

## Chapter 760

**(Senate Bill 163)**

AN ACT concerning

**Health – General Article – References to Mental Health**

FOR the purpose of replacing references to mental hygiene with references to mental health in certain provisions of law governing public health; and generally relating to references to mental health.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 2–105(a) and 10–208; 16–301 and 16–303(b) to be under the amended subtitle “Subtitle 3. Special Provisions as to Mental Health”; and 24–1105(b)

Annotated Code of Maryland

(2023 Replacement Volume and 2024 Supplement)

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

**Article – Health – General**

2–105.

(a) The Secretary shall establish general policy for, and adopt standards to promote and guide the development of, the physical and mental [hygiene] **HEALTH** services of this State and its subdivisions.

10–208.

(a) (1) There is a continuing, nonlapsing Mental [Hygiene] **HEALTH** Community–Based Services Fund.

(2) The purpose of the Mental [Hygiene] **HEALTH** Community–Based Services Fund is to ensure that funds realized from the sale or lease of Behavioral Health Administration facilities as the result of downsizing, consolidation, or closure are used to provide community–based services.

(b) Notwithstanding any other provision of law, if any Behavioral Health Administration facility is downsized, consolidated, or closed, all State property associated with the facility that is not transferred to another governmental entity shall be sold or leased at fair market value, and the net proceeds of the sale or lease shall be deposited into the Mental [Hygiene] **HEALTH** Community–Based Services Fund.

(c) (1) If a facility operated by the Behavioral Health Administration is downsized, consolidated, or closed such that the net resident population declines or if a facility is closed or consolidated and bed capacity levels remained unchanged:

(i) State general funds may be appropriated as necessary, in advance, to assist in the downsizing;

(ii) Any funds in the Mental [Hygiene] **HEALTH** Community–Based Services Fund:

1. May not supplant resources for existing community services; and

2. Shall be used to meet the needs of individuals leaving facilities to enter community–based services; and

(iii) Any funds remaining after meeting the needs of individuals identified in subparagraph (ii)2 of this paragraph shall be used to increase the availability of:

1. Affordable housing and employment opportunities for individuals with mental illness; and

2. Community mental health services designed to promote recovery and community integration, including development of the Maryland Mental Health Crisis Response System established under Subtitle 14 of this title.

(2) Funds in the Mental [Hygiene] **HEALTH** Community–Based Services Fund shall be spent in accordance with a plan developed by the Behavioral Health Administration in consultation with consumers, family members, providers, and mental health advocates.

(d) On or before January 1 of each year, the Secretary shall prepare a report to be submitted to the General Assembly and the Department of Legislative Services on the Mental [Hygiene] **HEALTH** Community–Based Services Fund.

(e) Any unspent portions of the Mental [Hygiene] **HEALTH** Community–Based Services Fund and any interest earned on money in the Waiting List Equity Fund may not be transferred or revert to the General Fund of the State but shall remain in the Mental [Hygiene] **HEALTH** Community–Based Services Fund to be used for the purposes specified in this section.

Subtitle 3. Special Provisions as to Mental [Hygiene] **HEALTH**.

Except as otherwise provided in this subtitle, Subtitle 2 of this title applies to a recipient of services under the Maryland Mental [Hygiene] **HEALTH** Law.

16–303.

(b) (1) If any property of an individual admitted under the Maryland Mental [Hygiene] **HEALTH** Law remains in the custody of a public facility for 1 year after the death or escape of the individual, the administrative head of the facility shall investigate to determine if any other person legally is entitled to that property.

(2) If such a person is not found:

(i) As much as possible of the account of the individual at the facility shall be paid from the property; and

(ii) Any balance becomes the property of this State and shall be paid into the General Fund of this State.

24–1105.

(b) In accordance with an appropriation approved by the General Assembly in the State budget, the Comptroller shall transfer:

(1) The investment earnings of the Developmental Disabilities Administration account of the Trust Fund into the Waiting List Equity Fund established under § 7–205 of this article; and

(2) The proceeds and investment earnings of the Behavioral Health Administration account of the Trust Fund into the Mental [Hygiene] **HEALTH** Community–Based Services Fund established under § 10–208 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That, ~~on:~~

(a) On or before ~~October 1, 2026~~ July 1, 2027, the Maryland Department of Health shall conduct a thorough review of Department regulations and adopt regulations to replace any reference to “mental hygiene” with “mental health” for consistency with this Act.

(b) The Department shall update all public-facing electronic materials to be consistent with this Act as soon as practicable.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.

**Approved by the Governor, May 20, 2025.**