Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1536 (Delegate Lopez, *et al.*)
Judiciary

Maryland Enforcement Limits and Transparency (MELT) Act

This bill prohibits a "person" from knowingly "aiding in immigration enforcement" in a manner that violates the constitutional rights of another, except as required by "judicial warrant" or State or federal law. A person harmed by a violation may bring an action against the violator or a person who aided the violator, and the court is authorized to award economic and noneconomic damages, declaratory relief, injunctive relief, and reasonable attorney's fees. The Board of Public Works (BPW) and applicable licensing authorities are authorized to take specified actions for violations of the bill. Under certain circumstances, the Attorney General may also bring an action and, among other relief, recover the costs of the action for the use of the State. A violator is also subject to (1) a civil penalty up to $25,000 for each violation; (2) punitive actions or procurement restrictions by BPW; and (3) disciplinary actions by applicable licensing authorities.

Fiscal Summary

State Effect: General fund expenditures increase by $214,800 in FY 2027 for staff and computer programming; future years reflect annualization, inflation, and ongoing costs. Potential additional increase in State expenditures (not reflected below) if the bill results in higher payments from the State Insurance Trust Fund for claims filed under the bill or increased litigation of cases, as discussed below. Potential decrease in federal fund revenues.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
FF Revenues	(-)	(-)	(-)	(-)	(-)
GF/SF Expenditure	214,800	240,100	251,100	262,400	273,900
Net Effect	($214,800)	($240,100)	($251,100)	($262,400)	($273,900)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Potential increase in expenditures for local governments, as discussed below. Revenues are not anticipated to be materially affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Requirements for Interactions with Immigration Enforcement

For every interaction with immigration enforcement, a person must (1) document the person's instances of cooperation with immigration enforcement; (2) retain all records of instances of cooperation for at least five years after each occurrence; and (3) notify any individual whose information was shared, including, to the extent permitted by law, what information was shared.

Actions by the Attorney General

To investigate a violation of the bill's provisions, the Attorney General may (1) issue subpoenas; (2) administer oaths; (3) compel the attendance and testimony of witnesses; and (4) compel the production of records, books, papers, contracts, and other documents. The bill establishes procedures for service of a subpoena and authorizes the Attorney General to apply to a circuit court in the county in which the subpoena was served to enforce compliance if a person fails or refuses to comply with a subpoena.

If the Attorney General determines that a violation of the bill's provisions has occurred, the Attorney General must:

- publish (1) a summary of the activity constituting the violation; (2) if the violation is ongoing or likely to recur, the remedial measures necessary to correct the violation or prevent a recurrence of the violation; and (3) any other relevant information; and
- refer the matter to (1) any licensing entity that holds authority over a license held by the violator and (2) for a matter that involves federal tort claims, the U.S. Department of Justice.

If the Attorney General has reason to believe that a violation has occurred and is likely to recur, the Attorney General may bring an action to enforce the bill's provisions in the circuit court for any county in which the violation is alleged to have occurred only after: (1) conducting an investigation, as specified; (2) at least 30 days before bringing the action, providing notice to the governing body of the county where the violation is alleged to have occurred; and (3) making reasonable efforts to notify an alleged violator. However, if the Attorney General determines that a delay in the civil action would pose an imminent and serious threat to life, health, or public safety, the Attorney General may bring an action to enforce the bill's provisions without complying with the requirements listed above. As part of an action, the Attorney General must provide written certification of compliance with these requirements. In such actions, the court may award economic and noneconomic damages to any person harmed by a violation, injunctive relief, and declaratory relief; the Attorney General is also entitled to recover the costs of the action for the use of the State.

Procurement Requirements

If a person that has entered into a procurement contract with the State violates the bill's prohibition against voluntarily assisting in immigration enforcement, as specified, BPW may void the procurement contract, decline to renew the procurement at expiration, or impose conditions on the continuation of the procurement contract. Any procurement contract with the State must include a requirement that the person entering into the procurement contract not voluntarily aid in immigration enforcement in violation of the bill's provisions and respect all rights of others that are secured by law.

Licensing Authority Requirements

An applicable licensing authority may institute a disciplinary proceeding against, and may suspend or revoke the licensure of, a licensee that violates (1) prohibitions against voluntarily assisting in immigration enforcement, as specified; (2) the bill's requirements; or (3) an individual's rights secured by the Maryland Constitution or the Maryland Declaration of Rights. Before a license is issued or renewed and as a part of the applicable licensing procedure, a licensee or an applicant for a license must certify, in writing, that the applicant or licensee will respect all rights of others that are secured by law.

