

The 90 Day Report

A Review of the 2001 Legislative Session

**Department of Legislative Services
Office of the Executive Director
Maryland General Assembly**

April 13, 2001

Honorable Thomas V. Mike Miller, Jr., President of the Senate
Honorable Casper R. Taylor, Jr., Speaker of the House of Delegates
Honorable Members of the General Assembly

Ladies and Gentlemen:

I am pleased to present you with *The 90 Day Report - A Review of Legislation in the 2001 Session*.

The 90 Day Report consists of two volumes. Volume I is divided into 13 parts, each dealing with a major policy area. Each part contains a discussion of the majority of bills passed in that policy area, including comparisons with previous sessions and current law, background information, and a discussion of significant bills that did not pass. Information relating to the Operating Budget, Capital Budget, and aid to local governments is found in Part A of this volume. Volume II, organized in the same manner as Volume I, consists of a list of all bills passed and a short synopsis stating the purpose of each bill.

As was the case in previous years, *The 90 Day Report* is being provided to you in loose-leaf format to make it easier to copy and use parts of the report. The binders provided previously were designed to hold the most recent edition of *The 90 Day Report*; please use the binder provided for this year's report. Should you also wish to have a bound version of the *Report*, please contact my office.

I hope that you will find *The 90 Day Report* as helpful this year as you have in the past. Further, the Department of Legislative Services will make available the *Fact Book* and *Citizen's Tax Guide* shortly. *The Effects of the 2001 Legislative Program on the Financial Condition of the State* will be issued after the Governor has taken final action on all bills.

Sincerely,

Karl S. Aro
Executive Director

VOLUME I

Major Policy Discussions

MAJOR ISSUES

Part A - BUDGETS AND STATE AID

- OPERATING BUDGET
- CAPITAL BUDGET
- AID TO LOCAL GOVERNMENT

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VOLUME II

Synopsis of Passed Bills

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Part A

Budget and State Aid

Operating Budget

Budget in Brief

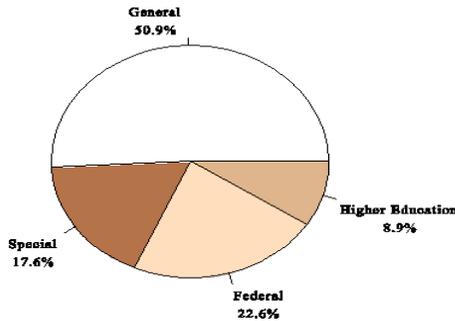
As enacted during the 2001 session, *House Bill 150 (enacted)* (the Budget Bill) provides \$21.2 billion in appropriations for fiscal 2002; an increase of \$1.2 billion (6.2 percent) over fiscal 2001. **Exhibit A1.1** illustrates funding by type of revenue. Just over one-half is supported by general funds, with lesser proportions supported by dedicated special funds, federal aid, and higher education dollars. Less than one-half of the budget supports agency operations. Aid to local jurisdictions constitutes 21 percent of the budget, and 16 percent is for entitlements. Remaining appropriations pay debt service on general obligation bonds, fund portions of the capital program, and increase the balance in the State Reserve Fund.

General fund appropriations are \$547.4 million greater than fiscal 2001. Similar to 2001, the budget provides significant PAYGO capital spending. During the 2000 session the Governor outlined an ambitious agenda for additional capital projects over a multi-year period. This was based in part on the surplus of available cash. Provisions of Chapter 4, Acts of 1998 also required the Governor to appropriate \$141.8 million to the Revenue Stabilization Fund, representing the unappropriated fiscal 2000 general fund surplus in excess of \$10.0 million. Absent these appropriations, the operating component of the general fund budget increased \$658.5 million, or 7.1 percent. Special and federal funds also experience large growth in the 2002 budget. Special funds increase \$274.9 million (8.0 percent) and federal spending rises \$378.7 million (8.6 percent).

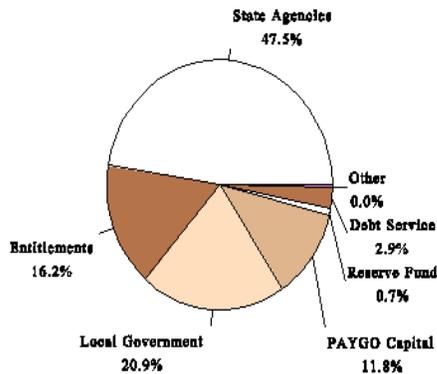
Exhibit A1.1

Maryland's \$21.2 Billion Budget

Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



State agency operations constitute 48 percent of the budget. Health, education, and public-safety related agencies receive 61 percent of dollars allocated for State agencies. Growth in agency spending is partly attributable to employee compensation costs for health and other insurances increases of \$78.3 million (17.6 percent over that paid in fiscal 2001) and the addition of 2,950.3 new positions. Most of the new positions were provided in the areas of higher education, human resources, juvenile justice, and public safety. Roughly one-fourth of the new positions represent contractual conversions. Funding was also included for a 4 percent general salary increase effective January 1, 2002.

Education programs continue to fare well in the fiscal 2002 budget. General fund contributions to State colleges and universities increase by \$88.0 million, or 9.9 percent, to further enhance post-secondary programs. Pass-through education and library aid to local jurisdictions rises \$138.1 million. The operating budget includes \$134.0 million for public school construction. In combination with bond funding (general obligation and qualified zone academy bonds), \$253.4 million will be available for school construction.

Other education aid increases were provided through formula increases to the community colleges, scholarship programs, and aid to private colleges and universities. At the primary/secondary level, new or enhanced funding was provided for high school assessment test development, the Baltimore City remedy plan, and to help school systems assist pre-kindergarten through third grade students in meeting the State's third grade accountability standards. The budget further provides \$5.0 million for the second year of funding to defray the costs of textbooks for students enrolled in certain private primary and secondary schools. For a more detailed discussion of State aid for local governments and education, see the Overview of State Assistance to Local Governments in this part and Part L -

Education of this 90 Day Report.

Programs supporting the administration's smart growth policy were again emphasized in the budget. Funding was approved for four new initiatives. GreenPrint, an initiative to purchase land and conservation easements on the most environmentally and ecologically sensitive undeveloped lands within the State, is funded at \$35.0 million (\$30.0 million general obligation bonds/\$5.0 million PAYGO). Community Legacy received \$10.0 million (\$1.0 million operating/\$9.0 million PAYGO) to provide at-risk neighborhoods and sponsoring local governments with financial and technical assistance to implement revitalization plans. The Community Parks and Playgrounds program is funded at \$11 million for fiscal 2002, to provide competitive grants to local governments to respond to the unmet need for assistance to rehabilitate, expand, or improve existing parks. Finally, the Governor's initiative to expand transit services receives nearly \$47.0 million (\$25.2 operating/\$21.4 PAYGO). Funds may be used to reduce fares, provide neighborhood shuttle services, provide for the purchase of buses for State and local operations to expand services, and other enhancements.

Spending on entitlement programs increases by 2.1 percent in the fiscal 2002 budget. An increase of nearly \$110 million for medical assistance reflects higher medical inflation costs and the expansion of the Maryland Children's Health Program (MCHP) to additional children and pregnant women.

Framing the Session

Following the 2000 session, Maryland's financial picture continued to be favorable. The State had nearly a billion dollar surplus, in addition to the first allocation of revenues from the tobacco settlement. The fiscal 2000 budget closed with higher than anticipated revenues of \$145.7 million, tied largely to capital gains and income tax collections. The country was also in the midst of the longest postwar economic expansion. Subtle changes began to surface following the presidential election. Controversy over the virtual deadlock carried through November and December, as various recounts and court challenges occurred. The perception of uncertainty, coupled with the inevitability of a normal business cycle, began to manifest itself in economic change. By early December earnings, warnings, and layoffs in the Internet-based sector became more prevalent and caused greater concern as the Nasdaq continued to lose ground from its all-time high in the spring of 2000. Despite the unsettling national economic news, the economic news and revenue collections in Maryland remained strong. The Board of Revenue Estimates (BRE) revised the fiscal 2001 revenue forecast upward by \$322.9 million.

In mid-December the Spending Affordability Committee recommended a 6.95 percent limit for spending in the 2001 session. The committee had also decided that spending from the Cigarette Restitution Funds (CRF), which had initially been excluded at the prior session, was now integrated in the budget and should be counted toward the limit. With CRF spending included in the calculation, the 6.95 percent rate for the 2001 session was considered more prudent relative to the 9.2 percent rate resulting from the 2000 session. The recommendation was further supported by the BRE revenue revision.

Governor's Budget Proposal

The Governor submitted an original budget and two supplemental budgets totaling \$21.4 billion, which was 7.5 percent higher than the fiscal 2001 working appropriation (including deficiency appropriations applied to the base). On a Spending Affordability basis, the proposed budget (including all deficiency and supplemental spending), provided for an increase of 8.6 percent, \$216.2 million over the 6.95 percent spending limit recommended by the Spending Affordability Committee.

General fund increases were largely provided in the education policy area. Higher education operating spending was increased by \$126.3 million, with another \$81.4 for PAYGO higher education projects. Primary and secondary education spending realized an increase of \$195.0 million, which is largely driven by statutory formulae. Medical assistance payments were increased by \$121.5 million, and spending on various smart growth initiatives accounted for \$73.5 million of the growth in the allowance.

Revenue and Reversion Assumptions

The budget included several assumptions pertaining to revenues and levels of anticipated general fund reversions. They included:

General Fund Revenues: With respect to general fund revenues, the budget assumed that \$39.0 million would be transferred to the Transportation Trust Fund (TTF) contingent on the enactment of legislation relating to the expansion of transit services. Additional revenues were projected in fiscal 2001 (\$5.1 million) and 2002 (\$10.0 million) based on anticipated hospital patient recoveries. Implementation of a new lottery game was expected to add another \$10.0 million above the level of revenue forecast for fiscal 2002 by the BRE.

The budget also assumed the transfer of \$557.0 million from the State Reserve Fund's Revenue Stabilization Fund to support overall fiscal 2002 spending. The proposed transfer was projected to reduce the amount in the fund to \$56.5 million over the statutorily required 5 percent of general fund revenues.

General Fund Reversions: As introduced, the budget assumed that the fiscal 2002 budget would close with general fund reversions of \$50.0 million. It had been the practice of the administration over the last several fiscal years to assume reversions of \$25.0 million. The higher assumption raised concerns since actual reversions from fiscal 1999 and 2000 provided only \$17.7 million and \$16.5 million respectively.

Balance and the Budget: Taking the general fund revenues, additional revenues, and reversion assumption into consideration, the budget, as introduced, showed an estimated closing balance of \$25.0 million. However, in a business sense (i.e., comparing ongoing revenues to ongoing operating expenses), the budget reflected a revenue shortfall of \$99.9 million.

Legislative Consideration of the Budget

During the session, the legislature was again faced with the challenge of reducing the budget to stay within the limits recommended by the Spending Affordability Committee. The difference in the 2001 session was that the allowance exceeded the recommended limit by the highest level since the establishment of spending affordability in 1982. Although the budget was technically balanced, the General Assembly had concerns about the level of funding in the base budget and the sustainability of outyear spending.

Underfunding of the Base Budget

In January 2001, the Department of Legislative Services (DLS) estimated that base services in the budget were underfunded by \$160.6 million. The larger areas of underfunding included:

Mental Health Services: During budget deliberations, DLS noted that the fee-for-service component of Maryland's public mental health system is facing a \$23 million general fund deficit compiled from fiscal 1998 to 2000, plus a fiscal 2001 general fund operating

deficit of \$19 million. The fiscal 2001 deficit is likely to be reduced to \$6-\$10 million based on service reductions and other cost containment, leaving a total deficit of an estimated \$30 million. The general fund deficit resulted primarily from inaccurate data about actual expenditures and claims incurred but not received. This inaccurate data meant that the Mental Hygiene Administration (MHA) effectively did not know its expenditures from one year to the next and thought that spending was less than was ultimately found to be the case. The Governor's original allowance did not contain funding to address the deficit.

Medical Assistance: The caseload and inflation assumptions used to formulate the budget were unrealistic, resulting in an estimated deficit of \$32.0 million in fiscal 2002. The budget, as submitted, assumed that Medicaid enrollment would continue to decline, that enrollment of children eligible for the Maryland Children's Health Program (MCHP) would moderate, and that inflation would approximate 4 percent. Recent experience has shown that Medicaid and MCHP enrollment have been increasing, and that health inflation is expected to exceed 5 percent.

Temporary Assistance to Needy Families (TANF): In fiscal 2000 and 2001, State dollars supporting TANF programs were transferred to the Dedicated Purpose Fund to allow for use of surplus federal funding. For fiscal 2002 the Governor only transferred \$9.6 million to reserves. Another \$20.4 million should have been placed in reserve for State program operations after the surplus federal dollars are spent.

Other Underfunding: Funding for vacant positions, the Sick Leave Incentive Act, and the Office of the Public Defender, the Department of Juvenile Justice (DJJ), and various other programs and purposes were also believed to require additional dollars. Added to this were legislative concerns that other health programs, such as prescription drug assistance for the elderly, should be supported by the State budget. Concerns over underfunding in the base budget were expressed throughout the legislative session.

State of the Economy

The legislature was similarly concerned over the direction of the economy, particularly in relation to the revenue and spending proposed in the budget. Although State revenues remained strong in January and February, the stock market continued to experience declines and volatility. Nationally, concerns over the direction of the economy stirred discussion of a possible looming recession. It is within this context that the legislature received a budget that proposed spending nearly all of the \$375.0 million projected fiscal 2001 closing balance, in addition to most of the balance of the Revenue Stabilization Fund beyond the statutorily required 5 percent of general fund revenues. Although the budget contained a significant amount of spending for one-time PAYGO, many of the projects will need out year funding to complete or are currently experiencing cost overruns due to the current bidding climate. Whether the Governor's PAYGO proposal could be fully funded and the sustainability of operating spending needs was also discussed.

As the legislature was considering action on the budget, the BRE reduced the estimate of fiscal 2002 revenues by \$50.2 million. This reflected the expectation that capital gains would begin to decline due to expected stock market losses. The Capital Debt Affordability Committee also met during session to increase the level of general obligation debt issuance from \$475.0 million to \$505.0 million, acknowledging additional debt capacity under its guiding ratios.

Legislative/Budget actions

Reductions: The legislature reduced the Governor's fiscal 2001 deficiency items by \$25.8 million and pared the fiscal 2002 allowance by \$301.4 million. Given the magnitude of reductions necessary to meet spending limits, cuts were distributed throughout the budget. The largest reductions were made in the three areas where budget growth was most prominent: higher education, smart growth, and transit. Higher education spending was reduced \$64.6 million (\$38.1 general funds/\$26.5 million current unrestricted funds), but general funds still grew approximately 10.0 percent. Reductions to the GreenPrint initiative (\$35.0 million) were largely shifted to the bond funded capital program due to the higher debt ceiling that was adopted. Other smart growth-related reductions occurred in the Urban Parks and Playground (\$4.0 million) and the Community Legacy (\$5.0 million) programs. Other reductions scaled back additional spending in the Judiciary, across-the-budget computer costs, nonpublic special education placements, and Temporary Assistance to Needy Families (TANF) programs. A \$7.8 million reduction was made to the Sick Leave Incentive program to limit its scope to a pilot basis.

Final Action Relative to Spending Affordability: Final action by the legislature reduced the budget to a 6.947 percent rate of growth as measured on a spending affordability basis; approximately \$344,000 below the 6.95 percent recommended level.

Addressing Base Budget Underfunding: As shown in **Exhibit A1.2**, actions by the legislature and by the Governor through a supplemental budget addressed nearly \$55.0 million of base budget underfunding. Supplemental Budget No. 2 appropriated \$30 million to the Dedicated Purpose Fund to cover unmet mental health needs contingent on the enactment of **House Bill 828 (passed)** which establishes a Tax Amnesty Program. A portion of the proceeds of that program are to be distributed to the General Fund to offset the transfer from the dedicated purpose account. Budget bill language also restricted funds for new initiatives in MHA to fully address the deficit as well as a portion of other unmet mental health needs. Other actions converted the Sick Leave Incentive program to operate on a pilot basis, reduced the turnover rate in DJJ, and restricted \$7.2 million to the Dedicated Purpose Fund for TANF supported programs.

Outlook for Future Budgets

As shown in **Exhibit A1.3**, a potential budget shortfall of \$435.5 million is projected to exist by the end of fiscal 2003. The gap actually exceeds \$500 million but is mitigated by the estimated transfer of \$81.8 million from the Rainy Day Fund available over the 5 percent statutory requirement. The factors behind the projected shortfall include increased costs for current services, legislation, and PAYGO capital commitments.

Current Services: Cost increases are estimated for salary and fringe benefit growth (e.g. health and retirement cost growth), and phasing in the costs of new positions and the general salary increase. Caseload and entitlement growth, particularly for Medicaid, are also expected to drive future spending needs.

Legislation: Forecasted revenues are reduced by \$25.5 million in fiscal 2002 largely due to **Senate Bill 200/House Bill 309 (both passed)** for the mass transit initiative (\$17.9 million), and **Senate Bill 166/House Bill 222 (both passed)** which alters the refundable earned income tax credit (\$4.3 million). The level of revenue loss increases to an estimated \$50.0 million in fiscal 2003, ultimately increasing to \$78.3 million by fiscal 2006.

Exhibit A1.2

**Underfunding in Fiscal 2002 Budget
(\$ in Millions)**

Program	Budget as Submitted	Budget Actions	Underfunding after Budget Actions
Mental Health: Deficit from prior years plus current demand exceeds funding level	\$41.0	\$30 million transferred to Dedicated Purpose Account to cover deficits; redirection of up to \$8.2 million for program expansion through budget bill language; additional cost containment	\$0.00
Medicaid: Caseload and inflation assumptions are unrealistic	\$32.0		\$32.0
Subtotal Health	\$73.0		\$32.0
Turnover: Statewide vacancy rate of almost 6% for existing positions is not sufficient to support operations	\$34.0		\$34.0
Public Defender: Artificially high turnover rate/attorney caseload/information technology funding in fiscal 2001 and fiscal 2002	\$11.0		\$11.0
Juvenile Justice: Computer system and ongoing programs	\$4.0	\$1 million for turnover in supplemental budget #2; \$0.6 million redirected from unexpended capital funds	\$2.4
Correctional Education: Insufficient salaries and staffing levels	\$2.2		\$2.2
Sick Leave Incentive Act: Agencies to absorb all of fiscal 2001 costs (\$11 million) and some fiscal 2002 costs (\$5 million)	\$16.0	Converted to pilot program for FY 2002	\$11.0
Transfer to Dedicated Purpose Fund equals 1/3 of Temporary Assistance to Needy Families (TANF) dollars supporting programs funded with State funds prior to fiscal 2000. Fiscal 2000 and 2001 transfers equated to 100% of TANF substitution.	\$20.4	Budget authorizes transfer of \$7.2 million to the Dedicated Purpose Account for TANF supported programs	\$13.2
Subtotal Other	\$87.6		\$73.8
Total Underfunding	\$160.6		\$105.8

Exhibit A1.3 General Fund Budget Outlook
(\$ in Millions)

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Revenues						
Fund Balance	936.2	385.0	14.3	-	-	-
Transfer from Reserve Fund	30.0	533.2	81.8	10.2	5.1	5.8
	966.2	918.2	96.1	10.2	5.1	5.8
Operating Revenues	9,653.5	9,933.7	10,305.6	10,775.8	11,289.0	11,853.5
Revenue Actions - Legislation	-	(25.5)	(50.0)	(63.2)	(75.3)	(78.3)
	9,653.5	9,908.3	10,255.6	10,712.6	11,213.7	11,775.2
Total Revenues	\$ 10,619.8	\$ 10,826.5	\$ 10,351.7	\$ 10,722.8	\$ 11,218.8	\$ 11,781.0
Spending						
Operating Spending	9,278.4	9,928.4	10,550.0	11,010.7	11,492.6	11,950.4
Expenditure Actions - Legislation	-	8.5	53.2	68.9	86.8	103.4
	9,278.4	9,936.9	10,603.2	11,079.6	11,579.4	12,053.8
PAYGO Capital	645.3	688.9	179.0	325.7	436.1	184.5
Appropriation to Reserve Fund	311.0	186.4	5.0	5.0	5.0	5.0
	956.3	875.3	184.0	330.7	441.1	189.5
Total Expenditures	\$ 10,234.7	\$ 10,812.2	\$ 10,787.2	\$ 11,410.3	\$ 12,020.5	\$ 12,243.3
Ending Balance	\$ 385.0	\$ 14.3	\$ (435.5)	\$ (687.5)	\$ (801.7)	\$ (462.3)
Revenue Stabilization Fund						
Ending Balance	\$ 889.0	\$ 577.0	\$ 525.4	\$ 543.9	\$ 570.2	\$ 595.2
As a % of General Fund Revenues	9.21%	5.83%	5.10%	5.05%	5.05%	5.02%
5% of General Fund Revenues	482.7	495.2	515.3	538.8	564.5	592.7
Excess over 5% of General Fund Revenues	406.3	81.8	10.2	5.1	5.8	2.6

Legislation with significant out year costs was passed relating to free or subsidized prescription drugs for seniors (*Senate Bill 236/House Bill 6 (both passed)*), developmental disability community provider reimbursements (*Senate Bill 432/House Bill 922 (both passed)*), and State funding for circuit court law clerks (*Senate Bill 656/ House Bill 716 (both passed)*). This, and other legislation, is expected to require outlays of \$53.2 million in fiscal 2003. By fiscal 2006, the costs of legislation passed at the 2001 session could approximate \$103.4 million.

PAYGO Capital Commitments: The forecast assumes an additional \$179 million in fiscal 2003 spending to complete PAYGO capital commitments made in fiscal 2001 and 2002.

Assuming that economic growth moderates as anticipated by the BRE, addressing the potential shortfall in fiscal 2003 and beyond will require a combination of actions. For example the administration's PAYGO capital program may have to be partly funded through general obligation debt or have projects deferred. Programmatic reductions or adjustments to revenue may also need to be considered.

As shown in **Exhibit A1.4**, the State has contingency resources which are available to mitigate the problem. This includes nearly \$500 million in the Rainy Day Fund, over \$90 million in the Dedicated Purpose and Joseph Funds, a projected \$141.2 million fund balance in the TTF, and \$130 million in fiscal 2002 funding for PAYGO projects that is embargoed pending the December revenue estimates. Moreover, to the extent actual revenue growth exceeds the current estimates (as has been the pattern in recent years) the magnitude of the shortfall will be reduced. The potential for some excess is supported by the fact that, through March, revenue collections for fiscal 2001 remain ahead of estimate.

Exhibit A1.4
Funds Available for Contingencies
Fiscal 2002
(\$ in Millions)

PAYGO Embargo	\$130.0
Revenue Stabilization Account	
Over 5%	81.8
Target Level (5 percent of estimated general fund revenues)	495.2
Dedicated Purpose (TANF)	77.6
Joseph Fund	16.5
Total Available - General Funds	\$801.1
Projected FY 2002 Ending Balance Transportation Trust Fund	\$141.2

And Now, the Rest of the Story

Budget-Related Legislation

Legislation considered during the 2001 session that would impact State revenues and spending was discussed under the Budget in Brief section within this Part. Other legislation that pertained to the Constitutional constraints on the budget process, general fund reversions, and a tax amnesty program was also contemplated, as noted below:

Constitutional Budgetary Authority: Senate Bill 245/House Bill 1024 (both failed) would have proposed a modification to Article III, Section 52 of the State Constitution which presently limits the legislature's budget authority to only reducing proposed appropriations for executive branch agencies. Had the legislation passed and the amendment been adopted by voters at the 2002 general election, the General Assembly would have had the ability to increase and make additional appropriations for executive branch agencies. Maryland is the only state in which the legislature lacks this authority. This ability would have been limited to the level of funding in the Governor's allowance. The Governor would have been given the ability to line-item veto changes made by the legislature. Vetoes could have been considered in a special session of the legislature.

General Fund Revenues: House Bill 904 (passed) allows up to \$1.0 million at the end of a fiscal year to be made available for spending within any unit of State government in the next fiscal year, instead of reverting to the State general fund. The Department of Budget and Management (DBM) must certify that the use of the unspent funds is consistent with the unit's Managing for Results goals. Annual reports are to be prepared by DBM on the use of the funds. The Act sunsets at the end of fiscal 2004.

House Bill 828 (passed) establishes a tax amnesty program for delinquent taxpayers who had not filed returns by December 31, 2000, for various income, sales, withholding, and admissions and amusement taxes. Of the funds collected under the Act, the first \$2.0 million would be used by the Comptroller for publicity and additional personnel. The next \$30.0 million would be credited to the general fund, and appropriated as a fiscal 2002 deficiency to the State Reserve Fund. This will repay funds transferred from the Revenue Stabilization Fund to address fiscal 2001 mental health funding deficiencies. Collections in excess of the first \$32.0 million are to provide up to \$8.0 million for education grants to certain jurisdictions, and up to \$10.0 million to the Low Interest Revolving Loan Account for capital projects for volunteer fire companies. Any additional collections are to be credited to a Tax Amnesty Reserve Fund.

Selected Budgetary Initiatives

The budget provides funding for a number of new initiatives and enhancements which are not related to legislation. As noted, the Governor established higher education, smart growth, and the expansion of transit as priorities during the 2001 session. Funding related to higher education and smart growth are discussed first, followed by other budgetary enhancements. The transit initiative was embodied in legislation, and is addressed in Part G - Transportation and Motor Vehicles, within *The 90 Day Report*.

Higher Education

State support for higher education institutions operating expenses, including the public four-year colleges and universities, local community colleges, Baltimore City Community college and private colleges and universities (Sellinger program) is nearly \$1.2 billion in fiscal 2002 or 9.9 percent higher than fiscal 2001. State operating support for public four-year colleges and universities in fiscal 2002 totals \$944.6 million, an increase of 9.9 percent. The University System of Maryland (USM) accounts for 93 percent of the State operating support for the public four-year higher education institutions, or \$877 million. State support for Morgan State University in fiscal 2002 is \$52.6 million, a 9.7 percent increase. State support for St. Mary's College of Maryland is \$14.8 million, \$833,000 more than required by the statutory funding formula for the college. The State's private colleges and universities will receive \$46 million in State support, an increase of 10.65 percent. Community colleges receive \$178.5 million in fiscal 2002, an increase of 9 percent. Funding for Baltimore City Community College also increases 12.9 percent, totaling \$29.9 million. For a more detailed discussion of higher education funding see Part L - Education of *The 90 Day Report*.

Smart Growth

Community Legacy: The fiscal 2002 budget provides \$10 million in State funds for the Community Legacy program created by **Senate Bill 202/House Bill 301 (both passed)**. The program is designed to provide at-risk neighborhoods and sponsoring local governments with financial and technical assistance to implement revitalization plans. Each neighborhood must submit a Community Legacy plan that details exactly what types of changes, facilities, and upgrades the neighborhood needs. The operating program includes \$1 million for technical assistance grants to assist communities with developing the Community Legacy plan. The budget also includes \$9 million in PAYGO funds for capital grants and loans for Community Legacy projects such as streetscapes, home improvements, or demolition. (For a more detailed discussion of **Senate Bill 202/ House Bill 301** see Part H - Business and Economic Issues of *The 90 Day Report*).

Community Parks and Playgrounds Program: The Community Parks and Playgrounds program is a three-year initiative within the DNR budget, that is funded at \$11 million for fiscal 2002. While there is no enabling legislation for the program, it is supposed to provide competitive grants to local governments to respond to the unmet need for assistance to rehabilitate, expand, or improve existing parks. Funds for the Community Parks and Playgrounds program will be targeted to older neighborhoods and intensely developed areas throughout the State.

GreenPrint Program: GreenPrint is a five-year initiative designed to purchase land and conservation easements on the most environmentally and ecologically sensitive undeveloped lands within the State. *House Bill 1379 (passed)* establishes the program in the Department of Natural Resources (DNR). Under the legislation, the purpose of the five-year program is to create a statewide green infrastructure network by acquiring property and property interests, including easements. Maryland's green infrastructure contains roughly two million acres of undeveloped land and is characterized as a system of "Green Hubs" (large habitat areas typically hundreds of acres in size) linked together by linear corridors of land referred to as "Green Links".

GreenPrint is intended to complement the land preservation efforts of other State preservation programs such as Program Open Space, Rural Legacy, the Maryland Agricultural Land Preservation Program, and the Conservation Resource Enhancement Program. To further encourage cooperation with other programs, 25 percent of the total funds appropriated for the program must be spent on the acquisition of easements on agricultural land within Maryland Agricultural Land Preservation Fund-approved districts that contain land within the green infrastructure network. For fiscal 2002, GreenPrint will be funded at \$35 million, with \$30 million in general obligation bonds and \$5 million in general funds. For a more detailed discussion of Maryland's land preservation programs and the GreenPrint legislation see Part K - Natural Resources, Environment, and Agriculture of *The 90 Day Report*.

Public Safety

Funding to Reduce Parole and Probation Caseloads: The fiscal 2002 budget for the Division of Parole and Probation contains \$3.1 million for 108 new positions, of which 67 are Parole and Probation Agent I's to phase-in the Proactive Community Supervision initiative. Under this model, intense concentrated supervision should function as a deterrent to keep offenders from committing another offense that would result in incarceration in either a State or local facility. The likelihood of detection or intervention is higher since agents would spend more time in the neighborhoods and communities.

Over the next three years the division plans to request nearly \$15 million to fund an additional 244 agents, 41 supervisors, 81 support staff, and 40 contractual agent assistants in order to fully implement this initiative. The division's plan outlines how caseloads will decrease, community visibility of agents and the division will be enhanced, recidivism will be reduced, and staff interaction with offenders will be increased.

Additional Correctional Facilities Personnel: The fiscal 2002 budget for the Division of Correction provides \$7.4 million for 278 new positions at 17 correctional facilities throughout Maryland. Of these, 112 of the new positions will staff the new 256-bed maximum security housing unit on the south compound of the Western Correctional Institution that is scheduled to open in January 2002. In fiscal 2001 the division proposed a personnel plan that would increase the number of Correctional Officer I's by roughly 120 positions a year, or a total of 604 positions over five fiscal years. The plan was based on the increased inmate population and considerations such as security, service delivery, and programming. Additionally, the filling of current vacancies and additional positions should allow the division to contain overtime expenses within the appropriated level.

Health and Human Services

Emergency Medical and Housing Assistance Grant Increase: The fiscal 2002 budget includes an additional \$7.8 million for Transitional Emergency Medical and Housing Assistance (TEMHA) grants. This public assistance program provides grants to adults with short-term disabilities and to adults with long-term disabilities who are in the processing of applying for federal Supplemental Security Income (SSI). The additional funds allow for a 40 percent increase, from \$132 to \$185 per month, in the maximum monthly grant amount. With a total of \$23.5 million budgeted for TEMHA grants in fiscal 2002, the Department of Human Resources (DHR) anticipates serving an average of about 10,570 participants per month.

DDA Waiting List Initiative: The Waiting List Initiative is a five-year endeavor to reduce the number of individuals waiting for community services from the Developmental Disabilities Administration (DDA) of the Department of Health and Mental Hygiene (DHMH). The fiscal 2002 budget includes an additional \$22.2 million in general funds and \$11.3 million in federal funds to carry the initiative into its fourth year. With this additional funding, DDA's community services budget has increased by almost \$130 million since the beginning of the initiative in fiscal 1999. It is expected that the total cost will be about \$144 million by fiscal 2003, the final year of phasing in the initiative.

Funding for the initiative covers the cost of new services as well as increases in provider rates. By the end of fiscal 2003, DDA expects to provide services to almost 6,000 new clients, including almost 1,000 new clients in fiscal 2002. Services include residential placement, day programs, or in-home support programs.

Nursing Home Reimbursement Increase: In accordance with Chapter 212, Acts of 2000 which expressed the General Assembly's intent that the Governor increase funding for the Medicaid nursing home reimbursement formula by \$10 million in general funds in fiscal 2002 and another \$10 million in fiscal 2003, the fiscal 2002 budget provides for a \$20 million (\$10 million in general funds) enhancement to the formula. The additional funds will allow nursing homes to increase hours of direct care to residents, add nursing staff, and bolster compensation for direct care workers. To reduce reliance on nursing homes for long-term care services, the budget also includes \$10.1 million to expand home- and community-based services to an additional 1,000 people, bringing the total number of people served through this Medicaid waiver program to 2,135.

Medical Assistance Enhancements: The fiscal 2002 Medicaid budget contains \$52 million (\$21 million in general funds) to implement two legislative mandates from the 2000 session and \$10.1 million (\$5.1 in general funds) to expand a home- and community-based services program established by Chapter 126, Acts of 1999. The largest enhancement earmarks \$32 million for expansion of MCHP to children with family incomes from 200 to 300 percent of poverty and pregnant women with incomes from 200 to 250 percent of poverty. About 14,700 children and 1,000 pregnant women per month are expected to enroll in the MCHP expansion during fiscal 2002.

State Nurses Salaries Enhanced: As part of an ongoing effort to enhance equity within the State's compensation system and to allow the State to compete effectively for employees, DBM conducts regular salary reviews. DBM reviews the salaries of discrete groups of classifications and compares them with the salaries in the markets within which it competes for employees. In fiscal 2002, the largest group for which the discrepancy between State salaries and salaries in the labor market will be addressed are nurses. Approximately \$9.3 million will be devoted to addressing this discrepancy in fiscal 2002. Salaries paid to nurses throughout the State will be adjusted by two grades -- the first on July 1, 2001, and the second on January 1, 2002. These adjustments allow the State to offer salaries which are competitive to those paid in private hospitals, allowing it to compete in this very tight labor market.

Caseload to Staff Reduction -- Child Welfare: Legislation enacted in 1998 required the statewide reduction of caseload to staff ratios for child welfare services which include foster care, family preservation, protective services, and kinship care. To reinforce its intent, the General Assembly added language to the fiscal 2000 and 2001 budgets specifying that the caseload to staff ratios meet the standards established by the Child Welfare League of America (CWLA) and requiring statewide implementation of the law by June 2003.

The fiscal 2002 budget, the third budget passed since the 1998 law went into effect, contains the resources needed to make significant progress toward reducing caseload to staff ratios. The local departments of social services will receive 109 new positions, or half the total number needed; \$3.6 million for salaries and wages; and over \$1.1 million for nonpersonnel expenses. It is anticipated that the proposed fiscal 2003 budget will contain the remaining positions needed to align ratios with those established by CWLA. Language in the fiscal 2002 budget emphasizes the importance of adhering to this plan by restating the need to meet CWLA standards by the June 2003 implementation deadline.

Substance Abuse Treatment Programs: The Alcohol and Drug Abuse Administration (ADAA) under DHMH will receive a \$20 million increase in general funds, bringing the total fiscal 2002 budget to \$120 million. These new funds represent a 40 percent increase in general funds, or a 20 percent increase in the total budget. Such dramatic budget growth is the result of heightened interest in providing more substance abuse treatment. There is a growing recognition that treatment can mitigate many of the personal and societal problems created by substance abuse.

Out of the total \$20 million increase, \$13 million will go toward expanding treatment services through three grant programs: (1) \$5 million for grants to regions with the greatest needs; (2) \$4 million for Substance Abuse Outcome Partnership (STOP) grants as established by legislation last year; and (3) \$4 million for the implementation of the Integration of Child Welfare and Substance Abuse Treatment Act. Another \$6.4 million will go toward salary upgrades and cost-of-living adjustments for addiction counselors. They will receive an average of a 12 percent increase to improve recruitment and retainment in local health departments and in community provider settings. Most of the remaining increase will support improvements in information systems.

Cigarette Restitution Fund

Overview: During the 1999 session, the General Assembly established the Cigarette Restitution Fund (CRF) in anticipation of receiving tobacco settlement payments. When the Governor first included CRF in the proposed fiscal 2001 budget, there was considerable discussion among legislators over the appropriate use of funds. The outcome was a final budget of over \$163.7 million for health, crop conversion, K-12 education, and higher education. This budget was reduced to \$146 million because of the availability of an additional \$6.1 million in teacher retirement funds for education programs and the withdrawal of \$12.1 through Supplemental Budget 1 (2001 session). The Governor withdrew funds primarily in programs that are experiencing implementation delays. As shown in **Exhibit A1.5**, the fiscal 2002 budget contains almost \$153 million to continue most of the same programs funded in the prior year.

Impact of Funds Held in Escrow: Making decisions about the fiscal 2002 budget was sometimes complicated by the impact of the outside attorney fee dispute. Still in the courts, there is disagreement over the level of fees that the outside attorney should receive for participating in the states' lawsuit against the tobacco manufacturers. Until the dispute is resolved, 25 percent of settlement payments are being held in escrow. This means that not all the fiscal 2002 funds are available. As a result, the Governor included language in the budget bill making \$27 million of the budget contingent upon the availability of funds. As enacted, the General Assembly made a reduction of \$2.9 million to the school wiring program based on the actual need for lease payments. This reduced the amount withheld from \$27.0 million to \$24.1 million.

Health/Crop Conversion Programs: The statute requires that at least 50 percent of the CRF be allocated for health and crop conversion programs. With almost two-thirds of the funding slated for these purposes, the fiscal 2002 budget meets this mandate.

The fiscal 2002 budget contains \$30.7 million for the Tobacco Use Prevention and Cessation Program and \$43 million for the Cancer Prevention, Education, Screening, and Treatment Program. However, \$10.7 million in the tobacco program and \$8 million in the cancer program is contingent upon the availability of funds. Out of concern that these contingencies may have a negative impact on crucial parts of the programs, the General Assembly added budget bill language stating spending priorities. If there are not sufficient funds to restore contingencies in the tobacco program, the Department of Health and Mental Hygiene (DHMH) should allocate the contingencies to minimize the impact on the local public health component. If there are any funds available because

**Exhibit A1.5
Cigarette Restitution Fund Budget in Fiscal 2002**

	FY 01 Working Appro.	FY 02 Leg. Approp.	Contingent Funds	Anticipated FY02 Working Approp
Revenue				
Fund Balance and Interest	\$39.4	\$0.0	--	\$0.0
Payments less 25% in escrow	\$106.6	\$125.8	--	\$125.8
Total Available Revenue	\$146.0	\$125.8	--	\$125.8
Expenses				
Health/Tobacco	\$24.6	\$0.0		0
Medicaid	13.6	30.7	(10.7)	20.0
Tobacco ¹	25.6	43.0	(8.0)	35.0
Cancer ¹	18.5	18.5		18.5
Substance Abuse	1.5	1.5	(0.5)	1.0
MD Health Care Foundation	9.0	6.3		6.3
Crop Conversion	\$92.8	\$100.0	(19.2)	80.8
Subtotal Health/Tobacco				
Education (K-12)	\$6.9	\$0.0		0
Teachers Salaries	8.0	3.2		3.2
Baltimore City Partnership	12.0	19.5		19.5
Academic Intervention	5.0	8.0		8.0
Aid to Nonpublic Schools ^{1 & 2}	4.0	4.0		4.0
Judy Hoyer Center	0	3.6	(3.6)	0
School Wiring ^{1 & 2}	2.5	0.0		0
Educational Modernization	2.5	2.5		2.5
Teacher Mentoring	2.0	2.0		2.0
Teacher Certification	1.7	1.7		1.7
	3.0	3.0		3.0

Technology Academy				
Readiness and Accreditation	\$47.6	\$47.5	(3.6)	43.9
Subtotal Education (K-12)				
Higher Education	\$3.7	\$3.7	(3.7)	0
MAITI Technology	1.0	1.0		1.0
Access/Success	0.5	0.5	(0.5)	0
Digital Library	\$5.2	\$5.2	(4.2)	1.0
Subtotal Higher Education				
Attorney General's Office	\$0.4	\$0.1		\$0.1
Total Expenses	\$146.0	\$152.8	(\$27.0)	\$125.8
Fund Balance	\$0.0	(\$27.0)	--	\$0.0

¹ Adjusted for funds withdrawn by Supplemental Budget 1 because of implementation delays.

² Includes \$3 million in textbooks and \$2.8 million in fiscal 2002 which may not be expended.

DHMH cancels funds in fiscal 2001, the Governor should use these funds to release contingent funds in the local public health components of both programs, the counter marketing component of the tobacco program, and the building capacity in Montgomery and Prince George's counties component of the cancer program. The fiscal 2002 budget also includes \$18.5 million for substance abuse treatment and \$1.5 million for a grant to the Maryland Health Care Foundation. A total of \$0.5 million for the foundation is contingent upon the availability of funds.

There is \$6.3 million to implement the crop conversion program sponsored by the Tri-County Council of Southern Maryland. This session legislation cite allows the council to use these funds to support payments on GO bonds starting in fiscal 2004.

K-12 Education: The fiscal 2002 budget contains \$47.5 million in CRF funding for K-12 education programs. As shown in Exhibit A1.5, most of these funds are allocated to academic intervention, aid to nonpublic schools, Judy Hoyer Centers, and school wiring. Many of the programs also receive general funds.

Similar to last year, there was much discussion about textbook aid to nonpublic schools. In the end, the General Assembly agreed that \$5 million of the \$8 million in the budget can be spent to reimburse parents for textbooks. The other \$3 million must be reverted to the CRF at the end of fiscal 2002.

Only about \$0.8 million of the \$3.6 million for school wiring may be spent in fiscal 2002. Any unspent funds must be reverted to the CRF. However, none of the funds may be available because they are contingent upon availability of funds.

Higher Education: Higher education programs receive \$5 million from the CRF in fiscal 2002 for the Maryland Applied Information Technology Initiative (MAITI), the Access/Success Program, and the digital library. Funding for MAITI and the digital library is contingent pending the availability of funds. If funds are available because education programs reverted CRF in fiscal 2001, these monies should be used to release education contingencies, whether in K-12 education or higher education.

Attorney General's Office: The fiscal 2002 budget includes a \$0.4 million deficiency appropriation and \$0.1 million for fiscal 2002 to support the Office of the Attorney General. The office will use the funds for outside consultation in the attorney fee dispute.

Transportation Program

The Maryland Department of Transportation (MDOT) estimates that the TTF will generate \$3.2 billion in fiscal 2002. Major revenue sources include motor fuel tax receipts (\$677 million), titling tax receipts (\$625 million), licensing and registration fees (\$180 million), bond sale proceeds (\$235 million), and federal funds (\$820 million).

Transportation spending totals \$3.35 billion in fiscal 2002, a 22 percent increase over planned fiscal 2001 spending. Appropriations are made for MDOT operating expenditures (\$1.02 billion), capital expenditures (\$1.8 billion), and debt service (\$117 million). Local highway user revenue grants are funded through the State Highway Administration (SHA) budget (\$430 million). The budget also appropriates \$45 million in general funds in the Dedicated Purpose Fund toward the replacement of the Woodrow Wilson Bridge and the Metrorail extension from Addison Road to the Largo Town Center. MDOT estimates another \$187 million in other funding (including Passenger Facility Charges and Customer Facility Charges) will be generated, primarily to support Maryland Aviation Administration (MAA) projects. The fiscal 2002 budget funds 9,559.0 regular positions and 167.9 contractual full-time equivalents.

The fiscal 2002 operating budget includes additional expenditures for personnel, increased costs for services, and new initiatives. The appropriation assumes \$4 million for the general salary increase, \$14.1 million for employee increments and other compensation, and \$4.7 million for higher health insurance costs. The State's share of Washington Metropolitan Area Transit Administration costs increase by \$10.3 million. At the Mass Transit Administration, spending rises \$18.2 million to support additional services associated with the transit initiative (see *Senate Bill 299/House Bill 309* for a complete discussion of the initiative), \$1.7 million due to new Maryland Rail Commuter (MARC) train service to Frederick, and \$2.9 million in additional union employee wage and benefit costs. The Motor Vehicle Administration funds a \$3.7 million information technology initiative, and a \$3 million employee compensation and training initiative. At the MAA, increased operating costs are due primarily to security, marketing, and maintenance associated with passenger growth (\$2.6 million), new positions (\$1.8 million), and MARC train parking garage Certificates of Participation (\$1.7 million).

In developing the fiscal 2001 to 2006 capital program, MDOT added \$1.3 billion for new projects and \$739 million to expand the scope of existing major projects. The 2001 Consolidated Transportation Program (CTP) added \$810 million to MAA projects, primarily for infrastructure at Baltimore-Washington International Airport (BWI). Approximately \$249 million in new projects were added to the SHA capital program, and another \$215 million supports transit projects. Funding added to the CTP for SHA projects provides \$270 million toward the replacement of the Woodrow Wilson Bridge, along with \$63 million for Neighborhood Conservation Program expansion.

Airport Expansion Development Plans: In August 2000 MDOT announced plans for a \$1.3 billion capital expansion program at BWI. The plan calls for increased spending for additional parking, terminal expansion, and improved access to the terminal building. The fiscal 2002 budget supports the first year of the plan. In fiscal 2002 approximately \$251 million in State and federal funds will be dedicated to the expansion.

Parking improvements account for 26 percent of the program, or approximately \$379 million. Construction of these facilities is scheduled to begin as early as February 2001 as the need for these facilities is most critical at this time. BWI also expects to expand the size of the current terminal building with \$438 million for two new concourses and other related facilities. The largest share of the

expansion program, 42 percent, or approximately \$621 million, will improve passenger access to the terminal building, including improved roads, pedestrian bridges between the terminal and the parking garage, and moving walkways.

State Reserve Fund

Activity in the State Reserve Fund for fiscal 2001 and 2002 is illustrated in **Exhibit A1.6**. For fiscal 2001 a general fund deficiency appropriation of \$40.2 million was provided to the Dedicated Purpose Fund. This included \$10.2 million for acquisition of land adjacent to the Greenbelt Metro Station, offset by the withdrawal of a \$10 million appropriation from the Economic Development Opportunities Program Fund. Another \$30 million was transferred from the Revenue Stabilization Fund (Rainy Day Fund) contingent upon enactment of **House Bill 828**, creating a tax amnesty program.

The initial fiscal 2002 reserve fund appropriation was \$201.4 million. This amount included \$141.8 million for the Rainy Day Fund, \$54.6 million for the Dedicated Purpose Fund, and \$5.0 million for the Joseph Fund. The legislation establishing a tax amnesty program (**House Bill 828**) requires an additional \$30.0 million appropriation as a fiscal 2002 deficiency.

In the Rainy Day Fund the \$141.8 million appropriation represents the unappropriated fiscal 2000 general fund surplus in excess of \$10 million, per the provisions of Chapter 4, Acts of 1998. Budget bill language authorizes the Governor to transfer up to \$1.7 million of this appropriation to restore State assistance to State fairs and racing impact aid to prior year funding levels. However, this requirement is also addressed by **Senate Bill 764/House Bill 908**. The remaining balance of \$10 million from the Citizen's Tax Reduction and Fiscal Reserve Account (repealed by Chapter 604, Acts of 1998) is also expected to be transferred to the Rainy Day Fund in fiscal 2002.

Interest earned on the balances in the Rainy Day Fund, the Dedicated Purpose Fund, the Catastrophic Event Fund, and the Sunny Day Fund at the end of fiscal 2002 is estimated at \$39.4 million. At the end of fiscal 2002, a Rainy Day balance of \$577.0 is projected, \$81.8 million over 5 percent of general fund revenues.

Exhibit A1.6 Reserve Fund Activity - Fiscal 2001 and 2002 (\$ in Millions)

	<u>Rainy Day Fund</u>	<u>Dedicated Purpose Fund</u>	<u>Catastrophic Event Fund</u>	<u>Joseph Fund</u>
Balances on Hand 6/30/00	\$581.9	\$97.9	\$1.7	
Fiscal 2001 Appropriations to				
Unappropriated FY 99 balance	235.0 ¹			10.0 ²
Wilson Bridge/Metro. extension		50.0		
TANF reallocation		30.0		
PSC: Public education utility restructuring		6.0		
Transfer to General Fund	(30.0) ³			
Fiscal 2001 Deficiency Appropriations to				
Greenbelt Metro		10.2		
Mental Hygiene deficit		30.0 ³		
Transfer from Dedicated Purpose Fund	38.9 ⁴	(38.9) ⁴		
Fiscal 2001 Expenditures from				
Wilson Bridge/Metro. extension		(23.2)		
DDA Waiting List Initiative - DHMH		(5.0) ⁵		
PSC: Public education utility restructuring		(3.0)		
Greenbelt Metro.		(10.2)		
Mental Hygiene deficit		(30.0) ³		
Estimated interest	63.2			0.6
Balances on Hand 6/30/01	\$889.0	\$113.8	\$1.7	\$10.6
Fiscal 2002 Appropriations to				
Unappropriated FY 00 balance	141.8 ⁶			5.0 ²
Wilson Bridge/Metro expansion		45.0		
TANF reallocation		9.6		
Deficiency appropriation (Tax Amnesty legislation)	30.0 ³			
Transfer to General Fund	(533.2)			
Transfer from Dedicated Purpose Fund	10.0 ⁷ (10.0) ⁷			
Fiscal 2001 Expenditures from				
PSC: Public education utility restructuring		(3.0)		
Wilson Bridge/Metro extension		(71.8)		
DDA Waiting List Initiative - DHMH		(5.0) ⁵		
Estimated Interest	39.4			0.9
Estimated Balances 6/30/02	\$577.0	\$78.6	\$1.7	\$16.5
Balance in Excess of 5% GF Revenues	\$81.8			

¹The allowance provided \$400 million (\$310.0 of the unappropriated fiscal 1999 general fund surplus, per Chapter 4, Acts of 1998) and another \$90 million to offset future revenue needs. The Governor withdrew the \$90 million via Supplemental Budgets Nos. 1 and 2 for PAYGO and other needs. The legislature reduced another \$75 million to offset revenue losses due to 2000 session legislation.

²Chapter 517, Acts of 1999 created the Joseph Fund beginning in fiscal 2001. The Act provides that an appropriation may be included in the budget equivalent to the lesser of 40% of the fiscal 1999 unappropriated general fund surplus or \$10 million. Interest earnings are credited to the Joseph Fund and not to the Revenue Stabilization Fund (Rainy Day Fund).

³**House Bill 828** establishes a tax amnesty program for delinquent taxpayers who have not filed returns by December 31, 2000, for various income, sales, withholding, and admissions and amusement taxes. The legislation provides that \$30.0 million will be credited to the general fund and appropriated as a fiscal 2002 deficiency to the State Reserve Fund. This will repay funds transferred from the Revenue Stabilization Fund to address fiscal 2001 mental health funding deficiencies.

⁴This represents the transfer of the remaining balance of funds appropriated to the Dedicated Purpose Fund in fiscal 1996 to offset changes in federal law, regulation, or policy. In fiscal 2001, monies were transferred to offset shortfalls in the Social Services Block Grant. The law provides that unspent balances revert to the Revenue Stabilization Fund four years after the end of the fiscal year in which funds were appropriated.

⁵Special funds were deposited in fiscal 1999 to be appropriated in \$5 million increments in fiscal 2000, 2001, and 2002.

⁶Per Chapter 4, Acts of 1998, this represents the unappropriated fiscal 2000 general fund balance in excess of \$10.0 million.

⁷This represents the transfer of funds from the Citizen's Tax Reduction and Fiscal Reserve Account, appropriated to the Dedicated Purpose Fund in fiscal 1999. The fiscal 2002 transfer is the final transfer.

Monies allocated to the Dedicated Purpose Fund include \$45.0 toward the State's share of transportation projects (see Transportation Program under this section). It also includes \$9.6 million in general funds to cover future welfare costs. This brings the total funds available for the State's welfare needs to \$77.6 million at the end of fiscal 2002. The fiscal 2002 budget bill authorizes the Governor to transfer another \$7.2 million from the Department of Human Resources budget to the Dedicated Purpose Fund.

An appropriation of \$5.0 million is made to the Joseph Fund in fiscal 2002. The State Finance and Procurement Article provides that appropriations to the fund in years subsequent to fiscal 2001 may equal the lesser of 20 percent of the unappropriated surplus as of the end of the fiscal year two years prior to the budget year or \$5.0 million. Interest accumulating in the Joseph Fund remains in the fund.

Personnel

Employee compensation, the cost of which is estimated at \$5.1 billion, constitutes a major component of the fiscal 2002 budget. This figure represents an increase over the fiscal 2001 working appropriations of approximately \$422.2 million, or 9.1 percent; the largest share of which is devoted to regular and contractual employee salaries. State employees receive a 4 percent general salary increase effective January 1, 2002. All components of the employee compensation increase are shown in **Exhibit A1.7**.

Exhibit A1.7 Increases in Regular and Contractual Employee Salaries Fiscal 2001 to 2002

Salary Element	\$ in Millions	% Over FY 2001
Non-Higher Education Regular Employees	\$249.9	11.3%
4% Fiscal 2002 general salary increase effective 1/1/02	44.1	
Annualization of fiscal 2001 general salary increase	33.1	
Cost of salary schedule increments	50.1	
New positions	107.5	
Other*	15.1	
Non-Higher Education Contractual Employees	(8.9)	(8.8%)
Higher Education Employee Salaries	92.8	6.7%
Overtime Costs	5.6	7.4%
Shift Differential	.1	1.0%
Pay for Performance Bonus Pool	(3.3)	(52.4%)

*Other includes miscellaneous charges and the increase for reclassifications.

Source: Department of Legislative Services

There is a budgetary impact of \$107.5 million for new regular positions, reflecting a net increase of 2,950.3 positions. These positions are spread across agencies but are weighted heavily in a few, as demonstrated in **Exhibit A1.8**. The departments or functional areas showing the largest increases are higher education (525.8 FTEs), human resources (521.7 FTEs), juvenile justice (515.2 FTEs), public safety and correctional services (442.8 FTEs), transportation (303.0 FTEs), health and mental hygiene (150.7 FTEs), and the judiciary (150.5 FTEs). These and the other regular employee personnel increases incorporate 680.2 FTE contractual conversions.

In addition to the salary increases associated with new and existing positions, increases in the cost of benefits also add significantly to the total compensation paid to State employees. Health and other insurances increase by \$78.3 million, or 17.6 percent over that paid in fiscal 2001. Fringe benefits like tuition reimbursement, the sick leave incentive pilot program, the State match for deferred compensation, and tuition waivers and student payments at State universities increase by \$7.0 million or 7.1 percent. Social Security, unemployment insurance, and Workers' Compensation all add \$37.5 million, an increase of 12.1 percent over fiscal 2001 costs. All these increases are offset by a small decrease in retirement costs, which have dropped from \$262.6 in fiscal 2001 to \$255.0 million (-\$7.3 million) in fiscal 2002.

Exhibit A1.8 Regular Full-Time Equivalent Employees Fiscal 2001 to 2002

	Fiscal 2001 Working	Fiscal 2002 Allowance	Legislative Reductions	FY 2002 Approp.	FY 2002 Net Change
Legislative	727.0	729.0	-	729.0	2.0
Judiciary	2,870.3	3,049.8	(29.0)	3,020.8	150.5
Other Legal	1,317.9	1,368.9	(1.0)	1,367.9	50.0
Executive & Administrative Control	1,564.5	1,619.5	(13.0)	1,606.5	42.0
Financial & Revenue Administration	2,141.2	2,169.2	(1.0)	2,168.2	27.0

Budget & Management	510.8	513.8	(1.0)	512.8	2.0
Retirement	186.5	196.5	(3.0)	193.5	7.0
General Services	689.0	725.0	-	725.0	36.0
Transportation	9,256.0	9,567.0	(8.0)	9,559.0	303.0
Natural Resources	1,586.7	1,631.2	-	1,631.2	44.5
Agriculture	477.0	480.0	-	480.0	3.0
Health & Mental Hygiene	8,413.1	8,574.3	(10.5)	8,563.8	150.7
Human Resources	7,763.0	8,300.7	(16.0)	8,284.7	521.7
Labor, Licensing, & Regulation	1,708.0	1,709.0	-	1,709.0	1.0
Public Safety & Correctional Services	11,226.7	11,694.7	(25.2)	11,669.5	442.8
Higher Education	20,295.8	20,821.6	-	20,821.6	525.8
Other Education	1,900.0	1,949.0	-	1,949.0	49.0
Housing & Community Development	434.5	451.0	(2.0)	449.0	14.5
Business & Economic Development	317.0	323.0	-	323.0	6.0
Environment	1,011.4	1,034.0	-	1,034.0	22.6
Juvenile Justice	1,612.5	2,127.7	-	2,127.7	515.2
Police & Fire Marshal	2,555.5	2,590.5	(1.0)	2,589.5	34.0
Total	78,564.3	81,625.3	(110.7)	81,514.6	2,950.3

By the Numbers

A number of exhibits summarize legislative budget action. These exhibits are described below:

Exhibit A1.9 shows the impact of the legislative budget on the general fund balance for fiscal 2002. The fiscal 2001 balance, transfers from the Rainy Day Fund, and projected revenues of \$9.9 billion, will support \$10.8 billion of fiscal 2002 spending. After estimated reversions of \$25.0 million, the projected balance at the close of the fiscal year is \$14.3 million

Exhibit A1.10, the fiscal note on the budget bill, depicts the Governor's allowance, legislative reductions, and final appropriations for fiscal 2001 and 2002 by fund source. The Governor's original budget request provided for \$21.5 billion in fiscal 2002 expenditures and fiscal 2001 deficiencies, increased by \$146.6 million through Supplemental Budgets 1 and 2. The legislature made \$327.2 million in reductions to the total budget request, resulting in appropriations of \$157.2 million for fiscal 2001 and \$21.2 billion (less reversions) for fiscal 2002.

Exhibit A1.11 illustrates budget changes by major expenditure category by fund. Total spending grows 6.2 percent. Debt service increases 5.8 percent; aid to local governments increases by 6.0 percent; State agency spending rises 6.7 percent; and entitlements rise 2.1 percent. PAYGO capital expenditures increase by 21.0 percent, reflecting the use of the fund balance and the transfer of monies from the Revenue Stabilization Fund for one-time purposes. Allocations to the State Reserve Fund decrease by 49.7 percent, based on the lower amount of unappropriated general fund closeout which is statutorily required to be appropriated.

Exhibit A1.9 General Fund Impact - 2001 Session Actions (\$ in Millions)

	<u>FY 2001</u>	<u>FY 02</u>
Beginning Fund Balance	\$ 936.2	\$ 385.0
Revenues		
Estimated BRE Revenues (December 2000)	9,648.4	9,930.3
BRE Revenue Revision (March 2001)	-	(50.2)
Revenue adjustments for legislation	-	(25.5)
Transfer from Revenue Stabilization Fund	30.0	533.2
Tax Amnesty Funds	-	30.0
Additional Lottery revenues	-	10.0
Hospital Patient Recoveries	5.0	10.0
Adjustments to Lottery & Workers' Comp. expenditures	-	3.7
	9,683.4	10,441.4
Total Revenue Available	\$ 10,619.6	\$ 10,826.5
Expenditures		
Appropriations in original budget, less reversions	9,933.8	10,711.9
Appropriation to Reserve Fund, including deficiencies	311.0	186.4
Supplemental Budget Number 2	2.1	112.3
Adjustment to operating budget reversions	-	(25.0)
Reductions to general fund expenditures/deficiencies	(12.2)	(173.4)
	10,234.7	10,812.2
Total Funds Available	\$ 384.8	\$ 14.3
Reserve Fund		
Rainy Day Fund Balance over 5% of GF	\$ 406.3	\$ 81.8
Cash Balance	\$ 791.1	\$ 96.1
Spending Affordability Impact		
Original Budget Over (Under) Limit		\$ 184.5
Supplemental Budget No. 1		0.5

Supplemental Budget No. 2
 Reductions
 Available Over (Under) Limit

31.1
 (216.5)
 \$ (0.3)

Exhibit A1.10

Fiscal Note

Summary of the Budget Bill -- House Bill 150

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governor's Request:					
FY 2001 Deficiency Budget	\$104,929,716	(\$1,137,741)	\$59,250,128	\$0	\$163,042,103
FY 2002 Budget *	<u>10,818,242,400</u>	<u>3,784,583,396</u>	<u>4,798,566,471</u>	<u>1,917,080,661</u>	<u>21,318,472,928</u>
Original Budget Request	\$10,923,172,116	\$3,783,445,655	\$4,857,816,599	\$1,917,080,661	\$21,481,515,031
Supplemental Budget No. 1:					
FY 2001 Deficiency Budget	\$0	(\$12,133,000)	\$0	\$0	(\$12,133,000)
FY 2002 Budget	<u>0</u>	<u>408,886</u>	<u>0</u>	<u>0</u>	<u>408,886</u>
Supplemental Budget Request	\$0	(\$11,724,114)	\$0	\$0	(\$11,724,114)
Supplemental Budget No. 2:					
FY 2001 Deficiency Budget	\$32,140,000	\$0	\$0	\$0	\$32,140,000
FY 2002 Budget	<u>112,293,665</u>	<u>12,878,619</u>	<u>1,000,000</u>	<u>0</u>	<u>126,172,284</u>
Supplemental Budget Request	\$144,433,665	\$12,878,619	\$1,000,000	\$0	\$158,312,284
Reductions by the Conference Committee:					
FY 2001 Deficiency Budget	\$11,956,115	\$0	\$13,600,000	\$0	\$25,556,115
FY 2001 Supplemental Deficiency	250,000	0	0	0	250,000
FY 2002 Budget	167,482,742	80,848,769	20,563,784	26,500,000	295,395,295
FY 2002 Supplemental Budgets	<u>5,901,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>6,001,000</u>
Total Reductions	\$185,589,857	\$80,948,769	\$34,163,784	\$26,500,000	\$327,202,410
Appropriations:					
FY 2001 Deficiency Budget	\$124,863,601	(\$13,270,741)	\$45,650,128	\$0	\$157,242,988
FY 2002 Budget **	<u>10,782,152,323</u>	<u>3,716,922,132</u>	<u>4,779,002,687</u>	<u>1,890,580,661</u>	<u>21,168,657,803</u>
Total Appropriation	\$10,907,015,924	\$3,703,651,391	\$4,824,652,815	\$1,890,580,661	\$21,325,900,791

Exhibit A1.11
State Expenditures -- General Funds
 (\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2000</u>	<u>Work. Appr.</u> <u>FY 2001</u>	<u>Leg. Appr.</u> <u>FY 2002</u>	<u>\$ Diff.</u> <u>01 to 02</u>	<u>% Diff.</u> <u>01 to 02</u>
Debt Service	\$189.3	\$204.5	\$204.0	-\$0.5	-0.3%
Aid to Local Governments					
General Government	145.1	175.5	202.9	27.5	15.7%
Community Colleges	141.4	163.6	178.5	14.9	9.1%
Education & Libraries	2,650.6	2,719.8	2,857.9	138.1	5.1%
Health	48.4	52.2	56.9	4.7	9.0%
	2,985.5	3,111.1	3,296.3	185.2	6.0%
Entitlements					
Foster Care Payments	123.1	119.6	129.3	9.8	8.2%
Assistance Payments	68.1	65.3	62.7	-2.6	-4.0%
Medical Assistance	1,118.7	1,320.1	1,407.1	87.0	6.6%
Property Tax Credits	55.2	53.5	52.6	-0.9	-1.7%
	1,365.0	1,558.4	1,651.7	93.3	6.0%
State Agencies					
Health	942.2	1,006.2	1,109.6	103.4	10.3%
Human Resources	271.8	285.2	292.7	7.5	2.6%
Systems Reform Initiative	47.0	46.9	43.1	-3.8	-8.0%
Juvenile Justice	129.9	143.8	164.0	20.2	14.1%
Public Safety & Police	806.0	863.4	920.9	57.5	6.7%
State Colleges & Universities	799.1	886.5	974.5	87.9	9.9%
Other Education	210.5	248.6	278.0	29.4	11.8%
Agric./Nat'l Res./Environment	109.9	125.5	152.0	26.5	21.1%
Other Executive Agencies	484.0	540.0	566.9	26.9	5.0%
Judicial & Legislative	260.6	281.4	317.7	36.3	12.9%
Across-the-Board Cuts	0.0	0.0	-11.3	-11.3	n.a.
	4,060.8	4,427.5	4,808.0	380.5	8.6%
Subtotal	\$8,600.6	\$9,301.5	\$9,959.9	\$658.5	7.1%

Capital	315.4	645.3	688.9	43.5	6.7%
Transfers	0.0	2.0	2.0	0.0	0.0%
Reserve Fund	115.5	311.0	156.4	-154.6	-49.7%
Appropriations	\$9,031.5	\$10,259.7	\$10,807.2	\$547.4	5.3%
Reversions	0.0	-25.0	-25.0	0.0	0.0%
Grand Total	\$9,031.5	\$10,234.7	\$10,782.2	\$547.4	5.3%

Note: Fiscal 2001 reflects deficiency appropriations and \$12.2 million in cuts to the deficiencies. Both fiscal 2001 and 2002 reflect supplemental budgets #1 and #2.

Exhibit A1.11 (Continued)
State Expenditures -- Special and Higher Education Funds
(\$ in Millions)

Category	Actual FY 2000	Work. Appr. FY 2001	Leg. Appr. FY 2002	\$ Diff. 01 to 02	% Diff. 01 to 02
Debt Service	\$405.1	\$376.3	\$410.5	\$34.2	9.1%
Aid to Local Governments					
General Government	479.8	485.8	496.5	10.7	2.2%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education & Libraries	0.9	67.4	79.6	12.2	18.1%
Health	0.0	0.0	0.0	0.0	n.a.
	480.7	553.2	576.1	22.9	4.1%
Entitlements					
Foster Care Payments	0.3	1.9	2.0	0.1	7.0%
Assistance Payments	21.8	16.1	21.1	4.9	30.6%
Medical Assistance	116.1	40.3	16.9	-23.4	-58.0%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0%
	138.2	58.4	40.0	-18.3	-31.4%
State Agencies					
Health	82.0	140.4	176.8	36.4	25.9%
Human Resources	27.3	44.7	46.4	1.6	3.6%
Systems Reform Initiative	0.3	0.1	0.0	-0.0	-9.4%
Juvenile Justice	0.7	0.1	0.1	0.0	8.4%
Public Safety & Police	133.2	135.1	141.3	6.2	4.6%
State Colleges & Universities	1,680.2	1,853.6	1,896.1	42.5	2.3%
Other Education	26.0	42.0	42.0	-0.0	-0.1%
Transportation	881.6	916.8	984.0	67.1	7.3%
Agric./Natl Res./Environ.	99.5	110.9	110.7	-0.2	-0.2%
Other Executive Agencies	245.6	212.5	221.4	8.9	4.2%
Judicial & Legislative	14.2	12.1	9.3	-2.7	-22.8%
Across-the-Board Cuts	0.0	0.0	-5.1	-5.1	n.a.
	3,190.7	3,468.3	3,622.9	159.8	4.5%
Subtotal	\$4,214.6	\$4,456.1	\$4,649.6	\$193.4	4.3%
Capital	821.5	814.8	957.9	143.2	17.6%
Reserve Fund	0.0	0.0	0.0	0.0	n.a.
Transfer to MDTA	20.0	19.9	0.0	-19.9	-100.0%
Grand Total	\$5,056.1	\$5,290.8	\$5,607.5	\$316.7	6.0%

** Includes higher education funds (current unrestricted & current restricted) net of general and special funds.

Note: Fiscal 2001 reflects deficiency appropriations. Both fiscal 2001 and 2002 reflect supplemental budgets #1 and #2.

Exhibit A1.11 (Continued)
State Expenditures -- Federal Funds
(\$ in Millions)

Category	Actual FY 2000	Work. Appr. FY 2001	Leg. Appr. FY 2002	\$ Diff. 01 to 02	% Diff. 01 to 02
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n.a.
Aid to Local Governments					
General Government	22.3	35.4	32.9	-2.5	-7.1%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education & Libraries	440.1	466.5	511.0	44.5	9.5%
Health	4.5	4.5	4.5	0.0	0.0%
	466.9	506.4	548.4	42.0	8.3%
Entitlements					

Foster Care Payments	75.7	91.2	91.6	0.4	0.4%
Assistance Payments	263.0	311.7	259.2	-52.5	-16.8%
Medical Assistance	1,208.7	1,333.8	1,380.1	46.2	3.5%
Property Tax Credits	0.0	0.0	0.0	0.0	n.a.
	1,547.4	1,736.7	1,730.9	-5.9	-0.3%
State Agencies					
Health	422.7	464.5	479.8	15.3	3.3%
Human Resources	452.9	562.4	568.6	6.2	1.1%
Systems Reform Initiative	28.5	43.3	29.0	-14.2	-32.9%
Juvenile Justice	16.7	15.1	14.7	-0.4	-2.4%
Public Safety & Police	11.3	10.8	8.8	-1.9	-17.9%
Other Education	80.6	91.2	98.2	7.0	7.6%
Transportation	24.4	28.7	29.1	0.4	1.3%
Agric./Natl Res./Environment	44.0	48.5	51.6	3.1	6.4%
Other Executive Agencies	243.6	293.1	376.0	83.0	28.3%
Judicial & Legislative	1.7	2.2	2.0	-0.2	-10.6%
Across-the-Board Cuts	0.0	0.0	-1.3	-1.3	n.a.
	1,326.4	1,559.6	1,656.5	96.9	6.2%
Subtotal	\$3,340.7	\$3,802.7	\$3,935.7	\$133.0	3.5%
Capital	439.9	597.6	843.3	245.7	41.1%
Grand Total	\$3,780.6	\$4,400.3	\$4,779.0	\$378.7	8.6%

Note: Fiscal 2001 reflects deficiency appropriations and \$13.6 million in cuts to the deficiencies. Both fiscal 2001 and 2002 reflect supplemental budgets #1 and #2.

Exhibit A1.11 (Continued)
State Expenditures -- All State Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2000</u>	<u>Work. Appr.</u> <u>FY 2001</u>	<u>Leg. Appr.</u> <u>FY 2002</u>	<u>\$ Diff.</u> <u>01 to 02</u>	<u>% Diff.</u> <u>01 to 02</u>
Debt Service	\$594.4	\$580.8	\$614.5	\$33.6	5.8%
Aid to Local Governments					
General Government	624.9	661.2	699.4	38.2	5.8%
Community Colleges	141.4	163.6	178.5	14.9	9.1%
Education & Libraries	2,651.5	2,788.2	2,938.6	150.3	5.4%
Health	48.4	52.2	56.9	4.7	9.0%
	3,466.2	3,665.3	3,873.4	208.1	5.7%
Entitlements					
Foster Care Payments	123.4	121.4	131.3	9.9	8.1%
Assistance Payments	89.9	81.4	83.7	2.3	2.9%
Medical Assistance	1,234.8	1,360.4	1,424.0	63.6	4.7%
Property Tax Credits	55.2	53.5	52.6	-0.9	-1.7%
	1,503.1	1,616.8	1,691.7	74.9	4.6%
State Agencies					
Health	1,024.2	1,146.6	1,286.4	139.8	12.2%
Human Resources	299.1	329.9	339.0	9.1	2.8%
Systems Reform Initiative	47.2	47.0	43.2	-3.8	-8.0%
Juvenile Justice	130.6	143.9	164.2	20.3	14.1%
Public Safety & Police	939.2	998.5	1,062.2	63.7	6.4%
State Colleges & Universities	2,479.3	2,740.2	2,870.6	130.4	4.8%
Other Education	236.5	289.5	318.9	29.4	10.2%
Transportation	881.6	916.8	984.0	67.1	7.3%
Agric./Natl Res./Environment	209.4	236.4	262.7	26.3	11.1%
Other Executive Agencies	729.6	752.5	788.3	35.8	4.8%
Judicial & Legislative	274.7	293.4	327.0	33.6	11.4%
Across-the-Board Cuts	0.0	0.0	-16.4	-16.4	n.a.
	7,251.5	7,894.7	8,429.9	535.2	6.8%
Subtotal	\$12,815.3	\$13,757.6	\$14,609.5	\$851.9	6.2%
Capital	1,136.9	1,460.1	1,646.8	186.7	12.8%
Transfer to MDTA	20.0	19.9	0.0	-19.9	-100.0%
Transfers	0.0	2.0	2.0	0.0	0.0%
Reserve Fund	115.5	311.0	156.4	-154.6	-49.7%
Appropriations	\$14,087.7	\$15,550.5	\$16,414.7	\$864.1	5.6%

Reversions	0.0	-25.0	-25.0	0.0	0.0%
Grand Total	\$14,087.7	\$15,525.5	\$16,389.7	\$864.1	5.6%

Note: Fiscal 2001 reflects deficiency appropriations and \$12.2 million in cuts to the deficiencies. Both fiscal 2001 and 2002 reflect supplemental budgets #1 and #2.

Exhibit A1.11 (Continued)
State Expenditures -- All Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2000</u>	<u>Work. Appr.</u> <u>FY 2001</u>	<u>Leg. Appr.</u> <u>FY 2002</u>	<u>\$ Diff.</u> <u>01 to 02</u>	<u>% Diff.</u> <u>01 to 02</u>
Debt Service	\$594.4	\$580.8	\$614.5	\$33.6	5.8%
Aid to Local Governments					
General Government	647.2	696.6	732.3	35.7	5.1%
Community Colleges	141.4	163.6	178.5	14.9	9.1%
Education & Libraries	3,091.6	3,254.7	3,449.6	194.8	6.0%
Health	52.9	56.7	61.4	4.7	8.3%
	3,933.1	4,171.7	4,421.8	250.1	6.0%
Entitlements					
Foster Care Payments	199.0	212.6	222.9	10.3	4.8%
Assistance Payments	352.9	393.1	343.0	-50.1	-12.8%
Medical Assistance	2,443.4	2,694.2	2,804.1	109.9	4.1%
Property Tax Credits	55.2	53.5	52.6	-0.9	-1.7%
	3,050.5	3,353.5	3,422.6	69.1	2.1%
State Agencies					
Health	1,446.9	1,611.1	1,766.2	155.1	9.6%
Human Resources	752.0	892.3	907.6	15.3	1.7%
Systems Reform Initiative	75.7	90.2	72.2	-18.0	-19.9%
Juvenile Justice	147.3	159.0	178.9	19.9	12.5%
Public Safety & Police	950.5	1,009.2	1,071.0	61.8	6.1%
State Colleges & Universities	2,479.3	2,740.2	2,870.6	130.4	4.8%
Other Education	317.1	380.7	417.1	36.4	9.6%
Transportation	906.0	945.5	1,013.0	67.5	7.1%
Agric./Nat'l Res./Environment	253.4	284.9	314.3	29.4	10.3%
Other Executive Agencies	973.2	1,045.6	1,164.3	118.7	11.4%
Judicial & Legislative	276.4	295.6	329.0	33.4	11.3%
Across-the-Board Cuts	0.0	0.0	-17.7	-17.7	n.a.
	8,577.9	9,454.3	10,086.4	632.1	6.7%
Subtotal	\$16,155.9	\$17,560.3	\$18,545.2	\$984.9	5.6%
Capital	1,576.8	2,057.7	2,490.1	432.4	21.0%
Transfer to MDTA	20.0	19.9	0.0	-19.9	-100.0%
Transfers	0.0	2.0	2.0	0.0	0.0%
Reserve Fund	115.5	311.0	156.4	-154.6	-49.7%
Appropriations	\$17,868.3	\$19,950.8	\$21,193.7	\$1,242.8	6.2%
Reversions	0.0	-25.0	-25.0	0.0	0.0%
Grand Total	\$17,868.3	\$19,925.8	\$21,168.7	\$1,242.8	6.2%

Note: Fiscal 2001 reflects deficiency appropriations and \$25.8 million in cuts to the deficiencies. Both fiscal 2001 and 2002 reflect supplemental budgets #1 and #2.

Part A

Budget and State Aid

Capital Budget

Summary

The 2001 General Assembly passed a capital budget totaling \$3.1 billion including a \$1.6 billion transportation program. Of the total amount, \$513.2 million is funded with general obligation bonds; \$2.4 billion is funded on a pay-as-you-go (PAYGO) basis in the operating budget; and \$260 million is funded with revenue bonds, including higher education academic bonds (\$25 million) and transportation bonds (\$235 million). **Exhibit A2.1** presents an overview of the State's capital program for fiscal 2002. **Exhibit A2.2** shows the sources and uses of the funds for the non-transportation capital program.

Regular general obligation bonds totaling \$505.0 million are authorized in the Maryland Consolidated Capital Bond Loan of 2001, **House Bill 255 (passed)**, and various individual bond bills. In addition, **Senate Bill 288 (passed)** authorizes \$8.27 million in debt for the Aging School program under the federal Qualified Zone Academy Bond program. The Maryland Consolidated Capital Bond Loan includes funding for:

- State facilities including colleges and universities, hospitals, office buildings, and correctional facilities;
- grants to local governments for school construction and facilities at community colleges;
- health and social services facilities such as senior citizen and adult day care centers, juvenile services facilities, and community mental health, disabilities and addictions facilities; and
- environmental programs such as the Chesapeake Bay Water Quality, asbestos abatement, and Rural Legacy programs.

In addition to being used to fund the same types of projects funded with general obligation debt, PAYGO funds are used for economic development, housing, and environmental programs for which tax-exempt debt cannot be issued under federal tax guidelines. **Exhibit A2.3** lists capital projects by fund source. The individual bond bills are listed in **Exhibit A2.4**.

Exhibit A2.1

Exhibit A2.1

Summary of the Capital Program as Passed for the 2001 Session
(\$ in Millions)

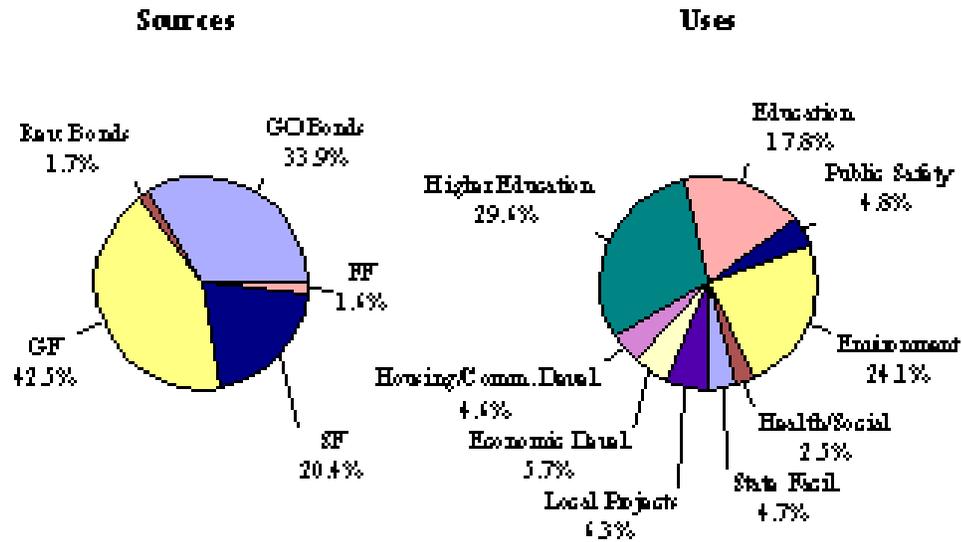
Function	Bonds			Current Funds (PAYGO)			Total
	General Obligation	Agency	Recycled	General	Special	Federal	
State Facilities							
Facilities Renewal	\$11.1	\$0.0	\$0.0	\$0.0	\$0.3	\$0.0	
Other	20.9	0.0	0.0	38.2	0.0	0.0	
Health/Social							
State Facilities	14.0	0.0	0.0	4.3	2.4	0.0	
Private Hospitals	4.2	0.0	0.0	0.0	0.0	0.0	
Other	10.0	0.0	0.0	2.8	0.0	0.0	
Environment							\$364.4
Natural Resources	46.5	0.0	0.0	21.0	104.4	0.7	
Agriculture	0.0	0.0	0.0	6.6	26.4	2.0	
Environment	20.6	0.0	0.0	13.8	116.5	0.0	
MD Envir. Services	3.9	0.0	0.0	0.0	0.0	0.0	
Energy	0.0	0.0	0.0	0.0	2.1	0.0	
Public Safety							
State Corrections	33.8	0.0	0.0	2.6	0.0	4.9	
Local Jails	1.8	0.0	0.0	0.0	0.0	0.0	
State Police	6.4	0.0	0.0	1.7	0.0	0.0	
Other	16.0	0.0	0.0	0.0	6.2	0.0	
Education							\$260.7
School Construction	111.1	0.0	0.0	133.7	0.0	0.0	
Other	5.8	0.0	0.0	7.9	0.0	2.2	
Higher Education							\$448.1
University System	77.3	25.0	0.0	243.2	0.0	0.0	
Morgan State University	8.2	0.0	0.0	3.5	0.0	0.0	
St. Mary's College	0.0	0.0	0.0	6.2	0.0	0.0	
Community Colleges	26.9	0.0	0.0	19.8	0.0	0.0	
Private Colleges/Univers.	6.0	0.0	0.0	12.0	0.0	0.0	
Medical System	12.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	8.0	0.0	0.0	
Housing/Community Development							
Housing	1.5	0.0	0.0	19.3	5.7	5.7	
Other	1.6	0.0	0.0	16.8	1.4	7.9	
Economic Development							
Economic Development	0.0	0.0	0.0	52.1	34.0	0.0	
Local Projects							
Administration	40.9	0.0	0.0	30.6	0.0	0.0	
Legislative	24.5	0.0	0.0	0.0	0.0	0.0	
Transportation*							\$1,610.5
Transportation - Other	0.0	235.0	0.0	45.0	477.8	852.7	
Total Subject to Debt Limit	\$505.0	\$260.0		\$688.9			\$3,117.2
Qualified Zone Academy Bonds	8.3						8.3
Total New Debt Authorized	\$513.2						\$3,125.5

*Transportation capital funded off budget totals \$187.2 million

Note: Numbers may not sum to total due to rounding

Non-Transportation Capital

\$1,515 Million



Capital Program As Passed - 2001 Session

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
State Facilities								
DE02.01.37	OID: Accessibility Modifications	\$0	\$0	\$0	\$1,600,000	\$0	\$0	\$1,600,000
DE02.01.38	High Speed Data Network	0	0	0	10,000,000	0	0	10,000,000
DE02.01.39	Public Safety Communications System	0	0	0	3,900,000	0	0	3,900,000
DE02.01.S07	Legislative Facilities	0	0	0	22,700,000	0	0	22,700,000
DE02.01A	DGS: Capital Facilities Renewal	11,124,000	0	0	0	300,000	0	11,424,000
DE02.01B	DGS: CFC Mitigation	200,000	0	0	0	0	0	200,000
DE02.01C	DGS: Asbestos Abatement	2,000,000	0	0	0	0	0	2,000,000
DE02.01D	DGS: Underground Heating Oil Tanks	500,000	0	0	0	0	0	500,000
DE02.01E	Judiciary: Silver Spring District Court	18,239,000	0	0	0	0	0	18,239,000
Subtotal								
Health/Social								
DA07A	Aging: Senior Citizen Activities Centers	1,517,000	0	0	0	0	0	1,517,000
DE02.01.S28	Perkins: Rehab. Services Wing	0	0	0	925,000	0	0	925,000
DE02.01.S49	Doctors Comm. Hospital	0	0	0	2,000,000	0	0	2,000,000
DE02.01.S60	Atlantic General Hosp.	0	0	0	750,000	0	0	750,000
DP00A	DVA: CHVH Dorm Demolition	310,000	0	0	0	0	0	310,000
MA01A	DHMH: Adult Day Care	1,490,000	0	0	0	0	0	1,490,000
MA01B	DHMH: Comm. Mental Health Facil.	6,967,000	0	0	0	0	0	6,967,000
MI03A	DHMH: Western Md. Ctr. HVAC	7,800,000	0	0	0	0	0	7,800,000
ML08A	DHMH: Springfield Food Service Ctr.	4,514,000	0	0	0	0	0	4,514,000
ML08B	DHMH: Springfield Undergrnd Elect. Dist.	410,000	0	0	70,000	0	0	480,000
PG01.09	DLLR: Cumberland Regional Claim Ctr.	0	0	0	0	2,446,000	0	2,446,000
VA01A	DJJ: Juvenile Justice Facilities Grants	559,000	0	0	0	0	0	559,000
VA01B	DJJ: Western Md. Detention Ctr.	400,000	0	0	400,000	0	0	800,000
VA01C	DJJ: Eastern Shore Detention Ctr.	0	0	0	2,900,000	0	0	2,900,000
ZD00A	MHA Private Hospitals	4,200,000	0	0	0	0	0	4,200,000
Subtotal								\$37,658,000

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds		Agency	Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled		General	Special	Federal	
Environment								
DA13.02	MEA: Comm. Energy Loan Prg. (CELP)	0	0	0	0	1,000,000	0	1,000,000
DA13.03	MEA: State Agency Loan Prg. (SALP)	0	0	0	0	1,100,000	0	1,100,000
DE02.01.S52	MDA: Mosquito Laboratory	0	0	0	150,000	0	0	150,000
KA01A	DNR: Smith Island Restoration	470,000	0	0	0	0	0	470,000
KA04.07	DNR: Park Improvement Prgm.	0	0	0	3,000,000	0	0	3,000,000
KA05.10.1	DNR: POS Land Acq. & Local Prgm.	0	0	0	0	68,345,533	400,414	68,745,947
KA05.10.2	DNR: POS Capital Devel. Projects	0	0	0	0	10,863,373	0	10,863,373
KA05.10.6	DNR: Community Parks & Playgrounds	0	0	0	11,000,000	0	0	11,000,000
KA05.11	DNR: Waterway Improvement	0	0	0	0	10,450,000	0	10,450,000
KA05A	DNR: Rural Legacy	16,000,000	0	0	0	13,718,980	0	29,718,980
KA05B	DNR: GreenPrint	30,000,000	0	0	5,000,000	0	0	35,000,000
KA09.06	DNR: O.C. Beach Maint. - Local Share	0	0	0	0	1,000,000	0	1,000,000
KA17.09.1	DNR: Fish Passage	0	0	0	0	0	300,000	300,000
KA17.09.2	DNR: Oyster Restoration	0	0	0	2,000,000	0	0	2,000,000
LA11.11	MDA: Ag Land Preservation	0	0	0	0	26,395,723	2,000,000	28,395,723
LA15.05	MDA: Ag Cost Share	0	0	0	6,400,000	0	0	6,400,000
UA01.03	MDE: Md. Water Quality Rev. Loan	0	0	0	6,492,000	107,000,000	0	113,492,000
UA01.04	MDE: Hazardous Substance Cleanup	0	0	0	750,000	0	0	750,000
UA01.05	MDE: Drinking Water Revol. Loan Fund	0	0	0	1,541,000	9,500,000	0	11,041,000
UA04A.1	MDE: CBWQ Nutrient Removal	12,550,000	0	0	5,000,000	0	0	17,550,000
UA04A.2	MDE: CBWQ Supplemental Assist.	2,661,000	0	0	0	0	0	2,661,000
UA04A.3	MDE: CBWQ Small Creeks & Estuaries	893,000	0	0	0	0	0	893,000
UA04A.4	MDE: CBWQ Stormwater Pollution Ctrl.	1,250,000	0	0	0	0	0	1,250,000
UA04B	MDE: Water Supply Assistance	2,000,000	0	0	0	0	0	2,000,000
UA05A	MDE: Comp. Flood Management	1,250,000	0	0	0	0	0	1,250,000
UB00A	MES: Infrastructure Improvements	3,876,000	0	0	0	0	0	3,876,000
Subtotal					\$41,333,000	\$249,373,609		\$364,357,023

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Public Safety								
QA01.05.1	DPSCS: MCI-J Perimeter Security	0	0	0	2,557,000	0	0	2,557,000
QB05A	DPSCS: MCI-W Support Serv./SUI Shop	975,000	0	0	0	0	0	975,000
QB05B	DPSCS: MCI-W Utilities Upgrade	400,000	0	0	0	0	0	400,000
QB06A	DPSCS: Cent. Laundry Kitchen/Dining Hal	4,688,000	0	0	0	0	0	4,688,000
QB06B	DPSCS: Brockbridge Kitchen Ren.	481,000	0	0	0	0	0	481,000
QB08A	DPSCS: WCI 512-Bed #1 & Support Spc.	26,714,000	0	0	0	0	4,920,000	31,634,000
QD00A	DPSCS: Patuxent-Sprinkler & Vent. Sys.	543,000	0	0	0	0	0	543,000
QG00A	DPSCS: Public Safety Training Center	16,000,000	0	0	0	6,173,000	0	22,173,000
WA01A	DSP: N.E. Barrack & Garage	4,675,000	0	0	0	0	0	4,675,000
WA01B	DSP: New Crime Lab	1,106,000	0	0	200,000	0	0	1,306,000
WA01C	DSP: Easton Barrack & Garage	361,000	0	0	0	0	0	361,000
WA01D	DSP: Princess Ann Barrack & Garage	293,000	0	0	1,500,000	0	0	1,793,000
ZB00A	Jail: PG Correct. Ctr Expansion Ph. 1	354,000	0	0	0	0	0	354,000
ZB00B	Jail: PG Correct. Ctr. Expansion, Ph 2	1,407,000	0	0	0	0	0	1,407,000
Subtotal								
Education								
DE02.01.S62	PSC: Solar Energy Pilot Projects	0	0	0	250,000	0	0	250,000
DE02.02.2	Relocatable Classrooms	0	0	0	200,000	0	0	200,000
DE02.02A	Public School Construction	11,099,000	0	0	133,501,000	0	0	244,600,000
RA01A	MSDE: State Library Resource Ctr.	1,033,000	0	0	0	0	0	1,033,000
RP00.05	MPT: Advanced Television Equipment	0	0	0	7,630,000	0	2,187,000	9,817,000
ZA00A	Balt. Zoo Redevelopment	4,750,000	0	0	0	0	0	4,750,000
Subtotal		\$116,882,000	\$0	\$0	\$141,581,000	\$0	\$2,187,000	\$260,650,000
Higher Education								
DE02.01.01	UMB: Health Sci Research II	0	0	0	17,746,000	0	0	17,746,000
DE02.01.02	UMB: New Dental School	0	0	0	14,000,000	0	0	14,000,000
DE02.01.04	MFRI: New Headquarters	0	0	0	1,440,000	0	0	1,440,000
DE02.01.05	BSU: New Science Bldg.	0	0	0	1,200,000	0	0	1,200,000

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Higher Education								
DE02.01.07	TU: Regional Sports Complex	0	0	0	11,750,000	0	0	11,750,000
DE02.01.11	UMES: Waters/Somerset Halls	0	0	0	7,145,000	0	0	7,145,000
DE02.01.13	FSU: New Compton Sci. Ctr.	0	0	0	3,300,000	0	0	3,300,000
DE02.01.15	CSC: Telecommunications Upgrade	0	0	0	3,500,000	0	0	3,500,000
DE02.01.16	CSC: Miles Connor Bldg. Renovation	0	0	0	1,500,000	0	0	1,500,000
DE02.01.17	UB: Charles Hall	0	0	0	1,325,000	0	0	1,325,000
DE02.01.19	UMBC: New Info. Tech. Engineering Bldg.	0	0	0	32,431,000	0	0	32,431,000
DE02.01.20	UMBC: Public Policy Institute	0	0	0	17,542,000	0	0	17,542,000
DE02.01.21	UMBC: Chem./Physics Bldg	0	0	0	17,446,000	0	0	17,446,000
DE02.01.22	CES: Aquaculture & Rest. Ecology Lab	0	0	0	19,527,000	0	0	19,527,000
DE02.01.23	UMBI: CARB II Bldg.	0	0	0	42,442,000	0	0	42,442,000
DE02.01.24	USM: Hagerstown Higher Ed. Ctr.	0	0	0	13,264,000	0	0	13,264,000
DE02.01.25	USM: Shady Grove Higher Ed. Center	0	0	0	2,425,000	0	0	2,425,000
DE02.01.28	SMC: New Student Services Bldg.	0	0	0	2,072,000	0	0	2,072,000
DE02.01.29	SMC: Somerset Hall	0	0	0	2,167,000	0	0	2,167,000
DE02.01.30	SMC: New Academic Bldg.	0	0	0	981,000	0	0	981,000
DE02.01.31	Eastern Shore Higher Ed Ctr.	0	0	0	6,645,000	0	0	6,645,000
DE02.01.32	Southern Md. Higher Ed. Center	0	0	0	1,368,000	0	0	1,368,000
DE02.01.33	JHU School of Medicine Research Bldg.	0	0	0	7,933,000	0	0	7,933,000
DE02.01.34	JHU School of Hygiene & Public Health	0	0	0	2,067,000	0	0	2,067,000
DE02.01.S11	CSC: Dining Facilities	0	0	0	5,000,000	0	0	5,000,000
DE02.01.S12	CSC: Lutheran Hosp. Acquis./Demol.	0	0	0	800,000	0	0	800,000
DE02.01.S15	MSU: Northwood Property Acquisition	0	0	0	300,000	0	0	300,000
DE02.01.S26	MHEC: Cecil CC - Elkton Ctr.	0	0	0	503,000	0	0	503,000
DE02.01.S55	SMC: Calvert Hall Hazard Remediation	0	0	0	980,000	0	0	980,000
RB21A	UMB: Law School & Library	2,800,000	0	0	3,000,000	0	0	5,800,000
RB21B	UMB: Howard Hall Renovation	450,000	0	405,000	0	0	0	855,000
RB22.rb1	UMCP: Hornbake/McKeldin Libraries	0	0	1,445,000	0	0	0	1,445,000
RB22.rb2	UMCP: Taliaferro/Key Hall	0	0	350,000	0	0	0	350,000

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Higher Education								
RB22A	UMCP: New Arena	25,300,000	0	0	0	0	0	25,300,000
RB22B	UMCP: Chemistry Teaching Bldg.	2,000,000	0	0	1,860,000	0	0	3,860,000
RB22C	UMCP: Chem. & Nuclear Engin. Bldg	405,000	0	0	0	0	0	405,000
RB22D	MFRI: S. Md. Reg. Training Ctr.	200,000	0	0	818,000	0	0	1,018,000
RB23A	BSU: Campuswide Site Impr.	2,700,000	0	0	1,300,000	0	0	4,000,000
RB24A	TU: Fine Arts Bldg.	20,000,000	0	0	7,443,000	0	0	27,443,000
RB24B	TU: 7800 York Road Renovation	1,411,000	0	0	1,600,000	0	0	3,011,000
RB25A	UMES: Soc. Sci & Health Ed. Bldg.	11,600,000	0	10,000,000	5,365,000	0	0	26,965,000
RB25B	UMES: Physical Plant/Central Receiving	6,850,000	0	0	972,000	0	0	7,822,000
RB25C	UMES: Food Sci. & Tech. Bldg.	500,000	0	0	5,250,000	0	0	5,750,000
RB26A	FSU: Gunter Hall	400,000	0	0	872,000	0	0	1,272,000
RB28A	UB: 1300 N. Charles Bldg.	215,000	0	0	0	0	0	215,000
RB29A	SSU: New Science Bldg.	1,500,000	0	0	939,000	0	0	2,439,000
RB36.rb	USM: Capital Facilities Renewal	0	0	12,800,000	0	0	0	12,800,000
RB36A	USM: Underground Oil Tanks	1,000,000	0	0	0	0	0	1,000,000
RC00A	BCCC: Main Building Renovation	1,460,000	0	0	0	0	0	1,460,000
RI00A	MHEC: Comm. College Grant Prgm.	11,795,000	0	0	19,284,000	0	0	31,079,000
RI00B	MHEC: Montgomery College Takoma Park	13,245,000	0	0	0	0	0	13,245,000
RI00C	Harford CCC - Performing Arts Ctr.	400,000	0	0	0	0	0	400,000
RM00A	MSU: Sci. Research Facil. & Greenhouse	2,750,000	0	0	3,210,000	0	0	5,960,000
RM00B	MSU: Campuswide Site Improvements	2,252,000	0	0	0	0	0	2,252,000
RM00C	MSU: New Library	1,962,000	0	0	0	0	0	1,962,000
RM00D	MSU: Comm. Bldg. & Ped. Bridge	1,192,000	0	0	0	0	0	1,192,000
RQ00A	UMMS: Diagnostic & Treatment Facilities	12,000,000	0	0	0	0	0	12,000,000
ZC00A	MICUA Private Colleges and Universities	6,000,000	0	0	2,000,000	0	0	8,000,000
	Subtotal			\$25,000,000	\$292,712,000			\$448,099,000
Housing/Community Development								
DB01.52.1	HSMCC: Maryland Heritage Project	0	0	0	225,000	0	0	225,000

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Housing/Community Development								
DB01.52.2	HSMCC: St. John's Archaeol. Site Exh.	0	0	0	540,000	0	0	540,000
SA23.06	DHCD: MHT Revolving Loan Fund	0	0	0	200,000	200,000	0	400,000
SA23A	DHCD: MHT Grants	700,000	0	0	0	0	0	700,000
SA23B	DHCD: Banneker-Douglas Museum	935,000	0	0	0	0	0	935,000
SA24.02.1	DHCD: Neighborhood Business Devel.	0	0	0	6,844,000	1,236,000	0	8,080,000
SA24.02.2	DHCD: Community Legacy Program	0	0	0	9,000,000	0	0	9,000,000
SA24.02.3	DHCD: Community Devel. Block Grants	0	0	0	0	0	7,940,000	7,940,000
SA25.07	DHCD: Rental Housing Programs	0	0	0	7,871,000	5,129,000	3,714,000	16,714,000
SA25.08	DHCD: Homeownership Programs	0	0	0	5,419,000	6,081,000	800,000	12,300,000
SA25.09	DHCD: Special Loan Programs	0	0	0	6,042,000	4,458,000	1,200,000	11,700,000
SA25A	DHCD: Shelter & Transitional Housing	1,500,000	0	0	0	0	0	1,500,000
Subtotal								\$70,034,000
Economic Development								
DE02.01.40	TEDCO: Tech. Devel. Investment Fund	0	0	0	5,000,000	0	0	5,000,000
DU00.02	Canal Place Improvements	0	0	0	2,479,000	0	0	2,479,000
TF00.09	DBED: Sm. Business Devel. (MSBDFA)	0	0	0	2,275,000	6,125,000	0	8,400,000
TF00.17.1	DBED: Enterprise Investment	0	0	0	0	6,000,000	0	6,000,000
TF00.17.2	DBED: Challenge Investment Prgm.	0	0	0	0	2,000,000	0	2,000,000
TF00.21	DBED: Md. Econ. Adj. Fund (MEAF)	0	0	0	0	800,000	0	800,000
TF00.23	DBED: Md. Econ. Devel. Asst. (MEDAF)	0	0	0	15,000,000	18,781,186	0	33,781,186
TF00.24	DBED: Md. Comp. Adv. Fin. (MCAFF)	0	0	0	1,800,000	0	0	1,800,000
TF00.25	DBED: One Maryland	0	0	0	10,000,000	300,000	0	10,300,000
YA03.01	DBED: Sunny Day Fund	0	0	0	15,500,000	0	0	15,500,000
Subtotal								
Local Projects								
DE02.01.41	Ripken Stadium & Youth Academy	0	0	0	3,000,000	0	0	3,000,000
DE02.01.42	National Federation for the Blind	0	0	0	1,000,000	0	0	1,000,000
DE02.01.43	Park Heights Golf Academy	0	0	0	500,000	0	0	500,000

Exhibit A2.3 (Cont.)

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Local Projects								
DE02.01.S01	Allegheny County Fair - Multipurpose Bldg.	0	0	0	300,000	0	0	300,000
DE02.01.S02	Allegheny Co. Public Works Capital Equip.	0	0	0	500,000	0	0	500,000
DE02.01.S03	Allegheny Co. Roads - Satellite Garage	0	0	0	500,000	0	0	500,000
DE02.01.S04	Allegheny Highlands Trail	0	0	0	1,000,000	0	0	1,000,000
DE02.01.S06	Westernport Landfill Cap	0	0	0	200,000	0	0	200,000
DE02.01.S08	Md. Hall for the Creative Arts	0	0	0	500,000	0	0	500,000
DE02.01.S09	Parole Plaza Improvements	0	0	0	500,000	0	0	500,000
DE02.01.S10	Balt. City Revitalization Projects	0	0	0	7,000,000	0	0	7,000,000
DE02.01.S13	Fred. Douglas-Isaac Myers Maritime Mus.	0	0	0	1,000,000	0	0	1,000,000
DE02.01.S14	Great Blacks in Wax	0	0	0	750,000	0	0	750,000
DE02.01.S16	Patterson Park Comm. Devel.	0	0	0	200,000	0	0	200,000
DE02.01.S17	Strathdale Manor Demolition	0	0	0	1,000,000	0	0	1,000,000
DE02.01.S19	Chesapeake Village Park	0	0	0	1,000,000	0	0	1,000,000
DE02.01.S29	Howard Co. Head Start	0	0	0	500,000	0	0	500,000
DE02.01.S30	YMCA of Central Maryland	0	0	0	1,500,000	0	0	1,500,000
DE02.01.S31	Chelsea School	0	0	0	250,000	0	0	250,000
DE02.01.S32	Kensington Community Ctr.	0	0	0	125,000	0	0	125,000
DE02.01.S33	Meany Ctr - Lane Kirkland Ctr.	0	0	0	1,000,000	0	0	1,000,000
DE02.01.S34	Link-Ages	0	0	0	50,000	0	0	50,000
DE02.01.S35	Liz Lerman Dance Exchange	0	0	0	250,000	0	0	250,000
DE02.01.S36	Mont. Co. Family Services	0	0	0	250,000	0	0	250,000
DE02.01.S37	National Trolley Museum	0	0	0	100,000	0	0	100,000
DE02.01.S38	Olney Boys & Girls Club	0	0	0	100,000	0	0	100,000
DE02.01.S39	Olney Theatre	0	0	0	500,000	0	0	500,000
DE02.01.S40	Pyramid Atlantic	0	0	0	100,000	0	0	100,000
DE02.01.S41	Rehabilitation Opportunities	0	0	0	100,000	0	0	100,000
DE02.01.S42	Rckville Sci, Cultural & Business. Resrc. Ctr	0	0	0	500,000	0	0	500,000
DE02.01.S43	Takoma Park Comm. Learning Ctr.	0	0	0	500,000	0	0	500,000
DE02.01.S45	Wheaton Multi-purpose Youth Ctr.	0	0	0	175,000	0	0	175,000

Exhibit A2.3 (Cont.)

Part A - Budget and State Aid

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		General Obligation	Recycled	Agency	General	Special	Federal	
Local Projects								
DE02.01.S47	BRAVA - Bowie Arts Ctr.	0	0	0	500,000	0	0	500,000
DE02.01.S48	Colmar Community Ctr.	0	0	0	100,000	0	0	100,000
DE02.01.S50	Foundation School	0	0	0	1,000,000	0	0	1,000,000
DE02.01.S51	Gateway Arts District	0	0	0	1,000,000	0	0	1,000,000
DE02.01.S53	Suitland Manor Revitalization	0	0	0	3,000,000	0	0	3,000,000
ZA00B	Glen Echo Park	3,000,000	0	0	0	0	0	3,000,000
ZA00C	Kennedy Krieger Career & Tech. H.S.	2,000,000	0	0	0	0	0	2,000,000
ZA00D	Lucas Art Collection	850,000	0	0	0	0	0	850,000
ZA00E	Maryland Science Center	4,000,000	0	0	0	0	0	4,000,000
ZA00F	National Aquarium in Baltimore	3,000,000	0	0	0	0	0	3,000,000
ZA00G	Strathmore Hall Performing Arts Center	28,000,000	0	0	0	0	0	28,000,000
ZZ00A	Legislative Initiatives	24,548,500	0	0	0	0	0	24,548,500
	Subtotal							\$95,948,500
Transportation*								
ZG00	Transportation	0	0	235,000,000	45,000,000	477,812,602	852,716,000	,610,528,602
	Subtotal				\$45,000,000	\$477,812,602	\$852,716,000	\$1,610,528,602
Total Debt Subject to Debt limit		\$504,979,500	\$0	\$260,000,000	\$688,873,000	\$787,215,397	\$876,177,414	\$3,117,245,311
Qualified Zone Academy Bonds		8,270,000	0	0	0	0	0	8,270,000
Total New Debt Authorized		\$513,249,500						\$3,125,515,311

*Transportation capital funded off budget totals \$187.2 million

Exhibit A2.4

Legislative Projects - 2001 Session

Final Action

HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Private Higher Education						
		402	Kasemeyer	Loyola College Maryland Hall	State	1,800,000
1028	Hecht			Mount St. Mary's College	State	1,200,000
		741	Blount	Peabody Institute of Johns Hopkins Univ	State	3,000,000

Subtotal -Private Higher Education	\$6,000,000
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MHA Hospitals

456	McHale			Deaton Specialty Hospital and Home	State	130,000
		81	Hafer	Garrett County Memorial Hospital	State	,600,000
174	Montague			Good Samaritan Hospital of Maryland	State	500,000
1287	V. Jones			Mercy Medical Center	State	,000,000
52	Hammen			The Johns Hopkins Bayview Medical Ctr	State	500,000
618	Donoghue			Washington County Health Systems	State	470,000

Subtotal -MHA Hospitals	\$4,200,000
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Bond Bills - Statewide

524	Dewberry			BSO - Joseph Meyerhoff Symphony Hall	State	500,000
		573	Middleton	Lions Camp Merrick	State	150,000
		361	Green	Maryland 4-H Facilities	State	200,000
794	Klausmeier			MD Sch for the Blind Em. Panic Alarm Sys	State	-75,000
		249	Ruben	Olney Theatre Center Campus	State	250,000
		550	Blount	Outward Bound Leakin Park Project	State	500,000
		319	Hoffman	Star Spang. Banner Flag Hse. & 1812 Mus.	State	700,000
		385	Hoffman	Walters Art Museum	State	385,000

Subtotal -Bond Bills - Statewide	\$2,760,000
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Exhibit A2.4 (Cont.)

Legislative Projects - 2001 Session

Final Action

HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Local Projects						
974	Delegation			Court House Annex	Alleg	400,000
Subtotal - Allegany						\$400,000
498	Busch			Annapolis Maritime Museum	AA	150,000
		726	Astle	Arundel Lodge	AA	240,000
759	Busch			Broadneck Recreational Complex	AA	250,000
178	Clagett			Galesville Heritage Society Museum	AA	175,000
		829	Senators	Hist. London Town Visitors Ctr & Mus.	AA	200,000
528	Love			Salvation Army Centennial Wing	AA	75,000
Subtotal - Anne Arundel						\$1,090,000
136	Rosenberg			Concord Apartments	BCity	750,000
1286	Marriott			Delta Center	BCity	225,000
1282	Branch			East Balto. Comm Rec & Learning Ctr	BCity	500,000
1320	Dypski			Eleanor E. Hooper Adult Day Care Ctr	BCity	200,000
		409	Mitchell	Eubie Blake Nat'l Jazz Inst & Cult. Ctr	BCity	75,000
593	Gladden			Forest Park Clubhouse	BCity	500,000
		461	Hoffman	Hearing and Speech Agency	BCity	200,000
		549	Blount	Ivy Family Support Center	BCity	225,000
1016	Marriott			Marvellous Works Outreach Center	BCity	300,000
1055	Rawlings			New Shiloh Multipurpose Center	BCity	,000,000
		623	Hughes	Pimlico Road Arts and Community Ctr	BCity	750,000
140	Paige			Saratoga Center	BCity	100,000
789	Campbell			Theodore Roosevelt Recreation Ctr	BCity	200,000
		90	Conway	USA Educational/Cultural Foundation	BCity	50,000
Subtotal - Baltimore City						\$5,075,000
		501	Bromwell	Perry Hall Mansion	Balt	400,000
197	Klima			The Arrow Project	Balt	250,000
		140	Della	The Community Learning Center	Balt	250,000
		193	Hollinger	The Wellness Community-Baltimore	Balt	500,000

Exhibit A2.4 (Cont.)

