTS AT THE FOR–PROFIT INSTITUTION OF HIGHER EDUCATION THAT HAS THE LARGEST STUDENT TUITION LIABILITY IN THE STATE, LESS ANY MONEY THAT WOULD BE RECOVERABLE THROUGH FEDERAL LOAN DISCHARGE.~~

~~(II) 1. SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, ON OR BEFORE AUGUST 1, 2018, EACH FOR–PROFIT INSTITUTION SHALL PAY A FEE INTO THE FUND THAT IS EQUAL TO THE PERCENTAGE OF THE FUND THAT IS THE NUMBER OF MARYLAND STUDENTS WHO ATTEND THE INSTITUTION, MULTIPLIED BY THE AVERAGE MARYLAND STUDENT TUITION LIABILITY AT THAT INSTITUTION, DIVIDED BY THE TOTAL MARYLAND STUDENT TUITION LIABILITY AT FOR–PROFIT INSTITUTIONS OF HIGHER EDUCATION THAT OPERATE IN THE STATE.~~

~~2. THE REQUIREMENT TO PAY A FEE UNDER THIS SUBPARAGRAPH MAY NOT BE SATISFIED BY FURNISHING A PERFORMANCE BOND OR OTHER FORM OF FINANCIAL GUARANTEE.~~

~~(III) 1. ON OR BEFORE AUGUST 1, 2022, AND EVERY 4 YEARS THEREAFTER, THE COMMISSION SHALL RECALCULATE THE AMOUNT OF THE FUND AS DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.~~

~~2. AFTER MAKING THE CALCULATION UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, THE COMMISSION SHALL RECALCULATE THE FEE DESCRIBED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.~~

~~3. AFTER MAKING THE CALCULATIONS DESCRIBED UNDER THIS SUBPARAGRAPH, THE COMMISSION SHALL:~~

~~A. REFUND THE DIFFERENCE IN THE FEES PAID BY AN INSTITUTION WHOSE SHARE IS LESS THAN THE AMOUNT OF THE FEE PAID BY THAT INSTITUTION 4 YEARS EARLIER; AND~~

~~B. REQUIRE AN INSTITUTION TO PAY A FEE INTO THE FUND IF THE INSTITUTION'S SHARE IS MORE THAN THE AMOUNT OF THE FEE, IF ANY, PAID BY THE INSTITUTION 4 YEARS EARLIER.~~

~~[(5)] (6) (i) The funds shall be maintained by the State Comptroller who may deposit the assets of the funds in any manner that is consistent with the purposes of the funds.~~

~~(ii) All interest or other return on fund investments shall be credited to the funds.~~

~~[(6)] (7) The Commission, through the Attorney General, may enforce any claim to which the Commission has been subrogated under this subsection.~~

~~(e) On or before December 1 each year, the Commission shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly, regarding:~~

~~(1) The number of claims made against each guaranty fund established under this section;~~

~~(2) The type, size, and program of the institutions against which the claims are made;~~

~~(3) The reason for the claim, including whether the private career school or for–profit institution of higher education closed and, if so, whether some students were able to finish their program despite the closure and, if so, how many;~~

~~(4) The number of claims that are approved and the associated payouts from the funds; and~~

~~(5) The number of claims that are denied.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 836

(Senate Bill 795)

AN ACT concerning

Higher Education – Private Career Schools ~~and~~, For–Profit Institutions of Higher Education, and For–Profit Online Distance Education Programs – Regulation

FOR the purpose of prohibiting certain private career schools ~~and~~, for–profit institutions of higher education, and certain institutions of higher education required to register with the Maryland Higher Education Commission under certain circumstances from enrolling certain students ~~unless the students are made aware of certain information~~ in certain programs under certain circumstances; requiring certain schools or

institutions to provide to certain students certain information before the student signs an enrollment agreement, completes registration, or makes a financial commitment to the school or institution; requiring certain information to be displayed in a certain manner; requiring certain schools and institutions to maintain certain records for a certain period of time; requiring the ~~Maryland Higher Education~~ Commission to require certain ~~private career~~ schools and ~~for–profit~~ institutions ~~of higher education~~ to furnish a performance bond or ~~other form of financial guarantee that covers certain tuition liability~~ irrevocable letter of credit in a certain amount and between the surety and the Commission in addition to and separate from certain other requirements; ~~requiring a certain fund established for for–profit institutions of higher education to maintain a certain balance; requiring certain for–profit institutions of higher education to pay a certain fee into the fund; specifying that the requirement to pay a certain fee may not be satisfied by certain methods; requiring the Commission to make certain calculations and refund certain money or require the payment of a certain fee under certain circumstances; making a technical correction~~ authorizing the Commission to create and provide for certain guaranty funds; making this Act an emergency measure; and generally relating to the regulation of private career schools ~~and~~, for–profit institutions of higher education, and for–profit online distance education programs.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 13–320
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Education
Section 11–202.2(a) and (b)
Annotated Code of Maryland
(2018 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Education
Section ~~11–203~~ 11–203(a) through (c) and (d)(1)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

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

Article – Commercial Law

13–320.

(A) A private career school or for–profit institution of higher education, as defined under § 10–101 of the Education Article, **OR A FOR–PROFIT INSTITUTION OF HIGHER**

EDUCATION THAT IS REQUIRED TO REGISTER WITH THE MARYLAND HIGHER EDUCATION COMMISSION UNDER § 11–202.2 OF THE EDUCATION ARTICLE, may not enroll a student in a program that is intended to lead to employment in a field that requires licensure or certification in the State if:

(1) Successful completion of the educational course offerings in the program at the private career school or for–profit institution of higher education will not meet the State educational requirements for licensure or certification;

(2) The State entity that licenses or certifies individuals in the field requires as a condition of licensure or certification that the private career school or for–profit institution of higher education attended by the individual satisfies a statutory or regulatory requirement, and the school does not satisfy the requirement; or

(3) The private career school or for–profit institution of higher education is aware or reasonably should have been aware of any other factors that may lead to the ineligibility of the student to pursue or obtain licensure or certification in the State.

(B) (1) ~~A~~ BEFORE A PROSPECTIVE STUDENT SIGNS AN ENROLLMENT AGREEMENT, COMPLETES REGISTRATION, OR MAKES A FINANCIAL COMMITMENT TO A PRIVATE CAREER SCHOOL ~~OR~~, FOR–PROFIT INSTITUTION OF HIGHER EDUCATION, OR FOR–PROFIT INSTITUTION OF HIGHER EDUCATION THAT IS REQUIRED TO REGISTER WITH THE COMMISSION, THE SCHOOL OR INSTITUTION SHALL PROVIDE TO THE STUDENT ~~MAY NOT ENROLL A STUDENT UNLESS THE INSTITUTION MAKES THE STUDENT AWARE OF~~ THE FOLLOWING INFORMATION:

~~(1) TOTAL COST OF THE PROGRAM;~~

~~(2) LENGTH OF THE PROGRAM;~~

~~(3) REFUND INFORMATION;~~

~~(4) TRANSFERABILITY OF CREDITS; AND~~

~~(5) THE COHORT DEFAULT RATE OF THE INSTITUTION.~~

(I) THE TOTAL COST OF ATTENDANCE FOR THE PROGRAM, AS DEFINED IN 20 U.S.C. § 1087LL;

(II) THE LENGTH OF THE PROGRAM;

(III) THE NUMBER OF CLOCK OR CREDIT HOURS, OR THE EQUIVALENT INFORMATION;

(IV) THE SCHOOL OR INSTITUTION'S CANCELLATION AND REFUND POLICY;

(V) THE PROGRAM'S COMPLETION RATES FOR BOTH FULL–TIME AND PART–TIME STUDENTS; ~~AND~~

(VI) THE PROGRAM'S WITHDRAWAL RATES*; AND*

(VII) THE MEDIAN COMBINED LOAN DEBT FOR FEDERAL LOANS, INSTITUTIONAL LOANS, AND PRIVATE LOANS CERTIFIED BY THE SCHOOL OR INSTITUTION, FOR ALL STUDENTS WHO COMPLETED THE PROGRAM DURING THE MOST RECENTLY COMPLETED AWARD YEAR.

(2) (I) THE INFORMATION DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PROMINENTLY DISPLAYED IN A LETTER OR E–MAIL TO A PROSPECTIVE STUDENT.

(II) THE LETTER OR E–MAIL MAY NOT CONTAIN ANY OTHER SUBSTANTIVE INFORMATION FROM THE SCHOOL OR INSTITUTION.

(3) THE SCHOOL OR INSTITUTION SHALL MAINTAIN RECORDS OF THE SCHOOL'S OR INSTITUTION'S EFFORTS TO PROVIDE THE INFORMATION DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO A PROSPECTIVE STUDENT FOR AT LEAST 5 YEARS AFTER THE STUDENT ENROLLS AT THE SCHOOL OR INSTITUTION.

Article – Education

11–202.2.

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

(2) "Fully online distance education program in the State" means a program, originating outside the State, offered by an out–of–state institution in which:

(i) A student domiciled in Maryland enrolls;

(ii) 51% or more of the program is offered through electronic distribution; and

(iii) The Commission determines that the portion of the program offered at a location in the State, if any, does not require a certificate of approval under § 11–202 of this subtitle for the institution to operate in the State.

(3) "Out–of–state institution" means an institution of higher education whose primary campus exists outside Maryland and whose authority to grant degrees is conferred by another state.

(b) (1) An institution of higher education that enrolls Maryland students in a fully online distance education program in the State shall file an application to register with the Commission before or within 3 months of enrolling the first Maryland student.

(2) This section does not apply to an institution of higher education that enrolls Maryland students in a fully online distance education program in the State that:

(i) Is subject to program review by the Commission under § 11–206 or § 11–206.1 of this subtitle;

(ii) Participates in the Southern Regional Education Board's Electronic Campus; or

(iii) Participates in the State Authorization Reciprocity Agreement (SARA).

(3) (i) After filing an application under paragraph (1) of this subsection, an institution that has enrolled a Maryland student before obtaining a registration under this section may continue to operate without a registration while the Commission considers the institution's application, conducts a hearing concerning the institution's application, or participates in judicial review regarding an institution's application.

(ii) An institution that continues to operate without a registration under subparagraph (i) of this paragraph shall furnish a performance bond or other form of financial guarantee to the State in an amount set by regulation that is in addition to and separate from a performance bond or other form of financial guarantee required under § 11–203 of this subtitle.

11–203.

(a) **(1)** **[**The**]** **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE** Commission may require any institution of postsecondary education that is required to obtain a certificate of approval or an institution of higher education that is required to register under § 11–202.2 of this subtitle to furnish a performance bond or other form of financial guarantee for either the certificate of approval or the registration to the State conditioned that the institution will:

[(1)**]** **(I)** Perform faithfully all agreements or contracts it makes with its students; and

[(2)**]** **(II)** Comply with this article.

(2) IN ADDITION TO AND SEPARATE FROM THE REQUIREMENTS OF SUBSECTION (D)(4) ~~AND (5)~~ OF THIS SECTION, THE COMMISSION SHALL REQUIRE EACH PRIVATE CAREER SCHOOL AND FOR–PROFIT INSTITUTION OF HIGHER EDUCATION THAT OPERATES IN THE STATE, AND EACH FOR–PROFIT INSTITUTION OF HIGHER EDUCATION THAT IS REQUIRED TO REGISTER WITH THE COMMISSION UNDER § 11–202.2 OF THIS SUBTITLE, TO FURNISH A PERFORMANCE BOND OR ~~OTHER FORM OF FINANCIAL GUARANTEE THAT COVERS THE TOTAL MARYLAND STUDENT TUITION LIABILITY OF THE SCHOOL OR INSTITUTION~~ IRREVOCABLE LETTER OF CREDIT IN AN AMOUNT EQUAL TO THE SCHOOL'S OR INSTITUTION'S NON–TITLE IV ADJUSTED GROSS TUITION AND FEES FOR THE PRIOR JULY 1 THROUGH JUNE 30.

(b) **(1)** **[**Any**]** **EXCEPT AS PROVIDED UNDER SUBSECTION (A)(2) OF THIS SECTION AND SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ANY** bond or guarantee required under this section shall be in the form and amount the Secretary requires.

(2) A PERFORMANCE BOND OR IRREVOCABLE LETTER OF CREDIT REQUIRED UNDER THIS SECTION SHALL BE BETWEEN THE SURETY AND THE COMMISSION.

(c) (1) The total liability of a surety on a bond or guarantee under this section may not exceed the amount of the bond or guarantee.

(2) If the total amount of claims filed against a bond or guarantee exceeds the amount of the bond or guarantee, the surety shall pay the amount of the bond or guarantee to the Secretary for distribution to the claimants.

(d) (1) By regulation, the Commission:

(i) ~~Shall~~ **MAY** create and provide for the operation of two separate guaranty funds for:

1. For–profit institutions of higher education; and

2. Private career schools; and

(ii) May create and provide for the operation of a guaranty fund for institutions of higher education that are required to register under § 11–202.2 of this subtitle.

~~(2) (i) The for–profit institutions of higher education fund and the private career school fund shall be used:~~

~~1. In the event of a school closure by a for–profit institution of higher education or a private career school, to provide a full refund of tuition and fees incurred by a student that have not been reimbursed or discharged;~~

~~2. Subject to paragraph (3) of this subsection, to provide a refund, as determined by the Secretary, of tuition and fees incurred by a student that have not been reimbursed or discharged, if a for–profit institution of higher education or a private career school fails to:~~

~~A. Perform faithfully any enrollment agreement or contract with the student; or~~

~~B. Comply with any provisions of this article; or~~

~~3. For any other reason directly related to the original purpose of the fund deemed appropriate by the Secretary.~~

~~(ii) 1. The fund for institutions of higher education that are required to register under § 11–202.2 of this subtitle shall be used to reimburse any student at any of these institutions who is entitled to a refund of tuition and fees because the institution has failed to perform faithfully any agreement or contract with the student or failed to comply with any provision of this article.~~

~~2. A. After 3 years of claims history during which no claim against the fund has been sustained on behalf of a Maryland student participating in a fully online distance education program offered in the State by an institution registered under § 11–202.2 of this subtitle, the Commission shall exempt that institution from the requirement to contribute to the fund.~~

~~B. Notwithstanding subsubsubparagraph A of this subsubparagraph, an institution shall be required to contribute to the fund following a claim against the fund being sustained on behalf of a Maryland student participating in a fully online distance education program offered in the State by the institution.~~

~~3. Notwithstanding subsubparagraph 2 of this subparagraph, a student who takes courses from an institution exempted from contribution to the fund under subsubparagraph 2 of this subparagraph may make a claim against the fund in accordance with subsubparagraph 1 of this subparagraph.~~

~~(iii) 1. The funds shall be continuing, nonlapsing funds, not subject to § 7–302 of the State Finance and Procurement Article.~~

~~2. Any unspent portions of the funds may not be transferred or revert to the General Fund of the State, but shall remain in the funds to be used for the purposes specified in this subsection.~~

~~3. No other State money may be used to support the funds.~~

~~(iv) The Commission shall be subrogated to and may enforce the claim of any student to the extent of any actual or authorized reimbursement from the funds.~~

~~(3) (i) Subject to subparagraph (ii) of this paragraph, a student shall follow the complaint process of the institution before making a claim under paragraph (2)(i)2 of this subsection to a guaranty fund established under this section.~~

~~(ii) If an institution does not respond within 30 days after the receipt of a complaint filed under subparagraph (i) of this paragraph, the student may make a claim to a guaranty fund established under this section.~~

~~(4) (i) Each [for–profit institution of higher education or] private career school that is required to obtain a certificate of approval and, subject to paragraph [(2)(iii)2] (2)(II)2 of this subsection, each institution of higher education required to register under § 11–202.2 of this subtitle shall pay an annual fee into the appropriate fund.~~

~~(ii) The Commission shall determine the amount of the fee based on the probable amount of money needed for the funds for each fiscal year. If the moneys in the guaranty funds are insufficient to satisfy duly authorized claims, the participating institutions may be reassessed and shall pay the additional amounts required.~~

~~(iii) The Commission may not issue a certificate of approval or registration to, and shall revoke any certificate of approval or registration previously issued to, an institution that fails to pay any annual fee or reassessment.~~

~~(iv) The Commission shall deposit into the appropriate fund any penalty assessed against [a for–profit institution of higher education,] AN institution of higher education required to register under § 11–202.2 of this subtitle[,] or A private career school, respectively, under the terms of § 11–204 of this subtitle.~~

~~(5) (I) THE FUND REQUIRED TO BE ESTABLISHED FOR FOR–PROFIT INSTITUTIONS OF HIGHER EDUCATION UNDER PARAGRAPH (1)(I)1 OF THIS SUBSECTION SHALL MAINTAIN A BALANCE THAT IS NOT LESS THAN THE AMOUNT OF MONEY THAT WOULD BE NEEDED TO REFUND ALL OF THE MARYLAND STUDENTS AT THE FOR–PROFIT INSTITUTION OF HIGHER EDUCATION THAT HAS THE LARGEST STUDENT TUITION LIABILITY IN THE STATE, LESS ANY MONEY THAT WOULD BE RECOVERABLE THROUGH FEDERAL LOAN DISCHARGE.~~

~~(II) 1. SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, ON OR BEFORE AUGUST 1, 2018, EACH FOR–PROFIT INSTITUTION SHALL PAY A FEE INTO THE FUND THAT IS EQUAL TO THE PERCENTAGE OF THE FUND THAT IS THE NUMBER OF MARYLAND STUDENTS WHO ATTEND THE INSTITUTION, MULTIPLIED BY THE AVERAGE MARYLAND STUDENT TUITION LIABILITY AT THAT~~

~~INSTITUTION, DIVIDED BY THE TOTAL MARYLAND STUDENT TUITION LIABILITY AT FOR–PROFIT INSTITUTIONS OF HIGHER EDUCATION THAT OPERATE IN THE STATE.~~

~~2. THE REQUIREMENT TO PAY A FEE UNDER THIS SUBPARAGRAPH MAY NOT BE SATISFIED BY FURNISHING A PERFORMANCE BOND OR OTHER FORM OF FINANCIAL GUARANTEE.~~

~~(III) 1. ON OR BEFORE AUGUST 1, 2022, AND EVERY 4 YEARS THEREAFTER, THE COMMISSION SHALL RECALCULATE THE AMOUNT OF THE FUND AS DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.~~

~~2. AFTER MAKING THE CALCULATION UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, THE COMMISSION SHALL RECALCULATE THE FEE DESCRIBED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.~~

~~3. AFTER MAKING THE CALCULATIONS DESCRIBED UNDER THIS SUBPARAGRAPH, THE COMMISSION SHALL:~~

~~A. REFUND THE DIFFERENCE IN THE FEES PAID BY AN INSTITUTION WHOSE SHARE IS LESS THAN THE AMOUNT OF THE FEE PAID BY THAT INSTITUTION 4 YEARS EARLIER; AND~~

~~B. REQUIRE AN INSTITUTION TO PAY A FEE INTO THE FUND IF THE INSTITUTION'S SHARE IS MORE THAN THE AMOUNT OF THE FEE, IF ANY, PAID BY THE INSTITUTION 4 YEARS EARLIER.~~

~~[(5)] (6) (i) The funds shall be maintained by the State Comptroller who may deposit the assets of the funds in any manner that is consistent with the purposes of the funds.~~

~~(ii) All interest or other return on fund investments shall be credited to the funds.~~

~~[(6)] (7) The Commission, through the Attorney General, may enforce any claim to which the Commission has been subrogated under this subsection.~~

~~(c) On or before December 1 each year, the Commission shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly, regarding:~~

~~(1) The number of claims made against each guaranty fund established under this section;~~

~~(2) The type, size, and program of the institutions against which the claims are made;~~

~~(3) The reason for the claim, including whether the private career school or for–profit institution of higher education closed and, if so, whether some students were able to finish their program despite the closure and, if so, how many;~~

~~(4) The number of claims that are approved and the associated payouts from the funds; and~~

~~(5) The number of claims that are denied.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 837

(House Bill 1115)

AN ACT concerning

Howard County – Orphans' Court Judges – Compensation

Ho. Co. 7–18

FOR the purpose of establishing the annual compensation of the judges of the Orphans' Court for Howard County for certain fiscal years; providing for the application of this Act; and generally relating to the compensation of the judges of the Orphans' Court for Howard County.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 2–108(o)
Annotated Code of Maryland
(2017 Replacement Volume)

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.

(o) (1) Each **ASSOCIATE** judge of the Court for Howard County shall receive **AN** annual compensation **[**of $10,000**]**, to be paid monthly**, OF:**

(I) $12,000 FOR FISCAL YEAR 2019;

(II) $14,000 FOR FISCAL YEAR 2020;

(III) $16,000 FOR FISCAL YEAR 2021; AND

(IV) $18,000 FOR FISCAL YEAR 2022.

(2) The **[**annual salary of the**]** Chief Judge **[**is $11,500**] SHALL RECEIVE AN ANNUAL COMPENSATION**, to be paid monthly**, OF:**

(I) $13,500 FOR FISCAL YEAR 2019;

(II) $15,500 FOR FISCAL YEAR 2020;

(III) $17,500 FOR FISCAL YEAR 2021; AND

(IV) $19,500 FOR FISCAL YEAR 2022.

(3) Each judge shall also receive an expense allowance, in addition, up to $50 per month, for personal expenses incidental to the judge's duties, to be paid by the Treasurer of Howard County each month on presentation of an itemized voucher.

SECTION 2. AND BE IT FURTHER ENACTED, That, pursuant to Article III, § 35 of the Maryland Constitution, this Act may not be construed to extend or apply to the salary or compensation of the judges of the Orphans' Court for Howard 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 Howard 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 July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 838

(House Bill 1247)

AN ACT concerning

Anne Arundel County – Orphans' Court Judges – ~~Salary~~ Compensation

FOR the purpose of ~~altering the salaries~~ repealing provisions of law that establish the annual compensation of the judges of the Orphans' Court for Anne Arundel County; requiring the annual compensation of the judges of the Orphans' Court for Anne Arundel County to be as set by the County Executive and County Council of Anne Arundel County; providing for the application of this Act; and generally relating to the compensation of judges of the Orphans' Court for Anne Arundel County.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 2–108(c)
Annotated Code of Maryland
(2017 Replacement Volume)

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.

(c) (1) Each of the judges of the Court for Anne Arundel County shall receive an annual compensation ~~of:~~ **AS SET BY THE COUNTY EXECUTIVE AND THE COUNTY COUNCIL.**

[(i) $27,000 for calendar year 2007; and

(ii) $29,000 for calendar year 2008 and each subsequent calendar year.**]**

~~**(I) $29,000 FOR CALENDAR YEAR 2018;**~~

~~**(II) $31,500 FOR CALENDAR YEAR 2019;**~~

~~**(III) $34,000 FOR CALENDAR YEAR 2020;**~~

~~**(IV) $36,500 FOR CALENDAR YEAR 2021; AND**~~

~~**(V) $39,000 FOR CALENDAR YEAR 2022 AND EACH SUBSEQUENT CALENDAR YEAR.**~~

~~(2) The Chief Judge shall receive an additional $500 annually.~~

~~(3)~~ **(2)** Each judge shall also receive an expense allowance up to $150 per month for personal expenses incidental to his duties, to be paid by the Comptroller of Anne Arundel County each month upon presentation of an itemized voucher in accordance with rules and regulations prescribed by the Comptroller.

