

HOUSE BILL 671

N2

EMERGENCY BILL

0lr2552
CF SB 507

By: ~~Delegates Shetty, Atterbeary, Bartlett, Carr, Ebersole, Carr, Cox, Ebersole,~~
W. Fisher, Grammer, Griffith, Kerr, Lopez, Malone, Solomon, and Williams

Introduced and read first time: January 29, 2020

Assigned to: Health and Government Operations

Reassigned: Judiciary, February 4, 2020

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2020

CHAPTER _____

1 AN ACT concerning

2 ~~Estates and Trusts~~ Health Savings Accounts – Establishment and Application
3 of Trust Law

4 FOR the purpose of authorizing the establishment of a certain health savings account;
5 providing that certain provisions of law do not apply to certain health savings
6 accounts; providing that a certain health savings account is established on the first
7 day that an individual becomes covered under a certain health plan; requiring a
8 health savings account to be opened with a trustee or custodian within a certain time
9 period; clarifying that a health savings account is established regardless of certain
10 circumstances; making this Act an emergency measure; defining certain terms; and
11 generally relating to health savings accounts.

12 BY ~~repealing and reenacting, with amendments,~~ adding to
13 Article – Estates and Trusts
14 Section ~~14-5-401~~ 14-501 to be under the new subtitle “Subtitle 5. Health Savings
15 Accounts”
16 Annotated Code of Maryland
17 (2017 Replacement Volume and 2019 Supplement)

18 BY adding to
19 Article – Insurance
20 Section 15-144
21 Annotated Code of Maryland

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.



(2017 Replacement Volume and 2019 Supplement)

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

Article – Estates and Trusts

~~14.5-401.~~

~~(A) A trust may be created by:~~

~~(1) Transfer of property to another person as trustee during the lifetime of the settlor or by will or other disposition taking effect on the death of the settlor;~~

~~(2) Declaration by the owner of property that the owner holds identifiable property as trustee; or~~

SUBTITLE 5. HEALTH SAVINGS ACCOUNTS.

14-501.

(A) IN THIS SUBTITLE, “HEALTH SAVINGS ACCOUNT” HAS THE MEANING STATED IN § 223 OF THE INTERNAL REVENUE CODE.

(B) A HEALTH SAVINGS ACCOUNT MAY BE ESTABLISHED AS PROVIDED IN § 15-144 OF THE INSURANCE ARTICLE.

(C) EXCEPT AS PROVIDED IN THIS SUBTITLE OR REQUIRED BY FEDERAL LAW, THIS ARTICLE DOES NOT APPLY TO A HEALTH SAVINGS ACCOUNT.

~~(3) Exercise of a power of appointment in favor of a trustee.~~

Article – Insurance

15-144.

~~(B)~~ **(A) (1) (H) IN THIS SUBSECTION SECTION THE FOLLOWING WORDS HAVING THE MEANINGS INDICATED.**

~~(H)~~ **(2) “HEALTH SAVINGS ACCOUNT” HAS THE MEANING STATED IN § 223 OF THE INTERNAL REVENUE CODE.**

~~(HH)~~ **(3) “HIGH DEDUCTIBLE HEALTH PLAN” HAS THE MEANING STATED IN § 223 OF THE INTERNAL REVENUE CODE.**

1 ~~(2)~~ **(B)** A HEALTH SAVINGS ACCOUNT IS ESTABLISHED ON THE
2 FIRST DAY THAT AN INDIVIDUAL BECOMES COVERED BY A HIGH DEDUCTIBLE
3 HEALTH PLAN.

4 ~~(3)~~ **(C)** THE HEALTH SAVINGS ACCOUNT SHALL BE OPENED WITH A
5 TRUSTEE OR CUSTODIAN WITHIN THE TIME PERIOD PRESCRIBED BY LAW, WITHOUT
6 EXTENSIONS, FOR FILING A FEDERAL INCOME TAX RETURN FOR THE YEAR IN WHICH
7 THE HEALTH SAVINGS ACCOUNT IS ESTABLISHED.

8 ~~(4)~~ **(D)** A HEALTH SAVINGS ACCOUNT IS ESTABLISHED
9 REGARDLESS OF A TRANSFER OF CASH OR OTHER PROPERTY TO THE ACCOUNT AND,
10 UNLESS REQUIRED BY THE TRUSTEE OR CUSTODIAN, IT IS NOT NECESSARY FOR ANY
11 PARTY TO SIGN A HEALTH SAVINGS ACCOUNT TRUST OR CUSTODIAL AGREEMENT
12 REGARDING THE HEALTH SAVINGS ACCOUNT.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect~~
14 ~~October 1, 2020~~ is an emergency measure, is necessary for the immediate preservation of
15 the public health or safety, has been passed by a ye and nay vote supported by three-fifths
16 of all the members elected to each of the two Houses of the General Assembly, and shall
17 take effect from the date it is enacted.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.