

SENATE BILL 761

O3

(5lr2473)

ENROLLED BILL

— Budget and Taxation/Appropriations —

Introduced by **Senators Feldman, Brochin, Ferguson, Guzzone, Kagan, Kasemeyer, Kelley, King, Klausmeier, Lee, Madaleno, Manno, Middleton, Montgomery, Ramirez, Raskin, Rosapepe, and Waugh**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Disabled Individuals – Task Force on the Maryland ABLE Program –**
3 **~~Established~~**

4 ~~FOR the purpose of requiring the College Savings Plans of Maryland Board to establish the~~
5 ~~Maryland ABLE Program for certain purposes subject to certain provisions;~~
6 ~~requiring the Board to oversee the administration of the Maryland ABLE Program;~~
7 ~~altering the membership of the Board; requiring the Board to maintain the Maryland~~
8 ~~ABLE Program in compliance with certain standards; requiring the Board to adopt~~
9 ~~certain procedures; requiring the Board to issue certain statements to account~~
10 ~~holders at least once each year; authorizing the Board to issue certain requests for~~
11 ~~proposals; requiring the Board to consider proposals that meet certain criteria;~~
12 ~~authorizing the Board to require certain fees; establishing certain limitations and~~
13 ~~requirements for contributions to and administration of the Maryland ABLE~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



~~Program; establishing participation and distribution requirements; providing that neither the faith and credit nor the taxing power of the State is pledged to the payment of debts, contracts, and obligations of the Maryland ABLE Program; providing that certain entities are not liable for certain losses; prohibiting certain money from being considered or commingled with certain money or deposited in the State Treasury; exempting certain entities and accounts from the Insurance Article; providing that the assets and the income of the Maryland ABLE Program are exempt from State and local taxation; prohibiting a person from seizing a certain benefit or asset; requiring certain audits; altering a certain power of attorney form; allowing a subtraction modification under the State income tax for certain contributions to an account under the Maryland ABLE Program; allowing certain amounts disallowed under the subtraction modification as a result of a certain limitation to be carried over and subtracted for succeeding taxable years; requiring an addition modification for certain distributions made under certain accounts; making conforming changes; providing for the application of certain provisions of this Act; defining certain terms; and generally relating to the College Savings Plans of Maryland and Maryland ABLE Program.~~

FOR the purpose of establishing a Task Force on the Maryland Achieving a Better Life Experience (ABLE) Program; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to study and make recommendations regarding certain matters; requiring the Task Force to report its findings and recommendations to the Governor and the General Assembly on or before a certain date; stating the intent of the General Assembly to establish an ABLE Program; requiring the General Assembly to consider legislation proposed by the Task Force to establish an ABLE Program; defining a certain term; providing for the termination of this Act; and generally relating to the Task Force on the Maryland ABLE Program.

~~BY repealing and reenacting, with amendments,
 Article — Education
 Section 18-1901, 18-1902.1, 18-1904(b) and (c), 18-1905(d)(3), (e), and (f),
 18-19A-05, and 18-19B-05
 Annotated Code of Maryland
 (2014 Replacement Volume and 2014 Supplement)~~

~~BY adding to
 Article — Education
 Section 18-19C-01 through 18-19C-08 to be under the new subtitle “Subtitle 19C-
 Maryland ABLE Program”
 Annotated Code of Maryland
 (2014 Replacement Volume and 2014 Supplement)~~

~~BY repealing and reenacting, with amendments,
 Article — Estates and Trusts
 Section 17-203
 Annotated Code of Maryland~~

1 ~~(2011 Replacement Volume and 2014 Supplement)~~

2 ~~BY repealing and reenacting, without amendments,~~

3 ~~Article Tax General~~

4 ~~Section 10-205(a), 10-207(a), and 10-208(a)~~

5 ~~Annotated Code of Maryland~~

6 ~~(2010 Replacement Volume and 2014 Supplement)~~

7 ~~BY adding to~~

8 ~~Article Tax General~~

9 ~~Section 10-205(l), 10-207(ee), and 10-208(v)~~

10 ~~Annotated Code of Maryland~~

11 ~~(2010 Replacement Volume and 2014 Supplement)~~

12 ~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,~~

13 ~~That the Laws of Maryland read as follows:~~

14 ~~**Article Education**~~

15 ~~§ 18-1901.~~

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

17 ~~(b) "Account holder" means an individual who:~~

18 ~~(1) Makes or undertakes the obligation to make advance payments of~~
 19 ~~qualified higher education expenses as provided under a prepaid contract; and~~

20 ~~(2) Except as provided in § 18-1909(b) of this subtitle, is a resident of~~
 21 ~~Maryland or of the District of Columbia at the time that the account holder enters into a~~
 22 ~~prepaid contract.~~

23 ~~(c) "Board" means the College Savings Plans of Maryland Board.~~

24 ~~(d) "Broker-Dealer Plan" means the Maryland Broker-Dealer College~~
 25 ~~Investment Plan established under Subtitle 19B of this title.~~

26 ~~(e) "Current prepaid contract obligations" means the scheduled payments due for~~
 27 ~~the next fiscal year under existing prepaid contracts.~~

28 ~~(f) "Eligible institution of higher education" means an institution of higher~~
 29 ~~education that:~~

30 ~~(1) Offers an associate, bachelor, or graduate degree program; and~~

31 ~~(2) Is eligible to participate in federal financial aid programs.~~

1 ~~(g) “Market value of program assets” means the amount of cash and cash~~
 2 ~~equivalents held by the Trust plus the fair market value of other assets of the Trust.~~

3 ~~(h) “MARYLAND ABLE PROGRAM” MEANS THE MARYLAND ACHIEVING A~~
 4 ~~BETTER LIFE EXPERIENCE PROGRAM ESTABLISHED UNDER SUBTITLE 19C OF THIS~~
 5 ~~TITLE.~~

6 ~~(i) “Plan” means the Maryland College Investment Plan established under~~
 7 ~~Subtitle 19A of this title.~~

8 ~~[(i)](j) “Prepaid contract” means a contract between the Board and an account~~
 9 ~~holder under the provisions of this subtitle for the advance payment of qualified higher~~
 10 ~~education expenses by the account holder for a qualified beneficiary to attend an eligible~~
 11 ~~institution of higher education, if the qualified beneficiary is admitted to the institution.~~

12 ~~[(j)](k) “Program” means the College Savings Plans of Maryland.~~

13 ~~[(k)](l) “Qualified beneficiary” means an individual who:~~

14 ~~(1) Is eligible to apply advance payments of qualified higher education~~
 15 ~~expenses to undergraduate or graduate qualified higher education expenses at an eligible~~
 16 ~~institution of higher education under the provisions of this subtitle; and~~

17 ~~(2) Except as provided in § 18-1909(b) of this subtitle, is a resident of the~~
 18 ~~State or of the District of Columbia at the time that the account holder enters into a prepaid~~
 19 ~~contract.~~

20 ~~[(l)](m) “Qualified higher education expenses” has the meaning stated in §~~
 21 ~~529(e) of the Internal Revenue Code.~~

22 ~~[(m)](n) “Qualified state tuition program” has the meaning stated in § 529 of the~~
 23 ~~Internal Revenue Code.~~

24 ~~[(n)](o) “Trust” means the Maryland Prepaid College Trust established under~~
 25 ~~this subtitle.~~

26 ~~[(o)](p) (1) “Tuition” means the actual tuition and mandatory fees assessed~~
 27 ~~to all students by an eligible institution of higher education as a condition of enrollment at~~
 28 ~~the institution.~~

29 ~~(2) “Tuition” does not include any fee that is assessed by the institution for~~
 30 ~~a particular course taken, year of enrollment, academic status, course of study, residency~~
 31 ~~status, or any other distinguishing factor used by the institution to determine a specific fee.~~

32 ~~18-1902.1.~~

1 ~~(a) There is a Program entitled the College Savings Plans of Maryland.~~

2 ~~(b) The purpose of the Program is to provide for the administration by the Board~~
 3 ~~of the Maryland Prepaid College Trust, the Maryland College Investment Plan, [and] the~~
 4 ~~Maryland Broker Dealer College Investment Plan, AND THE MARYLAND ABLE~~
 5 ~~PROGRAM.~~

6 ~~18-1004.~~

7 ~~(b) The Board shall administer:~~

8 ~~(1) The Maryland Prepaid College Trust established under this subtitle;~~

9 ~~(2) The Maryland College Investment Plan established under Subtitle 19A~~
 10 ~~of this title; [and]~~

11 ~~(3) The Maryland Broker Dealer College Investment Plan established~~
 12 ~~under Subtitle 19B of this title; AND~~

13 ~~(4) THE MARYLAND ABLE PROGRAM ESTABLISHED UNDER~~
 14 ~~SUBTITLE 19C OF THIS TITLE.~~

15 ~~(c) The Board consists of the following [10] members:~~

16 ~~(1) The Secretary of the Maryland Higher Education Commission;~~

17 ~~(2) The State Superintendent of Schools;~~

18 ~~(3) The State Treasurer;~~

19 ~~(4) The State Comptroller;~~

20 ~~(5) The Chancellor of the University System of Maryland; [and]~~

21 ~~(6) THE SECRETARY OF HEALTH AND MENTAL HYGIENE;~~

22 ~~(7) A REPRESENTATIVE FROM THE DEPARTMENT OF DISABILITIES;~~

23 ~~(8) A MEMBER OF THE MARYLAND DEVELOPMENTAL DISABILITIES~~
 24 ~~ADMINISTRATION; AND~~

25 ~~[(6)] (9) [Five] NINE members of the public who shall be appointed by~~
 26 ~~the Governor [and] AS FOLLOWS:~~

~~(I) FIVE MEMBERS WHO shall have significant experience in finance, accounting, investment management, or other areas that can be of assistance to the Board;~~

