

SENATE BILL 355

03, Q3

6lr1297
CF HB 431

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~~ Zirkin, Edwards, Eckardt, and Zucker**

Introduced and read first time: January 28, 2016

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 8, 2016

CHAPTER _____

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

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.



1 certain determination of eligibility for, or the amount of, certain assistance or
2 benefits from certain local or State means-tested programs; authorizing the
3 Maryland ABLE Program to receive money from certain sources; providing that
4 neither the faith and credit nor the taxing power of the State is pledged to the
5 payment of debts, contracts, and obligations of the Maryland ABLE Program;
6 providing that certain entities are not liable for certain losses; prohibiting certain
7 money from being considered or commingled with certain money or deposited in the
8 State Treasury; exempting certain entities and accounts from the Insurance Article;
9 providing that the assets and the income of the Maryland ABLE Program are exempt
10 from State and local taxation; prohibiting a person from seizing a certain benefit or
11 asset; requiring certain audits; requiring the Board to issue certain refunds under
12 certain circumstances; authorizing any state to file a certain claim on the death of a
13 designated beneficiary of an ABLE account; altering a certain power of attorney
14 form; allowing a subtraction modification under the State income tax for certain
15 contributions to and distributions from an account under the Maryland ABLE
16 Program; allowing certain amounts disallowed under the subtraction modification
17 as a result of a certain limitation to be carried over and subtracted for succeeding
18 taxable years; requiring an addition modification for certain distributions made
19 under certain accounts; making conforming changes; defining certain terms;
20 requiring the publisher of the Annotated Code of Maryland, in consultation with the
21 Department of Legislative Services, to correct cross-references and terminology in
22 the Code that are rendered incorrect by this Act; providing for the application of
23 certain provisions of this Act; and generally relating to the College Savings Plans of
24 Maryland and the Maryland ABLE Program.

25 BY repealing and reenacting, with amendments,

26 Article – Education

27 Section 18–1901, 18–1902.1, 18–1904(a) through (d), 18–1905(d)(3), (e), and (f),
28 18–19A–05, and 18–19B–05

29 Annotated Code of Maryland

30 (2014 Replacement Volume and 2015 Supplement)

31 BY repealing and reenacting, without amendments,

32 Article – Education

33 Section 18–1905(d)(1)

34 Annotated Code of Maryland

35 (2014 Replacement Volume and 2015 Supplement)

36 BY adding to

37 Article – Education

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

40 Annotated Code of Maryland

41 (2014 Replacement Volume and 2015 Supplement)

42 BY repealing and reenacting, with amendments,

43 Article – Estates and Trusts

1 Section 17–203
2 Annotated Code of Maryland
3 (2011 Replacement Volume and 2015 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – State Finance and Procurement
6 Section 11–203(f)
7 Annotated Code of Maryland
8 (2015 Replacement Volume)

9 BY repealing and reenacting, with amendments,
10 Article – State Government
11 Section 9–803(a)(11)(ii)
12 Annotated Code of Maryland
13 (2014 Replacement Volume and 2015 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article – Tax – General
16 Section 10–205(a), 10–207(a), and 10–208(a)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2015 Supplement)

19 BY adding to
20 Article – Tax – General
21 Section 10–205(l), 10–207(cc), and 10–208(v)
22 Annotated Code of Maryland
23 (2010 Replacement Volume and 2015 Supplement)

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

26 **Article – Education**

27 18–1901.

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

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

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

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

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

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

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

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

9 **[(f)] (G)** “Eligible institution of higher education” means an institution of higher
10 education that:

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

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

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

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

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

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

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

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

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

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

1 [(l)] (N) “Qualified higher education expenses” has the meaning stated in §
2 529(e) of the Internal Revenue Code.

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

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

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

10 (2) “Tuition” does not include any fee that is assessed by the institution for
11 a particular course taken, year of enrollment, academic status, course of study, residency
12 status, or any other distinguishing factor used by the institution to determine a specific fee.
13 18–1902.1.

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

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

19 18–1904.

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

21 (b) The Board shall administer:

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

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

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

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

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

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

- 1 (2) The State Superintendent of Schools;
- 2 (3) The State Treasurer;
- 3 (4) The State Comptroller;
- 4 (5) The Chancellor of the University System of Maryland; [and]
- 5 **(6) THE SECRETARY OF DISABILITIES; AND**

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

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

12 18–1905.

