

SENATE BILL 355

O3, Q3

6lr1297
CF 6lr1296

By: **Senators Feldman, Raskin, Astle, Benson, Brochin, Cassilly, Conway, Currie, DeGrange, Ferguson, Gladden, Guzzone, Hershey, Jennings, Kagan, Kasemeyer, Kelley, King, Klausmeier, Lee, Madaleno, Manno, Mathias, McFadden, Middleton, Miller, Muse, Nathan-Pulliam, Norman, Peters, Pinsky, Pugh, Ramirez, Ready, Rosapepe, Serafini, Simonaire, Waugh, Young, and Zirkin**

Introduced and read first time: January 28, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Achieving a Better Life Experience (ABLE) Program – Establishment**

3 FOR the purpose of requiring the College Savings Plans of Maryland Board to establish the
4 Maryland Achieving a Better Life Experience (ABLE) Program for certain purposes
5 subject to certain provisions; renaming the College Savings Plans of Maryland Board
6 to be the Maryland 529 Board; requiring the Board to oversee the establishment and
7 administration of the Maryland ABLE Program; altering the membership of the
8 Board; requiring the Board to maintain the Maryland ABLE Program in compliance
9 with certain standards; declaring that the goal of the State is that the Maryland
10 ABLE Program be fully operational by a certain date; requiring the Board to work
11 in consultation with the Department of Disabilities regarding the Maryland ABLE
12 Program; authorizing the Board to collaborate and participate with other states or
13 entities regarding the Maryland ABLE Program; requiring the Board to adopt
14 certain procedures; requiring the Board to issue certain statements to account
15 holders at least once each year; authorizing the Board to issue certain requests for
16 proposals; requiring the Board to consider proposals that meet certain criteria;
17 authorizing the Board to require certain fees; establishing certain limitations and
18 requirements for contributions to and administration of the Maryland ABLE
19 Program; establishing participation and distribution requirements; prohibiting
20 money and assets in an ABLE account in any state from being considered for a
21 certain determination of eligibility for, or the amount of, certain assistance or
22 benefits from certain local or State means-tested programs; authorizing the
23 Maryland ABLE Program to receive money from certain sources; providing that
24 neither the faith and credit nor the taxing power of the State is pledged to the
25 payment of debts, contracts, and obligations of the Maryland ABLE Program;
26 providing that certain entities are not liable for certain losses; prohibiting certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 money from being considered or commingled with certain money or deposited in the
2 State Treasury; exempting certain entities and accounts from the Insurance Article;
3 providing that the assets and the income of the Maryland ABLE Program are exempt
4 from State and local taxation; prohibiting a person from seizing a certain benefit or
5 asset; requiring certain audits; requiring the Board to issue certain refunds under
6 certain circumstances; authorizing any state to file a certain claim on the death of a
7 designated beneficiary of an ABLE account; altering a certain power of attorney
8 form; allowing a subtraction modification under the State income tax for certain
9 contributions to an account under the Maryland ABLE Program; allowing certain
10 amounts disallowed under the subtraction modification as a result of a certain
11 limitation to be carried over and subtracted for succeeding taxable years; requiring
12 an addition modification for certain distributions made under certain accounts;
13 making conforming changes; defining certain terms; requiring the publisher of the
14 Annotated Code of Maryland, in consultation with the Department of Legislative
15 Services, to correct cross-references and terminology in the Code that are rendered
16 incorrect by this Act; providing for the application of certain provisions of this Act;
17 and generally relating to the College Savings Plans of Maryland and the Maryland
18 ABLE Program.

19 BY repealing and reenacting, with amendments,

20 Article – Education

21 Section 18–1901, 18–1902.1, 18–1904(a) through (d), 18–1905(d)(3), (e), and (f),
22 18–19A–05, and 18–19B–05

23 Annotated Code of Maryland

24 (2014 Replacement Volume and 2015 Supplement)

25 BY repealing and reenacting, without amendments,

26 Article – Education

27 Section 18–1905(d)(1)

28 Annotated Code of Maryland

29 (2014 Replacement Volume and 2015 Supplement)

30 BY adding to

31 Article – Education

32 Section 18–19C–01 through 18–19C–10 to be under the new subtitle “Subtitle 19C.
33 Maryland ABLE Program”

34 Annotated Code of Maryland

35 (2014 Replacement Volume and 2015 Supplement)

36 BY repealing and reenacting, with amendments,

37 Article – Estates and Trusts

38 Section 17–203

39 Annotated Code of Maryland

40 (2011 Replacement Volume and 2015 Supplement)

41 BY repealing and reenacting, with amendments,

42 Article – State Finance and Procurement

1 Section 11–203(f)
2 Annotated Code of Maryland
3 (2015 Replacement Volume)

4 BY repealing and reenacting, with amendments,
5 Article – State Government
6 Section 9–803(a)(11)(ii)
7 Annotated Code of Maryland
8 (2014 Replacement Volume and 2015 Supplement)

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–205(a), 10–207(a), and 10–208(a)
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2015 Supplement)

14 BY adding to
15 Article – Tax – General
16 Section 10–205(l), 10–207(cc), and 10–208(v)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2015 Supplement)

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

21 **Article – Education**

22 18–1901.

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

24 **(B) “ABLE ACCOUNT HOLDER” MEANS AN INDIVIDUAL WHO HAS**
25 **ESTABLISHED AN ACCOUNT DESCRIBED UNDER § 529A(E) OF THE INTERNAL**
26 **REVENUE CODE AND IS THE DESIGNATED BENEFICIARY OF THE ACCOUNT.**

27 **[(b)] (C)** “Account holder” means an individual who:

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

30 (2) Except as provided in § 18–1909(b) of this subtitle, is a resident of
31 Maryland or of the District of Columbia at the time that the account holder enters into a
32 prepaid contract.

33 **[(c)] (D)** “Board” means the [College Savings Plans of] Maryland **529** Board.

1 [(d)] (E) “Broker–Dealer Plan” means the Maryland Broker–Dealer College
2 Investment Plan established under Subtitle 19B of this title.

3 [(e)] (F) “Current prepaid contract obligations” means the scheduled payments
4 due for the next fiscal year under existing prepaid contracts.

5 [(f)] (G) “Eligible institution of higher education” means an institution of higher
6 education that:

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

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

9 [(g)] (H) “Market value of program assets” means the amount of cash and cash
10 equivalents held by the Trust plus the fair market value of other assets of the Trust.

11 (I) **“MARYLAND ABLE PROGRAM” MEANS THE MARYLAND ACHIEVING A
12 BETTER LIFE EXPERIENCE PROGRAM ESTABLISHED UNDER SUBTITLE 19C OF THIS
13 TITLE.**

14 [(h)] (J) “Plan” means the Maryland College Investment Plan established under
15 Subtitle 19A of this title.