~~(H) A REPRESENTATIVE FROM AN INTELLECTUAL OR DEVELOPMENTAL DISABILITY ADVOCACY ORGANIZATION;~~

~~(III) A REPRESENTATIVE OF A SERVICE PROVIDER FOR PEOPLE WITH DISABILITIES;~~

~~(IV) A PARENT OF A CHILD WITH A DISABILITY WHO HAS SIGNIFICANT EXPERIENCE WITH DISABILITY ISSUES; AND~~

~~(V) A PERSON WITH A DISABILITY WHO HAS SIGNIFICANT EXPERIENCE WITH DISABILITY ISSUES.~~

~~18-1005.~~

~~(d) (3) The Board may retain the services of consultants, administrators, and other personnel, as necessary, to administer the Trust, the Plan, [or] the Broker-Dealer Plan, OR THE MARYLAND ABLE PROGRAM.~~

~~(e) The Board may adopt any regulations that the Board considers necessary to carry out the provisions of this subtitle or Subtitle 19A [or], Subtitle 19B, OR SUBTITLE 19C of this title.~~

~~(f) In addition, the Board may:~~

~~(1) Adopt an official seal;~~

~~(2) Sue and be sued;~~

~~(3) Execute contracts and other necessary instruments;~~

~~(4) Hold, buy, and sell instruments, obligations, securities, and other investments consistent with its comprehensive investment plan;~~

~~(5) Enter into agreements with eligible institutions of higher education and other public or private entities for the promotion, administration, or marketing of the Program, the Trust, the Plan, [or] the Broker-Dealer Plan, OR THE MARYLAND ABLE PROGRAM;~~

~~(6) Invest funds not required for immediate disbursement;~~

1 ~~(7) Solicit and accept gifts, grants, loans, or other aid from any source or~~
2 ~~participate in any government program for purposes consistent with this subtitle and~~
3 ~~Subtitles 19A [and], 19B, AND 19C of this title;~~

4 ~~(8) Subject to the review of the General Assembly, impose and collect~~
5 ~~reasonable administrative fees for any transactions under the Trust, the Plan, [or] the~~
6 ~~Broker-Dealer Plan, OR THE MARYLAND ABLE PROGRAM or involving prepaid~~
7 ~~contracts or transactions affecting the Program, the Trust, the Plan, [or] the Broker-Dealer~~
8 ~~Plan, OR THE MARYLAND ABLE PROGRAM;~~

9 ~~(9) Procure insurance against any loss of assets of the Program, the Trust,~~
10 ~~the Plan, [or] the Broker-Dealer Plan, OR THE MARYLAND ABLE PROGRAM;~~

11 ~~(10) Endorse insurance coverage written exclusively for the purpose of~~
12 ~~protecting:~~

13 ~~(i) A prepaid contract under the Trust and the account holder and~~
14 ~~the qualified beneficiary of the contract; [or]~~

15 ~~(ii) An investment account under the Plan, or the Broker-Dealer~~
16 ~~Plan, and the account holder and qualified designated beneficiary of the investment~~
17 ~~account; OR~~

18 ~~(iii) AN INVESTMENT ACCOUNT UNDER THE MARYLAND ABLE~~
19 ~~PROGRAM AND THE ACCOUNT HOLDER AND QUALIFIED DESIGNATED BENEFICIARY~~
20 ~~OF THE INVESTMENT ACCOUNT;~~

21 ~~(11) Designate terms under which money may be withdrawn from the~~
22 ~~Program, the Trust, the Plan, [or] the Broker-Dealer Plan, OR THE MARYLAND ABLE~~
23 ~~PROGRAM;~~

24 ~~(12) Establish additional procedural and substantive requirements for~~
25 ~~participation in and the administration or marketing of the Program, the Trust, the Plan,~~
26 ~~[or] the Broker-Dealer Plan, OR THE MARYLAND ABLE PROGRAM;~~

27 ~~(13) Appear on the Board's own behalf before other boards, commissions, or~~
28 ~~other governmental agencies; and~~

29 ~~(14) Take any other action that the Board considers appropriate to~~
30 ~~implement and administer the Program, the Trust, the Plan, [or] the Broker-Dealer Plan,~~
31 ~~OR THE MARYLAND ABLE PROGRAM.~~

32 ~~18-19A-05.~~

1 ~~(a) (1) The debts, contracts, and obligations of the Plan are not the contracts,~~
2 ~~debts, or obligations of the State and neither the faith and credit nor taxing power of the~~
3 ~~State is pledged directly or indirectly or contingently, morally or otherwise, to the payment~~
4 ~~of the debts, contracts, and obligations.~~

5 ~~(2) The Board cannot directly or indirectly or contingently obligate, morally~~
6 ~~or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and~~
7 ~~obligations of the Plan or to make any appropriation for the payment of the debts and~~
8 ~~obligations of the Plan.~~

9 ~~(b) Neither the State nor any eligible educational institution shall be liable for~~
10 ~~any losses or shortage of funds in the event that the account holder's investment account~~
11 ~~balance is insufficient to meet the tuition requirements of an institution attended by the~~
12 ~~qualified designated beneficiary.~~

13 ~~(c) Moneys of the Plan may not be considered moneys of the State or deposited in~~
14 ~~the State Treasury.~~

15 ~~(d) Moneys of the Plan may not be considered moneys of or commingled with the~~
16 ~~Maryland Prepaid College Trust.~~

17 ~~(e) Moneys of the Plan may not be considered moneys of or commingled with the~~
18 ~~Maryland Broker-Dealer College Investment Plan.~~

19 ~~**(F) MONEYS OF THE PLAN MAY NOT BE CONSIDERED MONEYS OF OR**~~
20 ~~**COMMINGLED WITH THE MARYLAND ABLE PROGRAM.**~~

21 ~~18-10B-05.~~

22 ~~(a) (1) The debts, contracts, and obligations of the Broker-Dealer Plan are not~~
23 ~~the contracts, debts, or obligations of the State, and neither the faith and credit nor taxing~~
24 ~~power of the State is pledged directly or indirectly or contingently, morally or otherwise, to~~
25 ~~the payment of the debts, contracts, and obligations.~~

26 ~~(2) The Board cannot directly or indirectly or contingently obligate, morally~~
27 ~~or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and~~
28 ~~obligations of the Broker-Dealer Plan or to make any appropriation for the payment of the~~
29 ~~debts and obligations of the Broker-Dealer Plan.~~

30 ~~(b) Neither the State nor any eligible educational institution shall be liable for~~
31 ~~any losses or shortage of funds in the event that the account holder's investment account~~
32 ~~balance is insufficient to meet the tuition requirements of an institution attended by the~~
33 ~~qualified designated beneficiary.~~

34 ~~(c) Moneys of the Broker-Dealer Plan may not be considered moneys of the State~~
35 ~~or deposited in the State Treasury.~~

1 ~~(d) Moneys of the Broker-Dealer Plan may not be considered moneys of or~~
2 ~~commingled with the Maryland Prepaid College Trust.~~

3 ~~(e) Moneys of the Broker-Dealer Plan may not be considered moneys of or~~
4 ~~commingled with the Maryland College Investment Plan.~~

5 ~~(F) MONEYS OF THE BROKER-DEALER PLAN MAY NOT BE CONSIDERED~~
6 ~~MONEYS OF OR COMMINGLED WITH THE MARYLAND ABLE PROGRAM.~~

7 ~~SUBTITLE 19C. MARYLAND ABLE PROGRAM.~~

8 ~~18-19C-01.~~

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

11 ~~(B) "ABLE ACCOUNT" MEANS AN ACCOUNT DESCRIBED UNDER § 529A(E)~~
12 ~~OF THE INTERNAL REVENUE CODE.~~

13 ~~(C) "BOARD" MEANS THE COLLEGE SAVINGS PLANS OF MARYLAND BOARD~~
14 ~~ESTABLISHED UNDER § 18-1904 OF THIS TITLE.~~

15 ~~(D) "CONTRACTING STATE" MEANS A STATE DESCRIBED IN § 529A(E) OF~~
16 ~~THE INTERNAL REVENUE CODE.~~

17 ~~(E) "DESIGNATED BENEFICIARY" MEANS AN INDIVIDUAL DESCRIBED IN §~~
18 ~~529A(E) OF THE INTERNAL REVENUE CODE.~~

19 ~~(F) "MARYLAND ABLE PROGRAM" HAS THE MEANING STATED IN § 529A(D)~~
20 ~~OF THE INTERNAL REVENUE CODE.~~

21 ~~(G) "QUALIFIED DISABILITY EXPENSES" MEANS EXPENSES DESCRIBED IN §~~
22 ~~529A(E) OF THE INTERNAL REVENUE CODE.~~

23 ~~18-19C-02.~~

24 ~~(A) THE BOARD SHALL ESTABLISH A MARYLAND ABLE PROGRAM THAT~~
25 ~~SHALL BE SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL REVENUE~~
26 ~~CODE.~~

27 ~~(B) THE PURPOSE OF THE MARYLAND ABLE PROGRAM IS TO:~~

28 ~~(1) ENCOURAGE AND ASSIST INDIVIDUALS AND FAMILIES IN SAVING~~
29 ~~PRIVATE FUNDS TO SUPPORT INDIVIDUALS WITH DISABILITIES TO MAINTAIN~~
30 ~~HEALTH, INDEPENDENCE, AND QUALITY OF LIFE; AND~~

1 ~~(2) PROVIDE SECURE FUNDING FOR DISABILITY-RELATED EXPENSES~~
 2 ~~ON BEHALF OF DESIGNATED BENEFICIARIES WITH DISABILITIES THAT WILL~~
 3 ~~SUPPLEMENT, NOT SUPPLANT, BENEFITS PROVIDED THROUGH PRIVATE~~
 4 ~~INSURANCE, THE MEDICAID PROGRAM UNDER TITLE XIX OF THE SOCIAL SECURITY~~
 5 ~~ACT, THE SUPPLEMENTAL SECURITY INCOME PROGRAM UNDER TITLE XVI OF THE~~
 6 ~~SOCIAL SECURITY ACT, THE BENEFICIARY'S EMPLOYMENT, AND ANY OTHER~~
 7 ~~SOURCE.~~

