

SENATE BILL 94

J1, Q4

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(PRE-FILED)

By: **Senator Ellis**

Requested: November 1, 2020

Introduced and read first time: January 13, 2021

Assigned to: Budget and Taxation and Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Health – Local Health District Boards**

3 FOR the purpose of establishing local health district boards in each local health planning
4 agency; prohibiting certain funding for local health district boards from being
5 included in certain local health services funding; requiring a local health planning
6 agency to provide supplemental services approved by a local health district board;
7 providing that local health district boards are independent units that operate within
8 the local health planning agencies; providing for the purpose and duties of a local
9 health district board; providing for the membership of the local health district board;
10 requiring, to the extent practicable, that the membership of the local health district
11 board reflect certain racial and gender diversity; providing for the term of a member
12 of a local health district board; providing for the chair of a local health district board
13 and for the appointment of a vice chair of the board; requiring a local health planning
14 agency to provide staff to its local health district board; authorizing the governing
15 body of a county to adopt local ordinances, rules, and regulations for the operation of
16 a local health district board; establishing the manner in which a local health district
17 board must operate; prohibiting a member of a local health district board from
18 receiving certain compensation; authorizing a member of a local health district board
19 to receive certain reimbursement for certain expenses; authorizing a local health
20 district board to award certain supplemental funding to a local health planning
21 agency; establishing the Local Health District Boards Fund as a special, nonlapsing
22 fund; specifying the purpose of the Fund; requiring the Secretary of Health to
23 administer the Fund; requiring the State Treasurer to hold the Fund and the
24 Comptroller to account for the Fund; specifying the contents of the Fund; specifying
25 the purpose for which the Fund may be used; providing for the investment of money
26 in and expenditures from the Fund; requiring interest earnings of the Fund to be
27 credited to the Fund; exempting the Fund from a certain provision of law requiring
28 interest earnings on State money to accrue to the General Fund of the State;
29 requiring the Governor to include in the annual budget bill a certain appropriation
30 from the Fund; establishing a sales tax surcharge on the sale of alcoholic beverages;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 establishing a sales tax surcharge on the sale of food and beverages by certain
2 businesses; providing for the distribution of revenue from the sales tax surcharges;
3 requiring the Comptroller to certify the amount of certain sales tax surcharge
4 revenue collected from within each county; defining certain terms; providing for the
5 termination of this Act; and generally relating to the establishment of and funding
6 for local health district boards.
- 7 BY repealing and reenacting, without amendments,
8 Article – Health – General
9 Section 1–101(a) and (g)
10 Annotated Code of Maryland
11 (2019 Replacement Volume and 2020 Supplement)
- 12 BY adding to
13 Article – Health – General
14 Section 2–302(e), 2–402, and 2–403
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2020 Supplement)
- 17 BY repealing and reenacting, with amendments,
18 Article – Health – General
19 Section 2–401
20 Annotated Code of Maryland
21 (2019 Replacement Volume and 2020 Supplement)
- 22 BY repealing and reenacting, without amendments,
23 Article – State Finance and Procurement
24 Section 6–226(a)(2)(i)
25 Annotated Code of Maryland
26 (2015 Replacement Volume and 2020 Supplement)
- 27 BY repealing and reenacting, with amendments,
28 Article – State Finance and Procurement
29 Section 6–226(a)(2)(ii)122. and 123.
30 Annotated Code of Maryland
31 (2015 Replacement Volume and 2020 Supplement)
- 32 BY adding to
33 Article – State Finance and Procurement
34 Section 6–226(a)(2)(ii)124.
35 Annotated Code of Maryland
36 (2015 Replacement Volume and 2020 Supplement)
- 37 BY repealing and reenacting, with amendments,
38 Article – Tax – General
39 Section 2–1303
40 Annotated Code of Maryland

1 (2016 Replacement Volume and 2020 Supplement)

2 BY repealing and reenacting, without amendments,
3 Article – Tax – General
4 Section 11–102(a)
5 Annotated Code of Maryland
6 (2016 Replacement Volume and 2020 Supplement)

7 BY adding to
8 Article – Tax – General
9 Section 11–102(d) and (e) and 11–104(j) and (k)
10 Annotated Code of Maryland
11 (2016 Replacement Volume and 2020 Supplement)

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

14 **Article – Health – General**

15 1–101.