16 [(i)] (K) “Prepaid contract” means a contract between the Board and an account
17 holder under the provisions of this subtitle for the advance payment of qualified higher
18 education expenses by the account holder for a qualified beneficiary to attend an eligible
19 institution of higher education, if the qualified beneficiary is admitted to the institution.

20 [(j)] (L) “Program” means [the College Savings Plans of] Maryland **529**.

21 [(k)] (M) “Qualified beneficiary” means an individual who:

22 (1) Is eligible to apply advance payments of qualified higher education
23 expenses to undergraduate or graduate qualified higher education expenses at an eligible
24 institution of higher education under the provisions of this subtitle; and

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

28 [(l)] (N) “Qualified higher education expenses” has the meaning stated in §
29 529(e) of the Internal Revenue Code.

30 [(m)] (O) “Qualified state tuition program” has the meaning stated in § 529 of the
31 Internal Revenue Code.

1 [(n)] (P) “Trust” means the Maryland Prepaid College Trust established under
2 this subtitle.

3 [(o)] (Q) (1) “Tuition” means the actual tuition and mandatory fees assessed
4 to all students by an eligible institution of higher education as a condition of enrollment at
5 the institution.

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

9 18–1902.1.

10 (a) There is a Program entitled [the College Savings Plans of] Maryland **529**.

11 (b) The purpose of the Program is to provide for the administration by the Board
12 of the Maryland Prepaid College Trust, the Maryland College Investment Plan, [and] the
13 Maryland Broker–Dealer College Investment Plan, **AND THE MARYLAND ABLE**
14 **PROGRAM**.

15 18–1904.

16 (a) There is a [College Savings Plans of] Maryland **529** Board.

17 (b) The Board shall administer:

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

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

21 (3) The Maryland Broker–Dealer College Investment Plan established
22 under Subtitle 19B of this title; **AND**

23 (4) **THE MARYLAND ABLE PROGRAM ESTABLISHED UNDER**
24 **SUBTITLE 19C OF THIS TITLE**.

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

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

27 (2) The State Superintendent of Schools;

28 (3) The State Treasurer;

29 (4) The State Comptroller;

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

2 (6) **THE SECRETARY OF DISABILITIES; AND**

3 [(6)] (7) Five members of the public who shall be appointed by the
4 Governor and shall have significant experience in finance, accounting, investment
5 management, or other areas that can be of assistance to the Board.

6 (d) A member of the Board designated under subsection (c)(1) through [(5)] (6) of
7 this section may designate an employee from the member's staff to represent the member
8 of the Board, with the full voting rights, powers, and duties of the member.

9 18–1905.

10 (d) (1) The Board:

11 (i) Shall appoint a Program executive director who is in the
12 executive service of the State Personnel Management System; and

13 (ii) May employ additional staff in accordance with the budget.

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

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

20 (f) In addition, the Board may:

21 (1) Adopt an official seal;

22 (2) Sue and be sued;

23 (3) Execute contracts and other necessary instruments;

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

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

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

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

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

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

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

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

16 (ii) An investment account under the Plan, or the Broker–Dealer
17 Plan, and the account holder and qualified designated beneficiary of the investment
18 account; **OR**

19 **(III) AN ABLE ACCOUNT UNDER THE MARYLAND ABLE**
20 **PROGRAM AND THE ABLE ACCOUNT HOLDER**;

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 18-19B-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) “ABLE ACCOUNT CONTRIBUTOR” MEANS AN INDIVIDUAL WHO**
14 **CONTRIBUTES MONEY TO AN ABLE ACCOUNT DESCRIBED UNDER § 529A(E) OF THE**
15 **INTERNAL REVENUE CODE.**

16 **(D) “ABLE ACCOUNT HOLDER” MEANS AN INDIVIDUAL WHO HAS**
17 **ESTABLISHED AN ACCOUNT DESCRIBED UNDER § 529A(E) OF THE INTERNAL**
18 **REVENUE CODE AND IS THE DESIGNATED BENEFICIARY OF THE ACCOUNT.**

19 **(E) “BOARD” MEANS THE MARYLAND 529 BOARD ESTABLISHED UNDER §**
20 **18–1904 OF THIS TITLE.**

21 **(F) “DESIGNATED BENEFICIARY” MEANS AN INDIVIDUAL DESCRIBED IN §**
22 **529A(E) OF THE INTERNAL REVENUE CODE.**

23 **(G) “MARYLAND ABLE PROGRAM” MEANS A QUALIFIED ABLE PROGRAM**
24 **DESCRIBED IN § 529A(B) OF THE INTERNAL REVENUE CODE.**

25 **(H) “QUALIFIED DISABILITY EXPENSES” MEANS EXPENSES DESCRIBED IN §**
26 **529A(E) OF THE INTERNAL REVENUE CODE.**

27 **18–19C–02.**

28 **(A) (1) THE BOARD SHALL ESTABLISH A MARYLAND ABLE PROGRAM**
29 **THAT SHALL BE SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL**
30 **REVENUE CODE.**

1 **(2) IT IS THE GOAL OF THE STATE THAT THE MARYLAND ABLE**
2 **PROGRAM BE FULLY OPERATIONAL BY OCTOBER 1, 2017.**

3 **(B) THE PURPOSE OF THE MARYLAND ABLE PROGRAM IS TO:**

4 **(1) ENCOURAGE AND ASSIST INDIVIDUALS AND FAMILIES IN SAVING**
5 **PRIVATE FUNDS TO SUPPORT INDIVIDUALS WITH DISABILITIES TO MAINTAIN**
6 **HEALTH, INDEPENDENCE, AND QUALITY OF LIFE; AND**

7 **(2) PROVIDE SECURE FUNDING FOR DISABILITY-RELATED EXPENSES**
8 **ON BEHALF OF DESIGNATED BENEFICIARIES WITH DISABILITIES THAT WILL**
9 **SUPPLEMENT, NOT SUPPLANT, BENEFITS PROVIDED THROUGH PRIVATE**
10 **INSURANCE, THE MEDICAID PROGRAM UNDER TITLE XIX OF THE SOCIAL SECURITY**
11 **ACT, THE SUPPLEMENTAL SECURITY INCOME PROGRAM UNDER TITLE XVI OF THE**
12 **SOCIAL SECURITY ACT, THE BENEFICIARY'S EMPLOYMENT, AND ANY OTHER**
13 **SOURCE.**

14 **(C) (1) THE BOARD SHALL DEVELOP, ESTABLISH, ADMINISTER, MANAGE,**
15 **AND PROMOTE THE MARYLAND ABLE PROGRAM.**

16 **(2) THE BOARD SHALL ADMINISTER THE MARYLAND ABLE**
17 **PROGRAM IN COMPLIANCE WITH INTERNAL REVENUE SERVICE STANDARDS FOR**
18 **QUALIFIED ABLE PROGRAMS.**

