
By: **Senator McFadden**

Introduced and read first time: February 18, 2002

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **State Employee and Retiree Health and Welfare Benefits Program -**
3 **Employees of Qualifying Not-for-Profit Organizations**

4 FOR the purpose of altering the definition of "qualifying not-for-profit organization"
5 to include certain organizations that receive State funds from the Department of
6 Human Resources and to alter the amount of the organizations' operating
7 expenses that must be covered by State funds for employees of the organizations
8 to be eligible to enroll and participate in the State Employee and Retiree Health
9 and Welfare Benefits Program; and generally relating to eligibility of employees
10 of qualifying not-for-profit organizations to enroll and participate in the State
11 Employee and Retiree Health and Welfare Benefits Program.

12 BY repealing and reenacting, without amendments,
13 Article - State Personnel and Pensions
14 Section 2-501
15 Annotated Code of Maryland
16 (1997 Replacement Volume and 2001 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article - State Personnel and Pensions
19 Section 2-512
20 Annotated Code of Maryland
21 (1997 Replacement Volume and 2001 Supplement)

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

24 **Article - State Personnel and Pensions**

25 2-501.

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

27 (b) "Program" means the State Employee and Retiree Health and Welfare
28 Benefits Program.

1 (c) "Satellite organization" means any organization or entity whose employees
2 are eligible to participate in the State Employee and Retiree Health and Welfare
3 Benefits Program as a separate account.

4 2-512.

5 (a) In this section, "qualifying not-for-profit organization" means an
6 organization that:

7 (1) receives State funds from the Department of Health and Mental
8 Hygiene OR THE DEPARTMENT OF HUMAN RESOURCES that cover more than
9 [one-third] 25% of the organization's operating expenses; and

10 (2) is:

11 (i) described in § 501(c)(3) of the Internal Revenue Code; and

12 (ii) exempt from income tax under § 501(a) of the Internal Revenue
13 Code.

14 (b) The Secretary shall adopt regulations for the enrollment and participation
15 of employees of a qualifying not-for-profit organization to participate in the Program
16 as a satellite organization.

17 (c) A qualifying not-for-profit organization that participates in the Program
18 as a satellite organization shall:

19 (1) pay to the State:

20 (i) a premium in the amount determined by the Secretary; and

21 (ii) any costs, as determined by the Secretary, for the
22 administration of this Program; and

23 (2) determine the extent to which the organization will subsidize
24 participation by its employees in the Program.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2002.