8 ~~(C) (1) THE BOARD SHALL ADMINISTER, MANAGE, AND PROMOTE THE~~
 9 ~~MARYLAND ABLE PROGRAM.~~

10 ~~(2) THE BOARD SHALL ADMINISTER THE MARYLAND ABLE~~
 11 ~~PROGRAM IN COMPLIANCE WITH INTERNAL REVENUE SERVICE STANDARDS FOR~~
 12 ~~QUALIFIED ABLE PROGRAMS.~~

13 ~~(D) (1) THE BOARD SHALL ADOPT PROCEDURES RELATING TO:~~

14 ~~(I) ENROLLMENT FOR PARTICIPATION IN THE MARYLAND~~
 15 ~~ABLE PROGRAM; AND~~

16 ~~(II) START UP COSTS INCURRED BY THE STATE FOR THE~~
 17 ~~DEVELOPMENT OF THE MARYLAND ABLE PROGRAM WITH THESE COSTS TO BE~~
 18 ~~REIMBURSED TO THE STATE BY THE MARYLAND ABLE PROGRAM.~~

19 ~~(2) THE BOARD SHALL ADOPT ANY OTHER PROCEDURES THAT THE~~
 20 ~~BOARD CONSIDERS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE.~~

21 ~~(E) AT LEAST ANNUALLY, THE BOARD SHALL ISSUE TO EACH ABLE~~
 22 ~~ACCOUNT HOLDER A STATEMENT THAT PROVIDES A SEPARATE ACCOUNTING FOR~~
 23 ~~EACH DESIGNATED BENEFICIARY PROVIDING THE FOLLOWING INFORMATION WITH~~
 24 ~~RESPECT TO EACH ACCOUNT:~~

25 ~~(1) THE BEGINNING BALANCE;~~

26 ~~(2) CONTRIBUTIONS TO THE ACCOUNT;~~

27 ~~(3) DISTRIBUTIONS FROM THE ACCOUNT DURING THE PREVIOUS~~
 28 ~~YEAR; AND~~

29 ~~(4) ENDING INVESTMENT ACCOUNT VALUE.~~

30 ~~18-19C-03.~~

1 ~~(A) (1) THE BOARD MAY ISSUE REQUESTS FOR PROPOSALS TO EVALUATE~~
2 ~~AND DETERMINE THE MEANS FOR THE ADMINISTRATION, MANAGEMENT,~~
3 ~~PROMOTION, OR MARKETING OF THE MARYLAND ABLE PROGRAM.~~

4 ~~(2) THE BOARD SHALL CONSIDER PROPOSALS THAT MEET THE~~
5 ~~FOLLOWING CRITERIA:~~

6 ~~(I) ABILITY TO DEVELOP AND ADMINISTER AN INVESTMENT~~
7 ~~PROGRAM OF A NATURE SIMILAR TO THE OBJECTIVES OF THE MARYLAND ABLE~~
8 ~~PROGRAM;~~

9 ~~(II) ABILITY TO ADMINISTER FINANCIAL PROGRAMS WITH~~
10 ~~INDIVIDUAL ACCOUNT RECORDS AND REPORTING; AND~~

11 ~~(III) ABILITY TO MARKET THE MARYLAND ABLE PROGRAM TO~~
12 ~~MARYLAND RESIDENTS AND, AT THE BOARD'S DISCRETION, RESIDENTS OF A~~
13 ~~CONTRACTING STATE.~~

14 ~~(B) (1) THE BOARD MAY REQUIRE AN INITIAL ENROLLMENT FEE TO BE~~
15 ~~USED FOR ADMINISTRATIVE COSTS OF THE MARYLAND ABLE PROGRAM.~~

16 ~~(2) THE BOARD MAY REQUIRE ADDITIONAL FEES ASSOCIATED WITH~~
17 ~~THE EXPENSES OF THE MARYLAND ABLE PROGRAM.~~

18 ~~(C) (1) THE MARYLAND ABLE PROGRAM IS SUBJECT TO THE~~
19 ~~PROVISIONS OF § 529A OF THE INTERNAL REVENUE CODE.~~

20 ~~(2) THE MARYLAND ABLE PROGRAM SHALL INCLUDE PROVISIONS~~
21 ~~FOR AUTOMATIC CONTRIBUTIONS.~~

22 ~~(3) ACCOUNTS ESTABLISHED UNDER THE MARYLAND ABLE~~
23 ~~PROGRAM MAY NOT COUNT TOWARDS LOCAL OR STATE MEANS TESTED PROGRAMS.~~

24 ~~(D) (1) THE MARYLAND ABLE PROGRAM:~~

25 ~~(I) MAY BE ESTABLISHED AS ONE OR MORE SEPARATE PLANS~~
26 ~~AS DETERMINED BY THE BOARD;~~

27 ~~(II) SHALL BE ESTABLISHED IN THE FORM DETERMINED BY THE~~
28 ~~BOARD;~~

29 ~~(III) SHALL BE MARKETED AND PROMOTED UNDER THE NAME~~
30 ~~OR NAMES DETERMINED BY THE BOARD; AND~~

1 ~~(IV) MAY BE ESTABLISHED AS ONE OR MORE TRUSTS TO BE~~
2 ~~DECLARED BY THE BOARD.~~

3 ~~(2) THE MARYLAND ABLE PROGRAM MAY BE DIVIDED INTO~~
4 ~~MULTIPLE INVESTMENT OPTIONS.~~

5 ~~18-19C-04.~~

6 ~~(A) A MARYLAND RESIDENT OR, AT THE DISCRETION OF THE BOARD, A~~
7 ~~RESIDENT OF A CONTRACTING STATE MAY PARTICIPATE IN AND BENEFIT FROM THE~~
8 ~~MARYLAND ABLE PROGRAM.~~

9 ~~(B) DISTRIBUTIONS SHALL BE REQUESTED BY THE DESIGNATED~~
10 ~~BENEFICIARY SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL REVENUE~~
11 ~~CODE.~~

12 ~~18-19C-05.~~

13 ~~(A) (1) THE DEBTS, CONTRACTS, AND OBLIGATIONS OF THE MARYLAND~~
14 ~~ABLE PROGRAM ARE NOT THE CONTRACTS, DEBTS, OR OBLIGATIONS OF THE~~
15 ~~STATE, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE IS~~
16 ~~PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY, MORALLY OR OTHERWISE,~~
17 ~~TO THE PAYMENT OF THE DEBTS, CONTRACTS, AND OBLIGATIONS.~~

18 ~~(2) THE BOARD MAY NOT DIRECTLY OR INDIRECTLY OR~~
19 ~~CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE STATE TO LEVY OR~~
20 ~~PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE DEBTS AND OBLIGATIONS~~
21 ~~OF THE MARYLAND ABLE PROGRAM OR TO MAKE ANY APPROPRIATION FOR THE~~
22 ~~PAYMENT OF THE DEBTS AND OBLIGATIONS OF THE MARYLAND ABLE PROGRAM.~~

23 ~~(B) THE STATE MAY NOT BE LIABLE FOR ANY LOSSES OR SHORTAGE OF~~
24 ~~FUNDS IN THE EVENT THAT THE DESIGNATED BENEFICIARY'S INVESTMENT~~
25 ~~ACCOUNT BALANCE IS INSUFFICIENT TO MEET THE DESIGNATED BENEFICIARY'S~~
26 ~~QUALIFIED DISABILITY EXPENSES.~~

27 ~~(C) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED~~
28 ~~MONEY OF THE STATE OR DEPOSITED IN THE STATE TREASURY.~~

29 ~~(D) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED~~
30 ~~MONEY OF OR COMMINGLED WITH THE MARYLAND PREPAID COLLEGE TRUST.~~

31 ~~(E) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED~~
32 ~~MONEY OF OR COMMINGLED WITH THE MARYLAND COLLEGE INVESTMENT PLAN.~~

1 ~~(F) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED~~
2 ~~MONEY OF OR COMMINGLED WITH THE MARYLAND BROKER DEALER COLLEGE~~
3 ~~INVESTMENT PLAN.~~

4 ~~18-19C-06.~~

5 ~~(A) THE BOARD, THE MARYLAND ABLE PROGRAM, AND THE INVESTMENT~~
6 ~~ACCOUNTS ISSUED UNDER THIS SUBTITLE ARE NOT SUBJECT TO THE PROVISIONS~~
7 ~~OF THE INSURANCE ARTICLE.~~

8 ~~(B) THE ASSETS AND INCOME OF THE MARYLAND ABLE PROGRAM ARE~~
9 ~~EXEMPT FROM STATE AND LOCAL TAXATION.~~

10 ~~18-19C-07.~~

11 ~~(A) IN THIS SECTION, "PERSON" DOES NOT INCLUDE THE STATE.~~

12 ~~(B) A PERSON MAY NOT ATTACH, EXECUTE, GARNISH, OR OTHERWISE SEIZE~~
13 ~~ANY CURRENT OR FUTURE BENEFIT UNDER AN INVESTMENT ACCOUNT OR ANY~~
14 ~~ASSET OF THE MARYLAND ABLE PROGRAM.~~

15 ~~18-19C-08.~~

16 ~~(A) THE LEGISLATIVE AUDITOR SHALL AUDIT THE MARYLAND ABLE~~
17 ~~PROGRAM AS PROVIDED UNDER TITLE 2, SUBTITLE 12 OF THE STATE~~
18 ~~GOVERNMENT ARTICLE.~~

19 ~~(B) THE BOARD SHALL OBTAIN AN ANNUAL AUDIT REPORT FROM A SERVICE~~
20 ~~PROVIDER WITHIN 6 MONTHS OF THE END OF THE REPORTING PERIOD OF THE~~
21 ~~SERVICE PROVIDER.~~