16 (a) In this article the following words have the meanings indicated.

17 (g) “Local health planning agency” means the health department of a jurisdiction
18 or a body designated by the local health department to perform health planning functions.

19 2–302.

20 **(E) FUNDING RECEIVED BY A LOCAL HEALTH DISTRICT BOARD**
21 **ESTABLISHED UNDER § 2–402 OF THIS TITLE MAY NOT BE INCLUDED IN THE**
22 **APPROPRIATION OF FUNDS FOR A LOCAL HEALTH DEPARTMENT UNDER THIS**
23 **SECTION.**

24 2–401.

25 (a) A local health planning agency shall:

26 (1) Develop a local health plan by assessing local health needs and
27 resources; [and]

28 (2) Provide input into the development of statewide criteria and standards
29 for certificate of need and health planning; **AND**

30 **(3) PROVIDE SUPPLEMENTAL SERVICES APPROVED BY THE LOCAL**
31 **HEALTH DISTRICT BOARD FOR THE COUNTY IN ACCORDANCE WITH § 2–402 OF THIS**
32 **SUBTITLE.**

1 (b) The Department may require that in developing local health plans, each local
2 health planning agency:

3 (1) Use data compatible with State data and data used by other local health
4 planning agencies;

5 (2) Meet applicable planning specifications; and

6 (3) Work with other local health planning agencies to ensure consistency
7 among local health plans.

8 (c) Subject to the annual State budget, the Department shall provide funding to
9 local health planning agencies for implementation of the functions under this section and
10 any other functions required by the Department or the Maryland Health Care Commission.

11 **2-402.**

12 (A) (1) **IN EACH LOCAL HEALTH PLANNING AGENCY, THERE IS A LOCAL**
13 **HEALTH DISTRICT BOARD.**

14 (2) **THE LOCAL HEALTH DISTRICT BOARD IS AN INDEPENDENT UNIT**
15 **THAT OPERATES WITHIN THE LOCAL HEALTH PLANNING AGENCY.**

16 (3) **THE PURPOSE OF A LOCAL HEALTH DISTRICT BOARD IS TO:**

17 (I) **IDENTIFY HEALTH DISPARITIES BEING EXPERIENCED BY**
18 **RESIDENTS OF THE COUNTY; AND**

19 (II) **AWARD SUPPLEMENTAL FUNDING TO BE USED TO**
20 **DECREASE HEALTH DISPARITIES IN THE COUNTY.**

21 (B) (1) **EACH LOCAL HEALTH DISTRICT BOARD CONSISTS OF THE**
22 **FOLLOWING FIVE MEMBERS, APPOINTED BY THE GOVERNING BODY OF THE COUNTY:**

23 (I) **ONE REPRESENTATIVE OF THE LOCAL HEALTH PLANNING**
24 **AGENCY; AND**

25 (II) **FOUR INDIVIDUALS WHO HAVE A BACKGROUND OR**
26 **EXPERIENCE IN HEALTH CARE.**

27 (2) **TO THE EXTENT PRACTICABLE, WHEN APPOINTING MEMBERS TO**
28 **THE LOCAL HEALTH DISTRICT BOARD, THE GOVERNING BODY OF THE COUNTY**
29 **SHALL PROMOTE RACIAL AND GENDER DIVERSITY IN THE BOARD'S MEMBERSHIP.**

1 **(3) (I) THE TERM OF A MEMBER OF A LOCAL HEALTH DISTRICT**
2 **BOARD IS 4 YEARS.**

3 **(II) THE TERMS OF MEMBERS MAY BE STAGGERED AS PROVIDED**
4 **BY THE GOVERNING BODY OF THE COUNTY.**

5 **(III) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**
6 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

7 **(IV) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
8 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED**
9 **AND QUALIFIES.**

10 **(4) THE GOVERNING BODY OF A COUNTY MAY REMOVE A MEMBER OF**
11 **THE LOCAL HEALTH DISTRICT BOARD FOR NEGLECT OF DUTY, INCOMPETENCE, OR**
12 **MISCONDUCT.**

