

BY: Finance Committee

AMENDMENTS TO HOUSE BILL NO. 1035

(Third Reading File Bill)

AMENDMENT NO. 1

On pages 1 and 2, strike in their entirety the lines beginning with line 3 on page 1 through line 5 on page 2, inclusive, and substitute:

“FOR the purpose of codifying a provision of law related to the use of certain savings involving the Family Investment Program; requiring the Secretary of Human Resources to give priority to and use a certain percentage of funds allocated to demonstration projects for the funding of certain proposals; establishing an exemption from the definition of a vehicle dealer for certain nonprofit entities, the Department of Human Resources, and the local departments of social services; repealing a provision of law that required the Secretary of Health and Mental Hygiene to apply for a certain waiver; requiring the Department of Human Resources and local departments of social services to execute certain hiring agreements with certain entities doing business with the State for the purpose of hiring Family Investment Program recipients; requiring the Board of Public Works to designate certain procurement contracts as eligible contracts that in conjunction with the award of such contracts a hiring agreement is to be executed; requiring the Department to develop a certain model form; requiring the Department and local departments of social services to submit a certain annual report to certain persons; establishing an exemption from payment of a certain excise tax for vehicles acquired by certain nonprofit entities and the Department and local departments of social services; establishing a certain exemption from payment of a certain excise tax for certain individuals on transfer of a vehicle to an individual from certain persons; requiring the Department, in consultation with the Department of Labor, Licensing, and Regulation, the Department of Business and Economic Development, the Department of Health and Mental Hygiene, the State Department of Education, and the Maryland Higher Education Commission, to redesign the Family Investment Program service delivery system; requiring the Department to implement the redesigned service delivery system as a pilot project in one jurisdiction by a certain date; providing a funding source for the redesigned system; requiring

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the Department of Human Resources to conduct a certain finger imaging study as a method of preventing fraudulent application for and receipt of certain benefits; requiring the Secretary to establish a certain demonstration project in the Glen Burnie Multi-Service Center; requiring certain reports; providing for the termination of certain provisions of this Act; providing for the effective date of certain provisions of this Act; defining certain terms; and generally relating to the Family Investment Program.”.

On page 2, strike in their entirety lines 11 through 15, inclusive; strike in their entirety lines 35 through 37, inclusive.

AMENDMENT NO. 2

On pages 3 through 17, strike in their entirety the lines beginning with line 26 on page 3 through line 32 on page 17, inclusive, and substitute:

“52.

(a) All assistance granted under this subtitle shall be subject to periodic recertification.

(b) During a certification period, the Department may at any time cancel, suspend, or revoke assistance if:

(1) The recipient's circumstances have altered sufficiently to warrant cancellation, suspension, or revocation; or

(2) The recipient has failed to comply with FIP requirements.

(c) (1) Except as provided in paragraph (3) of this subsection, the Governor shall provide sufficient funds under this subtitle to ensure that the value of temporary cash assistance, combined with federal food stamps, is at a minimum equal to 61 percent of the State minimum living level.

(2) Except as provided in paragraph (3) of this subsection, the Governor shall provide sufficient funds to maintain the FIP at the level of the Fiscal Year 1997 appropriation.

(3) The funds under this subsection may be less than the amount described in

paragraph (1) or (2) of this subsection if the Governor reports to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the reasons for the reduced funding for temporary cash assistance and food stamps.

(4) This subsection does not limit the flexibility of local departments of social services regarding the provision of services.

(d) If the Secretary determines during the fiscal year that the funds available for the FIP are insufficient to make payments in accordance with the amount of assistance otherwise established by law, the Secretary shall:

(1) Provide for a uniform method of adjusting individual payments;

(2) Notify the Joint Committee on Welfare Reform; and

(3) Submit emergency regulations, as provided in Title 10, Subtitle 1 of the State Government Article, to implement the adjustment.