Legislative Projects - 2001 Session

Final Action

HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Local Projects						
		497	Dyson	Calvert Animal Shelter and Educ. Ctr	Cal	75,000
		866	Miller	Chesapeake Beach Railway Trail	Cal	250,000
		584	Miller	Community Learning Center	Cal	400,000
605	Delegation			The Boys and Girls Clubs of So. MD	Cal	100,000
478	Owings			Twin Beach Community Health Ctr	Cal	150,000
Subtotal -Calvert						\$975,000
467	Baker			Adkins Arboretum	Carol	300,000
552	Walkup			The Benedictine School	Carol	100,000
Subtotal -Caroline						\$400,000
1011	Delegation			Arts Council Theater Rehabilitation	Carr	200,000
1012	Delegation			Historical Society of Carroll County	Carr	200,000
Subtotal -Carroll						\$400,000
1023	Guns			Hollingsworth House	Cecil	200,000
Subtotal -Cecil						\$200,000
694	Delegation			Boys and Girls Clubs	Chas	50,000
		574	Middleton	Lackey H.S. Swimming Pool Complex	Chas	900,000
1198	Delegation			Old Waldorf Sch Comm Ctr & Head Start	Chas	200,000
Subtotal -Charles						\$1,150,000
981	Delegation			American Red Cross	Fred	150,000
792	Delegation			House Hospice	Fred	200,000
982	Delegation			Weinberg Center for the Arts	Fred	100,000
Subtotal -Frederick						\$450,000
274	Edwards			Garrett County Courthouse	Gar	300,000
Subtotal -Garrett						\$300,000

211	Delegation		Bel Air Community Center	Har	100,000
216	Delegation		Havre de Grace Maritime Museum	Har	50,000

Part A - Budget and State Aid

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Exhibit A2.4 (Cont.)

Legislative Projects - 2001 Session

Final Action

HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Local Projects						
342	Delegation			Hosanna School	Har	186,000
Subtotal - Harford						\$336,000
		348	Kasemeyer	Norbel School	How	352,500
Subtotal - Howard						\$352,500
566	Walkup			Echo Hill Outdoor School Improv.	Kent	300,000
Subtotal - Kent						\$300,000
1293	Kopp			Bethesda Academy of Performing Arts	Mont	150,000
		712	Hogan	BlackRock Center for the Arts	Mont	350,000
867	Shriver			Boys and Girls Clubs of Greater Wash.	Mont	500,000
730	Hixson			CASA of Maryland Employment Ctr	Mont	100,000
410	Kagan			Gaithersburg Youth Center	Mont	250,000
		226	Ruben	Hillandale Center	Mont	100,000
		188	Forehand	Hospice Caring	Mont	50,000
		176	Ruben	Link - Ages Place	Mont	50,000
400	Kagan			Mental Health Assoc. of Mont. Co.	Mont	100,000
1019	Franchot			Mont & PG Cos. - Boys' & Girls' Homes	Mont	100,000
166	Petzold			National Capital Trolley Museum	Mont	100,000
250	Heller			Olney Boys and Girls Club Comm Park	Mont	75,000
388	Barve			Penn Place	Mont	100,000
		388	Hogan	Rehabilitation Opportunities	Mont	150,000
621	Kopp			Round House Theater	Mont	800,000
600	Sher			Sandy Spr. Slave Mus & African Art Gall.	Mont	75,000
204	Hixson			Site for Elec. Media, Art, and Tech.	Mont	200,000
1017	Franchot			Takoma Park Cooperative School	Mont	100,000
		611	Van Hollen	Wheaton Multi-Service Youth Facility	Mont	500,000

			Subtotal -Montgomery	\$3,850,000
259	Vallario		Bethel Recreation Center	PG 250,000
288	Conroy		Ebenezer Community Life Center	PG 100,000
	597	Lawlah	Ft Washington and Ft Foote Parks	PG 100,000

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The 90 Day Report

Exhibit A2.4 (Cont.)

**Legislative Projects - 2001 Session
Final Action**

HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Local Projects						
620	Healey			Hyattsville Municipal Annex	PG	400,000
1147	Hill			Kairos Senior Citizens' Home	PG	150,000
1366	Davis			Kettering Largo Boys & Girls Cl. Stor Fac	PG	150,000
1294	Griffith			Lake Arbor Recreation Center	PG	100,000
		871	Currie	Multiplex Rec. & Comm Dev Center	PG	140,000
		814	Lawlah	National Philippine Cultural Center	PG	100,000
		223	Dorman	Pallotti Day Care Center	PG	300,000
756	Howard			Palmer Park Boys and Girls Club	PG	200,000
273	Proctor			Southern Maryland Youth Camp	PG	100,000
		87	Green	Springhill Lake Recreation Center	PG	300,000
Subtotal -Prince George's						\$2,390,000
466	Baker			Cray House	QA	100,000
Subtotal -Queen Anne's						\$100,000
1296	Delegation			Patuxent River Naval Air Mus & Vis. Ctr	SM	250,000
		527	Dyson	St. Clement's Island Lighthouse Memorial	SM	50,000
Subtotal -St. Mary's						\$300,000
760	McClenahan			Teackle Mansion/Sarah Martin Done Hse.	Som	235,000
Subtotal -Somerset						\$235,000
811	Schisler			Chesapeake Bay Maritime Museum	Tal	300,000
		558	Colburn	Oxford Community Services Building	Tal	150,000
Subtotal -Talbot						\$450,000
582	Delegation			American Red Cross	Wash	300,000
		262	Munson	Discovery Station at Hagerstown	Wash	25,000

502	Munson	Discovery Station at Hagerstown	Wash	20,000
739	Munson	Hagerstown Arts and Entertainment Dist	Wash	235,000
Subtotal - Washington				\$560,000
692	Conway	Rotary Scout and Comm Ctr	Wic	350,000
Subtotal - Wicomico				\$350,000
762	Bozman	Mar-Va Theater	Wor	50,000

Part A - Budget and State Aid

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Exhibit A2.4 (Cont.)

**Legislative Projects - 2001 Session
Final Action**

HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Local Projects						
526	Bozman			Mid-Delmarva Family YMCA	Wor	375,000
496	Bozman			Worcester County Development Ctr	Wor	300,000
Subtotal - Worcester						\$725,000
Subtotal - Statewide and Local Projects						\$24,548,500
Total - New Projects						\$34,748,500

Debt Affordability

In its September 2000 report, the Capital Debt Affordability Committee (CDAC) recommended a general obligation (G.O.) bond debt authorization limit of \$475 million for fiscal 2002. In March 2001, the CDAC met and voted to recommend a \$30 million increase in the limit, raising it to \$505 million. In making its recommendation to increase the limit, the CDAC cited the favorable debt to personal income and debt service to revenue ratios. For many years Maryland has used these two ratios to ensure that its debt is affordable. Under the affordability criteria, State tax-supported debt outstanding should not exceed 3.2 percent of Maryland personal income and debt service on State tax-supported debt should not exceed 8 percent of revenues. Maryland's projected debt levels result in ratios well below these limits, and the \$30 million increase adds only one basis point to these ratios beginning in fiscal 2003. For fiscal 2002 there is over \$1.3 billion capacity between the estimated debt and the debt that would be allowed under the debt limit. For debt service, over \$236 million in capacity remains in fiscal 2002. **Exhibit A2.5** shows the effect of increasing the authorized debt level by \$30 million.

**Exhibit A2.5
Effect of Increasing the General Obligation Debt Limit by \$30 million**

Fiscal	Debt Outstanding as Percent of Personal Income		Debt Service as Percent of Revenues	
	Before	After	Before	After
2002	2.53	2.53	5.99	5.99
2003	2.49	2.50	6.01	6.02

2004	2.45	2.46	5.93	5.94
2005	2.40	2.41	6.03	6.04

Source: Department of Legislative Services

A total of \$505.0 million in G.O. bonds was authorized during the 2001 legislative session. This is consistent with the revised recommendation of the CDAC. The General Assembly also authorized \$8.27 million through the federal Qualified Zone Academy Bond program. Although this debt is general obligation debt, it is not counted towards the \$505 million limit. The CDAC accounts for this debt outside the limit because the State does not have to pay interest on the funds but repays the principal amount only. The bond holders receive federal tax credits in lieu of interest payments.

Embargoed PAYGO Funding

Concerned about a possible downturn in the economy which would impact the ability of the State to move forward with the numerous general fund PAYGO capital projects proposed by the Governor for fiscal 2002, the budget committees developed a plan to restrict expenditure of a portion of the funds until the December 2001 revenue estimates were available. This would allow the Governor to cancel projects if the revenue estimates indicated there would be significant revenue shortfalls. After negotiations, the Governor agreed to the plan and by letter to the budget committee chairmen dated March 24, 2001, provided a list of projects and programs for which funding would be embargoed. Funding to be withheld totals \$130.5 million. **Exhibit A2.6** lists the projects, the general fund legislative appropriation, and the amounts withheld.

Exhibit A2.6

Embargoed General Fund PAYGO

Project	General Fund Legis. Approp.	Amount Withheld
UMB: New Dental School	\$14,000,000	\$14,000,000
TU: Fine Arts Bldg.	7,443,000	7,443,000
UMBC: Public Policy Institute	17,542,000	17,542,000
UMBI: CARB II Bldg.	42,442,000	42,442,000
USM: Hagerstown Higher Ed. Ctr.	13,264,000	12,394,000
MHEC: Comm. College Grant Program	19,284,000	4,821,000
High Speed Data Network	10,000,000	2,500,000
Public Safety Communications System	3,900,000	1,000,000
TEDCO: Tech. Development Investment Fund	5,000,000	1,250,000
DNR: Park Improvement Program	3,000,000	750,000
DNR: GreenPrint	5,000,000	5,000,000
DNR: Oyster Restoration	2,000,000	500,000
MDA: Ag. Cost Share	6,400,000	1,600,000
DHCD: Neighborhood Business Development	6,844,000	1,941,000
DHCD: Rental Housing Programs	7,871,000	1,967,750
DHCD: Homeownership Programs	5,419,000	1,354,750
DHCD: Special Loan Programs	6,042,000	1,510,500
DBED: Small Business Devel. (MSBDFA)	2,275,000	568,750
DBED: Md. Econ. Devel. Asst. (MEDAF)	15,000,000	3,750,000
DBED: Md. Comp. Advantage Fin. (MCAFF)	1,800,000	525,000
DBED: One Maryland	10,000,000	2,500,000
MDE: CBWQ Nutrient Removal	5,000,000	1,250,000
DBED: Sunny Day Fund	15,500,000	3,875,000
Total	\$225,026,000	\$130,484,750

Smart Growth Initiatives

The capital budget includes three new programs relating to Smart Growth. Two of the programs are to be

administered by the Department of Natural Resources. These are GreenPrint, funded in fiscal 2002 at \$35 million, and Community Parks and Playgrounds, funded in fiscal 2002 at \$11 million. The third program, Community Legacy, will be administered by the Department of Housing and Community Development and is funded at \$9 million. A more detailed description of these items is included in the budget initiatives section of the operating budget discussion and under the Economic and Community Development subpart of Part H and the Natural Resources subpart of Part K of this *90 Day Report*.

Tobacco Crop Conversion Funding

As introduced, *House Bill 1193 (passed)* would have authorized the sale of \$30 million in revenue bonds to be repaid from the Cigarette Restitution Fund. The proceeds of the bonds would have been used to implement the Southern Regional Strategy-Action Plan for Agriculture, the main component of which is the payment to farmers who agree to stop growing tobacco. The bill was amended, however, to authorize \$5 million per year for six years beginning in fiscal 2004. The legislation also requires that reimbursement to the general fund be made from the Cigarette Restitution Fund within eight years of the final issuance of debt. For a further discussion of this topic see the Agriculture subpart of Part K of this *90 Day Report*.

Higher Education

The fiscal 2002 capital program for all segments of higher education is \$448.1 million including general funds, general obligation bonds, and academic revenue bonds. This program exceeds the previous fiscal year by more than \$60 million and represents the second year of the administration's commitment to provide over one billion dollars for capital construction in higher education over four years. The capital program includes \$368.95 million for over 45 discrete capital projects associated with the public four-year institutions and funds for facility renewal and underground oil storage tank replacement throughout the University System of Maryland. Community colleges have 28 projects and represent \$46.6 million of the total. Another \$18 million will be used for six projects at private colleges and universities, including two for The Johns Hopkins University and four funded through the Maryland Independent Colleges and Universities grant program. Also, \$14.5 million provides for two Maryland Fire and Rescue Institute projects and a project for the University of Maryland Medical System.

The *Capital Improvement Program (CIP)* shows \$975.85 million in capital spending for higher education projects over the fiscal 2003-2006 period. This represents a deceleration in capital funding compared to fiscal 2001 and 2002. **Exhibit A2.7** shows the fiscal 2002 legislative appropriation for higher education capital and the funding anticipated in the CIP for fiscal 2003-2006. **Exhibit A2.8** shows the fiscal 2002 allocation of capital funding by higher education institutions.

Exhibit A2.7

Higher Education

Fiscal 2002 Legislative Appropriation and Out-Year Capital Funding

(\$ in Thousands)

Source	Fiscal					Total
	2002	2003	2004	2005	2006	
G.O. Bonds	\$130,387	\$135,250	\$164,450	\$233,300	\$186,450	\$849,837
PAYGO	292,712	7,650	84,000	46,300	18,450	449,112
Acad. Rev. Bonds	25,000	25,000	25,000	25,000	25,000	125,000
Total	\$448,099	\$167,900	\$273,450	\$304,600	\$229,900	\$1,423,949

Source: Department of Legislative Services and Fiscal 2002 *Capital Improvement Program*

Exhibit A2.8

Higher Education

Fiscal 2002 Allocation of Capital Funding by Institution

(\$ in Thousands)

Institution	FY 2002 Capital Funding
University of Maryland, Baltimore	\$38,401

University of Maryland, College Park	31,360
Bowie State University	5,200
Towson University	42,204
University of Maryland Eastern Shore	47,682
Frostburg State University	4,572
Coppin State College	10,800
University of Baltimore	1,540
Salisbury University	2,439
University of Maryland Baltimore County	67,419
University of Maryland Ctr. for Envir. Science	19,527
University of Maryland Biotechnology Institute	42,442
University System of Maryland Office	29,489
St. Mary's College of Maryland	6,200
Morgan State University	11,666
Regional Centers	8,013
Baltimore City Community College	1,460
Community Colleges	45,227
Independent Colleges and Universities	8,000
The John Hopkins University	10,000
Maryland Fire and Rescue Institute	2,458
University of Maryland Medical System	12,000
Total	\$448,099

Public School Construction

The General Assembly appropriated \$253.4 million in fiscal 2002 for public school construction. This amount includes \$200,000 for relocatable classrooms, \$250,000 for the Solar Energy Pilot Program, and \$8.3 million for the federal Qualified Zone Academy Bond program (QZABs). The proceeds from QZABs will be used to improve schools that either have at least 35 percent of their students eligible for free or reduced-price meals or are located within Enterprise or Empowerment Zones. Allocations totaling \$187.8 million were made by the Board of Public Works in January 2001. The remaining funds will be allocated by the Board in May 2001. **Exhibit A2.9** shows the initial allocations by jurisdiction.

Pursuant to §13-715.2 of the Financial Institutions article, the Maryland Stadium Authority (MSA) is required to make annual payments of \$2.4 million to the Public School Construction Fund (PSCF) from fiscal 2001 through 2010. When this obligation was signed into law as Chapter 327, Acts of 1996, it was expected that the MSA would generate sufficient revenues from its operation of the Camden Yards Complex to make the payments. However, due to cost overruns on the Ravens football stadium and the over estimation of annual admissions tax revenues, the MSA projects a fiscal 2001 negative closing balance of \$6.35 million in the Maryland Stadium Authority Financing Fund. Rather than using additional special fund proceeds from the Maryland State Lottery to meet the MSA's statutory obligation to the PSCF, the General Assembly directed that \$2.4 million of the \$10.0 million appropriated in Supplemental No. 2 for the PSCF be used in lieu of the MSA's fiscal 2002 statutory obligation to the PSCF.

In the operating budget, the Aging Schools Program received \$10.4 million to make improvements and repairs to existing school buildings, and approximately \$787,000 is budgeted in the Technology in Maryland Schools Program to make a payment on the capital lease used to wire schools for technology.

Exhibit A2.9

Public School Construction Allocations

<u>LEA</u>	<u>FY 2002 Allocation</u>
Allegany	\$993,000
Anne Arundel	14,991,000
Baltimore City	18,361,000
Baltimore County	5,282,000

Calvert	273,000
Caroline	5,561,000
Carroll	2,985,000
Cecil	4,360,000
Charles	520,000
Dorchester	6,969,000
Frederick	22,820,000
Garrett	213,000
Harford	6,472,000
Howard	16,691,000
Kent	633,000
Montgomery	32,908,000
Prince George's	26,386,000
Queen Anne's	0
St. Mary's	11,991,000
Somerset	462,000
Talbot	1,462,000
Washington	4,261,000
Wicomico	2,795,000
Worcester	440,000
Subtotal	\$187,829,000
To be allocated	56,771,000
Total	\$244,600,000

Source: Department of Legislative Services and the Fiscal 2002 Public School Construction Capital Improvement Program

Program Open Space

Funding for Program Open Space from all fund sources totals \$155.3 million for fiscal 2002. **Exhibit A2.10** shows the allocation by fund source. **Exhibit A2.11** shows the distribution of the local Program Open Space funding.

Exhibit A2.10

Program Open Space Funding for Fiscal 2002

(\$ in Thousands)

	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>G.O. Bonds</u>	<u>Total</u>
Land Acquisition & Local Prgm.	0	68,346	400	0	68,746
Capital Development Projects	0	10,863	0	0	10,863
Rural Legacy	0	13,719	0	16,000	29,719
GreenPrint	5,000	0	0	30,000	35,000
Community Parks & Playgrounds	11,000	0	0	0	11,000
Total	\$16,000	\$92,928	\$400	\$46,000	\$155,328

Source: Fiscal 2002 Budget

Exhibit A2.11

Local Program Open Space Funding Distribution

<u>County</u>	<u>Allocation</u>
Allegany	\$475,065
Anne Arundel	5,121,329
Baltimore	5,778,318
Calvert	512,885

Caroline	222,850
Carroll	1,152,753
Cecil	\$592,901
Charles	1,043,018
Dorchester	191,393
Frederick	1,219,833
Garrett	237,212
Harford	1,703,076
Howard	\$3,035,415
Kent	144,226
Montgomery	7,706,320
Prince George's	6,514,619
Queen Anne's	310,938
St. Mary's	578,816
Somerset	\$136,783
Talbot	329,427
Washington	898,876
Wicomico	602,135
Worcester	584,085
Baltimore City	3,385,866
Total	\$42,478,139

Note: These numbers may change as the allocation formula has a census component that will be updated this year.

Source: Department of Legislative Services

Part A Budget and State Aid

Aid to Local Government

Overview of State Assistance to Local Governments

State assistance to local governments accounts for approximately 25 percent of State expenditures, not including federal funding. This assistance includes direct aid to county and municipal governments, local school systems, libraries, community colleges, and local health departments. In fiscal 2002, local governments will receive \$3.5 billion in direct State aid. This represents a \$256.5 million or 7.8 percent increase over fiscal 2001.

The State will also pay \$349.9 million for the employer's share of retirement costs for local school teachers, librarians, and community college faculty who are members of either the teachers' retirement or pension systems maintained by the State. These State payments do not go through the local governments but are paid directly to the State Retirement Agency.

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. In the 1990s, the State assumed responsibility for the Baltimore City Detention Center and the City's local community college and increased funding for the Washington Metropolitan area transit system. The mass transit system serving the Baltimore area is operated by the Maryland Department of Transportation. Beginning in fiscal 1995, the State also assumed responsibility for processing Baltimore City arrests through a State-run central booking facility. In the case of the Baltimore City Detention Center and the local community college, State costs were partially offset by reductions in direct State aid to the city. The total cost for these assumed functions is estimated at \$156 million in fiscal 2002.

Overall State assistance to local governments, including the recently assumed costs, totals over \$4 billion. This represents a 6 percent increase over fiscal 2001. **Exhibit A3.1** provides a summary of State aid since fiscal 1996.

Exhibit A3.1
Summary of State Assistance to Local Governments
Fiscal 1996 - 2002
(\$ in Millions)

Fiscal Year	Direct State Aid	Retirement Payments on Behalf	Subtotal	Functions Assumed by the State	Total	Percent Change
1996	\$2,327.3	\$455.6	\$2,782.9	\$102.3	\$2,885.2	5.8%
1997	2,441.4	479.7	2,921.2	108.9	3,030.1	5.0%
1998	2,659.6	474.8	3,134.5	114.3	3,248.9	7.2%
1999	2,910.2	442.5	3,352.7	124.3	3,477.0	7.0%
2000	3,029.7	420.5	3,450.3	132.6	3,582.9	3.0%
2001	3,269.0	390.3	3,659.3	144.2	3,803.6	6.2%
2002	3,525.4	349.9	3,875.3	155.7	4,031.1	6.0%

State Aid Patterns

As **Exhibit A3.2** indicates, the overall composition of State aid changed slightly between fiscal 2001 and 2002. State aid to local school systems accounts for 75 percent of total State aid. County and municipal governments receive 18 percent of State aid, with most of the aid targeted for transportation, public safety, and park land acquisition and development. Community colleges, libraries, and local health departments account for the remaining 7 percent of State aid.

Exhibit A3.2
Changes in State Aid Patterns
(\$ in Millions)

	Fiscal 2001	Percent of Total	Fiscal 2002	Percent of Total	Percent Increase
Public Schools	\$2,740.5	74.9%	\$2,892.7	74.6%	5.6%
Libraries	41.7	1.1%	44.8	1.2%	7.4%
Community Colleges	163.6	4.5%	178.5	4.6%	9.1%
Local Health	52.2	1.4%	56.9	1.5%	9.0%
General Government	661.2	18.1%	702.3	18.1%	6.2%
Total	\$3,659.3	100.0%	\$3,875.3	100%	5.9%

Changes in State Aid

Direct aid and retirement payments for local governments will increase by \$216 million or 5.9 percent in fiscal 2002. Primarily this reflects statutorily mandated increases in State aid. **Exhibit A3.3** summarizes the distribution of direct State aid by governmental entity. The exhibit also shows the estimated State retirement payments for local employees. **Exhibit A3.4** compares total State aid in fiscal 2001 and 2002 by program.

Exhibit A3.3
State Assistance to Local Governments

**Fiscal 2002 Legislative Appropriation
(\$ in Thousands)**

	<i>Direct State Aid</i>							Total	Change Over FY 2001
	General Government	Community Colleges	Education	Libraries	Health	Subtotal	Retirement		
Allegany	\$13,386	\$4,292	\$44,425	\$576	\$1,375	\$64,053	\$4,365	\$68,418	\$3,726
Anne Arundel	45,860	21,585	175,275	1,885	4,889	249,495	29,158	278,653	16,014
Baltimore City	256,369	0	548,588	5,209	10,374	820,540	40,259	860,799	32,387
Baltimore County	53,709	32,942	263,926	3,408	6,810	360,796	45,737	406,533	16,921
Calvert	12,429	1,066	43,108	304	517	57,425	5,964	63,388	7,129
Caroline	7,265	919	22,405	220	777	31,586	2,166	33,751	1,246
Carroll	14,261	4,688	79,308	802	1,789	100,847	9,963	110,811	3,349
Cecil	8,075	3,414	51,328	471	1,197	64,484	5,877	70,361	3,933
Charles	12,831	5,285	73,013	645	1,441	93,216	8,604	101,820	8,328
Dorchester	7,683	835	18,196	194	644	27,552	2,048	29,600	728
Frederick	18,643	6,029	101,038	854	2,154	128,718	13,215	141,934	6,944
Garrett	9,115	2,325	17,916	170	576	30,102	2,091	32,193	1,224
Harford	18,183	7,846	114,035	1,175	2,660	143,900	14,448	158,348	6,721
Howard	19,810	8,707	97,267	627	1,846	128,257	19,735	147,993	8,005
Kent	3,026	446	7,998	87	484	12,041	1,197	13,237	315
Montgomery	62,438	29,288	207,815	2,066	4,646	306,253	68,094	374,347	27,198
Prince George's	71,769	19,136	470,413	4,908	7,919	574,145	48,905	623,049	40,819
Queen Anne's	5,586	1,351	18,662	159	618	26,376	2,674	29,050	1,462
St. Mary's	7,714	1,490	46,809	527	1,270	57,810	5,456	63,266	2,972
Somerset	7,223	449	12,754	216	656	21,298	1,282	22,580	892
Talbot	4,741	1,048	5,402	81	454	11,726	1,863	13,589	455
Washington	13,490	5,048	62,389	812	2,018	83,757	8,067	91,824	4,109
Wicomico	10,394	3,051	48,578	541	1,338	63,902	5,701	69,603	3,034
Worcester	7,280	1,227	7,871	107	491	16,976	3,005	19,980	780
Unallocated	9,913	3,319	25,942	11,012	0	50,186	0	50,186	17,340
Total	\$701,196	\$165,786	\$2,564,461	\$37,056	\$56,942	\$3,525,440	\$349,875	\$3,875,315	\$216,032

Note: General government includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A3.3 (Cont.)

State Assistance to Local Governments

**Dollar Difference between Fiscal 2002 Legislative Appropriation and Fiscal 2001 Working Appropriation
(\$ in Thousands)**

	<i>Direct State Aid</i>							Total
	General Government	Community Colleges	Education	Libraries	Health	Subtotal	Retirement	
Allegany	\$391	\$252	\$3,376	\$21	\$213	\$4,253	-\$528	\$3,726
Anne Arundel	5,271	2,729	11,051	97	292	19,440	-3,426	16,014
Baltimore City	7,596	0	28,395	117	529	36,636	-4,250	32,387
Baltimore County	1,956	2,769	17,126	172	293	22,316	-5,395	16,921
Calvert	3,242	116	4,380	22	63	7,824	-694	7,129
Caroline	270	121	990	9	108	1,498	-252	1,246
Carroll	496	498	3,299	34	182	4,509	-1,160	3,349
Cecil	254	269	3,896	31	170	4,620	-687	3,933
Charles	1,763	577	6,794	51	157	9,342	-1,014	8,328
Dorchester	468	110	305	10	72	965	-238	728
Frederick	620	789	6,855	25	203	8,493	-1,548	6,944
Garrett	564	5	812	5	87	1,472	-247	1,224
Harford	913	684	6,581	61	176	8,415	-1,694	6,721
Howard	794	1,049	8,308	33	123	10,307	-2,303	8,005
Kent	85	59	218	8	84	454	-139	315
Montgomery	3,022	3,877	27,273	115	781	35,068	-7,869	27,198
Prince George's	7,168	1,726	37,132	236	282	46,543	-5,723	40,819
Queen Anne's	155	178	1,346	13	82	1,775	-312	1,462
St. Mary's	269	163	2,986	27	164	3,609	-637	2,972
Somerset	313	51	606	9	63	1,042	-149	892
Talbot	138	138	331	5	63	674	-219	455
Washington	1,247	272	3,295	30	217	5,060	-951	4,109
Wicomico	563	346	2,582	23	182	3,698	-664	3,034
Worcester	271	139	576	7	135	1,128	-349	780
Unallocated	2,979	-32	11,801	2,593	-0	17,340	0	17,340
Total	\$40,808	\$16,885	\$190,315	\$3,755	\$4,718	\$256,481	-\$40,449	\$216,032

Note: General government includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A3.3 (Cont.)

State Assistance to Local Governments
Percent Change: Fiscal 2002 Legislative Appropriation over Fiscal 2001 Working Appropriation

Direct State Aid

	General Government	Community Colleges	Education	Libraries	Health	Subtotal	Retirement	Total
Allegany	3.0%	6.3%	8.2%	3.7%	18.3%	7.1%	-10.8%	5.8%
Anne Arundel	13.0%	14.5%	6.7%	5.4%	6.3%	8.5%	-10.5%	6.1%
Baltimore City	3.1%	n.a.	5.5%	2.3%	5.4%	4.7%	-9.5%	3.9%
Baltimore County	3.8%	9.2%	6.9%	5.3%	4.5%	6.6%	-10.6%	4.3%
Calvert	35.3%	12.3%	11.3%	7.8%	13.8%	15.8%	-10.4%	12.7%
Caroline	3.9%	15.2%	4.6%	4.5%	16.1%	5.0%	-10.4%	3.8%
Carroll	3.6%	11.9%	4.3%	4.4%	11.3%	4.7%	-10.4%	3.1%
Cecil	3.2%	8.6%	8.2%	7.1%	16.5%	7.7%	-10.5%	5.9%
Charles	15.9%	12.3%	10.3%	8.5%	12.2%	11.1%	-10.5%	8.9%
Dorchester	6.5%	15.2%	1.7%	5.6%	12.5%	3.6%	-10.4%	2.5%
Frederick	3.4%	15.1%	7.3%	3.1%	10.4%	7.1%	-10.5%	5.1%
Garrett	6.6%	0.2%	4.7%	3.1%	17.7%	5.1%	-10.6%	4.0%
Harford	5.3%	9.6%	6.1%	5.5%	7.1%	6.2%	-10.5%	4.4%
Howard	4.2%	13.7%	9.3%	5.6%	7.1%	8.7%	-10.4%	5.7%
Kent	2.9%	15.2%	2.8%	9.7%	21.0%	3.9%	-10.4%	2.4%
Montgomery	5.1%	15.3%	15.1%	5.9%	20.2%	12.9%	-10.4%	7.8%
Prince George's	11.1%	9.9%	8.6%	5.0%	3.7%	8.8%	-10.5%	7.0%
Queen Anne's	2.9%	15.2%	7.8%	9.2%	15.3%	7.2%	-10.5%	5.3%
St. Mary's	3.6%	12.3%	6.8%	5.4%	14.8%	6.7%	-10.4%	4.9%
Somerset	4.5%	12.8%	5.0%	4.2%	10.6%	5.1%	-10.4%	4.1%
Talbot	3.0%	15.2%	6.5%	5.9%	16.1%	6.1%	-10.5%	3.5%
Washington	10.2%	5.7%	5.6%	3.8%	12.0%	6.4%	-10.5%	4.7%
Wicomico	5.7%	12.8%	5.6%	4.5%	15.8%	6.1%	-10.4%	4.6%
Worcester	3.9%	12.8%	7.9%	6.7%	38.0%	7.1%	-10.4%	4.1%
Unallocated	43.0%	-1.0%	83.4%	30.8%	-100.0%	52.8%	n.a.	52.8%
Total	6.2%	11.3%	8.0%	11.3%	9.0%	7.8%	-10.4%	5.9%

Exhibit A3.4

Total State Assistance to Local Governments

Direct State Aid

Program	FY 2001	FY 2002	Difference
Current Expense Aid	1,621,327,150	1,681,230,578	59,903,428
Compensatory Education	113,548,428	117,123,662	3,575,234
School Transportation - regular	117,001,261	127,766,954	10,765,693
School Transportation - special education	5,587,000	5,556,500	-30,500
Special Education - formula	81,253,345	81,253,345	0
Special Education - nonpublic placements	91,596,795	104,880,651	13,283,856
Special Education - infants & toddlers	0	433,250	433,250
Limited English Proficiency Grants	25,620,300	30,057,750	4,437,450
Additional Poverty Grants	18,163,360	18,163,359	-1
Targeted Poverty Grants	7,999,999	8,000,000	1
Magnet Schools	14,100,000	14,100,000	0
Extended Elementary	19,262,500	19,262,500	0
Baltimore City Partnership	66,232,417	70,465,079	4,232,662
Aging Schools	10,370,000	10,370,000	0
Targeted Improvement Grants	21,813,199	21,991,425	178,226
Teacher Development/Mentoring Programs	33,936,000	35,508,000	1,572,000
Adult Education	1,453,602	1,453,602	0
Food Service	5,300,664	6,264,663	963,999
Gifted and Talented Grants	5,209,829	6,209,829	1,000,000
School Library Media Program	3,000,000	3,000,000	0
Class Size Initiative	11,667,000	17,320,382	5,653,382
Education Modernization	10,351,011	13,405,998	3,054,987
Challenge Grants	5,788,827	6,788,827	1,000,000
School Reconstitution	9,797,400	9,797,400	0
Out-of-County Placements	5,603,041	6,063,043	460,002
School Wiring	0	787,000	787,000
Early Education Initiatives	0	19,000,000	19,000,000
Teacher's Salary Grant	35,014,618	85,664,628	50,650,010
Academic Intervention	11,600,000	19,099,999	7,499,999
Other Programs	21,548,252	23,442,255	1,894,003
Total Primary & Secondary Education	\$2,374,145,998	\$2,564,460,67	\$190,314,681

Library Formula	24,882,622	26,043,894	1,161,272
Library Network	8,418,299	11,011,769	2,593,470
Total Libraries	\$33,300,921	\$37,055,663	\$3,754,742

Exhibit A3.4 (Cont.)

Total State Assistance to Local Governments

Direct State Aid

Program	FY 2001	FY 2002	Difference
Community College Formula	134,856,667	151,099,512	16,242,845
Grants for ESOL Programs	1,644,547	1,979,918	335,371
Optional Retirement	6,805,683	7,144,999	339,316
Hold Harmless/Small College Grant	2,242,981	2,242,981	0
Statewide Programs	3,350,880	3,318,542	-32,338
Total Community Colleges	\$148,900,758	\$165,785,952	\$16,885,194
Highway User Revenue	423,800,998	430,421,400	6,620,402
Elderly and Handicapped Transportation	3,315,789	4,315,789	1,000,000
Paratransit	2,382,051	3,382,051	1,000,000
Total Transportation	\$429,498,838	\$438,119,240	\$8,620,402
Police Aid	59,747,844	60,354,152	606,308
Fire And Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	2,600,000	600,000	-2,000,000
9-1-1 Grants	4,454,905	4,253,349	-201,556
Body Armor	50,000	50,000	0
Community Policing	2,000,000	2,000,000	0
Foot Patrol/Drug Enforcement Grants	4,462,500	4,462,500	0
Law Enforcement Training Grants	100,000	100,000	0
Stop Gun Violence Grants	1,000,000	1,000,000	0
Violent Crime Grants	5,000,000	5,000,000	0
Baltimore City State's Attorney Grant	1,342,000	1,722,354	380,354
Baltimore City Circuit Court Grant	0	400,000	400,000
Domestic Violence Grants	200,000	200,000	0
Foreign Vehicle Registration Grant	0	360,000	360,000
Total Public Safety	\$90,957,249	\$90,502,355	-\$454,894
Program Open Space	37,112,590	43,978,138	6,865,548
Critical Area Grants	375,000	750,000	375,000
Total Recreation/Environment	\$37,487,590	\$44,728,138	\$7,240,548
Local Health Formula	\$52,223,866	\$56,942,364	\$4,718,498
Property Tax Grants (Utility Prop.)	\$15,307,603	\$30,615,201	\$15,307,598

Exhibit A3.4 (Cont.)

Total State Assistance to Local Governments

Direct State Aid

Program	FY 2001	FY 2002	Difference
Disparity Grant	\$81,626,679	\$89,289,557	\$7,662,878
Horse Racing Impact Aid	1,330,800	1,330,800	0
Security Interest Filing Fees	2,953,135	2,734,750	-218,385
Payments in Lieu of Taxes	675,485	675,485	0
Baltimore City Lead Paint Grant	500,000	500,000	0
Senior Citizens Activities Center	0	500,000	500,000
Warfield Complex Historic Site	0	100,000	100,000
Statewide Voting Systems	0	2,100,000	2,100,000
Prince George's Special Grants	50,000	0	-50,000
Total Other Direct Aid	\$5,509,420	\$7,941,035	\$2,431,615
Total Direct Aid	\$3,268,958,922	\$3,525,440,18	\$256,481,262
Payments-in-Behalf			
Retirement - Teachers	366,347,657	328,221,734	-38,125,923
Retirement - Libraries	8,439,499	7,786,218	-653,281
Retirement - Community Colleges	14,699,595	12,716,487	-1,983,108
Retirement - Local Employees	837,231	1,150,210	312,979
Total Payments-in-Behalf	\$390,323,982	\$349,874,649	-\$40,449,333
Total State Assistance	\$3,659,282,904	\$3,875,314,83	\$216,031,929

Primary and Secondary Education

State aid to local school systems will increase by \$152.2 million or 5.6 percent in fiscal 2002. State aid paid directly to local boards of education increases by \$190.3 million or 8 percent; whereas teachers' retirement costs paid by the State on behalf of local boards of education decreases by \$38.1 million or 10.4 percent.

Current Expense Aid: State law provides for automatic increases in current expense formula aid based on two factors: student

enrollment and prior years' spending growth. The current expense formula is based on school expenditures in the third and fourth prior years, thereby the fiscal 2002 formula is affected by expenditures in fiscal 1998 and 1999. Current expense formula aid is not restricted for specific purposes and is distributed inversely to local wealth, as measured by net taxable income and property assessable base. The current expense formula is the largest State aid program accounting for 43 percent of total State assistance to local governments. In fiscal 2002, current expense aid will total \$1.7 billion, representing a \$59.9 million increase over fiscal 2001. This is based on a 3 percent increase in the per pupil foundation amount and a 0.7 percent increase in student enrollment.

Compensatory Aid: The compensatory aid formula distributes funding to local school systems on the basis of the number of students from economically disadvantaged environments as measured by the student counts used for federal Title I aid. The Title I count for fiscal 2002 totals 113,602, a slight increase from fiscal 2001. In addition, the compensatory aid formula is tied to growth in the current expense formula in that the program's per pupil foundation is one-fourth of the foundation for the current expense formula. In fiscal 2002, the program's per pupil foundation will total \$1,031. Due to the growth in the foundation amount and a relative constant Title I count, compensatory aid increases by \$3.6 million or 3.1 percent in fiscal 2002.

Targeted Poverty Funding: The State currently provides \$48.2 million for several targeted poverty programs that are based on the free and reduced price meal count. This includes \$22 million in targeted improvement grants, \$18.1 million in additional poverty grants, and \$8 million in targeted poverty grants.

Baltimore City Partnership Grant: This program is part of the State's effort to reform the Baltimore City Public School System. Baltimore City will receive \$70.5 million under the Baltimore City Partnership Grant in fiscal 2002, including \$58 million in statutorily required funding. The State budget also includes a \$5.5 million deficiency appropriation for the program for fiscal 2001. State funding for this program will increase by \$4.2 million in fiscal 2002. For a more detailed discussion of this funding see Part L - Education of this *90 Day Report*.

Student Transportation Grants: Each county receives a grant for student transportation based on the county's grant in the previous year increased by inflation. Increases can not exceed 8 percent or be less than 3 percent. As a result of legislation enacted in 1996, counties with enrollment increases receive additional funds. The fiscal 2002 budget includes \$127.8 million for the program, reflecting a 8 percent transportation inflation rate and slight growth in student enrollment. The State also provides a grant for transporting disabled students. Each school board receives \$500 per special education student in excess of the number transported in fiscal 1981. The fiscal 2002 grant level of \$5.6 million is based on 11,113 students. Total funding for student transportation, including special transportation, increases by \$10.7 million in fiscal 2002.

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements. State funding for nonpublic placements will increase by \$13.3 million in fiscal 2002. In addition, the fiscal 2002 State budget includes \$433,250 for infant and toddlers services and a \$500,000 grant to Baltimore County for special services relating to foster care children.

Teachers' Retirement Costs: The State pays the employers' retirement costs for local teachers who are members of either the teachers' retirement or pension systems maintained and operated by the State. The \$38.1 million decrease in fiscal 2002 results from a 4.9 percent increase in the salary base and a 14.6 percent decrease in the employer contribution rate. The large decrease in the contribution rate is driven primarily by retirement fund investment earnings.

Teacher Salary Grants/Academic Intervention: The General Assembly approved legislation at the 2000 session (Senate Bill 810/House Bill 1247) that establishes teacher salary grants and funding for academic intervention services. The fiscal 2002 State budget includes \$85.7 million for teacher salary challenge program, which represents a \$50.7 million increase over the prior year and \$19.1 million for academic intervention which represents a \$7.5 million increase over fiscal 2001. This is the second year for the teacher salary challenge program under which the State will provide a one percent salary match to local school systems granting a 4 percent cost-of-living increase to teachers.

Early Education Initiatives/Judith P. Hoyer Program: This program provides financial support for the establishment of centers that provide full-day, comprehensive, early education programs and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support voluntary accreditation of early child care centers, professional development of early childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2002 State budget includes \$7.6 million for Judy Center grants and approximately \$3 million for school readiness and program accreditation. In addition, the fiscal 2002 State budget includes \$19 million in new funding for early education programs that improve the academic achievement of students in pre-kindergarten through third grade. The funding will be distributed on the basis of the State's special education formula. The Extended Elementary Education Program, a public school prekindergarten program for four-year-old children identified as having a high potential for failure in school, will continue to receive \$19.3 million in funding.

Teacher Quality Incentives: The General Assembly passed legislation at the 1999 session (House Bill 9) that provides salary enhancements for teachers obtaining national certification, a signing bonus for teachers graduating in the top of their class, and a stipend for teachers working in a reconstitution eligible or challenge school. The fiscal 2002 State budget includes \$7.8 million in funding for these teacher quality incentives.

Class Size Reduction Grants: Local school systems will receive \$17.3 million in funding in fiscal 2002 to reduce class size for reading instruction in the first and second grades. This represents a \$5.6 million increase over fiscal 2001. The funding is based on legislation passed by the General Assembly at the 1999 session (Senate Bill 137/House Bill 187).

Teacher Development/Mentoring/Certification Grants: Teacher development grants are provided to enhance teacher development programs in schools with a free or reduced price meal count of 25 percent or more of their student population. Each eligible school receives an \$8,000 grant to enhance teacher training in instructing at-risk students. In fiscal 2002 these grants will total \$5.8 million, representing a \$48,000 increase over fiscal 2001. In addition, the State budget includes \$5 million for teacher certification programs, of which \$2.5 million is for Prince George's County and \$2 million is for Baltimore City. The State budget also includes \$5 million for teacher mentoring program in accordance with legislation passed in the 1999 session (House Bill 9). In addition, \$10.9 million is provided to three local school systems (\$1 million for Anne Arundel County, \$7.9 million for Baltimore County, and \$2 million for Prince George's County).

Limited English Proficiency: The State provides grants to local school systems for programs for students with limited English proficiency. The grant amount totals \$1,350 per limited English proficient student. Funding for this program totals \$30.1 million in fiscal 2002, representing a \$4.4 million increase over fiscal 2001. This increase is due to a 3,287 student increase in the limited English proficiency count. Approximately 20,855 students are categorized as limited English proficient.

Education Modernization Initiative: This program provides schools access to on-line computer resources and capacity for data, voice, and video equipment. Total funding for this program is \$13.4 million, an increase of \$3.1 million. The Maryland Technology Academy will continue to receive \$1.9 million in funding in fiscal 2002.

Additional Enhancements for Fiscal 2002: The fiscal 2002 State budget includes \$1 million for Allegany County to improve deficiencies identified in the school system's performance audit and \$1 million for Anne Arundel County to enhance the Annapolis school feeder system by providing grants to twelve schools through the State's challenge school grant program. In addition, a potential \$8 million in State revenues generated from the Tax Amnesty Program will be targeted to nine local school systems with piggyback income tax revenues per student below 72.5 percent of the State average. **Exhibit A3.5** shows the potential grant amount for each local school system contingent upon the State collecting an adequate amount of delinquent taxes. In accordance with **House Bill 828 (passed)**, the first \$32 million in revenues collected from the program will be credited to the State's general fund (\$30 million) and be used by the Comptroller's Office to administer the program (\$2 million). The next \$8 million in revenues will be earmarked to local school systems. If the \$8 million estimated is not fully attained, the grants will be reduced proportionately.

Exhibit A3.5
Funding under Tax Amnesty Program

Allegany	\$720,392
Baltimore City	2,600,197
Caroline	842,680
Cecil	372,421
Dorchester	484,843
Garrett	842,738
Prince George's	1,131,706
Somerset	464,205
Wicomico	540,818

Libraries

The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. The minimum library program is specified in statute. For fiscal 2002, the program is based on a \$12 per capita grant. Overall, the State provides about 40 percent of the minimum program and the counties provide 60 percent. However, the State/local share of the minimum program varies from county to county depending on local wealth. In fiscal 2002, State library formula aid will total \$26 million, an increase of \$1.2 million. In addition, the State pays the employer's share of retirement costs for eligible library employees. These payments decreased by \$653,000 in fiscal 2002, due to a 14.6 percent decrease in the employer contribution rate.

The General Assembly approved legislation at the 1999 session that established a funding formula for the State Library Resource Center requiring the State to contribute a larger share of the center's funding. In 2000, legislation was enacted that altered the calculation of the State funding formula for regional resource centers. State funding for the resource centers total \$11 million in fiscal 2002, an increase of \$2.6 million.

Community Colleges

Total State funding for community colleges increases by \$14.9 million for fiscal 2002. Local community colleges will receive \$151.1 million through the State's funding formula. The formula increase reflects a slight decline in student enrollment and a 13.5 percent increase in the per student grant amount. The per student grant amount is based on 25 percent of the fiscal 2001 State aid per student at selected four-year public colleges. Local community colleges will receive \$14.7 million in special categorical grants, including the small college grant, English for Speakers of Other Languages (ESOL) grant, statewide programs, optional retirement grant, and the innovative partnership for technology grant. State paid retirement expenditures decrease by \$2 million in fiscal 2002.

Local Health Programs

State aid for local health departments total \$56.9 million in fiscal 2002, reflecting a \$4.7 million or 9 percent increase. This increase includes a cost of living adjustment for eligible employees of local health departments and the statutorily required increase based on population and inflation.

General Government Assistance

The State provides grants to counties and municipalities for various governmental functions, including public safety, transportation, and recreation. In addition, the disparity grant program targets aid to low income wealth jurisdictions. Overall, general government assistance will increase by \$41.1 million in fiscal 2002, a 6.2 percent increase.

Police Aid Grants: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. Police aid grants in fiscal 2002 total \$60.4 million, a \$606,300 or 1 percent increase over fiscal 2001.

Public Safety Grants: The State budget includes \$1.7 million for the Baltimore City State's Attorney's Office to improve the prosecution of gun offenses and repeat violent offenders and to expand the homicide division and \$400,000 for the Baltimore City Circuit Court to develop a master plan for the city's courthouses. In addition, \$200,000 is provided to local law enforcement agencies for domestic violence units. Funding for 911 grants decrease by \$202,000 in fiscal 2002. Other public safety grants did not change.

Vehicle Theft Prevention Program: This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for the purpose of establishing vehicle theft prevention, deterrence, and educational programs. Funds are also used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a non-lapsing dedicated fund that was receiving up to \$2 million a year from penalties collected for lapse or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. **Senate Bill 200 /House Bill 309 (both passed)** redirects \$2 million in lapsed insurance penalty revenues from the Vehicle Theft Prevention Fund to the Transportation Trust Fund. Accordingly, funding for this program will total \$600,000 in fiscal 2002.

Fire, Rescue, and Ambulance Services: The State provides formula grants to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovations, not operating costs. The program is funded from the Maryland Emergency Medical System Operations Fund (MEMSOF). The grant level for the program is reduced to \$7.5 million in the fiscal 2002 budget; however, budget bill language indicates that \$2.5 million in funding can be restored if legislation increasing MEMSOF revenues is enacted. With the passage of *Senate Bill 292 (Ch. 33)/House Bill 1148 (passed)* which raise the vehicle registration fees supporting MEMSOF, it is assumed that funding for the fire and rescue grant will be \$10 million in fiscal 2002.

Program Open Space Grants: Under the Program Open Space program, the State provides grants to the counties and Baltimore City for land acquisition and the development of park and recreation facilities. State property transfer tax revenues fund Program Open Space and related programs. In fiscal 2002, Program Open Space funding totals \$44 million, which includes a \$1.5 million special grant for Baltimore City. This reflects a \$6.9 million or 15.6 percent increase over fiscal 2001 funding levels.

Transportation: The State shares receipts from motor fuel taxes, vehicle excise (titling) taxes, registration fees, and corporate income taxes with local governments for the purpose of constructing and maintaining transportation facilities across the State. Counties, municipalities, and Baltimore City receive 30 percent of these "highway user" revenues. The Maryland Department of Transportation projects a modest increase in these grants in fiscal 2002 (\$6.6 million) based on estimated tax revenues.

Disparity Grant: The disparity grant, which provides funding to counties whose per capita local income tax revenues is less than 75 percent of the statewide average, increases by \$7.7 million in fiscal 2002. The nine jurisdictions receiving a disparity grant in fiscal 2002 are Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, Washington and Wicomico counties and Baltimore City.

Electric Utility Grant: Ten counties and Baltimore City receive an electricity generating equipment property tax grant which partially offsets lost local revenues resulting from the electric and gas utility tax reform passed in the 1999 session. The grants are phased in over two years beginning with fiscal 2001 and will total \$30.6 million in fiscal 2002.

Horse Racing Impact Aid: The Racing Act of 2000 authorizes the State to use uncashed pari-mutuel tickets to fund the Maryland Racing Facility Redevelopment Fund. This is the same revenue source used to fund horse racing impact aid. Accordingly, horse racing impact aid would have decreased by \$436,000 in fiscal 2002, a 33 percent decrease. *Senate Bill 764 /House Bill 908 (both passed)* restore the horse racing impact aid by requiring that lottery revenues be distributed to the Horse Racing Special Fund when payments are made to the Racing Facility Redevelopment Bond Fund pursuant to the Racing Act of 2000. The legislation will ensure that horse racing impact aid will be fully funded in fiscal 2002 at approximately \$1.3 million.

Special Enhancements for Fiscal 2002: The State budget includes \$2.1 million to local governments to assist in the implementation of a standard statewide voting technology system contingent upon the enactment of *Senate Bill 833* and/or *House Bill 1457 (both passed)*. This legislation requires the State Board of Elections, in consultation with local election boards, to select a uniform statewide voting system for polling places and absentee voting. The estimated cost to purchase a statewide system would total approximately \$37 million. In addition, \$100,000 is provided to the Town of Sykesville (Carroll County) for development expenses of the Warfield Complex Historic Site.

County Level Detail

This section includes information for each county on State aid, State funding of selected services, and capital projects in the county. The three parts included under each county are described below.

Direct Aid/Shared Revenues and Retirement Payments

Direct Aid/Shared Revenues: The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through over 50 different programs. The fiscal 2002 State operating budget includes \$3.5 billion to fund these programs. Part A, section 1 compares aid distributed to the county in fiscal 2001 and 2002.

Retirement Payments: County teachers, librarians, and community college faculty are members of either the teachers retirement or pension systems maintained and operated by the State. The State pays the employer share of the retirement costs on behalf of the counties for these local employees as well as certain elected local officials such as sheriffs and State's attorneys. These payments total \$349.9 million in fiscal 2002. Although these funds are not paid to the local governments, each county's allocation is estimated from salary information collected by the State retirement systems. These estimates are presented in Part A, section 2.

Estimated State Spending on Health and Social Services

The State funds the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. Part B shows fiscal 2002 allocation estimates of general fund appropriations for health services, social services and senior citizen services

Health Services: The Department of Health and Mental Hygiene, through its various administrations, funds in whole or part community health programs that are provided in the local subdivisions. These programs are described below. General fund spending totals \$597.3 million statewide for these programs in fiscal 2002. In addition, \$49.7 million from the Cigarette Restitution Fund will also be spent on these programs in fiscal 2002. This does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers.

- **Alcohol and Drug Abuse:** The Alcohol and Drug Abuse Administration funds community-based programs that include primary and emergency care, intermediate care facilities, halfway houses and long-term care programs, outpatient care, and prevention programs. The fiscal 2002 budget includes \$50.0 million in general funds and \$17.3 million in special funds for these programs. In addition, the budget includes \$28.6 million in federal funds for addiction treatment services.
- **Family Health and Primary Care Services:** The Community and Public Health Administration funds community-based programs through the local health departments in each of the subdivisions. These programs include maternal health (family planning, pregnancy testing, prenatal and perinatal care, etc.) and infant and child health (disease prevention, child health clinics, specialty services, etc.). Primary care services are funded for those people who previously received State-only Medical Assistance. Fiscal 2002 funding for these family health programs totals \$16.5 million in general funds.
- **Geriatric & Children's Services:** The Medical Care Policy Administration provides funding for community-based programs that serve senior citizens and children. The geriatric services include operating grants to adult day care centers and an evaluation program administered by the local health departments to assess the physical and mental health needs of elderly individuals. The

children's services include the Early, Periodic Screening Diagnosis and Treatment (EPSDT) program and the Adolescent Case Coordinator program that assures at risk or pregnant teenagers receive needed health services. The fiscal 2002 funding for these programs totals \$18.5 million in general funds.

- **Mental Health:** The Mental Hygiene Administration (MHA) oversees a wide range of community mental health services which are developed and monitored at the local level by Core Service Agencies (CSAs). The Core Service Agencies have the clinical, fiscal, and administrative responsibility to develop a coordinated network of services for all public mental health clients of any age within a given jurisdiction. These services include in-patient and out-patient hospital services, inpatient and outpatient mental health services, psychiatric rehabilitation services, targeted case management services, rental assistance, pharmacy services, private practitioners, and other clinic services. The fiscal 2002 budget includes \$235 million in general funds and \$144.7 million federal funds for mental health services.
- **Prevention & Disease Control:** The Community and Public Health Administration is responsible for chronic and hereditary disease prevention (cancer, heart disease, diabetes, etc.). The office also provides for the promotion of safe and effective immunization practices, the investigation of disease outbreaks, and continuous disease surveillance and monitoring with the support of local health departments and the medical community. General fund appropriations in fiscal 2002 total \$6.9 million. In addition, the budget includes \$32.4 million in Cigarette Restitution Funds for tobacco use prevention and cessation and for cancer prevention and screening at the local level.
- **Developmental Disabilities:** The Developmental Disabilities Administration's community-based programs include residential services, day programs, transportation services, summer recreation for children, individual and family support services, including respite care, individual family care, behavioral support services, and community supported living arrangements. The fiscal 2002 budget includes \$267.2 million in general funds and \$122.5 million in federal funds for these programs.
- **AIDS:** The AIDS Administration funds counseling, testing, education and risk reduction services through the local health departments. Fiscal 2002 funds for these services total \$3.0 million in general funds. The budget for the AIDS Administration also includes \$17.5 million in federal funds for these services.

Social Services. The Department of Human Resources provides funding for various social and community services in the subdivisions. Part B shows fiscal 2002 estimates of funding for those programs that were available by subdivision. Note that fiscal 2002 funding for homeless and women's services is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2001 funding and may change.

- **Homeless Services:** The Community Services Administration funds programs which provide emergency and transitional housing, food, and transportation for homeless families and individuals. Funding is available by county for the housing counselor, service-linked housing and emergency and transitional housing programs. The fiscal 2002 budget includes \$5.0 million in general funds for these programs.
- **Women's Services:** The Community Services Administration provides funding for a variety of community-based programs for women. These include the battered spouse program, rape crisis centers, displaced homemakers program, and crime victims' services. Total fiscal 2002 funding for these programs equals \$5.6 million in general funds. In addition, the fiscal 2002 budget includes \$7.0 million in federal funds for women's services.
- **Adult Services:** The State social services departments in each of the subdivisions provide a variety of services to disabled, elderly, neglected, and exploited adults. Services include information and referral, crisis intervention, case management, protective services, in-home aid, and respite care for families. The fiscal 2002 budget includes \$7.1 million in general funds and \$33.2 million in federal funds for adult services.
- **Child Welfare Services:** The State social services departments in each of the subdivisions offer programs to support the healthy development of families, assist families and children in need, and protect abused and neglected children. Services include adoptive services, foster care programs, family preservation programs, and child protective services. The fiscal 2002 budget includes \$57.2 million in general funds and \$89.3 million in federal funds.

Senior Citizens Services. The Department of Aging funds a variety of services for senior citizens mostly through local agencies on aging. In Part B these programs have been combined into two broad categories: long-term care and community services. The total fiscal 2002 funding is \$12.3 million in general funds and \$15.3 million in federal funds. The fiscal 2002 funding is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2001 funding and may change.

- **Long-Term Care:** This category includes the following programs: frail and vulnerable elderly, senior care, senior guardianship and the new ombudsman program. The total fiscal 2002 funding is \$9.6 million in general funds. An allocation of the ombudsman program is not available by county and is, therefore, not included in this report.
- **Community Services:** Included in this category are the senior information and assistance program, the senior nutrition program, and the insurance counseling program. Fiscal 2002 funding for these programs totals \$2.7 million in general funds.

Capital Grants and Capital Projects for State Facilities

Selected State Grants for Capital Projects: The State provides capital grants for public schools, community colleges, local jails, community health facilities, adult day care centers, water quality projects, waterway improvements, homeless shelters, and other cultural, historical, and economic development projects. Projects are funded from either bond sales or current revenues. Part C lists projects in the counties authorized by the fiscal 2002 State operating and capital budgets. Projects at regional community colleges are shown for each county that the college serves. For some loan programs (water quality projects, adult day care facilities, and community mental health/addictions/developmental disabilities facilities), funding was not provided for all requested projects. Since it is not known which projects will be funded, all requested projects for these loans are shown in this report.

The fiscal 2002 budget includes \$253.4 million in new funding for local school construction: \$134 million in general funds (PAYGO), \$111.1 million in general obligation bonds, and \$8.3 million in qualified zone academy bonds. As of the publication of this report, \$187.8 million of the total fiscal 2002 funding has been allocated to specific projects. These projects are listed in part C for each county.

Capital Projects for State Facilities Located in the County: Part D shows capital projects, authorized by the fiscal 2002 operating and capital budgets, at State facilities and public colleges and universities by the county in which the facility is located. For facilities that are located in more than one county, such as a State park, the total amount of the capital project is shown for all relevant counties. For each capital project, the total authorized amount is given, regardless of funding source although federally funded projects are generally

shown separately. For the universities, projects funded from both academic and auxiliary revenue bonds are included. This section does not include transportation projects.

Allegany County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
\$ in Thousands				
Current Expense Aid	28,230	28,593	362	1.3
Compensatory Education	3,380	3,558	177	5.2
School Transportation	2,652	2,862	210	7.9
Special Education	2,041	2,162	121	5.9
Limited English Proficiency Grants	9	12	3	28.6
Targeted Poverty Grants	1,327	1,332	4	0.3
Extended Elementary	348	348	0	0.0
Aging Schools	355	355	0	0.0
Class Size Initiative	116	149	33	28.7
Early Education Initiative	0	440	440	n.a.
Teacher Development/Mentoring	297	297	0	0.0
Teacher's Salary Grant	788	1,809	1,021	129.5
Academic Intervention	507	592	85	16.9
Other Education Aid	997	1,917	919	92.2
Primary & Secondary Education	41,048	44,425	3,377	8.2
Libraries	556	576	21	3.7
Community Colleges	4,039	4,292	252	6.3
Health Formula Grant	1,162	1,375	213	18.3
* Transportation	6,374	6,526	152	2.4
* Police and Public Safety	887	885	(2)	(0.3)
* Fire and Rescue Aid	236	236	0	0.0
Recreation and Natural Resources	398	474	76	19.0
Disparity Grant	5,099	5,264	165	3.2
Total Direct Aid	59,800	64,053	4,253	7.1
Aid Per Capita	853	922	69	8.0
Property Tax Equivalent (\$)	2.18	2.42	0.24	10.9

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Allegany County for teachers, librarians, community college faculty and local officials are estimated to be \$4,365,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,568,000
Family Health and Primary Care	112,000
Geriatric and Children's Services	550,000
Mental Health	4,412,000
Prevention and Disease Control	691,000
Developmental Disabilities	3,567,000
AIDS	58,000

Social Services

Homeless Services	86,000
Women's Services	179,000
Adult Services	83,000
Child Welfare Services	1,145,000

Senior Citizen Services

Long-Term Care	252,000
Community Services	92,000

C. Selected State Grants for Capital Projects

Public Schools

Eckhart School - wiring	86,000
John Humbird Elementary School - construction	799,000
John Humbird Elementary School - renovations (roof)	108,000

Allegany Community College

Automotive Technology & Service Building - reroof	10,000
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Chesapeake Bay Water Quality Loan

Cumberland Combined Sewer - overflow improvements	500,000
Frostburg Combined Sewer - overflow improvements	100,000
George's Creek WWTP - nutrient removal	50,000

Water Supply Assistance Loan

Consol - water supply	332,500
Morantown - water supply	290,000
Westernport - water line	178,444

Comprehensive Flood Management Program

Bowmans Addition (Dry Run)	247,500
George's Creek - phase III	49,976

Waterway Improvement

Cumberland Fairgrounds - boat ramp and parking	5,000
Potomac River North Branch - dam removal	25,000

Other Projects

Allegany County Fair - Multipurpose Building	300,000
Allegany County Public Works - capital equipment	500,000
Allegany County Roads - Satellite Garage	500,000
Allegany Highlands Trail	1,000,000
Court House Annex (HB 974)	400,000
Frostburg Recreation Complex	285,000
Westernport Landfill Cap	200,000

D. Capital Projects for State Facilities in the County

Department of Labor, Licensing & Regulation

Cumberland Regional Claims Center - acquisition	2,446,000
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Department of Natural Resources

Rocky Gap State Park - bath house	1,737,000
C&O Canal National Park - boat ramp construction	25,000
Rocky Gap State Park - boat rental building construction	40,000

Department of Public Safety & Corrections

Western Correctional Inst. - 512-bed expansion	26,714,000
Western Correctional Inst. - 512-bed expansion (federal)	4,920,000

University System of Maryland

Frostburg State - Compton Science Center construction	3,300,000
Frostburg State - Gunter Hall	1,272,000

Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	120,741	122,635	1,894	1.6
Compensatory Education	3,448	3,540	92	2.7
School Transportation	11,457	12,419	962	8.4
Special Education	15,543	16,780	1,238	8.0
Limited English Proficiency Grants	813	1,013	200	24.6
Targeted Poverty Grants	2,088	2,077	(11)	(0.5)
Extended Elementary	1,295	1,295	0	0.0
Aging Schools	570	570	0	0.0
Class Size Initiative	852	1,104	252	29.5
Early Education Initiative	0	1,307	1,307	n.a.
Teacher Development/Mentoring Grants	1,171	1,663	492	42.0
Teacher's Salary Grant	2,121	5,018	2,897	136.6
Academic Intervention	884	1,530	647	73.2
Other Education Aid	3,241	4,323	1,082	33.4
Primary & Secondary Education	164,224	175,275	11,051	6.7
Libraries	1,788	1,885	97	5.4

Community Colleges	18,856	21,585	2,729	14.5
Health Formula Grant	4,598	4,889	292	6.3
** Transportation	25,249	25,819	570	2.3
** Police and Public Safety	5,831	5,793	(39)	(0.7)
** Fire and Rescue Aid	816	816	0	0.0
Recreation and Natural Resources	4,294	5,124	830	19.3
Utility Property Tax Grants	3,910	7,820	3,910	100.0
** Other Direct Aid	489	489	0	0.0
Total Direct Aid	230,054	249,495	19,440	8.5
Aid Per Capita	469	504	35	7.4
Property Tax Equivalent (\$)	0.68	0.71	0.03	3.9

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Anne Arundel County for teachers, librarians, community college faculty and local officials are estimated to be \$29,158,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,859,000
Family Health and Primary Care	650,000
Geriatric and Children's Services	908,000
Mental Health	16,332,000
Prevention and Disease Control	2,517,000
Developmental Disabilities	24,822,000
AIDS	11,000

Social Services

Homeless Services	173,000
Women's Services	375,000
Adult Services	110,000
Child Welfare Services	2,848,000

Senior Citizen Services

Long-Term Care	550,000
Community Services	135,000

C. Selected State Grants for Capital Projects

Public Schools

Annapolis Elementary School - renovations (roof)	40,000
Annapolis Elementary School - wiring	34,000
Annapolis High School - renovations (boiler)	175,000
Annapolis Middle School - renovations (roof)	231,000
Anne Arundel Co. Learning Ctr. - renovations (boiler)	84,000
Anne Arundel County Learning Center - wiring	36,000
Arlington Echo/Outdoor Education Center - wiring	10,000
Arnold Elementary School - renovations (boiler)	144,000
Arundel High School - renovations (roof)	810,000
Bates Middle School - renovations (roof)	42,000
Belle Grove Elementary School - renovations (boiler)	85,000
Belle Grove Elementary School - wiring	29,000
Benfield Elementary School - renovations (roof)	239,000
Broadneck Elementary School - wiring	68,000
Brooklyn Park Elementary School - wiring	68,000
Cape St. Clair Elementary School - construction	2,342,000
CAT North - renovations (boiler)	118,000
Central Elementary School - renovations (roof)	260,000
Central Special Education - wiring	48,000
Chesapeake Bay Middle School - renovations (roof)	1,179,000
Chesapeake High School - renovations (boiler)	356,000
Crofton Elementary School - renovations (boiler)	82,000
Crofton Meadows Elementary School - wiring	62,000

Crofton Woods Elementary School - wiring	65,000
Folger McKinsey Elementary School - renovations (roof)	97,000
Freetown Elementary School - renovations (roof)	105,000
Freetown Elementary School - wiring	45,000
George Cromwell Elementary School - renovations (boiler)	85,000
Glen Burnie High School "A" - renovations (roof)	334,000
Glen Burnie High School "B" - renovations (roof)	174,000
Glen Burnie High School "C" - renovations (roof)	137,000
Hillsmere Elementary School - renovations (boiler)	80,000
Hilltop Elementary School - wiring	65,000
Jessup Elementary School - renovations (roof)	219,000
MacArthur Middle School - renovations (boiler)	205,000
Magothy/Severn River Middle School - renovation (boiler)	175,000
Manor View Elementary School - wiring	66,000
Marley Glen Elementary School - wiring	46,000
Maryland City Elementary School - renovations (boiler)	82,000
Maryland City Elementary School - renovations (roof)	248,000
Millersville Elementary School - renovations (boiler)	80,000
Mills-Parole Elementary School - wiring	49,000
North Glen Elementary School - renovations (roof)	203,000
North Glen Elementary School - wiring	36,000
Northeast High School - renovations (boiler)	267,000
Oakwood Elementary School - renovations (roof)	197,000
Old Mill High School - renovations (boiler)	400,000
Old Mill High School - renovations (roof)	1,466,000
Overlook Elementary School - renovations (roof)	98,000
R.H. Lee Elementary School - renovations (roof)	239,000
Ruth Parker Eason School - renovations (roof)	223,000
Ruth Parker Eason School - wiring	49,000
Southern Middle School - construction	2,000,000
Southgate Elementary School - renovations (boiler)	76,000
Tyler Heights Elementary School - wiring	43,000
Van Bokkelen Elementary School - renovations (roof)	482,000
Van Bokkelen Elementary School - wiring	63,000
Waugh Chapel Elementary School - renovations (boiler)	80,000
Woodside Elementary School - renovations (roof)	123,000
Woodside Elementary School - wiring	47,000
<u>Anne Arundel Community College</u>	
Student Services Center - addition and equipment	525,000
<u>Community Mental Health/Addictions/Developmental Disabilities</u>	
Chrysalis House, Inc. - renovate and expand	231,000
OMNI House Behavior Health System - acquisition	250,000
Supported Housing Developers, Inc. - acquire homes	360,000
<u>Chesapeake Bay Water Quality Loan</u>	
Cox Creek WWTP - nutrient removal	95,418
Elvaton Town - stream restoration	308,000
Grays Luck - stormwater pond retrofit	201,000
West Street - stormwater facility	257,750
<u>Waterway Improvement</u>	
Annapolis Citywide - new docks, etc.	50,000
Annapolis Fire Department - new boat	50,000
Anne Arundel Co. Fire Department - replace motor	50,000
Anne Arundel Co. Fire Department, North - new boat	50,000
Anne Arundel Fire Department, Sandy Point - new boat	50,000
Carrs Creek - dredging	5,000
Cornfield Creek - dredging	198,000
Little Magothy River - dredging	200,000
Mill Creek - dredging	251,000
Pocohantas Creek - dredging	5,000
Ramsey Bay - dredging	5,000
Sloop & Eli Coves - dredging	5,000
Whitehall Canal - tax district	130,000
<u>Other Projects</u>	
Annapolis Maritime Museum (HB 498)	150,000
Arundel Lodge (SB 726)	240,000
Broadneck Recreational Complex (HB 759)	250,000

Galesville Heritage Society Museum (HB 178)	175,000
Historic London Town Visitors Center & Museum (SB 829)	200,000
Maryland Hall for the Creative Arts	500,000
Parole Plaza - improvements	500,000
Salvation Army Centennial Wing (HB 528)	75,000

D. Capital Projects for State Facilities in the County

General Government

Legislative Facilities - Annapolis	22,700,000
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Department of Natural Resources

Jonas Green State Park - comfort station	170,000
Sandy Point Marina - install boat lift rescue vessel	20,000
Sandy Point Marina - renovate service building	50,000
Sandy Point Marina - replace marine decking	50,000
Sandy Point Marina - replace parking lot lighting	150,000

Maryland Environmental Service

Jessup Correctional Complex - sewer system improvements	865,000
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Dept. of Housing & Community Development

Banneker-Douglass Museum - expand and upgrade	935,000
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Department of Public Safety & Corrections

Brockbridge Corr. Fac. - renovate kitchen/dining/warehouse	481,000
Correctional Inst. for Women - support/state use buildings	975,000
Correctional Inst. for Women - upgrade site utilities	400,000
Correctional Institution Jessup - perimeter security	2,557,000

Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	284,153	282,359	(1,794)	(0.6)
Compensatory Education	59,713	61,322	1,609	2.7
School Transportation	10,228	11,091	863	8.4
Special Education	52,951	56,957	4,006	7.6
Limited English Proficiency Grants	895	1,035	140	15.7
Targeted Poverty Grants	11,220	10,879	(341)	(3.0)
Extended Elementary	4,135	4,135	0	0.0
Baltimore City Partnership	66,232	70,465	4,233	6.4
Aging Schools	1,635	1,635	0	0.0
Class Size Initiative	1,303	1,643	340	26.1
Early Education Initiative	0	4,945	4,945	n.a.
Teacher Development/Mentoring Grants	4,085	4,085	0	0.0
Teacher's Salary Grant	7,990	20,119	12,129	151.8
Academic Intervention	2,317	3,957	1,640	70.8
Other Education Aid	13,335	13,960	625	4.7
Primary & Secondary Education	520,193	548,588	28,395	5.5
Libraries	5,093	5,209	117	2.3
Health Formula Grant	9,845	10,374	529	5.4
Transportation	168,388	171,498	3,110	1.8
Police and Public Safety	9,149	9,733	584	6.4
Fire and Rescue Aid	1,021	1,021	0	0.0
Recreation and Natural Resources	4,339	4,883	545	12.6
Disparity Grant	61,013	64,362	3,349	5.5
Utility Property Tax Grants	227	453	227	100.0
Other Direct Aid	4,636	4,418	(218)	(4.7)
Total Direct Aid	783,904	820,540	36,636	4.7
Aid Per Capita	1,283	1,368	85	6.6
Property Tax Equivalent (\$)	4.20	4.28	0.08	1.8

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Baltimore City for teachers, librarians, community college faculty and local officials are estimated to be \$40,259,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$24,434,000
Family Health and Primary Care	2,423,000
Geriatric and Children's Services	5,564,000
Mental Health	73,999,000
Prevention and Disease Control	4,807,000
Developmental Disabilities	30,133,000
AIDS	371,000

Social Services

Homeless Services	2,336,000
Women's Services	1,269,000
Adult Services	1,442,000
Child Welfare Services	21,337,000

Senior Citizen Services

Long-Term Care	1,853,000
Community Services	867,000

C. Selected State Grants for Capital Projects

Public Schools

Abbottston Elem. #15/Stadium School #15 - construction	1,038,000
Curtis Bay Elementary School #207 - renovations (window)	464,000
Fort Worthington Elementary School #85 - renovs (window)	385,000
Gwynn Falls Elementary School #60 - renovations (boiler)	225,000
Harford Heights Elementary School #36 - renovs (chiller)	465,000
Highlandtown Elementary School #237 - construction	3,217,000
James Mosher Elementary School #144 - construction	6,463,000
Liberty Elementary School #64 - renovations (window)	223,000
Matthew Henson Elementary School #29 - renovs (window)	482,000
Mergenthaler High School #410 - construction	4,424,000
Sarah M. Roach Elementary School #73 - renovs (mechanical)	263,000
Southwestern High School #412 - renovations (chiller)	712,000

Community Mental Health/Addictions/Developmental Disabilities

East Baltimore Comm. Corp. Reflective Treatment Ctr. - construction	122,000
Health Care for the Homeless - renovate facility	311,000
Park Heights Community Alliance - construct facility	1,600,000

Adult Day Care Centers

Levindale Hebrew Geriatric Center & Hospital, Inc. - renovate	405,000
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Comprehensive Flood Management Program

Lower Gwynns Falls - levee	677,250
Maisel Street - acquisition	10,176

Waterway Improvement

Baltimore City Fire Dept. - fire boat station/equipment	50,000
Baltimore Marine Unit - Boston Whaler & motors	50,000
Inner Harbor Marina - upgrade piers and utilities	150,000
Liberty Reservoir - upgrade boat ramp	25,000
Living Classrooms - Marina Railway at Maritime Park	275,000
Museum of Industry - transient boat access pier	150,000

Other Projects

Baltimore City Revitalization Projects	7,000,000
Baltimore Museum of Art - Lucas art collection	850,000
Baltimore Zoo - redevelopment projects	4,750,000
BSO - Joseph Meyerhoff Symphony Hall (HB 524)	500,000
College of Notre Dame - renovations and upgrades	2,000,000
Concord Apartments (HB 136)	750,000
Deaton Specialty Hospital and Home (HB 456)	130,000
Delta Center (HB 1286)	225,000
East Baltimore Community Recreation & Learning Center (HB 1282)	500,000
Eleanor E. Hooper Adult Day Care Center (HB 1320)	200,000
Eubie Blake National Jazz Institute & Cultural Center (SB 409)	75,000
Forest Park Clubhouse (HB 593)	500,000
Frederick Douglass-Isaac Myers Maritime Park	1,000,000

Good Samaritan Hospital of Maryland (HB 174)	500,000
Great Blacks in Wax Museum	750,000
Hearing and Speech Agency (SB 461)	200,000
Ivy Family Support Center (SB 549)	225,000
Johns Hopkins School of Hygiene and Public Health	2,067,000
Johns Hopkins School of Medicine - research building	7,933,000
Johns Hopkins Bayview Medical Center (HB 52)	500,000
Kennedy Krieger Inst. - Career & Technology High School	2,000,000
Loyola College Maryland Hall (SB 402)	1,800,000
Marvellous Works Outreach Center (HB 1016)	300,000
Maryland Science Center - expansion	4,000,000
Mercy Medical Center (HB 1287)	1,000,000
National Aquarium in Baltimore	3,000,000
National Research & Training Institute for the Blind	1,000,000
New Shiloh Multipurpose Center (HB 1055)	1,000,000
Outward Bound Leakin Park Project (SB 550)	500,000
Park Heights Golf Range & Family Sports Complex	500,000
Patterson Park Community Development Corporation	200,000
Peabody Institute of Johns Hopkins University (SB 741)	3,000,000
Pimlico Road Arts and Community Center (SB 623)	750,000
Saratoga Center (HB 1404)	100,000
Star Spangled Banner Flag House and 1812 Museum (SB 319)	700,000
Strathdale Manor - demolition	1,000,000
Theodore Roosevelt Recreation Center (HB 789)	200,000
USA Educational/Cultural Foundation (SB 90)	50,000
Walters Art Museum (SB 385)	385,000

D. Capital Projects for State Facilities in the City

Baltimore City Community College

Liberty Campus - renovate main building	1,460,000
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Department of Education

State Library Resource Center - construct addition	1,033,000
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Morgan State University

Campuswide - site improvements	2,252,000
Community Center & Pedestrian Bridge - construction	1,192,000
Library - construction	1,962,000
Northwood Property - acquisition	300,000
Science Research Building with Greenhouse - construction	5,960,000

University System of Maryland

Coppin State - Lutheran Hospital acquisition/demolition	800,000
Coppin State - dining facilities	5,000,000
Coppin State - Miles Connor Building renovation	1,500,000
Coppin State - telecommunications upgrade	3,500,000
UMD at Baltimore - Campus Center Building	2,600,000
UMD at Baltimore - Dental School Building construction	14,000,000
UMD at Baltimore - Health Sciences Research Facility II	17,746,000
UMD at Baltimore - Law School and Marshall Law Library	5,800,000
UMD at Baltimore - renovate Howard Hall	855,000
UMD at Baltimore - temporary building #2	4,400,000
Univ. Baltimore - 1300 N. Charles Street renovation	215,000
Univ. Baltimore - Charles Hall/Annex renovation	1,325,000

Other

UMD Medical System - diagnostic & treatment facilities	12,000,000
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Baltimore County

A. Direct Aid and Retirement Payments

I. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	175,779	181,405	5,626	3.2
Compensatory Education	6,534	6,695	161	2.5
School Transportation	14,150	15,279	1,129	8.0
Special Education	15,563	17,298	1,735	11.1
Limited English Proficiency Grants	2,092	2,310	219	10.5
Targeted Poverty Grants	4,998	5,020	21	0.4

Extended Elementary	1,190	1,190	0	0.0
Aging Schools	2,940	2,940	0	0.0
Class Size Initiative	1,219	1,562	344	28.2
Early Education Initiative	0	1,671	1,671	n.a.
Teacher Development/Mentoring Grants	9,581	9,573	(8)	(0.1)
Teacher's Salary Grant	3,243	8,230	4,987	153.8
Academic Intervention	1,236	1,992	756	61.2
Other Education Aid	8,276	8,762	485	5.9
Primary & Secondary Education	246,800	263,926	17,126	6.9
Libraries	3,236	3,408	172	5.3
Community Colleges	30,173	32,942	2,769	9.2
Health Formula Grant	6,517	6,810	293	4.5
Transportation	35,036	35,624	587	1.7
Police and Public Safety	9,714	9,262	(452)	(4.7)
Fire and Rescue Aid	1,211	1,211	0	0.0
Recreation and Natural Resources	4,844	5,768	924	19.1
Utility Property Tax Grants	897	1,795	897	100.0
Other Direct Aid	50	50	0	0.0
Total Direct Aid	338,480	360,796	22,316	6.6
Aid Per Capita	464	493	29	6.2
Property Tax Equivalent (\$)	0.78	0.82	0.03	4.1

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Baltimore County for teachers, librarians, community college faculty and local officials are estimated to be \$45,737,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$3,790,000
Family Health and Primary Care	435,000
Geriatric and Children's Services	1,393,000
Mental Health	27,529,000
Prevention and Disease Control	4,304,000
Developmental Disabilities	36,086,000
AIDS	53,000

Social Services

Homeless Services	237,000
Women's Services	667,000
Adult Services	347,000
Child Welfare Services	3,219,000

Senior Citizen Services

Long-Term Care	1,103,000
Community Services	322,000

C. Selected State Grants for Capital Projects

Public Schools

Battle Monument School - renovations (plumbing)	469,000
Catonsville Alternative School - wiring	221,000
Franklin High School - science facilities	810,000
Golden Ring Middle School - renovations (roof)	170,000
Kenwood High School - renovations (roof)	496,000
Patapsco High School - renovations (roof)	938,000
Patapsco High School - science facilities	265,000
Perry Hall High School - renovations (roof)	615,000
Rosedale School - wiring	247,000
Ruxton Center - renovations (windows)	110,000
Stoneleigh Elementary School - construction	420,000
White Oak School - renovations (heating)	521,000

Baltimore Community College

Catonsville - Hot/Chilled Water Facility	132,000
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Essex - Humanities and Arts Building	95,000
Systemwide - telecommunications infrastructure	2,300,000

Adult Day Care Centers

ReVisions Behavioral Health Systems, Inc. - renovate	412,000
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Chesapeake Bay Water Quality Loan

Revere Park - retrofit and restoration	60,000
Shetland Hills - stream restoration	40,000

Waterway Improvement

Bird River Railroad Creek - channel dredging	50,000
Brown Cove - channel dredging	40,000
Chesapeake Village Park - boat ramp & boardwalk	125,000
Chesterwood - design for boat ramp and pier	75,000
Gunpowder Dundee Creek Marina - dredging	150,000
Gunpowder Dundee Creek Marina - pave boat storage area	25,000
Middle River Vol. Ambulances - dive team equipment	50,000
Rocky Point, Inverness - ADA access	50,000
Seneca Creek Gooseharbor - channel dredging	300,000

Other Projects

Chesapeake Village Park	1,000,000
Holt Park	500,000
MD School for the Blind Emergency Panic Alarm System (HB 794)	75,000
Perry Hall Mansion (SB 501)	400,000
Southwest Park	250,000
Sudbrook Park	250,000
The Arrow Project (HB 197)	250,000
The Community Learning Center (SB 140)	250,000
The Wellness Community-Baltimore (SB 193)	500,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Gunpowder Falls State Park - Hammerman Beach Svc. Bldg.	265,000
Northern Central Rail Trail - repair bridges	157,000
Gunpowder Falls State Park - river debris removal	125,000
Patapsco Valley State Park - small boat launches	30,000

Maryland Environmental Service

Rosewood Hospital Center - water/sewer improvements	295,000
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Maryland State Police

State Police Crime Lab - construction	1,306,000
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University System of Maryland

Baltimore County - Chemistry/Physics Building	17,446,000
Baltimore County - Information Tech/Engineering Building	32,431,000
Baltimore County - Public Policy Institute Building	17,542,000
Towson University - 7800 York Road	3,011,000
Towson University - Berkshire Dining Room/Pub expansion	60,000
Towson University - convert Union Bowling to Cybercafe	750,000
Towson University - Fine Arts Building addition/renovate	27,443,000
Towson University - interim fitness center	2,850,000
Towson University - Newell Dining renovation	1,800,000
Towson University - Prettyman/Scarborough HVAC	150,000
Towson University - Regional Sports Complex construction	11,750,000
Towson University - Residence Tower window replacement	150,000
Towson University - Towson Run dining	3,000,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	32,379	35,316	2,938	9.1
Compensatory Education	802	876	74	9.3
School Transportation	2,160	2,380	220	10.2
Special Education	1,157	1,248	91	7.9
Limited English Proficiency Grants	39	28	(11)	(27.6)
Targeted Poverty Grants	399	405	6	1.6
Extended Elementary	454	454	0	0.0

Aging Schools	65	65	0	0.0
Class Size Initiative	178	246	68	38.1
Early Education Initiative	0	354	354	n.a.
Teacher Development/Mentoring Grants	122	122	0	0.0
Teacher's Salary Grant	0	617	617	n.a.
Academic Intervention	562	644	82	14.5
Other Education Aid	412	352	(60)	(14.5)
Primary & Secondary Education	38,728	43,108	4,380	11.3
Libraries	282	304	22	7.8
Community Colleges	950	1,066	116	12.3
Health Formula Grant	455	517	63	13.8
** Transportation	4,827	4,922	95	2.0
** Police and Public Safety	681	698	16	2.4
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	430	513	83	19.2
Utility Property Tax Grants	3,048	6,097	3,048	100.0
Total Direct Aid	49,601	57,425	7,824	15.8
Aid Per Capita	633	712	79	12.5
Property Tax Equivalent (\$)	0.84	0.97	0.13	15.3

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Calvert County for teachers, librarians, community college faculty and local officials are estimated to be \$5,964,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$471,000
Family Health and Primary Care	30,000
Geriatric and Children's Services	305,000
Mental Health	2,883,000
Prevention and Disease Control	424,000
Developmental Disabilities	4,242,000

Social Services

Homeless Services	33,000
Women's Services	179,000
Adult Services	50,000
Child Welfare Services	449,000

Senior Citizen Services

Long-Term Care	105,000
Community Services	26,000

C. Selected State Grants for Capital Projects

Public Schools

Calvert High School - renovations (fire alarm)	192,000
Northern Middle School - renovations (boiler)	53,000
Patuxent High School - relocatable classrooms	28,000

College of Southern Maryland

La Plata - Physical Education Building	1,650,000
Leonardtown - equip	850,000
Prince Frederick - construct new academic complex	8,236,000

Senior Citizen Activity Centers

North Beach Senior Center	600,000
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Comprehensive Flood Management Program

Hollowing Point Mobile Home Park	37,500
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Waterway Improvement

Breezy Point - jetty groin	50,000
Chesapeake Beach - expand parking lot	50,000
Chesapeake Beach - fish cleaning station	50,000

North Beach - comfort station	50,000
North Beach - pier and 15 slips	50,000
Solomon's - expand parking lot	50,000

Other Projects

Calvert Animal Shelter and Education Center (SB 497)	75,000
Chesapeake Beach Railway Trail (SB 866)	250,000
Community Learning Center (SB 584)	400,000
The Boys and Girls Clubs of Southern MD (HB 605)	100,000
Twin Beach Community Health Center (HB 478)	150,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Calvert Cliffs State Park - roads and parking	62,000
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Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	15,140	15,272	131	0.9
Compensatory Education	1,055	1,065	10	1.0
School Transportation	1,345	1,463	118	8.7
Special Education	507	508	1	0.2
Limited English Proficiency Grants	88	121	34	38.5
Targeted Poverty Grants	624	604	(20)	(3.2)
Extended Elementary	351	351	0	0.0
Aging Schools	85	85	0	0.0
Class Size Initiative	61	77	17	27.5
Early Education Initiative	0	201	201	n.a.
Teacher Development/Mentoring Grants	529	529	0	0.0
Teacher's Salary Grant	189	703	514	272.0
Academic Intervention	457	490	33	7.2
Other Education Aid	984	934	(49)	(5.0)
Primary & Secondary Education	21,415	22,405	990	4.6
Libraries	210	220	9	4.5
Community Colleges	798	919	121	15.2
Health Formula Grant	669	777	108	16.1
** Transportation	4,122	4,207	85	2.1
** Police and Public Safety	315	319	4	1.1
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	187	223	37	19.6
Disparity Grant	2,171	2,316	145	6.7
Total Direct Aid	30,087	31,586	1,498	5.0
Aid Per Capita	996	1,036	39	3.9
Property Tax Equivalent (\$)	2.39	2.34	(0.05)	(1.9)

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Caroline County for teachers, librarians, community college faculty and local officials are estimated to be \$2,166,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$328,000
Family Health and Primary Care	146,000
Geriatric and Children's Services	330,000
Mental Health	1,828,000
Prevention and Disease Control	207,000
Developmental Disabilities	1,521,000

AIDS	60,000
<u>Social Services</u>	
Homeless Services	55,000
Women's Services	356,000
Adult Services	40,000
Child Welfare Services	348,000
<u>Senior Citizen Services</u>	
Long-Term Care	158,000
Community Services	96,000

Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

<u>Public Schools</u>	
Greensboro Elementary School - renovations (chiller)	240,000
Greensboro Elementary School Wellness Center - construction	126,000
Lockerman Middle School - renovations (chiller)	195,000
North Caroline High School - construction	5,000,000
<u>Chesapeake College</u>	
Learning Resource Center - equip	970,000
<u>Chesapeake Bay Water Quality Loan</u>	
Federalsburg WWTP - nutrient removal	50,000
Goldsboro Wastewater Facilities	100,000
<u>Comprehensive Flood Management Program</u>	
Federalsburg - acquisition	5,095
<u>Waterway Improvement</u>	
Choptank Marina - additional boat slips	25,000
Crouse Park, Denton - boat ramp parking	35,000
Federalsburg Marina - improvements	16,600
<u>Other Projects</u>	
Adkins Arboretum (HB 467)	300,000
The Benedictine School (HB 552)	100,000

Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	62,773	63,603	830	1.3
Compensatory Education	1,203	1,217	14	1.1
School Transportation	4,477	4,818	341	7.6
Special Education	3,705	3,971	265	7.2
Limited English Proficiency Grants	142	116	(26)	(18.1)
Targeted Poverty Grants	487	472	(16)	(3.2)
Extended Elementary	172	172	0	0.0
Aging Schools	385	385	0	0.0
Class Size Initiative	311	402	92	29.5
Early Education Initiative	0	665	665	n.a.
Teacher Development/Mentoring Grants	199	207	8	4.0
Teacher's Salary Grant	895	1,948	1,053	117.7
Academic Intervention	309	527	219	70.8
Other Education Aid	952	805	(147)	(15.5)
Primary & Secondary Education	76,009	79,308	3,299	4.3
Libraries	768	802	34	4.4
Community Colleges	4,190	4,688	498	11.9
Health Formula Grant	1,607	1,789	182	11.3
** Transportation	11,040	11,229	189	1.7
** Police and Public Safety	1,502	1,522	20	1.3
** Fire and Rescue Aid	256	256	0	0.0
Recreation and Natural Resources	966	1,154	188	19.4
** Other Direct Aid	0	100	100	n.a.
Total Direct Aid	96,338	100,847	4,509	4.7
Aid Per Capita	607	624	16	2.7
Property Tax Equivalent (\$)	1.05	1.05	0.00	(0.4)

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Carroll County for teachers, librarians, community college faculty and local officials are estimated to be \$9,963,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,360,000
Family Health and Primary Care	199,000
Geriatric and Children's Services	335,000
Mental Health	4,994,000
Prevention and Disease Control	813,000
Developmental Disabilities	8,165,000
AIDS	60,000

Social Services

Homeless Services	73,000
Women's Services	237,000
Adult Services	45,000
Child Welfare Services	839,000

Senior Citizen Services

Long-Term Care	239,000
Community Services	48,000

C. Selected State Grants for Capital Projects

Public Schools

Gateway School - construction	2,458,000
Northwest Middle School - renovations (roof)	527,000

Carroll Community College

Classroom Building #3 - equip	500,000
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Senior Citizen Activity Centers

South Carroll Senior Center	174,625
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Water Supply Assistance Loan

Union Bridge - water system	222,375
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Waterway Improvement

Piney Run Park - ADA pier railing	7,000
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Other Projects

Arts Council Theater Rehabilitation (HB 1011)	200,000
Historical Society of Carroll County (HB 1012)	200,000

D. Capital Projects for State Facilities in the County

Maryland Environmental Service

Springfield Hospital Center - water/sewer improvements	550,000
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Department of Health & Mental Hygiene

Springfield Hospital Center - electrical dist. system	480,000
Springfield Hospital Center - food service center	4,514,000

Maryland State Police

North East Barrack - construction	4,675,000
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Department of Public Safety & Corrections

Central Laundry Facility - renovate kitchen/dining	4,688,000
Public Safety Training Center - renovate/construct	22,173,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	37,252	38,890	1,638	4.4

Compensatory Education	1,745	1,791	46	2.6
School Transportation	2,511	2,759	248	9.9
Special Education	1,728	1,814	86	5.0
Limited English Proficiency Grants	86	94	8	9.4
Targeted Poverty Grants	722	719	(3)	(0.4)
Extended Elementary	810	810	0	0.0
Aging Schools	355	355	0	0.0
Class Size Initiative	182	240	58	31.6
Early Education Initiative	0	490	490	n.a.
Teacher Development/Mentoring Grants	226	226	0	0.0
Teacher's Salary Grant	1,067	2,443	1,377	129.0
Academic Intervention	241	342	100	41.6
Other Education Aid	508	356	(152)	(29.9)
Primary & Secondary Education	47,431	51,328	3,896	8.2
Libraries	439	471	31	7.1
Community Colleges	3,145	3,414	269	8.6
Health Formula Grant	1,027	1,197	170	16.5
** Transportation	6,281	6,424	143	2.3
** Police and Public Safety	839	855	16	1.9
** Fire and Rescue Aid	204	204	0	0.0
Recreation and Natural Resources	497	592	95	19.1
Total Direct Aid	59,864	64,484	4,620	7.7
Aid Per Capita	686	725	40	5.8
Property Tax Equivalent (\$)	1.28	1.33	0.05	4.0

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Cecil County for teachers, librarians, community college faculty and local officials are estimated to be \$5,877,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$761,000
Family Health and Primary Care	204,000
Geriatric and Children's Services	345,000
Mental Health	4,199,000
Prevention and Disease Control	550,000
Developmental Disabilities	4,420,000
AIDS	60,000

Social Services

Homeless Services	41,000
Women's Services	58,000
Adult Services	57,000
Child Welfare Services	1,058,000

Senior Citizen Services

Long-Term Care	125,000
Community Services	44,000

C. Selected State Grants for Capital Projects

Public Schools

Charlestown Elementary School - construction	2,993,000
Chesapeake City Elementary School - renovations (roof)	245,000
North East High School - renovations (HVAC)	1,070,000
Providence School - wiring	52,000

Cecil Community College

Elkton Center	503,000
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Chesapeake Bay Water Quality Loan

Elkton WWTP - nutrient removal	468,000
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Comprehensive Flood Management Program

Elkton - feasibility study	102,428
Farr Creek - acquisition	37,500

Waterway Improvement

Charlestown - dredging	30,000
Chesapeake City North Side - boat access pier	50,000
Perryville - boat ramp parking lot paving	20,000
Perryville - transient boat access pier	25,000
Port Deposit - construct transient pier	47,000
River Point Landing - boat ramp and parking	50,000

Hazardous Substance Cleanup Program

Elkton - Dwyer Site	750,000
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Other Projects

Hollingsworth House (HB 1023)	200,000
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D. Capital Projects for State Facilities in the County

Department of Natural Resources

Elk Neck State Park - dam rehabilitation	130,000
Elk Neck State Park - renovate Bowers Center & Carriage House	105,000
Elk Neck State Park - construct small boat launch	15,000
Elk Neck State park - renovate marina restrooms	19,000

Maryland Environmental Service

Elk Neck State Park - improve water distribution system	710,000
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Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	50,648	54,969	4,321	8.5
Compensatory Education	1,784	1,903	119	6.7
School Transportation	4,727	5,216	489	10.3
Special Education	3,604	3,841	236	6.6
Limited English Proficiency Grants	151	158	7	4.5
Targeted Poverty Grants	997	1,020	23	2.3
Extended Elementary	1,070	1,070	0	0.0
Aging Schools	65	65	0	0.0
Class Size Initiative	246	313	68	27.5
Early Education Initiative	0	521	521	n.a.
Teacher Development/Mentoring Grants	413	413	0	0.0
Teacher's Salary Grant	749	1,771	1,022	136.4
Academic Intervention	670	810	140	20.9
Other Education Aid	1,094	943	(151)	(13.8)
Primary & Secondary Education	66,219	73,013	6,794	10.3
Libraries	595	645	51	8.5
Community Colleges	4,708	5,285	577	12.3
Health Formula Grant	1,284	1,441	157	12.2
** Transportation	7,515	7,914	399	5.3
** Police and Public Safety	1,193	1,126	(67)	(5.6)
** Fire and Rescue Aid	224	224	0	0.0
Recreation and Natural Resources	874	1,044	170	19.4
Utility Property Tax Grants	1,261	2,523	1,261	100.0
Total Direct Aid	83,874	93,216	9,342	11.1
Aid Per Capita	667	728	61	9.1
Property Tax Equivalent (\$)	1.11	1.21	0.11	9.7

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Charles County for teachers, librarians, community college faculty and local officials are estimated to be \$8,604,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of

prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$842,000
Family Health and Primary Care	197,000
Geriatric and Children's Services	351,000
Mental Health	4,248,000
Prevention and Disease Control	639,000
Developmental Disabilities	6,678,000
AIDS	127,000

Social Services

Homeless Services	81,000
Women's Services	151,000
Adult Services	66,000
Child Welfare Services	1,235,000

Senior Citizen Services

Long-Term Care	147,000
Community Services	42,000

C. Selected State Grants for Capital Projects

Public Schools

La Plata High School - relocatable classrooms	65,000
Piccowaxen Middle School - renovations (sewer)	325,000
Thomas Stone High School - relocatable classrooms	65,000
Westlake High School - relocatable classrooms	65,000

College of Southern Maryland

La Plata - Physical Education Building	1,650,000
Leonardtown - equip	850,000
Prince Frederick - construct new academic complex	8,236,000

Community Mental Health/Addictions/Developmental Disabilities

Spring Dell Center, Inc. - construct facility	1,318,000
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Chesapeake Bay Water Quality Loan

Indian Head WWTP - nutrient removal	165,000
Mattawoman WWTP - nutrient removal	1,000,000

Waterway Improvement

Cobb Island VFD & EMS - water rescue boat	50,000
Cockhold Creek and Piney Branch - dredging	25,000
Hatton Creek - boat ramp	50,000
Indian Head - concession and comfort station	50,000
Indian Head - new ramp and parking	50,000
Mallow Bay/Wilson Farm - ramp	50,000
Mallow Bay/Wilson Farm - road and parking	25,000
Marbury VFD - additional equipment and motors	50,000
Nanjemoy Creek - dredging	25,000

Other Projects

Boys and Girls Clubs (HB 694)	50,000
Henry E. Lackey High School Swimming Pool Complex (SB 574)	900,000
Lions Camp Merrick (SB 573)	150,000
Old Waldorf School Community Center & Head Start (HB 1198)	200,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Smallwood State Park - replace electrical system & water lines	150,000
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University System of Maryland

College Park - MFRI Southern MD Regional Training Center	1,018,000
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Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	12,066	11,713	(354)	(2.9)
Compensatory Education	1,106	1,096	(11)	(1.0)
School Transportation	1,333	1,438	105	7.9

Special Education	494	493	(1)	(0.1)
Limited English Proficiency Grants	72	60	(12)	(17.0)
Targeted Poverty Grants	561	558	(3)	(0.6)
Extended Elementary	412	412	0	0.0
Aging Schools	65	65	0	0.0
Class Size Initiative	54	69	15	26.9
Early Education Initiative	0	125	125	n.a.
Teacher Development/Mentoring Grants	295	303	8	2.7
Teacher's Salary Grant	365	842	477	130.7
Academic Intervention	456	504	48	10.5
Other Education Aid	611	518	(92)	(15.1)
Primary & Secondary Education	17,891	18,196	305	1.7
Libraries	183	194	10	5.6
Community Colleges	725	835	110	15.2
Health Formula Grant	572	644	72	12.5
** Transportation	4,705	4,799	94	2.0
** Police and Public Safety	372	361	(11)	(3.0)
** Fire and Rescue Aid	215	215	0	0.0
Recreation and Natural Resources	160	192	32	19.8
Disparity Grant	1,669	1,928	260	15.6
Utility Property Tax Grants	94	187	94	100.0
Total Direct Aid	26,586	27,552	965	3.6
Aid Per Capita	898	934	36	4.0
Property Tax Equivalent (\$)	1.75	1.76	0.01	0.5

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Dorchester County for teachers, librarians, community college faculty and local officials are estimated to be \$2,048,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$698,000
Family Health and Primary Care	189,000
Geriatric and Children's Services	334,000
Mental Health	1,833,000
Prevention and Disease Control	282,000
Developmental Disabilities	1,448,000
AIDS	189,000

Social Services

Homeless Services	40,000
Women's Services	356,000
Adult Services	60,000
Child Welfare Services	513,000

Senior Citizen Services

Long-Term Care	206,000
Community Services	235,000

Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools

Cambridge-South Dorchester High School - renovations (HVAC)	832,000
Mace's Lane Middle School - construction	5,500,000
North Dorchester High School - science facilities	637,000

Chesapeake College

Learning Resource Center - equip	970,000
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Chesapeake Bay Water Quality Loan

Hurlock WWTP - nutrient removal	1,600,000
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Secretary - sewer improvements 200,000

Water Supply Assistance Loan

Hurlock - water system 310,291

Waterway Improvement

Bestpitch - boat ramp overlay 30,000
 Cambridge City Yacht Basin - fire pump and equipment 15,000
 Cambridge City Yacht Basin - upgrade 500,000
 Cambridge Franklin St. - ADA compliance at restrooms 7,500
 Cambridge Franklin St. - replace sheeting 25,000
 Elliots Island - timber jetty replacement 70,000
 Hurst Creek - dredging 78,900
 Kirwans Wharf - ramp bulkhead 40,000
 Secretary Boat Ramp - replace ramp and dock 50,000
 Shorters Wharf - complete boat ramp 25,000
 Smithville - boat ramp overlay 20,000
 Tedious Creek - jetty construction 75,000
 Transquaking - boat ramp overlay 30,000
 Vienna Waterfront Park - improvements 50,000

D. Capital Projects for State Facilities in the County

University System of Maryland

Center for Environ. Science - Aquaculture Ecology Lab 19,527,000

Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	78,414	81,931	3,517	4.5
Compensatory Education	1,964	2,016	52	2.7
School Transportation	4,557	5,044	487	10.7
Special Education	3,301	3,462	161	4.9
Limited English Proficiency Grants	283	409	126	44.3
Targeted Poverty Grants	984	974	(9)	(1.0)
Extended Elementary	812	812	0	0.0
Aging Schools	85	85	0	0.0
Class Size Initiative	413	555	142	34.3
Early Education Initiative	0	755	755	n.a.
Teacher Development/Mentoring Grants	352	344	(8)	(2.3)
Teacher's Salary Grant	1,200	2,680	1,479	123.2
Academic Intervention	757	1,012	255	33.7
Other Education Aid	1,062	960	(102)	(9.6)
Primary & Secondary Education	94,183	101,038	6,855	7.3
Libraries	829	854	25	3.1
Community Colleges	5,240	6,029	790	15.1
Health Formula Grant	1,951	2,154	203	10.4
** Transportation	14,693	15,075	382	2.6
** Police and Public Safety	1,962	2,007	45	2.3
** Fire and Rescue Aid	345	345	0	0.0
Recreation and Natural Resources	1,023	1,215	193	18.8
Total Direct Aid	120,226	128,718	8,493	7.1
Aid Per Capita	607	638	31	5.2
Property Tax Equivalent (\$)	0.97	1.01	0.04	4.0

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Frederick County for teachers, librarians, community college faculty and local officials are estimated to be \$13,215,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of

services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,282,000
Family Health and Primary Care	140,000
Geriatric and Children's Services	400,000
Mental Health	7,850,000
Prevention and Disease Control	978,000
Developmental Disabilities	10,613,000
AIDS	43,000

Social Services

Homeless Services	214,000
Women's Services	72,000
Adult Services	94,000
Child Welfare Services	1,089,000

Senior Citizen Services

Long-Term Care	172,000
Community Services	69,000

C. Selected State Grants for Capital Projects

Public Schools

Brunswick High School - renovations (boiler)	275,000
Career and Technology Center - renovations (electric)	122,000
Catoctin High School - construction	2,666,000
Central County High School - construction	6,500,000
Frederick High School - renovations (HVAC)	110,000
Gov. Thomas Johnson High School - construction	5,000,000
Linganore High School - renovations (roof)	565,000
New Market Elementary School - renovations (electric)	73,000
New Midway Elementary School - renovations (electric)	61,000
Oakdale Elementary School - construction	1,446,000
Oakdale Middle School - construction	3,000,000
Spring Ridge Elementary School - renovations (electric)	48,000
Thurmont Elementary School - renovations (electric)	73,000
Thurmont Middle School - construction	1,322,000
Thurmont Primary School - construction	861,000
Twin Ridge Elementary School - renovations (electric)	48,000
Walkersville "B" High School - renovations (electric)	96,000
Walkersville High School - renovations (roof)	328,000
Woodsboro Elementary School - renovations (electric)	61,000
Yellow Springs Elementary School - renovations (HVAC)	165,000

Frederick Community College

Arts & Student Center - renovate, Phase I	175,000
Campus roads/parking/walkways & athletic fields	1,779,000

Community Mental Health/Addictions/Developmental Disabilities

Alliance, Inc. - acquire homes	260,000
Way Station, Inc. - acquire and renovate facility	196,000

Chesapeake Bay Water Quality Loan

Brunswick WWTP - nutrient removal	50,000
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Waterway Improvement

C&O Canal National Park - construct new boat ramp	25,000
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Other Projects

American Red Cross (HB 981)	150,000
House Hospice (HB 792)	200,000
Mount St. Mary's College (HB 1028)	1,200,000
Weinberg Center for the Arts (HB 982)	100,000

D. Capital Projects for State Facilities in the County

Maryland Environmental Service

Cunningham Falls State Park - water/sewer improvements	200,000
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Other

WFPT Transmitter - replacement	3,406,000
WFPT Transmitter - replacement (federal funds)	881,000

Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
\$ in Thousands				
Current Expense Aid	11,782	11,995	213	1.8
Compensatory Education	1,182	1,202	19	1.6
School Transportation	1,710	1,844	134	7.8
Special Education	533	533	0	0.0
Targeted Poverty Grants	533	534	2	0.3
Extended Elementary	311	311	0	0.0
Aging Schools	85	85	0	0.0
Class Size Initiative	60	81	22	36.1
Early Education Initiative	0	140	140	n.a.
Teacher Development/Mentoring Grants	187	187	0	0.0
Teacher's Salary Grant	164	420	256	156.1
Academic Intervention	126	154	28	22.5
Other Education Aid	429	428	(2)	(0.4)
Primary & Secondary Education	17,104	17,916	812	4.7
Libraries	165	170	5	3.1
Community Colleges	2,321	2,325	5	0.2
Health Formula Grant	489	576	87	17.7
** Transportation	5,319	5,421	102	1.9
** Police and Public Safety	243	244	2	0.7
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	199	239	40	20.1
Disparity Grant	2,585	3,000	414	16.0
Utility Property Tax Grants	6	12	6	100.0
Total Direct Aid	28,630	30,102	1,472	5.1
Aid Per Capita	974	1,024	50	5.1
Property Tax Equivalent (\$)	1.51	1.54	0.03	1.8

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Garrett County for teachers, librarians, community college faculty and local officials are estimated to be \$2,091,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$643,000
Family Health and Primary Care	219,000
Geriatric and Children's Services	380,000
Mental Health	2,292,000
Prevention and Disease Control	256,000
Developmental Disabilities	1,475,000
AIDS	2,000

Social Services

Homeless Services	64,000
Women's Services	48,000
Adult Services	19,000
Child Welfare Services	417,000

Senior Citizen Services

Long-Term Care	114,000
Community Services	60,000

C. Selected State Grants for Capital Projects

Public Schools

Friendsville Elementary School - renovations (roof)	213,000
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Garrett Community College

Campus accessibility & HVAC improvements	200,000
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Chesapeake Bay Water Quality Loan

Accident - sewer improvements 150,000

Water Supply Assistance Loan

Keyzers Ridge - water project 209,590

Oakland - water system 300,000

Other Projects

Garrett County Courthouse (HB 274) 300,000

Garrett County Memorial Hospital (SB 81) 1,600,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Dan's Mountain WMA - construct road and building 78,000

Garrett County Amphitheater - design and construction 750,000

New Germany State Park - dam rehabilitation 220,000

Swallow Falls State Park - construct canyon trail 60,000

Other

WGPT Transmitter - replacement 1,365,000

WGPT Transmitter - replacement (federal funds) 510,000

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	87,624	90,095	2,471	2.8
Compensatory Education	2,655	2,723	68	2.6
School Transportation	5,829	6,335	506	8.7
Special Education	4,895	5,219	325	6.6
Limited English Proficiency Grants	147	427	279	189.5
Targeted Poverty Grants	1,319	1,293	(26)	(1.9)
Extended Elementary	850	850	0	0.0
Aging Schools	400	400	0	0.0
Class Size Initiative	448	603	156	34.8
Early Education Initiative	0	1,027	1,027	n.a.
Teacher Development/Mentoring Grants	408	416	8	2.0
Teacher's Salary Grant	1,279	2,965	1,686	131.8
Academic Intervention	431	702	271	62.8
Other Education Aid	1,169	979	(190)	(16.2)
Primary & Secondary Education	107,454	114,035	6,581	6.1
Libraries	1,114	1,175	61	5.5
Community Colleges	7,161	7,846	684	9.6
Health Formula Grant	2,484	2,660	176	7.1
** Transportation	12,866	13,110	244	1.9
** Police and Public Safety	2,189	2,151	(38)	(1.7)
** Fire and Rescue Aid	358	358	0	0.0
Recreation and Natural Resources	1,428	1,704	276	19.3
Utility Property Tax Grants	430	861	430	100.0
Total Direct Aid	135,484	143,900	8,415	6.2
Aid Per Capita	605	634	29	4.8
Property Tax Equivalent (\$)	1.11	1.14	0.03	2.7

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Harford County for teachers, librarians, community college faculty and local officials are estimated to be \$14,448,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse \$1,103,000

Family Health and Primary Care	262,000
Geriatric and Children's Services	516,000
Mental Health	6,227,000
Prevention and Disease Control	1,196,000
Developmental Disabilities	11,639,000
AIDS	5,000

Social Services

Homeless Services	41,000
Women's Services	329,000
Adult Services	73,000
Child Welfare Services	1,350,000