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 a judge of the Orphans' Court for Anne Arundel 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 a judge of the Orphans' Court for Anne Arundel 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~~ July 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 839

(House Bill 1286)

AN ACT concerning

State Center – Redevelopment – Requirements, Participation, and Process

FOR the purpose of prohibiting the State or its reporting agency from entering into certain contracts or plans related to the redevelopment of a certain project at State Center unless certain criteria are met; requiring certain criteria to be included, to the extent possible, in any new or modified plans for the redevelopment of a certain project; requiring the participation of community associations in the process for a certain redevelopment project; providing for the application of this Act; making the provisions of this Act severable; and generally relating to new or modified development plans of a certain project at State Center.

BY adding to
Article – State Finance and Procurement
Section 10A–403
Annotated Code of Maryland

(2015 Replacement Volume and 2017 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

10A–403.

(A) THIS SECTION APPLIES TO THE PROJECT DEVELOPMENT OF THE 28–ACRE STATE–OWNED PROPERTY IN BALTIMORE CITY BORDERED BY DOLPHIN STREET, NORTH HOWARD STREET, MARTIN LUTHER KING BOULEVARD, AND MADISON AVENUE, COMMONLY KNOWN AS STATE CENTER.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, THE STATE OR ITS REPORTING AGENCY MAY NOT ENTER INTO A NEW OR MODIFIED CONTRACT OR PLAN FOR THE DEVELOPMENT OF STATE CENTER UNLESS THE NEW OR MODIFIED CONTRACT OR PLAN INCLUDES PROVISIONS THAT REQUIRE:

(1) AN ENFORCEABLE COMMUNITY BENEFITS AGREEMENT <u>BETWEEN THE DEVELOPER AND THE STATE CENTER NEIGHBORHOOD ALLIANCE, INC.</u> TO PROVIDE FOR A CONCERTED AND COORDINATED EFFORT BY THE DEVELOPER AND THE COMMUNITY THROUGHOUT THE ENTIRE PLANNING, DEVELOPMENT, AND CONSTRUCTION PHASES OF THE PROJECT;

(2) A COMPREHENSIVE LOCAL HIRING PLAN FOR THE PROJECT THAT INCLUDES GOALS FOR SHORT–TERM CONSTRUCTION JOBS, LONG–TERM EMPLOYMENT OPPORTUNITIES, AND JOB TRAINING; AND

(3) AN ECONOMIC IMPROVEMENT PLAN FOR THE PROJECT THAT INCLUDES GOALS FOR THE USE OF MINORITY– AND WOMEN–OWNED AND LOCALLY OWNED BUSINESSES.

(C) ANY NEW OR MODIFIED DEVELOPMENT CONTRACT OR PLAN SHALL<u>, TO THE EXTENT POSSIBLE,</u> INCLUDE:

(1) STATE AGENCIES AS THE MAJOR ANCHOR TENANT;

(2) SPACE FOR RETAIL, HOUSING, OFFICES, RESTAURANTS, AND OTHER PRIVATE BUSINESSES;

(3) A HIGH–QUALITY <u>FULL–SERVICE</u> GROCERY STORE;

(4) PARKING FACILITIES DESIGNED TO REDUCE PARKING IMPACTS ON THE SURROUNDING COMMUNITIES;

(5) ELEMENTS DESIGNED TO INCREASE THE CONNECTION OF STATE CENTER TO THE SURROUNDING COMMUNITIES; AND

(6) GREEN SPACE.

(D) THE STATE OR ITS REPORTING AGENCY SHALL INCLUDE THE STATE CENTER NEIGHBORHOOD ALLIANCE, INC., AND ANY OTHER INTERESTED COMMUNITY ASSOCIATION IN:

(1) ANY SELECTION PROCESS FOR A NEW DEVELOPMENT CONTRACTOR; AND

(2) THE DEVELOPMENT OF ANY NEW PLANS FOR THE STATE CENTER PROJECT OR ANY PROPOSED MODIFICATIONS TO EXISTING DEVELOPMENT CONTRACTS FOR THE PROJECT.

(E) A DEVELOPER WHO IS A PARTY TO A NEW CONTRACT OR PLAN FOR THE DEVELOPMENT OF STATE CENTER SHALL USE BEST PRACTICAL EFFORTS TO BEGIN CONSTRUCTION WITHIN 18 MONTHS AFTER EXECUTION OF THE NEW CONTRACT AND ANY ASSOCIATED PLANS.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Except as provided in subsection (b) of this section, 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.

(b) To the extent possible, this Act may be construed to apply to a modification made to a contract existing before the effective date of this Act.

SECTION 3. 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. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 840

(Senate Bill 614)

AN ACT concerning

State Center – Redevelopment – Requirements, Participation, and Process

FOR the purpose of prohibiting the State or its reporting agency from entering into certain contracts or plans related to the redevelopment of a certain project at State Center unless certain criteria are met; requiring certain criteria to be included*, to the extent possible,* in any new or modified plans for the redevelopment of a certain project; requiring the participation of community associations in the process for a certain redevelopment project; providing for the application of this Act; making the provisions of this Act severable; and generally relating to new or modified development plans of a certain project at State Center.

BY adding to
Article – State Finance and Procurement
Section 10A–403
Annotated Code of Maryland
(2015 Replacement Volume and 2017 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

10A–403.

(A) THIS SECTION APPLIES TO THE PROJECT DEVELOPMENT OF THE 28–ACRE STATE–OWNED PROPERTY IN BALTIMORE CITY BORDERED BY DOLPHIN STREET, NORTH HOWARD STREET, MARTIN LUTHER KING BOULEVARD, AND MADISON AVENUE, COMMONLY KNOWN AS STATE CENTER.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, THE STATE OR ITS REPORTING AGENCY MAY NOT ENTER INTO A NEW OR MODIFIED CONTRACT OR PLAN FOR THE DEVELOPMENT OF STATE CENTER UNLESS THE NEW OR MODIFIED CONTRACT OR PLAN INCLUDES PROVISIONS THAT REQUIRE:

(1) AN ENFORCEABLE COMMUNITY BENEFITS AGREEMENT BETWEEN THE DEVELOPER AND THE STATE CENTER NEIGHBORHOOD ALLIANCE, INC. TO PROVIDE FOR A CONCERTED AND COORDINATED EFFORT BY THE DEVELOPER AND THE COMMUNITY THROUGHOUT THE ENTIRE PLANNING, DEVELOPMENT, AND CONSTRUCTION PHASES OF THE PROJECT;

(2) A COMPREHENSIVE LOCAL HIRING PLAN FOR THE PROJECT THAT INCLUDES GOALS FOR SHORT–TERM CONSTRUCTION JOBS, LONG–TERM EMPLOYMENT OPPORTUNITIES, AND JOB TRAINING; AND

(3) AN ECONOMIC IMPROVEMENT PLAN FOR THE PROJECT THAT INCLUDES GOALS FOR THE USE OF MINORITY– AND WOMEN–OWNED AND LOCALLY OWNED BUSINESSES.

(C) ANY NEW OR MODIFIED DEVELOPMENT CONTRACT OR PLAN SHALL, *TO THE EXTENT POSSIBLE,* INCLUDE:

(1) STATE AGENCIES AS THE MAJOR ANCHOR TENANT;

(2) SPACE FOR RETAIL, HOUSING, OFFICES, RESTAURANTS, AND OTHER PRIVATE BUSINESSES;

(3) A HIGH–QUALITY, FULL–SERVICE GROCERY STORE;

(4) PARKING FACILITIES DESIGNED TO REDUCE PARKING IMPACTS ON THE SURROUNDING COMMUNITIES;

(5) ELEMENTS DESIGNED TO INCREASE THE CONNECTION OF STATE CENTER TO THE SURROUNDING COMMUNITIES; AND

(6) GREEN SPACE.

(D) THE STATE OR ITS REPORTING AGENCY SHALL INCLUDE THE STATE CENTER NEIGHBORHOOD ALLIANCE, INC., AND ANY OTHER INTERESTED COMMUNITY ASSOCIATION IN:

(1) ANY SELECTION PROCESS FOR A NEW DEVELOPMENT CONTRACTOR; AND

(2) THE DEVELOPMENT OF ANY NEW PLANS FOR THE STATE CENTER PROJECT OR ANY PROPOSED MODIFICATIONS TO EXISTING DEVELOPMENT CONTRACTS FOR THE PROJECT.

(E) A DEVELOPER WHO IS A PARTY TO A NEW CONTRACT OR PLAN FOR THE DEVELOPMENT OF STATE CENTER SHALL USE BEST PRACTICAL EFFORTS TO BEGIN CONSTRUCTION WITHIN 18 MONTHS AFTER EXECUTION OF THE NEW CONTRACT AND ANY ASSOCIATED PLANS.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Except as provided in subsection (b) of this section, 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.

(b) To the extent possible, this Act may be construed to apply to a modification made to a contract existing before the effective date of this Act.

SECTION 3. 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. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 841

(House Bill 1357)

AN ACT concerning

Calvert County – County Officials – Salaries

FOR the purpose of altering the salaries of the County Commissioners of Calvert County, the Sheriff of Calvert County, and the County Treasurer of Calvert County; providing for the application of this Act; and generally relating to the salaries of public officials of Calvert County.

BY repealing and reenacting, with amendments,
The Public Local Laws of Calvert County
Section 2–101
Article 5 – Public Local Laws of Maryland
(2002 Edition and August 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 2–309(f)(1)(i)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Local Government

Section 16–202(a)
Annotated Code of Maryland
(2013 Volume and 2017 Supplement)

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

Article 5 – Calvert County

2–101.

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

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

(I) **[**$41,500**] $44,500** for calendar year **[**2006**] 2018**;

(II) **[**$42,500**] $46,000** for calendar year **[**2007**] 2019**;

(III) **[**$43,500**] $47,500** for calendar year **[**2008**] 2020**; **[**and**]**

(IV) **[**$44,500**] $49,000** for calendar year **[**2009**] 2021;** and

(V) $50,500 FOR CALENDAR YEAR 2022 AND each subsequent calendar year.

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

(I) **[**$39,000**] $42,000** for calendar year **[**2006**] 2018**;

(II) **[**$40,000**] $43,500** for calendar year **[**2007**] 2019**;

(III) **[**$41,000**] $45,000** for calendar year **[**2008**] 2020**; and

(IV) **[**$42,000**] $46,500** for calendar year **[**2009**] 2021;** and

(V) $48,000 FOR CALENDAR YEAR 2022 AND each subsequent calendar year.

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

(d) A Commissioner may participate in the Calvert County Employees Retirement Savings Plan.

Article – Courts and Judicial Proceedings

2–309.

(f) (1) (i) The Sheriff of Calvert County shall receive an annual salary ~~of~~ **[**$90,480**]:**

1. OF $90,480 FOR CALENDAR YEAR 2018; AND

~~**2. $94,000 FOR CALENDAR YEAR 2019;**~~

~~**3. $98,000 FOR CALENDAR YEAR 2020;**~~

~~**4. $102,000 FOR CALENDAR YEAR 2021; AND**~~

~~**5. $106,000 FOR CALENDAR YEAR 2022 AND EACH SUBSEQUENT CALENDAR YEAR.**~~

2. BEGINNING IN CALENDAR YEAR 2019, EQUAL TO THE SALARY OF A DEPARTMENT OF STATE POLICE LIEUTENANT COLONEL, CLASS CODE 5905 (GRADE 13, STEP 12).

Article – Local Government

16–202.

(a) The annual salary of the County Treasurer of Calvert County is **[**$52,020**] $57,500**.

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 County Commissioners of Calvert County, the Sheriff of Calvert County, or the County Treasurer of Calvert 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 County Commissioners of Calvert County, the Sheriff of Calvert County, or the County Treasurer of Calvert 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, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 842

(House Bill 1454)

AN ACT concerning

Heritage Structure Rehabilitation Tax Credit – Commercial Rehabilitations – ~~Transferability and~~ Affordable Housing

FOR the purpose of ~~making the State income tax credit under the heritage structure rehabilitation tax credit program transferable and refundable under certain circumstances;~~ authorizing a certain additional tax credit under the program for certain commercial rehabilitations that qualify as affordable housing; requiring that the amount of an expired or unclaimed initial credit certificate remain in a certain Reserve Fund and increase the amount of initial credit certificates that the Maryland Historical Trust may issue for the following fiscal year; repealing a requirement that the rehabilitation of certain structures be treated as a single commercial rehabilitation under the program; requiring the Director of the Maryland Historical Trust, in consultation with the Smart Growth Subcabinet, to adopt certain regulations; providing for the application of this Act; defining a certain term; and generally relating to the heritage structure rehabilitation tax credit program.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 5A–303(a) through (c)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 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

5A–303.

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

(2) "AFFORDABLE HOUSING" MEANS A PROJECT OR UNDERTAKING THAT ~~IS ELIGIBLE FOR~~ HAS RECEIVED AN ALLOCATION OF FEDERAL LOW–INCOME HOUSING TAX CREDITS BY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ~~IN ACCORDANCE WITH THE MOST RECENT STATE ALLOCATION PLAN~~.

[(2)**] (3)** "Business entity" means:

(i) a person conducting or operating a trade or business in the State; or

(ii) an organization operating in Maryland that is exempt from taxation under § 501(c)(3) of the Internal Revenue Code.

[(3)**] (4)** "Certified heritage area" has the meaning stated in § 13–1101 of the Financial Institutions Article.

[(4)**] (5)** (i) "Certified historic structure" means a structure that is located in the State and is:

1. listed in the National Register of Historic Places;

2. designated as a historic property under local law and determined by the Director to be eligible for listing on the National Register of Historic Places;

3. A. located in a historic district listed on the National Register of Historic Places or in a local historic district that the Director determines is eligible for listing on the National Register of Historic Places; and

B. certified by the Director as contributing to the significance of the district; or

4. located in a certified heritage area and certified by the Maryland Heritage Areas Authority as contributing to the significance of the certified heritage area.

(ii) "Certified historic structure" does not include a structure that is owned by the State, a political subdivision of the State, or the federal government.

[(5)**] (6)** "Certified rehabilitation" means a completed rehabilitation of a certified historic structure that the Director certifies is a substantial rehabilitation in conformance with the rehabilitation standards of the United States Secretary of the Interior.

[(6)**] (7)** (i) "Commercial rehabilitation" means a rehabilitation of a structure other than a single–family, owner–occupied residence.

(ii) "Commercial rehabilitation" does not include a small commercial project.

[(7)**] (8)** "Director" means the Director of the Maryland Historical Trust.

[(8)**] (9)** "Financial assistance" means action by the State or a State unit to award grants, loans, loan guarantees, or insurance to a public or private entity to finance, wholly or partly, a project that involves or may result in building construction, building alteration, or land disturbance.

[(9)**] (10)** "High performance building" means a building that:

(i) meets or exceeds the current version of the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) green building rating system gold rating; or

(ii) achieves at least a comparable numeric rating according to a nationally recognized, accepted, and appropriate numeric sustainable development rating system, guideline, or standard approved by the Secretaries of Budget and Management and General Services under § 3–602.1 of this article.

[(10)**] (11)** (i) "Historic property" means a district, site, building, structure, monument, or object significant to:

1. the prehistory or history of the State; or

2. the upland or underwater archeology, architecture, engineering, or culture of the State.

(ii) "Historic property" includes related artifacts, records, and remains.

[(11)**] (12)** "Local historic district" means a district that the governing body of a county or municipal corporation, or the Mayor and City Council of Baltimore, has designated under local law as historic.

[(12)**] (13)** "National register structure" means a structure that is:

(i) listed on the National Register of Historic Places; or

(ii) located in a historic district listed on the National Register of Historic Places and certified by the Director as contributing to the significance of the district.

[(13)**] (14)** "Political subdivision" means a county or municipal corporation of the State.

[(14)**] (15)** "Qualified rehabilitation expenditure" means any amount that:

(i) is properly chargeable to a capital account;

(ii) is expended in the rehabilitation of a structure that by the end of the calendar year in which the certified rehabilitation is completed is a certified historic structure;

(iii) is expended in compliance with a plan of proposed rehabilitation that has been approved by the Director; and

(iv) is not funded, financed, or otherwise reimbursed by any:

1. State or local grant;

2. grant made from the proceeds of tax–exempt bonds issued by the State, a political subdivision of the State, or an instrumentality of the State or of a political subdivision of the State;

3. State tax credit other than the tax credit under this section; or

4. other financial assistance from the State or a political subdivision of the State, other than a loan that must be repaid at an interest rate that is greater than the interest rate on general obligation bonds issued by the State at the most recent bond sale prior to the time the loan is made.

[(15)**] (16)** (i) "Single–family, owner–occupied residence" means a structure or a portion of a structure occupied by the owner and the owner's immediate family as their primary or secondary residence.

(ii) "Single–family, owner–occupied residence" includes:

1. a residential unit in a cooperative project owned by or leased to a cooperative housing corporation, as defined in § 5–6B–01 of the Corporations and Associations Article, and leased for exclusive occupancy to, and occupied by, a member of the corporation and the member's immediate family under a proprietary lease; or

2. a small commercial project.

[(16)**] (17)** (i) "Small commercial project" means a rehabilitation of a structure primarily used for commercial, income–producing purposes if the qualified rehabilitation expenditures do not exceed $500,000.

(ii) "Small commercial project" includes a structure that is used for both commercial and residential rental purposes.

(iii) "Small commercial project" does not include a structure that is used solely for residential purposes.

[(17)**] (18)** "Smart Growth Subcabinet" means the Smart Growth Subcabinet established under Title 9, Subtitle 14 of the State Government Article.

[(18)**] (19)** "State unit" has the meaning stated in § 11–101 of the State Government Article.

[(19)**] (20)** "Substantial rehabilitation" means rehabilitation of a structure for which the qualified rehabilitation expenditures, during the 24–month period selected by the individual or business entity ending with or within the taxable year, exceed:

(i) for single–family, owner–occupied residential property, $5,000; or

(ii) for all other property, the greater of:

1. the adjusted basis of the structure; or

2. $25,000.

(b) (1) The Director, in consultation with the Smart Growth Subcabinet, shall adopt regulations to:

(i) establish procedures and standards for certifying historic structures and rehabilitations under this section;

(ii) for commercial rehabilitations, establish an application process for the award of initial credit certificates for heritage structure rehabilitation tax credits consistent with the requirements of this subsection;

(iii) for commercial rehabilitations, establish criteria, consistent with the requirements of this subsection, for evaluating, comparing, and rating plans of proposed rehabilitation that have been determined by the Director to conform with the rehabilitation standards of the United States Secretary of the Interior;

(iv) for commercial rehabilitations, establish a competitive award process for the award of initial credit certificates for heritage structure rehabilitation tax credits that favors the award of tax credits for rehabilitation projects that:

1. are consistent with and promote current growth and development policies and programs of the State;

2. are located in areas targeted by the State for additional revitalization and economic development opportunities due to the focusing of State resources and incentives;

3. are located in areas where the political subdivision has implemented regulatory streamlining or other development incentives that foster

redevelopment and revitalization in priority funding areas, as defined in Title 5, Subtitle 7B of this article, and the appropriate local governing body or the planning board or commission, if designated by the local governing body, has certified to the Smart Growth Subcabinet those regulatory streamlining or other development incentives; and

4. include affordable and workforce housing options;

(v) for commercial rehabilitations, establish procedures to announce to the public the selection of a rehabilitation project for an award of an initial credit certificate not later than 60 days after the selection is made;

(vi) for commercial rehabilitations, determine whether the certified rehabilitation is a high performance building **OR QUALIFIES AS AFFORDABLE HOUSING**;

(vii) for commercial rehabilitations, establish a required external marker or, at a minimum, an internal marker for the rehabilitation project that identifies that the rehabilitation was funded by heritage structure rehabilitation tax credits;

(viii) as provided in paragraph (7) of this subsection, charge reasonable fees to certify historic structures and rehabilitations under this subtitle;

(ix) for commercial rehabilitations, require documentation that the applicant has ownership or site control of the structure in order to demonstrate the ability to meet the requirement to begin work as required under subsection (c)(3)(i)1 of this section;

(x) for commercial rehabilitations, provide a time limit for approval of the additional tax credit for high performance buildings **OR AFFORDABLE HOUSING** provided for in subsection (c)(1)(ii) of this section; **[**and**]**

~~**(XI) FOR COMMERCIAL REHABILITATIONS, ESTABLISH PROCEDURES FOR THE TRANSFER OF THE TAX CREDIT UNDER SUBSECTION (C)(6) OF THIS SECTION; AND**~~

[(xi)**]** ~~**(XII)**~~ for small commercial projects:

1. establish conditions regarding the percentage of the structure that may be used for residential rental purposes if the structure is used for both commercial and residential rental purposes; and

2. specify criteria and procedures for the issuance of initial credit certificates under subsection (e) of this section.

(2) The Director may not certify that a rehabilitation is a certified rehabilitation eligible for a tax credit provided under this section unless the individual or business entity seeking certification states under oath the amount of the individual's or business entity's qualified rehabilitation expenditures.

(3) Each year, the Director may accept applications for approval of plans of proposed commercial rehabilitations and for the award of initial credit certificates for the fiscal year that begins July 1 of that year.

(4) (i) Except as provided in subsection (e) of this section, a small commercial project shall be treated as a single–family, owner–occupied residential property, including the limitation on the amount of the tax credit provided in subsection (c)(2)(ii) of this section.

(ii) A small commercial project is subject to the credit recapture provision in subsection (f) of this section.

(5) (i) For commercial rehabilitations, the Director may not accept an application for approval of plans of proposed rehabilitation if:

1. any substantial part of the proposed rehabilitation work has begun; or

2. the applicant for a commercial rehabilitation has previously submitted three or more applications for commercial rehabilitations with total proposed rehabilitations exceeding $500,000 in that year.

(ii) For commercial rehabilitations, the Director may accept an application for approval of plans of a proposed rehabilitation for which a substantial part of the proposed rehabilitation work has begun if the rehabilitation work has been approved under the federal historic tax credit.

(6) Except as provided in subsection (d)(3)(iii) of this section, not more than 60% of the total credit amounts under initial credit certificates issued for any fiscal year may be issued for projects in a single county or Baltimore City.

(7) (i) The Director shall adopt regulations to charge reasonable fees to certify historic structures and rehabilitations under this section which shall include:

1. a minimum fee for the second phase of the application process;

2. for a commercial rehabilitation project, a final fee that may not exceed 3% of the amount of the award of an initial credit certificate; and

3. for any other rehabilitation project, a final fee that may not exceed 3% of the amount of the credit for which the rehabilitation would be eligible based on the greater of the estimated or final qualified rehabilitation expenditures for the rehabilitation.

(ii) The Director shall set the level of the fees so that the projected proceeds from the fees will cover the costs to the Trust of administering the credit under this section and the federal historic tax credit.

(iii) If a fee charged for a commercial rehabilitation is not received by the Trust within 90 days after the Trust sends notice to the applicant that the fee is due, the Trust may not:

1. issue an initial credit certificate for the commercial rehabilitation; or

2. accept an application for a commercial rehabilitation from the applicant during the 3 fiscal years following the fiscal year in which the fee was not received.

(iv) The proceeds from the fees shall be deposited in a special fund, to be used only for the purposes of paying the costs of administering the credit under this section and the federal historic tax credit.

(v) Any unused balance of the fund at the end of each fiscal year shall be transferred to the Reserve Fund established under subsection (d) of this section and shall increase the amount of the initial credit certificates that the Trust may issue for the following fiscal year.

(8) IF AN INITIAL CREDIT CERTIFICATE EXPIRES OR IS OTHERWISE UNCLAIMED AS PROVIDED FOR UNDER THIS SECTION, THE AMOUNT OF THE CREDIT CERTIFICATE SHALL:

(I) REMAIN IN THE RESERVE FUND ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION; AND

(II) INCREASE THE AMOUNT OF THE INITIAL CREDIT CERTIFICATES THAT THE TRUST MAY ISSUE FOR THE FOLLOWING FISCAL YEAR.