(E) AS OF JULY 1 OF EACH YEAR, THE DEPARTMENT SHALL MAKE AVAILABLE FOR REALLOCATION WITHIN ITS BUDGET ANY SAVINGS THE DEPARTMENT ANTICIPATES ACHIEVING FROM FUNDS APPROPRIATED TO IT FOR THE FIP DURING THE CURRENT FISCAL YEAR AS A RESULT OF:

(1) CASELOAD REDUCTIONS; OR

(2) OTHER REDUCTIONS IN THE TOTAL AMOUNT OF TEMPORARY CASH ASSISTANCE PAID TO RECIPIENTS WHEN COMPARED TO THE TOTAL AMOUNT OF TEMPORARY CASH ASSISTANCE APPROPRIATED.

(F) EXCEPT AS PROVIDED IN SUBSECTION (G)(1) OF THIS SECTION, SAVINGS MADE AVAILABLE FOR REALLOCATION MAY BE USED FOR:

(1) CHILD CARE;

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(2) WORK ACTIVITIES;

(3) WELFARE AVOIDANCE GRANTS;

(4) DRUG TREATMENT FOR TARGETED RECIPIENTS;

(5) TRANSPORTATION;

(6) EMERGENCY FUNDS FOR APPLICANTS AND RECIPIENTS;

(7) PAY INCENTIVES FOR EMPLOYEES OF LOCAL DEPARTMENTS;

(8) ADMINISTRATION TO THE EXTENT THAT ADDITIONAL ADMINISTRATIVE COSTS ARE REQUIRED TO EFFECTIVELY IMPLEMENT THE FIP; OR

(9) ANY OTHER DIRECT SERVICE TO APPLICANTS OR RECIPIENTS THAT THE SECRETARY AND THE LOCAL DEPARTMENT CONSIDER APPROPRIATE TO FURTHER THE PURPOSES OF THIS SUBTITLE.

(G) (1) SAVINGS SHALL BE MADE AVAILABLE FOR REALLOCATION AS FOLLOWS:

(I) 10% OF THE SAVINGS TO A COMBINATION OF THE OPERATING COSTS FOR ONE OR MORE OF THE FOLLOWING:

1. DEMONSTRATION PROJECTS CREATED IN § 53 OF THIS SUBTITLE;

2. SECOND CHANCE HOMES NOT SUBJECT TO THE RESTRICTIONS OF § 12 OF CHAPTER 351 OF THE ACTS OF THE GENERAL ASSEMBLY OF 1996; OR

3. DEMONSTRATION PROJECTS TO EMPIRICALLY

EVALUATE A STRATEGY OR SET OF STRATEGIES TO REDUCE THE INCIDENCE OF NONMARITAL BIRTHS IN THE STATE;

(II) 45% OF THE SAVINGS TO LOCAL DEPARTMENTS, IN ACCORDANCE WITH THE SAVINGS ACHIEVED BY EACH LOCAL DEPARTMENT, FOR THE PURPOSES UNDER SUBSECTION (F) OF THIS SECTION; AND

(III) 45% OF THE SAVINGS FOR THE PURPOSES UNDER SUBSECTION (F) OF THIS SECTION.

(2) NOTWITHSTANDING § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, ANY OF THE SAVINGS ALLOCATED UNDER THIS SUBSECTION THAT REMAIN UNEXPENDED AFTER THE CURRENT FISCAL YEAR MAY BE CARRIED OVER INTO THE NEXT FISCAL YEAR.

[(e)] (H) (1) All assistance granted under this subtitle is subject to all future amendment or repeal of this subtitle.

(2) A recipient does not have a right to compensation by reason of the recipient's assistance having been affected by amendment or repeal of this subtitle.

(3) Recipients who obtain employment shall remain eligible for medical assistance up to 12 months after the date of employment.

53.

(a) (1) The Secretary shall establish demonstration projects through grants to nonprofit organizations, local education agencies, local management boards, local health departments, religious organizations, and institutions of higher education, which shall jointly develop proposals for these demonstration projects with local departments of social services.

(2) (i) Not more than 50% of the funding allocated for demonstration projects under this section shall be allocated to a single demonstration project.

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(ii) The funds allocated for demonstration projects under this section are incentive funds over and above any transfer of FIP benefits to a third party.