Senior Citizen Services

Long-Term Care	321,000
Community Services	67,000

C. Selected State Grants for Capital Projects

Public Schools

Aberdeen High School - construction	5,000,000
Aberdeen Middle School - renovations (HVAC)	361,000
Church Creek Elementary School - wiring	143,000
Emmorton Elementary School - wiring	148,000
Fountain Green Elementary School - wiring	146,000
Havre de Grace Elementary School - wiring	149,000
Homestead Elementary School - wiring	186,000
Magnolia Elementary School - renovations (roof)	339,000

Harford Community College

Chesapeake Center Office Wing - equip	145,000
Maryland Hall Nursing Wing & Science Annex - convert	680,000
New Maintenance Building - equip	45,000
Performing Arts Center	400,000

Chesapeake Bay Water Quality Loan

Havre de Grace WWTP - nutrient removal	2,293,365
Route 40 - stormwater management	123,750

Waterway Improvement

Bush River - dredging feasibility study	50,000
Countywide SAV Study	25,000
Havre de Grace Yacht Basin - replace pier and piling	175,000
Swan Harbor - transient boat access pier	5,000
Tyding Island - shoreline protection	25,000
Willoughby Beach - renovate launching ramp	65,000

Other Projects

Bel Air Community Center (HB 211)	100,000
Havre de Grace Maritime Museum (HB 216)	50,000
Hosanna School (HB 342)	186,000
Ripken Stadium and Youth Baseball Academy	3,000,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Gunpowder Falls State Park - Hammerman Beach Svc. Bldg.	265,000
Susquehanna State Park - dam rehabilitation	150,000

Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	69,815	73,843	4,028	5.8
Compensatory Education	1,184	1,207	23	2.0
School Transportation	5,778	6,457	679	11.8
Special Education	5,203	5,585	382	7.3
Limited English Proficiency Grants	1,435	1,608	173	12.0
Targeted Poverty Grants	700	702	2	0.2
Extended Elementary	255	255	0	0.0
Aging Schools	65	65	0	0.0
Class Size Initiative	508	667	158	31.1

Early Education Initiative	0	552	552	n.a.
Teacher Development/Mentoring Grants	547	555	8	1.5
Teacher's Salary Grant	1,486	3,324	1,838	123.7
Academic Intervention	420	696	276	65.8
Other Education Aid	1,562	1,751	189	12.1
Primary & Secondary Education	88,959	97,267	8,308	9.3
Libraries	594	627	33	5.6
Community Colleges	7,658	8,707	1,049	13.7
Health Formula Grant	1,723	1,846	123	7.1
Transportation	13,065	13,441	376	2.9
Police and Public Safety	2,929	2,860	(69)	(2.4)
Fire and Rescue Aid	374	374	0	0.0
Recreation and Natural Resources	2,545	3,032	487	19.1
Other Direct Aid	104	104	0	0.0
Total Direct Aid	117,950	128,257	10,307	8.7
Aid Per Capita	464	493	29	6.3
Property Tax Equivalent (\$)	0.59	0.62	0.03	4.8

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Howard County for teachers, librarians, community college faculty and local officials are estimated to be \$19,735,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$943,000
Family Health and Primary Care	137,000
Geriatric and Children's Services	340,000
Mental Health	5,458,000
Prevention and Disease Control	888,000
Developmental Disabilities	13,682,000
AIDS	2,000

Social Services

Homeless Services	103,000
Women's Services	236,000
Adult Services	34,000
Child Welfare Services	1,036,000

Senior Citizen Services

Long-Term Care	301,000
Community Services	45,000

C. Selected State Grants for Capital Projects

Public Schools

Atholton Elementary School - construction	159,000
Atholton High School - construction	1,500,000
Centennial High School - construction	1,461,000
Clarksville Elementary School - construction	1,000,000
Deep Run Elementary School - wiring	87,000
Elkridge Elementary School - wiring	77,000
Ellicott Mills Middle School - construction	1,581,000
Forest Ridge Elementary School - wiring	69,000
Gateway Alternative School - construction	1,872,000
Mayfield Woods Middle School - wiring	102,000
Mount View Middle School - wiring	102,000
Patapsco Middle School - wiring	123,000
Reservoir High School (Eastern High #2) - construction	5,868,000
Rockburn Elementary School - wiring	72,000
Tridelphia Ridge Elementary School - construction	2,530,000
Waverly Elementary School - wiring	88,000

Howard Community College

Instructional Building - construction	9,484,000
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Physical Education Building - construction & renovation	550,000
<u>Chesapeake Bay Water Quality Loan</u>	
The Bowl Pond - reconstruction	225,000
Wilde Lake II - stream restoration	175,000
<u>Comprehensive Flood Management Program</u>	
Elkridge - acquisitions	34,750
<u>Waterway Improvement</u>	
Centennial Lake - dredging design	20,000
Centennial Lake - replace bulkhead	5,000
<u>Other Projects</u>	
Howard County Head Start Center	500,000
Norbel School (SB 348)	352,500
YMCA of Central Maryland	1,500,000
D. Capital Projects for State Facilities in the County	
<u>Department of Health & Mental Hygiene</u>	
Perkins Hospital - Rehabilitation Services Wing renovate	925,000
<u>Department of Public Safety & Corrections</u>	
Patuxent Institution - fire safety improvements	543,000

Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	4,750	4,683	(67)	(1.4)
Compensatory Education	228	231	3	1.4
School Transportation	894	966	72	8.1
Special Education	353	351	(1)	(0.3)
Limited English Proficiency Grants	36	48	12	33.8
Targeted Poverty Grants	191	190	(1)	(0.6)
Extended Elementary	280	280	0	0.0
Aging Schools	65	65	0	0.0
Class Size Initiative	31	38	7	23.1
Early Education Initiative	0	44	44	n.a.
Teacher Development/Mentoring Grants	120	120	0	0.0
Teacher's Salary Grant	78	280	202	257.6
Academic Intervention	421	433	12	2.8
Other Education Aid	333	267	(65)	(19.6)
Primary & Secondary Education	7,779	7,998	218	2.8
Libraries	79	87	8	9.7
Community Colleges	387	446	59	15.2
Health Formula Grant	400	484	84	21.0
** Transportation	2,416	2,477	61	2.5
** Police and Public Safety	196	198	2	0.9
** Fire and Rescue Aid	207	207	0	0.0
Recreation and Natural Resources	121	144	23	18.8
Total Direct Aid	11,587	12,041	454	3.9
Aid Per Capita	600	621	20	3.4
Property Tax Equivalent (\$)	0.87	0.88	0.01	1.0

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Kent County for teachers, librarians, community college faculty and local officials are estimated to be \$1,197,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,417,000
Family Health and Primary Care	149,000
Geriatric and Children's Services	277,000
Mental Health	1,177,000
Prevention and Disease Control	199,000
Developmental Disabilities	968,000
AIDS	60,000

Social Services

Homeless Services	2,000
Women's Services	356,000
Adult Services	16,000
Child Welfare Services	263,000

Senior Citizen Services

Long-Term Care	128,000
Community Services	96,000

Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Public Schools

Garnett Elementary School - construction	183,000
Rock Hall Middle School - renovations (HVAC)	450,000

Chesapeake College

Learning Resource Center - equip	970,000
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Community Mental Health/Addictions/Developmental Disabilities

Kent Center, Inc. - construct facility	169,000
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Chesapeake Bay Water Quality Loan

Chestertown WWTP - nutrient removal	50,000
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Waterway Improvement

Cannon Street - bulkhead	50,000
Cannon Street - dredging	150,000
Rock Hall - Pelorus Marina	450,000

Other Projects

Echo Hill Outdoor School, Inc. (HB 566)	300,000
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D. Capital Projects for State Facilities in the County

Department of Natural Resources

Sassafras NRMA - day use area, phase II	179,000
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Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	108,597	121,264	12,668	11.7
Compensatory Education	4,298	4,533	234	5.5
School Transportation	14,733	16,522	1,789	12.1
Special Education	15,683	16,721	1,038	6.6
Limited English Proficiency Grants	11,178	13,687	2,508	22.4
Targeted Poverty Grants	4,578	4,649	71	1.6
Extended Elementary	1,266	1,266	0	0.0
Aging Schools	1,170	1,170	0	0.0
Class Size Initiative	2,941	3,334	393	13.4
Early Education Initiative	0	1,538	1,538	n.a.
Teacher Development/Mentoring Grants	1,489	1,521	32	2.1
Teacher's Salary Grant	5,265	12,596	7,331	139.3
Academic Intervention	1,368	2,276	909	66.5
Other Education Aid	7,976	6,739	(1,238)	(15.5)
Primary & Secondary Education	180,542	207,815	27,273	15.1
Libraries	1,951	2,066	115	5.9
Community Colleges	25,412	29,288	3,877	15.3
Health Formula Grant	3,865	4,646	781	20.2
** Transportation	36,082	36,672	590	1.6
** Police and Public Safety	14,187	13,985	(201)	(1.4)
** Fire and Rescue Aid	1,304	1,304	0	0.0

Recreation and Natural Resources	6,461	7,711	1,250	19.3
Utility Property Tax Grants	1,383	2,766	1,383	100.0
Total Direct Aid	271,186	306,253	35,068	12.9
Aid Per Capita	312	349	37	11.8
Property Tax Equivalent (\$)	0.35	0.38	0.03	9.6

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Montgomery County for teachers, librarians, community college faculty and local officials are estimated to be \$68,094,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$3,235,000
Geriatric and Children's Services	1,265,000
Mental Health	20,402,000
Prevention and Disease Control	3,067,000
Developmental Disabilities	44,587,000
AIDS	203,000

Social Services

Homeless Services	422,000
Women's Services	303,000
Adult Services	303,000
Child Welfare Services	3,277,000

Senior Citizen Services

Long-Term Care	808,000
Community Services	192,000

C. Selected State Grants for Capital Projects

Public Schools

Ashburton Elementary School - wiring	77,000
Bannockburn Elementary School - wiring	85,000
Belmont Elementary School - wiring	85,000
Bradley Hills Elementary School - renovations (roof)	136,000
Bradley Hills Elementary School - wiring	85,000
Brooke Grove Elementary School - wiring	92,000
Burning Tree Elementary School - wiring	85,000
Burtonsville Elementary School - wiring	84,000
Candlewood Elementary School - wiring	106,000
Cedar Grove Elementary School - wiring	85,000
Cloverly Elementary School - wiring	85,000
Col. E. Brooks Lee Middle School - renovations (boiler)	125,000
Cold Spring Elementary School - wiring	85,000
Cresthaven Elementary School - relocatable classrooms	100,000
Damascus High School - relocatable classrooms	25,000
Damascus High School - renovations (boiler)	50,000
Damascus High School - renovations (roof)	137,000
Darnestown Elementary School - wiring	78,000
Diamond Elementary School - renovations (mechanical)	125,000
Diamond Elementary School - wiring	85,000
Dufief Elementary School - wiring	85,000
Fallsmead Elementary School - wiring	127,000
Fields Road Elementary School - renovations (boiler)	100,000
Francis Scott Key Middle School - relocatable classrooms	50,000
Gaithersburg High School - relocatable classrooms	50,000
Glen Haven Elementary School - construction	3,003,000
Goshen Elementary School - wiring	92,000
Greenwood Elementary School - wiring	85,000
J.T. Baker Middle School - construction	1,788,000
Jones Lane Elementary School - wiring	85,000

L. Rockwell Elementary School - wiring	92,000
Lakewood Elementary School - construction	3,126,000
Laytonsville Elementary School - wiring	85,000
Luxmanor Elementary School - wiring	85,000
Martin L. King Middle School - relocatable classrooms	50,000
Monocacy Elementary School - wiring	85,000
Montgomery Village Middle School - construction	7,574,000
Olney Elementary School - wiring	85,000
Poolesville Elementary School - renovations (mechanical)	200,000
Poolesville Elementary School - wiring	85,000
Potomac Elementary School - wiring	85,000
Rockville High School - construction	10,579,000
Rosemary Hills Elementary School - wiring	92,000
Sherwood Elementary School - wiring	85,000
Sherwood High School - renovations (roof)	113,000
Stone Mill Elementary School - wiring	92,000
Stonegate Elementary School - wiring	85,000
Thurgood Marshall Elementary School - wiring	84,000
Travilah Elementary School - wiring	77,000
Twinbrook Elementary School - renovations (roof)	307,000
W.T. Page Elementary School - construction	1,934,000
Wayside Elementary School - renovations (boiler)	100,000
Wayside Elementary School - wiring	85,000
Westbrook Elementary School - renovations (roof)	140,000
William Farquhar Middle School - renovations (mechanical)	125,000
Wood Acres Elementary School - construction	93,000
Woodfield Elementary School - wiring	85,000
<u>Montgomery College</u>	
Rockville - Performing Arts Center	10,000
Takoma Park - Central Plant	397,000
Takoma Park - Health Sciences Building	12,848,000
<u>Juvenile Justice Bond Program</u>	
Baptist Home for Children and Families - renovation	853,234
<u>Community Mental Health/Addictions/Developmental Disabilities</u>	
CHI Centers, Inc. - renovate facility	446,000
Jewish Foundation for Group Homes, Inc. - acquire homes	225,000
<u>Adult Day Care Centers</u>	
Easter Seal Society for Disabled Children & Adults, Inc.	1,000,000
<u>Senior Citizen Activity Centers</u>	
Rockville Senior Center	99,375
<u>Chesapeake Bay Water Quality Loan</u>	
Blue Plains WWTP - nutrient removal	3,250,000
Durmont Oaks - stormwater management	262,500
Little Falls II - stream restoration	70,000
Northwest Branch II - stream restoration	175,000
Poolesville WWTP - nutrient removal	250,000
Seneca WWTP - nutrient removal	4,000,000
<u>Other Projects</u>	
Bethesda Academy of Performing Arts (HB 1293)	150,000
BlackRock Center for the Arts (SB 712)	350,000
Boys & Girls Clubs of Greater Washington (HB 867)	500,000
CASA of Maryland Employment & Training Center (HB 730)	100,000
Chelsea School	250,000
Gaithersburg Youth Center (HB 410)	250,000
Glen Echo Park - restoration	3,000,000
Hillandale Center (SB 226)	100,000
Hospice Caring (SB 188)	50,000
Kensington Community Center	125,000
Lane Kirkland Ctr. for Labor & Economic Advancement - Meany Ctr.	1,000,000
Liz Lerman Dance Exchange	250,000
Mental Health Association of Montgomery County (HB 400)	100,000
Montgomery & Prince George's Cos. Boys & Girls Homes (HB 1019)	100,000
Montgomery County Family Services	250,000
National Capital Trolley Museum	100,000
National Capital Trolley Museum (HB 166)	100,000
Olney Boys and Girls Club Community Park	100,000

Olney Boys and Girls Club Community Park (HB 250)	75,000
Olney Theatre	500,000
Olney Theatre (SB 249)	250,000
Penn Place (HB 388)	100,000
Pyramid Atlantic - Electronic Media, Art & Technology	100,000
Pyramid Atlantic - Electronic Media, Art & Technology (HB 204)	200,000
Rehabilitation Opportunities	100,000
Rehabilitation Opportunities (SB 388)	150,000
Rockville Science, Cultural & Business Resource Center	500,000
Round House Theater (HB 621)	800,000
Sandy Spring Slave Museum & African Art Gallery (HB 600)	75,000
Strathmore Hall Performing Arts Center	28,000,000
Takoma Park Community Learning Center	500,000
Takoma Park Cooperative School (HB 1017)	100,000
The Link - Ages Place	50,000
The Link - Ages Place (SB 176)	50,000
Wheaton Multi-Service Youth Facility	175,000
Wheaton Multi-Service Youth Facility (SB 611)	500,000

D. Capital Projects for State Facilities in the County

General Government

New District Court - Silver Spring	18,239,000
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University System of Maryland

Biotechnology Institute - Center for Advanced Research	42,442,000
Shady Grove Educational Center	2,425,000
Shady Grove Educational Center - new garage	18,000,000

Prince George's County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	302,602	321,635	19,033	6.3
Compensatory Education	11,960	12,633	673	5.6
School Transportation	19,934	21,207	1,273	6.4
Special Education	35,464	38,424	2,959	8.3
Limited English Proficiency Grants	7,292	7,946	653	9.0
Targeted Poverty Grants	11,991	12,481	490	4.1
Magnet/Effective Schools	16,100	16,100	0	0.0
Extended Elementary	1,732	1,732	0	0.0
Aging Schools	970	970	0	0.0
Class Size Initiative	1,565	2,142	577	36.9
Early Education Initiative	0	2,616	2,616	n.a.
Teacher Development/Mentoring Grants	6,530	6,514	(16)	(0.2)
Teacher's Salary Grant	4,575	11,561	6,985	152.7
Academic Intervention	2,168	3,697	1,529	70.5
Other Education Aid	10,398	10,756	358	3.4
Primary & Secondary Education	433,281	470,413	37,132	8.6
Libraries	4,672	4,908	236	5.0
Community Colleges	17,410	19,136	1,726	9.9
Health Formula Grant	7,637	7,919	282	3.7
** Transportation	31,590	32,093	503	1.6
** Police and Public Safety	17,541	17,234	(307)	(1.8)
** Fire and Rescue Aid	1,130	1,130	0	0.0
Recreation and Natural Resources	5,462	6,508	1,046	19.2
Disparity Grant	4,776	6,879	2,104	44.1
Utility Property Tax Grants	3,872	7,745	3,872	100.0
** Other Direct Aid	230	180	(50)	(21.7)
Total Direct Aid	527,602	574,145	46,543	8.8
Aid Per Capita	665	718	53	8.0
Property Tax Equivalent (\$)	1.30	1.40	0.10	7.4

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for

these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Prince George's County for teachers, librarians, community college faculty and local officials are estimated to be \$48,905,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$8,255,000
Family Health and Primary Care	3,523,000
Geriatric and Children's Services	1,888,000
Mental Health	25,105,000
Prevention and Disease Control	3,116,000
Developmental Disabilities	40,398,000
AIDS	540,000

Social Services

Homeless Services	506,000
Women's Services	407,000
Adult Services	335,000
Child Welfare Services	4,025,000

Senior Citizen Services

Long-Term Care	667,000
Community Services	197,000

C. Selected State Grants for Capital Projects

Public Schools

Beltsville Elementary School - renovations (boiler)	186,000
Berwyn Heights Elementary School - construction	3,031,000
Bladensburg High School - construction	6,000,000
Bowie High School - science facilities	177,000
Carmody Hills Elementary School - construction	358,000
Cheltenham Forest Elementary School - construction	1,696,000
East Central Middle School - construction	2,864,000
Edgar Allen Poe Elementary School - renovations (boiler)	143,000
Eleanor Roosevelt High School - science facilities	314,000
Fairmount Heights/Chapel Oaks Elementary - construction	3,261,000
Greater Capital Heights - construction	543,000
High Point High School - science facilities	209,000
Hil-Mar Elementary School - construction	1,256,000
John E. Howard Elementary School - renovations (roof)	433,000
Kenmoor Middle School - renovations (boiler)	186,000
Kettering Elementary School - renovations (roof)	352,000
Laurel High School - renovations (roof)	1,003,000
Nicholas Orem Middle School - renovations (boiler)	178,000
Oxon Hill Area Elem. School (Green Valley Elem.) - construction	2,000,000
Oxon Hill High School - renovations (roof)	1,068,000
Perrywood Elementary School - construction	248,000
Surrattsville High School - construction	610,000
University Park Elementary School - renovations (roof)	270,000

Prince George's Community College

Accokeek Hall - renovate	160,000
Central Plant - replace heat/cooling distribution system	25,000
Physical Plant Building - replace systems	330,000
Student Center & Bladen/Lanham Halls - replace systems	670,000

Local Jail Loan

County Detention Center - 192-bed unit & central booking	354,000
County Detention Center - new administrative building	1,407,000

Chesapeake Bay Water Quality Loan

Anacostia - stream restoration	135,000
Blue Plains WWTP - nutrient removal	3,250,000
Capitol Heights - stream stabilization	47,000
Oxon Run Drive - stormwater pollution control	120,000
Redwood Court - stream stabilization	50,000

Waterway Improvement

Fort Washington Marina - general repairs	50,000
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Other Projects

Bethel Recreation Center (HB 259)	250,000
BRAVA - Bowie Arts Center	500,000
Colmar Community Center	100,000
Doctors Community Hospital	2,000,000
Ebenezer Community Life Center (HB 288)	100,000
Fort Washington and Fort Foote Parks (SB 597)	100,000
Foundation School	1,000,000
Gateway Arts District	1,000,000
Hyattsville Municipal Annex (HB 620)	400,000
Kairos Senior Citizens' Home (HB 1147)	150,000
Kettering Largo Boys & Girls Club Storage Facility (HB 1366)	150,000
Lake Arbor Recreation Center (HB 1294)	100,000
Montgomery & Prince George's Cos. Boys & Girls Homes (HB 1019)	100,000
Multiplex Recreational & Community Development Center (SB 871)	140,000
National Philippine Cultural Center (SB 814)	100,000
Pallotti Day Care Center (SB 223)	300,000
Palmer Park Boys and Girls Club (HB 756)	200,000
Southern Maryland Youth Camp (HB 273)	100,000
Springhill Lake Recreation Center (SB 87)	300,000
Suitland Manor Revitalization	3,000,000

D. Capital Projects for State Facilities in the County

Department of Agriculture

Mosquito Laboratory	150,000
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University System of Maryland

Bowie State - construct new science building	1,200,000
Bowie State - site improvements	4,000,000
College Park - campus parking garages	9,100,000
College Park - Chemical & Nuclear Engineering Building	405,000
College Park - Chemistry Teaching Building	3,860,000
College Park - construct new arena	25,300,000
College Park - Health Center addition & renovation	8,050,000
College Park - Hornbake & McKeldin Libraries	1,445,000
College Park - Key & Taliaferro Halls	350,000
College Park - MD Fire & Rescue Institute Headquarters	1,440,000

Queen Anne's County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	12,424	13,129	705	5.7
Compensatory Education	475	492	17	3.5
School Transportation	1,558	1,700	142	9.1
Special Education	585	615	31	5.2
Limited English Proficiency Grants	31	37	7	22.0
Targeted Poverty Grants	228	221	(7)	(3.0)
Extended Elementary	351	351	0	0.0
Aging Schools	85	85	0	0.0
Class Size Initiative	79	108	29	36.7
Early Education Initiative	0	148	148	n.a.
Teacher Development/Mentoring Grants	264	264	0	0.0
Teacher's Salary Grant	195	468	272	139.5
Academic Intervention	465	519	54	11.7
Other Education Aid	576	524	(52)	(9.0)
Primary & Secondary Education	17,315	18,662	1,346	7.8
Libraries	146	159	13	9.2
Community Colleges	1,173	1,351	178	15.2
Health Formula Grant	536	618	82	15.3
** Transportation	4,594	4,686	92	2.0
** Police and Public Safety	376	387	11	2.9
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	261	313	53	20.1
Total Direct Aid	24,601	26,376	1,775	7.2
Aid Per Capita	579	608	29	5.0

Property Tax Equivalent (\$)	0.79	0.81	0.02	3.0
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** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Queen Anne's County for teachers, librarians, community college faculty and local officials are estimated to be \$2,674,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$493,000
Family Health and Primary Care	117,000
Geriatric and Children's Services	400,000
Mental Health	2,459,000
Prevention and Disease Control	434,000
Developmental Disabilities	2,193,000
AIDS	2,000

Social Services

Homeless Services	14,000
Women's Services	356,000
Adult Services	14,000
Child Welfare Services	353,000

Senior Citizen Services

Long-Term Care	108,000
Community Services	34,000

Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties.

C. Selected State Grants for Capital Projects

Chesapeake College

Learning Resource Center - equip	970,000
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Senior Citizen Activity Centers

Grasonville Senior Center	43,000
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Chesapeake Bay Water Quality Loan

Centreville WWTP - nutrient removal	652,482
Kent Island WWTP - nutrient removal	200,000

Fish Passage Program

Jones Lake Dam Fishway (federal funds)	300,000
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Waterway Improvement

Corsica River - dredging reclamation	100,000
Goodhand's Creek	75,000
Kent Narrows - boat ramp	50,000
Matapeake - dredging design	75,000
Romancoke Pier - restrooms	30,000
Wells Cove - dredging reclamation	25,000

Other Projects

Cray House (HB 466)	100,000
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D. Capital Projects for State Facilities in the County

Other

Eastern Shore Higher Education Center	6,645,000
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St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	33,219	34,553	1,334	4.0
Compensatory Education	1,852	1,918	66	3.6
School Transportation	3,086	3,348	262	8.5

Special Education	2,069	2,132	63	3.1
Limited English Proficiency Grants	141	153	12	8.6
Targeted Poverty Grants	722	723	1	0.2
Extended Elementary	873	873	0	0.0
Aging Schools	85	85	0	0.0
Class Size Initiative	167	235	68	40.4
Early Education Initiative	0	370	370	n.a.
Teacher Development/Mentoring Grants	190	190	0	0.0
Teacher's Salary Grant	510	1,229	719	141.0
Academic Intervention	549	658	109	19.8
Other Education Aid	360	342	(18)	(4.9)
Primary & Secondary Education	43,823	46,809	2,986	6.8
Libraries	500	527	27	5.4
Community Colleges	1,327	1,490	163	12.3
Health Formula Grant	1,106	1,270	164	14.8
** Transportation	5,955	6,121	166	2.8
** Police and Public Safety	806	816	11	1.3
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	485	577	91	18.9
Total Direct Aid	54,201	57,810	3,609	6.7
Aid Per Capita	587	614	27	4.6
Property Tax Equivalent (\$)	1.08	1.11	0.03	2.7

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for St. Mary's County for teachers, librarians, community college faculty and local officials are estimated to be \$5,456,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,652,000
Family Health and Primary Care	136,000
Geriatric and Children's Services	341,000
Mental Health	3,854,000
Prevention and Disease Control	546,000
Developmental Disabilities	4,868,000

Social Services

Homeless Services	101,000
Women's Services	143,000
Adult Services	76,000
Child Welfare Services	816,000

Senior Citizen Services

Long-Term Care	110,000
Community Services	67,000

C. Selected State Grants for Capital Projects

Public Schools

Banneker Elementary School - construction	1,138,000
Leonardtown High School - construction	2,000,000
Lettie Dent Elementary School - renovations (roof)	282,000
Lexington Park Elementary School - construction	152,000
Mechanicsville Elementary School - renovations (HVAC)	749,000
Park Hall Elementary School - wiring	12,000
Technology Center - construction	6,500,000
Town Creek Elementary School - construction	338,000
White Marsh Elementary School - renovations (HVAC)	597,000
White Marsh Elementary School - renovations (roof)	223,000

College of Southern Maryland

La Plata - Physical Education Building	1,650,000
Leonardtown - equip	850,000

Prince Frederick - construct new academic complex	8,236,000
<u>Senior Citizen Activity Centers</u>	
Charlotte Hall Senior Center	600,000
<u>Waterway Improvement</u>	
Abell's Wharf - upgrade ramp & new piers	50,000
Leonardtown - engineering	25,000
St. Ingoes - relocate ramp	50,000
St. Jerome Creek - dredging	25,000
Wicomico - ramp & parking	50,000
<u>Other Projects</u>	
Patuxent River Naval Air Museum & Visitors Center (HB 1296)	250,000
St. Clement's Island Lighthouse Memorial (SB 527)	50,000
D. Capital Projects for State Facilities in the County	
<u>Department of Natural Resources</u>	
Point Lookout State Park - replace elec. at ramp piers	20,000
Point Lookout State Park - replace floating piers	150,000
Point Lookout State Park - stone pavement	62,000
St. Clement's Island State Park - replace pier decking	25,000
St. Mary's River State Park - dam rehabilitation	30,000
St. Mary's River State Park - replace storm system	30,000
<u>Department of Environment</u>	
St. Mary's College - floodproofing	6,250
<u>Maryland Environmental Service</u>	
Point Lookout State Park - sewerage improvements	556,000
<u>Historic St. Mary's City Commission</u>	
Maryland Heritage Project	225,000
St. John's Archaeological Site	540,000
<u>Maryland Veterans Administration</u>	
Charlotte Hall - demolish old dormitory	310,000
<u>St. Mary's College</u>	
Academic Building - construction	981,000
Calvert Hall - hazard remediation	980,000
Somerset Hall - addition and renovations	2,167,000
Student Services Building - construction	2,072,000
<u>Other</u>	
Southern Maryland Higher Education Center	1,368,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	8,079	8,139	60	0.7
Compensatory Education	1,030	1,055	26	2.5
School Transportation	1,042	1,134	93	8.9
Special Education	366	368	2	0.6
Limited English Proficiency Grants	54	73	19	35.0
Targeted Poverty Grants	457	460	4	0.8
Extended Elementary	310	310	0	0.0
Aging Schools	65	65	0	0.0
Class Size Initiative	37	50	13	34.4
Early Education Initiative	0	99	99	n.a.
Teacher Development/Mentoring Grants	130	130	0	0.0
Teacher's Salary Grant	216	528	312	144.9
Academic Intervention	116	137	21	18.4
Other Education Aid	247	205	(42)	(17.0)
Primary & Secondary Education	12,148	12,754	606	5.0
Libraries	207	216	9	4.2
Community Colleges	398	449	51	12.8
Health Formula Grant	593	656	63	10.6
** Transportation	2,845	2,911	66	2.3
** Police and Public Safety	226	220	(6)	(2.7)
** Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	115	137	23	19.7

Disparity Grant	3,525	3,755	230	6.5
Total Direct Aid	20,256	21,298	1,042	5.1
Aid Per Capita	834	873	39	4.7
Property Tax Equivalent (\$)	2.82	2.91	0.09	3.2

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Somerset County for teachers, librarians, community college faculty and local officials are estimated to be \$1,282,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$637,000
Family Health and Primary Care	125,000
Geriatric and Children's Services	332,000
Mental Health	1,607,000
Prevention and Disease Control	258,000
Developmental Disabilities	1,218,000
AIDS	60,000

Social Services

Homeless Services	8,000
Women's Services	311,000
Adult Services	32,000
Child Welfare Services	483,000

Senior Citizen Services

Long-Term Care	200,000
Community Services	235,000

Note: Women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools

Tawes Tech/Career Center - renovations (roof)	462,000
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Chesapeake Bay Water Quality Loan

Crisfield WWTP - nutrient removal	500,100
Princess Anne WWTP - nutrient removal	247,935

Waterway Improvement

Deal Island - replace ramp/bulkhead	110,000
Jenkins Creek - dredging and boat ramp	50,000
Sheriff's Department - equip police vessel	15,000
Small Boat Harbor - replace boat ramp	50,000
Smith Island Restoration Project - navigation improvements	138,000
Somers Cove Marina - bulkhead/marina improvements	250,000
Somers Cove Marina - re-deck piers	55,000
Webster's Cove - new boat ramp	50,000
Wenona Harbor - pave parking	15,000

Other Projects

Smith Island Environmental Restoration & Preservation Project	470,000
Teackle Mansion and Sarah Martin Done House (HB 760)	235,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Janes Island State Park - sewer systems	637,000
Somerset Forestry Building - design and construction	182,000
Janes Island State Park - dredge marina basin	115,000

Maryland State Police

Princess Anne Barracks - construction	1,793,000
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University System of Maryland

Eastern Shore - Dining Hall/Somerset Hall renovation	7,145,000
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Eastern Shore - Food Science & Technology Center	5,750,000
Eastern Shore - physical plant/central receiving bldg.	7,822,000
Eastern Shore - social science/education/health bldg.	26,965,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	2,222	1,325	(898)	(40.4)
Compensatory Education	270	262	(7)	(2.7)
School Transportation	846	917	71	8.4
Special Education	265	261	(4)	(1.5)
Limited English Proficiency Grants	72	85	14	18.8
Targeted Poverty Grants	198	199	1	0.3
Extended Elementary	315	315	0	0.0
Aging Schools	155	155	0	0.0
Class Size Initiative	51	66	15	29.2
Early Education Initiative	0	39	39	n.a.
Teacher Development/Mentoring Grants	132	140	8	6.0
Teacher's Salary Grant	124	1,224	1,100	884.1
Academic Intervention	126	158	33	26.0
Other Education Aid	295	255	(40)	(13.6)
Primary & Secondary Education	5,071	5,402	331	6.5
Libraries	77	81	5	5.9
Community Colleges	910	1,048	138	15.2
Health Formula Grant	391	454	63	16.1
** Transportation	3,719	3,799	79	2.1
** Police and Public Safety	392	394	3	0.7
** Fire and Rescue Aid	216	216	0	0.0
Recreation and Natural Resources	276	332	56	20.2
Total Direct Aid	11,052	11,726	674	6.1
Aid Per Capita	325	342	17	5.2
Property Tax Equivalent (\$)	0.33	0.32	(0.01)	(3.7)

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Talbot County for teachers, librarians, community college faculty and local officials are estimated to be \$1,863,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$453,000
Family Health and Primary Care	120,000
Geriatric and Children's Services	220,000
Mental Health	2,054,000
Prevention and Disease Control	247,000
Developmental Disabilities	1,689,000
AIDS	60,000

Social Services

Homeless Services	37,000
Women's Services	356,000
Adult Services	29,000
Child Welfare Services	443,000

Senior Citizen Services

Long-Term Care	300,000
Community Services	96,000

Note: Women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services

in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Public Schools

Easton Middle School - construction	320,000
Tilghman Elementary School - construction	1,142,000

Chesapeake College

Learning Resource Center - equip	970,000
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Chesapeake Bay Water Quality Loan

Trappe WWTP - expansion & upgrades	160,000
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Waterway Improvement

Claiborne Harbor - channel dredging	50,000
Dogwood Harbor - improve parking lot	20,000
Dogwood Harbor - upgrade bulkhead & slips	75,000
Easton Point - improve parking lot	40,000
Oak Creek Landing - improve parking lot	35,000
St. Michael's - replace West Harbor Road bulkhead	50,000
Tilghman Island Fire Dept. - boat trailer and equipment	7,000
Trappe Landing - upgrade parking and boat ramp	50,000

Other Projects

Chesapeake Bay Maritime Museum (HB 811)	300,000
Oxford Community Services Building (SB 558)	150,000

D. Capital Projects for State Facilities in the County

Maryland State Police

Easton Barrack - construction	361,000
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Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	44,578	45,742	1,163	2.6
Compensatory Education	2,632	2,677	44	1.7
School Transportation	3,464	3,695	232	6.7
Special Education	3,066	3,255	188	6.1
Limited English Proficiency Grants	205	205	0	0.0
Targeted Poverty Grants	1,157	1,175	18	1.5
Extended Elementary	599	599	0	0.0
Aging Schools	200	200	0	0.0
Class Size Initiative	230	304	75	32.6
Early Education Initiative	0	526	526	n.a.
Teacher Development/Mentoring Grants	486	486	0	0.0
Teacher's Salary Grant	662	1,613	951	143.8
Academic Intervention	615	709	95	15.4
Other Education Aid	1,201	1,204	3	0.2
Primary & Secondary Education	59,094	62,389	3,295	5.6
Libraries	782	812	30	3.8
Community Colleges	4,777	5,048	272	5.7
Health Formula Grant	1,801	2,018	217	12.0
** Transportation	9,745	9,976	231	2.4
** Police and Public Safety	1,341	1,349	8	0.6
** Fire and Rescue Aid	225	225	0	0.0
Recreation and Natural Resources	754	907	153	20.3
Disparity Grant	0	676	676	n.a.
Utility Property Tax Grants	179	357	179	100.0
Total Direct Aid	78,697	83,757	5,060	6.4
Aid Per Capita	612	650	38	6.2
Property Tax Equivalent (\$)	1.22	1.24	0.03	2.1

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Washington County for teachers, librarians, community college faculty and local officials are estimated to be \$8,067,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,879,000
Family Health and Primary Care	150,000
Geriatric and Children's Services	675,000
Mental Health	7,034,000
Prevention and Disease Control	849,000
Developmental Disabilities	6,463,000
AIDS	185,000

Social Services

Homeless Services	212,000
Women's Services	204,000
Adult Services	124,000
Child Welfare Services	1,516,000

Senior Citizen Services

Long-Term Care	365,000
Community Services	94,000

C. Selected State Grants for Capital Projects

Public Schools

E. Russell Hicks Middle School - renovations (roof)	299,000
Fairview Outdoor School - wiring	30,000
Marshall Street Center - renovations (roof)	179,000
Marshall Street Center - wiring	64,000
Maugansville Elementary School - wiring	51,000
South Hagerstown High School - construction	638,000
Williamsport Elementary School - construction	3,000,000

Juvenile Justice Bond Program

San Mar Children's Home - construct new facility	439,641
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Community Mental Health/Addictions/Developmental Disabilities

The "W" House of Hagerstown Foundation, Inc	307,000
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Chesapeake Bay Water Quality Loan

Conococheague WWTP - nutrient removal	500,000
Halfway - sewer improvements	100,000
Kemps Mill Sewerage Collection System	251,000

Water Supply Assistance Loan

Honeyfield Road - water system	156,800
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Comprehensive Flood Management Program

Hancock - phase II acquisition	41,575
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Other Projects

American Red Cross (HB 582)	300,000
Discovery Station at Hagerstown (SB 362)	25,000
Hagerstown Arts and Entertainment District (SB 739)	235,000
Washington County Health Systems (HB 618)	470,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Woodmont WMA - dam rehabilitation	1,470,000
C&O Canal National Park - repair Dargan Bend ramp	15,000
Greenbriar State Park - replace boat rental dock	35,000

Department of Health & Mental Hygiene

Western Maryland Center - replace HVAC system	7,800,000
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Department of Juvenile Justice

Western Maryland Detention Center	800,000
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University System of Maryland

Hagerstown Educational Center	13,264,000
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Other

WWPB Transmitter - replacement	1,302,000
WWPB Transmitter - replacement (federal funds)	418,000

Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	FY 2001	FY 2002	\$ Diff.	% Diff.
	\$ in Thousands			
Current Expense Aid	34,854	35,400	547	1.6
Compensatory Education	2,613	2,669	56	2.1
School Transportation	2,578	2,766	188	7.3
Special Education	1,048	1,064	16	1.5
Limited English Proficiency Grants	277	323	46	16.5
Targeted Poverty Grants	1,108	1,083	(25)	(2.2)
Extended Elementary	790	790	0	0.0
Aging Schools	355	355	0	0.0
Class Size Initiative	173	231	58	33.4
Early Education Initiative	0	353	353	n.a.
Teacher Development/Mentoring Grants	303	319	16	5.3
Teacher's Salary Grant	1,000	2,275	1,275	127.5
Academic Intervention	244	374	129	53.0
Other Education Aid	652	575	(77)	(11.8)
Primary & Secondary Education	45,996	48,578	2,582	5.6
Libraries	517	541	23	4.5
Community Colleges	2,705	3,051	346	12.8
Health Formula Grant	1,155	1,338	182	15.8
** Transportation	7,424	7,560	135	1.8
** Police and Public Safety	896	906	11	1.2
** Fire and Rescue Aid	217	217	0	0.0
Recreation and Natural Resources	505	603	98	19.4
Disparity Grant	789	1,108	319	40.5
Total Direct Aid	60,205	63,902	3,698	6.1
Aid Per Capita	750	793	43	5.7
Property Tax Equivalent (\$)	1.56	1.63	0.07	4.4

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Wicomico County for teachers, librarians, community college faculty and local officials are estimated to be \$5,701,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

<u>Health Services</u>	
Alcohol and Drug Abuse	\$1,401,000
Family Health and Primary Care	227,000
Geriatric and Children's Services	650,000
Mental Health	5,125,000
Prevention and Disease Control	596,000
Developmental Disabilities	4,127,000
AIDS	60,000
<u>Social Services</u>	
Homeless Services	33,000
Women's Services	311,000
Adult Services	41,000
Child Welfare Services	557,000
<u>Senior Citizen Services</u>	
Long-Term Care	250,000
Community Services	235,000

Note: Women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools

Beaver Run Elementary School - renovations (HVAC)	602,000
Fruitland Primary School - renovations (HVAC)	602,000
Glen Avenue Elementary School - renovations (mechanical)	91,000
Pemberton Elementary School - construction	1,500,000

Wor-Wic Tech Community College

Eastern Shore Criminal Justice Academy - equip	225,000
Maintenance Building - construction	40,000

Community Mental Health/Addictions/Developmental Disabilities

Deaf Independent Living Association, Inc.	1,040,000
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Chesapeake Bay Water Quality Loan

Fruitland WWTP - nutrient removal	1,127,700
Fruitland WWTP - upgrade	500,000
Salisbury WWTP - nutrient removal	1,000,000
Willards WWTP - upgrade	500,000

Waterway Improvement

Fruitland VFD - rescue vessel motors	5,000
Leonards Mill Pond - boat ramp	50,000
Nanticoke Boat Ramp - complete ramp	25,000
Nanticoke Harbor - construct ramp and jetty	75,000

Other Projects

Salisbury Rotary Scout and Community Center (HB 692)	350,000
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D. Capital Projects for State Facilities in the County

Department of Juvenile Justice

Eastern Shore Detention Center	2,900,000
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University System of Maryland

Salisbury University - new science building	2,439,000
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Other

WCPB Transmitter - replacement	1,557,000
WCPB Transmitter - replacement (federal funds)	378,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid/Shared Revenues

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	\$ in Thousands			
Current Expense Aid	3,205	2,742	(463)	(14.4)
Compensatory Education	434	443	9	2.1
School Transportation	1,541	1,664	123	8.0
Special Education	327	337	10	3.2
Limited English Proficiency Grants	82	109	27	33.1
Targeted Poverty Grants	387	384	(3)	(0.8)
Extended Elementary	282	282	0	0.0
Aging Schools	65	65	0	0.0
Class Size Initiative	75	100	25	33.8
Early Education Initiative	0	74	74	n.a.
Teacher Development/Mentoring Grants	149	149	0	0.0
Teacher's Salary Grant	208	1,001	792	380.1
Academic Intervention	157	185	29	18.3
Other Education Aid	384	336	(48)	(12.5)
Primary & Secondary Education	7,295	7,871	576	7.9
Libraries	101	107	7	6.7
Community Colleges	1,088	1,227	139	12.8
Health Formula Grant	356	491	135	38.0
** Transportation	5,649	5,817	167	3.0
** Police and Public Safety	631	635	4	0.6
** Fire and Rescue Aid	239	239	0	0.0
Recreation and Natural Resources	490	590	100	20.4
Total Direct Aid	15,847	16,976	1,128	7.1
Aid Per Capita	348	364	17	4.8
Property Tax Equivalent (\$)	0.25	0.26	0.01	3.3

** Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2002 State payments for Worcester County for teachers, librarians, community college faculty and local officials are estimated to be \$3,005,000.

B. Estimated State Spending on Selected Health & Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers or State agencies in the counties. What follows are estimates of fiscal 2002 allocations for various programs. Note that for most programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2001) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Alcohol and Drug Abuse	\$1,309,000
Family Health and Primary Care	167,000
Geriatric and Children's Services	412,000
Mental Health	2,187,000
Prevention and Disease Control	468,000
Developmental Disabilities	2,286,000
AIDS	60,000

Social Services

Homeless Services	33,000
Women's Services	336,000
Adult Services	23,000
Child Welfare Services	437,000

Senior Citizen Services

Long-Term Care	197,000
Community Services	235,000

Note: Women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools

Showell Elementary School - renovations (roof)	212,000
Snow Hill Elementary School - renovations (roof)	228,000

Wor-Wic Tech Community College

Eastern Shore Criminal Justice Academy - equip	225,000
Maintenance Building - construction	40,000

Chesapeake Bay Water Quality Loan

Snow Hill - sewer improvements	100,000
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Waterway Improvement

Ocean City Infrastructure Project - navigation improvement	90,000
Pocomoke City - pier and redecking	50,000
Public Landing - boat ramp, phase I	50,000
Snow Hill - complete Byrd Park bulkhead	50,000

Other Projects

Atlantic General Hospital	750,000
Mar-Va Theater (HB 762)	50,000
Mid-Delmarva Family YMCA (HB 526)	375,000
Worcester County Development Center (HB 496)	300,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Ocean City - beach replenishment	1,000,000
Pocomoke River State Park - Shad Landing area	266,000
Pocomoke River State Park - extend boat ramps	15,000
Pocomoke River State Park - improve marina	125,000
Ocean City - beach replenishment	1,000,000

Part B

Taxes

Property Taxes

Property Tax Administration

Property Tax Credits - Electricity Generating Facilities - Effect on State Aid

Two of the State's largest education aid programs, current expense and compensatory aid, are distributed under formulas that are partly based inversely on local wealth and include personal property assessable base as a wealth component. State funding for these programs totals \$1.8 billion in the proposed fiscal 2002 State budget.

For purposes of calculating State aid, the value of tax exempt property is excluded from a county's assessable base. However, the value of property to which a tax credit, as opposed to a tax exemption, applies is generally included in the assessable base. Chapters 492 and 493 of 2000 provided an exception to this general rule, excluding manufacturing personal property subject to a tax credit from a county's assessable base for purposes of calculating State aid payments.

Chapter 390 of 2000 authorized Charles County to grant county property tax credits for machinery and equipment used for new facilities in the generation of electricity. Charles County is negotiating for an electric generation plant for which the county would grant personal property tax credits. Under current law, the personal property for which a credit could be granted would continue to be included in the county's assessable base for State aid purposes.

In an effort to address the issue of granting tax credits for electric generation facilities and the effect of those credits on State education aid, *Senate Bill 251/House Bill 346 (both passed)* grant two exclusions from what is included as part of a county's assessable base for purposes of computing State aid to education wealth formulas. First, the bills exclude from a county's assessable base machinery and equipment that is used in the generation of electricity at a new electricity generation facility and that is subject to a county personal property tax credit. Second, the bills also exclude machinery and equipment used in the generation of electricity that is added as part of an expansion to an existing electricity generation facility for the purpose of increasing electricity production at the facility and that is subject to a county personal property tax credit.

Newly Annexed Properties within Municipal Corporations

Local governments are authorized to bill and collect partial year property taxes for property that is completed or is otherwise initially added to the tax roll during the taxable year. The State Department of Assessments and Taxation had taken the position that newly annexed property was not considered either completed or otherwise initially added to the tax roll, and a municipality, therefore, could not bill for partial year property taxes.

In order to enable municipal corporations to bill for newly annexed property, *Senate Bill 431/House Bill 948 (both passed)* provide that property annexed by a municipality during the year shall be treated as initially added to the tax roll for that year. This would authorize a municipality to collect partial year property taxes. The bills also provide that any expenses incurred by a county for billing and collecting partial year municipal property taxes is chargeable to the municipality.

Exemption from Taxation

Surviving Spouse of Active Military Who Died in Line of Duty: Under current law, the dwelling house of a disabled veteran or the surviving spouse of a disabled veteran is exempt from taxation, while local jurisdictions are authorized, but not required, to provide property tax credits for the surviving spouse of an individual who dies in the line of duty. ***House Bill 1122 (passed)*** expands the tax exemption to make the surviving spouse of an individual who died in the line of duty eligible for the exemption. The property must have been owned at the time of the individual's death, purchased within two years of the death if the individual or spouse was domiciled in the State at the time of death, or acquired after the surviving spouse qualified for the exemption for a former house, to the extent of the previous exemption. In addition, the surviving spouse must not have remarried.

Local Property Taxes

Allegany County

Commercial and Industrial Parks

House Bill 750 (passed) allows Allegany County or a municipal corporation in the county to grant property tax credits for a commercial or industrial park owned, managed, or operated by the Allegany County Commissioners or for a public industrial park owned, managed, or operated by an organization described in §501(c)(6) of the Internal Revenue Code.

Baltimore City

Special Tax Districts

Chapter 624 of 1994 authorized Baltimore City to create Tax Increment Financing (TIF) Districts. Chapter 66 of 2000 expanded the authority of Baltimore City to issue tax increment financing bonds as an economic development tool. TIF is a method of public project financing whereby the increase in the property tax revenues generated by new commercial development in a specific area, the TIF district, pays for bonds issued to finance site improvements, infrastructure, and other project costs located on public property. The TIF district typically consists of a blighted area in need of economic revitalization.

As an additional economic development tool, ***Senate Bill 805/House Bill 1256 (both passed)*** authorize Baltimore City to establish special tax districts. A "special tax district" is an area within a larger jurisdiction where the property owners request that certain infrastructure improvements be provided to them and in return agree to be assessed additional taxes. The city indicates that the special tax districts may in some instances be used to complement tax increment financing bonds to support an economic development project.

Under the bills, the designation of a special tax district will require an ordinance of the city council. Before passing an ordinance, the city must receive a request to create a special tax district from both the owners of at least two-thirds of the assessed valuation of the real property within the area and at least two-thirds of the owners of the real property. Property owners who are located outside the specified area and do not benefit from the improvements will not be assessed any additional taxes.

Senate Bill 805/House Bill 1256 also authorize Baltimore City to borrow money and issue bonds that will be repaid from special taxes levied within the special tax district. Before issuing bonds, Baltimore City must designate an area or areas as a special tax district, create a special fund for the district, and provide for the levy of an ad valorem or special tax on all real and personal property within the district at a rate that will provide adequate revenues to pay the debt service on the bonds.

Before designating a special tax district and issuing bonds, Baltimore City must hold a public hearing and give the public at least ten days notice in a newspaper of general circulation. If the bonds issued constitute debt under the Maryland Constitution, city voters must approve the bonds. Bonds issued for special tax

districts cannot constitute a general obligation debt of the city or a pledge of the city's full faith and credit. When no bonds are outstanding, the special tax district will terminate, and any monies remaining in the special fund will revert to Baltimore City's general fund.

Tax Sales Notice

Senate Bill 386/House Bill 800 (both passed) decrease the number of times Baltimore City must publish notice of tax sales in newspapers from four times to two times, once a week in alternate weeks. The bills require the notice of tax sale to be posted on the city's web site four weeks prior to the tax sale. The newspaper must include a statement that the notice of the tax sale is posted on the city's web site, the city's web address, and instructions on how the public can access the web site.

Cecil County

Payment in Lieu of Taxes - Electricity Generation Facility

Senate Bill 95 (passed) authorizes Cecil County to enter into a negotiated payment in lieu of property taxes (PILOT) agreement with the owner of an electric generating facility that locates in the county. The county has indicated that it intends to negotiate a payment in lieu of taxes for a 20-year period that is approximately equal to the property tax revenue it would have otherwise collected. The payment in lieu of taxes is intended to fix some of the costs for the facility, thus allowing the owner of the facility to obtain a better bond rating. The bill specifies that, notwithstanding the exemption from property tax for the facility, the personal property of the facility will be included in the county's assessable base for State education aid purposes.

Charles County

Tobacco Barns

House Bill 1285 (passed) authorizes Charles County to grant a real property tax credit against the county property tax imposed on real property that was formerly used solely as a tobacco barn. The property must either be located on land subject to a tobacco buyout agreement or be located on land which qualifies for an agricultural use assessment and be used for an approved agricultural activity.

Garrett County

Community Action Committee

House Bill 372 (passed) enables Garrett County to provide a property tax credit for property owned by the Garrett County, Maryland, Community Action Committee, Inc. or for property owned by an entity in which the Garrett County, Maryland, Community Action Committee, Inc. has a controlling interest. This organization provides services primarily targeted to low-income and/or elderly residents.

Harford County

Members of Volunteer Fire and Ambulance Companies

Senate Bill 545/House Bill 214 (both passed) authorize Harford County municipalities to grant a municipal real property tax credit for property owned and occupied as the principal resident of an individual serving as a member of a volunteer fire or ambulance company or member of the ladies' auxiliary of a volunteer fire or ambulance company. All three Harford County incorporated municipalities currently have charter provisions which grant real property tax exemptions to members of a volunteer fire company. The credits under these bills are expected to be granted in lieu of the current exemptions.

Montgomery County

Property Tax Sales - High-Bid Premiums

In order to counteract unreasonably high bidding on properties at tax sale by bidders who attempt to recoup large amounts of interest, the General Assembly passed a high-bid premiums law in 1999. That law requires a tax collector to establish high-bid premiums for properties to be sold at tax sales if the properties are to be sold in groups or by a sealed bid process. The collector may also establish high-bid premiums for all properties to be sold at a tax sale. Montgomery County currently uses a system where tax sale properties are grouped and auctioned by sealed bid. *House Bill 840 (passed)* exempts Montgomery County from the provisions mandating high-bid premiums for properties that are sold in groups or by sealed bid process at tax sales. The county could still elect to set high-bid premiums under this bill.

Prince George's County

George Washington House

House Bill 1191 (passed) enables Prince George's County to provide a county property tax credit for property owned by the George A. and Carmel D. Aman Memorial Trust and known as the George Washington House.

Crescent Cities Charities

House Bill 1233 (passed) provides that Prince George's County may grant a property tax credit for certain property owned by the Crescent Cities Charities, Incorporated. This organization has received a tax exemption from the Department of Assessments and Taxation for about 62 percent of its properties. The county is authorized to grant a credit for the remainder of the property under this bill.

St. Mary's County

Tobacco Barns

House Bill 121 (passed) authorizes St. Mary's County to grant a real property tax credit on real property that was formerly used solely as a tobacco barn and is subject to a tobacco buyout agreement.

Washington County

Property Tax Credits

Similar to legislation passed for Harford County municipal corporations, *House Bill 584 (passed)* authorizes Washington County or a municipal corporation in Washington County to grant a property tax credit for the principal residence of a volunteer firefighter, member of the fire police, or emergency medical technician. The county may provide for the amount and duration of the credit, as well as any other provision necessary to administer the credit.

Income Tax

Manufacturing Corporations - Single Sales Factor Apportionment

In order to determine what part of the income of a multistate corporation is subject to Maryland income tax, the income reasonably attributable to the State is determined by use of an apportionment formula measuring the in-state activities of the

corporation. Since 1992, Maryland's taxation of the income of a multistate corporation has been based on

a three factor, double-weighted sales factor formula. The three factor formula apportions corporate income to the State based on a corporation's percentage of property, percentage of payroll, and a double-weighted percentage of sales in Maryland. ***Senate Bill 701/House Bill 11 (both passed)*** alter Maryland's corporate tax law so that a multistate manufacturer's income is apportioned to the State based solely on its percentage of in-state sales.

Senate Bill 701/House Bill 11 define a manufacturer as a corporation that, except for petroleum refiners, would fall under Section 11 or Sectors 31 through 33 of the North American Industrial Classification System (NAICS) of the United States Office of Budget and Management. NAICS codes are used by statistical agencies of the federal government.

The majority of the states that use an apportionment formula with regard to the corporate income tax use a double-weighted sales factor. A growing trend over the past several years, however, has been for states to enact apportionment formulas that give greater, or even exclusive weighting, to sales.

The single sales factor apportionment method and the double-weighted sales factor apportionment method are seen as generally favoring manufacturers with in-State investments in payroll and property because, when compared to an equally-weighted three-factor formula, these methods tend to apportion more of a corporation's income to the jurisdictions in which the sales of products occur, reducing the percentage of income apportioned to the state in which the payroll and property producing the product is located.

In 2001, six states, Massachusetts, Illinois, Iowa, Nebraska, Texas, and Connecticut, will use a single sales factor in apportioning tax liability for some or all businesses. As is provided for in ***Senate Bill 701/House Bill 11***, Massachusetts and Connecticut limit use of the single sales factor to manufacturing companies.

The bills require a manufacturing corporation to certify on its Maryland income tax return the NAICS sector code that was reported to other government agencies and authorize the Comptroller to reclassify an incorrectly identified corporation. ***Senate Bill 701/House Bill 11*** additionally require a manufacturing corporation to submit a report that describes the difference in taxes owed as a result of single sales factor apportionment as well as other information about corporate sales, taxable income, and property owned in the State and worldwide for tax years 2001 and 2002.

Under these bills, some corporations will pay less in income tax while others will be expected to pay more. However, whether the change will have a positive or negative impact on State income tax revenues, and the magnitude of the impact, are unclear. The Comptroller is required to report to the Governor and the General Assembly by October 1 of 2003 and 2004 on the use of the single sales factor apportionment formula and the tax savings or increased taxes for corporations using the single sales factor.

Tax Credit for Green Buildings

Senate Bill 745/House Bill 8 (both passed) provide income tax credits for the construction and/or rehabilitation of green buildings and green tenant space and for qualifying energy sources used to power green buildings and green tenant space. In response to existing problems relating to "sick building" syndrome, these credits are intended to encourage commercial development that is constructed with the latest materials and technology for building environmentally friendly buildings and healthy tenant space -- known as "green buildings." The credits provided by the bills are intended to help defray the difference in cost between construction of a green building or green tenant space and traditional construction.

The bills provide that the credits for construction of green buildings are available for a percentage of "allowable costs" related to the construction, rehabilitation, architectural/engineering design, and other expenses associated with the building. Eligible buildings are large commercial buildings, residential buildings, and other buildings that are a combination of commercial and residential use with greater than 20,000 square feet of interior space.

There are three types of building credits which include: (1) a credit for a green base building which is

available if the construction or rehabilitation only affects the structural parts of a building; (2) credit for green tenant space which is available if the construction or rehabilitation only affects the parts of the building intended for occupancy; and (3) a credit for a green whole building that is available if the construction or rehabilitation consists of building both a green base building and green tenant space. The credit for a green whole building is equal to 8 percent of allowable costs and the credits for a green base building or green tenant space is equal to 6 percent of allowable costs.

Senate Bill 745/House Bill 8 additionally provide qualifying energy source credits for fuel cells, photovoltaic modules (solar panels), and wind turbines if they are used to power a green building, green base building, or green tenant space. The credit for fuel cells is 30 percent of capitalized cost of each fuel cell and is capped at \$1,000 per kilowatt of energy generated. The credit for photovoltaic modules is 20 percent of photovoltaic modules that are built as a part of a building and 25 percent of photovoltaic modules that are not built into a building structure with a total cap of \$3 per watt of capacity. The credit for wind turbines is equal to 25 percent of the cost of installing wind turbine equipment.

The total amount of credits allowed for a green building or qualified energy services may not exceed the amount specified in an initial credit certificate issued by the Maryland Energy Administration (MEA). No more than \$25 million of initial credit certificates may be issued by MEA over the ten-year period of the tax credit program. The first year that MEA may issue an initial credit certificate is tax year 2003 (fiscal 2004) and the initial credit certificate issued in tax year 2003 may not exceed \$1 million. The capped credits increase by \$1 million each year up to \$5 million in tax year 2007 (fiscal 2008) and then begin to phase out each year thereafter until the program ends with tax year 2011 (fiscal 2012).

The bills require MEA to adopt regulations that provide standards for green buildings that are consistent with the standards adopted by the U.S. Green Buildings Council or other similar criteria. Both MEA and the Comptroller are required to report on the status of the program to the General Assembly and the Governor by April 1, 2005. The bills are effective July 1, 2001, and apply to all taxable years beginning with tax year 2003.

Also related to the issues addressed in *Senate Bill 745/House Bill 8*, Governor Glendening issued a March 2001 Executive Order calling for the establishment of a State Green Buildings Council, the use of "clean energy" sources, energy efficiency goals and a Green Buildings Program for State-owned facilities.

Refundable Earned Income Credit

Maryland's income tax law has provided a nonrefundable earned income credit (EIC) against the State income tax equal to 50 percent of the federal earned income credit since 1987. For federal income tax purposes, the earned income credit, which provides tax relief to low-income wage earners, is "refundable" if the amount of the federal credit exceeds an individual's income tax liability. In 1998, the General Assembly passed legislation to include a refundable component in the Maryland EIC for qualifying individuals with dependents (Chapter 5 of the Acts of 1998).

Senate Bill 166/House Bill 222 (both passed) phase in a 5 percent increase of the Maryland refundable earned income tax credit which will increase in total from 15 percent of the federal earned income credit to 20 percent of the federal earned income credit over the next four years. Under the bills, the State credit is increased from the current calculation of 15 percent of the federal earned income credit to: 16 percent in tax year 2001 and tax year 2002; 18 percent in tax year 2003; and 20 percent for tax years 2004 and after.

The bills provide that for each year of the phase-in, the difference between the applicable percentage of a taxpayer's federal earned income credit and the taxpayer's State income tax liability will be refunded to that taxpayer. Prior to tax year 2003, the bills require the Spending Affordability Committee to include a recommendation in its final report as to the fiscal prudence of accelerating the phase-in of the earned income credit under this Act.

It is estimated that the bills will result in a general fund revenue decrease of approximately \$4.3 million in fiscal 2002; \$7.5 million in fiscal 2003; \$17.1 million in fiscal 2004; \$27.7 million in fiscal 2005; and \$28.6 million in fiscal 2006.

Maryland Research and Development Tax Credit

Chapter 515 of 2000 created a Research and Development (R&D) income tax credit for Maryland that is modeled after the federal research and development tax credit program. The State R&D credit consists of: (1) a nonincremental credit based on a taxpayer's R&D expenses up to the base amount of Maryland R&D expenses; and (2) a credit based on incremental spending, or spending above the base amount.

The nonincremental credit is 3 percent of qualifying R&D expenditures while the incremental credit is 10 percent of qualifying expenditures and the maximum allowed for each of the two credits for all taxpayers is \$3 million annually. The credits are available from tax year 2000 through 2004.

Senate Bill 456/House Bill 920 (both passed) increase under specified circumstances the maximum amount that the Department of Business and Economic Development (DBED) can approve in a calendar year for each component of the State R&D tax credit. The bills allow any unused portion of the \$3 million annually allocated to either the nonincremental or the incremental R&D credit to be transferred to the other credit if the cap for the other credit has been reached.

Enterprise Zone Tax Credits

Chapter 424 of 2000 established a Task Force to Study the Maryland Enterprise Zone Program. Among other things, the task force was charged with studying further enhancements to the State's enterprise zone program.

Based on the recommendations of the task force, *Senate Bill 819/House Bill 1155 (both passed)* increase the credits that can be claimed by enterprise zone businesses for wages paid to qualified employees. The bills also alter the definition of a qualified employee for whom a business can take an enterprise zone credit to require that the employee earns at least 150 percent of the federal minimum wage (\$5.15 per hour) and increase the number of hours required to be worked by an employee being claimed for the credit from 25 to 35.

The bills require DBED and the Comptroller of the Treasury to jointly assess the effectiveness of the tax credits provided to businesses in enterprise zones and focus areas and to report their findings by December 15 to the Governor and the General Assembly.

Critical Skills

Senate Bill 455 (passed) creates an income tax credit for tuition and related expenses required for enrollment in an approved program that provides training in skills that are in short supply and critical to Maryland's economic development strategy. This is the same proposal as a bill that passed the General Assembly in 1999 but was vetoed by the Governor.

The credit against the personal income tax is 30 percent of up to \$5,000 of qualified expenses for the individual during the taxable year. The full amount of the credit is available to individuals whose federal adjusted gross income is at or below \$65,000 (\$32,000 if married filing separately) and it is reduced by 5 percent for every \$1,000 or fraction thereof that federal adjusted gross income exceeds \$65,000 (or 5 percent for every \$500, or fraction thereof, if married filing separately).

The individual claiming the credit must commence work in the State in an occupation directly related to the training program within one year of completing the program and remain in that occupation one year for every year the credit was taken. Otherwise, the credit claimed will be recaptured for each year the

service obligation is not satisfied.

The Maryland Higher Education Commission in consultation with other executive branch agencies is required to identify work-related skills and occupations that are in short supply and to establish a list of approved programs qualifying for the tax credit each year. The proposed designation of critical work-related skills and any modifications to the designation must be submitted to the Joint AELR Committee for review by November 1 each year. The bill applies to taxable years beginning after December 31, 2001.

Tax Credit for Preservation and Conservation Easements

Chapter 634 of 2000 created a task force to study the Maryland Agricultural Land Preservation Foundation. The task force is required to: (1) study the current program and practices of the foundation; (2) study the financial standing of the foundation; (3) review and make recommendations on legislation affecting the foundation considered by the General Assembly in the 2000 session; and (4) make recommendations to improve the program, practices, and financial standing of the foundation. In its 2000 interim report, the task force recommended legislation to grant State income tax credits for donated easements or the portion of easement value donated when an easement is sold at less than full market value.

Senate Bill 459/House Bill 681 (both passed) allow an individual to take a credit against the State income tax for the conveyance of an easement in land to the Maryland Environmental Trust (MET) or the Maryland Agricultural Land Preservation Foundation (MALPF) for the purpose of preserving open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds, or historic properties if: (1) the easement is perpetual; and (2) the easement is accepted and approved by the Board of Public Works.

The amount of the credit allowed under the bills is the amount by which the fair market value of the property before the conveyance of the easement exceeds the fair market value of the property after the conveyance of the easement. The fair market value of the property before and after the conveyance of the easement shall be substantiated by an appraisal conducted by a certified real estate appraiser. The amount of the credit shall be reduced by the amount of any payment received for the easement. The amount of the credit allowed for any taxable year may not exceed the lesser of: (1) the State income tax; or (2) \$5,000. Any unused credit may be carried forward for up to 15 years, but may not exceed the lesser of the State tax or \$5,000 in any taxable year. The bills prohibit the credit from being claimed for a required dedication of open space for the purpose of fulfilling density requirements to obtain a subdivision or building permit.

Public Safety Officers

During the 2001 session, the General Assembly passed several bills related to tax benefits for public safety officers.

In honor of the former long-serving Comptroller of the State Treasury, *House Bill 46 (passed)* names the subtraction modification under the State income tax for volunteer police, fire, rescue, and emergency medical services personnel as the Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel Subtraction Modification Program.

House Bill 19 (passed) clarifies the application of the \$3,500 subtraction modification under the Maryland income tax for individuals if they are a qualifying police auxiliary or reserve volunteer for the taxable year. Chapter 485 of 1997 provided for the subtraction modification to be taken by volunteer police officers. However, the Comptroller indicated that the term "volunteer police officer" was not sufficiently precise to include most of the individuals the 1997 legislation was intended to cover and no subtraction modifications have been taken. The bill also replaces the length of service requirement with participation in a police auxiliary or reserve volunteer program approved by the Police Training Commission.

There are 184 Ladies' Auxiliaries of the Maryland State Firemen's Association with 2,746 members statewide. These individuals provide administrative and service functions, including fundraising for local fire departments. *Senate Bill 850/ House Bill 1095 (both passed)* extend the \$3,500 subtraction modification under the Maryland income tax that is available for qualifying volunteer fire, rescue, and emergency medical services personnel to members of an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization.

Senate Bill 224 (passed) provides for an income tax subtraction modification for a death benefit paid from a pension system to the surviving spouse or other beneficiary of a "law enforcement officer" or fire fighter who dies in the course of employment as a law enforcement officer or fire fighter. Law enforcement officer includes all sworn law enforcement officers under Maryland law, sworn law enforcement officers of the United States, another state, or political subdivision of another state.

House Bill 828 (passed) as part of a tax amnesty program, provides a funding mechanism for capital improvements for local volunteer fire and rescue companies. A more detailed discussion of this bill can be found under "Miscellaneous Taxes" within this part of *The 90 Day Report*.

Senate Bill 545 /House Bill 214 (both passed) and *House Bill 584 (passed)* provide property tax credits for members of volunteer fire and rescue companies in Harford and Washington counties, respectively. See a discussion of these bills under the subpart "Property Taxes" within this part of *The 90 Day Report*.

Heritage Structure Rehabilitation Tax Credit

Senate Bill 523/House Bill 1109 (both passed) alter the State Heritage Structure Rehabilitation Tax Credit. The bills provide that any excess amounts of the existing credit in a taxable year that exceed an individual's or a business entity's tax liability may be claimed in refund. The bills add nonprofit entities to the definition of business entity for the purposes of the credit and allow the credit to be taken by partners and shareholders of a business entity in any manner that is agreed.

The bills also provide for the recapture of credits claimed within 4 years after the credit is claimed if work is performed on a certified heritage structure that, if performed as a part of the historic rehabilitation, would have made the rehabilitation ineligible for the credit. *Senate Bill 523/House Bill 1109* require the Director of the Maryland Historic Trust to report to the Governor and the General Assembly each January on use of the heritage structure rehabilitation credits.

Other Income Tax Bills

House Bill 828 (passed) requires the Comptroller to declare an amnesty period for delinquent taxpayers from September 1, 2001, through October 31, 2001, for penalties attributable to nonpayment, nonreporting, or underreporting of a number of taxes, including income taxes. A more detailed discussion of this bill can be found under "Miscellaneous Taxes" within this part of *The 90 Day Report*.

House Bill 1424 (passed) alters the applicability of the One Maryland Economic Development tax credits to include nonprofit entities in the definition of a "qualified business entity" that is eligible for the credits. The bill also provided that the credits may be taken by an insurance company against the State insurance premium tax. For a more detailed discussion of this bill, see "Miscellaneous Taxes" within this part of *The 90 Day Report*.

Senate Bill 613 (passed) extends the termination date of a Tax Credit for Approved Work-Based Learning Programs passed by the General Assembly in 1998 (Chapter 660) from June 1, 2001, to June 30, 2004.

Senate Bill 344 (passed) allows a claim for an income tax refund or claim for a credit for overpayment of income tax to be filed beyond the three-year filing limit if: (1) the right to a refund for overpayment is established by a decision of an administrative board; and (2) the claim is filed within one year after the

final decision of the administrative board.

Sales Tax

Mass Transit Funding and Sales Tax on Short-Term Vehicle Rentals

The distribution of sales tax revenues on short-term vehicle rentals is altered under *Senate Bill 200/House Bill 309 (both passed)* as part of the Governor's mass transit initiative. One hundred percent of the revenue from the sales tax on short-term vehicle rentals will be dedicated to the Transportation Trust Fund (TTF) starting January 1, 2002. Previously, 45 percent of the revenues from this tax were dedicated to the TTF and the remainder to the general fund. The additional dedication is estimated to increase TTF revenues by \$11.9 million in fiscal 2002 (based on the mid-year effective date), increasing to \$24.1 million in fiscal 2003. The additional dedication terminates at the end of fiscal 2007, reverting to the current distribution. For a more detailed discussion of *Senate Bill 200/House Bill 309*, see Part G - Transportation and Motor Vehicles of this *90 Day Report*.

Simplified Sales and Use Tax Administration Act

House Bill 1390 (passed) enacts the Simplified Sales and Use Tax Administration Act, as proposed by the National Conference of State Legislatures (NCSL), and authorizes the State to discuss, and ultimately enter into, a Streamlined Sales and Use Tax Agreement. It authorizes the Comptroller to enter into the Agreement with one or more states to simplify and modernize sales and use tax administration, although further State legislation would be required to implement the Agreement's provisions.

The Act includes the outline of the streamlined sales and use tax collection and administration system specified in the Agreement, although the Agreement itself is not incorporated in the bill. Issues covered by the Act include: simplified tax rates; uniform standards for sourcing of transactions; central registration for sellers; monetary allowances for certified service providers and sellers implementing new technological models; consumer privacy; and State administration of local sales and use taxes, including restricting variance between State and local sales tax bases, restricting the frequency of changes in local sales and use tax rates, and providing timely notice of boundary changes for local taxing jurisdictions.

The provisions of this bill replace the provisions of Chapter 698 of 2000, enacted in 2000 to authorize the Comptroller to participate in NCSL's efforts to develop the Streamlined Sales Tax Project. Under *House Bill 1390*, the provisions of Chapter 698 of 2000 terminate June 30, 2001, rather than June 30, 2002.

There is currently no common mechanism for states to collect and sellers to remit sales and use taxes. Under the U.S. Supreme Court decisions in *National Bellas Hess* and *Quill*, a state or local government cannot require businesses without a nexus to the state (such as a physical presence within its borders) to collect sales or use taxes. Remote sellers (via Internet, phone, and mail order catalogs) are therefore protected from sales tax collection obligations. If the seller is not required to collect and remit the sales tax, then the buyer is required to pay the use tax, but such collections from individual taxpayers are minimal.

The issue of tax noncollection from out-of-state sellers exists with the present system of collecting sales and use taxes on phone and mail order sales; however, the exponential growth of e-commerce has magnified this potential revenue loss for the State. Meanwhile, remote sellers argue that the current system of state and local sales tax administration is complex and burdensome due to differences in sales tax law among the states, coupled with the extensive use of the tax by local governments in many states.

Sales Tax on Condominium Utilities

The sale of electricity, steam, or artificial or natural gas for use in residential condominiums becomes exempt from the sales and use tax under *Senate Bill 14/House Bill 98 (both passed)*. Currently, the sales

and use tax rate of 5 percent generally applies to the sale of electricity and natural gas; however, the sales tax does not apply to such sales for homes under a residential rate schedule. Condominiums, on the other hand, are currently exempt from the sales tax for their fuel charges (or other commodity costs) but are subject to the sales tax on their base rate charges for their common areas as well as any living units that are centrally metered. (Individually metered units already receive the full residential rate exemption.) Under the bill, the common areas of the condominium building and any centrally metered units receive the full residential exemption. It is estimated that annual general fund revenues will decline by approximately \$400,000 as a result of the expanded exemption.

Exemption for Supplies Supporting Breast-Feeding

Tangible personal property that is manufactured for the purpose of initiating, supporting, or sustaining breast-feeding becomes exempt from the sales and use tax under *Senate Bill 252/House Bill 548 (both passed)*. (Many other medical supplies are already exempt from the sales tax.) The bill will reduce State sales tax revenues by approximately \$350,000 per year.

Antique Dealers - Sales to Out-of-state Vendors

House Bill 284 (passed) addresses purchases of antiques in Maryland by out-of-state vendors. The bill waives a seller's obligation to collect the sales and use tax on the sale of an antique or used collectible if the seller receives a resale certificate from a purchaser with an out-of-state sales and use tax registration number and certain conditions are met. Under the bill, out-of-state antique dealers will be able to purchase goods in Maryland for resale without paying the sales tax (versus current law, under which they must pay the sales tax but may apply for a refund). State sales tax revenues are estimated to decline by approximately \$250,000 per year under the bill.

Miscellaneous Taxes

Tax Amnesty

House Bill 828 (passed) requires the Comptroller to declare an amnesty period for delinquent taxpayers from September 1, 2001, through October 31, 2001, for penalties attributable to the nonpayment, nonreporting, or underreporting of income taxes, withholding taxes, sales and use taxes, or admissions and amusement taxes that

are paid during the amnesty period. The bill also increases specified criminal penalties from \$5,000 to \$10,000 under various tax laws, effective at the end of the amnesty period (November 1, 2001). In addition, the bill provides for the distribution of the receipts from the amnesty program. Finally, the Comptroller is required to report to the Governor and the General Assembly by March 15, 2002, on the revenues raised under the amnesty program and any other matter relating to the amnesty program.

Distribution of Revenues

Revenues generated under the amnesty program that would otherwise be distributed to the general fund are to be distributed as follows:

- the first \$2 million to the Comptroller for expenditures related to publicity for the amnesty program and increased administrative personnel;
- the next \$30 million to the general fund;
- the next \$8 million to a special fund for distribution to specified county boards of education and the New Baltimore City Board of School Commissioners (for further discussion of the distribution of this revenue, see Part A - Local Aid of this *90 Day Report*);

- the next \$10 million to the Low Interest Revolving Loan Fund of the Volunteer Company Assistance Fund to provide funding for capital projects for volunteer fire companies and facilities; and
- any additional revenues would be placed in a special Maryland Tax Amnesty Reserve Fund that could be used for future purposes as determined by the General Assembly.

Certain tax revenues collected by the Comptroller are required by law to be distributed to county governments, municipal governments, special tax districts, or the Transportation Trust Fund (TTF) before any distributions are made to the general fund. The bill requires that funds collected during the amnesty period *that would otherwise be distributed to the general fund* are to be distributed in the manner prescribed by the bill. Revenues that will be distributed to local jurisdictions under the amnesty program must be used for primary and secondary public education purposes.

The bill also requires the Governor to provide a \$30 million general fund appropriation to the Revenue Stabilization Fund in the fiscal 2003 budget bill as a fiscal year 2002 deficiency appropriation. The fiscal 2002 budget bill includes a \$30 million fiscal 2001 deficiency appropriation to the Dedicated Purpose Fund, contingent on the enactment of **House Bill 828**, to address Mental Hygiene Administration deficits and private psychiatric hospital provider reimbursements.

One-time revenues of \$70 million could be generated under **House Bill 828** of which about \$50 million could be provided to the State, with the remainder distributed to local governments, the Comptroller, and the TTF. The State offered a tax amnesty period in September and October of 1987 applied to the same taxes to which this bill applies, as well as to the boat excise tax. A total of \$36.6 million was collected, with \$20 million distributed to the general fund.

Tobacco Products

Disposition of Seized Contraband: Under current law, when contraband tobacco products are seized and forfeited to the State, the Comptroller is required to sell the contraband tobacco products to the following entities: (1) State institutions; (2) nonprofit charitable institutions; (3) licensed cigarette wholesalers; or (4) licensed cigarette manufacturers. Since 1999, contraband tobacco products have been sold for approximately \$375,900. The revenue resulting from these sales goes to the State general fund.

During 2000, there was public concern that the sale by the State of contraband tobacco products is inconsistent with the State's anti-smoking policy. Several bills (all of which failed) were introduced during the 2001 session in response to these concerns: some bills calling for destruction of such contraband, while others directed the revenues from contraband sales to anti-smoking programs. **Senate Bill 192, Senate Bill 199, House Bill 21, and House Bill 308 (all failed)** would have required the Comptroller to destroy all seized contraband tobacco products. It is estimated that discontinuing the sale of contraband tobacco products would result in an annual revenue loss of \$350,000 to \$500,000. **House Bill 287 (failed)** would have required that proceeds from the sale of contraband tobacco products be distributed to the Cigarette Restitution Fund (CRF).

Purchase of Tax Stamps: Senate Bill 327/House Bill 698 (both passed) increase the tobacco wholesaler cigarette stamp discount from 0.82 percent to 1.1 percent in order to help wholesalers offset their costs due to the 30 cent per pack cigarette tax increase under Chapter 121 of 1999. In addition, the Comptroller's authority to exempt wholesalers from bonding requirements is repealed and instead, all wholesalers will be required to post bonds.

Cigarette wholesalers do not file a return for cigarettes purchased. Instead, the tax is paid by the purchase of tax stamps. Cigarette wholesalers purchase tobacco stamps in bulk from the Comptroller based on the inventory of cigarettes they expect to have in their warehouses. The stamps are then attached to the packs of cigarettes providing visual verification that the tax has been paid. To compensate for the expense of administering the tobacco tax through the purchase and affixing of tax stamps, wholesalers are given a

discount on the price of the stamp. Chapter 121 of 1999 which increased the cigarette tax by 30 cents per pack, reduced the licensed cigarette wholesaler discount rate from 1.36 percent to .82 percent to avoid providing a windfall increase in the amount of the discount provided to purchasers of tax stamps.

"One Maryland" Economic Development Tax Credits

House Bill 1424 (passed) clarifies that tax-exempt organizations under Section 501(c)(3) or (4) of the Internal Revenue Code are included in the definition of "qualified business entity" for the purposes of the "One Maryland" economic development tax credits that are allowed for specified costs of economic development projects and specified start-up costs. The bill also provides that specified individuals and corporations with no tax liability may file an income tax return in order to claim a refund of the One Maryland tax credit. Finally, the bill provides that a person subject to the insurance premiums tax may claim the One Maryland tax credit against the premium tax for specified costs of specified economic development projects.

An insurer may not claim the One Maryland credit for project costs in either the taxable year in which the economic development project is placed in service or in the next four taxable years but rather is allowed to carry forward the credit to the fifth taxable year after the project is placed in service and as a tax credit against the insurance premium tax imposed for the taxable year. The insurer may claim a refund in the amount, if any, by which any unused excess exceeds the premium tax for the taxable year. The amount that may be claimed as a credit or refund in any year, however, is limited to the amount of income taxes that the insurer is required to withhold for the year from the wages of qualified employees.

Chapter 303 of 1999 created the "One Maryland" economic development tax credit for eligible project and start-up costs for specified categories of businesses that establish or expand business facilities in a "qualified distressed county" and the activity creates 25 or more new full-time positions. The credit may be taken for qualified project costs only if those costs exceed \$500,000. The amount of the credit that may be claimed by a qualified business is limited to \$5 million for project costs and \$500,000 for start-up costs with certain other restrictions.

A qualified distressed county is a county, including Baltimore City, with: (1) an average unemployment rate that exceeds 150 percent of the statewide average unemployment rate over the most recent 18-month period for which data are available; or (2) an average per capita personal income for the most recent 24-month period that is at or less than 67 percent of the statewide average per capita personal income.

Transportation Taxes

Administration's Transit Initiative: Senate Bill 200/House Bill 309 (both passed) increase funding for the Transportation Trust Fund (TTF) in order to support expenditures under the Governor's mass transit initiative by shifting certain revenue sources that are currently directed to the general fund, including revenues from the sales tax on vehicle rentals, security interest filing fees, "vanity" plate fees, and uninsured motorist penalty fees, to the TTF. For a more detailed discussion of **Senate Bill 200/ House Bill 309**, see the subpart Transportation under Part G - Transportation and Motor Vehicles of this *90 Day Report*.

Boat Excise Tax: House Bill 696 (passed) provides for the continuation of a deduction of the value of a trade-in vessel from the boat excise tax by repealing the June 30, 2001, termination date for the definition of "fair market value." For a more detailed discussion of **House Bill 696**, see the subpart Natural Resources under Part K - Natural Resources and Agriculture of this *90 Day Report*.

Vehicle Excise Tax: House Bill 106 (passed) reduces the total purchase price of motor homes and travel trailers used to determine the motor vehicle excise tax by the value of a trade-in, subject to certain limits. **House Bill 106** applies to motor homes and travel trailers that incur tax liability on or after July 1, 2001.

Recordation and Transfer Taxes

Transfer from Real Estate Enterprise to Limited Liability Company: Under current law, a proprietorship that is involved principally in the buying, selling, leasing, or managing of real property may convert to a limited liability company without having to pay the recordation tax with respect to property transferred to the limited liability company. An Attorney General's opinion stated that this provision of law does not apply to a tenancy by the entirety. A tenancy by the entirety is joint ownership of title by husband and wife, in which both have the right to the entire property, and upon the death of one, the surviving spouse has full title to the property. ***Senate Bill 18 (passed)*** clarifies current law to exempt from recordation and transfer taxes real estate conversions to limited liability company status and allows tenancy by the entirety to claim the exemptions by placing both a proprietorship and a tenancy by the entirety into a newly defined category called a real estate enterprise, each eligible for tax-free conversion to limited liability company status.

First-Time Maryland Home Buyers: House Bill 952 (passed) authorizes an agent of a first-time Maryland home buyer to provide a statement that is signed under oath by the buyer stating that he or she is a first-time Maryland home buyer. This statement is necessary to qualify the first-time Maryland home buyer for the reduced State transfer tax rate of 0.25 percent of the consideration payable and the county transfer tax exemption.

Miscellaneous Taxes - Local

Baltimore City

Hotel Room Tax: Senate Bill 450/House Bill 313 (both passed) extend the requirement through fiscal year 2007 that at least 40 percent of the proceeds from the hotel room tax imposed by Baltimore City be appropriated specifically for convention center marketing and the promotion of tourism.

Tax Increment Financing: Senate Bill 733/House Bill 1145 (both passed) make changes to the city's tax increment financing provisions, including: (1) authorizing the city to use proceeds from tax increment financing for parking facilities that are either publicly or privately owned but serve a public purpose; (2) eliminating the requirement that the development district be a contiguous area; and (3) making a technical adjustment required by the State's change from fractional property assessment to full value property assessment.

Calvert County

House Bill 471 (passed) repeals the provision of law authorizing the County Commissioners of Calvert County to levy impact fees and authorizes the county instead to impose, by ordinance, a building excise tax on building construction within the county. The ordinance must specify the types of buildings subject to the tax, and different rates may be assessed on different types of construction. The revenues from the tax will be deposited in the county's general fund and can be used to any lawful purpose in the county.

Frederick County

House Bill 879 (passed) authorizes the County Commissioners of Frederick County to fix, impose, and collect a building excise tax for financing public road facilities. The county commissioners must conduct a comprehensive study of the impact of the building excise tax on the Frederick County economy and submit the results of the study and recommendations to the Frederick County Senators and Delegates on or before January 1, 2006.

Harford County

House Bill 210 (passed) prohibits Harford County from imposing an admissions and amusement tax on gross receipts derived from golf entertainment or from any admissions and amusement charge in

connection with a business that provides drive-in movie entertainment.

Prince George's County

House Bill 1197 (passed) decreases the Prince George's County transfer tax rate for county classroom teachers from 1.4 percent to 1.0 percent. The classroom teacher must occupy the property as his or her principal residence and be employed as a Prince George's County classroom teacher for a minimum of three years following the purchase. The rate reduction must be repaid if the requirements are not satisfied.

Washington County

As provided by Chapter 200 of 2000, Washington County must distribute 45 percent of the total hotel rental tax revenue collected in the county to the county general fund for the purpose of funding the Hagerstown/Washington County Convention and Visitors Bureau. The remainder goes to a special fund to help develop tourism attractions, enhance economic development, and support cultural and recreational projects in the county. **House Bill 881 (passed)** allows Washington County to deduct actual administrative costs and legal fees from the special fund into which 55 percent of the county's hotel rental tax revenues are deposited.

Wicomico County

Chapter 399 of 1992 authorized Wicomico County to adopt by ordinance a transfer tax not to exceed 1 percent. On May 31, 2000, the Wicomico County Council passed an emergency ordinance imposing a 1 percent transfer tax. Although it took effect immediately upon its enactment by the county council, the transfer tax was petitioned to referendum and was rejected by the voters of Wicomico County at the November 7, 2000, election. **Senate Bill 888/House Bill 1436 (both passed)** authorize Wicomico County to refund local transfer taxes that were assessed and collected during the period from May 31, 2000, through November 7, 2000.

Part C

State Government

State Agencies, Offices, and Officials

Creation of State Offices and Departments

The General Assembly added two new State agencies, the Office of the Deaf and Hard of Hearing and the Office of Smart Growth, but chose to expand the Maryland Tourism Development Board instead of creating a new Department of Tourism.

Office of the Deaf and Hard of Hearing

Senate Bill 407/House Bill 1187 (both passed) create the Office of the Deaf and Hard of Hearing in the Office of the Governor to promote the general welfare of and provide a number of services for deaf and hard of hearing individuals. The bills require the director of the office to be a deaf or hard of hearing individual who is knowledgeable and experienced with issues affecting the deaf and hard of hearing community.

The office is required to hold at least two public town hall meetings each year to receive comments on the quality of State services and programs affecting deaf and hard of hearing individuals and the functions and operations of the office. The office also is required to advise other units of State government and the General Assembly on the needs of the office's client population, to provide reasonable resources that other units of State government request to serve the office's client population, and to coordinate with other units of the State government and the federal government to avoid duplication of effort in providing services.

Finally, *Senate Bill 407/House Bill 1187* create a 16-member Maryland Advisory Council for the Deaf and Hard of Hearing to advise the office.

The General Assembly joined 30 other state legislatures in expressing support in *Senate Bill 876 (passed)* for the rights of deaf and hard of hearing individuals by recognizing American Sign Language as a language system. *Senate Bill 876* also recognizes deaf and hard of hearing individuals as a cultural minority with specialized communication needs. Maryland has over 500,000 residents with hearing loss.

Office of Smart Growth

Senate Bill 204/House Bill 302 (both passed), part of the Governor's Smart Growth legislative package for 2001, establish an Office of Smart Growth in the executive branch and place the existing Smart Growth subcabinet into statute. The office, which is expected to be a single point of access for local governments, nonprofit organizations, developers, and members of the public to learn about Smart Growth, will:

- promote interagency consensus and cooperation on projects that are consistent with the State's Smart Growth policy;
- provide education and information to the public on Smart Growth; and
- facilitate the development of comprehensive redevelopment projects with local governments, developers, and the public to ensure consistency with the Smart Growth policy.

These bills are discussed in further detail in the Environment subpart of Part K - Natural Resources and Agriculture of this *90 Day Report*.

Tourism

House Bill 9 (passed), as originally introduced, would have created a cabinet-level Department of Tourism, making Maryland one of six states to have such a department. The department would have consisted of divisions transferred from the Department of Housing and Community Development and the Department of Business and Economic Development, including the Division of Tourism Development, the Division of Historical and Cultural Programs, the Maryland Tourism Development Board, the Maryland State Arts Council, the Commission on African American History and Culture, the Commission on Indian Affairs, and the Maryland Historic Trust.

However, as finally passed, the bill does not create a new department. Instead, **House Bill 9**: (1) increases the membership of the Maryland Tourism Development Board from 17 to 19 members; (2) increases the funding of the Maryland Tourism Development Board Fund from \$6 million in fiscal year 2002 to \$8.5 million in fiscal 2003 and each fiscal year thereafter; and (3) requires the board to report by December 1, 2002 to the Senate Finance Committee, the Senate Budget and Taxation Committee, and the House Economic Matters Committee. The report is to include:

- the board's activities relating to planning, advertising, promotion, assistance, and development of the tourism industry in the State during fiscal 2001 and 2002;
- the board's plan of activities for fiscal 2003 through 2007; and
- the board's recommendation for funding levels for fiscal 2004 and beyond.

Electronic Government

The General Assembly continued to take strides to facilitate governmental use of electronic information and electronic information technology while protecting against unnecessary invasions of privacy. In particular, the fiscal 2002 budget includes language to create a Program Management Office in the Department of Budget and Management to assist in managing the State's information technology (IT) program, as well as language requiring the monitoring and documentation of IT costs. In addition, legislation was adopted to establish an Electronic Transaction, Advocacy, and Mediation Unit in the Office of the Attorney General.

State Spending on Information Technology

IT spending in Maryland grew from \$333 million to \$569 million, an increase of nearly 71.4 percent from fiscal 1998 to 2001. In fiscal 2001, IT expenditures represented about 3.4 percent of the total State budget. With IT budgets increasing, the need to properly plan, design, monitor, manage, and implement new information systems has become more urgent. The State's record of moving projects on schedule and within budget has been mixed.

Several IT budget initiatives added during the 2001 session were in response to recent IT project failures. These initiatives are intended to improve how information technology is managed, contracted, and budgeted, and how data is collected. For example, the fiscal 2002 budget includes \$5 million to establish a Program Management Office in the Department of Budget and Management (DBM). The office will assist the State Chief of Information Technology and the Secretary of Budget and Management in managing the State's IT program. This office will be responsible for monitoring and managing IT contracts statewide and providing technical assistance to agencies experiencing problems with system performance. Budget bill language restricts 80 percent of the appropriation until DBM submits a comprehensive plan outlining the steps it proposes to take to reform the IT development process statewide.

Under current practice, all IT costs are reflected in the operating budget. This includes both development and operating expenses. Development costs generally represent major one-time expenses, as systems are established and enhanced. In order to more accurately track spending in this area relative to ongoing State

operations, the Fiscal 2002 Budget bill language directs DBM to create programs within each affected agency similar to programs created for pay-as-you-go capital spending.

Finally, given the importance and increasing magnitude of State spending for information technology-related development and operations, the budget committees felt that it was imperative that the General Assembly be provided with more comprehensive documentation on agency IT spending plans for development and operations. The General Assembly adopted language in the fiscal 2002 budget that provides specific direction to the executive and judicial branches with respect to the documentation necessary to enhance legislative oversight of the spending of State funds on IT projects.

Electronic Transactions Protection

Senate Bill 363/House Bill 14 (both passed) establish the Electronic Transaction Education, Advocacy, and Mediation Unit in the Office of the Attorney General to protect the privacy of personal information and to protect the public from unlawful conduct or practices involving electronic transactions. The bills are discussed in further detail in the Commercial Law subpart of Part I - Financial Institutions, Commercial Law, and Corporations of this *90 Day Report*.

Unspent State Funds

House Bill 904 (passed) allows a maximum of \$1 million of unspent or unencumbered funds at the end of each fiscal year to be retained within units of State government for uses consistent with the managing-for-results goals for the following year. The statewide total available in any one year would be a maximum of \$1 million, apportioned among all units. The bill requires the Department of Budget and Management to approve the retention of the funds. The department also is required to report on the amount of funds approved to be carried over, as well as how funds are expended. The legislation terminates in three years.

Government Services for Individuals with Limited English Proficiency

In December 1999, a report was released by the Public Justice Center and CASA of Maryland following extensive surveys conducted in conjunction with the University of Maryland School of Law Latino Law Students Association. The findings indicated unequal access to justice in many arenas for the low-income Latino community in the State. The report found that language barriers pose a significant problem in access to the courts, access to and representation within the criminal justice system, access to legal redress at administrative agencies, and access to low-cost civil legal representation.

The 1999 report also noted that the Latino community in Maryland has grown at a rate five times faster than the average growth rate for the State's overall population. According to U.S. Census Bureau figures, Baltimore's Latino community grew from 7,602 in 1990 to 45,972 in 1997. Similarly, other areas in the State have experienced above-average growth in Latino populations.

The U.S. Census Bureau released a report on August 30, 2000, that noted that Asians and Pacific Islanders now represent four percent of the State's total population, or 209,147 residents. This represents an increase of almost 50 percent from 1990, and a growth rate four times higher than the growth rate for the State's overall population.

Senate Bill 542/House Bill 1160 (both passed) require each State department, agency, or program, on or before September 1, 2001, to respond to a survey from the Department of Human Resources on the need for interpretation and translation services based on current requests for those services. Agencies also are required to describe the measures currently being taken to provide interpretation and translation services.

The Department of Human Resources determines there is a need for interpretation and translation services to ensure equal access for individuals with a limited proficiency at speaking English, the department is required to make recommendations and prepare budgets for the implementation of comprehensive interpretation and translation services. The department shall report to the Senate Economic and

Environmental Affairs Committee and the House Commerce and Government Matters Committee on or before November 30, 2001 on recommendations concerning the translation of vital documents and the provision of interpretation services.

Chesapeake Regional Olympic Games Authority

Senate Bill 775/House Bill 586 (Chs. 8 and 9) establish, through an interstate compact with the Commonwealth of Virginia, the District of Columbia, and the City of Baltimore, a Chesapeake Regional Olympic Games Authority to oversee the conduct of the 2012 Olympic games. The regional authority will come into existence if the International Olympic Committee (IOC) awards the 2012 Olympic games, in 2005, to the Washington/Baltimore Regional 2012 Coalition (WBRC 2012). The regional authority shall cease to exist on January 1, 2014, unless subsequently extended by legislation.

The regional authority is to be composed of 11 voting members, with three from each of the two states and the District of Columbia, and one from Baltimore City. One of the members must be appointed from WBRC 2012. The regional authority is in turn required to form a regional authority advisory committee.

If WBRC 2012 is selected as the host for the 2012 Olympics, the regional authority shall form the Organizing Committee for the Olympic Games (OCOG) which shall provide reasonable funds for the operation of the regional authority. The regional authority shall have general administration and legal oversight authority over OCOG and shall exercise emergency budgetary and planning powers in the event OCOG experiences financial distress. If there is any financial deficit resulting from hosting the 2012 Olympic Games, OCOG shall be liable for the first \$25 million, and the regional authority shall be liable for up to \$175 million should the deficit exceed \$25 million.

Any liability incurred by the regional authority, not covered by any available insurance, shall be further indemnified by the signatories in proportion to the relative economic benefit expected to accrue to each signatory:

- Maryland, subject to appropriation, shall be liable for 53 percent;
- Virginia shall be liable for 19 percent; and
- the District of Columbia shall be liable for 28 percent.

Each signatory is further required to ensure that necessary facilities are built and transportation infrastructure improvements take place, to provide access to existing facilities and resources as specified in WBRC 2012's bid proposal, and to provide adequate security, fire protection, and other governmental related services at a reasonable cost.

The Acts do not take effect until similar legislation is passed by Virginia and the District of Columbia, and upon the concurrence in these Acts by the other jurisdictions, the Governor of Maryland is required to issue a proclamation declaring these Acts valid and effective. In April 2001, the Governor of Virginia signed similar legislation passed earlier in the year by the Virginia General Assembly. The District of Columbia is expected to consider similar legislation later this spring.

Veterans and Militia Issues

Veterans

The Maryland Veterans Commission has 29 members, including members who specifically represent Vietnam veterans and Korean War veterans. However, there is no member to specifically represent World War II veterans. *Senate Bill 9 (Ch. 13)* requires the at-large member of the commission to be a veteran of World War II.

House Bill 1213 (passed) requires the Maryland Veterans Commission and the Maryland Department of Veterans Affairs to study the feasibility of establishing a veterans' cemetery on the grounds of the former Bainbridge Naval Training Center in Cecil County. The commission and the department must report the results of the study to the appropriate committees of the General Assembly and the Cecil County legislative delegation on or before November 30, 2001.

House Bill 51 (passed) requires the POW/MIA Flag of the National League of Families of American Prisoners and Missing in Southeast Asia to be flown all year long at each rest area, welcome center, and exhibit center within interstate and State highway rights-of-way. The bill also requires the United States flag and the State flag to be flown with the POW/MIA flag. **House Bill 24 (failed)** would have required the POW/MIA flag to be flown over the State House each year on up to 12 designated days that honor our veterans and our country.

Militia

House Bill 107 (Ch. 45) redesignates the officers and directors that the Adjutant General of the Maryland National Guard may appoint. The redesignation formalizes the existing organizational structure in the Maryland National Guard by codifying the positions of chief of state operations and administrative officer. Further, the Act modifies the title of director of administration to be director of finance. The Act also requires the Adjutant General to appoint four assistant adjutant generals, reflecting an increase of two positions, and requires that two positions be designated for army and two for air.

Other State Agency Business

Maryland African American Museum Corporation

House Bill 186 (passed) authorizes the Maryland African American Museum Corporation to establish compensation, holidays, and leave for corporation employees. The bill also exempts employees and officials of the corporation from liability under the Maryland Tort Claims Act.

In addition, **House Bill 186** for the first time requires the investment in State, local, or federal bonds or obligations of State-appropriated moneys of the corporation and those moneys the corporation is required by the General Assembly to raise for museum construction from sources other than the State. Under current law, the corporation is authorized, but not required, to invest any of its moneys in this manner.

Finally, **House Bill 186** repeals existing law that makes the corporation subject to any State and local regulatory requirements to which a private corporation would be subject, including the zoning and subdivision regulations of Baltimore City. Instead, the bill requires the corporation, in planning and developing the museum, to submit its preliminary plans to the city for review, and requires the corporation to consider the city's comments before approving the final plans for the museum.

Advisory Council to the Center for the Study of the Health Effects of Fire

Senate Bill 472 (passed) removes the requirement that the Senate of Maryland confirm appointments by the Secretary of Health and Mental Hygiene to the Advisory Council to the Center for the Study of the Health Effects of Fire. Typically, appointees to State boards, councils, and commissions are required to be confirmed by the Senate only if appointed by the Governor. This bill conforms the provisions governing appointments to the advisory council to other provisions of law that do not require Senate confirmation.

State Advisory Council on Heart Disease and Stroke

Senate Bill 330/House Bill 492 (both passed) rename the State Advisory Council on High Blood Pressure and Related Cardiovascular Factors to be the State Advisory Council on Heart Disease and Stroke. The bills also add eight members to the council, altering its makeup to include more representatives of various health organizations. These bills are discussed in further detail in the Public Health subpart of Part J -

Health of this *90 Day Report*.

Official State Designations

The General Assembly considered a number of bills in the 2001 session that would have designated new State symbols. Only one of the measures passed, *House Bill 157 (passed)*, which designates the calico cat as the State cat.

House Bill 290 (failed) would have designated the Patuxent River agate as the State gem; *House Bill 1372 (failed)*, would have made the raven a State bird in addition to the Baltimore Oriole; *Senate Bill 358 (failed)* would have designated the pinxterbloom azalea as the State shrub; and *House Bill 1057 (failed)* would have repealed *Maryland! My Maryland!* as the State song.

Special Observances

House Bill 647 (passed) requires the Governor to proclaim the month of March each year as Women's History Month. The proclamation is required to urge educational and cultural organizations to observe Women's History Month with appropriate programs, ceremonies, and activities. "National Women's History Week" was first commemorated by a Congressional resolution in 1981. In 1987 the U.S. Congress expanded the celebration to the entire month of March, and since then the resolution has been approved every year by Congress and signed by the President.

Senate Joint Resolution 4/House Joint Resolution 4 (both passed) recognize the 17 Navy personnel who were killed October 12, 2000, in a terrorist attack on the U.S.S. Cole during a refueling stop in Yemen. Among those killed were three residents of Maryland. The resolution memorializes in particular Joshua Langdon Parlett, Engineman Fireman from Churchville; Patrick Howard Roy, Fireman Apprentice from Keedysville; and Craig Bryan Wibberley, Seaman Apprentice from Williamsport.

House Joint Resolution 3 (passed) designates April 24 as the Maryland Day of Remembrance of the Armenian Genocide, which was perpetrated by the Ottoman empire in 1915 and thereafter.

Elections

Statewide Voting System

The national attention that the 2000 presidential election received has prompted many states to consider establishing uniform voting systems. Maryland followed suit when the Governor established the Special Committee on Voting Systems and Election Procedures chaired by Secretary of State John T. Willis. The special committee was formed to evaluate the voting systems and election procedures used in Maryland. Included in the special committee's study was a review of voting and registration procedures which is discussed below under "Statewide Voter Registration." The special committee submitted its recommendations to the Governor in February 2001.

Maryland uses a combination of voting systems including optical scan, lever machine, direct recording, and punch-card technology. Nineteen of the State's jurisdictions use the optical scan technology which consists of specially marked ballots that are read by a tabulating machine. Three counties use the mechanical lever machine which requires manually pulling a series of levers to cast a vote. Baltimore City recently purchased a computerized, direct recording system at a cost of \$5 million. This system allows a voter to vote in a manner similar to an automated teller machine. The punch-card system is used in Montgomery County.

The special committee recommended that the State Board of Elections (SBE) establish a uniform, mandatory voting system for use in polling places and a system for tabulating absentee ballots. Specifically, the special committee recommended an optical scan system for absentee voting and a direct

recording system for polling places. The system selected for voting at polling places should: (1) allow voter secrecy; (2) prevent

overvoting and unintentional undervoting; (3) allow for local and centralized vote tabulation; (4) allow a voter to review their choices; (5) provide a paper record of all votes cast; and (6) be accessible to disabled voters.

Senate Bill 833/House Bill 1457 (both passed) require SBE, in consultation with the local election boards, to select and certify a statewide voting system. SBE is responsible for acquiring the system selected. The bills do not specify the type of voting system to be acquired but direct SBE to follow specified guidelines for selecting a system. The costs of acquiring and operating the voting system will be shared between the State and the counties on a 50/50 basis. A county's share of acquiring and operating the system will be based on the county's voting age population. The 2002 supplemental budget includes \$2 million for the State's share of the system's cost. An additional \$100,000 is appropriated for training costs associated with the new system. The bills also suspend the requirement in State law requiring the SBE to decertify the mechanical lever voting system after January 1, 2002, until a statewide system is selected and certified by SBE and is available for use by voters in those counties with mechanical lever voting systems. Jurisdictions that purchased a voting system certified by SBE in the previous ten years, and before December 31, 2000, are not required to adopt the statewide system until 2006.

SBE developed a cost estimate for a direct recording, touch-screen voting system in December 2000, which included leasing versus purchase costs per county. According to this estimate, the total cost to purchase the system statewide would be \$36.8 million. Alternatively, total annual lease payments would be \$5.8 million. Total annual maintenance costs would be \$858,000. These cost estimates represent only one specific type of voting system and the annual maintenance costs associated with that system. It does not include warehousing costs, the costs of special voting units for handicapped voters, and delivery costs. Warehousing costs for some computerized systems would include the costs of required special climate controlled storage space.

Actual costs of a new system would likely be greater than the 2000 estimate due to the high demand for new voting systems after last year's presidential election and the limited supply of independently certified systems.

Statewide Voter Registration

Provisional Ballots and Registration Procedure

Voter registration received considerable attention from the General Assembly during the 2001 session. The central issue has been the thousands of voters who were unable to vote in the 2000 general election because no registration information was on file at their respective local boards of election. This was primarily due to the procedural framework surrounding implementation of the federal Motor Voter Law by the Motor Vehicle Administration (MVA) and the local election boards.

When an individual moves between local jurisdictions in the State at MVA, this information is forwarded to the local election board, which automatically removes the voter from the voter registry. However, the voter is not automatically registered with the local board at the new address unless the voter submits an application for voter registration and also fills out and returns a voter registration form. The application for registration is usually filled out by a voter when the voter comes to MVA to change the voter's address. The actual voter registration form is sent to the voter's home address at a later date. Many individuals never complete the actual voter registration form when they receive it in the mail because they mistakenly believe they have already completed the registration process while at MVA.

MVA is coordinating with SBE to transmit voter registration information electronically to SBE. The consensus among State officials has been to establish a more coordinated system of voter registration to

avoid the problems associated with relocating voters. SBE is in the final stages of implementing a centralized voter registration database that would be able to access the registration files of all 24 local boards. It will be used to exchange or update files between SBE, the local boards, MVA, and the Administrative Office of the Courts (regarding felony convictions).

House Bill 1458/Senate Bill 740 (both passed) include the recommendations of the Special Committee on Voting Systems and Election Procedures concerning voter registration and the use of provisional ballots. The bills establish registration and election day procedures designed to reduce the number of individuals unable to vote on election day as a result of changing residences. Under the bills, local election boards are prohibited from removing a registered voter from their registries until the voter has sent registration information to the local board corresponding to the voter's new address and have received confirmation from that local board that the person has been added to their registry. A registered voter is no longer required to apply for a new voter registration at the local board each time the voter changes address. Instead, local boards must automatically register any voter who has been previously registered in another local jurisdiction within the State.

In addition, the bills modify election day procedures to provide a temporary registration certificate and provisional ballot to any voter whose registration cannot be confirmed on election day and who can demonstrate, among other things, a prior effort to register. This procedure allows local boards to confirm the registration status of individuals and canvass their ballots after election day.

Campaign Finance

Public Financing of Campaigns

Public financing of State election campaigns received considerable attention from the General Assembly during the 2001 session. State law has provided a system of public financing of elections only for the Governor and Lieutenant Governor candidates. The system is administered through the Fair Campaign Financing Fund, which is funded through a tax check-off system.

House Bill 1248 (failed) would have established a Study Commission on Public Funding of State Campaigns in Maryland. The bill would have required the commission to receive testimony and consider the role of political action committees (PACs), contribution limits, disclosure requirements, and issue advertising.

Senate Bill 360 (failed) would have established the Clean Campaign Public Financing Fund to publicly finance political campaigns for eligible candidates to the General Assembly. The fund would have been financed using a tax check-off system.

Contributions and Expenditures

Contributions: With the enactment of legislation in 1988, employers have been allowed to pool political contributions made by payroll deduction and then transfer those funds to the treasurer of the designated candidate or political action committee (PAC). Since passage of the 1988 legislation, many trade associations have relied on voluntary PAC contributions made by the members at the time of dues payment. A voluntary PAC contribution amount had been included on the annual dues bill, which enabled members to write one check for the amount of their dues and a contribution to the association's PAC.

A recent opinion of the Attorney General has interpreted State law to prohibit PAC contributions from passing through third-party organizations such as trade associations or other entities affiliated with a PAC. This halted the longtime practice of organizations allowing their members to send in contributions to their affiliated PACs as part of the membership dues payment. The opinion also prohibited an employee organization from collecting membership dues and PAC contributions from employee payroll deductions.

Senate Bill 518/House Bill 778 (both passed) allow PAC contributions by members of trade associations

or other entities affiliated with a PAC to be transmitted in one payment along with membership dues. The bills also allow an employee organization to collect membership dues and PAC contributions from employee payroll deductions. As in current law, the bills impose strict safeguards to make sure that all contributions made through dues billing are done voluntarily and with a clear record of what was contributed and by whom.

Expenditures: Currently, the only permissible way to make a campaign expenditure is by a check drawn from the campaign's bank account. In response to administrative and logistical difficulties this requirement has caused candidates, *Senate Bill 36 (Ch. 14)* allows candidates and other representatives of a campaign to make purchases on behalf of the campaign provided that a receipt record is kept and the purchase is reimbursed directly from the campaign committee's account. The Act, an emergency measure, became effective April 10, 2001.