Definitions

"Aid in immigration enforcement" means: (1) providing access to an area that would otherwise require a judicial warrant for law enforcement to access; (2) sharing personal information of another with immigration authorities; or (3) delaying the departure of or detaining another by force or deceit with the intent to make the individual accessible to immigration authorities.

"Judicial warrant" means a warrant signed by a judge, magistrate, or District Court commissioner of competent jurisdiction. "Judicial warrant" does not include an administrative warrant, including an Immigration and Customs Enforcement Form I-200 or Form I-205.

"License" means an occupational or professional license issued to an individual by the State, including a license issued under the Business Occupations and Professions Article, the Business Regulation Article, and the Health Occupations Article.

"Licensing authority" means a State entity that issues a license to an individual.

"Person" includes: the State, a unit of local government, a county sheriff, and any agency, officer, employee, contractor, or agent of the State or a unit of local government.

Current Law:

Immigration Enforcement

While immigration is controlled by federal law, the U.S. Immigration, Customs, and Enforcement Division (ICE) and Department of Homeland Security have initiated numerous programs that involve state and local law enforcement agencies as allies and additional resources. For example, the Criminal Alien Program (CAP) supports ICE Enforcement and Removal Operations in executing its mission through the arrest and removal of undocumented immigrants who threaten the safety of the nation's communities and the integrity of U.S. immigration laws. CAP focuses on the identification, arrest, and removal of incarcerated undocumented immigrants at federal, state, and local levels, as well as at-large criminal undocumented immigrants.

Federal law does not mandate that state and local law enforcement agencies become involved in immigration efforts. However, federal law does prohibit a state or local government from prohibiting or in any way restricting any government entity or official from sending to or receiving from ICE information regarding the citizenship or immigration status, lawful or unlawful, of any individual. It also prohibits restrictions on any of the following with respect to information regarding the immigration status, lawful or unlawful, of any individual: (1) sending such information to, or requesting or receiving such information from, ICE; (2) maintaining such information; or (3) exchanging such information with any other federal, state, or local government authority.

287(g) Agreements and Immigration Detainers

Section 287(g) of the Immigration and Nationality Act (codified as 8 U.S.C. § 1357(g)) authorizes the Attorney General of the United States to enter into agreements, commonly referred to as "287(g) agreements," with state and local governments authorizing state or local personnel "to perform a function of an immigration officer in relation to the investigation, apprehension, or detention of aliens in the United States." A 287(g) agreement is not required for a local jurisdiction to cooperate with federal immigration authorities; however, federal law does require that each agreement provide that participating personnel have adequate training regarding immigration law.

Chapters 1 and 2 of 2026 prohibit the State, a unit of local government, a county sheriff, or any agency, officer, employee, or agent of the State or a unit of local government from entering into an "immigration enforcement agreement." "Immigration enforcement agreement" means a contract, an agreement, an intergovernmental service agreement, or a memorandum of understanding with the federal government that authorizes the State, a unit of local government, a county sheriff, or any agency, officer, employee, or agent of the State or a unit of local government to enforce civil immigration law. "Immigration enforcement agreement" includes an agreement made in accordance with (1) 8 U.S.C. § 1103; (2) 8 U.S.C. § 1357; or (3) any other federal law.

Immigration Enforcement in Sensitive Locations

Chapter 718 of 2025 requires (1) a federal law enforcement officer to notify specified individuals regarding a federal immigration enforcement action at a "sensitive location" and (2) a public school, a public library, or a unit of the Executive Branch of State or local government that operates at a sensitive location to deny access to any portion of the sensitive location that is not accessible to the general public to any individual seeking to enforce federal immigration law, unless the individual presents a valid judicial warrant or exigent circumstances exist (without applicability to a State or local correctional facility or a detention facility in a District Court or circuit court location).

Attorney General Guidance: Chapter 718 also requires the Attorney General to develop and publish guidance that informs the public and relevant State agencies about:

- delineating between immigration enforcement within the public portions of sensitive locations and the nonpublic or private portions of sensitive locations;
- verifying the identity of immigration enforcement agents and validating immigration enforcement documentation seeking specific individuals;
- limiting liability exposure for State, local, and private institutions and the participation of the employees of those institutions in immigration enforcement at sensitive locations;
- facilitating relationships between federal law enforcement officers and State and local officials and law enforcement officers in order to conduct immigration enforcement activities through the least dangerous and disruptive means; and
- complying with existing legal obligations and limitations on State and local agencies while maintaining public safety and accessibility to those agencies.

Private entities are encouraged to adopt policies consistent with the guidance developed by the Attorney General if the private entities provide services related to (1) physical or mental health; (2) education; (3) shelter care; or (4) access to justice.