(3) At least one of the demonstration projects under this section shall be located in counties other than the two counties with the largest numbers of FIP recipients.

(4) The funds allocated to demonstration projects under this section may not be used in the furtherance of sectarian religious instruction or worship.

(5) Funds allocable to demonstration projects under the provisions of paragraph (2) of this subsection shall, if feasible, be used for demonstration projects in the subdivisions which generated the savings.

(6) The Secretary shall award grants for these demonstration projects through a competitive bid process which includes:

(i) The issuance of a request for proposals; and

(ii) The establishment of an evaluation panel to review competing proposals and to make a recommendation to the Secretary concerning which proposals have the greatest programmatic and financial merit.

(7) WHEN AWARDING GRANTS UNDER PARAGRAPH (6) OF THIS SUBSECTION, THE SECRETARY SHALL GIVE PRIORITY IN FUNDING FOR AT LEAST 20% OF THE FUNDS ALLOCATED TO DEMONSTRATION PROJECTS UNDER THIS SECTION TO REGIONAL PROPOSALS FROM TWO OR MORE COUNTIES OF THE STATE.

(b) In the request for proposals, the Secretary shall include requirements that:

(1) Applicants specify what goods or services, or both, they will provide to participants; and

(2) Each demonstration project shall:

(i) Complement the local department Family Investment Program Plan; and

(ii) Address specific, unmet local needs and barriers that prevent families from meeting the requirements of this subtitle.

(c) The Secretary shall encourage and facilitate any demonstration projects, in addition to the demonstration projects funded through savings identified in subsection (a) of this section, which are supported through:

(1) The voluntary transfer of temporary cash assistance and food stamp benefits to the demonstration project;

(2) The transfer of administrative costs from the local department of social services;  
and

(3) Any nonstate funds available to the project.

Article - Health - General

15-103.

[(d) The Secretary shall apply for a waiver from the Health Care Financing Administration of the U.S. Department of Health and Human Services or take any other steps necessary to obtain federal reimbursement for providing program services to any minor who had qualified, and subsequently lost eligibility, as disabled under the federal Supplemental Security Income (SSI) Program before August 22, 1996, the effective date of the federal Personal Responsibility and Work Opportunity Reconciliation Act.]

Article - State Finance and Procurement

13-224.

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

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF HUMAN RESOURCES.

(3) "ELIGIBLE CONTRACT" MEANS A PROCUREMENT CONTRACT DESIGNATED BY THE BOARD AS APPROPRIATE FOR THE EXECUTION OF A HIRING AGREEMENT.

(4) "FIP" MEANS THE FAMILY INVESTMENT PROGRAM ESTABLISHED UNDER ARTICLE 88A OF THE CODE.

(5) "HIRING AGREEMENT" MEANS AN AGREEMENT ENTERED INTO BY THE DEPARTMENT OR A LOCAL DEPARTMENT AND AN ENTITY DOING BUSINESS WITH THE STATE UNDER WHICH THE DEPARTMENT OR THE LOCAL DEPARTMENT AND THE ENTITY AGREE TO WORK COOPERATIVELY IN ENDEAVORING TO IDENTIFY AND HIRE FIP RECIPIENTS TO FILL ENTRY-LEVEL JOB OPENINGS OF THE ENTITY.

(6) "LOCAL DEPARTMENT" MEANS A LOCAL DEPARTMENT OF SOCIAL SERVICES IN A COUNTY OR IN BALTIMORE CITY CREATED OR CONTINUED UNDER THE PROVISIONS OF ARTICLE 88A, § 13 OF THE CODE.

(B) ON OR BEFORE OCTOBER 1, 1998, THE BOARD, IN CONSULTATION WITH THE DEPARTMENT, SHALL DESIGNATE THE TYPES OF PROCUREMENT CONTRACTS THAT ARE ELIGIBLE CONTRACTS.

(C) (1) ON OR BEFORE DECEMBER 1, 1998, THE DEPARTMENT SHALL DEVELOP A MODEL HIRING AGREEMENT FORM THAT SHALL BE COMPLETED BY THE DEPARTMENT OR A LOCAL DEPARTMENT AND AN ENTITY IN CONJUNCTION WITH THE AWARD OF AN ELIGIBLE CONTRACT.

