

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 1016

(The Speaker, *et al.*) (By Request - Workgroup on Public Safety and Policing)

Judiciary

Judicial Proceedings

Public Safety and Policing Workgroup - Recommendations

This bill makes changes relating to public safety and policing consistent with the recommendations of the Public Safety and Policing Workgroup. Among other things, the bill (1) reconstitutes and renames the Police Training Commission (PTC) as an independent Maryland Police Training and Standards Commission (MPTSC) within the Department of Public Safety and Correctional Services (DPSCS); (2) makes changes to the Law Enforcement Officers' Bill of Rights (LEOBR); (3) establishes various requirements for law enforcement agencies; (4) establishes a Community Program Fund within the Governor's Office of Crime Control and Prevention (GOCCP) to fund local "community programs;" and (5) creates a State income tax subtraction modification for certain law enforcement officers. Beginning in fiscal 2018, the Governor must include in the annual budget bill an appropriation to the Community Program Fund of \$500,000.

The bill's provisions relating to the State income tax subtraction modification take effect July 1, 2016, and are applicable to all taxable years beginning after December 31, 2015.

Fiscal Summary

State Effect: General fund expenditures increase by *at least* \$1.5 million in FY 2017 for various State agencies to implement the bill; future years reflect ongoing costs and the bill's mandated appropriation. General fund revenues decrease by \$828,800 in FY 2017 due to subtraction modifications claimed against the personal income tax. Future year revenue decreases reflect 1% growth in eligible individuals. Special fund revenues and expenditures increase by \$500,000 annually beginning in FY 2018 due to the bill's mandated appropriation. **This bill establishes a mandated appropriation beginning in FY 2018.**

| (in dollars) | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|----------------|---------------|---------------|---------------|---------------|---------------|
| GF Revenue | (\$828,800) | (\$837,000) | (\$845,400) | (\$853,900) | (\$862,400) |
| SF Revenue | \$0 | \$500,000 | \$500,000 | \$500,000 | \$500,000 |
| GF Expenditure | \$1,534,600 | \$1,862,300 | \$1,866,800 | \$1,914,700 | \$1,964,700 |
| SF Expenditure | \$0 | \$500,000 | \$500,000 | \$500,000 | \$500,000 |
| Net Effect | (\$2,363,400) | (\$2,699,300) | (\$2,712,200) | (\$2,768,600) | (\$2,827,100) |

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local grant revenues from the Community Program Fund increase by a total of \$500,000 annually beginning in FY 2018; local expenditures to establish community programs increase correspondingly. Although few local law enforcement agencies responded with information regarding the fiscal and operational impacts of the bill's other provisions, a significant increase in local expenditures is anticipated. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary:

Maryland Police Training and Standards Commission: The bill reconstitutes PTC as MPTSC, an independent commission within DPSCS. The bill establishes provisions relating to membership, terms, and the election of a chair for MPTSC. With the approval of the Governor, MPTSC must appoint an executive director. In addition, MPTSC must employ a staff necessary to carry out the bill. The bill establishes the intent of the General Assembly that, to the extent possible, MPTSC and the Correctional Training Commission (CTC) continue to share training and support staff.

MPTSC retains the same powers and duties as existed for PTC and, in addition, has the powers and duties to:

- require, for entrance-level police training and at least every two years for in-service level police training conducted by the State and each county and municipal police training school, that the curriculum and minimum courses of study include special training, attention to, and study of the application of antidiscrimination and use of force de-escalation training;
- adopt and recommend a set of best practices and standards for use of force;
- evaluate and modernize recruitment standards and practices of law enforcement agencies to increase diversity within those law enforcement agencies and develop strategies for recruiting women and African American, Hispanic or Latino, and other minority candidates; and

- develop standards for the mandatory psychological evaluation of a law enforcement officer who was actively involved in an incident when another person was seriously injured or killed as a result of an accident or a shooting or has returned from combat deployment.