(c) (1) (i) Except as otherwise provided in this section, for the taxable year in which a certified rehabilitation is completed, an individual or business entity may claim a tax credit in an amount equal to 20% of the individual's or business entity's qualified rehabilitation expenditures for the rehabilitation.

(ii) For a commercial rehabilitation, an individual or business entity may claim an additional tax credit in an amount equal to 5% of the individual's or business entity's qualified rehabilitation expenditures if the certified rehabilitation is a certified historic structure and**:**

1. IS a high performance building**; OR**

2. QUALIFIES AS AFFORDABLE HOUSING.

(2) (i) For any commercial rehabilitation, the State tax credit allowed under this section may not exceed the lesser of:

1. $3,000,000; or

2. the maximum amount specified under the initial credit certificate issued for the rehabilitation.

(ii) For a rehabilitation other than a commercial rehabilitation, the State tax credit allowed under this section may not exceed $50,000.

(iii) For the purposes of the limitation under subparagraph (i) of this paragraph, the following shall be treated as a single commercial rehabilitation:

1. the phased rehabilitation of the same structure or property; **OR**

2. the separate rehabilitation of different components of the same structure or property**[**; or

3. the rehabilitation of multiple structures that are functionally related to serve an overall purpose**]**.

(3) (i) Subject to subparagraph (ii) of this paragraph, the initial credit certificate for a proposed commercial rehabilitation shall expire and the credit under this section may not be claimed if:

1. within 18 months after the initial credit certificate was issued, the applicant has not notified the Trust, in writing, that the commercial rehabilitation has begun;

2. the commercial rehabilitation is not completed within 30 months after the initial credit certificate was issued; or

3. the applicant does not submit to the Trust a request for final certification of the commercial rehabilitation within 12 months after:

A. the 30–month expiration date under subparagraph (i)2 of this paragraph; or

B. the date to which the Director postponed the expiration date under subparagraph (ii) of this paragraph.

(ii) For reasonable cause, the Director may postpone:

1. the 30–month expiration date under subparagraph (i)2 of this paragraph for an initial credit certificate for a commercial rehabilitation; or

2. if the commercial rehabilitation was completed prior to the expiration of the initial credit certificate, the deadline under subparagraph (i)3 of this paragraph for submission of a request for final certification.

(4) If the tax credit allowed under this section in any taxable year exceeds the total tax otherwise payable by the business entity or the individual for that taxable year, the individual or business entity may claim a refund in the amount of the excess.

(5) The State credit allowed under this section may be allocated among the partners, members, or shareholders of an entity in any manner agreed to by those persons in writing.

~~(6) (I) IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE DIRECTOR UNDER THIS SECTION, THE AMOUNT OF THE STATE CREDIT ALLOWED, BUT NOT USED, FOR COMMERCIAL REHABILITATIONS UNDER THIS SECTION MAY BE TRANSFERRED IN WHOLE OR IN PART TO ANY INDIVIDUAL OR BUSINESS ENTITY.~~

~~(II) 1. FOR THE TAXABLE YEAR OF ANY TRANSFER UNDER THIS PARAGRAPH, THE TRANSFEREE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY APPLY THE TAX CREDIT AGAINST THE TOTAL TAX OTHERWISE PAYABLE BY THE TRANSFEREE IN THAT TAXABLE YEAR.~~

~~2. IF THE TAX CREDIT EXCEEDS THE STATE INCOME TAX OF THE TRANSFEREE IN ANY TAXABLE YEAR, THE TRANSFEREE:~~

~~A. MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS; OR~~

~~B. TRANSFER THE REMAINDER OF THE TAX CREDIT TO ANY INDIVIDUAL OR BUSINESS ENTITY.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 843

(Senate Bill 967)

AN ACT concerning

Heritage Structure Rehabilitation Tax Credit – Commercial Rehabilitations – ~~Transferability and~~ Affordable Housing

FOR the purpose of ~~making the State income tax credit under the heritage structure rehabilitation tax credit program transferable and refundable under certain circumstances;~~ authorizing a certain additional tax credit under the program for certain commercial rehabilitations that qualify as affordable housing; requiring that the amount of an expired or unclaimed initial credit certificate remain in a certain Reserve Fund and increase the amount of initial credit certificates that the Maryland Historical Trust may issue for the following fiscal year; repealing a requirement that the rehabilitation of certain structures be treated as a single commercial rehabilitation under the program; requiring the Director of the Maryland Historical Trust, in consultation with the Smart Growth Subcabinet, to adopt certain regulations; providing for the application of this Act; defining a certain term; and generally relating to the heritage structure rehabilitation tax credit program.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 5A–303(a) through (c)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 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

5A–303.

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

(2) "AFFORDABLE HOUSING" MEANS A PROJECT OR UNDERTAKING THAT ~~IS ELIGIBLE FOR~~ HAS RECEIVED AN ALLOCATION OF FEDERAL LOW–INCOME HOUSING TAX CREDITS BY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ~~IN ACCORDANCE WITH THE MOST RECENT STATE ALLOCATION PLAN~~.

[(2)**] (3)** "Business entity" means:

(i) a person conducting or operating a trade or business in the State; or

(ii) an organization operating in Maryland that is exempt from taxation under § 501(c)(3) of the Internal Revenue Code.

[(3)**] (4)** "Certified heritage area" has the meaning stated in § 13–1101 of the Financial Institutions Article.

[(4)**] (5)** (i) "Certified historic structure" means a structure that is located in the State and is:

1. listed in the National Register of Historic Places;

2. designated as a historic property under local law and determined by the Director to be eligible for listing on the National Register of Historic Places;

3. A. located in a historic district listed on the National Register of Historic Places or in a local historic district that the Director determines is eligible for listing on the National Register of Historic Places; and

B. certified by the Director as contributing to the significance of the district; or

4. located in a certified heritage area and certified by the Maryland Heritage Areas Authority as contributing to the significance of the certified heritage area.

(ii) "Certified historic structure" does not include a structure that is owned by the State, a political subdivision of the State, or the federal government.

[(5)**] (6)** "Certified rehabilitation" means a completed rehabilitation of a certified historic structure that the Director certifies is a substantial rehabilitation in conformance with the rehabilitation standards of the United States Secretary of the Interior.

[(6)**] (7)** (i) "Commercial rehabilitation" means a rehabilitation of a structure other than a single–family, owner–occupied residence.

(ii) "Commercial rehabilitation" does not include a small commercial project.

[(7)**] (8)** "Director" means the Director of the Maryland Historical Trust.

[(8)**] (9)** "Financial assistance" means action by the State or a State unit to award grants, loans, loan guarantees, or insurance to a public or private entity to finance, wholly or partly, a project that involves or may result in building construction, building alteration, or land disturbance.

[(9)**] (10)** "High performance building" means a building that:

(i) meets or exceeds the current version of the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) green building rating system gold rating; or

(ii) achieves at least a comparable numeric rating according to a nationally recognized, accepted, and appropriate numeric sustainable development rating system, guideline, or standard approved by the Secretaries of Budget and Management and General Services under § 3–602.1 of this article.

[(10)**] (11)** (i) "Historic property" means a district, site, building, structure, monument, or object significant to:

1. the prehistory or history of the State; or

2. the upland or underwater archeology, architecture, engineering, or culture of the State.

(ii) "Historic property" includes related artifacts, records, and remains.

[(11)**] (12)** "Local historic district" means a district that the governing body of a county or municipal corporation, or the Mayor and City Council of Baltimore, has designated under local law as historic.

[(12)**] (13)** "National register structure" means a structure that is:

(i) listed on the National Register of Historic Places; or

(ii) located in a historic district listed on the National Register of Historic Places and certified by the Director as contributing to the significance of the district.

[(13)**] (14)** "Political subdivision" means a county or municipal corporation of the State.

[(14)**] (15)** "Qualified rehabilitation expenditure" means any amount that:

(i) is properly chargeable to a capital account;

(ii) is expended in the rehabilitation of a structure that by the end of the calendar year in which the certified rehabilitation is completed is a certified historic structure;

(iii) is expended in compliance with a plan of proposed rehabilitation that has been approved by the Director; and

(iv) is not funded, financed, or otherwise reimbursed by any:

1. State or local grant;

2. grant made from the proceeds of tax–exempt bonds issued by the State, a political subdivision of the State, or an instrumentality of the State or of a political subdivision of the State;

3. State tax credit other than the tax credit under this section; or

4. other financial assistance from the State or a political subdivision of the State, other than a loan that must be repaid at an interest rate that is greater than the interest rate on general obligation bonds issued by the State at the most recent bond sale prior to the time the loan is made.

[(15)**] (16)** (i) "Single–family, owner–occupied residence" means a structure or a portion of a structure occupied by the owner and the owner's immediate family as their primary or secondary residence.

(ii) "Single–family, owner–occupied residence" includes:

1. a residential unit in a cooperative project owned by or leased to a cooperative housing corporation, as defined in § 5–6B–01 of the Corporations and Associations Article, and leased for exclusive occupancy to, and occupied by, a member of the corporation and the member's immediate family under a proprietary lease; or

2. a small commercial project.

[(16)**] (17)** (i) "Small commercial project" means a rehabilitation of a structure primarily used for commercial, income–producing purposes if the qualified rehabilitation expenditures do not exceed $500,000.

(ii) "Small commercial project" includes a structure that is used for both commercial and residential rental purposes.

(iii) "Small commercial project" does not include a structure that is used solely for residential purposes.

[(17)**] (18)** "Smart Growth Subcabinet" means the Smart Growth Subcabinet established under Title 9, Subtitle 14 of the State Government Article.

[(18)**] (19)** "State unit" has the meaning stated in § 11–101 of the State Government Article.

[(19)**] (20)** "Substantial rehabilitation" means rehabilitation of a structure for which the qualified rehabilitation expenditures, during the 24–month period selected by the individual or business entity ending with or within the taxable year, exceed:

(i) for single–family, owner–occupied residential property, $5,000; or

(ii) for all other property, the greater of:

1. the adjusted basis of the structure; or

2. $25,000.

(b) (1) The Director, in consultation with the Smart Growth Subcabinet, shall adopt regulations to:

(i) establish procedures and standards for certifying historic structures and rehabilitations under this section;

(ii) for commercial rehabilitations, establish an application process for the award of initial credit certificates for heritage structure rehabilitation tax credits consistent with the requirements of this subsection;

(iii) for commercial rehabilitations, establish criteria, consistent with the requirements of this subsection, for evaluating, comparing, and rating plans of proposed rehabilitation that have been determined by the Director to conform with the rehabilitation standards of the United States Secretary of the Interior;

(iv) for commercial rehabilitations, establish a competitive award process for the award of initial credit certificates for heritage structure rehabilitation tax credits that favors the award of tax credits for rehabilitation projects that:

1. are consistent with and promote current growth and development policies and programs of the State;

2. are located in areas targeted by the State for additional revitalization and economic development opportunities due to the focusing of State resources and incentives;

3. are located in areas where the political subdivision has implemented regulatory streamlining or other development incentives that foster redevelopment and revitalization in priority funding areas, as defined in Title 5, Subtitle 7B of this article, and the appropriate local governing body or the planning board or commission, if designated by the local governing body, has certified to the Smart Growth Subcabinet those regulatory streamlining or other development incentives; and

4. include affordable and workforce housing options;

(v) for commercial rehabilitations, establish procedures to announce to the public the selection of a rehabilitation project for an award of an initial credit certificate not later than 60 days after the selection is made;

(vi) for commercial rehabilitations, determine whether the certified rehabilitation is a high performance building **OR QUALIFIES AS AFFORDABLE HOUSING**;

(vii) for commercial rehabilitations, establish a required external marker or, at a minimum, an internal marker for the rehabilitation project that identifies that the rehabilitation was funded by heritage structure rehabilitation tax credits;

(viii) as provided in paragraph (7) of this subsection, charge reasonable fees to certify historic structures and rehabilitations under this subtitle;

(ix) for commercial rehabilitations, require documentation that the applicant has ownership or site control of the structure in order to demonstrate the ability to meet the requirement to begin work as required under subsection (c)(3)(i)1 of this section;

(x) for commercial rehabilitations, provide a time limit for approval of the additional tax credit for high performance buildings **OR AFFORDABLE HOUSING** provided for in subsection (c)(1)(ii) of this section; **[**and**]**

~~**(XI) FOR COMMERCIAL REHABILITATIONS, ESTABLISH PROCEDURES FOR THE TRANSFER OF THE TAX CREDIT UNDER SUBSECTION (C)(6) OF THIS SECTION; AND**~~

[(xi)**]** ~~**(XII)**~~ for small commercial projects:

1. establish conditions regarding the percentage of the structure that may be used for residential rental purposes if the structure is used for both commercial and residential rental purposes; and

2. specify criteria and procedures for the issuance of initial credit certificates under subsection (e) of this section.

(2) The Director may not certify that a rehabilitation is a certified rehabilitation eligible for a tax credit provided under this section unless the individual or business entity seeking certification states under oath the amount of the individual's or business entity's qualified rehabilitation expenditures.

(3) Each year, the Director may accept applications for approval of plans of proposed commercial rehabilitations and for the award of initial credit certificates for the fiscal year that begins July 1 of that year.

(4) (i) Except as provided in subsection (e) of this section, a small commercial project shall be treated as a single–family, owner–occupied residential property, including the limitation on the amount of the tax credit provided in subsection (c)(2)(ii) of this section.

(ii) A small commercial project is subject to the credit recapture provision in subsection (f) of this section.

(5) (i) For commercial rehabilitations, the Director may not accept an application for approval of plans of proposed rehabilitation if:

1. any substantial part of the proposed rehabilitation work has begun; or

2. the applicant for a commercial rehabilitation has previously submitted three or more applications for commercial rehabilitations with total proposed rehabilitations exceeding $500,000 in that year.

(ii) For commercial rehabilitations, the Director may accept an application for approval of plans of a proposed rehabilitation for which a substantial part of the proposed rehabilitation work has begun if the rehabilitation work has been approved under the federal historic tax credit.

(6) Except as provided in subsection (d)(3)(iii) of this section, not more than 60% of the total credit amounts under initial credit certificates issued for any fiscal year may be issued for projects in a single county or Baltimore City.

(7) (i) The Director shall adopt regulations to charge reasonable fees to certify historic structures and rehabilitations under this section which shall include:

1. a minimum fee for the second phase of the application process;

2. for a commercial rehabilitation project, a final fee that may not exceed 3% of the amount of the award of an initial credit certificate; and

3. for any other rehabilitation project, a final fee that may not exceed 3% of the amount of the credit for which the rehabilitation would be eligible based on the greater of the estimated or final qualified rehabilitation expenditures for the rehabilitation.

(ii) The Director shall set the level of the fees so that the projected proceeds from the fees will cover the costs to the Trust of administering the credit under this section and the federal historic tax credit.

(iii) If a fee charged for a commercial rehabilitation is not received by the Trust within 90 days after the Trust sends notice to the applicant that the fee is due, the Trust may not:

1. issue an initial credit certificate for the commercial rehabilitation; or

2. accept an application for a commercial rehabilitation from the applicant during the 3 fiscal years following the fiscal year in which the fee was not received.

(iv) The proceeds from the fees shall be deposited in a special fund, to be used only for the purposes of paying the costs of administering the credit under this section and the federal historic tax credit.

(v) Any unused balance of the fund at the end of each fiscal year shall be transferred to the Reserve Fund established under subsection (d) of this section and shall increase the amount of the initial credit certificates that the Trust may issue for the following fiscal year.

(8) IF AN INITIAL CREDIT CERTIFICATE EXPIRES OR IS OTHERWISE UNCLAIMED AS PROVIDED FOR UNDER THIS SECTION, THE AMOUNT OF THE CREDIT CERTIFICATE SHALL:

(I) REMAIN IN THE RESERVE FUND ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION; AND

(II) INCREASE THE AMOUNT OF THE INITIAL CREDIT CERTIFICATES THAT THE TRUST MAY ISSUE FOR THE FOLLOWING FISCAL YEAR.

(c) (1) (i) Except as otherwise provided in this section, for the taxable year in which a certified rehabilitation is completed, an individual or business entity may claim a tax credit in an amount equal to 20% of the individual's or business entity's qualified rehabilitation expenditures for the rehabilitation.

(ii) For a commercial rehabilitation, an individual or business entity may claim an additional tax credit in an amount equal to 5% of the individual's or business entity's qualified rehabilitation expenditures if the certified rehabilitation is a certified historic structure and**:**

1. IS a high performance building**; OR**

2. QUALIFIES AS AFFORDABLE HOUSING.

(2) (i) For any commercial rehabilitation, the State tax credit allowed under this section may not exceed the lesser of:

1. $3,000,000; or

2. the maximum amount specified under the initial credit certificate issued for the rehabilitation.

(ii) For a rehabilitation other than a commercial rehabilitation, the State tax credit allowed under this section may not exceed $50,000.

(iii) For the purposes of the limitation under subparagraph (i) of this paragraph, the following shall be treated as a single commercial rehabilitation:

1. the phased rehabilitation of the same structure or property; **OR**

2. the separate rehabilitation of different components of the same structure or property**[**; or

3. the rehabilitation of multiple structures that are functionally related to serve an overall purpose**]**.

(3) (i) Subject to subparagraph (ii) of this paragraph, the initial credit certificate for a proposed commercial rehabilitation shall expire and the credit under this section may not be claimed if:

1. within 18 months after the initial credit certificate was issued, the applicant has not notified the Trust, in writing, that the commercial rehabilitation has begun;

2. the commercial rehabilitation is not completed within 30 months after the initial credit certificate was issued; or

3. the applicant does not submit to the Trust a request for final certification of the commercial rehabilitation within 12 months after:

A. the 30–month expiration date under subparagraph (i)2 of this paragraph; or

B. the date to which the Director postponed the expiration date under subparagraph (ii) of this paragraph.

(ii) For reasonable cause, the Director may postpone:

1. the 30–month expiration date under subparagraph (i)2 of this paragraph for an initial credit certificate for a commercial rehabilitation; or

2. if the commercial rehabilitation was completed prior to the expiration of the initial credit certificate, the deadline under subparagraph (i)3 of this paragraph for submission of a request for final certification.

(4) If the tax credit allowed under this section in any taxable year exceeds the total tax otherwise payable by the business entity or the individual for that taxable year, the individual or business entity may claim a refund in the amount of the excess.

(5) The State credit allowed under this section may be allocated among the partners, members, or shareholders of an entity in any manner agreed to by those persons in writing.

~~**(6) (I) IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE DIRECTOR UNDER THIS SECTION, THE AMOUNT OF THE STATE CREDIT ALLOWED, BUT NOT USED, FOR COMMERCIAL REHABILITATIONS UNDER THIS SECTION MAY BE TRANSFERRED IN WHOLE OR IN PART TO ANY INDIVIDUAL OR BUSINESS ENTITY.**~~

~~**(II) 1. FOR THE TAXABLE YEAR OF ANY TRANSFER UNDER THIS PARAGRAPH, THE TRANSFEREE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY APPLY THE TAX CREDIT AGAINST THE TOTAL TAX OTHERWISE PAYABLE BY THE TRANSFEREE IN THAT TAXABLE YEAR.**~~

~~**2. IF THE TAX CREDIT EXCEEDS THE STATE INCOME TAX OF THE TRANSFEREE IN ANY TAXABLE YEAR, THE TRANSFEREE:**~~

~~**A. MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS; OR**~~

~~**B. TRANSFER THE REMAINDER OF THE TAX CREDIT TO ANY INDIVIDUAL OR BUSINESS ENTITY.**~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 844

(House Bill 1511)

AN ACT concerning

Credit Regulation – Mortgage Brokers – Finder's Fee

FOR the purpose of ~~repealing~~ altering a certain provision of law limiting the amount of a finder's fee that may be charged by a mortgage broker obtaining a mortgage loan with respect to certain property more than once within a certain time period; and generally relating to finder's fees charged by mortgage brokers.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 12–804
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

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

Article – Commercial Law

12–804.

(a) A mortgage broker may charge a finder's fee not in excess of 8 percent of the amount of the loan or advance.

(b) In addition to a finder's fee, a mortgage broker may charge a borrower for the actual cost of:

(1) Any appraisal, credit report, condominium document, or subordination agreement document obtained by the mortgage broker at the written request of the borrower; and

(2) Any other good or service, as specified in regulations adopted by the Commissioner, that is required to complete a loan application process and that, at the written request of the borrower, is paid by the mortgage broker to a third–party provider of the good or service.

[(c) A mortgage broker obtaining a mortgage loan with respect to the same property more than once within a 24–month period may charge a finder's fee ~~only on so much of the loan as is in excess of the initial loan~~ **IF THE FEE IS NOT IN EXCESS OF 8% OF THE INITIAL LOAN AMOUNT WHEN COMBINED WITH THE FINDER'S FEE CHARGED ON THE INITIAL LOAN AND ON ANY OTHER FINDER'S FEE COLLECTED DURING THAT 24–MONTH PERIOD**.

(d)**]** ~~(C)~~ The provisions of this section do not apply to:

(1) The charging of fees and charges otherwise permitted under this title; or

(2) Attorney's fees unless the attorney is functioning as a mortgage broker.

~~[~~(e)~~]~~ ~~(D)~~ A mortgage broker may not charge a finder's fee in any transaction in which the mortgage broker or an owner, part owner, partner, director, officer, or employee of the mortgage broker is the lender or an owner, part owner, partner, director, officer, or employee of the lender.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 845

(Senate Bill 566)

AN ACT concerning

Credit Regulation – Mortgage Brokers – Finder's Fee

FOR the purpose of ~~repealing~~ altering a certain provision of law limiting the amount of a finder's fee that may be charged by a mortgage broker obtaining a mortgage loan with respect to certain property more than once within a certain time period; and generally relating to finder's fees charged by mortgage brokers.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 12–804
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

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

Article – Commercial Law

12–804.

(a) A mortgage broker may charge a finder's fee not in excess of 8 percent of the amount of the loan or advance.

(b) In addition to a finder's fee, a mortgage broker may charge a borrower for the actual cost of:

(1) Any appraisal, credit report, condominium document, or subordination agreement document obtained by the mortgage broker at the written request of the borrower; and

(2) Any other good or service, as specified in regulations adopted by the Commissioner, that is required to complete a loan application process and that, at the written request of the borrower, is paid by the mortgage broker to a third–party provider of the good or service.

[(c) A mortgage broker obtaining a mortgage loan with respect to the same property more than once within a 24–month period may charge a finder's fee ~~only on so much of the loan as is in excess of the initial loan~~ **IF THE FEE IS NOT IN EXCESS OF 8% OF THE INITIAL LOAN AMOUNT WHEN COMBINED WITH THE FINDER'S FEE CHARGED ON THE INITIAL LOAN AND ON ANY OTHER FINDER'S FEE COLLECTED DURING THAT 24–MONTH PERIOD**.

(d)**]** ~~(C)~~ The provisions of this section do not apply to:

(1) The charging of fees and charges otherwise permitted under this title; or

(2) Attorney's fees unless the attorney is functioning as a mortgage broker.