(2) THE MODEL HIRING AGREEMENT FORM SHALL INCLUDE THE FOLLOWING PROVISIONS:



(I) THE ENTITY WILL:

1. INFORM THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, OF ALL OF THE ENTITY'S ENTRY-LEVEL JOB OPENINGS;

2. DECLARE THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, ITS "FIRST SOURCE" IN IDENTIFYING AND HIRING CANDIDATES TO FILL THOSE ENTRY-LEVEL JOB OPENINGS;

3. WORK COOPERATIVELY WITH THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, TO DEVELOP ANY NECESSARY TRAINING PROGRAMS THAT WILL ENABLE FIP RECIPIENTS IN QUALIFYING FOR AND SECURING THE ENTRY-LEVEL POSITIONS;

4. GIVE FIRST PREFERENCE AND FIRST CONSIDERATION TO THE EXTENT PERMITTED BY LAW AND ANY EXISTING LABOR AGREEMENTS TO CANDIDATES REFERRED TO THE ENTITY BY THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE;

5. AGREE TO GIVE CANDIDATES REFERRED TO THE ENTITY BY THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, PRIORITY IN THE FILLING OF AN ENTRY-LEVEL OPENING IF THE CANDIDATE MEETS THE QUALIFICATIONS OF THE POSITION;

6. PROVIDE THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, WITH INFORMATION ON THE DISPOSITION OF ALL REFERRALS MADE BY THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, INCLUDING AN EXPLANATION OF WHY ANY SUCH CANDIDATE WAS NOT HIRED OR CONSIDERED QUALIFIED;

7. PROVIDE THE DEPARTMENT OR THE LOCAL

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DEPARTMENT, AS APPROPRIATE, WITH INFORMATION REGARDING THE PROGRESS AND EMPLOYMENT STATUS OF THOSE CANDIDATES REFERRED BY THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, THAT THE ENTITY HIRED; AND

8. DESIGNATE A SPECIFIC INDIVIDUAL THAT THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, MAY CONTACT IN REGARD TO THE PROVISIONS OF THE HIRING AGREEMENT; AND

(II) THE DEPARTMENT OR THE LOCAL DEPARTMENT, AS APPROPRIATE, WILL ASSIGN AN ACCOUNT REPRESENTATIVE TO THE ENTITY WHO WILL:

1. RECEIVE AND PROCESS ALL OF THE ENTITY'S JOB NOTIFICATIONS;

2. REFER ONLY SCREENED AND QUALIFIED CANDIDATES TO THE ENTITY;

3. ASSIST IN THE DEVELOPMENT OF ANY MUTUALLY AGREED UPON TRAINING PROGRAMS, INTERNSHIP PROGRAMS, OR BOTH THAT WILL BETTER PREPARE FIP RECIPIENTS FOR EMPLOYMENT WITH THE ENTITY;

4. ARRANGE FOLLOW-UP AND POST-HIRE TRANSITIONAL/SUPPORTIVE SERVICES, SUCH AS CHILD CARE AND TRANSPORTATION, AS NECESSARY AND APPROPRIATE; AND

5. REVIEW AND EVALUATE THE EFFECTIVENESS OF THE HIRING AGREEMENT WITH THE ENTITY AND MAKE MODIFICATIONS IN THE AGREEMENT AS NECESSARY AND APPROPRIATE.

(D) EACH YEAR, THE DEPARTMENT AND ANY LOCAL DEPARTMENTS THAT HAVE ENTERED INTO HIRING AGREEMENTS SHALL SUBMIT A REPORT TO THE BOARD, THE JOINT COMMITTEE ON WELFARE REFORM, AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

- (1) THE NUMBER OF HIRING AGREEMENTS EXECUTED;
- (2) THE NUMBER OF FIP RECIPIENTS HIRED BY AN ENTITY WITH WHICH A HIRING AGREEMENT WAS EXECUTED; AND
- (3) THE EFFECTIVENESS OF EACH HIRING AGREEMENT IN OBTAINING EMPLOYMENT FOR FIP RECIPIENTS.

