
By: **Delegates Sossi, Boschert, Cane, Costa, Impallaria, Rzepkowski,
Smigiel, and Walkup**

Introduced and read first time: February 5, 2003

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Pensions - Local Public Safety Pension Assistance Program**

3 FOR the purpose of authorizing an individual who works as a detention center officer
4 for a county or a municipal corporation to become a member of the Law
5 Enforcement Officers' Pension System of the State of Maryland under a
6 participating governmental unit; establishing a Local Public Safety Pension
7 Assistance Fund; specifying the funding sources and purpose of the Fund;
8 establishing a Local Public Safety Pension Assistance Program; requiring the
9 State Retirement Agency to operate the Program; specifying the purpose of the
10 Program; requiring the Program to provide low-interest loans to help local
11 jurisdictions that wish to become participating governmental units under the
12 Law Enforcement Officers' Pension System or the Local Fire and Police System
13 of the State of Maryland but can only afford to pay part of the buy-in cost;
14 requiring a loan applicant to submit certain information to the State Retirement
15 Agency; requiring the State Retirement Agency to adopt certain regulations;
16 requiring the State Retirement Agency to report to the General Assembly on or
17 before a certain date; defining certain terms; and generally relating to the
18 eligibility of certain detention center officers as members of the Law
19 Enforcement Officers' Pension System under a participating governmental unit,
20 the Local Public Safety Pension Assistance Program and the Local Public Safety
21 Pension Assistance Fund.

22 BY repealing and reenacting, with amendments,
23 Article - State Personnel and Pensions
24 Section 31-2A-01
25 Annotated Code of Maryland
26 (1997 Replacement Volume and 2002 Supplement)

27 BY repealing and reenacting, without amendments,
28 Article - State Personnel and Pensions
29 Section 31-2A-02
30 Annotated Code of Maryland
31 (1997 Replacement Volume and 2002 Supplement)

1 BY adding to
2 Article - State Personnel and Pensions
3 Section 31-2B-01 through 31-2B-05, inclusive, to be under the new subtitle
4 "Subtitle 2B. Local Public Safety Pension Assistance Program"
5 Annotated Code of Maryland
6 (1997 Replacement Volume and 2002 Supplement)

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

9 **Article - State Personnel and Pensions**

10 31-2A-01.

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

12 (b) "Effective date" means the date that an eligible governmental unit
13 commenced or commences participation in the Law Enforcement Officers' Pension
14 System.

15 (c) "Eligible governmental unit" means a governmental unit that is eligible to
16 participate in the Law Enforcement Officers' Pension System under § 31-2A-02 of
17 this subtitle.

18 (d) "Law enforcement officer" means an individual WHO:

19 (1) IS certified by the Maryland Police Training Commission as a law
20 enforcement officer; OR

21 (2) WORKS AS A DETENTION CENTER OFFICER FOR AN ELIGIBLE
22 GOVERNMENTAL UNIT.

23 (e) (1) "Local pension system" means a retirement or pension system of an
24 eligible governmental unit.

25 (2) "Local pension system" includes the Employees' Retirement System
26 and the Employees' Pension System if the eligible governmental unit participates
27 under Subtitle 1 of this title.

28 31-2A-02.

29 Subject to § 31-2A-03 of this subtitle, the governmental units that are eligible
30 to participate in the Law Enforcement Officers' Pension System are:

31 (1) counties; and

32 (2) municipal corporations.

SUBTITLE 2B. LOCAL PUBLIC SAFETY PENSION ASSISTANCE PROGRAM.

31-2B-01.

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

(B) "BUY-IN COST" MEANS THE COST INCURRED BY A LOCAL JURISDICTION WHEN BECOMING A PARTICIPATING GOVERNMENTAL UNIT.

(C) "FUND" MEANS THE LOCAL PUBLIC SAFETY PENSION ASSISTANCE FUND.

(D) "LOAN APPLICANT" MEANS AN APPLICANT SEEKING A LOAN UNDER THE PROGRAM.

(E) (1) "PARTICIPATING GOVERNMENTAL UNIT" MEANS A POLITICAL SUBDIVISION OF THE STATE THAT PARTICIPATES IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM OR THE LOCAL FIRE AND POLICE SYSTEM OF THE STATE OF MARYLAND.

(2) "PARTICIPATING GOVERNMENTAL UNIT" INCLUDES:

(I) A COUNTY;

(II) A MUNICIPAL CORPORATION; AND

(III) A SPECIAL TAXING AREA.

(F) "PROGRAM" MEANS THE LOCAL PUBLIC SAFETY PENSION ASSISTANCE PROGRAM.

31-2B-02.

(A) THERE IS A LOCAL PUBLIC SAFETY PENSION ASSISTANCE FUND.

(B) THE FUND IS A SPECIAL, NONLAPSING, REVOLVING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(C) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY AND THE STATE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(D) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED BY THE STATE TO THE FUND;

(2) REPAYMENTS ON LOANS MADE FROM THE FUND; AND

(3) ANY INVESTMENT EARNINGS OF THE FUND.

(E) THE FUND SHALL BE USED TO:

1 (1) PROVIDE LOW-INTEREST LOANS AS DESCRIBED IN § 31-2B-03 OF
2 THIS SUBTITLE; AND

3 (2) COVER ANY COSTS INCURRED BY THE STATE RETIREMENT AGENCY
4 IN THE ADMINISTRATION OF THE PROGRAM.

5 31-2B-03.

6 (A) THERE IS A LOCAL PUBLIC SAFETY PENSION ASSISTANCE PROGRAM.

7 (B) THE PROGRAM SHALL BE OPERATED BY THE STATE RETIREMENT AGENCY.

8 (C) THE PROGRAM SHALL PROVIDE LOW-INTEREST LOANS DRAWN FROM THE
9 FUND TO LOCAL JURISDICTIONS THAT WISH TO BECOME PARTICIPATING
10 GOVERNMENTAL UNITS UNDER THE LAW ENFORCEMENT OFFICERS' PENSION
11 SYSTEM OR THE LOCAL FIRE AND POLICE SYSTEM OF THE STATE OF MARYLAND BUT
12 CAN ONLY AFFORD TO PAY PART OF THE BUY-IN COST.

13 31-2B-04.

14 (A) A LOAN MADE UNDER THE PROGRAM MAY FUND UP TO 30% OF THE
15 BUY-IN COST OF A LOAN APPLICANT TO BECOME A PARTICIPATING GOVERNMENTAL
16 UNIT.

17 (B) A LOAN APPLICANT SHALL PROVIDE TO THE STATE RETIREMENT AGENCY:

18 (1) EVIDENCE THAT THE LOAN APPLICANT CAN AFFORD TO PAY 70% OR
19 MORE BUT LESS THAN 100% OF THE BUY-IN COST; AND

20 (2) ANY OTHER INFORMATION REQUIRED BY THE AGENCY.

21 31-2B-05.

22 THE STATE RETIREMENT AGENCY SHALL ADOPT REGULATIONS NECESSARY TO
23 CARRY OUT THE PROVISIONS OF THIS SUBTITLE.

24 SECTION 2. AND BE IT FURTHER ENACTED, That the State Retirement
25 Agency shall report to the General Assembly on or before December 31 of each year, in
26 accordance with § 2-1246 of the State Government Article, on the status and
27 operation of the Local Public Safety Pension Assistance Program and the Local Public
28 Safety Pension Assistance Fund.

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 July 1, 2003.