In addition, MPTSC must:

- develop a system for and require annual reporting to the commission by each law enforcement agency on the number of serious officer-involved incidents, the number of officers disciplined, and the type of discipline that was administered that MPTSC must summarize, post to a website maintained by MPTSC (excluding the names of officers and other involved parties), and submit to the General Assembly;
- in consultation with the Department of Health and Mental Hygiene, establish a confidential hotline that is available for law enforcement personnel to contact to speak to a trained peer law enforcement officer or a mental health professional who can assist with initial counseling advice and confidential referral to appropriate programs;
- establish a Police Complaint Mediation Program in which a nonviolent complaint made against a police officer is referred out of the standard complaint process and to voluntary mediation to be conducted by an independent mediation service;
- develop best practices for the establishment and implementation of a community policing program in each jurisdiction (each local law enforcement agency, as specified, must adopt such a program, post specified information online, and annually file a detailed description of the agency's community policing program with MPTSC, and MPTSC must review each program and offer comments to the jurisdiction); and
- develop a public complaint process in each jurisdiction that is uniform throughout the State, as specified (which must be adopted by each law enforcement agency).

In addition, the requirements for certification as a police officer are expanded to include the submission to a psychological evaluation by a psychologist approved by MPTSC.

Law Enforcement Officers' Bill of Rights: The bill makes a number of changes to the complaint process under LEOBR to:

- remove the requirement for notarization of a complaint against a law enforcement officer alleging excessive force and instead require that a complaint be signed by the complainant under the penalty of perjury;
- allow a complaint to come from an individual with firsthand knowledge obtained because the individual has a video recording of the incident that, to the best of the individual's knowledge, is unaltered; and

- extend, from 90 days to 366 days, the complaint filing deadline triggering the requirement that disciplinary action be undertaken by a law enforcement agency.

For a law enforcement officer under investigation, the time period for retaining an attorney for the internal investigation and disciplinary process is reduced from 10 days to 5 business days. Within the 5-business day period, the chief, for good cause shown, may extend the period for obtaining representation.

For an administrative hearing board, the bill authorizes the chief to appoint, as a nonvoting member, one member of the public who has received training by MPTSC on LEOBR and matters relating to police procedures. If authorized by local law or collectively bargained, the hearing board may include up to two nonvoting or voting members of the public who have received training by MPTSC on LEOBR and matters relating to police procedures.

Unless the chief finds that a hearing must be closed for good cause, including to protect a confidential informant, an undercover officer, or a child witness, the hearing must be open to the public.

MPTSC must develop and administer a training program on LEOBR and matters relating to police procedures for citizens who intend to qualify to participate as a member of a hearing board.

A law enforcement officer may not be discharged; disciplined; demoted; denied promotion, transfer, or reassignment; or otherwise discriminated against in regard to the law enforcement officer's employment or be threatened with that treatment because the officer has disclosed information that evidences (1) gross mismanagement; (2) a gross waste of government resources; (3) a substantial and specific danger to public health or safety; or (4) a violation of law committed by another law enforcement officer. A law enforcement officer may not undertake an independent investigation based on knowledge of such disclosures.

Use of Force Reports: Each law enforcement agency must require a law enforcement officer who was involved in a use-of-force incident in the line of duty to file an incident report regarding the use of force by the end of the shift unless the officer is disabled.

Official Policy Posting: All official law enforcement policies, including public complaint procedures and collective bargaining agreements, must be available online for each law enforcement agency, as specified. A chief may prohibit the posting of administrative or operational policies that if disclosed would jeopardize operations or create a risk to public or officer safety.

Early Intervention Policy: Each law enforcement agency must establish a confidential and nonpunitive early intervention policy for counseling officers who receive three or more citizen complaints within a 12-month period. Such a policy may not prevent the investigation of or imposition of discipline for a particular complaint.

