
By: **Senator McFadden**
Introduced and read first time: February 18, 2002
Assigned to: Rules
Re-referred to: Finance, February 21, 2002

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
Read second time: April 1, 2002

CHAPTER _____

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 ~~a certain organizations that receive State funds from the Department~~
6 ~~of 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~~ organization to participate in the State Employee and
9 Retiree Health and Welfare Benefits Program; providing for the termination of
10 this Act; and generally relating to eligibility of employees of qualifying
11 not-for-profit organizations to enroll and participate in the State Employee and
12 Retiree Health and Welfare Benefits Program.

13 BY repealing and reenacting, without amendments,
14 Article - State Personnel and Pensions
15 Section 2-501
16 Annotated Code of Maryland
17 (1997 Replacement Volume and 2001 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - State Personnel and Pensions
20 Section 2-512
21 Annotated Code of Maryland
22 (1997 Replacement Volume and 2001 Supplement)

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

3 **Article - State Personnel and Pensions**

4 2-501.

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

6 (b) "Program" means the State Employee and Retiree Health and Welfare
7 Benefits Program.

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

11 2-512.

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

14 (1) (I) receives State funds from the Department of Health and Mental
15 Hygiene ~~OR THE DEPARTMENT OF HUMAN RESOURCES~~ that cover more than
16 ~~{one-third}~~ 25% of the organization's operating expenses; and

17 ~~(2)~~ (II) is:

18 ~~(i)~~ 1. described in § 501(c)(3) of the Internal Revenue Code; and

19 ~~(ii)~~ 2. exempt from income tax under § 501(a) of the Internal
20 Revenue Code; OR

21 (2) IS THE LEGAL AID BUREAU, INC.

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

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

27 (1) pay to the State:

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

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

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2002. It shall remain effective for a period of 2 years and, at the end of
3 September 30, 2004, with no further action required by the General Assembly, this
4 Act shall be abrogated and of no further force and effect.