13 (d) (1) The Board:

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

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

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

20 (e) The Board may adopt any regulations that the Board considers necessary to
21 carry out the provisions of this subtitle or Subtitle 19A [or], Subtitle 19B, **OR SUBTITLE**
22 **19C** of this title.

23 (f) In addition, the Board may:

24 (1) Adopt an official seal;

25 (2) Sue and be sued;

26 (3) Execute contracts and other necessary instruments;

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

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

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

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

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

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

16 (10) Endorse insurance coverage written exclusively for the purpose of
17 protecting:

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

20 (ii) An investment account under the Plan, or the Broker–Dealer
21 Plan, and the account holder and qualified designated beneficiary of the investment
22 account; **OR**

23 **(III) AN ABLE ACCOUNT UNDER THE MARYLAND ABLE**
24 **PROGRAM AND THE ABLE ACCOUNT HOLDER;**

25 (11) Designate terms under which money may be withdrawn from the
26 Program, the Trust, the Plan, [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE**
27 **PROGRAM;**

28 (12) Establish additional procedural and substantive requirements for
29 participation in and the administration or marketing of the Program, the Trust, the Plan,
30 [or] the Broker–Dealer Plan, **OR THE MARYLAND ABLE PROGRAM;**

31 (13) Appear on the Board’s own behalf before other boards, commissions, or
32 other governmental agencies; and

1 (14) Take any other action that the Board considers appropriate to
2 implement and administer the Program, the Trust, the Plan, [or] the Broker–Dealer Plan,
3 **OR THE MARYLAND ABLE PROGRAM.**

4 18–19A–05.

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

9 (2) The Board cannot directly or indirectly or contingently obligate, morally
10 or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and
11 obligations of the Plan or to make any appropriation for the payment of the debts and
12 obligations of the Plan.

13 (b) Neither the State nor any eligible educational institution shall be liable for
14 any losses or shortage of funds in the event that the account holder’s investment account
15 balance is insufficient to meet the tuition requirements of an institution attended by the
16 qualified designated beneficiary.

17 (c) Moneys of the Plan may not be considered moneys of the State or deposited in
18 the State Treasury.

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

21 (e) Moneys of the Plan may not be considered moneys of or commingled with the
22 Maryland Broker–Dealer College Investment Plan.

23 **(F) MONEYS OF THE PLAN MAY NOT BE CONSIDERED MONEYS OF OR**
24 **COMMINGLED WITH THE MARYLAND ABLE PROGRAM.**

25 18–19B–05.

26 (a) (1) The debts, contracts, and obligations of the Broker–Dealer Plan are not
27 the contracts, debts, or obligations of the State, and neither the faith and credit nor taxing
28 power of the State is pledged directly or indirectly or contingently, morally or otherwise, to
29 the payment of the debts, contracts, and obligations.

30 (2) The Board cannot directly or indirectly or contingently obligate, morally
31 or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and
32 obligations of the Broker–Dealer Plan or to make any appropriation for the payment of the
33 debts and obligations of the Broker–Dealer Plan.

34 (b) Neither the State nor any eligible educational institution shall be liable for
35 any losses or shortage of funds in the event that the account holder’s investment account

1 balance is insufficient to meet the tuition requirements of an institution attended by the
2 qualified designated beneficiary.

3 (c) Moneys of the Broker–Dealer Plan may not be considered moneys of the State
4 or deposited in the State Treasury.

5 (d) Moneys of the Broker–Dealer Plan may not be considered moneys of or
6 commingled with the Maryland Prepaid College Trust.

7 (e) Moneys of the Broker–Dealer Plan may not be considered moneys of or
8 commingled with the Maryland College Investment Plan.

