

HOUSE BILL 1422

P4, P1

6lr2544

By: **Delegate Solomon (By Request – Joint Audit and Evaluation Committee)**

Introduced and read first time: February 13, 2026

Assigned to: Government, Labor, and Elections

A BILL ENTITLED

1 AN ACT concerning

2 **State Personnel – State Fiscal Leadership Capacity**

3 FOR the purpose of authorizing the Secretary of Budget and Management to grant a certain
4 exemption to the State pay plan under certain circumstances; requiring certain
5 appointing authorities to select chief financial officers that meet certain
6 requirements; requiring certain chief financial officers to provide to the Office of the
7 Comptroller certain financial information at the close of the fiscal year for a certain
8 report; requiring certain chief financial officers to provide the General Accounting
9 Division of the Office of the Comptroller with certain information and a certain letter;
10 requiring certain units of State government to take certain actions if the unit does
11 not intend to pursue certain damages; and generally relating to the chief financial
12 officers of units in the Executive Branch of State government.

13 BY repealing and reenacting, without amendments,
14 Article – State Personnel and Pensions
15 Section 1–101(a) and (b)
16 Annotated Code of Maryland
17 (2024 Replacement Volume and 2025 Supplement)

18 BY adding to
19 Article – State Personnel and Pensions
20 Section 2–206
21 Annotated Code of Maryland
22 (2024 Replacement Volume and 2025 Supplement)

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

25 **Article – State Personnel and Pensions**

26 1–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this Division I of this article the following words have the meanings
2 indicated.

3 (b) "Appointing authority" means an individual or a unit of government that has
4 the power to make appointments and terminate employment.

5 **2-206.**

6 (A) IN THIS SECTION, "CHIEF FINANCIAL OFFICER" INCLUDES:

7 (1) AN INDIVIDUAL ACTING AS CHIEF FINANCIAL OFFICER FOR A
8 PERIOD OF 3 MONTHS OR LONGER; AND

9 (2) A POSITION EQUIVALENT TO A CHIEF FINANCIAL OFFICER.

10 (B) THIS SECTION APPLIES TO A UNIT OF THE EXECUTIVE BRANCH OF
11 STATE GOVERNMENT THAT:

12 (1) RECEIVES AT LEAST \$2,000,000,000 ANNUALLY IN STATE AND
13 FEDERAL FUNDING; AND

14 (2) EMPLOYS A CHIEF FINANCIAL OFFICER.

15 (C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AT THE REQUEST
16 OF AN APPOINTING AUTHORITY, THE SECRETARY MAY GRANT AN EXEMPTION TO
17 THE STATE PAY PLAN TO ASSIST UNITS OF STATE GOVERNMENT IN THE
18 RECRUITMENT AND RETENTION OF CHIEF FINANCIAL OFFICERS.

19 (D) AN APPOINTING AUTHORITY SUBJECT TO THIS SECTION SHALL MAKE AN
20 APPOINTMENT OF A CHIEF FINANCIAL OFFICER WHO MEETS THE REQUIREMENTS IN
21 SUBSECTION (E) OF THIS SECTION.

22 (E) A CHIEF FINANCIAL OFFICER OF A UNIT OF STATE GOVERNMENT
23 SUBJECT TO THIS SECTION SHALL:

24 (1) (I) BE A CERTIFIED PUBLIC ACCOUNTANT WITH 5 YEARS OF
25 EXPERIENCE IN FISCAL MANAGEMENT IN THE PRIVATE OR PUBLIC SECTOR WITH A
26 MINIMUM OF 2 YEARS OF EXPERIENCE IN A HIGH-LEVEL MANAGEMENT POSITION;
27 OR

28 (II) POSSESS A MASTER'S DEGREE IN BUSINESS
29 ADMINISTRATION, FINANCE, OR A RELATED FIELD FROM AN ACCREDITED
30 INSTITUTION OF HIGHER EDUCATION WITH 3 YEARS OF EXPERIENCE IN FISCAL