The required guidance and policies are not subject to the Administrative Procedure Act under Title 10, Subtitles 1, 2, and 3 of the State Government Article.

Governmental Entity Procedures: Pursuant to Chapter 718, each public school, public library, and unit of the Executive Branch of State or local government that operates a sensitive location must implement a policy consistent with the guidance issued by the Attorney General.

By July 1, 2026, each governmental entity must (1) in consultation with the Department of Information Technology, develop and publish procedures that prevent the sale and redisclosure of personal records and geolocation data provided or made available by the governmental entity in a way that harms the privacy of residents of the State and (2) submit a copy of the procedures developed to the General Assembly. The procedures must specifically address:

- any possible contractual limitations on the sale or redisclosure of personal records or geolocation data that a governmental entity may place on a person who receives personal records or geolocation data that are provided or made available by the governmental entity;
- considerations regarding (1) the threat to privacy posed by data brokers who utilize personal records or geolocation data for commercial purposes; (2) the risk that personal records or geolocation data may be used for purposes other than the purposes for which the personal records or geolocation data were developed or collected; and (3) geolocation, genetic, and other sensitive data; and
- any other considerations necessary to (1) protect the privacy of residents of the State; (2) discourage the development of a secondary commercial market for personal records or geolocation data that are provided or made available by a governmental entity; and (3) limit a person who receives personal records or geolocation data that are provided or made available by a governmental entity from selling or redisclosing the data with other persons.

Definitions

"Sensitive location" means:

- a public school;
- a public library;

- a health care facility operated by a unit of State or local government;
- a facility operated by the Comptroller;
- a courthouse; or
- any other location that (1) provides State-funded services related to physical or mental health, education, shelter care, or access to justice and (2) as determined by the Attorney General, requires special consideration for immigration enforcement activities.

"Collateral immigration enforcement" means federal immigration enforcement actions that affect individuals who are not the primary target of the enforcement action but are present at the location of the enforcement action.

"Immigration enforcement" means federal immigration enforcement actions.

Maryland Tort Claims Act

In general, the State is immune from tort liability for the acts of its employees and cannot be sued in tort without its consent. Under the Maryland Tort Claims Act (MCTA), the State statutorily waives its own common law (sovereign) immunity on a limited basis. MTCA applies to tortious acts or omissions, including State constitutional torts, by State personnel performed in the course of their official duties, so long as the acts or omissions are made without malice or gross negligence. Under MTCA, the State essentially "waives sovereign or governmental immunity and substitutes the liability of the State for the liability of the state employee committing the tort." *Lee v. Cline*, 384 Md. 245, 262 (2004).

MTCA covers a multitude of personnel, including some local officials and nonprofit organizations. In actions involving malice or gross negligence or actions outside of the scope of the public duties of the State employee, the State employee is not shielded by the State's color of authority or sovereign immunity and may be held personally liable.

In general, MTCA limits State liability to $400,000 to a single claimant for injuries arising from a single incident. However, for claims arising on or after July 1, 2022, if liability of the State or its units arises from intentional tortious acts or omissions or a violation of a constitutional right committed by a law enforcement officer, the following limits on liability apply: (1) the combined award for both economic and noneconomic damages may not exceed a total of $890,000 for all claims arising out of the same incident or occurrence, regardless of the number of claimants or beneficiaries who share in the award; and (2) in a wrongful death action in which there are two or more claimants or beneficiaries, an award for noneconomic damages may not exceed $1,335,000, regardless of the number of claimants or beneficiaries who share in the award. Separate provisions apply to claims involving child sexual abuse.

The State does not waive its immunity for punitive damages. Attorney's fees are included in the liability cap under MTCA. Under MTCA, attorneys may not charge or receive a fee that exceeds 20% of a settlement or 25% of a judgment.

Local Government Tort Claims Act

The Local Government Tort Claims Act (LGTCA) defines local government to include counties, municipal corporations, Baltimore City, and various agencies and authorities of local governments such as community colleges, county public libraries, special taxing districts, nonprofit community service corporations, sanitary districts, housing authorities, and commercial district management authorities.

In general, LGTCA limits the liability of a local government to $400,000 per individual claim and $800,000 per total claims that arise from the same occurrence for damages from tortious acts or omissions (including intentional and constitutional torts). However, for claims arising on or after July 1, 2022, if the liability of a local government arises from intentional tortious acts or omissions or a violation of a constitutional right committed by a law enforcement officer, the following limits on liability apply: (1) the combined award for both economic and noneconomic damages may not exceed a total of $890,000 for all claims arising out of the same incident or occurrence, regardless of the number of claimants or beneficiaries who share in the award; and (2) in a wrongful death action in which there are two or more claimants or beneficiaries, an award for noneconomic damages may not exceed $1,335,000, regardless of the number of claimants or beneficiaries who share in the award. Separate provisions apply to claims involving child sexual abuse.

