



HB0589/963524/1

**CONFERENCE COMMITTEE REPORT**

REPORT  
PREPARED  
BY THE  
DEPT. OF LEGISLATIVE  
SERVICES

*Tagalica*

02 APR 21  
09:17:23

BILL NO.: **HB 589**      SPONSOR: **Speaker**

SUBJECT: **Budget Reconciliation and Financing Act of  
2021**

THIRD READING CALENDAR      HOUSE NO. **69**      SENATE NO. **2**

Hon. William C. Ferguson, IV, President of the Senate  
Hon. Adrienne A. Jones, Speaker of the House of Delegates


Your Conference Committee on the Disagreeing votes of the two Houses has met and, after full and free conference, recommends:


(1) That the Budget and Taxation Committee Amendments  
(HB0589/243724/1) be rejected.

(2) That the attached Conference Committee Amendments  
(HB0589/443822/1) be adopted.

Senate Members:

  
Chair, **Guy Guzzone**

  
**George C. Edwards**

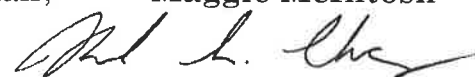
  
**Cory V. McCray**


  
**Craig J. Zucker**

  
**Melony Griffith**

House Members:

  
Chair, **Maggie McIntosh**

  
**Mark S. Chang**

  
**Wendell R. Beitzel**

  
**Keith E. Haynes**

  
**Kirill Reznik**

Read in the Senate:

Read in the House of Delegates:

Amendment Office Delivers Report to:

☒ Chief Clerk

☐ Secretary, Senate



HB0589/443822/1

AMENDMENTS  
PREPARED  
BY THE  
DEPT. OF LEGISLATIVE  
SERVICES  
*Tagalica*  
02 APR 21  
09:18:48

BY: Conference Committee

AMENDMENTS TO HOUSE BILL 589  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after “of” insert “altering the source of funding for certain required appropriations;”; in line 5, after “fund;” insert “altering the area in which certain raffle proceeds are required to be used to benefit certain individuals;”; strike beginning with “requiring” in line 14 down through “program;” in line 16 and substitute “altering the percentage of eligible costs that may be paid from the Bay Restoration Fund for upgrading certain privately owned wastewater treatment facilities; establishing the Maternal and Child Health Population Health Improvement Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Maryland Department of Health and the Health Services Cost Review Commission to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; requiring interest earnings of the Fund to be credited to the Fund; exempting the Fund from a certain provision of law requiring interest earnings on State money to accrue to the General Fund of the State; specifying that the Fund is subject to a certain audit;”; in line 18, strike “each” and substitute “for a certain”; in line 19, strike “each” and substitute “for a certain”; in the same line, after “year” insert “and a certain amount for each following fiscal year”; and in line 22, after “program;” insert “expanding the purpose of a certain fund;”.

On page 2, in line 16, after “fund;” insert “altering the amount of a required appropriation from the Transportation Trust Fund for the operation of the Maryland Transit Administration for a certain fiscal year;”; in line 20, after “funds;” insert “authorizing certain State agencies to temporarily charge certain expenditures to a certain account; providing a process to reimburse a certain account for certain charged expenditures;”; and in line 29, after “limitation;” insert “requiring certain employees in”.

(Over)

positions in certain Department of Public Safety and Correctional Services facilities to be transferred to certain vacancies in certain other facilities; defining certain terms; providing for the termination of certain provisions of this Act;”.

On pages 3 and 4, strike in their entirety the lines beginning with line 34 on page 3 through line 4 on page 4, inclusive.

On page 4, after line 4, insert:

“BY repealing and reenacting, with amendments,

Article – Environment

Section 9–1605.2(i)(1) and (2)(i)

Annotated Code of Maryland

(2014 Replacement Volume and 2020 Supplement)”;

in line 17, after “Section” insert “19–210 and”; in line 22, after “(e),” insert “31–107(b) and (f),”; after line 24, insert:

“BY repealing and reenacting, without amendments,

Article – Insurance

Section 31–107(a) and (e)

Annotated Code of Maryland

(2017 Replacement Volume and 2020 Supplement)”;

in line 32, strike “7–329(b–1) and” and substitute “6–226(a)(2)(ii)127. and 128., 7–329(b–1), and”; in line 38, strike “7–329(a) and (b) and” and substitute “6–226(a)(2)(i), 7–329(a) and (b), and”; and after line 40, insert:

“BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)129.