9 (F) **MONEYS OF THE BROKER–DEALER PLAN MAY NOT BE CONSIDERED**
10 **MONEYS OF OR COMMINGLED WITH THE MARYLAND ABLE PROGRAM.**

11 **SUBTITLE 19C. MARYLAND ABLE PROGRAM.**

12 **18–19C–01.**

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

15 (B) **“ABLE ACCOUNT” MEANS AN ACCOUNT DESCRIBED UNDER § 529A(E)**
16 **OF THE INTERNAL REVENUE CODE.**

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

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

23 (E) **“BOARD” MEANS THE MARYLAND 529 BOARD ESTABLISHED UNDER §**
24 **18–1904 OF THIS TITLE.**

25 (F) **“DESIGNATED BENEFICIARY” MEANS AN INDIVIDUAL DESCRIBED IN §**
26 **529A(E) OF THE INTERNAL REVENUE CODE.**

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

29 (H) **“QUALIFIED DISABILITY EXPENSES” MEANS EXPENSES DESCRIBED IN §**
30 **529A(E) OF THE INTERNAL REVENUE CODE.**

1 **18-19C-02.**

2 (A) (1) THE BOARD SHALL ESTABLISH A MARYLAND ABLE PROGRAM
3 THAT SHALL BE SUBJECT TO THE PROVISIONS OF § 529A OF THE INTERNAL
4 REVENUE CODE.

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

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

8 (1) ENCOURAGE AND ASSIST INDIVIDUALS AND FAMILIES IN SAVING
9 PRIVATE FUNDS TO SUPPORT INDIVIDUALS WITH DISABILITIES TO MAINTAIN
10 HEALTH, INDEPENDENCE, AND QUALITY OF LIFE; AND

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

18 (C) (1) THE BOARD SHALL DEVELOP, ESTABLISH, ADMINISTER, MANAGE,
19 AND PROMOTE THE MARYLAND ABLE PROGRAM.

20 (2) THE BOARD SHALL ADMINISTER THE MARYLAND ABLE
21 PROGRAM IN COMPLIANCE WITH INTERNAL REVENUE SERVICE STANDARDS FOR
22 QUALIFIED ABLE PROGRAMS.

23 (3) THE BOARD SHALL WORK IN CONSULTATION WITH THE
24 DEPARTMENT OF DISABILITIES TO DEVELOP, ADMINISTER, MANAGE, AND PROMOTE
25 THE MARYLAND ABLE PROGRAM.

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

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

1 **(I) ENROLLMENT FOR PARTICIPATION IN THE MARYLAND**
2 **ABLE PROGRAM; AND**

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

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

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

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

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

14 **(3) DISTRIBUTIONS FROM THE ACCOUNT DURING THE PREVIOUS**
15 **YEAR; AND**

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

17 **18-19C-03.**

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

21 **(2) THE BOARD SHALL CONSIDER PROPOSALS THAT MEET THE**
22 **FOLLOWING CRITERIA:**

23 **(I) ABILITY TO DEVELOP AND ADMINISTER AN INVESTMENT**
24 **PROGRAM OF A NATURE SIMILAR TO THE OBJECTIVES OF THE MARYLAND ABLE**
25 **PROGRAM;**

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

28 **(III) ABILITY TO MARKET THE MARYLAND ABLE PROGRAM TO**
29 **ELIGIBLE INDIVIDUALS.**

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

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

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

7 **(2) THE MARYLAND ABLE PROGRAM SHALL INCLUDE PROVISIONS**
8 **FOR AUTOMATIC CONTRIBUTIONS.**

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

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

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

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

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

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

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

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

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

26 **(II) SHALL BE ESTABLISHED IN THE FORM DETERMINED BY THE**
27 **BOARD;**

28 **(III) SHALL BE MARKETED AND PROMOTED UNDER THE NAME**
29 **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) AN ELIGIBLE INDIVIDUAL, AS DEFINED IN § 529A(E) OF THE INTERNAL
7 REVENUE CODE, MAY PARTICIPATE IN AND BENEFIT FROM THE MARYLAND ABLE
8 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 ABLE ACCOUNT
25 BALANCE IS INSUFFICIENT TO MEET THE DESIGNATED BENEFICIARY'S QUALIFIED
26 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.

