

# SENATE BILL 977

C3

0lr2503  
CF HB 930

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By: **Senators Hester, Feldman, Guzzone, Kagan, Peters, and West**

Introduced and read first time: February 3, 2020

Assigned to: Finance and Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Benefit Exchange – Funding for Small Business Insurance**  
3 **Subsidies and Outreach**

4 FOR the purpose of requiring the Governor to include in the annual budget for certain fiscal  
5 years a certain appropriation for the Maryland Health Benefit Exchange; requiring  
6 the appropriation to be allocated in a certain manner to fund certain subsidies and  
7 activities; making this Act contingent on the taking effect of another Act; and  
8 generally relating to the Maryland Health Benefit Exchange.

9 BY repealing and reenacting, with amendments,  
10 Article – Insurance  
11 Section 31–107.2  
12 Annotated Code of Maryland  
13 (2017 Replacement Volume and 2019 Supplement)

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

16 **Article – Insurance**

17 31–107.2.

18 (a) (1) **(I)** For State fiscal year 2015 and for each State fiscal year  
19 thereafter, from the funds received from the distribution of the premium tax under §  
20 6–103.2 of this article, the Governor shall provide an appropriation in the State budget  
21 adequate to fully fund the operations of the Exchange.

22 **[(2) (i)] (II) 1.** For State fiscal year 2015, the appropriation shall  
23 be no less than \$10,000,000.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                                    [(ii)] **2.** For each State fiscal year thereafter, the appropriation  
2 shall be no less than \$35,000,000.

3                    [(b)] **(2)** Funds allocated from the premium tax under **THIS** subsection [(a) of  
4 this section] to provide the appropriation to the Exchange may be used only for the purpose  
5 of funding the operation and administration of the Exchange.

6                    [(c)] **(3)** If, in any State fiscal year, the amount of the allocation from the  
7 premium tax is insufficient to meet the actual expenditures incurred for the operation and  
8 administration of the Exchange, the Governor may provide an additional appropriation by  
9 deficiency appropriation.

10                    **(B) FOR FISCAL YEAR 2022 AND FOR EACH FISCAL YEAR THEREAFTER, THE**  
11 **GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL A GENERAL FUND**  
12 **APPROPRIATION OF \$17,000,000 FOR THE EXCHANGE, OF WHICH:**

13                    **(1) \$15,000,000 SHALL BE ALLOCATED TO FUND SUBSIDIES**  
14 **PROVIDED TO QUALIFIED EMPLOYERS FOR THE PURCHASE OF QUALIFIED HEALTH**  
15 **PLANS OFFERED TO EMPLOYEES THROUGH THE SHOP EXCHANGE; AND**

16                    **(2) \$2,000,000 SHALL BE ALLOCATED TO FUND SMALL BUSINESS**  
17 **OUTREACH ACTIVITIES FOR THE SHOP EXCHANGE.**

18                    [(d)] **(C)** Notwithstanding § 7–304 of the State Finance and Procurement Article,  
19 funds allocated to the Exchange under this section that remain unspent at the end of a  
20 fiscal year shall revert to the General Fund of the State.

21                    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
22 1, 2020, contingent on the taking effect of Chapter \_\_\_\_ (S.B. \_\_\_\_/H.B. \_\_\_\_)(0lr1662) of  
23 the Acts of the General Assembly of 2020, and if Chapter \_\_\_\_ (S.B. \_\_\_\_/H.B. \_\_\_\_)(0lr1662)  
24 does not become effective, this Act, with no further action required by the General  
25 Assembly, shall be null and void.