19 **(3) THE BOARD SHALL WORK IN CONSULTATION WITH THE**
20 **DEPARTMENT OF DISABILITIES TO DEVELOP, ADMINISTER, MANAGE, AND PROMOTE**
21 **THE MARYLAND ABLE PROGRAM.**

22 **(4) THE BOARD MAY COLLABORATE AND PARTICIPATE WITH OTHER**
23 **STATES OR ENTITIES TO DEVELOP, ADMINISTER, MANAGE, AND PROMOTE THE**
24 **MARYLAND ABLE PROGRAM, INCLUDING PARTICIPATING WITH A CONSORTIUM OF**
25 **STATES THAT ARE IMPLEMENTING ABLE PROGRAMS IN THOSE STATES OR AS A**
26 **CONSORTIUM OF STATES.**

27 **(D) (1) THE BOARD SHALL ADOPT PROCEDURES RELATING TO:**

28 **(I) ENROLLMENT FOR PARTICIPATION IN THE MARYLAND**
29 **ABLE PROGRAM; AND**

30 **(II) START-UP COSTS INCURRED BY THE STATE FOR THE**
31 **DEVELOPMENT OF THE MARYLAND ABLE PROGRAM WITH THESE COSTS TO BE**
32 **REIMBURSED TO THE STATE BY THE MARYLAND ABLE PROGRAM.**

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

3 **(E) AT LEAST ANNUALLY, THE BOARD SHALL ISSUE TO EACH ABLE**
4 **ACCOUNT HOLDER A STATEMENT THAT PROVIDES A SEPARATE ACCOUNTING FOR**
5 **EACH DESIGNATED BENEFICIARY PROVIDING THE FOLLOWING INFORMATION WITH**
6 **RESPECT TO EACH ACCOUNT:**

7 **(1) THE BEGINNING BALANCE;**

8 **(2) CONTRIBUTIONS TO THE ACCOUNT;**

9 **(3) DISTRIBUTIONS FROM THE ACCOUNT DURING THE PREVIOUS**
10 **YEAR; AND**

11 **(4) ENDING ABLE ACCOUNT VALUE.**

12 **18-19C-03.**

13 **(A) (1) THE BOARD MAY ISSUE REQUESTS FOR PROPOSALS TO EVALUATE**
14 **AND DETERMINE THE MEANS FOR THE ADMINISTRATION, MANAGEMENT,**
15 **PROMOTION, OR MARKETING OF THE MARYLAND ABLE PROGRAM.**

16 **(2) THE BOARD SHALL CONSIDER PROPOSALS THAT MEET THE**
17 **FOLLOWING CRITERIA:**

18 **(I) ABILITY TO DEVELOP AND ADMINISTER AN INVESTMENT**
19 **PROGRAM OF A NATURE SIMILAR TO THE OBJECTIVES OF THE MARYLAND ABLE**
20 **PROGRAM;**

21 **(II) ABILITY TO ADMINISTER FINANCIAL PROGRAMS WITH**
22 **INDIVIDUAL ACCOUNT RECORDS AND REPORTING; AND**

23 **(III) ABILITY TO MARKET THE MARYLAND ABLE PROGRAM TO**
24 **ELIGIBLE INDIVIDUALS.**

25 **(B) (1) THE BOARD MAY REQUIRE AN INITIAL ENROLLMENT FEE TO BE**
26 **USED FOR ADMINISTRATIVE COSTS OF THE MARYLAND ABLE PROGRAM.**

27 **(2) THE BOARD MAY REQUIRE ADDITIONAL REASONABLE FEES**
28 **ASSOCIATED WITH THE EXPENSES OF THE MARYLAND ABLE PROGRAM.**

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

3 **(2) THE MARYLAND ABLE PROGRAM SHALL INCLUDE PROVISIONS**
4 **FOR AUTOMATIC CONTRIBUTIONS.**

5 **(3) MONEY AND ASSETS IN THE ACCOUNTS ESTABLISHED UNDER THE**
6 **MARYLAND ABLE PROGRAM OR AN ABLE PROGRAM IN ANY OTHER STATE MAY**
7 **NOT BE CONSIDERED FOR THE PURPOSE OF DETERMINING ELIGIBILITY TO RECEIVE,**
8 **OR THE AMOUNT OF, ANY ASSISTANCE OR BENEFITS FROM LOCAL OR STATE**
9 **MEANS-TESTED PROGRAMS.**

10 **(4) MONEY AND ASSETS IN THE ACCOUNT OF EACH ABLE ACCOUNT**
11 **HOLDER MAY NOT EXCEED THE AMOUNT SPECIFIED IN § 2503(B) OF THE INTERNAL**
12 **REVENUE CODE FOR EACH CALENDAR YEAR IN WHICH THE TAXABLE YEAR BEGINS.**

13 **(D) THE MARYLAND ABLE PROGRAM MAY RECEIVE MONEY FROM:**

14 **(1) APPROPRIATIONS IN THE STATE BUDGET;**

15 **(2) REASONABLE FEES ASSESSED TO BENEFICIARIES;**

16 **(3) GRANTS OR OTHER ASSISTANCE FROM FEDERAL, STATE, OR**
17 **LOCAL GOVERNMENT; AND**

18 **(4) ANY OTHER MONEY FROM ANY PUBLIC OR PRIVATE SOURCE.**

19 **(E) (1) THE MARYLAND ABLE PROGRAM:**

20 **(I) MAY BE ESTABLISHED AS ONE OR MORE SEPARATE PLANS**
21 **AS DETERMINED BY THE BOARD;**

22 **(II) SHALL BE ESTABLISHED IN THE FORM DETERMINED BY THE**
23 **BOARD;**

24 **(III) SHALL BE MARKETED AND PROMOTED UNDER THE NAME**
25 **OR NAMES DETERMINED BY THE BOARD; AND**

26 **(IV) MAY BE ESTABLISHED AS ONE OR MORE TRUSTS TO BE**
27 **DECLARED BY THE BOARD.**

28 **(2) THE MARYLAND ABLE PROGRAM MAY BE DIVIDED INTO**
29 **MULTIPLE INVESTMENT OPTIONS.**

1 **18-19C-04.**

2 (A) AN ELIGIBLE INDIVIDUAL, AS DEFINED IN § 529A(E) OF THE INTERNAL
3 REVENUE CODE, MAY PARTICIPATE IN AND BENEFIT FROM THE MARYLAND ABLE
4 PROGRAM.

5 (B) DISTRIBUTIONS SHALL BE REQUESTED BY THE DESIGNATED
6 BENEFICIARY SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL REVENUE
7 CODE.