13 **(C) FROM AMONG THE MEMBERS OF THE BOARD OF DIRECTORS:**

14 **(1) THE GOVERNING BODY OF THE COUNTY SHALL DESIGNATE A**
15 **MEMBER AS A CHAIR; AND**

16 **(2) THE CHAIR SHALL APPOINT A VICE CHAIR.**

17 **(D) EACH LOCAL HEALTH PLANNING AGENCY SHALL PROVIDE STAFF FOR**
18 **ITS LOCAL HEALTH DISTRICT BOARD.**

19 **(E) THE GOVERNING BODY OF A COUNTY MAY ENACT LOCAL ORDINANCES,**
20 **RULES, AND REGULATIONS REGARDING THE OPERATION OF THE LOCAL HEALTH**
21 **DISTRICT BOARD.**

22 **(F) (1) A MAJORITY OF THE FULL AUTHORIZED MEMBERSHIP OF A LOCAL**
23 **HEALTH DISTRICT BOARD IS A QUORUM.**

24 **(2) THE DECISION OF A LOCAL HEALTH DISTRICT BOARD SHALL BE**
25 **BY A MAJORITY OF THE QUORUM PRESENT AND VOTING.**

26 **(3) EACH LOCAL HEALTH DISTRICT BOARD SHALL MEET AT THE**
27 **TIMES AND PLACES THAT IT DETERMINES.**

28 **(4) A MEMBER OF A LOCAL HEALTH DISTRICT BOARD IS:**

29 **(I) NOT ENTITLED TO COMPENSATION FOR SERVING AS A**

1 MEMBER OF A BOARD; BUT

2 (II) MAY BE REIMBURSED FOR EXPENSES AS PROVIDED IN THE
3 COUNTY'S LOCAL HEALTH PLANNING AGENCY BUDGET.

4 (G) EACH LOCAL HEALTH DISTRICT BOARD SHALL:

5 (1) EVALUATE AND IDENTIFY AREAS OF HEALTH DISPARITY BEING
6 EXPERIENCED BY RESIDENTS OF THE COUNTY;

7 (2) IDENTIFY WAYS TO ADDRESS AREAS OF HEALTH DISPARITY IN THE
8 COUNTY;

9 (3) SOLICIT PROPOSALS FROM THE LOCAL HEALTH PLANNING
10 AGENCY AND NONPROFIT ENTITIES TO PROVIDE SERVICES IN THE COUNTY TO
11 ADDRESS IDENTIFIED HEALTH DISPARITIES;

12 (4) EVALUATE PROPOSALS SUBMITTED UNDER ITEM (3) OF THIS
13 SUBSECTION AND DETERMINE HOW EFFECTIVELY THEY WILL ADDRESS HEALTH
14 DISPARITIES IN THE COUNTY; AND

15 (5) AWARD FUNDING TO PROPOSALS SUBMITTED UNDER ITEM (3) OF
16 THIS SUBSECTION THAT THE LOCAL HEALTH DISTRICT BOARD DETERMINES WILL
17 EFFECTIVELY ADDRESS HEALTH DISPARITIES IN THE COUNTY.

18 (H) (1) A LOCAL HEALTH DISTRICT BOARD MAY AWARD FUNDING TO THE
19 LOCAL HEALTH PLANNING AGENCY.

20 (2) IF A LOCAL HEALTH DISTRICT BOARD AWARDS FUNDING TO THE
21 LOCAL HEALTH PLANNING AGENCY, THE FUNDING MAY BE USED ONLY TO
22 SUPPLEMENT, AND NOT SUPPLANT, FUNDING FOR EXISTING SERVICES PROVIDED BY
23 THE AGENCY.

24 **2-403.**

25 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
26 INDICATED.

27 (2) "FUND" MEANS THE LOCAL HEALTH DISTRICT BOARDS FUND.

28 (3) "LOCAL HEALTH DISTRICT BOARD" MEANS A LOCAL HEALTH
29 DISTRICT BOARD ESTABLISHED UNDER § 2-402 OF THIS SUBTITLE.