LGTCA further establishes that the local government is liable for tortious acts or omissions of its employees acting within the scope of employment, so long as the employee did not act with actual malice. Thus, LGTCA prevents local governments from asserting a common law claim of governmental immunity from liability for such acts or omissions of its employees.

A local government is not liable for punitive damages. However, a local government, subject to the liability limits, may indemnify an employee for a judgment for punitive damages entered against the employee. A local government may not enter into an agreement that requires indemnification for an act or omission of an employee that may result in liability for punitive damages.

Lawsuits Under 42 USC § 1983 and Federal Qualified Immunity

42 USC § 1983 is a federal law that allows individuals to sue state or local government officials acting under color of law for constitutional rights violations. Plaintiffs can seek damages, injunctive relief, declaratory relief and attorney's fees. Section 1983 lawsuits are

against a person (*e.g.*, the government employee). States and the federal government cannot be named as defendants in these lawsuits; however, local government units and municipalities can be named as defendants.

In general, judges, prosecutors, and legislators performing their legitimate functions are examples of individuals who have absolute immunity from § 1983 lawsuits. Qualified immunity, which dates back to 1871 when Congress adopted 42 USC § 1983, is a legal doctrine created by the U.S. Supreme Court under which a government official is shielded from civil liability if the official's actions do not violate "clearly established statutory or constitutional rights of which a reasonable person would have known". *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982).

State Procurement Contract Requirements

In General: Each procurement contract must include clauses covering: (1) termination for default; (2) termination wholly or partly by the State for its convenience if the head of the primary procurement unit determines that termination is appropriate; (3) variations that occur between estimated and actual quantities of work in a procurement contract; (4) liquidated damages, as appropriate; (5) specified excuses for nonperformance; (6) except for real property leases, the unilateral right of the State to order in writing changes in the work, if the changes are within the scope of the procurement contract, and a temporary stop or delay in performance; (7) the obligation of the contractor to comply with the political contribution reporting requirements under Title 14 of the Election Law Article, to which the contractor may be subject as required, as specified; and (8) nonvisual access for information technology as required under § 3A-312 of the State Finance and Procurement Article. Each procurement contract must also include a clause that gives to the parties notice that preexisting regulations apply to the procurement contract, as specified.

At any time after the parties enter into a procurement contract, they may include additional clauses in the procurement contract by consent, without consideration. Statute includes additional requirements applicable to procurement contracts for construction.

Nondiscrimination Clause: In addition, each contract for procurement must include a nondiscrimination clause. The nondiscrimination clause must:

- prohibit discrimination in any manner by the contractor against an employee or applicant for employment because of sex, sexual orientation, gender identity, disability, race, age, color, creed, or national origin;
- require the contractor to include a similar clause in every subcontract except a subcontract for standard commercial supplies or raw materials; and
- require each contractor and subcontractor subject to this clause to post

conspicuously a notice that sets forth the provisions of the clause in a place that is available to employees and applicants for employment.

If the nondiscrimination clause is omitted from a contract or subcontract, the State may declare the contract to be void. In that event, the contractor is entitled to the reasonable value of work that has been performed and materials that have been provided.

If a contractor willfully fails to comply with the requirements of the nondiscrimination clause and the contract is partly executory, the State may compel the contractor to continue to perform under the contract, but the State (1) is liable for no more than the reasonable value of work performed and materials provided after the date on which the breach of contract was or should have been discovered and (2) must deduct any money that has been paid under the contract from the money that becomes due.

If a subcontractor willfully fails to comply with the requirements of a nondiscrimination clause, the contractor may void the subcontract. In that event, the contractor is liable for no more than the reasonable value of work performed or materials provided.

Any person, including an employee or prospective employee, who has information about a violation of a nondiscrimination clause may inform BPW. BPW must cause an immediate investigation of the charge and if it concludes that the charge is true, may invoke any remedy available by law.

Licensing Authority

Generally an individual must obtain a license from the appropriate licensing authority before practicing or engaging in specified occupations in Maryland. State licensure requirements vary by profession but generally mandate education, examination, and background checks, overseen by specific State boards. Disciplinary actions for misconduct - including negligence, fraud, or criminal convictions – range from fines and reprimands to license suspension or revocation. Generally, if a license is denied or disciplined, applicants may request a hearing with the appropriate board and if an agreement is not reached, applicants may pursue a contested case hearing through the Office of Administrative Hearings.