22 ~~Article — Estates and Trusts~~

23 ~~17-203.~~

24 ~~"MARYLAND STATUTORY FORM LIMITED POWER OF ATTORNEY~~

25 ~~PLEASE READ CAREFULLY~~

26 ~~This power of attorney authorizes another person (your agent) to make decisions concerning~~
27 ~~your property for you (the principal). You need not give to your agent all the authorities~~
28 ~~listed below and may give the agent only those limited powers that you specifically indicate.~~
29 ~~This power of attorney gives your agent the right to make limited decisions for you. You~~
30 ~~should very carefully weigh your decision as to what powers you give your agent. Your~~

~~1 agent will be able to make decisions and act with respect to your property (including your
2 money) whether or not you are able to act for yourself.~~

~~3 If you choose to make a grant of limited authority, you should check the boxes that identify
4 the specific authorization you choose to give your agent.~~

~~5 This power of attorney does not authorize the agent to make health care decisions for you.~~

~~6 You should select someone you trust to serve as your agent. Unless you specify otherwise,
7 generally the agent's authority will continue until you die or revoke the power of attorney
8 or the agent resigns or is unable to act for you.~~

~~9 Your agent is not entitled to compensation unless you indicate otherwise in the special
10 instructions of this power of attorney. If you indicate that your agent is to receive
11 compensation, your agent is entitled to reasonable compensation or compensation as
12 specified in the Special Instructions.~~

~~13 This form provides for designation of one agent. If you wish to name more than one agent
14 you may name a coagent in the Special Instructions. Coagents are required to act together
15 unanimously unless you specify otherwise in the Special Instructions.~~

~~16 If your agent is unavailable or unwilling to act for you, your power of attorney will end
17 unless you have named a successor agent. You may also name a second successor agent.~~

~~18 This power of attorney becomes effective immediately unless you state otherwise in the
19 Special Instructions.~~

~~20 If you have questions about the power of attorney or the authority you are granting to your
21 agent, you should seek legal advice before signing this form.~~

~~DESIGNATION OF AGENT~~

~~23 This section of the form provides for designation of one agent.~~

~~24 If you wish to name coagents, skip this section and use the next section ("Designation of
25 Coagents").~~

~~26 I, _____, name the following person
27 (Name of Principal)
28 as my agent:~~

~~29 Name of~~

~~30 Agent:~~

~~31 Agent's~~

~~32 Address:~~

~~33 Agent's Telephone~~

~~34 Number:~~

1 ~~DESIGNATION OF COAGENTS (OPTIONAL)~~

2 ~~This section of the form provides for designation of two or more coagents. Coagents are~~
3 ~~required to act together unanimously unless you otherwise provide in this form.~~

4 I, _____,

5 ~~(Name of Principal)~~

6 ~~Name the following persons as coagents:~~

7 ~~Name of Coagent: x~~

8 ~~Coagent's Address: x~~

9 ~~Coagent's Telephone Number: x~~

10 ~~Name of Coagent: x~~

11 ~~Coagent's Address: x~~

12 ~~Coagent's Telephone Number: x~~

13 ~~Special Instructions Regarding Coagents: x~~

14 ~~*~~

15 ~~*~~

16 ~~*~~

17 ~~DESIGNATION OF SUCCESSOR AGENT(S) (OPTIONAL)~~

18 ~~If my agent is unable or unwilling to act for me, I name as my successor agent:~~

19 ~~Name of Successor Agent: x~~

20 ~~Successor Agent's~~

21 ~~Address: x~~

22 ~~Successor Agent's Telephone Number: x~~

23 ~~If my successor agent is unable or unwilling to act for me, I name as my second successor~~
24 ~~agent:~~

25 ~~Name of Second Successor~~

26 ~~Agent: x~~

27 ~~Second Successor Agent's~~

28 ~~Address: x~~

29 ~~Second Successor Agent's Telephone Number: x~~

~~GRANT OF GENERAL AUTHORITY~~

~~I (“the principal”) grant my agent and any successor agent, with respect to each subject that I choose below, the authority to do all acts that I could do to:~~

~~(1) Demand, receive, and obtain by litigation or otherwise, money or another thing of value to which the principal is, may become, or claims to be entitled, and conserve, invest, disburse, or use anything so received or obtained for the purposes intended;~~

~~(2) Contract with another person, on terms agreeable to the agent, to accomplish a purpose of a transaction and perform, rescind, cancel, terminate, reform, restate, release, or modify the contract or another contract made by or on behalf of the principal;~~

~~(3) Execute, acknowledge, seal, deliver, file, or record any instrument or communication the agent considers desirable to accomplish a purpose of a transaction, including creating a schedule contemporaneously or at a later time listing some or all of the principal’s property and attaching the schedule to this power of attorney;~~

~~(4) Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to a claim existing in favor of or against the principal or intervene in litigation relating to the claim;~~

~~(5) Seek on the principal’s behalf the assistance of a court or other governmental agency to carry out an act authorized in this power of attorney;~~

~~(6) Engage, compensate, and discharge an attorney, accountant, discretionary investment manager, expert witness, or other advisor;~~

~~(7) Prepare, execute, and file a record, report, or other document to safeguard or promote the principal’s interest under a statute or regulation;~~

~~(8) Communicate with representatives or employees of a government or governmental subdivision, agency, or instrumentality, on behalf of the principal;~~

~~(9) Access communications intended for, and communicate on behalf of the principal, whether by mail, electronic transmission, telephone, or other means; and~~

~~(10) Do lawful acts with respect to the subject and all property related to the subject.~~

~~(INITIAL each authority in any subject you want to include in the agent’s general authority. Cross through each authority in any subject that you want to exclude. If you wish to grant general authority over an entire subject, you may initial “All of the above” instead of initialing each authority.)~~

~~SUBJECTS AND AUTHORITY~~

~~A. Real Property With respect to this category, I authorize my agent to:~~

~~(==>) Demand, buy, lease, receive, accept as a gift or as security for an extension of credit, or otherwise acquire or reject an interest in real property or a right incident to real property~~

~~(==>) Sell, exchange, convey with or without covenants, representations, or warranties, quitclaim, release, surrender, retain title for security, encumber, partition, consent to partitioning, subject to an easement or covenant, subdivide, apply for zoning or other governmental permits, plat or consent to platting, develop, grant an option concerning, lease, sublease, contribute to an entity in exchange for an interest in that entity, or otherwise grant or dispose of an interest in real property or a right incident to real property~~

~~(==>) Pledge or mortgage an interest in real property or right incident to real property as security to borrow money or pay, renew, or extend the time of payment of a debt of the principal or a debt guaranteed by the principal, including a reverse mortgage~~

~~(==>) Release, assign, satisfy, or enforce by litigation or otherwise a mortgage, deed of trust, conditional sale contract, encumbrance, lien, or other claim to real property that exists or is asserted~~

~~(==>) Manage or conserve an interest in real property or a right incident to real property owned or claimed to be owned by the principal, including:~~

~~(1) Insuring against liability or casualty or other loss;~~

~~(2) Obtaining or regaining possession of or protecting the interest or right by litigation or otherwise;~~

~~(3) Paying, assessing, compromising, or contesting taxes or assessments or applying for and receiving refunds in connection with them; and~~

~~(4) Purchasing supplies, hiring assistance or labor, and making repairs or alterations to the real property~~

~~(==>) Use, develop, alter, replace, remove, erect, or install structures or other improvements on real property in or incident to which the principal has, or claims to have, an interest or right~~

~~(==>) Participate in a reorganization with respect to real property or an entity that owns an interest in or a right incident to real property and receive, hold, and act with respect to stocks and bonds or other property received in a plan of reorganization, including:~~

1 (1) ~~Selling or otherwise disposing of the stocks and bonds or other~~
2 ~~property;~~

3 (2) ~~Exercising or selling an option, a right of conversion, or a similar~~
4 ~~right with respect to the stocks and bonds or other property; and~~

5 (3) ~~Exercising voting rights in person or by proxy~~

6 (==>) ~~Change the form of title of an interest in or a right incident to real~~
7 ~~property~~

8 (==>) ~~Dedicate to public use, with or without consideration, easements or~~
9 ~~other real property in which the principal has, or claims to have, an interest~~

10 (==>) ~~All of the above~~

11 B. ~~Tangible Personal Property — With respect to this subject, I authorize my~~
12 ~~agent to:~~

13 (==>) ~~Demand, buy, receive, accept as a gift or as security for an extension of~~
14 ~~credit, or otherwise acquire or reject ownership or possession of tangible personal property~~
15 ~~or an interest in tangible personal property~~

16 (==>) ~~Sell, exchange, convey with or without covenants, representations, or~~
17 ~~warranties, quitclaim, release, surrender, create a security interest in, grant options~~
18 ~~concerning, lease, sublease, or otherwise dispose of tangible personal property or an~~
19 ~~interest in tangible personal property~~

20 (==>) ~~Grant a security interest in tangible personal property or an interest in~~
21 ~~tangible personal property as security to borrow money or pay, renew, or extend the time~~
22 ~~of payment of a debt of the principal or a debt guaranteed by the principal~~

23 (==>) ~~Release, assign, satisfy, or enforce by litigation or otherwise, a security~~
24 ~~interest, lien, or other claim on behalf of the principal, with respect to tangible personal~~
25 ~~property or an interest in tangible personal property~~

26 (==>) ~~Manage or conserve tangible personal property or an interest in~~
27 ~~tangible personal property on behalf of the principal, including:~~

28 (1) ~~Insuring against liability or casualty or other loss;~~

29 (2) ~~Obtaining or regaining possession of or protecting the property~~
30 ~~or interest, by litigation or otherwise;~~

31 (3) ~~Paying, assessing, compromising, or contesting taxes or~~
32 ~~assessments or applying for and receiving refunds in connection with taxes or assessments;~~

1 ~~(4) Moving the property from place to place;~~

2 ~~(5) Storing the property for hire or on a gratuitous bailment; and~~

3 ~~(6) Using and making repairs, alterations, or improvements to the~~
4 ~~property~~