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

3 **(F) MONEY OF THE MARYLAND ABLE PROGRAM MAY NOT BE CONSIDERED**
4 **MONEY OF OR COMMINGLED WITH THE MARYLAND BROKER-DEALER COLLEGE**
5 **INVESTMENT PLAN.**

6 **18-19C-06.**

7 **(A) THE BOARD, THE MARYLAND ABLE PROGRAM, AND THE ABLE**
8 **ACCOUNTS ISSUED UNDER THIS SUBTITLE ARE NOT SUBJECT TO THE PROVISIONS**
9 **OF THE INSURANCE ARTICLE.**

10 **(B) THE ASSETS AND INCOME OF THE MARYLAND ABLE PROGRAM ARE**
11 **EXEMPT FROM STATE AND LOCAL TAXATION.**

12 **18-19C-07.**

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

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

17 **18-19C-08.**

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

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

24 **18-19C-09.**

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

26 **(B) IF THE CONTRIBUTION OF AN ABLE ACCOUNT CONTRIBUTOR UNDER**
27 **THE MARYLAND ABLE PROGRAM WOULD RESULT IN AGGREGATE CONTRIBUTIONS**
28 **FROM ALL CONTRIBUTORS TO THE ABLE ACCOUNT FOR THE TAXABLE YEAR**
29 **EXCEEDING THE AMOUNT SPECIFIED IN § 2503(B) OF THE INTERNAL REVENUE**

1 CODE FOR EACH CALENDAR YEAR IN WHICH THE TAXABLE YEAR BEGINS, THE
2 BOARD SHALL ISSUE A REFUND TO THE ABLE ACCOUNT CONTRIBUTOR.

3 18-19C-10.

4 IN ACCORDANCE WITH § 529A(F) OF THE INTERNAL REVENUE CODE, ON THE
5 DEATH OF A DESIGNATED BENEFICIARY, ANY STATE MAY FILE A CLAIM FOR THE
6 AMOUNT OF THE TOTAL MEDICAL ASSISTANCE PAID FOR THE DESIGNATED
7 BENEFICIARY UNDER THE STATE'S MEDICAID PLAN AFTER THE ESTABLISHMENT OF
8 AN ABLE ACCOUNT.

9 Article – Estates and Trusts

10 17-203.

11 “MARYLAND STATUTORY FORM LIMITED POWER OF ATTORNEY

12 PLEASE READ CAREFULLY

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

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

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

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

26 Your agent is not entitled to compensation unless you indicate otherwise in the special
27 instructions of this power of attorney. If you indicate that your agent is to receive
28 compensation, your agent is entitled to reasonable compensation or compensation as
29 specified in the Special Instructions.

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

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

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

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

7 **DESIGNATION OF AGENT**

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

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

11 I, _____, name the following person
12 (Name of Principal)
13 as my agent:

14 Name of
15 Agent: _____
16 Agent’s
17 Address: _____
18 Agent’s Telephone
19 Number: _____

20 **DESIGNATION OF COAGENTS (OPTIONAL)**

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

23 I, _____,
24 (Name of Principal)

25 Name the following persons as coagents:

26 Name of Coagent: _____

27 Coagent’s Address: _____

28 Coagent’s Telephone Number: _____

29 Name of Coagent: _____

30 Coagent’s Address: _____

1 Coagent's Telephone Number: _____

2 Special Instructions Regarding Coagents: _____

3 _____

4 _____

5 _____

6 DESIGNATION OF SUCCESSOR AGENT(S) (OPTIONAL)

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

8 Name of Successor Agent: _____

9 Successor Agent's

10 Address: _____

11 Successor Agent's Telephone Number: _____

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

14 Name of Second Successor

15 Agent: _____

16 Second Successor Agent's

17 Address: _____

18 Second Successor Agent's Telephone Number: _____

19 GRANT OF GENERAL AUTHORITY

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

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

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

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

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

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

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

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

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

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

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

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

20 SUBJECTS AND AUTHORITY

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

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

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

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

1 Release, assign, satisfy, or enforce by litigation or otherwise a
2 mortgage, deed of trust, conditional sale contract, encumbrance, lien, or other claim to real
3 property that exists or is asserted

4 Manage or conserve an interest in real property or a right incident to
5 real property owned or claimed to be owned by the principal, including:

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

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

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

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

13 Use, develop, alter, replace, remove, erect, or install structures or other
14 improvements on real property in or incident to which the principal has, or claims to have,
15 an interest or right

16 Participate in a reorganization with respect to real property or an entity
17 that owns an interest in or a right incident to real property and receive, hold, and act with
18 respect to stocks and bonds or other property received in a plan of reorganization, including:

19 (1) Selling or otherwise disposing of the stocks and bonds or other
20 property;

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

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

24 Change the form of title of an interest in or a right incident to real
25 property

26 Dedicate to public use, with or without consideration, easements or
27 other real property in which the principal has, or claims to have, an interest

28 All of the above

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

1 Demand, buy, receive, accept as a gift or as security for an extension of
2 credit, or otherwise acquire or reject ownership or possession of tangible personal property
3 or an interest in tangible personal property

4 Sell, exchange, convey with or without covenants, representations, or
5 warranties, quitclaim, release, surrender, create a security interest in, grant options
6 concerning, lease, sublease, or otherwise dispose of tangible personal property or an
7 interest in tangible personal property

8 Grant a security interest in tangible personal property or an interest in
9 tangible personal property as security to borrow money or pay, renew, or extend the time
10 of payment of a debt of the principal or a debt guaranteed by the principal

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

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

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

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

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

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

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

23 (6) Using and making repairs, alterations, or improvements to the
24 property

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

26 All of the above

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

28 Buy, sell, and exchange stocks and bonds

29 Establish, continue, modify, or terminate an account with respect to
30 stocks and bonds

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

3 Receive certificates and other evidences of ownership with respect to
4 stocks and bonds

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

7 All of the above

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

9 Buy, sell, exchange, assign, settle, and exercise commodity futures
10 contracts and call or put options on stocks or stock indexes traded on a regulated option
11 exchange

12 Establish, continue, modify, and terminate option accounts

13 All of the above

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

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

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

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

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

26 Withdraw, by check, money order, electronic funds transfer, or
27 otherwise, money or property of the principal deposited with or left in the custody of a
28 financial institution

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

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

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

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

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

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

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

17 All of the above

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

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

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

24 Enforce the terms of an ownership agreement

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

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

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

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

- 1 (1) Continue, modify, renegotiate, extend, and terminate a contract
2 made by or on behalf of the principal with respect to the entity or business before execution
3 of this power of attorney;
- 4 (2) Determine:
- 5 (i) The location of the operation of the entity or business;
- 6 (ii) The nature and extent of the business of the entity or
7 business;
- 8 (iii) The methods of manufacturing, selling, merchandising,
9 financing, accounting, and advertising employed in the operation of the entity or business;
- 10 (iv) The amount and types of insurance carried by the entity
11 or business; and
- 12 (v) The mode of engaging, compensating, and dealing with the
13 employees and accountants, attorneys, or other advisors of the entity or business;
- 14 (3) Change the name or form of organization under which the entity
15 or business is operated and enter into an ownership agreement with other persons to take
16 over all or part of the operation of the entity or business; and
- 17 (4) Demand and receive money due or claimed by the principal or on
18 the principal's behalf in the operation of the entity or business and control and disburse the
19 money in the operation of the entity or business
- 20 () Put additional capital into an entity or a business in which the principal
21 has an interest
- 22 () Join in a plan of reorganization, consolidation, conversion,
23 domestication, or merger of the entity or business
- 24 () Sell or liquidate all or part of an entity or business
- 25 () Establish the value of an entity or a business under a buyout agreement
26 to which the principal is a party
- 27 () Prepare, sign, file, and deliver reports, compilations of information,
28 returns, or other papers with respect to an entity or business and make related payments
- 29 () Pay, compromise, or contest taxes, assessments, fines, or penalties and
30 perform other acts to protect the principal from illegal or unnecessary taxation,
31 assessments, fines, or penalties, with respect to an entity or a business, including attempts

1 to recover, as permitted by law, money paid before or after the execution of this power of
2 attorney

3 All of the above

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

6 Continue, pay the premium or make a contribution on, modify,
7 exchange, rescind, release, or terminate a contract procured by or on behalf of the principal
8 that insures or provides an annuity to either the principal or another person, whether or
9 not the principal is a beneficiary under the contract

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

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

15 Apply for and receive a loan secured by a contract of insurance or
16 annuity

17 Surrender and receive the cash surrender value on a contract of
18 insurance or annuity

19 Exercise an election

20 Exercise investment powers available under a contract of insurance or
21 annuity

22 Change the manner of paying premiums on a contract of insurance or
23 annuity

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

26 Apply for and procure a benefit or assistance under a statute or
27 regulation to guarantee or pay premiums of a contract of insurance on the life of the
28 principal