Serious Officer-involved Incidents: Each law enforcement agency must annually report, as specified, to MPTSC on the number of serious officer-involved incidents, the number of officers disciplined, and the type of discipline that was administered to each officer who was disciplined.

Community Program Fund: The bill establishes a Community Program Fund as a special, nonlapsing fund administered by the Executive Director of GOCCP. The stated purpose of the fund is to assist local law enforcement agencies in establishing community programs and agencies of a local government in establishing violence intervention programs. The fund consists of (1) money appropriated in the State budget to the fund; (2) investment earnings of the fund; and (3) money from any other source accepted for the benefit of the fund. For fiscal 2018 and each fiscal year thereafter, the Governor must include in the annual budget bill an appropriation to the fund of \$500,000. The fund may be used only to fund grants, as specified, and may not be used for administrative expenses.

“Community program” means a violence intervention program established and supported by a local law enforcement agency or another agency of a local government or a program that is established and sponsored by a local law enforcement agency to (1) provide recreational or athletic opportunities for members of the community; (2) improve relations between citizens and law enforcement; or (3) otherwise benefit or improve the community.

Income Tax Subtraction Modification: The bill exempts, beginning in tax year 2016, up to \$5,000 of the income earned by a “law enforcement officer” if (1) the officer resides in the political subdivision in which the officer is employed and (2) the crime rate in the political subdivision exceeds the State’s crime rate. A “law enforcement officer” under these provisions is an individual who (1) in an official capacity is authorized by law to make arrests and (2) is a member of a law enforcement agency, including a law enforcement officer who serves in a probationary status or at the pleasure of the appointing authority of a county or municipal corporation.

By September 1, 2016, and every three years thereafter, MPTSC must certify to the Comptroller the political subdivisions that have crime rates exceeding the State’s crime rate.

General Provisions: Any transaction affected by or flowing from any statute amended, repealed, or transferred and validly entered into before the effective date of the bill, and

every right, duty, or interest flowing from it, remain valid after the effective date and may be terminated, completed, consummated, or enforced pursuant to law.

Any rules and regulations, standards, guidelines, orders and other directives, forms, plans, memberships, funds, appropriations, contracts, properties, administrative and judicial proceedings, rights to sue and be sued, and other duties and responsibilities associated with those functions affected by this bill must continue in effect until completed, withdrawn, canceled, modified, or otherwise changed in accordance with law.

Any person or school issued a certificate by PTC is considered for all purposes to be continued under the bill for the duration of the term for which the certificate was issued unless otherwise provided by law.

Current Law:

Police Training Commission

PTC, within DPSCS, was created in 1966 and is chaired by the Superintendent of State Police. It operates approved police training schools and prescribes standards for and certifies schools that offer police and security training. In consultation and cooperation with various entities, it also sets minimum qualifications for instructors and certifies qualified instructors for approved training schools.

PTC certifies persons as police officers who have met commission standards. An individual who is not satisfactorily trained in the 12-month probationary period may not be employed as a police officer, and a police officer may not serve after certification has been revoked, suspended, or allowed to lapse.

PTC requires, for entrance-level police training and at least every three years for in-service level police training conducted by the State and each county and municipal police training school, that the curriculum and minimum courses of study include special training, attention to, and study of the application and enforcement of (1) the criminal laws concerning rape and sexual offenses, including the sexual abuse and exploitation of children and related evidentiary procedures; (2) the contact with and treatment of victims of crimes and delinquent acts; (3) the notices, services, support, and rights available to victims and victims' representatives under State law; and (4) the notification of victims of identity fraud and related crimes of their rights under federal law. PTC also requires, for entrance-level police training and annually for in-service level police training conducted by the State and each county and municipal police training school, that the curriculum and minimum courses of study include special training in the proper use of electronic control devices for specified police officers, consistent with established law enforcement standards and constitutional provisions.