5 ~~(=) Change the form of title of an interest in tangible personal property~~

6 ~~(=) All of the above~~

7 C. ~~Stocks and Bonds — With respect to this subject, I authorize my agent to:~~

8 ~~(=) Buy, sell, and exchange stocks and bonds~~

9 ~~(=) Establish, continue, modify, or terminate an account with respect to~~
10 ~~stocks and bonds~~

11 ~~(=) Pledge stocks and bonds as security to borrow, pay, renew, or extend~~
12 ~~the time of payment of a debt of the principal~~

13 ~~(=) Receive certificates and other evidences of ownership with respect to~~
14 ~~stocks and bonds~~

15 ~~(=) Exercise voting rights with respect to stocks and bonds in person or by~~
16 ~~proxy, enter into voting trusts, and consent to limitations on the right to vote~~

17 ~~(=) All of the above~~

18 D. ~~Commodities — With respect to this subject, I authorize my agent to:~~

19 ~~(=) Buy, sell, exchange, assign, settle, and exercise commodity futures~~
20 ~~contracts and call or put options on stocks or stock indexes traded on a regulated option~~
21 ~~exchange~~

22 ~~(=) Establish, continue, modify, and terminate option accounts~~

23 ~~(=) All of the above~~

24 E. ~~Banks and Other Financial Institutions — With respect to this subject, I~~
25 ~~authorize my agent to:~~

26 ~~(=) Continue, modify, transact all business in connection with, and~~
27 ~~terminate an account or other banking arrangement made by or on behalf of the principal~~

28 ~~(=) Establish, modify, transact all business in connection with, and~~
29 ~~terminate an account or other banking arrangement with a bank, trust company, savings~~

~~1 and loan association, credit union, thrift company, brokerage firm, or other financial
2 institution selected by the agent~~

~~3 (==>) Contract for services available from a financial institution, including
4 renting a safe deposit box or space in a vault~~

~~5 (==>) Deposit by check, money order, electronic funds transfer, or otherwise
6 with, or leave in the custody of, a financial institution money or property of the principal~~

~~7 (==>) Withdraw, by check, money order, electronic funds transfer, or
8 otherwise, money or property of the principal deposited with or left in the custody of a
9 financial institution~~

~~10 (==>) Receive statements of account, vouchers, notices, and similar
11 documents from a financial institution and act with respect to them~~

~~12 (==>) Enter a safe deposit box or vault and withdraw or add to the contents~~

~~13 (==>) Borrow money and pledge as security personal property of the principal
14 necessary to borrow money or pay, renew, or extend the time of payment of a debt of the
15 principal or a debt guaranteed by the principal~~

~~16 (==>) Make, assign, draw, endorse, discount, guarantee, and negotiate
17 promissory notes, checks, drafts, and other negotiable or nonnegotiable paper of the
18 principal or payable to the principal or the principal's order, transfer money, receive the
19 cash or other proceeds of those transactions, and accept a draft drawn by a person on the
20 principal and pay the draft when due~~

~~21 (==>) Receive for the principal and act on a sight draft, warehouse receipt,
22 other document of title whether tangible or electronic, or other negotiable or nonnegotiable
23 instrument~~

~~24 (==>) Apply for, receive, and use letters of credit, credit cards and debit cards,
25 electronic transaction authorizations, and traveler's checks from a financial institution and
26 give an indemnity or other agreement in connection with letters of credit~~

~~27 (==>) Consent to an extension of the time of payment with respect to
28 commercial paper or a financial transaction with a financial institution~~

~~29 (==>) All of the above~~

~~30 F. Operation of an Entity or a Business — With respect to this subject, I authorize
31 my agent to:~~

~~32 (==>) Operate, buy, sell, enlarge, reduce, or terminate an ownership interest~~

1 ~~(==> Perform a duty or discharge a liability and exercise in person or by~~
2 ~~proxy a right, power, privilege, or an option that the principal has, may have, or claims to~~
3 ~~have~~

4 ~~(==> Enforce the terms of an ownership agreement~~

5 ~~(==> Initiate, participate in, submit to alternative dispute resolution, settle,~~
6 ~~oppose, or propose or accept a compromise with respect to litigation to which the principal~~
7 ~~is a party because of an ownership interest~~

8 ~~(==> Exercise in person or by proxy, or enforce by litigation or otherwise, a~~
9 ~~right, power, privilege, or an option the principal has or claims to have as the holder of~~
10 ~~stocks and bonds~~

11 ~~(==> Initiate, participate in, submit to alternative dispute resolution, settle,~~
12 ~~oppose, or propose or accept a compromise with respect to litigation to which the principal~~
13 ~~is a party concerning stocks and bonds~~

14 ~~(==> With respect to an entity or business owned solely by the principal:~~

15 ~~(1) Continue, modify, renegotiate, extend, and terminate a contract~~
16 ~~made by or on behalf of the principal with respect to the entity or business before execution~~
17 ~~of this power of attorney;~~

18 ~~(2) Determine:~~

19 ~~(i) The location of the operation of the entity or business;~~

20 ~~(ii) The nature and extent of the business of the entity or~~
21 ~~business;~~

22 ~~(iii) The methods of manufacturing, selling, merchandising,~~
23 ~~financing, accounting, and advertising employed in the operation of the entity or business;~~

24 ~~(iv) The amount and types of insurance carried by the entity~~
25 ~~or business; and~~

26 ~~(v) The mode of engaging, compensating, and dealing with the~~
27 ~~employees and accountants, attorneys, or other advisors of the entity or business;~~

28 ~~(3) Change the name or form of organization under which the entity~~
29 ~~or business is operated and enter into an ownership agreement with other persons to take~~
30 ~~over all or part of the operation of the entity or business; and~~

31 ~~(4) Demand and receive money due or claimed by the principal or on~~
32 ~~the principal's behalf in the operation of the entity or business and control and disburse the~~
33 ~~money in the operation of the entity or business~~

- 1 ~~(==) Put additional capital into an entity or a business in which the principal~~
2 ~~has an interest~~
- 3 ~~(==) Join in a plan of reorganization, consolidation, conversion,~~
4 ~~domestication, or merger of the entity or business~~
- 5 ~~(==) Sell or liquidate all or part of an entity or business~~
- 6 ~~(==) Establish the value of an entity or a business under a buyout agreement~~
7 ~~to which the principal is a party~~
- 8 ~~(==) Prepare, sign, file, and deliver reports, compilations of information,~~
9 ~~returns, or other papers with respect to an entity or business and make related payments~~
- 10 ~~(==) Pay, compromise, or contest taxes, assessments, fines, or penalties and~~
11 ~~perform other acts to protect the principal from illegal or unnecessary taxation,~~
12 ~~assessments, fines, or penalties, with respect to an entity or a business, including attempts~~
13 ~~to recover, as permitted by law, money paid before or after the execution of this power of~~
14 ~~attorney~~
- 15 ~~(==) All of the above~~
- 16 ~~G. Insurance and Annuities — With respect to this subject, I authorize my agent~~
17 ~~to:~~
- 18 ~~(==) Continue, pay the premium or make a contribution on, modify,~~
19 ~~exchange, rescind, release, or terminate a contract procured by or on behalf of the principal~~
20 ~~that insures or provides an annuity to either the principal or another person, whether or~~
21 ~~not the principal is a beneficiary under the contract~~
- 22 ~~(==) Procure new, different, and additional contracts of insurance and~~
23 ~~annuities for the principal and the principal's spouse, children, and other dependents, and~~
24 ~~select the amount, type of insurance or annuity, and mode of payment~~
- 25 ~~(==) Pay the premium or make a contribution on, modify, exchange, rescind,~~
26 ~~release, or terminate a contract of insurance or annuity procured by the agent~~
- 27 ~~(==) Apply for and receive a loan secured by a contract of insurance or~~
28 ~~annuity~~
- 29 ~~(==) Surrender and receive the cash surrender value on a contract of~~
30 ~~insurance or annuity~~
- 31 ~~(==) Exercise an election~~

1 ~~(==> Exercise investment powers available under a contract of insurance or~~
2 ~~annuity~~

3 ~~(==> Change the manner of paying premiums on a contract of insurance or~~
4 ~~annuity~~

5 ~~(==> Change or convert the type of insurance or annuity with respect to~~
6 ~~which the principal has or claims to have authority described in this section~~

7 ~~(==> Apply for and procure a benefit or assistance under a statute or~~
8 ~~regulation to guarantee or pay premiums of a contract of insurance on the life of the~~
9 ~~principal~~

10 ~~(==> Collect, sell, assign, hypothecate, borrow against, or pledge the interest~~
11 ~~of the principal in a contract of insurance or annuity~~

12 ~~(==> Select the form and timing of the payment of proceeds from a contract~~
13 ~~of insurance or annuity~~

14 ~~(==> Pay, from proceeds or otherwise, compromise or contest, and apply for~~
15 ~~refunds in connection with a tax or assessment levied by a taxing authority with respect to~~
16 ~~a contract of insurance or annuity or the proceeds or liability from the contract of insurance~~
17 ~~or annuity accruing by reason of the tax or assessment~~

18 ~~(==> All of the above~~

19 ~~H. Estates, Trusts, and Other Beneficial Interests (including trusts, probate~~
20 ~~estates, guardianships, conservatorships, escrows, or custodianships or funds from which~~
21 ~~the principal is, may become, or claims to be entitled to a share or payment) — With respect~~
22 ~~to this subject, I authorize my agent to:~~

23 ~~(==> Accept, receive, receipt for, sell, assign, pledge, or exchange a share in~~
24 ~~or payment from the fund described above~~

25 ~~(==> Demand or obtain money or another thing of value to which the~~
26 ~~principal is, may become, or claims to be entitled by reason of the fund described above, by~~
27 ~~litigation or otherwise~~

28 ~~(==> Exercise for the benefit of the principal a presently exercisable general~~
29 ~~power of appointment held by the principal~~

30 ~~(==> Initiate, participate in, submit to alternative dispute resolution, settle,~~
31 ~~oppose, or propose or accept a compromise with respect to litigation to ascertain the~~
32 ~~meaning, validity, or effect of a deed, will, declaration of trust, or other instrument or~~
33 ~~transaction affecting the interest of the principal~~