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

31 Select the form and timing of the payment of proceeds from a contract
32 of insurance or annuity

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

5 All of the above

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

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

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

15 Exercise for the benefit of the principal a presently exercisable general
16 power of appointment held by the principal

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

21 Initiate, participate in, submit to alternative dispute resolution, settle,
22 oppose, or propose or accept a compromise with respect to litigation to remove, substitute,
23 or surcharge a fiduciary

24 Conserve, invest, disburse, or use anything received for an authorized
25 purpose

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

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

31 All of the above

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

33 Assert and maintain before a court or administrative agency a claim,
34 claim for relief, cause of action, counterclaim, offset, recoupment, or defense, including an

1 action to recover property or other thing of value, recover damages sustained by the
2 principal, eliminate or modify tax liability, or seek an injunction, specific performance, or
3 other relief

4 Bring an action to determine adverse claims or intervene or otherwise
5 participate in litigation

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

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

12 Submit to alternative dispute resolution, settle, and propose or accept
13 a compromise

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

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

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

28 Receive money or other thing of value paid in settlement of or as
29 proceeds of a claim or litigation

30 All of the above

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

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

1 (1) The principal's children;

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

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

6 (____) Make periodic payments of child support and other family maintenance
7 required by a court or governmental agency or an agreement to which the principal is a
8 party

9 (____) Provide living quarters for the individuals described above by:

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

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

14 (____) Provide normal domestic help, usual vacations and travel expenses, and
15 funds for shelter, clothing, food, appropriate education, including postsecondary and
16 vocational education, and other current living costs for the individuals described above

17 (____) Pay expenses for necessary health care and custodial care on behalf of
18 the individuals described above

19 (____) Act as the principal's personal representative in accordance with the
20 Health Insurance Portability and Accountability Act, §§ 1171 through 1179 of the Social
21 Security Act, 42 U.S.C. § 1320d, and applicable regulations in making decisions related to
22 the past, present, or future payment for the provision of health care consented to by the
23 principal or anyone authorized under the law of this State to consent to health care on
24 behalf of the principal

25 (____) Continue provisions made by the principal for automobiles or other
26 means of transportation, including registering, licensing, insuring, and replacing the
27 means of transportation, for the individuals described above

28 (____) Maintain credit and debit accounts for the convenience of the
29 individuals described above and open new accounts

30 (____) Continue payments incidental to the membership or affiliation of the
31 principal in a religious institution, club, society, order, or other organization or to continue
32 contributions to those organizations

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

4 All of the above

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

8 Execute vouchers in the name of the principal for allowances and
9 reimbursements payable by the United States or a foreign government or by a state or
10 subdivision of a state to the principal, including allowances and reimbursements for
11 transportation of the individuals described in “J. Personal and Family Maintenance” above,
12 and for shipment of the household effects of those individuals

13 Take possession and order the removal and shipment of property of the
14 principal from a post, warehouse, depot, dock, or other place of storage or safekeeping,
15 either governmental or private, and execute and deliver a release, voucher, receipt, bill of
16 lading, shipping ticket, certificate, or other instrument for that purpose

17 Enroll in, apply for, select, reject, change, amend, or discontinue, on the
18 principal’s behalf, a benefit or program

19 Prepare, file, and maintain a claim of the principal for a benefit or
20 assistance, financial or otherwise, to which the principal may be entitled under a statute
21 or regulation

22 Initiate, participate in, submit to alternative dispute resolution, settle,
23 oppose, or propose or accept a compromise with respect to litigation concerning a benefit or
24 assistance the principal may be entitled to receive under a statute or regulation

25 Receive the financial proceeds of a claim described above and conserve,
26 invest, disburse, or use for a lawful purpose anything so received

27 All of the above

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

32 (1) An individual retirement account under Internal Revenue Code Section
33 408, 26 U.S.C. § 408;

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

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

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

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

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

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

12 () Select the form and timing of payments under a retirement plan and
13 withdraw benefits from a plan

14 () Make a rollover, including a direct trustee-to-trustee rollover, of
15 benefits from one retirement plan to another