[(e)**]** ~~(D)~~ A mortgage broker may not charge a finder's fee in any transaction in which the mortgage broker or an owner, part owner, partner, director, officer, or employee of the mortgage broker is the lender or an owner, part owner, partner, director, officer, or employee of the lender.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 846

(House Bill 1539)

AN ACT concerning

Labor and Employment – General Contractor Liability for Unpaid Wages
~~**(Contractors Payment Protection Act)**~~

FOR the purpose of providing that certain contractors are jointly and severally liable for certain violations of the wage payment and collection law by ~~certain~~ subcontractors

under certain circumstances; requiring a subcontractor to indemnify a general contractor for certain wages, damages, interest, penalties, and fees except under certain circumstances; defining a certain term; prohibiting a certain obligation or contract right from being impaired by this Act; and generally relating to a general contractor's liability for unpaid wages.

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 3–507.2
Annotated Code of Maryland
(2016 Replacement Volume and 2017 Supplement)

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

Article – Labor and Employment

3–507.2.

(a) Notwithstanding any remedy available under § 3–507 of this subtitle, if an employer fails to pay an employee in accordance with § 3–502 or § 3–505 of this subtitle, after 2 weeks have elapsed from the date on which the employer is required to have paid the wages, the employee may bring an action against the employer to recover the unpaid wages.

(b) If, in an action under subsection (a) of this section, a court finds that an employer withheld the wage of an employee in violation of this subtitle and not as a result of a bona fide dispute, the court may award the employee an amount not exceeding 3 times the wage, and reasonable counsel fees and other costs.

(C) (1) IN THIS SUBSECTION, "CONSTRUCTION SERVICES" HAS THE MEANING STATED IN § 3–901 OF THIS TITLE.

(2) IN AN ACTION BROUGHT UNDER SUBSECTION (A) OF THIS SECTION, A GENERAL CONTRACTOR ON A PROJECT FOR CONSTRUCTION SERVICES IS JOINTLY AND SEVERALLY LIABLE FOR A VIOLATION OF THIS SUBTITLE THAT IS COMMITTED BY A SUBCONTRACTOR ~~OR THE SUBCONTRACTOR'S SUBCONTRACTOR~~, REGARDLESS OF WHETHER THE SUBCONTRACTOR IS IN A DIRECT CONTRACTUAL RELATIONSHIP WITH THE GENERAL CONTRACTOR.

(3) A SUBCONTRACTOR SHALL INDEMNIFY A GENERAL CONTRACTOR FOR ANY WAGES, DAMAGES, INTEREST, PENALTIES, OR ATTORNEY'S FEES OWED AS A RESULT OF THE SUBCONTRACTOR'S VIOLATION UNLESS:

(I) INDEMNIFICATION IS PROVIDED FOR IN A CONTRACT BETWEEN THE GENERAL CONTRACTOR AND THE SUBCONTRACTOR; OR

(II) A VIOLATION OF THE SUBTITLE AROSE DUE TO A LACK OF PROMPT PAYMENT IN ACCORDANCE WITH THE TERMS OF THE CONTRACT BETWEEN THE GENERAL CONTRACTOR AND THE SUBCONTRACTOR.

SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing obligation or contract right may not be impaired in any way by this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 847

(House Bill 1544)

AN ACT concerning

Commercial Law – Maryland Antitrust Act – Civil Penalty

FOR the purpose of altering the maximum civil penalty that may be assessed against a person for a violation of the Maryland Antitrust Act; providing that each day a violation of the Act continues is a separate violation; and generally relating to the Maryland Antitrust Act.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 11–209(a)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

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

Article – Commercial Law

11–209.

(a) (1) The Attorney General shall institute proceedings in equity to prevent or restrain violations of § 11–204 of this subtitle and may require assistance from any State's Attorney for that purpose.

(2) In a proceeding under this section, the court shall determine whether a violation has been committed and enter any judgment or decree necessary to:

(i) Remove the effects of any violation it finds; and

(ii) Prevent continuation or renewal of the violation in the future.

(3) The court may exercise all equitable powers necessary for this purpose, including but not limited to injunction, restitution to any person of any money or real or personal property acquired from that person by means of any violation, divestiture of property or business units, and suspension or termination of the right of a foreign corporation or association to do business in the State.

(4) **(I)** In addition to the equitable remedies or other relief authorized by this section, the court may assess against any person who violates § 11–204 of this subtitle a civil penalty not exceeding **[**$100,000**] $10,000** for each violation, to be paid to the General Fund of the State.

(II) EACH DAY THAT A VIOLATION OF § 11–204 CONTINUES IS A SEPARATE VIOLATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 848

(Senate Bill 891)

AN ACT concerning

Commercial Law – Maryland Antitrust Act – Civil Penalty

FOR the purpose of altering the maximum civil penalty that may be assessed against a person for a violation of the Maryland Antitrust Act; providing that each day a violation of the Act continues is a separate violation; and generally relating to the Maryland Antitrust Act.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 11–209(a)
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

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

Article – Commercial Law

11–209.

(a) (1) The Attorney General shall institute proceedings in equity to prevent or restrain violations of § 11–204 of this subtitle and may require assistance from any State's Attorney for that purpose.

(2) In a proceeding under this section, the court shall determine whether a violation has been committed and enter any judgment or decree necessary to:

(i) Remove the effects of any violation it finds; and

(ii) Prevent continuation or renewal of the violation in the future.

(3) The court may exercise all equitable powers necessary for this purpose, including but not limited to injunction, restitution to any person of any money or real or personal property acquired from that person by means of any violation, divestiture of property or business units, and suspension or termination of the right of a foreign corporation or association to do business in the State.

(4) **(I)** In addition to the equitable remedies or other relief authorized by this section, the court may assess against any person who violates § 11–204 of this subtitle a civil penalty not exceeding **[**$100,000**] $10,000** for each violation, to be paid to the General Fund of the State.

(II) EACH DAY THAT A VIOLATION OF § 11–204 CONTINUES IS A SEPARATE VIOLATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 849

(Senate Bill 96)

AN ACT concerning

Family Law – Divorce on Grounds of Mutual Consent – Court Appearance

FOR the purpose of repealing the requirement that both parties appear before the court at an absolute divorce hearing in order for the court to decree an absolute divorce on

the grounds of mutual consent; and generally relating to divorce on the grounds of mutual consent.

BY repealing and reenacting, with amendments,
Article – Family Law
Section 7–103(a)(8)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Family Law
Section 7–103(f)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Family Law

7–103.

(a) The court may decree an absolute divorce on the following grounds:

(8) mutual consent, if:

(i) the parties do not have any minor children in common;

(ii) the parties execute and submit to the court a written settlement agreement signed by both parties that resolves all issues relating to:

1. alimony; and

2. the distribution of property, including the relief provided in §§ 8–205 and 8–208 of this article; **AND**

(iii) neither party files a pleading to set aside the settlement agreement prior to the divorce hearing required under the Maryland Rules**[**; and

(iv) both parties appear before the court at the absolute divorce hearing**]**.

(f) If a court decrees an absolute divorce on the grounds of mutual consent under subsection (a)(8) of this section, the court may:

(1) merge or incorporate the settlement agreement into the divorce decree; and

(2) modify or enforce the settlement agreement consistent with Title 8, Subtitle 1 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 850

(Senate Bill 120)

AN ACT concerning

Family Law – Divorce on Grounds of Mutual Consent – Parties With Minor Children

FOR the purpose of authorizing a court to decree an absolute divorce on the grounds of mutual consent if the parties have minor children, under certain circumstances; requiring a certain settlement agreement to provide for the care, custody, access, and support of minor or dependent children; requiring certain parties to attach a completed child support guidelines worksheet to a certain settlement agreement; providing that a court may decree an absolute divorce on the grounds of mutual consent only if, after reviewing a certain settlement agreement, the court is satisfied that any terms of the agreement relating to minor or dependent children are in the best interests of those children; and generally relating to the grounds for an absolute divorce.

BY repealing and reenacting, with amendments,
Article – Family Law
Section 7–103(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Family Law
Section 7–103(f)
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

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

Article – Family Law

7–103.

(a) The court may decree an absolute divorce on the following grounds:

(1) adultery;

(2) desertion, if:

(i) the desertion has continued for 12 months without interruption before the filing of the application for divorce;

(ii) the desertion is deliberate and final; and

(iii) there is no reasonable expectation of reconciliation;

(3) conviction of a felony or misdemeanor in any state or in any court of the United States if before the filing of the application for divorce the defendant has:

(i) been sentenced to serve at least 3 years or an indeterminate sentence in a penal institution; and

(ii) served 12 months of the sentence;

(4) 12–month separation, when the parties have lived separate and apart without cohabitation for 12 months without interruption before the filing of the application for divorce;

(5) insanity if:

(i) the insane spouse has been confined in a mental institution, hospital, or other similar institution for at least 3 years before the filing of the application for divorce;

(ii) the court determines from the testimony of at least 2 physicians who are competent in psychiatry that the insanity is incurable and there is no hope of recovery; and

(iii) 1 of the parties has been a resident of this State for at least 2 years before the filing of the application for divorce;

(6) cruelty of treatment toward the complaining party or a minor child of the complaining party, if there is no reasonable expectation of reconciliation;

(7) excessively vicious conduct toward the complaining party or a minor child of the complaining party, if there is no reasonable expectation of reconciliation; or

(8) mutual consent, if:

(i) **[**the parties do not have any minor children in common;

(ii)**]** the parties execute and submit to the court a written settlement agreement signed by both parties that resolves all issues relating to:

1. alimony; **[**and**]**

2. the distribution of property, including the relief provided in §§ 8–205 and 8–208 of this article; **AND**

3. THE CARE, CUSTODY, ACCESS, AND SUPPORT OF MINOR OR DEPENDENT CHILDREN;

(II) THE PARTIES ATTACH TO THE SETTLEMENT AGREEMENT A COMPLETED CHILD SUPPORT GUIDELINES WORKSHEET IF THE SETTLEMENT AGREEMENT PROVIDES FOR THE PAYMENT OF CHILD SUPPORT;

(iii) neither party files a pleading to set aside the settlement agreement prior to the divorce hearing required under the Maryland Rules; **[**and**]**

(iv) both parties appear before the court at the absolute divorce hearing**; AND**

(V) AFTER REVIEWING THE SETTLEMENT AGREEMENT, THE COURT IS SATISFIED THAT ANY TERMS OF THE AGREEMENT RELATING TO MINOR OR DEPENDENT CHILDREN ARE IN THE BEST INTERESTS OF THOSE CHILDREN.

(f) If a court decrees an absolute divorce on the grounds of mutual consent under subsection (a)(8) of this section, the court may:

(1) merge or incorporate the settlement agreement into the divorce decree; and

(2) modify or enforce the settlement agreement consistent with Title 8, Subtitle 1 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 851

(Senate Bill 400)

AN ACT concerning

Baltimore Convention Facility – Operating Deficits and Capital Improvement Reserve Fund

FOR the purpose of extending the period during which the Maryland Stadium Authority and Baltimore City are obligated under a certain agreement to contribute a certain amount to the annual operating deficits of the Baltimore Convention facility and to pay a certain amount to a certain capital improvement reserve fund; extending the date after which Baltimore City is to be solely responsible for all operating deficits and capital improvements for the Baltimore Convention facility; and generally relating to the financing and payment of certain costs associated with the Baltimore Convention facility.

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 10–640(f)
Annotated Code of Maryland
(2008 Volume and 2017 Supplement)

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

Article – Economic Development

10–640.

(f) The Authority shall secure a written agreement with Baltimore City, as approved by the Board of Public Works:

(1) in which Baltimore City agrees to:

(i) operate the Baltimore Convention facility in a manner that maximizes the facility's economic return; and

(ii) maintain and repair the facility so as to keep it in first class operating condition; and

(2) that includes provisions that:

(i) protect the respective investment of the Authority, the State, and Baltimore City in the Baltimore Convention facility;

(ii) require:

1. for the period beginning on the completion of the expanded and renovated Baltimore Convention facility and ending on December 31, **[**2019**] 2029**:

A. the Authority to contribute two–thirds and Baltimore City to contribute one–third to annual operating deficits; and

B. the Authority and Baltimore City each to contribute $200,000 each year to a capital improvement reserve fund; and

2. Baltimore City to be solely responsible for all operating deficits and capital improvements:

A. before the completion of the expanded and renovated Baltimore Convention facility; and

B. after December 31, **[**2019**] 2029**; and

(iii) provide for remedies on default, including the right of the Authority or the State, if a material default by Baltimore City is not corrected after a reasonable notice and cure period, to:

1. immediately assume responsibility for maintenance and repairs of the Baltimore Convention facility; and

2. offset the costs of the maintenance and repairs against other amounts owed by the Authority or the State to Baltimore City, whether under the operating agreement with Baltimore City or otherwise.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 852

(Senate Bill 743)

AN ACT concerning

~~Motor Vehicle Insurance –~~ Peer–to–Peer Car Sharing Programs

FOR the purpose of prohibiting a peer–to–peer car sharing program from delivering or issuing for delivery a certain agreement unless the peer–to–peer car sharing

program uses a certain collision damage waiver form; requiring a peer–to–peer car sharing program to hold a limited lines license to sell certain insurance under certain circumstances; requiring that a certain license authorize a certain employee and certain authorized representative to act on behalf of, and under the supervision of, a peer–to–peer car sharing program with respect to certain kinds of insurance; specifying the requirements for holding and the authority provided by a certain license; requiring the Maryland Insurance Commissioner to issue a certain license under certain circumstances; requiring a certain insurance policy to be primary to any other valid and collectible coverage; authorizing the Commissioner to refuse to issue or suspend, revoke, or refuse to renew a certain license and impose certain penalties under certain circumstances; authorizing the Commissioner to adopt certain regulations; requiring that if a certain insurance policy includes certain coverages, the motor vehicles insured under that coverage include certain coverages; prohibiting a peer–to–peer car sharing program from being considered to have rented a certain vehicle, to be a rental vehicle company, or to be a motor vehicle company under certain provisions of law solely on a certain basis; prohibiting a shared vehicle owner from being considered to have rented a vehicle under certain provisions of law solely on a certain basis; prohibiting a certain motor vehicle from being considered to be a rental vehicle under a certain provision of law; providing that the use of a shared motor vehicle through a peer–to–peer car sharing program does not constitute a commercial use solely on a certain basis; requiring a peer–to–peer car sharing program to assume a certain liability of a shared vehicle owner during the car sharing period in a certain amount except under certain circumstances; providing that certain provisions of this Act do not limit the liability of the peer–to–peer car sharing program for certain acts and omissions or limit the ability of the program to seek indemnification from certain persons; requiring that a certain peer–to–peer car sharing program agreement disclose certain information; requiring that, during a certain period, a peer–to–peer car sharing program has a certain insurable interest in a certain shared motor vehicle; requiring that a peer–to–peer car sharing program ensure that a certain shared ~~motor~~ vehicle owner and a certain shared vehicle driver are insured in a certain manner during a certain period; providing that a certain insurance requirement may be satisfied in a certain manner; authorizing a peer–to–peer car sharing program to own and maintain as the named insured certain policies; requiring a certain offer to provide certain coverage in a certain amount under certain circumstances; specifying certain requirements for insurance required or authorized to be provided by a peer–to–peer car sharing program; providing that certain consumer complaints are subject to the Commissioner's authority; requiring a certain insurance policy to be primary under certain circumstances; ~~authorizing a peer–to–peer car sharing program to sponsor a certain insurance policy; authorizing a peer–to–peer car sharing program to satisfy certain provisions of this Act in a certain manner; prohibiting a peer–to–peer car sharing program from being considered to be engaged in the business of insurance by taking certain actions;~~ allowing certain insurers and the Maryland Automobile Insurance Fund to exclude certain coverages and the duty to defend or indemnify under a certain insurance policy; requiring that a certain insurer has a certain right ~~of~~ to seek contribution under certain circumstances; providing that certain provisions of this Act do not invalidate or limit an exclusion contained in a certain insurance policy under certain

circumstances; providing that the right to exclude certain coverages and the duty to defend under a certain policy applies to certain coverages; prohibiting a certain insurer from taking certain actions on a certain insurance policy on a certain basis except under certain circumstances; providing that certain provisions of this Act do not require a certain insurance policy to provide certain coverage during a certain period, may not be interpreted to imply that a certain insurance policy provides certain coverage during a certain period, and do not preclude a certain insurer from providing certain coverage during a certain time under certain circumstances; prohibiting certain coverage under a certain insurance policy from being dependent on a certain denial of a claim; prohibiting a certain insurer from being required to first deny a claim; providing that a peer–to–peer car sharing program and a certain shared vehicle owner are exempt from certain vicarious liability; requiring a peer–to–peer car sharing program to cooperate in a certain manner with certain parties; providing that a peer–to–peer car sharing program is subject to a certain sales and use tax rate; requiring a peer–to–peer car sharing program to ensure that a shared vehicle owner and a shared vehicle driver are insured during a certain period; providing that a certain replacement vehicle may be deemed to have satisfied a certain requirement by maintaining certain security; requiring a certain agreement to contain a certain provision under certain circumstances; requiring a certain security to cover certain persons; prohibiting a peer–to–peer car sharing program from entering into a certain agreement unless a certain driver holds a certain driver's license or is otherwise authorized under certain provisions of law to drive certain vehicles; requiring a peer–to–peer car sharing program to keep certain records; authorizing a certain police officer or a certain authorized representative to inspect certain records; prohibiting a peer–to–peer car sharing program from entering into a certain agreement with a certain intent for which a certain charge is based on the distance traveled under certain circumstances; establishing a certain penalty; prohibiting a person from allowing certain individuals to operate a certain shared motor vehicle under certain circumstances; providing that a peer–to–peer car sharing program must have a certain concession fee agreement to operate at certain airports; specifying the contents of a certain agreement; prohibiting a peer–to–peer car sharing program from charging for the use of a certain shared motor vehicle after a certain period; allowing a peer–to–peer car sharing program to charge a certain separately stated fee; requiring a peer–to–peer car sharing program to verify that a certain shared motor vehicle does not have a certain safety recall; prohibiting a shared vehicle owner from making a motor vehicle available on a certain program under certain circumstances; requiring a peer–to–peer car sharing program to verify the age of a certain shared motor vehicle and request from a shared vehicle owner the date of the last State inspection on a shared motor vehicle; requiring a peer–to–peer car sharing program to notify certain shared vehicle owners of certain requirements; requiring the Consumer Protection Division of the Office of the Attorney General to provide a certain report on or before a certain date; requiring the Motor Vehicle Administration and the Comptroller to identify and compile certain information and report to certain committees of the General Assembly on or before a certain date; providing for a delayed effective date for certain provisions of this Act; providing for the construction and application of certain provisions of this Act; providing for the termination of certain provisions of this Act; making

conforming changes; defining certain terms; and generally relating to peer–to–peer car sharing.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 14–2101
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Insurance
Section 10–601(a) and (e)
Annotated Code of Maryland
(2017 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Insurance
Section 10–601(c) and 19–512
Annotated Code of Maryland
(2017 Replacement Volume)

BY adding to
Article – Insurance
Section 10–6A–01 through 10–6A–07 to be under the new subtitle "Subtitle 6A. Peer–to–Peer Car Sharing Programs"; and 19–520
Annotated Code of Maryland
(2017 Replacement Volume)

~~BY repealing and reenacting, without amendments,~~
~~Article – Transportation~~
~~Section 11–148.1(a)~~
~~Annotated Code of Maryland~~
~~(2012 Replacement Volume and 2017 Supplement)~~

BY repealing and reenacting, with amendments,
Article – Transportation
Section *18–101 and* ~~11–148.1(b) and~~ 18–108(a)~~; and~~
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY adding to
Article – Transportation
Section 18.5–101 through 18.5–110 to be under the new ~~subtitle~~ *title* "~~Subtitle~~ *Title* 18.5. Peer–to–Peer Car Sharing Programs"
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 11–101(l)(4) and 11–104(c)(1)
Annotated Code of Maryland
(2016 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 11–104(a)
Annotated Code of Maryland
(2016 Replacement Volume and 2017 Supplement)

BY adding to
Article – Tax – General
Section 11–104(c–1)
Annotated Code of Maryland
(2016 Replacement Volume and 2017 Supplement)

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

Article – Commercial Law

14–2101.

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

(2) **"CAR SHARING PERIOD" HAS THE MEANING STATED IN § 19–520 OF THE INSURANCE ARTICLE.**

(3) "Collision damage waiver" means**:**

(I) WITH RESPECT TO A RENTAL AGREEMENT, any contract, whether separate from or part of a rental agreement, in which the lessor agrees, for a charge, to waive all or part of any claims against the lessee for damages to the rental motor vehicle during the term of the rental agreement**; AND**

(II) WITH RESPECT TO A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT, A PROVISION IN THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT IN WHICH IT IS AGREED, FOR A CHARGE, THAT ALL OR PART OF ANY CLAIMS AGAINST A SHARED VEHICLE DRIVER FOR DAMAGES TO A SHARED MOTOR VEHICLE DURING A CAR SHARING PERIOD ARE WAIVED.

[(3)**] (4)** "Lessee" means any person obtaining the use of a rental motor vehicle from a lessor under the terms of a rental agreement.

[(4)**] (5)** "Lessor" means any person in the business of providing rental motor vehicles to the public.

[(5)**] (6)** "Passenger car" means any motor vehicle that is a Class A (passenger) vehicle under § 13–912 of the Transportation Article, or any motor vehicle that is a Class M (multipurpose) vehicle under § 13–937 of the Transportation Article if the vehicle is used primarily for transporting passengers.

(7) "PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT" HAS THE MEANING STATED IN § 19–520 OF THE INSURANCE ARTICLE.

[(6)**] (8)** "Rental agreement" means a written agreement setting forth the terms and conditions governing the use of a rental motor vehicle by a lessee for a period of less than 180 days.

[(7)**] (9)** "Rental motor vehicle" means a passenger car which, on execution of a rental agreement, is made available to a lessee for the lessee's use.

(10) "SHARED MOTOR VEHICLE" HAS THE MEANING STATED IN § 19–520 OF THE INSURANCE ARTICLE.

(11) "SHARED VEHICLE DRIVER" HAS THE MEANING STATED IN § 19–520 OF THE INSURANCE ARTICLE.

(b) The Division shall develop a form for collision damage waivers **FOR LESSORS AND FOR PEER–TO–PEER CAR SHARING PROGRAMS**, and shall make it available to all lessors **AND PEER–TO–PEER CAR SHARING PROGRAMS** in the State.

(c) The form shall meet the requirements specified in subsection (e) of this section.

(d) **(1)** A lessor may not deliver or issue for delivery in this State a rental motor vehicle agreement containing a collision damage waiver, unless the lessor uses a separate collision damage waiver form provided by the Division that meets the requirements specified in subsection (e) of this section.

(2) A PEER–TO–PEER CAR SHARING PROGRAM MAY NOT DELIVER OR ISSUE FOR DELIVERY IN THE STATE A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT CONTAINING A COLLISION DAMAGE WAIVER, UNLESS THE PEER–TO–PEER CAR SHARING PROGRAM USES A SEPARATE COLLISION DAMAGE WAIVER FORM PROVIDED BY THE DIVISION THAT MEETS THE REQUIREMENTS SPECIFIED IN SUBSECTION (E) OF THIS SECTION.