8 **18-19C-05.**

9 (A) (1) THE DEBTS, CONTRACTS, AND OBLIGATIONS OF THE MARYLAND
10 ABLE PROGRAM ARE NOT THE CONTRACTS, DEBTS, OR OBLIGATIONS OF THE
11 STATE, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE IS
12 PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY, MORALLY OR OTHERWISE,
13 TO THE PAYMENT OF THE DEBTS, CONTRACTS, AND OBLIGATIONS.

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

19 (B) THE STATE MAY NOT BE LIABLE FOR ANY LOSSES OR SHORTAGE OF
20 FUNDS IN THE EVENT THAT THE DESIGNATED BENEFICIARY'S ABLE ACCOUNT
21 BALANCE IS INSUFFICIENT TO MEET THE DESIGNATED BENEFICIARY'S QUALIFIED
22 DISABILITY EXPENSES.

23 (C) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED
24 MONEY OF THE STATE OR DEPOSITED IN THE STATE TREASURY.

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

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

29 (F) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED
30 MONEY OF OR COMMINGLED WITH THE MARYLAND BROKER-DEALER COLLEGE
31 INVESTMENT PLAN.

1 **18-19C-06.**

2 (A) THE BOARD, THE MARYLAND ABLE PROGRAM, AND THE ABLE
3 ACCOUNTS ISSUED UNDER THIS SUBTITLE ARE NOT SUBJECT TO THE PROVISIONS
4 OF THE INSURANCE ARTICLE.

5 (B) THE ASSETS AND INCOME OF THE MARYLAND ABLE PROGRAM ARE
6 EXEMPT FROM STATE AND LOCAL TAXATION.

7 **18-19C-07.**

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

9 (B) A PERSON MAY NOT ATTACH, EXECUTE, GARNISH, OR OTHERWISE SEIZE
10 ANY CURRENT OR FUTURE BENEFIT UNDER AN ABLE ACCOUNT OR ANY ASSET OF
11 THE MARYLAND ABLE PROGRAM.

12 **18-19C-08.**

13 (A) THE LEGISLATIVE AUDITOR SHALL AUDIT THE MARYLAND ABLE
14 PROGRAM AS PROVIDED UNDER TITLE 2, SUBTITLE 12 OF THE STATE
15 GOVERNMENT ARTICLE.

16 (B) THE BOARD SHALL OBTAIN AN ANNUAL AUDIT REPORT FROM A SERVICE
17 PROVIDER WITHIN 6 MONTHS OF THE END OF THE REPORTING PERIOD OF THE
18 SERVICE PROVIDER.

19 **18-19C-09.**

20 (A) THE BOARD SHALL ISSUE REFUNDS AS SPECIFIED IN THIS SECTION.

21 (B) IF THE CONTRIBUTION OF AN ABLE ACCOUNT CONTRIBUTOR UNDER
22 THE MARYLAND ABLE PROGRAM WOULD RESULT IN AGGREGATE CONTRIBUTIONS
23 FROM ALL CONTRIBUTORS TO THE ABLE ACCOUNT FOR THE TAXABLE YEAR
24 EXCEEDING THE AMOUNT SPECIFIED IN § 2503(B) OF THE INTERNAL REVENUE
25 CODE FOR EACH CALENDAR YEAR IN WHICH THE TAXABLE YEAR BEGINS, THE
26 BOARD SHALL ISSUE A REFUND TO THE ABLE ACCOUNT CONTRIBUTOR.

27 **18-19C-10.**

28 IN ACCORDANCE WITH § 529A(F) OF THE INTERNAL REVENUE CODE, ON THE
29 DEATH OF A DESIGNATED BENEFICIARY, ANY STATE MAY FILE A CLAIM FOR THE
30 AMOUNT OF THE TOTAL MEDICAL ASSISTANCE PAID FOR THE DESIGNATED

1 **BENEFICIARY UNDER THE STATE'S MEDICAID PLAN AFTER THE ESTABLISHMENT OF**
2 **AN ABLE ACCOUNT.**

3 **Article – Estates and Trusts**

4 17–203.

5 “MARYLAND STATUTORY FORM LIMITED POWER OF ATTORNEY

6 PLEASE READ CAREFULLY

7 This power of attorney authorizes another person (your agent) to make decisions concerning
8 your property for you (the principal). You need not give to your agent all the authorities
9 listed below and may give the agent only those limited powers that you specifically indicate.
10 This power of attorney gives your agent the right to make limited decisions for you. You
11 should very carefully weigh your decision as to what powers you give your agent. Your
12 agent will be able to make decisions and act with respect to your property (including your
13 money) whether or not you are able to act for yourself.

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

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

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

20 Your agent is not entitled to compensation unless you indicate otherwise in the special
21 instructions of this power of attorney. If you indicate that your agent is to receive
22 compensation, your agent is entitled to reasonable compensation or compensation as
23 specified in the Special Instructions.

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

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

29 This power of attorney becomes effective immediately unless you state otherwise in the
30 Special Instructions.

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

33 DESIGNATION OF AGENT

1 This section of the form provides for designation of one agent.

2 If you wish to name coagents, skip this section and use the next section (“Designation of
3 Coagents”).

4 I, _____, name the following person
5 (Name of Principal)
6 as my agent:

7 Name of
8 Agent: _____
9 Agent’s
10 Address: _____
11 Agent’s Telephone
12 Number: _____

13 DESIGNATION OF COAGENTS (OPTIONAL)

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

16 I, _____,
17 (Name of Principal)

18 Name the following persons as coagents:

19 Name of Coagent: _____

20 Coagent’s Address: _____

21 Coagent’s Telephone Number: _____

22 Name of Coagent: _____

23 Coagent’s Address: _____

24 Coagent’s Telephone Number: _____

25 Special Instructions Regarding Coagents: _____

26 _____

27 _____

28 _____

29 DESIGNATION OF SUCCESSOR AGENT(S) (OPTIONAL)

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

1 Name of Successor Agent: _____

2 Successor Agent's

3 Address: _____

4 Successor Agent's Telephone Number: _____

5 If my successor agent is unable or unwilling to act for me, I name as my second successor
6 agent:

7 Name of Second Successor

8 Agent: _____

9 Second Successor Agent's

10 Address: _____

11 Second Successor Agent's Telephone Number: _____

12 GRANT OF GENERAL AUTHORITY

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

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

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

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

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

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

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

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

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

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

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

7 (INITIAL each authority in any subject you want to include in the agent's general
8 authority. Cross through each authority in any subject that you want to exclude. If you
9 wish to grant general authority over an entire subject, you may initial "All of the above"
10 instead of initialing each authority.)