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

17 () Make contributions to a retirement plan

18 () Exercise investment powers available under a retirement plan

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

20 () All of the above

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

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

30 () Pay taxes due, collect refunds, post bonds, receive confidential
31 information, and contest deficiencies determined by the Internal Revenue Service or other
32 taxing authority

1 Exercise elections available to the principal under federal, state, local,
2 or foreign tax law

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

5 All of the above

6 N. Gifts (including gifts to a trust, an account under the Uniform Transfers to
7 Minors Act, [and] a tuition savings account or prepaid tuition plan as defined under
8 Internal Revenue Code Section 529, 26 U.S.C. § 529, **AND AN ABLE ACCOUNT AS**
9 **DEFINED UNDER INTERNAL REVENUE CODE SECTION 529A, 26 U.S.C. §**
10 **529A)** – With respect to this subject, I authorize my agent to:

11 Make outright to, or for the benefit of, a person, a gift of part or all of
12 the principal's property, including by the exercise of a presently exercisable general power
13 of appointment held by the principal, in an amount for each donee not to exceed the annual
14 dollar limits of the federal gift tax exclusion under Internal Revenue Code Section 2503(b),
15 26 U.S.C. § 2503(b), without regard to whether the federal gift tax exclusion applies to the
16 gift, or if the principal's spouse agrees to consent to a split gift pursuant to Internal Revenue
17 Code Section 2513, 26 U.S.C. § 2513, in an amount for each donee not to exceed twice the
18 annual federal gift tax exclusion limit

19 Consent, pursuant to Internal Revenue Code Section 2513, 26 U.S.C. §
20 2513, to the splitting of a gift made by the principal's spouse in an amount for each donee
21 not to exceed the aggregate annual gift tax exclusions for both spouses

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

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

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

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

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

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

33 All of the above

1 GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

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

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

11 Create an inter vivos trust, or amend, revoke, or terminate an existing inter
12 vivos trust if the trust expressly authorizes that action by the agent

13 Make a gift, subject to any special instructions in this power of attorney

14 Create or change rights of survivorship

15 Create or change a beneficiary designation, subject to any special instructions
16 in this power of attorney; and, if I wish to authorize my agent to designate the agent, the
17 agent's spouse, or a dependent of the agent as a beneficiary, I will explicitly state this
18 authority within the special instructions of this power of attorney or in a separate power of
19 attorney

20 Authorize another person to exercise the authority granted under this power
21 of attorney

22 Waive the principal's right to be a beneficiary of a joint and survivor annuity,
23 including a survivor benefit under a retirement plan

24 Exercise fiduciary powers that the principal has authority to delegate

25 Disclaim or refuse an interest in property, including a power of appointment

26 LIMITATION ON AGENT'S AUTHORITY

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

30 SPECIAL INSTRUCTIONS (OPTIONAL)

31 You may give special instructions on the following lines:

1 _____
 2 _____
 3 _____
 4 _____
 5 _____
 6 _____
 7 _____

EFFECTIVE DATE

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

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

1 (COUNTY) OF _____

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

5 by _____ .
6 (Name of Principal)

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

10 WITNESS ATTESTATION

11 The foregoing power of attorney was, on the date written above, published and declared by
12 _____
13 (Name of Principal)

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

17 _____
18 Witness #1 Signature

19 _____
20 Witness #1 Name Printed

21 _____
22 _____
23 Witness #1 Address

24 _____
25 Witness #1 Telephone Number

26 _____
27 Witness #2 Signature

28 _____
29 Witness #2 Name Printed

30 _____
31 _____
32 Witness #2 Address

33 _____
34 Witness #2 Telephone Number

35 This document prepared by:
36 _____
37 _____

- 1 (1) Death of the principal;
- 2 (2) The principal's revocation of the power of attorney or your authority;
- 3 (3) The occurrence of a termination event stated in the power of attorney;
- 4 (4) The purpose of the power of attorney is fully accomplished; or
- 5 (5) If you are married to the principal, a legal action is filed with a court to end
6 your marriage, or for your legal separation, unless the Special Instructions in this power of
7 attorney state that such an action will not terminate your authority.

8 Liability of Agent

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

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

15 **Article – State Finance and Procurement**

16 11–203.