Reporting Requirements

Supplemental Campaign Finance Statement: The Governor, Lieutenant Governor, Attorney General, and members of the General Assembly are required to file four campaign finance reports on contributions and transfers. A fifth report is due at the end of each four-year election cycle. In any election year, the fourth report is due in November and the following report is not due to be filed until after the General Assembly has adjourned for the year. Since many State lawmakers engage in fundraising activity between the filing of the last report of the year and the start of the legislative session in January (there is a fundraising moratorium during session), the General Assembly considered *House Bill 394 (failed)*. The bill would have required members of the General Assembly to file a supplemental campaign finance report during the early weeks of the legislative session reflecting contributions and transfers over \$5,000. This additional report would have disclosed the contribution activity of campaigns just prior to a legislative session.

Candidate Loans: *Senate Bill 708 (Ch. 38)* exempts loans by a candidate or the candidate's spouse from the procedural requirements for making a loan to the candidate's campaign committee provided that the loan does not accrue interest. The Act specifies that the interest foregone would not be considered a contribution to the campaign. The State election code imposes several procedural requirements for making loans to candidates. All loans require written consent of the candidate, written terms, the lender's name, address, and signature, a schedule of repayment, and a stated interest rate.

Election Board Procedure and Personnel

Absentee Voting

House Bill 196 (passed) modifies the conditions under which a voter may obtain an absentee ballot. The State election code allows a voter to obtain an absentee ballot only if the voter is certain that the voter "will" be absent from the voter's designated polling place on election day. The bill changes the law to allow a voter to obtain a ballot if the voter "may" be absent on election day.

Election Judges: Selection Process

Senate Bill 312 (passed) allows a minor at least 17 years old to be appointed as an election judge. The bill stipulates that any minor under consideration by an election board must meet all of the other qualifications to be a registered voter in that jurisdiction. Previously, the appointment of minors to election judge positions was allowed only in Prince George's County.

Voting Rights - Convicted Persons

State law disenfranchises individuals who have been convicted more than once of an infamous crime. Infamous crimes are defined as treason, felonies, and crimes involving deceitfulness or falsification.

House Bill 495 (passed) creates an 11-member task force to study repealing the disenfranchisement of convicted felons in Maryland. The charge of the task force is to examine the effect of multiple convictions

on the voting rights of felons nationwide. The task force is expected to report its findings on or before December 31, 2001.

Senate Bill 83 (failed) would have allowed individuals convicted more than once of these crimes to become registered voters provided they have fully completed their court-imposed sentences.

Ethics

Lobbyist Ethics Reform

House Bill 2 (passed) includes major changes in the Maryland Public Ethics Law as it relates to lobbyists. The bill incorporates the recommendations of the Study Commission on Lobbyist Ethics, which was created by the General Assembly in the 1999 session (Senate Joint Resolution 3/House Joint Resolution 20). A summary of the changes relating to lobbyist ethics is set forth below.

Mandatory Lobbyist Training

- House Bill 2 requires the Ethics Commission to provide a training course for regulated lobbyists at least twice each year regarding the provisions of the ethics law. It requires each regulated lobbyist to attend at least one training course in each two-year period during which the lobbyist has registered with the Ethics Commission.

Legal Advice from the Commission

- The bill requires the Ethics Commission to provide counsel to advise persons who are subject to the jurisdiction of the Ethics Commission.

Enforcement of the Ethics Law

- House Bill 2 authorizes the Ethics Commission to require a regulated lobbyist who violates the ethics law to file additional reports or information relating to the required registration or lobbying activity reports.
- The bill authorizes the Ethics Commission to directly impose an administrative fine not exceeding \$5,000 for each violation.
- The bill authorizes the Ethics Commission to suspend the registration of an individual regulated lobbyist who has knowingly and willfully violated the lobbyist regulation subtitle of the ethics law or has been convicted of a criminal offense arising from lobbying activities, and prohibits the lobbyist from lobbying for compensation for up to three years. Also, the bill authorizes the Ethics Commission to revoke the registration of a regulated lobbyist who, based on acts arising from lobbying activities, has been convicted of certain offenses. The bill authorizes an individual whose registration has been suspended or revoked to apply to the Ethics Commission for reinstatement of the lobbyist's registration.
- The bill increases, from \$1,000 to \$10,000, the maximum fine that can be imposed for a misdemeanor conviction for a knowing and willful violation of most of the lobbyist regulation subtitle of the ethics law. It increases, from one year to two years, the statute of limitations applicable to the prosecution of a criminal violation of the ethics law.

Electronic Filing and On-Line Public Inspection of Regulated Lobbyist Reports

- House Bill 2 requires the Ethics Commission to develop procedures for various regulated lobbyist reports to be filed electronically and made available for public inspection electronically through the Internet.

Lobbyist Registration

- The bill applies legislative lobbying registration "triggers" to executive branch activities relating to the adoption of regulations and issuance of executive orders.
- It requires registration for a person who lobbies by means of communication other than "face-to-face" and who receives significant compensation.
- The bill requires registration for a person who is compensated to influence executive action to secure a business grant or loan with a value of more than \$100,000.

Lobbyist Activity Reporting

- House Bill 2 requires the issuance of written invitations and registration of a legislative unit meal or reception with the Department of Legislative Services at least five days before the meal or reception. It requires the Department of Legislative Services to publish a weekly notice of the date and location of the meal or reception and the legislative unit that was invited to the meal or reception, and to forward the registration to the Ethics Commission within three business days. The bill also requires a lobbyist who files a registration report to report to the Ethics Commission within 14 days after the date of the meal or reception: (1) the total cost of the meal or reception; (2) the identity of any contributing sponsor; and (3) the amount of the contribution made by a contributing sponsor.

Prohibited Practices

House Bill 2 prohibits regulated lobbyists from engaging in the following activities:

- initiating or encouraging the introduction of legislation for the purpose of opposing it;
- counseling any person to violate any provisions of the ethics law or any other State or federal law;
- engaging in or counseling any person to engage in fraudulent conduct;
- knowingly making to an official or employee a statement of material fact relating to lobbying activity that the regulated lobbyist knows to be false;
- engaging in lobbying without being properly registered as a regulated lobbyist;
- requesting an official or employee to recommend to a potential client the lobbying services of the regulated lobbyist or any other regulated lobbyist;
- making a gift that has been solicited in violation of law;
- engaging in any charitable fund-raising activity at the request of an official or employee, including soliciting or transmitting a charitable contribution;
- making or facilitating the making of any loan of money, goods, or services to an official or employee, except in the ordinary course of business;
- knowingly concealing the identity of a lobbying client from an official or employee;
- committing a criminal offense arising from lobbying activity; and
- while serving on a State or local central committee, serving as an officer or participating in fund-raising or in actions relating to filling a vacancy in a public office.

Political Campaign Activity and Reports of Contributions

- House Bill 2 requires an individual, regulated lobbyist to file a separate report, at the time of filing the lobbying activity report, disclosing any contributions made during the reporting period to members of the General Assembly, the incumbent in one of the four statewide offices, or candidates for any of those positions.
- The bill requires the employer of a regulated lobbyist to file a semi-annual report with the State Board of Elections, disclosing contributions of at least \$500 made to a member of the General Assembly, the incumbent in one of the four statewide offices, or candidates for any of those positions.
- The bill prohibits an individual lobbyist from forwarding fund-raiser tickets or other fund-raising solicitations to benefit a member of the General Assembly, the incumbent in one of the four statewide offices, or candidates for any of those positions.

Lobbyist Serving as Governmental Official or Employee

- House Bill 2 prohibits a regulated lobbyist from being a governmental official or employee who is subject to the ethics law. An uncodified provision grandfathered lobbyists who are members of boards and commissions as of April 15, 2001, but it only applies until November 1, 2002.

Other Legislation Concerning Lobbying

House Bill 1302 (failed) would have exempted officials and employees of a nonprofit entity under § 501(c)(3) of the Internal Revenue Code who do not lobby on behalf of any other entity from registering as a regulated lobbyist with the State Ethics Commission under certain circumstances.

House Bill 960 (**failed**) would have narrowed an exemption for registering as a regulated lobbyist. The bill would have required that a public official or employee of the State, or of a political subdivision of the State, whose official duties during the regular session of the General Assembly consist primarily of attempting to influence legislative action, must register as a regulated lobbyist.

House Bill 1330 (**failed**) would have eliminated the element of intent from specified prohibited acts in provisions of the Ethics Law that relate to regulated lobbyists. The bill would have repealed language that a person must *knowingly and willfully* or *knowingly* commit certain offenses to be found in violation of the law.

Gifts to Legislators

House Bill 816 (failed) would have altered the general prohibition on a member of the General Assembly from accepting a gift under the Maryland Public Ethics Law. The bill would have repealed the exception that allows a member to accept food or beverages at the time and geographic location of a meeting of a legislative organization for which the member's presiding officer has approved the member's attendance at State expense such as the National Conference of State Legislatures.

House Bill 905 (failed) would have required the Joint Commission on Legislative Ethics to adopt rules that require a member of the General Assembly who buys a sports ticket, meal, or other item from a regulated lobbyist, that would be prohibited as a gift under the conflict of interest provisions of the ethics law, to disclose and verify the purchase.

Senate Bill 419 (failed) would have qualified the provision that allows a member of the General Assembly to accept food or beverages from lobbyists at meetings of legislative organizations for which the member's presiding officer has approved the member's attendance at State expense. The bill would have added the requirement that all legislators attending the meeting must be invited to the occasion at which the food or

beverages are served.

Offices of Sheriffs and the State's Attorneys

House Bill 108 (passed) makes all employees of each Sheriff's Office and each State's Attorney's Office subject to the State's Ethics Law by including in the definition of "executive unit" the Office of the Sheriff and the Office of the State's Attorney in each county. The bill excludes the deputy sheriff and all other employees in the Office of the Sheriff as well as a deputy or assistant state's attorney and all other employees in the Office of the State's Attorney from the requirement to file a financial disclosure statement.

Procurement

Minority Business Enterprise Programs

In 1978, the General Assembly established the State's Minority Business Enterprise (MBE) Program. In 1989, the United States Supreme Court held, in *City of Richmond v. J. A. Croson Co.*, 488 U.S. 469, that state or local MBE programs using race-based classifications are subject to strict scrutiny under the equal protection clause of the Fourteenth Amendment of the United States Constitution. Since the *Croson* decision, the State has commissioned two minority business utilization studies. The most recent study, prepared by National Economic Research Associates (NERA) and completed in January 2001, concludes that there continues to be evidence of MBE underutilization in all major procurement categories and for all categories of MBEs even though the State is exceeding the current 14 percent overall participation goal. Moreover, the study finds statistical and anecdotal evidence of discrimination against MBEs, particularly African American owned businesses, in the small business credit market. Although the utilization and availability percentages varied by type of procurement, the study found the overall percentages as shown in **Exhibit C.1**.

Exhibit C.1 Availability and Utilization Percentages by MBE Classification

<u>Classification</u>	<u>Availability %</u>	<u>Utilization %</u>
African American	7.90	4.49
Hispanic	2.13	1.79
Asian	4.27	3.07
Native American	.66	.07
White Female	12.74	7.66
All MBEs	26.90	17.08

Source: Utilization of Minority Business Enterprises by the State of Maryland, National Economic Research Associates, January 8, 2001

Senate Bill 210/House Bill 306 (both passed) continue the MBE program until July 1, 2006, and increase the overall MBE participation goal for each State procurement unit from 14 to 25 percent of the total dollar amount of contracts issued. In reaching the 25 percent goal, the bills require that at least 7 percent of the dollar amount of contracts be with certified African American-owned businesses and at least 10 percent of the dollar amount of contracts awarded be with certified women-owned businesses. The bills revise the definition of minority business enterprise to require that the daily business operations be managed by one or more socially and economically disadvantaged individuals who are also owners. The bills define socially and economically disadvantaged individuals and create a rebuttable presumption that individuals who fall within the defined criteria are socially and economically disadvantaged, subject to an

exclusion for individuals with certain personal net worth.

Senate Bill 210/House Bill 306 also require that:

- procurement units meet the stated goals using race neutral measures to the highest possible degree;
- units entering into construction contracts implement programs to enable them to evaluate each contract to determine the appropriateness of the stated goals; and
- MBE contractors meet the same MBE subcontracting and bidding requirements as other contractors.

The State certification agency, the Department of Transportation, is required to complete another study of the MBE program by September 30, 2005. To facilitate that study, the Board of Public Works is authorized to adopt regulations requiring bidders to submit information related to the study, including confidential information, to the procuring unit.

The board is also charged with completing two studies and reporting its findings and recommendations to the General Assembly by December 1, 2001. One study is to evaluate the possibility of certifying nonminority males who own businesses located in distressed counties. The other study is to evaluate the possibility of establishing a process for procuring units, when awarding State contracts, to recognize efforts of contractors to achieve minority business participation in private sector projects.

Construction Contracts - Retainage and Prompt Payment

Current procurement law imposes a 5 percent of total contract value limitation on the amount of retainage that the State may hold in certain procurement construction contracts. The same limitation is imposed on contractors in relation to their subcontractors and subcontractors in relation to the next tier subcontractors. Current law also requires that contractors performing work pursuant to a State procurement construction contract pay their subcontractors any undisputed amount to which the subcontractor is entitled within ten days of payment received by the contractor. This obligation is also imposed on subcontractors in relation to lower tier subcontractors.

Since 1999, the University System of Maryland has been exempted from most of the general State procurement law, including the retainage and prompt payment provisions. *Senate Bill 487/House Bill 409 (both passed)* make these provisions applicable to the University System of Maryland.

Information Technology

House Bill 903 (passed) requires the Secretary of Budget and Management to adopt, by regulation, a streamlined process to procure information technology services (defined in existing State law as all electronic information processing hardware and software, including maintenance, telecommunications, and associated consulting services). There will be two steps in the streamlined process. The first step allows offerors to participate in a procurement process that pre-qualifies vendors in specific categories of information technology services. Pre-qualified vendors enter into a standard contract with the State for a specified period of time. In the second step, a procurement unit requiring information technology services must solicit for specific services from the pre-qualified vendors pursuant to task orders which specify evaluation criteria. For task orders exceeding \$100,000, the procuring unit must seek responses from all pre-qualified offerors in the appropriate category; for task orders of \$100,000 or less, a minimum of six responses must be sought.

Procuring units also must be required to evaluate the performance of vendors after work is completed.

Board of Public Works

House Bill 79 (passed) increases from \$2,000 to \$10,000 the amount that the Board of Public Works may

authorize State agencies to pay for settlements, judgments, and counsel fees, without appearing before the board for approval.

Regulations and the Administrative Procedures Act

Regulatory Review and Evaluation Act

Task Force on Regulatory Reform

The Task Force on Regulatory Reform was created under Senate Joint Resolution 11 (Joint Resolution 9) of 1999 to examine:

- the existing process for the review of regulations under the State's Regulatory Review and Evaluation Act; and
- at least two titles of the Code of Maryland Regulations to identify ways to clarify language, eliminate obsolete language, apply a cost/benefit analysis and small business impact assessment, and identify regulatory requirements that may exceed federal standards.

Under the regulatory review and evaluation process that the Task Force examined during the 2000 interim, each unit of State government must review all of its existing regulations every eight years, according to a schedule set by executive order of the Governor. Each unit must first submit to the Joint Committee on Administrative, Executive, and Legislative Review (AELR Committee) of the General Assembly a work plan detailing its planned review. A work plan must:

- include a description of the procedures and methods to be used in evaluating regulations;
- identify the individuals in the unit who will coordinate the evaluation and communicate with the AELR Committee; and
- establish the schedule the unit must follow in completing its evaluation report in a timely manner.

A unit subsequently must submit an evaluation report to the AELR Committee detailing the results of its analysis and a summary of the regulations that the unit will revise, repeal, or reorganize.

Reform of the Regulatory Review and Evaluation Process

Senate Bill 383/House Bill 671 (both passed) implement the recommendations of the Task Force for reforming the regulatory review and evaluation process.

The bills require an individual or entity charged with adopting regulations for a unit of State government (an adopting authority) to submit every eight years to the Governor and the AELR Committee a schedule of regulations to be reviewed. To the extent possible, a unit must schedule related regulations for review concurrently, in groupings no larger than a subtitle, unless good cause exists for reviewing regulations in groupings larger than a subtitle.

Senate Bill 383/House Bill 671 also require that a unit submit a work plan for reviewing regulations at least one year before the commencement of the review of existing regulations. A work plan may include procedures for inviting public comment, to ensure the participation of stakeholders and other affected agencies, and for gathering and reviewing relevant data and the regulations of other states or the federal government. The evaluation report submitted one year later must include:

- a list of any stakeholders or affected agencies invited to review the regulations and summaries of their participation;

- a description of the process used to solicit public comment;
- summaries of all comments received and the adopting authority's responses;
- a description of any inter-agency conflict resolved; and
- a summary of any relevant data or regulations of other states or the federal government.

If the unit's evaluation report states that the unit plans to propose, repeal, or reorganize any regulations, the report also must state why those regulations are being proposed, repealed, or reorganized.

Senate Bill 383/House Bill 671 allow an adopting authority, at the time that the adopting authority schedules regulations for review, to certify to the Governor and the AELR Committee that a regulation is exempt from review because:

- the review would not be effective or cost-effective;
- the regulation is federally mandated or federally approved; or
- the regulation was initially adopted or comprehensively amended during the preceding eight-year cycle.

The adopting authority must provide to the Governor and the AELR Committee written justification for the exemption certification. The Governor or the AELR Committee may request that a review be conducted notwithstanding the claim of exemption.

Finally, the bills provide that regulations scheduled before January 10, 2001, for review before July 1, 2003, are to be reviewed under the procedures established by law prior to the implementation of *Senate Bill 383/House Bill 671*.

Unsolicited State Procurement Proposals

Senate Bill 315/House Bill 383 (both failed) would have implemented recommendations of the Task Force on Regulatory Reform relating to unsolicited State procurement proposals for innovative goods and services. Under the bills, a unit of State government that would have otherwise been legally authorized to contract for goods or services could have awarded a contract for goods and services based on an unsolicited proposal without the need to comply with procedures for sole source procurement or competitive sealed bids or proposals if:

- there existed a State need for the goods or services;
- the contracting unit certified to the Board of Public Works that the proposal is innovative and that the goods or services do not closely resemble goods or services otherwise available; and
- the contracting unit certified to the board that the use of procedures for sole source procurement or competitive sealed bids or proposals would not be effective or cost-effective, and stated the basis for this certification.

Under the bills, the Board of Public Works would have been required to approve the award in writing before the contract could be executed and a contract could not have been awarded for an unsolicited proposal for more than two years. Not more than 30 days after the execution and approval of a procurement contract based on an unsolicited proposal, the procuring unit would have been required to publish notice of the award in the State's *Contract Weekly*.

Representation Before the Office of Administrative Hearings

House Bill 1310 (passed) authorizes a person who is not licensed to practice law in Maryland to represent a unit of State government in a proceeding before the Office of Administrative Hearings (OAH). Current law establishes specific situations where an unlicensed person may provide representation before OAH. However, current practice under OAH is to allow representation by a non-attorney in situations beyond those authorized by statute. This bill codifies existing practice.

Inspection of Electronic Fare Media Public Records

House Bill 1105 (passed) facilitates the Maryland Transportation Authority's plans to integrate Maryland's electronic toll collection system with systems in other states by allowing the authority to share the information necessary to implement the integrated system. Specifically, **House Bill 1105** allows the inspection of photographs, videotapes, or electronically recorded images of vehicles, vehicle movement records, personal financial information, credit reports, or other personal or financial data created, recorded, or obtained by, or submitted to, the authority in connection with any electronic toll collection system or associated transaction system by:

- a third party that has contracted with the authority to use an electronic toll collection system for non-toll applications in the collection of revenues due to the third party; or
- an entity in another state operating or having jurisdiction over a toll facility.

The bill also allows the authority to access the same records in an investigation or proceeding relating to a speeding violation.

Personnel

Employee Compensation

Personnel expenditures, the cost of which is estimated at \$5.1 billion, constitute a major component of the fiscal 2002 budget. This figure represents an increase over fiscal 2001 working appropriations of approximately \$422.2 million, or 9.1 percent. The largest share of this increase is devoted to regular and contractual employee salaries which grow by 4 percent in fiscal 2002.

There is a significant budgetary impact of \$107.5 million for new regular positions. This budgetary impact reflects an additional 3,046 full-time equivalent (FTE) positions in the Governor's budget, 15 FTE positions in the supplemental budget, and legislative reductions of 110.7 FTE positions, for a net increase of 2,950.3 FTE positions.

In addition to the salary increases associated with new and existing positions, increases in the cost of benefits also add significantly to the total compensation paid to State employees. In particular, the costs of health, dental, and mental health benefits increase by \$78.3 million, or 17.6 percent over that paid in fiscal 2001.

Approximately \$9.3 million in the fiscal 2002 budget will be devoted to reclassify salaries of nurses. The State is experiencing extremely high vacancy rates in a number of nursing categories, up to 31 percent for registered nurses. Of the 2,355 positions in the full range of nursing categories, 391 are vacant, for an overall vacancy rate of 16.6 percent. This vacancy rate is more than twice that experienced for the State as a whole. For a more detailed discussion of personnel budget actions, see Part A - Budget and State Aid of this *90 Day Report*.

Collective Bargaining in Higher Education

Senate Bill 207 (passed) expands collective bargaining for State employees to include certain employees of the University System of Maryland (USM) and its constituent institutions, Morgan State University, St.

Mary's College, and Baltimore City Community College. Faculty, administrators, supervisors, managers, contractual and temporary personnel, and certain other employees are not included. The bill covers approximately 9,500 employees with a payroll of approximately \$400 million.

Chapter 298 of 1999 provided statutory collective bargaining to approximately 40,000 employees of State agencies, but that Act specifically prohibited extension of collective bargaining to higher education employees. *Senate Bill 207* represents an initiative by the Governor to extend collective bargaining rights to higher education employees as well.

The bill requires each institution, including each constituent institution of USM, to create bargaining units for exempt employees, non-exempt employees, and sworn police officers. Potentially, there could be 51 bargaining units (17 institutions times three units each), but the bill allows constituent institutions of USM to cooperate with other constituent institutions for the purposes of collective bargaining.

Existing law provides that the parties may bargain over wages, hours, and other terms and conditions of employment. The employer's representative and the employees' exclusive representative may "meet and confer" and execute a memorandum of understanding (MOU) incorporating all matters of agreement reached. (There is no mandatory fact-finding or binding arbitration.) To the extent that the matters of agreement require legislative approval, these matters must be recommended to the General Assembly for approval.

To oversee the process and resolve disputes, *Senate Bill 207* creates an independent Higher Education Labor Relations Board to oversee collective bargaining for State institutions of higher education. The board will consist of five members and will employ an executive director and other staff.

Any increase in higher education personnel expenditures as a result of collective bargaining will depend on the contents of the negotiated MOUs. Under the bill, the existing statutory requirement that higher education employees receive the same compensation and benefits package as State employees is removed. Each of the two groups will now negotiate their compensation and benefits independently.

There will be additional administrative expenses of approximately \$300,000 per year to create and operate the Higher Education Labor Relations Board. In addition, the institutions will need approximately 11 new positions (at an annual cost of approximately \$900,000) to implement collective bargaining and negotiate with the bargaining units.

Senate Bill 207 also requires each of the institutions of higher education affected by the bill to submit a report to the Governor and the General Assembly, on or before December 31, 2001, that provides information regarding the contingent, contractual, temporary, and emergency personnel of the institution.

Death Benefit for Survivors of State Law Enforcement Officers

House Bill 651 (passed) provides an additional \$50,000 death benefit for the surviving spouse, children, or dependent parents of any State law enforcement officer who is killed in the performance of duties on or after July 1, 2000. This amount is in addition to an existing \$50,000 payment. The increase was negotiated through collective bargaining.

Health Insurance for Surviving Spouses and Children

House Bill 369 (passed) allows the surviving spouse or dependent child of a State employee who participates in the Optional Retirement Program and who dies while employed by the State to participate in the State Employee Health Benefits Plan under certain conditions. The State will not provide a subsidy for the benefit. The surviving spouse must be the sole primary designated beneficiary and be receiving a periodic distribution under the Optional Retirement Program to be eligible to participate at the spouse's own cost.

Attorney and Administrative Law Judges' Salaries in the Office of Administrative Hearings

Senate Bill 886 (failed) would have provided that a lawyer employed as an attorney in the Public Defender's office, and an administrative law judge employed by the Office of Administrative Hearings, in the Standard Pay Plan or the Executive Pay Plan receive a pay rate comparable to that of lawyer positions in the Office of the Attorney General. Although this bill did not pass, budget bill language was added to the appropriation for the Office of Public Defender requiring that the Department of Budget and Management submit a report to the General Assembly addressing the question of parity for attorneys employed by the Office of Public Defender. The report is also to address the question of the adequacy of compensation for Administrative Law Judges employed by the Office of Administrative Hearings.

Compensatory Time for Law Enforcement Officers

House Bill 1362 (passed) applies to law enforcement officers of the Department of State Police holding a commissioned rank and law enforcement employees of the Natural Resources Police holding a rank above sergeant. These officers are now to receive compensatory time for all overtime work. Before this change, compensatory time was only allowed for overtime work in excess of 30 hours in a fiscal year.

Pensions and Retirement

Reemployment of Retirees

The major focus of the 2001 session with respect to State pension and retirement systems was the reemployment of retirees and how the reemployment earnings limitation would be applied to these individuals. Of the more than 50 bills that were introduced this session regarding pensions and retirement, 12 addressed the issue of exempting retirees from the reemployment earnings limitation, the most comprehensive of which was *Senate Bill 221 (passed)*.

Reemployment with a Different Employer

Senate Bill 221 was introduced by the Joint Committee on Pensions and pertains to retirees of the Employees' Retirement System (ERS), Employees' Pension System (EPS), Teachers' Pension System (TPS), Teachers' Retirement System (TRS), and Correctional Officers' Retirement System (CORS). *Senate Bill 221* stipulates that the reemployment earnings limitation applies only if the designated retirees are reemployed by the same employer from which they retired. A retiree receiving a normal service retirement may now seek reemployment with any of the other 99 employers participating in the State Retirement and Pension System (other than the employer from which they

retired) without any earnings limitations. For purposes of reemployment, the State is treated as a single employer.

Reemployment after Early Retirement

Senate Bill 221 also incorporates a recommendation by the State Retirement Agency's legal counsel regarding IRS reemployment rules and requires an employee who takes early retirement to be retired for at least 12 months before accepting reemployment with a participating employer, regardless of who the retiree's employer is.

Exemptions from Earnings Limitation

Senate Bill 221 exempts retirees of the EPS and the TPS from any reemployment earnings limitations if they have been retired for more than ten years. (This applies the same rule in the EPS and the TPS as currently exists in the ERS and the TRS.)

Senate Bill 221 also incorporates the provisions of *House Bill 316* and *House Bill 708 (both failed)* to

address the statewide nursing shortage by exempting from the earnings limitation retired health care practitioners (including nurses) who are reemployed by the Department of Health and Mental Hygiene, even if the reemployed practitioners have retired from the State. These retirees are also exempt from the hiring limitations in the 1996 and 1997 Workforce Reduction Acts. However, these exemptions, with respect to retired health care practitioners, will terminate on June 30, 2006.

While *Senate Bill 221* was the most comprehensive reemployment bill passed this session, several other bills also passed that expand the list of those groups exempted from the earnings limitation. *House Bill 442 (passed)* exempts from the reemployment earnings limitation retirees of the TRS and TPS who were employed as principals not more than ten years before retirement, were employed in a position supervising principals in the retirees' last assignment prior to retirement, are reemployed as a principal, and meet certain other conditions. This bill is subject to termination on June 30, 2004. *Senate Bill 162 (passed)* exempts from the reemployment earnings limitation a retiree of the CORS who is reemployed by a participating employer on or after January 1, 1998, but on or before December 21, 2000, and whose employment compensation is not derived, in whole or part, from State funds. This bill will terminate November 30, 2001. *House Bill 132 (passed)* exempts retirees of the Judges' Retirement System from the reemployment earnings limitation if they are reemployed as members of the faculty of a community college in the State.

Joint Committee on Pensions Legislation

Each year, the Joint Committee on Pensions introduces pension legislation at the request of the State Retirement and Pension System (SRPS) and on its own initiative. In the 2001 session, in addition to *Senate Bill 221*, four bills introduced by the joint committee were passed.

State Retirement and Pension System Actuarial Funding

As of the valuation date of June 30, 2000, the SRPS was 101 percent funded on an actuarial basis, as compared with a low of 34 percent funding in 1984. The system achieved full funding approximately 20 years ahead of the statutory schedule that requires full funding by the year 2020. At the fully funded level, however, the system's contribution rate was likely to become more volatile without some actuarial changes. The pension board recommended several actuarial changes.

Senate Bill 222 (passed) legislates one of the proposed changes. *Senate Bill 222* requires the SRPS, beginning July 1, 2001, to amortize over a 25-year period all actuarial liabilities or surpluses that have accrued from July 1 of the preceding fiscal year. Future years' liabilities or surpluses will maintain a 25-year amortization schedule beginning in the year the liabilities or surpluses first accrued. Existing actuarial liabilities will continue to be amortized over a fixed schedule that ends at the conclusion of fiscal 2020. This bill also requires the "municipal pool" of local governments that participate in the SRPS to amortize all new actuarial liabilities over a similar 25-year period.

The new actuarial methodology provided for in *Senate Bill 222* will reduce the volatility of the State contributions rate each year by amortizing gains and losses over a longer period of time. The exact impact of the proposal in any given year cannot be precisely estimated and will depend on the change in liabilities and the amount of time to amortize such change. The new methodology reflects the maturation of the system from one in crisis in the early 1980s to one that is well-prepared to absorb fluctuations in investment performance and other actuarial factors.

Withdrawing Participating Governmental Units

As part of the pension board's study of actuarial changes for the State pool that resulted in *Senate Bill 222*, the board asked the State's actuary to study the funding structure of the municipal pool and to examine changes that were proposed in prior unsuccessful legislation. *Senate Bill 247 (passed)* reflects the recommendations made by the actuary to the pension board and the Joint Committee on Pensions. *Senate*

Bill 247 changes the terms under which a participating governmental unit of the SRPS can withdraw from the municipal pool of the SRPS by permitting withdrawing governmental units to take their share of any over funded assets if the municipal pool is over funded by 110 percent or more. In addition, withdrawing governmental units that did not elect the enhancement under Chapter 176 of 1999 will receive their share of assets and liabilities calculated on a preenhancement basis.

Purchase of Service Credit in the Teachers' Pension System

To assist members of the Teachers' Pension System (TPS) who were employed for periods with the State but received no pension credit for that service, **Senate Bill 93 (passed)** reduces by one-half the amount that a State employee member of the TPS must pay to the SPRS when purchasing service credit for previous employment with the State. This bill is similar to Chapter 363 of 2000 which allowed State employees who are members of the Employees' Pension System (EPS) to purchase at one-half of the full actuarial amount, up to ten years of employment with the State for which these EPS members did not receive service credit.

Average Final Compensation

Senate Bill 389 (passed) calculates the average final compensation (AFC) of a member of the EPS, the Local Fire and Police System (LEOPS) or the TPS who experience any break in service during the three consecutive years that provide the member's highest average earnable compensation by excluding from the computation of the member's AFC any periods of breaks in service that otherwise would be included in the computation.

Task Force to Study Health Insurance Liabilities

In addition to the bills discussed above, the Joint Committee on Pensions also introduced **Senate Bill 329 (failed)** which would have created a Task Force to Study the State's Retiree Health Insurance Liabilities. The task force was to be charged with, among other tasks: (1) reviewing other states' approaches to retiree health care; (2) commissioning an actuarial valuation of the liabilities associated with the retiree health insurance subsidy (with the costs of the valuation to be borne by the State Retirement and Pension System); and (3) developing options and a recommendation to address this issue for the 2002 session.

Senate Bill 329 was the culmination of a comprehensive summer study conducted during the 2000 interim by the Joint Committee on Pensions and the Department of Legislative Services. The findings of this study determined that Maryland, like the majority of states around the country, partially subsidizes the health insurance premiums for retired State employees and funds this subsidy on a "pay-as-you-go" basis. The State's actuary informally estimates the unfunded liabilities associated with this subsidy to be approximately \$3 billion. To address these growing costs and to anticipate the time when government accounting standards may require recognition of these liabilities, a growing minority of states has begun to prefund these liabilities.

Membership and Benefits

Several bills were introduced that affected the membership and benefits of certain systems under the State Retirement and Pension System (SRPS).

Membership in the Law Enforcement Officers' Pension System (LEOPS) is expanded by **Senate Bill 533/House Bill 537 (both passed)** to include Martin State Airport firefighters who are employed by the Military Department. The firefighters at the Martin State Airport who are employed on June 30, 2001, will have the option to elect membership in the LEOPS until December 31, 2001.

Senate Bill 473/House Bill 929 (both passed) allow an employee of the Domestic Relations Division of the Anne Arundel County Circuit Court who is transferred on or before July 1, 2002, into the State Personnel Management System as an employee of the Child Support Enforcement Agency to elect to

either: (1) remain as a participant in the Anne Arundel County Retirement and Pension System; or (2) become an enrollee in the Employees' Pension System (EPS). If a transferred employee remains in the county system, the State must reimburse the county for the pension costs.

Senate Bill 300/House Bill 315 (both passed) increase the benefit formula for a LEOPS member who had previously transferred into that system from the Employees' Retirement System (ERS), by increasing the accrual rate of the member's average final compensation for each year of service from 2.0 percent to 2.3 percent. In addition, the bills provide that a member of LEOPS who did not elect to participate in the Law Enforcement Officers' Modified Pension Benefit under Chapter 395 of 2000 will receive each benefit enhancement added on or after July 1, 2001, to the Law Enforcement Officers' Modified Pension Benefit.

House Bill 1357 (passed) increases the maximum pension of a Baltimore City Orphans' Court associate judge to \$25,000 per year and the maximum pension of the chief judge to \$30,000 per year.

Senate Bill 275 (passed) increases the allowance paid to a surviving beneficiary (or beneficiaries) of a member of the State Police Retirement System from 50 percent of the member's average final compensation to two-thirds of average final compensation. This bill will be construed retroactively and apply only to surviving spouses of members whose death arose out of or in the course of the actual performance of their duty on or after July 1, 1972, but before January 1, 2002.

House Bill 277 (passed) allows a member of the EPS who has been employed by the State for at least 40 years on a full-time or part-time basis to purchase credit for eligibility service of up to ten years for which the member is not otherwise entitled to service credit.

House Bill 368 (failed) would have enhanced the pension benefits of higher education employees participating in the State Optional Retirement Program, by increasing employer contributions and contributions of participating employees.

Miscellaneous Bills

House Bill 1336 (passed) authorizes the State Retirement and Pension System to pay a retirement allowance into a trust if the designated beneficiary is a minor or an individual with a disability. **Senate Bill 368 (Ch. 34)** waives the five-year application period for accidental disability benefits for teachers who are members of the Teachers' Retirement System or the Teachers' Pension System who have been injured through a physical altercation that was not initiated by the member. **Senate Bill 368** is an emergency bill that became effective April 10, 2001. The bill applies retroactively to a member who was injured on or before January 1, 1992. It terminates on December 31, 2001.

General Assembly

Lobbyist Ethics

As was the case in the 1999 and 2000 sessions, issues surrounding legislative and lobbyist ethics were given significant attention during the 2001 session. **House Bill 2 (passed)** makes major changes in the Maryland Public Ethics Law as it relates to regulated lobbyists who represent private sector interests. The legislation was the work product of the Study Commission on Lobbyist Ethics that had been created by joint resolutions passed at the 1999 session. For a detailed discussion of the lobbyist ethics reform provisions encompassed in **House Bill 2**, see the subpart "Ethics" under this Part C.

Because of interest expressed among legislators for regulating public sector lobbyists, **Senate Joint Resolution 15 (failed)** would have created a 13-member Study Commission on Governmental Lobbying.

Legislative Committees

Senate Standing Committees

In accordance with adopted changes to the Senate Rules at the outset of the 2001 session, the membership of the Budget and Taxation Committee was changed from 14 to 13 and membership of the Judicial Proceedings Committee was increased from 10 to 11. The Economic and Environmental Affairs Committee was renamed the Education, Health, and Environment Committee, effective at the beginning of the 2001 interim.

Technology

As part of the Maryland Uniform Computer Information Transactions Act (UCITA) enacted as Chapter 11 of the Acts of the General Assembly of 2000, the Joint Technology Oversight Committee of the General Assembly was created in an uncodified section of that Act. The basic charge to the committee was to review the implementation of UCITA and to examine and evaluate additional technology related issues. In the 2001 session, *House Bill 1447 (failed)* would have renamed the committee to be the Joint Committee on Technology and expanded its membership from 10 to 20. The joint committee's authority and duties would have been expanded to include the consideration of a vote on a bill or resolution referred to it by the presiding officers and the collection and evaluation of information on legislative proposals and regulatory changes that affect technology.

Spending Affordability

The Spending Affordability Committee of the General Assembly is charged with making a number of recommendations in its annual report with respect to levels of State spending, new debt authorization, levels of State personnel, and use of anticipated surplus. *Senate Bill 649 (failed)* would have required the committee, with respect to recommended levels of State spending that relate to increasing expenditures in excess of the annual increase in personal income, to make such a recommendation only by a majority vote of the full authorized voting membership of the committee.

State Budget - Legislative Authority to Increase

Under the provisions of Article III, § 52(6) of the Constitution of Maryland, the General Assembly has the authority to increase or reduce appropriations in the annual State operating budget bill for items in the legislative and judicial branches but may only make reductions to appropriations for items in the executive branch. In addition, appropriations in the executive branch cannot be transferred by the legislature from one department, agency, or unit of the executive branch to another.

Senate Bill 245 and *House Bill 1024 (both failed)* would have amended the State Constitution to allow the General Assembly to increase or add appropriations to items in the executive branch operating budget, as long as the total appropriation authorized for the executive branch did not exceed the total allowance for the executive branch submitted by the Governor. Under the proposal, in order to increase appropriations in certain areas, the General Assembly would have to make reductions in others -- thus the legislature would have been given the ability to shift funding. In return for this new authority, the Governor would have been given line-item veto authority for those items within the executive branch budget that were increased or added by the General Assembly.

The bill also would have authorized the General Assembly to convene in extraordinary session after the Governor's veto if members wished to consider whether to override the veto on any items.

Maryland is the only state in which the legislature cannot increase appropriations for the executive branch in the annual operating budget bill.

Miscellaneous Matters

Retroactive Legislation

Senate Bill 848 (failed) would have amended Article III, §62 of the Maryland Constitution so as to prohibit the General Assembly from passing any legislation that is retroactively applied to date prior to the date of the signing of the legislation by the Governor.

Legislative Management

House Joint Resolution 1 (failed) would have established a Task Force on Legislative Management to review matters relating to the management of the workload of the General Assembly. Included in the study would be consideration of limiting the number of bills that may be introduced, allowing for the carry-over of bills from one session to the next, requiring bills to move to the opposite chamber earlier than currently required, allowing the combination of several bills into committee bills, and allowing the introduction of "short form" bills that could later be considered in fuller measure.

Capital Debt Affordability Committee

The Capital Debt Affordability Committee is an executive branch entity that is charged with reviewing on a continuous basis the size and condition of State tax supported debt and submitting an annual report to the Governor and the General Assembly in which there is an estimate of the total amount of new State debt that "prudently may be authorized for the next fiscal year." The committee consists of the State Comptroller, the State Treasurer, the Secretary of Budget and Management, and the Secretary of Transportation. *Senate Bill 103 (failed)* would have added to the committee's membership the chairmen of the Senate Budget and Taxation and House Appropriations committees.

Floor Sessions - Internet Video Broadcasting

House Bill 871 (failed) would have required the Department of Legislative Services to produce a live video broadcast over the Internet of each floor session of the Senate and House of Delegates during each session of the General Assembly. The project would be undertaken in accordance with guidelines developed and approved by the Legislative Policy Committee.

Part D

Local Government

Local Government - Generally

Eastern Shore - Regional Planning and Development

Three bills establish regional planning and development councils for the Eastern Shore. Each council is designated to serve as a regional planning organization that provides a forum for State, county, and municipal government officials to come together periodically to discuss issues of regional importance and set regional priorities. Each council will operate as a cooperative planning and development agency to foster the physical, economic, and social development of regions of the Eastern Shore. The councils, however, will not have land use regulation or zoning authority.

House Bill 1087 (passed) establishes the Tri-County Council for the Lower Eastern Shore of Maryland representing Somerset, Wicomico, and Worcester counties. *Senate Bill 889/House Bill 1088 (both passed)* establish the Mid-Shore Regional Council representing Caroline, Dorchester, and Talbot counties.

Each county is required to provide \$10,000 in annual funding to each council that represents the county. The budget shall provide an appropriation in the following fiscal year of at least \$200,000 for support to the council.

Anne Arundel County Circuit Court Domestic Relations Division Employees - Pension and Retirement Health Benefits

Senate Bill 473/House Bill 929 (both passed) allow employees of the Domestic Relations Division of the Anne Arundel County Circuit Court who have transferred to the Child Support Enforcement Administration of the Maryland Department of Human Resources as of July 1, 2002, to elect to continue membership in the Anne Arundel County pension system or become an enrollee of the State Employees' Pension System. For employees that elect to remain in the Anne Arundel County pension system, the Department of Human Resources (DHR) will pay the county on a quarterly basis the amounts withheld from the employee's salary for pension contributions and any employee contribution. The Act also allows DHR to limit the employer contribution to the same employer contribution that is made by the department for State employees. Anne Arundel County has applied to transfer its child support enforcement employees as of July 1, 2002.

Prince George's County Court Security Officers - Collective Bargaining

House Bill 1157 (passed) provides that court security officers in Prince George's County shall be subject to the county's personnel law and collective bargaining rules. The bill also requires the officers to be included in the same bargaining unit as the county's sworn police officers.

Existing Rural Housing Stock - Use of Federal Funds

House Bill 1384 (passed) allows the use of federal funds to help buy or rehabilitate existing single-family homes or multifamily projects in all areas of the State, rather than only in priority funding areas. Chapter 759 of 1997 established priority funding areas in the State. With certain exceptions, that Act prohibits State funds for growth-related projects outside designated areas. *House Bill 1384* establishes that any project by the Department of Housing and Community Development in which federal funds are used to purchase or rehabilitate existing single or multifamily housing is not a growth-related project. This will enable federal funds to be used for these purchases even if the residential unit is not in a priority funding area.

Counties - Generally

Select Legislation of Local Interest

Anne Arundel and Calvert Counties - Stormwater Management Facilities

Senate Bill 880 (passed) applies only in Anne Arundel and Calvert counties. The bill prohibits a person from constructing a public or private stormwater management facility on a site in a residentially zoned district for the purpose of the treatment or management of stormwater discharged from a site that is located in a commercially or industrially zoned district that is located within one-half mile from the shoreline of the Chesapeake Bay or of its tidal tributaries, as indicated on the State wetlands map. The bill does not apply to a public or private stormwater management facility the construction of which began on or before January 1, 2001, or to a stormwater management facility constructed by or on behalf of a State or county agency. The bill is effective July 1, 2001, and terminates June 30, 2002.

Eastern Shore Code Home Rule Counties - Juvenile Curfew Ordinance

Senate Bill 552 (passed) authorizes the Eastern Shore Code Home Rule Counties of Caroline, Kent, Queen Anne's, and Worcester to adopt a juvenile curfew ordinance. A curfew would apply throughout the county in which it was adopted and may be adopted by a municipal corporation in that county. The county commissioners may only adopt a juvenile curfew ordinance after making independent factual findings demonstrating a local need for a juvenile curfew. Current law grants municipalities the authority to prohibit minors from being on the streets and in public places at unreasonable hours of the night. For a more detailed discussion of this bill, see Part E -Crimes, Corrections, and Public Safety of this *90 Day Report*.

Baltimore City Condemnation Powers

Senate Bill 520 (Ch. 36)/House Bill 540 (passed) alter the condemnation powers of Baltimore City to authorize the city to acquire non-residential property by condemnation for purposes of industrial growth. Currently, the Baltimore City Charter does not allow condemnation of land for industrial reuse.

Anne Arundel County Department of Detention Facilities

Senate Bill 286/House Bill 521 (both passed) create a home detention program in Anne Arundel County while abolishing the county's farm labor program for inmates, which has been dormant for 16 years. The home detention program is to be established and administered by the administrator of the county's local correctional facilities. An individual may be placed in the program in one of two ways: (1) when the individual is sentenced or at any time during the individual's confinement as an inmate, a judge may allow the individual to participate in the program; and (2) the administrator may place the inmate in the program.

Under current law, 12 counties authorize local home detention programs: Allegany County, Baltimore City, Baltimore County, Carroll County, Cecil County, Dorchester County, Frederick County, Harford County, Howard County, Kent County, Washington County, and Wicomico County. In addition, a State home detention program is operated by the Division of Correction in the Department of Public Safety and Correctional Services.

Garrett County - Right to Farm

Senate Bill 578 (passed) authorizes the County Commissioners of Garrett County, after a public hearing, to adopt an ordinance or regulation, or take any other action that the commissioners consider necessary, to protect a person's right to farm or engage in agricultural or forestry operations. Similar legislation has been enacted for Calvert, Caroline, Carroll, Dorchester, Frederick, Somerset, and Washington counties.

Frederick County and Garrett County - Ending Election of County Treasurers

Legislation passed for both Frederick and Garrett counties that ends the practice of electing treasurers. **House Bill 258 (passed)** makes the county treasurer of Frederick County a regular county employee rather than an elected official. **House Bill 391 (passed)** requires the County Commissioners of Garrett County to appoint a Supervisor of Tax Collection. The bill also transfers some of the duties of the treasurer to the Director of Finance.

Maryland Association of Counties' Priorities

The Maryland Association of Counties (MACO) identified as legislative priorities issues concerning circuit court funding, local government and sheriff liability, and public schools.

Circuit Court Funding

House Bill 716 (passed) requires the State to assume funding for law clerks for circuit court judges beginning in fiscal 2003. Under the bill, the budget for the Administrative Office of the Courts must include funds to employ one law clerk for each circuit court judge. Currently, local governments pay for circuit court facilities and salaries and benefits of law. For a more detailed discussion of this bill, see Part F - Courts and Civil Proceedings of this *90 Day Report*.

Local Government Tort Cap

Senate Bill 433/House Bill 942 (both passed) clarify that the monetary limits on the liability of a local government under the Local Government Tort Claims Act apply to tort actions against a local government itself, as well as to actions against local government employees. The bills are intended to overrule a recent Court of Appeals decision which held that the limits on liability under the Act do not apply to a tort judgment directly against a local government agency. For a more detailed discussion of these bills, see Part F - Courts and Civil Proceedings of this *90 Day Report*.

Sheriff Liability Issues

Senate Bill 489/House Bill 1117 (both passed) are similar bills that expand the types of cases for which the State is responsible for payment of settlements or judgments against sheriffs or deputy sheriffs of a county or Baltimore City. For a more detailed discussion of these bills, see Part C - State Government of this *90 Day Report*.

Public School Funding

Senate Bill 719 (passed) continues 23 different funding streams for K-12 education that are scheduled to terminate at the end of fiscal 2002. The bill also mandates that the Governor include appropriations in the fiscal 2003 budget bill for certain educational programs and modifies the current distribution formula for funds that are distributed under the Academic Intervention and Support Program. For a more detailed discussion of this bill, see Part L - Education of this *90 Day Report*.

Municipal Governments

Effectiveness of Charter Amendment Resolutions and Annexation Resolutions

Senate Bill 690/House Bill 627 (both passed) repeal provisions of law that provide that the effective date of municipal charter amendment resolutions and annexation resolutions are not effective until they are registered with the Department of Legislative Services (DLS). Under current law, a charter amendment resolution becomes effective 50 days after it is enacted, and an annexation resolution becomes effective 45 days after it is enacted. However, current law suspends the effectiveness of these resolutions until they are registered with DLS. **Senate Bill 690/House Bill 627** repeal the provision of law suspending the effective date of the resolution until the resolution is registered with DLS.

The bills also require a municipal corporation to send charter amendment resolutions and annexation resolutions to DLS within ten days of the resolutions effective date. Finally, the bills alter the means by which a municipal corporation must verify to DLS that copies of charter amendment resolutions and annexation resolutions enacted by the municipal corporation in the previous year have been sent to DLS. Under the new procedure, verification must be made by a signed and notarized statement.

Maryland Municipal League

Each year, the Maryland Municipal League chooses several priority issues that directly affect the future well-being of Maryland's cities and towns. In 2001, the Maryland Municipal League sponsored the following legislation.

Senate Bill 433/House Bill 942 (both passed) clarify that the monetary limits on the liability of a local government under the Local Government Tort Claims Act apply to tort actions against a local government itself, as well as to actions against local government employees. The bills are intended to overrule a recent Court of Appeals decision which held that the limits on liability under the Act do not apply to a tort judgment directly against a local government agency. For a detailed discussion of this topic, see the Civil Actions and Procedures heading of Part F - Courts and Civil Proceedings of this *90 Day Report*.

Senate Bill 202/House Bill 301 (both passed) establish the Community Legacy Program within the Department of Housing and Community Development. The bills are a component of the Governor's Smart Growth and Neighborhood Conservation initiative. The program is intended to provide financial assistance for the development of community legacy plans and projects. For more discussion of this topic, see the Economic and Community Development heading of Part H - Business and Economic Issues of this *90 Day Report*.

Senate Bill 431/House Bill 948 (both passed) allow a municipal corporation to levy and collect quarter-year, half-year, and three-quarter-year taxes on property that is newly annexed into its corporate limits. Current law allows a municipal corporation to levy and collect partial year taxes on property that "is completed or otherwise initially added to the tax roll." The Department of Assessments and Taxation has interpreted current law to apply only to newly constructed property, not newly annexed property. These bills clarify that annexed property shall be considered "added to the tax roll" for the purpose of levying and collecting taxes on a partial year basis. For a detailed discussion of this topic, see the Property Tax heading of Part B - Taxes of this *90 Day Report*.

Bi-County Agencies

Maryland-National Capital Park and Planning Commission

A significant number of proposals dealing with the Maryland-National Capital Park and Planning Commission (MNCPPC) passed during the 2001 legislative session.

Binding Arbitration for Commission Employees

For several years, the park police employees of MNCPPC have had binding arbitration for their labor contracts with MNCPPC, while the civilian employees have had only collective bargaining and mediation available for labor disputes with MNCPPC. ***House Bill 1103 (passed)*** establishes binding arbitration for contract negotiation between the commission and the exclusive bargaining unit for the civilian employees.

House Bill 1103 requires collective bargaining to begin no later than September 1 before the beginning of a fiscal year for which an agreement has not been reached between the commission and the certified representative and conclude by February 1 preceding the fiscal year to be affected. Current law only requires MNCPPC and the exclusive representative to make reasonable efforts to complete collective bargaining at least two months before MNCPPC's budget submission deadline of January 15.

Under a schedule established in the bill, the parties must jointly name a "mediator-arbitrator," or allow MNCPPC's independent Labor Relations Administrator to pick one if the parties cannot. If the parties are at a bargaining impasse, or if they have not reached an agreement by February 1 at the latest, the parties must submit memoranda listing previously agreed and disagreed items to the mediator-arbitrator.

After hearing, the mediator-arbitrator selects between the final offers submitted by each party. The mediator-arbitrator's criteria for selecting from among the offers are limited to specified matters, including past contracts and their bargaining history, comparison with similar wages and benefits in the Washington area and the State, public interest and welfare, the employer's ability to finance economic adjustments under the agreement, and the effect of the economic adjustments on the employer's standard of public service. The mediator-arbitrator may not compromise or alter the final offer selected, or consider the history of the current bargaining cycle.

MNCPPC must request funds for the approved final economic agreements in the final budget. The economic provisions of the agreement, however, are subject to being funded by the county councils.

House Bill 1103 specifies that if the county councils fail to approve the collective bargaining agreement, MNCPPC and the employee organization shall reopen the agreement, and bargain only with respect to the provisions that the county councils did not approve. Under current law, the reopening of the agreement is not limited to unapproved items.

A similar measure, **House Bill 946 (failed)**, would have updated the binding arbitration provisions for park police employees in a manner similar to those newly established for the civilian employees.

Minority Business Enterprise Utilization Program

MNCPPC has had a minority business enterprise utilization (MBE) program in place since 1995. An updated disparity study prepared for MNCPPC and reported to the Prince George's County and Montgomery County delegations in 2000 found sufficient evidence of underutilization in MNCPPC procurement to support extension of the MBE program through 2003. Accordingly, **Senate Bill 815 (Ch. 40)** extends the program through September 30, 2003.

Use of Public Property

Of the several bills dealing with property owned and operated by MNCPPC, only one passed.

Change of Use: MNCPPC is responsible for reviewing changes in the use of public property that is located in the Regional District. Under **House Bill 845 (passed)**, MNCPPC must adopt uniform standards for the review of changes to public property use. The bill requires MNCPPC to publish a notice of adoption of these uniform standards in a newspaper of record in Montgomery County and Prince George's County, along with contact information.

Gun Shows: In light of increased public attention to violence, legislators proposed banning gun shows from MNCPPC property. **House Bill 851 (failed)** would have prohibited gun shows on property owned or under the jurisdiction of MNCPPC in Prince George's County, except for the Prince George's County Trap and Skeet Center. Similarly, **House Bill 1264 (failed)** would have prohibited gun shows on property owned or under the jurisdiction of MNCPPC in Montgomery County.

Prince George's County

The General Assembly made an unusual foray into local zoning matters in Prince George's County in the area of solid waste management, passing restrictions on both the county council sitting as MNCPPC district council and the Secretary of the Environment.

Rubble Landfills: In Prince George's County, all new landfills require a special exception from the district council under the county zoning ordinance. This applies both to sanitary landfills, which are designed to accept all varieties of nonhazardous waste, and to rubble landfills, which are designed to accept only relatively inert construction debris and related materials.

In the late 1980s through the mid-1990s, local residents waged a long and expensive fight against a proposed rubble landfill at a particular site in southern Prince George's County, litigating the matter successfully through the Court of Appeals of Maryland. Then in 2000, after the required waiting period, the site's new owner filed a new application for a special exception to construct a rubble landfill at the same site.

In order to ensure heightened scrutiny of rubble landfills, **House Bill 826 (passed)** prohibits the district council of Prince George's County from approving a special exception to construct or operate a rubble landfill anywhere in the county without a three-fourths majority vote. Furthermore, the bill completely bars the district council from approving such a special exception for a site where an application for a special exception for a rubble landfill has been denied on or after October 1, 1981.

Transfer Stations: Similarly, **House Bill 1154 (passed)** prohibits the Secretary of the Environment from approving a solid waste permit to construct or operate a waste transfer station that is located in Prince George's County and within two miles of Bowie State University.

Washington Suburban Sanitary Commission

Several proposals dealing with the Washington Suburban Sanitary Commission (WSSC) advanced in the 2001 legislative session, primarily in the areas of procurement and contracting.

Project Authority and Revenue Bonds

Over many years, WSSC has pioneered extensive technological and engineering developments and intellectual property relating to water and sewer treatment processes. In addition, as public utilities throughout the world have been deregulated or otherwise forced to engage in economic competition, there has been increased interest in allowing utilities to put their expertise into the marketplace, in order to help their ratepayers and to realize the benefits of their research developments.

Under current law, WSSC is not authorized to enter into business relationships with private firms or to sell revenue bonds in support of new projects. WSSC discovered that it lacked both explicit authority to enter into public/private partnerships and flexible funding mechanisms when it attempted to participate in a proposed upgrade of water and sewer facilities at Bolling Air Force Base.

In response, **House Bill 890 (passed)** allows WSSC to contract with or invest in any person for the design, construction, maintenance, operation, management, joint venture, or other activity relating to water and sewer facilities. WSSC may do so as a prime contractor, subcontractor, or investor. Activities include systems, services, expertise, intellectual property, and techniques developed for or usable with water and sewer systems. WSSC may sell, lease, license, or contract concerning these activities. Under the bill, net profits realized from the sale, lease, licensing, or contracting go toward reducing water and sewer rates, after reasonable reduction for expenses, contingencies, and reserves.

House Bill 890 allows WSSC to issue revenue bonds. These bonds are separate from the existing general obligation bonds that WSSC already issues.

WSSC will issue revenue bonds to finance a specific WSSC project, and the bonds are to be supported only by that project. The bonds are limited obligations of WSSC, and do not constitute a pledge of the full faith and credit of WSSC or any taxing power. In addition, WSSC must use a limited liability company, limited liability partnership, limited partnership, or comparable liability entity for any project financed by revenue bonds. These two provisions, the limited bond obligation and the limited liability operating

structure, insulate WSSC ratepayers, the existing general obligation bond structure, and the two counties from risk associated with the new projects.

House Bill 890 provides standard language for the form, issuance, securing, repayment, and refinancing of the new revenue bonds. Revenue bonds are exempt from State and local taxes. WSSC may also issue revenue bonds that are to be excluded from federal gross income of bondholders.

In addition, **House Bill 890** gives WSSC flexibility in property acquisition, management, and financing. It allows WSSC to acquire property, either in fee or as an easement, for the operation of a WSSC project, as well as the construction and management of the project, in furtherance of WSSC's enabling article.

Nondiscrimination and Minority Business Enterprise Programs

Nondiscrimination Policy: After several prior unsuccessful attempts in the area of nondiscrimination, the General Assembly gave the nod to **House Bill 855 (passed)**. This measure prohibits WSSC from discriminating against any person on the basis of sex, race, creed, color, age, mental or physical disability, sexual orientation, or national origin. In addition, **House Bill 855** prohibits WSSC from awarding a design/build or construction contract unless it contains provisions obligating the contractor not to discriminate and to include a nondiscrimination clause in all subcontracts.

By making discrimination and failure to include nondiscrimination language a breach of contract, **House Bill 855** allows WSSC to exclude contractors that routinely discriminate against minority and other subcontractors and employees from participating in WSSC projects.

Minority Business Enterprise Programs: Two bills passed dealing with minority business enterprise (MBE) programs and local small business support by WSSC.

MBE Graduation Criteria: WSSC has two different MBE programs that deal with general procurement issues, and with design/build and construction projects, respectively. Established at different times, the two programs have had two different sets of graduation criteria for successful program participants.

House Bill 841 (Ch. 92) conforms these disparate graduation criteria by replacing the time limits for participation in WSSC's general MBE program with the flexible standard already codified for WSSC's design/build and construction project MBE program. Under the Act, WSSC must adopt regulations including graduation provisions for enterprises that WSSC determines no longer require the program's assistance or benefits. Former law gave a five-year limit for MBEs other than those in design/build and construction contracts, with an available two-year extension.

The flexible graduation criteria under **House Bill 841** are consistent with the graduation criteria for MNCPPC MBE program.

Local Small Business Enterprise Program: During the late 1990s, WSSC engaged MGT of America, a Florida company, to conduct an impartial fact-finding study of its MBE program. MGT recommended in its 1999 report that WSSC institute a dual approach to enterprise utilization. First, the MBE program should be continued. Second, WSSC should develop a separate small business program, without regard to utilization rate or other minority-specific criteria. **Senate Bill 828/House Bill 838 (both passed)** implement the second recommendation.

The bills authorize WSSC to implement a local small business enterprise program in its service area, which consists of Montgomery and Prince George's counties. The purpose of the program is to assist small businesses by establishing a sheltered market or other preference in WSSC's award of construction contracts and procurement of goods and services. A small business enterprise may qualify for this program without regard to the race, ethnicity, or gender of its participants.

Under **Senate Bill 828/House Bill 838**, an MBE program participant may, on graduation from the MBE

program, also participate in the local small business enterprise program.

WSSC Infractions - Utility Construction Permits

Chapter 405 of the Acts of the General Assembly of 2000 amended the WSSC law by making the failure to obtain a required permit for utility construction a new WSSC infraction. The then-existing WSSC infractions included violations of regulations on erosion and sediment control, and plumbing, gasfitting, and sewer cleaning in the Washington Suburban Sanitary District. WSSC infractions are under the exclusive original jurisdiction of the District Court. *House Bill 846 (passed)* clarifies the exclusive criminal jurisdiction of the District Court over a WSSC infraction for required permits for utility construction by adding a corrective reference to those utility construction permits in the Courts Article.

Special Taxing Districts

Winding Brook Special Taxing District

Senate Bill 110 (passed) establishes the Winding Brook Special Taxing District in Cecil County for the purpose of paying the costs of trash collection, mowing common areas, and general maintenance. The Board of County Commissioners of Cecil County is designated as the district's board and is required to levy an annual tax to cover the cost of the district's services.

Baltimore City - Special Taxing Districts

Senate Bill 805/House Bill 1256 (both passed) authorize Baltimore City, by ordinance, to designate special taxing districts at the request of property owners. Baltimore City will issue bonds or other obligations for financing the infrastructure improvements. For these improvements, the property owners in the special taxing districts agree to be assessed additional taxes or assessments. For a more detailed discussion of this bill, see Part B - Property Tax of this *90 Day Report*.

Part E

Crimes, Corrections, and Public Safety

Criminal Law

Committee to Revise Article 27

The Committee to Revise Article 27 was appointed by the President and the Speaker in 1991. Unlike the code revision committees that make only stylistic, nonsubstantive revisions to the Code, the Article 27 Committee is charged with revising both substantively and stylistically the State's Criminal Law. During the 2001 session, the committee undertook the subjects of accessory after the fact, sabotage, and prostitution.

Accessory After the Fact

Senate Bill 620/House Bill 610 (both passed) codify the common law crime of accessory after the fact. An accessory after the fact is a person who is aware of the commission of a felony and harbors and protects the felon or assists the felon's avoidance of capture or punishment. The bills provide that, unless another penalty is prescribed by law, a person who is found to be an accessory after the fact is guilty of a felony and is subject to the lesser of a penalty of imprisonment not exceeding five years or a penalty not exceeding the maximum penalty provided if the person had actually committed the crime.

The bills retain the existing laws abolishing the defense of benefit of clergy. Benefit of clergy was a common law defense to a crime based on the clergy's insistence that they were not subject to the secular courts for any crime. If a person successfully asserted this defense, the person was handed over to the ecclesiastical courts which typically handed down more lenient sentences than the secular courts. In 1809, the defense was entirely eliminated in Maryland.

Prostitution and Related Crimes

A second bill sponsored by the Committee to Revise Article 27, *House Bill 611 (passed)*, was a response to the recommendation of the Criminal Law Article Review Committee that the Article 27 Committee study the issue of prostitution related laws. The bill revises and consolidates into a single subheading the laws dealing with: abduction of individuals under the age of 16 years for prostitution or sex-related purposes; prostitution, bawdyhouses, and houses of ill fame; pandering and related crimes; and transportation for purposes of prostitution or lewdness.

Among other changes, the bill provides statutory definitions for terms relating to prostitution. "Prostitution" is defined as a sexual act, sexual contact, or vaginal intercourse, as those terms are defined under current law for the rape and sexual offenses laws, for hire. The terms "assignation" and "solicit" are also defined. The bill generally prohibits engaging in prostitution, assignation, solicitation, and activities done in furtherance of these offenses. It sets penalties for the crimes within the new prostitution subheading of fines ranging from \$500 to \$10,000 and terms of imprisonment ranging from one to ten years.

Sabotage and Related Crimes

The third bill from the Committee to Revise Article 27 also reflects a recommendation of the Criminal Law Article Review Committee for a review of the sabotage laws. *Senate Bill 619/House Bill 612 (passed)* revise the laws concerning: sabotage prevention, including the offenses of hindering, delaying, or interfering with defense related activities; use of identification material; trespassing; and restricted use of highways under certain circumstances. Instead of a trespass provision applicable only to defense-related

activities, the bills expand the current trespass law to allow the posting of any property, not just private property, to prohibit trespassing.

The penalties for sabotage-related offenses under the revision range from a maximum 90 days' imprisonment and a \$500 fine for a misdemeanor to a maximum of ten years' imprisonment and a \$10,000 fine for a felony.

Controlled Dangerous Substances

"Ecstasy"

House Bill 192 (passed) increases the penalty imposed on a person who manufactures, distributes, dispenses, or possesses 750 grams or more of 3, 4-Methylenedioxymethamphetamine (MDMA).

Currently, if a person possesses MDMA in a sufficient quantity to indicate that the person intends to manufacture, distribute, or dispense the drug, the person is guilty of a felony and subject to imprisonment not exceeding five years and a fine not exceeding \$15,000, with a mandatory sentence of two years for a second or subsequent offense. The bill increases the penalty to a maximum of 20 years or a fine of \$20,000 if a quantity of 750 grams or more is involved, with a mandatory minimum sentence of ten years and a fine of \$100,000 for a second offense. The bill provides minimum sentences of 25 and 40 years for a third and fourth offense, respectively.

MDMA is commonly referred to as ecstasy and is a "club drug" that works as a stimulant similar to methamphetamine and has hallucinogenic properties. Ecstasy is taken in a tablet form and can cause dehydration, increases in heart rate and blood pressure, and kidney and cardiovascular failure. Ecstasy has been reported to be fatal when combined with alcohol, and chronic use has been reported to have long-lasting detrimental effects.

Marijuana Use - Exceptions for Medical Use

Senate Bill 705/House Bill 940 (both failed) would have allowed a person with a debilitating medical condition, who has obtained written certification from a physician or a registry identification card issued by the Department of Health and Mental Hygiene, to possess and use marijuana and related paraphernalia for medical purposes. The bills would have also authorized the primary caretaker of an individual with a debilitating medical condition to acquire, possess, cultivate, transport, or administer marijuana, subject to certain conditions. The bills would have immunized a physician from arrest, prosecution, or denial of any rights or privileges, for providing written certification for the medical use of marijuana.

Drug Analogues

Current Maryland law, which mirrors federal law, places drugs into schedules numbered one through five depending on the drugs' potential for abuse, potential for addiction, and medical value. Schedule I substances have no legitimate uses while Schedules II through V are legal with certain restrictions. (Schedule II has the most restrictions, Schedule V the least.)

Senate Bill 256/House Bill 37 (both passed) require controlled dangerous substance analogues to be treated as Schedule I controlled dangerous substances to the extent that the analogues are intended for human consumption. As a result, the bills apply existing criminal penalties for possession and distribution of Schedule I substances to their analogues.

A controlled dangerous substance analogue is a substance that has the same or substantially similar effect on the human body as a controlled dangerous substance classified in Schedules I or II and a substantially similar chemical structure. Controlled dangerous substances, substances for which there is an approved new drug application, and substances exempted for investigational use under the Federal Food, Drug, and Cosmetic Act are exempted from the definition of controlled dangerous substance analogue. The bills are

modeled on a similar federal law.

Animal Cruelty

Senate Bill 356/House Bill 649 (both passed) create the felony of "aggravated cruelty to animals." With exceptions discussed below, the bills update stylistically the current law and maintain some portions of current misdemeanor prohibitions and exemptions for activities where pain to animals is unavoidable or necessary.

Specifically, ***Senate Bill 356/House Bill 649*** provide that the felony of aggravated cruelty to animals consists of any of the following acts: (1) intentional mutilation, torture, cruel beating, or cruelly killing an animal; (2) causing, procuring, or authorizing an act listed above; (3) using or allowing a dog to be used in or arranging or conducting a dogfight; (4) using or allowing to be used a bird, fowl, or cock to fight with another animal in a cockfight; or (5) except in the case of self-defense, intentionally inflicting bodily harm, permanent disability, or death on an animal owned or used by a law enforcement unit. These acts are currently misdemeanors.

Violators are subject to maximum penalties of a fine of \$5,000 or imprisonment for three years, or both. In addition, as a condition of sentence, a convicted person may be subject to, and pay for, psychological counseling. The bills prohibit a person from being held liable for criminal prosecution for normal human activities in which the infliction of pain to an animal is purely incidental and unavoidable. The bills further add a new exemption for animal research conducted in accordance with federal law.

The bills further provide the District Court and circuit courts with concurrent jurisdiction over the felony offenses.

Miscellaneous Criminal Law

Telecommunications Fraud

Senate Bill 379/House Bill 715 (both passed) prohibit the possession, use, or transfer of unlawful telecommunications devices and access devices, and the theft of telecommunication service. Generally, the bills are based on two Pennsylvania statutes that deal with theft of telecommunication services. The bills repeal the existing "Telecommunications Act" under Maryland's criminal code.

Specifically, the bills prohibit the knowing possession, use, manufacture, transfer, sale, promotion, or advertising of an unlawful telecommunication device, and the knowing modification, alteration, or programming of a telecommunication device to: (1) commit theft of telecommunication service or to receive, transmit, disrupt, or decrypt telecommunication service without consent of the service provider; or (2) conceal the existence, origin, or destination of a telecommunication from a telecommunication service provider or a lawful authority. The bills also prohibit the knowing possession, use, manufacture, transfer, sale, promotion, or advertising of an unlawful access device. They further prohibit the possession and distribution of equipment with knowledge that the equipment is intended to violate the provisions of the bills. The bills define the words "any person aggrieved," "telecommunication device or access code," "telecommunication service," "telecommunication service provider," "unlawful access device," and "unlawful telecommunication device or access code."

In general, a person who violates the provisions of ***Senate Bill 379/House Bill 715*** is guilty of a misdemeanor and subject to maximum penalties of imprisonment for three years and/or a fine of \$2,500. If the violation involves more than 100 unlawful telecommunication devices or access devices, the violation is a felony subject to maximum penalties of imprisonment for ten years and/or a fine of \$10,000. The bills authorize restitution and allow a court to require a convicted defendant to forfeit any unlawful device involved in the violation. A crime may be treated as occurring in the place of manufacture or assembly of an unlawful telecommunication device or access device, or at the place of sale or delivery.

In addition to criminal sanctions, the bills authorize any person aggrieved by a violation to bring a civil action seeking injunction, impounding and destruction of equipment, and damages. The court may assess actual damages suffered by the complaining party, plus profits of the violator that are not otherwise included in the actual damages. In proving the violator's profits, the complaining party need only prove the violator's gross revenues. The burden is on the violator to prove deductible expenses and profits attributable to another enterprise.

Electronic Security Systems for Retail Establishments

Professional shoplifters have made use of devices that circumvent or bypass the electronic or magnetic security systems used by retail establishments. The devices can also be used to demagnetize such an electronic security system. *House Bill 461 (passed)* makes it a misdemeanor for a person to:

- knowingly possess, with intent to commit a theft, a device intended to shield merchandise from detection by an electronic security system; or
- knowingly possess a tool or device designed to deactivate or remove an electronic security system or device from merchandise with the intent to use the tool or device to deactivate or remove any electronic security system from merchandise without the permission of the merchant or person owning or lawfully holding the merchandise.

Currently, the actual unlawful removal of merchandise from a retail establishment would constitute a theft, but the use of devices to facilitate that removal is not separately addressed in the law. A person who violates the provisions of *House Bill 461* is subject to a fine not exceeding \$1,000 or imprisonment not exceeding one year or both.

Homicide by Aggressive Driving

During the 2001 session, bills were introduced to deal with deaths caused by "aggressive" driving that does not rise to the level of gross negligence or wanton disregard for human life, which is required to establish the current offense of manslaughter by motor vehicle.

House Bill 751 (failed) would have established the offense of homicide by aggressive driving, which would have been committing two or more specific existing motor vehicle offenses that give rise to a single traffic incident resulting in the death of another person. The offenses that would have led to a charge of homicide by aggressive driving include, among others: failure to obey a traffic control device; following too closely; failing to yield to pedestrians' right-of-way in crosswalks; overtaking and passing vehicles; and exceeding a maximum speed limit.

Similarly, *Senate Bill 648 (failed)* would have created the offense of homicide by aggressive driving if, at the same time or during a single and continuous period of driving, a person was speeding, violated two or more specific existing motor vehicle offenses, and caused the death of another person. In this bill, the specified motor vehicle offenses were: failing to stop at a red light; improperly overtaking and passing a vehicle; unsafe passing on the right; following another vehicle too closely; and failing to yield the right-of-way.

Both bills would have established as a penalty for homicide by aggressive driving a term of imprisonment not exceeding three years or a fine not exceeding \$5,000 or both. Additionally, both bills would have required the Motor Vehicle Administration to assess 12 points against the license of a driver convicted of homicide by aggressive driving.

For a further discussion of vehicle law issues, see Part G of this *90 Day Report*.

Criminal Procedure

Code Revision

Senate Bill 1 (Ch. 10) adds the Criminal Procedure Article as a new article of the Annotated Code of Maryland.

Without substantively changing law, the new article revises, restates, and recodifies current law relating to various criminal procedure matters such as the arrest process, charging procedures and documents, pretrial procedures (including pretrial release), trial and sentencing procedures, sentence review, extradition, expungement, victims' rights, and property forfeitures involved in controlled dangerous substance violations and gambling and gun law violations.

Senate Bill 381 (Ch. 35) corrects cross-references throughout the Annotated Code to accommodate the new article.

The Criminal Procedure Article is a product of the continuing revision of the code by the Department of Legislative Services. The first revised articles were enacted in 1973; to date, 25 other revised articles have become law. The purposes of code revision work are modernization and clarification of current law, not policymaking by way of new law.

Victims' Rights

Incompetency and Criminal Responsibility

Senate Bill 240/House Bill 508 (both passed) enhances the rights of a victim of serious crimes with regard to incompetency and criminal responsibility proceedings in criminal cases.

The legislation: (1) eliminates a requirement that a victim notify the Department of Health and Mental Hygiene and a State's Attorney every two years in writing in order to be notified of incompetency and criminal responsibility proceedings in criminal cases; (2) requires the department to notify victims of any court orders to examine or commit defendants, any scheduled hearings, any recommendations by the department or an Administrative Law Judge concerning release, or court orders for release or discharges; (3) allows oral submissions of relevant information by victims; (4) requires consideration of such submissions in specified proceedings; (5) provides for written victim impact statements; (6) expands the circumstances under which a department facility must provide notification to victims of certain events; (7) requires the notification of victims of specified types of court hearings; (8) allows a victim to attend hearings on incompetency and criminal responsibility in criminal cases; and (9) allows for the exclusion of a victim at proceedings where irrelevant, sensitive medical information may be disclosed.

Pretrial or Prehearing Release

Senate Bill 241/House Bill 507 (both passed) require a court, a District Court commissioner, or a juvenile intake officer, if reasonable safety protections have been requested by the victim, to consider including reasonable protections for the safety of the victim as a condition of release, including "a condition of no contact" with the alleged victim or alleged victim's premises or place of employment. The legislation eliminates the current restriction that the safety of the victim must only be considered in cases involving stalking or a felony.

Criminal Injuries Compensation

Under *Senate Bill 243/House Bill 504 (both passed)*, a parent, spouse, or child who resides with a crime victim is eligible for mental health counseling compensation from the Criminal Injuries Compensation Fund. The bills also allow the fund to make awards to repair, replace, or clean property that is damaged or soiled in a crime.

The legislation expands the definition of "crime" for criminal injuries compensation purposes to include

motor vehicle offenses involving fleeing or eluding police, leaving the scene of an accident involving bodily injury or death, and failing to give information or render aid. The legislation eliminates the requirement that a claimant must demonstrate "serious financial hardship" to be eligible for an award. The bills also change the workers' compensation schedule of benefits used to determine an award from the schedule of benefits of January 1, 1989 to the schedule of benefits of January 1, 2001.

Death Penalty

The issue of whether there are racial disparities in the implementation of the death penalty in Maryland has been considered by various public commissions and task forces during recent years.

In 1998 the Maryland Commission on Criminal Sentencing Policy noted that the results of its research on sentencing disparity in Maryland suggested that "while legal factors such as a defendant's criminal history and the seriousness of the offense have a most powerful influence on sentence outcome, extralegal factors appear to play a lesser role in determining sentencing outcome."

A report of the Department of Criminology of the University of Maryland, College Park, which is conducting a two-year study of the death penalty, is expected by the summer or fall of 2002.

There are currently 13 persons on death row, nine of whom are African American. It is possible that there will be four executions before the end of 2001.

Senate Bill 316/House Bill 563 (both failed) would have enacted a death penalty moratorium. *Senate Bill 316* would have prohibited an individual who has been sentenced to death from being executed between July 1, 2001, and June 30, 2002. *House Bill 563* would have prohibited an individual who has been sentenced to death from being executed between July 1, 2001, and June 30, 2003. Under each bill, a judge would have been prohibited from issuing a warrant of execution during the moratorium, and if a judge had issued a warrant of execution before July 1, 2001, the warrant would have been void with the execution postponed at least until after the moratorium ended.

DNA Evidence - Postconviction Review

Several states and the federal government have recently been considering new laws and procedures dealing with postconviction review of serious offenses to account for DNA identification testing. According to the National Council of State Legislatures, six states have recently enacted laws providing courts with broader authority to order or admit DNA evidence in postconviction review proceedings. At least two states currently provide inmates the right to identification testing using the latest DNA technology.

Senate Bill 694 (passed) authorizes a person who is convicted of manslaughter, murder in any degree, or first or second degree rape or sexual offense to file a petition for postconviction DNA testing of scientific identification evidence in the possession of the State that is related to the judgment of conviction.

The legislation requires a court to order DNA testing of evidence if the court finds that: (1) the scientific identification evidence was not previously subjected to the test requested for reasons beyond the control of the petitioner or the type of DNA test requested is different from tests previously conducted and would have a reasonable likelihood of providing a more probative result than tests previously conducted; (2) the evidence was secured in relation to the crime for which the petitioner was convicted; (3) the evidence to be tested has been subject to a chain of custody sufficient to establish that it has not been substituted, tampered with, replaced, or altered in any material respect; (4) identity was an issue at trial; (5) a reasonable probability exists that the DNA testing will produce results materially relevant to the petitioner's assertion of innocence; and (6) the requested DNA test employs a method of testing generally accepted within the relevant scientific community.

The petitioner is required to pay for the DNA testing, unless the results of the testing are favorable to the

petitioner, in which case the court must order the State to pay the costs. If the results of the testing are unfavorable to the petitioner, the court must dismiss the petition. If the results are favorable to the petitioner, the court must either open a postconviction proceeding or reopen a previous postconviction proceeding.

District Court Jurisdiction in Felony Cases

The District Court does not have jurisdiction over a criminal case charging the commission of a felony, except as specifically authorized by statute. Two bills would have expanded the District Court's felony jurisdiction.

House Bill 176 (failed) would have provided the District Court with jurisdiction concurrent with the circuit courts in a criminal case involving the felonious distribution of any noncontrolled substance intended by that person for use or distribution as a controlled dangerous substance.

House Bill 706 (failed) would have provided the District Court with jurisdiction concurrent with the circuit court over felony cases involving counterfeiting, forgery, and certain crimes related to credit cards.

Service of Process

House Bill 958 (passed) specifies that each complaint for the forfeiture of contraband seized in connection with a gambling violation be filed in the District Court or circuit court of the county in which the contraband was seized. The legislation also patterns the service of process requirements that apply to forfeiture of gambling contraband on the service of process requirements that apply to forfeiture in drug cases.

Arrest

House Bill 245 (passed) authorizes a member of the Department of Labor, Licensing, and Regulation police force to arrest without a warrant: (1) a person who commits or attempts to commit a felony or misdemeanor in the presence of the police officer; (2) a person whom the police officer reasonably believes to have committed a crime in the presence of the officer; and (3) a person whom the police officer reasonably believes to have committed a felony or certain listed misdemeanors not in the presence of the officer.

Currently, 19 State and local government agencies are authorized to make arrests without warrants. This bill gives the Department of Labor, Licensing, and Regulation police force the same authority. There are approximately 27 police officers in the Department of Labor, Licensing, and Regulation police force.

Wiretapping

The General Assembly considered several proposals to expand the authority of law enforcement officials to intercept wire and oral communications and to introduce such communications into evidence under the Maryland Wiretap Act.

Two bills were introduced in response to the Court of Appeals opinion in *Perry v. State*, 356 Md. 37 (1999). In this case, the Court of Appeals reversed the convictions of an alleged triple murderer based on the use at trial of a wiretap interception that, although legally intercepted in California, was inadmissible in Maryland.

Senate Bill 310/House Bill 659 (both passed) authorize a court to receive into evidence intercepted wire or oral communications if the interception was legally made in another jurisdiction even though such an interception would be illegal in Maryland, if:

at least one of the parties to the communication was outside the State during the communication;

- the interception was not made as part of or in furtherance of a law enforcement investigation; and
- all parties to the communication were co-conspirators in a crime of violence.

The legislation also authorizes a person who has received any information concerning such communications to testify about such communications if the same criteria are met.

Traffic Stops

House Bill 249 (failed) would have authorized a law enforcement officer to electronically record an oral communication during a criminal investigation after the law enforcement officer initially detains a vehicle. Current law allows these interceptions for motor vehicle violations, but not other criminal investigations. An oral communication intercepted under these conditions would have been lawful even if another person became a party to the communication under certain conditions.

Homicide - Legal Defense

Senate Bill 901/House Bill 1462 (both failed) would have provided that an owner, lessor, or supervisory employee of a business establishment who uses deadly force or force likely to cause death against an unlawful intruder who forcibly enters the business establishment is presumed to have had a reasonable fear of imminent peril or death or serious physical injury to the individual or an employee of the business establishment. The bills would have also protected such a person using deadly force from civil liability.

Sentencing and Confinement

Two bills were introduced in response to *Bailey v. State*, 355 Md. 287 (1999), a ruling by the Court of Appeals that effectively limited home detention and other alternative sentencing methods as a condition of probation to a small number of counties.

Senate Bill 91 (passed) authorizes any court in the State to order "custodial confinement" as a condition of a suspended sentence or probation. The bill defines custodial confinement as home detention, a corrections options program, or inpatient drug or alcohol treatment. The bill also clarifies that in certain counties, the court may impose a sentence of imprisonment as a condition of probation.

A similar bill, *House Bill 709 (failed)*, would have established the authority for any court in the State to impose confinement as a condition of probation or suspension of sentence.

Time for Trial

Senate Bill 22/House Bill 398 (both passed) require that if a judge delays the start of a criminal trial after the statutorily-required 180-day deadline following the earlier of the appearance of counsel or the first appearance of the defendant, the county administrative judge or designee may only approve subsequent delays in the trial date for good cause. The bills overturn a part of *State v. Brown*, 355 Md. 89 (1999), which held that once a case is postponed beyond 180 days, further postponement does not need to be justified by good cause.

Representation at Bail Review Hearings

Senate Bill 78/House Bill 703 (both failed) would have required the Office of Public Defender to provide legal representation to an indigent defendant during a bail review hearing when the defendant has not been released on bail as set by a District Court commissioner. The legislation also would have required the office to make periodic status reports to specified committees regarding representation of indigent

defendants at bail review hearings. The bills would have been contingent on funds being included in the State Budget for additional positions for the Office of Public Defender.

Property Bondsmen

Property bondsmen post bail for criminal defendants by using real property as collateral. **House Bill 701 (passed)** requires a person who acts as a property bondsman for compensation to provide documentation of ownership, tax status, and liens against the property to the court. The legislation does not apply in the seventh judicial circuit. A person who willfully provides false documentation is guilty of a misdemeanor and on conviction is subject to maximum penalties of imprisonment for one year or a \$1,000 fine or both. Property bondsmen are not required to be licensed by the Maryland Insurance Administration.

Sexual Offenders

Sex Offender Registration

Retroactive Application: House Bill 393 (passed) requires that current law requiring the registration of convicted sex offenders be applied retroactively to include registrants convicted of an offense committed before July 1, 1997, and who are in the custody of a supervising authority on October 1, 2001, and child sexual offenders who committed the offense on or before October 1, 1995, and who are in the custody of a supervising authority on October 1, 2001.

Currently, there are approximately 2,000 inmates in the Division of Correction serving sentences for rape and sexual offenses. It is unknown how many of these sentences are based upon crimes committed before the registration requirements were effective. Pursuant to the legislation, all these individuals will have to register on their release, regardless of the date of the offense.

Required Disclosures: House Bill 629 (passed) requires a local law enforcement agency to send a copy of the registration statement for each registrant on record to a person requesting this information.

Christopher's Laws

Several bills, known as "Christopher's Laws," were introduced this session concerning the sentencing and confinement of persons who are convicted of sexual offenses involving children.

Senate Bill 672 (failed) would have required the Department of Public Safety and Correctional Services to post on the Internet a current listing of the name, crime, and other identifying information about each person who is registered with the department as an offender, child sexual offender, sexually violent offender, or sexually violent predator. Under current law, the department is authorized to post such information on the Internet. The department intends to place this information on the Internet over the next year.

Senate Bill 673 would have made a person subject to life imprisonment without the possibility of parole if the person were convicted a second time of one of the following offenses involving a victim under the age of 16: (1) rape in the first degree; (2) rape in the second degree; (3) sexual offense in the first degree; or (4) sexual offense in the second degree.

Senate Bill 674 (failed) would have eliminated diminution credits and parole eligibility for child sex offenders.

Senate Bill 678 (failed) would have eliminated diminution credits and prohibited plea bargains for persons convicted of or charged with rape in the first degree, rape in the second degree, sexual offense in the first degree, sexual offense in the second degree, or attempted rape or sexual offense in the first or second degree.

Sexually Violent Predators

Senate Bill 134/House Bill 450 (both failed) would have established civil commitment procedures for a person who had been convicted of a sexually violent offense and who suffers from a mental abnormality or personality disorder that makes the person likely to engage in a predatory act involving a sexually violent offense.

The bills would have required that before the person is committed to a State facility for control, care, and treatment, the State would have to prove at a hearing that, beyond a reasonable doubt, the defendant is a sexually violent predator. Under *Senate Bill 134*, the committed person would have been released only if the State had failed to prove the person was not safe to be at large in the general population. Under *House Bill 450*, the committed person would have been released only if the State had failed to prove that the person was not safe to be at large in the general population or in a halfway house, work release program, or other similar placement.

Adult Offender Supervision

Senate Bill 85/House Bill 614 (both passed) establish the Interstate Compact for Adult Offender Supervision to replace Maryland's Uniform Act for Out-of-State Parolee Supervision. The uniform act, originally adopted in 1937, is inadequate and outdated. The U.S. Justice Department's National Institute of Corrections developed the new compact to provide a uniform means to track and supervise movement of adult offenders among the states.

The legislation also creates an interstate compact commission and a State council, specifies the powers, duties, and membership of the commission and council, and provides for appointment of a compact administrator. The legislation takes effect when 35 states have enacted the compact, or on July 1, 2002, whichever is later.

Revisory Power of Courts

Under the Maryland Rules, a court has the power to revise a sentence if a motion is filed within 90 days after the sentence is imposed. At present, there is no time limit restricting when the court may exercise this revisory power. Thus, as long as a motion is timely filed, a court may revise a sentence years after the sentence was imposed.

After 90 days following sentence imposition, a motion may only be filed asking the court to revise the sentence if there is fraud, mistake, or irregularity. Generally, the court may not increase a sentence after the sentence has been imposed.

Senate Bill 632/Senate Bill 671/House Bill 62 (all failed) would have limited a court's power to revise a criminal sentence to a period of one year after the filing of a motion to revise, modify, or reduce a sentence. The bills would have required the court's decision changing an original sentence to be in writing and to include the reasons for the decision.

Juvenile Law

Department of Juvenile Justice Reform Initiatives

New Management Team

In December 1999, five top Department of Juvenile Justice (DJJ) officials, including the Secretary, were removed and replaced with new management. The new management team has begun the process of reforming DJJ through the reorganization of departmental units and the identification of specific areas of concern that require immediate action by the department. Some of the more significant reform initiatives

include the implementation of an improved aftercare system, the creation of the Office of Professional Responsibility and Accountability, the drafting of a code of conduct for department staff, and the development of detention standards. To aid the reform efforts, **House Bill 231 (passed)**, a departmental bill, authorizes the appointment of a second Deputy Secretary of Juvenile Justice. This appointment will allow one Deputy Secretary to oversee administrative functions within DJJ and the other Deputy Secretary to oversee the delivery of juvenile services.

In addition to programmatic and departmental initiatives, DJJ has received significant budget increases in each of the last two years. In fiscal 2001 DJJ received an increase of \$27.2 million (19 percent) which enabled the department to eliminate structural budget deficits, provide one-time increases for management studies, and enhance funding for aftercare and the treatment of sex offenders. The fiscal 2002 State budget provides a 7.5 percent budget increase for DJJ.

Other Legislation

This legislative session, advocates advanced a number of initiatives, that ultimately failed, to provide oversight for and require changes in the Department of Juvenile Justice. **Senate Bill 537/House Bill 7 (both failed)** would have established a State Juvenile Justice Disciplinary and Grievance Advisory Commission, independent of DJJ, to inform and advise the Secretary of Juvenile Justice on issues regarding the care and supervision of children under the jurisdiction of DJJ. Similarly, **House Bill 1426 (failed)** would have created an Office of the Independent Monitor within the Governor's Office for Children, Youth, and Families (OCYF) to monitor conditions at Department of Juvenile Justice residential facilities.

A number of bills attempting to place additional controls over juvenile disposition and detention were also considered and rejected. **House Bill 474 (failed)** would have required DJJ to adopt a code of conduct for its employees and regulations for standards and services at certain juvenile facilities. **House Bill 171 (failed)** would have required DJJ to implement, within 15 days after the date of disposition, a "treatment service plan" for a child recommended by DJJ and adopted by the juvenile court. **House Bill 322 (failed)** would have limited the amount of time that a child may be accommodated in a detention facility to 15 days, except under certain circumstances. **House Bill 532 (failed)** would have required the Maryland State Department of Education to exercise general control and supervision over the education programs at DJJ facilities.

Commission on Juvenile Justice Jurisdiction

The Commission on Juvenile Justice Jurisdiction recently concluded an extensive study of "transfer time limits" to determine the amount of time juveniles are detained in adult jails pending a court decision on whether their cases should be transferred to the jurisdiction of the juvenile court. The commission concluded that juveniles remain in jail for an "inexcusably long" time while awaiting a transfer determination and decided that, in order to accelerate the process, it is necessary to identify those cases involving detained juvenile defendants as soon as possible and alert the various actors in the criminal justice system that such cases are matters that should be addressed in an expedited manner.

Senate Bill 353/House Bill 294 (both passed) attempt to address the problems identified by the commission by setting time frames within which courts are required to conduct hearings and determine whether a detained juvenile defendant is to be processed in the adult criminal or juvenile justice system. Additionally, the bills make several changes to provisions of law authorizing a court to transfer a case to the juvenile court.

Specifically, the bills require the court exercising criminal jurisdiction to make a decision on whether to transfer to the juvenile court a case involving a child who is alleged to have committed an offense excluded from the jurisdiction of the juvenile court within ten days after the date of a transfer hearing. Additionally, the bills require that a hearing on a motion requesting that a child be held in a juvenile

facility pending a transfer determination be held not later than the next court day, unless extended by the court for good cause shown.

The bills also provide that at a bail review or preliminary hearing involving a child whose case is eligible for transfer to the juvenile court, the District Court may order that a study concerning the child be made or that the child be held in a secure juvenile facility pending a transfer determination, regardless of whether the District Court has criminal jurisdiction over the case. The bills require the court exercising criminal jurisdiction to consider any victim impact statement in determining whether to transfer jurisdiction.

To accelerate the time frame for the processing of detained juvenile defendants, the bills require that if a defendant who is under age 18 and whose case is eligible for transfer to the juvenile court remains in custody for any reason after a bail review hearing:

(1) in the case of a child charged with a felony that is not within the jurisdiction of the juvenile court, the District Court shall:

(i) clearly indicate on the case file and in computer records that the case involves a detained child; and

(ii) set a preliminary hearing to be held within 15 days after the bail review hearing; or

(2) in the case of a child charged with a crime in the District Court, the District Court:

(i) shall clearly indicate on the case file and in computer records that the case involves a detained child;

(ii) shall set a transfer hearing to be held within 30 days after the filing of the charging document;

(iii) may order that a transfer study be made; and

(iv) shall require that prompt notice be given to counsel for the child, or if unrepresented, to the Office of the Public Defender.

When a circuit court receives a case involving a detained juvenile defendant from the District Court, the circuit court:

(1) unless previously set by the District Court, shall set a transfer hearing to be held within 30 days after the filing of the charging document in the circuit court;

(2) may order that a transfer study be made; and

(3) shall require that prompt notice be given to counsel for the child, or if unrepresented, to the Office of the Public Defender.

The Commission on Juvenile Justice Jurisdiction is due to submit a supplemental report and policy recommendations to the Governor and the General Assembly by September 2001.

Although it was not prompted by a recommendation of the commission, *House Bill 453 (passed)* also relates to juveniles charged as adults. The bill requires the Criminal Justice Information System Central Repository to disseminate on a monthly basis certain non-identifying information (including age, race, and gender) concerning a juvenile charged as an adult to the Maryland Justice Analysis Center of the Institute of Criminal Justice and Criminology of the University of Maryland. The information received by the Maryland Justice Analysis Center may be used only for the purposes of research, evaluation, and statistical

analysis. The Maryland Justice Analysis Center must report to the Governor and the General Assembly twice each year on the results of its research, evaluation, and statistical analysis.

Montgomery County Juvenile Court

Senate Bill 659 (passed) transfers jurisdiction over juvenile causes (which are cases involving children who are alleged to be delinquent, in need of assistance, or in need of supervision) in Montgomery County from the District Court to the circuit court effective March 1, 2002. Currently, in Baltimore City and in every county except Montgomery County, the circuit court has jurisdiction over juvenile causes. To execute the transfer, the bill creates three new circuit court judgeships for Montgomery County and eliminates two District Court judgeships by attrition. For a more detailed discussion of *Senate Bill 659*, see Part F - Courts and Civil Proceedings, Judges and Court Administration, of this *90 Day Report*.

School-Related Legislation

Juvenile Justice Alternative Education Pilot Program

House Bill 825 (passed) requires the State Board of Education to establish a Juvenile Justice Alternative Education Pilot Program in a county designated by the State Superintendent of Schools. Except for a student who is adjudicated delinquent and committed by the juvenile court to a public or licensed private agency for placement in a facility, a student who is suspended, expelled, or identified as a candidate for suspension or expulsion must attend the program.

The program must promote self-discipline and reduce disruptive behavior, ensure that the student receives appropriate educational services during the term of the suspension or expulsion, and offer services to facilitate the student's transition back to school. The State board may select a private agency that has at least three years experience serving suspended or expelled students to administer the program, and the agency must provide proof of student progress in reading and math. Additionally, the State Department of Education or a county board of education may enter into a partnership with the county's circuit court judges to oversee the program.

The State board must report annually to the Governor and the General Assembly on the implementation of the bill. The fiscal 2002 State budget provides \$500,000 to begin implementation of the program.

Department of Juvenile Justice Summer Opportunity Program

House Bill 892 (passed) establishes a three-year Summer Opportunity Pilot Program in up to three counties to provide summertime educational services to youths under the supervision of DJJ using faculty of the local school system. In consultation with the State Board of Education, DJJ is required to review program proposals submitted by local boards of education. Funds provided through the program may be used only to extend the contracts of participating teachers.

Possession of Portable Pagers on Public School Premises

Under existing law, a "portable pager" is defined as any device used to receive or communicate messages. The term includes cellular telephones, laptop computers, and hand-held computers. An individual who possesses a portable pager on public school property is guilty of a misdemeanor and is subject to a fine not exceeding \$2,500 or imprisonment not exceeding six months or both.

House Bill 67 (passed) makes the current statewide prohibition against the possession of portable pagers on public school property apply only in Baltimore City and Baltimore, Caroline, Dorchester, Somerset, Talbot, Wicomico, and Worcester counties. In every other county in the State, possession of a portable pager is not a crime. However, the local boards of education in those counties not subject to the criminal provisions under the bill would be authorized to develop their own local administrative policies regarding the use and possession of portable pagers on public school property.

Arrests of Students

If a child enrolled in the public school system is arrested for a "reportable offense," the law enforcement agency making the arrest shall notify the local superintendent of the arrest and charges within 24 hours of the arrest or as soon as practicable. The State's Attorney must promptly notify the local superintendent of the disposition of the reportable offense. A reportable offense means: (1) a crime of violence; (2) certain serious offenses excluded from the jurisdiction of the juvenile court; (3) certain weapons offenses; (4) certain controlled dangerous substances offenses; and (5) certain destructive devices offenses.

Except by order of a juvenile court or other good cause shown, the information obtained by a local superintendent is confidential and may not be redisclosed or made part of the child's permanent educational record. The information obtained by a local superintendent must be used to provide appropriate educational programming and related services to the child and to maintain a safe and secure school environment for students and school personnel. The information may be transmitted only to the school principal and other school personnel as necessary to carry out the purposes described above.

Senate Bill 713 (passed) authorizes a local school superintendent to transmit, as a confidential file, information concerning the arrest and disposition of a public school student for certain reportable offenses to the local school superintendent of another public school system in which the student has enrolled or been transferred, if the disposition of the reportable offense was a conviction or an adjudication of delinquency or the criminal charge or delinquency petition is still pending. The superintendent must include in any transmittal information regarding any educational programming and services provided to the child.

Eastern Shore Juvenile Curfew

Senate Bill 552 (passed) authorizes the code home rule counties of Caroline, Kent, Queen Anne's, and Worcester to adopt a juvenile curfew ordinance. A curfew may be adopted by a municipal corporation in that county. A county may only adopt a juvenile curfew ordinance after making an independent factual finding that demonstrates a local need for a juvenile curfew.

Curfew hours would begin at midnight and last until 5:00 a.m. During these hours, a minor would not be permitted to remain in a public place or in an establishment. Also, the parent or guardian of a minor may not knowingly allow a minor to remain in a public place or in an establishment during curfew hours. An owner, operator, or employee of an establishment may not knowingly allow a minor to remain on the premises of an establishment during curfew hours. The bill designates ten separate circumstances under which a juvenile curfew ordinance adopted by a county would not apply to a minor. These include a minor who is accompanied by a parent or guardian, a minor who is engaged in legal employment, or a minor who is attending or returning directly home from a school, religious, or recreational activity supervised by adults and sponsored by an organization that takes responsibility for the minor, or a place of public entertainment. The bill authorizes a law enforcement officer to issue a civil citation for a violation of a juvenile curfew ordinance.

Public Safety

Racial Profiling

Senate Bill 208/House Bill 303 (both passed) require each law enforcement agency in the State to adopt a policy against race-based "traffic stops." These Administration bills also establish a reporting program on traffic stops.

Background

Racial profiling refers to the practice of police officers stopping motorists of color simply because they fit

the "profile" of people who might carry contraband, drugs, or other illegal items. How widespread this technique is has been a topic of debate among minority groups, law enforcement personnel, civil libertarians, and academicians.

According to the Office of the Attorney General, there were two cases pending against the State in 2001 in the U.S. District Court in Baltimore concerning the use of race in instituting traffic stops and subsequent searches. The first case, *Robert Wilkins, et al. vs. Maryland State Police, et al.*, was filed in 1993. It was settled in 1995, but the plaintiffs returned to court in September 2000 over the implementation of the settlement. The second case, *The Maryland State Conference of NAACP Branches, et al. vs. the Maryland State Police, et al.*, was brought in 1998 as a class action law suit.

Allegations of racial profiling also have been an issue in Montgomery County. On January 14, 2000, a memorandum of understanding among the U. S. Department of Justice, Montgomery County, the Montgomery County Department of Police (MCPD), and the Fraternal Order of Police, Montgomery County Lodge 35, Inc., was released in an effort to institute management practices by the police that will promote nondiscriminatory law enforcement and community support for the police. Baltimore City and Howard County have also implemented record-keeping systems to keep track of traffic stops and the race of individuals stopped.

Bill Summary

Senate Bill 208/House Bill 303 require the State's law enforcement agencies to adopt a policy against race-based traffic stops that is to be used as a management tool to promote nondiscriminatory law enforcement. The policy also must be used in the training and counseling of officers. The bills require law enforcement officers to record specified information in connection with each traffic stop, including the driver's race and ethnicity, to evaluate the manner in which the vehicle laws are being enforced. As defined, a "traffic stop" does not include: (1) a checkpoint or roadblock stop; (2) a stop for public safety purposes arising from a traffic accident or emergency situation; or (3) a stop based on the use of radar, laser, or vascar technology.

The bills require the Police Training Commission, in consultation with the Maryland Justice Analysis Center at the University of Maryland College Park, to develop a model format for the efficient recording of the traffic stop data on an electronic device, or by any other means, for use by a law enforcement agency. The commission will also develop guidelines that each law enforcement agency may use in data evaluation. Each law enforcement agency must compile the data collected by its officers and submit an annual report to the center by March 1 of each year reflecting the prior calendar year. The center is charged with analyzing the data based on a methodology developed in consultation with the Police Training Commission. By September 1 of each year, the center is required to issue a report to the Governor and the General Assembly as well as to each law enforcement agency.

The bills phase in the law enforcement agencies covered over a three-year period. Effective January 1, 2002, the bills cover each agency with 100 or more officers. Effective January 2003, agencies with 50 or more officers are covered and, effective January 2004, every agency is covered. Data collection is required to continue for a five-year period (until December 31, 2006) and a final report is required before September 1, 2007. Any law enforcement agency that enters into an agreement with the U.S. Department of Justice before July 1, 2001, to provide similar data may substitute the report to the Department of Justice for the bill's reporting requirements.

The bills require the Governor to assist local law enforcement agencies to implement the required data collection and reporting obligations by: (1) providing for a deficiency appropriation in the State budget for fiscal 2002; and (2) appropriating monies in the State budget for fiscal 2003 through 2006. The fiscal 2002 budget contains nearly \$686,000 for the Department of State Police and the Department of Public Safety and Correctional Services to implement the bills.

The bills terminate after August 31, 2007.

Offender Employment

House Bill 829 (passed) establishes a 13-member Advisory Council on Offender Employment Coordination to gather information, solicit ideas, and advise and provide guidance on ways to expand employment opportunities. The council must submit an annual report concerning its activities to the General Assembly. The bill is effective from June 1, 2001, to August 31, 2004.

Bulletproof Body Armor

Senate Bill 209/House Bill 305 (both passed) prohibit a person from wearing or possessing "bulletproof body armor" during and in relation to a drug trafficking crime. A violation is a misdemeanor subject to a fine of not more than \$5,000 or imprisonment for not more than five years or both. Bulletproof body armor is defined to mean any material or object that is designed to cover or be worn on any part of the body to prevent, deflect, or slow down the penetration of ammunition.

In addition, *Senate Bill 209/House Bill 305* prohibit the use, possession, or purchase of bulletproof body armor by a person who was previously convicted of a crime of violence or a drug trafficking crime. A violation is a misdemeanor subject to imprisonment not exceeding five years or a fine not exceeding \$5,000 or both.

A person subject to this prohibition may file a petition with the Secretary of State Police for a permit to use, possess, and purchase bulletproof body armor. In deciding whether to issue a permit and any conditions of the permit, the Secretary shall determine whether a petitioner is likely to use or possess bulletproof body armor in a safe and lawful manner and has good cause for the use, possession, or purchase of bulletproof body armor. A permit expires after five years, may be renewed, and may be revoked or limited.

If an application for or renewal of a permit is denied, or a permit is revoked or limited, the person may make a written request for the Secretary to conduct an informal review of the initial action, including a personal interview with the applicant. The Secretary shall sustain, reverse, or modify the original action. A person aggrieved by a decision of the Secretary may seek review under the Administrative Procedure Act.

Law Enforcement Officers' Bill of Rights

The Law Enforcement Officers' Bill of Rights was enacted in 1974 to guarantee that police officers are afforded certain procedural safeguards during any investigation and subsequent hearing which could result in disciplinary action. The Law Enforcement Officers' Bill of Rights also guarantees the right of law enforcement officers to engage in political activity and to obtain secondary employment.

Senate Bill 284 (passed) provides that police officers of Morgan State University are covered by the Law Enforcement Officers' Bill of Rights. *House Bill 538 (passed)* provides that members of the Baltimore City Watershed Police Force are covered as well.

Surcharge on Vehicle Registration - Increase to Fund the Emergency Medical Systems Operations Fund

Senate Bill 292 (Ch. 33)/House Bill 1148 (passed) raise the annual motor vehicle registration surcharge from \$8 to \$11. The surcharge is dedicated to the Emergency Medical System Operations Fund, which is used to support, among other things, the Senator William H. Amoss Fire, Rescue, and Ambulance Fund and the Low Interest Revolving Loan Account under the Volunteer Company Assistance Fund. The bills could increase the fund's revenues by an estimated \$13.1 million in fiscal 2002. A more extensive discussion of these bills can be found under the Motor Vehicles subpart of Part G of this *90 Day Report*.

Mutual Aid Agreements

House Bill 109 (passed) expands the existing authority of the governing bodies of counties, municipal corporations, or the Maryland-National Capital Park and Planning Commission to enter into mutual aid agreements involving police personnel or equipment with other like entities, within or outside the State, by eliminating the requirement that these agreements apply only under emergency circumstances.

House Bill 205 (Ch. 56) alters the definition of the term "fire, rescue, or emergency services entity," under provisions applicable to mutual aid agreements between or among fire companies or rescue companies, by specifying that an "emergency medical services unit" includes an entity providing services at any level. These terms replace specified individual references to boards of fire commissioners, fire companies, rescue squads, governmental subdivisions, or fire departments, or the ambulance or advanced life support work of such units.

Crime Control and Prevention

Senate Bill 453/House Bill 588 (both passed) establish a Law Enforcement Equipment Fund to assist local law enforcement agencies in acquiring equipment needed to address violent crime. The Law Enforcement Equipment Fund consists of money appropriated in the State budget. The Governor's Office of Crime Control and Prevention will administer the fund and establish application procedures for grants from the fund.

The bills require local law enforcement agencies applying for aid from the fund to provide specified information to the Office of Crime Control and Prevention. Jurisdictions with the highest incidence of violent crime must be given funding priority. Aid distributed from the fund must be based on the comparative equipment needs of each local law enforcement agency, and used to supplement, and not supplant, other local law enforcement funding. The Office of Crime Control and Prevention is required to report annually, by September 1, on distribution of aid from the fund.

Enhanced Wireless 911 Service

An enhanced 911 service is available for landline phones, but is not available for wireless users. An enhanced service allows a 911 operator to trace a call to the address where the call was made, regardless of the type of service used.

Senate Bill 505/House Bill 1078 (both passed) establish an eight-member Task Force on Enhanced Wireless 911 Service to examine existing State law on enhanced wireless 911 service. The task force is required to report to the General Assembly by December 1, 2001, on its findings and recommendations, including any appropriate statutory changes.

Part F

Courts and Civil Proceedings

Judges and Court Administration

Funding of Law Clerks

Language in the 1999 *Joint Chairmen's Report* required the Chief Judge of the Court of Appeals to submit a plan for increasing the State's role in circuit court funding. Accordingly, the Judiciary submitted the "Circuit Courts Action Plan" in November 1999. That document set forth an incremental partial cost assumption plan that would, by fiscal 2004, require the State to contribute an additional \$50 million per year to the circuit courts. One of the recommendations contained in the plan was that the State provide for the salaries and benefits of circuit court law clerks. These costs are currently borne by local governments.

House Bill 716 (passed) requires each circuit court judge to have one law clerk, to be employed by the State. The budget for the Administrative Office of the Courts must include funds to employ one law clerk for each circuit court judge. The bill applies only to law clerks who begin employment on or after July 1, 2002.

The counties and Baltimore City must use the savings resulting from the bill solely to increase local expenditures for circuit court or related public safety purposes, which expenditures may not supplant existing local expenditures for the same purpose. In fiscal 2003 through 2010, each jurisdiction is required to report to the Department of Budget and Management (DBM) by November 1 on the expenditures to which the savings resulting from the bill have been applied. DBM must report these expenditures to the Chief Judge of the Court of Appeals and the General Assembly.

The cost of the legislation is estimated at \$6.5 million for fiscal 2003.

Provisions of these bills that would have required the State to begin to pay rent to local jurisdictions for space occupied by the offices of the clerks of the circuit courts, up to \$10 per square foot, were not approved by the General Assembly.

