

# SENATE BILL 382

P4

7lr2270

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By: Senator McFadden

Introduced and read first time: January 26, 2017

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Employee and Retiree Health and Welfare Benefits Program –**  
3 **Participation by Satellite Organizations**

4 FOR the purpose of altering the definition of “qualifying not-for-profit organization”, for  
5 purposes of provisions of law that authorize certain qualifying not-for-profit  
6 organizations to participate in the State Employee and Retiree Health and Welfare  
7 Benefits Program, to include a corporation, a limited liability company, or any other  
8 entity that is wholly owned by the Legal Aid Bureau, Inc.; authorizing the employees  
9 of the corporation, limited liability company, or other entity to enroll and participate  
10 in the Program under certain circumstances; and generally relating to participation  
11 of employees of satellite organizations in the State Employee and Retiree Health and  
12 Welfare Benefits Program.

13 BY repealing and reenacting, with amendments,  
14 Article – State Personnel and Pensions  
15 Section 2-512  
16 Annotated Code of Maryland  
17 (2015 Replacement Volume and 2016 Supplement)

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

20 **Article – State Personnel and Pensions**

21 2-512.

22 (a) In this section, “qualifying not-for-profit organization” means an organization  
23 that:

24 (1) (i) receives State funds from the Department of Health and Mental  
25 Hygiene that cover more than one-third of the organization’s operating expenses; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) is:

2 1. described in § 501(c)(3) of the Internal Revenue Code; and

3 2. exempt from income tax under § 501(a) of the Internal

4 Revenue Code;

5 (2) is the Legal Aid Bureau, Inc.; [or]

6 **(3) IS A CORPORATION, A LIMITED LIABILITY COMPANY, OR ANY**

7 **OTHER ENTITY THAT IS WHOLLY OWNED BY THE LEGAL AID BUREAU, INC.; OR**

8 **[(3)] (4)** is the Maryland Crime Victims' Resource Center.

9 (b) The Secretary shall adopt regulations for the enrollment and participation of

10 employees of a qualifying not-for-profit organization to participate in the Program as a

11 satellite organization.

12 (c) A qualifying not-for-profit organization that participates in the Program as a

13 satellite organization shall:

14 (1) pay to the State:

15 (i) a premium in the amount determined by the Secretary; and

16 (ii) any costs, as determined by the Secretary, for the administration

17 of this Program; and

18 (2) determine the extent to which the organization will subsidize

19 participation by its employees in the Program.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

21 October 1, 2017.