(e) The collision damage waiver form shall contain the following requirements:

(1) The collision damage waiver shall be understandable and written in simple and readable plain language;

(2) The terms of the collision damage waiver, including, but not limited to, any conditions or exclusions applicable to the collision damage waiver, shall be prominently displayed;

(3) All restrictions, conditions, or provisions in, or endorsed on, the collision damage waiver are printed in type at least as large as Brevier or 10 point type;

(4) The collision damage waiver shall include a statement of the total charge for the anticipated rental period **OR CAR SHARING PERIOD** or the anticipated total daily charge;

(5) The agreement containing the collision damage waiver shall display the following notice on the face of the agreement, set apart and in boldface type, and in type at least as large as 10 point type:

"Notice:

This contract offers, for an additional charge, a collision damage waiver to cover your responsibility for damage to the vehicle. Before deciding whether to purchase the collision damage waiver, you may wish to determine whether your own automobile insurance affords you coverage for damage to the rental vehicle **OR SHARED MOTOR VEHICLE** and the amount of the deductible under your own insurance coverage. The purchase of this collision damage waiver is not mandatory and may be waived. Maryland law requires that all Maryland residents' insurance policies with collision coverage automatically extend that collision coverage to passenger cars rented **OR MOTOR VEHICLES SHARED** by the insureds named in the policy for a period of 30 days or less."; and

(6) Any additional information that the Division considers reasonable and necessary to carry out the provisions of this subtitle.

(f) A failure by a lessor to comply with subsection (d) of this section is an unfair or deceptive trade practice within the meaning of Title 13, Subtitle 3 of this article.

Article – Insurance

10–601.

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

(c) **(1)** "Motor vehicle rental company" means any person that is in the business of providing motor vehicles to the public under a rental agreement for a period of 180 days or less.

(2) "MOTOR VEHICLE RENTAL COMPANY" DOES NOT INCLUDE A PEER–TO–PEER CAR SHARING PROGRAM AS DEFINED IN § 19–520 OF THIS ARTICLE.

(e) "Renter" means any person obtaining the use of a vehicle from a motor vehicle rental company under the terms of a rental agreement.

SUBTITLE 6A. PEER–TO–PEER CAR SHARING PROGRAMS.

10–6A–01.

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

(B) "AUTHORIZED REPRESENTATIVE" MEANS AN INDEPENDENT CONTRACTOR OF A PEER–TO–PEER CAR SHARING PROGRAM.

(C) "CAR SHARING PERIOD" HAS THE MEANING STATED IN § 19–520 OF THIS ARTICLE.

(D) "PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT" HAS THE MEANING STATED IN § 19–520 OF THIS ARTICLE.

(E) "PEER–TO–PEER CAR SHARING PROGRAM" MEANS A PEER–TO–PEER CAR SHARING PROGRAM, AS DEFINED IN § 19–520 OF THIS ARTICLE, THAT SELLS OR OFFERS A MOTOR VEHICLE LIABILITY INSURANCE POLICY ISSUED BY AN INSURER UNDER § 19–520 OF THIS ARTICLE.

(F) "SHARED VEHICLE DRIVER" HAS THE MEANING STATED IN § 19–520 OF THIS ARTICLE.

(G) "VEHICLE" MEANS A MOTOR VEHICLE:

(1) OF THE PRIVATE PASSENGER TYPE, INCLUDING PASSENGER VANS, MINIVANS, AND SPORT UTILITY VEHICLES; OR

(2) OF THE CARGO TYPE, INCLUDING CARGO VANS, PICKUP TRUCKS, AND TRUCKS THAT DO NOT REQUIRE THE OPERATOR TO POSSESS A COMMERCIAL DRIVER'S LICENSE.

10–6A–02.

(A) A PEER–TO–PEER CAR SHARING PROGRAM SHALL HOLD A LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE RESERVATION OF A SHARED MOTOR VEHICLE THROUGH THE PEER–TO–PEER

CAR SHARING PROGRAM BEFORE THE PEER–TO–PEER CAR SHARING PROGRAM OR ITS EMPLOYEES OR AUTHORIZED REPRESENTATIVES MAY SELL OR OFFER ANY POLICIES OF INSURANCE IN THE STATE TO A SHARED VEHICLE DRIVER IN CONNECTION WITH, AND INCIDENTAL TO, A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT.

(B) A LIMITED LINES LICENSE ISSUED UNDER THIS SUBTITLE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT SHALL AUTHORIZE ANY EMPLOYEE AND ANY AUTHORIZED REPRESENTATIVE OF THE PEER–TO–PEER CAR SHARING PROGRAM WHO IS TRAINED, UNDER § 10–6A–04(A)(4) OF THIS SUBTITLE, TO ACT ON BEHALF OF, AND UNDER THE SUPERVISION OF, A PEER–TO–PEER CAR SHARING PROGRAM, WITH RESPECT TO THE KINDS OF INSURANCE SPECIFIED IN § 10–6A–04(B)(2) OF THIS SUBTITLE.

(C) THE ACTS OF AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OFFERING OR SELLING INSURANCE COVERAGE ON BEHALF OF A PEER–TO–PEER CAR SHARING PROGRAM SHALL BE DEEMED THE ACTS OF THE PEER–TO–PEER CAR SHARING PROGRAM FOR THE PURPOSES OF THIS SUBTITLE.

(D) A PEER–TO–PEER CAR SHARING PROGRAM HOLDING A LIMITED LINES LICENSE ISSUED UNDER THIS SUBTITLE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT IS NOT REQUIRED TO TREAT PREMIUMS COLLECTED FROM A SHARED VEHICLE DRIVER WHO PURCHASED INSURANCE FROM THE PEER–TO–PEER CAR SHARING PROGRAM AS FUNDS RECEIVED IN A FIDUCIARY CAPACITY IF:

(1) THE INSURER REPRESENTED BY THE PEER–TO–PEER CAR SHARING PROGRAM HAS CONSENTED IN A WRITTEN AGREEMENT, SIGNED BY AN OFFICER OF THE INSURER, THAT THE PREMIUMS DO NOT NEED TO BE SEGREGATED FROM OTHER FUNDS RECEIVED BY THE PEER–TO–PEER CAR SHARING PROGRAM UNDER THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT; AND

(2) THE CHARGES FOR INSURANCE COVERAGE ARE ITEMIZED BUT NOT BILLED TO THE SHARED VEHICLE DRIVER SEPARATELY FROM THE CHARGES FOR THE CAR SHARING PERIOD.

(E) AN EMPLOYEE OR AN AUTHORIZED REPRESENTATIVE OF A PEER–TO–PEER CAR SHARING PROGRAM WHO OFFERS OR SELLS INSURANCE COVERAGE ON BEHALF OF THE PEER–TO–PEER CAR SHARING PROGRAM:

(1) MAY BE COMPENSATED FOR OFFERING OR SELLING INSURANCE COVERAGE UNDER THIS SUBTITLE; BUT

(2) MAY NOT BE COMPENSATED IN A MANNER THAT IS BASED SOLELY ON THE NUMBER OF CUSTOMERS WHO PURCHASE MOTOR VEHICLE LIABILITY INSURANCE.

(F) THIS SUBTITLE MAY NOT BE CONSTRUED TO PROHIBIT PAYMENT OF COMPENSATION TO AN EMPLOYEE OR AN AUTHORIZED REPRESENTATIVE OF A PEER–TO–PEER CAR SHARING PROGRAM WHO OFFERS OR SELLS INSURANCE COVERAGE ON BEHALF OF THE PEER–TO–PEER CAR SHARING PROGRAM FOR ACTIVITIES THAT ARE INCIDENTAL TO THE EMPLOYEE'S OVERALL ACTIVITIES.

(G) A PEER–TO–PEER CAR SHARING PROGRAM THAT HOLDS A LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE PEER–TO–PEER CAR SHARING OF A MOTOR VEHICLE ISSUED UNDER THIS SUBTITLE SHALL:

(1) MAINTAIN A REGISTER, ON A FORM THE COMMISSIONER REQUIRES, CONTAINING:

(I) THE NAMES OF EACH EMPLOYEE OR AUTHORIZED REPRESENTATIVE WHO OFFERS LIMITED LINES INSURANCE ON BEHALF OF THE PEER–TO–PEER CAR SHARING PROGRAM; AND

(II) THE BUSINESS ADDRESSES OF ALL LOCATIONS WHERE EMPLOYEES OR AUTHORIZED REPRESENTATIVES OFFER LIMITED LINES INSURANCE ON BEHALF OF THE PEER–TO–PEER CAR SHARING PROGRAM FOR CAR SHARING AGREEMENTS ENTERED INTO IN THE STATE; AND

(2) SUBMIT THE REGISTER FOR INSPECTION BY THE COMMISSIONER AS THE COMMISSIONER REQUIRES.

10–6A–03.

(A) THE COMMISSIONER SHALL ISSUE TO A PEER–TO–PEER CAR SHARING PROGRAM, OR A FRANCHISEE OF A PEER–TO–PEER CAR SHARING PROGRAM, A LIMITED LINES LICENSE AUTHORIZING THE PEER–TO–PEER CAR SHARING PROGRAM TO OFFER OR SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT IF THE PEER–TO–PEER CAR SHARING PROGRAM:

(1) MEETS THE REQUIREMENTS OF § 10–6A–04 OF THIS SUBTITLE;

(2) PAYS THE FEES FOR INSURANCE PRODUCERS REQUIRED UNDER § 2–112 OF THIS ARTICLE THAT ARE APPLICABLE TO AN INSURANCE PRODUCER LICENSE; AND

(3) SUBMITS TO THE COMMISSIONER ANY ADDITIONAL INFORMATION OR DOCUMENTATION THAT THE COMMISSIONER REQUIRES, INCLUDING ANY INFORMATION OR DOCUMENTATION NEEDED TO DETERMINE THE PROFESSIONAL COMPETENCE, GOOD CHARACTER, AND TRUSTWORTHINESS OF THE PEER–TO–PEER CAR SHARING PROGRAM.

(B) A LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE PEER–TO–PEER CAR SHARING OF A MOTOR VEHICLE ISSUED UNDER THIS SUBTITLE IS SUBJECT TO THE SAME TERM AND RENEWAL CONDITIONS SPECIFIED FOR AN INSURANCE PRODUCER LICENSE UNDER § 10–115 OF THIS TITLE.

10–6A–04.

(A) A LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT ISSUED UNDER THIS SUBTITLE AUTHORIZES THE PEER–TO–PEER CAR SHARING PROGRAM TO OFFER OR SELL, IN CONNECTION WITH, AND INCIDENTAL TO, A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT, THE INSURANCE PRODUCTS SPECIFIED IN SUBSECTION (B) OF THIS SECTION IF:

(1) THE POLICIES HAVE BEEN FILED WITH AND APPROVED BY THE COMMISSIONER AS COMPLIANT WITH § 19–520(D) OF THIS ARTICLE;

(2) THE PEER–TO–PEER CAR SHARING PROGRAM HOLDS AN APPOINTMENT WITH EACH AUTHORIZED INSURER, UNDER § 10–118 OF THIS TITLE, THAT THE PEER–TO–PEER CAR SHARING PROGRAM INTENDS TO REPRESENT;

(3) PRIOR TO COMPLETION OF THE PEER–TO–PEER CAR SHARING TRANSACTION, AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF THE PEER–TO–PEER CAR SHARING PROGRAM PROVIDES TO THE SHARED VEHICLE DRIVER DISCLOSURES APPROVED BY THE COMMISSIONER THAT:

(I) SUMMARIZE, CLEARLY AND CORRECTLY, THE MATERIAL TERMS OF COVERAGE, INCLUDING LIMITATIONS OR EXCLUSIONS;

(II) IDENTIFY THE AUTHORIZED INSURER OR INSURERS;

(III) SPECIFY THAT THE POLICIES OFFERED BY THE PEER–TO–PEER CAR SHARING PROGRAM MAY PROVIDE A DUPLICATION OF COVERAGE ALREADY PROVIDED BY A SHARED VEHICLE DRIVER'S PERSONAL AUTOMOBILE INSURANCE POLICY, HOMEOWNER'S INSURANCE POLICY, PERSONAL LIABILITY INSURANCE POLICY, OR OTHER SOURCE OF COVERAGE;

(IV) SPECIFY THAT THE PURCHASE OF THE COVERAGE OFFERED BY THE PEER–TO–PEER CAR SHARING PROGRAM IS NOT REQUIRED IN ORDER FOR THE SHARED VEHICLE DRIVER TO PARTICIPATE IN THE PEER–TO–PEER CAR SHARE;

(V) DESCRIBE THE PROCESS BY WHICH THE SHARED VEHICLE DRIVER CAN FILE A CLAIM; AND

(VI) SPECIFY THAT ANY EXCESS LIABILITY COVERAGE PURCHASED BY THE SHARED VEHICLE DRIVER MAY DUPLICATE COVERAGE REQUIRED TO BE PROVIDED UNDER § 18.5–102 OF THE TRANSPORTATION ARTICLE;

(4) THE PEER–TO–PEER CAR SHARING PROGRAM PROVIDES A TRAINING PROGRAM, APPROVED BY THE COMMISSIONER, FOR EACH EMPLOYEE OR AUTHORIZED REPRESENTATIVE WHO SELLS, SOLICITS, OR NEGOTIATES INSURANCE COVERAGE UNDER THIS SUBTITLE THAT INCLUDES:

(I) INSTRUCTION ABOUT THE KINDS OF INSURANCE SPECIFIED IN SUBSECTION (B) OF THIS SECTION THAT CAN BE OFFERED TO SHARED VEHICLE DRIVERS;

(II) INSTRUCTION THAT THE EMPLOYEE OR AUTHORIZED REPRESENTATIVE IS REQUIRED TO INFORM A SHARED VEHICLE DRIVER THAT THE PURCHASE OF ANY INSURANCE FROM THE PEER–TO–PEER CAR SHARING PROGRAM IS NOT REQUIRED IN ORDER FOR THE SHARED VEHICLE DRIVER TO PARTICIPATE IN THE PEER–TO–PEER CAR SHARE; AND

(III) INSTRUCTION THAT THE EMPLOYEE OR AUTHORIZED REPRESENTATIVE IS REQUIRED TO INFORM A SHARED VEHICLE DRIVER THAT THE SHARED VEHICLE DRIVER MAY HAVE INSURANCE POLICIES THAT ALREADY PROVIDE THE COVERAGE BEING OFFERED BY THE PEER–TO–PEER CAR SHARING PROGRAM; AND

(5) AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE WHO OFFERS OR SELLS INSURANCE COVERAGE ON BEHALF OF THE PEER–TO–PEER CAR SHARING PROGRAM INFORMS A SHARED VEHICLE DRIVER THAT THE POLICIES OFFERED BY THE PEER–TO–PEER CAR SHARING PROGRAM MAY DUPLICATE COVERAGE ALREADY PROVIDED BY THE SHARED VEHICLE DRIVER'S PERSONAL AUTOMOBILE INSURANCE POLICY, HOMEOWNER'S INSURANCE POLICY, PERSONAL LIABILITY INSURANCE POLICY, OR OTHER SOURCE OF COVERAGE.

(B) A LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT ISSUED UNDER THIS SUBTITLE AUTHORIZES THE PEER–TO–PEER CAR SHARING

PROGRAM TO OFFER OR SELL INSURANCE POLICIES UNDER THIS SUBTITLE THAT ARE:

(1) IN THE AMOUNT OF, IN EXCESS OF, OR OPTIONAL TO THE COVERAGES REQUIRED TO BE PROVIDED UNDER § 19–520(D)(1) OF THIS ARTICLE; AND

(2) ONE OF THE FOLLOWING KINDS OF INSURANCE:

(I) BODILY INJURY LIABILITY;

(II) PROPERTY DAMAGE LIABILITY;

(III) UNINSURED MOTORIST INSURANCE; OR

(IV) IF APPROVED BY THE COMMISSIONER, ANY OTHER INSURANCE COVERAGE THAT IS APPROPRIATE IN CONNECTION WITH A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT.

10–6A–05.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN INSURANCE POLICY SOLD IN CONNECTION WITH, AND INCIDENTAL TO, A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT UNDER THE PROVISIONS OF THIS SUBTITLE IS PRIMARY TO ANY OTHER VALID AND COLLECTIBLE COVERAGE.

(B) ANY INSURANCE SOLD TO A SHARED VEHICLE DRIVER UNDER THE PROVISIONS OF THIS SUBTITLE IS NOT PRIMARY TO THE COVERAGE PROVIDED BY THE PEER–TO–PEER CAR SHARING PROGRAM UNDER § 19–520(D)(1) OF THIS ARTICLE.

10–6A–06.

(A) THE COMMISSIONER MAY REFUSE TO ISSUE A LIMITED LINES LICENSE OR SUSPEND, REVOKE, OR REFUSE TO RENEW A LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT ISSUED UNDER THIS SUBTITLE AFTER NOTICE AND OPPORTUNITY FOR A HEARING UNDER TITLE 2, SUBTITLE 2 OF THIS ARTICLE IF THE PEER–TO–PEER CAR SHARING PROGRAM OR AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF THE PEER–TO–PEER CAR SHARING PROGRAM HAS:

(1) WILLFULLY VIOLATED THIS ARTICLE OR ANOTHER STATE LAW THAT RELATES TO INSURANCE;

(2) OPERATED WITHOUT A LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT AS REQUIRED UNDER THIS SUBTITLE;

(3) FAILED TO PROVIDE REQUIRED DISCLOSURES;

(4) OFFERED OR SOLD UNAPPROVED INSURANCE PRODUCTS;

(5) FAILED TO HOLD AN APPOINTMENT WITH THE INSURER;

(6) FAILED TO TRAIN EMPLOYEES AND AUTHORIZED REPRESENTATIVES SELLING OR SOLICITING, OR NEGOTIATING THE SALE OF, INSURANCE PRODUCTS ON BEHALF OF THE PEER–TO–PEER CAR SHARING PROGRAM; OR

(7) MISREPRESENTED PERTINENT FACTS OR POLICY PROVISIONS THAT RELATE TO THE COVERAGE OFFERED OR SOLD UNDER THIS SUBTITLE.

(B) A PEER–TO–PEER CAR SHARING PROGRAM AND ITS EMPLOYEES AND AUTHORIZED REPRESENTATIVES MAY NOT ADVERTISE, REPRESENT, OR OTHERWISE HOLD ITSELF OUT AS AN AUTHORIZED INSURER, OR AS AN INSURANCE PRODUCER, FOR ANY KIND OR SUBDIVISION OF INSURANCE.

(C) INSTEAD OF, OR IN ADDITION TO, SUSPENDING OR REVOKING A LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT, THE COMMISSIONER MAY:

(1) IMPOSE ON THE PEER–TO–PEER CAR SHARING PROGRAM A PENALTY OF NOT LESS THAN $100 BUT NOT MORE THAN $2,500 FOR EACH VIOLATION OF THIS SUBTITLE; AND

(2) REQUIRE THAT RESTITUTION BE MADE TO ANY PERSON WHO HAS SUFFERED FINANCIAL INJURY BECAUSE OF THE VIOLATION OF THIS ARTICLE.

10–6A–07.

THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE, INCLUDING REGULATIONS CONCERNING:

(1) THE FORM AND CONTENT OF REQUIRED DISCLOSURES TO SHARED VEHICLE DRIVERS;

(2) THE TRAINING REQUIREMENTS FOR EMPLOYEES AND AUTHORIZED REPRESENTATIVES OF A PEER–TO–PEER CAR SHARING PROGRAM; AND

(3) THE QUALIFICATIONS OF THE INDIVIDUALS WHO PROVIDE TRAINING FOR EMPLOYEES AND AUTHORIZED REPRESENTATIVES OF A PEER–TO–PEER CAR SHARING PROGRAM.

19–512.

(a) (1) Each insurer that issues, sells, or delivers a motor vehicle insurance policy in the State shall offer collision coverage for damage to insured motor vehicles subject to deductibles of $50 to $250 in $50 increments.

(2) Collision coverage shall provide insurance, without regard to fault, against accidental property damage to the insured motor vehicle caused by physical contact of the insured motor vehicle with another motor vehicle or other object or by upset of the insured motor vehicle, if the motor vehicle accident occurs in a state, Canada, or Mexico.

(b) (1) In this subsection, "passenger car" means a motor vehicle that is:

(i) a Class A (passenger) vehicle under § 13–912 of the Transportation Article; or

(ii) a Class M (multipurpose) vehicle under § 13–937 of the Transportation Article used primarily for transporting passengers.

(2) If a private passenger motor vehicle insurance policy issued, sold, or delivered in the State includes:

(i) collision coverage under this section, the motor vehicles insured under that coverage shall include any passenger car that is rented **OR USED** by an insured for a period of 30 days or less under a rental agreement **OR A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT** as otherwise defined in § 14–2101 of the Commercial Law Article; or

(ii) comprehensive coverage, the motor vehicles insured under that coverage shall include any replacement vehicle as defined under § 18–102(a)(2)(i) **OR § 18.5–102(A)(2)(I)** of the Transportation Article.

(3) Each insurer that provides a private passenger motor vehicle insurance policy that includes collision coverage shall give the insured a separate notice written in boldface type that the insured does not need a collision damage waiver or any additional collision coverage when renting **OR PEER–TO–PEER CAR SHARING** a passenger car for a period of 30 days or less during the term of the policy.

(4) An insurer may not deny coverage to an insured for collision damage to a rental passenger car because:

(i) the motor vehicle accident involved an uninsured motorist; or

(ii) the identity of the motor vehicle causing the damage cannot be ascertained.

(c) An insurer may offer to provide to the insured coverage for damages incurred by the insured as a result of the loss of use of a rental vehicle **OR A SHARED MOTOR VEHICLE** that sustains collision damage while rented by the insured.

19–520.

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

(2) "CAR SHARING DELIVERY PERIOD" MEANS THE PERIOD OF TIME DURING WHICH A SHARED MOTOR VEHICLE IS BEING DELIVERED TO THE LOCATION OF THE CAR SHARING START TIME, AS DOCUMENTED BY THE SHARED VEHICLE OWNER UNDER A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT.

~~(2)~~ (3) "CAR SHARING PERIOD" MEANS THE PERIOD OF TIME THAT COMMENCES ~~AT THE CAR SHARING START TIME~~ WITH THE CAR SHARING DELIVERY PERIOD AND ENDS AT THE CAR SHARING TERMINATION TIME.

~~(3)~~ (4) "CAR SHARING START TIME" MEANS THE TIME WHEN A SHARED MOTOR VEHICLE BECOMES SUBJECT TO THE CONTROL OF THE SHARED VEHICLE DRIVER AT OR AFTER THE TIME THE RESERVATION OF A SHARED MOTOR VEHICLE IS SCHEDULED TO BEGIN AS DOCUMENTED IN THE RECORDS OF A PEER–TO–PEER CAR SHARING PROGRAM.

~~(4)~~ (5) "CAR SHARING TERMINATION TIME" MEANS:

(I) THE TIME WHEN THE SHARED MOTOR VEHICLE IS RETURNED TO THE LOCATION DESIGNATED BY THE SHARED VEHICLE OWNER THROUGH A PEER–TO–PEER CAR SHARING PROGRAM; AND

(II) THE EARLIEST OF THE FOLLOWING OCCURS:

~~(I)~~ 1. THE EXPIRATION OF THE AGREED PERIOD OF TIME ESTABLISHED FOR THE USE OF ~~A~~ THE SHARED MOTOR VEHICLE;

~~(II)~~ 2. THE INTENT TO TERMINATE THE USE OF ~~A~~ THE SHARED MOTOR VEHICLE IS VERIFIABLY COMMUNICATED TO ~~A~~ THE PEER–TO–PEER CAR SHARING PROGRAM; OR

~~(III)~~ 3. THE SHARED VEHICLE OWNER ~~OF A SHARED VEHICLE~~, OR THE SHARED VEHICLE OWNER'S AUTHORIZED DESIGNEE, TAKES POSSESSION AND CONTROL OF THE SHARED MOTOR VEHICLE.