Juvenile Court - Montgomery County

Currently, in Baltimore City and in every county except Montgomery County, the circuit court has jurisdiction over juvenile causes, which are cases involving children who are alleged to be delinquent, in need of assistance, or in need of supervision. In Montgomery County, the District Court has jurisdiction over juvenile causes and sits as the juvenile court. **Senate Bill 659 (passed)** brings Montgomery County into conformity with all other counties and Baltimore City by transferring jurisdiction over juvenile causes from the District Court to the circuit court, effective March 1, 2002. The bill also creates three new judgeships in the Circuit Court for Montgomery County and eliminates two District Court judgeships by attrition.

Maryland Rule 16-204, which became effective July 1, 1998, established a family division in the circuit court of each county having more than seven resident judges. By transferring jurisdiction over juvenile causes from the District Court to the circuit court, **Senate Bill 659** places juvenile causes in Montgomery County in the same court in which the family division is located.

Uncodified language also requires that personnel other than judges who are employed by the District Court and who are assigned to the juvenile court in Montgomery County be transferred to the Office of the Clerk of the Circuit Court for Montgomery County without any loss of compensation or benefits solely as a result of the transfer, and requires the Clerk of the Circuit Court for Montgomery County, the

Administrative Office of the Courts, and the Chief Judge of the District Court to cooperate to accomplish this transfer.

Creation of Judgeships

In 1979, the Chief Judge of the Court of Appeals began an annual procedure, suggested by the Legislative Policy Committee, of formally certifying to the General Assembly the need for additional judges in the State. The certification is prepared after a statistical analysis of the workload and performance of the circuit courts and the District Court of Maryland and consideration of the comments of the circuit administrative judges and the Chief Judge of the District Court.

For fiscal 2002, the Judiciary certified the need for 14 additional circuit court judgeships and five additional District Court judgeships. The following table shows the number of judgeships certified by jurisdiction.

<u>Jurisdiction</u>	<u>Circuit Court</u>	<u>District Court</u>
Anne Arundel County	2	
Baltimore City	2	1
Baltimore County	2	
Calvert County	1	
Montgomery County	4	1
Prince George's County	2	1
St. Mary's County		1
Worcester County	<u>1</u>	<u>1</u>
Total	14	5

These 19 judgeships were requested in *Senate Bill 519/House Bill 658 (both failed)*. Two of the four circuit court judgeships requested for Montgomery County were contingent on *Senate Bill 659 (passed)*, which transfers juvenile jurisdiction from the District Court to the Circuit Court for Montgomery County. A more extensive discussion of *Senate Bill 659* may be found on page F-2 of this *90 Day Report*.

According to the *Annual Certification of Needs for Additional Judgeships for Fiscal Year 2002*, recent amendments to the Maryland Rules reduce the authority of masters in family law matters and will require additional circuit court judgeships over the next several years. The Judiciary's request for the five additional District Court judgeships was based on its increasing dependence on retired judges, a recent expansion in its civil jurisdiction, and the rise in more complicated civil litigation in the District Court.

Circuit Court Administrators - Seventh Judicial Circuit

Senate Bill 322/House Bill 140 (both passed) repeal a provision of current law establishing an administrative office of the courts of the Seventh Judicial Circuit and providing for the position of administrator and replace it with provisions that authorize a court administrator in each county of the Seventh Judicial Circuit (Prince George's, St. Mary's, Calvert, and Charles counties).

Civil Actions and Procedures

Immunity and Liability

Abrogation of Parent-Child Immunity in Motor Vehicle Torts

The doctrine of parent-child immunity generally prevents parents and their children from suing each other for torts. *House Bill 183 (passed)* limits the doctrine and permits a parent or child or the estate of a parent

or child to sue each other for wrongful death, personal injury, or property damage arising from the operation of a motor vehicle up to the mandatory minimum liability insurance coverage required under the Maryland Vehicle Law, which is currently set at \$20,000 for an individual claim for bodily injury or death, \$40,000 for all claims arising from the same accident, and \$15,000 for property damage. The bill, however, prohibits wrongful death actions arising from the operation of a motor vehicle for the benefit of a parent who caused the death of his or her child or for the benefit of a child who caused the death of his or her parent.

House Bill 183 also provides that motor vehicle torts involving a parent and a child may not be restricted by an insurance policy provision, such as a "household exclusion," up to the mandatory minimum liability coverage levels required by the Maryland Vehicle Law.

Child Passenger Safety Technicians and Sponsoring Organizations

In an attempt to encourage trained child passenger safety technicians to volunteer their services, **Senate Bill 35/House Bill 1261 (both passed)** provide immunity from civil liability to a child passenger safety technician or sponsoring organization for an act or omission that occurs solely in the inspection, installation, or adjustment of a child safety seat in a motor vehicle, or in giving advice or assistance regarding the installation or adjustment of a child safety seat, if:

- the child passenger safety technician acts in good faith and within the scope of the training for which the technician is certified;
- the act or omission does not constitute gross negligence or willful or wanton misconduct;
- the inspection, installation, or adjustment of the child safety seat, or the advice or assistance, is provided without fee or charge to the owner or operator of the motor vehicle; and
- the inspection, installation, or adjustment of the child safety seat is not provided in conjunction with the for profit sale of the child safety seat.

When installed and used correctly, child safety seats reduce the risk of injury by 71 percent for infants and by 54 percent for toddlers. However, field experience at various safety seat inspections has shown that 80 to 90 percent of safety seats are not being used or installed correctly.

Local Government Tort Claims Act

Senate Bill 433/House Bill 942 (both passed) are emergency measures that clarify that the monetary limits on the liability of a local government under the Local Government Tort Claims Act (LGTCa) apply to tort actions against a local government itself, as well as to actions against local government employees.

The bills apply to cases pending on the effective date of the bill and arising from events occurring on or after July 1, 1987 (the original effective date of the LGTCa).

The LGTCa provides that the liability of a local government may not exceed \$200,000 per individual claim and \$500,000 per total claims that arise from the same occurrence. These bills are in response to a recent Court of Appeals decision, *Housing Authority of Baltimore City v. Bennett*, 359 Md. 356 (2000), which held that the limits on liability under the LGTCa do not apply to a tort judgment directly against a local government agency under some circumstances.

Managed Care Entities

Senate Bill 490/House Bill 223 (both failed) would have established that a carrier or managed care entity for a health benefit plan has the duty to exercise ordinary care when making health care treatment decisions and is liable for damages for harm to an insured or enrollee proximately caused by its failure to

exercise ordinary care.

District Court Jurisdiction

Small Claim Actions

Small claims court is a division of the District Court of Maryland that handles disputes involving no more than \$2,500 with less formality than other courts. The court's rules of procedure and evidence are relaxed to make it easier for parties to represent themselves without hiring an attorney. An officer or employee of a corporation or other business entity may appear on behalf of the entity in a small claim action.

House Bill 546 (passed) increases the maximum amount of a small claim action in the District Court from \$2,500 to \$5,000, exclusive of interest, costs, and attorney's fees. Such a case must be filed in the District Court. For cases in which the amount in controversy is above \$5,000, the District Court and the circuit courts have concurrent jurisdiction.

The legislation also increases the threshold of civil cases for which an appeal from the District Court is required to be heard on the record from an amount that exceeds \$2,500 to an amount that exceeds \$5,000. In addition, the legislation increases the limit for civil actions in the District Court in which there are no formal pleadings from \$1,000 to \$2,500.

Dishonored Checks

House Bill 70 (passed) clarifies that the District Court of Maryland has civil jurisdiction in an action for damages for a dishonored check or other negotiable instrument even if the amount in controversy exceeds \$25,000, the monetary limit of the District Court's jurisdiction.

Under the bill, if the amount in controversy in such an action exceeds \$25,000, the defendant may transfer the case to a circuit court by making a timely demand.

Automotive Warranty Enforcement

Senate Bill 634 (passed) establishes that the District Court has concurrent jurisdiction with a circuit court in a proceeding for a replacement motor vehicle under the Automotive Warranty Enforcement Act, also known as the "lemon law."

Service of Process and Subpoenas

House Bill 854 (passed) requires counties, municipalities, and other local entities, and those State agencies that are not represented by the Attorney General, to designate a resident agent on whom process may be served. Currently, these governmental entities are permitted, but not required, to designate resident agents and file the designation with the Department of Assessments and Taxation.

House Bill 854 also provides that if the custodian of public records is not known and cannot be ascertained after a reasonable effort, a party in a legal proceeding may request a court to issue a subpoena for the custodian to be served on:

- the designated resident agent for a local entity;
- the designated resident agent for a State agency that is not represented by the Attorney General; or
- the Attorney General or an individual designated by the Attorney General for State agencies that are represented by the Attorney General.

Shoplifting and Employee Theft - Civil Penalties

Senate Bill 265/House Bill 242 (both passed) increase from \$500 to \$1,000 the maximum civil penalty that a merchant may be awarded in a civil action against a person responsible for shoplifting and employee theft.

The civil penalty that may be awarded is twice the merchant's stated sales price for the merchandise and is in addition to existing requirements that the person responsible for the theft restore the merchandise, or pay its value, and pay all of the merchant's other actual damages.

Shooting Sports Clubs - Sound Level Limits

Generally, under current law, political subdivisions and the Maryland Department of the Environment are restricted from adopting a noise control ordinance, rule, or regulation that prohibits trapshooting, skeetshooting, or other target shooting between the hours of 9 a.m. and 10 p.m. at a shooting sports club that was chartered and in operation as of July 1, 1983. Currently, this restriction on noise control measures does not apply if the sports shooting club moves to a parcel of land that is not contiguous to the location of the club on July 1, 1983.

Current law, however, authorizes the following jurisdictions to establish noise control and sound level limits notwithstanding this restriction: Baltimore City and Allegany, Calvert, Charles, Garrett, Howard, Montgomery, St. Mary's, and Washington counties. Similarly, the Department of the Environment may adopt sound level limits and noise control rules and regulations in Baltimore City and Allegany, Anne Arundel, Calvert, Charles, Garrett, Howard, Montgomery, St. Mary's, and Washington counties.

Senate Bill 869/House Bill 1423 (both passed) change this framework by applying the general restriction on noise control measures to a shooting sports club chartered and in operation as of January 1, 2001. The bills also repeal the exemption from the restriction on noise control measures applicable to a sports shooting club that moved to a parcel of land that is not contiguous to the location of the club on July 1, 1983.

The bills do not alter the authority of the jurisdictions currently authorized to establish local noise control and sound level limits or the authority of the State to adopt rules and regulations in the jurisdictions where it is authorized to do so.

Workers' Compensation

House Bill 167 (passed) requires the Workers' Compensation Commission (WCC) to send by first-class mail a copy of a decision on a claim to each party's attorney of record or to the party, if the party is not represented by an attorney. Under the bill, an appeal of a decision must be filed within 30 days after the date of the mailing of the order, rather than the date of the commission's decision. The bill also requires the WCC to mail a notice denying a motion for rehearing or, if a rehearing is held, the order resulting from the rehearing to a party's attorney of record or, if the party is unrepresented, to the party.

Comparative Negligence

For the past several sessions, attempts to change Maryland from a contributory negligence State to a comparative negligence State have been unsuccessful.

Senate Bill 483 (failed) would have established comparative negligence as the method for awarding damages in negligence actions.

Specifically, the bill would have provided that in an action for damages based on negligence resulting in death or injury to person or property, contributory negligence of the plaintiff does not bar recovery if the contributory negligence was less than: (1) the negligence of the defendant; or (2) the combined negligence of all defendants against whom recovery is sought.

Family Law

Newborn Children - Abandonment

Prompted by well-publicized cases involving the disposal of newborns in trash dumpsters and other unsafe locations, the General Assembly considered a number of proposals, *Senate Bill 32/Senate Bill 82/Senate Bill 704/House Bill 74/House Bill 252/House Bill 312/House Bill 363/House Bill 515 (all failed)* designed to prevent future incidents of unsafe abandonment of newborns by providing parents with a safe and anonymous alternative.

Generally, the bills would have established immunity from prosecution for a parent who relinquishes a newborn to a "safe haven" such as a hospital, police station, or fire station. Several of the bills set forth procedures for employees of a safe haven to follow when a newborn is relinquished. The bills also would have provided immunity from civil liability and criminal prosecution for those who accept or treat an abandoned newborn.

Child Support

Child and Spousal Support - Earnings Withholding

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires State support enforcement agencies to perform certain functions without judicial involvement in an effort to streamline the child support process. To bring the State into compliance with federal welfare form mandates, *House Bill 1070 (passed)* authorizes the Child Support Enforcement Administration to issue a wage withholding notice on a standard federal form, provided there is an underlying court order, and to include a payment toward arrears that have accrued. Additionally, the bill requires employers to remit all wage withholding to the State Disbursement Unit in cases in which the administration is providing support enforcement.

Failure to Pay Child Support - Intestate Succession

Senate Bill 173/House Bill 154 (both passed) preclude a surviving parent from inheriting by intestate succession from a minor child of the parent if the parent abandoned the child or willfully failed to contribute to the support of the child in violation of a court order for at least three consecutive years immediately preceding the death of the child or for the life of the child, whichever is less. A parent is deemed to have abandoned a minor child if the conduct of that parent demonstrates a settled purpose willfully and intentionally to relinquish all parental rights and duties with respect to the child and to renounce and forsake the child entirely. A more extensive discussion of *Senate Bill 173/House Bill 154* may be found under the Subpart N2 - Estates and Trusts of this *90 Day Report*.

Adoption

Notice to Parents

House Bill 705 (passed) repeals the authority of the court to waive notice to a natural parent of the filing of a petition for adoption or guardianship in cases in which the petitioner, after reasonable efforts in good faith, cannot learn the identity or location of the natural parent or cannot successfully serve the natural parent. Additionally, the bill repeals a provision of law authorizing a court to order notice by posting in the case of an independent adoption. The bill substitutes a requirement of notice by publication in cases in which the petitioner, after reasonable efforts in good faith cannot learn the identity or location of a natural parent or cannot successfully serve the natural parent. If the court orders notice by publication, the show cause order must be published at least once in one or more newspapers of general circulation published in the county in which the petition is filed.

The bill addresses due process concerns with the current waiver of notice provisions raised by the Court of Appeals Standing Committee on Rules of Practice and Procedure. The Rules Committee recommended the repeal of the current waiver of notice provisions and the substitution of a requirement of notice by publication in order to ensure the finality of judgments of adoption and prevent the potential for judgments being set aside by a reviewing court because of insufficient due process afforded to the natural parent.

Adoption Subsidy for Medically Fragile Children

Under existing law, medically fragile children (children with certain special medical needs) committed to a local department of social services may be placed in treatment foster care. Treatment foster care parents may receive up to \$1,800 per month plus paid day care and respite care for medically fragile foster children. However, if these parents chose to adopt the child, their monthly payment is reduced to \$650 per month, since an adoption subsidy cannot be more than the basic foster care payment amount. Additionally, the family loses paid day care, respite, and other benefits when the child is adopted, which creates a disincentive for foster parents to adopt these children.

Senate Bill 44 (passed) raises the maximum monthly payment for adoption subsidies to \$2,000 for a medically fragile child living in a treatment foster care home. A more extensive discussion of *Senate Bill 44* may be found under Subpart 04 - Children under Part M - Human Resources of this *90 Day Report*.

Marriage Licenses

The current statewide fee for a marriage license is \$10, of which \$5 is retained by the clerk of the circuit court and \$5 is paid into the general fund of the county. In most counties, there is an additional fee for each license, which is used to fund domestic violence programs.

House Bill 20 (passed) authorizes a county to discount the marriage license fee for couples who complete premarital preparation courses within one year before the date of the application for the license. Under the bill, the county governing body is authorized to determine the amount of any discount. However, any discount authorized by a county cannot be applied to any fee used to fund domestic violence programs.

International Child Abduction

Currently, if a child is under the age of 16 years, a relative who knows that another person is the lawful custodian of the child may not:

- (1) abduct, take, or carry away the child from the lawful custodian to a place outside of this State;
- (2) having acquired lawful possession of the child, detain the child outside of this State for more than 48 hours after the lawful custodian demands that the child be returned;
- (3) harbor or hide the child outside of this State knowing that possession of the child was obtained by another relative in violation of the above provisions; or
- (4) act as an accessory to an act prohibited by the above provisions.

If the child is out of the custody of the lawful custodian for not more than 30 days, a person who violates the current child abduction laws is guilty of a felony and on conviction is subject to a fine not exceeding \$250 or imprisonment not exceeding 30 days or both. If the child is out of the custody of the lawful custodian for more than 30 days, a person who violates the current child abduction laws is guilty of a felony and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding one year, or both.

Title 18, § 1204 of the United States Code provides that whoever removes a child from the United States or retains a child (who has been in the United States) outside of the United States with intent to obstruct

the lawful exercise of parental rights shall be fined or imprisoned for not more than three years or both. However, the U.S. Attorney may decline to prosecute. In international abduction cases in which the U.S. Attorney declines to prosecute, State and local law enforcement agencies must enlist the aid of other international organizations such as INTERPOL, the International Criminal Police Organization. However, INTERPOL will issue a "red notice" seeking the apprehension and extradition of international fugitives only for crimes that carry a penalty of more than one year of incarceration. Because the current maximum penalty for international child abduction is one year, State and local law enforcement agencies are not able to utilize the services of INTERPOL to facilitate fugitive captures.

House Bill 850 (passed) establishes a separate offense and increases the maximum penalties to three years and \$5,000, for child abduction when the child is taken outside of the United States, a territory of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

Unregistered Family Day Care Providers

Senate Bill 691 (passed) authorizes an employee of the Social Services Administration charged with the investigation and enforcement of child care regulations or the chief licensing agent in a regional office of the Social Services Administration to serve a civil citation on a person who has not registered a family day care home as required by law.

The bill provides for a civil penalty of \$250 for the first violation, \$500 for the second violation, and \$1,000 for the third and subsequent violations. A person served with a civil citation may appeal to the Office of Administrative Hearings.

Current law provides for the imposition of a civil penalty not exceeding \$1,000 for each violation and not exceeding \$5,000 in total in a civil action.

Juvenile Causes

In 1997, the Foster Care Court Improvement Project Advisory Committee completed an assessment of the Judiciary's processing of child abuse and neglect cases. One of the findings of the assessment was that the Child in Need of Assistance (CINA) statute, which is combined with the delinquency and Children in Need of Supervision (CINS) provisions, was interpreted and applied in many different ways throughout the State.

The differing policies and procedures among the various jurisdictions were found to cause disparate treatment of litigants and confusion for practitioners and agencies. Also, it was considered inappropriate to have CINA provisions intertwined with delinquency provisions in one statute. To correct these problems, the advisory committee recommended that a separate CINA statute be written.

Senate Bill 660 (passed) revises and reorganizes the laws governing juvenile court proceedings to separate the laws pertaining to CINA proceedings from those pertaining to delinquency and CINS proceedings. The bill also makes a number of significant substantive changes to the CINA provisions, including:

- expanding the jurisdiction of the juvenile court to include guardianship review proceedings after a termination of parental rights proceeding;
- granting the juvenile court concurrent jurisdiction over: (1) custody, visitation, child support, and paternity of a child whom the court finds to be a CINA; and (2) custody of a child alleged to be a CINA, under certain circumstances;
- altering the definition of "child in need of assistance";
- repealing the exemption for nonmedical remedial care from the current law;

- requiring at least one judge to be assigned to handle juvenile cases in every county;
- divesting the Department of Juvenile Justice of its authority to file a CINA petition;
- expanding the scope of representation by the Office of the Public Defender (OPD) to require all indigent parents to be afforded counsel at State expense at every stage of a CINA proceeding, contingent upon funding;
- prohibiting the OPD from representing children in CINA proceedings;
- altering the procedures under which a law enforcement officer may take a child into custody;
- requiring a shelter care hearing to be held not later than the next day on which the circuit court sits;
- providing that the rules of evidence apply to adjudication hearings;
- limiting the presumption regarding drug addicted babies in CINA cases to apply only within one year after the child's birth and only if drug treatment is available to the mother and the mother refuses or does not successfully complete the drug treatment;
- expanding the dispositional options available to the court in CINA proceedings;
- establishing standardized procedures for emergency dispositional review hearings by the court;
- granting authority to the juvenile court to issue restraining orders against non-parties in CINA proceedings;
- in response to the decision reached in *In Re Russel G*, 108 Md. App. 366 (1996), altering court procedures in cases in which the allegation in a CINA petition are sustained against only one parent and there is another parent who is able and willing to care for the child;
- modifying the schedule of permanency plan review hearings;
- repealing the authority of the court to order a party supporting a plan of adoption to file a petition for termination of parental rights;
- expanding access to juvenile court records involving a CINA; and
- repealing the requirement for local matching funds for Court-Appointed Special Advocate programs.

Child Protection

Child Abuse Reports

Under current law, records and reports of child abuse or neglect are confidential except under certain circumstances. A local department of social services is required to disclose child abuse and neglect records and reports if ordered to do so by a court or, under certain circumstances, an administrative law judge. Additionally, the local department may, upon request, make additional disclosures to designated categories of persons where relevant to the purpose of the exception. For example, the local department may disclose the records and reports to a public school superintendent for carrying out appropriate personnel actions following a report of suspected child abuse involving a student committed by a public school employee.

According to an Opinion of the Attorney General 85 *Opinions of the Attorney General* ___[Opinion No. 00-008 (April 3, 2000)], the current law does not permit a local department of social services to disclose confidential child abuse and neglect information concerning an individual, such as a bus driver, who is not

a public school employee, regardless of his or her contact with public school children. Such disclosure could subject a local department to criminal prosecution (a misdemeanor subject to a fine not exceeding \$500 or imprisonment not exceeding 90 days or both) and potential civil liability.

Senate Bill 810/House Bill 1240 (both passed) expand the current law to authorize the disclosure of records and reports of abuse committed by independent contractors who supervise or work directly with students in a public school and their employees who supervise or work directly with students. Additionally, the bills expand the purposes for which a public school superintendent may receive the records and reports to include the carrying out of appropriate administrative actions.

Criminal Background Checks of Employees at Child Care Facilities

House Bill 145 (passed) authorizes the creation of pools of individuals who are pre-qualified to work as substitute or temporary employees in certain child care facilities. In order to participate in the pool, individuals must complete a criminal background check so that once qualified, they will be available on short notice to respond to unexpected staff absences.

Specifically, the bill alters the definitions of "employee" and "employer" with respect to provisions of law requiring employees of certain child care facilities to obtain a national and State criminal history records check. The definition of employee is expanded to include a person who: (1) participates in a pool of substitute or temporary employees; (2) for compensation will be employed on a substitute or temporary basis to work in either a licensed child care center or a registered family day care home; and (3) will care for or supervise children in the facility or will have access to children who are cared for or supervised in the facility.

The definition of employer is expanded, for purposes of provisions of law authorizing an employer to receive the results of a criminal history records check of an employee, to include child care resource and referral centers, associations of registered family day care providers, and associations of licensed child care centers to the extent that these entities establish and maintain a pool of individuals who are qualified to work as substitute or temporary employees in a licensed child care center or a family day care home.

The bill also requires an employer, as defined above, to require an employee, as defined above, to obtain a criminal history records check.

Domestic Violence

Interim Domestic Violence and Peace Orders - Issuance by District Court Commissioners

Senate Bill 657/House Bill 764 (both failed) would have proposed a constitutional amendment to allow District Court commissioners to issue interim domestic violence orders and interim peace orders on days and during hours in which the office of the Clerk of the District Court is not open. The proposed constitutional amendment would have been submitted to the voters of the State in the 2002 general election.

Senate Bill 658/House Bill 763 (both failed) would have made the statutory changes necessary to implement the constitutional amendment proposed by ***Senate Bill 657/House Bill 764***

Out of State Ex Parte Orders

Senate Bill 481/House Bill 254 (both passed) were introduced in response to a recommendation made in a recent Opinion of the Attorney General (*See 35 Opinions of the Attorney General* ____ (2000) [Opinion No. 00-009 (April 22, 2000)]). The Attorney General suggested that the Maryland domestic violence statute should be clarified in two respects. First, because the Maryland law speaks only to the criminal enforcement of an out-of-state "protective order," the statute might reasonably be interpreted to address only the criminal enforcement of an out-of-state domestic violence order issued after an opportunity for an

adversarial hearing and not the enforcement of an out-of-state *ex parte* order. Therefore, a criminal prosecution based on an out-of-state *ex parte* order alone may be subject to legal challenge because the Maryland statute applies by its terms only to "protective orders."

Second, the Attorney General recommended clarification of the current Maryland requirements for "authentication" of out-of-state domestic violence orders.

Senate Bill 481/House Bill 254 make several changes in current law to facilitate enforcement of out-of-state orders for protection from domestic violence, in accordance with the suggestions of the Office of the Attorney General.

First, the bills clarify that *ex parte* orders from other jurisdictions may be criminally enforced in Maryland. Second, the bills repeal the current requirement that an out-of-state order for protection be "authenticated" and instead allow a law enforcement officer to enforce an order that appears "valid on its face." Finally, the bills grant immunity to law enforcement officers who act reasonably and in good faith in enforcing out-of-state orders for protection.

Foster Parents

Senate Bill 307/House Bill 914 (both passed) delineate certain rights of foster parents in the State. Specifically, the bills grant foster parents the right to receive full information from the caseworker, except for information about the family members that may be privileged or confidential, on the physical, social, emotional, educational, and mental history of a child which would possibly affect the care provided by the foster parent. Additionally, foster parents have the right, except under certain circumstances, to be notified of, and when applicable, be heard at scheduled meetings and staffings concerning a child in order to actively participate, without superseding the rights of the natural parent. Foster parents also have the right to be informed of decisions made by the courts or a child welfare agency concerning the child and the right to provide input concerning the plan of services for the child and to have that input given full consideration by the local department of social services. Finally, the bills establish that foster parents have the right to be given reasonable written notice, waived only in the case of a court order or when a child is determined to be at imminent risk of harm, of plans to terminate the placement of a child with a foster parent.

Human Relations

Discrimination Based on Sexual Orientation

On September 26, 2000, Governor Parris N. Glendening issued an executive order creating a Special Commission to Study Sexual Orientation Discrimination in Maryland. The 23-member commission was directed to: (1) examine the characteristics, coverage, and exclusion of existing laws forbidding discrimination based on sexual orientation in employment, housing, and public accommodations; (2) gather information on the number of official complaints and lawsuits filed under State, federal, and local laws; (3) gather information on the potential liability of employers and other organizations accused of discrimination and the impact on the workload of the agencies charged with enforcing antidiscrimination laws; (4) solicit input from the business community, nonprofit organizations, religious groups, advocacy groups, and governmental entities on the most effective and efficient methods for guaranteeing freedom from discrimination; and (5) develop legislative proposals and proposals for executive action designed to remedy discrimination in employment, housing, and public accommodations based on sexual orientation.

Discrimination on the basis of sexual orientation is currently prohibited in four local jurisdictions in Maryland, which contain 48.5 percent of the State's population - Baltimore City, Montgomery County, Howard County, and Prince George's County. Discrimination based on sexual orientation has also been banned in 11 states (California, Connecticut, Hawaii, Massachusetts, Minnesota, Nevada, New Hampshire, New Jersey, Rhode Island, Vermont, and Wisconsin) and the District of Columbia.

After hearing testimony at five public hearings held around the State and reviewing information gathered by the commission, the commission found that discrimination based on an individual's sexual orientation does occur in Maryland and recommended that legislation be introduced to amend the State human relations law. ***Senate Bill 205 (passed)***, the Antidiscrimination Act of 2001, introduced as a result of the commission's findings, prohibits discrimination based on sexual orientation in public accommodations, employment, and housing. The bill defines "sexual orientation" as the identification of an individual as to male or female homosexuality, heterosexuality, or bisexuality.

The bill grants an employer immunity from liability arising out of the employer's reasonable acts to verify the sexual orientation of any employee or applicant in response to a charge filed against the employer on the basis of sexual orientation. In addition, the bill exempts: (1) religious organizations, the Boy Scouts of America, and the Girl Scouts of America from provisions of the bill relating to employment discrimination; and (2) the rental of rooms or apartments in an owner's principal residence from provisions of the bill relating to housing discrimination.

Finally, ***Senate Bill 205*** specifies that it: (1) may not be construed to authorize or validate same-sex marriage; (2) may not be construed to require or prohibit an employer from offering health insurance benefits to unmarried domestic partners; (3) does not mandate that an educational institution promote any form of sexuality or sexual orientation or include such matters in its curriculum; and (4) is intended to ensure specific defined rights and not to endorse or confer legislative approval of any form of sexual behavior.

Discrimination Based on Genetic Information

Senate Bill 2/House Bill 18 (Chs. 11 and 12) make it an unlawful employment practice for an employer to fail or refuse to hire an individual, or otherwise discriminate against an individual, based on genetic information or the individual's refusal to submit to a genetic test or make available the results of a genetic test. An employer may not request or require genetic tests or genetic information as a condition for hiring or determining benefits. In addition, an employer may not limit, segregate, or classify its employees or applicants for employment based on the individual's genetic information or the individual's refusal to submit to a genetic test or make genetic test results available.

Employment Discrimination - Relief

Senate Bill 104 (failed) would have clarified and altered procedures regarding hearings and relief under the Human Relations Commission law and would have expanded the relief available for discriminatory employment practices to include compensatory damages up to specified limits based on the size of the employer.

Real Property

Recordation

Senate Bill 476/House Bill 632 (both passed) require the holder of a mortgage or deed of trust to release it within a reasonable time after the loan is paid off and either record the release or send it to the borrower for recording, with a notice disclosing where the release should be recorded and the estimated recording fee. If the holder records the release, the holder may collect a \$15 fee from the borrower.

Under the revised Title 9 of the Maryland Uniform Commercial Code (UCC), a security interest in a mortgage granted by a mortgagee is perfected by filing a financing statement in the state where the executive office of the mortgagee is located. ***House Bill 1434 (passed)*** repeals provisions in the Real Property Article providing that a grant of a security interest in a mortgage by a mortgagee is perfected by recording the interest in the land records. ***House Bill 1434*** also provides that if a security interest in a mortgage was attached and perfected before July 1, 2001, in accordance with applicable law, the interest

continues to be perfected without the need for any additional filing either in the land records or under Title 9 of the UCC.

Landlord - Tenant

House Bill 864 (passed) reduces the required notice period, from one month to 14 days, before a landlord may file an action for possession of the premises if the tenant or another person on the premises with the tenant's permission breaches the lease by behaving in a manner that demonstrates a clear and imminent danger of doing serious harm to himself or herself, the landlord, the landlord's property or representatives, other tenants, or any other persons on the premises.

House Bill 1031 (passed) clarifies that provisions of current law relating to a landlord's action for repossession of property when a tenant has held over apply to tenancies at the expiration of a stated term and to any periodic tenancy.

House Bill 1214 (passed) clarifies that provisions of current law governing a landlord's action for repossession for breach of lease apply prior to the expiration of a lease for a stated term. The bill authorizes a landlord to file a complaint in the District Court when an unexpired lease for a stated term provides that the landlord may repossess the premises prior to the expiration of the term if: (1) the tenant breaches the lease; (2) the landlord gives the tenant one month's written notice about the lease violation and the landlord's desire to repossess the premises; and (3) the tenant or person in actual possession refuses to comply.

House Bill 1215 (passed) provides that for tenancies of one month or more, a tenant's right to escrow relief for serious and substantial defects and conditions on the leased premises is conditioned on a court not having entered three prior judgments of possession for rent due and unpaid in the 12-month period prior to the initiation of the action. Currently, a tenant is precluded from using the rent escrow remedy if there are more than three judgments of possession entered against the tenant in the immediately preceding 12-month period.

Condominiums and Homeowners' Associations

Senate Bill 639/House Bill 938 (both passed) authorize a condominium council of unit owners, if provided for in its bylaws, to hold the owner of a unit where the cause of any damage to or destruction of any portion of the condominium originates, responsible for up to \$1,000 of the council's property insurance policy deductible. The bills require that a deductible in excess of \$1,000 be assessed as a common expense.

House Bill 953 (passed) authorizes the declaration of a homeowners association to provide for a late charge equaling the greater of \$15 or one-tenth of the total amount of any delinquent assessment or installment. Under current law, a homeowners association may already provide for such a late fee in its bylaws.

Nuisance Abatement

Senate Bill 587/House Bill 1344 (both passed) authorize the County Attorney or State's Attorney for Anne Arundel County, the City Attorney for the City of Annapolis, or a community association in Anne Arundel County to seek injunctive and other equitable relief in the District Court for abatement of a nuisance upon showing that applicable notice requirements have been satisfied and that the nuisance has not been abated.

Estates and Trusts

Intestate Succession - Abandonment or Failure to Support Minor Child

Under current law, a minor may not make a will. If a minor dies in Maryland, the rules of intestate succession apply. When a person dies without a will and there is neither surviving issue nor a surviving spouse, each surviving parent's share of the intestate estate is one-half. If only one parent survives, that parent receives the entire estate.

Senate Bill 173/House Bill 154 (both passed) prevent a surviving parent from inheriting through intestate succession from a minor child if the parent abandoned the child or willfully failed to contribute to the support of the child for at least three consecutive years immediately preceding the death of the minor child or for the life of the child, whichever is less. These bills also establish that a minor child is considered to be abandoned by the surviving parent if the conduct of that parent demonstrates a settled purpose to willfully and intentionally relinquish all parental rights and duties toward the child and to renounce and forsake the child entirely.

Corporate Fiduciaries

A corporate fiduciary is a bank, trust company, or any other corporate entity authorized to act as a fiduciary under Maryland law. Currently, a corporate fiduciary seeking to qualify as a fiduciary may attribute to its capital and surplus, the capital and surplus of any bank, trust company, or bank holding company of which it is a direct or indirect subsidiary or affiliate.

Senate Bill 585/House Bill 574 (both passed) allow a corporate fiduciary to attribute the capital and surplus of its parent corporation for the purpose of qualifying as a fiduciary with respect to a capital requirement, if the parent corporation has its principal office in this State and the corporate fiduciary is a wholly owned subsidiary. Capital requirement is defined as a provision in any court order, statute, regulation, or writing, including a will or trust, that requires a fiduciary to have a specified minimum amount of capital or capital and surplus. The bills also provide for the appointment of a new fiduciary to replace a successor fiduciary if there is an objection regarding the qualifications of the successor fiduciary and the successor's qualification is dependent on attributing the capital and surplus of its parent corporation.

Guardians - Authority to Make Health Care Decisions

Under the Health Care Decisions Act, if a person has been certified to be incapable of making an informed decision and has not appointed a health care agent, the following individuals and groups, in descending priority, may make decisions about health care for the person: (1) a court-appointed guardian; (2) the patient's spouse; (3) an adult child; (4) a parent; (5) an adult brother or sister; or (6) a friend or other relative who has maintained regular contact with the patient sufficient to be familiar with the patient's activities, health, and personal beliefs.

However, if the patient has been determined to be a disabled person and a guardian has been appointed, the guardianship statute requires court approval for a medical procedure, or withholding or withdrawing a medical procedure, if it would involve a substantial risk to the life of the disabled person.

There are two exceptions to this general rule. One allows the court to authorize a disabled person's guardian to make decisions regarding medical procedures if the disabled person executed an advance health care directive authorizing the guardian to make health care decisions. The second exception allows the court to authorize the guardian to make health care decisions if the guardian is the disabled person's spouse, parent, adult child, adult sibling, or adult grandchild.

House Bill 127 (passed) expands the list of guardians who may be granted the authority to make health care decisions involving a substantial risk to the life of a disabled person to include a friend or any relative who is determined by the court to be familiar with the disabled person's personal beliefs, values, and medical situation.

Uniform Transfer-on-Death Security Registration Act

Currently, the Maryland Uniform Transfer-on-Death Security Registration Act allows securities brokers to transfer securities directly to a transferee designated by the owner of the securities after the death of the owner, but trust companies that provide securities accounts cannot directly transfer accounts upon the owner's death.

Senate Bill 373/House Bill 955 (both passed) expand the Maryland Uniform Transfer-on-Death Security Registration Act to allow securities held by trust companies to be transferred upon the death of the owner directly to a beneficiary designated by the owner in the same manner as securities held by securities brokers.

Part G

Transportation and Motor Vehicles

Transportation

Mass Transit Initiative

During the 2001 session, the General Assembly considered the Glendening Administration's proposed \$750 million, six-year mass transit initiative. As initially proposed, the initiative was to be funded by the following revenue sources:

- \$360 million from the corporate income tax resulting from an increase in the amount of the tax distributed to the Transportation Trust Fund (TTF);
- \$132 million in rental car sales taxes; and
- \$258 million in toll revenues from the Maryland Transportation Authority (MdTA).

The proposed mass transit initiative included \$414 million in additional operating expenditures, \$253 million in capital expenditures, and \$91 million in fare reductions. The capital budget expenditures, which are concentrated in the initiative's early years, support operations by expanding the supply and improving the quality of equipment.

Senate Bill 200/House Bill 309 (both passed) implement the mass transit initiative. However, while legislative support for the initiative's goals was widespread, concerns were raised in the General Assembly about the proposed funding sources, since most of the initiative's support was generated by transferring general funds to the TTF. The General Assembly was especially concerned that the remaining general funds might be insufficient to support out-year funding commitments.

In passing *Senate Bill 200* and *House Bill 309*, the fiscal concerns raised by the General Assembly were addressed. **Exhibit G.1** shows that the size of the initiative was reduced to approximately \$500 million. To reduce general fund losses, the transfer of additional corporate income taxes to the TTF was not approved. Instead the legislation allowed the TTF to keep some of the uninsured motorist fees, security interest filing fees, and special license tag fees that otherwise would have been transferred to the general fund.

The legislation also changed the distribution of uninsured motorist fees, part of which are used to support the Maryland Automobile Insurance Fund and Vehicle Theft Prevention Fund, by requiring that these revenues be credited to the TTF for six years. Sales tax revenue on rental cars also will be directed to the TTF for the mass transit initiative for a six-year period. The bills also allow MDOT to exempt new mass transit service from the 40 percent farebox recovery law for a period of up to 36 months. Over the six-year transit initiative period, the general fund loss associated with the initiative is estimated to be \$237 million, or \$255 million less than what was initially proposed by the Administration.

Exhibit G.1
Funding for the Administration's Transit Initiative
(**\$ in millions**)

Funding Sources	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Total
MdTA Transfer	22.1	43.0	43.0	43.0	43.0	43.0	237.1
Sales Tax on Rental Cars*	11.9	24.1	24.3	24.5	24.8	25.0	134.6

Corporate Income Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminate General Fund Deductions	6.0	17.2	19.4	19.5	20.2	20.3	102.6
Uninsured Motorist Fees Distributed to MAIF*	3.6	3.7	3.9	4.0	4.1	4.3	23.6
Uninsured Motorist Fees Distributed to VTPF	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>4.0</u>
Total	45.6	90.0	90.6	91.0	92.1	92.6	501.9

*Transfer terminates in FY2007

Note: VTPF is the Vehicle Theft Prevention Fund

Source: Maryland Department of Transportation

The General Assembly's concerns about the use of toll revenues for transit programs also were addressed in the Fiscal 2002 Budget which precluded the use of toll revenues to fund any MDOT operating expenditures, including the transit initiative. The Fiscal 2002 Budget also required that the TTF reimburse MdTA for any toll revenues used to support transit capital projects.

In addition to the transit initiative, MDOT will continue its pilot program offering free transit for State employees on Mass Transit Administration buses, light rail, and Baltimore Metro. Weekly and monthly fares will be reduced approximately 19 percent. **Exhibit G.2** shows that, beginning in fiscal 2002, MDOT will improve maintenance, expand services, and implement new services in the metropolitan areas and across the State.

Exhibit G.2 Transit Initiative Services

Operating (\$18.2 million)*

<u>Type of Service</u>	<u>Region</u>	<u>Service</u>
Operating	Baltimore	Improved maintenance
Operating	Baltimore	New bus lines
Operating	Baltimore	Sunday Metro service
Operating	Baltimore	Additional buses on current lines to reduce crowding
Operating	Baltimore	Additional paratransit services
Operating	Washington	Expanded local bus service
Operating	Washington	Expanded Metrobus service
Operating	Washington	Expanded Commuter bus service
Operating	Washington	Parking lot shuttle service
Operating	Statewide	Additional paratransit grants
Operating	Statewide	Additional access to jobs grants
Operating	Statewide	Additional senior services grants
Operating	Statewide	New marketing initiatives
<u>Capital (\$21.4 million)</u>		
Capital	Baltimore	Neighborhood shuttles
Capital	Baltimore	Paratransit service improvements
Capital	Baltimore	Bus and rail study
Capital	Baltimore	Talking buses

Capital	Washington Buses for Montgomery and Prince George's counties
Capital	Washington Metrorail railcars
Capital	Washington Repair Metrorail red line tunnel leaks
Capital	Washington Largo Garage
Capital	Statewide Locally Operated Transit Services (LOTS) bus grants

Fare Reduction (\$7 million)

Fare Reduction Baltimore	Free transit services for State employees
Fare Reduction Baltimore	Reduction in weekly and monthly passes

*Budget bill language allows \$5 million to be added through budget amendment, if MDOT can demonstrate sufficient revenues are available, and \$10 million to be added through budget amendment, if fiscal 2001 revenues exceed projections.

Highways

Highway Dedications

Several bills were introduced to honor Maryland's war veterans, including *Senate Bill 19/House Bill 38 (both passed)* which designate Maryland Route 43 as the Korean War Veterans Memorial Highway and *House Bill 1345 (passed)*, which designates a portion of Interstate Highway 83 as the Veterans of Foreign Wars Memorial Highway.

Senate Bill 20/House Bill 234 (both failed) would have dedicated a portion of Maryland Route 157 as the Vietnam Veterans Highway.

Highway User Revenues -- Baltimore City

Senate Bill 449/House Bill 332 (both passed) allow Baltimore City to continue using part of its share of highway user revenues (approximately \$3.65 million annually) to provide discounted MTA fares for eligible public school students through fiscal 2006.

Regional Transportation Authority

Transportation planners have painted an increasingly grim picture of traffic congestion for Maryland and the Washington Metropolitan region. By 2025, daily trips are projected to increase by almost 40 percent, while the highway lane miles will increase by 13 percent over the same period. By 2020, traffic volumes across existing bridges in the Washington region are expected to reach more than 400,000 trips above design capacity. This led the General Assembly to consider ways to address these matters on a regional basis and to enhance coordination and cooperation with local governments.

Senate Bill 341/House Bill 10 (both passed) establish the Virginia-Maryland-District of Columbia Joint Legislative Commission on Interstate Transportation, which will study the creation of a regional transportation authority. Among the issues that the commission will consider in developing its study are transportation project funding, projected travel demands, transit alternatives, Potomac River crossings, and environmental policies. The 26-member commission will also review the organizational structures, powers, and responsibilities of a regional transportation authority, issues that were raised frequently before the bills' passage.

The commission must submit an interim report of its findings and recommendations to the legislatures and governors of Maryland and Virginia and the Mayor and Council of the District of Columbia, as well as the local government officials of the affected counties and municipal corporations, by December 1, 2001. A final report is due by December 1, 2002.

Job Access Program

Senate Bill 355 (passed) establishes the Jobs Access and Reverse Commute Program and directs the Secretary of the Maryland Department of Transportation (MDOT) to identify funds in the annual budget to ensure that low-income persons can travel to employment or job-related activities. The program is part of the Mass Transit Administration's goal to double transit ridership by 2020. MDOT started the job access program in fiscal 2000 with a \$4.2 million budget funded with federal, State, and local funds, and contributions from nonprofit organizations.

MDOT will receive \$3 million in federal funds for the Jobs Access and Reverse Commute Program in fiscal 2002 and 2003. The Fiscal 2002 Budget includes \$4.7 million from the Transportation Trust Fund (including approximately \$3.7 million as part of the six-year mass transit initiative) to partially meet the federal matching fund requirement.

Port of Cambridge

Senate Bill 556/House Bill 572 (both passed) repeal the requirement that the Maryland Port Administration (MPA) must operate and maintain the Port of Cambridge and authorizes the MPA to sell, transfer, or otherwise dispose of port property. The port is assessed at approximately \$2 million. If the port is sold, Transportation Trust Fund revenues would increase by the amount of the sale.

Bicycle and Pedestrian Safety

In 1995, the General Assembly established the Bicycle and Pedestrian Access 2000 Program in the State Highway Administration (SHA) to incorporate bicycle and pedestrian access in State planning and construction. Five years later, as part of Access 2001, a Director of Bicycle and Pedestrian Access was appointed in the Maryland Department of Environment.

House Bill 717 (passed) creates the Maryland Pedestrian Safety Program, funded by SHA's Highway Safety Operating Program and any other monies accepted for the benefit of the fund. Highway safety is funded by special and federal funds credited to the Transportation Trust Fund. The Secretary of the Maryland Department of Transportation must award grants from the program to counties, municipalities, and nonprofit organizations to:

- educate drivers and pedestrians about ways to increase pedestrian safety;
- enhance efforts to enforce State and local motor vehicle laws that protect pedestrians;
- design or redesign intersections to increase pedestrian safety and access; and
- enhance safe pedestrian access to transit facilities.

The bill also requires the Bicycle and Pedestrian Advisory Committee to designate two counties, or Baltimore City and a county, as target areas for a pilot project that focuses on child pedestrian safety, particularly on school routes. The committee must develop an action plan that includes suggestions for improving the safety and encouraging the use of child pedestrian routes to schools and submit the action plan to MDOT by November 1, 2001. The bill directs MDOT to implement the plan by September 1, 2002.

The committee must evaluate what benefits were achieved by the plan over a 12-month period and submit a final report of its findings and recommendations to the Governor and the General Assembly by July 1, 2003.

Maryland Transportation Authority Parking Facilities

Senate Bill 201/House Bill 334 (both passed) authorize the Maryland Transportation Authority (MdTA) to finance, construct, and operate parking garages and lots if they are located in priority funding areas. MdTA is expected to use its new authority to assist local governments pay for transit-related parking facilities. Revenues from such a facility must be used to pay all operating and maintenance costs and debt service for each year that the debt is unpaid and Transportation Authority Fund monies cannot be used as a cash investment for any facility.

The bills require MdTA to give priority to projects located within a transit-oriented development area and to inform the Senate Budget and Taxation and House Appropriations Committees of any proposed contract within 30 days before entering into any contract to finance a vehicle parking facility.

Aviation

Senate Bill 276 (passed) creates an 11-member Citizens' Committee for the Enhancement of Communities Surrounding Baltimore-Washington International Airport to evaluate livability issues that affect communities in the most recent certified noise zone or within two miles of the noise zone surrounding the airport. The committee will develop projects to address transportation issues that affect livability and make recommendations to the Secretary of Transportation for project funding.

The bill requires the Secretary to consider the committee's recommendations and authorizes the Secretary to make grants-in-aid to fund recommended projects. To provide the grants, the Secretary must set aside money in MDOT's budget that equals at least one dollar for every takeoff and landing of an aircraft at the airport. Based on current projections of flight activity, the bill would cost approximately \$316,700 in fiscal 2002, eventually rising to \$370,700 in fiscal 2006.

Issues relating to the livability of communities surrounding BWI Airport will continue to be of concern in light of MDOT's \$1.3 billion capital expansion program at the airport. For a more detailed discussion of the expansion plans, see Part A - Budget and State Aid of this *90 Day Report*.

Motor Vehicles

Vehicle Registration

Surcharge on Vehicle Registration to Fund the Emergency Medical Systems Operations Fund

Senate Bill 292 (Ch. 33)/House Bill 1148 (both passed) raise the annual motor vehicle registration surcharge from \$8 to \$11. The motor vehicle registration surcharge is dedicated to the Emergency Medical System Operations Fund, which among other uses, provides funding for the following agencies and programs:

- the Aviation Division of the Department of State Police (operates the Med-Evac program);
- the Emergency Medical Services System;
- the R Adams Cowley Shock Trauma Center at the University of Maryland;
- the Maryland Fire and Rescue Institute (MFRI);
- the State Fire, Rescue, and Ambulance Fund; and
- the Low Interest Revolving Loan Account under the Volunteer Company Assistance Fund.

As a result of these bills, fund revenues could increase by an estimated \$13.1 million in fiscal 2002. Without the surcharge, the fund was projected to have a \$7.2 million deficit by the end of fiscal 2002. The increase in the surcharge is expected to sustain the fund through fiscal 2008.

The bills also establish a 15-member panel to study the potential funding needs of the network of trauma centers that participate in the State's Emergency Medical Services System and that do not receive funding from the Emergency Medical System Operations Fund. The network of trauma centers includes the adult

and pediatric trauma centers and each of the level I through level III trauma centers. The panel is required to submit two reports of its findings and recommendations. The first report is due January 1, 2002, and the second report is due on or before December 1, 2002.

Drivers' Licenses

Driving on a Revoked License

Drivers who have their licenses revoked do not always stop driving. If a motorist with a revoked license is subsequently found to be driving, administrative penalties are limited because a revoked license cannot be revoked again for the additional violation. *House Bill 874 (passed)* gives the Motor Vehicle Administration (MVA) an additional enforcement tool by allowing the MVA to extend a revocation period if a person is convicted of a moving violation during the driver's license revocation period.

Passenger Restrictions on Teenage Drivers

In recent years, greater attention has been given to several tragic vehicle accidents involving young drivers. In many of these unfortunate accidents, inexperienced teenage drivers are killed or injured along with several young passengers who may have, in some cases, contributed to increased driver distraction or poor judgment.

In an attempt to limit the potential for accidents involving minor drivers and their passengers, *House Bill 232 (passed)* requires that all passengers in a car being driven by a provisional license holder under the age of 18 must wear a seatbelt. This requirement is based, in part, on recent research by the Insurance Institute for Highway Safety that shows that minors are much more likely to be in an accident when other minors are in the car.

Drunk and Drugged Driving

Federal Funding Mandates on State Law

For a number of years, the General Assembly has considered legislation providing additional restrictions and penalties for drunk and drugged driving. Several of the bills included measures adopted by the federal government under the Transportation Equity Act for the 21st Century (TEA-21), which established federal transportation funding incentives, transfers, and withholdings for each state based on the state's enactment of certain laws regarding alcohol and drug related offenses.

Under TEA-21, the federal government requires states to adopt increased penalties for repeat drunk and drugged driving offenders, including specific terms for license suspension, vehicle immobilization, alcohol assessment and treatment, and mandatory sentences for subsequent violations. Additionally, TEA-21 requires states to prohibit the consumption of an alcoholic beverage and the possession of an open alcoholic beverage container by a driver or passenger in a motor vehicle. Any state that did not comply with the federal mandates as of October 1, 2000, had 1.5 percent of the state's share of federal highway construction funds transferred to the state's highway safety program. The transfer percentage increases to 3 percent by federal fiscal 2003.

By failing to comply with the federal mandates for repeat offender and open container laws, Maryland had a combined total of \$7.7 million in federal highway construction funds transferred to State highway safety programs for federal fiscal 2001.

In addition to the repeat offender and open container mandates, TEA-21 also provides incentive grants to states that enact drunk driving laws establishing a blood alcohol content (BAC) level of 0.08 grams per specific unit of blood or breath as the standard for driving while intoxicated or under the influence and for the administrative per se offense. According to the State Highway Administration, because Maryland had a 0.10 BAC standard at the start of federal fiscal 2001, instead of the federal standard of 0.08 BAC, the

State did not receive approximately \$2 million in annual federal incentive grants.

However, in the fall of 2000, the federal government enacted legislation that withholds 2 percent of a state's share of federal highway funding if the state does not enact the 0.08 BAC standard by October 1, 2003. The withholding also increases 2 percent per year of non-compliance through federal fiscal 2007.

.08 Blood Alcohol Content

Maryland has a two-tiered law for drunk-driving penalties. A person is guilty of "driving while intoxicated" or "intoxicated per se" if the person's BAC is 0.10 or greater, and a person is considered "driving under the influence" (DUI) if the person's BAC is between 0.07 and 0.10. Based on the results of blood or breath testing for BAC levels, various criminal and administrative licensing sanctions may be imposed.

Senate Bill 108 (Ch. 4)/House Bill 3 (Ch. 5) reduce the alcohol concentration for a violation of driving under the influence of alcohol or under the influence of alcohol per se from a BAC level of 0.10 to 0.08 at the time of testing. The Acts also reduce to 0.08 the BAC that creates a presumption of a violation of drunk and drugged boating.

The Acts also alter the terms used for alcohol related offenses, adopting the new term "driving under the influence of alcohol or under the influence of alcohol per se" in place of "driving while intoxicated or intoxicated per se." Similarly, the term "driving while impaired" is substituted for the term "driving under the influence."

Repeat Offenders

Senate Bill 525/House Bill 1048 (both failed) would have required the Motor Vehicle Administration (MVA) to place a one year suspension on the driver's license of any person who is convicted of a drunk or drugged driving offense more than once within a five-year period. Restoration of a revoked or suspended license under the bills would have been conditioned on the maintenance of an ignition interlock system on the offender's vehicle. Additionally, the bills would have required mandatory minimum imprisonment or community service for repeat offenses and would have required the offender to undergo an alcohol and drug abuse assessment and receive any treatment recommended.

Open Containers

Senate Bill 30 (failed), Senate Bill 179 (failed), and House Bill 777 (failed) would have prohibited, with certain exceptions, the consumption of an alcoholic beverage and the possession of an open alcoholic beverage container by a driver or passenger in the passenger compartment of a motor vehicle.

Admissibility of Evidence of Refusal to Take a Blood or Breath Test

Without a BAC test result in a drunk or drugged driving case, it is more difficult to obtain a guilty plea or verdict for the more serious drunk and drugged driving offenses that impose penalties based on a specific BAC level. *Senate Bill 4 (Ch. 1)/House Bill 338 (Ch. 2)* repeal the law that no inference or presumption concerning the guilt or innocence of a defendant arises because of the defendant's refusal to submit to a blood or breath test in the prosecution of certain drug-related or alcohol-related driving offenses. The Acts allow evidence of refusal to submit to a BAC test to be admissible as relevant to the guilt or innocence of the defendant in drunk or drugged driving cases.

Young Driver Alcohol Restrictions

The circuit courts have been inconsistent in interpreting when circumstantial evidence may be used to prove that a minor was driving while intoxicated or under the influence of alcohol. Some circuit courts will only allow a BAC test result to be admitted as evidence in such cases. This creates an incentive for

younger drivers to refuse to submit to a BAC test. *Senate Bill 55 (Ch. 6)* reduces the importance of a BAC test result in young driver cases by requiring the MVA to impose an alcohol restriction on the license of every driver under the age of 21. An alcohol restriction prohibits the licensee from driving or attempting to drive while having any alcohol in his or her blood.

Ignition Interlock System Program

There were several bills introduced that would have affected the way the Ignition Interlock System Program operates. Most were designed to encourage drunk and drugged driving offenders to use the program either by rewarding those who voluntarily participate or requiring offenders to participate as a condition of license reinstatement.

House Bill 337 (Ch. 3) authorizes the MVA to modify a driver's license suspension for driving offenses involving alcohol, drugs, or controlled dangerous substances or issue a restrictive license to a licensee if the licensee participates in the Ignition Interlock System Program.

House Bill 669 (passed) repeals the MVA's authority to reduce the period of suspension of an individual's driver's license for drunk or drugged driving offenses when an individual participates in the Ignition Interlock System Program, and instead authorizes the MVA to issue a restrictive license to an individual participating in the Program during the entire period of license suspension.

Rules of the Road

Aggressive Driving

As in prior sessions, the issue of aggressive driving received considerable attention during the 2001 session. Also, interest was again shown in the use of technology to combat some of the threats to safety posed by aggressive driving.

Offense of Aggressive Driving: House Bill 1074 (passed) establishes the offense of aggressive driving. Under the bill, a person is guilty of aggressive driving if the person commits three or more of the following offenses at the same time or during a single and continuous period of driving:

- failure to stop at a traffic light with a steady indication;
- improper overtaking and passing of a vehicle;
- unsafe passing on right;
- driving outside of lane;
- following another vehicle too closely;
- failure to yield right-of-way; or
- exceeding a maximum speed limit or posted speed limit.

For a violation of aggressive driving, a person is subject to a fine not exceeding \$500 and the assessment of five points against the person's license.

Senate Bill 113/House Bill 485 (both failed) would have established the offense of aggressive driving based on the combination of exceeding the speed limit and violating two or more other specified moving violations at the same time or during a single and continuous period of driving.

Aggressive driving is similar but not identical to reckless driving. A person is guilty of reckless driving if

the person drives a motor vehicle in wanton or willful disregard for the safety of persons or property or in a manner that indicates such wanton or willful disregard. Chapter 315 of 2000 increased the maximum fine for reckless driving from \$500 to \$1,000, and the number of points that a driver is assessed following a reckless driving conviction from four to six.

Homicide by Aggressive Driving: Related aggressive driving measures, ***Senate Bill 648 (failed)*** and ***House Bill 751 (failed)*** would have established the offense of homicide by aggressive driving. The bills would have provided a separate penalty for violating specific existing vehicle law offenses and causing the death of another individual as a result of the negligent driving of the motor vehicle. For a further discussion of homicide by aggressive driving, see the Criminal Law subpart of Part E - Crimes, Corrections, and Public Safety of this *90 Day Report*.

Speed Monitoring Systems: In 1997 the General Assembly passed legislation authorizing law enforcement agencies to mail a citation to the owner of a motor vehicle that is recorded running a solid red light by a traffic control signal monitoring system installed at an intersection (see Chapter 315, Acts of 1997). In subsequent sessions, including the 2001 session, legislation was introduced that would allow the use of similar technology to identify speeding drivers. ***Senate Bill 510 (failed)*** would have authorized a law enforcement agency of the State or a political subdivision of the State that is authorized to issue vehicle citations to mail a citation to the registered owner of a motor vehicle that is recorded by a speed monitoring system that produces recorded images of motor vehicles traveling at speeds in excess of posted speed limits on highways.

Race-Based Traffic Stops

Senate Bill 208/House Bill 303 (both passed) address concerns about law enforcement officers using race or ethnicity as the sole basis for conducting traffic stops to investigate criminal activity. The bills require a law enforcement officer to report various factual information to the officer's law enforcement agency for each traffic stop made by the officer. That information includes the time, place, and reasons for the traffic stop, whether a search was conducted, the disposition of the stop, and factual information about the driver, such as gender, age, address, and race or ethnicity. For a more detailed discussion of these bills, see the Public Safety subpart of Part E - Crimes, Corrections and Public Safety of this *90 Day Report*.

School Buses - Speed Limit

House Bill 976 (passed) repeals the prohibition against a person driving a school bus at a speed of more than 50 miles an hour. As posted speed limits have increased in certain areas of the State, concerns have arisen that the 50 mph speed restriction may contribute to an increased risk of accidents involving school buses that are prohibited from maintaining the same lawful speed as the flow of other traffic.

Leaving the Scene of an Accident

Under current law, a driver of a vehicle involved in a traffic accident that results in bodily injury or death must immediately stop at the scene of the accident or immediately return to and remain at the scene of the accident until a police report is filed. A driver who violates the hit and run statute is guilty of a misdemeanor. ***Senate Bill 612/House Bill 749 (both failed)*** would have made it a felony for a driver involved in a vehicular accident resulting in bodily injury to or death of another to leave the scene of the accident. The bills would have doubled the existing criminal penalties for fleeing an accident resulting in death or bodily injury.

Wireless Phones

Again during the 2001 session, the use of wireless phones by individuals while driving continued to generate discussion and significant public interest. After a tragic accident on the Washington beltway involving fatalities allegedly caused in part by a driver distracted by using a cellular phone, greater attention was paid to the issue of driver inattentiveness. ***Senate Bill 23 (failed)*** and ***House Bill 89 (failed)***

would have prohibited a driver of a motor vehicle in motion from using a telephone held by the driver. A violation would have been a misdemeanor, subject to a fine not exceeding \$500.

Child Safety

Scooters and In-Line Roller Skates - Protective Helmets

An individual under the age of 16 is required to wear a helmet while operating or riding a bicycle on any highway, bicycle way, or other property open to the public or used by the public for pedestrian or vehicular traffic. *Senate Bill 17/House Bill 1407(both passed)* extend the provisions of the existing bicycle helmet law to apply to children using scooters or in-line skates. Specifically, the bills prohibit a person under the age of 16 from riding on a scooter or in-line skates on a highway, bicycle way, sidewalk, or other property open to the public or used by the public for pedestrian or vehicular traffic, unless the person is wearing a helmet that meets or exceeds specific national standards for protective headgear for use in bicycling or in-line skating. Under the bills, the helmet requirement is enforced by the issuance of a warning that informs the offender of the requirements of the helmet law and provides educational materials about helmet use.

Booster Seats

Senate Bill 359/House Bill 700 (both failed) would have required a person transporting a child in a passenger vehicle, truck, or multipurpose vehicle to secure the child in a child safety seat if the child is eight years old or younger and weighs 80 pounds or less.

Vehicle Dealers and Manufacturers

Vehicle Dealer Regulation

Based on industry changes in the marketing and retail sales of motor vehicles, vehicle dealers desire greater flexibility in their retail practices, while at the same time, the Motor Vehicle Administration (MVA) requires adequate consumer safeguards in vehicle sales transactions. In response to these concerns, *Senate Bill 58 (passed)* expands the authority of vehicle dealers to sell cars at other dealership locations and auctions, and increases the number and type of annual vehicle shows in which dealers can participate. With the rise of large, high-volume dealerships in the State, the MVA has been concerned that the \$75,000 bonding requirement is inadequate consumer protection for customers of larger dealers. *Senate Bill 58* increases the surety bond requirements to \$100,000 for new and used vehicle dealers whose annual sales exceed 1,000 vehicles, and \$300,000 for sales in excess of 2,500 vehicles.

"Good Faith" Dealings

Vehicle dealers and manufacturers operate within the bounds of contractual franchise agreements. When disputes arise concerning dealer and manufacturer transactions, franchise agreements may not fully address the equitable issues involved in the dispute. *Senate Bill 485/House Bill 571 (both passed)* prohibit a manufacturer, distributor, or factory branch from failing to act in "good faith" in transactions related to franchise agreements or any other transaction governed by the relevant sections of the Transportation Article of the Annotated Code of Maryland. The bill defines "good faith" as honesty and the observance of reasonable commercial standards of fair dealings, and provides a dealer an additional cause of action and administrative remedies against a manufacturer outside of the terms of the franchise agreement.

Titling Documents upon Transfer

Senate Bill 352/House Bill 377 (both passed) alter the time frame, from 20 to 30 days, in which a licensed dealer, upon the transfer of a vehicle to someone other than another licensed dealer who holds the vehicle for sale, must send to the MVA material obtained from the transferee, including a completed application and all taxes and fees required for titling the vehicle. This provision of the bills applies to the

transfer of a passenger vehicle, motorcycle, travel trailer or camping trailer, or multipurpose vehicle.

For other classes of vehicles, the bills also increase, from 20 to 30 days, the time within which the transferring dealer must either: (1) deliver the certificate of title to the transferee; or (2) send to the MVA the transferee's completed application, all taxes and fees required for titling the vehicle, and any previous certificate of title that has been issued for the vehicle.

If the vehicle is not to be registered in this State, the bills increase, from 20 to 30 days, the time within which a transferring dealer must deliver the certificate of title to the transferee. Also, the bills increase, from 45 days to 60 days, the period during which a temporary vehicle registration remains valid.

Part H

Business and Economic Issues

Business Occupations

Real Estate Appraisers

In 2000 the General Assembly established a real estate appraiser trainee license. However, the law did not establish a license progression from trainee to full appraiser. *House Bill 911 (passed)* addresses this omission by requiring a person to have at least 2,000 hours of work as an appraiser trainee before being allowed to apply for a real estate appraiser's license.

Journeyman Natural Gas Fitters

In 2000 the General Assembly established three new professional designations under the State Board of Plumbing: master natural gas fitter, journeyman natural gas fitter, and apprentice natural gas fitter. However, there is no examination requirement for an apprentice to move to a journeyman gas fitter. Most other occupational boards have examination requirements for a professional to change licensing designations. *House Bill 1365 (passed)* establishes a training course and an examination requirement which an applicant for a journeyman must complete before being licensed.

Private Detectives, Security Guards, and Security System Technicians

House Bill 224 (passed) makes changes to the Maryland Private Detectives Act, the Maryland Security Systems Technicians Act, and the Maryland Security Guards Act for fines related to licensing. Specifically, the bill allows the Secretary of the State Police to: (1) fine a private detective licensee or certified private detective and adopt a schedule of fines for violations of the Maryland Private Detectives Act; (2) charge late fees for nonrenewal of licenses and fine a security system technician or registrant for violations of the Maryland Security Systems Technicians Act; and (3) fine a security guard licensee or holder of a security guard certification and adopt a schedule of fines for violations of the Maryland Security Guards Act.

Senate Bill 163 (Ch. 27) allows five years of experience as a full-time correctional supervisor in a correctional facility to satisfy the training and experience requirements a person needs to become a licensed security guard. The person must also successfully complete the training required by the Correctional Training Commission.

Land Surveyors

There are no continuing professional competency requirements for professional land surveyors which include land surveyors and property line surveyors. *Senate Bill 416 (passed)* establishes that a land surveyor or property line surveyor whose license expires after October 1, 2003, must meet the continuing professional competency requirements that will be detailed through regulation. If a surveyor's license expires on or before September 30, 2002, the licensee is not required to fulfill the continuing professional competency requirement. Any licensee whose license expires during the 12 months between these two dates must meet one-half of the continuing professional competency requirements.

Occupational and Professional Licensing Boards

Sunset Evaluation

The Maryland Program Evaluation Act provides for a system of periodic legislative review of the

regulatory, licensing, and other governmental activities of various units of State government. The Act is informally referred to as the "sunset law" and the associated review process as "sunset review" or "sunset evaluation" because governmental units subject to the Act are scheduled to terminate unless affirmatively reestablished by the General Assembly. The goal of the sunset review process is to promote accountability in government operations.

Prior to the legislative session several occupational and professional licensing boards underwent sunset evaluation. **Senate Bill 115 (passed)/House Bill 384 (Ch. 73)** reestablish six boards with the requirement that the boards undergo a sunset evaluation before July 1, 2012. The six boards affected are the State Board of Architects; State Board of Examiners of Landscape Architects; State Board of Plumbing; State Board for Professional Engineers; State Board for Professional Land Surveyors; and State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors.

The Maryland Real Estate Commission also underwent sunset evaluation; **Senate Bill 324/House Bill 497 (both passed)** reestablish the commission with the requirement that the commission undergo another sunset evaluation on or before July 1, 2011. The commission must also have in place, before January 1, 2003, regulations for accepting continuing education credit through alternative instructional media. The sunset review made several other nonstatutory recommendations related to the guaranty fund, the fee structure for the commission, and complaint resolution. The commission must submit a report on implementation of these recommendations to the Senate Economic and Environmental Affairs Committee and the House Economic Matters Committee by December 1, 2001.

Scope of Practice

There has been a long-standing disagreement among the five design boards (State Board for Professional Engineers, State Board of Architects, State Board of Certified Interior Designers, State Board of Examiners of Landscape Architects, and State Board for Professional Land Surveyors) on the nature of their respective "scopes of practice," resulting in some incidental activities being unregulated or doubly regulated. The design boards cooperated in a two-year effort to carefully define the respective scopes of practice, including the use of commonly defined terms such as "public use" and "residential use." **House Bill 147 (passed)** incorporates the definitions and terms related to the scopes of practice for the five design boards, in particular "design coordination."

Penalties

A workgroup of the House Economic Matters Committee began meeting in November 1999 to study the feasibility of increasing the uniformity and consistency among the State's occupational and professional boards with respect to penalties. At that time, 12 boards had the authority to impose civil penalties on licensees who violate any licensing provision. Six of these boards were also authorized to impose civil penalties on individuals practicing a regulated occupation or profession without a license. In addition, the maximum civil penalties varied among the boards with the authority to impose civil penalties. **House Bill 88 (passed)** increases the uniformity for penalty provisions among the boards by extending the authority to impose civil penalties for licensee violations to five boards and the authority to impose civil penalties on unlicensed practitioners to ten boards. The bill also increases the maximum civil penalty for seven boards and expands the grounds for disciplinary action by the State Board of Plumbing and the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors to include activities performed beyond the scope of each licensee.

The bill does not change the penalty provisions for individuals regulated by the Home Improvement Commission, the State Board of Master Electricians, the State Board of Pilots, the State Board of Docking Masters, or the Office of Cemetery Oversight.

The Occupational and Professional Licensing Fund

Collectively, the revenues of occupational and professional licensing boards of the Department of Labor, Licensing, and Regulation do not cover the direct and indirect costs of the boards. *Senate Bill 681 (failed)* would have created a special fund for 18 of the occupational and professional boards and granted the Commissioner of Labor and Industry authority to set licensing and application fees to ensure that operating expenses did not exceed revenues. This bill was designed to eventually eliminate these boards' need for general funds.

Real Estate

Appraisers and Home Inspectors

House Bill 379 (passed) changes the name of the State Commission of Real Estate Appraisers and expands the membership and regulatory authority of the commission. The new State Commission of Real Estate Appraisers and Home Inspectors will be responsible for the licensing and regulation of home inspectors. The Department of Labor, Licensing, and Regulation (DLLR) must report to the Senate Finance Committee and the House Economic Matters Committee on the appropriateness of the licensing qualifications for home inspectors, including findings and recommendations by December 31, 2001. DLLR must also study the impact of the expansion of the commission's authority and report its findings by December 31, 2002, to the committees.

Distribution of Trust Money

In real estate transactions, a prospective real estate buyer will put a certain amount of money, usually a small percentage of the total transaction price, into a trust account, held by a broker, that includes the buyer as a co-owner. This money is to be applied to the sales price when the transaction is completed. Under current law, a real estate broker must promptly deposit the trust money into a trust account and may distribute trust money upon satisfaction of one of three conditions: (1) the real estate transaction is consummated or terminated; (2) the broker receives written instructions from the owner or beneficial owner; or (3) a court order directing the distribution is issued. *House Bill 460 (passed)* requires a real estate broker to deposit the trust money into an account within seven business days after the acceptance of a contract of sale by both parties. *House Bill 83 (Ch. 42)* adds a fourth condition for distribution of trust money to include those cases where the owner or beneficial owner fails to complete the real estate transaction.

Accountants

House Bill 86 (Ch. 44) allows an individual who is not a certified public accountant to have an ownership interest in an accountancy firm if: (1) a simple majority of the ownership, in terms of financial interests and voting rights, is held by individuals licensed to practice certified public accountancy in Maryland or another state; and (2) the individual is an active participant in the partnership, limited liability company, or corporation.

Boiler and Pressure Vessel Safety

Boilers and pressure vessels located in commercial establishments, office buildings, and apartments with more than six units are subject to regular inspections either by inspectors employed by the State Inspection Unit (SIU) or insurance inspectors. Although most insurance firms have some kind of inspection program, there is no statutory requirement that an insurance firm inspect the boilers it insures. The SIU can only decommission a boiler if: (1) the unit cannot be operated without menace to the public safety; or (2) the unit is in violation of the Maryland Boiler and Pressure Vessel Safety Act. *Senate Bill 61/House Bill 148 (both passed)* alter the responsibilities of the insurers, owners, and SIU related to boiler and special pressure vessels. Insurers must inspect each boiler they insure and maintain a database of specified information of their insured portfolio. The SIU may prohibit the use of a boiler or pressure vessel if the inspector determines that: (1) the unit violates any standards, safety codes, or regulations; and (2)

continued operation of the unit poses a substantial probability of death, injury, or property damage. The owners of a unit no longer have a 60-day grace period after installation for inspection. The owner must notify the chief boiler inspector 30 days before installation and maintain certain records related to inspections, maintenance, and repairs. The bills also increase the fees charged for special inspections.

Business Regulation

Cemetery Oversight

In response to technical and regulatory problems that have been discovered since the Maryland Cemetery Act was enacted in 1997, *House Bill 85 (passed)* corrects, amends, and updates the Maryland Cemetery Act. Specifically, *House Bill 85*:

- exempts from the registration and permitting provisions of the Maryland Cemetery Act: (1) a cemetery that is owned and operated by a county, city, or municipal corporation; and (2) a veteran's cemetery that is operated by the State;
- requires each applicant who is designated as the responsible party to demonstrate the financial stability of the business and authorizes the Director of the Office of Cemetery Oversight to make a determination of financial stability for each applicant;
- provides that if a cemetery imposes interest or a finance charge as part of a preneed burial contract, the interest or finance charge is subject to Title 12 (Credit Regulations) of the Commercial Law Article;
- allows a person who provides a fidelity bond from a recognized bonding institution to be a trustee for a preneed burial contract trust, just as such a person is authorized to be a trustee for a perpetual care trust;
- adds to the list of disclosures required for an at-need contract for the sale of burial goods or services to mirror the required disclosures for preneed burial contracts;
- authorizes the Director of the Office of Cemetery Oversight to report violations to either the Attorney General for civil enforcement or the appropriate State's Attorney for criminal prosecution and authorizes the Attorney General to sue for injunctive or other equitable relief, or imposition of a civil penalty not exceeding \$5,000, or both;
- requires all regulated cemeteries created after October 1, 2001, to establish a perpetual care fund; and
- makes other technical and clarifying changes to the Maryland Cemetery Act.

Home Builders

The Maryland Home Builders Registration Act enacted in 2000 requires home builders to register with the Division of Consumer Protection of the Office of the Attorney General. A home builder is required either to obtain a surety bond or a letter of credit when the builder accepts a deposit before completion of a new home or to maintain that deposit in an escrow account. Further, before entering into a contract for sale or construction, a builder is required to disclose to a new home owner whether that builder participates in a new home warranty security plan. Under *House Bill 82 (passed)*, the responsibility for holding surety bonds and letters of credit and for the approval and monitoring of third party warranty plans relating to home builders is transferred from the Department of Labor, Licensing, and Regulation to the Consumer Protection Division. The result of this bill is to centralize all regulatory functions involving home builders within the Consumer Protection Division.

Under the Maryland Home Builders Registration Act, a new home builder is required to disclose to the owner any actual knowledge that the builder has of any hazardous or regulated materials, including asbestos, lead-based paint, radon, methane, underground storage tanks, landfills, rubble fills, or other environmental hazards, present on the site of the new home. *House Bill 82* exempts custom home builders from this requirement.

House Bill 1431 (passed) provides that the disclosure requirements for new homes applicable to all jurisdictions except Montgomery County also apply to new mobile homes. The performance standards referenced in the disclosure may be performance standards or guidelines adopted at the time of the contract under the federal National Manufactured Housing and Safety Standards Act. The bill also makes corrective and clarifying changes to the Maryland Home Builders Registration Act.

Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors

House Bill 84 (Ch. 43) defines the term "self-contained appliance" and clarifies that individuals who install, maintain, alter, repair, or replace "self-contained appliances" that require not more than 225 volts or 25 amperes of electrical current are not subject to the licensing requirements for heating, ventilation, air-conditioning, and refrigeration contractors. The bill's definition of "self-contained appliance" ensures that individuals who install and service furnaces fall under the requirements of the law regulating heating, ventilation, air-conditioning, and refrigeration contractors and that individuals who install and service devices such as window air-conditioning units would continue to be exempt from the licensing provisions.

House Bill 84 also increases the criminal penalty for those convicted of providing heating, ventilation, air-conditioning, or refrigeration services without a license to a maximum fine of \$1,000 or six months imprisonment or both for a first offense and to a maximum fine of \$5,000 or two years imprisonment or both for second or subsequent offenses. The increased penalties match those imposed on home improvement contractors regulated by the Home Improvement Commission.

Elevator Safety

Registration and Inspection of Elevators

Senate Bill 238/House Bill 181 (both passed) require the owner or lessee of a new elevator, dumbwaiter, escalator, or moving walk to register with the Commissioner of Labor and Industry in the Department of Labor, Licensing, and Regulation at least 60 days before its planned completion and before it is placed in service, except under emergency circumstances. The bills detail the process for conducting a "final acceptance inspection," which is the inspection of a new unit before it is placed in service, as well as the process for an annual inspection of a unit already in service. The bills authorize charging an owner, lessee, or contractor a fee if the unit is not ready for a final acceptance inspection because it does not meet specified criteria or if a follow-up inspection is required after an annual inspection. The maximum fee for a follow-up inspection is set at \$250 for a half day and \$500 for a full day; any fees collected are to be paid into the general fund. If an owner, lessee, or contractor notifies the commissioner at least 24 hours in advance of a scheduled inspection that the unit will not be ready for inspection, a fee may not be assessed.

There are currently 16,000 elevators, dumbwaiters, escalators, and moving walks operating in the State that must be inspected annually by 28 State inspectors. Each year, approximately 80 percent, or 12,800 devices, require at least one subsequent inspection following safety violation citations issued by an inspector. According to the Department of Labor, Licensing, and Regulation, the frequency of subsequent inspections has led to a backlog of approximately 5,000 inspections. The purpose of these bills is to encourage owners, lessees, and contractors to be prepared for inspections, in turn decreasing the number of follow-up inspections.

Licensing of Elevator Contractors and Mechanics

Senate Bill 798/House Bill 1094 (both passed) establish a nine-member Elevator Safety Review Board within the Department of Labor, Licensing, and Regulation to license and regulate elevator contractors and mechanics. The bills establish new regulations for the field of elevator maintenance. According to the Department of Labor, Licensing, and Regulation, there are approximately 1,250 elevator mechanics and 150 elevator contractors in Maryland.

Under the bills, an "elevator contractor" or an "elevator mechanic" must be licensed by the board before conducting business in Maryland. An "elevator contractor" is a person who is engaged in the business of erecting, constructing, wiring, altering, replacing, maintaining, dismantling, or servicing elevators, dumbwaiters, escalators, and moving walks. An "elevator mechanic" is a person who is engaged in erecting, constructing, wiring, altering, replacing, maintaining, dismantling, or servicing elevators, dumbwaiters, escalators, and moving walks. The bills provide application and renewal procedures for licenses, examination requirements, insurance requirements, and grounds for disciplinary actions against licensees.

Senate Bill 798/House Bill 1094 also repeal the authority of the Commissioner of Labor and Industry to designate special elevator inspectors within the insurance industry. The bills require that all elevator inspections in the State be performed by a State inspector.

Motor Fuel

Below Cost Sales

Senate Bill 687/House Bill 736 (both passed) establish a floor for motor fuel prices in Maryland. The bills prohibit retail service stations from selling motor fuel below a specified cost subject to certain exceptions. Under the bills motor fuel is sold below cost if the price is less than the price for the appropriate grade and quality as published by the Oil Price Information Service or the actual invoice cost from the supplier of the product whichever is lower, plus applicable freight charges and taxes. The exceptions to selling below cost include the following:

- the price is made in good faith to meet competition;
- the price is part of a liquidation or closing of the business;
- the price is part of a bona fide charitable promotion lasting no longer than two days; or
- the price is made under the direction or order of a court or government entity.

The bills authorize the State Comptroller to issue a stop sale notice and to suspend or revoke the offending station's certificate of registration if the retail service station dealer sells motor fuel below cost in violation of these provisions. In addition, the bills exempt the sale of motor fuel sold by a retail service station dealer from the provisions of the Sales Below Cost Act in the Commercial Law Article.

Advertising Grades of Motor Fuel

House Bill 1186 (passed) requires that, if the retail price of motor fuel is advertised on a sign or by other means on the premises of and approaches to a retail outlet, the grade designation displayed for any motor fuel in the advertisement must be the same as the grade designation that is required to be displayed for that motor fuel on the retail dispensing pump as specified by the Comptroller.

The Comptroller's Motor Fuel Tax Division tests motor fuel in the State to ensure that it complies with its specified octane level and other quality requirements. Regulations by the Comptroller's Office require that "regular" gasoline (as defined at the pump) must have an octane rating of 87 or 88; "mid-grade" gasoline must have octane of 89 or 90; and "premium" gasoline must have octane of 91 or above. This bill requires that the grade level of motor fuel advertised on a sign meet these octane specifications set by the

Comptroller.

Collection Agencies

Exemptions from the scope of the Maryland Collection Agency Licensing Act exist for banks, credit unions, mortgage lenders, and title companies. *Senate Bill 873/House Bill 1403 (both passed)* expand the list of exemptions to include a person who is collecting a debt for another person if: (1) both persons are related by "common ownership"; (2) the person collecting the debt does so only for those persons to whom the person is related by common ownership or affiliated corporate control; and (3) the principal business of the person acting as a debt collector is not the collection of debts. By not requiring affiliates collecting debt to be licensed, these bills mirror federal law regarding the regulation of credit card companies and how they collect debt. Most states also do not have requirements that affiliates collecting debt be licensed.

Trader's Licenses

Senate Bill 11 (passed) exempts exhibitors at antique, coin, or collector shows from obtaining a trader's license if the exhibitor submits an affidavit to the show promoter specifying that the exhibitor:

- will display and sell at the show;
- receives less than 10 percent of the exhibitor's income in Maryland from selling the goods being exhibited; and
- has not participated in more than three shows in Maryland in the past year.

This bill codifies existing practice, which has been not to require trader's licenses for the least active "Mom and Pop-type" out-of-state exhibitors.

Public Service Companies

Public Service Commission

Civil Penalties

Although the Public Service Commission may assess civil penalties in particular areas, including electricity supplier violations, telecommunications "slamming," and violations of certain safety requirements, the commission has had no general authority to assess civil penalties. It has been limited to bringing civil and criminal actions in court against persons who violate statutes, regulations, and orders under the commission's jurisdiction. *House Bill 233 (passed)* authorizes the commission to impose civil penalties, not to exceed \$10,000, against any person who violates a provision of the Public Utility Companies Article or a commission rule, order, or regulation. Each violation and each day a violation occurs is considered a separate offense.

When deciding the amount of the penalty, the commission must consider the number of previous violations, the gravity of the current violation, and good faith efforts of the violator to attempt to comply after notice of the violation.

Propane Service

In the area of consumer protection, *Senate Bill 49 (passed)* requires a company that installs liquid petroleum gas (propane) service to comply with commission metering requirements as well as safety standards.

Electricity

As the restructuring of the electric utility industry in Maryland proceeds since the enactment of the Electric Customer Choice and Competition Act of 1999, the General Assembly has been requested to make adjustments in the restructuring statutes as well as in other areas affected by restructuring.

Power Plant Approval

Certificate of Public Convenience and Necessity: In the era of comprehensive

utility regulation, Maryland's integrated electric companies would seek approval to construct new power plants and transmission lines from the commission in the form of a certificate of public convenience and necessity (CPCN). The CPCN operated as a "permit to construct" in lieu of a registration and permit to construct from the Department of the Environment. Other agencies, including the Department of Natural Resources and Department of Transportation, are also involved with the CPCN process. With the restructuring of the electric utility industry which allows electricity generation to be opened up to competition, entities other than electric companies may build power plants. Existing statutes that require only "electric companies" to seek a CPCN to construct, operate, or modify the operations of a power plant have become inadequate.

In order to unify the treatment of power plants proposed by electric companies and other entities, ***Senate Bill 50/House Bill 28 (both passed)*** expand the reach of the process for obtaining a CPCN from the commission to "any person" seeking to construct, operate, or modify the operations of a power plant in Maryland. The bills also exempt any person who applies to the commission for a CPCN from the corresponding air quality permit provisions of the Department of the Environment; however, the bills retain the authority of the Secretary of the Environment, as well as other State agencies and interested parties, to comment on a proposed power plant in proceedings before the commission.

On-Site Generation: One consequence of increased attention to the cost and availability of electricity in a restructured environment has been a new emphasis on small generating stations designed to serve a single manufacturing facility or similar commercial development. Due to the small capacity of these generators, and their limited effect on the regional electricity grid, the full CPCN process was seen as an impediment to effective deployment of these generators.

Under ***Senate Bill 294/House Bill 356 (both passed)***, the commission will administer a streamlined approval process for generating stations designed to provide on-site generated electricity not exceeding 70 megawatts, and which will only sell excess electricity at wholesale pursuant to an interconnection agreement with the local electric distribution company. The commission must review an application in the streamlined process to ensure the safety and reliability of the electric system, and must require the applicant to provide prior notice to the commission before first exporting excess electricity. A generating station that is exempt from the CPCN process under the bills is subject to air quality permit procedures under Title 2 of the Environment Article.

Electric Cooperatives

Originally authorized during the Great Depression, electric cooperatives were seen as a limited class of electricity providers that would not require further legislative changes when electricity was comprehensively regulated as a monopoly. In 1976 the General Assembly decodified the Electric Cooperative Act, transferring it to the Session Laws.

In recent years, as investor-owned utilities have moved to diversify their structures and services in a restructured environment, the State's electric cooperatives have found that the statutes that govern their own structures and operations constrict their ability to react to the changes resulting from restructuring. ***Senate Bill 524/House Bill 1069 (both passed)*** update the electric cooperative laws in several ways. They allow one or more cooperatives to organize a cooperative and update provisions on annual and special meetings. The bills allow the transfer of rights, privileges, immunities, and franchises in a consolidation or merger to the surviving cooperative. They also allow the distribution of refunds to nonmembers to whom

the cooperative supplies electricity or other services, in the form of patronage credits.

Significantly, *Senate Bill 524/House Bill 1069* eliminate the provisions for protection of a cooperative's territory during the period of cooperative formation, and the preferential schedule of filing fees with the Department of Assessments and Taxation specific to electric cooperatives. To facilitate later changes that may be needed, the bills also require the Department of Legislative Services to prepare draft legislation that will revise the Electric Cooperative Act in a nonsubstantive manner, and transfer that revision back into the Annotated Code of Maryland.

To address the needs of small rural electric cooperatives that span Maryland's borders, *Senate Bill 466/House Bill 454 (both passed)* exempt those cooperatives that have less than ten percent of their distribution in the State from many of the requirements of the Electric Customer Choice and Competition Act of 1999, which is Title 7, Subtitle 5 of the Public Utility Companies Article. However, any member of one of these small rural electric cooperatives who obtains electricity from another source must do so from a licensed electric supplier.

Local Government Aggregation

The issue of aggregation of electricity demand by local governments was reintroduced in two forms. Under *House Bill 198 (failed)*, a county or municipal corporation would have been authorized to aggregate demand from residential and small commercial customers unless more than 20 percent of these customers had selected an aggregator other than the standard offer service supplier. Similarly, *Senate Bill 77 (failed)* would have authorized a county or municipal corporation to aggregate electric customers within its boundaries, and would have allowed a combination of two or more counties or municipal corporations to aggregate demand within their boundaries.

Universal Service Program Fund

The Electric Customer Choice and Competition Act of 1999 established the Electric Universal Service Program (EUSP) to assist low-income households, operated by the Department of Human Resources with oversight by the commission and funding from the Universal Service Program Fund. The program provides bill assistance and payment programs, termination of service protection, and cost-effective reduction and management of energy consumption for low-income customers. Electric customers with incomes at or below 150 percent of the federal poverty level are eligible to participate in the program.

Monies in the fund are provided by electric utilities through surcharges assessed on electric customer bills. In any year when there are unexpended monies, those monies are to be returned to the customer classes proportionate to how the customer classes paid into the fund.

The electric utilities, monitored by the commission, began collecting in July of 2000, \$34 million from the ratepayers for each of the three years of the program. Based on experience with the Maryland Energy Assistance Program, a projected 90,000 customers were to be served in the first year. However, computer software and hardware problems associated with implementation of the new EUSP system resulted in a backlog of approximately 26,400 applications by early February 2001.

In order to address the backlog, *Senate Bill 831/House Bill 1291 (both passed)* allow the commission to retain unexpended monies in the fund at the end of June 30, 2001, and make the monies available for disbursement to eligible customers who apply for assistance before July 1, 2001, and qualify for assistance from the fund during fiscal 2001.

For-Hire Driving Services

Chapter 539 of 2000 authorizes the commission to assess a \$40 annual vehicle permit to provide for-hire driving services. Vehicles used to provide limousine service and vehicles used to provide employee van transportation to or from a work site are exempt from the vehicle permit requirement. *Senate Bill 408*

(failed) would have raised the cost of the permit to \$50. The bill would also have amended the limousine exemption so that only stretch limousines equipped with certain luxury amenities would be exempt from the permit requirement.

Hazardous Liquid Pipelines

On April 27, 2000, a pipeline ruptured at the Chalk Point Power Plant operated by the Potomac Electric Power Company, spilling 126,000 gallons of diesel and heavy oil into Swanson Creek. A storm washed the spilled oil over emergency containment devices and into the Patuxent River, where it damaged 15 miles of shoreline and marshland. In response to the spill, on July 7, 2000, Governor Glendening created two committees to address the problem of oil spills in Maryland -- the Patuxent River Oil Spill Citizens Advisory Committee and the Oil Spill Prevention Advisory Committee. The Oil Spill Prevention Advisory Committee recommended that the State assume regulation and enforcement authority over intrastate pipelines from the U.S. Department of Transportation, and charge the Public Service Commission with this responsibility. *Senate Bill 117/House Bill 1422 (both passed)* implement this recommendation, authorizing the commission to act on behalf of the U.S. Secretary of Transportation in implementing the federal Hazardous Liquid Pipeline Act with respect to intrastate pipelines in Maryland that carry hazardous liquids.

The federal Hazardous Liquid Pipeline Act authorizes the U.S. Department of Transportation to regulate intrastate and interstate hazardous liquid pipeline facilities. The act further provides that, by certification or agreement by the U.S. Secretary of Transportation, a state agency may assume responsibility for adopting regulations, inspecting facilities, and enforcing its regulations. The commission currently regulates intrastate natural gas transmission and distribution pipelines. *Senate Bill 117/House Bill 1422* authorize the commission to regulate intrastate pipelines that carry hazardous liquids or carbon dioxide. The bills also authorize the commission to adopt regulations that establish safety standards and practices for these pipeline facilities. At a minimum, the State's standards must meet the federal safety standards.

An intrastate pipeline operator must prepare and carry out a written plan for the operation of each of its pipeline facilities. The commission must inspect each pipeline at least once each year. The commission may charge an inspection fee that covers the cost of administering the intrastate pipeline regulatory program.

Senate Bill 117/House Bill 1422 authorize the commission to file for injunctive relief to enjoin a violation of the hazardous liquid pipeline law, enjoin the transportation of a hazardous liquid, or enforce its safety standards. The commission may also assess civil penalties in accordance with federal law.

Maryland has two intrastate hazardous liquid pipelines. One runs from Piney Point to Riceville, and splits there with one branch ending in Morgantown and the other ending at Chalk Point. The other pipeline is in eastern Baltimore City.

Telephones and Telecommunications

Telephones

Telephone Solicitation: As controversy over telephone solicitation and telemarketing practices persists, consumers and solicitors have used tools at their disposal to protect their interests. Consumers use caller ID to screen calls, and solicitors have subscribed to caller ID blocking services in an effort to overcome call screening. Methods of blocking caller ID include per-call blocking and line blocking. The blocking may result in a display indicating "private number" or "unknown name and number."

To assist consumers, *Senate Bill 79/House Bill 581 (both passed)* prohibit telephone solicitors from blocking caller ID. A telephone solicitor who intentionally blocks the transmission of the solicitor's telephone number is guilty of a misdemeanor and on conviction is subject to a fine of up to \$1,000 for a

first offense and a fine of up to \$5,000 for a subsequent offense. A person who manages or directs telephone solicitation in violation of this legislation may also be prosecuted. Federal, State, and local government units are exempt.

A number of states have enacted "do-not-call" legislation, under which a state unit maintains a database of telephone subscribers who have indicated that they do not wish to receive telephone solicitations. ***Senate Bill 641 (failed)*** would have required the commission to establish such a database for Maryland subscribers. Solicitors would have been required to purchase the database and would also have been prohibited from soliciting listed subscribers.

Enhanced Wireless 911 Service: Recent changes in federal law and regulation require deployment of "enhanced wireless 911 service," in which emergency services personnel will be able to pinpoint the location of a cellular telephone or similar personal telecommunication device that calls 911. Current wireless technology only provides the general location of the caller, and the cellular tower that carries the call. ***Senate Bill 505/House Bill 1078 (both passed)*** establish a task force to study issues surrounding deployment of enhanced wireless 911 services in Maryland. The task force must examine current State law, receive testimony, propose any appropriate changes to State law on enhanced wireless 911 service, and report to the General Assembly on or before December 1, 2001.

Competition in Local Exchange Service: Several bills dealt with competition in the local exchange service market. ***House Bill 957 (failed)*** would have required the retail and wholesale activities of the regional Bell operating company, Verizon, to be divided into a retail affiliate and a wholesale affiliate. The retail and wholesale affiliates would have been required to maintain separate books, records, and accounts, have separate officers, directors, and employees, and would have been prohibited from discriminating in favor of the other. ***House Bill 482 (failed)*** would have required the commission to undertake efforts to encourage competition among residential telephone service providers, and ***House Bill 137 (failed)*** would have established a task force to encourage and monitor competition among telecommunications service providers.

Telecommunications

Senate Bill 379/House Bill 715 (both passed) provide criminal and civil penalties for the use or manufacture of unlawful telecommunications devices. An unlawful telecommunications device can be an access code, computer software, or telephone that has been designed or altered to receive telecommunications services without the consent of the service provider. For a more detailed discussion of these bills, see the Criminal Law heading of Part E - Crimes, Correction, and Public Safety of this *90 Day Report*.

Underground Facilities - Miss Utility

The "one-call" system known as "Miss Utility" protects underground facilities from inadvertent damage caused by demolition and excavation. The program requires owners of underground facilities, such as water and sewer mains, telephone, cable, and electric lines, and steam heating pipes, to register as members of the one-call system. The system provides contractors with a single point of contact, so that one notification suffices to mark the location of all known underground facilities in the vicinity of proposed demolition or excavation. Generally, public utilities, local governments, and other owners of underground public facilities must belong to a one-call system.

In order to make marking information more easily available to contractors and other excavators, ***Senate Bill 879/House Bill 1425 (passed)*** require the operator of a one-call system to install an "owner-contractor information exchange system." An owner-contractor information exchange system is an automated voice response unit maintained as part of a one-call system. The information exchange system must be available to any caller at all times. No one may begin excavation or demolition without notification from the information exchange system that all applicable owners have reported that they have

either marked their underground facilities or that they have no underground facilities in the vicinity. The owner-contractor information exchange system is intended to help exchange information about underground facilities more quickly and efficiently and better insure that underground facilities are not disturbed during construction.

The fact that the one-call system exists to safeguard underground facilities does not excuse contractors and other excavators from performing their work in a prudent and careful manner. However, facility owners who have not joined a one-call system have not made their facilities recognizable to a potential excavator who relies on the one-call system, and risk damage. *Senate Bill 564 (passed)* excuses a person who complies with the notification statute by contacting the one-call system and then damages the facility of an owner who has not joined the one-call system. The excavator is not liable for the cost of repair of the facility. Furthermore, the owner is then responsible for any repairs or restoration of property damaged by the excavation or demolition, including property owned by a third party. *Senate Bill 564* does not limit the right of a third party to seek damages from either the owner or the excavator, nor does it limit the right of the excavator to seek contribution from the owner in an action brought by the third party.

Insurance

Insurer Licensing

The federal Financial Services Modernization Act of 1999 (Gramm-Leach-Bliley Act) breaks down barriers among the banking, insurance, and securities industries. Under Subtitle C of the Gramm-Leach-Bliley Act, states have until 2002 to enact and implement laws that allow multi-state reciprocity and uniformity in agent and broker licensing laws. If a majority of the states fail to do so within that time period, the Gramm-Leach-Bliley Act requires the creation of a nonprofit corporation known as the National Association of Registered Agents and Brokers to provide for the uniform nationwide licensing of agents and brokers.

Senate Bill 576/House Bill 898 (both passed) incorporate provisions of the Model Producer Licensing Act developed by the National Association of Insurance Commissioners (NAIC) into Maryland's agent and broker licensing provisions, as required by the Gramm-Leach-Bliley Act.

Producer Licenses

Under *Senate Bill 576/House Bill 898*, after the current renewal cycle, the Maryland Insurance Administration (MIA) will no longer issue separate licenses to agents and brokers. Instead, MIA will issue an insurance producer license to each person who sells, solicits, or negotiates insurance contracts. An insurance producer will pay a \$54 biennial licensing fee. The bills provide for six major lines of insurance and recognize a license for personal lines of property and casualty insurance designed to accommodate major property and casualty companies that sell only personal lines of insurance.

Reciprocity

Senate Bill 576 /House Bill 898 provide for reciprocity for nonresident insurance producers wishing to obtain a Maryland license. A nonresident applicant is entitled to obtain a nonresident insurance producer license if: (1) the applicant is a licensed

insurance producer in the applicant's home state; (2) the applicant submits an application to MIA and pays the required fee; and (3) the applicant's home state issues nonresident insurance producer licenses to Maryland residents on the same basis. The bills repeal other provisions that impede reciprocity and uniformity of state licensing laws, including the \$10,000 bond requirement for most insurance brokers. However, producers who write policies for the Maryland Automobile Insurance Fund (MAIF) are still required to post a \$10,000 bond payable to MAIF.

Transition to Producer Licensing

Senate Bill 576 /House Bill 898 repeal the termination of MIA's legal authority to contract with an outside agent to perform licensing services. The bills also contain provisions to facilitate the transition from agent/broker licensing to producer licensing, including a provision stating that agent and broker certificate holders on the effective date of the bills may act as insurance producers for the remainder of the certification period.

Insurers Generally

Privacy Regulations

House Bill 362 (passed) requires MIA to adopt regulations governing the privacy of consumer financial and health information pursuant to the Gramm-Leach-Bliley Act. The regulations must be consistent with the model privacy regulations adopted by the NAIC. These privacy regulations may not go into effect prior to January 1, 2002.

The bill also requires MIA to establish, by regulation, criteria and a process to allow an individual who is otherwise prohibited from participating in the insurance business under the Federal Violent Crime Control and Law Enforcement Act of 1994 to obtain written consent from the Maryland Insurance Commissioner to participate in the insurance business.

Late Fees

Senate Bill 198/House Bill 283 (both passed) allow an authorized insurer to charge installment fees and fees for the late payment of a premium by a policyholder, if approved by MIA. Current law allows an authorized insurer to charge reasonable installment fees, as approved by MIA.

Under the bills, MIA is required to review the administrative expenses submitted by an authorized insurer that are associated with late payments or installment payments. The late or installment fee may not exceed \$10. The bills provide that a late fee may not be imposed on an insurance policy during any grace period required by law or regulation. Further, if there is no grace period required by law or regulation, a late fee may not be charged until two business days after the date the payment amount becomes due. An insurance policy may not be canceled for the failure to pay a single late fee or installment fee.

The bills require insurers to credit each payment received from an insured to the amount of premium owed by the insured before crediting the payment to the amount of any late or installment fee owed by the insured.

Home Office Requirements

Senate Bill 695/House Bill 937 (both passed) allow financial guaranty insurance companies to have a home office outside the State by altering the definition of a financial guaranty insurance company to mean an insurer that derives at least 90 percent of its gross written premium from the business of financial guaranty insurance and financial guaranty reinsurance. The bills repeal part of the statutory definition that requires a financial guaranty insurance company to have a claims-paying ability rated in the highest possible category by at least one nationally recognized statistical rating organization.

Insurer Insolvency

Senate Bill 837/House Bill 1352 (both passed) alter the priority of claims payments in the event of an insurer insolvency when there are known or potential claims by the federal government. This legislation responds to a federal court case *U.S. Department of Treasury v. Fabe* in which the United State Supreme Court held that a state may give priority to policyholder claims and expenses of administering the insolvency above the claims of the federal government in the event of an insurer insolvency. The priority established by **Senate Bill 837/House Bill 1352** is: (1) administrative expenses; (2)(a) claims made by

policyholders, beneficiaries, or insureds, (b) liability claims against insureds, and (c) guaranty fund claims; (3) federal government claims; (4) the first \$500 of compensation or wages owed to an officer or employee of the insurer; (5) State or local tax claims; and (6) all other claims of general creditors.

Surplus Lines Brokers

House Bill 385 (passed) alters the limit on the policy fee that a surplus lines broker may charge on policies procured by a qualified agent or broker to whom the surplus lines broker pays a commission from \$75 to: (1) \$100 on each personal lines policy; and (2) \$250 on each commercial lines policy.

Life Insurance

Adoptive Children - Insurable Interest

A beneficiary under a life insurance policy must have an insurable interest in the insured at the time life insurance is obtained. **House Bill 25 (passed)** provides that a prospective parent of a prospective adoptive child has an insurable interest in the life of the child as of the date of the earlier of: (1) a placement for adoption; or (2) an interlocutory or final decree of adoption.

Viatical Settlement Providers

Senate Bill 742 (failed) would have required providers and brokers who offer viatical settlement agreements to register with the Insurance Commissioner. A viatical settlement contract is a written agreement that establishes the terms under which compensation will be paid to the insured, usually someone who is terminally ill, in return for the assignment or sale of the death benefit to another person.

Property and Casualty Insurance

Homeowner's and Motor Vehicle Insurance Policies

House Bill 180 (passed) repeals the termination provision for the prohibition against insurers canceling or refusing to renew homeowner's insurance policies for weather-related claims. **House Bill 180** also repeals the termination provision for the prohibition against canceling or refusing to renew private passenger motor vehicle insurance based on the claims history of an insured when two or fewer of the claims within the preceding three-year period were for accidents or losses in which the insured was not at fault for the loss.

Motor Vehicle Insurance

Geographic Distribution of Private Passenger and Residential Property Premium: Senate Bill 797 (passed) alters the definition of "major insurer" to exclude small insurers that write less than 1 percent of the total motor vehicle insurance premium in the State. Current law excludes insurers that write less than .5 percent of the total motor vehicle insurance premium in the State. This change in definition limits the number of insurers that are required to file geographic distribution data and a marketing plan with the Maryland Insurance Commissioner. The marketing plan must demonstrate that the insurer is making coverage available to Baltimore City residents in the same manner as residents of other parts of the State.

Family Exclusion: Senate Bill 349/House Bill 926 (both failed) would have required insurers to offer to the first named insured under a policy of private passenger motor vehicle liability insurance liability coverage for claims made by a family member in the same amount as the liability coverage for claims made by a nonfamily member under the policy.

Health Insurance

For a detailed discussion of health insurance issues, see the Health Insurance subpart of Part J of this 90

Horse Racing and Gaming

Horse Racing

The horse racing industry in Maryland employs more than 15,000 people and generates approximately \$600 million annually in direct economic activity for the State. Like other states, Maryland's racing industry has lost market share in recent years to other forms of commercial gambling. Some states, including two in this region, have sought to revive their industries by introducing slot machines at racetracks. Maryland has taken other approaches to restructuring its racing industry, including subsidizing purses, providing tax relief, and expanding marketing efforts.

Financial Assistance

The Racing Act of 2000 established the Racing Facility Redevelopment Bond Fund as a nonlapsing revolving fund to be used to pay the debt service on bonds issued for the redevelopment of racetracks in Maryland. Prior to the Act, revenues from uncashed pari-mutuel tickets were deposited into the Horse Racing Special Fund. The Act required that uncashed pari-mutuel tickets be deposited in the bond fund, and if not needed to make debt service payments, these funds would revert back to the special fund. So that there would not be shortfalls in the special fund, the legislation required that excess lottery funds be distributed to the special fund in an amount equal to the payments made to the bond fund. If excess lottery funds are not sufficient to fully credit the special fund, the Governor may request a general fund deficiency appropriation to make up the difference.

The Act also continued the State's assistance to the horse racing industry by providing a one-time distribution of \$10 million of net fiscal 2000 lottery revenues in excess of \$366,813,000 to increase purses at racetracks and to supplement existing bred funds. This was the fourth year that the State provided financial support to the industry.

Senate Bill 764/House Bill 908 (both passed) requires that lottery revenues be distributed to the Horse Racing Special Fund to replace payments made to the Racing Facility Redevelopment Bond Fund, as discussed above, unless otherwise provided in the budget. The amount of lottery funds distributed to the special fund is required to be equivalent to the payments made to the bond fund. The bill is effective for fiscal 2002, and it is estimated that general fund revenues would decrease and special fund revenues

would increase by approximately \$1.7 million in that year. These funds are used to provide mandated grants to the State Fair, county fairs, and local agricultural education programs.

Senate Bill 765 (failed) would have provided for a \$10 million distribution of net fiscal 2001 lottery revenues in excess of \$383,403,000 that would otherwise be distributed to the general fund, to a special fund to supplement purses and bred funds for the horse racing industry. This is the first time since 1996 that purse and bred fund supplements will not be provided to the horse racing industry.

Horsemen's Assistance Fund

House Bill 1269 (passed) repeals the provisions of law applying to the Maryland Horsemen's Assistance Fund, Inc. and in its place establishes the Maryland Horsemen's Assistance Fund, Inc. and the Maryland Standardbred Horsemen's Assistance Fund, Inc. The purpose of the funds is unchanged. The clerk of the course at each track is to collect overpayments on tote machines and fines and penalties that are not imposed on a licensee and remit the money to the Maryland Racing Commission to deposit in the appropriate fund.

Gaming

Early in the 2001 session, the Senate Special Committee on Gaming was established. The committee's purpose is to develop a broader gaming expertise among Senate members in anticipation of a number of significant gaming proposals that are expected to be considered in future sessions by the General Assembly.

Video Lottery Terminals

The past several sessions of the General Assembly saw the introduction of bills to allow the use of video lottery terminals (VLTs) primarily at the State's horse racing tracks. The primary rationale given for authorizing video lottery terminals in the State is to provide additional funding for public education and, secondarily, to assist Maryland's horse racing industry.

House Bill 1170 (failed) was a proposed constitutional amendment that would have: (1) authorized VLTs at up to four locations in the State; (2) provided for the regulation of VLTs by the State Lottery Agency; (3) provided that at least one-half of the net proceeds from VLTs are dedicated to a special fund to be used to support K-12 education and public libraries; and (4) prohibited the General Assembly from adopting any laws authorizing any additional forms or expansion of commercial gaming.

House Bill 1449 (failed) would have permitted up to 2,500 VLTs at up to four locations in the State (at least two at horse racing tracks and the others at tourist destinations). The bill would have established an Education Trust Fund (ETF) and other special funds. In addition, the bill would have prohibited the General Assembly from adopting any laws authorizing any additional forms or expansion of commercial gaming. The bill would have taken effect January 1, 2003, and was contingent on the passage of *House Bill 1170*, a constitutional amendment, and its ratification by the voters of the State.

Economic and Community Development

Economic Development Corporation (MEDCO) - Scope of Authority

Senate Bill 486/House Bill 790 (both passed) amends the corporate powers of the Maryland Economic Development Corporation (MEDCO) to conform to the corporation's current practices. The General Assembly created MEDCO in 1984 to develop vacant or unused industrial sites in economically distressed areas and to help State and local economic development agencies retain and attract business throughout the State. Examples of MEDCO projects include the development of Human Genome Sciences, Inc. in Rockville, the General Motors Allison Transmission plant in Baltimore County, the Chesapeake College Training Center in Dorchester County, and the Rocky Gap golf course in Allegany County. The corporation issues its own bonds to pay for projects and all bonds and interest are repaid by revenues generated by those projects; they are not a debt of the State.

With passage of these bills, MEDCO's purposes include: (1) relieving conditions of unemployment in the State; (2) encouraging the increase of business activity and commerce and a balanced economy in the State; (3) assisting in the retention of existing business activity and commerce and in the attraction of new business activity in the State; (4) promoting economic development; and (5) generally promoting the present and prospective health, happiness, safety, right of gainful employment, and general welfare of the residents of the State.

Concerns were raised that the bills, though they codified current practices, would allow MEDCO to compete directly with the private sector and did not fit with the original goal of creating the corporation. The legislation was amended so that MEDCO can participate in projects only if the private sector has not already demonstrated serious and significant interest and development capacity or if a local government has requested in writing that MEDCO own and operate the project.

Smart Growth

Community Legacy Program

The fiscal 2002 budget includes \$10 million for the Community Legacy Program established under *Senate Bill 202/House Bill 301 (both passed)*. The program will address gaps in funding for community redevelopment projects such as streetscape improvements. Community Legacy, which will be run by the Department of Housing and Community Development (DHCD), marks the sixth addition to the Smart Growth program, which was created in 1992 (and expanded in 1997) to combat sprawl by revitalizing developed areas and preserving open space in rural areas.

