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By: **Senator Kasemeyer**  
 Introduced and read first time: January 31, 2005  
 Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
 Senate action: Adopted  
 Read second time: March 2, 2005

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CHAPTER\_\_\_\_\_

1 AN ACT concerning

2 **Task Force to Study Retiree Health Care Funding Options and Alternative**  
 3 **Retirement System Options**

4 FOR the purpose of establishing a Task Force to Study Retiree Health Care Funding  
 5 Options ~~and Alternative Retirement System Options~~; providing for the  
 6 membership, chair, duties, and staffing of the Task Force; requiring the Task  
 7 Force to report to the Governor and the General Assembly on its findings;  
 8 providing for the termination of this Act; and generally relating to the  
 9 establishment of a Task Force to Study Retiree Health Care Funding Options  
 10 ~~and Alternative Retirement System Options~~.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 12 MARYLAND, That:

13 (a) There is a Task Force to Study Retiree Health Care Funding Options and  
 14 Alternative Retirement System Options.

15 (b) The Task Force shall consist of the following members:

16 (1) three members from the House of Delegates, appointed by the  
 17 Speaker of the House;

18 (2) three members from the Senate, appointed by the President of the  
 19 Senate; and

20 (3) the Secretary of Budget and Management, or the Secretary's  
 21 designee.

1 (c) The President of the Senate and the Speaker of the House of Delegates  
2 shall jointly designate the Chair of the Task Force;

3 (d) The Task Force shall:

4 (1) commission an actuarial valuation of the liabilities associated with  
5 the State's retiree health insurance subsidy and in accordance with the standards  
6 established in the Government Accounting Standards Board Statement 45, with the  
7 costs of the valuation to be borne by the Department of Budget and Management; and

8 (2) develop options for addressing the unfunded liability associated with  
9 State retiree health care that will have to be included on the State's financial  
10 statements beginning in fiscal 2007 as a result of Government Accounting Standards  
11 Board Statement 45, and evaluate the costs associated with each option;

12 ~~(3) consider implementing a defined contribution retirement system as~~  
13 ~~the primary retirement system for State employees, rather than the existing defined~~  
14 ~~benefit plan; and~~

15 ~~(4) study other states with defined contribution retirement systems as~~  
16 ~~their primary retirement system.~~

17 (e) The Task Force shall be staffed by the Department of Legislative Services.

18 (f) The Task Force shall issue a final report of its findings and  
19 recommendations to the Governor and, subject to § 2-1246 of the State Government  
20 Article, to the General Assembly on or before December 31, 2005.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2005. It shall remain effective for a period of 6 months and, at the end of  
23 December 31, 2005, with no further action required by the General Assembly, this Act  
24 shall be abrogated and of no further force and effect.