~~(5)~~ (6) "INTENTIONAL OR FRAUDULENT MATERIAL MISREPRESENTATION" MEANS AN AFFIRMATIVE STATEMENT OR AN OMISSION BY A SHARED VEHICLE OWNER THAT MISREPRESENTS MATERIAL FACTS ABOUT THE SHARED VEHICLE OWNER OR THE SHARED MOTOR VEHICLE.

~~(6)~~ (7) "MOTOR VEHICLE" HAS THE MEANING STATED IN § 11–135 OF THE TRANSPORTATION ARTICLE.

~~(7)~~ (8) "PEER–TO–PEER CAR SHARING" MEANS THE AUTHORIZED USE OF A MOTOR VEHICLE BY AN INDIVIDUAL OTHER THAN THE VEHICLE'S OWNER THROUGH A PEER–TO–PEER CAR SHARING PROGRAM.

~~(8)~~ (9) "PEER–TO–PEER CAR SHARING PROGRAM" MEANS A PLATFORM THAT IS IN THE BUSINESS OF CONNECTING VEHICLE OWNERS WITH DRIVERS TO ENABLE THE SHARING OF MOTOR VEHICLES FOR FINANCIAL CONSIDERATION.

(10) "PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT" MEANS THE WRITTEN TERMS AND CONDITIONS APPLICABLE TO A SHARED VEHICLE OWNER AND A SHARED VEHICLE DRIVER THAT GOVERN THE USE OF A SHARED VEHICLE THROUGH A PEER–TO–PEER CAR SHARING PROGRAM UNDER THE PROVISIONS OF THIS SECTION AND TITLE 18.5 OF THE TRANSPORTATION ARTICLE.

~~(9)~~ (11) "SHARED MOTOR VEHICLE" MEANS A MOTOR VEHICLE THAT IS AVAILABLE FOR SHARING THROUGH A PEER–TO–PEER CAR SHARING PROGRAM.

~~(10)~~ (12) "SHARED VEHICLE DRIVER" MEANS AN INDIVIDUAL WHO HAS:

(I) RESERVED THE USE OF A SHARED MOTOR VEHICLE THROUGH A PEER–TO–PEER CAR SHARING PROGRAM; AND

(II) BEEN AUTHORIZED TO DRIVE THE SHARED MOTOR VEHICLE BY THE PEER–TO–PEER CAR SHARING PROGRAM.

~~(11)~~ (13) "SHARED VEHICLE OWNER" MEANS THE REGISTERED OWNER OF A MOTOR VEHICLE MADE AVAILABLE FOR SHARING TO SHARED VEHICLE DRIVERS THROUGH A PEER–TO–PEER CAR SHARING PROGRAM.

(B) (1) SOLELY ON THE BASIS THAT A MOTOR VEHICLE IS SHARED THROUGH A PEER–TO–PEER CAR SHARING PROGRAM:

(I) A PEER–TO–PEER CAR SHARING PROGRAM MAY NOT BE CONSIDERED TO HAVE RENTED THE VEHICLE UNDER TITLE 18, SUBTITLE 1 OF THE TRANSPORTATION ARTICLE;

(II) THE SHARED VEHICLE OWNER MAY NOT BE CONSIDERED TO HAVE RENTED A VEHICLE UNDER TITLE 18, SUBTITLE 1 OF THE TRANSPORTATION ARTICLE; AND

(III) A PEER–TO–PEER CAR SHARING PROGRAM MAY NOT BE CONSIDERED TO BE:

1. A RENTAL VEHICLE COMPANY UNDER § 18–108 OF THE TRANSPORTATION ARTICLE; OR

2. A MOTOR VEHICLE RENTAL COMPANY UNDER TITLE 10, SUBTITLE 6 OF THIS ARTICLE.

(2) ~~A MOTOR VEHICLE, WHILE BEING MADE AVAILABLE FOR SHARING THROUGH A PEER–TO–PEER CAR SHARING PROGRAM, MAY NOT BE CONSIDERED TO BE A RENTAL VEHICLE UNDER § 11–148.1 OF THE TRANSPORTATION ARTICLE.~~

~~(3)~~ ~~THE~~ SUBJECT TO SUBSECTION (E)(1) OF THIS SECTION, THE USE OF A SHARED MOTOR VEHICLE THROUGH A PEER–TO–PEER CAR SHARING PROGRAM DOES NOT CONSTITUTE A COMMERCIAL USE SOLELY ON THE BASIS THAT THE MOTOR VEHICLE IS AVAILABLE FOR SHARING OR USED THROUGH A PEER–TO–PEER CAR SHARING PROGRAM.

(C) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A PEER–TO–PEER CAR SHARING PROGRAM SHALL ASSUME THE LIABILITY OF A SHARED VEHICLE OWNER FOR ANY BODILY INJURY OR PROPERTY DAMAGE TO THIRD PARTIES~~,~~ OR UNINSURED AND UNDERINSURED MOTORIST OR PERSONAL INJURY PROTECTION LOSSES~~, OR INJURY TO THIRD PARTIES~~ DURING THE CAR SHARING PERIOD IN AN AMOUNT STATED IN THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT, WHICH AMOUNT MAY NOT BE LESS THAN THE MINIMUM AMOUNT OF SECURITY REQUIRED UNDER § 17–103 OF THE TRANSPORTATION ARTICLE.

(II) ~~THE~~ EXCEPT FOR THE MINIMUM SECURITY REQUIRED UNDER § 17–103 OF THE TRANSPORTATION ARTICLE FOR ANY INJURED PERSON WHO DID NOT MAKE THE INTENTIONAL OR FRAUDULENT MISREPRESENTATION, THE ASSUMPTION OF LIABILITY UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY IF THE SHARED VEHICLE OWNER MADE AN INTENTIONAL OR FRAUDULENT MATERIAL MISREPRESENTATION TO THE PEER–TO–PEER CAR SHARING PROGRAM BEFORE THE CAR SHARING PERIOD IN WHICH THE LOSS OCCURRED.

(2) NOTHING IN PARAGRAPH (1) OF THIS SUBSECTION:

(I) LIMITS THE LIABILITY OF THE PEER–TO–PEER CAR SHARING PROGRAM FOR ANY ACT OR OMISSION OF THE PEER–TO–PEER CAR SHARING PROGRAM ITSELF THAT RESULTS IN INJURY TO ANY PERSON AS A RESULT OF THE USE OF A SHARED MOTOR VEHICLE THROUGH A PEER–TO–PEER CAR SHARING PROGRAM; OR

(II) LIMITS THE ABILITY OF THE PEER–TO–PEER CAR SHARING PROGRAM TO, BY CONTRACT, SEEK INDEMNIFICATION FROM THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE DRIVER FOR ECONOMIC LOSS SUSTAINED BY THE PEER–TO–PEER CAR SHARING PROGRAM RESULTING FROM A BREACH OF THE TERMS AND CONDITIONS OF THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT.

(3) EACH PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT MADE WITH RESPECT TO A CAR SHARING ARRANGEMENT IN THE STATE SHALL DISCLOSE TO THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE DRIVER:

(I) ANY RIGHT OF THE PEER–TO–PEER CAR SHARING PROGRAM TO SEEK INDEMNIFICATION FROM THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE DRIVER FOR ECONOMIC LOSS SUSTAINED BY THE PEER–TO–PEER CAR SHARING PROGRAM RESULTING FROM A BREACH OF THE TERMS AND CONDITIONS OF THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT; ~~AND~~

(II) THAT A MOTOR VEHICLE LIABILITY INSURANCE POLICY ISSUED TO THE SHARED VEHICLE OWNER FOR THE SHARED MOTOR VEHICLE OR TO THE SHARED VEHICLE DRIVER DOES NOT PROVIDE A DEFENSE OR INDEMNIFICATION FOR ANY CLAIM ASSERTED BY THE PEER–TO–PEER CAR SHARING PROGRAM UNDER ITEM (I) OF THIS PARAGRAPH;

(III) THAT THE PEER–TO–PEER CAR SHARING PROGRAM'S INSURANCE COVERAGE ON THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE DRIVER IS IN EFFECT ONLY DURING EACH CAR SHARING PERIOD AND THAT, FOR ANY USE OF THE SHARED MOTOR VEHICLE BY THE SHARED VEHICLE DRIVER AFTER THE CAR SHARING TERMINATION TIME, THE SHARED VEHICLE

DRIVER AND THE SHARED VEHICLE OWNER SHOULD CONTACT THE SHARED VEHICLE DRIVER'S OR THE SHARED VEHICLE OWNER'S INSURER ABOUT INSURANCE COVERAGE;

(IV) THAT THE PEER–TO–PEER CAR SHARING PROGRAM'S MOTOR VEHICLE LIABILITY INSURANCE POLICY MAY BE EXCLUSIVE FOR THE SHARED VEHICLE OWNER AND IS PRIMARY FOR THE SHARED VEHICLE DRIVER, BUT MAY BE SECONDARY FOR THE SHARED VEHICLE DRIVER IF THE SHARED MOTOR VEHICLE IS USED AS A REPLACEMENT VEHICLE, AS DEFINED IN § 18.5–102(A)(2)(I) OF THE TRANSPORTATION ARTICLE; AND

(V) THE DAILY RATE, FEES, ANY INSURANCE COSTS, AND ANY PROTECTION PACKAGE COSTS THAT ARE CHARGED TO THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE DRIVER.

(4) AT THE TIME WHEN A VEHICLE OWNER REGISTERS AS A SHARED VEHICLE OWNER ON A PEER–TO–PEER CAR SHARING PROGRAM AND PRIOR TO THE TIME WHEN THE SHARED VEHICLE OWNER MAKES A SHARED MOTOR VEHICLE AVAILABLE FOR CAR SHARING ON THE PEER–TO–PEER CAR SHARING PROGRAM, THE PEER–TO–PEER CAR SHARING PROGRAM SHALL NOTIFY THE SHARED VEHICLE OWNER THAT, IF THE SHARED MOTOR VEHICLE HAS A LIEN AGAINST IT, THE USE OF THE SHARED MOTOR VEHICLE THROUGH A PEER–TO–PEER CAR SHARING PROGRAM, INCLUDING USE WITHOUT PHYSICAL DAMAGE COVERAGE, MAY VIOLATE THE TERMS OF THE CONTRACT WITH THE LIENHOLDER.

(D) (1) ~~DURING THE CAR SHARING PERIOD, A PEER–TO–PEER CAR SHARING PROGRAM SHALL HAVE AN INSURABLE INTEREST IN A SHARED MOTOR VEHICLE.~~

~~(2)~~ A PEER–TO–PEER CAR SHARING PROGRAM SHALL ENSURE THAT, DURING EACH CAR SHARING PERIOD, THE SHARED ~~MOTOR~~ VEHICLE OWNER AND THE SHARED VEHICLE DRIVER ARE INSURED UNDER A MOTOR VEHICLE LIABILITY INSURANCE POLICY THAT:

(I) RECOGNIZES THAT THE VEHICLE INSURED UNDER THE POLICY IS MADE AVAILABLE AND USED THROUGH A PEER–TO–PEER CAR SHARING PROGRAM; AND

(II) PROVIDES ~~LIABILITY INSURANCE COVERAGE IN AN AMOUNT NOT LESS THAN~~ THE MINIMUM SECURITY REQUIRED UNDER § 17–103 OF THE TRANSPORTATION ARTICLE.

(2) THE INSURANCE DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE SATISFIED BY MOTOR VEHICLE LIABILITY INSURANCE MAINTAINED BY:

(I) A SHARED VEHICLE OWNER;

(II) A PEER–TO–PEER CAR SHARING PROGRAM; OR

(III) BOTH A SHARED VEHICLE OWNER AND A PEER–TO–PEER CAR SHARING PROGRAM.

(3) (I) A PEER–TO–PEER CAR SHARING PROGRAM SHALL HAVE AN INSURABLE INTEREST IN A SHARED MOTOR VEHICLE DURING THE CAR SHARING PERIOD.

(II) A PEER–TO–PEER CAR SHARING PROGRAM MAY OWN AND MAINTAIN AS THE NAMED INSURED ONE OR MORE POLICIES OF MOTOR VEHICLE LIABILITY INSURANCE THAT PROVIDES COVERAGE IN THE AMOUNT OF, IN EXCESS OF, OR OPTIONAL TO THE MINIMUM AMOUNT OF COVERAGE REQUIRED TO BE PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION, INCLUDING COVERAGE FOR:

1. LIABILITIES ASSUMED BY THE PEER–TO–PEER CAR SHARING PROGRAM UNDER A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT;

2. ANY LIABILITY OF THE SHARED VEHICLE OWNER;

3. DAMAGE OR LOSS TO THE SHARED MOTOR VEHICLE; AND

4. ANY LIABILITY OF THE SHARED VEHICLE DRIVER.

(III) AN OFFER BY A PEER–TO–PEER CAR SHARING PROGRAM TO PROVIDE COVERAGE TO A SHARED VEHICLE DRIVER IN THE AMOUNT OF, IN EXCESS OF, OR OPTIONAL TO THE MINIMUM AMOUNT OF COVERAGE REQUIRED TO BE PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION, WHETHER ON A STAND–ALONE BASIS OR AS PART OF A FINANCIAL PROTECTION PACKAGE, SHALL BE CONSIDERED THE SALE OR OFFER OF INSURANCE UNDER TITLE 10, SUBTITLE 6A OF THIS ARTICLE.

(4) THE INSURANCE DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION OR AUTHORIZED UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL:

(I) AS TO COVERAGE OF THE SHARED VEHICLE DRIVER, PAY CLAIMS ON A FIRST DOLLAR BASIS; AND

(II) BE ISSUED BY:

1. AN INSURER AUTHORIZED TO DO BUSINESS IN THE STATE; OR

2. SOLELY WITH RESPECT TO INSURANCE MAINTAINED BY A PEER–TO–PEER CAR SHARING PROGRAM UNDER PARAGRAPH (3) OF THIS SUBSECTION, AN ELIGIBLE SURPLUS LINES INSURER:

A. IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 3, SUBTITLE 3 OF THIS ARTICLE; AND

B. HAVING AN A.M. BEST FINANCIAL STRENGTH RATING OF A– OR BETTER.

(5) *(I)* THE INSURANCE DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL, AS TO COVERAGE OF THE SHARED VEHICLE OWNER, PAY CLAIMS ON A FIRST DOLLAR BASIS~~, PROVIDED THAT THIS REQUIREMENT~~.

(II) *THIS PARAGRAPH* MAY NOT APPLY TO THE TERMS AND CONDITIONS *UNDER THE INSURANCE POLICY* APPLICABLE TO THE PEER–TO–PEER CAR SHARING PROGRAM ~~UNDER THE INSURANCE POLICY~~.

(6) CONSUMER COMPLAINTS CONCERNING CLAIMS AGAINST A SURPLUS LINES POLICY ISSUED IN CONNECTION WITH, AND INCIDENTAL TO, A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT ARE SUBJECT TO THE COMMISSIONER'S AUTHORITY UNDER § 27–303 OF THIS ARTICLE.

~~(3)~~ (7) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE MOTOR VEHICLE LIABILITY INSURANCE POLICY DESCRIBED IN PARAGRAPH ~~(2)~~ (1) OF THIS SUBSECTION SHALL BE PRIMARY WITH RESPECT TO THE SHARED VEHICLE ~~OWNER~~ DRIVER, BUT MAY BE SECONDARY ~~AS TO ANY OTHER VALID AND COLLECTIBLE INSURANCE COVERING THE SHARED VEHICLE DRIVER~~ TO THE SHARED VEHICLE DRIVER'S MOTOR VEHICLE LIABILITY INSURANCE POLICY IF THE SHARED MOTOR VEHICLE IS USED BY THE SHARED VEHICLE DRIVER AS A REPLACEMENT VEHICLE, AS DEFINED IN § 18.5–102(A)(2)(I) OF THE TRANSPORTATION ARTICLE.

(II) IF THE INSURANCE MAINTAINED BY THE SHARED VEHICLE DRIVER HAS LAPSED, OR IS OTHERWISE NOT IN FORCE, THE PEER–TO–PEER CAR

SHARING PROGRAM'S INSURANCE COVERAGE REQUIRED UNDER PARAGRAPH ~~(2)~~ (1) OF THIS SUBSECTION SHALL BE PRIMARY.

~~(4) A PEER–TO–PEER CAR SHARING PROGRAM MAY SPONSOR A MOTOR VEHICLE INSURANCE POLICY THAT PROVIDES COVERAGE FOR PROPERTY DAMAGE TO A SHARED MOTOR VEHICLE DURING THE CAR SHARING PERIOD.~~

~~(5) A PEER–TO–PEER CAR SHARING PROGRAM MAY SATISFY PARAGRAPHS (2), (3), AND (4) OF THIS SUBSECTION BY ACQUIRING OR SPONSORING ANY FORM OF SECURITY DESCRIBED UNDER § 17–103 OF THE TRANSPORTATION ARTICLE.~~

~~(6) A PEER–TO–PEER CAR SHARING PROGRAM MAY NOT BE CONSIDERED TO BE ENGAGED IN THE BUSINESS OF INSURANCE OR IN THE SOLICITATION, SALE, OR NEGOTIATION OF INSURANCE BY:~~

~~(I) ACQUIRING OR SPONSORING A MOTOR VEHICLE INSURANCE POLICY REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION OR PERMITTED UNDER PARAGRAPH (4) OF THIS SUBSECTION;~~

~~(II) INFORMING A SHARED VEHICLE OWNER OR A SHARED VEHICLE DRIVER OF THE EXISTENCE AND TERMS AND CONDITIONS OF THE INSURANCE;~~

~~(III) ALLOWING A SHARED VEHICLE OWNER AND A SHARED VEHICLE DRIVER TO SELECT DIFFERENT DEGREES OF FINANCIAL PROTECTION AND BENEFITS THAT INCLUDE THE INSURANCE; OR~~

~~(IV) RECEIVING REIMBURSEMENT OF THE COST OF THE INSURANCE FROM A SHARED VEHICLE OWNER OR A SHARED VEHICLE DRIVER.~~

(E) (1) AN AUTHORIZED INSURER THAT WRITES MOTOR VEHICLE LIABILITY INSURANCE IN THE STATE AND THE MARYLAND AUTOMOBILE INSURANCE FUND MAY EXCLUDE ANY AND ALL COVERAGE AND THE DUTY TO DEFEND OR INDEMNIFY FOR ANY CLAIM AFFORDED UNDER A SHARED VEHICLE OWNER'S PERSONAL MOTOR VEHICLE LIABILITY INSURANCE POLICY FOR ANY LOSS OR INJURY THAT OCCURS DURING THE CAR SHARING PERIOD.

(2) A MOTOR VEHICLE INSURER THAT ~~UNINTENTIONALLY~~ DEFENDS OR INDEMNIFIES A CLAIM AGAINST A DRIVER THAT IS EXCLUDED UNDER THE TERMS OF ITS POLICY SHALL HAVE ~~A RIGHT OF~~ THE RIGHT TO SEEK CONTRIBUTION AGAINST THE MOTOR VEHICLE INSURER OF THE PEER–TO–PEER CAR SHARING PROGRAM IF THE CLAIM IS:

(I) MADE AGAINST THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE DRIVER FOR LOSS OR INJURY THAT OCCURS DURING THE CAR SHARING PERIOD; AND

(II) EXCLUDED UNDER THE TERMS OF ITS POLICY.

(3) NOTHING IN THIS SECTION INVALIDATES OR LIMITS AN EXCLUSION CONTAINED IN A MOTOR VEHICLE LIABILITY INSURANCE POLICY, INCLUDING ANY INSURANCE POLICY IN USE OR APPROVED FOR USE BEFORE OCTOBER 1, 2018, THAT EXCLUDES COVERAGE FOR MOTOR VEHICLES MADE AVAILABLE FOR RENT, SHARING, OR HIRE OR FOR ANY BUSINESS USE.

(4) THE RIGHT TO EXCLUDE ANY AND ALL COVERAGE AND THE DUTY TO DEFEND UNDER PARAGRAPH (1) OF THIS SUBSECTION APPLIES TO ANY COVERAGE INCLUDED IN A MOTOR VEHICLE LIABILITY INSURANCE POLICY, INCLUDING:

(I) LIABILITY COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE;

(II) UNINSURED AND UNDERINSURED MOTORIST COVERAGE;

(III) MEDICAL PAYMENTS COVERAGE;

(IV) PERSONAL INJURY PROTECTION COVERAGE;

(V) COMPREHENSIVE PHYSICAL DAMAGE COVERAGE; AND

(VI) COLLISION PHYSICAL DAMAGE COVERAGE.

(F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A MOTOR VEHICLE INSURER MAY NOT DENY, CANCEL, VOID, TERMINATE, RESCIND, OR NONRENEW A PERSONAL MOTOR VEHICLE LIABILITY INSURANCE POLICY OF A SHARED VEHICLE OWNER SOLELY ON THE BASIS THAT A MOTOR VEHICLE COVERED UNDER THE POLICY HAS BEEN MADE AVAILABLE FOR SHARING THROUGH A PEER–TO–PEER CAR SHARING PROGRAM.

(2) A MOTOR VEHICLE INSURER MAY DENY, CANCEL, VOID, TERMINATE, RESCIND, OR NONRENEW A PERSONAL MOTOR VEHICLE LIABILITY INSURANCE POLICY COVERING A MOTOR VEHICLE THAT HAS BEEN MADE AVAILABLE FOR SHARING THROUGH A PEER–TO–PEER CAR SHARING PROGRAM IF THE APPLICANT OR POLICYHOLDER OF THE PERSONAL MOTOR VEHICLE LIABILITY INSURANCE FAILS TO PROVIDE COMPLETE AND ACCURATE INFORMATION ABOUT THE USE OF A SHARED MOTOR VEHICLE THROUGH THE PEER–TO–PEER CAR

SHARING PROGRAM AS REQUESTED BY THE MOTOR VEHICLE INSURER DURING THE APPLICATION OR RENEWAL PROCESS OF THE MOTOR VEHICLE LIABILITY INSURANCE POLICY.

(G) NOTHING IN THIS SECTION:

(1) REQUIRES ANY SHARED VEHICLE OWNER'S PERSONAL MOTOR VEHICLE LIABILITY INSURANCE POLICY TO PROVIDE PRIMARY OR EXCESS COVERAGE DURING THE CAR SHARING PERIOD;

(2) MAY BE INTERPRETED TO IMPLY THAT ANY SHARED VEHICLE OWNER'S PERSONAL MOTOR VEHICLE LIABILITY INSURANCE POLICY PROVIDES COVERAGE FOR A MOTOR VEHICLE DURING THE CAR SHARING PERIOD; OR

(3) PRECLUDES A MOTOR VEHICLE INSURER FROM PROVIDING COVERAGE FOR A SHARED VEHICLE OWNER'S VEHICLE WHILE THE VEHICLE IS MADE AVAILABLE OR USED THROUGH A PEER–TO–PEER CAR SHARING PROGRAM IF THE MOTOR VEHICLE INSURER ELECTS TO DO SO BY CONTRACT OR ENDORSEMENT.

(H) (1) COVERAGE UNDER A MOTOR VEHICLE <u>LIABILITY</u> INSURANCE POLICY MAINTAINED BY A PEER–TO–PEER CAR SHARING PROGRAM MAY NOT BE DEPENDENT ON THE DENIAL OF A CLAIM BY ANOTHER MOTOR VEHICLE INSURER.

(2) A MOTOR VEHICLE INSURER OF A PERSONAL MOTOR VEHICLE LIABILITY INSURANCE POLICY MAY NOT BE REQUIRED TO FIRST DENY A CLAIM.