11 SUBJECTS AND AUTHORITY

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

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

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

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

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

29 (___) Manage or conserve an interest in real property or a right incident to
30 real property owned or claimed to be owned by the principal, including:

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

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

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

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

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

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

11 (1) Selling or otherwise disposing of the stocks and bonds or other
12 property;

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

15 (3) Exercising voting rights in person or by proxy

16 (___) Change the form of title of an interest in or a right incident to real
17 property

18 (___) Dedicate to public use, with or without consideration, easements or
19 other real property in which the principal has, or claims to have, an interest

20 (___) All of the above

21 B. Tangible Personal Property – With respect to this subject, I authorize my
22 agent to:

23 (___) Demand, buy, receive, accept as a gift or as security for an extension of
24 credit, or otherwise acquire or reject ownership or possession of tangible personal property
25 or an interest in tangible personal property

26 (___) Sell, exchange, convey with or without covenants, representations, or
27 warranties, quitclaim, release, surrender, create a security interest in, grant options
28 concerning, lease, sublease, or otherwise dispose of tangible personal property or an
29 interest in tangible personal property

30 (___) Grant a security interest in tangible personal property or an interest in
31 tangible personal property as security to borrow money or pay, renew, or extend the time
32 of payment of a debt of the principal or a debt guaranteed by the principal

1 Release, assign, satisfy, or enforce by litigation or otherwise, a security
2 interest, lien, or other claim on behalf of the principal, with respect to tangible personal
3 property or an interest in tangible personal property

4 Manage or conserve tangible personal property or an interest in
5 tangible personal property on behalf of the principal, including:

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

7 (2) Obtaining or regaining possession of or protecting the property
8 or interest, by litigation or otherwise;

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

11 (4) Moving the property from place to place;

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

13 (6) Using and making repairs, alterations, or improvements to the
14 property

15 Change the form of title of an interest in tangible personal property

16 All of the above

17 C. Stocks and Bonds – With respect to this subject, I authorize my agent to:

18 Buy, sell, and exchange stocks and bonds

19 Establish, continue, modify, or terminate an account with respect to
20 stocks and bonds

21 Pledge stocks and bonds as security to borrow, pay, renew, or extend
22 the time of payment of a debt of the principal

23 Receive certificates and other evidences of ownership with respect to
24 stocks and bonds

25 Exercise voting rights with respect to stocks and bonds in person or by
26 proxy, enter into voting trusts, and consent to limitations on the right to vote

27 All of the above

28 D. Commodities – With respect to this subject, I authorize my agent to:

1 Buy, sell, exchange, assign, settle, and exercise commodity futures
2 contracts and call or put options on stocks or stock indexes traded on a regulated option
3 exchange

4 Establish, continue, modify, and terminate option accounts

5 All of the above

6 E. Banks and Other Financial Institutions – With respect to this subject, I
7 authorize my agent to:

8 Continue, modify, transact all business in connection with, and
9 terminate an account or other banking arrangement made by or on behalf of the principal

10 Establish, modify, transact all business in connection with, and
11 terminate an account or other banking arrangement with a bank, trust company, savings
12 and loan association, credit union, thrift company, brokerage firm, or other financial
13 institution selected by the agent

14 Contract for services available from a financial institution, including
15 renting a safe deposit box or space in a vault

16 Deposit by check, money order, electronic funds transfer, or otherwise
17 with, or leave in the custody of, a financial institution money or property of the principal

18 Withdraw, by check, money order, electronic funds transfer, or
19 otherwise, money or property of the principal deposited with or left in the custody of a
20 financial institution

21 Receive statements of account, vouchers, notices, and similar
22 documents from a financial institution and act with respect to them

23 Enter a safe deposit box or vault and withdraw or add to the contents

24 Borrow money and pledge as security personal property of the principal
25 necessary to borrow money or pay, renew, or extend the time of payment of a debt of the
26 principal or a debt guaranteed by the principal

27 Make, assign, draw, endorse, discount, guarantee, and negotiate
28 promissory notes, checks, drafts, and other negotiable or nonnegotiable paper of the
29 principal or payable to the principal or the principal's order, transfer money, receive the
30 cash or other proceeds of those transactions, and accept a draft drawn by a person on the
31 principal and pay the draft when due

32 Receive for the principal and act on a sight draft, warehouse receipt,
33 other document of title whether tangible or electronic, or other negotiable or nonnegotiable
34 instrument

1 Apply for, receive, and use letters of credit, credit cards and debit cards,
2 electronic transaction authorizations, and traveler's checks from a financial institution and
3 give an indemnity or other agreement in connection with letters of credit

4 Consent to an extension of the time of payment with respect to
5 commercial paper or a financial transaction with a financial institution

6 All of the above

7 F. Operation of an Entity or a Business – With respect to this subject, I authorize
8 my agent to:

9 Operate, buy, sell, enlarge, reduce, or terminate an ownership interest

10 Perform a duty or discharge a liability and exercise in person or by
11 proxy a right, power, privilege, or an option that the principal has, may have, or claims to
12 have

13 Enforce the terms of an ownership agreement

14 Initiate, participate in, submit to alternative dispute resolution, settle,
15 oppose, or propose or accept a compromise with respect to litigation to which the principal
16 is a party because of an ownership interest

17 Exercise in person or by proxy, or enforce by litigation or otherwise, a
18 right, power, privilege, or an option the principal has or claims to have as the holder of
19 stocks and bonds

20 Initiate, participate in, submit to alternative dispute resolution, settle,
21 oppose, or propose or accept a compromise with respect to litigation to which the principal
22 is a party concerning stocks and bonds

23 With respect to an entity or business owned solely by the principal:

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

27 (2) Determine:

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

29 (ii) The nature and extent of the business of the entity or
30 business;

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

3 (iv) The amount and types of insurance carried by the entity
4 or business; and

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

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

10 (4) Demand and receive money due or claimed by the principal or on
11 the principal's behalf in the operation of the entity or business and control and disburse the
12 money in the operation of the entity or business

13 (___) Put additional capital into an entity or a business in which the principal
14 has an interest

15 (___) Join in a plan of reorganization, consolidation, conversion,
16 domestication, or merger of the entity or business

17 (___) Sell or liquidate all or part of an entity or business

18 (___) Establish the value of an entity or a business under a buyout agreement
19 to which the principal is a party

20 (___) Prepare, sign, file, and deliver reports, compilations of information,
21 returns, or other papers with respect to an entity or business and make related payments

22 (___) Pay, compromise, or contest taxes, assessments, fines, or penalties and
23 perform other acts to protect the principal from illegal or unnecessary taxation,
24 assessments, fines, or penalties, with respect to an entity or a business, including attempts
25 to recover, as permitted by law, money paid before or after the execution of this power of
26 attorney