State Fiscal Effect: General fund expenditures increase by at least $214,789 in fiscal 2027 for the Office of the Attorney General (OAG) and the Judiciary. State expenditures (multiple fund types) may increase for additional training, updates to contracts, and potential disciplinary actions to meet the bill’s requirements. In addition, State expenditures may increase for costs associated with litigation and payment of claims. Potential decrease in federal fund revenues.

It is not clear the extent to which the bill's provisions interact with the MTCA. The bill does not mention the MTCA and is not drafted to those provisions. As discussed above, the MTCA is a limited waiver of the State's sovereign immunity, subject to specified requirements, liability limits, and limits on attorney's fees.

MTCA claims are filed against the State, not the State employee whose actions form the basis of the claim. The State is not typically named in 42 U.S.C. § 1983 lawsuits because of its Eleventh Amendment immunity. The extent to which the bill increases claims against the State and related expenses cannot be reliably determined at this time.

Office of the Attorney General

Although the full extent of potential litigation against (or initiated by) the State cannot be estimated at this time, this estimate assumes that OAG engages in enough investigations and potential litigation that additional resources are required. Thus, general fund expenditures for OAG increase by $202,451 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. This estimate reflects the cost of hiring one assistant Attorney General and one investigator to investigate and potentially litigate claims under the bill. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2.0
Salary and Fringe Benefits	$184,169
Operating Expenses	18,282
FY 2027 OAG Personnel Expenditures	**$202,451**

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Although OAG is entitled to recover the costs of any action for the use of the State, such impact is speculative and therefore not accounted for in this analysis.

Judiciary

General fund expenditures for the Judiciary increase by at least $12,338 in fiscal 2027 for one-time computer programming changes to make necessary adjustments to licensing systems.

Maryland Department of Transportation

The Maryland Department of Transportation receives federal fund revenues which require assurances regarding upholding federal immigration laws. If the department is unable to meet federal grant requirements due to the bill, federal funding revenues are likely reduced. However, a reliable estimate is not feasible without experience under the bill.

Department of Public Safety and Correctional Services

The Department of Public Safety and Correctional Services advises that the department needs to develop contract monitoring protocols in order to meet the bill’s procurement contract requirements. However, the department further advises that it contracts with multiple vendors and that without standardized language, the department may be subject to liability as it may incorporate language in contracts that are either over-inclusive or under-inclusive relative to the bill's requirements.

Maryland State Department of Education

The Maryland State Department of Education and Local Education Agencies likely incur costs associated with compliance measures required by the bill including updating policies, training staff, and implementing systems for the documentation and retention of records.

Maryland Department of Health

The bill has an operational impact on the Maryland Department of Health as procedural updates are likely necessary to ensure compliance with the bill’s documentation and notification requirements.

Local Expenditures: Local expenditures under the bill may increase for litigation and updates to contracts and training. As with the MTCA, it is unclear the extent to which the bill’s provisions interact with the LGTCA. However, local governments likely need to update contracts and training for employees to ensure compliance with the bill’s requirements. Local jurisdictions with limited legal and administrative capacity may face disproportionate burdens to implement the bill’s requirements, including documentation, recordkeeping, and disciplinary actions. Wicomico County reports that the bill likely results in additional legal fees, litigation, and lost contracts for the county.

Small Business Effect: The bill may have a meaningful effect on small business law firms that litigate these types of claims. To the extent that a small business contracts with a State or unit of local government, the business is prohibited from aiding immigration enforcement; thus, the business is required to maintain records of cooperation with immigration enforcement. If there is an alleged violation, the business is potentially subject to an investigation, court action, or revocation of a license.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Institute for Emergency Medical Services Systems; Maryland Department of Aging; Baltimore City; Harford, Montgomery, and Wicomico counties; Maryland Municipal League; Alcohol, Tobacco, and Cannabis Commission; Maryland Cannabis Administration; Office of the Attorney General; Comptroller's Office; Judiciary (Administrative Office of the Courts); Maryland State Department of Education; University System of Maryland; Morgan State University; Maryland Department of Agriculture; Department of Budget and Management; Maryland Department of the Environment; Department of General Services; Maryland Department of Health; Department of Human Services; Maryland Department of Labor; Department of Natural Resources; Department of Public Safety and Correctional Services; Board of Public Works; Department of State Police; Maryland Department of Transportation; Maryland Insurance Administration; Maryland State Lottery and Gaming Control Agency; Public Service Commission; Department of Legislative Services

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