(I) A PEER–TO–PEER CAR SHARING PROGRAM AND A SHARED VEHICLE OWNER SHALL BE EXEMPT FROM VICARIOUS LIABILITY IN ACCORDANCE WITH 49 U.S.C. § 30106 AND UNDER ANY STATE OR LOCAL LAW THAT IMPOSES LIABILITY SOLELY BASED ON VEHICLE OWNERSHIP.

(J) IN A CLAIM COVERAGE INVESTIGATION FOLLOWING A VEHICULAR ACCIDENT, A PEER–TO–PEER CAR SHARING PROGRAM SHALL COOPERATE TO FACILITATE THE EXCHANGE OF INFORMATION WITH DIRECTLY INVOLVED PARTIES AND ANY MOTOR VEHICLE INSURER OF A SHARED VEHICLE OWNER REGARDING THE VEHICLE'S USE IN A PEER–TO–PEER CAR SHARING PROGRAM.

Article – Transportation

~~11–148.1.~~

~~(a) "Rental vehicle" means a passenger car or a vehicle that may be registered as a Class D, E, F, G, or M vehicle under Title 13, Subtitle 9 of this article:~~

~~(1) That is acquired solely for rental purposes but will not be rented to the same person for a period of more than 180 consecutive days;~~

~~(2) (i) That, at the time of purchase, is part of a fleet of passenger cars owned by the same person, at least five of which meet the criteria in item (1) of this subsection;~~

~~(ii) That, at the time of purchase, is part of a fleet of rental trucks owned by the same person, at least five of which meet the criteria in item (1) of this subsection;~~

~~(iii) That, at the time of purchase, is part of a fleet of multipurpose passenger vehicles owned by the same person, at least five of which meet the criteria in item (1) of this subsection; or~~

~~(iv) That, at the time of purchase, is part of a fleet of motorcycles owned by the same person, at least five of which meet the criteria in item (1) of this subsection;~~

~~(3) For which the owner does not provide a driver; and~~

~~(4) That, if the vehicle is a passenger car or multipurpose passenger vehicle, will not be used to transport individuals or property for hire.~~

~~(b) "Rental vehicle" does not include:~~

~~(1) A dump truck, as described in § 13–919 of this article;~~

~~(2) A tow truck, as described in § 13–920 of this article;~~ ~~**[or]**~~

~~(3) A farm vehicle exempt from the sales and use tax under § 11–201(a) of the Tax – General Article~~~~**; OR**~~

~~**(4) A MOTOR VEHICLE WHILE ENGAGED IN A PEER–TO–PEER CAR SHARING PROGRAM UNDER § 19–520 OF THE INSURANCE ARTICLE.**~~

18–101.

(A) In this title, "rent" means to rent or lease for a period not exceeding 180 days.

(B) THIS TITLE DOES NOT APPLY TO PEER–TO–PEER CAR SHARING OF A SHARED MOTOR VEHICLE MADE AVAILABLE ON A PEER–TO–PEER CAR SHARING PROGRAM, AS DEFINED UNDER § 19–520 OF THE INSURANCE ARTICLE, AND THAT IS SUBJECT TO TITLE 18.5 OF THIS ARTICLE.

18–108.

(a) **(1)** In this section, "rental vehicle company" means a person that rents a motor vehicle to a consumer.

(2) "RENTAL VEHICLE COMPANY" DOES NOT INCLUDE A PEER–TO–PEER CAR SHARING PROGRAM, AS DEFINED UNDER § 19–520 OF THE INSURANCE ARTICLE, AND THAT IS SUBJECT TO TITLE 18.5 OF THIS ARTICLE.

TITLE 18.5. PEER–TO–PEER CAR SHARING PROGRAMS.

18.5–101.

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

(B) "MOTOR VEHICLE" HAS THE MEANING STATED IN § 11–135 OF THIS ARTICLE.

(C) "PEER–TO–PEER CAR SHARING PROGRAM" HAS THE MEANING STATED IN § 19–520 OF THE INSURANCE ARTICLE.

(D) "PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT" HAS THE MEANING STATED IN § 19–520 OF THE INSURANCE ARTICLE.

(E) "SHARED MOTOR VEHICLE" HAS THE MEANING STATED IN § 19–520 OF THE INSURANCE ARTICLE.

(F) "SHARED VEHICLE DRIVER" HAS THE MEANING STATED IN § 19–520 OF THE INSURANCE ARTICLE.

(G) "SHARED VEHICLE OWNER" HAS THE MEANING STATED IN § 19–520 OF THE INSURANCE ARTICLE.

18.5–102.

(A) (1) A PEER–TO–PEER CAR SHARING PROGRAM SHALL ENSURE THAT, DURING EACH CAR SHARING PERIOD, THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE DRIVER ARE INSURED UNDER A MOTOR VEHICLE LIABILITY INSURANCE POLICY IN ACCORDANCE WITH § 19–520 OF THE INSURANCE ARTICLE.

(2) (I) IN THIS PARAGRAPH, "REPLACEMENT VEHICLE" MEANS A MOTOR VEHICLE THAT IS USED IN A PEER–TO–PEER CAR SHARING PROGRAM WHILE A MOTOR VEHICLE OWNED BY THE INDIVIDUAL IS NOT IN USE BECAUSE OF LOSS, AS "LOSS" IS DEFINED IN THAT INDIVIDUAL'S APPLICABLE PRIVATE PASSENGER

AUTOMOBILE INSURANCE POLICY, OR BECAUSE OF BREAKDOWN, REPAIR, SERVICE, OR DAMAGE.

(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, A REPLACEMENT VEHICLE THAT IS MADE AVAILABLE THROUGH A PEER–TO–PEER CAR SHARING PROGRAM MAY BE DEEMED TO HAVE SATISFIED THE REQUIREMENT OF PARAGRAPH (1) OF THIS SUBSECTION BY MAINTAINING THE MINIMUM AMOUNT OF SECURITY REQUIRED UNDER § 17–103 OF THIS ARTICLE THAT IS SECONDARY TO ANY OTHER VALID AND COLLECTIBLE COVERAGE AND THAT EXTENDS COVERAGE TO THE OWNER'S MOTOR VEHICLE IN AMOUNTS REQUIRED UNDER § 17–103(B) OF THIS ARTICLE WHILE IT IS USED AS A REPLACEMENT VEHICLE.

(III) FOR A REPLACEMENT VEHICLE THAT IS MADE AVAILABLE THROUGH A PEER–TO–PEER CAR SHARING PROGRAM, THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT FOR THE REPLACEMENT VEHICLE TO BE SIGNED BY A SHARED VEHICLE OWNER AND A SHARED VEHICLE DRIVER SHALL CONTAIN A PROVISION ON THE FACE OF THE PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT, IN AT LEAST 10 POINT BOLD TYPE, THAT INFORMS THE SHARED VEHICLE DRIVER AND THE SHARED VEHICLE OWNER THAT THE COVERAGE ON THE VEHICLE BEING SERVICED OR REPAIRED IS PRIMARY COVERAGE FOR THE REPLACEMENT VEHICLE AND THE COVERAGE MAINTAINED BY THE PEER–TO–PEER CAR SHARING PROGRAM ON THE REPLACEMENT VEHICLE IS SECONDARY.

(B) NOTWITHSTANDING ANY PROVISION OF A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT TO THE CONTRARY, THE SECURITY REQUIRED UNDER THIS SECTION SHALL COVER THE SHARED VEHICLE OWNER AND EACH PERSON DRIVING OR USING THE SHARED MOTOR VEHICLE WITH THE PERMISSION OF THE OWNER OR THE PEER–TO–PEER CAR SHARING PROGRAM.

18.5–103.

(A) A PEER–TO–PEER CAR SHARING PROGRAM MAY NOT ENTER INTO A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT WITH A DRIVER UNLESS THE DRIVER WHO WILL OPERATE THE SHARED MOTOR VEHICLE:

(1) HOLDS A DRIVER'S LICENSE ISSUED UNDER TITLE 16 OF THIS ARTICLE THAT AUTHORIZES THE DRIVER TO OPERATE VEHICLES OF THE CLASS OF THE SHARED MOTOR VEHICLE;

(2) IS A NONRESIDENT WHO:

(I) HAS A DRIVER'S LICENSE ISSUED BY THE STATE OR COUNTRY OF THE DRIVER'S RESIDENCE THAT AUTHORIZES THE DRIVER IN THAT

STATE OR COUNTRY TO DRIVE VEHICLES OF THE CLASS OF THE SHARED MOTOR VEHICLE; AND

(II) IS AT LEAST THE SAME AGE AS THAT REQUIRED OF A RESIDENT TO DRIVE; OR

(3) OTHERWISE IS SPECIFICALLY AUTHORIZED BY TITLE 16 OF THIS ARTICLE TO DRIVE VEHICLES OF THE CLASS OF THE SHARED MOTOR VEHICLE.

(B) A PEER–TO–PEER CAR SHARING PROGRAM SHALL KEEP A RECORD OF:

(1) THE REGISTRATION NUMBER OF THE SHARED MOTOR VEHICLE;

(2) THE NAME AND ADDRESS OF THE SHARED VEHICLE DRIVER;

(3) THE NUMBER OF THE DRIVER'S LICENSE OF THE SHARED VEHICLE DRIVER AND EACH OTHER PERSON WHO WILL OPERATE THE SHARED MOTOR VEHICLE; AND

(4) THE DATE AND PLACE OF ISSUANCE OF THE DRIVER'S LICENSE.

(C) ANY POLICE OFFICER OR AUTHORIZED REPRESENTATIVE OF THE ADMINISTRATION MAY INSPECT THE RECORDS KEPT UNDER SUBSECTION (B) OF THIS SECTION.

18.5–104.

(A) IF THE PEER–TO–PEER CAR SHARING PROGRAM KNOWS THAT THE VEHICLE'S ODOMETER DOES NOT RECORD CORRECTLY ITS ACTUAL ACCUMULATED MILEAGE, A PEER–TO–PEER CAR SHARING PROGRAM MAY NOT, WITH INTENT TO DEFRAUD, ENTER INTO A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT WITH A SHARED VEHICLE DRIVER FOR WHICH ANY CHARGE IS BASED ON THE DISTANCE TRAVELED.

(B) A PEER–TO–PEER CAR SHARING PROGRAM MAY NOT OTHERWISE ENTER INTO A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT WITH A SHARED VEHICLE DRIVER FOR WHICH ANY CHARGE IS BASED ON THE DISTANCE TRAVELED AND DECEIVE THAT SHARED VEHICLE DRIVER AS TO THE DISTANCE THAT THE SHARED MOTOR VEHICLE TRAVELED DURING THE CAR SHARING PERIOD.

(C) A PERSON CONVICTED OF A VIOLATION OF THIS SECTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 6 MONTHS OR A FINE NOT EXCEEDING $500 OR BOTH.

18.5–105.

A PERSON MAY NOT ALLOW A SHARED VEHICLE DRIVER, OR ANY OTHER INDIVIDUAL WHO WILL DRIVE A SHARED MOTOR VEHICLE, TO OPERATE THE SHARED MOTOR VEHICLE IF THE PERSON KNOWS THAT THE SHARED VEHICLE DRIVER, OR OTHER INDIVIDUAL, IS UNDER THE INFLUENCE OF ALCOHOL, IMPAIRED BY ALCOHOL, IMPAIRED BY A DRUG, A COMBINATION OF DRUGS, OR A COMBINATION OF ONE OR MORE DRUGS AND ALCOHOL, OR IMPAIRED BY A CONTROLLED DANGEROUS SUBSTANCE.

18.5–106.

IN ACCORDANCE WITH § 5–408 OF THIS ARTICLE, A PEER–TO–PEER CAR SHARING PROGRAM MUST HAVE A CONCESSION FEE AGREEMENT WITH THE MARYLAND AVIATION ADMINISTRATION TO OPERATE AT AN AIRPORT IN THE STATE.

18.5–107.

(A) A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT SHALL STATE:

(1) THE DAILY RATE, FEES, ANY INSURANCE COSTS, AND ANY PROTECTION PACKAGE COSTS THAT ARE CHARGED TO THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE DRIVER; AND

(2) THE CAR SHARING PERIOD, AS DEFINED IN § 19–520 OF THE INSURANCE ARTICLE.

(B) A PEER–TO–PEER CAR SHARING PROGRAM MAY NOT CHARGE A SHARED VEHICLE DRIVER FOR THE USE OF A SHARED MOTOR VEHICLE AFTER THE CAR SHARING PERIOD.

(C) IN ADDITION TO ANY REMEDIES OTHERWISE AVAILABLE AT LAW, A VIOLATION OF THIS SECTION SHALL BE AN UNFAIR OR DECEPTIVE TRADE PRACTICE UNDER TITLE 13, SUBTITLE 3 OF THE COMMERCIAL LAW ARTICLE.

18.5–108.

(A) A PEER–TO–PEER CAR SHARING PROGRAM MAY CHARGE A SHARED VEHICLE DRIVER A SEPARATELY STATED FEE TO RECOVER THE FOLLOWING COSTS INCURRED BY THE PEER–TO–PEER CAR SHARING PROGRAM:

(1) ANY CONCESSION FEES PAID TO A GOVERNMENT–OWNED OR GOVERNMENT–OPERATED:

(I) AIRPORT; OR

(II) OTHER ENTITY; AND

(2) ANY OTHER FEE OR CHARGE IMPOSED BY A GOVERNMENTAL ENTITY.

(B) IF A PEER–TO–PEER CAR SHARING PROGRAM ADVERTISES THE RATE AVAILABLE FOR A SHARED MOTOR VEHICLE IN THE STATE, THE FEES AUTHORIZED UNDER THIS SECTION SHALL BE CLEARLY DISCLOSED IN THE ADVERTISEMENT.

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

Article – Transportation

18.5–109.

(A) AT THE TIME WHEN A VEHICLE OWNER REGISTERS AS A SHARED VEHICLE OWNER ON A PEER–TO–PEER CAR SHARING PROGRAM AND PRIOR TO THE TIME WHEN THE SHARED VEHICLE OWNER MAKES A SHARED MOTOR VEHICLE AVAILABLE FOR CAR SHARING ON THE PEER–TO–PEER CAR SHARING PROGRAM, THE PEER–TO–PEER CAR SHARING PROGRAM SHALL:

(1) VERIFY THAT THE SHARED MOTOR VEHICLE DOES NOT HAVE ANY SAFETY RECALLS ON THE VEHICLE FOR WHICH THE REPAIRS HAVE NOT BEEN MADE; AND

(2) NOTIFY THE SHARED VEHICLE OWNER OF THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION.

(B) (1) IF THE SHARED VEHICLE OWNER HAS RECEIVED AN ACTUAL NOTICE OF A SAFETY RECALL ON THE MOTOR VEHICLE, A SHARED VEHICLE OWNER MAY NOT MAKE A MOTOR VEHICLE AVAILABLE AS A SHARED MOTOR VEHICLE ON A PEER–TO–PEER CAR SHARING PROGRAM UNTIL THE SAFETY RECALL REPAIR HAS BEEN MADE.

(2) IF A SHARED VEHICLE OWNER RECEIVES AN ACTUAL NOTICE OF A SAFETY RECALL ON A SHARED MOTOR VEHICLE WHILE THE SHARED MOTOR VEHICLE IS MADE AVAILABLE ON THE PEER–TO–PEER CAR SHARING PROGRAM, THE SHARED VEHICLE OWNER SHALL REMOVE THE SHARED MOTOR VEHICLE AS AVAILABLE ON THE PEER–TO–PEER CAR SHARING PROGRAM, AS SOON AS PRACTICABLY POSSIBLE BUT NO LATER THAN 72 HOURS AFTER RECEIVING THE

NOTICE OF THE SAFETY RECALL AND UNTIL THE SAFETY RECALL REPAIR HAS BEEN MADE.

(3) IF A SHARED VEHICLE OWNER RECEIVES AN ACTUAL NOTICE OF A SAFETY RECALL WHILE THE SHARED MOTOR VEHICLE IS BEING USED IN THE POSSESSION OF A SHARED VEHICLE DRIVER, AS SOON AS PRACTICABLY POSSIBLE BUT NO LATER THAN 72 HOURS AFTER RECEIVING THE NOTICE OF THE SAFETY RECALL, THE SHARED VEHICLE OWNER SHALL NOTIFY BOTH THE SHARED VEHICLE DRIVER AND THE PEER–TO–PEER CAR SHARING PROGRAM ABOUT THE SAFETY RECALL SO THAT THE SHARED VEHICLE OWNER MAY ADDRESS THE SAFETY RECALL REPAIR.

18.5–110.

(A) AT THE TIME WHEN A VEHICLE OWNER REGISTERS AS A SHARED VEHICLE OWNER ON A PEER–TO–PEER CAR SHARING PROGRAM AND PRIOR TO THE TIME WHEN THE SHARED VEHICLE OWNER MAKES A SHARED MOTOR VEHICLE AVAILABLE FOR CAR SHARING ON THE PEER–TO–PEER CAR SHARING PROGRAM, THE PEER–TO–PEER CAR SHARING PROGRAM SHALL:

(1) VERIFY THE AGE OF THE SHARED MOTOR VEHICLE;

(2) REQUEST THE SHARED VEHICLE OWNER TO PROVIDE THE DATE OF THE LAST STATE INSPECTION, OR IF THE DATE IS UNKNOWN, THE GENERAL TIME PERIOD OF THE LAST STATE INSPECTION;

(3) DISCLOSE IN THE DESCRIPTION OF THE SHARED MOTOR VEHICLE ON THE PEER–TO–PEER CAR SHARING PROGRAM'S WEBSITE THE INFORMATION PROVIDED UNDER ITEM (2) OF THIS SUBSECTION SO THAT POTENTIAL SHARED VEHICLE DRIVERS ARE AWARE OF THE LAST STATE INSPECTION DATE BEFORE THEY ENTER INTO A PEER–TO–PEER CAR SHARING PROGRAM AGREEMENT; AND

(4) NOTIFY THE SHARED VEHICLE OWNER OF THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION.

(B) (1) A SHARED VEHICLE OWNER MAY NOT MAKE A MOTOR VEHICLE AVAILABLE AS A SHARED MOTOR VEHICLE ON A PEER–TO–PEER CAR SHARING PROGRAM IF THE MOTOR VEHICLE IS OLDER THAN 10 YEARS UNLESS THE SHARED VEHICLE OWNER HAS OBTAINED A VALID STATE INSPECTION CERTIFICATE FOR THE MOTOR VEHICLE NO EARLIER THAN 90 DAYS BEFORE MAKING THE SHARED MOTOR VEHICLE AVAILABLE AS A SHARED MOTOR VEHICLE.

(2) IF A SHARED VEHICLE OWNER HAS OBTAINED A VALID STATE INSPECTION CERTIFICATE FOR A MOTOR VEHICLE UNDER PARAGRAPH (1) OF THIS

SUBSECTION, THE SHARED VEHICLE OWNER SHALL OBTAIN ANOTHER VALID STATE INSPECTION CERTIFICATE AT LEAST ONCE FOR EVERY 10,000 MILES ADDED TO THE VEHICLE'S ODOMETER SINCE THE ISSUANCE OF THE PRIOR STATE INSPECTION CERTIFICATE.

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

Article – Tax – General

11–101.

(l) (4) "Taxable price" includes**[**, for a short–term vehicle rental as defined under § 11–104(c) of this subtitle,**]** all sales and charges **[**made in connection with the short–term vehicle rental**]**, including insurance, freight handling, equipment and supplies, delivery and pickup, cellular telephone, and other accessories, but not including sales of motor fuel subject to the motor fuel tax**, MADE IN CONNECTION WITH:**

(I) A SHORT–TERM VEHICLE RENTAL, AS DEFINED IN § 11–104(C) OF THIS SUBTITLE; OR

(II) A SHARED MOTOR VEHICLE USED FOR PEER–TO–PEER CAR SHARING AND MADE AVAILABLE ON A PEER–TO–PEER CAR SHARING PROGRAM, AS DEFINED IN § 19–520 OF THE INSURANCE ARTICLE.

11–104.

(a) Except as otherwise provided in this section, the sales and use tax rate is:

(1) for a taxable price of less than $1:

(i) 1 cent if the taxable price is 20 cents;

(ii) 2 cents if the taxable price is at least 21 cents but less than 34 cents;

(iii) 3 cents if the taxable price is at least 34 cents but less than 51 cents;

(iv) 4 cents if the taxable price is at least 51 cents but less than 67 cents;

(v) 5 cents if the taxable price is at least 67 cents but less than 84 cents; and

(vi) 6 cents if the taxable price is at least 84 cents; and

(2) for a taxable price of $1 or more:

(i) 6 cents for each exact dollar; and

(ii) for that part of a dollar in excess of an exact dollar:

1. 1 cent if the excess over an exact dollar is at least 1 cent but less than 17 cents;

2. 2 cents if the excess over an exact dollar is at least 17 cents but less than 34 cents;

3. 3 cents if the excess over an exact dollar is at least 34 cents but less than 51 cents;

4. 4 cents if the excess over an exact dollar is at least 51 cents but less than 67 cents;

5. 5 cents if the excess over an exact dollar is at least 67 cents but less than 84 cents; and

6. 6 cents if the excess over an exact dollar is at least 84 cents.

(c) (1) In this subsection:

(i) "short–term vehicle rental" means a rental of a passenger car, as defined in § 11–144.2 of the Transportation Article, or a vehicle that may be registered as a Class D, E, F, G, or M vehicle under Title 13, Subtitle 9 of the Transportation Article, for a period of 180 days or less under the following terms:

1. the vendor does not provide a driver for the vehicle as a part of the rental; and

2. if the vehicle is a passenger car, as defined in § 11–144.2 of the Transportation Article, a multipurpose passenger vehicle, or a motorcycle, the vehicle is not to be used to transport individuals or property for hire; and

(ii) "short–term vehicle rental" does not include a rental of:

1. a dump truck, as described in § 13–919 of the Transportation Article;

2. a tow truck, as described in § 13–920 of the Transportation Article; **[**or**]**

3. a farm vehicle exempt from the sales and use tax under § 11–201(a) of this title**; OR**

4. A SHARED MOTOR VEHICLE USED FOR PEER–TO–PEER CAR SHARING AND MADE AVAILABLE ON A PEER–TO–PEER CAR SHARING PROGRAM, AS DEFINED IN § 19–520 OF THE INSURANCE ARTICLE AND THAT IS SUBJECT TO SALES AND USE TAX UNDER SUBSECTION (C–1) OF THIS SECTION.

(C–1) THE SALES AND USE TAX RATE FOR SALES AND CHARGES MADE IN CONNECTION WITH A SHARED MOTOR VEHICLE USED FOR PEER–TO–PEER CAR SHARING AND MADE AVAILABLE ON A PEER–TO–PEER CAR SHARING PROGRAM, AS DEFINED IN § 19–520 OF THE INSURANCE ARTICLE, IS 8%.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 31, 2019, the Consumer Protection Division of the Office of the Attorney General shall report to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2–1246 of the State Government Article, on the number and nature of complaints received relating to peer–to–peer car sharing programs, including complaints regarding the safety of shared motor vehicles.