PTC further requires, for entrance-level police training and, as determined by PTC, for in-service level training conducted by the State and each county and municipal police training school, that the curriculum and minimum courses of study include, consistent with established law enforcement standards and federal and State constitutional provisions (1) training in lifesaving techniques, including cardiopulmonary resuscitation; (2) training in the proper level and use of force; (3) training regarding sensitivity to cultural and gender diversity; and (4) training regarding individuals with physical, intellectual, developmental, and psychiatric disabilities.

PTC is responsible for the development of (1) a uniform identity fraud reporting form with the cooperation of the Office of the Attorney General, GOCCP, and the Federal Trade Commission and (2) a uniform missing person report form with the cooperation of the Office of the Chief Medical Examiner and the Federal Bureau of Investigation.

Law Enforcement Officers' Bill of Rights

LEOBR was enacted in 1974 to guarantee police officers specified procedural safeguards in any investigation that could lead to disciplinary action. It extends to police officers of 26 specified State and local agencies. It does not grant collective bargaining rights. The investigation or interrogation by a law enforcement agency of a law enforcement officer for a reason that may lead to disciplinary action, demotion, or dismissal must be conducted in accordance with LEOBR.

Unless a law enforcement agency files administrative charges against a law enforcement officer within one year after the act that gives rise to the charges comes to the attention of the appropriate law enforcement agency official, administrative charges may not be initiated. The one-year limitation does not apply to charges that relate to criminal activity or excessive force.

The investigating officer or interrogating officer must be a sworn law enforcement officer or, if requested by the Governor, the Attorney General or a designee of the Attorney General. A complaint against a law enforcement officer alleging brutality in the execution of the officer's duties may not be investigated unless the complaint is sworn to, before an official authorized to administer oaths, by (1) the aggrieved individual; (2) a member of the aggrieved individual's immediate family; (3) an individual with firsthand knowledge obtained because the individual was present at and observed the alleged incident; or (4) if the alleged incident involves a minor child, the parent or guardian of the child.

Unless a complaint is filed within 90 days after the alleged brutality, an investigation that may lead to disciplinary action for brutality may not be initiated, and an action may not be taken. The law enforcement officer under investigation must be informed of the name,

rank, and command of the law enforcement officer in charge of the investigation, the interrogating officer, and each individual present during an interrogation. Before an interrogation, the law enforcement officer under investigation must be informed in writing of the nature of the investigation. If the officer is under arrest or is likely to be placed under arrest as a result of the interrogation, the officer must be informed completely of all of the officer's rights before the interrogation begins.

Unless the seriousness of the investigation is of a degree that an immediate interrogation is required, the interrogation must be conducted at a reasonable hour, preferably when the officer is on duty. The interrogation is required to take place (1) at the office of the command of the investigating officer or at the office of the local precinct or police unit in which the incident allegedly occurred, as designated by the investigating officer or (2) at another reasonable and appropriate place. The officer under investigation may waive the right to have the interrogation take place at the office of the command of the investigating officer or at the office of the local precinct or police unit in which the incident allegedly occurred, as designated by the investigating officer.

All questions directed to the officer under interrogation must be asked by and through one interrogating officer during any one session of interrogation. This requirement must be consistent with a requirement that each interrogation session be for a reasonable period, allowing for personal necessities and rest periods as reasonably necessary.

The officer under interrogation may not be threatened with transfer, dismissal, or disciplinary action. On request, the officer under interrogation has the right to be represented by counsel or another responsible representative of the law enforcement officer's choice who must be present and available for consultation at all times during the interrogation. The interrogation must be suspended for a period of up to 10 days until representation is obtained. Within that 10-day period, the chief, for good cause shown, may extend the period for obtaining representation. The officer may waive this right to counsel. During the interrogation, the officer's counsel or representative may (1) request a recess at any time to consult with the officer; (2) object to any question posed; and (3) state on the record outside the presence of the law enforcement officer the reason for the objection.

A complete record must be kept of the entire interrogation, including all recess periods, of the law enforcement officer. This record may be written, taped, or transcribed. Upon completion of the investigation, and on request of the officer under investigation or the officer's counsel or representative, a copy of the record of the interrogation must be made available at least 10 days before a hearing.