1 ~~(==> Initiate, participate in, submit to alternative dispute resolution, settle,~~
 2 ~~oppose, or propose or accept a compromise with respect to litigation to remove, substitute,~~
 3 ~~or surcharge a fiduciary~~

4 ~~(==> Conserve, invest, disburse, or use anything received for an authorized~~
 5 ~~purpose~~

6 ~~(==> Transfer an interest of the principal in real property, stocks and bonds,~~
 7 ~~accounts with financial institutions or securities intermediaries, insurance, annuities, and~~
 8 ~~other property to the trustee of a revocable trust created by the principal as settlor~~

9 ~~(==> Reject, renounce, disclaim, release, or consent to a reduction in or~~
 10 ~~modification of a share in or payment from the fund described above~~

11 ~~(==> All of the above~~

12 I. ~~Claims and Litigation — With respect to this subject, I authorize my agent to:~~

13 ~~(==> Assert and maintain before a court or administrative agency a claim,~~
 14 ~~claim for relief, cause of action, counterclaim, offset, recoupment, or defense, including an~~
 15 ~~action to recover property or other thing of value, recover damages sustained by the~~
 16 ~~principal, eliminate or modify tax liability, or seek an injunction, specific performance, or~~
 17 ~~other relief~~

18 ~~(==> Bring an action to determine adverse claims or intervene or otherwise~~
 19 ~~participate in litigation~~

20 ~~(==> Seek an attachment, garnishment, order of arrest, or other preliminary,~~
 21 ~~provisional, or intermediate relief and use an available procedure to effect or satisfy a~~
 22 ~~judgment, order, or decree~~

23 ~~(==> Make or accept a tender, offer of judgment, or admission of facts, submit~~
 24 ~~a controversy on an agreed statement of facts, consent to examination, and bind the~~
 25 ~~principal in litigation~~

26 ~~(==> Submit to alternative dispute resolution, settle, and propose or accept~~
 27 ~~a compromise~~

28 ~~(==> Waive the issuance and service of process on the principal, accept~~
 29 ~~service of process, appear for the principal, designate persons on which process directed to~~
 30 ~~the principal may be served, execute and file or deliver stipulations on the principal's~~
 31 ~~behalf, verify pleadings, seek appellate review, procure and give surety and indemnity~~
 32 ~~bonds, contract and pay for the preparation and printing of records and briefs, receive,~~
 33 ~~execute, and file or deliver a consent, waiver, release, confession of judgment, satisfaction~~
 34 ~~of judgment, notice, agreement, or other instrument in connection with the prosecution,~~
 35 ~~settlement, or defense of a claim or litigation~~

1 ~~(==> Act for the principal with respect to bankruptcy or insolvency, whether~~
2 ~~voluntary or involuntary, concerning the principal or some other person, or with respect to~~
3 ~~a reorganization, receivership, or application for the appointment of a receiver or trustee~~
4 ~~that affects an interest of the principal in property or other thing of value~~

5 ~~(==> Pay a judgment, award, or order against the principal or a settlement~~
6 ~~made in connection with a claim or litigation~~

7 ~~(==> Receive money or other thing of value paid in settlement of or as~~
8 ~~proceeds of a claim or litigation~~

9 ~~(==> All of the above~~

10 ~~J. Personal and Family Maintenance — With respect to this subject, I authorize~~
11 ~~my agent to:~~

12 ~~(==> Perform the acts necessary to maintain the customary standard of~~
13 ~~living of the principal, the principal's spouse, and the following individuals, whether living~~
14 ~~when this power of attorney is executed or later born:~~

15 ~~(1) The principal's children;~~

16 ~~(2) Other individuals legally entitled to be supported by the~~
17 ~~principal; and~~

18 ~~(3) The individuals whom the principal has customarily supported~~
19 ~~or indicated the intent to support;~~

20 ~~(==> Make periodic payments of child support and other family maintenance~~
21 ~~required by a court or governmental agency or an agreement to which the principal is a~~
22 ~~party~~

23 ~~(==> Provide living quarters for the individuals described above by:~~

24 ~~(1) Purchase, lease, or other contract; or~~

25 ~~(2) Paying the operating costs, including interest, amortization~~
26 ~~payments, repairs, improvements, and taxes, for premises owned by the principal or~~
27 ~~occupied by those individuals~~

28 ~~(==> Provide normal domestic help, usual vacations and travel expenses, and~~
29 ~~funds for shelter, clothing, food, appropriate education, including postsecondary and~~
30 ~~vocational education, and other current living costs for the individuals described above~~

31 ~~(==> Pay expenses for necessary health care and custodial care on behalf of~~
32 ~~the individuals described above~~

1 ~~(==> Act as the principal's personal representative in accordance with the~~
2 ~~Health Insurance Portability and Accountability Act, §§ 1171 through 1170 of the Social~~
3 ~~Security Act, 42 U.S.C. § 1320d, and applicable regulations in making decisions related to~~
4 ~~the past, present, or future payment for the provision of health care consented to by the~~
5 ~~principal or anyone authorized under the law of this State to consent to health care on~~
6 ~~behalf of the principal~~

7 ~~(==> Continue provisions made by the principal for automobiles or other~~
8 ~~means of transportation, including registering, licensing, insuring, and replacing the~~
9 ~~means of transportation, for the individuals described above~~

10 ~~(==> Maintain credit and debit accounts for the convenience of the~~
11 ~~individuals described above and open new accounts~~

12 ~~(==> Continue payments incidental to the membership or affiliation of the~~
13 ~~principal in a religious institution, club, society, order, or other organization or to continue~~
14 ~~contributions to those organizations~~

15 ~~(NOTE: Authority with respect to personal and family maintenance is neither~~
16 ~~dependent on, nor limited by, authority that an agent may or may not have with respect to~~
17 ~~gifts under this power of attorney.)~~

18 ~~(==> All of the above~~

19 ~~K. Benefits from Governmental Programs or Civil or Military Service (including~~
20 ~~any benefit, program, or assistance provided under a statute or regulation including Social~~
21 ~~Security, Medicare, and Medicaid) — With respect to this subject, I authorize my agent to:~~

22 ~~(==> Execute vouchers in the name of the principal for allowances and~~
23 ~~reimbursements payable by the United States or a foreign government or by a state or~~
24 ~~subdivision of a state to the principal, including allowances and reimbursements for~~
25 ~~transportation of the individuals described in "J. Personal and Family Maintenance" above,~~
26 ~~and for shipment of the household effects of those individuals~~

27 ~~(==> Take possession and order the removal and shipment of property of the~~
28 ~~principal from a post, warehouse, depot, dock, or other place of storage or safekeeping,~~
29 ~~either governmental or private, and execute and deliver a release, voucher, receipt, bill of~~
30 ~~lading, shipping ticket, certificate, or other instrument for that purpose~~

31 ~~(==> Enroll in, apply for, select, reject, change, amend, or discontinue, on the~~
32 ~~principal's behalf, a benefit or program~~

33 ~~(==> Prepare, file, and maintain a claim of the principal for a benefit or~~
34 ~~assistance, financial or otherwise, to which the principal may be entitled under a statute~~
35 ~~or regulation~~

1 ~~() Initiate, participate in, submit to alternative dispute resolution, settle,~~
2 ~~oppose, or propose or accept a compromise with respect to litigation concerning a benefit or~~
3 ~~assistance the principal may be entitled to receive under a statute or regulation~~

4 ~~() Receive the financial proceeds of a claim described above and conserve,~~
5 ~~invest, disburse, or use for a lawful purpose anything so received~~

6 ~~() All of the above~~

7 ~~I. Retirement Plans (including a plan or account created by an employer, the~~
8 ~~principal, or another individual to provide retirement benefits or deferred compensation of~~
9 ~~which the principal is a participant, beneficiary, or owner, including a plan or account~~
10 ~~under the following sections of the Internal Revenue Code:~~

11 ~~(1) An individual retirement account under Internal Revenue Code Section~~
12 ~~408, 26 U.S.C. § 408;~~

13 ~~(2) A Roth individual retirement account under Internal Revenue Code~~
14 ~~Section 408A, 26 U.S.C. § 408A;~~

15 ~~(3) A deemed individual retirement account under Internal Revenue Code~~
16 ~~Section 408(q), 26 U.S.C. § 408(q);~~

17 ~~(4) An annuity or mutual fund custodial account under Internal Revenue~~
18 ~~Code Section 403(b), 26 U.S.C. § 403(b);~~

19 ~~(5) A pension, profit sharing, stock bonus, or other retirement plan~~
20 ~~qualified under Internal Revenue Code Section 401(a), 26 U.S.C. § 401(a);~~

21 ~~(6) A plan under Internal Revenue Code Section 457(b), 26 U.S.C. § 457(b);~~
22 ~~and~~

23 ~~(7) A nonqualified deferred compensation plan under Internal Revenue~~
24 ~~Code Section 409A, 26 U.S.C. § 409A) — With respect to this subject, I authorize my agent~~
25 ~~to:~~

26 ~~() Select the form and timing of payments under a retirement plan and~~
27 ~~withdraw benefits from a plan~~

28 ~~() Make a rollover, including a direct trustee to trustee rollover, of~~
29 ~~benefits from one retirement plan to another~~

30 ~~() Establish a retirement plan in the principal's name~~

31 ~~() Make contributions to a retirement plan~~

32 ~~() Exercise investment powers available under a retirement plan~~

1 ~~() Borrow from, sell assets to, or purchase assets from a retirement plan~~

2 ~~() All of the above~~

3 ~~M. Taxes — With respect to this subject, I authorize my agent to:~~

4 ~~() Prepare, sign, and file federal, state, local, and foreign income, gift,~~
 5 ~~payroll, property, Federal Insurance Contributions Act, and other tax returns, claims for~~
 6 ~~refunds, requests for extension of time, petitions regarding tax matters, and other tax-~~
 7 ~~related documents, including receipts, offers, waivers, consents, including consents and~~
 8 ~~agreements under Internal Revenue Code Section 2032A, 26 U.S.C. § 2032A, closing~~
 9 ~~agreements, and other powers of attorney required by the Internal Revenue Service or other~~
 10 ~~taxing authority with respect to a tax year on which the statute of limitations has not run~~
 11 ~~and the following 25 tax years~~