27 (___) All of the above

28 G. Insurance and Annuities – With respect to this subject, I authorize my agent
29 to:

30 (___) Continue, pay the premium or make a contribution on, modify,
31 exchange, rescind, release, or terminate a contract procured by or on behalf of the principal
32 that insures or provides an annuity to either the principal or another person, whether or
33 not the principal is a beneficiary under the contract

1 Procure new, different, and additional contracts of insurance and
2 annuities for the principal and the principal's spouse, children, and other dependents, and
3 select the amount, type of insurance or annuity, and mode of payment

4 Pay the premium or make a contribution on, modify, exchange, rescind,
5 release, or terminate a contract of insurance or annuity procured by the agent

6 Apply for and receive a loan secured by a contract of insurance or
7 annuity

8 Surrender and receive the cash surrender value on a contract of
9 insurance or annuity

10 Exercise an election

11 Exercise investment powers available under a contract of insurance or
12 annuity

13 Change the manner of paying premiums on a contract of insurance or
14 annuity

15 Change or convert the type of insurance or annuity with respect to
16 which the principal has or claims to have authority described in this section

17 Apply for and procure a benefit or assistance under a statute or
18 regulation to guarantee or pay premiums of a contract of insurance on the life of the
19 principal

20 Collect, sell, assign, hypothecate, borrow against, or pledge the interest
21 of the principal in a contract of insurance or annuity

22 Select the form and timing of the payment of proceeds from a contract
23 of insurance or annuity

24 Pay, from proceeds or otherwise, compromise or contest, and apply for
25 refunds in connection with a tax or assessment levied by a taxing authority with respect to
26 a contract of insurance or annuity or the proceeds or liability from the contract of insurance
27 or annuity accruing by reason of the tax or assessment

28 All of the above

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

1 Accept, receive, receipt for, sell, assign, pledge, or exchange a share in
2 or payment from the fund described above

3 Demand or obtain money or another thing of value to which the
4 principal is, may become, or claims to be entitled by reason of the fund described above, by
5 litigation or otherwise

6 Exercise for the benefit of the principal a presently exercisable general
7 power of appointment held by the principal

8 Initiate, participate in, submit to alternative dispute resolution, settle,
9 oppose, or propose or accept a compromise with respect to litigation to ascertain the
10 meaning, validity, or effect of a deed, will, declaration of trust, or other instrument or
11 transaction affecting the interest of the principal

12 Initiate, participate in, submit to alternative dispute resolution, settle,
13 oppose, or propose or accept a compromise with respect to litigation to remove, substitute,
14 or surcharge a fiduciary

15 Conserve, invest, disburse, or use anything received for an authorized
16 purpose

17 Transfer an interest of the principal in real property, stocks and bonds,
18 accounts with financial institutions or securities intermediaries, insurance, annuities, and
19 other property to the trustee of a revocable trust created by the principal as settlor

20 Reject, renounce, disclaim, release, or consent to a reduction in or
21 modification of a share in or payment from the fund described above

22 All of the above

23 I. Claims and Litigation – With respect to this subject, I authorize my agent to:

24 Assert and maintain before a court or administrative agency a claim,
25 claim for relief, cause of action, counterclaim, offset, recoupment, or defense, including an
26 action to recover property or other thing of value, recover damages sustained by the
27 principal, eliminate or modify tax liability, or seek an injunction, specific performance, or
28 other relief

29 Bring an action to determine adverse claims or intervene or otherwise
30 participate in litigation

31 Seek an attachment, garnishment, order of arrest, or other preliminary,
32 provisional, or intermediate relief and use an available procedure to effect or satisfy a
33 judgment, order, or decree

1 Make or accept a tender, offer of judgment, or admission of facts, submit
2 a controversy on an agreed statement of facts, consent to examination, and bind the
3 principal in litigation

4 Submit to alternative dispute resolution, settle, and propose or accept
5 a compromise

6 Waive the issuance and service of process on the principal, accept
7 service of process, appear for the principal, designate persons on which process directed to
8 the principal may be served, execute and file or deliver stipulations on the principal's
9 behalf, verify pleadings, seek appellate review, procure and give surety and indemnity
10 bonds, contract and pay for the preparation and printing of records and briefs, receive,
11 execute, and file or deliver a consent, waiver, release, confession of judgment, satisfaction
12 of judgment, notice, agreement, or other instrument in connection with the prosecution,
13 settlement, or defense of a claim or litigation

14 Act for the principal with respect to bankruptcy or insolvency, whether
15 voluntary or involuntary, concerning the principal or some other person, or with respect to
16 a reorganization, receivership, or application for the appointment of a receiver or trustee
17 that affects an interest of the principal in property or other thing of value

18 Pay a judgment, award, or order against the principal or a settlement
19 made in connection with a claim or litigation

20 Receive money or other thing of value paid in settlement of or as
21 proceeds of a claim or litigation

22 All of the above

23 J. Personal and Family Maintenance – With respect to this subject, I authorize
24 my agent to:

25 Perform the acts necessary to maintain the customary standard of
26 living of the principal, the principal's spouse, and the following individuals, whether living
27 when this power of attorney is executed or later born:

28 (1) The principal's children;

29 (2) Other individuals legally entitled to be supported by the
30 principal; and

31 (3) The individuals whom the principal has customarily supported
32 or indicated the intent to support;

33 Make periodic payments of child support and other family maintenance
34 required by a court or governmental agency or an agreement to which the principal is a
35 party

1 Provide living quarters for the individuals described above by:

2 (1) Purchase, lease, or other contract; or

3 (2) Paying the operating costs, including interest, amortization
4 payments, repairs, improvements, and taxes, for premises owned by the principal or
5 occupied by those individuals

6 Provide normal domestic help, usual vacations and travel expenses, and
7 funds for shelter, clothing, food, appropriate education, including postsecondary and
8 vocational education, and other current living costs for the individuals described above

9 Pay expenses for necessary health care and custodial care on behalf of
10 the individuals described above

11 Act as the principal's personal representative in accordance with the
12 Health Insurance Portability and Accountability Act, §§ 1171 through 1179 of the Social
13 Security Act, 42 U.S.C. § 1320d, and applicable regulations in making decisions related to
14 the past, present, or future payment for the provision of health care consented to by the
15 principal or anyone authorized under the law of this State to consent to health care on
16 behalf of the principal

17 Continue provisions made by the principal for automobiles or other
18 means of transportation, including registering, licensing, insuring, and replacing the
19 means of transportation, for the individuals described above

20 Maintain credit and debit accounts for the convenience of the
21 individuals described above and open new accounts

22 Continue payments incidental to the membership or affiliation of the
23 principal in a religious institution, club, society, order, or other organization or to continue
24 contributions to those organizations