The law enforcement agency may order the officer under investigation to submit to blood alcohol tests; blood, breath, or urine tests for controlled dangerous substances; polygraph

examinations; or interrogations that specifically relate to the subject matter of the investigation. If the law enforcement agency orders the officer to submit to a test, examination, or interrogation and the officer refuses to do so, the agency may commence an action that may lead to a punitive measure as a result of the refusal. If the law enforcement agency orders the officer to submit to a test, examination, or interrogation, the results are not admissible or discoverable in a criminal proceeding against the law enforcement officer.

If the law enforcement agency orders the officer to submit to a polygraph examination, the results of the examination may not be used as evidence in an administrative hearing unless the agency and the officer agree to the admission of the results. The officer's counsel or representative need not be present during the actual administration of a polygraph examination by a certified polygraph examiner if (1) the questions to be asked are reviewed with the counsel or representative before the administration of the examination; (2) the counsel or representative is allowed to observe the administration of the examination; and (3) a copy of the final report of the examination by the examiner is made available to the officer or the counsel or representative within a reasonable time, up to 10 days, after completion of the examination.

Upon completion of an investigation and at least 10 days before a hearing, the officer under investigation must be (1) notified of the name of each witness and of each charge and specification against the officer and (2) provided with a copy of the investigatory file and any exculpatory information, if the law enforcement officer and the law enforcement officer's representative agree to execute a confidentiality agreement with the law enforcement agency not to disclose any material contained in the investigatory file and exculpatory information for any purpose other than to defend the law enforcement officer. The law enforcement officer must pay a reasonable charge for the cost of reproducing the material.

The law enforcement agency may exclude from the exculpatory information provided to a law enforcement officer (1) the identity of confidential sources; (2) nonexculpatory information; and (3) recommendations as to charges, disposition, or punishment. The agency may not insert adverse material into a file of the officer, except the file of the internal investigation or the intelligence division, unless the officer has an opportunity to review, sign, receive a copy of, and comment in writing on the adverse material. The law enforcement officer may waive this right.

If the investigation or interrogation of a law enforcement officer results in a recommendation of demotion, dismissal, transfer, loss of pay, reassignment, or similar action that is considered punitive, the law enforcement officer is entitled to a hearing on the issues by a hearing board to contest the law enforcement agency's action. The hearing board process is bifurcated. First, the board meets to determine guilt. If the officer is found

guilty of the charges, a second hearing is held to determine the level of discipline. A law enforcement officer who has been convicted of a felony is not entitled to a hearing.

The law enforcement agency must give notice to the law enforcement officer of the right to a hearing by a hearing board, which includes the time and place of the hearing and the issues involved.

Hearing boards for LEOBR purposes must consist of at least three members who (1) are appointed by the chief of the law enforcement agency and chosen from law enforcement officers within that law enforcement agency, or from law enforcement officers of another law enforcement agency with the approval of the chief of the other agency, and (2) have had no part in the investigation or interrogation of the law enforcement officer. At least one member of the hearing board must be of the same rank as the law enforcement officer against whom the complaint is filed.

If the chief is the law enforcement officer under investigation, the chief of another law enforcement agency in the State must function as the law enforcement officer of the same rank on the hearing board. If the chief of a State law enforcement agency is under investigation, the Governor must appoint the chief of another law enforcement agency to function as the law enforcement officer of the same rank on the hearing board. If the chief of a law enforcement agency of a county or municipality is under investigation, the official authorized to appoint the chief's successor must appoint the chief of another law enforcement agency to function as the law enforcement officer of the same rank on the hearing board. If the chief of a State law enforcement agency or the chief of a law enforcement agency of a county or municipality is under investigation, the official authorized to appoint the chief's successor, or that official's designee, must function as the chief for LEOBR purposes.