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

(As enacted by Chapters 20 and 538 of the Acts of the General Assembly of 2020 and Chapters 4, 8, 25, 28, 33, and 36 of the Acts of the General Assembly of 2021)".

On page 5, strike in their entirety lines 1 through 5, inclusive; and after line 16, insert:

"BY repealing and reenacting, with amendments,

Article – Transportation

Section 7–205

Annotated Code of Maryland

(2020 Replacement Volume)".

On page 7, after line 23, insert:

"SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – Economic Development"**.

On page 41, in lines 1, 5, 14, and 19, strike "2.", "3.", "4.", and "5.", respectively, and substitute "3.", "4.", "5.", and "6.", respectively; and in line 8, strike "JANUARY 1, 2021" and substitute "January 1, 2021".

On page 42, in lines 6, 16, and 21, strike "6.", "7.", and "8.", respectively, and substitute "8.", "9.", and "10.", respectively.

On page 43, in lines 12, 16, 24, 28, 33, and 38, strike "10.", "11.", "13.", "14.", "15.", and "16.", respectively, and substitute "12.", "13.", "14.", "15.", "16.", and "17.", respectively.

(Over)

On page 44, in line 10, strike “17.” and substitute “18.”; and in line 11, after “2021.” insert “Section 1 of this Act shall remain effective for a period of 3 years and 1 month and, at the end of June 30, 2024, Section 1 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.”.

AMENDMENT NO. 2

On page 6, in line 15, strike “Prince George’s County” and substitute “THE COMMON OWNERSHIP AND COOPERATIVE COMMUNITIES LOCATED IN WHOLE OR IN PART WITHIN AN ESTIMATED 1-MILE RADIUS OF PROPERTY OWNED OR UNDER THE CONTROL OF THE PROFESSIONAL FOOTBALL TEAM”.

AMENDMENT NO. 3

On page 18, strike in their entirety lines 5 through 22, inclusive.

AMENDMENT NO. 4

On page 19, after line 14, insert:

“Article – Environment

9–1605.2.

(i) (1) (I) In this subsection[, “eligible] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “ELIGIBLE costs” means the additional costs that would be attributable to upgrading a wastewater facility to enhanced nutrient removal, as determined by the Department.

(III) “PRIVATELY OWNED WASTEWATER FACILITY” MEANS A WASTEWATER FACILITY THAT IS OWNED BY A PRIVATE ENTITY.

(IV) "PUBLICLY OWNED WASTEWATER FACILITY" MEANS A WASTEWATER FACILITY THAT IS OWNED BY THIS STATE OR A POLITICAL SUBDIVISION, MUNICIPAL CORPORATION, OR OTHER PUBLIC ENTITY.

(2) Funds in the Bay Restoration Fund shall be used only:

(i) 1. To award grants for up to 100% of eligible costs of projects relating to planning, design, construction, and upgrade of a PUBLICLY OWNED wastewater facility for flows up to the design capacity of the wastewater facility, as approved by the Department, to achieve enhanced nutrient removal in accordance with paragraph (3) of this subsection; AND

2. TO AWARD GRANTS FOR UP TO 50% OF ELIGIBLE COSTS OF PROJECTS RELATING TO PLANNING, DESIGN, CONSTRUCTION, AND UPGRADE OF A PRIVATELY OWNED WASTEWATER FACILITY FOR FLOWS UP TO THE DESIGN CAPACITY OF THE WASTEWATER FACILITY, AS APPROVED BY THE DEPARTMENT, TO ACHIEVE ENHANCED NUTRIENT REMOVAL IN ACCORDANCE WITH PARAGRAPH (3) OF THIS SUBSECTION;".

AMENDMENT NO. 5

On page 19, after line 15, insert:

"19-210.

(A) IN THIS SECTION, "FUND" MEANS THE MATERNAL AND CHILD HEALTH POPULATION HEALTH IMPROVEMENT FUND.

(B) THERE IS A MATERNAL AND CHILD HEALTH POPULATION HEALTH IMPROVEMENT FUND.