SECTION 5. AND BE IT FURTHER ENACTED, That, on or before December 31, 2019:

(1) the Motor Vehicle Administration shall:

(i) identify and compile information that could assist the General Assembly in determining a fair and equitable State taxation on sales and charges made in connection with a shared motor vehicle used for peer–to–peer car sharing and made available on a peer–to–peer car sharing program;

(ii) in identifying and compiling information under item (i) of this item, consider:

1. a comparison of ~~taxation~~ *excise titling taxes* and other ~~governmental~~ *motor vehicle* fees in the State:

A. relating to short–term vehicle rentals, including exemption from excise titling tax at the time of purchase of rental vehicles, reduced certificate of title fees at time of purchase of rental vehicles, reduced vehicle registration fees at time of purchase of rental vehicles, and reduced vehicle registration fees for biennial renewal of vehicle registrations; with

B. relating to peer–to–peer car sharing, including excise titling tax at the time of purchase of shared motor vehicles by shared vehicle owners, certificate of title fees at the time of purchase of shared motor vehicles by shared vehicle

owners, vehicle registration fees at the time of purchase of shared motor vehicles by shared vehicle owners, and vehicle registration fees for biennial renewal of vehicle registrations;

2. a comparison of ~~taxation~~ *excise titling taxes* and other ~~governmental~~ *motor vehicle* fees relating to short–term vehicle rentals and peer–to–peer car sharing in other states;

3. a trend of the ~~taxation~~ *excise titling taxes* and other ~~governmental~~ *motor vehicle* fees collected by the Administration on short–term vehicle rentals in the State;

4. any other information that the Administration determines relevant to identifying and compiling information that could assist the General Assembly in making the determination described in item (i) of this item; and

(iii) report to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2–1246 of the State Government Article, on its findings and *any* recommendations; and

(2) the *Office of the* Comptroller shall:

(i) identify and compile information that could assist the General Assembly in determining a fair and equitable State taxation on sales and charges made in connection with a shared motor vehicle used for peer–to–peer car sharing and made available on a peer–to–peer car sharing program;

(ii) in identifying and compiling information under item (i) of this item, consider:

1. a comparison of taxation and other governmental fees in the State:

A. relating to short–term vehicle rentals, including income tax on rental car companies and sales tax on renters; with

B. relating to peer–to–peer car sharing, including income tax on peer–to–peer car sharing programs and shared vehicle owners and sales tax on shared vehicle drivers;

2. sales taxes imposed in other states on short–term vehicle rentals and on peer–to–peer car sharing, including whether they impose as a percentage of sales or on a flat per day basis that, for comparison purposes, can be equated to a percentage of sales and the sales and charges that are included as a taxable price for the sales tax in other states;

3. whether a different taxation percentage on sales of short–term vehicle rentals than is on sales of peer–to–peer car sharing could be based on differences in the current government taxes and fees paid by each;

4. a comparison of taxation and other governmental fees relating to short–term vehicle rentals and peer–to–peer car sharing in other states;

5. a trend of the taxation and other governmental fees collected by the Comptroller on short–term vehicle rentals and peer–to–peer car sharing in the State; and

6. any other information that the Comptroller determines relevant to the identification and compilation of information that could assist the General Assembly in making a determination described under item (i) of this item; and

(iii) report to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2–1246 of the State Government Article, on its findings and *any* recommendations.

SECTION 6. AND BE IT FURTHER ENACTED, That Section ~~3~~ 2 of this Act shall take effect January 1, 2019.

SECTION ~~2.~~ 7. AND BE IT FURTHER ENACTED, That, except as provided in Section 6 of this Act, this Act shall take effect ~~October~~ July 1, 2018. Section ~~2~~ 3 of this Act shall remain effective for a period of 2 years and, at the end of June 30, 2020, Section ~~2~~ 3 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 853

(Senate Bill 900)

AN ACT concerning

Gaming – Fantasy Competitions – Regulation and Prohibition on Operation of Electronic Device

FOR the purpose of transferring the authority to adopt certain regulations related to fantasy competitions from the Comptroller to the State Lottery and Gaming Control Commission; prohibiting a person from operating a certain kiosk or machine that offers fantasy competition to the public; and generally relating to the regulation of fantasy competition.

~~BY repealing and reenacting, with amendments,~~
~~Article – Criminal Law~~
~~Section 12–114~~
~~Annotated Code of Maryland~~
~~(2012 Replacement Volume and 2017 Supplement)~~

BY transferring
Article – Criminal Law
Section 12–114
Annotated Code of Maryland
(2012 Replacement Volume and 2017 Supplement)
to be
Article – State Government
Section 9–1D–01
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–1D–01 to be under the new subtitle "Subtitle 1D. Fantasy Competitions"
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)
(As enacted by Section 1 of this Act)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 12–114 of Article – Criminal Law of the Annotated Code of Maryland be transferred to be Section(s) 9–1D–01 of Article – State Government of the Annotated Code of Maryland.

SECTION ~~1.~~ 2. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

~~Article – Criminal Law~~

~~12–114.~~

Article – State Government

SUBTITLE 1D. FANTASY COMPETITIONS.

9–1D–01.

(a) In this section, "fantasy competition" includes any online fantasy or simulated game or contest such as fantasy sports, in which:

(1) participants own, manage, or coach imaginary teams;

(2) all prizes and awards offered to winning participants are established and made known to participants in advance of the game or contest;

(3) the winning outcome of the game or contest reflects the relative skill of the participants and is determined by statistics generated by actual individuals (players or teams in the case of a professional sport); and

(4) no winning outcome is based:

(i) solely on the performance of an individual athlete; or

(ii) on the score, point spread, or any performances of any single real–world team or any combination of real–world teams.

(b) **(1)** Notwithstanding the provisions of ~~this~~ **TITLE 12 OF THE CRIMINAL LAW ARTICLE** or any other title**, AND EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION**, the prohibitions against betting, wagering, and gambling do not apply to participation in a fantasy competition.

(2) A PERSON ~~IN THE STATE~~ MAY NOT OPERATE A KIOSK OR MACHINE ~~PHYSICALLY LOCATED IN A PLACE OF BUSINESS~~ THAT OFFERS FANTASY COMPETITION TO THE PUBLIC IN A PLACE OF BUSINESS PHYSICALLY LOCATED IN THE STATE.

(c) The ~~Comptroller~~ **STATE LOTTERY AND GAMING CONTROL COMMISSION** may adopt regulations to carry out the provisions of this section.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 854

(Senate Bill 1206)

AN ACT concerning

Transportation – Pride of Baltimore II – Funding *and Reporting*

FOR the purpose of requiring the Governor to include in the annual State budget an appropriation of a certain amount from the Transportation Trust Fund *in certain fiscal years* for the operation of the replica sailing vessel known as the Pride of Baltimore II; *requiring a certain person or entity to submit a certain annual report to*

the Department of Transportation and certain committees of the General Assembly; providing for the termination of this Act; and generally relating to operating funding *and annual reporting* for the Pride of Baltimore II.

BY adding to
Article – Transportation
Section 2–801 to be under the new subtitle "Subtitle 8. Miscellaneous Grants"
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – Transportation

SUBTITLE 8. MISCELLANEOUS GRANTS.

2–801.

~~THE~~ ***(A)*** ***FOR FISCAL YEARS 2020 THROUGH 2023, THE*** **GOVERNOR SHALL INCLUDE IN THE ANNUAL STATE BUDGET AN APPROPRIATION OF $500,000 FROM THE TRANSPORTATION TRUST FUND FOR THE OPERATION OF THE REPLICA SAILING VESSEL KNOWN AS THE PRIDE OF BALTIMORE II.**

(B) ON OR BEFORE DECEMBER 1, 2019, AND ON OR BEFORE DECEMBER 1 EACH YEAR THEREAFTER, ANY PERSON OR ENTITY RECEIVING FUNDS UNDER THIS SECTION SHALL SUBMIT A REPORT TO THE DEPARTMENT 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) AN ACCOUNTING OF HOW THE FUNDS WERE EXPENDED, SUPPORTED BY PROPERLY EXECUTED RECORDS, RECEIPTS, VOUCHERS, INVOICES, AND CONTRACTS THAT EVIDENCE THE NATURE OF THE EXPENDITURES;

(2) AN ITINERARY AND ANY OTHER INFORMATION THAT DEMONSTRATES THAT THE PRIDE OF BALTIMORE II WAS OPERATED SOLELY FOR THE PURPOSES OF PROMOTING HISTORICAL MARITIME EDUCATION, FOSTERING ECONOMIC DEVELOPMENT AND TOURISM, AND REPRESENTING THE CITIZENS OF MARYLAND IN EVERY PORT VISITED; AND

(3) A STRATEGIC BUSINESS PLAN THAT INCLUDES:

(I) A GOAL TO DECREASE OR ELIMINATE THE NEED FOR STATE FUNDS;

(II) AN ANNUAL OPERATING BUDGET AND PLAN; AND

(III) TO THE EXTENT PRACTICABLE, THE ITINERARY OF THE PRIDE OF BALTIMORE II.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018. *It shall remain effective for a period of 5 years and, at the end of June 30, 2023, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.*

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.

Chapter 855

(House Bill 532)

AN ACT concerning

Elective Franchise – Registration and Voting at Precinct Polling Place

FOR the purpose of proposing an amendment to the Maryland Constitution to authorize the General Assembly to allow a qualified individual to register and vote at a precinct polling place on Election Day; making a stylistic change; and submitting this amendment to the qualified voters of the State for their adoption or rejection.

BY proposing an amendment to the Maryland Constitution
Article I – Elective Franchise
Section 1 and 2

BY proposing an addition to the Maryland Constitution
Article I – Elective Franchise
Section 2A

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, (Three–fifths of all the members elected to each of the two Houses concurring), That it be proposed that the Maryland Constitution read as follows:

Article I – Elective Franchise

1.

All elections shall be by ballot. Except as provided in **SECTION 2A OR** Section 3 of this article, every citizen of the United States, of the age of 18 years or upwards, who is a resident of the State as of the time for the closing of registration next preceding the election,

shall be entitled to vote in the ward or election district in which the citizen resides at all elections to be held in this State. A person once entitled to vote in any election district, shall be entitled to vote there until the person shall have acquired a residence in another election district or ward in this State.

2.

[The**]** **EXCEPT AS PROVIDED IN SECTION 2A OF THIS ARTICLE, THE** General Assembly shall provide by law for a uniform Registration of the names of all the voters in this State, who possess the qualifications prescribed in this Article, which Registration shall be conclusive evidence to the Judges of Election of the right of every person, thus registered, to vote at any election thereafter held in this State; but no person shall vote, at any election, Federal or State, hereafter to be held in this State, or at any municipal election in the City of Baltimore, unless **[**his**]** **THE PERSON'S** name appears in the list of registered voters; the names of all persons shall be added to the list of qualified voters by the officers of Registration, who have the qualifications prescribed in the first section of this Article, and who are not disqualified under the provisions of the second and third sections thereof.

2A.

THE GENERAL ASSEMBLY SHALL HAVE THE POWER TO ALLOW A QUALIFIED INDIVIDUAL TO REGISTER AND VOTE AT A PRECINCT POLLING PLACE ON ELECTION DAY.

SECTION 2. AND BE IT FURTHER ENACTED, That the General Assembly determines that the amendment to the Maryland Constitution proposed by Section 1 of this Act affects multiple jurisdictions and that the provisions of Article XIV, § 1 of the Maryland Constitution concerning local approval of constitutional amendments do not apply.

SECTION 3. AND BE IT FURTHER ENACTED, That the amendment to the Maryland Constitution proposed by Section 1 of this Act shall be submitted to the qualified voters of the State at the next general election to be held in November 2018 for adoption or rejection pursuant to Article XIV of the Maryland Constitution. At that general election, the vote on the proposed amendment to the Constitution shall be by ballot, and on each ballot there shall be printed the words "For the Constitutional Amendment" and "Against the Constitutional Amendment", as now provided by law. Immediately after the election, all returns shall be made to the Governor of the vote for and against the proposed amendment, as directed by Article XIV of the Maryland Constitution, and further proceedings had in accordance with Article XIV.

Assigned a chapter number, enactment subject to constitutional referendum, May 26, 2018.

Joint Resolutions

Signed by the President of the Senate
and the Speaker of the House of Delegates
or Enacted by Operation of the Maryland Constitution

Joint Resolution 1

(House Joint Resolution 8)

A House Joint Resolution concerning

Commemorating the Bicentennial of the Birth of Frederick Douglass

FOR the purpose of commemorating the bicentennial of the birth of Frederick Douglass; providing that a copy of this resolution be forwarded by the Department of Legislative Services to certain individuals; and generally relating to the commemoration of the bicentennial of the birth of Frederick Douglass.

WHEREAS, Born in Talbot County, Maryland, in 1818, as Frederick Augustus Washington Bailey, this great statesman's birth is celebrated by Americans each year on February 14; and

WHEREAS, At the age of 20, Frederick Douglass escaped slavery and became a noted abolitionist, preacher, and advocate of women's rights; and

WHEREAS, During the American Civil War, Frederick Douglass served as a consultant to President Abraham Lincoln; through this position, he was instrumental in African Americans being granted the right to vote; and

WHEREAS, Frederick Douglass's works are considered classics of American autobiography; his memoir, "Narrative of the Life of Frederick, an American Slave", was influential in fueling the abolitionist movement in America; and

WHEREAS, He published two more autobiographies, "My Bondage and My Freedom" in 1855 and "Life and Times of Frederick Douglass" in 1881; and

WHEREAS, A true social reformer, Frederick Douglass died on February 20, 1895, in Washington, D.C.; and

WHEREAS, By commemorating the bicentennial of Frederick Douglass's birth, we honor his legacy and allow Marylanders to remember the life and legacy of this incredible man; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the General

Assembly commemorates the bicentennial of the birth of Frederick Douglass, the noted African American orator, abolitionist, and social reformer; 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; and the Honorable Michael E. Busch, Speaker of the House of Delegates.

Signed by the President and the Speaker, May 8, 2018.

Joint Resolution 2

(Senate Joint Resolution 6)

A Senate Joint Resolution concerning

Commemorating the Bicentennial of the Birth of Frederick Douglass

FOR the purpose of commemorating the bicentennial of the birth of Frederick Douglass; providing that a copy of this resolution be forwarded by the Department of Legislative Services to certain individuals; and generally relating to the commemoration of the bicentennial of the birth of Frederick Douglass.

WHEREAS, Born in Talbot County, Maryland, in 1818, as Frederick Augustus Washington Bailey, this great statesman's birth is celebrated by Americans each year on February 14; and

WHEREAS, At the age of 20, Frederick Douglass escaped slavery and became a noted abolitionist, preacher, and advocate of women's rights; and

WHEREAS, During the American Civil War, Frederick Douglass served as a consultant to President Abraham Lincoln; through this position, he was instrumental in African Americans being granted the right to vote; and

WHEREAS, Frederick Douglass's works are considered classics of American autobiography; his memoir, "Narrative of the Life of Frederick, an American Slave", was influential in fueling the abolitionist movement in America; and

WHEREAS, He published two more autobiographies, "My Bondage and My Freedom" in 1855 and "Life and Times of Frederick Douglass" in 1881; and

WHEREAS, A true social reformer, Frederick Douglass died on February 20, 1895, in Washington, D.C.; and

WHEREAS, By commemorating the bicentennial of Frederick Douglass's birth, we honor his legacy and allow Marylanders to remember the life and legacy of this incredible man; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the General Assembly commemorates the bicentennial of the birth of Frederick Douglass, the noted African American orator, abolitionist, and social reformer; 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; and the Honorable Michael E. Busch, Speaker of the House of Delegates.

Signed by the President and the Speaker, May 8, 2018.

Joint Resolution 3

(House Joint Resolution 3)

A House Joint Resolution concerning

Judicial Compensation Commission – Recommendations

FOR the purpose of establishing the compensation of the members of the Judiciary in this State in accordance with Section 1–708 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland.

WHEREAS, Section 1–708(b)(2) of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland establishes a seven–member Judicial Compensation Commission appointed by the Governor with two members appointed on nomination of the President of the Senate, two members appointed on nomination of the Speaker of the House of Delegates, one member appointed on nomination of the Maryland State Bar Association, and two members appointed at large. The Judicial Compensation Commission is constituted as follows: appointments made on the nomination of the President of the Senate: Elizabeth Buck and Joshua Schmerling; appointments made on the nomination of the Speaker of the House of Delegates: Norman Conway and Van Mitchell; appointment made on the nomination of the Maryland State Bar Association: Edward Gilliss; and appointments at large: John Suit II and Alice Pinderhughes. The Commission members elected Elizabeth Buck to serve as the chair of the Commission. The Commission is charged with reviewing the salaries of the judges of the Judiciary of Maryland and making written recommendations to the Governor and the General Assembly on or after September 1, 2011, September 1, 2013, and every 4 years thereafter; and

WHEREAS, Section 1–708(d) of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland provides as follows: the General Assembly may amend this

Joint Resolution to decrease any of the Commission's salary recommendations, but no reduction may diminish the salary of a judge during the judge's continuance in office. The General Assembly may not amend this Joint Resolution to increase these recommended salaries. Should the General Assembly not adopt or amend this Joint Resolution within 50 days of its introduction, the salaries recommended herein shall apply during fiscal years 2019 through 2022. Should the General Assembly reject any or all of the salaries herein recommended, the salaries of the judges so affected shall remain unchanged during fiscal years 2019 through 2022 unless modified under other provisions of the law; and

WHEREAS, The Judicial Compensation Commission held several meetings in 2017 (September and December) and considered many aspects and facets of judicial compensation. The Commission, by a vote of five or more of its members as required by § 1–708(b)(7) of the Courts Article, has recommended an increase in judicial salaries for fiscal years 2019 through 2022; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That after considering the recommendations of the Judicial Compensation Commission, beginning July 1, 2018, judicial salaries shall be as follows:

Position	Current Salary	Proposed Salary
Court of Appeals		
Chief Judge	195,433	~~205,433~~ 200,433
Associate Judge	176,433	~~186,433~~ 181,433
Court of Special Appeals		
Chief Judge	166,633	~~176,633~~ 171,633
Associate Judge	163,633	~~173,633~~ 168,633
Circuit Courts		
Judge	154,433	~~164,433~~ 159,433
District Court		
Chief Judge	163,633	~~173,633~~ 168,633
Associate Judge	141,333	~~151,333~~ 146,333;

and be it further

RESOLVED, That beginning July 1, 2019, judicial salaries shall be as follows:

Position	Proposed Salary
Court of Appeals	
Chief Judge	~~215,433~~ 205,433
Associate Judge	~~196,433~~ 186,433
Court of Special Appeals	
Chief Judge	~~186,633~~ 176,633
Associate Judge	~~183,633~~ 173,633

Circuit Courts	
Judge	~~174,433~~ 164,433
District Court	
Chief Judge	~~183,633~~ 173,633
Associate Judge	~~161,333~~ 151,333;

and be it further

RESOLVED, That beginning July 1, 2020, judicial salaries shall be as follows:

Position	Proposed Salary
Court of Appeals	
Chief Judge	~~222,933~~ 210,433
Associate Judge	~~203,933~~ 191,433
Court of Special Appeals	
Chief Judge	~~194,133~~ 181,633
Associate Judge	~~191,133~~ 178,633
Circuit Courts	
Judge	~~181,933~~ 169,433
District Court	
Chief Judge	~~191,133~~ 178,633
Associate Judge	~~168,833~~ 156,333;

and be it further

RESOLVED, That beginning July 1, 2021, judicial salaries shall be as follows:

Position	Proposed Salary
Court of Appeals	
Chief Judge	~~230,433~~ 215,433
Associate Judge	~~211,433~~ 196,433
Court of Special Appeals	
Chief Judge	~~201,633~~ 186,633
Associate Judge	~~198,633~~ 183,633
Circuit Courts	
~~Chief~~ Judge	~~189,433~~ 174,433
District Court	
Chief Judge	~~198,633~~ 183,633
Associate Judge	~~176,333~~ 161,333.

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; and Honorable Michael E. Busch, Speaker of the House of Delegates.

Signed by the President and the Speaker, May 26, 2018.

Vetoed Bills

and

Messages

from the

Governor of Maryland

A total of 39 bills were vetoed by the Governor following the 2018 Regular Session of the General Assembly. Of these vetoed bills, 19 originated in the Senate and 20 of them 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.

2018 Session

List of Senate Bills Vetoed

(Bill numbers in **bold** indicate policy vetoes. Bill numbers in *italics* indicate technical vetoes. All other vetoes are duplicative.)

Bill No.	Subject	Page
SB 138	Environment – U.S. Climate Alliance – Membership	4359
SB 178	State Retirement and Pension System – Board of Trustees – Oath	4362
SB 360	Carroll County – Public Facilities Bonds	4364
SB 572	Prevailing Wage Rates – Public Work Contracts – Suits by Employees	4371
SB 575	Workers' Compensation – Self–Insured Employers – Suspected Fraud Reporting	4375
SB 612	State Education Aid – Tax Increment Financing Development Districts – Repeal of Sunset Provision	4380
SB 630	Nursing Homes – Partial Payment for Services Provided	4382
SB 636	Cecil County – Office of the Sheriff – Employees and Collective Bargaining	4384
SB 639	Education – Public School Personnel – Disciplinary Hearing Procedures	4391
SB 678	State Department of Education – Employment Categories and Practices	4400
SB 739	State Board of Education – Membership – Teachers and Parent	4403
SB 740	State Department of Education – Breakfast and Lunch Programs – Funding (Maryland Cares for Kids Act)	4408
SB 741	Public Safety – Handgun Permit Review Board – Appeals	4413
SB 792	Commercial Insurance – Insurance Producers – Commissions	4418
SB 802	Baltimore City – Alcoholic Beverages – Continuing Care Retirement Community License	4423
SB 838	Criminal Procedure – Coram Nobis – Time for Filing	4427
SB 889	Washington County – Public Facilities Bonds	4428
SB 1079	Pharmacy Benefits Managers – Revisions	4433
SB 1128	Offshore Drilling Liability Act	4447

List of House Bills Vetoed

(Bill numbers in **bold** indicate policy vetoes. Bill numbers in *italics* indicate technical vetoes. All other vetoes are duplicative.)

Bill No.	Subject	Page
HB 54	State Highway Administration – Sale or Lease of Naming Rights for Rest Areas and Welcome Centers	4451
HB 104	Natural Resources – Electronic Licensing – Voluntary Donations	4455
HB 180	Railroad Company – Movement of Freight – Required Crew	4459
HB 212	Criminal Law – Animal Cruelty – Sentencing Conditions	4462
HB 213	Alcoholic Beverages – Sale of Powdered Alcohol – Prohibition	4467
HB 335	State Personnel – Grievance Procedures	4469
HB 394	Driver's Licenses – Learner's Permits – Minimum Duration	4474
HB 454	Child Abuse and Neglect – Disclosure of Identifying Information	4479
HB 460	Montgomery County – Fire and Explosive Investigator – Definition	4481
HB 490	Public Health – Community Health Workers – Advisory Committee and Certification	4483
HB 548	Privately Owned Transportation Projects – Construction and Authorization to Use State–Owned Rights–of–Way and Property – Requirements	4499
HB 643	State Department of Education – Employment Categories and Practices	4506
HB 808	Education – Collective Bargaining for Noncertificated Employees – Supervisory Employees and Management Personnel	4509
HB 888	Criminal Law – Firearm Crimes – Rapid Fire Trigger Activator	4511
HB 891	Criminal Procedure – Coram Nobis – Time for Filing	4518
HB 1019	Alternate Contributory Pension Selection – Former Members – Member Contributions	4520
HB 1073	Landlord and Tenant – Residential Leases – Water and Sewer Bills	4522
HB 1243	Prevailing Wage Rates – Public Work Contracts – Suits by Employees	4525
HB 1392	Health – Emergency Evaluees and Involuntarily Admitted or Committed Individuals – Procedures	4529
HB 1783	21st Century School Facilities Act	4543