Article - Transportation

15-101.

(b) (1) "Dealer" means, except as provided in paragraph (3) of this subsection, a dealer in vehicles of a type required to be registered under Title 13 of this article.

(2) "Dealer" includes:

(i) A person who is in the business of buying, selling, or exchanging vehicles, including a person who during any 12-month period offers to sell five or more of these vehicles, the ownership of which was acquired for resale purposes; and

(ii) For the purposes of §§ 15-301 through 15-315, inclusive, of this title, any person who sells vehicles, whether or not that person acquired the vehicles for personal or business use, if the vehicles are displayed at a fixed location used principally for the purpose of selling vehicles on a regular basis.

(3) "Dealer" does not include:

(i) A public official who sells or disposes of vehicles in the performance of his official duties;

(ii) An insurance company, finance company, bank, or other lending institution licensed or otherwise authorized to do business in this State that, to save it from loss, sells or disposes of vehicles under a contractual right and in the regular course of its business;

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(iii) A licensed auctioneer acting on behalf of a seller, secured party or owner and where title does not pass to the auctioneer and the auction is not for the purpose of avoiding the provisions of this title;

(iv) A receiver, trustee, personal representative, or other person appointed by or acting under the authority of any court;

(v) Either a manufacturer or distributor who sells or distributes vehicles to licensed dealers or a person employed by a manufacturer or distributor to promote the sale of the vehicles of the manufacturer or distributor, if that manufacturer, distributor, or person does not sell vehicles to retail buyers;

(vi) A person who sells or disposes of vehicles acquired and used for personal or business use and not for the purpose of avoiding the provisions of this title, if that person is not engaged in buying, selling, or exchanging vehicles as a business;

(vii) An automotive dismantler and recycler who during the normal course of business acquires a salvage vehicle and transfers the vehicle on a salvage certificate. However, if the automotive dismantler and recycler rebuilds and sells more than 5 vehicles during a 12-month period to a person other than another automotive dismantler and recycler or licensed dealer, the automotive dismantler and recycler must be licensed as a dealer under § 15-302 of this subtitle; [or]

(viii) A person engaged in the leasing of motor vehicles under leases not intended as security; OR

(IX) A RELIGIOUS, CHARITABLE, OR VOLUNTEER ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE, THE DEPARTMENT OF HUMAN RESOURCES, OR A LOCAL DEPARTMENT OF SOCIAL SERVICES TRANSFERRING A VEHICLE UNDER § 13-810 OF THIS ARTICLE.

Chapter 351 of the Acts of 1996, as amended by Chapter 593 of the Acts of 1997

[SECTION 11. AND BE IT FURTHER ENACTED, That any savings the Family Investment

Program, as of July 1 of each year, anticipates achieving during the current fiscal year through caseload reductions or other reductions in the total amount of cash benefits actually paid to families compared to the total amount of cash assistance benefits to families budgeted shall be available for reallocation within the budget of the Department to support activities through local departments of social services as follows:

(1) 10% of the savings to a combination of, the operating costs for, one or more of the following:

(i) demonstration projects created in Article 88A, § 53 of the Code;

(ii) second chance homes not subject to the restrictions of Section 12 of Chapter 351 of the Acts of the General Assembly of 1996; or

(iii) demonstration projects to empirically evaluate a strategy or set of strategies to reduce the incidence of nonmarital births in the State;

(2) 45% of the savings that were generated for the 2-year period following the effective date of this Act shall be allocated in accordance with the savings achieved by each local department of social services and, notwithstanding § 7-302 of the State Finance and Procurement Article, any of the savings that remains unexpended after the current fiscal year may be carried over into the next fiscal year; and

(3) 45% of the savings to child care, work activities, welfare avoidance, drug treatment for targeted recipients, emergency funds for applicants and recipients, administration to the extent that additional administrative costs are required to effectively implement this program, or any other direct service to applicants or recipients that the Secretary deems appropriate to further the purposes of this Act.]

