

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 413

(Senator Gile, *et al.*)

Judicial Proceedings

Health and Government Operations

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**Discrimination - Military Status - Prohibition**

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This bill generally prohibits discrimination based on an individual's "military status" in places of public accommodation, housing, employment, financial transactions, education, insurance, the provision of public utility services, and State personnel actions.

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**Fiscal Summary**

**State Effect:** General fund expenditures likely increase, at least minimally, for the Maryland Commission on Civil Rights (MCCR), as discussed below. Otherwise, it is anticipated that the bill does not materially affect State finances.

**Local Effect:** The bill is not anticipated to materially affect local finances and operations.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Bill Summary:** "Military status" is defined as the status of being (as further listed/defined in federal code):

- a member of the uniformed services;
- a member of a reserve component of the Armed Forces of the United States;
- a veteran; or
- a dependent.

In general, the bill incorporates “military status” into numerous provisions of statute that prohibit discrimination in various circumstances on the grounds of specified bases (*e.g.*, race, sex, age, religion, sexual orientation, etc.).

**Current Law:** Statute includes numerous provisions that prohibit discrimination based upon certain bases (*e.g.*, race, sex, age, religion, sexual orientation, etc.), as specified in statutory provisions.

Procedures for alleging discrimination and available remedies are specified in statute and differ depending on the type of discrimination alleged. In many instances, a person claiming to have been discriminated against may file a complaint with MCCR, which is the independent State agency charged with the enforcement of laws prohibiting discrimination in numerous areas, generally including employment, housing, public accommodations, and State contracting. Statutory provisions in the State Government Article specify the responsibilities of MCCR in investigating a claim of discrimination and attempting conciliation, and the circumstances under which an individual must have an opportunity for an administrative hearing conducted by the Office of Administrative Hearings (OAH) or may, in some circumstances, elect to file a civil action in circuit court. Available remedies vary depending on the type of discrimination alleged; such remedies may, under certain circumstances, include injunctive relief, the imposition of civil penalties, and actual and/or punitive damages, as specified.

Although many types of discrimination are addressed in Title 20 of the State Government Article, the provisions are not exhaustive and other discriminatory practices are prohibited throughout statute. For example, under the Commercial Law Article, with respect to any aspect of a credit transaction, a creditor may not discriminate against any applicant on the basis of sex, marital status, race, color, religion, national origin, or age. A complaint alleging a violation may be filed with the Commissioner of Financial Regulation, who has jurisdiction to investigate the complaint and hold a hearing, as specified. On a finding that a creditor has engaged in discriminatory practices, the commissioner must order the creditor to cease and desist from the act or practice; statute also establishes civil remedies, which may include actual and punitive damages, as specified.

Under the State Personnel and Pensions Article, subject to limited exceptions, all personnel actions concerning a State employee or applicant for employment in State government must be made without regard to age; ancestry; color; creed; gender identity; marital status; mental or physical disability; national origin; race; religious affiliation, belief, or opinion; sex; or sexual orientation. State employees who violate these provisions are subject to disciplinary action by the employee’s appointing authority, including the termination of State employment.

**State Fiscal Effect:** General fund expenditures likely increase, at least minimally, for MCCR. MCCR advises generally that the fiscal and operational impact is indeterminate but may be significant, as adding individuals with military status as protected classes in statutory provisions governing multiple types of discrimination is expected to increase MCCR's caseload. The Department of Legislative Services (DLS) agrees with this assessment and advises that MCCR may incur expenditures associated with hiring additional staff to investigate complaints of discrimination based on an individual's military status. Although an estimate of staffing needs and costs was not provided by MCCR, *for illustrative purposes only*, and based on information previously provided to DLS, for every additional investigator required, general fund expenditures likely increase by at least \$80,000 annually. Additional expenditures may also be incurred for costs associated with training and education, among other potential expenses.

According to the Department of Budget and Management (DBM), the Office of the Statewide Equal Employment Opportunity (EEO) Coordinator may experience an operational impact to the extent that State job applicants and employees file a discrimination complaint based on military status. According to DBM, an agency's EEO officer must investigate a complaint within 30 calendar days and recommend a proposed decision to the head of the principal unit. The head of the principal unit must issue the written decision. Once the decision is issued, the individual has 10 calendar days to file an appeal with the Office of the Statewide EEO Coordinator. It is assumed that additional complaints can be addressed using existing budgeted resources.

The bill is not anticipated to materially affect the finances or operations of the Judiciary or OAH.

**Small Business Effect:** Small businesses are prohibited from engaging in specified discriminatory practices on the basis of an individual's military status and subject to various penalties depending on the circumstances of the case (*e.g.*, actual or punitive damages, civil penalties, etc.) if found to be in violation.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 598 (Delegate Boafu, *et al.*) - Health and Government Operations.

**Information Source(s):** Maryland Commission on Civil Rights; Baltimore City; Kent, and Worcester counties; Maryland Association of Counties; Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Maryland State Department of Education; Maryland Department of Health; Department of Human Services; Maryland Department of Labor; Office of Administrative Hearings; Health Benefit Exchange; Maryland Insurance Administration; Public Service Commission; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - February 8, 2024  
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