A law enforcement agency or the agency's superior governmental authority that has recognized and certified an exclusive collective bargaining representative may negotiate with the representative an alternative method of forming a hearing board.

The hearing board must give the law enforcement agency and law enforcement officer ample opportunity to present evidence and argument about the issues involved. Each party may be represented by counsel, has the right to cross-examine witnesses who testify, and may submit rebuttal evidence.

Evidence with probative value that is commonly accepted by reasonable and prudent individuals in the conduct of their affairs is admissible and must be given probative effect. The hearing board must give effect to the rules of privilege recognized by law and must exclude incompetent, irrelevant, immaterial, and unduly repetitious evidence. An official record, including testimony and exhibits, must be kept of each hearing. Each record or

document that a party desires to use must be offered and made a part of the record. Documentary evidence may be received in the form of copies or excerpts, or by incorporation by reference. The hearing board may take notice of judicially cognizable facts and general, technical, or scientific facts within its specialized knowledge.

The decision, order, or action taken as a result of a hearing must be in writing and accompanied by findings of fact, including a concise statement on each issue in the case. A copy of the decision/order, findings of fact, conclusions, and written recommendations for action must be promptly mailed to the law enforcement officer or the officer's counsel/representative and the chief of the law enforcement agency.

The decision of the hearing board as to finding of fact and any penalty is final if (1) a chief is an eyewitness to the incident or (2) a law enforcement agency or the agency's superior governmental authority has agreed with an exclusive collective bargaining representative that the decision is final. The decision of the hearing board may then be appealed. Within 30 days after receipt of the recommendations of the hearing board, the chief must review the findings, conclusions, and recommendations of the hearing board and issue a final order. The final order may be appealed.

On written request, a law enforcement officer may have expunged from any file the record of a formal complaint under specified conditions.

If a law enforcement officer is charged with a *felony*, the chief may impose an emergency suspension of police powers without pay. A law enforcement officer who is suspended is entitled to a prompt hearing.

A law enforcement officer who is denied a right granted by LEOBR may apply to the circuit court of the county where the law enforcement officer is regularly employed for an order that directs the law enforcement agency to show cause why the right should not be granted. The officer may apply for the show cause order (1) either individually or through the officer's certified or recognized employee organization and (2) at any time prior to the beginning of a hearing by the hearing board. The court must grant appropriate relief if the court finds that a law enforcement agency obtained evidence against a law enforcement officer in violation of a right granted by LEOBR. Chapter 165 of 2014 shifted primary responsibility for remedying investigative violations under LEOBR from the administrative hearing officer to the circuit court.

Background: In May 2015, the Senate President and House Speaker created the joint legislative Public Safety and Policing Workgroup for the purpose of examining police training resources, recruiting and hiring practices, and community engagement policies; considering a statewide oversight panel for certain kinds of investigations; and reviewing LEOBR and its application and practice by law enforcement agencies across the State.

The workgroup scheduled a total of eight public meetings during the 2015 interim during which it heard from more than 85 witnesses from advocacy groups, community organizations, members of law enforcement, and the public to inform its decision making on recommendations for the 2016 legislative session. Meetings included [presentations](#) on topics such as police training and certification, the recruitment and training of law enforcement officers, LEOBR, data collection pertaining to law enforcement, best practices in law enforcement, and community policing. The workgroup issued its [final report](#) in January 2016, which set forth 23 recommendations, including changes to LEOBR, PTC, and whistleblower protections.

State Fiscal Effect: General fund expenditures increase by *at least* \$1,534,598 in fiscal 2017 for various State agencies to implement the bill; future year general fund expenditures, which total more than \$1.8 million annually, reflect ongoing costs and the bill's mandated appropriation. General fund revenues decrease by \$828,800 in fiscal 2017 as a result of the bill's income tax subtraction modification for certain law enforcement officers; future year revenue decreases reflect a 1% growth in eligible individuals. Special fund revenues and expenditures increase by \$500,000 annually beginning in fiscal 2018 due to the bill's mandated appropriation. These impacts are described by agency below.