(Over)

(C) THE PURPOSE OF THE FUND IS TO INVEST IN MATERNAL AND CHILD POPULATION HEALTH IMPROVEMENTS THROUGH THE MEDICAL CARE PROGRAMS ADMINISTRATION AND THE PREVENTION AND HEALTH PROMOTION ADMINISTRATION.

(D) THE DEPARTMENT AND THE COMMISSION SHALL ADMINISTER THE FUND.

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

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(F) THE FUND CONSISTS OF:

(1) A UNIFORM, BROAD-BASED ASSESSMENT OF A REASONABLE AMOUNT IN HOSPITAL RATES IN ORDER TO INVEST IN MATERNAL AND CHILD POPULATION HEALTH IMPROVEMENTS UNDER § 19-207 OF THIS SUBTITLE;

(2) INTEREST EARNINGS; AND

(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(G) THE FUND MAY BE USED ONLY FOR EXPENSES ASSOCIATED WITH MATERNAL AND CHILD HEALTH POPULATION HEALTH IMPROVEMENTS THROUGH DECEMBER 31, 2025.

(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

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

(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY:

(1) IN ACCORDANCE WITH THE STATE BUDGET; AND

(2) AFTER THE APPROVAL OF A MAJORITY OF THE MEMBERS OF THE COMMISSION.

(J) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT WOULD OTHERWISE BE APPROPRIATED FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM.

(K) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.”.

On page 25, after line 9, insert:

“6-226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise

(Over)



entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

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

127. the Michael Erin Busch Sports Fund; [and]

128. the Coordinated Community Supports Partnership Fund;

129. THE MATERNAL AND CHILD HEALTH POPULATION HEALTH IMPROVEMENT FUND.”.

AMENDMENT NO. 6

On page 20, in lines 1 and 2, strike “AND EACH FISCAL YEAR THEREAFTER”; and in line 6, strike “EACH” and substitute “THAT”.

On page 21, after line 25, insert:

“(2) AT THE BEGINNING OF EACH OF FISCAL YEARS 2023 AND 2024, THE GOVERNOR SHALL TRANSFER THE FIRST \$8,000,000 OF THE FUNDS COLLECTED FROM THE ASSESSMENT REQUIRED UNDER THIS SECTION TO THE COMMUNITY HEALTH RESOURCES COMMISSION.”;

in line 26, strike “(2)” and substitute “(3)”; and in line 28, strike “PARAGRAPH (1)” and substitute “PARAGRAPHS (1) AND (2)”.

On page 22, in line 22, strike the brackets; strike beginning with “SUBJECT” in line 22 down through “THE” in line 23; in line 27, strike “2021” and substitute “2022”; and strike in their entirety lines 28 through 30, inclusive.

On page 23, in line 12, strike “BE LESS THAN” and substitute “EXCEED”; in the same line, strike “\$11,500,000;” and substitute “\$14,000,000; AND”; strike in their entirety lines 13 and 14; in line 15, strike “(5)” and substitute “(4)”; in the same line, after “year” insert “AFTER FISCAL YEAR 2022”; and after line 16, insert:

“31–107.

(a) There is a Maryland Health Benefit Exchange Fund.

(b) (1) The purpose of the Fund is to:

(i) provide funding for the operation and administration of the Exchange in carrying out the purposes of the Exchange under this subtitle; [and]

(ii) provide funding for the establishment and operation of the State Reinsurance Program authorized under this subtitle; AND

(III) PROVIDE FUNDING FOR THE MEDICAL ASSISTANCE PROGRAM AND THE SENIOR PRESCRIPTION DRUG ASSISTANCE PROGRAM.

(2) The operation and administration of the Exchange and the State Reinsurance Program may include functions delegated by the Exchange to a third party under law or by contract.