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

Article - Transportation

(Over)

13-810.

(a) On issuance in this State of an original or subsequent certificate of title for a vehicle, the vehicle is exempt from the excise tax imposed by this part, if it is:

(21) A Class M motor home or Class G travel trailer that is transferred or retitled in the dealership's name under § 15-305(d)(2) of this article; [or]

(22) A special purpose vehicle owned by a coal company if the vehicle is used:

(i) For transportation of workers, coal, or equipment used in the coal production process; and

(ii) Exclusively in or on coal mining property; OR

(23) A VEHICLE ACQUIRED BY A RELIGIOUS, CHARITABLE, OR VOLUNTEER ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE, THE DEPARTMENT OF HUMAN RESOURCES, OR A LOCAL DEPARTMENT OF SOCIAL SERVICES FOR THE PURPOSE OF TRANSFERRING THE VEHICLE TO A FAMILY INVESTMENT PROGRAM RECIPIENT OR AN INDIVIDUAL CERTIFIED BY THE DEPARTMENT OF HUMAN RESOURCES OR A LOCAL DEPARTMENT OF SOCIAL SERVICES AS ELIGIBLE FOR THE TRANSFER.

(c) On transfer of a vehicle titled in this State and issuance of a subsequent certificate of title, the vehicle is exempt from the excise tax imposed by this part, if it is:

(7) A vehicle transferred by a corporation to its stockholder or stockholders or by a limited liability company to its member or members as a liquidating distribution of tangible personal property where the vehicle or vehicles transferred are not a principal or substantial asset of the corporation or limited liability company as determined by the Administration; [or]

(8) A vehicle transferred as a result of a reorganization within the meaning of § 368(a) of the Internal Revenue Code; OR

(9) A VEHICLE TRANSFERRED TO A FAMILY INVESTMENT PROGRAM RECIPIENT OR AN INDIVIDUAL CERTIFIED BY THE DEPARTMENT OF HUMAN RESOURCES OR A LOCAL DEPARTMENT OF SOCIAL SERVICES AS ELIGIBLE FOR TRANSFER OF THE VEHICLE THAT WAS EXEMPTED FROM THE EXCISE TAX IMPOSED BY THIS PART UNDER SUBSECTION (A)(23) OF THIS SECTION.

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

Article - Transportation

13-810.

(a) On issuance in this State of an original or subsequent certificate of title for a vehicle, the vehicle is exempt from the excise tax imposed by this part, if it is:

(20) A vehicle acquired for resale by a licensed dealer if the dealer reassignment sections contained on the certificate of title are exhausted; [or]

(21) A Class M motor home or Class G travel trailer that is transferred or retitled in the dealership's name under § 15-305(d)(2) of this article; OR

(22) A VEHICLE ACQUIRED BY A RELIGIOUS, CHARITABLE, OR VOLUNTEER ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE, THE DEPARTMENT OF HUMAN RESOURCES, OR A LOCAL DEPARTMENT OF SOCIAL SERVICES FOR THE PURPOSE OF TRANSFERRING THE VEHICLE TO A FAMILY INVESTMENT PROGRAM RECIPIENT OR AN INDIVIDUAL CERTIFIED BY THE DEPARTMENT OF HUMAN RESOURCES OR A LOCAL DEPARTMENT OF SOCIAL SERVICES AS ELIGIBLE FOR THE TRANSFER.

(c) On transfer of a vehicle titled in this State and issuance of a subsequent certificate of title, the vehicle is exempt from the excise tax imposed by this part, if it is:

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(7) A vehicle transferred by a corporation to its stockholder or stockholders or by a limited liability company to its member or members as a liquidating distribution of tangible personal property where the vehicle or vehicles transferred are not a principal or substantial asset of the corporation or limited liability company as determined by the Administration; [or]

(8) A vehicle transferred as a result of a reorganization within the meaning of § 368(a) of the Internal Revenue Code; OR