Department of Public Safety and Correctional Services

The Police and Correctional Training Commissions (PCTC) within DPSCS provide staffing and administrative services to two separate and distinct commissions – PTC and CTC. CTC prescribes minimum selection and training standards for community supervision, juvenile justice, and correctional personnel serving in state and county agencies. Both commissions also train police and correctional officers for the State, county, and municipal agencies. PCTC also provides firearm safety, crime prevention, and drug resistance education programs to State businesses, schools, and citizens and has been given a supporting role in the statewide study of race-based traffic stops. In addition, PCTC also operates the Public Safety Education and Training Center, a facility designed to enhance the efforts of certified academies and in-service training programs (for both State and local public safety officers) by providing specialized training resources and curricula.

The fiscal 2017 budget includes 94.80 regular positions and 20.51 contractual positions within PCTC. Although the bill specifies that it is the intent of the General Assembly that, to the extent possible, MPTSC and CTC must continue to share training and support staff,

the bill also prescribes a number of additional responsibilities for MPTSC not currently supported by the PCTC staff. While the actual need for personnel can only be determined with actual experience under the bill, it is assumed that approximately 51.72 of the 94.80 regular positions transfer from PCTC to MPTSC under the bill, with 11.72 of those positions continuing to be shared with CTC (as they currently serve dual purposes within PCTC). For purposes of this fiscal and policy note, it is assumed that the transfer of the employees from PCTC to MPTSC has no net effect on State finances and that the appropriation associated with those positions is transferred from PCTC to MPTSC, which is also under DPSCS.

Thus, general fund expenditures increase by *at least* \$1,456,058 in fiscal 2017 for DPSCS to hire additional staff for MPTSC (in addition to those that are transferred under the bill) to administer the functions required by the bill that are not currently required of PCTC. These estimates include salaries, fringe benefits, one-time start-up costs (including a new computer tracking system for MPTSC), and known ongoing operating expenses.

| | |
|---|--------------------|
| Regular Positions | 13 |
| Contractual Position | 1 |
| Salaries and Fringe Benefits | \$888,655 |
| Computer Tracking System | 500,000 |
| Other Equipment | 61,082 |
| Other Operating Expenses | <u>6,321</u> |
| Minimum FY 2017 MPTSC Expenditures | \$1,456,058 |

The Department of Legislative Services (DLS) notes that costs for MPTSC may be higher, as this analysis does not factor in potential office space rental costs for the additional staff; the extent to which they can be housed in the existing facility is unclear.

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Governor's Office of Crime Control and Prevention

General fund expenditures for GOCCP increase by \$26,540 in fiscal 2017. This estimate reflects the cost of hiring one contractual grant manager, effective January 1, 2017, to handle the administration of grants under the Community Program Fund established by the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

| | |
|---|-----------------|
| Contractual Position | 1 |
| Salary and Fringe Benefits | \$21,876 |
| Equipment/Operating Expenses | <u>4,664</u> |
| Total FY 2017 GOCCP Expenditures | \$26,540 |

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Beginning in fiscal 2018, GOCCP's general fund expenditures also reflect the bill's mandated appropriation of \$500,000 annually to capitalize the new special fund. As a result of that mandated appropriation, special fund revenues to the new fund increase by \$500,000 annually beginning in fiscal 2018. For purposes of this analysis, it is assumed that special fund expenditures increase correspondingly each year beginning in fiscal 2018, even though the total amount of grants made from the fund in any given year is unknown.

GOCCP can conduct the required study and complete the required report with existing resources.

Income Tax Subtraction Modification/Comptroller

Subtraction modifications may be claimed beginning in tax year 2016. As a result, general fund revenues decrease by an estimated \$828,800 in fiscal 2017. **Exhibit 1** shows the estimated impact of the bill's income tax subtraction modification provisions on State and local revenues.