1 **(B) THERE IS A LOCAL HEALTH DISTRICT BOARDS FUND.**

2 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDS TO EACH LOCAL**
3 **HEALTH DISTRICT BOARD FOR THE PURPOSES DESCRIBED IN SUBSECTION (I) OF**
4 **THIS SECTION.**

5 **(D) THE SECRETARY SHALL ADMINISTER THE FUND.**

6 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
7 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

8 **(2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE**
9 **COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

10 **(F) THE FUND CONSISTS OF:**

11 **(1) MONEY COLLECTED FROM THE SALES TAX SURCHARGES UNDER §**
12 **11-102(D) AND (E) OF THE TAX – GENERAL ARTICLE; AND**

13 **(2) INTEREST EARNINGS.**

14 **(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND**
15 **MAY BE USED ONLY TO PROVIDE FUNDING TO A LOCAL HEALTH DISTRICT BOARD.**

16 **(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
17 **PARAGRAPH, FUNDS SHALL BE DISTRIBUTED TO A LOCAL HEALTH DISTRICT BOARD**
18 **ON REQUEST BY THE BOARD.**

19 **(II) A LOCAL HEALTH DISTRICT BOARD MAY NOT RECEIVE**
20 **FUNDING IN EXCESS OF THE REVENUE GENERATED UNDER § 11-102(D) AND (E) OF**
21 **THE TAX – GENERAL ARTICLE THAT IS ATTRIBUTABLE TO THE COUNTY IN WHICH**
22 **THE BOARD OPERATES, INCLUDING ANY INTEREST EARNINGS ON THE REVENUE.**

23 **(H) THE DEPARTMENT SHALL ADOPT REGULATIONS PROVIDING FOR:**

24 **(1) THE DISTRIBUTION OF FUNDS TO A LOCAL HEALTH DISTRICT; AND**

25 **(2) REPORTING BY A LOCAL HEALTH DISTRICT BOARD OR A LOCAL**
26 **HEALTH PLANNING AGENCY ON THE SERVICES FUNDED BY THE LOCAL HEALTH**
27 **DISTRICT BOARD.**

28 **(I) FUNDS DISTRIBUTED TO A LOCAL HEALTH DISTRICT UNDER THIS**
29 **SECTION MAY BE USED:**

1 **(1) TO PROVIDE SUPPLEMENTAL FUNDING FOR SERVICES PROVIDED**
 2 **BY THE LOCAL HEALTH PLANNING AGENCY TO ADDRESS HEALTH DISPARITIES IN**
 3 **THE COUNTY;**

4 **(2) TO PROVIDE GRANTS TO NONPROFIT ENTITIES TO PROVIDE**
 5 **SERVICES TO ADDRESS HEALTH DISPARITIES IN THE COUNTY; AND**

6 **(3) FOR THE ADMINISTRATIVE COSTS OF OPERATING THE LOCAL**
 7 **HEALTH DISTRICT BOARD.**

8 **(J) (1) THE TREASURER SHALL INVEST THE MONEY IN THE FUND IN THE**
 9 **SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

10 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
 11 **THE FUND.**

12 **(K) FOR FISCAL YEAR 2023 AND EACH FISCAL YEAR THEREAFTER, THE**
 13 **GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION**
 14 **FROM THE FUND FOR LOCAL HEALTH DISTRICT BOARDS.**

15 **(L) MONEY EXPENDED FROM THE FUND FOR LOCAL HEALTH DISTRICT**
 16 **BOARDS IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF**
 17 **FUNDING THAT OTHERWISE WOULD BE APPROPRIATED UNDER TITLE 2, SUBTITLE**
 18 **3 OF THE HEALTH – GENERAL ARTICLE FOR LOCAL HEALTH SERVICES.**

19 **Article – State Finance and Procurement**

20 6–226.

21 (a) (2) (i) Notwithstanding any other provision of law, and unless
 22 inconsistent with a federal law, grant agreement, or other federal requirement or with the
 23 terms of a gift or settlement agreement, net interest on all State money allocated by the
 24 State Treasurer under this section to special funds or accounts, and otherwise entitled to
 25 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
 26 Fund of the State.