1 MANAGEMENT IN THE PRIVATE OR PUBLIC SECTOR WITH A MINIMUM OF 2 YEARS OF
2 EXPERIENCE IN A HIGH-LEVEL MANAGEMENT POSITION; OR

3 (2) HAVE A DOCUMENTED RECORD OF MANAGEMENT WITH AT LEAST
4 10 YEARS' EXPERIENCE IN FISCAL MANAGEMENT IN THE PRIVATE OR PUBLIC
5 SECTOR, WITH A MINIMUM OF 5 YEARS OF EXPERIENCE IN A HIGH-LEVEL
6 MANAGEMENT POSITION.

7 (F) (1) A CHIEF FINANCIAL OFFICER OF A UNIT OF STATE GOVERNMENT
8 SUBJECT TO THIS SECTION SHALL PROVIDE TO THE OFFICE OF THE COMPTROLLER
9 FOR THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, REQUIRED UNDER §
10 2-102 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, ALL NECESSARY
11 ENTRIES OF THE UNIT'S FINANCIAL INFORMATION AT THE CLOSE OF THE FISCAL
12 YEAR.

13 (2) THE CHIEF FINANCIAL OFFICER THAT REPORTS TO THE
14 COMPTROLLER UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL:

15 (I) ENSURE THAT EACH ENTRY IN THE UNIT'S FINANCIAL
16 INFORMATION IS ADEQUATE AND ACCURATELY RECORDED; AND

17 (II) CERTIFY TO THE COMPTROLLER THE ADEQUACY AND
18 ACCURACY OF THE FINANCIAL INFORMATION WITH A STATEMENT THAT:

19 1. ALL FEDERAL FUND RECEIVABLES ARE PROPERLY
20 SUPPORTED AND CAN BE DIRECTLY ASSOCIATED WITH A SPECIFIC FEDERAL
21 FUNDING STREAM; AND

22 2. THE STATE CAN REASONABLY EXPECT TO RECEIVE
23 FUNDS WITHIN 60 DAYS FOR THE SUBSEQUENT FISCAL YEAR UNLESS SPECIFIC
24 FEDERAL LANGUAGE ALLOWS FOR A LONGER RECOVERY PERIOD.

25 (3) IN ADDITION TO THE REQUIREMENTS SPECIFIED IN PARAGRAPHS
26 (1) AND (2) OF THIS SUBSECTION, THE CHIEF FINANCIAL OFFICER SHALL PROVIDE
27 TO THE GENERAL ACCOUNTING DIVISION OF THE OFFICE OF THE COMPTROLLER:

28 (I) THE INFORMATION NECESSARY TO PREPARE THE ANNUAL
29 COMPREHENSIVE FINANCIAL REPORT AND SCHEDULE OF EXPENDITURES OF
30 FEDERAL AWARDS; AND

31 (II) A LETTER ATTESTING TO THE ACCURACY AND
32 COMPLETENESS OF THE INFORMATION PROVIDED UNDER ITEM (I) OF THIS
33 PARAGRAPH.

1 **(G) FOR A UNIT OF STATE GOVERNMENT SUBJECT TO THIS SECTION WITH A**
2 **PROCUREMENT CONTRACT CONTAINING LIQUIDATED DAMAGE PROVISIONS IN**
3 **WHICH THE UNIT INTENDS NOT TO PURSUE LIQUIDATED DAMAGES IN THE EVENT OF**
4 **BREACH, THE CHIEF FINANCIAL OFFICER SHALL:**

5 **(1) PROVIDE DOCUMENTATION TO THE BOARD OF PUBLIC WORKS ON**
6 **THE REASON THAT THE UNIT INTENDS NOT TO PURSUE LIQUIDATED DAMAGES; AND**

7 **(2) OBTAIN APPROVAL FROM THE BOARD OF PUBLIC WORKS IF THE**
8 **UNIT DOES NOT SEEK LIQUIDATED DAMAGES.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2026.