Exhibit 1
State and Local Revenue Impacts
Fiscal 2017-2021

| | <u>FY 2017</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| State | (\$828,800) | (\$837,000) | (\$845,400) | (\$853,900) | (\$862,400) |
| Local | (540,900) | (546,900) | (551,700) | (557,300) | (562,800) |
| Total Revenues | (\$1,369,700) | (\$1,383,300) | (\$1,397,100) | (\$1,411,200) | (\$1,425,200) |

This estimate is based on the following information and assumptions:

- in calendar 2014, there were a total of 15,893 State and local law enforcement officers;

- the crime rate in calendar 2013 and 2014 was higher than the State average in Allegany, Baltimore, Cecil, Dorchester, Prince George's, Wicomico, and Worcester counties and Baltimore City;
- the crime rate in either 2013 or 2014 was higher than the State average in certain municipalities in Caroline, Carroll, Charles, Harford, Kent, Montgomery, Somerset, and Washington counties;
- a little more than one-third of law enforcement officers meet the residency requirement of the bill; and
- federal law enforcement officers do not qualify for the subtraction modification.

The Comptroller's Office incurs a one-time general fund expenditure of \$52,000 in fiscal 2017 to add the new subtraction modification. This amount includes data processing changes to the SMART income tax return processing and imaging systems and systems testing.

Department of State Police

General fund expenditures for the Department of State Police (DSP) may increase, potentially significantly, beginning in fiscal 2017 to implement the bill's requirements relating to psychological evaluations.

The bill requires periodic psychological evaluations of law enforcement officers if determined to be appropriate by MPTSC. The cost for each psychological exam is estimated at \$240 per examination; however, the extent to which DSP is required to conduct psychological evaluations is unclear. Thus, a reliable estimate of any increase in costs cannot be made at this time.

Although several of the bill's provisions apply to law enforcement agencies generally (including State law enforcement agencies), for purposes of this analysis, it is assumed that DSP is the only State law enforcement agency that is affected by the bill's requirements relating to psychological evaluations. To the extent other State agencies with law enforcement units (such as the University System of Maryland and the Department of Natural Resources, among others) must also comply with those provisions, State expenditures increase accordingly.

Local Fiscal Effect: Local grant revenues from the Community Program Fund increase by a total of \$500,000 annually beginning in fiscal 2018; local expenditures to establish community programs increase correspondingly. Although few local law enforcement agencies responded with information regarding the fiscal and operational impacts of the bill's other provisions, a significant increase in local expenditures is anticipated.

Training Requirements: Many local jurisdictions may incur additional costs to modify current training programs to meet the bill's requirements for additional entrance-level police training and additional in-service police training.

Reporting Requirements: Many local jurisdictions may incur additional costs to report in the required format to MPTSC regarding the number of serious officer-involved incidents each year, the number of officers disciplined each year, and the type of discipline administered to those officers.

Psychological Evaluations: Local jurisdictions may incur additional costs to pay for periodic psychological evaluations of officers, if determined by MPTSC to be appropriate, and psychological evaluations by a psychologist approved by MPTSC for the certification of police officers.

Community Policing Programs: Although some local jurisdictions may already have a community policing program, changes may be necessary to meet the bill's requirements for such a program. For local jurisdictions that do not currently have a community policing program in place, the bill likely results in additional expenditures to establish such a program.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City, Montgomery County, Maryland Association of Counties, cities of Bowie and Takoma Park, Maryland Municipal League, Office of the Attorney General, Governor's Office, Governor's Office of Crime Control and Prevention, Judiciary (Administrative Office of the Courts), Office of Administrative Hearings, State's Attorneys' Association, University System of Maryland, Baltimore City Community College, Department of Budget and Management, Department of General Services, Department of Health and Mental Hygiene, Department of Natural Resources, Department of Public Safety and Correctional Services, Department of State Police, Maryland Department of Transportation, Department of Legislative Services

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