(e) The Fund consists of:

(1) any user fees or other assessments collected by the Exchange;

(2) all revenue deposited into the Fund that is received from the distribution of the premium tax under § 6–103.2 of this article;

(Over)

- (3) income from investments made on behalf of the Fund;
  - (4) interest on deposits or investments of money in the Fund;
  - (5) money collected by the Board as a result of legal or other actions taken by the Board on behalf of the Exchange or the Fund;
  - (6) money donated to the Fund;
  - (7) money awarded to the Fund through grants;
  - (8) any pass-through funds received from the federal government under a waiver approved under § 1332 of the Affordable Care Act;
  - (9) any funds designated by the federal government to provide reinsurance to carriers that offer individual health benefit plans in the State;
  - (10) any funds designated by the State to provide reinsurance to carriers that offer individual health benefit plans in the State;
  - (11) any federal funds received in accordance with § 31-121 of this subtitle for the administration of small business tax credits; and
  - (12) any other money from any other source accepted for the benefit of the Fund.
- (f) The Fund may be used only:
- (1) for the operation and administration of the Exchange in carrying out the purposes authorized under this subtitle; [and]

(2) for the establishment and operation of the State Reinsurance Program;

(3) IN FISCAL YEARS 2021 AND 2022, FOR THE MEDICAL ASSISTANCE PROGRAM WITHIN THE MEDICAL CARE PROGRAMS ADMINISTRATION OF THE MARYLAND DEPARTMENT OF HEALTH; AND

(4) IN FISCAL YEAR 2022, FOR THE SENIOR PRESCRIPTION DRUG ASSISTANCE PROGRAM ESTABLISHED UNDER TITLE 15, SUBTITLE 10 OF THE HEALTH – GENERAL ARTICLE.”.

AMENDMENT NO. 7

On pages 31 and 32, strike in their entirety the lines beginning with line 9 on page 31 through line 10 on page 32, inclusive.

AMENDMENT NO. 8

On page 38, strike in their entirety lines 1 through 3, inclusive; in lines 4, 6, and 8, strike “2.”, “3.”, and “4.”, respectively, and substitute “1.”, “2.”, and “3.”, respectively; strike in their entirety lines 27 through 29, inclusive; and in lines 30 and 32, strike “2.” and “3.”, respectively, and substitute “1.” and “2.”, respectively.

On page 39, in line 1, strike “4.” and substitute “3.”; in line 10, after “(i)” insert “1.”; in line 11, strike “\$136,235,225” and substitute “\$119,800,225”; in line 13, strike “\$72,000,000” and substitute “\$104,365,475”; after line 13, insert:

“2. FOR FISCAL YEAR 2022 ONLY, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL A GENERAL FUND APPROPRIATION IN THE AMOUNT OF \$1,200,000 TO THE STATE LAKES PROTECTION AND RESTORATION FUND ESTABLISHED UNDER § 8-205 OF THE NATURAL RESOURCES ARTICLE TO BE USED ONLY TO FUND A PILOT DREDGING

(Over)

PROJECT AT DEEP CREEK LAKE, WHICH IS NOT REQUIRED TO BE MATCHED BY LOCAL FUNDS.

3.    FOR EACH OF FISCAL YEARS 2023, 2024, 2025, 2026, AND 2027, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL A GENERAL FUND APPROPRIATION IN THE AMOUNT OF \$2,500,000 TO THE MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY DEVELOPMENT CORPORATION FOR THE NEXT GENERATION FARMLAND ACQUISITION PROGRAM AUTHORIZED UNDER § 10-523(A)(3)(II) OF THE ECONOMIC DEVELOPMENT ARTICLE.

4.    FOR FISCAL YEAR 2025 ONLY, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL A GENERAL FUND APPROPRIATION IN THE AMOUNT OF \$2,735,000 TO THE MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY DEVELOPMENT CORPORATION ESTABLISHED UNDER TITLE 10, SUBTITLE 5 OF THE ECONOMIC DEVELOPMENT ARTICLE TO BE USED AS FOLLOWS:

A.    \$2,300,000 TO SUPPORT THE CORPORATION'S RURAL BUSINESS LOAN PROGRAMS AND SMALL MATCHING GRANT PROGRAMS; AND

B.    \$435,000 FOR GRANTS AND NEAR-EQUITY INVESTMENTS TO:

I.    SUPPORT THE CREATION OR EXPANSION OF AGRICULTURAL PRODUCT AGGREGATION AND STORAGE SITES; AND

II. FACILITATE PARTICIPATION IN THE CERTIFIED  
LOCAL FARM ENTERPRISE PROGRAM.;

in line 15, strike “\$9,430,475” and substitute “\$8,230,475”; in line 16, strike “\$50,721,900” and substitute “\$37,986,900”; in line 17, strike “\$50,721,900” and substitute “\$48,221,900”; and in line 24, strike “\$72,000,000” and substitute “\$104,365,475”.