12 ~~() Pay taxes due, collect refunds, post bonds, receive confidential~~
 13 ~~information, and contest deficiencies determined by the Internal Revenue Service or other~~
 14 ~~taxing authority~~

15 ~~() Exercise elections available to the principal under federal, state, local,~~
 16 ~~or foreign tax law~~

17 ~~() Act for the principal in all tax matters for all periods before the Internal~~
 18 ~~Revenue Service, or other taxing authority~~

19 ~~() All of the above~~

20 ~~N. Gifts (including gifts to a trust, an account under the Uniform Transfers to~~
 21 ~~Minors Act, [and] a tuition savings account or prepaid tuition plan as defined under~~
 22 ~~Internal Revenue Code Section 529, 26 U.S.C. § 529, AND AN INVESTMENT ACCOUNT AS~~
 23 ~~DEFINED UNDER INTERNAL REVENUE CODE SECTION 529A, 26 U.S.C. § 529A)~~
 24 ~~With respect to this subject, I authorize my agent to:~~

25 ~~() Make outright to, or for the benefit of, a person, a gift of part or all of~~
 26 ~~the principal's property, including by the exercise of a presently exercisable general power~~
 27 ~~of appointment held by the principal, in an amount for each donee not to exceed the annual~~
 28 ~~dollar limits of the federal gift tax exclusion under Internal Revenue Code Section 2503(b),~~
 29 ~~26 U.S.C. § 2503(b), without regard to whether the federal gift tax exclusion applies to the~~
 30 ~~gift, or if the principal's spouse agrees to consent to a split gift pursuant to Internal Revenue~~
 31 ~~Code Section 2513, 26 U.S.C. § 2513, in an amount for each donee not to exceed twice the~~
 32 ~~annual federal gift tax exclusion limit~~

33 ~~() Consent, pursuant to Internal Revenue Code Section 2513, 26 U.S.C. §~~
 34 ~~2513, to the splitting of a gift made by the principal's spouse in an amount for each donee~~
 35 ~~not to exceed the aggregate annual gift tax exclusions for both spouses~~

1 ~~(NOTE: An agent may only make a gift of the principal's property as the agent~~
 2 ~~determines is consistent with the principal's objectives if actually known by the agent and,~~
 3 ~~if unknown, as the agent determines is consistent with the principal's best interest based~~
 4 ~~on all relevant factors, including:~~

5 ~~(1) The value and nature of the principal's property;~~

6 ~~(2) The principal's foreseeable obligations and need for maintenance;~~

7 ~~(3) Minimization of taxes, including income, estate, inheritance,~~
 8 ~~generation skipping transfer, and gift taxes;~~

9 ~~(4) Eligibility for a benefit, a program, or assistance under a statute or~~
 10 ~~regulation; and~~

11 ~~(5) The principal's personal history of making or joining in making gifts.)~~

12 ~~(\iff) All of the above~~

13 ~~GRANT OF SPECIFIC AUTHORITY (OPTIONAL)~~

14 ~~My agent MAY NOT do any of the following specific acts for me UNLESS I have~~
 15 ~~INITIALED the specific authority listed below:~~

16 ~~(CAUTION: Granting any of the following will give your agent the authority to take actions~~
 17 ~~that could significantly reduce your property or change how your property is distributed at~~
 18 ~~your death. In addition, granting your agent the authority to make gifts to, or to designate~~
 19 ~~as the beneficiary of any retirement plan, the agent, the agent's spouse, or a dependent of~~
 20 ~~the agent may constitute a taxable gift by you and may make the property subject to that~~
 21 ~~authority taxable as part of the agent's estate. INITIAL ONLY the specific authority you~~
 22 ~~WANT to give your agent.)~~

23 ~~(\iff) Create an inter vivos trust, or amend, revoke, or terminate an existing inter~~
 24 ~~vivos trust if the trust expressly authorizes that action by the agent~~

25 ~~(\iff) Make a gift, subject to any special instructions in this power of attorney~~

26 ~~(\iff) Create or change rights of survivorship~~

27 ~~(\iff) Create or change a beneficiary designation, subject to any special instructions~~
 28 ~~in this power of attorney; and, if I wish to authorize my agent to designate the agent, the~~
 29 ~~agent's spouse, or a dependent of the agent as a beneficiary, I will explicitly state this~~
 30 ~~authority within the special instructions of this power of attorney or in a separate power of~~
 31 ~~attorney~~

1 ~~() Authorize another person to exercise the authority granted under this power~~
2 ~~of attorney~~

3 ~~() Waive the principal's right to be a beneficiary of a joint and survivor annuity,~~
4 ~~including a survivor benefit under a retirement plan~~

5 ~~() Exercise fiduciary powers that the principal has authority to delegate~~

6 ~~() Disclaim or refuse an interest in property, including a power of appointment~~

7 ~~LIMITATION ON AGENT'S AUTHORITY~~

8 ~~An agent that is not my ancestor, spouse, or descendant MAY NOT use my property to~~
9 ~~benefit the agent or a person to whom the agent owes an obligation of support unless I have~~
10 ~~included that authority in the Special Instructions.~~

11 ~~SPECIAL INSTRUCTIONS (OPTIONAL)~~

12 ~~You may give special instructions on the following lines:~~

13 _____
14 _____
15 _____
16 _____
17 _____
18 _____
19 _____

20 ~~EFFECTIVE DATE~~

21 ~~This power of attorney is effective immediately unless I have stated otherwise in the Special~~
22 ~~Instructions.~~

23 ~~TERMINATION DATE (OPTIONAL)~~

24 ~~This power of attorney shall terminate on _____, 20____.~~
25 ~~(Use a specific calendar date)~~

26 ~~NOMINATION OF GUARDIAN (OPTIONAL)~~

27 ~~If it becomes necessary for a court to appoint a guardian of my property or guardian of my~~
28 ~~person, I nominate the following person(s) for appointment:~~

29 ~~Name of Nominee for guardian of my property:~~

30 ~~*~~

31 ~~Nominee's Address: x~~

32 ~~Nominee's Telephone Number: x~~

1 ~~Name of Nominee for guardian of my person:~~

2 ~~*~~

3 ~~Nominee's Address:*~~

4 ~~Nominee's Telephone Number: *~~

5 ~~SIGNATURE AND ACKNOWLEDGMENT~~

6 _____
7 ~~Your Signature~~ ~~Date~~

8 ~~*~~

9 ~~Your Name Printed~~

10 ~~Your Address~~

11 ~~Your Telephone Number~~

12 ~~STATE OF MARYLAND~~

13 ~~(COUNTY) OF~~

14 ~~This document was acknowledged before me on~~

15 ~~,~~

16 ~~(Date)~~

17 ~~by:~~

18 ~~(Name of Principal)~~

19 ~~(Seal, if any)~~

20 ~~Signature of Notary~~

21 ~~My commission expires:~~

22 ~~WITNESS ATTESTATION~~

23 ~~The foregoing power of attorney was, on the date written above, published and declared by~~

24 ~~(Name of Principal)~~

25 ~~in our presence to be his/her power of attorney. We, in his/her presence and at his/her~~
26 ~~request, and in the presence of each other, have attested to the same and have signed our~~
27 ~~names as attesting witnesses.~~

28 _____
29 ~~Witness #1 Signature~~

30 _____
31 ~~Witness #1 Name Printed~~

1 _____

2 _____

3 ~~Witness #1 Address~~

4 _____

5 ~~Witness #1 Telephone Number~~

6 _____

7 _____

8 ~~Witness #2 Signature~~

9 _____

10 ~~Witness #2 Name Printed~~

11 _____

12 _____

13 ~~Witness #2 Address~~

14 _____

15 ~~Witness #2 Telephone Number~~

16 ~~This document prepared by:~~

17 _____

18 _____

IMPORTANT INFORMATION FOR AGENT

~~Agent's Duties~~

20 ~~When you accept the authority granted under this power of attorney, a special legal~~
21 ~~relationship is created between you and the principal. This relationship imposes on you~~
22 ~~legal duties that continue until you resign or the power of attorney is terminated or revoked.~~
23 ~~You must:~~

24 (1) ~~Do what you know the principal reasonably expects you to do with the~~
25 ~~principal's property or, if you do not know the principal's expectations, act in the principal's~~
26 ~~best interest;~~

27 (2) ~~Act with care, competence, and diligence for the best interest of the principal;~~

28 (3) ~~Do nothing beyond the authority granted in this power of attorney; and~~

29 (4) ~~Disclose your identity as an agent whenever you act for the principal by~~
30 ~~writing or printing the name of the principal and signing your own name as "agent" in the~~
31 ~~following manner:~~

32 _____

33 (Principal's Name) by (Your Signature) as Agent

34 ~~Unless the Special Instructions in this power of attorney state otherwise, you must also:~~

35 (1) ~~Act loyally for the principal's benefit;~~

1 ~~10-205.~~

2 (a) ~~In addition to the modification under § 10-204 of this subtitle, the amounts~~
3 ~~under this section are added to the federal adjusted gross income of a resident to determine~~
4 ~~Maryland adjusted gross income.~~

5 (L) ~~(1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE~~
6 ~~MEANINGS INDICATED.~~

7 (H) ~~“ABLE ACCOUNT HOLDER” MEANS THE HOLDER OF AN~~
8 ~~ACCOUNT AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.~~

9 (HH) ~~“DESIGNATED BENEFICIARY” HAS THE MEANING STATED IN~~
10 ~~§ 18-19C-01 OF THE EDUCATION ARTICLE.~~

11 (IV) ~~“QUALIFIED DISABILITY EXPENSES” HAS THE MEANING~~
12 ~~STATED IN § 18-19C-01 OF THE EDUCATION ARTICLE.~~

13 (2) ~~THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION~~
14 ~~INCLUDES THE AMOUNT OF:~~