Under *Senate Bill 202/House Bill 301*, DHCD will administer competitive grants and loans to local governments or community development organization for projects that meet specific criteria. The bills also create a five-member board to administer the program and an 11-member advisory committee to provide recommendations. In order for the board to designate an area as a community legacy area, the sponsor must demonstrate that past and current trends in homeownership, property values, commercial and residential vacancy, and business or housing investment indicate that there is a need for reinvestment in the proposed area. No more than 15 percent of the total financial assistance can be used to pay for noncapital expenditures.

The program is supported by the Community Legacy Financial Assistance Fund, a continuing nonlapsing fund that includes money appropriated in the State budget, payments from recipients, investment earnings, and any other monies accepted for the benefit of the fund.

Arts and Entertainment

Senate Bill 586 (passed) authorizes the Secretary of the Department of Business and Economic Development to designate arts and entertainment districts within a county or municipal corporation for areas that are distinguished by physical and cultural resources which play a vital role in the life and development of the community. The bill encourages the renovation of manufacturing, commercial, or industrial buildings to provide housing for residing artists by providing a credit (for up to ten years) against the county or municipal corporation property tax.

Additionally, *Senate Bill 586* creates a subtraction modification under the Maryland income tax for the amount of income derived from the publication, production, or sale of artistic work by a qualifying residing artist. A resident artist or for profit or nonprofit organization dedicated to visual or performing arts can also receive an exemption from the local admissions and amusement tax for certain receipts if they are located in an arts and entertainment district, as well as financial assistance from the Maryland Economic Development Assistance and Authority Fund within the Department of Business and Economic Development.

Tourism

Technology Development

Senate Bill 387/House Bill 427 (both passed) establish the Maryland Technology Incubator Program to be administered by the Maryland Technology Development Corporation (TEDCO). Under this program, TEDCO may award financial assistance (such as grants, loans, credit enhancements) to local governments, agencies designated by a local government, the Maryland Economic Development Corporation, public or private colleges or universities, or nonprofit entities so that they can establish and operate incubators for fledgling technology firms throughout the State. Business incubators provide start-up firms with office space, and shared business services and resources such as conference rooms and Internet access, often at below-market rates. According to the National Business Incubation Association, 87 percent of incubator graduates remain in business, while the typical new business failure rate is about 50 percent.

Eligible local governments and other entities generally must provide matching funds or an in-kind contribution. No county may receive more than \$1 million per application unless approved by two-thirds

of the TEDCO board of directors. TEDCO will receive \$5 million in the fiscal 2002 budget for investment activities, including this program. The bill also directs TEDCO to report to the General Assembly, within 90 days of the end of each fiscal year, its activities during the previous fiscal year and anticipated activities for the next fiscal year.

Legislators have focused increasing attention on tourism, particularly on what the State needs to spend to compete with neighboring states. *Senate Bill 617/House Bill 9 (both passed)* require an annual \$2.5 million increase for the Maryland Tourism Development Board Fund -- a special nonlapsing fund used by the board to plan, advertise, and develop tourism and travel industries in the State -- from \$6 million in fiscal 2002 to \$8.5 million in fiscal 2003 and each year beyond. The bill also expands the membership of the board to include two more members from the private sector and directs the President of the Senate and the Speaker of the House to ensure that each geographic region of the State is represented on the board.

Senate Bill 617/House Bill 9 direct the Governor not to appropriate less than \$7 million (the fiscal 2001 appropriation) for the Office of Tourism Development in future budgets. Additionally, the legislation directs the board to report by December 1, 2002, to the Senate Finance, Senate Budget and Taxation, and House Economic Matters Committees on its activities related to:

- planning, promotion, and development of the tourism industry in the State during fiscal 2001 and 2002;
- its anticipated plan of activities during fiscal 2003 through 2007; and
- its recommendations on the funding level for fiscal 2004 and subsequent fiscal years.

According to the National Conference of State Legislatures, state governments budgeted \$644 million for travel and tourism development in fiscal 2000. It is a significant industry in Maryland, generating approximately \$8.1 billion in traveler spending and \$677 million in local and State tax revenue in 2000. Tourism is also approximately the fourth largest industry in the State. However, Maryland ranks about twenty-fifth in the nation for state funding of tourism promotion; Pennsylvania and Virginia rank fourth and fifth, respectively.

House Bill 9, as originally introduced, would have created a cabinet-level Department of Tourism and would have made Maryland one of six states to have such a department.

Financing Programs

Senate Bill 789/House Bill 945 (both passed) expand the Maryland Small Business Development Financing Authority (MSBDFa) to assist small businesses that cannot get adequate business financing on reasonable terms because they do not meet financial institutions' credit criteria. The bills alter the eligibility requirements for the Contract Financing Program, the Long Term Guaranty Fund Program, and the Equity Participation Investment Program that operate under MSBDFa to allow these businesses to receive loans through the program. The bills also increase the maximum amount payable by MSBDFa under its guarantee for a long-term loan made by a financial institution from \$600,000 to \$1 million.

Assistance was also provided for local governments in distressed counties by allowing them to receive grants from the Maryland Economic Development Assistance and Authority Fund (MEDAAF) by providing half of the required matching funds. *House Bill 208 (passed)* allows Allegany, Caroline, Dorchester, Garrett, Somerset, and Worcester counties and Baltimore City to receive annual grants from MEDAAF up to \$250,000 without being required to provide a full match. However, as provided in current law, during the period from October 1, 1998 through June 30, 2003, a county may not receive a total of more than \$500,000.

House Bill 207 (Ch. 57) broadens the purposes of the Rental Housing Production Program and the Maryland Home Financing Program to provide that demolition and lot consolidation costs are eligible for

financing assistance under those programs. The Rental Housing Production Program under the Department of Housing and Community Development offers loans with below market interest rates for the development of quality rental housing affordable to low and moderate income households. The legislation allows the department to develop projects that include side lots and open space.

House Bill 209 (Ch. 58) expands the areas eligible for assistance under the Neighborhood and Community Assistance Program to include priority funding areas. It also allows the Department of Housing and Community Development to give preference for proposed projects that benefit a designated revitalization area. Through this program, nonprofit organizations market tax credit allocations to businesses that contribute to approved community projects. Expanding the eligible program area may also make it easier for nonprofit entities to receive donations from local businesses.

Senate Bill 394/House Bill 464 (both passed) repeal the termination of the Maryland Competitive Advantage Financing Fund (MCAFF), which is set to terminate on June 30, 2001. The bills extend the length of initial MCAFF loans for working capital that the Department of Business and Economic Development can provide to small businesses from one year to three years and the maximum length of working capital loans from three years to five years if the borrower meets certain performance criteria.

The bills also repeal the requirement that a loan applicant provide evidence that neither the applicant nor any of its owners has filed for bankruptcy in the last seven years or has any existing liens or judgments. This provision reflects the conclusions of an MCAFF work group, which reported to the General Assembly that lack of capital and credit on reasonable terms is a major obstacle for small businesses seeking to borrow funds and called for flexibility so that bankruptcy or unpaid taxes did not automatically disqualify an applicant.

The Maryland Food Center Authority (MFCA) is charged with developing, owning, operating, improving, and maintaining real estate projects that provide economical, sanitary, and modern facilities for food distribution in the State. **House Bill 1348 (passed)** modifies, updates, and clarifies provisions relating to the MFCA to enable it to proceed with the financing of projects in accordance with its statutory purposes under current public finance practices. Specifically, the bill: (1) adds to revenue bond debt other outstanding project-financing debt of MFCA as a basis for deferral of repayment of a State loan; (2) provides for the financing of specific projects with pledges of specific project revenues; (3) removes provisions which could impair the ability of lenders to foreclose on collateral; (4) removes obsolete provisions; (5) makes technical changes relating to bond issuing practices and other bond-related provisions; and (6) provides for the perfection of liens and attachment of security interests pledged by MFCA without need for further action.

Enterprise Zones

Senate Bill 819/House Bill 1155 (both passed) increase the amount of the enterprise zone tax credit that can be claimed by businesses located in a focus area within an enterprise zone and those outside the focus area. The bills also increase the credit that can be claimed by all enterprise zone businesses for an economically disadvantaged employee and other qualified employees.

The tax credit is based on the wages paid during the taxable year and is available to corporations, sole proprietorships, and various types of pass-through businesses. **Senate Bill 819/House Bill 1155** alter the definition of a qualified employee for whom a business can take a credit to require that the employee earns at least 150 percent of the federal minimum wage (\$5.15 per hour). The bills also require that an employee who is being claimed for the credit work 35 hours per week, rather than 25 hours per week.

The bills direct DBED and the Comptroller of the Treasury to jointly assess the effectiveness of the tax credits provided to businesses in enterprise zones and focus areas and report their findings to the General Assembly by December 15 of each year. For further discussion of this legislation, see Part B - Taxes of this *90 Day Report*.

Workers' Compensation

Workers' Compensation Insurers - Office and Personnel Requirements

Senate Bill 592/House Bill 1223 (both passed) alter the office and personnel requirements for employers who self-insure for the purposes of workers' compensation insurance and for workers' compensation insurers. The bills require each self-insuring employer and each insurer to have in the State competent individuals who:

- handle and adjust disputed workers' compensation claims for the employer or insurer; and
- possess the knowledge and experience to handle and adjust disputed claims.

This is a change from the requirement that each self-insured employer and each workers' compensation insurer have in the State an office run by a competent individual who handles all workers' compensation work in the State for the employer or insurer.

The bills also require the Workers' Compensation Commission to report, on or before November 30, 2002, to the Senate Finance Committee and the House Economic Matters Committee, the number and types of complaints regarding compliance with the office and personnel requirements that the commission receives between October 1, 2001, and November 1, 2002, and the status of those complaints, as well as the number and types of violations that the commission identifies during that time frame and the status of those violations. The commission is also required to report any recommendations for changes to the law.

Regulation of Self-Insurance Groups

Senate Bill 763/House Bill 998 (both passed) define insolvent self-insurance group to mean a self-insurance group in which each individual member of the group is unable to meet the member's debts as they mature in the ordinary course of business as determined by the Maryland Insurance Commissioner.

The bills provide that each member of a self-insurance group is jointly and severally liable for the workers' compensation obligations of the group and its members incurred during its membership period. Obligations of a member related to its joint and several liability exist regardless of whether the member terminates group membership or becomes insolvent or bankrupt.

The bills also require the Workers' Compensation Benefit and Insurance Oversight Committee to study the payment of claims by insolvent self-insurance groups and to report on or before December 1, 2001, to the House Economic Matters Committee and the Senate Finance Committee. In addition, on or before December 1, 2001, the Maryland Insurance Administration is required to report to the same standing committees the characteristics of each workers' compensation self-insurance group, the status of the regulation and operation of workers' compensation self-insurance groups, and any recommendations for changes to the law regarding the regulation of workers' compensation self-insurance groups.

Benefits

Permanent Partial Disability

The commission may order an offset or credit against an award for permanent partial disability benefits to a covered employee for temporary total disability benefits previously paid or vocational rehabilitation benefits previously provided. The commission may also order reimbursement to an employer from an individual who knowingly obtained benefits to which the individual was not entitled.

In *Philip Electronics North America et al. v. Wright*, 348 Md. 209 (1997), the Court of Appeals held that a credit based upon the number of weeks an employer has paid benefits is proper. The court determined that an employer was entitled to a credit for the number of weeks of benefits actually paid, rejecting a "total

monetary sum" theory in a permanent partial disability award.

Senate Bill 877/House Bill 1278 (both passed) requires that if an award of permanent partial disability compensation is reversed or modified by a court on appeal, the payment of any new compensation awarded must be subject to a credit for the amount of compensation previously paid.

Enhanced Workers' Compensation Benefits for Public Safety Employees

House Bill 1153 (passed) adds Prince George's County deputy sheriffs to the list of public safety employees who are entitled to enhanced workers' compensation benefits for permanent partial disability awards of less than 75 weeks. A public safety employee entitled to the enhanced benefits may receive two-thirds of his or her average weekly wage, not exceeding one-third of the State average weekly wage. Without the enhanced benefits, the employee would receive one-third of his or her average weekly wage, not exceeding \$114. The bill applies to claims arising from events occurring on or after October 1, 2001.

Occupational Diseases - Compensation for Certain Contagious Diseases

Senate Bill 677/House Bill 1006 (both failed) would have provided that a paid firefighter, paid fire fighting instructor, or sworn member of the Office of the State Fire Marshal employed by an airport authority, a county, a fire control district, a municipality, or the State, or a volunteer firefighter, volunteer fire fighting instructor, volunteer rescue squad member, or volunteer advanced life support unit member is presumed to have the potential of developing a compensable occupational disease if the individual is exposed to:

- Human immunodeficiency virus (HIV);
- Meningococcal meningitis;
- Tuberculosis;
- Mononucleosis;
- Liver cancer;
- Any form of viral hepatitis, which includes hepatitis A, B, C, D, E, F and G;
- Diphtheria;
- Hemorrhagic fevers; or
- Hydrophobia (rabies).

Current law provides compensation to an employee if the occupational disease causes death or disability and is due to the nature of an employment in which hazards of the occupational disease exist.

Unemployment Insurance

There was little legislative activity dealing with unemployment insurance in 2001. **House Bill 933 (failed)** would have allowed an individual with a newborn or a newly adopted child to receive up to 12 weeks of unemployment benefits and an allowance for dependents for up to 12 weeks. **Senate Bill 665/House Bill 1038 (both failed)** would have allowed the Secretary of the Department of Labor, Licensing, and Regulation (DLLR) to find that voluntarily leaving a job for new and better employment may constitute good cause for leaving the job, and thus would not disqualify an individual from receiving unemployment insurance benefits in the event the individual was laid off from the new and better employment through no fault of the individual. **Senate Bill 325/House Bill 491 (both failed)** would have required DLLR to

contract with at least one consumer reporting credit agency to develop a system to electronically provide wage information to end users through the contracted consumer credit reporting agency.

Labor and Industry

Drug Screening of Job Applicants

Senate Bill 652 (passed) authorizes employers who test job applicants for controlled dangerous substances to use a "preliminary screening procedure" for those substances unless the employer has entered into a collective bargaining agreement that prohibits a screening procedure. The employer also may designate a medical laboratory licensed to perform job-related drug testing for the preliminary screening procedures. The legislation specifies procedures for the handling, storage, and shipping of blood, urine, or hair specimens but exempts an employer using preliminary screening procedures from medical laboratory permit requirements.

Senate Bill 652 further requires an employer who uses preliminary screening procedures to: (1) establish a program to train preliminary screening operators; (2) register with the Department of Health and Mental Hygiene; and (3) have a medical review officer, who is a licensed physician with knowledge of drug abuse disorders and drug and alcohol testing, review results which test positive after laboratory confirmation. If a preliminary screening results in a positive test, the employer must have the specimen tested by a licensed or otherwise approved laboratory to confirm the positive test result.

State Contracts - Apprenticeship Programs

Senate Bill 313/House Bill 1001 (both failed) would have required, under each contract for a State-funded construction project, the contractor or the association of which the contractor is a member to: (1) have an apprenticeship program in place at least 6 months before submitting a bid for a contract; and (2) hire State-registered apprentices at a ratio of one apprentice for every three journeymen. The apprenticeship program would have been required to be registered in the State and to be approved by the State Apprenticeship and Training Council.

The legislation defined "State-funded construction project" to mean a construction project that receives any funds from the State or from any entity created by the General Assembly that engages in, oversees, manages, or has authority over construction. "Construction" was defined to mean building, reconstructing, improving, enlarging, painting, decorating, altering, maintaining, or repairing.

The State prevailing wage law currently requires that an apprentice on a public works contract be paid at least a percentage, set by the State Apprenticeship and Training Council, of the prevailing wage rate for a mechanic in the trade in which the apprentice is employed. Public work contracts subject to the State prevailing wage law are contracts in the amount of \$500,000 or more, including a bridge, building, ditch, road, alley waterwork, or sewage disposal plant that is constructed for public use or benefit or is paid for wholly or partly by public money.

Alcoholic Beverages

Statewide Bills

Issuance and Transfer of Licenses

House Bill 415 (passed) requires a local board of license commissioners, before approving an application and issuing an alcoholic beverages license, to consider:

- the public need and desire for the license;

the number and location of existing licensees and the potential effect on existing licensees of the license applied for;

- the potential commonality or uniqueness of the services and products offered by the applicant's business;
- the impact on the general health, safety, and welfare of the community including issues related to crime, traffic conditions, parking, or convenience; and
- any other necessary factors as determined by the board.

This measure does not apply in Baltimore City, Harford County, or St. Mary's County.

Drive Through Prohibition

Senate Bill 29 (failed) would have imposed a statewide prohibition against an alcoholic beverages licensee selling alcoholic beverages through a drive-through window. The provision would not have applied to existing licensees that had drive-through facilities prior to February 1, 2001, or the transfer of an existing license that has a drive-through facility.

Local Bills

City of Annapolis

Wine Festival License: Senate Bill 390/House Bill 514 (both passed) are emergency measures that authorize the Alcohol Control Board to issue a special or annual festival license for a wine festival. The festival may take place in Annapolis on a weekend not within 14 days before or after the Maryland Wine Festival.

Anne Arundel County

Multiple Licenses: House Bill 1463 (failed) would have authorized the Anne Arundel County Board of License Commissioners to issue a Class H alcoholic beverages license to current holders of a Class B alcoholic beverages license that held that license on June 1, 2001. *House Bill 1463* also would have repealed the provision that limited the number of Class H (beer and wine) licenses issued to persons who independently own and operate a restaurant that is part of a common franchise corporate entity.

Baltimore City

Class A Transfer Exemption: Senate Bill 463/House Bill 804 (both passed) exempt the transfer of a Class A beer, wine, and liquor alcoholic beverages license from the prohibition against locating a licensed premises within 300 feet of a church or school in Baltimore City provided that: (1) the license is transferred from Ward 12, Precinct 1 to a property within a block surrounded by Elm Avenue, Berry Street, Paine Street, and West 37th Street; (2) the transfer has the written support of Hampden Community Council, the Hampden Village Merchant's Association, and Hampden Main Street; and (3) the transfer is consistent with the Hampden Urban Renewal Plan.

Commission to Study Extended Hours: Senate Bill 229 (failed) would have established a 28-member commission to study the impact of extended hours for licensed establishments in Baltimore City. The commission would have studied the impact on tourism and the overall economy of the city of licensed alcoholic beverages establishments remaining open during early morning hours.

Board of Liquor License Commissioners: Senate Bill 424 (failed) would have required the Circuit Court in Baltimore City, in a petition for judicial review, to affirm a decision of the Baltimore City Board of Liquor License Commissioners if: (1) the board, following a public hearing, imposed a fine on or revoked

or suspended an alcoholic beverages license or adult-entertainment license for a violation of alcoholic beverages law, board rules, or adult-entertainment rules; and (2) the circuit court found sufficient evidence of the violation in the record of the public hearing.

Reopening of Licensed Establishments: Senate Bill 548 (passed) allows an alcoholic beverages licensee in Baltimore City whose premises have been closed for at least three consecutive months to reopen only if the Board of Liquor License Commissioners of Baltimore City holds a public hearing and the licensee obtains approval from the board, unless extenuating circumstances exist.

Caroline County

Beer and Wine Tasting Licenses: Senate Bill 554/House Bill 741 (both passed) authorize the Caroline County Board of License Commissioners to issue a one-day Class beer and wine (on premises) tasting or sampling (BWTS) license to a current alcoholic beverages licensee or any organization that qualifies for a special Class C beer or special Class C beer and wine license. A Class BWTS licensee may hold up to 12 events per year. At an event, store customers may sample small amounts of beer and wine from a selection chosen by the permit holder.

Board of License Commissioners: Senate Bill 553 (failed) would have authorized the Caroline County Board of License Commissioners to proceed administratively against an alcoholic beverages licensee or an employee of the licensee who has been granted probation before judgement for violating prohibitions on the sale of alcoholic beverages to a person under the age of 21 years old or to a person who is visibly intoxicated. ***Senate Bill 553*** also would have allowed the Caroline County Board of License Commissioners to proceed administratively against an alcoholic beverages licensee or an employee of the licensee who has been found not guilty or granted probation before judgment without a verdict for violating the law against selling alcoholic beverages to a minor or intoxicated person.

Charles County

Class B Licenses in Municipalities Exempt from Prohibition: House Bill 158 (passed) exempts Class B beer, wine, and liquor licenses issued for premises in municipal corporations in Charles County from the prohibition against the sale of alcoholic beverages within 500 feet of the property line of any church or other place of worship or school accredited by the State Board of Education.

Board of License Commissioners: House Bill 344 (Ch. 67) authorizes the Board of License Commissioners of Charles County to suspend an alcoholic beverages license on a Friday, Saturday, or Sunday if the suspension is four days or less and the licensed premises is only open on Friday, Saturday, or Sunday or any combination of those days.

Special Class B-B&B License: House Bill 345 (passed) authorizes the Board of License Commissioners of Charles County to issue a special Class B-B&B (bed and breakfast) on-sale beer, wine, and liquor license for inns to serve alcoholic beverages to guests with overnight accommodations. Establishments may not have dining facilities open to the public. Annual fees for the Class B-B&B license are \$25 for inns with one to five bedrooms and \$50 for inns with six or more bedrooms.

Regulation of Consumption: House Bill 349 (Ch. 69) authorizes an alcoholic beverages licensee in Charles County to sell and persons to consume alcoholic beverages on the grounds of a public golf course.

Frederick County

Sales to Underage Persons: House Bill 595 (passed) authorizes alcoholic beverages inspectors in Frederick County to issue civil citations for alcoholic beverages violations relating to the possession of alcoholic beverages or the misrepresentation of one's age to obtain alcoholic beverages.

Caterer's License: House Bill 596 (Ch. 87) authorizes the Board of License Commissioners of Frederick

County to issue a caterer's license to a holder of a Class B restaurant or hotel (on-sale) beer, wine, and liquor license. The caterer's license enables a licensee to provide alcoholic beverages at publicly or privately sponsored events that are held off the premises covered by the Class B license. The annual license fee is set at \$1,500.

Golf Courses: House Bill 1300 (passed) authorizes the Board of License Commissioners of Frederick County to issue a special Class C (golf and country club) license in the 16th election district. The annual license fee is \$1,500.

Garrett County

Wine Festival License: House Bill 370 (Ch. 72) authorizes the Garrett County Board of License Commissioners to issue one wine festival license per year to a holder of an existing Garrett County alcoholic beverages license, a State Class 3 winery license, or a State Class 4 limited winery license. The wine festival licensee can only display and sell wine that is manufactured and processed in any state, price filed in accordance with the Comptroller's regulations, distributed in Maryland at the time the application is filed, and intended for consumption on or off the licensed premises on the days and hours designated for the festival.

Harford County

Sales to Underage Persons: Senate Bill 441/House Bill 213 (both passed) authorize alcoholic beverages inspectors in Harford County to issue civil citations for alcoholic beverages violations relating to the possession of alcoholic beverages or the misrepresentation of one's age to obtain alcoholic beverages.

Caterers: Senate Bill 447/House Bill 218 (both passed) authorize a licensed caterer in Harford County to provide alcoholic beverages at one event (each calendar year) sponsored by the caterer that is held on the caterer's premises.

New Licenses: Senate Bill 442/House Bill 217 (both passed) authorize the Harford County Liquor Control Board to issue a stadium beer and light wine (on-sale) license to the owner or lessee of a professional baseball stadium for use on the stadium premises. The annual fee is set at \$5,000. ***House Bill 575 (Ch. 84)*** authorizes the Harford County Board to issue a seven-day (on-sale) Class D license with an annual fee of \$3,000 or a seven-day (on- and off-sale) Class D license with an annual fee of \$4,000 to a holder of any Class B alcoholic beverages license. Class D licenses are not subject to food sales requirements. The Class B licensee must surrender its Class B license when it obtains a seven-day Class D alcoholic beverages license. ***House Bill 607 (passed)*** authorizes the Harford County Liquor Control Board to issue an additional seven-day (on-sale) Class B (on-sale) license, to be known as a Class BDR (deluxe restaurant) beer, wine, and liquor license, to a Class B licensee. The Class BDA license must apply in a specified area of the county.

Howard County

Wine Tasting License: House Bill 138 (Ch. 50) repeals the September 30, 2001, termination provision applicable to the wine tasting (WT) license in Howard County.

Montgomery County

Increased License Fees: House Bill 808 (Ch. 91) increases the annual licensing fee in Montgomery County for a Class B beer, wine, and liquor license and a special Class B-BWL (H-M) license from \$2,000 to \$2,500.

St. Mary's County

License Certificate Qualifications: House Bill 162 (Ch. 52) alters the qualifications of citizens who sign a

certificate of support attached to an application for a new alcoholic beverages license in St. Mary's County by requiring them to be registered voters of the county.

Regulation of Consumption: House Bill 1096 (Ch. 99) exempts a religious, fraternal, civic, veterans, hospital, or charitable organization in St. Mary's County that has been issued a special alcoholic beverages license from the restriction that prevents individuals from consuming alcoholic beverages at a licensed establishment in which the alcoholic beverages were not sold.

Washington County

Population Ratio Quota: House Bill 585 (passed) excludes individuals detained or confined in a correctional facility in Washington County from the calculation of the population ratio quota that applies to the issuance of alcoholic beverages licenses in the county.

Liquor Control Board: House Bill 608 (failed) would have increased from three to five the number of board members of the Washington County Board of License Commissioners. The bill also would have provided that no more than three board members may belong to the same political party and that at least one board member have some familiarity or experience with the alcoholic beverages industry before the time of appointment.

Wicomico County

Increased License Fees: Three bills passed by the General Assembly increase the alcoholic beverages license fees in Wicomico County. **House Bill 1081 (passed)** increases the Wicomico County license fee for a Class B beer, wine, and liquor license for hotels from \$1,650 to \$1,980. **House Bill 1084 (passed)** increases the Wicomico County license fee for a Class B beer, wine, and liquor license for restaurants from \$1,100 to \$1,320. **House Bill 1083 (passed)** increases the Wicomico County license renewal fee for alcoholic beverages licenses from \$35 to \$50.

Sunday Closing Time: House Bill 1085 (passed) changes from 10 p.m. to 12 midnight the Sunday closing time for holders of Class B on-sale hotel and restaurant beer, wine, and liquor licenses, Class C on-sale club beer, wine, and liquor licenses, Class B on-sale hotel and restaurant beer licenses, Class B on-sale hotel and restaurant beer and light wine licenses, seven-day Class D beer and light wine licenses, and Class GC (golf course) beer, wine, and liquor licenses.

Part I

Financial Institutions, Commercial Law, and Corporations

Financial Institutions

Credit Union Law Modernization

The Task Force to Study Modernization of Credit Union Law was created by Chapter 604 of the Acts of 1999 in response to the need to clarify and revise the State credit union laws, which were originally enacted in 1929. The task force was charged with conducting a comprehensive study of existing State laws that affect the operation and powers of State credit unions, and with making recommendations to modernize the laws and facilitate competition by State credit unions with their federal counterparts.

During the 1999 and 2000 interims, the task force identified a number of relevant issues for consideration and, using draft legislation developed by the credit unions as a working document, held a series of meetings to research and review each issue and receive comments from a variety of interested groups. Based on recommendations developed during this process, the task force drafted a comprehensive legislative proposal that is incorporated in *Senate Bill 377/House Bill 399 (both passed)*.

In addition to streamlining regulatory requirements and repealing antiquated language in the State credit union law, *Senate Bill 377/House Bill 399*:

- provide State credit unions with the same tax-exempt status as federal credit unions;
- expand the field of membership provisions of State credit union law to allow a single common bond, multiple common bond, or community common bond field of membership similar to federal law;
- require credit unions to submit to the Commissioner of Financial Regulation a detailed plan to encourage low income persons to join and use the services that the credit union offers when the credit union: (1) forms or converts to a community common bond credit union; or (2) includes in its field of membership a community, neighborhood, rural district, or county that the commissioner has determined is an "investment area" under federal law and is underserved by other depository financial institutions;
- expand the "wild card" statute to allow State credit unions, on approval of the commissioner, to engage in any additional activity, service, or other practice in which federal credit unions may engage;
- allow for the conversion, merger, and consolidation of State credit unions under conditions that are similar to those for federal credit unions;
- allow directors of State credit unions to amend credit union bylaws without membership approval, except for provisions related to meetings of members, voting rights of members, changes in the credit union's field of membership, and requirements for directors;
- define compensation for directors of State credit unions and require approval by, and disclosure to, members of the amount of compensation paid to directors;
- authorize the commissioner to enter into interstate cooperative and information sharing agreements with other credit union supervisory agencies;
- allow State credit unions to charge over the limit fees for their credit cards;

- give State credit unions the choice of purchasing deposit insurance through a private insurer or through the federal insurance program;
- allow State credit unions to participate with other credit unions, credit union organizations, or depository financial institutions in making loans to members;
- allow State credit unions to give preferential treatment on loan terms and conditions to credit union employees;
- expand the types of investments that State credit unions may purchase;
- extend the term of a loan that State credit unions may enter into for the purchase of fixed assets;
- allow State credit unions to establish and operate a service center with other credit unions; and
- allow State credit unions to organize or invest in a credit union service organization that engages in activities incidental to the conduct of the credit union.

The task force, which is effective through June 2001, will continue to meet after the 2001 session to discuss the implications of allowing State credit unions to choose whether to purchase deposit insurance through a private insurer or through the federal insurance program. The current private carrier, the Credit Union Insurance Corporation (CUIC), may dissolve or merge into another private carrier. Since State law created CUIC and only allows CUIC to act as a private carrier, the appropriate provisions of State law would need to be amended and a transition period would need to be specified for the orderly phasing in of a new private carrier and the phasing out of CUIC.

Office of the Commissioner of Financial Regulation and the Banking Board - Sunset Extension

During the 2000 interim, the Department of Legislative Services conducted a full evaluation of the office of the Commissioner of Financial Regulation and the Banking Board under the Maryland Program Evaluation Act. The department found that the office and the board play important roles in the regulation of the State's financial industry; the office is well run and performing its statutory duties in a satisfactory manner; and the authority of the office and the board should be extended.

In response to the department's sunset evaluation, *Senate Bill 346/House Bill 449 (both passed)* extend the office of the Commissioner of Financial Regulation and the Banking Board to July 1, 2012. The bills also require the commissioner to report annually on: (1) the operations of the commissioner's office; (2) any amendments proposed by the commissioner to laws that the commissioner administers; (3) failures of licensed persons and State-chartered credit unions; (4) the composite ratings of banking institutions and State-chartered financial institutions, in summary form; and (5) the number of penalties assessed, broken down by license category, and instances of consumer recovery. Finally, the bills require the commissioner and the board to submit reports in 2001 and 2002 on the implementation status of the recommendations made by the department in its sunset evaluation, such as workload changes resulting from revisions to the credit union law; progress in mortgage lender examinations; and the enforcement of the check cashers law.

Commercial Law

Credit Regulations

Credit Services - "Payday" Loan

Maryland's law regarding small loans was enacted in 1945 in response to the practice common in the earlier part of the twentieth century of a lender structuring a consumer loan as a salary-purchase

agreement in which the lender would buy the borrower's wages at a discount in advance of the borrower's payday. More recently, concerns have been raised that businesses are engaging in high interest "payday" lending and avoiding the State's usury laws for small loans by moving the loans out of state.

The permissible annual interest rate in Maryland is 33 percent for small loans (under \$6,000). However, under federal law, a federally insured depository institution, whether chartered under state or federal law, may charge the interest rate permitted in its home state to borrowers across state lines, regardless of the legal rate in the borrower's state. Thus, for example, a bank in South Dakota, which has no interest limit, may charge a Maryland borrower an interest rate exceeding the State's 33 percent limit. A credit services business, operating in Maryland, may broker the transaction with a federally insured depository institution between the borrower and the lender.

Credit Services Businesses: Senate Bill 882/House Bill 973 (both passed) prohibit a credit services business and its employees and contractors from assisting a consumer in obtaining an extension of unsecured closed-end credit at an interest rate greater than 33 percent. This legislation is aimed only at local agents and the role they play in facilitating payday loans through a federally insured depository institution. The legislation does not prevent federally insured depository institutions from directly making payday loans at the interest rates authorized in their home states, which might exceed 33 percent.

Short-Term Small Consumer Loan Study Commission: Senate Bill 882/House Bill 973 also create a 14-member Short-Term Small Consumer Loan Study Commission. The study commission is charged with determining the need for short-term small consumer loans, identifying the reasons why traditional lenders may not be fully meeting the need, and evaluating alternatives. The study commission must report any recommendations, including any proposed legislation, by December 1, 2001.

Deferred Presentment Services: Senate Bill 601/House Bill 536 (both failed) would have authorized deferred presentment services to operate in the State and would have required providers of these services to be licensed by the Commissioner of Financial Regulation. The bills defined a deferred presentment service as a transaction between a licensee and the drawer of a check that provides that the licensee: (1) accepts a check from the drawer regardless of the check's date; (2) agrees to hold the check for a specified period of time before negotiation or presentment; and (3) pays the amount of the check, minus the authorized fee, to the drawer.

The bills would have authorized a licensee to accept a check of not more than \$300 and to charge a fee of not more than 15 percent of the amount paid by the licensee. The licensee would have been prohibited from deferring presentment of a check for more than 14 calendar days or from renewing a deferred presentment service agreement with the drawer. The commissioner would have had investigation and enforcement powers, and violators of the bills would have been subject to criminal and civil penalties.

Consumer Protection

E-Commerce

Electronic commerce has offered businesses and individuals a new medium for obtaining goods and services. However, concerns have arisen that the new medium has also presented new threats to an individual's privacy. ***Senate Bill 363/House Bill 14 (both passed)*** establish an Electronic Transactions Education, Advocacy, and Mediation Unit within the Division of Consumer Protection in the Office of the Attorney General. The unit is required to: (1) receive complaints regarding potential violations of privacy policies and unlawful conduct or practices in electronic transactions; (2) provide information and advice to consumers; (3) refer complaints where appropriate to local, State, or federal agencies; (4) develop information and educational programs to foster public understanding of electronic privacy issues; (5) facilitate the use of best practices; (6) promote nonbinding arbitration and mediation of privacy related and electronic transaction disputes; (7) investigate and assist in the prosecution of identity theft, other privacy related crimes, and unlawful conduct or practices in electronic transactions; and (8) assist in the training of

local, State, and federal law enforcement agencies regarding identity theft, other privacy related crimes, and unfair or deceptive trade practices in electronic commerce transactions. The unit is modeled after the Health Education and Advocacy Unit that exists in the Consumer Protection Division of the Office of Attorney General.

Commercial Law - Generally

Dishonored or Bad Checks

Senate Bill 131 (passed) increases the amount of the collection fee, from \$25 to \$35, for which the maker or drawer of a dishonored check is liable to the holder if the check has not been paid within 30 days after the holder has sent a notice of dishonor. The bill makes the civil liability of the writer of a dishonored check mandatory, rather than discretionary. *Senate Bill 131* also increases the amount, from \$25 to \$35, that a court may order a defendant to pay as a collection fee for each bad check on conviction of the offense of obtaining property or services by a bad check.

Uniform Commercial Code

Senate Bill 610/House Bill 1035 (both passed) make various technical amendments to the revision of Title 9 of the Maryland Uniform Commercial Code (UCC) and of Title 2 of the UCC. The bills also repeal an obsolete provision relating to recordation tax on Title 9 filings. Sections of the Natural Resources Article and the Transportation Article regarding perfection of a lien on vessels and vehicles, respectively, are also amended to comply with the Title 9 revision.

House Bill 1434 (passed) repeals provisions in the Real Property Article governing the perfection of a grant of a security interest in a mortgage by a mortgagee by recording the interest in the land records. Under the revision to Title 9 of the UCC, a security interest in a mortgage granted by a mortgagee is perfected by filing a financing statement in the state where the executive office of the mortgagee is located. *House Bill 1434* provides that if a security interest in a mortgage was attached and perfected before July 1, 2001, in accordance with applicable law, the interest continues to be perfected without the need for any additional filing either in the land records or under Title 9 of the UCC.

E-Commerce

Following the 2000 enactment of the Maryland Uniform Electronic Transactions Act (Maryland's UETA) and the Maryland Uniform Computer Information Transactions Act (Maryland's UCITA), the General Assembly continued to examine issues related to technology, electronic commerce, and related consumer protection concerns.

Maryland's UETA and E-Sign: The federal Electronic Signatures in Global and National Commerce Act (E-Sign) was enacted after passage of Maryland's UETA. The federal E-Sign, like Maryland's UETA, provides for the validity of electronic signatures and records, and specifies areas of law in which electronic signatures and records would not be permitted. Congress authorized states to modify, limit, or supersede provisions of the federal E-Sign by statutes, regulations, or other rules of law if the statute, regulation, or rule: (1) is an enactment of the Uniform Electronic Transactions Act (UETA) as approved by the National Conference of Commissioners on Uniform State Laws in July 1999; or (2) provides for electronic signatures or records in a manner consistent with the federal E-Sign and does not discriminate in legal status or effect among types of technology used in electronic signatures or records. The federal E-Sign preempts inconsistent scope provisions of state enactments of UETA. In an effort to make Maryland's UETA consistent with the federal law, the General Assembly approved *Senate Bill 397/House Bill 519 (both passed)*. The legislation adds exemptions to Maryland's UETA, repeals inconsistent provisions, and declares an intent that the legislation be consistent with the federal E-Sign.

UCITA Implied Warranty of Merchantability: *Senate Bill 398/House Bill 520 (both passed)* exempt specified computer programs from the implied warranty of merchantability applicable under UCITA. The

exempt computer programs are those provided under a license that does not impose a license fee for the right to the source code and to copy, modify, and distribute the computer program (for example, open source software).

Under the implied warranty of merchantability, a merchant, as licensor of a computer program, warrants: (1) to the end user that the computer program is fit for the ordinary purposes for which the computer programs are used; (2) to the distributor that the program is adequately packaged and labeled and, in the case of multiple copies, that the copies are within the variations permitted by the licensing agreement; and (3) that the program conforms to any promises or affirmations made on the container or label.

Corporations and Associations

Directors of Investment Companies

Sections 2 and 3 of Chapter 397 of the Acts of 1998 were enacted in response to a 1997 decision of the federal district court in New York that called into question the independence of mutual fund directors who serve on multiple boards of funds managed by the same investment adviser. Section 2 added § 2-405.3 to the Corporations and Associations Article, which provides that a director of an investment company who is not an "interested person" under the federal Investment Company Act of 1940 is deemed to be independent and disinterested when acting as a director of the investment company. Section 3 applied Section 2 retroactively to cases filed on or after January 30, 1998.

After a lawsuit was filed in the Circuit Court for Montgomery County in 1999 seeking a declaratory judgment that § 2-405.3 was enacted in violation of Article III, § 29 of the Maryland Constitution, commonly known as the "one-subject rule," the General Assembly repealed and reenacted Sections 2 and 3 in Chapter 1 of the Acts of 2000 (the annual "curative" bill) to ratify their enactment. However, before Chapter 1 took effect, the Court of Appeals, in *Migdal v. State*, 358 Md. 308 (2000), held that Sections 2 and 3 of Chapter 397 were enacted in violation of the one-subject rule and severed them from Section 1 of the Act. In May 2000, a declaratory judgment action was filed in the Circuit Court for Montgomery County challenging the annual curative bill on the basis of the one-subject rule. The decision of the circuit court upholding the statute has been appealed to the Court of Special Appeals, and the Court of Appeals has granted a petition for a writ of certiorari and will hear the case during its 2001 term.

In light of the continuing legal challenges to Sections 2 and 3 of Chapter 397, ***Senate Bill 264 (Ch. 31)*** repeals and reenacts these sections in a separate, freestanding bill to remove any doubt as to their validity.

Part J

Health

Public Health - Generally

Medical Assistance

The General Assembly addressed continuity of care and provider availability in the Maryland Medical Assistance Program (program), took steps to raise the level of provider reimbursement in the program, and created a fund to pay for performance incentives for managed care organizations (MCOs) that meet quality of care standards. The fiscal 2002 State budget contains additional moneys for the enhancement of the Maryland Children's Health Program (MCHP) and the expansion of home- and community-based services.

Budget Increases

The fiscal 2002 program budget contains \$52 million (\$21 million in general funds) to implement two legislative mandates from the 2000 session and \$10.1 million (\$5.1 million in general funds) to expand a home- and community-based services program established by Chapter 126 of 1999.

The largest enhancement earmarks \$32 million for expansion of MCHP to children with family incomes from 200 percent to 300 percent of the federal poverty guidelines and pregnant women with incomes from 200 percent to 250 percent of the federal poverty guidelines. An estimated additional 14,700 children and 1,000 pregnant women are expected to enroll each month as a result of the MCHP expansion during fiscal 2002. Total fiscal 2002 program and MCHP funding for patient care is \$2.084 billion. The other enhancement is \$20 million (\$10 million in general funds) in increased funding for the Medicaid nursing home reimbursement formula. For additional discussion of this issue, see the Health Care Facilities and Regulation subpart of this Part J.

Provider Availability in the Maryland Medical Assistance Program and MCHP

Senate Bill 637/House Bill 493 (both passed) require the Department of Health and Mental Hygiene (DHMH) to provide enrollees and health care providers participating in the program and MCHP with an accurate directory or listing of available health care providers. The directory must be made available on request in written form and on an internet database which must be updated by DHMH at least every 30 days.

Continuity of Care

State regulations require DHMH to provide Medicaid Managed Care (HealthChoice) enrollees with the names and addresses of participating providers in each MCO providing services in the enrollee's region. An enrollee has 21 days to select an MCO. If an enrollee does not select an MCO within 21 days, DHMH assigns the enrollee to an MCO.

After the recent withdrawal of CareFirst from the HealthChoice program, enrollees and providers complained of interruptions in the continuity of the enrollees' care when enrollees were auto-assigned to MCOs that did not have a contract with the enrollees' existing providers.

Senate Bill 636/House Bill 1227 (both passed) state affirmatively that a HealthChoice enrollee has the right to choose the enrollee's MCO and a primary care provider (PCP). If an enrollee is disenrolled and re-enrolls within 120 days of disenrollment, DHMH must assign the enrollee to the MCO in which the enrollee was previously enrolled and require the MCO to assign the enrollee to the enrollee's previous

PCP.

If a recipient has to select a new MCO because the recipient's MCO is withdrawing from the HealthChoice program, the withdrawing MCO must:

- provide the enrollee notice of the withdrawal 60 days in advance;
- include in the notice the name and provider number of the PCP assigned to the enrollee and the telephone number of the program's enrollment broker; and
- within 30 days after leaving the program, provide DHMH with a list of enrollees and their PCP.

After receiving the list provided by the MCO, DHMH must provide the list to: (1) the enrollment broker, to assist with providing outreach to enrollees in selecting a new MCO; and (2) the remaining MCOs, for the purpose of linking enrollees with a PCP.

Performance Incentives for Managed Care Organizations

House Bill 429 (Ch. 77) establishes a HealthChoice Performance Incentive Fund (fund) in DHMH to be used for provider reimbursement and financial incentives for MCOs that exceed performance targets designed to measure quality of care. The fund will consist of fines imposed by DHMH on MCOs for a failure to comply with quality assurance requirements. At the end of each fiscal year, moneys in excess of \$3 million will revert to the State's general fund. The Act also adds reporting requirements.

Provider Reimbursement Rates

Senate Bill 627/House Bill 1071 (both passed) require DHMH to establish a process to annually set the fee-for-service reimbursement rates for the program and MCHP in a manner that ensures the participation of providers. In developing the process, DHMH must consider: (1) a process that reflects the fee-for-service rates paid in the community, as well as the annual inflation in medical fees; or (2) the Resource Based Relative Value Scale system used in the federal Medicare program or the American Dental Association's current procedural terminology (CPT) codes.

The bills add reporting requirements, including:

- an analysis of the fee-for-service reimbursement rates paid in other states and how those rates compare with Maryland rates;
- the schedule for bringing fee-for-service reimbursement rates to a level that ensures that all health care providers are reimbursed adequately; and
- an analysis of the estimated costs of implementing the schedule and any proposed changes to the fee-for-service reimbursement rates for the program and MCHP.

Federally Qualified Health Centers

Under Chapters 434 and 435 of 1998, DHMH is required to establish by regulation a supplemental payment to be made to federally qualified health centers (FQHC) that participate in the program. The rate, to be calculated prospectively, is to be equal to the difference between the payment received by the FQHC from an MCO for service provided to the MCO's enrollees and the reasonable cost to the FQHC of providing those services. The 1998 law requires that the payments made be reduced each year and ends the supplemental payments at the end of fiscal 2004.

Senate Bill 680/House Bill 1243 (both passed) repeal the supplemental payment system for FQHC, and instead require DHMH to adopt, by regulation, a methodology that ensures that consistent with federal

law, the FQHCs are paid reasonable cost-based reimbursement.

Medical Errors

A 1999 report by the Institute of Medicine (IOM) of the National Academy of Science's Quality of Health Care in America Committee, entitled *To Err is Human: Building a Safer Health System*, recommended: (1) establishing a national mandatory reporting system for adverse medical events; (2) encouraging voluntary reporting efforts; (3) modifying legal and confidentiality requirements to promote reporting and analysis; and (4) developing performance standards by health care organizations and professionals to focus greater attention on patient safety. Fifteen states have developed laws or regulations requiring the reporting of medical errors or adverse events in hospitals.

The General Assembly responded to the IOM report, during the 2001 session, by enacting ***House Bill 1274 (passed)***, which requires the Maryland Health Care Commission (MHCC), in consultation with DHMH, to study the feasibility of developing a system for reducing incidences of preventable adverse medical events. The system could include a process for reporting medical errors. The bill requires MHCC to issue a preliminary report on or before January 1, 2002, and a final report on or before January 1, 2003.

Medical Records

The General Assembly enacted a number of bills during the 2001 session relating to medical records.

Copying Costs for Medical Bills

Under current law, a health care provider may require a person in interest or any other authorized person who requests a copy of a medical record to pay the cost of copying. A health care provider may charge a fee for copying and mailing that does not exceed 50 cents for each page of the medical record. In addition, a hospital or health care provider may charge a preparation fee of not more than \$15 for medical record retrieval and preparation and the actual cost for postage and handling. The fees charged may be adjusted annually for inflation using the federally established Consumer Price Index.

Some insurance companies, in resolving claims, require the entire medical record, including medical bills, to be produced, but refuse to pay for the copying costs related to the medical bills.

House Bill 738 (passed) adds medical bills to the definition of "medical record" in the law governing the maximum charges a health care provider may charge an authorized person who requests a copy of a medical record. In doing so, the bill makes the existing statutory caps on the amounts that may be charged for copies of a medical record applicable to copies of medical bills.

Confidentiality of Reported HIV and AIDS Cases

Physicians and hospitals are currently required under State law to report to county health officers suspected cases of the human immunodeficiency virus (HIV) and the acquired immune deficiency syndrome (AIDS). These reports provide the basis for data on the progression of HIV cases to AIDS cases contained in the State HIV/AIDS Reporting System (HARS).

While all of the data in the HARS is held under the highest scrutiny and with the most stringent confidentiality protections, as required by federal Centers for Disease Control and Prevention (CDC) guidelines, a recent Maryland Court of Special Appeals ruling held that some portions of the records required under the laws governing reporting to DHMH could be subject to release as medical records under the State's medical records confidentiality statute. That statute allows release to insurance companies and other providers, among others, under certain circumstances. The court's ruling could have placed the State law governing HARS in direct conflict with CDC requirements for confidentiality.

Under ***House Bill 463 (Ch. 79)***, HIV and AIDS reports are not to be treated as "medical records" subject

to the laws governing the confidentiality of medical records, but instead, as confidential research records. The Act will protect DHMH and the public by clearly defining the HARS as a protected system for research and study records and not a system for medical records.

The Act also alters the basis for physician reporting to the local county health officer of patients with HIV or AIDS, to require the reporting of *diagnosed* cases, rather than *suspected* cases. In addition, the Act specifies what must be included in an HIV/AIDS case report. A report must contain:

- reasonably obtained patient demographic information, including risk factors;
- relevant information on initial diagnosis, treatment, and referral, and the patient's clinical condition;
- facility and provider identification information; and
- a unique identifier for the patient that is not the patient's name.

Impounding and Disposing of Drugs and Prescription Records

Currently, DHMH has the authority to issue licenses and permits to pharmacies and prescribers and to suspend and revoke those same licenses and permits under certain circumstances. However, DHMH does not have the authority to impound the drugs in the permit holder's or licensee's possession. This has forced DHMH to "negotiate" a legal disposition of these drugs and records with individuals, such as selling prescriptions to another licensed pharmacy or returning them to the manufacturer.

House Bill 418 (passed) authorizes DHMH to impound or dispose of the drugs and prescription records of an authorized prescriber or a pharmacy, manufacturer, or distributor holding a permit issued by the State Board of Pharmacy or a dispensing permit issued by another health occupations board ("permit holder"). An "authorized prescriber" is defined as a licensed dentist, licensed physician, licensed podiatrist, licensed veterinarian, certified nurse midwife, certified nurse practitioner, or other individual authorized by law to prescribe prescription or nonprescription drugs or devices.

Under the bill, DHMH may issue an order of impoundment, which is subject to judicial review, and immediately impound drugs or prescription records of a permit holder or authorized prescriber if:

- the permit holder or authorized prescriber has a permit or license which has expired or has been revoked or suspended;
- an application for a permit or license has been denied;
- a licensing health occupations board has determined that the permit holder or authorized prescriber has failed to comply with a board order, letter of surrender, or law governing the disposition of drugs or prescription records and the board requests that DHMH impound the drugs or prescription records;
- the drugs pose an imminent threat to public health, safety, or welfare; or
- the confidentiality of prescription records is in imminent danger of being compromised.

House Bill 418 also requires that, before destroying or transferring impounded drugs or prescription records, DHMH publish a notice for two consecutive weeks in a locally circulated daily newspaper. Finally, the bill requires a health occupations licensing board to immediately notify the Division of Drug Control of DHMH of the surrender, suspension, or revocation of a permit holder's permit or an authorized prescriber's license.

Destruction of Medical Records

Under current law, unless the patient is notified, a health care provider may not destroy a medical record or laboratory or x-ray report about a patient until five years after the record or report is made. In the case of a minor patient, the record or report may not be destroyed until the patient attains the age of 21 or for five years after the record or report is made, whichever is later, unless the parent or guardian is notified or the medical care was provided for: (1) an abortion; (2) treatment for substance abuse, venereal disease, pregnancy, contraception, rape, or sexual assault; or (3) during a medical screening after admission to a detention center.

The law requires notice of an intent to destroy records to be delivered by first class mail, and to include a statement that the record or report must be retrieved at a designated location within 30 days to avoid destruction. After the death, retirement, or license termination of a health care provider or the discontinuance of a health care provider's business, the health care provider, the administrator of the health care provider's estate, or a designee who notifies the health occupations board that the designee agrees to maintain the health care provider's records takes responsibility for either forwarding the appropriate notice prior to the destruction of records or publishing notice in a local newspaper.

Senate Bill 569 (passed) adds, to the list of health care providers responsible for providing the required notice of records destruction, various health care facilities and any agent, employee, officer, or director of a health care provider. The health care facilities covered under the bill include freestanding ambulatory care facilities, free standing medical facilities, health maintenance organizations, limited service hospitals, nursing homes, assisted living facilities, continuing care retirement communities, and residential treatment centers.

Senate Bill 569 also requires the Secretary of DHMH, after consulting with specified interested parties, to adopt regulations governing the destruction of medical records. The regulations must specify the manner in which a health care provider is to be required to maintain and store medical records in order to ensure confidentiality, provide limited access, and ensure that the destruction of records renders the records unreadable. Finally, *Senate Bill 569* sets penalties for violations of the records destruction law.

Women's Health

According to the National Conference of State Legislatures, more states are considering the unique needs of women as women's health issues acquire national attention. State legislatures have responded to women's health needs by enacting legislation that addresses needs beyond reproductive issues related to maternity. Specifically, California, Illinois, Indiana, Kentucky, North Carolina, Ohio, and Rhode Island have each created, in statute, offices or commissions on women's health, and Tennessee has a special joint committee to study women's health issues.

Office of Women's Health

While there is no specific office or commission on women's health in Maryland, the State does have the Maryland Women's Health Promotion Council and the Maryland Commission for Women. The council works to identify issues facing women at each stage of their lives, catalogues their health needs, develops guidelines and resources to meet these needs, and documents the health and economic benefits resulting from investments in services for women.

House Bill 4 (failed), would have established an Office of Women's Health within DHMH, and would have created a Women's Health Care Grant Fund to provide funding to public and private programs designed to improve women's health. However, the Governor included \$300,000 in a supplemental budget to establish such an office in DHMH.

Other Women's Health Issues

House Bill 1267 (passed), requires DHMH to provide reconstructive surgery services to a Breast Cancer Program participant who has undergone a mastectomy. In addition, the Breast Cancer Program must cover

prostheses and any physical complications related to the mastectomy.

Abortion

Five bills relating to abortions were introduced in the 2001 session, but none were reported favorably out of committee:

- **House Bill 364 (failed)** would have prohibited individuals from engaging or participating in the "exploitation of aborted children" or possessing a fetus or any fetal tissue resulting from a legal abortion.
- **House Bill 448 (failed)** would have altered the law regarding giving a minor the legal capacity to consent to medical treatment in certain life- or health-threatening situations.
- **Senate Bill 643 (failed)** would have prohibited a physician from performing abortions on unmarried minors until 48 hours after the physician had given written notice of the pending procedure personally or by certified mail to the minor's parent or guardian.
- **Senate Bill 756 (failed)** would have required each hospital or facility in which an abortion is performed to report the abortion, without the name of the patient, to DHMH and for DHMH to subsequently report to the General Assembly.
- **Senate Bill 645 (failed)** would have provided that consent to an abortion is voluntary and informed only if, at least 24 hours prior to the abortion, the performing physician or the referring physician, provides the woman with certain information.

Individuals with Developmental Disabilities

Reimbursement for Community Providers

Senate Bill 432/House Bill 922 (both passed) require DHMH to increase the rate of reimbursement paid to "community providers" of services to individuals with disabilities. The bills are in response to DHMH reports that gaps exist between the salaries and benefits paid to front-line community workers and those paid to State employees in similar positions. The low wages and benefits have resulted in crises relating to staff recruitment and retention in the care of the mentally ill, the developmentally disabled, and those suffering with substance abuse addiction.

These bills are discussed in further detail in the Disabled subpart of Part M - Human Resources of this *90 Day Report*.

Funding for the Developmental Disabilities Administration

Total fiscal 2002 funding for the Developmental Disabilities Administration (DDA) is \$479 million. This amount includes an additional \$22.2 million in general funds and \$11.3 million in federal funds to implement the fourth year of the five-year waiting list initiative, the goal of which is to reduce the number of individuals in the State waiting for community-based services. With this additional funding, DDA's community services budget has increased by almost \$130 million since the beginning of the initiative in fiscal 1999. It is expected that the total cost of implementing the initiative will be about \$144 million by fiscal 2003, the final year of the initiative's phase-in.

The fiscal 2002 funding also covers the cost of new services as well as increases in provider rates. By the end of fiscal 2003, DDA expects to provide services to almost 6,000 new clients, including almost 1,000 new clients in fiscal 2002. Services provided by DDA include residential placement, day programs, and in-home support programs.

Community-Based Mental Health Services

Senate Bill 326/House Bill 1108 (both failed) would have required the program to reimburse a community-based program or an individual health care practitioner that treats a person who is eligible under both the program and under Medicare the entire program fee for outpatient mental health treatment, including amounts withheld as a psychiatric exclusion and any copayment not covered under Medicare.

Senate Bill 328/House Bill 1247 (both failed) would have required that, beginning in fiscal 2003 and annually thereafter, the fees that DHMH pays to reimburse community mental health service providers for services rendered to an "eligible individual" would have had to have been adjusted annually, up to a maximum of 5 percent, by the rate of change in the medical component of the Washington-Baltimore metropolitan area Consumer Price Index.

Minors - Psychological Treatment

House Bill 928 (passed) provides that a minor has the same capacity as an adult to consent to psychological treatment if, in the judgment of the attending physician or psychologist, the life or health of the minor would be adversely affected by delaying treatment to obtain the consent of another individual. The bill also grants immunity from civil damages or criminal or disciplinary penalties to a psychologist, or someone under the psychologist's direction, if the minor did not have capacity to consent to treatment.

Substance Abuse

Alcohol and Drug Treatment to Work Pilot Program

Under current law, participants in the Alcohol and Drug Treatment to Work Pilot Program administered by the Alcohol and Drug Abuse Administration (ADAA) are eligible only for training to become a certified lead abatement technician or for full-time employment in housing inspection or lead abatement services. The law also restricts participation in the program to individuals between the ages of 18 and 34 years of age.

House Bill 1166 (passed) expands the types of training or employment that individuals who participate in the Alcohol and Drug Treatment to Work Pilot Program may receive, to include any training or employment approved by the ADAA. To implement this expansion, the ADAA can consider contracting with entities, such as the Department of Labor, Licensing, and Regulation, that are authorized to spend federal training dollars under the Workforce Investment Act.

The bill also eliminates the age restrictions on participation and extends the termination date of the Alcohol and Drug Treatment to Work Pilot Program, from September 30, 2003 to September 30, 2005.

Certification of Treatment Programs

Senate Bill 350/House Bill 403 (both passed) require alcohol and drug abuse treatment programs that are accredited by Joint Commission on Accreditation of Health Care Organizations (JCAHO) to obtain certification from DHMH to provide services in the State. Under current law, alcohol and drug abuse treatment programs that are accredited by JCAHO are not required to obtain certification from DHMH unless requested to do so.

This legislation is a result of new federal regulations that will require the accreditation of all substance abuse treatment programs that use methadone or other medication to treat heroin addictions. Maryland's current exemption for JCAHO-accredited facilities could cause DHMH to lose its ability to regulate methadone programs at the State level, to investigate complaints, and to respond to local concerns. *Senate Bill 350/House Bill 403* ensure that DHMH will retain its authority to regulate drug treatment programs at the State level.

Food Products

House Bill 419 (passed) requires a person to obtain a permit before transporting a milk product and redesignates milk haulers as bulk milk haulers/samplers for purposes of regulation. The bill establishes fees for bulk milk hauler/sampler permits and milk transportation company permits, and imposes a per-truck fee for milk transportation companies. The bill also provides that a person who is aggrieved by a final decision of the Secretary of DHMH in a contested case relating to a milk permit may not appeal to the DHMH board of review, but may take a direct judicial appeal.

House Bill 1097 (passed) increases, to 5 percent by volume, the maximum permissible amount of alcohol that can be added to a confectionery product before the product is classified as adulterated food. A confectionery that contains between 1.5 percent and 5 percent of alcohol per volume may not be sold to anyone under 21, and must state on its label that: (1) the sale to individuals under 21 years of age is illegal; and (2) the product contains alcohol up to 5 percent per volume.

Communicable Diseases/Immunizations

Senate Bill 626/House Bill 1075 (both passed) create Immunet, a computerized information and reminder system to coordinate immunization data from health care providers and improve the delivery of immunizations.

House Bill 420 (passed) adds 48 diseases -- including Legionnaire's disease (Legionellosis), Ebola (viral hemorrhagic fever), and West Nile virus (infectious meningitis or infectious encephalitis) -- to the list of diseases that the director of a medical laboratory must report within 48 hours to the county health officer where the laboratory is located.

Emergency Medical Services

Senate Bill 38 (passed) expands the definition of "ambulance" to include a conveyance that is used to provide aeromedical transport. The bill also requires the Emergency Medical Services Board, rather than the Maryland Institute for Emergency Medical Services Systems, to adopt regulations necessary to establish a periodic licensing system for ambulance services. The regulations must require that, in addition to the driver, there be at least one individual in attendance during patient transport that is certified or licensed for the appropriate level of care, or a greater level of care, needed to be rendered to the transported individual.

Advisory Council on Heart Disease and Stroke

Senate Bill 330/House Bill 492 (both passed) rename the State Advisory Council on High Blood Pressure and Related Cardiovascular Risk Factors to be the State Advisory Council on Reducing Death and Suffering from Heart Disease and Stroke. The bills also increase the membership of the advisory council from 16 members to 24 members, adding to the list of organizations from which members can be appointed.

The advisory council is to target its educational programs to high-risk populations in geographic areas where there is a high incidence of heart disease and stroke, and those educational programs are to include an emphasis on the importance of early detection. The advisory council's recommendations to DHMH for guidelines for effective management and treatment are to cover primary prevention, as well as detection, case finding, diagnosis, diagnostic work up, therapy, and long-term management.

Mortality Review Committee

House Bill 78 (passed) expands the duties of the Mortality Review Committee and the Office of Health Care Quality (OHCQ), both within DHMH, to include the review of the deaths of individuals who were

residing in facilities or receiving services from any program approved, operated, or licensed by the Mental Hygiene Administration (MHA). Current law only requires the review of deaths of individuals who were residing in or receiving services from facilities licensed by DDA.

Under the bill, OHCQ may choose not to review a death if the circumstances are readily explained. OHCQ may not review the care or services provided in an individual's private home, except to the extent needed to investigate a licensed provider that offered services at that individual's home.

The bill also requires the Secretary of DHMH to report the death of any individual with a developmental disability or a mental illness who resided in or was receiving services from any program or facility licensed, operated, or approved by DDA or MHA to the Mortality Review Committee within 24 hours of notification of the death. The administrative head of the program or facility where the individual died is required to report the death immediately to the Secretary of DHMH.

Miscellaneous Health Measures

Senate Bill 567/House Bill 513 (both passed) establish the Maryland Caregivers Support Coordinating Council of Maryland within the Department of Human Resources. The council's purpose is to coordinate statewide planning, development, and implementation of family caregivers support services.

House Bill 636 (passed) requires the reporting of benign central nervous system tumors to the Maryland Cancer Registry operated by DHMH. Under current law, malignant brain and central nervous system tumors must be reported by hospitals, and by physicians, freestanding laboratories, freestanding ambulatory care centers, and therapeutic radiological centers that have the care of, or diagnose cancer in, a non-hospitalized patient.

House Bill 1029 (passed) extends, from December 31, 2001 until June 30, 2002, the time by which the Task Force to Study the Health Care Needs of Inmates in Transition from Correctional Institutions is required to report to the General Assembly.

Health Occupations

Health Care Providers

Nursing

Nurse Practitioners: Nurse practitioners have been recognized, reimbursed, and used as primary care providers under a variety of circumstances. Medicare, Medicaid, and the Veterans Administration Maryland Health Care System all use nurse practitioners as primary care providers.

House Bill 473 (passed) will provide health maintenance organizations (HMO) with the option to provide patient access to primary care services through nurse practitioners. The bill provides that the standards of quality care for an HMO include requirements that:

- each member seen for a medical complaint be evaluated under the direction of a physician or nurse practitioner;
- each member who receives diagnostic evaluation or treatment is under the direct medical management of a physician or nurse practitioner;
- each member has an opportunity to select a primary physician or nurse practitioner; and
- an HMO must individually credential each nurse practitioner serving as a primary care provider.

The bill prohibits an HMO from maintaining a provider panel with more than 50 percent of its primary

care providers as nurse practitioners, or requiring or attempting to require a member or subscriber to select or be seen by a nurse practitioner. The bill further clarifies that members or subscribers of an HMO are not prevented from selecting their choice of a physician or nurse practitioner. For a more detailed discussion of Nurse Practitioners on Health Maintenance Organization provider panels, see Part J - Health Insurance of this *90 Day Report*.

Certified Nursing Assistants: Senate Bill 146 (passed) alters the law governing the certification of nursing assistants by the Board of Nursing. The bill strengthens the Certified Nursing Assistant (CNA) certification program, established in 1999, and clarifies the licensing, duties, and behavioral responsibilities of CNAs. ***Senate Bill 146*** requires the board to expand the regulations to establish categories of CNAs, as well as standards for qualification for certification. The bill adds CNAs to the list of providers who are required to report to the board any action that could be grounds for disciplinary action, and also adds CNAs to the list of providers who must be reported for similar actions. Additionally, ***Senate Bill 146*** requires the maintenance of a nursing aid registry in order to be in compliance with federal law.

Nursing Scholarships: Four bills were introduced during the 2001 session to provide increased scholarship aid to nursing students and address the critical shortage of nurses in Maryland. ***Senate Bill 618/House Bill 547 (both passed)*** increase the maximum annual and total award for a nursing scholarship. ***Senate Bill 96/House Bill 727 (both passed)*** allow recipients of nursing scholarships to receive additional scholarships, see part L - Higher Education - Scholarships and Financial Assistance.

Clinical Social Workers

House Bill 770 (passed) authorizes a clinical social worker to independently file and present a petition for emergency psychiatric evaluation of an individual. This bill adds clinical social workers to the list of individuals who may currently petition for emergency psychiatric evaluation, which includes physicians, psychologists, police officers, and health officers and their designees.

Acupuncturists

Auricular detoxification is an acupuncture technique involving the needling of the human ear for the purpose of assisting in the removal of toxic or addictive substances from the body. ***House Bill 1270 (passed)*** authorizes licensed nurses, psychologists, certified or licensed substance abuse counselors, or licensed clinical social workers to perform auricular detoxification under the direct supervision of a licensed acupuncturist. The bill provides that the licensed acupuncturist may supervise no more than three individuals at one time, and that the auricular detoxification may only be performed in a clinical substance abuse program, hospital, prison, outpatient clinic, or other board-approved setting.

Massage Therapists

In Maryland, individuals practicing massage therapy must be certified or registered with the State Board of Chiropractic Examiners, with certain exceptions. Several bills were introduced during the 2001 session to address which individuals qualify for this exemption. ***Senate Bill 194 (passed)*** exempts the practice of energy therapy from the definition of massage therapy, thereby providing that practitioners of modalities such as Shiatsu, Polarity, Reflexology, and Reiki are not required to obtain certification or registration. Two other bills, ***Senate Bill 582*** and ***House Bill 1002 (both failed)*** provided for a similar exemption for energy practitioners. ***House Bill 289 (passed)*** repeals the exemption for individuals practicing massage therapy in health clubs and clarifies that the exemption for individuals working in beauty salons applies only to individuals who provide cosmetology and esthetic services.

Occupational Therapists

In Maryland, there are more than 400 licensed occupational therapy assistants (OTAs). ***House Bill 318 (Ch. 65)*** permits an aide to provide assistance to the licensed OTAs with treatment related tasks, under the

direct supervision of the licensed OTAs. This assistance is intended to provide the OTAs with greater flexibility in obtaining help when needed to create a safer environment for clients.

Pharmacists

Senate Bill 772 (failed) would have authorized certain licensed pharmacists to enter into voluntary therapy management agreements with a licensed physician, dentist, or podiatrist. Such agreements would have authorized specified cooperative procedures such as the ordering of laboratory tests and other patient care measures regarding drug therapy. The bill passed the Senate but was referred to interim study by the House Environmental Matters Committee.

Professional Counselors and Therapists

Three bills introduced during the 2001 session addressed the need for a trainee status for counselors and therapists so that individuals undergoing the licensure or certification processes have a mechanism through which to obtain the required clinical experience.

Senate Bill 547/House Bill 522 (both passed) authorize a licensed graduate marriage and family therapist and licensed graduate clinical professional counselor to practice marriage and family therapy or professional counseling provided that the individual:

- has passed the appropriate national examination approved by the Board of Professional Counselors and Therapists;
- is under the supervision of a licensed clinical professional counselor, licensed clinical marriage and family therapist, or another health care provider as approved by the Board; and
- is fulfilling the requirements for supervised experience.

Senate Bill 71 (passed) revises the law governing the certification and licensure of alcohol and drug counselors. The bill provides a trainee status to allow individuals to practice without licensure or certification in order to fulfill experiential or course of study requirements under the supervision of a certified or licensed professional. Additionally, the bill re-opens and extends the grandfather period for waiver of certification to October 1, 2001, and expands the waiver criteria to include individuals counseling in privately funded facilities certified by the Joint Commission on Accreditation of Health Care Organizations (JCAHO).

Physician Assistants

Three bills were introduced during the 2001 session addressing the scope of practice of physician assistants. *House Bill 1068 (failed)* would have made several modifications and clarifications to the statute governing physician assistants including physician supervision, the administration of general anesthesia or injecting anesthetics epidurally or intrathecally, and delegation agreements. *Senate Bill 331 (failed)* and *Senate Bill 428 (withdrawn)* both attempted to limit the scope of practice of physician assistants by prohibiting physician assistants from performing medical acts associated with anesthesiology.

Practice of Medicine/Dentistry

In response to concerns over the lack of oversight of Health Maintenance Organization medical directors by the Board of Physician Quality Assurance (BPQA), *Senate Bill 34 /House Bill 686 (both failed)* would have expanded the definition of "practice of medicine" to include a decision that a health care service, proposed by a licensed or certified health care provider, is not medically necessary or appropriate. Similarly, *Senate Bill 33 (failed)* would have expanded the definition of "practice of dentistry" to include a decision that a dental service proposed by a licensed dental care provider is not medically or dentally necessary and would have subjected the decision maker to the jurisdiction of the State Board of Dental

Examiners.

Health Occupations Boards

Board of Physician Quality Assurance

Two bills introduced during the 2001 session broadened the scope of BPQA's authority over medical radiation technologists, nuclear medical technologists, and licensed respiratory care practitioners.

House Bill 423 (passed) requires hospitals and other health care employers to report personnel actions or termination of employment of any medical radiation technologist or nuclear medical technologist to BPQA. The bill provides for optional reporting if the disciplinary action was due to drug or alcohol use and the technologist voluntarily enters rehabilitation, which is similar to the reporting requirements within the Board of Nursing. The bill also establishes a civil monetary fine of \$5,000 for practicing medical radiation or nuclear medical technology without a certificate. Further, the bill authorizes BPQA to suspend a technologist's certificate on the filing of a certified docket entry with the board by the Office of the Attorney General under certain circumstances.

House Bill 424 (passed) is identical to **House Bill 423**, but applies to licensed respiratory care practitioners under BPQA.

In response to concerns regarding the disciplinary procedures of BPQA, **Senate Bill 280/House Bill 591 (both failed)** would have altered the complaint investigation and hearing procedures for disciplinary cases brought against physicians. The bills would have authorized the patient, or a custodian, guardian, or personal representative of the patient, to bring an allegation of grounds for a disciplinary action or to be interviewed in investigations. In addition, the bills would have prohibited BPQA from referring standard of care cases for investigation by MedChi, the Maryland Medical Society, unless the patient or the patient's custodian, guardian, or personal representative provides an affidavit.

State Board of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists

House Bill 421 (Ch. 75) authorizes the State Board of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists to require a physical or mental examination of a licensee when the Board is investigating an alleged disciplinary violation. The bill also amends the list of charges for which the board may discipline a licensee. Eight other health occupations boards currently have this authority.

State Board of Physical Therapy Examiners

House Bill 865 (failed) would have established an Athletic Trainer Advisory Committee in the State Board of Physical Therapy Examiners to provide minimum standards of competency for athletic trainers. The bill would have required individuals to be licensed before providing athletic trainer services.

Sunset Extensions

Senate Bill 116 (Ch. 24)/House Bill 367 (passed) extend until July 1, 2013, the termination date for the State Board of Examiners in Optometry. The Act was introduced in response to the recommendations and findings of the sunset review and evaluation process conducted by the Department of Legislative Services and will ensure the continuation of the board's mandated responsibilities of protecting the citizens of Maryland through the regulation of the optometry profession.

Health Care Facilities and Regulation

Hospitals

Inspection and Oversight

House Bill 422 (Chapter 76) expands the authority of the Secretary of the Department of Health and Mental Hygiene (DHMH) to monitor the implementation of plans of correction and to impose sanctions for serious or life-threatening patient care deficiencies in hospitals and accredited residential treatment centers.

Under current law, when a Maryland hospital is cited by the Health Care Financing Administration (HCFA) and the Joint Commission on Accreditation of Health Care Organizations (JCAHO) for serious and potentially life-threatening deficiencies in patient care services, DHMH has no authority to ensure that any required corrective actions were being implemented.

The provisions of **House Bill 422** expand the Secretary's authority to:

- impose a directed plan of correction;
- impose appropriate operating conditions;
- revoke or restrict a facility's license;
- monitor a corrective plan for a facility imposed after a finding of a serious or life-threatening patient care deficiency cited by HCFA, JCAHO, or DHMH; and
- impose a civil monetary fine up to \$10,000 per day per incident.

Uniform Emergency Security Codes

Senate Bill 338/House Bill 476 (both passed) require the Secretary of DHMH, in consultation with the Association of Maryland Hospitals and Health Systems and the Maryland Association of Hospital Security and Safety Directors, to develop a uniform set of emergency security codes for hospitals. There are a variety of emergency security codes used by hospitals to alert staff to emergencies such as a cardiac or respiratory arrest, a fire, bomb threats, infant abductions, hostage situations, or hazardous material spills. Emergency security code uniformity will enable a health care professional who works at several different facilities to immediately identify the nature of an emergency and respond appropriately. Hospitals will have two years after regulations are adopted to prepare for the implementation of the provisions of the bills.

Certificate of Need - Cardiac Surgery; Obstetric Medical Services

Senate Bill 735/House Bill 1132 (both failed) and **Senate Bill 182/House Bill 95 (both failed)** revisited the issue of allowing more hospitals to offer open heart surgery and obstetric medical services, respectively. The bills would have exempted both services from the certificate of need (CON) requirement, which is the primary method of implementing the State Health Plan. A CON is required before a hospital can offer open heart surgery or obstetric medical service.

Long-Term Care Facilities

Innovations in Aging Services Program

Senate Bill 535/House Bill 721 (both passed) establish the Innovations in Aging Services Program in the Department of Aging (DOA). Under the program, the Secretary of Aging will be advised by a 14-member Innovations in Aging Services Advisory Council on the development of an annual program plan to be presented to the Governor and the General Assembly for approval as part of the State budget.

The program will provide grants to design and test innovative ideas in programs and services for older individuals, publicly disseminate the results of the tests, and help meet the need for trained personnel to

provide services to seniors. The Secretary, with advice of the council, is authorized to award grants in accordance with the priority goals approved by the Governor and the General Assembly. Funding for the program grants can be augmented by other public and private sources.

Nursing Home Reimbursement Increase

In accordance with Chapter 212 of the Acts of 2000, which expressed the General Assembly's intent that the Governor increase funding for the Medicaid nursing home reimbursement formula by \$10 million in general funds in fiscal 2002 and another \$10 million in fiscal 2003, the fiscal 2002 budget provides for a \$20 million (\$10 million in general funds and \$10 million in federal matching funds) enhancement to the formula. The additional funds will allow nursing homes to increase hours of direct care to residents, add nursing staff, and bolster compensation for direct care workers. To reduce reliance on nursing homes for long-term care services, the budget also includes \$10.1 million to expand home- and community-based services to an additional 1,000 people, bringing the total number of people served through this Medicaid waiver program to 2,135.

Continuing Care Retirement Communities

House Bill 472 (passed) requires a continuing care agreement between a subscriber and a provider to allow a subscriber to designate a beneficiary for receipt of any refundable portion of the entrance fee paid by the subscriber. All designations must be on a form acceptable to the Department of Aging, in writing, and witnessed by two or more competent witnesses. Any designation of a beneficiary must be non-contingent and specified in percentages that will account for 100 percent of the refund due.

Health Care Commissions

Maryland Health Care Commission

Senate Bill 317/House Bill 366 (both passed) change the program evaluation dates of the Maryland Health Care Commission (MHCC) and the Health Services Cost Review Commission (HSCRC) from July 1, 2002, to July 1, 2007. The bills are based on the recommendations of the preliminary evaluations of these two health care commissions by the Department of Legislative Services (DLS). Generally, program evaluation dates are extended for ten years; however, DLS recommended a five-year extension because the health care industry standards may change significantly in the next ten years. The bills ensure that these two health care commissions will continue to be reviewed under the Maryland Program Evaluation Act ("sunset review"), a process that promotes accountability in government operations.

MHCC's entire budget is based on user fee assessments collected from health care providers, payors, and practitioners. Chapter 702 of the Acts of 1999 required MHCC to study and make recommendations on an appropriate funding level and user fee allocation among those currently assessed. MHCC recommended that its user fee cap be increased by \$1.75 million to a total of \$10 million. The report noted that the recent merger of two regulatory commissions did not produce the anticipated savings since tasks have not been reduced.

House Bill 1032 (passed) made a number of modifications and clarifications in the law governing MHCC. The bill: (1) increases the maximum total user fees that MHCC may assess from the current cap of \$8.25 million to \$10 million dollars; (2) adjusts the percentages of the annual assessment allocated to health care facilities, payors, and health care practitioners; (3) clarifies that the annual user fee cap applies to the maximum amount MHCC can assess in any fiscal year; (4) requires that assessments be allocated in proportion to MHCC's workload attributable to each industry assessed; and (5) requires MHCC to develop regulations to allow a waiver of assessments for health care practitioners. In developing regulations for this waiver, MHCC is required to consider the hourly wage of health care practitioners and give preference to exempting health care practitioners with an hourly wage substantially below that of other health care practitioners.

Senate Bill 786/House Bill 652 (both passed) conform MHCC's statute to its actual responsibilities and authority by making several modifications and clarifications, including:

- clarifying that the user fee assessed on insurance carriers to support activities be based on "premiums earned" rather than "premiums collected;"
- adding a provision clarifying MHCC's statutory authority to impose reasonable fines on entities who fail to report statutorily required information and reports;
- dividing the responsibility for the former State Health Plan between the Department of Health and Mental Hygiene (DHMH) and MHCC by transferring responsibility for the development of the State Public Health Plan to DHMH, while retaining responsibility for certificate of need (CON) specific health planning within MHCC under the State Health Plan for Facilities and Services; and
- clarifying that local health planning agencies are now considered "interested parties" for the purpose of the CON application process.

Health Services Cost Review Commission

House Bill 733 (passed) increases the maximum total user fees that the Health Services Cost Review Commission (HSCRC) may assess from the current cap of \$3.5 million to \$4 million dollars, and limits any fiscal year increase to an amount equal to, or less than, the percentage increase of the user assessment in the same fiscal year for all acute care hospitals. The bill also clarifies that the annual user fee cap applies to the maximum amount HSCRC can assess in any fiscal year. Finally, the bill provides that HSCRC may not increase its assessment until it reports on the future viability and financial condition of Maryland's hospitals.

State Commission on Kidney Disease

House Bill 1242 (passed) alters the membership of the State Commission on Kidney Disease by requiring that the three at-large members appointed by the Governor be medical specialists or other patient care providers in the fields of nephrology or kidney transplants. The at-large members may not have any direct ownership in renal dialysis or kidney transplant centers that do business with the State.

Quality of Care

Prevention of Adverse Medical Events

House Bill 1274 (passed) requires the Maryland Health Care Commission, in consultation with the Department of Health and Mental Hygiene, to study the feasibility of developing a system for reducing the incidences of preventable adverse medical events, such as administering the wrong medication, in Maryland. For a more detailed discussion, see the Public Health - Generally subpart of this Part J.

Nursing Staff Agencies

Senate Bill 769/House Bill 626 (both passed) transfer the oversight of nursing staff agencies from the State Board of Nursing to the Office of Health Care Quality (OHCQ). It does not, however, change the current role and requirements of the board in regard to the licensing of nursing personnel. The bills require a nursing staff agency that provides nursing personnel on a temporary basis to be licensed by OHCQ.

OHCQ may inspect a nursing staff agency, or investigate a complaint, to verify that:

- nursing personnel referred by the agency are licensed or registered by the Board of Nursing and have completed their continuing education requirements;

the agency has formulated and utilizes procedures related to its verification of nurses' professional qualifications and other job fitness criteria;

- the agency's complaint investigation procedures are adequate;
- the agency has formulated policies for communicating information to its employees about its policies and procedures for standards of care; and
- the agency verifies drug tests and criminal background checks on nursing personnel when the hiring facility requires them.

Senate Bill 769/House Bill 626 also require a nursing staff agency to warrant that it is in compliance with applicable federal legislation. A nursing staff agency that is in violation of the provisions of the bills will be subject to fines ranging from \$2,500 per violation or per day for a first offense, up to \$5,000 per violation or per day for a second offense, and up to \$10,000 per violation or per day for a third or subsequent offense.

Mental Health

Senate Bill 42 (Ch. 15) extends the termination date of Chapter 385 of the Acts of 1991, which provides for the creation and use of clinical review panels to authorize the administration of psychiatric medication to an individual without the individual's consent in an emergency or if the individual is hospitalized involuntarily or committed by court order for treatment. The 1991 act is extended from June 30, 2001, to June 30, 2005, which is the third time the act has been extended. An evaluation report recommending reestablishment or termination of the act is required by January 1, 2004.

House Bill 752 (passed) requires residential mental health facilities and Veterans' Administration Hospitals to expand their aftercare plans to include discussion of advance directives. Advance directives are written documents that allow people to make future health care choices -- such as taking medication -- in the event that they are physically or mentally unable to make them. Before the facility may release an individual who has been accepted as a resident in the facility, the facility must notify the individual of the advisability of developing an advance directive for mental health services. If the individual requests assistance in developing an advance directive, the facility must assist the individual. A facility is authorized to refer an individual to an appropriate community resource for assistance for the purpose of developing an advance directive.

Health Maintenance Organizations

Nurse Practitioners

House Bill 473 (passed) requires health maintenance organizations (HMOs) to provide primary care services through nurse practitioners in circumstances where HMOs currently provide access only through physicians. For a more detailed discussion of **House Bill 473**, see the Health Occupations subpart of this Part J.

Trauma Physicians

Senate Bill 728 (passed) requires an HMO to pay a claim submitted by a trauma physician for trauma care rendered at a trauma center (as designated by the Maryland Institute of Emergency Medical Services System) at the greater of: (1) 140 percent of the rate paid by the Medicare Program; or (2) the rate as of January 1, 2001, that the HMO paid in the same geographic area for the same covered service to a similarly licensed provider. Currently, an HMO is required to pay a non-contracting provider at the greater of: (1) 125 percent of the rate the HMO pays in the same geographic region, for the same covered service, to a similarly licensed provider under written contract with the HMO; or (2) the rate as of January 1, 2000

that the HMO paid in the same geographic region, for the same covered service, to a similarly licensed provider not under written contract with the HMO.

An HMO may require a trauma physician not under contract with the HMO to submit appropriate adjunct claims documentation and to include a provider number assigned to the trauma physician on the uniform claims form submitted for payment.

Medical Director

House Bill 1040 (failed) would have subjected an HMO medical director to the disciplinary authority of the Board of Physician Quality Assurance if the medical director had applied utilization management procedures or policies in a manner that clearly violated appropriate and well-established standards of quality medical care. There are currently 15 HMOs certified to operate in Maryland and 82 certified medical directors.

Capitation Payments

Senate Bill 875/House Bill 1411 (both failed) would have required the Department of Health and Mental Hygiene (DHMH) to annually adjust the capitation payments made to Medicaid managed care organizations (MCOs) to reflect, at a minimum, current market reimbursement trends determined by an independent actuary contracted by DHMH. The actuary would have to determine a market trend by reviewing utilization of medical services provided by MCOs, any increase in the cost of services within the market, and any administrative changes to the Medicaid program.

Workers' Compensation

Senate Bill 593/House Bill 941 (both failed) would have prohibited a health insurer, nonprofit health service plan, or HMO (carrier) from delaying payment for services that could be covered under a worker's compensation claim while the issue of compensability of the worker's compensation claim is being determined. If an enrollee's medical condition were subsequently determined to be compensable, a carrier could have sought reimbursement from the enrollee for whom payment was made.

Health Insurance

Prescription Drug Coverage for Seniors

In the absence of a prescription drug benefit provided by Medicare, a number of bills were introduced this session to assist low-income and Medicare eligible individuals access to affordable prescription drugs. The bills presented several different models for providing drug coverage or financial assistance to those individuals who must pay for their prescription drugs out-of-pocket.

Senate Bill 236/House Bill 6 (both passed) establish or expand three different prescription drug programs that help facilitate access to medically necessary prescription drugs for Medicare beneficiaries and low-income Marylanders.

Maryland Pharmacy Discount Program

The bills create the Maryland Pharmacy Discount Program (MPDP) which allows Medicare beneficiaries without prescription drug coverage to purchase medically necessary prescription drugs at the Maryland Medical Assistance (Medicaid) reimbursement rate, less the amount of certain federally mandated manufacturers' rebates, from any pharmacy that participates in Medicaid. The bills require the Department of Health and Mental Hygiene (DHMH) to submit an amendment to the State's existing demonstration waiver to the federal Health Care Financing Administration (HCFA) to seek matching federal funds for MPDP. MPDP also provides State subsidies to certain individuals based on income levels. If HCFA

approves an amendment to the State's waiver, enrollees whose annual household income is at or below 175 percent of federal poverty guidelines would receive a 35 percent discount on the price of prescription drugs.

If HCFA does not approve the waiver amendment, MPDP will be administered as part of the Maryland Pharmacy Assistance Program (MPAP), instead of Medicaid, and will be open to Medicare beneficiaries without prescription drug coverage whose annual household income is at or below 250 percent of federal poverty guidelines. Under this "default" version of MPDP, an enrollee is entitled to purchase prescription drugs at the MPAP rate, less the amount of any manufacturer's rebates. The rebates provided to MPAP are not federally mandated and are less than the rebates provided under Medicaid. Individuals whose annual household income is at or below 175 percent of federal poverty guidelines would receive a 25 percent discount on the price of prescription drugs. The fiscal 2002 budget includes \$4 million to support whatever program is developed. This amount reflects a mid-year start-up.

Fiscal estimates note that annual revenues for Maryland's 1,300 pharmacies could decrease as a result of the requirement that participating pharmacies sell drugs to MPDP enrollees at a discounted rate. In an effort to mitigate any negative impact on pharmacies, the bills authorize participating pharmacies to charge a \$1 processing fee, in addition to the Medicaid dispensing fee of \$4.21, for each prescription sold. Further, increased sales volume as a result of MPDP discounts may also offset lost revenue.

Medbank Program

In addition, the bills create the Maryland Medbank Program patterned after a similar program that is funded by a grant from the Maryland Health Care Foundation. Under the bills, the foundation is required to administer the program and must contract with one or more government or nonprofit entities to operate the program. The program will assist low-income individuals who lack prescription drug coverage by accessing medically necessary prescription drugs through patient assistance programs sponsored by pharmaceutical drug manufacturers. Medbank funds may be used in part to purchase interim supplies of prescription drugs for individuals who have applied to a manufacturer's patient assistance program, but have not yet received the drug. The bills require the foundation to ensure that Medbank is available to residents in each geographic region of the State. The fiscal 2002 budget includes \$2.5 million to support Medbank.

Short-Term Prescription Drug Subsidy Plan

The bills expand the Short-Term Prescription Drug Subsidy Plan statewide to all Medicare beneficiaries without prescription drug coverage whose annual household income is at or below 300 percent of federal poverty guidelines. The bills: (1) increase the plan's enrollment cap from 15,000 individuals to 30,000 individuals; (2) reduce the monthly premium from \$40 to \$10; (3) eliminate the \$50 deductible; and (4) increase funding for the plan from \$5.4 million to approximately \$22 million (funding derived from health insurance carriers participating in the Substantial, Affordable, and Available Coverage (SAAC) program). DHMH is required to develop and implement an outreach program to encourage participation and the plan administrator is required to notify each individual who lost prescription drug coverage under a Medicare + Choice policy of the plan's existence and its eligibility criteria.

Studies

The bills also require several related studies, including an examination of the potential for volume prescription drug purchasing through local health departments and federally qualified health centers, and an analysis of the bills' impact on both independent and chain pharmacies.

Other Prescription Drug Bills

Other bills that sought to address the lack of adequate prescription drug coverage failed in both houses. However, several of the concepts contained in these bills were incorporated in the bills that passed. *House*

Bill 1092 (failed) would have allowed a Medicare-eligible person who earned less than 250 percent of the federal poverty level to purchase prescription drugs at 87 percent of the Medicaid reimbursement rate. In addition, this bill and **Senate Bill 239 (failed)** would have each provided catastrophic prescription drug benefits to an individual who had large out-of-pocket expenses on prescription drugs in the past year. **House Bill 587 (failed)** would have expanded the Maryland Pharmacy Assistance Program to include an individual who earned up to 300 percent of the federal poverty level and would have established an 11-member board responsible for setting maximum prices at which prescription drugs could be sold in Maryland. **House Bill 687 (failed)** would have expanded the Short-Term Prescription Drug Subsidy Plan to include Medicare-eligible individuals living in Central Maryland. **House Bill 30 (failed)** would have provided an income tax credit to individuals who are at least age 62 for 50 percent of prescription drugs expenses. **Senate Bill 126/House Bill 1232 (both failed)** would have allowed Medicare-eligible individuals to purchase prescription drugs at the Medicaid reimbursement rate. **Senate Bill 268 (failed)** would have established a program to assist low-income individuals who lack prescription drug coverage by accessing medically necessary prescription drugs through patient assistance programs sponsored by pharmaceutical drug manufacturers.

Nonprofit Health Entity Accountability

There are eight states that have enacted mandatory community benefit laws for nonprofit health entities. Of these, three have established minimum expenditure guidelines for community benefits as a condition of state or local tax-exempt status.

There are 48 hospitals in Maryland, and of these, 47 operate as nonprofit hospitals. In addition, there are nine nonprofit health service plans licensed in Maryland, the largest of which is CareFirst BlueCross BlueShield of Maryland. Under current law, nonprofit health service plans in Maryland are exempt from the 2 percent tax on gross direct premiums that almost every other insurer, including the Maryland Automobile Insurance Fund, is required to pay. Nonprofit hospitals in Maryland are exempt from State income and real property taxes.

House Bill 15 (passed) establishes a process to monitor the community benefit activities of nonprofit health benefit plans and hospitals. It requires nonprofit hospitals to submit an annual community benefit report to the Health Services Cost Review Commission (HSCRC) detailing the community benefits provided during the preceding year. HSCRC is required to compile the reports and issue an annual nonprofit hospital community health benefit report. Community benefits include:

- health services provided to vulnerable or underserved populations such as Medicaid, Medicare, or Maryland Children's Health Program (MCHP) enrollees;
- financial or in-kind support provided to public health programs;
- donations of funds, property, or other resources that contribute to a community priority;
- health care cost containment activities; and
- health education, screening, and prevention services.

In addition, **House Bill 15** requires each nonprofit health service plan that insures 10,000 covered lives or more to file a premium tax exemption report with the Maryland Insurance Administration (MIA) demonstrating that the plan has used funds, equal to the value of the premium tax exemption provided to the plan, in a manner that serves the public interest. If the Insurance Commissioner determines that the nonprofit health service plan does not meet minimum requirements, the plan has one year to comply. Failure to comply will subject the plan to the State's premium tax, if required by an act of the General Assembly.

Conversion of CareFirst BlueCross BlueShield of Maryland

This session, several bills addressed the issue of CareFirst BlueCross BlueShield of Maryland's possible conversion to, or acquisition by, a for-profit entity. If CareFirst chooses to convert, it is required to distribute the fair value of its public or charitable assets to the Maryland Health Care Foundation. The foundation was established in 1997 (Chapter 180 of 1997) as a charitable, nonprofit organization to support efforts to increase and improve access to quality health care for the uninsured, underinsured, and medically underserved residents of Maryland. The foundation awards grants to help fund programs that expand access to health care for Marylanders without health insurance. If CareFirst converts to a for-profit entity, it is estimated that the company would be required to transfer between \$500 million and \$2 billion in charitable assets to the foundation.

House Bill 1042 (passed) creates the Maryland Health Care Trust in the event that an acquisition of a nonprofit health service plan or a nonprofit health maintenance organization (HMO) occurs and, as a result, the foundation receives a distribution of assets. The foundation is the trustee, and the trust consists of the public and charitable assets received by the foundation as a result of the acquisition of a nonprofit health service plan or HMO approved by the Maryland Insurance Administration on or after June 1, 2001.

The trust accepts and retains assets for future initiatives aimed at improving the health status of Maryland residents. Assets may only be expended to implement acts of the General Assembly that specifically direct the use of trust assets. Interest accrued before July 1, 2002, not exceeding \$10 million, may be used by the foundation. Annual reports regarding the trust are due to the General Assembly.

The bill also repeals the requirement that MIA consider whether the acquisition of a nonprofit health service plan or nonprofit HMO has been approved by at least two-thirds of the certificate holders who have voted on the acquisition.

House Bill 1041 (failed) would have required the foundation to perform a study to identify the unmet health care needs of Maryland citizens and the most effective means of addressing those unmet needs if the foundation had received a distribution of charitable assets due to the acquisition or conversion of a nonprofit health service plan or HMO.

Mandated Health Benefits

Mandated health insurance benefits are health care services that must be covered in a health insurance policy or contract. Depending on the mandate, a commercial insurance carrier, nonprofit health service plan, HMO, or dental plan organization must provide the benefit. Currently, Maryland has 36 mandated benefits or offerings for services and provider reimbursement.

Mandated benefits impact health insurance premiums. Legislation passed by the General Assembly in 1999 (Chapter 582) established a statutory affordability cap on mandated benefits of 2.2 percent of Maryland's average annual wage. According to the Maryland Health Care Commission's (MHCC) 2000 report, the full cost of existing mandates is just under 2.0 percent of Maryland's average annual wage. If MHCC determines that the full cost of mandated benefits meets or exceeds the affordability cap, the commission is required by law to perform a comprehensive evaluation of each existing mandate and to present this evaluation to the General Assembly for its consideration. The following mandates passed the General Assembly during the 2001 session.

Hearing Aids for Minors

Senate Bill 615/House Bill 160 (both passed) require a carrier to provide coverage for hearing aids for minor children if the hearing aids are prescribed, fitted, and dispensed by a licensed audiologist. A carrier may limit the benefit to \$1,400 per hearing aid, once every 36 months.

Colorectal Cancer Screening

Senate Bill 100/House Bill 190 (both passed) require a carrier to provide coverage for colorectal cancer screening in accordance with the latest screening guidelines issued by the American Cancer Society. A carrier may impose a copayment, coinsurance, or deductible requirement if these cost-sharing requirements are imposed for similar coverages under the same policy or contract. Colorectal cancer is the third leading cause of cancer-related deaths in the U.S. The five-year survival rate is 90 percent for people whose cancer is found and treated in an early stage. Only 37 percent of colorectal cancers are found early enough to treat successfully.

Morbid Obesity - Surgical Treatment

Senate Bill 522/House Bill 675 (both passed) require a carrier to cover surgical treatment of morbid obesity. A carrier must cover gastric bypass surgery or another surgical method that is recognized by the National Institutes of Health (NIH) as effective for the long-term reversal of morbid obesity and consistent with criteria approved by NIH. Approximately 1.5 percent to 2.0 percent of the American population is morbidly obese and approximately 0.5 percent to 1.0 percent of morbidly obese patients elect to have surgery, at an average cost of \$20,000 per procedure. MHCC's December 2000 study of mandated health benefits projects that utilization levels could quadruple when this coverage becomes a mandated benefit.

Maryland Medical Assistance Program Expansion

House Bill 5 (failed) would have expanded Medicaid and created a new Low-Income Working Parents Health Care Program in DHMH.

The Medicaid expansion would have provided comprehensive medical care and other health benefits for parents who have: (1) a dependent child living with them; and (2) an annual household income at or below 100 percent of the federal poverty level. Eligibility for the program would have been phased in over two years, expanding to parents with incomes at or below 75 percent of the federal poverty level in fiscal 2002 and parents with incomes up to 100 percent of the federal poverty level in fiscal 2003.

The Medicaid expansion was contingent upon DHMH obtaining an amendment to the existing State Medicaid plan from HCFA that would allow the State to use federal matching funds for the program. If the amendment had been granted, the Medicaid expansion would have been funded 50 percent by State funds and 50 percent by federal funds, subject to the limitations of the State budget.

The Low-Income Working Parents Health Care Program would have provided comprehensive health care services to parents who have: (1) a dependent child living with them who is enrolled in either the Medicaid or MCHP program; and (2) an annual household income at or below 150 percent of the federal poverty level. The program was contingent upon DHMH obtaining a Section 1115 waiver from HCFA that would allow the State to use enhanced federal matching funds to implement the program. If the waiver had been granted, the program would have been funded with 35 percent State funds and 65 percent federal matching funds, subject to the limitations of the State budget.

For an additional discussion of Medical Assistance issues, see the Public Health - Generally subpart of this Part J.

Small Group Market Reforms

In light of the increasing costs of providing employer-based health insurance coverage, several bills were introduced this session to examine health insurance benefits offered in the small group market. These bills sought to reduce the cost of providing small group insurance policies. The Comprehensive Standard Health Benefit Plan (CSHBP) is a standard health benefit package that carriers must sell to small businesses (fewer than 50 employees). CSHBP includes guaranteed issuance and renewability, adjusted community rating with rate bands, and the elimination of pre-existing condition limitations. In order to maintain affordability, the average CSHBP premium rate per employee must remain below 12 percent of

Maryland's average wage. In 1999, Maryland's annual wage average was \$34,470, resulting in a premium affordability cap of \$4,136 per employee. In 1999, the average cost per employee was \$3,648, or 88.19 percent of the affordability cap.

An actuarial report on CSHBP estimates that premiums will continue to rise significantly faster than wages in 2000 and 2001. Projected 2001 financial results indicate that the average premium will hit 97.5 percent of the affordability cap. In anticipation of increasing premium rates, the Maryland Health Care Commission (MHCC) has revised the benefit structure of CSHBP to make it more affordable to small group employers. After the changes to CSHBP have been implemented on July 1, 2001, MHCC projects that 2001 average premium rates should be approximately 89.4 percent of the affordability cap.

Senate Bill 457/House Bill 695 (both passed) require MHCC to contract with an independent consultant to study Maryland's small group health insurance market, comparing its reform law to other states. The consultant must meet with, and provide periodic updates to, an independent advisory committee comprised of small employers and other interested parties. The study must include: (1) a comparative analysis of the benefits offered under Maryland's CSHBP, including a comparative analysis of the benefits of similar coverage offered in other states; (2) the affordability of CSHBP based on the rating factors used in Maryland's small group market to make coverage under the plan more affordable and accessible to small businesses in Maryland. MHCC must report its findings to the Governor and the General Assembly by January 1, 2002.

House Bill 1050 (failed) would have changed the affordability cap for CSHBP offered to small employers from 12 percent to 10 percent of Maryland's average annual wage.

House Bill 516 (failed) would have changed the community rating requirements for the CSHBP. An insurer, nonprofit health service plan, or HMO would have been able to provide a discount to a small business as based on reduced claim expenses that result from lower than average tobacco use or other behavior that has been demonstrated to reduce the frequency or complexity of medical care. Any rate discount would have to be supported by actuarial principles and approved by the Maryland Insurance Commissioner. **House Bill 1185 (failed)** would have changed the community rate setting requirements as well, allowing a carrier to provide a discount to a small business based on the number of eligible employees enrolled in the health benefit plan.

House Bill 517 (failed) would have required MHCC to adopt regulations that specify a modified health benefit plan with a high deductible. The modified health benefit plan would not have to be offered in combination with a medical savings account.

Part K

Natural Resources and Agriculture

Natural Resources

Land Preservation

GreenPrint

Several programs in the State, including Program Open Space, Rural Legacy, and the Maryland Agricultural Land Preservation Foundation (MALPF), relate to the preservation and conservation of land. In 2000 Governor Glendening announced plans for a new land preservation program, the Maryland GreenPrint Program, aimed at protecting a network of ecologically valuable lands. New computer-based assessment, mapping, and targeting tools would be used to help identify the most strategic acquisitions. The five-year goal of the program is to protect 50,000 acres.

House Bill 1379 (passed) establishes the Maryland GreenPrint Program in the Department of Natural Resources (DNR). The purpose of this five-year program is to create a statewide green infrastructure network by acquiring property and property interests, including easements, in a manner that complements existing conservation programs. Maryland's green infrastructure contains roughly two million acres of undeveloped land and is characterized as a system of "Green Hubs" (large habitat areas typically hundreds of acres in size) that are linked together by linear corridors of land referred to as "Green Links." With specified exceptions, DNR may use program funds to acquire real property interests in the network and provide grants to local governments and land trusts to acquire real property interests in the network. DNR must identify areas that form the green infrastructure network, publish the results, and periodically review and update the identification of the network. Plans for any purchase involving over \$2 million must be submitted to the budget committees of the General Assembly for review and comment. Additionally, DNR must report on expenditures made through the program to the Governor and the General Assembly by November 1 of each year.

Twenty-five percent of the total funds appropriated for the program must be spent on the acquisition of easements on agricultural land within MALPF-approved districts that contain land within the green infrastructure network. For purposes other than purchasing easements under MALPF, DNR must, to the extent possible, give priority to counties in which DNR holds a real property interest in less than nine percent of land.

A property or property interest may not be acquired by use of State or local condemnation authority. A landowner who participates in the program may reserve the ability to engage in silviculture (forestry-related) practices as provided by the bill. Unless each affected local government approves an acquisition of property or a property interest located within its jurisdiction, DNR may not utilize program funding related to an acquisition. The fiscal 2002 budget includes \$35 million for the GreenPrint Program.

House Bill 1379 represents one part of the Governor's Smart Growth initiative for 2001. Other segments for 2001 include the creation of the Office on Smart Growth to provide overall coordination for the Smart Growth program; the Community Legacy Program, designed to fill funding gaps in existing community development programs so that neighborhoods are revitalized; and an investment of funds to expand community parks and public transportation. For a more detailed discussion of the Office of Smart Growth, see the Environment section of this part of this *90 Day Report*. For a more detailed discussion of the Community Legacy Program, see Part H - Economic and Community Development of this *90 Day Report*. For a more detailed discussion of enhanced funding for public transportation, see Part G - Transportation and Motor Vehicles of this *90 Day Report*.

Program Open Space

Program Open Space (POS) was established by the General Assembly in 1969 to expedite the acquisition of outdoor recreation and open space and to accelerate the development of outdoor recreational facilities. POS provides for both State and local acquisition and development. The amount of funds that a local jurisdiction may use for development projects is, in general, half of its annual apportionment. Local jurisdictions may use up to 75 percent of their funds provided that local acreage goals are met. Local recreation acreage goals are designed to encourage counties and municipalities to acquire sufficient land to meet the current and future active recreational and open space needs of their residents.

House Bill 404 (passed) increases the maximum percentage (from 75 percent to 100 percent) of POS funds that a local government may spend on development projects once it has attained its acreage acquisition goals. The bill is effective through September 30, 2006.

Enhanced Funding for Community Parks and Playgrounds

The Community Parks and Playgrounds program in the Department of Natural Resources (DNR) is one of the Governor's Smart Growth initiatives in the fiscal 2002 budget. The program is a three-year initiative and is funded at \$11 million for fiscal 2002. Competitive grants to local governments will be used to rehabilitate, expand, or improve existing parks. Funds for the program will be targeted to older neighborhoods and intensely developed areas throughout the State.

Vessels and Waterway Improvement

Vessels

Vessel Operations: DNR has been regulating the operation of personal water craft (PWCs) since 1994, but has not been able to address specific issues in particular waterways. According to DNR, under current law it must restrict vessels of all types and sizes in order to address complaints associated with PWCs. **Senate Bill 471/ House Bill 73 (both passed)** require DNR to adopt regulations prohibiting the operation of PWCs above idle speed in any area of water with a depth of less than 18 inches. The bills also authorize DNR to adopt regulations limiting the use of PWCs in any area of water with a depth of less than one meter. According to experts on PWCs and natural resources, limiting the operation of PWCs to idle speeds in shallow waters will reduce water turbidity and reduce the disruption of submerged aquatic vegetation beds.

Senate Bill 770 (passed) prohibits, with specified exceptions, a person from operating or permitting the operation of a recreational vessel less than 21 feet in length if a child under age seven is aboard, unless the child is properly wearing a personal flotation device.

Abandoned Vessels: There has been an increase in the number of abandoned boats in the waters of the State which, according to DNR, is causing a hazard to navigation as well as to the environment. The current process for removing vessels can be lengthy, cumbersome, and costly. In an effort to aid owners of public and private docks or boatyards by speeding up the process to remove vessels which are left on their property without permission, **Senate Bill 74/House Bill 114 (both passed)** reduce the length of time, from 180 days to 90 days, that a vessel must remain at a private marina, a private boatyard, a private dock, or at or near waters' edge on private property without consent in order to be declared "abandoned." The bill also requires DNR to send a certified mail notice to the owner of the abandoned vessel at least 15 days in advance of seizing an abandoned vessel.

Boat Excise Tax: Recommendations by the Marine Economic Development Task Force were addressed through Chapter 485 of 1998, which, as amended by Chapter 276 of 2000, modified the definition of "fair market value" to exclude from the calculation of the boat excise tax the value of any vessel that is traded in as part of a sale by a licensed dealer. The trade-in provision was enacted in an attempt to create a

positive stimulus to boat sales in Maryland. Under current law, the trade-in provision terminates June 30, 2001. ***House Bill 696 (passed)*** provides for the continuation of a deduction of the value of a trade-in vessel from the boat excise tax by repealing the termination date for the definition of "fair market value."

Waterway Improvement Fund

Under current law, local jurisdictions may only receive complete financing of marine construction projects if the costs total \$50,000 or less annually. Any project costs over \$50,000 must be matched on a 50/50 basis. Some counties choose to provide the match, and others choose to complete the project in more than one year (so as to have DNR finance the project completely). In an effort to expedite the completion of local marine construction projects, ***House Bill 771 (passed)*** increases, from \$50,000 to \$100,000, the costs for specified marine construction projects that the Waterway Improvement Fund may finance completely.

The Chesapeake Bay, Rivers, and Streams

Shore Erosion Control

The General Assembly established the Shore Erosion Control Program and the Shore Erosion Construction Loan Fund in 1968 and 1970, respectively, to provide technical and financial assistance to property owners with shoreline or streambank erosion problems.

The Attorney General's Counsel to the General Assembly, in consultation with the counsels for the Department of Budget and Management and the Department of Natural Resources (DNR), recommended that the Shore Erosion Control Law be amended to clearly provide that special funds principally derived from the fund and other funds can be used in support of nonstructural shore erosion control projects as loans or grants. Currently, the law is being interpreted as restricting nonstructural shore erosion control projects only to general fund appropriations. Current law also restricts the maintenance of the fund to appropriations of general funds. In an effort to address these concerns, ***House Bill 200 (passed)*** specifies that DNR may use any type of funds appropriated in the budget for nonstructural shore erosion control. The bill also modifies the allowable uses of the Shore Erosion Control Construction Loan Fund by providing that, in addition to interest-free loans, the fund may be used to provide grants. The bill also allows any type of funds to be appropriated for maintenance of the fund.

Lighting Efficiency and Light Pollution

Recently, concerns have been expressed that public funds are spent on lighting that is not optimally efficient, does not enhance public safety, and causes light pollution. Light pollution is the glare from outdoor lighting that diminishes people's ability to see properly in the nighttime environment. Various State and local agencies have separately examined lighting policies to evaluate the possibility of increasing efficiency and reducing cost and pollution. ***House Joint Resolution 14 (passed)*** establishes a 23-member task force to study the cost, extent, causes, and consequences of current public lighting standards and policies, light pollution, and the benefits of alternative policies in Maryland.

Hunting and Fishing

Blue Crab Management

The blue crab is one of the most important species harvested in the Chesapeake Bay and generates approximately \$90 million in economic benefit to the State. In the past several years, the blue crab harvest has decreased substantially. According to the Maryland Department of Natural Resources (DNR), about 57 million pounds of blue crab were landed in 1993; in 1999, landings of blue crab totaled only about 32 million pounds. In 2000, Maryland's crab harvest hit a record low, with watermen landing a reported 15.3 million pounds between April and September, the first six months of the season. As a result of the decreasing harvest, crab management was an important issue during the 2001 legislative session.