(9) A VEHICLE TRANSFERRED TO A FAMILY INVESTMENT PROGRAM RECIPIENT OR AN INDIVIDUAL CERTIFIED BY THE DEPARTMENT OF HUMAN RESOURCES OR A LOCAL DEPARTMENT OF SOCIAL SERVICES AS ELIGIBLE FOR TRANSFER OF THE VEHICLE THAT WAS EXEMPTED FROM THE EXCISE TAX IMPOSED BY THIS PART UNDER SUBSECTION (A)(22) OF THIS SECTION.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) The Department of Human Resources, in consultation with the Department of Labor, Licensing, and Regulation, the Department of Business and Economic Development, the Department of Health and Mental Hygiene, the State Department of Education, and the Maryland Higher Education Commission shall redesign the Family Investment Program service delivery system from the "ground up" to improve customer service, leverage available resources, and avoid duplication of effort.

(b) The redesign effort shall include:

(1) defining the core service activities of the service delivery system;

(2) examining public or private organizations throughout the country that perform these core activities in an exemplary manner;

(3) determining supplemental services;

(4) analyzing the opportunities for unified action and organizational boundary change



among the State agencies;

(5) designing a new organizational and programmatic structure to most effectively deliver the identified services; and

(6) developing a mechanism for evaluating the effectiveness of the new system;

(c) The Department of Labor, Licensing, and Regulation, the Department of Business and Economic Development, the Department of Health and Mental Hygiene, the State Department of Education, and the Maryland Higher Education Commission shall, as requested by the Department of Human Resources:

(1) assist the Department of Human Resources to design the new system from the "ground up";

(2) contribute organizational resources necessary to build the system; and

(3) assist the Department of Human Resources in implementing and evaluating the new system;

(d) The Department of Human Resources shall implement the redesigned service delivery system as a pilot project in one jurisdiction on or before July 1, 2000;

(e) Funding, in an amount not to exceed \$1 million annually, from the savings provided under § 52(g)(3) of Article 88A of the Code, as enacted by Section 1 of this Act, shall be used to design, develop, implement, and evaluate the redesigned service delivery system required by this section; and

(f) The Department of Human Resources shall present a preliminary report on the redesigned service delivery system to the Joint Committee on Welfare Reform and, in accordance with § 2-1246 of the State Government Article, the General Assembly, on or before July 1, 1999 and shall present a final report on or before January 1, 2001.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall remain

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effective for a period of three years and, at the end of May 31, 2001, with no further action required by the General Assembly, Section 4 of this Act shall be abrogated and of no further force and effect.

SECTION 6. AND BE IT FURTHER ENACTED, That:

(a) The Department of Human Resources shall conduct a study of finger imaging as a method of preventing fraudulent applications for and fraudulent receipt of Family Investment Program and Food Stamp Program benefits.

(b) As part of the study, the Department shall examine:

(1) the cost effectiveness of finger imaging programs in other states;

(2) the impact on Maryland of surrounding states' establishment of finger imaging programs;

(3) the impact of finger imaging in comparison to other methods of preventing fraud;  
and

(4) the projected savings to Maryland through deterrence of fraudulent applications and apprehension of public assistance recipients fraudulently receiving benefits.

(c) The Department shall report the findings and recommendations of its study to the Senate Finance Committee and the House Appropriations Committee of the General Assembly by October 1, 1998.

SECTION 7. AND BE IT FURTHER ENACTED, That, at the end of December 31, 2000, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect and Section 3 of this Act shall take effect.

SECTION 8. AND BE IT FURTHER ENACTED, That on or before October 1, 1998, the Secretary of Human Resources shall establish with the Secretary of Labor, Licensing, and Regulation and the Superintendent of Education a demonstration project in the Glen Burnie Multi-Service Center to integrate the physical locations, staff, and resources of the Anne Arundel County

Department of Social Services Job Center, the Job Service, the Unemployment Insurance Office, and the Division of Rehabilitation, to improve the efficiency of customer service and reduce duplication of services. The Secretary of Human Resources shall report to the Joint Committee on Welfare Reform, in accordance with § 2-1246 of the State Government Article, on or before December 1, 1998 on the progress of the demonstration project.

SECTION 9. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 7 of this Act, this Act shall take effect June 1, 1998.”.