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

28 All of the above

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

32 Execute vouchers in the name of the principal for allowances and
33 reimbursements payable by the United States or a foreign government or by a state or
34 subdivision of a state to the principal, including allowances and reimbursements for

1 transportation of the individuals described in “J. Personal and Family Maintenance” above,
2 and for shipment of the household effects of those individuals

3 () Take possession and order the removal and shipment of property of the
4 principal from a post, warehouse, depot, dock, or other place of storage or safekeeping,
5 either governmental or private, and execute and deliver a release, voucher, receipt, bill of
6 lading, shipping ticket, certificate, or other instrument for that purpose

7 () Enroll in, apply for, select, reject, change, amend, or discontinue, on the
8 principal’s behalf, a benefit or program

9 () Prepare, file, and maintain a claim of the principal for a benefit or
10 assistance, financial or otherwise, to which the principal may be entitled under a statute
11 or regulation

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

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

17 () All of the above

18 L. Retirement Plans (including a plan or account created by an employer, the
19 principal, or another individual to provide retirement benefits or deferred compensation of
20 which the principal is a participant, beneficiary, or owner, including a plan or account
21 under the following sections of the Internal Revenue Code:

22 (1) An individual retirement account under Internal Revenue Code Section
23 408, 26 U.S.C. § 408;

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

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

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

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

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

1 (7) A nonqualified deferred compensation plan under Internal Revenue
2 Code Section 409A, 26 U.S.C. § 409A) – With respect to this subject, I authorize my agent
3 to:

4 Select the form and timing of payments under a retirement plan and
5 withdraw benefits from a plan

6 Make a rollover, including a direct trustee-to-trustee rollover, of
7 benefits from one retirement plan to another

8 Establish a retirement plan in the principal's name

9 Make contributions to a retirement plan

10 Exercise investment powers available under a retirement plan

11 Borrow from, sell assets to, or purchase assets from a retirement plan

12 All of the above

13 M. Taxes – With respect to this subject, I authorize my agent to:

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

22 Pay taxes due, collect refunds, post bonds, receive confidential
23 information, and contest deficiencies determined by the Internal Revenue Service or other
24 taxing authority

25 Exercise elections available to the principal under federal, state, local,
26 or foreign tax law

27 Act for the principal in all tax matters for all periods before the Internal
28 Revenue Service, or other taxing authority

29 All of the above

30 N. Gifts (including gifts to a trust, an account under the Uniform Transfers to
31 Minors Act, [and] a tuition savings account or prepaid tuition plan as defined under
32 Internal Revenue Code Section 529, 26 U.S.C. § 529, AND AN ABLE ACCOUNT AS

1 **DEFINED UNDER INTERNAL REVENUE CODE SECTION 529A, 26 U.S.C. §**
 2 **529A)** – With respect to this subject, I authorize my agent to:

3 Make outright to, or for the benefit of, a person, a gift of part or all of
 4 the principal's property, including by the exercise of a presently exercisable general power
 5 of appointment held by the principal, in an amount for each donee not to exceed the annual
 6 dollar limits of the federal gift tax exclusion under Internal Revenue Code Section 2503(b),
 7 26 U.S.C. § 2503(b), without regard to whether the federal gift tax exclusion applies to the
 8 gift, or if the principal's spouse agrees to consent to a split gift pursuant to Internal Revenue
 9 Code Section 2513, 26 U.S.C. § 2513, in an amount for each donee not to exceed twice the
 10 annual federal gift tax exclusion limit

11 Consent, pursuant to Internal Revenue Code Section 2513, 26 U.S.C. §
 12 2513, to the splitting of a gift made by the principal's spouse in an amount for each donee
 13 not to exceed the aggregate annual gift tax exclusions for both spouses

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

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

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

20 (3) Minimization of taxes, including income, estate, inheritance,
 21 generation-skipping transfer, and gift taxes;

22 (4) Eligibility for a benefit, a program, or assistance under a statute or
 23 regulation; and

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

25 All of the above

26 **GRANT OF SPECIFIC AUTHORITY (OPTIONAL)**

27 My agent **MAY NOT** do any of the following specific acts for me **UNLESS** I have
 28 **INITIALED** the specific authority listed below:

29 (CAUTION: Granting any of the following will give your agent the authority to take actions
 30 that could significantly reduce your property or change how your property is distributed at
 31 your death. In addition, granting your agent the authority to make gifts to, or to designate
 32 as the beneficiary of any retirement plan, the agent, the agent's spouse, or a dependent of
 33 the agent may constitute a taxable gift by you and may make the property subject to that
 34 authority taxable as part of the agent's estate. **INITIAL ONLY** the specific authority you
 35 **WANT** to give your agent.)

TERMINATION DATE (OPTIONAL)

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

NOMINATION OF GUARDIAN (OPTIONAL)

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

Name of Nominee for guardian of my property:

Nominee's Address: _____
Nominee's Telephone Number: _____

Name of Nominee for guardian of my person:

Nominee's Address: _____
Nominee's Telephone Number: _____

SIGNATURE AND ACKNOWLEDGMENT

Your Signature Date

Your Name Printed

Your Address

Your Telephone Number

STATE OF MARYLAND
(COUNTY) OF _____

This document was acknowledged before me on _____,
(Date)

by _____.
(Name of Principal)

Signature of Notary (Seal, if any)
My commission expires: _____

WITNESS ATTESTATION

1

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

3

4 _____
(Name of Principal)

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

8

9 _____
Witness #1 Signature

10

11 _____
Witness #1 Name Printed

12

13

14 _____
Witness #1 Address

15

16 _____
Witness #1 Telephone Number

17

18 _____
Witness #2 Signature

19

20 _____
Witness #2 Name Printed

21

22

23 _____
Witness #2 Address

24

25 _____
Witness #2 Telephone Number

26 This document prepared by:

27

28 _____

IMPORTANT INFORMATION FOR AGENT

29

30 Agent's Duties

31 When you accept the authority granted under this power of attorney, a special legal
32 relationship is created between you and the principal. This relationship imposes on you
33 legal duties that continue until you resign or the power of attorney is terminated or revoked.

34 You must:

35 (1) Do what you know the principal reasonably expects you to do with the
36 principal's property or, if you do not know the principal's expectations, act in the principal's
37 best interest;

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

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

3 (4) Disclose your identity as an agent whenever you act for the principal by
4 writing or printing the name of the principal and signing your own name as “agent” in the
5 following manner:

6 _____
7 (Principal’s Name) by _____ (Your Signature) as Agent

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

9 (1) Act loyally for the principal’s benefit;

10 (2) Avoid conflicts that would impair your ability to act in the principal’s best
11 interest;

12 (3) Keep a record of all receipts, disbursements, and transactions made on behalf
13 of the principal;

14 (4) Cooperate with any person that has authority to make health care decisions
15 for the principal to do what you know the principal reasonably expects or, if you do not
16 know the principal’s expectations, to act in the principal’s best interest; and

17 (5) Attempt to preserve the principal’s estate plan if you know the plan and
18 preserving the plan is consistent with the principal’s best interest.