Commercial Harvesting Restrictions

House Bill 1021 (passed) requires the DNR to adopt regulations requiring each commercial crab licensee to declare a Sunday or Monday as a day off for the license year. This declared day off must be clearly displayed on the individual's license and vessel. **House Bill 1021** provides for certain holiday weekend exemptions to the day off provisions. Additionally, DNR may adopt regulations that allow the department discretion to establish alternate days off for a licensee other than a Sunday or Monday. The bill authorizes DNR to restrict licensees from crabbing on certain days of the week, and to the extent possible these restrictions must be based on considerations that may not discriminate unfairly among groups of fishermen or have allocation as its sole purpose. The bill terminates on May 31, 2004. DNR has proposed emergency regulations establishing the commercial crabbing day off provisions in the bill.

Recreational and Commercial Crabbing Licenses

Senate Bill 514/House Bill 772 (both passed) are emergency bills that modify provisions relating to noncommercial and commercial crabbing licenses and establish a recreational crabbing license and a recreational crabbing boat license.

Concerning commercial crabbers, the bills prohibit DNR from adopting regulations to:

- restrict tidal fish licensees who catch crabs to less than an eight-hour work day, excluding time for setting and taking up gear;
- establish time restrictions on tidal fish licensees using trotline gear for setting and taking up gear; and
- prohibit a tidal fish licensee from obstructing the cull ring of a hard crab pot at any time of the year in order to catch peeler crabs.

Concerning recreational crabbers, the requirement to obtain a recreational crabbing license is based on the gear to be used. An individual must obtain a license if the individual uses up to 1,200 feet of trotline, up to 10 eel pots, or more than 10 but fewer than 30 collapsible traps or net rings or a combination of more than 10 but fewer than 30 collapsible traps and net rings. An individual may not set gear to catch crabs for recreational purposes until at least one-half hour after the work day begins for commercial crabbers. The bills provide an exemption from obtaining a recreational crabbing license for: (1) an individual using other specified gear; (2) an individual under the age of 16; (3) an individual crabbing in a public crabbing area as authorized by DNR; (4) an individual crabbing from a licensed recreational crabbing boat or Chesapeake Bay Sport Fishing boat; and (5) an owner (or guest) of private shoreline property for catching crabs for recreational purposes, subject to specified limitations.

Senate Bill 514/House Bill 772 are intended to reduce the recreational crabbing effort and generate revenue to determine the annual catch and the impact of recreational crabbing on the blue crab resource. DNR must deposit all fees received for recreational crabbing licenses to the credit of the Fisheries Research and Development Fund to be used for research, independent studies of the crab fishery, and enforcement. **Exhibit K.1** shows daily catch limits for licensed and unlicensed individuals and boats. The bills provide that an individual licensed to provide services as a fishing guide or to fish recreationally in the Chesapeake Bay may possess any number of peelers or soft crabs for the purposes of fishing.

Further, the bills establish a recreational crabbing boat license to allow a boat owner to catch crabs for recreational purposes anywhere in the Chesapeake Bay. The bills specify an annual fee of \$15 for a boat license. Agents will retain \$1.50 for each boat license issued. DNR must issue a recreational crabbing license at no charge to a boat owner who purchases a boat license. As long as one individual on the boat has a recreational crabbing license, other individuals do not need to be licensed.

**Exhibit K.1
Recreational Crabbing Catch Limits**

License Category	Hard Crab Catch Limit	Peeler/Soft Crab Catch Limit	Combination Peeler/Soft Crab Catch Limit
Individual with a Recreational Crab License (per licensee)	1 bushel; and	2 dozen; or	a combination of 2 dozen
Licensed Recreational Crabbing Boat - with no licensees on board (per boat)	1 bushel; and	2 dozen; or	a combination of 2 dozen
Licensed Recreational Crabbing Boat - with 2 or more licensees on board (per boat)	2 bushels; and	2 dozen; or	a combination of 2 dozen
Unlicensed Boat - with 2 or more licensees on board (per boat)	2 bushels; and	4 dozen; or	a combination of 4 dozen

Fisheries

Fishing Guides

House Bill 1341 (passed) authorizes DNR to issue a limited fishing guide license that allows a license holder to guide: (1) anglers in up to three boats or vessels that have one or two occupants and are propelled by oars or paddles; (2) up to ten anglers fishing from shore or on foot in the water or; (3) any number of anglers who are participating in an educational or recreational program sponsored by a State, local, or municipal government and who are fishing from shore or on foot in the water. A person may not accept any consideration for services as a fishing guide licensed pursuant to the bill unless the person and all persons being guided possess an angler's license or a Chesapeake Bay sport fishing license.

A recreational angler under the guidance of a limited fishing guide in tidal waters may not catch or possess striped bass in specified tidal waters. Additionally from March through May 31, a recreational angler under the guidance of a limited fishing guide in tidal waters may not catch or attempt to catch striped bass in spawning areas and rivers.

Fishing Licenses

House Bill 445 (passed) exempts a person who catches or sells specified finfish for use as live bait from obtaining a commercial tidal fish license from DNR, provided that the finfish is not subject to a management plan or regulation by DNR. Additionally, the bill requires DNR to submit to the General Assembly a report with recommendations concerning the need for management or regulation of bait fish harvested or sold in Maryland by December 1, 2002. The bill abrogates on September 30, 2003.

Senate Bill 73 (Ch. 20) requires any person to whom a commercial tidal fish license has been temporarily transferred to have in possession the approved application to transfer the license whenever engaged in any

licensed activity. This legislation also requires a person to whom such a license has been temporarily transferred to allow any police officer to inspect the application.

House Bill 968 (passed) adds a caregiver, family member, or designee of a mental health facility to the existing angler's license exemption for a patient of a mental health facility. This exemption applies only if the individual accompanies the patient and brings a copy of a professional license or certificate of a health care professional involved in the care of the patient, or a letter stating that the caregiver or family member is the primary caregiver of the patient.

Fisheries Management Plan

Maryland's Coastal Bays Watershed Conservation and Management Plan recommended the development of fishery management plans that are specific to coastal bays. Accordingly, **House Bill 357 (passed)** authorizes DNR to apply fishery management plans, separately or jointly, to the waters of the Chesapeake Bay and its tidal tributaries, the coastal bays and their tributaries, and the Maryland waters of the Atlantic Ocean. The Secretary may not prohibit the use of pound net sites in the coastal bays that are registered with DNR as of January 1, 2000. The bill also provides that the regulations to implement fishery management plans for the coastal bays may not become effective until DNR holds public hearings in Worcester County. Further, **House Bill 357** requires DNR to develop a fishery management plan for hard shell clams.

Oysters

The oyster fishery has declined in recent years. The State currently produces seed oysters to be used in aquaculture and to support the commercial fishery.

House Bill 921 (passed) enables aquaculturists to catch their own spat, rather than rely completely on purchasing seed oyster from the State. It requires DNR to adopt regulations that allow the use of suspended devices and material devices placed on the bottom to catch oyster spat for use on a leased oyster bottom by a lessee. The bill also modifies a current provision relating to catching oyster spat by suspended means by providing that, in accordance with regulations, a lessee may catch spat using cultch material on strings, trays, bags, or similar devices so long as they do not interfere with navigation.

In 1999 the General Assembly passed several bills relating to power dredging for oysters and the establishment of oyster sanctuaries in designated areas of Calvert, Dorchester, Somerset, and St. Mary's counties. According to DNR, during the promulgation of regulations, several technical errors were discovered. **House Bill 732 (passed)** is intended to correct technical errors in certain sections of codified and uncodified law relating to power dredging for oysters and accompanying sanctuaries.

Non-Native Species

Transgenic and Genetically Altered Species

Introducing non-native species into Maryland waters could have a detrimental effect on marine resources. Once introduced, non-native species can multiply quickly and establish a sizable community that is hard to eradicate. In the 2001 session, the General Assembly passed two bills restricting the introduction of such species.

House Bill 189 (Ch. 54) prohibits the DNR from issuing an aquaculture permit for the raising of a "transgenic" species or a genetically altered species unless the permit limits the operation to waters of the State that do not flow into any other body of water, and the operation is constructed in a manner that assures that transgenic or genetically altered stocks are precluded from entering any other waters or contaminating other aquatic species of the State. The bill abrogates on September 30, 2006.

Prohibiting the Import of Non-Native Crab Species

House Bill 319 (passed) authorizes DNR to limit or prohibit the importation, use, catching, or possessing of three non-native crab species -- the green crab, Japanese shore crab, and Chinese mitten crab -- that would be harmful to aquatic species in the State's ecosystems.

Mute Swans

Mute swans also are a non-native species, and biologists are concerned about the long-term effect of mute swans on the ecology of the Chesapeake Bay. Mute swans feed primarily on submerged aquatic vegetation year-round, depleting the food source for migratory birds such as the tundra swan and black duck.

House Bill 728 (passed) requires that DNR establish a program to control the population of mute swans. This program may include the managed harvest of adult mute swans and the solicitation of licensed hunters to participate in the managed harvest of adult mute swans.

Hunting

Deer Hunting at Federal Facilities

House Bill 1000 (passed) authorizes DNR, upon written request from a federal facility, to grant, modify, or deny a request to vary the deer hunting seasons. Federal facility means federal land in the State and includes military bases, national wildlife refuges, and units of the National Park System. The bill also specifies a fee of \$5 for each bonus deer stamp issued to an individual hunting deer on a federal facility.

Environment

Office of Smart Growth

In 1992 the General Assembly adopted the Economic Growth, Resource Protection, and Planning Act (Chapter 437 of the Acts of 1992) establishing the State Economic Growth, Resource Protection, and Planning Policy and reconstituting the State Planning Commission as the State Economic Growth, Resource Protection, and Planning Commission. The 1992 Act attempted to implement statewide growth management in a cooperative manner between the State and local governments.

The Smart Growth Act of 1997 (Chapter 759 of the Acts of 1997) built upon the State policy adopted under the 1992 legislation by focusing State spending in those areas that provide the most efficient and effective use of taxpayer dollars and support and revitalize existing neighborhoods and rural villages. Beginning October 1, 1998, the State is prohibited from providing funding for any growth-related project not located within a priority funding area, with specified exceptions.

The Smart Growth Act requires local governments to certify priority funding areas with the assistance of the Department of Planning and to submit a map and description of its priority funding areas to the Department of Planning. Further, the Department of Planning is required to establish a process to review projects by appropriate State agencies.

Since 1997 Maryland's Smart Growth program has been expanded to include the Rural Legacy Program, which protects large, contiguous tracts of rural lands; the Brownfields Voluntary Cleanup and Revitalization Incentive Program; the Job Creation Tax Credit; and the Live Near Your Work Program, which provides cash incentives for people to work and live in targeted neighborhoods.

Senate Bill 204/House Bill 302 (both passed) represent one part of the Governor's Smart Growth legislative package for 2001. The bills establish an Office of Smart Growth in the executive branch and establish the existing Smart Growth Subcabinet in statute. The Special Secretary of Smart Growth will head the Office of Smart Growth. The office will:

- promote interagency consensus and cooperation on projects that are consistent with the State's Smart

Growth policy;

- provide education and information to the public on Smart Growth; and
- facilitate the development of comprehensive redevelopment projects with local governments, developers, and the public.

The office is designed to be a "one-stop" shop for local governments, nonprofit organizations, developers, and members of the public to learn about Smart Growth and its various associated programs. The fiscal 2002 budget includes \$405,132 to establish the office.

Other segments of the Governor's Smart Growth initiative for 2001 include the GreenPrint Program, designed to enhance current land preservation efforts; the Community Legacy Program, designed to fill funding gaps in existing community development programs so that neighborhoods are revitalized; and an investment of funds to expand community parks and public transportation. For a more detailed discussion of the GreenPrint Program and enhanced funding for community parks and playgrounds, see the Natural Resources section of this part of this *90 Day Report*. For a more detailed discussion of the Community Legacy Program, see Part H - Economic and Community Development of this *90 Day Report*. For a more detailed discussion of enhanced funding for public transportation, see Part G - Transportation and Motor Vehicles of this *90 Day Report*.

Disposal of Dredged Material

Dredged material is collected as a result of the need to periodically dredge the bottom of the major approach channels to the Port of Baltimore, as well as the port itself, to ensure that these waterways are deep enough to allow ships to enter and exit without scraping the bottom. According to the Maryland Port Administration (MPA), about four to five million cubic yards of material has to be dredged from the Chesapeake Bay annually to maintain shipping channels to Baltimore. Over time, the amount of dredged material is expected to increase to accommodate the increasing size of new ships.

According to MPA, the total amount of dredged material that will need to be disposed of from fiscal 2001 to fiscal 2020 is approximately 109 million cubic yards. Current placement capacity at existing sites is estimated at approximately 66 million cubic yards. MPA is currently updating its strategic plan for dredged material management. According to MPA, over 20 options are being considered; however, the general outline of the new plan is as follows:

- overload existing sites over the next five years to accommodate planned dredging projects;
- address near term capacity needs by modifying Poplar Island to create new capacity, studying the possible development of small beneficial use projects at Parson's Island and/or Eastern Neck Island, and considering placement at a sand and gravel pit in Cecil County and/or placement at designated ocean sites;
- address long-term capacity needs by evaluating large scale beneficial use placement sites; and
- evaluate one or more containment sites within Baltimore Harbor for placement of inner harbor materials.

Following several years of controversy over the former plan to use Site 104 for the open water placement of dredged material, *Senate Bill 830/House Bill 1317 (both passed)* represent an agreement between the Maryland Department of Transportation and the environmental community on prohibiting the use of open water disposal of dredged material. The bills establish a high-level executive committee to provide oversight in the development of the State's dredged material plan and to make recommendations on placement sites. These placement sites will be chosen based on a specified hierarchy. The bills state that open water placement of dredged materials will be prohibited after 2010 and possibly earlier if other sites

can be activated. The bills also allow for continued temporary open water placement at Poole's Island, with the caveat that this site will cease to be used for open water placement no later than December 21, 2010, and will not receive more than 7.4 million cubic yards of dredged material.

Several other bills relating to the placement of dredged material were introduced during the 2001 session. **House Bill 527 (Ch. 83)** directs the Governor to appoint a Cox Creek Citizens Oversight Committee to monitor the redeposit of Anne Arundel County tributary spoil and other spoil in the Cox Creek area, hear and dispose of complaints lodged by individuals affected by the redeposit of such spoil, and appoint a member to serve as a liaison to the Innovative Use Advisory Council, which was established as a result of the *2000 Joint Chairmen's Report*.

House Bill 72 (failed) would have prohibited the placement of dredged material at Site 104. **House Bill 1254 (failed)** would have limited the future placement options for dredged material to historical or natural islands. **Senate Bill 480/House Bill 402 (both failed)** would have prohibited the Maryland Department of the Environment (MDE) from approving the redeposit of dredge spoil (except for Anne Arundel County tributary spoil) within five miles of MPA's Cox Creek dredge disposal site in Anne Arundel County. **House Joint Resolution 22 (failed)** would have urged that open water dumping of dredged material into the Chesapeake Bay and its tributaries should be prohibited unless it is used to restore natural islands or wetlands, including Poole's Island.

Air Quality

Permits and Standing

Effective August 2, 1996, the U.S. Environmental Protection Agency (EPA) granted Maryland interim approval of its air quality operating permit program under Title V of the federal Clean Air Act. In order to receive full EPA approval of its Title V program, Maryland must submit a package of proposals to correct deficiencies identified in the interim approval. In its interim approval notice, the EPA stated that Maryland's standing provisions must be amended to provide standing to all persons who would have standing to seek judicial review of air quality permit decisions under Article III of the U.S. Constitution. According to MDE, standing is the final issue that Maryland must address in order to obtain full approval of its Title V program. Maryland must submit a complete corrective package to the EPA by June 1, 2001. If the EPA has not granted full approval by December 1, 2001, it will implement and enforce a federal permits program for the State.

House Bill 1427 (failed) would have addressed EPA's concerns by expanding standing for judicial review of Title V air quality permit decisions. The bill also would have: (1) expanded standing for judicial review with respect to permits to construct for those sources that are required to obtain a permit to operate under Title V; and (2) prohibited MDE from requiring an opportunity for a contested case hearing with respect to these same permits to construct.

House Bill 203 (failed) also was introduced to address EPA's concerns. The bill would have expanded the parties who have standing to seek judicial review of Title V air quality permit decisions.

House Bill 1188 (failed) would have amended current provisions relating to contested case proceedings and judicial review of final decisions for various permits issued by MDE. Specifically, the bill would have expanded standing for persons to seek contested cases of permit decisions and judicial review. The bill also would have subjected additional permits to contested case proceedings and judicial review, and would have modified the appeal process for specified permits.

Indoor Air Quality

During the energy crisis in the 1970s, buildings were designed with better insulation in an effort to reduce energy costs. However, buildings sealed to preserve conditioned air also preserved and concentrated air contaminants released by building components and operations. The ventilation systems also became

breeding grounds for microorganisms, resulting in the recirculation of contaminated air.

Senate Bill 283 (passed) establishes a 20-member Task Force on Indoor Air Quality to study the nature, location, and extent of health and environmental risks posed to workers as a result of molds, spores, and other toxic organisms located in the heating, ventilation, and air conditioning (HVAC) systems of office buildings.

Water Quality

Water Supply and Sewerage Systems

Aging sewerage systems and combined sewerage overflows in Maryland have discharged millions of gallons of raw sewage into the Chesapeake Bay's tributaries in recent months, resulting in the release of an unknown quantity of nutrients into the Chesapeake Bay. Concern has been raised that public notification of these incidents was not provided in a timely manner.

In an effort to address those concerns, **Senate Bill 418/House Bill 276 (both passed)** require the owner or operator of any sanitary sewer system, combined sewer system, or wastewater treatment plant to report to MDE in a specified manner any sewer overflow or treatment plant bypass that results in a direct or potential discharge of raw or diluted sewage into the surface waters or ground waters of the State. MDE, in cooperation with the Department of Health and Mental Hygiene (DHMH), local health departments, and local environmental health directors, must develop procedures for requiring owners and operators to provide public notification of a sewage overflow.

In addition to the timely reporting of sewage spills, also of concern is the cost of upgrading the sewerage systems in order to reduce the number of sewage spills in the State. Local governments generally bear the financial burden for upgrading aging sewerage infrastructure. The costs to address the current problems in Maryland have been estimated to range from \$500 million to \$1 billion. **Senate Bill 174/House Bill 12 (both failed)** would have established a task force to study the costs of upgrading sewerage systems in the State. While these bills failed, the Governor signed an Executive Order in March 2001 that established such a task force.

In an effort to further the improvement of water and sewerage systems, **House Bill 431 (Ch. 78)** authorizes the Sanitary Commission in Allegany County to establish assessments to pay the cost of capital improvements to a water or sewerage system.

Under current law, when a large parcel of land is divided into two smaller parcels, both the small building lot and the large remaining parcel are required to meet all requirements for septic installation at the time of subdivision, including percolation testing that may be required by local environmental health agencies. Difficulties arise when a farmer wants to break off a small lot for a child or to sell a lot. In order to reduce the testing requirements while still protecting public health and the environment, **Senate Bill 539 (passed)** modifies the definition of "subdivision", as applied to water supply and sewerage system requirements in Carroll County, to exclude a remainder parcel of land of 25 acres or more that exists as a result of the division of a large parcel into at least two smaller parcels provided that any occupied dwelling on the remainder parcel is serviced by a properly functioning sewerage disposal system and potable water supply.

Penalties for Drinking Water Violations

MDE is responsible for the primary enforcement (primacy) of the federal Safe Drinking Water Act (SDWA) in Maryland. To meet the primacy conditions related to enforcement of the SDWA, MDE is required to adopt a mechanism for assessing administrative penalties on all public water systems. If the State fails to adopt such administrative penalty authority, it could lose primacy as well as a significant amount of federal funds. To address the issue, **Senate Bill 16 (passed)** establishes a graduated administrative civil penalty system for violations of drinking water provisions for public water systems. The maximum administrative civil penalty that may be imposed by MDE is based on the population of the

area being served by a supplier of water.

Sediment and Erosion Control

To provide soil conservation districts with more authority with respect to sediment control plans, **House Bill 1066 (Ch. 97)** authorizes MDE to enter into contractual agreements to allow a soil conservation district to inspect sites for compliance with approved sediment control plans. MDE may not allow a district to inspect sites over which a county or a municipality has been delegated enforcement authority.

Patuxent River

Chapter 746 of the Acts of 1980 established the Patuxent River Commission. The commission, local governments, and the General Assembly adopted the original Patuxent River Plan in 1984. Any amendments to the plan must be approved by the General Assembly through resolution. In November 1997 the commission adopted an addendum to the plan to address the future management of the watershed. **Senate Joint Resolution 7/House Joint Resolution 9 (both passed)** provide for the approval of the "1997 Addendum" as an amendment to the Patuxent River Policy Plan.

Solid Waste Disposal

Transfer Stations

A transfer station is a place or facility where waste materials are taken from one collection vehicle (for example, compactor trucks) and placed in another transportation unit (for example, over-the-road tractor-trailers, railroad gondola cars, barges, or ships) for movement to other solid waste acceptance facilities. Recently, concern has been expressed regarding the location of a proposed transfer station near Bowie State University in Prince George's County.

House Bill 1154 (passed) seeks to address these concerns by prohibiting the Secretary of the Environment from issuing any permit to construct or operate a transfer station in Prince George's County for the disposal of solid waste within two miles of Bowie State University. The bill also prohibits a person from constructing or operating a transfer station in Prince George's County within two miles of Bowie State University. The bill does not apply to the operation, construction, reconstruction, replacement, expansion or material alteration or extension of a transfer station that was operating on January 1, 2000. The bill does not prohibit the issuance of a permit that is necessary for the operation, construction, reconstruction, replacement, expansion, or material alteration or extension of a transfer station that was operating on January 1, 2000.

Rubble Landfills

Currently, the district council of Montgomery County and the district council of Prince George's County, in their zoning regulations, may provide that the board of zoning appeals, the district council, or an administrative office or agency designated by the district council may either grant or deny special exceptions and variances to the provisions of the zoning regulations in harmony with their general purposes and intent. If a development company does not receive approval for its rubble landfill the first time, it can reapply in two years. If denied a second time, the company may reapply every four years. Currently, there are two proposed rubble landfills pending before the Prince George's County Council.

House Bill 826 (passed) prohibits the district council of Prince George's County from approving a special exception to construct or operate a rubble landfill at a site if an application for such a special exception was previously denied on or after October 1, 1981. The bill also requires a three-fourths majority vote of the district council of Prince George's County to approve a special exception to construct or operate a rubble landfill in the county.

Scrap Tires

Generally, under current law a person may not store scrap tires or dispose of scrap tires in a landfill. Scrap tire haulers, collection facilities, other specified facilities, and recyclers are required to be licensed by MDE. Current law authorizes MDE to seek an injunction or bring a civil action against violators of the scrap tire law. MDE also may impose administrative penalties. In order to deter the illegal dumping of scrap tires and to strengthen the enforcement powers of the State, *House Bill 481 (Ch. 82)* prohibits a person from disposing of scrap tires except through a licensed scrap tire hauler or by delivering the tires to an approved facility. The Act establishes criminal penalties for violations of this new prohibition as well as for violations of specified provisions of current law governing the disposal of scrap tires.

Mercury Pollution

Mercury is a naturally occurring element that is found in air, water, and soil. In small quantities, it can conduct electricity, measure temperature and pressure, and act as a catalyst in industrial processes. However, it does not degrade and is not destroyed by combustion; rather, it is a persistent and toxic pollutant that bioaccumulates in the environment. Accordingly, mercury can reach dangerous levels in fish, even when released in small quantities. Consumption of mercury-contaminated fish poses a significant health threat. While some of the mercury in the environment comes from natural sources, recent studies suggest that anthropogenic sources account for the majority of mercury releases into the environment. Federal and state agencies across the nation are exploring efforts to curtail the use of mercury in order to focus on prevention opportunities.

To address mercury use in Maryland, *House Bill 75 (passed)* prohibits a marketer, with specified exceptions, from selling or providing a fever thermometer containing mercury to a consumer except by prescription beginning October 1, 2002. Beginning October 1, 2003, a primary or secondary school, with specified exceptions, may not use or purchase for use elemental or chemical mercury in a primary or secondary classroom. MDE must provide outreach assistance to schools and implement a public education, outreach, and assistance program relating to mercury in the environment. Also beginning October 1, 2003, all State agencies must give preference to products and equipment that are mercury free or contain the least amount of mercury necessary to meet performance standards.

Lead Poisoning

Chapter 411 of the Acts of 1994 established the Lead Paint Poisoning Prevention Program in MDE. The program provides limited liability relief for owners of rental property built before 1950 and others in exchange for the reduction of lead hazards in these older rental properties. It also provides limited compensation for children poisoned by lead. Despite the efforts of State and local agencies and their private partners, lead paint remains a severe health issue, as indicated by the 772 cases of lead poisoning in 1998. *House Bill 1163 (passed)* amends provisions of the lead law by expanding the requirements of landlords, modifying current provisions regarding the assessment of penalties related to violations of registration requirements, and expanding reporting requirements relating to blood tests for lead poisoning. The bill also establishes administrative penalties for violations of the blood test reporting requirements and modifies the membership of the Lead Poisoning Prevention Commission.

Noise Control

MDE establishes noise control standards. In general, political subdivisions may not establish standards less stringent than MDE's. MDE's noise program operates on a complaint basis; currently, only one inspector is assigned to the program. *Senate Bill 376 (passed)* requires MDE to employ two noise inspectors to enforce its sound level limits and noise control regulations. The bill authorizes a noise inspector to issue a civil citation with a maximum penalty of \$500 to any individual found in violation of sound level limits and noise control regulations.

Senate Bill 869/House Bill 1423 (both passed) relate to the ability of local jurisdictions to establish noise

control rules and regulations affecting shooting sports clubs in certain counties. For a more detailed discussion of the bills, see Part F - Courts and Civil Proceedings of this *90 Day Report*.

Agriculture

Agricultural Land Preservation

The Maryland Agricultural Land Preservation Foundation (MALPF) was created by the Maryland General Assembly to preserve productive agricultural land and woodland. The Maryland Agricultural Land Preservation Program preserves land for agricultural use by purchasing easements from landowners. The landowner retains use of the land for agricultural purposes but may not use the land in a manner incompatible with agriculture. Since the program's inception over 20 years ago, approximately 185,000 acres have been preserved.

Inclusion of Smaller Farms

House Bill 131 (passed) reduces from 100 acres to 50 acres the minimum size of a farm that may participate in the Maryland Agricultural Land Preservation Program. Under current law, a farm must generally be at least 100 acres to qualify for inclusion in an agricultural district unless: (1) the farm abuts an existing property with an MALPF easement; (2) the farm adjoins agricultural land that is also subject to restrictions, and the total of all the land is at least 100 acres; or (3) the land is of extraordinary agricultural capacity and of significant size.

Natural Gas Rights

House Bill 376 (passed) prohibits MALPF from requiring an owner of natural gas rights to subordinate those rights to a MALPF easement if MALPF determines that the exercise of natural gas rights will not interfere with an agricultural operation conducted on land in the agricultural district. This bill only applies to land in Garrett County or Allegany County. Under current law, MALPF will purchase an easement on a farm only if the owner or lessee of any mineral rights subordinates those rights to the foundation's easement. In Western Maryland, because many mineral rights owners are unwilling to subordinate their rights to the foundation, many farms cannot participate in the program.

Termination of Easements

Under current law, a MALPF easement may only be terminated 25 years from its

purchase. After 25 years have passed, a landowner may request that an easement be reviewed for possible termination, after which MALPF will determine whether profitable farming is feasible and vote on the termination. Two bills, **House Bill 616** and **House Bill 988 (both failed)** would have amended the law on termination of easements. **House Bill 616** would have prohibited a landowner from terminating a MALPF easement purchased after July 1, 2002. **House Bill 988** would have removed the 25-year time limit that a landowner is required to wait before requesting that an easement be reviewed for termination. Although both bills failed, the Joint Subcommittee on Program Open Space and Agricultural Land Preservation will study termination of easements during the 2001 interim.

Cover Crop Cost Share Program

The Cover Crop Cost Share Program, created through the budget during the 1998 session, provides financial assistance to farmers to plant cover crops that will absorb residual nutrients in the soil and protect water quality. Under the program, Maryland farmers who plant small grains such as rye, wheat, oats, and barley are eligible for reimbursement. The current program is limited to the Eastern Shore, and the appropriation for this program for fiscal 2001 was \$2 million. In fiscal 2001, the Maryland Department of Agriculture (MDA) received applications totaling a requested \$3.5 million. According to MDA and

University of Maryland scientists, expanding the cover crop program statewide and funding the program at \$6 million will reduce five million pounds of nitrogen annually.

Senate Joint Resolution 12/House Joint Resolution 7 (both passed) urge the Governor: (1) to expand the Cover Crop Cost Share Program to include the entire State; and (2) to include a sufficient amount in the annual State budget to fund the program statewide. The Joint Resolutions also encourage MDA to explore the availability of federal funding for the program. The General Assembly agreed to increase the appropriation for cover crops to approximately \$2.5 million for fiscal 2002.

Antibiotic and Hormone Use

Recent media releases have reported increasing resistance of infections to antibiotics among the human population, and to the growing need among doctors to administer stronger antibiotics to treat infections in their patients. The resistance of bacteria to antibiotics has been linked both to misuse and to overuse of antibiotics. Misuse occurs when a human patient stops taking a prescribed drug as soon as the patient feels better rather than completing the full prescription. This can immunize the bacteria that have been exposed to the antibiotic but have not yet been killed, allowing the bacteria to come back with resistance to the antibiotic when treated a second time. Overuse of antibiotics in humans and the use of similar antibiotics in animals also have been observed to increase the exposure of bacteria to antibiotics and consequently to increase the occurrence of antimicrobial resistance.

There are differing reports on what percentage of the nation's antibiotics are used for agriculture. A report by the Union of Concerned Scientists states 70 percent, while a report by the National Academy of Sciences states 40 percent.

Senate Bill 692/House Bill 740 (both failed) would have required the Secretary of Agriculture to prepare an annual report about the types and amounts of antibiotics and hormones used in agriculture in the State. The report would have been required to include information about antibiotics and hormones given to: (1) animals raised for direct human consumption; and (2) animals raised to produce other products for human consumption, such as eggs or milk. **House Bill 740** has been referred to interim study by the Environmental Matters Committee.

Maryland Egg Law

House Bill 969 (failed) would have altered the Maryland Egg Law in several ways.

- The bill would have authorized MDA to regulate shell eggs that have been treated with new technologies, such as pasteurization or ionizing radiation to eliminate bacterial contamination.
- The bill would have prohibited the use of the term "fresh" for treated eggs.
- **House Bill 969** also would have clarified MDA's authority to regulate eggs donated to church groups, soup kitchens, food banks, and similar organizations. Under current law, a person is prohibited from selling, advertising, or offering shell eggs unless they meet quality, grade, and size classification standards. This bill would have added "donating" to the prohibition.
- This bill also would have given MDA the authority to set quality standards. Under current law, the State standards for quality of individual or grades of shell eggs must be the same as the USDA. This bill would have allowed MDA to establish its own standards.
- The bill would have authorized MDA to impose civil penalties of up to \$5,000, revoke registration, and/or issue stop sale orders for violations of the Maryland Egg Law.

House Bill 969 has been referred to interim study by the Environmental Matters Committee.

Tobacco Crop Conversion (Southern Maryland Regional Strategy-Action Plan)

In November 1998, Maryland along with other states entered into the Master Settlement Agreement (MSA) with tobacco manufacturers. Under the agreement the State will receive annual payments on April 15 of each year for perpetuity or until cigarettes are no longer shipped in the United States for consumption. Through fiscal 2003, the State will also receive an annual payment on January 11 of each year. Beginning in fiscal 2008, and through 2017, the State will receive strategic contribution payments. Currently the legal fees for the outside counsel are in dispute. Until the legal fees are resolved 25 percent of every payment is being held in escrow.

Narrative in the *1999 Joint Chairmen's Report* specifies that in future years (after fiscal 2001), 5 percent of the funds available to the Cigarette Restitution Fund are to be appropriated annually for implementation of the Southern Maryland Strategy-Action Plan for Agriculture. **Exhibit 1** shows, under the Administration's assumptions for the Cigarette Restitution Fund (CRF), 5 percent of the available payment for implementation of the Southern Maryland Regional Strategy-Action Plan for Agriculture. The Administration's assumptions include settlement of the legal fees at a 9 percent rate paid by the State in fiscal 2003, and annual declines in cigarette consumption of 2 percent. **Exhibit 1** also shows the 5 percent calculation if the legal fee issue is not resolved before the end of fiscal 2006.

Exhibit 1

Funds for Implementation at 5% of Available MSA Payments (\$ in Millions)

<u>Fiscal Year</u>	<u>Legal Fee Issue Resolved</u>	<u>Legal Fee Issue Unresolved</u>
2002	\$6.3	\$6.3
2003	11.5	6.3
2004	6.7	5.6
2005	6.8	5.6
2006	6.9	5.7

The Southern Maryland Regional Strategy-Action Plan currently has four basic components: buyout programs; infrastructure; agricultural land preservation; and administration. The current plan uses most of the funding for two buyout plans: (1) a ten-year plan at \$1.00 per pound; and (2) a transition plan at \$1.50 per pound for five years. However, the Tri-County Council can change the plan at any time. By February 2001, contracts for a buyout plan of five or ten years are in place for approximately 4 million pounds of tobacco; farmers with an additional 3 million pounds have applied for the buyout program but do not have contracts.

Because the legal fee issue remains unresolved there is a concern that in future years the 5 percent funding level will not provide sufficient funds for the tobacco buyout program. **Senate Bill 532/House Bill 1193 (both passed)** allow the issuance of up to \$5 million in general obligation bonds per year for six years for use in implementing the Southern Maryland Regional Strategy-Action Plan. The bonds may only be issued if the funding provided by the Cigarette Restitution Fund for the plan is not sufficient, and the issuance does not count towards the debt affordability limit in each of the fiscal years. The bonds would be issued in June of fiscal 2003 through 2008 for use by the Tri-County Council in implementing the plan in fiscal 2004 through 2009. The Maryland Department of Agriculture, in consultation with the State Treasurer, must develop a repayment schedule to reimburse the general fund within eight years after the last issuance for the principal and issuance costs of any debt issued. The department must also report to the General Assembly before October 1 each year on the implementation of the Southern Maryland Regional Strategy-Action Plan including the use of any general obligation bonds.

Part L Education

Education - Primary and Secondary

Education Finance, Equity, and Excellence Act of 2001

The Maryland Constitution requires the State to provide a thorough and efficient system of free public schools. To satisfy this requirement, the State will provide approximately \$2.6 billion to local school systems in fiscal 2002. State funding for public schools is the largest component of the State's general fund budget, accounting for approximately 30 percent of general fund revenues. For a detailed discussion of State aid for education See Part A - Overview of State Assistance to Local Governments - in this *90 Day Report*. Even with this strong commitment to funding public schools, concerns have been raised over the equity and adequacy of the State's education funding programs.

In the fall of 1999, the Commission on Education Finance, Equity, and Excellence was established to review the State's current education funding formulas and accountability measures. The commission released an interim report in December 2000 outlining several recommendations for the 2001 session. The commission recommended that State education funding be enhanced by \$133.4 million in fiscal 2002, including \$42.3 million for special education, \$22 million for transportation of disabled students, and \$69.1 million for programmatic enhancements. In addition, the commission recommended that certain education funding that terminates after fiscal 2002 continue into fiscal 2003. The commission's recommendations were incorporated into *Senate Bill 719 (passed)*.

Senate Bill 719 continues \$252.6 million in mandated State aid to local school systems in fiscal 2003 that otherwise would have terminated after fiscal 2002. In addition, the Governor must continue to provide a minimum funding level for several education programs including special education, academic intervention, teacher mentoring, Judith P. Hoyer Early Child Care and Education Enhancement Program, early education initiatives, and reconstitution-eligible schools. The bill also alters the allocation method for \$7.5 million in funding for the Academic Intervention and Support Program and extends the final reporting deadline for the Commission on Education Finance, Equity, and Excellence from October 15, 2000 to October 15, 2001. In accordance with the legislation, the commission will terminate on May 31, 2002. **Exhibits L.1 and L.2** show the funding continued in fiscal 2003.

Extension of State Education Funding That was Scheduled to Terminate After Fiscal 2002

At the 1997 session, the General Assembly passed legislation Senate Bill 795 (Ch. 105) restructuring the management of the Baltimore City Public School System. Specifically, the legislation: (1) established a Baltimore City-State Partnership grant, additional poverty grants, and an aging schools program; (2) enhanced State funding for the limited English proficiency and extended elementary education programs; and (3) provided Baltimore County with additional funding for teacher mentoring, Montgomery County with additional funding for gifted and talented programs, and Prince George's County with additional funding for magnet schools.

At the 1998 session, the General Assembly passed legislation that created the School Accountability Funding for Excellence (SAFE) Program, which provided additional targeted State funding for education programs serving at-risk students. Specifically, the legislation: (1) established a new targeted improvement grant, elementary school library grant, and teacher development program; (2) enhanced State funding for the limited English proficiency, aging schools, and extended elementary education programs; and (3) provided Prince George's County with additional funding for effective schools, a pilot integrated student support services project, and teacher certification initiatives.

These two bills have provided over \$668 million to local school systems over a five-year period. In fiscal 2002, State funding under the two bills totals \$154 million. State funding, however, is currently scheduled to expire after fiscal 2002. *Senate Bill 719* extends \$155.5 million in State funding that is mandated by these two bills through fiscal 2003, including \$50 million for the Baltimore City-State Partnership grant. *Senate Bill 719* also mandates that an additional \$20.5 million that is included in the fiscal 2002 budget for school reform efforts in Baltimore City be provided in fiscal 2003 as well.

Exhibit L.1

State Education Funding That Expires After Fiscal 2002 - Estimated Cost in Fiscal 2003

	Fiscal 1998	Fiscal 1999	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003
Teacher Salary Challenge Program (SB 810/HB 1247)	\$0	\$0	\$0	\$35,038,002	\$85,221,182	\$76,664,600
Baltimore City - State Partnership Grant						
SB 795	30,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
SB 810/HB 1247	0	0	0	8,000,000	8,000,000	20,465,079
Additional Poverty Grants - SB 795	16,563,360	16,563,360	16,563,360	16,563,360	16,563,360	16,563,360
Limited English Proficiency Grant						
SB 795	1,903,500	1,903,500	1,903,500	1,903,500	1,903,500	1,903,500
SAFE	0	15,327,250	16,500,000	16,800,000	17,900,000	18,800,000
Targeted Improvement Grant (SAFE)	0	20,645,706	21,400,458	21,813,201	21,991,425	22,453,000
Extended Elementary Education Program						
SB 795	3,290,000	3,290,000	3,290,000	3,290,000	3,290,000	3,290,000
SAFE	0	4,365,761	4,365,761	4,365,761	4,365,761	4,365,761
Teacher Development/Mentoring Grants						
Teacher Development Grant (SAFE)	0	5,488,000	5,616,000	5,712,000	5,760,000	5,898,000
Baltimore County Teacher Mentoring Grant (SB 795)	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Baltimore County Teacher Development Grant (SAFE)	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Prince George's County Teacher Development Grant (SAFE)	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Prince George's County Teacher Certification Grant (SAFE)	0	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Statewide Teacher Certification/Development Initiatives (SAFE)	0	500,000	500,000	500,000	500,000	500,000
Aging Schools Program						
SB 795	4,350,000	4,350,000	4,350,000	4,350,000	4,350,000	4,350,000
SAFE	0	6,020,000	6,020,000	6,020,000	6,020,000	6,020,000
School Libraries Grant (SAFE)	0	2,549,838	2,721,423	3,000,000	3,000,000	3,000,000
Other Grants						

Montgomery County Gifted and Talented Grant (SB 795)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Prince George's County Magnet Schools Grant (SB 795)	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Prince George's County Effective Schools Grant (SAFE)	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Prince George's County Pilot I.S.S.S. Grant (SAFE)	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Management Oversight Panel (SAFE)	0	0	310,000	310,000	310,000	310,000
Total	\$61,606,860	\$149,003,415	\$151,540,502	\$195,665,824	\$247,175,228	\$252,583,300
City School Legislation (SB 795)	\$61,606,860	\$81,606,860	\$81,606,860	\$81,606,860	\$81,606,860	\$81,606,860
SAFE Legislation (HB 1)	\$0	\$67,396,555	\$69,933,642	\$71,020,962	\$72,347,186	\$73,846,761
Teacher Salary Challenge Program (SB 810/HB 1247)	\$0	\$0	\$0	\$43,038,002	\$93,221,182	\$97,129,679

**Exhibit L.2
State Education Funding That Sunsets After Fiscal 2002
Estimated Allocation in Fiscal 2003**

<u>County</u>	<u>Teacher Salary Challenge</u>	<u>Baltimore City Partnership</u>	<u>Additional Poverty</u>	<u>Limited English Proficiency (SB 795)</u>	<u>Limited English Proficiency (SAFE)</u>	<u>Targeted Improvement</u>	<u>Extended Elementary Education</u>	<u>Teacher Development</u>	<u>Special Teacher Mentoring Development</u>	<u>Aging Schools</u>	<u>School Libraries</u>	<u>Other Grants</u>	<u>Total</u>
Allegany	1,647,500	\$0	\$484,128	\$0	\$8,100	\$577,900	\$110,856	\$204,800	\$0	\$355,000	\$40,266	\$0	\$3,428,550
Anne Arundel	4,462,000	0	1,038,816	40,500	649,100	688,900	513,006	270,300	0	570,000	268,456	0	8,501,078
Baltimore City	18,447,700	70,465,079	0	81,000	637,300	8,829,300	1,019,270	1,458,100	0	1,635,000	380,390	0	102,953,139
Baltimore	6,856,500	0	2,446,368	45,000	1,512,700	1,723,500	373,029	679,900	7,400,000	2,940,000	376,316	0	24,353,313
Calvert	518,700	0	184,032	0	18,900	162,300	166,839	16,400	0	65,000	53,740	0	1,185,911
Caroline	611,500	0	212,448	4,000	78,400	272,900	173,254	73,700	0	85,000	20,218	0	1,531,420
Carroll	1,847,700	0	215,040	11,000	70,300	190,500	23,428	41,000	0	385,000	98,518	0	2,882,486
Cecil	2,276,400	0	301,056	2,500	61,300	321,400	379,136	98,300	0	355,000	55,039	0	3,850,131
Charles	1,606,600	0	455,424	5,000	101,900	417,700	689,384	122,900	0	65,000	78,281	0	3,542,189
Dorchester	755,100	0	220,800	5,500	36,100	213,700	92,014	81,900	0	65,000	18,382	0	1,488,496
Frederick	2,545,800	0	445,728	2,500	271,300	382,600	397,207	98,300	0	85,000	125,881	0	4,354,316
Garrett	341,100	0	216,192	0	0	195,500	87,796	114,700	0	85,000	19,170	0	1,059,458
Harford	2,695,100	0	612,960	16,500	274,000	500,700	494,604	114,700	0	400,000	139,416	0	5,247,980
Howard	3,153,500	0	326,880	37,500	1,048,400	248,100	225,321	65,500	0	65,000	147,977	0	5,318,178
Kent	232,300	0	95,616	3,500	29,700	62,700	105,193	65,500	0	65,000	10,197	0	669,706
Montgomery	11,214,200	0	2,469,216	1,129,000	8,385,400	1,293,500	589,692	647,100	0	1,170,000	453,584	2,000,000	29,351,692
Prince George's	9,949,200	0	4,840,416	465,500	4,995,000	4,754,500	427,801	1,130,500	4,500,000	970,000	463,151	4,410,000	36,906,068
Queen Anne's	410,300	0	117,216	1,000	24,300	71,000	147,741	24,600	0	85,000	23,544	0	904,701
St. Mary's	1,097,300	0	361,632	6,000	98,300	272,700	446,922	65,500	0	85,000	52,289	0	2,485,643
Somerset	449,500	0	168,192	4,000	46,000	196,200	89,381	73,700	0	65,000	11,060	0	1,103,033
Talbot	1,161,300	0	110,016	3,000	55,000	47,700	140,193	49,200	0	155,000	16,384	0	1,737,793
Washington	1,384,300	0	571,200	15,000	127,100	445,100	274,552	172,000	0	200,000	72,645	0	3,261,897
Wicomico	2,096,600	0	443,808	19,500	202,800	495,800	552,834	147,500	0	355,000	50,492	0	4,364,334
Worcester	904,400	0	226,176	6,000	68,500	88,800	136,308	81,900	0	65,000	24,604	0	1,601,688
Unallocated	0	0	0	0	0	0	0	0	500,000	0	0	0	500,000
Total	\$76,664,600	\$70,465,079	\$16,563,360	\$1,903,500	\$18,800,000	\$22,453,000	\$7,655,761	\$5,898,000	\$12,400,000	\$10,370,000	\$3,000,000	\$6,410,000	\$252,583,300

Chapters 492 and 493 of 2000 provided incentives to local boards of education to increase teachers' salaries in fiscal 2001 and 2002. Funding under the Teacher Salary Challenge program consisted of five components: a percentage component; a wealth-adjusted component; a targeted component; a hold harmless component; and a transitional component. The program terminates after fiscal 2002. *Senate Bill 719* extends the program's funding until fiscal 2003 without increasing the State match beyond the fiscal 2002 funding level. State expenditures in fiscal 2003 will total \$76.7 million.

Maryland Academic Intervention and Support Program

The Maryland Academic Intervention and Support Program was established to improve the performance of students with documented academic deficiencies and to prepare students for the high school assessments that students will eventually have to pass in order to graduate. Legislation enacted in 2000 session requires the Governor to include \$19.5 million in funding for this program in fiscal 2002. Under current law, funding for this program is distributed to local school systems based on the percentage of students scoring less than satisfactory on the reading or math portions of the Maryland School Performance Assessment Program (MSPAP). *Senate Bill 719* alters the allocation method for \$7.5 million of program funding. Of the total funding, each school system will receive a \$70,000 base grant; \$9.9 million will be allocated according to the percentage of students scoring less than satisfactory on the reading or math portions of the MSPAP; and \$7.5 million will be allocated according to an intensity factor based on the distance students are from the State standard on the grade 8 composite MSPAP score. The remaining \$400,000 will be used by the Maryland State Department of Education to cover administrative costs associated with the program.

Special Education Grants

State funding for public special education programs consists of two components: (1) a \$70 million base amount; and (2) an additional \$11.25 million second tier amount. State funding for public special education (\$81.25 million) has remained unchanged since 1990. *Senate Bill 719* requires that at least \$81.25 million be provided for this program in fiscal 2003.

Statewide Teacher Mentoring Program

The State currently provides \$15.9 million in funding for teacher mentoring programs that assist newly hired teachers and teachers who have less than five years experience with classroom management, curriculum, and school agendas. Of the total funding, \$5 million is part of a statewide initiative and the remaining \$10.9 million is for special grants to three local school systems (\$1 million for Anne Arundel County, \$7.9 million for Baltimore County, and \$2 million for Prince George's County). *Senate Bill 719* requires that at least \$15.9 million be provided for this program in fiscal 2003.

Early Education Initiatives

The fiscal 2002 State budget includes \$19 million for early education initiatives. *Senate Bill 719* requires that at least \$19 million be provided for this same purpose in fiscal 2003.

Judith P. Hoyer Early Child Care and Education Enhancement Program

This program provides financial support for the establishment of centers that provide full-day, comprehensive, early education programs and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support voluntary accreditation of early child care centers, professional development of early childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2002 State budget includes \$11.6 million for this program. *Senate Bill 719* requires that at least \$11.6 million be provided for this program in fiscal 2003.

Reconstitution-Eligible Schools

This program assists low-performing schools in meeting State performance standards by providing extended-day academic instruction, implementing student assessments and professional teacher development, providing additional teachers, and instituting exemplary curricula. Currently, 102 public schools in Maryland have been identified by the State Board of Education as reconstitution-eligible, including 12 schools identified in January 2001: 85 in Baltimore City, 15 in Prince George's County, one in Anne Arundel County, and one in Baltimore County. Approximately 61,000 public school students attend reconstitution-eligible schools. The fiscal 2002 State budget includes \$9.8 million for this program, the same level as in fiscal 2001. Of this amount: \$7.8 million is for Baltimore City, \$1.6 million is for Prince George's County, \$0.2 million is for Anne Arundel County, and the remainder is unallocated. *Senate Bill 719* requires that at least \$9.8 million be provided for this program in fiscal 2003.

Prince George's County -- Management Oversight Panel

In accordance with the 1998 SAFE legislation, a Management Oversight Panel (MOP) for the Prince George's County Public School System was established to monitor the progress of the school system's performance and financial audits and the implementation of the audits' recommendations for a four-year period. Since State funding began in fiscal 2000, the State appropriation for the MOP's coordination office has been set at \$310,000. *Senate Bill 719* requires that \$310,000 be provided for this purpose in fiscal 2003.

Prince George's County -- School Construction Funding

Chapter 704 of 1998 altered the State/local cost share formula for public school construction projects in Prince George's County by requiring the State to fund 75 percent of the eligible project costs for the first \$35 million in public school construction funding allocated by the State and 60 percent of the eligible costs for any funds in excess of \$35 million. Under the existing cost share arrangement, the State was responsible for 60 percent of eligible project costs. In addition, the legislation required the State to provide Prince George's County with \$35 million each year in school construction funding for fiscal 1999 through fiscal 2002. Prince George's County must provide at least \$32 million for school construction projects. *Senate Bill 719* extends the current State/local cost share arrangement and the mandated State and local appropriations for school construction projects in Prince George's County until fiscal 2003. This extension will enable Prince George's County to leverage State school construction funding with less local funds; however, fewer school construction projects in Prince George's County may be funded.

Additional Funds for Baltimore City Remedy Plan

The fiscal 2002 budget includes funds to continue efforts to reform the Baltimore City Public Schools (BCPS). The reform efforts began when parents of Baltimore City schoolchildren and city representatives sued the State. They alleged that the State was failing to provide a thorough and efficient education as required by the State Constitution. The State filed a counterclaim, alleging that BCPS had not managed its existing resources effectively. The Baltimore City Circuit Court held that the State Constitution requires the State to provide all students in Maryland's public schools with an education that is adequate when measured by contemporary standards, and that BCPS students were not being provided with an adequate education. The court did not resolve the dispute over the cause of the inadequate education or the appropriate remedy.

All parties signed a consent decree in November 1996 that led to the enactment of legislation in 1997 that created the Baltimore City-State partnership. The partnership required the State to provide \$30 million in fiscal 1998 and \$50 million annually between fiscal 1999 and 2002 to improve BCPS. The legislation also required BCPS to develop a master plan for education and management reforms, and required both an interim evaluation of BCPS by February 1, 2000, and a final comprehensive evaluation by December 1, 2001. The interim evaluation found mixed results, with improvements in management and some gains in student achievement on standardized assessments.

The 1996 consent decree authorized BCPS to request additional funding from the State after completion of the interim evaluation, and required the State to use "best efforts to satisfy any such request, subject to the availability of funds." Based on the interim evaluation, BCPS submitted a \$49.7 million request ("remedy plan") for additional operating funds in fiscal 2001. The General Assembly provided \$8.0 million in direct support for reform efforts in fiscal 2001 as well as \$20.3 million through other programs initiated in fiscal 2001, such as the Governor's Teacher Salary Challenge Program and the Academic Intervention and Support Program (see **Exhibit L.3**).

In the spring of 2000, BCPS went to court arguing that the State had not made its best efforts to satisfy the city's request for additional funding. In June 2000, the Baltimore City Circuit Court concluded that the State was not fulfilling its obligations under the State Constitution and the consent decree. The court said it trusted that the State would meet its obligations. The State appealed the court's ruling, but later dropped its appeal.

The BCPS submitted a \$101.5 million request ("remedy plan") for additional funding in fiscal 2002. The fiscal 2002 budget includes \$55.3 million for the remedy plan -- \$20.5 million in direct support and \$34.5 million through other programs (see **Exhibit L.3**). An additional \$5.5 million fiscal 2001 deficiency appropriation was also approved bringing fiscal 2001 support for the remedy plan to \$33.8 million. With this funding the New Baltimore City Board of School Commissioners agreed to suspend enforcement action under the court ruling.

**Exhibit L.3
State Expenditures Toward Baltimore City School Remedy Plan
Fiscal 2001 and 2002**

	<u>FY 2001</u>	<u>FY 2002</u>
Statewide Programs		
Governor's Teacher Salary Challenge	\$7,989,804	\$18,328,905
Academic Intervention Program	1,993,659	3,633,784
Technology in Maryland Schools Program	3,150,000	3,150,000
Accelerated Wiring -- Training	603,900	603,900
Maryland Technology Academy	240,000	240,000

Governor's Early Education Initiative	0	4,945,055
Subtotal	\$13,977,363	\$30,901,644
Targeted Programs		
City Partnership for Remedy Plan	\$16,232,417	\$20,465,079
Working Appropriation*	10,767,500	
Deficiency Appropriation	5,464,917	
Summer/After School Programs -- At Risk	2,500,000	2,500,000
Teacher Certification/Quality Initiatives	90,220	468,980
Mass Transit Administration Discount	1,000,000	1,000,000
Subtotal	\$19,822,637	\$24,434,059
Total	\$33,800,000	\$55,000,000

*Includes transfer of \$2,767,500 Limited English Proficiency funds not needed because of enrollment overestimate.

**Federal Temporary Assistance to Needy Families (TANF) dollars budgeted in Child Care Administration

***Baltimore City Community College partnership with Baltimore City Public Schools

Source: Department of Legislative Services

Firearms Safety Program Required

There are over 200 million guns in America, including at least one in about half of all U.S. households. A study sponsored by Handgun Control, Inc., a Washington, DC-based organization that tracks gun control policies, found that there is a gun in about two out of every five households with children. The organization reports that the firearm death rate among teens 15-19 years old increased 222 percent from 1984 to 1994. In 1996 there were 109 firearm deaths of children and teenagers in Maryland.

Senate Bill 124/House Bill 791 (both passed) require each county board of education to develop and implement a program of instruction for firearms safety and accident prevention or hunter safety that is appropriate for students in its public schools and consistent with guidelines developed by the State Board of Education. The program implemented under the bill may not involve the display or handling of ammunition or an actual handgun, rifle, shotgun, or other firearm on school premises. However, for students in grades seven through 12, the program may involve the display and handling of ammunition and an actual handgun, rifle, shotgun, or other firearm at an established sport shooting range. The State Board of Education is required to establish guidelines for the program that: (1) for students in kindergarten through grade six, address firearm safety and accident prevention; and (2) for students in grades seven through 12, address firearm safety and accident prevention or hunter safety.

Termination Dates Extended for Two Education Programs

Senate Bill 41 (passed) extends the termination date for the Maryland Adult External High School Diploma Program from June 30, 2001 to June 30, 2006. The program provides an alternative way for adults who did not complete high school to earn a State high school diploma by using a one-on-one assessment that credentials skilled adults who have acquired much of their high school level abilities through life experiences. The fiscal 2002 State budget includes \$281,070 for the program, with twelve local school systems and two community colleges receiving funding. *Senate Bill 41* requires the Governor to include at least this amount for the program in the State budget through fiscal 2006.

Senate Bill 64 (passed) extends the termination date for the Schools for Success Fund from June 30, 2001 to June 30, 2007. The fund provides challenge grants to low-performing schools to implement school improvement programs. The program was originally scheduled to terminate on June 30, 1995. However, the General Assembly passed legislation that extended the termination date in 1995 and again in 1998. Challenge grants were provided to 68 public schools in nine local school systems during the 1999-2000 school year. The fiscal 2002 State budget includes \$6.8 million for challenge grants.

Summer Pilot Program Authorized

House Bill 53 (passed) establishes the Maryland Educational Opportunity Summer Pilot Program. Local boards of education in Baltimore and Prince George's counties are authorized to develop a proposal using existing faculty to provide educational services to students in kindergarten through grade 12 during the summer months. The State Board of Education must select proposals with priority given to schools that show the lowest levels of improvement towards meeting the standards on the Maryland School Performance Program (MSPP). Upon approving a proposal, the State board must distribute funding to the local school system that covers the cost of extending the contracts of participating teachers to implement and operate the pilot program. The State Superintendent of Schools must report to the Governor and the General Assembly by June 30, 2002 on the operation and performance of the pilot program. The report must assess the effectiveness and success of the pilot program in improving student achievement. The bill takes effect July 1, 2001 and terminates on June 30, 2002.

School Library Grants Expanded to Middle and High Schools

House Bill 434 (passed) enables local boards of education to use State funding under the School Library Media Incentive Program to enhance middle and high school libraries. The program was established in 1998 as part of the School Accountability Funding for Excellence (SAFE) legislation for the purpose of improving elementary school library programs, with priority given to updating library books and other resource collections. Annual funding is set at \$3 million with each local school system's funding based on its proportionate share of the September 1997 enrollment count. To receive State funding under the program, local school systems must match the State grants with new local funding. The program is scheduled to terminate after fiscal 2003.

High School Assessment Development Continues

The fiscal 2002 budget includes an additional \$6.0 million for continued development of Maryland's high school assessments. The high school assessments will replace the Maryland Functional Tests as a requirement for graduation beginning with the class of 2007. The Maryland State Department of Education (MSDE) will implement the high school assessments in three phases. Phase I will require students to pass English I, Algebra or Geometry, Government, and Biology. Phase II will require students to pass English I and II, Algebra, Geometry, Government, and two science courses. Phase III will require students to pass English I, II, and III, Algebra, Geometry, Government, U.S. History, World History, and two science courses. The \$6.0 million increase will be used to expand the inventory of sample tests for Phase I and to begin Phase II.

Charter Schools

Legislation authorizing the establishment of public charter schools in Maryland once again failed to win approval by the General Assembly. *Senate Bill 604/House Bill 29 (both failed)* would have authorized local boards of education to establish public charter schools and be eligible for federal funding. Local boards currently have the authority to establish charter schools but so far none have, although there are a few schools similar to charter schools in Baltimore City. Charter school legislation has been enacted in 36 states, the District of Columbia,

and Puerto Rico. Approximately 2,100 charter schools will operate in the 2000-2001 school year serving approximately 520,000 students nationwide.

Public School Construction

A total of \$253.4 million was appropriated by the General Assembly for school construction in fiscal 2002. Allocations totaling \$187.8 million were allocated by the Board of Public Works in January 2001. The remaining funds will be allocated by the board in May 2001. For a full discussion of school construction funding, see Part A - Budget and State Aid in this *90 Day Report*.

Baltimore City

Consistent with 1996 consent decree between the State and the Baltimore City School system, the Board of Public Works adopted a rule on May 7, 1997 that changed the State/local cost share formula for Baltimore City school construction projects for fiscal 1998 through fiscal 2002. Based on the rule, the State is responsible for 90 percent of the eligible project costs for the first \$10 million in public school construction funding allocated by the State to Baltimore City and 75 percent of eligible project costs for any funds in excess of \$10 million. **House Bill 894 (passed)** alters this rule to require the State to fund 90 percent of the eligible project costs for the first \$20 million in public school construction funding allocated by the State and 75 percent of eligible project costs for any funds in excess of \$20 million in fiscal 2002 and 2003. The 2003 termination date is consistent with other program extensions provided in **Senate Bill 719**. Baltimore City must provide at least \$12.4 million in local funding for school construction projects in fiscal 2002 and 2003.

Qualified Zone Academy Bonds

Senate Bill 288 (passed) authorizes the Board of Public Works to issue \$8,270,000 in interest-free Qualified Zone Academy Bonds (QZABs) and grant the proceeds to the Interagency Committee on School Construction to be used for the aging school program. Federal legislation established the Qualified Zone Academy Bonds as a mechanism for states to provide funding to local school systems for repairs of older school buildings. Chapter 322 of 2000 provided for the issuance of these bonds in Maryland. Maryland's allocation under the first two years of the four-year federal program totaled \$9.8 million. A school is eligible to receive funding from the issuance of QZABs if it is located in an enterprise or empowerment zone or at least 35 percent of the school's students qualify for free and reduced price meals. Maryland has approximately 565 schools that qualify based on these criteria in fiscal 2001. Additional schools may qualify for funding under bonds authorized by **Senate Bill 288** because a school's eligibility will be updated to reflect current free and reduced price meals enrollment.

Private School Textbooks

The fiscal 2002 budget includes \$5.0 million for a second year of nonpublic school textbook funding. In fiscal 2001, the General Assembly provided \$6.0 million for nonpublic school textbooks of which \$5.0 million will be distributed to more than 77,000 students in 259 eligible nonpublic schools.

Certain restrictions were again adopted with respect to the fiscal 2002 funding. The funds cannot be used for sectarian purposes and are to be used by the State for the purchase of textbooks for loan to students in eligible nonpublic schools. A school's allocation varies based on the number of students eligible for the free and reduced price lunch program. If less than 20 percent of a nonpublic school's student body can participate in the free or reduced price lunch program, the maximum allocation is \$60 per student. If at least 20 percent can participate in the lunch program, the allocation is \$90 per student. Nonpublic schools charging tuition greater than the statewide average per pupil expenditures for the State's public schools would not be eligible to participate in the program. The legislature also required the Maryland State Department of Education (MSDE) to use the same process it used in fiscal 2001 for acquiring the textbooks, restricted the \$5.0 million to fiscal 2002 only, and limited MSDE administrative expenses to no more than \$150,000.

Teacher Certification

Senate Bill 129 (passed) increases from 300 to 500 the maximum number of teachers that may participate in the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards. The National Board for Professional Teaching Standards is an organization of teachers and other education personnel working to advance the teaching profession and improve student learning. When the pilot program was launched in 1997, there were no teachers certified by the National Board for Professional Teaching Standards in Maryland. There are now at least 70 certified teachers in the State.

Pilot Program for Suspended or Expelled Students

House Bill 825 (passed) requires the State Board of Education to establish a Juvenile Justice Alternative Education Pilot Program in a county designated by the State Superintendent of Schools. A student who has been suspended or expelled or identified as being a candidate for suspension or expulsion must attend the program unless the student has been adjudicated delinquent and committed to a juvenile detention facility. The pilot program must promote self-discipline, ensure that the student receives appropriate educational services during the term of the suspension or expulsion, and offer services to facilitate a student's transition back to a regular public school. The Department of Education or the local board of education may enter into a partnership with a county's circuit court judges to oversee the pilot program. The State board may select a private agency to administer the program. The State board must report to the Governor and the General Assembly annually on the implementation of the bill.

The fiscal 2002 State budget includes \$500,000 to begin implementation of the program. It is anticipated that the program will begin in fiscal 2003. Operating costs for fiscal 2003 are estimated to be \$2.5 million.

Hearing Aid Loan Bank

Senate Bill 281/House Bill 282 (both passed) establish a Hearing Aid Loan Bank Program in the Maryland State Department of Education that will lend hearing aids on a temporary basis to children up to age three who lack immediate access to a hearing aid. The fiscal 2002 budget includes \$250,000 for staffing and equipment to implement the program.

All newborns in Maryland are screened for hearing impairment. Up to 420 infants are identified with a hearing impairment annually. About one-third of these newborns are able to access a hearing aid immediately through Medicaid. The other two-thirds either have private medical insurance or no insurance. Most private insurance companies do not provide full funding for hearing aids, resulting in a delay in receipt of a hearing aid.

Local Boards of Education

House Bill 667 (Ch. 88) repeals the two-term limit provision that applies to members of the Frederick County Board of Education. Generally, the members of the school boards in the State are not subject to term limits. The terms of members vary, including: three years (Baltimore City); four years (Anne Arundel, Calvert, Charles, Garrett, Montgomery, Prince George's); five years (many appointed school boards); and six years (Howard and Kent).

Senate Bill 301 (passed) establishes a procedure for filling a vacancy if, after the primary election but before the general election, a nominee for membership on the Allegany Board of Education dies, declines nomination, or becomes disqualified. The candidate who received the next highest number of votes shall fill the vacancy. If no candidate is available, a new nominee must be appointed by the Governor to fill the vacancy.

House Bill 899 (passed) allows the student member of the New Baltimore City Board of School Commissioners, who under current law is a non-voting member, to vote on all matters before the board except those relating to: (1) personnel; (2) capital and operating budgets; (3) school closings, reopenings, and boundaries; (4) collective bargaining decisions; (5) student disciplinary matters; and (6) administrative appeals to the board relating to the rules of the board, the administration of the school system, or the suspension or dismissal of professional personnel. The bill also provides that the student member may not attend or participate in an executive or special session of the board.

House Bill 1347 (passed) requires that the members of the Worcester County Board of Education be elected, with one member from each county commissioner district and one nonvoting student member from each public high school in the county. The board is required to elect a president and a vice-president from among its members at the beginning of each calendar year. The board is required to meet at least once a month and take all actions at a public meeting, with a record of the meeting and all actions taken made public. With the exception of the president, board members will receive an annual salary of \$3,200. The president will receive a salary of \$3,600.

Higher Education

Funding

Operating Budget

State support for higher education institutions operating expenses, including the public four-year colleges and universities, local community colleges, Baltimore City Community College, and private colleges and universities (Sellinger program), is nearly \$1.2 billion in fiscal 2002 or 9.9 percent higher than fiscal 2001. State operating support for public four-year colleges and universities in fiscal 2002 totals \$944.6 million, an increase of 9.9 percent. The University System of Maryland (USM) accounts for 93 percent of the State operating support for the public four-year higher education institutions, or \$877 million. State support for Morgan State University in fiscal 2002 is \$52.6 million, a 9.7 percent increase. State support for St. Mary's College of Maryland is \$14.8 million, \$833,000 more than required by the statutory funding formula for the college. **Exhibit L.1** shows the State support by college.

The \$84.9 million in additional State funds made available for the public four-year colleges and universities will support cost-of-living adjustments, institutional priorities, and operating expenses. On average, the fiscal 2002 general fund support for USM schools equates to 90 percent of the funding guidelines and represents improvement over the fiscal 2001 average of 87 percent. Similarly, Morgan State University's general fund support based on the proposed funding guideline is 103 percent. The funding guidelines developed by the Maryland Higher Education Commission (MHEC) in collaboration with the colleges and universities, are based on a comparison of the colleges and universities to institutions with similar characteristics, known as their current peers. The accountability component requires the colleges and universities to achieve certain benchmarks in order to include a limited number of aspirational peers in their guideline. St. Mary's College of Maryland does not participate in the funding guideline process due to its statutory funding formula.

The State's private colleges and universities will receive \$46 million in State support, an increase of 10.65 percent. Community colleges receive \$178.5 million in fiscal 2002, an increase of 9 percent. Funding for Baltimore City Community College increases 12.9 percent, totaling \$29.9 million.

Exhibit L.4
State Operating Support for Higher Education Institutions
Fiscal 2000 - 2002
(\$ in Millions)

	FY 2000 Actual	FY 2001 Revised	FY 2002 Appropriation	\$ Increase FY 2001 - 02	% Increase FY 2001 - 02	FY 2002 as % of 2002 Guidelines
University of Maryland, Baltimore	\$127.3	\$139.5	\$155.3	\$15.9	11.4%	86%
University of Maryland, College Park	302.0	333.1	364.5	31.4	9.4%	91%
Bowie State University	18.6	21.3	23.1	1.7	8.2%	96%
Towson University	58.8	64.2	69.0	4.9	7.6%	93%
University of Maryland Eastern Shore	20.5	22.5	23.9	1.4	6.4%	109%
Frostburg State University	24.3	26.6	29.1	2.5	9.4%	90%
Coppin State College	16.0	18.6	20.8	2.2	11.7%	91%
University of Baltimore	21.7	23.5	24.8	1.4	5.8%	98%
Salisbury University	24.5	28.1	29.9	1.8	6.5%	91%
University of Maryland, University College	9.4	13.5	17.2	3.7	27.1%	81%
University of Maryland, Baltimore County	59.4	66.5	76.9	10.4	15.7%	83%
University of Maryland Center for Environmental Science	11.7	12.8	13.7	0.9	7.0%	89%
University of Maryland Biotechnology Institute*	15.5	16.2	16.7	0.5	2.8%	89%
University System of Maryland Office	10.3	12.0	12.3	0.3	2.6%	N/A
Subtotal University System of Maryland	\$720.0	\$798.3	\$877.2	\$78.9	9.9%	90%
St. Mary's College of Maryland	12.7	13.5	14.8	1.3	9.8%	N/A
Morgan State University**	43.5	47.9	52.6	4.7	9.7%	103%
Baltimore City Community College	23.0	26.5	29.9	3.4	12.9%	N/A
Community Colleges	141.4	163.6	178.5	14.9	9.1%	N/A
Aid to Independent Colleges and Universities	36.6	41.6	46.0	4.4	10.7%	N/A
Total General Funds Support for Higher Education	\$977.1	\$1,091.4	\$1,199.0	\$107.7	9.9%	

* UMBI's increase with the fiscal 2001 one-time adjustment is 6.8%.

**MHEC is scheduled to give final approval to Morgan's funding guidelines on April 24, 2001.

Capital Budget

The fiscal 2002 capital program for all segments of higher education is \$448.1 million including general funds, general obligation bonds, and academic revenue bonds. This program exceeds the previous fiscal year by more than \$60 million and represents the second year of the

administration's commitment to provide over one billion dollars for capital construction in higher education over four years. The capital program includes \$368.95 million for over 45 discrete capital projects associated with the public four-year institutions and funds for facility renewal and underground oil storage tank replacement throughout the University System of Maryland. Community colleges have 28 projects and represent \$46.6 million of the total. Another \$18 million will be used for six projects at private colleges and universities, including two for The Johns Hopkins University and four funded through the Maryland Independent Colleges and Universities grant program. Also, \$14.5 million provides for two Maryland Fire and Rescue Institute projects and a project for the University of Maryland Medical System.

The *Capital Improvement Program* (CIP) shows \$975.85 million in capital spending for higher education projects over the fiscal 2003-2006 period. This represents a deceleration in capital funding compared to fiscal 2001 and 2002. **Exhibit L.2** shows the fiscal 2002 legislative appropriation for higher education capital and the funding anticipated in the CIP for fiscal 2003-2006. **Exhibit L.3** shows the fiscal 2002 allocation of capital funding by higher education institutions.

Exhibit L.5
Higher Education
Fiscal 2002 Legislative Appropriation and Out-Year Capital Funding
(\$ in Thousands)

Source	2002	2003	2004	2005	2006	Total
G.O. Bonds	\$130,387	\$135,250	\$164,450	\$233,300	\$186,450	\$849,837
PAYGO	292,712	7,650	84,000	46,300	18,450	449,112
Acad. Rev. Bonds	25,000	25,000	25,000	25,000	25,000	125,000
Total	\$448,099	\$167,900	\$273,450	\$304,600	\$229,900	\$1,423,949

Source: Department of Legislative Services and Fiscal 2002 *Capital Improvement Program*

Exhibit L.6
Higher Education
Fiscal 2002 Allocation of Capital Funding by Institution
(\$ in Thousands)

Institution	FY 2002 Capital Funding
University of Maryland, Baltimore	\$38,401
University of Maryland, College Park	31,360
Bowie State University	5,200
Towson University	42,204
University of Maryland Eastern Shore	47,682
Frostburg State University	4,572
Coppin State College	10,800
University of Baltimore	1,540
Salisbury University	2,439
University of Maryland Baltimore County	67,419
University of Maryland Ctr. for Envir. Science	19,527
University of Maryland Biotechnology Institute	42,442
University System of Maryland Office	29,489
St. Mary's College of Maryland	6,200
Morgan State University	11,666
Regional Centers	8,013
Baltimore City Community College	1,460
Community Colleges	45,227
Independent Colleges and Universities	8,000
The Johns Hopkins University	10,000
Maryland Fire and Rescue Institute	2,458
University of Maryland Medical System	12,000
Total	\$448,099

Increased Endowment Funding for Historically Black Colleges and Universities

Maryland is one of ten states that formerly operated a dual higher education system in violation of Title VI of the Civil Rights Act of 1964. Since 1969, Maryland has worked with the U.S. Department of Education's Office of Civil Rights (OCR) to eliminate the vestiges of segregation in its public higher education system and to promote equal access. Maryland submitted a report on its accomplishments under the 1985-1989 statewide desegregation plan in 1991. The following year the U.S. Supreme Court issued a decision in *United States v. Fordice* (505 U.S. 717) that set legal standards and requirements for desegregation of a previously segregated higher education system. The Court found that race neutral admissions policies alone are not sufficient to determine that a state has effectively desegregated a formerly segregated higher education system and that policies found to be traceable to the formerly segregated system must be reformed to the extent practicable and consistent with sound educational practices.

In January 1994, the federal OCR informed Maryland that the *Fordice* decision required a reevaluation of its desegregation efforts in the public higher education system, and in October 1999, OCR initiated a review of Maryland's compliance with federal law. The Maryland Secretary of Higher Education appointed a workgroup in June 2000 to work with the State and OCR in developing a partnership agreement, and the agreement was finalized in December 2000. The State's commitments in the partnership agreement fall into nine broad categories, one of which is a commitment of further enhancements for Maryland's historically Black colleges and universities (HBCUs) -- Bowie State University, Coppin State College, Morgan State University, and the University of Maryland Eastern Shore. **Senate Bill 203/House Bill 304 (both passed)** codify a portion of the commitment.

Senate Bill 203/House Bill 304 increase the amount of the State match paid to HBCUs through the Private Donation Incentive Program (PDIP). For donations made on or after July 1, 2001, HBCUs will receive \$2 for every \$1 of the first \$250,000 pledged instead of an equal

match, and an equal State match for the next \$1 million pledged rather than a 50 percent match. These changes increase the maximum State match under the program from \$750,000 to \$1.5 million and extend the program for HBCUs until January 1, 2006. The program expires for the State's other public institutions of higher education on July 1, 2004. The cumulative increase in State match expenditures resulting from the legislation could total \$3 million, \$750,000 per institution, by fiscal 2007.

PDIP was initially in effect from 1989 to 1992 and was reestablished in 1999 as part of the legislative package recommended by the Larson Task Force regarding the coordination, governance, and funding of the University System of Maryland. PDIP provides State matching funds for private donations to all of Maryland's public institutions of higher education. To determine what donations are eligible for a State match under PDIP, private donations to an institution are compared to the donations the institution received in fiscal 1998. To be eligible, donations must be from a new donor or represent an increase over the amount given by a donor in fiscal 1998. Each donation must be specifically designated as an endowment. In fiscal 1999 and fiscal 2000, the first two years of the reintroduced program, PDIP donations to HBCUs totaled just over \$1 million.

Collective Bargaining for Higher Education Employees

Senate Bill 207 (passed) grants collective bargaining rights to certain employees of the University System of Maryland (USM), Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College. Faculty, teaching assistants, administrators, contractual employees, and certain other employees are not covered by collective bargaining. Approximately 10,000 employees are covered. A full discussion of the bill can be found in Part C - State Government in this *90 Day Report*.

House Bill 1196 (passed) provides a system of collective bargaining for certain employees of Prince George's Community College. Employees, excluding supervisory employees and faculty, may bargain collectively over wages, hours, other terms and conditions of employment, and the duties and fees to be charged by the representative. Disputes on these issues may be settled through mediation and fact-finding. The bill requires the Department of Labor, Licensing, and Regulation to define the bargaining units, conduct elections, and serve as the mediator when necessary.

Employee Tuition Waivers

House Bill 336 (passed) requires the governing boards of USM institutions, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College to develop policies for the waiver of tuition for faculty and staff of the institutions and their children who attend the institutions. It is anticipated that passage of this legislation will facilitate the development of reciprocal policies for the waiver of tuition to enable faculty and staff and their families to enroll at other public institutions of higher education in the State.

Redskins Settlement Proceeds

In 1995, Frostburg State University entered into a contract with the Washington Redskins under which the university would provide summer training facilities for the Redskins for a period of ten years. In May 2000, the Redskins broke the contract and moved their summer training activities to Northern Virginia. The university and the Redskins subsequently entered into a settlement agreement in which the Redskins will pay Frostburg State University \$750,000 by April 15, 2001. *Senate Bill 874/House Bill 1399 (both passed)* require Frostburg State University to deposit proceeds from its \$750,000 settlement with the Washington Redskins directly into the endowment funds managed and maintained by USM. USM must maintain, manage, invest, and expend the settlement proceeds and any interest earnings from the proceeds exclusively for the benefit of Frostburg State University.

Tax Exempt Financing for Community Colleges

Senate Bill 588 (passed) allows community college boards of trustees to finance or refinance bonds, leases, and purchase agreements for equipment and machinery through the Maryland Health and Higher Educational Facilities Authority (MHHEFA). Before financing through MHHEFA, a board of trustees and the governing body of the county in which the community college is located must adopt an administrative resolution that describes the project being financed and specifies the maximum amount to be financed. MHHEFA is exempt from State and federal taxes, and projects financed by MHHEFA do not confer an obligation on the State or on any of the State's political subdivisions. Through MHHEFA, community colleges could receive more favorable loan terms for large-scale equipment purchases.

Salisbury University

Senate Bill 68/House Bill 438 (both passed) change the name of Salisbury State University to Salisbury University. The change is being made, in part, to try to increase private donations to the university. In 1997, the same alteration was made for the former Towson State University, dropping "State" from its title.

Scholarships and Financial Assistance

Funding

The total fiscal 2002 appropriation for State financial aid is \$81.8 million, an increase of \$11.7 million or 16.6 percent. Of the total, 58.1 percent is for need-based financial aid (\$47.5 million) and 25.4 percent is for HOPE scholarship programs (\$20.8 million). The balance of 16.5 percent includes several workforce shortage and merit-based financial aid programs. Need-based financial aid increases 4.7 percent over fiscal 2001, including an increase of \$2 million or 5.4 percent for Educational Excellence Awards and \$1,000,000 or 125 percent for part-time grants (over the fiscal 2001 legislative appropriation). The HOPE Scholarships Program increases \$8.6 million or 71.4 percent. This appropriation includes funding for the new Community College Transfer Scholarship Program. In addition, \$2 million of the HOPE appropriation, excluding the Maryland Teacher Scholarship Program, is earmarked for need-based scholarship programs. Counting this \$2 million as need-based aid increases the need-based aid appropriation to a 9.1 percent increase over fiscal 2001.

House Bill 1004 (passed) provides that State scholarship appropriations that are not used by the end of a fiscal year may not revert to the State treasury, but must be used to make awards to students and graduates under specified scholarship, need-based grant, and loan repayment programs during subsequent fiscal years. An identical bill was passed by the General Assembly in the 2000 session but was vetoed by the Governor. The fiscal 2002 State budget provides approximately \$80 million for scholarship and financial aid programs.

Nursing Students

In a report by the Statewide Commission on the Crisis in Nursing, greater award amounts and greater flexibility for nursing scholarships were recommended by the commission. *Senate Bill 618/House Bill 547 (both passed)* increase the maximum annual award for nursing scholarships from \$2,400 to \$3,000, or to \$4,500 for nursing programs that include mandatory summer academic sessions as part of the curriculum. Through annual renewal of the scholarship, the maximum cumulative amount a nursing student may receive under the scholarship program is increased from \$9,600 to \$12,000. The bills also increase the maximum annual need-based grant available to nursing scholarship recipients to meet living costs from \$2,400 to \$3,000. *Senate Bill 96/House Bill 727 (both passed)* allow the recipient of a Nursing Scholarship also to receive a Senatorial Scholarship, a Delegate Scholarship, and a Distinguished Scholar Award.

Teacher Education Students

Senate Bill 206/House Bill 299 (both passed) expand the eligibility criteria for the Maryland Teacher Scholarship Program to allow part-time graduate students to participate in the program. The annual scholarship award for a part-time graduate student is \$2,500. Like other program participants, a part-time graduate student accepting an award under the program must agree to work as a teacher in a Maryland public elementary or secondary school for one year for each year that a scholarship is received.

House Bill 401 (passed) requires public institutions of higher education to waive in-State residency requirements for public school teachers who live in the State and have been employed as full-time public school teachers by local boards of education for less than one year. Institutions are only required to waive the residency requirements if the course or program taken by a teacher is required by the State or the local board to maintain the teacher's present position or if the course or program maintains or improves skills required by the local board.

Expanded Scholarship Eligibility

Senate Bill 213/House Bill 329 (both passed) expand the eligibility for the Maryland HOPE Scholarship and the Community College Transfer Scholarship programs by increasing the eligible family income from \$80,000 to \$95,000. It is estimated that this change will increase participation by 10 percent. **Senate Bill 357 (passed)** allows eligible students already enrolled in an eligible course of study to receive a Maryland Science and Technology Scholarship. Under current law initial eligibility for the scholarship was only available to students entering college directly from high school. **House Bill 1127 (passed)** expands the eligibility for the Part-Time Grant Program to allow students who are simultaneously enrolled in a State secondary school and an institution of higher education to receive the grant. **House Bill 1067 (passed)** allows veterans who served on active duty in the U.S. armed forces and who suffered a service-related disability of 50 percent or greater to receive an Edward T. Conroy Memorial Scholarship if they are no longer eligible for federal veterans' educational benefits.

Loan Assistance Repayment Program

The Loan Assistance Repayment Program helps Maryland residents who work for State or local governments or nonprofit agencies to pay back college loans. Program participants must work with low-income or underserved citizens or work in underserved areas of the State. The maximum annual award amount is \$7,500. **House Bill 397 (passed)** expands the eligibility for the Loan Assistance Repayment Program by allowing graduates from a school of law outside of Maryland to participate in the program. Participants must provide, as the principal part of their employment, legal services to low-income residents of the State who cannot afford legal services. **Senate Bill 462/House Bill 143 (both passed)** rename the program the Janet L. Hoffman Loan Assistance Repayment Program in honor of the late Baltimore City lobbyist.

Part M

Human Resources

Social Services - Generally

Welfare

In the early years of welfare reform, efforts to transition individuals from welfare to work, and a growing economy, led to rapid reductions in the number of Temporary Cash Assistance (TCA) recipients. From January 1995 to January 2000, Maryland's TCA caseload plummeted from an all-time high of 227,887 to only 77,340 individuals. After dropping at rates exceeding 20 percent per year during the late '90s, the pace of caseload decline has moderated. In August 2000, the number of individuals receiving cash assistance was 77,298, down slightly from January 2000. The pace of reductions has slowed because of the characteristics of the current caseload. For example, many TCA recipients face multiple barriers to employment, while others, such as child only cases, could remain on the rolls until they "age-out" of the system.

Initially, the Department of Human Resources (DHR) concentrated on serving those cases easiest to place in employment, and most of these cases have transitioned from welfare to work. The remaining cases headed by an employable adult typically face multiple barriers to employment such as substance abuse, mental health issues, poor work histories, low educational attainment, and limited access to transportation and child care. In addition, many of these cases have relied on cash assistance for long periods of time, with over 40 percent having received cash benefits for over five years.

Moving employable adults to work is particularly important in light of the federal lifetime limit placed on receipt of cash assistance. Beginning in January 1997, federal law prohibits cases headed by an adult from receiving federally funded TCA for more than five cumulative years (60 months). However, the law does provide for exemptions to the time limit for "hardship" cases.

Maryland continues to adjust and alter its program of services and benefits for families in need of public assistance. The "Welfare Innovation Act of 2001," *Senate Bill 541 (passed)*, is an omnibus bill that continues the State's commitment to assist families receiving public assistance to become employed and to provide enhanced services in an efficient and effective manner. *Senate Bill 541*:

- establishes a State funded program for hardship cases who would otherwise be prohibited from receiving TCA due to federal time limits;
- creates a Commission on Responsible Fatherhood to identify obstacles and propose solutions for problems created when a child is raised without the presence of a father, and to encourage non-custodial fathers to participate in raising their children;
- creates a mentoring program for former TCA recipients;
- extends the time period to allow a former TCA recipient to participate in the Job Skills Enhancement Program;
- authorizes local departments of social services to work with businesses to train and place former TCA recipients in jobs that provide benefits and have an upward career path; and
- expands the New Hires Registry reporting requirement to include: (1) starting wages; and (2) whether health insurance is provided by the employer.

Programs for Low-Income Families

Since Maryland has been successful in moving a large number of people off welfare, the State has begun to focus on methods of insuring that these people receive the necessary work skills to keep them from returning to welfare.

Senate Bill 367/House Bill 13 (both passed) establish a five-year Skills-Based Training for Employment Promotion (STEP) Pilot Program. The program will provide competitive grants to local Workforce Investment Boards to fund skills-based training for low-income individuals.

Local workforce investment boards receiving a grant under this program must: (1) develop an assessment process to identify eligible individuals who have existing job skills that are sufficient to benefit from the program; (2) establish STEP accounts for individuals participating in the program that can be used to pay for skills-based training and wraparound services; (3) develop and implement an outreach program; (4) assist individuals in obtaining employment; and (5) develop employer-based training programs.

Skills-based training includes services resulting in a post-secondary educational degree, certificate of proficiency in a specific work-related skill, or the attainment of an identifiable skill that is likely to lead to further job advancement and increased earning potential. Wraparound services may include transportation, health care, childcare, meals, temporary housing, and other reasonable expenses required for participation in the approved program. Employer-based training programs can range from short-term training in specific skills to post-secondary education classes. The training cannot include training that results in the individual remaining in or moving to a job that pays minimum wage or that does not include health care benefits. Approved employer-based programs shall include a minimum contribution by the employer of at least 50 percent in matching funds.

An individual participating in the program must be a parent or legal guardian of one or more dependent children and have responsibility for the financial support of the children. The individual must also be a resident of Maryland living in a household with an income at or below 200 percent of the federal poverty level, and must have worked at least 20 hours per week for at least six months in a specified work activity, or have worked in one of the activities in six of the preceding 12 months.

Senate Bill 311/House Bill 378 (both passed) require the Secretary of DHR to establish a five-year Individual Development Account Demonstration Program. An Individual Development Account (IDA) is a matched savings account for a person who contracts to save funds for educational related expenses, a home, long-term home repairs, or for deposit into a business capitalization account. Each account is active for a three-year period from the time the account is opened, and the State must provide a \$2 match for each dollar saved, up to a maximum match of \$1,000 per account annually. The demonstration program is limited to 800 individuals, and pooled federal and State maintenance of effort funds may be used to provide the State match. The fiscal 2002 budget provides \$100,000 for this program.

Child Welfare

Child Abuse

Records and reports concerning child abuse or neglect are usually confidential, and their unauthorized disclosure is a criminal offense. Such records may, however, be disclosed on request to the appropriate public school superintendent for the purpose of carrying out personnel actions following a report of suspected child abuse involving a student, committed by a public school employee. **Senate Bill 810/House Bill 1240 (both passed)** expand the type of child abuse or neglect reports that can be disclosed to a public school superintendent to include a report of suspected child abuse committed by an independent contractor or an employee of an independent contractor, such as a bus driver, who supervises or works directly with students.

Elderly

Assisted Living Programs

Senate Bill 144 (passed) requires the Department of Aging (DOA) to provide monthly subsidies, when necessary and in accordance with available funds, to assisted living facility residents whose adjusted gross income is less than their cost of care. The monthly subsidy must meet the gap between income and cost of care up to \$650 per month. The bill codifies existing practice.

DOA currently administers the Senior Assisted Living Group Home Subsidy Program that subsidizes assisted living facility costs for low-income elderly residents. In fiscal 2002, the program is expected to serve 465 individuals who will each receive an average monthly subsidy of \$516.

Senate Bill 236/House Bill 6 (both passed) assist Medicare enrollees and certain low-income individuals to obtain prescription drug coverage. For a more detailed discussion of *Senate Bill 236/House Bill 6*, please see Part J - Health.

The Disabled

Community Attendant Services and Supports Program

On April 1, 2001, DHR began providing home- and community-based services for adults with physical disabilities as an alternative to nursing home placement. These services are available as a result of the Medicaid attendant care waiver received from the federal government. The waiver program, Living at Home: Maryland Community Choices, covers certain specific home- and community-based services for adults (aged 21-59) who have a physical disability. The program is statewide and participants are enrolled on a first-come, first-served basis. Covered services include:

- attendant care;
- assistive technology;
- environmental adaptations;
- personal emergency response systems;
- occupational therapy;
- speech therapy;
- nursing supervision of attendants;
- consumer training;
- family training; and
- disposable supplies.

The waiver also covers costs for case management, fiscal intermediary services, transitional services, and administrative services.

House Bill 702 (passed) requires the Department of Human Resources (DHR) in coordination with the Department of Health and Mental Hygiene (DHMH) to administer a Community Attendant Services and Support Program for certain individuals with disabilities by expanding the existing Medicaid waiver funded program within DHR to include individuals with incomes at or below 300 percent of supplemental

security income. Subject to funding in the State budget, the program is to be expanded to include 300 individuals by the end of fiscal 2002. DHMH and DHR must establish a plan to identify individuals residing in nursing homes who would be eligible for services under the waiver and develop a timeline for providing those individuals with access to the services available under the waiver.

Under the provisions of **House Bill 702**, an individual's program of services will be based upon a mutually agreed upon individual services plan, jointly developed by the individual and DHR. The individual will have the option to choose among different types of services and may select or hire a personal assistant, including a family member (spouse excluded). DHR will offer the following training to the individual: (1) how to select, manage, and dismiss an attendant or personal assistant; and (2) financial management of the individual's personal assistance services. An individual who is dissatisfied with the program has a right to appeal to DHR, and DHR and DHMH are required to adopt a quality assurance system for the program that is consistent with federal requirements regarding quality of waiver services.

House Bill 702 also requires the State to apply for federal grants and waivers which will assist the State in implementing the bill. Additionally, **House Bill 702** requires the State to notify the U. S. Department of Health and Human Services of the State's intent to expand the current Medicaid Home- and Community-Based Waiver for Adults with Physical Disabilities by July 1, 2001, and adds various reporting requirements.

Medicaid Waiver - Personal Care Services - Individuals with Disabilities

House Bill 1331 (passed) provides that all general funds appropriated in connection with the Medicaid waiver for home- and community-based services for adult individuals with disabilities that remain unexpended by DHR on June 30, 2001, may not revert to the general fund and must remain available for expenditure in fiscal 2002. **House Bill 1331** also prohibits the reversion of general funds appropriated in connection with the Waiting List Initiative within the Developmental Disabilities Administration (DDA) of the Department of Health and Mental Hygiene that remain unexpended by DDA on June 30, 2001. Unexpended general funds associated with the Waiting List Initiative must remain available for one-time expenditures in fiscal 2002 that do not expand the base budget requirements for fiscal 2003.

Children

Adoption Subsidies

Each local department of social services administers an adoption subsidy program for eligible children, that is, minor children to whom guardianship with the right to consent to adoption has been awarded to a child placement agency and a determination has been made by a local department that a subsidy is necessary to assure the child's adoption because of the child's special circumstances. Special circumstances include physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, sibling relationship, and racial or ethnic factors. The subsidy can take the form of a monetary payment, medical care, medical assistance, or special services.

Many children with special needs have been placed in treatment foster care, which allows for a monthly payment at the regular foster care family rate (\$650) plus a stipend (up to \$1,150) because of the difficulty of care required by these children. Consequently, treatment foster care parents receive a maximum of \$1,800 per month plus paid day care and respite for caring for the child as a foster child. If these therapeutic foster care parents adopt the child, their monthly payment is reduced to \$650 per month, since an adoption subsidy cannot be more than the basic foster care payment amount. Additionally, the family loses paid day care, respite, and other benefits when the child is adopted. This creates a disincentive for these foster parents to adopt these children. **Senate Bill 44 (passed)** raises the maximum monthly payment for adoption subsidies from \$650 to \$2,000 for a medically fragile child living in a treatment foster care home.

Synopsis of Passed Bills

Part A
Budget and State Aid

- SB 81 **Creation of a State Debt -- Garrett County Memorial Hospital**
Authorizing the creation of a State Debt not to exceed \$1,600,000, the proceeds to be used as a grant to the Board of Directors of Garrett County Memorial Hospital for the planning, design, construction, and capital equipping of a new emergency department and the renovation, repair, reconstruction, and capital equipping of existing hospital facilities; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Senator Hafer
- SB 87 **Creation of a State Debt -- Prince George's County -- Springhill Lake Recreation Center**
Authorizing the creation of a State Debt not to exceed \$300,000, the proceeds to be used as a grant to the Mayor and City Council of the City of Greenbelt for the repair, renovation, and reconstruction of the existing Springhill Lake Recreation Center and the construction and capital equipping of an addition to this facility; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; and providing generally for the issuance and sale of bonds evidencing the loan.
EFFECTIVE JUNE 1, 2001
Senator Green
- SB 89 **Baltimore City -- Baltimore Museum of Industry Loan of 2000**
Altering the matching fund requirement of Chapter 334 of the Acts of the General Assembly of 2000, the Baltimore City -- Baltimore Museum of Industry Loan of 2000, to allow the matching fund to include real property or funds expended prior to the effective date of the Act.
EMERGENCY BILL
Senator Della
- SB 90 **Creation of a State Debt -- Baltimore City -- Bong County, Liberia/Maryland, USA Educational/Cultural Foundation**
Authorizing the creation of a State Debt not to exceed \$50,000, the proceeds to be used as a grant to the Board of Directors of Bong County, Liberia/Maryland, USA Educational/Cultural Foundation, Inc. for the planning, design, renovation, repair, and capital equipping of three buildings at 4335--4339 York Road, Baltimore, for an educational/cultural center; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Senator Conway
- SB 123 **Montgomery County -- Rehabilitation Opportunities Loan of 2000**
Altering the description of the location of the project in Chapter 310 of the Acts of the General Assembly of 2000, Montgomery County -- Rehabilitation Opportunities Loan of 2000, to be Montgomery County, Maryland; making the Act an emergency measure; etc.
EMERGENCY BILL
Senator Hogan
- SB 140 **Creation of a State Debt -- Baltimore County -- The Community Learning Center**
Authorizing the creation of a State Debt not to exceed \$250,000, the proceeds to be used as a grant to the

Board of Directors of the Islamic Society of Baltimore, Inc. for the planning, design, construction, and capital equipping for a community learning center in Baltimore; etc.

EFFECTIVE JUNE 1, 2001

Senator Della

SB 176 Creation of a State Debt -- Montgomery County -- The Link -- Ages Place

Authorizing the creation of a State Debt not to exceed \$50,000, the proceeds to be used as a grant to the Board of Trustees of Christ Congregational Church, Inc. for the planning, design, repair, reconstruction, renovation, and capital equipping of a facility located at 9525 Colesville Road in Silver Spring, for use as an intergenerational center; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Ruben

SB 188 Creation of a State Debt -- Montgomery County -- Hospice Caring

Authorizing the creation of a State Debt not to exceed \$50,000, the proceeds to be used as a grant to the Board of Directors of Hospice Caring, Inc. for the planning, design, repair, renovation, reconstruction, and capital equipping of 502 S. Frederick Avenue, Gaithersburg, so that it can be used as a nonmedical hospice for terminally ill ambulatory patients; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Forehand, et al

SB 193 Creation of a State Debt -- Baltimore County -- The Wellness Community--Baltimore -- Janet L. Hoffman Building

Authorizing the creation of a State Debt not to exceed \$500,000, the proceeds to be used as a grant to the Board of Trustees of The Wellness Community--Baltimore, Inc. for the acquisition of property for, and for the planning, design, construction, and capital equipping of, a building in Baltimore County for use as a professional oncology support facility for The Wellness Community--Baltimore; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Hollinger, et al

SB 223 Creation of a State Debt -- Prince George's County -- Pallotti Day Care Center

Authorizing the creation of a State Debt not to exceed \$300,000, the proceeds to be used as a grant to the Board of Directors of the Pallottine Missionary Society, Inc. for the planning, design, construction, and capital equipping of a day care and after school care facility; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; prohibiting the use of the proceeds of the sale of the bonds and the matching fund for religious purposes; etc.

EFFECTIVE JUNE 1, 2001

Senators Dorman and Madden

SB 226 Creation of a State Debt -- Montgomery County -- Hillandale Center

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of CHI Centers, Inc., for the planning, design, repair, renovation, reconstruction, and capital equipping of a former elementary school, Hillandale Elementary, to be used to provide services to developmentally disabled children and adults; etc.

EFFECTIVE JUNE 1, 2001

Senator Ruben

SB 249 Creation of a State Debt -- Olney Theatre Center Campus

Authorizing the creation of a State Debt not to exceed \$250,000, the proceeds to be used as a grant to the Board of Directors of The Olney Theatre Center for the Arts for the planning, design, construction, and capital equipping of The Olney Theatre Center for the Arts, located in Olney; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Ruben

SB 263 Baltimore City -- Community Initiatives Academy Loan of 1999

Altering the use of the funds in Chapter 555 of the Acts of the General Assembly of 1999, Baltimore City -- Community Initiatives Academy Loan of 1999, to permit renovation, reconstruction, and repair; permitting the use of funds expended prior to June 1, 1999, for the matching fund; extending the date by which the grantee must provide and expend the matching fund from June 1, 2001, to June 1, 2002; etc.

EFFECTIVE JUNE 1, 2001

Senator McFadden

SB 288 Creation of a State Debt -- Aging School Program -- Qualified Zone Academy Bonds

Authorizing the creation of a State Debt in the amount of \$8,270,000, the proceeds to be used as a grant to the Interagency Committee on School Construction for the allocation to eligible school systems under the Aging School Program for the repair, renovation, and capital improvements of qualified zone academies, subject to a requirement that the grantee document the provision of a required federal matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Miller

SB 290 Baltimore City -- Baltimore American Indian Center Loan of 1999

Altering the use of funds in Chapter 288 of the Acts of the General Assembly of 1999, the Baltimore City -- Baltimore American Indian Center Loan of 1999; extending the date by which the grantee must provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Sfikas

SB 319 Creation of a State Debt -- Star Spangled Banner Flag House and 1812 Museum

Authorizing the creation of a State Debt not to exceed \$700,000, the proceeds to be used as a grant to the Board of Directors of the Star Spangled Banner Flag House Association, Inc. for the construction and capital equipping of a new museum, to be known as the 1812 Museum, and for the repair, renovation, and reconstruction of the Star Spangled Banner Flag House; etc.

EFFECTIVE JUNE 1, 2001

Senator Hoffman, et al

SB 342 Queen Anne's County -- Horsehead Education Center Loan of 1999

Altering the date by which the grantee is required to provide and expend a matching fund in Chapter 222 of the Acts of the General Assembly of 1999, the Queen Anne's County -- Horsehead Education Center Loan of 1999, from June 2, 2001, to June 1, 2003; and generally relating to the Queen Anne's County -- Horsehead Education Center Loan of 1999.

EFFECTIVE JUNE 1, 2001

Senator Baker

SB 348 Creation of a State Debt -- Howard County -- Norbel School

Authorizing the creation of a State Debt not to exceed \$352,500, the proceeds to be used as a grant to the Board of Trustees of Norbel School, Inc. for the planning, design, construction, and capital equipping of a high school, and for the repair, reconstruction, renovation, and capital equipping of the existing school structure, for Norbel School, located in Elkridge; providing for disbursement of the loan proceeds, subject to

a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Kasemeyer

SB 361 Creation of a State Debt -- Maryland 4--H Facilities

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of the Maryland 4--H Foundation, Inc., for the construction, renovation, and capital equipping of facilities at 4--H educational camping locations throughout the State; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; and providing generally for the issuance and sale of bonds evidencing the loan.

EFFECTIVE JUNE 1, 2001

Senator Green, et al

SB 362 Creation of a State Debt -- Washington County -- Discovery Station at Hagerstown

Authorizing the creation of a State Debt not to exceed \$25,000, the proceeds to be used as a grant to the Board of Directors of Discovery Station at Hagerstown, Inc. for the renovation, reconstruction, and capital equipping of the warehouse at 58 East Washington Street in Hagerstown so that it can function as an interactive science center, incorporating local history displays; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senators Munson and Mooney

SB 385 Creation of a State Debt -- The Walters Art Museum

Authorizing the creation of a State Debt not to exceed \$385,000, the proceeds to be used as a grant to the Board of Trustees of The Walters Art Gallery for the planning, design, construction, and capital equipping of a building, in Baltimore, for a new major exhibition space, a premier art conservation laboratory, art handling, and storage; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Hoffman, et al

SB 388 Creation of a State Debt -- Montgomery County -- Rehabilitation Opportunities

Authorizing the creation of a State Debt not to exceed \$150,000, the proceeds to be used as a grant to the Board of Directors of Rehabilitation Opportunities, Inc. for the acquisition, planning, design, construction, and capital equipping of a facility located in Montgomery County, for use in helping developmentally disabled adults enter the workforce, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senators Hogan and Roesser

SB 402 Creation of a State Debt -- Loyola College Maryland Hall

Authorizing the creation of a State Debt not to exceed \$1,800,000, the proceeds to be used as a grant to the Board of Trustees of Loyola College in Maryland for the planning, design, construction, repair, restoration, renovation, reconstruction, and capital equipping of Maryland Hall of Loyola College in Baltimore; providing for disbursement of the loan proceeds, subject to a matching fund requirement; prohibiting the use of the proceeds of the sale of the bonds and the matching fund for sectarian religious purpose; etc.

EFFECTIVE JUNE 1, 2001

Senator Kasemeyer, et al

SB 409 Creation of a State Debt -- Baltimore City -- Eubie Blake National Jazz Institute and Cultural Center

Authorizing the creation of a State Debt not to exceed \$75,000, the proceeds to be used as a grant to the

Board of Directors of the Eubie Blake National Jazz Institute and Cultural Center, Inc. for the acquisition of a new building, and for the renovation, repair, reconstruction, and capital equipping of the new building and the existing adjacent building, for the Eubie Blake National Jazz Institute and Cultural Center, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senators Mitchell and Blount

SB 461 Creation of a State Debt -- Baltimore City -- The Hearing and Speech Agency

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of The Hearing and Speech Agency of Metropolitan Baltimore, Inc. for the acquisition of land for, and for the planning, design, construction, and capital equipping of a new building for The Hearing and Speech Agency of Metropolitan Baltimore; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Hoffman, et al

SB 497 Creation of a State Debt -- Calvert County -- Calvert Animal Shelter and Education Center

Authorizing the creation of a State Debt not to exceed \$75,000, the proceeds to be used as a grant to the Board of Directors of Calvert Animal Welfare League, Inc. for the planning, design, construction, and capital equipping of a private humane shelter in Prince Frederick, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Dyson (By Request)

SB 501 Creation of a State Debt -- Baltimore County -- Perry Hall Mansion

Authorizing the creation of a State Debt not to exceed \$400,000, the proceeds to be used as a grant to the County Executive and County Council of Baltimore County for the acquisition, planning, design, repair, renovation, reconstruction, and capital equipping of the Perry Hall Mansion located at 3930 Perry Hall Road; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; requiring the grantee to grant and convey a specified easement; etc.

EFFECTIVE JUNE 1, 2001

Senator Bromwell

SB 527 Creation of a State Debt -- St. Mary's County -- St. Clement's Island Lighthouse Memorial

Authorizing the creation of a State Debt not to exceed \$50,000, the proceeds to be used as a grant to the Board of Directors of St. Clement's Hundred, Inc. for the planning, design, and construction of a memorial structure that replicates the outline of the former St. Clement's Island Lighthouse in size and shape, to be located near the original site at St. Clement's Island State Park; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Dyson

SB 532 Creation of State Debt -- Southern Maryland Regional Strategy--Action Plan for Agriculture

Authorizing the creation of a State Debt to be issued each year for 6 years beginning in 2003, the proceeds to be used as a grant to the Tri--County Council for Southern Maryland to assist in the implementation of the Southern Maryland Regional Strategy--Action Plan for Agriculture adopted by the Tri--County Council for Southern Maryland; providing for disbursement of the loan proceeds; etc.

VARIOUS EFFECTIVE DATES

Senator Miller and the President (Administration), et al

SB 549 Creation of a State Debt -- Baltimore City -- Ivy Family Support Center

Authorizing the creation of a State Debt not to exceed \$225,000, the proceeds to be used as a grant to the Board of Directors of the Epsilon Omega Foundation, Inc. for the planning, design, construction, renovation, and capital equipping of the Ivy Family Support Center, to be located at 3515 Dolfield Avenue in Baltimore; providing for disbursement of the loan proceeds; etc.

EFFECTIVE JUNE 1, 2001

Senator Blount, et al

SB 550 Creation of a State Debt -- Outward Bound Leakin Park Project

Authorizing the creation of a State Debt not to exceed \$500,000, the proceeds to be used as a grant to the Board of Directors of Hurricane Island Outward Bound School, Inc. for the planning, design, and construction of a new building to be used for offices and meeting space and for the repair, renovation, reconstruction, and capital equipping of various existing buildings, and for repaving the road and improving parking areas and grounds at the Leakin Park facility located at 1900 Eagle Drive in Baltimore; etc.

EFFECTIVE JUNE 1, 2001

Senator Blount, et al

SB 558 Creation of a State Debt -- Talbot County -- Oxford Community Services Building

Authorizing the creation of a State Debt not to exceed \$150,000, the proceeds to be used as a grant to the Board of Commissioners of the Town of Oxford for the planning, design, reconstruction, repair, renovation, and capital equipping of, and addition to, a building located at 100 North Morris Street for the Oxford Community Services Building; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Colburn

SB 573 Creation of a State Debt -- Lions Camp Merrick

Authorizing the creation of a State Debt not to exceed \$150,000, the proceeds to be used as a grant to the Board of Directors of Lions Camp Merrick, Inc. for the planning, design, construction, and capital equipping of Lions Camp Merrick, located in Nanjemoy, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Middleton

SB 574 Creation of a State Debt -- Charles County -- Henry E. Lackey High School Swimming Pool Complex

Authorizing the creation of a State Debt not to exceed \$900,000, the proceeds to be used as a grant to the Board of County Commissioners of Charles County for the planning, design, construction, and capital equipping of a swimming pool and related facilities, to be located adjacent to Henry E. Lackey High School at 3000 Chicamuxen Road in Indian Head; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Middleton

SB 584 Creation of a State Debt -- Calvert County -- Community Learning Center

Authorizing the creation of a State Debt not to exceed \$400,000, the proceeds to be used as a grant to the Board of County Commissioners of Calvert County for the planning, design, and construction of a community learning center on Duke Street in Prince Frederick; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senators Miller and Dyson

SB 597 Creation of a State Debt -- Prince George's County -- Fort Washington and Fort Foote Parks

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the National Park Service for the restoration, renovation, and capital equipping of Fort Washington and Fort Foote Park and related facilities, located in Prince George's County; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Senator Lawlah

SB 611 Creation of a State Debt -- Montgomery County -- Wheaton Multi--Service Youth Facility

Authorizing the creation of a State Debt not to exceed \$500,000, the proceeds to be used as a grant to the Board of Directors of Victory Youth Center, Inc. for the planning, design, and demolition of existing buildings and related site work and the development, construction, and capital equipping of a multi--service youth facility to be located in Wheaton; providing for disbursement of the loan proceeds, subject to a matching fund requirement; etc.

EFFECTIVE JUNE 1, 2001

Senator Van Hollen, et al

SB 623 Creation of a State Debt -- Baltimore City -- Pimlico Road Arts and Community Center

Authorizing the creation of a State Debt not to exceed \$750,000, the proceeds to be used as a grant to the Board of Directors of Holy Nativity and St. John's Development Corporation for the acquisition of the property located at 4403 Pimlico Road in Baltimore, and for the design and construction of a facility to provide community activities, programs, and functions; requiring the grantee to provide and expend a matching fund; and prohibiting the use of the proceeds of the sale of the bonds and the matching fund for religious purposes.

EFFECTIVE JUNE 1, 2001

Senator Hughes

SB 685 Prince George's County -- Laurel Regional Hospital Loan of 1999

Extending the date, in Chapter 249 of the Acts of the General Assembly of 1999, the Prince George's County -- Laurel Regional Hospital Loan of 1999, by which the grantee is required to provide and expend a matching fund to June 1, 2003.

EFFECTIVE JUNE 1, 2001

Senators Dorman and Madden

SB 712 Creation of a State Debt -- Montgomery County -- BlackRock Center for the Arts

Authorizing the creation of a State Debt not to exceed \$350,000, with a matching fund requirement, the proceeds to be used as a grant to the Board of Trustees of the BlackRock Center for the Arts, Inc. for the planning, design, and construction of, and for the provision of capital equipment for, a multiarts facility, in which there will be community programs in the performing arts, visual arts, and arts education, to be located in the 19700 block of Germantown Road in Germantown; etc.