On page 40, in line 2, strike “\$72,000,000” and substitute “\$104,365,475”; and in line 3, strike “5.” and substitute “4.”.

AMENDMENT NO. 9

On page 40, after line 8, insert:

“Article – Transportation

7-205.

(a) For fiscal year 2020, the Governor shall include in the State budget an appropriation from the Transportation Trust Fund for the operation of the Administration that is equal to the appropriation for the operation of the Administration in the fiscal year 2019 State budget as introduced, increased by at least 4.4%.

(b) For [each of fiscal years] FISCAL YEAR 2021 [and 2022], the Governor shall include in the State budget an appropriation from the Transportation Trust Fund for the operation of the Administration that is equal to the appropriation for the operation of the Administration in the State budget for the immediately preceding fiscal year, increased by at least 4.4%.

(c) FOR FISCAL YEAR 2022, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN APPROPRIATION FROM THE TRANSPORTATION TRUST FUND

(Over)

FOR THE OPERATION OF THE ADMINISTRATION THAT MAY NOT BE LESS THAN  
THE FISCAL YEAR 2021 APPROPRIATION FOR THE OPERATION OF THE  
ADMINISTRATION.

[(c)] (D) (1) For each of fiscal years 2020 through 2022, the Governor shall  
include in the State budget an appropriation for the capital needs of the Administration  
of at least \$29,100,000 from the revenues available for the State capital program in the  
Transportation Trust Fund.

(2) The appropriation required under paragraph (1) of this subsection  
may not supplant any other capital funding otherwise available for the  
Administration.”.

AMENDMENT NO. 10

On page 41, in line 16, strike “\$2,000,000” and substitute “\$1,500,000”.

AMENDMENT NO. 11

On page 41, in line 21, strike “\$3,000,000” and substitute “\$2,000,000”.

AMENDMENT NO. 12

On page 42, after line 5, insert:

“SECTION 7. AND BE IT FURTHER ENACTED, That, notwithstanding any  
other provision of law under § 2–606 of the Tax – General Article:

(a) The Maryland Department of Health and other appropriate State agencies  
are authorized to temporarily charge expenditures related to the Coronavirus Disease  
2019 (COVID–19) response that are eligible for reimbursement from the Federal  
Emergency Management Agency’s Public Assistance process to the Local Reserve  
Account established to comply with § 2–606 of the Tax – General Article.

(b) Once reimbursement is received from the Federal Emergency

Management Agency's Public Assistance process, the revenue shall be used to offset the eligible expenditures authorized under subsection (a) of this section to reimburse the Local Reserve Account.

(c) Any charges against the Local Reserve Account that are not fully reimbursed under subsection (b) of this section shall be reimbursed by the General Fund at the Maryland General Assembly session following a determination by the Federal Emergency Management Agency to ensure the Local Reserve Account is fully reimbursed for the temporary charges made under subsection (a) of this section.

(d) This provision shall be in effect until June 30, 2022, or until the Federal Emergency Management Agency has made a final determination on all expenditures that are temporarily charged under subsection (a) of this section. On the effective date of this Act, the Department of Budget and Management may appropriate these funds through the budget amendment process, as needed."

AMENDMENT NO. 13

On page 43, after line 6, insert:

"SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, employees in positions at Department of Public Safety and Correctional Services facilities that are closed effective June 30, 2021, shall be transferred to existing vacancies in comparable job classifications within other Department of Public Safety and Correctional Services facilities. These transfers shall be effective not later than July 1, 2021, and shall be made without any loss of status, compensation, or benefits."

AMENDMENT NO. 14

On page 43, strike in their entirety lines 7 through 11, inclusive.

AMENDMENT NO. 15

On page 43, strike in their entirety lines 20 through 23, inclusive.

(Over)



**HB0589/443822/1            Conference Committee**  
**Amendments to HB 589**  
**Page 16 of 16**

**AMENDMENT NO. 16**

On page 44, in lines 3 and 6, in each instance, strike "\$5,000,000" and substitute "\$100,000".