27 (ii) The provisions of subparagraph (i) of this paragraph do not apply
 28 to the following funds:

29 122. the Racing and Community Development Financing Fund;

30 [and]

31 123. the Racing and Community Development Facilities Fund;

32 AND

124. THE LOCAL HEALTH DISTRICT BOARDS FUND.**Article – Tax – General**

2–1303.

(a) After making the distributions required under §§ 2–1301 through 2–1302.1 of this subtitle, the Comptroller shall pay:

(1) revenues from the hotel surcharge into the Dorchester County Economic Development Fund established under § 10–130 of the Economic Development Article;

(2) subject to subsection (b) of this section, to The Blueprint for Maryland’s Future Fund established under § 5–219 of the Education Article, revenues collected and remitted by:

(i) a marketplace facilitator; or

(ii) a person that engages in the business of an out-of-state vendor and that is required to collect and remit sales and use tax as specified in COMAR 03.06.01.33B(5); [and]

(3) REVENUES FROM THE ALCOHOLIC BEVERAGES SURCHARGE INTO THE LOCAL HEALTH DISTRICT BOARDS FUND ESTABLISHED UNDER § 2–403 OF THE HEALTH – GENERAL ARTICLE;

(4) REVENUES FROM THE FAST FOOD SURCHARGE INTO THE LOCAL HEALTH DISTRICT BOARDS FUND ESTABLISHED UNDER § 2–403 OF THE HEALTH – GENERAL ARTICLE; AND

~~[(3)] (5)~~ the remaining sales and use tax revenue into the General Fund of the State.

(b) For each fiscal year, the Comptroller shall pay into the General Fund of the State the first \$100,000,000 of revenues collected and remitted by:

(1) a marketplace facilitator; or

(2) a person that engages in the business of an out-of-state vendor and that is required to collect and remit sales and use tax as specified in COMAR 03.06.01.33B(5).

(C) WHEN MAKING THE DISTRIBUTION TO THE LOCAL HEALTH DISTRICT BOARDS FUND UNDER SUBSECTION (A) OF THIS SECTION, THE COMPTROLLER SHALL CERTIFY TO THE SECRETARY OF HEALTH THE AMOUNT OF REVENUE FROM

1 **THE ALCOHOLIC BEVERAGE SURCHARGE AND THE FAST FOOD SURCHARGE**
2 **COLLECTED WITHIN EACH COUNTY.**

3 11-102.

4 (a) Except as otherwise provided in this title, a tax is imposed on:

5 (1) a retail sale in the State; and

6 (2) a use, in the State, of tangible personal property or a taxable service.

7 **(D) (1) IN THIS SUBSECTION, "ALCOHOLIC BEVERAGE" HAS THE**
8 **MEANING STATED IN § 5-101 OF THIS ARTICLE.**

9 **(2) IN ADDITION TO THE TAX IMPOSED UNDER SUBSECTION (A) OF**
10 **THIS SECTION, AN ALCOHOLIC BEVERAGE SURCHARGE IS IMPOSED ON THE SALE OF**
11 **AN ALCOHOLIC BEVERAGE IN THE STATE.**

12 **(E) IN ADDITION TO THE TAX IMPOSED UNDER SUBSECTION (A) OF THIS**
13 **SECTION, A FAST FOOD SURCHARGE IS IMPOSED ON THE SALE OF ANY FOOD OR**
14 **BEVERAGE BY A BUSINESS THAT OFFERS THE SALE OF FOOD OR BEVERAGE AT A**
15 **DRIVE-UP WINDOW.**

16 11-104.

17 **(J) THE RATE OF THE ALCOHOLIC BEVERAGE SURCHARGE IMPOSED UNDER**
18 **§ 11-102(D) OF THIS SUBTITLE IS 1% OF THE CHARGE FOR THE ALCOHOLIC**
19 **BEVERAGE.**

20 **(K) THE RATE OF THE FAST FOOD SURCHARGE IMPOSED UNDER § 11-102(E)**
21 **OF THIS SUBTITLE IS 1% OF THE TAXABLE PRICE OF THE FOOD AND BEVERAGE.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2021. It shall remain effective for a period of 5 years and, at the end of June 30, 2026,
24 this Act, with no further action required by the General Assembly, shall be abrogated and
25 of no further force and effect.