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

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

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

27 **Article – State Government**

28 9–803.

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

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

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

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

5 **Article – Tax – General**

6 10–205.

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

10 **(L) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**
11 **MEANINGS INDICATED.**

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

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

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

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

21 **(2) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION**
22 **INCLUDES THE AMOUNT OF:**

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

25 **(II) ANY DISTRIBUTION RECEIVED IN THE TAXABLE YEAR BY AN**
26 **ABLE ACCOUNT HOLDER IN ACCORDANCE WITH THE MARYLAND ABLE PROGRAM**
27 **THAT IS NOT USED FOR THE BENEFIT OF THE DESIGNATED BENEFICIARY FOR**
28 **QUALIFIED DISABILITY EXPENSES.**

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

4 **(4) THE CUMULATIVE AMOUNT OF THE ADDITION UNDER THIS**
5 **SUBSECTION FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE YEARS MAY NOT**
6 **EXCEED THE CUMULATIVE AMOUNT ALLOWED AS A SUBTRACTION UNDER §**
7 **10-208(V) OF THIS SUBTITLE FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE**
8 **YEARS FOR CONTRIBUTIONS MADE BY AN ABLE ACCOUNT CONTRIBUTOR TO AN**
9 **ABLE ACCOUNT UNDER THE MARYLAND ABLE PROGRAM UNDER WHICH THE**
10 **DISTRIBUTION IS RECEIVED.**

11 10-207.

12 (a) To the extent included in federal adjusted gross income, the amounts under
13 this section are subtracted from the federal adjusted gross income of a resident to determine
14 Maryland adjusted gross income.

15 **(CC) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**
16 **MEANINGS INDICATED.**

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

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

21 **(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,**
22 **THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY**
23 **AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME AS A RESULT OF A**
24 **DISTRIBUTION TO A DESIGNATED BENEFICIARY FROM AN ABLE ACCOUNT UNDER**
25 **THE MARYLAND ABLE PROGRAM.**

26 **(3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION**
27 **DOES NOT APPLY TO:**

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

29 **(II) A DISTRIBUTION THAT IS NOT USED FOR THE BENEFIT OF**
30 **THE DESIGNATED BENEFICIARY FOR QUALIFIED DISABILITY EXPENSES.**

31 10-208.

1 (a) In addition to the modification under § 10–207 of this subtitle, the amounts
2 under this section are subtracted from the federal adjusted gross income of a resident to
3 determine Maryland adjusted gross income.

4 (v) (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) “DESIGNATED BENEFICIARY” MEANS A DESIGNATED
10 BENEFICIARY AS DEFINED IN § 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) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS
14 SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
15 INCLUDES THE AMOUNT CONTRIBUTED BY AN ABLE ACCOUNT CONTRIBUTOR
16 DURING THE TAXABLE YEAR TO AN ABLE ACCOUNT UNDER THE MARYLAND ABLE
17 PROGRAM.

18 (3) (i) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, FOR
19 EACH ABLE ACCOUNT CONTRIBUTOR UNDER THE MARYLAND ABLE PROGRAM,
20 THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED
21 \$2,500 FOR ANY TAXABLE YEAR PER QUALIFIED DESIGNATED BENEFICIARY.

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

24 (4) SUBJECT TO THE \$2,500 ANNUAL LIMITATION FOR EACH ABLE
25 ACCOUNT CONTRIBUTOR PER QUALIFIED DESIGNATED BENEFICIARY, ANY AMOUNT
26 DISALLOWED AS A SUBTRACTION UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR
27 AS A RESULT OF THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION MAY
28 BE CARRIED OVER UNTIL USED TO THE NEXT 10 SUCCEEDING TAXABLE YEARS AS A
29 SUBTRACTION.

30 SECTION 3. AND BE IT FURTHER ENACTED, That the publisher of the
31 Annotated Code of Maryland, in consultation with and subject to the approval of the
32 Department of Legislative Services, shall correct, with no further action required by the
33 General Assembly, cross–references and terminology rendered incorrect by this Act or by
34 any other Act of the General Assembly of 2016 that affects provisions enacted by this Act.

1 The publisher shall adequately describe any such correction in an editor's note following
2 the section affected.

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

5 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.