15 (I) ~~ANY REFUND RECEIVED IN THE TAXABLE YEAR BY AN ABLE~~
16 ~~ACCOUNT HOLDER UNDER THE MARYLAND ABLE PROGRAM; OR~~

17 (HI) ~~ANY DISTRIBUTION RECEIVED IN THE TAXABLE YEAR BY AN~~
18 ~~ABLE ACCOUNT HOLDER IN ACCORDANCE WITH THE MARYLAND ABLE PROGRAM~~
19 ~~THAT IS NOT USED ON BEHALF OF THE DESIGNATED BENEFICIARY FOR QUALIFIED~~
20 ~~DISABILITY EXPENSES.~~

21 (3) ~~THE AMOUNT OF THE ADDITION REQUIRED UNDER THIS~~
22 ~~SUBSECTION SHALL BE REDUCED BY ANY AMOUNT INCLUDED IN THE INDIVIDUAL'S~~
23 ~~FEDERAL ADJUSTED GROSS INCOME AS A RESULT OF THE REFUND OR~~
24 ~~DISTRIBUTION.~~

25 (4) ~~THE CUMULATIVE AMOUNT OF THE ADDITION UNDER THIS~~
26 ~~SUBSECTION FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE YEARS MAY NOT~~
27 ~~EXCEED THE CUMULATIVE AMOUNT ALLOWED AS A SUBTRACTION UNDER §~~
28 ~~10-208(v) OF THIS SUBTITLE FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE~~
29 ~~YEARS FOR CONTRIBUTIONS MADE BY AN ABLE ACCOUNT HOLDER TO AN~~
30 ~~INVESTMENT ACCOUNT UNDER WHICH THE DISTRIBUTION IS RECEIVED.~~

31 ~~10-207.~~

1 ~~(a) To the extent included in federal adjusted gross income, the amounts under~~
2 ~~this section are subtracted from the federal adjusted gross income of a resident to determine~~
3 ~~Maryland adjusted gross income.~~

4 ~~(cc) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE~~
5 ~~MEANINGS INDICATED.~~

6 ~~(ii) "ABLE ACCOUNT HOLDER" MEANS THE HOLDER OF AN~~
7 ~~ACCOUNT DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.~~

8 ~~(iii) "DESIGNATED BENEFICIARY" MEANS A DESIGNATED~~
9 ~~BENEFICIARY AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.~~

10 ~~(iv) "QUALIFIED DISABILITY EXPENSES" HAS THE MEANING~~
11 ~~STATED IN § 18-19C-01 OF THE EDUCATION ARTICLE.~~

12 ~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,~~
13 ~~THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY~~
14 ~~AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME AS A RESULT OF A~~
15 ~~DISTRIBUTION TO A DESIGNATED BENEFICIARY FROM AN INVESTMENT ACCOUNT~~
16 ~~UNDER THE MARYLAND ABLE PROGRAM.~~

17 ~~(3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION~~
18 ~~DOES NOT APPLY TO:~~

19 ~~(i) A REFUND UNDER THE MARYLAND ABLE PROGRAM; OR~~

20 ~~(ii) A DISTRIBUTION THAT IS NOT USED BY THE DESIGNATED~~
21 ~~BENEFICIARY FOR QUALIFIED DISABILITY EXPENSES.~~

22 ~~10-208.~~

23 ~~(a) In addition to the modification under § 10-207 of this subtitle, the amounts~~
24 ~~under this section are subtracted from the federal adjusted gross income of a resident to~~
25 ~~determine Maryland adjusted gross income.~~

26 ~~(v) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE~~
27 ~~MEANINGS INDICATED.~~

28 ~~(ii) "ABLE ACCOUNT HOLDER" MEANS THE HOLDER OF AN~~
29 ~~ACCOUNT AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.~~

30 ~~(iii) "DESIGNATED BENEFICIARY" MEANS A DESIGNATED~~
31 ~~BENEFICIARY AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.~~

~~(IV) "QUALIFIED DISABILITY EXPENSES" HAS THE MEANING STATED IN § 18-19C-01 OF THE EDUCATION ARTICLE.~~

~~(2) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT CONTRIBUTED BY AN ABLE ACCOUNT HOLDER DURING THE TAXABLE YEAR TO AN ABLE ACCOUNT.~~

~~(3) (I) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, FOR EACH DESIGNATED BENEFICIARY, THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED \$2,500 FOR ANY TAXABLE YEAR PER QUALIFIED DESIGNATED BENEFICIARY.~~

~~(II) FOR PURPOSES OF THE LIMITATION UNDER THIS PARAGRAPH, EACH SPOUSE ON A JOINT RETURN SHALL BE TREATED SEPARATELY.~~

~~(4) SUBJECT TO THE \$2,500 ANNUAL LIMITATION FOR EACH DESIGNATED BENEFICIARY, THE AMOUNT DISALLOWED AS A SUBTRACTION UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR AS A RESULT OF THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION MAY BE CARRIED OVER UNTIL USED TO THE NEXT 10 SUCCEEDING TAXABLE YEARS AS A SUBTRACTION.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after December 31, 2014.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2015.~~

Preamble

WHEREAS, In December 2014, the United States Congress passed and the President signed into law the Achieving a Better Life Experience (ABLE) Act; and

WHEREAS, The ABLE Act amended the Internal Revenue Code by creating a tax exemption for savings accounts to assist individuals with disabilities and their families in building savings to pay for qualified disability expenses; and

WHEREAS, ABLE accounts are intended to supplement, not supplant, essential benefits provided through private insurance, Medicaid, Supplemental Security Income, employment earnings, and other sources of financial support; and

WHEREAS, ABLE accounts can help fund qualified expenses for individuals with disabilities, including medical and dental care, education, housing, transportation, obtaining and maintaining employment, assistive technology, and community-based services and supports; and

1 WHEREAS, The ABLÉ Act is designed to assist individuals with disabilities and
2 their families to save private funds, through the creation of ABLÉ accounts, for the purpose
3 of maintaining the health, independence, and quality of life of individuals with disabilities;
4 and

5 WHEREAS, The ABLÉ Act provides the State the opportunity to establish and
6 operate an ABLÉ savings program to benefit qualified Marylanders with disabilities; now,
7 therefore,

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

9 That:

10 (a) “Maryland ABLÉ Program” means a program in Maryland allowing disabled
11 individuals or their families to establish savings accounts to pay qualified expenses for
12 disabled individuals authorized under the federal Achieving a Better Life Experience
13 (ABLE) Act.

14 (b) It is the intent of the General Assembly that the State establish a Maryland
15 ABLE Program.

16 (c) If the Task Force established under Section 2 of this Act determines that
17 legislation is needed to establish the Maryland ABLÉ Program, the General Assembly shall
18 consider legislation that is introduced in response to the findings of the Task Force.

19 SECTION 2. AND BE IT FURTHER ENACTED, That:

20 (a) There is a Task Force on the Maryland Achieving a Better Life Experience
21 (ABLE) Program.

22 (b) The Task Force consists of the following members:

23 (1) two members of the Senate of Maryland, appointed by the President of
24 the Senate;

25 (2) two members of the House of Delegates, appointed by the Speaker of
26 the House;

27 (3) the State Treasurer, or the Treasurer’s designee;

28 (4) the Attorney General, or the Attorney General’s designee;

29 (5) the Secretary of Disabilities, or the Secretary’s designee;

30 (6) the Secretary of Health and Mental Hygiene, or the Secretary’s
31 designee;

1 (7) the Executive Director of the College Savings Plans of Maryland Board,
2 or the Executive Director's designee; and

3 (8) the following six members, appointed by the Governor:

4 (i) two members who have significant experience in actuarial
5 analysis, finance, accounting, investment management, or other areas that are relevant to
6 the Task Force;

7 (ii) one member who is an individual with a disability;

8 (iii) one member who is a family member of an individual with a
9 disability; and

10 (iv) two representatives of community-based organizations that
11 support or advocate for individuals with disabilities.

12 (c) The Governor shall designate the chair of the Task Force.

13 (d) The Department of Disabilities shall provide staff for the Task Force, with
14 support from the Department of Legislative Services, in consultation with the College
15 Savings Plans of Maryland, the Treasurer's Office, and the Comptroller's Office.

16 (e) A member of the Task Force:

17 (1) may not receive compensation as a member of the Task Force; but

18 (2) is entitled to reimbursement for expenses under the Standard State
19 Travel Regulations, as provided in the State budget.

20 (f) The Task Force shall:

21 (1) develop a plan for implementing the Maryland ABLE program;

22 (2) study issues related to the Maryland ABLE program, including:

23 (i) what the structure of the program should be;

24 (ii) whether the program should be State-sponsored or
25 privately-run; and

26 (iii) if State-sponsored, whether the program should be operated by
27 the College Savings Plans of Maryland or another State agency;

28 (3) determine the staffing and funding needs of the program;

1 (4) identify potential sources of start-up funding prior to the program
2 becoming self-supporting;

3 (5) determine the membership of the Board that will oversee the program,
4 the duties of the Board, and the Board's governance structure;

5 (6) determine the State tax benefits or treatment of contributions to and
6 withdrawals from ABLE accounts;

7 (7) hold public hearings for public input to inform the deliberations of the
8 Task Force; and

9 (8) recommend legislation to be introduced in the 2016 Session of the
10 General Assembly that implements the recommendations of the Task Force.

11 (g) On or before December 1, 2015, the Task Force shall report its findings,
12 recommendations, and proposed legislation necessary to establish the ABLE Program to
13 the Governor and, in accordance with § 2-1246 of the State Government Article, the
14 General Assembly.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
16 1, 2015. It shall remain effective for a period of 1 year and 1 month and, at the end of June
17 30, 2016, with no further action required by the General Assembly, this Act shall be
18 abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.