19 Termination of Agent’s Authority

20 You must stop acting on behalf of the principal if you learn of any event that terminates
21 this power of attorney or your authority under this power of attorney. Events that
22 terminate a power of attorney or your authority to act under a power of attorney include:

23 (1) Death of the principal;

24 (2) The principal’s revocation of the power of attorney or your authority;

25 (3) The occurrence of a termination event stated in the power of attorney;

26 (4) The purpose of the power of attorney is fully accomplished; or

27 (5) If you are married to the principal, a legal action is filed with a court to end
28 your marriage, or for your legal separation, unless the Special Instructions in this power of
29 attorney state that such an action will not terminate your authority.

1 Liability of Agent

2 The meaning of the authority granted to you is defined in the Maryland Power of Attorney
3 Act, Title 17 of the Estates and Trusts Article. If you violate the Maryland Power of
4 Attorney Act, Title 17 of the Estates and Trusts Article, or act outside the authority
5 granted, you may be liable for any damages caused by your violation.

6 If there is anything about this document or your duties that you do not understand, you
7 should seek legal advice.”

8 **Article – State Finance and Procurement**

9 11–203.

10 (f) Except as provided in Title 12, Subtitle 4 and Title 14, Subtitle 3 of this article,
11 this Division II does not apply to [the College Savings Plans of] Maryland **529** for:

12 (1) services of managers to invest the assets of the Maryland Prepaid
13 College Trust in accordance with the comprehensive investment plan adopted by the
14 [College Savings Plans of] Maryland **529** Board under § 18–1906 of the Education Article;
15 and

16 (2) expenditures to manage, maintain, and enhance the value of the assets
17 of the Maryland Prepaid College Trust in accordance with the comprehensive investment
18 plan adopted by the [College Savings Plans of] Maryland **529** Board under § 18–1906 of
19 the Education Article.

20 **Article – State Government**

21 9–803.

22 (a) The Commission consists of the following members:

23 (11) the following members, appointed by the Governor:

24 (ii) one member of the [College Savings Plans of] Maryland **529**
25 Board;

26 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
27 as follows:

28 **Article – Tax – General**

29 10–205.

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

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

6 (II) “ABLE ACCOUNT CONTRIBUTOR” MEANS AN INDIVIDUAL
7 WHO CONTRIBUTES MONEY TO AN ABLE ACCOUNT AS DEFINED IN § 18–19C–01 OF
8 THE EDUCATION ARTICLE.

9 (III) “ABLE ACCOUNT HOLDER” MEANS THE HOLDER OF AN
10 ACCOUNT AS DEFINED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

11 (IV) “DESIGNATED BENEFICIARY” HAS THE MEANING STATED IN
12 § 18–19C–01 OF THE EDUCATION ARTICLE.

13 (V) “QUALIFIED DISABILITY EXPENSES” HAS THE MEANING
14 STATED IN § 18–19C–01 OF THE EDUCATION ARTICLE.

15 (2) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION
16 INCLUDES THE AMOUNT OF:

17 (I) ANY REFUND RECEIVED IN THE TAXABLE YEAR BY AN ABLE
18 ACCOUNT CONTRIBUTOR UNDER THE MARYLAND ABLE PROGRAM; OR

19 (II) ANY DISTRIBUTION RECEIVED IN THE TAXABLE YEAR BY AN
20 ABLE ACCOUNT HOLDER IN ACCORDANCE WITH THE MARYLAND ABLE PROGRAM
21 THAT IS NOT USED FOR THE BENEFIT OF THE DESIGNATED BENEFICIARY FOR
22 QUALIFIED DISABILITY EXPENSES.

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

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

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) "DESIGNATED BENEFICIARY" MEANS A DESIGNATED
7 BENEFICIARY AS DEFINED IN § 18-19C-01 OF THE EDUCATION ARTICLE.

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

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

15 (3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION
16 DOES NOT APPLY TO:

17 (I) A REFUND UNDER THE MARYLAND ABLE PROGRAM; OR

18 (II) A DISTRIBUTION THAT IS NOT USED FOR THE BENEFIT OF
19 THE DESIGNATED BENEFICIARY FOR QUALIFIED DISABILITY EXPENSES.

20 10-208.

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

24 (V) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
25 MEANINGS INDICATED.

26 (II) "ABLE ACCOUNT CONTRIBUTOR" MEANS AN INDIVIDUAL
27 WHO CONTRIBUTES MONEY TO AN ABLE ACCOUNT AS DEFINED IN § 18-19C-01 OF
28 THE EDUCATION ARTICLE.

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

1 **(IV) “QUALIFIED DISABILITY EXPENSES” HAS THE MEANING**
2 **STATED IN § 18–19C–01 OF THE EDUCATION ARTICLE.**

3 **(2) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS**
4 **SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
5 **INCLUDES THE AMOUNT CONTRIBUTED BY AN ABLE ACCOUNT CONTRIBUTOR**
6 **DURING THE TAXABLE YEAR TO AN ABLE ACCOUNT UNDER THE MARYLAND ABLE**
7 **PROGRAM.**

8 **(3) (I) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, FOR**
9 **EACH ABLE ACCOUNT CONTRIBUTOR UNDER THE MARYLAND ABLE PROGRAM,**
10 **THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED**
11 **\$2,500 FOR ANY TAXABLE YEAR PER QUALIFIED DESIGNATED BENEFICIARY.**

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

14 **(4) SUBJECT TO THE \$2,500 ANNUAL LIMITATION FOR EACH ABLE**
15 **ACCOUNT CONTRIBUTOR PER QUALIFIED DESIGNATED BENEFICIARY, ANY AMOUNT**
16 **DISALLOWED AS A SUBTRACTION UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR**
17 **AS A RESULT OF THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION MAY**
18 **BE CARRIED OVER UNTIL USED TO THE NEXT 10 SUCCEEDING TAXABLE YEARS AS A**
19 **SUBTRACTION.**

20 SECTION 3. AND BE IT FURTHER ENACTED, That the publisher of the
21 Annotated Code of Maryland, in consultation with and subject to the approval of the
22 Department of Legislative Services, shall correct, with no further action required by the
23 General Assembly, cross–references and terminology rendered incorrect by this Act or by
24 any other Act of the General Assembly of 2016 that affects provisions enacted by this Act.
25 The publisher shall adequately describe any such correction in an editor’s note following
26 the section affected.

27 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
28 applicable to all taxable years beginning after December 31, 2015.

29 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2016.