EFFECTIVE JUNE 1, 2001

Senators Hogan and Roesser

SB 723 Prince George's County -- Technology Training Center Loan of 1999

Altering the description of the location of the project in Chapter 270 of the Acts of the General Assembly of 1999, Prince George's County -- Technology Training Center Loan of 1999, to be Prince George's County; altering the matching fund requirement to allow the grantee to provide a matching fund that consists of real property; altering the date by which the grantee is required to provide and expend the matching fund from June 1, 2001, to June 1, 2002; etc.

EFFECTIVE JUNE 1, 2001

Senator Exum

- SB 726 Creation of a State Debt -- Anne Arundel County -- Arundel Lodge**
Authorizing the creation of a State Debt not to exceed \$240,000, the proceeds to be used as a grant to the Board of Directors of Arundel Lodge for the acquisition of a new building, together with any necessary improvements, to be used as a facility for day programs of Arundel Lodge, subject to a matching fund requirement; etc.
EFFECTIVE JUNE 1, 2001
Senator Astle
- SB 739 Creation of a State Debt -- Washington County -- Hagerstown Arts and Entertainment District**
Authorizing the creation of a State Debt not to exceed \$235,000, the proceeds to be used as a grant to the Mayor and City Council of the City of Hagerstown for the planning, design, construction, renovation, and capital equipping of public facilities, located within the Arts and Entertainment District in the area adjacent to the first block of Potomac Street in Hagerstown; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Senators Munson and Mooney
- SB 741 Creation of a State Debt -- The Peabody Institute of The Johns Hopkins University**
Authorizing the creation of a State Debt not to exceed \$3,000,000, the proceeds to be used as a grant to The Peabody Institute of The Johns Hopkins University for the planning, design, construction, repair, restoration, renovation, reconstruction, and capital equipping of the main academic buildings; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Senator Blount, et al
- SB 813 Prince George's County -- New Chapel Baptist Church Community Center Loan of 1999**
Extending the date by which the grantee in Chapter 182 of the Acts of the General Assembly of 1999, Prince George's County -- New Chapel Baptist Church Community Center Loan of 1999, must provide and expend a matching fund from June 1, 2001, to June 1, 2002; and generally relating to the Prince George's County -- New Chapel Baptist Church Community Center Loan of 1999.
EFFECT JUNE 1, 2001
Senator Lawlah
- SB 814 Creation of a State Debt -- Prince George's County -- National Philippine Cultural Center**
Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of the National Philippine Cultural Center for the acquisition, planning, design, construction, and capital equipping of a facility for the National Philippine Cultural Center in Prince George's County; etc.
EFFECTIVE JUNE 1, 2001
Senator Lawlah
- SB 825 St. Mary's County -- The Sotterley Plantation Loan of 1997**
Altering the matching fund provision in Chapter 207 of the Acts of the General Assembly of 1997, St. Mary's County -- The Sotterley Plantation Loan of 1997, to repeal the requirement that the Board of Public Works distribute the matching fund in two installments within a specified time period; etc.
EFFECTIVE JUNE 1, 2001
Senator Dyson
- SB 829 Creation of a State Debt -- Anne Arundel County -- Historic London Town Visitors Center and Museum**

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of the London Town Foundation, Inc. for the planning, design, construction, and capital equipping of a visitors center and museum at Historic London Town and Gardens at 839 Londontown Road in Edgewater; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Anne Arundel County Senators

SB 866 Creation of a State Debt -- Calvert County -- Chesapeake Beach Railway Trail

Authorizing the creation of a State Debt in the amount of \$250,000, the proceeds to be used as a grant to the Mayor and Town Council of the Town of Chesapeake Beach for the planning, design, and construction of facilities for the Chesapeake Beach Railway Trail, a recreational trail that will include paved trails, timber walkways, and bridges; etc.

EFFECTIVE JUNE 1, 2001

Senator Miller

SB 870 Anne Arundel County -- Maryland Hall for the Creative Arts Loan of 1999

Altering the date by which the grantee in Chapter 213 of the Acts of the General Assembly of 1999, Anne Arundel County -- Maryland Hall for the Creative Arts Loan of 1999, is required to provide and expend a matching fund from June 1, 2001, to June 1, 2003; etc.

EFFECTIVE JUNE 1, 2001

Senator Astle

SB 871 Creation of a State Debt -- Prince George's County -- Multiplex Recreational and Community Development Center

Authorizing the creation of a State Debt not to exceed \$140,000, the proceeds to be used as a grant to the Board of Directors of The Believers Worship Center, Inc. for the planning, design, construction, repair, renovation, reconstruction, and capital equipping of a facility located in Capital Heights, to be used as a recreational and community development center; prohibiting the use of the proceeds of the sale of the bonds and the matching fund for sectarian religious purposes; providing for a matching fund requirement; etc.

EFFECTIVE JUNE 1, 2001

Senator Currie

HB 52 Creation of a State Debt -- The Johns Hopkins Bayview Medical Center

Authorizing the creation of a State Debt not to exceed \$500,000, the proceeds to be used as a grant to the Board of Directors of The Johns Hopkins Bayview Medical Center for the planning, design, renovation, repair, construction, and capital equipping of the emergency room of The Johns Hopkins Bayview Medical Center, to be located at 4940 Eastern Avenue in Baltimore City; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Hammen, et al

HB 136 Creation of a State Debt -- Baltimore City -- Concord Apartments

Authorizing the creation of a State Debt not to exceed \$750,000, the proceeds to be used as a grant to the Board of Directors of the Concord Apartments, Inc. for the repair, renovation, and reconstruction of an apartment building in Baltimore City for seniors and disabled persons; prohibiting the use of the proceeds of the sale of the bonds and the matching fund for sectarian religious purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Rosenberg, et al

HB 150 Budget Bill (Fiscal Year 2002)

Making the proposed appropriations contained in the State Budget for the fiscal year ending June 30, 2002, in accordance with Article III, Section 52 of the Maryland Constitution; etc.

The Speaker (Administration)

HB 161 Montgomery County -- Long Branch Community Facilities Loan of 1999

Changing the name of the project, the grantee, and the purpose and altering the date by which the grantee is required to provide a matching fund from June 1, 2001, to June 1, 2003, pursuant to Chapter 233 of the Acts of the General Assembly of 1999, Montgomery County -- Long Branch Community Center Loan of 1999; etc.

EFFECTIVE JUNE 1, 2001

Delegates Hixson and Franchot

HB 166 Creation of a State Debt -- Montgomery County -- National Capital Trolley Museum

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of the National Capital Historical Museum of Transportation, Inc. for the repair, renovation, rehabilitation, expansion, and capital equipping of a building at the site of the National Capital Trolley Museum in Montgomery County and for the laying of track to serve the building; requiring the grantee to provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Petzold, et al

HB 174 Creation of a State Debt -- Good Samaritan Hospital of Maryland Good Health Center

Authorizing the creation of a State Debt not to exceed \$500,000, the proceeds to be used as a grant to the Board of Directors of Good Samaritan Hospital of Maryland, Inc. for the planning, design, construction, and capital equipping of the Good Health Center at Good Samaritan Hospital of Maryland; prohibiting the use of the proceeds of the sale of the bonds and the matching fund for religious purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Montague, et al

HB 178 Creation of a State Debt -- Anne Arundel County -- Galesville Heritage Society Museum

Authorizing the creation of a State Debt not to exceed \$175,000, the proceeds to be used as a grant to the Board of Directors of the Galesville Heritage Society, Inc. for the acquisition of the Carrie Weedon House and the adjacent lot and for the construction of parking facilities and handicapped--accessible facilities for the Galesville Heritage Society Museum, to be located at 988 Main Street in Galesville; requiring the grantee to grant and convey a historic easement to the Maryland Historical Trust; etc.

EFFECTIVE JUNE 1, 2001

Delegate Clagett, et al

HB 195 Baltimore City -- Goodwill Industries Loan of 2000

Altering the matching fund provision of Chapter 348 of the Acts of the General Assembly of 2000, the Baltimore City -- Goodwill Industries Loan of 2000, to permit the use of funds expended prior to June 1, 2000, as part of the matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate V Jones

HB 197 Creation of a State Debt -- Baltimore County -- The Arrow Project

Authorizing the creation of a State Debt not to exceed \$250,000, the proceeds to be used as a grant to the Board of Directors of The Arrow Project, Inc. for the acquisition of a building, located at 1605 Cromwell

Bridge Road in Baltimore County, for The Arrow Project, an organization that provides diagnostic, educational, and placement services to children with special needs; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Klima, et al

HB 204 Creation of a State Debt -- Montgomery County -- Site for Electronic Media, Art, and Technology
Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of Pyramid Atlantic, Inc. for the acquisition, architectural and technical design, and renovation of a building that will house the Site for Electronic Media, Art, and Technology, as part of the downtown revitalization of Silver Spring; etc.

EFFECTIVE JUNE 1, 2001

Delegate Hixson, et al

HB 211 Creation of a State Debt -- Harford County -- Bel Air Community Center
Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Commissioners of the Town of Bel Air for the design of a multipurpose facility; providing for the disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; and providing generally for the issuance and sale of bonds evidencing the loan.

EFFECTIVE JUNE 1, 2001

Harford County Delegation

HB 216 Creation of a State Debt -- Harford County -- Havre de Grace Maritime Museum
Authorizing the creation of a State Debt not to exceed \$50,000, the proceeds to be used as a grant to the Board of Directors of Havre de Grace Maritime Museum, Inc. to complete construction of the new facility in Havre de Grace; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; and providing generally for the issuance and sale of bonds evidencing the loan.

EFFECTIVE JUNE 1, 2001

Harford County Delegation

HB 250 Creation of a State Debt -- Montgomery County -- Olney Boys and Girls Club Community Park
Authorizing the creation of a State Debt not to exceed \$75,000, the proceeds to be used as a grant to the Board of Directors of the Olney Boys and Girls Club for the planning, design, construction, repair, renovation, reconstruction, and capital equipping of the Olney Boys and Girls Club Community Park, a recreational facility for over 4,500 children who are members of the Olney Boys and Girls Club, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Heller, et al

HB 255 Creation of a State Debt -- Maryland Consolidated Capital Bond Loan of 2001 and the Maryland Consolidated Capital Bond Loans of 1997, 1998, 1999, and 2000
Authorizing the creation of a State Debt in the amount of \$470,231,000 for specified purposes; altering provisions of prior capital budgets; etc.

EFFECTIVE JUNE 1, 2001

The Speaker (Administration)

HB 259 Creation of a State Debt -- Prince George's County -- Bethel Recreation Center
Authorizing the creation of a State Debt not to exceed \$250,000, the proceeds to be used as a grant to the Board of Trustees of Union Bethel A.M.E. Church for the planning, design, construction, and capital equipping of the Bethel Recreation Center to use as a gymnasium, cafe and bookstore, and community

meeting area, to be located in Brandywine; etc.

EFFECTIVE JUNE 1, 2001

Delegates Vallario and Proctor

HB 273 Creation of a State Debt -- Prince George's County -- Southern Maryland Youth Camp

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of the Southern Maryland Youth Camp, Inc. for the planning, design, and construction of specified capital projects at the Southern Maryland Youth Camp in Cheltenham.

EFFECTIVE JUNE 1, 2001

Delegates Proctor and Vallario

HB 274 Creation of a State Debt -- Garrett County -- Courthouse

Authorizing the creation of a State Debt not to exceed \$300,000, the proceeds to be used as a grant to the Board of County Commissioners of Garrett County for the planning, design, repair, renovation, reconstruction, and capital equipping of the Garrett County Courthouse located in Oakland; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Edwards

HB 278 Baltimore County -- Westchester Community Center Loan of 1999

Removing the requirement in Chapter 230 of the Acts of the General Assembly of 1999, Baltimore County - Westchester Community Center Loan of 1999, that the grantee grant and convey a perpetual preservation easement to the Maryland Historical Trust; etc.

EMERGENCY BILL

Delegate Dewberry

HB 288 Creation of a State Debt -- Prince George's County -- Ebenezer Community Life Center

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of Ebenezer Community Development Corporation for the design, renovation, and capital equipping of two buildings, and the design, construction, and capital equipping of a new addition in Lanham; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Conroy, et al

HB 342 Creation of a State Debt -- Harford County -- Hosanna School

Authorizing the creation of a State Debt not to exceed \$186,000, the proceeds to be used as a grant to the Board of Commissioners of the Harford County Historic Preservation Commission for the planning, design, construction, reconstruction, and capital equipping of the Hosanna School, located in Berkley; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Harford County Delegation

HB 388 Creation of a State Debt -- Montgomery County -- Penn Place

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Mayor and City Council of Garrett Park for the repair, renovation, reconstruction, and capital equipping of Penn Place in Garrett Park; requiring that the grantee provide and expend a matching fund; requiring the grantee to grant and convey an easement to the Maryland Historical Trust; etc.

EFFECTIVE JUNE 1, 2001

Delegate Barve, et al

- HB 400 Creation of a State Debt -- Montgomery County -- Mental Health Association of Montgomery County**
Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of the Mental Health Association of Montgomery County, Inc. for the repair and renovation of the heating and air conditioning system, roof replacement, and upgrade of handicapped access to the mental health facility on Twinbrook Parkway in Rockville; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Delegate Kagan, et al
- HB 410 Creation of a State Debt -- Montgomery County -- Gaithersburg Youth Center**
Authorizing the creation of a State Debt not to exceed \$250,000, the proceeds to be used as a grant to the Mayor and City Council of the City of Gaithersburg for the planning, design, construction, and capital equipping of a building for the Gaithersburg Youth Center, to be located at 801 Rabbitt Road in Gaithersburg; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Delegate Kagan, et al
- HB 456 Creation of a State Debt -- Baltimore City -- Deaton Specialty Hospital and Home**
Authorizing the creation of a State Debt not to exceed \$130,000, the proceeds to be used as a grant to the Board of Directors of Deaton Specialty Hospital and Home for the planning, design, repair, renovation, construction, and capital equipping of the chronic inpatient ventilator services at Deaton Specialty Hospital and Home, located at 601 South Charles Street in Baltimore; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Delegate McHale, et al
- HB 466 Creation of a State Debt -- Queen Anne's County -- Cray House**
Authorizing the creation of a State Debt in the amount of \$100,000, the proceeds to be used as a grant to the Board of Directors of The Kent Island Heritage Society, Inc. for the renovation and reconstruction of the historic Cray House on Cockey's Lane in Stevensville, to be preserved and used for museum and educational purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Delegate W Baker, et al
- HB 467 Creation of a State Debt -- Caroline County -- Adkins Arboretum**
Authorizing the creation of a State Debt not to exceed \$300,000, the proceeds to be used as a grant to the Board of Trustees of Adkins Arboretum, Ltd. for the planning, construction, replanting, restoration, and expansion of Adkins Arboretum, Maryland's only State--owned arboretum dedicated to the conservation of the native flora of the region; etc.
EFFECTIVE JUNE 1, 2001
Delegate W Baker, et al
- HB 468 Queen Anne's County -- Horsehead Education Center Loan of 1999**
Altering the date by which the grantee is required to provide and expend a matching fund in Chapter 222 of the Acts of the General Assembly of 1999, the Queen Anne's County -- Horsehead Education Center Loan of 1999, from June 1, 2001, to June 1, 2003.
EFFECTIVE JUNE 1, 2001

Delegate W Baker

- HB 478 Creation of a State Debt -- Calvert County -- Twin Beach Community Health Center**
Authorizing the creation of a State Debt in the amount of \$150,000, the proceeds to be used as a grant to the Mayor and City Council of the Town of North Beach for the construction of a free/low cost primary care and preventive services medical center located in the North Beach/Chesapeake Beach area; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Delegate Owings
- HB 496 Creation of a State Debt -- Worcester County -- Worcester County Development Center**
Authorizing the creation of a State Debt not to exceed \$300,000, the proceeds to be used as a grant to the Board of County Commissioners of Worcester County for the planning, design, construction, and capital equipping of a new building in Berlin, for the Worcester County Development Center; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Delegate Bozman, et al
- HB 498 Creation of a State Debt -- Anne Arundel County -- Annapolis Maritime Museum**
Authorizing the creation of a State Debt not to exceed \$150,000, the proceeds to be used as a grant to the Board of Directors of Annapolis Maritime Museum, Inc. and the City of Annapolis for the planning, design, repair, renovation, reconstruction, and capital equipping of two buildings, located at 723 Second Street and 133 Bay Shore Drive in Annapolis, for use as a museum that will document, preserve, and interpret the maritime history of the greater Annapolis area; etc.
EFFECTIVE JUNE 1, 2001
Delegate Busch, et al
- HB 524 Creation of a State Debt -- Baltimore Symphony Orchestra -- Joseph Meyerhoff Symphony Hall**
Authorizing the creation of a State Debt not to exceed \$500,000, the proceeds to be used as a grant to the Board of Directors of the Baltimore Symphony Orchestra, Inc. for the planning, design, renovation, repair, and capital equipping and furnishing of the Joseph Meyerhoff Symphony Hall; etc.
EFFECTIVE JUNE 1, 2001
Delegate Dewberry
- HB 526 Creation of a State Debt -- Worcester County -- Mid--Delmarva Family YMCA**
Authorizing the creation of a State Debt not to exceed \$375,000, the proceeds to be used as a grant to the Board of Directors of the Mid--Delmarva Family YMCA, Inc., for development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; prohibiting the use of the proceeds of the sale of the bonds and the matching fund for sectarian religious purposes; and providing generally for the issuance and sale of bonds evidencing the loan.
EFFECTIVE JUNE 1, 2001
Delegate Bozman, et al
- HB 528 Creation of a State Debt -- Anne Arundel County -- The Salvation Army Centennial Wing**
Authorizing the creation of a State Debt not to exceed \$75,000, the proceeds to be used as a grant to the Board of Trustees of the Salvation Army, Inc. for the renovation of the facility at 351 Hilltop Lane in Annapolis and the addition of a new wing to allow for additional programs for children, the elderly, and families in need; providing for disbursement of the loan proceeds, subject to a requirement that the grantee

provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Love

HB 552 Creation of a State Debt -- Caroline County -- The Benedictine School

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of Benedictine Programs and Services, Inc. for the acquisition of land for the construction of a new group home for, and for the relocation, renovation, repair, reconstruction, and capital equipping of existing facilities at, the Benedictine School; prohibiting the use of the State funds and the matching fund for religious purposes; requiring that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Walkup, et al

HB 566 Creation of a State Debt -- Kent County -- Echo Hill Outdoor School Improvements

Authorizing the creation of a State Debt in the amount of \$300,000, the proceeds to be used as a grant to the Board of Directors of Echo Hill Outdoor School, Inc. for the construction of an addition to Harris Hall, construction and capital equipping of an agricultural demonstration area including a barn, renovation of staff housing facilities, and renovation of nature preserve facilities; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Walkup, et al

HB 582 Creation of a State Debt -- Washington County -- American Red Cross

Authorizing the creation of a State Debt not to exceed \$300,000, the proceeds to be used as a grant to the Board of Directors of the Washington County MD Chapter American National Red Cross for the acquisition of land, and the planning, design, construction, and capital equipping of a new building, for the Washington County Chapter of the American Red Cross, to be located in Washington County; providing for disbursement of the loan proceeds, subject to a matching fund requirement; etc.

EFFECTIVE JUNE 1, 2001

Washington County Delegation

HB 593 Creation of a State Debt -- Baltimore City -- Forest Park Clubhouse

Authorizing the creation of a State Debt not to exceed \$500,000, the proceeds to be used as a grant to the Board of Directors of the Baltimore Municipal Golf Corporation for the design, construction, and capital equipping of a new clubhouse at the Forest Park Municipal Golf Course; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; and providing generally for the issuance and sale of bonds evidencing the loan.

EFFECTIVE JUNE 1, 2001

Delegate Gladden, et al

HB 600 Creation of a State Debt -- Montgomery County -- Sandy Spring Slave Museum and African Art Gallery

Authorizing the creation of a State Debt not to exceed \$75,000, the proceeds to be used as a grant to the Board of Directors of Sandy Spring Slave Museum and African Art Gallery Inc., for the construction and capital equipping of a building to house a museum and art gallery located in Sandy Spring; etc.

EFFECTIVE JUNE 1, 2001

Delegate Sher, et al

HB 605 Creation of a State Debt -- Calvert County -- The Boys and Girls Clubs of Southern Maryland

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of The Boys and Girls Clubs of Southern Maryland, Inc. for the planning, design,

construction, reconstruction, and capital equipping of a building in Calvert County to house a Boys and Girls Club; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; and providing generally for the issuance and sale of bonds evidencing the loan.

EFFECTIVE JUNE 1, 2001
Calvert County Delegation

HB 618 Creation of a State Debt -- Washington County Health System -- Walnut Street Community Health Center

Authorizing the creation of a State Debt not to exceed \$470,000, the proceeds to be used as a grant to the Board of Directors of Washington County Health System, Inc. for the planning, design, renovation, repair, construction, and capital equipping of Phase II of the Walnut Street Community Health Center in Hagerstown; etc.

EFFECTIVE JUNE 1, 2001
Delegate Donoghue, et al

HB 620 Creation of a State Debt -- Prince George's County -- Hyattsville Municipal Annex

Authorizing the creation of a State Debt not to exceed \$400,000, the proceeds to be used as a grant to the Mayor and City Council of the City of Hyattsville for the planning, design, repair, renovation, reconstruction, and capital equipping of a building located at 4318 Gallatin Street in Hyattsville for use as a municipal annex; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001
Delegate Healey, et al

HB 621 Creation of a State Debt -- Montgomery County -- Round House Theatre

Authorizing the creation of a State Debt not to exceed \$800,000, the proceeds to be used as a grant to the Board of Directors of Round House Theatre, Inc. for the design, construction, and capital equipping of the interior of 7501 Wisconsin Avenue in Bethesda, including, but not limited to, construction and installation of a lighting and sound system, stage, box office, concession area, and dressing area; providing for disbursement of the loan proceeds, subject to a matching fund requirement; etc.

EFFECTIVE JUNE 1, 2001
Delegate Kopp, et al

HB 692 Creation of a State Debt -- Wicomico County -- Salisbury Rotary Scout and Community Center

Authorizing the creation of a State Debt not to exceed \$350,000, the proceeds to be used as a grant to the Board of Trustees of the Rotary Club of Salisbury Foundation, Inc. for the construction and capital equipping of a scouting and community center facility located at 1715 Riverside Drive in Salisbury to be built around the commemorative fireplace and chimney of the original district scout center structure; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001
Delegate Conway, et al

HB 694 Creation of a State Debt -- Charles County -- Boys and Girls Clubs of Southern Maryland

Authorizing the creation of a State Debt not to exceed \$50,000, the proceeds to be used as a grant to the Board of Directors of The Boys and Girls Clubs of Southern Maryland, Inc. for the acquisition, planning, design, construction, reconstruction, and capital equipping of a site in Charles County to house a Boys and Girls Club; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Charles County Delegation

- HB 730 Creation of a State Debt -- Montgomery County -- CASA of Maryland Employment and Training Center**
Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the County Executive and County Council of Montgomery County for the expansion, renovation, and capital equipping of the CASA of Maryland East Silver Spring Employment and Training Center located in Silver Spring, including construction of new classrooms, interview rooms, multipurpose rooms, and handicap accessibility renovations to restrooms; providing for disbursement of the loan proceeds; etc.
EFFECTIVE JUNE 1, 2001
Delegate Hixson, et al
- HB 756 Creation of a State Debt -- Prince George's County -- Palmer Park Boys and Girls Club**
Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of the Palmer Park Boys and Girls Club, Inc. for the planning, design, repair, renovation, and capital equipping of a facility at Barlowe Road in Palmer Park to house the Palmer Park Boys and Girls Club; providing for the disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; and providing generally for the issuance and sale of bonds evidencing the loan.
EFFECTIVE JUNE 1, 2001
Delegate Howard, et al
- HB 759 Creation of a State Debt -- Anne Arundel County -- Broadneck Recreational Complex**
Authorizing the creation of a State Debt not to exceed \$250,000, the proceeds to be used as a grant to the County Executive and County Council of Anne Arundel County for the planning, design, construction, and capital equipping of the Broadneck Recreational Complex and related facilities and parking, to be located in Broadneck Park in Anne Arundel County; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.
EFFECTIVE JUNE 1, 2001
Delegate Busch, et al
- HB 760 Creation of a State Debt -- Somerset County -- Teackle Mansion and Sarah Martin Done House**
Authorizing the creation of a State Debt not to exceed \$235,000, the proceeds to be used as a grant to the Board of Trustees of the Somerset County Historical Society, Inc. for the acquisition of the Sarah Martin Done House and for the repair, renovation, reconstruction, and capital equipping of Teackle Mansion and the Sarah Martin Done House in Princess Anne; requiring the grantee to grant and convey a certain easement to the Maryland Historical Trust, subject to a matching fund requirement; etc.
EFFECTIVE JUNE 1, 2001
Delegate McClenahan, et al
- HB 761 Garrett County -- Town of Oakland -- B&O Railroad Station Loan of 1999**
Altering the purpose of the project in Chapter 296 of the Acts of the General Assembly of 1999, Garrett County -- Town of Oakland -- B&O Railroad Station Loan of 1999, to include repair, renovation, reconstruction, and capital equipping; altering the deadline of the matching fund provision; etc.
EFFECTIVE JUNE 1, 2001
Delegate Edwards
- HB 762 Creation of a State Debt -- Worcester County -- The Mar--Va Theater**
Authorizing the creation of a State Debt not to exceed \$50,000, the proceeds to be used as a grant to the Board of Directors of The Mar--Va Theater Performing Arts Center, Inc. for the repair, renovation, reconstruction, and capital equipping of the historic performing arts and film theater in downtown

Pocomoke City; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Bozman, et al

HB 789 Creation of a State Debt -- Baltimore City -- Theodore Roosevelt Recreation Center

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Mayor and City Council of Baltimore City for the planning, design, repair, renovation, reconstruction, and capital equipping of the Theodore Roosevelt Recreation Center in Baltimore City; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; requiring the grantee to grant and convey a specified easement to the Maryland Historical Trust; etc.

EFFECTIVE JUNE 1, 2001

Delegate Campbell, et al

HB 792 Creation of a State Debt -- Frederick County -- House Hospice

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of Hospice of Frederick County, Inc. for the planning, design, construction, and capital equipping of House Hospice, located at 7300 Kimmel Road in Mt. Airy; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Frederick County Delegation

HB 794 Creation of a State Debt -- Maryland School for the Blind Emergency Panic Alarm System

Authorizing the creation of a State Debt not to exceed \$75,000, the proceeds to be used as a grant to the Board of Directors of the Maryland School for the Blind, Inc. for the planning and design of Americans with Disabilities Act accessibility improvements and for the installation of fire alarm upgrades; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Klausmeier, et al

HB 811 Creation of a State Debt -- Talbot County -- Chesapeake Bay Maritime Museum

Authorizing the creation of a State Debt not to exceed \$300,000, the proceeds to be used as a grant to the Board of Governors of the Chesapeake Bay Maritime Museum, Inc. for the planning, design, construction, and capital equipping of new buildings, and for the repair, renovation, and reconstruction of existing facilities and exhibits, including Marine Railway and Vessels, at the Chesapeake Bay Maritime Museum in Talbot County, subject to a matching fund requirement; etc.

EFFECTIVE JUNE 1, 2001

Delegates Schisler and Eckardt

HB 867 Creation of a State Debt -- Montgomery County -- The Boys and Girls Clubs of Greater Washington

Authorizing the creation of a State Debt not to exceed \$500,000, the proceeds to be used as a grant to The Board of Directors of The Boys and Girls Clubs of Greater Washington, Inc. for the planning, design, construction, reconstruction, and capital equipping of a site in the Germantown area to house a Boys and Girls Club, subject to a matching fund requirement; etc.

EFFECTIVE JUNE 1, 2001

Delegate Shriver, et al

HB 877 Frederick County -- Lamar Sanitarium Historic Museum Loan of 1999

Amending Chapter 225 of the Acts of the General Assembly of 1999, the Frederick County -- Lamar Sanitarium Historic Museum Loan of 1999, to allow the grantee to provide a matching fund consisting of

funds expended prior to June 1, 1999.

EFFECTIVE JUNE 1, 2001

Delegate Snodgrass, et al

HB 972 Prince George's County -- Laurel Regional Hospital Loan of 1999

Extending the date, in Chapter 249 of the Acts of the General Assembly of 1999, the Prince George's County -- Laurel Regional Hospital Loan of 1999, by which the grantee is required to provide and expend a matching fund to June 1, 2003.

EFFECTIVE JUNE 1, 2001

Delegate Frush, et al

HB 974 Creation of a State Debt -- Allegany County -- Court House Annex

Authorizing the creation of a State Debt not to exceed \$400,000, the proceeds to be used as a grant to the Board of County Commissioners of Allegany County for the planning, design, repair, renovation, reconstruction, and capital equipping of the jail adjacent to the Court House in Cumberland, for use as an annex to the Court House; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Allegany County Delegation

HB 981 Creation of a State Debt -- Frederick County -- American Red Cross

Authorizing the creation of a State Debt not to exceed \$150,000, the proceeds to be used as a grant to the Board of Directors of the Frederick County Chapter of the American Red Cross for the acquisition, repair, renovation, reconstruction, and capital equipping of the headquarters of the Frederick County Chapter of the American Red Cross, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Frederick County Delegation

HB 982 Creation of a State Debt -- Frederick County -- Weinberg Center for the Arts

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Mayor and Board of Aldermen of the City of Frederick for the construction, renovation, repair, reconstruction, and capital equipping of a facility located in Frederick, for the Weinberg Center for the Arts, subject to a requirement that the grantee provide and expend a matching fund; providing that the grantee must grant and convey a preservation covenant to the Maryland Historical Trust; etc.

EFFECTIVE JUNE 1, 2001

Frederick County Delegation

HB 1011 Creation of a State Debt -- Carroll County -- Arts Council Theater Rehabilitation

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of the Carroll County Arts Council, Inc. for the repair, renovation, reconstruction, and capital equipping of the theater at 91 W. Main Street in Westminster, to be used as a community arts center, including a live performance and movie theater, classrooms, and office space for the Carroll County Arts Council; providing for disbursement of the loan proceeds, subject to a matching fund requirement; etc.

EFFECTIVE JUNE 1, 2001

Carroll County Delegation

HB 1012 Creation of a State Debt -- Carroll County -- The Historical Society of Carroll County

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of The Historical Society of Carroll County for the planning, design, repair, renovation, reconstruction, and capital equipping of the two historic properties adjacent to the Society's existing facility at 210 East Main Street in Westminster, to provide additional space for educational programs, a research

library, collections storage, offices, and workspace; etc.

EFFECTIVE JUNE 1, 2001

Carroll County Delegation

HB 1016 Creation of a State Debt -- Baltimore City -- Marvellous Works Outreach Center

Authorizing the creation of a State Debt not to exceed \$300,000, the proceeds to be used as a grant to the Board of Directors of Marvellous Works Outreach Center, Inc. for the demolition of buildings at 2657, 2659, and 2661 West North Avenue and the planning, design, construction, and capital equipping of a new building for use as a community center to house adult day care, after school programs, and programs for transient population; requiring the grantee to provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Marriott

HB 1017 Creation of a State Debt -- Montgomery County -- Takoma Park Cooperative School

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of the Takoma Park Cooperative Nursery School, Inc. for the acquisition, repair, renovation, reconstruction, and capital equipping of a building, located at 8204 Flower Avenue in Takoma Park, for use as the Takoma Park Cooperative School; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegates Franchot and Hixson

HB 1019 Creation of a State Debt -- Montgomery and Prince George's Counties -- Boys' and Girls' Homes

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of Boys' and Girls' Homes and Community Services, Inc. for the repair, renovation, reconstruction, and capital equipping of seven group homes for boys and girls in Montgomery and Prince George's counties; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; requiring the grantee to grant and convey a specified easement; etc.

EFFECTIVE JUNE 1, 2001

Delegates Franchot and Hixson

HB 1023 Creation of a State Debt -- Cecil County -- The Hollingsworth House

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of The Historic Elk Landing Foundation, Inc. for the planning, design, repair, renovation, reconstruction, and capital equipping of The Hollingsworth House at Elk Landing, located in Elkton; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Guns, et al

HB 1028 Creation of a State Debt -- Mount St. Mary's College

Authorizing the creation of a State Debt not to exceed \$1,200,000, the proceeds to be used as a grant to Mount St. Mary's College for the planning, design, construction, repair, restoration, renovation, reconstruction, and capital equipping of Coad Science Building and Cogan Center; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; prohibiting the use of the proceeds of the sale of the bonds and the matching fund for sectarian religious purposes; etc.

EFFECTIVE JUNE 1, 2001

Delegate Hecht, et al

HB 1055 Creation of a State Debt -- Baltimore City -- New Shiloh Multipurpose Center

Authorizing the creation of a State Debt not to exceed \$1,000,000, the proceeds to be used as a grant to the Board of Directors of the New Shiloh Development Corporation, Inc. for the planning, design, repair, renovation, reconstruction, and capital equipping of an existing building for use as the New Shiloh Multipurpose Center, located at 2100 Monroe Street in Baltimore; prohibiting the use of the proceeds of the sale of the bonds and the matching fund for sectarian religious purposes; providing for disbursement of the loan proceeds; etc.

EFFECTIVE JUNE 1, 2001

Delegate Rawlings, et al

HB 1059 Prince George's County -- Technology Training Center Loan of 1999

Altering the description of the location of the project in Chapter 270 of the Acts of the General Assembly of 1999, Prince George's County -- Technology Training Center Loan of 1999, to be Prince George's County; altering the matching fund requirement to allow the grantee to provide a matching fund that consists of real property; altering the date by which the grantee is required to provide and expend the matching fund from June 1, 2001, to June 1, 2002; etc.

EFFECTIVE JUNE 1, 2001

Delegate Howard, et al

HB 1144 Carroll County Agricultural Center Loan of 1999

Altering the date by which the grantee in Chapter 581 of the Acts of the General Assembly of 1999, the Carroll County Agricultural Center Loan of 1999, must provide and expend a matching fund from June 1, 2001, to June 1, 2002.

EFFECTIVE JUNE 1, 2001

Carroll County Delegation

HB 1147 Creation of a State Debt -- Prince George's County -- Kairos Senior Citizens' Homes

Authorizing the creation of a State Debt not to exceed \$150,000, the proceeds to be used as a grant to the Board of Directors of the Kairos Development Corporation, Inc. for the acquisition, repair, renovation, reconstruction, and capital equipping of two adjacent homes in Camp Springs, for use as a senior citizens' home for men and a senior citizens' home for women; providing for disbursement of the loan proceeds; etc.

EFFECTIVE JUNE 1, 2001

Delegate Hill, et al

HB 1193 Creation of State Debt -- Southern Maryland Regional Strategy--Action Plan for Agriculture

Authorizing the creation of a State Debt to be issued each year for six years beginning in 2003, the proceeds to be used as a grant to the Tri--County Council for Southern Maryland to assist in the implementation of the Southern Maryland Regional Strategy--Action Plan for Agriculture adopted by the Tri--County Council for Southern Maryland; providing for disbursement of the loan proceeds; etc.

VARIOUS EFFECTIVE DATES

The Speaker (Administration)

HB 1198 Creation of a State Debt -- Charles County -- Old Waldorf School Community Center and Head Start Facility

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Board of Directors of the Friends of Old Waldorf School Foundation, Inc. for the repair, renovation, reconstruction, and capital equipping of the Old Waldorf School for use as a community center and Head Start facility; requiring the grantee to provide a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Charles County Delegation

HB 1263 Academic Facilities Bonding Authority

Increasing to \$875,000,000, the bonding authority for the University System of Maryland and approving issuance of bonds for specified projects for the System.

EFFECTIVE JULY 1, 2001

Chairman APP (Dept)

HB 1282 Creation of a State Debt -- Baltimore City -- East Baltimore Community Recreation and Learning Center

Authorizing the creation of a State Debt not to exceed \$500,000, the proceeds to be used as a grant to the Mayor and City Council of Baltimore for the acquisition, planning, design, and construction of a facility located in Baltimore, to be used as a community recreation and learning center; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Branch, et al

HB 1286 Creation of a State Debt -- Baltimore City -- Delta Center

Authorizing the creation of a State Debt not to exceed \$225,000, the proceeds to be used as a grant to the Board of Directors of the Baltimore Delta Alumni Foundation, Inc. for the planning, design, repair, renovation, reconstruction, and capital equipping of a community outreach center, to be located at 2501 Springhill Avenue in Baltimore; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Marriott, et al

HB 1287 Creation of a State Debt -- Mercy Medical Center

Authorizing the creation of a State Debt not to exceed \$1,000,000, the proceeds to be used as a grant to the Board of Directors of Mercy Medical Center for the planning, design, construction, and capital equipping of a new facility to be used as the Center for Women's Health and Medicine, to be located on the campus of Mercy Medical Center in Baltimore, subject to a matching fund requirement; etc.

EFFECTIVE JUNE 1, 2001

Delegate V Jones, et al

HB 1293 Creation of a State Debt -- Montgomery County -- Bethesda Academy of Performing Arts

Authorizing the creation of a State Debt not to exceed \$150,000, the proceeds to be used as a grant to the Board of Directors of Bethesda Academy of Performing Arts, Inc. for the planning, design, construction, reconstruction, and capital equipping of the Imagination Stage and School of the Arts, subject to a requirement that the grantee provide and expend a matching fund; and providing generally for the issuance and sale of bonds evidencing the loan.

EFFECTIVE JUNE 1, 2001

Delegate Kopp, et al

HB 1294 Creation of a State Debt -- Prince George's County -- Lake Arbor Recreation Facility

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of the Lake Arbor Foundation, Inc. for the planning, design, repair, renovation, reconstruction, and capital equipping of the Lake Arbor Recreational Facility, located in Mitchellville; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Griffith, et al

HB 1296 Creation of a State Debt -- St. Mary's County -- Patuxent River Naval Air Museum and Visitors Center

Authorizing the creation of a State Debt not to exceed \$250,000, subject to a matching fund requirement, the proceeds to be used as a grant to the Board of County Commissioners of St. Mary's County for the planning, design, construction, renovation, reconstruction, and capital equipping of the buildings and permanent exhibits of the Patuxent River Naval Air Museum and Visitors Center, a multiphase project featuring interactive exhibits and hands--on learning experiences for young people; etc.

EFFECTIVE JUNE 1, 2001

St. Mary's County Delegation

HB 1306 St. Mary's County -- The Sotterley Plantation Loan of 1997

Altering the matching fund provision in Chapter 207 of the Acts of the General Assembly of 1997, St. Mary's County -- The Sotterley Plantation Loan of 1997, to repeal the requirement that the Board of Public Works distribute the matching fund in two installments within a specified time period; etc.

EFFECTIVE JUNE 1, 2001

St. Mary's County Delegation

HB 1320 Creation of a State Debt -- Baltimore City -- Eleanor E. Hooper Adult Day Care Center

Authorizing the creation of a State Debt not to exceed \$200,000, the proceeds to be used as a grant to the Mayor and the City Council of the City of Baltimore for the repair, renovation, reconstruction, and capital equipping of the historic casino building in Patterson Park, Baltimore City, to be used as an adult day care center; requiring the grantee to convey a specified easement to the Maryland Historical Trust; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate Dypski, et al

HB 1339 Anne Arundel County -- Maryland Hall for the Creative Arts Loan of 1999

Altering the date by which the grantee in Chapter 213 of the Acts of the General Assembly of 1999, Anne Arundel County -- Maryland Hall for the Creative Arts Loan of 1999, is required to provide and expend a matching fund from June 1, 2001, to June 1, 2003; etc.

EFFECTIVE JUNE 1, 2001

Delegate Love

HB 1366 Creation of a State Debt -- Prince George's County -- Kettering Largo Boys and Girls Club Storage Facility

Authorizing the creation of a State Debt not to exceed \$150,000, the proceeds to be used as a grant to the Board of Directors of Kettering Largo Boys & Girls Club for the planning, design, construction, and capital equipping of a storage facility for the Kettering Largo Boys & Girls Club; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; etc.

EFFECTIVE JUNE 1, 2001

Delegate D Davis, et al

HB 1395 General Construction Loan of 1987 -- Preservation Keep

Altering the use of the funds appropriated in the General Construction Loan of 1987 for Preservation Keep from construction to reconstruction, renovation, restoration, and capital equipping; etc.

EFFECTIVE JUNE 1, 2001

Delegate Clagett, et al

HB 1404 Creation of a State Debt -- Baltimore City -- The Saratoga Center

Authorizing the creation of a State Debt not to exceed \$100,000, the proceeds to be used as a grant to the Board of Directors of the CarSarCar Community Development Corporation for the planning, design, repair, renovation, reconstruction, and capital equipping of a building located at 1212 West Saratoga Street in

Baltimore, for The Saratoga Center; prohibiting the use of the proceeds of the bond sales and the matching fund for sectarian religious purposes; providing for disbursement of the loan proceeds; etc.

EFFECTIVE JUNE 1, 2001

Delegate Paige, et al

HB 1460 Baltimore City -- West Arlington Planetarium and Multipurpose Center Loan of 1999

Altering the date by which the grantee is required to provide and expend a matching fund in Chapter 292 of the Acts of the General Assembly of 1999, the Baltimore City -- West Arlington Planetarium and Multipurpose Center Loan of 1999, from June 1, 2001, to June 1, 2003.

EFFECTIVE JUNE 1, 2001

Delegate Gladden

Part B

Taxes

- SB 14 **Sales and Use Tax -- Exemptions -- Energy for Residential Condominiums**
Exempting from the sales and use tax the sale of electricity, steam, or artificial or natural gas for use in residential condominiums.
EFFECTIVE JULY 1, 2001
Senator Hoffman
- SB 18 **Recordation and Transfer Tax -- Transfer from Real Estate Enterprise to Limited Liability Company**
Altering exemptions from the recordation tax to provide for a separate exemption for instruments of writing that transfer title of real property from real estate enterprises to limited liability companies under specified circumstances; adding an exemption to the recordation tax and State and county transfer tax for instruments of writing that transfer title of real property from real estate enterprises to limited liability companies under specified circumstances; defining "real estate enterprise"; etc.
EFFECTIVE JULY 1, 2001
Senator Haines
- SB 37 **Property Tax -- Full Value Assessments**
Clarifying and correcting laws relating to the assessment and taxation of property as a result of the transition to full value assessments; correcting a limit on debt to reflect the changes in computation of assessments; altering information required to be included in assessment records; clarifying the authority of municipal governing bodies to set property tax rates; confirming the reassessment of land subject to forest conservation management agreements; and repealing obsolete provisions.
VARIOUS EFFECTIVE DATES
Chairman B&T (Dept)
- SB 95 **Cecil County -- Property Tax -- Payment in Lieu of Taxes -- Electricity Generation Facility**
Authorizing the governing body of Cecil County to enter into an agreement with the owner of a facility for the generation of electricity that locates in Cecil County for a negotiated payment by the owner in lieu of county property tax on the facility; providing that the real and personal property at a facility for the generation of electricity that locates in Cecil County is exempt from Cecil County property tax as specified in a payment in lieu of taxes agreement; etc.
EFFECTIVE JULY 1, 2001
Senator Baker
- SB 143 **Local Property Tax Credit -- County Income Tax Rate Increases**
Making a technical correction to a provision authorizing local governments to grant a local property tax credit to offset increases in local income tax revenues resulting from an increase in the county income tax rate above a specified rate, by changing a reference to the county income tax rate from 50\% to 2.6\% to account for the alteration of the computation of the county income tax; and making the Act an emergency measure.
EMERGENCY BILL
Senator Hoffman
- SB 148 **Credit for Long--Term Care Insurance Premiums**
Clarifying that the amount of the credit allowed against the State income tax for specified long--term care

insurance premiums paid by an individual for any taxable year may not exceed the State income tax for that taxable year and that any unused credit for a taxable year may not be carried over to any other taxable year; and applying the Act to tax years after 1999.

EFFECTIVE JULY 1, 2001

Senator Hoffman, et al

SB 166 Income Tax -- Earned Income Credit

Altering the percentage of the federal earned income credit used for determining the amount that an individual with one or more dependents may claim as a refundable credit; altering the calculation of the optional refundable county earned income credit; etc.

EFFECTIVE JULY 1, 2001

Senator Hoffman, et al

SB 191 Motor Homes and Travel Trailers -- Vehicle Excise Tax -- Definitions

Altering the definitions of "fair market value" and "total purchase price" to exclude from the computation of the vehicle excise tax imposed on a motor home or travel trailer the value of a motor home or travel trailer traded in as part of the consideration for the sale of the vehicles by a dealer licensed by the State, another state, or a foreign country; authorizing the Department of Business and Economic Development to implement a marketing and tourism plan to promote the use of motor homes and travel trailers; etc.

EFFECTIVE JULY 1, 2001

Senator Middleton, et al

SB 200 Transportation -- Distribution and Use of Revenues

Altering the distribution of specified sales and use tax revenues on short--term vehicle rentals to the Transportation Trust Fund for a specified period; requiring the Motor Vehicle Administration to deposit \$9 of each security interest filing fee into the Trust Fund; altering the distribution of specified penalties for termination or lapse of the required security for a vehicle; etc.

EFFECTIVE JANUARY 1, 2002

The President (Administration), et al

SB 224 Public Safety Officer Survivor Benefits -- Income Tax Subtraction Modification

Allowing an income tax subtraction modification for a death benefit paid from a pension system to the surviving spouse or other beneficiary of a law enforcement officer, as defined, or firefighter for a death arising out of or in the course of specified public safety employment; etc.

EFFECTIVE JULY 1, 2001

Senator Baker, et al

SB 232 Maryland Research and Development Tax Credit -- Addition Modification for Corporations

Providing an addition modification under the Maryland corporate income tax if a Maryland research and development tax credit is claimed; and applying the Act to tax years beginning after 1999.

EFFECTIVE JULY 1, 2001

Senators Hoffman and Hogan

SB 244 Inheritance Tax -- Corrective

Clarifying and correcting inheritance tax law provisions made obsolete by the exemption from the tax for a decedent's lineal relatives and siblings and the repeal of the lineal inheritance tax rate; clarifying the tax's applicability under specified circumstances when property passes to spouses as tenants by the entireties or an application to prepay the tax on a subsequent interest is filed; repealing an elective inheritance tax exemption for farmland passing to lineal relatives of a decedent; etc.

EFFECTIVE JULY 1, 2001

Senators Miller and Hoffman

- SB 251 Property Tax Credits -- Electricity Generation Facilities -- Effect on State Aid**
Providing that machinery and equipment used in the generation of electricity at specified facilities that are granted a specified tax credit may not be treated as taxable personal property for purposes of calculating the payment of specified State aid; and applying the Act to the calculation of State aid for fiscal years beginning on or after July 1, 2001.
EFFECTIVE JUNE 1, 2001
Senator Middleton
- SB 252 Sales and Use Tax -- Supplies Supporting Breast--Feeding**
Exempting from the sales and use tax the sale of tangible personal property that is manufactured for the purpose of initiating, supporting, or sustaining breast--feeding, including breast pumps, breast pump kits, nipple enhancers, breast shields, breast shells, supplemental nursing systems, softcup feeders, feeding tubes, breast milk storage bags, periodontal syringes, finger feeders, Haberman feeders, and purified lanolin.
EFFECTIVE JULY 1, 2001
Senator Forehand, et al
- SB 327 Tobacco Tax -- Purchase of Tax Stamps**
Increasing the discount rate of the purchase price of tobacco tax stamps offered by the State Comptroller to wholesalers from 0.82\% to 1.1\%; repealing provisions authorizing the State Comptroller to exempt specified persons from posting security for the tobacco tax under specified circumstances; etc.
EFFECTIVE JULY 1, 2001
Senator Hogan, et al
- SB 344 Income Tax -- Claims for Refunds**
Allowing a claim for refund or credit for overpayment of income tax attributable to a right to a reduction in a person's Maryland income tax that is established by a decision or by an appeal of a decision of an administrative board to be filed within 1 year after the date of a final decision of the board or court; and providing that specified claims for refund or credit for overpayment of income tax filed prior to July 1, 2001, may not be denied on the basis of late filing of the claim under specified circumstances.
EFFECTIVE JULY 1, 2001
Senator Mooney
- SB 386 Baltimore City -- Tax Sales -- Notice**
Adding a requirement for the collector of property tax in Baltimore City to publish a notice twice in a newspaper, once per week in alternate weeks, and to post the notice on the City's website 4 weeks prior to a tax sale of property at public auction.
EFFECTIVE JULY 1, 2001
Senator Hoffman
- SB 431 Partial--Year Property Taxation -- Newly Annexed Properties Within Municipal Corporations**
Authorizing municipal corporations to collect half--year, three quarter--year, and one quarter--year property taxes on properties newly annexed into a municipal corporation; providing that such action would not affect any county tax setoff; and providing that county billing and collection expenses associated with the collection of municipal property taxes under the Act would be payable by the affected municipal corporation.
EFFECTIVE JULY 1, 2001
Senator Middleton, et al
- SB 450 Baltimore City -- Hotel Room Tax -- Convention Center Promotion**
Extending the requirement through fiscal year 2007 that at least 40\% of the proceeds from the hotel room

tax imposed by Baltimore City be appropriated specifically for convention center marketing and promotion of tourism.

EFFECTIVE JULY 1, 2001

Senator McFadden (Baltimore City Administration), et al

SB 455 Critical Skills and Occupations -- Income Tax Credit for Individuals

Allowing an individual a State income tax credit for 30\% of up to \$5,000 paid by the individual during the taxable year for qualified tuition and related expenses for the individual or the individual's spouse or dependents, subject to specified limitations and conditions; etc.

EFFECTIVE JULY 1, 2001

Senator Hogan, et al

SB 456 Maryland Research and Development Tax Credit -- Maximum Approved Credit

Increasing the maximum amount of credits that the Department of Business and Economic Development may approve for a calendar year for one component of the Maryland Research and Development Tax Credit if the maximum amount under the other component exceeds the total credits applied for under the second component; and applying the Act to tax years after 1999.

EFFECTIVE JULY 1, 2001

Senator Hogan

SB 459 Income Tax -- Credit for Preservation and Conservation Easements

Allowing an individual a credit against the State income tax for the donation of a perpetual easement in land to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation for the purpose of preserving open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds, or historic properties, subject to specified limitations; allowing unused credit to be carried forward and used for 15 succeeding taxable years; etc.

EFFECTIVE JULY 1, 2001

Senator Middleton, et al

SB 523 Heritage Structure Rehabilitation Tax Credit

Providing that specified tax credits for certified heritage structure rehabilitations may be allocated in a specified manner among the partners, members, or shareholders of an entity; altering the definition of "certified heritage structure"; making the tax credits for certified heritage structure rehabilitations refundable under specified circumstances; repealing certified rehabilitation tax credits as to the financial institution franchise tax and the public service company franchise tax; etc.

EFFECTIVE JULY 1, 2001

Senators Middleton and Hoffman

SB 545 Harford County -- Municipal Property Tax -- Tax Credits for Members of Volunteer Fire Companies and Ambulance Companies

Authorizing the governing body of a municipal corporation in Harford County to grant a property tax credit against the municipal corporation property tax imposed on real property located within the municipal corporation's jurisdiction that is owned and occupied as the principal residence of an individual serving as a member of a volunteer fire or ambulance company or ladies' auxiliary of the volunteer companies; authorizing the municipal corporation to provide for specified provisions relating to the tax credit; etc.

EFFECTIVE JUNE 1, 2001

Harford County Senators

SB 613 Tax Credit for Employer--Established Paid Work--Based Learning Programs

Extending the termination date of a specified tax credit program for approved paid work--based learning programs for students; extending the deadline for a report by the State Department of Education concerning

the tax credit; etc.

EFFECTIVE JUNE 1, 2001

Senators DeGrange and Middleton

SB 701 Income Tax -- Single Sales Factor Apportionment for Manufacturing Corporations

Altering a formula used to apportion income to the State for specified manufacturing corporations that carry on a trade or business in and out of the State; requiring manufacturing corporations to submit specified reports as a part of their income tax returns for specified taxable years; applying the Act to tax years beginning after December 31, 2000; etc.

EFFECTIVE JULY 1, 2001

Senator Neall, et al

SB 733 Baltimore City Charter Amendment -- General Powers -- Tax Increment Financing

Altering the definition of "development district" under provisions of law authorizing tax increment financing for the development of specified areas in Baltimore City; altering the purposes for which the proceeds of tax increment financing bonds issued by Baltimore City shall be applied; etc.

EFFECTIVE JULY 1, 2001

Senator McFadden (Baltimore City Administration), et al

SB 745 Income Tax Credit for Green Buildings

Providing for State income tax credits for specified costs for construction or rehabilitation of buildings and specified equipment to meet applicable energy efficiency and environmental standards established by the Maryland Energy Administration by regulation; providing for issuance of initial credit certificates by the Administration; limiting the annual and aggregate amount of certificates that the Administration may issue; etc.

EFFECTIVE JULY 1, 2001

Senator Van Hollen, et al

SB 805 Baltimore City -- Special Tax Districts

Authorizing the Mayor and City Council of Baltimore to create special taxing districts, levy ad valorem or special taxes, and issue bonds or other obligations for specified infrastructure improvements; etc.

EFFECTIVE JULY 1, 2001

Senators McFadden and Hoffman (Baltimore City Administration)

SB 850 Income Tax -- Subtraction Modification for Volunteer Fire, Rescue, and Emergency Medical Services Personnel -- Ladies' Auxiliary

Making the specified subtraction modification for qualifying volunteer fire, rescue, and emergency medical services personnel applicable to specified members of an auxiliary organization for fire, rescue, or emergency medical services organizations; etc.

EFFECTIVE JULY 1, 2001

Senator Hafer, et al

SB 888 Wicomico County -- Refunds of Local Transfer Tax

Authorizing the Wicomico County Council to refund local transfer tax that was assessed and collected under the authority of a local law that was subsequently rejected by voters in a referendum; and authorizing the Wicomico County Council to develop a procedure for the distribution of refunds.

EFFECTIVE JUNE 1, 2001

Senators Colburn and Stoltzfus

HB 8 Income Tax Credit for Green Buildings

Providing for State income tax credits for specified costs for construction or rehabilitation of green buildings

and specified equipment to meet applicable energy efficiency and environmental standards established by the Maryland Energy Administration and the Department of the Environment; limiting the annual and aggregate amount of initial credit certificates that the Administration may issue; authorizing the Comptroller and the Administration to adopt regulations; etc.

EFFECTIVE JULY 1, 2001

Delegate Rosenberg, et al

HB 11 Income Tax -- Single Sales Factor Apportionment for Manufacturing Corporations

Altering a formula used to apportion income to the State for manufacturing corporations that carry on a trade or business in and out of the State; requiring manufacturing corporations to submit specified reports and certify specified facts as part of their income tax returns; requiring the Comptroller to prepare and submit a report on the use of single sales factor apportionment by manufacturing corporations to the Governor and the General Assembly; etc.

EFFECTIVE JULY 1, 2001

Delegate Taylor, et al

HB 19 Income Tax -- Subtraction Modification -- Police Auxiliary or Reserve Volunteer

Altering the application of the \$3,500 subtraction modification under the Maryland income tax for active members of a bona fide Maryland police agency; authorizing specified police auxiliary and reserve volunteers to qualify for the subtraction modification; altering specified qualifications for the subtraction modification; requiring a bona fide Maryland police agency to maintain specified records and provide specified reports; and applying the Act to tax years after 2000.

EFFECTIVE JULY 1, 2001

Delegate Leopold, et al

HB 46 Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel Subtraction Modification Program

Naming the subtraction modifications allowed for qualifying volunteer police, fire, rescue, and emergency medical services personnel after the Honorable Louis L. Goldstein.

Delegates Owings and O'Donnell

HB 98 Sales and Use Tax -- Exemptions -- Energy for Residential Condominiums

Exempting from the sales and use tax the sale of electricity, steam, or artificial or natural gas for use in residential condominiums.

EFFECTIVE JULY 1, 2001

Delegate Doory

HB 106 Motor Homes and Travel Trailers -- Vehicle Excise Tax -- Definitions

Altering the definitions of "fair market value" and "total purchase price" to exclude from the computation of the vehicle excise tax imposed on a motor home or a travel trailer the value of a home or trailer traded in as part of the consideration for the sale of the home or trailer by specified licensed dealers; providing that the modified definitions do not apply until any Department of Transportation Consolidation Transportation Bonds are no longer outstanding; etc.

EFFECTIVE JULY 1, 2001

Delegate Rosso, et al

HB 121 St. Mary's County -- Property Tax Credit -- Tobacco Barns

Authorizing the governing body of St. Mary's County to grant, by law, a property tax credit against the county property tax imposed on real property that was formerly used solely as a tobacco barn and is subject to a tobacco buyout agreement; and authorizing the governing body of the County to provide, by law, for the amount, duration, and administration of the credit.

EFFECTIVE JUNE 1, 2001
St. Mary's County Delegation

- HB 210 **Harford County -- Admissions and Amusement Tax -- Entertainment Businesses**
Prohibiting Harford County from imposing the admissions and amusement tax on gross receipts derived from charges imposed by specified entertainment businesses.
EFFECTIVE JULY 1, 2001
Harford County Delegation
- HB 214 **Harford County -- Municipal Property Tax -- Tax Credits for Members of Volunteer Fire Companies and Ambulance Companies**
Authorizing the governing body of a municipal corporation in Harford County to grant a property tax credit against the municipal corporation property tax imposed on real property located within the municipal corporation's jurisdiction that is owned and occupied as the principal residence of an individual serving as a member of a volunteer fire or ambulance company or ladies' auxiliary of the volunteer companies; authorizing the municipal corporation to provide for specified provisions; etc.
EFFECTIVE JUNE 1, 2001
Harford County Delegation
- HB 222 **Income Tax -- Earned Income Credit**
Altering the percentage of the federal earned income credit used for determining the amount that an individual with one or more dependents may claim as a refundable credit; altering the calculation of the optional refundable county earned income credit; etc.
EFFECTIVE JULY 1, 2001
Delegate Hixson, et al
- HB 268 **Local Property Tax Credit -- County Income Tax Rate Increases**
Making a technical correction to a provision authorizing local governments to grant a local property tax credit to offset increases in local income tax revenues resulting from an increase in the county income tax rate above a specified rate, by changing a reference to the county income tax rate from 50\% to 2.6\% to account for the alteration of the computation of the county income tax; and making the Act an emergency measure.
EMERGENCY BILL
Delegate Hixson
- HB 269 **Maryland Research and Development Tax Credit -- Addition Modification for Corporations**
Providing an addition modification under the Maryland corporate income tax if a Maryland research and development tax credit is claimed; and applying the Act to tax years beginning after 1999.
EFFECTIVE JULY 1, 2001
Delegate Hixson
- HB 280 **Credit for Long--Term Care Insurance Premiums**
Clarifying that the amount of the credit allowed against the State income tax for specified long--term care insurance premiums paid by an individual for any taxable year may not exceed the State income tax for that taxable year and that any unused credit for a taxable year may not be carried over to any other taxable year; and applying the Act to tax years after 1999.
EFFECTIVE JULY 1, 2001
Delegate Hixson
- HB 284 **Sales and Use Tax -- Resale Certificates -- Out--of--State Vendors**
Altering requirements for the use of resale certificates under the sales and use tax by allowing a vendor to

accept a resale certificate for the sale of an antique or used collectible that provides a sales and use tax registration number of another state if the certificate states that the buyer is an out--of--state vendor who does not engage in the business of an out--of--state vendor in Maryland; providing that a sales and use tax registration license or comparable license from another state be provided to a vendor; etc.

EFFECTIVE JULY 1, 2001

Delegate Bozman, et al

HB 309 Transportation -- Distribution and Use of Revenues

Altering the distribution of specified sales and use tax revenues on short--term vehicle rentals to the Transportation Trust Fund for a specified period; requiring the Motor Vehicle Administration to deposit \$9 of each security interest filing fee into the Trust Fund; altering the distribution of specified penalties for termination or lapse of the required security for a vehicle; etc.

EFFECTIVE JULY 1, 2001

The Speaker (Administration), et al

HB 313 Baltimore City -- Hotel Room Tax -- Extension of Sunset

Extending the requirement through fiscal year 2007 that at least 40\% of the proceeds from the hotel room tax imposed by Baltimore City be appropriated specifically for convention center marketing and promotion of tourism.

EFFECTIVE JULY 1, 2001

Delegate Marriott, et al

HB 346 Property Tax Credits -- Electricity Generation Facilities -- Effect on State Aid

Providing that machinery and equipment used in the generation of electricity for a new or existing facility that is granted a specified tax credit may not be treated as taxable personal property for purposes of calculating the payment of specified State aid; and applying the Act to the calculation of State aid for fiscal years beginning on or after July 1, 2001.

EFFECTIVE JUNE 1, 2001

Charles County Delegation

HB 359 Inheritance Tax -- Corrective

Clarifying and correcting inheritance tax law provisions made obsolete by the exemption from the tax for a decedent's lineal relatives and siblings and the repeal of the lineal inheritance tax rate; clarifying the tax's applicability under specified circumstances when property passes to spouses as tenants by the entireties or an application to prepay the tax on a subsequent interest is filed; repealing an elective inheritance tax exemption for farmland passing to lineal relatives of a decedent; etc.

EFFECTIVE JULY 1, 2001

Delegate Hixson

HB 372 Garrett County -- Property Tax Credit -- Garrett County, Maryland, Community Action Committee, Inc.

Authorizing the governing body of Garrett County to grant, by law, a property tax credit against the county property tax imposed on property that is owned by the Garrett County, Maryland, Community Action Committee, Inc. or by an entity in which the Garrett County, Maryland, Community Action Committee, Inc. has controlling interest; and authorizing the governing body of Garrett County to set the amount and duration of, to limit eligibility for, and to adopt any other provision necessary to administer the property tax credit.

EFFECTIVE JUNE 1, 2001

Delegate Edwards

HB 548 Sales and Use Tax -- Supplies Supporting Breast--Feeding

Exempting from the sales and use tax the sale of tangible personal property that is manufactured for the purpose of initiating, supporting, or sustaining breast--feeding.

EFFECTIVE JULY 1, 2001

Delegate Petzold, et al

HB 584 Washington County -- Property Tax -- Credits

Authorizing the governing body of Washington County or of a municipal corporation in Washington County to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on residential real property occupied by an owner who serves as a volunteer firefighter, a member of the fire police, or an emergency medical technician; authorizing the governing body of Washington County or of a municipal corporation to provide for the amount and duration of the credit; etc.

EFFECTIVE JUNE 1, 2001

Washington County Delegation

HB 681 Income Tax -- Credit for Preservation and Conservation Easements

Allowing an individual a credit against the State income tax for the donation of a perpetual easement in land to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation for the purpose of preserving open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds, or historic properties, subject to specified limitations; allowing unused credit to be carried forward and used for 15 succeeding taxable years; etc.

EFFECTIVE JULY 1, 2001

Delegates W Baker and Stocksdale

HB 696 Boat Excise Tax -- Fair Market Value -- Repeal of Sunset

Repealing the June 30, 2001 termination date applicable to provisions of law that exclude, from the fair market value that is subject to the boat excise tax, the value of a vessel that is traded in as part of the consideration under specified circumstances.

EFFECTIVE JUNE 1, 2001

Eastern Shore Delegation, et al

HB 698 Tobacco Tax -- Purchase of Tax Stamps

Increasing the discount rate of the purchase price of tobacco tax stamps offered by the State Comptroller to wholesalers from 0.82% to 1.1%; repealing provisions authorizing the State Comptroller to exempt specified persons from posting security for the tobacco tax under specified circumstances; etc.

EFFECTIVE JULY 1, 2001

Delegate Howard

HB 750 Allegany County -- Property Tax Credit -- Commercial and Industrial Parks

Authorizing the governing body of Allegany County or a municipal corporation in Allegany County to grant a property tax credit against the county or municipal corporation property tax imposed on specified property located in specified commercial or industrial parks; providing for a specified time limitation on the tax credit; etc.

EFFECTIVE JUNE 1, 2001

Allegany County Delegation

HB 800 Baltimore City -- Tax Sales -- Notice

Adding a requirement for a property tax collector in Baltimore City, prior to a tax sale of property at public auction, to publish a notice in the newspaper and, four weeks prior to the sale, on the City's website.

EFFECTIVE JULY 1, 2001

Delegate Campbell

HB 828 Tax Amnesty Program

Requiring the Comptroller to declare an amnesty period for delinquent taxpayers from September 1, 2001, through October 31, 2001, for penalties attributable to nonpayment, nonreporting, or underreporting of State or local income tax, withholding tax, sales and use tax, and admissions and amusement tax that is paid during the amnesty period; increasing specified criminal penalties under various tax laws, effective at the end of the amnesty period; providing for the distribution of the receipts from the amnesty program; etc.

VARIOUS EFFECTIVE DATES

Delegate Conway, et al

HB 840 Montgomery County -- Property Tax Sales -- High--Bid Premiums for Group and Sealed Bid Sales MC 108--01

Exempting Montgomery County from a specified requirement that a tax collector establish high--bid premiums for properties to be sold at a tax sale as part of a group or as part of a sealed bid process.

EFFECTIVE JULY 1, 2001

Montgomery County Delegation

HB 879 Frederick County -- County Commissioners -- Building Excise Tax

Authorizing the County Commissioners of Frederick County to fix, impose, and collect, by ordinance, a building excise tax for financing specified road facilities; specifying conditions for the implementation of the tax; requiring municipal corporations to assist the County Commissioners in the collection of the tax; etc.

EFFECTIVE JULY 1, 2001

Frederick County Delegation

HB 881 Washington County Hotel Rental Tax

Altering the distribution of hotel rental tax revenue in Washington County; authorizing Washington County to deduct a portion of the hotel rental tax revenue for administrative costs to be distributed from a special fund; etc.

EFFECTIVE JULY 1, 2001

Washington County Delegation

HB 920 Maryland Research and Development Tax Credit -- Maximum Approved Credit

Increasing the maximum amount of credits that the Department of Business and Economic Development may approve for a calendar year for one component of the Maryland Research and Development Tax Credit if the maximum amount under the other component exceeds the total credits applied for under the second component; and applying the Act to tax years after 1999.

EFFECTIVE JULY 1, 2001

Delegate Bozman

HB 948 Partial--Year Property Taxation -- Newly Annexed Properties Within Municipal Corporations

Authorizing municipal corporations to collect half--year, three quarter--year, and one quarter--year property taxes on properties newly annexed into a municipal corporation; providing that such action would not affect any county tax setoff; and providing that county billing and collection expenses associated with the collection of municipal property taxes under the Act would be payable by the affected municipal corporation.

EFFECTIVE JULY 1, 2001

Delegate Conroy, et al

HB 952 Recordation Tax and State and Local Transfer Taxes -- First--Time Maryland Home Buyers

Altering provisions of law regarding recordation and transfer taxes and first--time Maryland home buyers to allow an affidavit evidencing that the grantee is a first--time home buyer to be filed by an agent of the

grantee.

EFFECTIVE JULY 1, 2001

Delegates Healey and Bozman

HB 979 Income Tax Credit for Child and Dependent Care Expenses -- Phase--Out Correction

Increasing from \$40,000 to \$41,000 (\$20,000 to \$20,500 for married individuals filing separate returns) the income levels above which a phase--out of the income tax credit allowed for child and dependent care expenses is required; and making the Act applicable to tax years after 2000.

EFFECTIVE JULY 1, 2001

Delegate Hixson

HB 1095 Income Tax -- Subtraction Modification for Volunteer Fire, Rescue, and Emergency Medical Services Personnel -- Ladies' Auxiliary

Making the specified subtraction modification for qualifying volunteer fire, rescue, and emergency medical services personnel applicable to specified members of an auxiliary organization for fire, rescue, or emergency medical services organizations; etc.

EFFECTIVE JULY 1, 2001

Delegate Rudolph, et al

HB 1109 Heritage Structure Rehabilitation Tax Credit

Providing that specified tax credits for certified heritage structure rehabilitations may be allocated in a specified manner among the partners, members, or shareholders of an entity; altering the definition of "certified heritage structure"; making the tax credits for certified heritage structure rehabilitations refundable under specified circumstances; repealing certified rehabilitation tax credits as to the financial institution franchise tax and the public service company franchise tax; etc.

EFFECTIVE JULY 1, 2001

Delegate Rudolph, et al

HB 1122 Property Tax -- Surviving Spouse of Active Military Who Died in Line of Duty

Providing an exemption from property tax under specified circumstances for a dwelling house owned by a surviving spouse of an individual who died in line of duty, as defined; repealing authority for a county or municipal corporation to grant a property tax credit for a dwelling owned by a surviving spouse of an individual who died in line of duty; and applying the Act to tax years beginning after June 30, 2001.

EFFECTIVE JUNE 1, 2001

Delegate Bohanan, et al

HB 1145 Baltimore City Charter Amendment -- General Powers -- Tax Increment Financing

Altering the definition of "development district" under provisions of law authorizing tax increment financing for the development of specified areas in Baltimore City; altering the purposes for which the proceeds of tax increment financing bonds issued by the Mayor and City Council of Baltimore shall be applied; etc.

EFFECTIVE JULY 1, 2001

Delegate Rawlings

HB 1191 Prince George's County -- Property Tax Credit -- George Washington House PG 401--01

Authorizing the governing body of Prince George's County to grant a property tax credit against the county property tax or special district tax imposed on property owned by the George A. and Carmel D. Aman Memorial Trust and known as the George Washington House.

EFFECTIVE JUNE 1, 2001

Prince George's County Delegation

HB 1197 Prince George's County -- Transfer Tax PG 408--01

Providing that the maximum rate for the Prince George's County transfer tax for Prince George's County classroom teachers may not exceed 1\%; establishing requirements for the rate reduction; and requiring classroom teachers who receive the rate reduction and do not satisfy the requirements to pay the balance of the transfer tax that would have been payable without the reduction.

EFFECTIVE JULY 1, 2001

Prince George's County Delegation

HB 1233 Prince George's County -- Property Tax Credit -- Crescent Cities Charities, Incorporated PG 400--01

Authorizing the governing body of Prince George's County to grant a property tax credit against the county property tax or special district tax imposed on specified property owned by Crescent Cities Charities, Incorporated and is not exempt from taxation under specified provisions of law.

EFFECTIVE JUNE 1, 2001

Prince George's County Delegation

HB 1256 Baltimore City -- Special Tax Districts

Authorizing the Mayor and City Council of Baltimore to create special taxing districts, levy ad valorem or special taxes, and issue bonds or other obligations for specified infrastructure improvements; etc.

EFFECTIVE JULY 1, 2001

Delegates Rawlings and Marriott

HB 1285 Charles County -- Tobacco Barns

Authorizing the governing body of Charles County to grant a property tax credit against the county property tax imposed on real property that was formerly used solely as a tobacco barn; applying the Act to tax years beginning on or after July 1, 2001; etc.

EFFECTIVE JUNE 1, 2001

Charles County Delegation

HB 1390 Simplified Sales and Use Tax Administration Act

Enacting the Simplified Sales and Use Tax Administration Act; stating the findings of the General Assembly; providing for representatives of the State to enter into multistate discussions concerning a Streamlined Sales and Use Tax Agreement; authorizing the Comptroller to enter into the Agreement with other states to simplify and modernize sales and use tax administration; etc.

EFFECTIVE JULY 1, 2001

Delegate Hixson, et al

HB 1424 One Maryland Economic Development Tax Credits -- Insurers and Tax--Exempt Organizations

Clarifying that specified tax--exempt organizations are included in the definition of "qualified business entity" for the purposes of the One Maryland Economic Development tax credits allowed for specified costs of economic development projects and specified start--up costs; providing that a person subject to the insurance premiums tax may claim the One Maryland Economic Development tax credit against the premium tax for costs of specified economic development projects; etc.

EFFECTIVE JULY 1, 2001

Delegates Taylor and Rawlings

HB 1436 Wicomico County -- Refunds of Local Transfer Tax

Authorizing the Wicomico County Council to refund local transfer tax that was assessed and collected under the authority of a local law that was subsequently rejected by voters in a referendum; and authorizing the Wicomico County Council to develop a procedure for the distribution of refunds.

EFFECTIVE JUNE 1, 2001

Wicomico County Delegation

Part C
State Government

- SB 9 **Maryland Veterans Commission -- Membership -- World War II Veteran**
Requiring that the at--large member of the Maryland Veterans Commission be a veteran of World War II.
Senator Blount
- SB 36 **Election Law -- Campaign Finance Reports -- Expenditures -- Receipts Required**
Requiring that every expenditure made from a campaign account be supported by a receipt that is retained by the treasurer or subtreasurer of the campaign entity; authorizing specified persons to pay specified campaign expenses from funds other than a campaign account, provided the expenses are reimbursed by check from a campaign account and reported in accordance with law; etc.
EMERGENCY BILL
Senator Forehand
- SB 60 **State Finance -- Capital Program -- Construction Contingency Fund**
Altering the limitation on appropriations or allocations to the Construction Contingency Fund to be 1.25\% instead of .75\% of the capital debt affordability limit.
EFFECTIVE JUNE 1, 2001
Chairman B&T (Dept)
- SB 63 **Election Laws -- Campaign Finance Reports -- Timely Receipt**
Providing that a campaign finance report received by the State or appropriate local election board within 3 days after the report is due is considered timely if a postmark of or receipt from the U.S. Postal Service or a private postal carrier verifies the report was mailed or delivered on or before the filing deadline.
Chairman EEA (Dept)
- SB 66 **Election Laws -- Filing Additional Campaign Fund Reports**
Repealing the requirement that those persons responsible for filing specified campaign fund reports or statements relating to campaign accounts also file a single copy of all required reports, statements, and affidavits with the local board of elections where the candidate resides.
Chairman EEA (Dept)
- SB 67 **Election Law -- Campaign Accounts -- Administrative Closure**
Authorizing the State Board of Elections to close a campaign account based on a finding that good cause and other specified criteria exist; and providing that closing a campaign account does not limit specified legal rights that the State Board, the State prosecutor, or creditors may have with regard to the campaign account.
Chairman EEA (Dept)
- SB 69 **State Procurement -- State Leasing of Real Property -- Notice of Proposed Leases**
Altering the requirements under which the State may execute a lease of real property; and altering the notice required prior to the execution of specified leases.
Chairman EEA (Dept)
- SB 70 **State Procurement -- Electronic Transactions**
Authorizing primary procurement units of State government to conduct the solicitation, bidding, award,

execution, and administration of a contract by electronic means; providing that bidding on a contract solicited by electronic means constitutes consent to conduct all elements of the procurement of that contract by electronic means; authorizing the charge of reasonable fees for utilizing electronic means to conduct procurement; etc.

EFFECTIVE JUNE 1, 2001

Chairman EEA (Dept)

SB 93 Teachers' Pension System -- Purchase of Service Credit

Allowing specified members of the Teachers' Pension System to purchase specified service credit; and altering the amount that specified members of the Teachers' Pension System shall pay to the Board of Trustees of the State Retirement and Pension System when purchasing specified service credit.

EFFECTIVE JULY 1, 2001

Senator Kasemeyer (Chairman Joint Committee on Pensions)

SB 161 Election Law -- Baltimore County Republican Party Central Committee

Changing the method of electing members of the Republican Party Central Committee in Baltimore County by providing for the election of four members from each councilmanic district and of a Chairman from the County at large.

Senator Harris

SB 162 Correctional Officers' Retirement System -- Reemployment of Retirees

Exempting from an offset of a retirement allowance specified retirees of the Correctional Officers' Retirement System who are reemployed by participating employers on or before December 31, 2000, and whose compensation is not derived, in whole or part, from State funds.

EFFECTIVE JUNE 1, 2001

Senator Munson

SB 195 Annual Curative Bill

Generally curing previous Acts of the General Assembly with possible title or other defects.

EMERGENCY BILL

The President (Department of Legislative Services)

SB 196 Annual Corrective Bill

Correcting specified errors and omissions in various articles of the Annotated Code and in specified uncodified laws; establishing that the Act is not intended to affect any law other than to correct technical errors; ratifying and validating specified corrections made by the publisher of the Annotated Code; applying and construing the Act; etc.

EMERGENCY -- VARIOUS EFF. DATES

The President (Department of Legislative Services)

SB 204 Office of Smart Growth

Establishing the Office of Smart Growth in the Executive Branch; establishing the Special Secretary of Smart Growth as the head of the Office; specifying the duties of the Special Secretary; specifying the powers and duties of the Office; establishing a Smart Growth Subcabinet; providing for the chair and vice chair of the Subcabinet; etc.

EFFECTIVE JULY 1, 2001

The President (Administration), et al

SB 207 State Personnel -- Higher Education -- Collective Bargaining

Expanding collective bargaining to include specified State employees of the University System of Maryland, Morgan State University, St. Mary's College, and Baltimore City Community College; requiring

that each institution have separate bargaining units; requiring that each system president and the governing boards of the other institutions designate one or more representatives to participate as a party in collective bargaining; establishing a Higher Education Labor Relations Board; etc.

EFFECTIVE JULY 1, 2001

The President (Administration), et al

SB 210 Procurement -- Minority Business Participation

Continuing until July 1, 2006, the provisions of the State procurement law relating to procurement from minority businesses; altering the percentage of the total dollar value of procurement contracts by units of State government that is made directly or indirectly from certified minority businesses which units of State government shall seek to achieve; authorizing the Board of Public Works to adopt regulations in preparation for a study of the Minority Business Enterprise Program; etc.

EFFECTIVE JULY 1, 2001

The President (Administration), et al

SB 221 State Retirement and Pension System -- Reemployment of Retirees

Exempting from a specified offset of an allowance retirees of, and individuals receiving a vested allowance from, the Employees' Retirement System, Teachers' Retirement System, Employees' Pension System, Teachers' Pension System, or Correctional Officers' Retirement System who are reemployed by specified employers; altering requirements for the reemployment of retirees of specified retirement and pension systems in the State Retirement and Pension System; etc.

EFFECTIVE JULY 1, 2001

Senator Kasemeyer (Chairman Joint Committee on Pensions)

SB 222 Retirement and Pensions -- Funding -- Accrued Liability

Altering the amortization period for specified unfunded actuarial liabilities of the State Retirement and Pension System, including those payable by participating governmental units.

EFFECTIVE JULY 1, 2001

Senator Kasemeyer (Chairman Joint Committee on Pensions)

SB 247 Retirement and Pensions -- Withdrawing Participating Governmental Units -- Return of Assets and Liabilities

Altering the calculation of the participating fund ratio of a participating governmental unit that provided benefits to its employees; establishing a noncontributory system funding ratio for a participating governmental unit that did not provide benefits to its employees; altering the calculation of reimbursements to participating governmental units withdrawing from the employees' systems; etc.

EFFECTIVE JULY 1, 2001

Senator Kasemeyer (Chairman Joint Committee on Pensions)

SB 275 State Police Retirement System -- Special Death Benefits

Altering the formula for computing the retirement allowance to be paid to surviving spouses and surviving children of deceased members of the State Police Retirement System; providing that for specified deceased members of the State Police Retirement System, any allowance paid to the surviving spouse is to be recalculated in a specified manner; and providing for the application of this Act.

EFFECTIVE JULY 1, 2001

Senator Baker, et al

SB 278 Election Law -- Baltimore City -- Required Notice of Elections by Newspaper Advertisement -- Repeal

Repealing the requirement that the Baltimore City Board of Elections give notice of elections by advertisement in each daily newspaper published in the City.

Senator McFadden, et al

SB 300 Law Enforcement Officers' Pension System -- Benefits

Altering the formula for computing the retirement allowance of members of the Law Enforcement Officers' Pension System; providing that all benefit enhancements added to the Law Enforcement Officers' Modified Pension Benefit after July 1, 2001, will apply to all members of the Law Enforcement Officers' Pension System; etc.

EFFECTIVE JULY 1, 2001

Senator Currie, et al

SB 312 Election Judges -- Selection Process and the Appointment of Minors

Expanding State law to authorize each local board of elections in the State, rather than just the Prince George's County Board of Elections, to appoint specified minors to be election judges; and requiring an election judge who is a minor and too young to be a registered voter to demonstrate that the minor would otherwise qualify to be a registered voter in that county.

Senator Green

SB 320 Tobacco Product Manufacturers -- Master Settlement Agreement -- Model Statute Corrective Bill

Correcting errors and omissions in a prior enactment of the General Assembly to conform it to the model statute provided by the Master Settlement Agreement between the State of Maryland and tobacco product manufacturers in the United States.

EMERGENCY BILL

Senator Green

SB 330 State Advisory Council on Heart Disease and Stroke

Renaming the State Advisory Council on High Blood Pressure and Related Cardiovascular Risk Factors to be the State Advisory Council on Heart Disease and Stroke; increasing the membership of the Council; requiring the Council to develop and promote educational programs on heart disease and stroke prevention, detection, and treatment targeted to high--risk populations and to high--incidence areas; requiring evaluation of the programs; etc.

EFFECTIVE JULY 1, 2001

Senator Kelley

SB 350 Department of Health and Mental Hygiene -- Alcohol Abuse and Drug Treatment Programs

Requiring specified alcohol and drug abuse treatment programs to obtain certification from the Department of Health and Mental Hygiene before providing services.

Senators DeGrange and Hollinger

SB 368 State Retirement and Pension System -- Accidental Disability Applications

Altering a provision of law that prohibits the Board of Trustees for the State Retirement and Pension System from accepting an application for accidental disability retirement more than five years after the date of a specified type of accident; and providing for the Act to apply to individuals injured on or before January 1, 1992.

EMERGENCY BILL

Senator Hoffman

SB 383 Regulatory Review and Evaluation Act -- Revision

Amending the Regulatory Review and Evaluation Act to authorize participation and input by the public, other units of State government, and stakeholders in the review of existing regulations; requiring that work plans and evaluation reports reflect specified participation and input; requiring that specified other information be included in work plans and evaluation reports; altering the time frame and schedule for

completing and submitting work plans; etc.

Senator Neall (Task Force on Regulatory Reform)

SB 389 Employees' and Teachers' Retirement System -- Average Final Compensation

Altering the method of calculating specified members' average final compensation; defining "break in service"; and establishing a method of calculating the average final compensation of specified part-time employees.

EFFECTIVE JULY 1, 2001

Senator Kasemeyer (Chairman Joint Committee on Pensions)

SB 407 Office of the Deaf and Hard of Hearing

Creating the Office of the Deaf and Hard of Hearing to promote the general welfare of deaf and hard of hearing individuals in the State; providing for the powers, duties, and responsibilities of the Office; providing for the appointment, qualifications, powers, duties, and salary of the Director of the Office; providing for staffing of the Office; creating the Maryland Advisory Council for the Deaf and Hard of Hearing; etc.

Senator Ferguson, et al

SB 443 Election Code -- Compensation of Election Judges -- Harford County

Providing for the salary of the election judges in Harford County; providing that the Act does not apply to the salary or compensation of the incumbent election judges in Harford County; etc.

EFFECTIVE JULY 1, 2001

Harford County Senators

SB 472 Advisory Council to the Center for the Study of the Health Effects of Fire

Repealing the requirement that the appointments of the members of the Advisory Council to the Center for the Study of the Health Effects of Fire, all of whom are appointed by the Secretary of Health and Mental Hygiene, are subject to the advice and consent of the Senate of Maryland.

EFFECTIVE JUNE 1, 2001

Senator Jimeno

SB 487 Procurement -- University System of Maryland -- Construction Contracts

Expanding the list in the State procurement system provisions of law that apply to a procurement contract by the University System of Maryland to include retainage and prompt payment of subcontractors in procurement contracts for construction; etc.

Senator Stone

SB 489 Sheriffs' Office Liability -- Apportionment of State and County Responsibility

Clarifying State and county financial responsibilities for settlements and judgments against sheriffs and deputy sheriffs performing law enforcement and detention center functions; limiting the authority of the Board of Public Works to collect payments for judgments against sheriffs and deputies from specified taxes; establishing State responsibility for defense and payments of judgments arising from specified sheriff and deputy activities; etc.

Senator Jimeno, et al

SB 518 Election Law -- Political Action Committees -- Contributions

Authorizing a political action committee (PAC) of an affiliated entity to collect contributions paid voluntarily by members by means of payroll deductions, together with payroll withholdings from employees that are made for the payment of dues by the members to the affiliated entity; authorizing a PAC to have the combined voluntary contributions collected by the affiliated entity in conjunction with receipt of

membership dues or voluntary contributions made to a PAC established under federal law; etc.

EFFECTIVE JULY 1, 2001

Senator Blount

SB 533 Law Enforcement Officers' Pension System -- Membership -- Martin State Airport Firefighters

Providing firefighters for the Martin State Airport who are employed by the Military Department membership in the Law Enforcement Officers' Pension System; etc.

EFFECTIVE JULY 1, 2001

Senator Collins

SB 542 State Government -- Survey of State Departments, Agencies, and Programs -- Persons with Limited English Proficiency

Stating the intent of the General Assembly that State agencies are authorized to provide services to persons with limited English proficiency; requiring that State agencies survey the need for interpretation and translation services and provide the Department of Human Resources a description of the current measures taken to provide the services; requiring the Department to develop and distribute the surveys and review the information; etc.

EFFECTIVE JULY 1, 2001

Senator Sfikas, et al

SB 708 Election Law -- Campaign Loans by a Candidate or the Candidate's Spouse

Providing that specified loans by a candidate or the candidate's spouse may not accrue interest and that such foregone interest may not be deemed a contribution; providing that a loan by a candidate or the candidate's spouse to the candidate's own campaign is not required to comply with specified requirements; exempting specified candidates from the requirement to file a specified final campaign report by a specified date under specified circumstances; etc.

Senator Hughes

SB 740 Election Law -- Statewide Voter Registration -- Provisional Ballots

Altering procedures used by local election boards for the registration of voters who move between and within counties in the State; altering the required provisions in voter registration applications; providing that information be made available to an applicant completing voter registration applications; altering the procedures for applying to register to vote at the Motor Vehicle Administration; etc.

EFFECTIVE JUNE 1, 2001

Senator Van Hollen

SB 775 Chesapeake Regional Olympic Games Authority Act

Establishing, through an interstate compact with the Commonwealth of Virginia, the District of Columbia, and the City of Baltimore, the Chesapeake Regional Olympic Games Authority for the purpose of overseeing the conduct of the 2012 Olympic Games; providing for the termination, composition, terms of the voting members, meetings, and financial controls of the Regional Authority; requiring the Regional Authority to comply with specified local laws; requiring the Governor to execute the interstate compact; etc.

Senator Miller, et al

SB 833 Election Law -- Uniform Statewide Voting Systems

Requiring the State Board of Elections, in consultation with the local boards of elections, to select and certify a voting system for voting in polling places and a voting system for absentee voting; requiring the selected and certified voting systems to be used in all counties; etc.

EFFECTIVE JUNE 1, 2001

Senators Colburn and Miller

SB 876 Recognition of American Sign Language

Establishing that American Sign Language is a recognized form of communication and a fully developed language for the deaf and hard of hearing; identifying the deaf and hard of hearing as a cultural minority group with specialized communication needs; etc.

Senator Bromwell

HB 2 Ethics Law -- Lobbyist Ethics Reform

Modifying, clarifying, and expanding provisions of the Maryland Public Ethics Law relating to regulated lobbyists and lobbying activities; requiring regulated lobbyists to attend a specified training course at least once in any 2--year period; authorizing the State Ethics Commission to suspend or revoke the registration of regulated lobbyists under specified circumstances; etc.

EFFECTIVE NOVEMBER 1, 2001

Delegate Taylor, et al

HB 51 Flags -- Rest Areas, Welcome Centers, and Exhibit Centers

Requiring that the flag of the United States, the State flag, and the POW/MIA flag of the National League of Families of American Prisoners and Missing in Southeast Asia be flown year round at rest areas, welcome centers, and exhibit centers within interstate and State highway rights--of--way.

Delegate Conroy, et al

HB 79 Board of Public Works -- Settlements, Judgments, and Counsel Fees -- Payment Authority

Increasing to \$10,000 the amount the Board of Public Works may authorize affected units to pay for settlements, judgments, and counsel fees.

Chairman CGM (Dept)

HB 107 Militia -- National Guard -- Appointments

Clarifying and updating the laws governing the organized and unorganized militia of the State; adding two full--time positions that the Adjutant General may appoint; authorizing the appointment of two Assistant Adjutants General; etc.

EFFECTIVE JULY 1, 2001

Chairman CGM (Dept), et al

HB 108 Public Ethics -- Executive Unit -- Offices of Sheriffs and State's Attorneys

Including in the definition of "executive unit" in the public ethics laws employees of the offices of the sheriffs and State's Attorneys in the counties and Baltimore City; and providing for an exception to the required filing of a financial disclosure statement; etc.

Chairman CGM (Dept)

HB 123 Election Law -- Referendum Petitions and Ballot Questions

Clarifying procedures related to the qualification and certification of specified ballot questions; specifying the venue for a judicial review proceeding regarding a determination by an election official about a petition for a referendum under Article XVI of the Maryland Constitution; altering the notice requirements for ballot questions; etc.

Chairman CGM (Dept)

HB 132 Judges' Retirement System -- Reemployment of Retirees -- Community Colleges

Exempting retirees of the Judges' Retirement System who are reemployed as members of the faculty of a community college from provisions of law that require an offset of a retirement allowance under specified circumstances.

EFFECTIVE JULY 1, 2001
Delegate Proctor, et al

HB 157 **State Designations -- Calico Cat as the State Cat**
Designating the calico cat as the State cat.
Delegate K Kelly

HB 186 **Maryland African American Museum Corporation -- Investments, Personnel, Meetings, and Museum Development**
Authorizing the Maryland African American Museum Corporation to establish compensation, holidays, and leave for Corporation employees; requiring the Corporation to invest specified Corporation moneys in specified obligations; clarifying the scope of the moneys that are subject to investment by the Corporation; including officers and employees of the Corporation in the list of State personnel who are immune from liability under the Maryland Tort Claims Act; etc.
EFFECTIVE JULY 1, 2001
Delegates Harrison and Rawlings

HB 196 **Elections -- Absentee Voting**
Altering the circumstances under which a registered voter qualifies for voting by absentee ballot.
Delegate Leopold, et al

HB 215 **Election Code -- Compensation of Election Judges -- Harford County**
Providing for the salary of the election judges in Harford County; providing that the Act does not apply to the salary or compensation of the incumbent election judges in Harford County; etc.
EFFECTIVE JULY 1, 2001
Harford County Delegation

HB 277 **Employees' Pension System -- Purchase of Service Credit**
Allowing members of the Employees' Pension System to purchase a full year of service credit for specified full--time and part--time employment with the State; establishing a method of payment for the purchase of service credit for specified full--time and part--time employment with the State; and calculating service credit for part--time employment.
EFFECTIVE JULY 1, 2001
Delegate D'Amato, et al

HB 302 **Office of Smart Growth**
Establishing the Office of Smart Growth in the Executive Branch; establishing the Special Secretary of Smart Growth as the head of the Office; specifying the duties of the Special Secretary; specifying the powers and duties of the Office; establishing a Smart Growth Subcabinet; providing for the chair and vice chair of the Subcabinet; etc.
EFFECTIVE JULY 1, 2001
The Speaker (Administration), et al

HB 306 **Procurement -- Minority Business Participation**
Continuing until July 1, 2006, the provisions of the State procurement law relating to procurement from minority businesses; altering the percentage of the total dollar value of procurement contracts by units of State government that is made directly or indirectly from certified minority businesses which units of State government are to seek to achieve; authorizing the Board of Public Works to adopt regulations in preparation for a study of the Minority Business Enterprise Program; etc.
EFFECTIVE JULY 1, 2001
The Speaker (Administration), et al

- HB 315 Law Enforcement Officers' Pension System -- Benefits**
Altering the formula for computing the retirement allowance of members of the Law Enforcement Officers' Pension System; etc.
EFFECTIVE JULY 1, 2001
Delegate Branch, et al
- HB 369 Retirement -- Optional Retirement Program -- Health Insurance Benefits for Retirees and Surviving Spouses and Children**
Specifying which participants in the Optional Retirement Program may receive health benefits under the State health insurance benefit program.
Chairman APP (Dept)
- HB 403 Department of Health and Mental Hygiene -- Alcohol Abuse and Drug Treatment Programs**
Requiring specified alcohol and drug abuse treatment programs to obtain certification from the Department of Health and Mental Hygiene before providing services.
Delegate Sophocleus
- HB 409 Procurement -- University System of Maryland -- Construction Contracts**
Altering the list of State procurement system provisions of law that apply to a procurement contract by the University System of Maryland to include provisions of law concerning retainage and prompt payment of subcontractors in procurement contracts for construction.
Delegate Sophocleus, et al
- HB 442 Teachers' Retirement and Pension Systems -- Reemployment of Retired Personnel**
Exempting from an offset of a retirement allowance, retirees of the Teachers' Retirement System or the Teachers' Pension System who are reemployed as principals and supervisors of principals under specified circumstances; requiring the county boards of education to provide information to the State Retirement Agency; and clarifying that the retirees must meet specified performance requirements for each year of their employment.
EFFECTIVE JULY 1, 2001
Delegates Malone and Moe
- HB 492 State Advisory Council on Heart Disease and Stroke**
Renaming the State Advisory Council on High Blood Pressure and Related Cardiovascular Factors to be the State Advisory Council on Heart Disease and Stroke; increasing the membership of the Council; requiring the Council to develop and promote educational programs on heart disease and stroke prevention, detection, and treatment targeted to high--risk populations and to high--incidence areas; requiring evaluation of the programs; etc.
EFFECTIVE JULY 1, 2001
Delegate Nathan--Pulliam, et al
- HB 495 Task Force to Study Repealing the Disenfranchisement of Convicted Felons in Maryland**
Establishing a Task Force to Study Repealing the Disenfranchisement of Convicted Felons; specifying the composition, powers, and duties of the Task Force; requiring the Task Force to report its findings and recommendations to the Governor and the General Assembly on or before December 31, 2001; etc.
EFFECTIVE JULY 1, 2001
Delegate Hill, et al
- HB 537 Law Enforcement Officers' Pension System -- Membership -- Martin State Airport Firefighters**

Providing firefighters for the Martin State Airport who are employed by the Military Department membership in the Law Enforcement Officers' Pension System.

EFFECTIVE JULY 1, 2001

Delegate Hubers, et al

HB 586 Chesapeake Regional Olympic Games Authority Act

Establishing, through an interstate compact with the Commonwealth of Virginia, the District of Columbia, and the City of Baltimore, the Chesapeake Regional Olympic Games Authority for the purpose of overseeing the conduct of the 2012 Olympic Games; providing for the termination, composition, terms of the voting members, meetings, and financial controls of the Regional Authority; requiring the Regional Authority to comply with specified local laws; requiring the Governor to execute the interstate compact; etc.

CONTINGENT -- EFF. JULY 1, 2001

Delegate Taylor, et al

HB 647 State Government -- Commemorative Months -- Women's History Month

Requiring the Governor to proclaim the month of March each year to be Women's History Month.

Delegate Hecht, et al

HB 651 State Law Enforcement Officers -- Death Benefits

Providing for a death benefit to be paid to the surviving spouse, children, or dependent parents of specified State employees who are killed in the line of duty on or after July 1, 2000; providing that the benefit may not be paid if the employee is killed as a result of the employee's negligence; etc.

EFFECTIVE JULY 1, 2001

Chairman APP (Dept)

HB 671 Regulatory Review and Evaluation Act -- Revision

Amending the Regulatory Review and Evaluation Act to authorize participation and input by the public, other units of State government, and stakeholders in the review of existing regulations; requiring that work plans and evaluation reports reflect the participation and input and include specified other information; altering the time frame and schedule for completing and submitting work plans; etc.

Delegates Busch and Kach (Task Force on Regulatory Reform)

HB 746 Washington County Board of Elections -- Salary Increase

Increasing to \$5,000 the salary of the president of the Washington County Board of Elections; increasing to \$4,500 the salaries of the members of the Washington County Board of Elections; increasing to \$125 per day the compensation of the chief election judge of Washington County; increasing to \$100 per day the salaries of the other election judges of Washington County; etc.

Washington County Delegation

HB 778 Election Law -- Political Action Committees -- Contributions

Authorizing a political action committee (PAC) of an affiliated entity to collect contributions paid voluntarily by members by means of payroll deductions, together with payroll withholdings from employees that are made for the payment of dues by the members to the affiliated entity; authorizing a PAC to have the combined voluntary contributions collected by the affiliated entity in conjunction with receipt of membership dues or voluntary contributions made to a PAC established under federal law; etc.

EFFECTIVE JULY 1, 2001

Delegate Wood, et al

HB 903 Procurement -- Streamlined Process for Procurement of Information Technology Services

Requiring the Secretary of Budget and Management to adopt by regulation a streamlined procurement

process for procurement of information technology services; requiring the streamlined procurement process adopted by the Secretary to include a procedure for consideration and approval of proposals for qualification, policies and procedures for the issuance of a solicitation for a task order, the execution of a standard contract, and a performance evaluation procedure; etc.

EFFECTIVE JULY 1, 2001

Delegate Rosenberg

HB 904 State Government -- Expenditure Control Program -- Use of Unspent Appropriations

Establishing an expenditure control program in State government under which, with the approval of the Department of Budget and Management, a maximum of \$1 million of the unspent or unencumbered balance of the total appropriation for all units of State government authorized for a fiscal year may not revert to the General Fund, but shall remain available for expenditure within a unit in the succeeding fiscal year; etc.

EFFECTIVE JULY 1, 2001

Delegate Rosenberg

HB 1105 Inspection of Public Records -- Maryland Transportation Authority and Mass Transit Administration

Requiring a custodian to deny inspection of public records of the Maryland Transportation Authority in connection with a transaction system associated with an electronic toll collection system under specified circumstances; authorizing the inspection of public records of the Maryland Transportation Authority by its employees or agents in an investigation or proceeding relating to a violation of speed limitations; etc.

Delegate Rosenberg

HB 1117 Sheriffs' Office Liability -- Apportionment of State and County Responsibility

Clarifying State and county financial responsibilities for settlements and judgments against sheriffs, deputy sheriffs, and employees of a sheriff's office performing law enforcement and detention center functions; limiting the authority of the Board of Public Works to collect payments for judgments against sheriffs, deputies, and employees from specified taxes; establishing State responsibility for defense and payments of judgments arising from specified sheriff, deputy, and employee activities; etc.

Delegate Gladden, et al

HB 1160 State Government -- Survey of State Departments, Agencies, and Programs -- Persons with Limited English Proficiency

Stating the intent of the General Assembly that State agencies are authorized to provide services to persons with limited English proficiency; requiring that State agencies survey the need for interpretation and translation services and provide the Department of Human Resources a description of the current measures taken to provide the services; requiring the Department to develop and distribute the surveys and review the information; etc.

EFFECTIVE JULY 1, 2001

Delegate R Baker, et al

HB 1187 Office of the Deaf and Hard of Hearing

Creating the Office of the Deaf and Hard of Hearing to promote the general welfare of deaf and hard of hearing individuals in the State; providing for the powers, duties, and responsibilities of the Office; providing for the appointment, qualifications, powers, duties, and salary of the Director of the Office; providing for staffing of the Office; creating the Maryland Advisory Council for the Deaf and Hard of Hearing; etc.

Delegate R Baker, et al

HB 1213 State Veterans' Cemetery at Bainbridge

Requiring the Maryland Veterans' Commission and the Maryland Department of Veterans Affairs to conduct

a study of the feasibility of establishing a veterans' cemetery on the grounds of the former Bainbridge Naval Training Center in Cecil County; providing for the matters to be included in the study; requiring that the Commission and the Department report to the appropriate committees of the General Assembly and the Cecil County legislative delegation on the results of the study on or before November 30, 2001; etc.

EFFECTIVE JULY 1, 2001

Delegate Guns, et al

HB 1310 Office of Administrative Hearings -- Individuals Representing Units of State Government

Authorizing individuals who are not licensed to practice law in this State to represent a unit of State government, at the direction of the unit, before the Office of Administrative Hearings.

Delegate Malone

HB 1336 Retirement and Pensions -- Payments of Allowances into Trusts

Authorizing the payment of an allowance from the State Retirement and Pension System into a trust if the designated beneficiary is a minor or an individual with a disability.

EFFECTIVE JULY 1, 2001

Delegate Hubbard

HB 1357 Baltimore City -- Orphans' Court Judges -- Pensions

Altering the annual pension or salary for specified retired judges of the Orphans' Court for Baltimore City.

Delegate Montague, et al

HB 1362 State Personnel -- Law Enforcement Employees -- Compensatory Time for Overtime Work

Repealing a limitation on the number of overtime hours for which specified law enforcement employees of the Department of State Police and the Natural Resources Police may be granted compensatory time.

EFFECTIVE JULY 1, 2001

Delegate Klausmeier

HB 1457 Election Law -- Uniform Statewide Voting Systems

Requiring the State Board of Elections, in consultation with the local boards of elections, to select and certify a voting system for voting in polling places and a voting system for absentee voting; requiring the selected and certified voting systems to be used in all counties; etc.

EFFECTIVE JUNE 1, 2001

Delegate Arnick, et al (Special Committee----Voting)

HB 1458 Election Law -- Statewide Voter Registration -- Provisional Ballots

Altering procedures used by local election boards for the registration of voters who move between and within counties in the State; altering the required provisions in voter registration applications; providing that information be made available to an applicant completing voter registration applications; altering the procedures for applying to register to vote at the Motor Vehicle Administration; etc.

EFFECTIVE JUNE 1, 2001

Delegates Arnick and Kittleman (Special Committee----Voting)

SJ 4 Remembering the U.S.S. Cole

Recognizing and memorializing the loss of 17 American Navy personnel on the U.S.S. Cole, including the three Maryland citizens who gave their lives as a result of the October 12, 2000, terrorist attack on the U.S.S. Cole.

Senator Green, et al

HJ 3 Maryland Day of Remembrance of the Armenian Genocide

Remembering the Armenian Genocide; and designating April 24 as "Maryland Day of Remembrance of the Armenian Genocide in 1915 and thereafter".

Delegate Hixson, et al

HJ 4 **Remembering the U.S.S. Cole**

Recognizing and memorializing the loss of 17 American Navy personnel on the U.S.S. Cole, including the three Maryland citizens who gave their lives as a result of the October 12, 2000, terrorist attack on the U.S.S. Cole.

Delegate Conroy, et al

Part D
Local Government

- SB 110 **Cecil County -- Winding Brook Special Taxing District**
Establishing the Winding Brook Special Taxing District in a specified location; providing that the purpose of the special taxing district is to pay the costs of trash collection, mowing of common areas, and general maintenance of the Winding Brook area; establishing the District Board for the Winding Brook Taxing District; providing for the duties of the District Board; etc.
EFFECTIVE JULY 1, 2001
Senators Baker and Hooper
- SB 111 **Cecil County -- County Treasurer -- Salary**
Altering the salary of the County Treasurer of Cecil County from \$48,000 to \$60,000; providing that the Act does not apply to the salary or compensation of the incumbent County Treasurer of Cecil County; and providing for a delayed effective date.
Senators Baker and Hooper
- SB 286 **Anne Arundel County Department of Detention Facilities -- Home Detention and Farm Labor Programs**
Requiring the Administrator of the Anne Arundel County Department of Detention Facilities to establish and administer a home detention program; restricting which inmates may be eligible for the program; providing that the inmates who participate in the program are responsible for specified expenses and may be required to pay a fee; setting penalties for an inmate's violation of a term or condition of the program; authorizing the Administrator to limit the number of participants in the program; etc.
Senator Astle
- SB 304 **Cecil County -- Public Facilities Bonds**
Authorizing and empowering the County Commissioners of Cecil County, from time to time or at one time, to borrow not more than \$10,000,000 in order to finance the cost of the construction and improvement of specified public facilities; etc.
EFFECTIVE JUNE 1, 2001
Senators Baker and Hooper
- SB 345 **Cecil County -- Board of Electrical Examiners -- Appointment and Licensing Fees and Requirements**
Repealing a requirement that appointees of the Cecil County Board of Electrical Examiners be recommended to the Board of County Commissioners of Cecil County by the Cecil County Electrical Contractors Association; increasing specified licensing fees; altering the qualifications regarding appointees to the Board of Electrical Examiners; and requiring the issuance of any subsequent license to be subject to the payment of a specified fee and evidence of completion of continuing education.
Senator Baker
- SB 473 **Anne Arundel County Circuit Court Domestic Relations Division Employees -- Pension and Retirement Health Benefits**
Allowing an individual, who is an employee of the Domestic Relations Division of the Anne Arundel County Circuit Court on or before June 30, 2002, and subsequently is transferred into the State Personnel Management System, to remain in the Anne Arundel County Retirement and Pension System or transfer into the State Employees' Pension System; requiring the Central Payroll Bureau to deduct a specified amount from the biweekly salaries of employees who elect to remain in the Anne Arundel County

Retirement and Pension System; etc.

EFFECTIVE JULY 1, 2001

Senator Jimeno

SB 520 Baltimore City -- Industrial Growth -- Condemnation

Authorizing and clarifying the authority of the Mayor and the Baltimore City Council to acquire land and property in Baltimore City by condemnation for the public purpose of industrial growth; and providing that property zoned and occupied exclusively for residential use in Baltimore City may not be acquired by condemnation for industrial growth.

Senator McFadden (Baltimore City Administration)

SB 538 Carroll County -- Public Facilities Bonds

Authorizing and empowering the County Commissioners of Carroll County to borrow up to \$11,500,000 to finance the construction, improvement, or development of public facilities in Carroll County; etc.

EFFECTIVE JUNE 1, 2001

Carroll County Senators

SB 552 Eastern Shore Code Home Rule Counties -- Juvenile Curfew Ordinance

Authorizing a code county in the Eastern Shore class to adopt a model juvenile curfew ordinance under specified circumstances; authorizing a municipal corporation to adopt the ordinance; providing for the scope of the ordinance; requiring a juvenile curfew ordinance to prohibit specified practices by specified persons; providing exceptions to the ordinance; establishing citation procedures for law enforcement officers; etc.

Senator Colburn

SB 571 Harford County -- State's Attorney -- Salary

Increasing the salary of the State's Attorney for Harford County by specified amounts by specified dates; providing that the Act does not apply to the salary or compensation of the incumbent State's Attorney; etc.

Harford County Senators

SB 578 Garrett County -- Right to Farm

Authorizing the County Commissioners of Garrett County to adopt an ordinance or regulation or take specified actions to protect a person's right to farm or engage in agricultural or forestry operations; and requiring the County Commissioners to hold a public hearing and provide reasonable notice of the hearing before adopting an ordinance or regulation or taking other action.

Senator Hafer, et al

SB 579 Garrett County -- Salary Study Commission -- Composition

Altering the composition of the Garrett County Salary Study Commission by replacing a member from the Garrett County Council of Parent--Teacher Associations with a member from the Garrett County Advisory Committee on Education.

Senator Hafer

SB 690 Municipal Corporations -- Charter Amendment Resolutions -- Effectiveness

Repealing provisions of law that make the effectiveness of municipal charter amendment resolutions, municipal annexation resolutions, and other documents related to municipal charters contingent on their being registered with the Maryland Department of Legislative Services (DLS); requiring officials of a municipal corporation to send specified resolutions to DLS within 10 days of the effective date; etc.

EFFECTIVE JUNE 1, 2001

Senator Blount (Department of Legislative Services)

- SB 747 Carroll County -- State's Attorney -- Salary Increase**
Providing that the annual salary of the State's Attorney of Carroll County shall equal 80\% of the salary of a judge of the District Court of Maryland; and providing that the Act does not apply to the salary of the incumbent State's Attorney.
Carroll County Senators
- SB 748 Dorchester County -- County Commissioners -- Salaries**
Increasing to \$14,000 the annual salaries of the County Commissioners of Dorchester County; repealing a prohibition against the County Commissioners receiving other compensation; and establishing a salary of \$15,000 annually for the President of the County Commissioners of Dorchester County.
EFFECTIVE JULY 1, 2001
Senator Colburn
- SB 750 Dorchester County -- Public School Capital Improvement Bonds**
Authorizing and empowering the County Commissioners of Dorchester County, from time to time, to borrow not more than \$2,500,000 in order to finance, with specified restrictions, specified public school capital improvements in Dorchester County and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds in like par amount; etc.
EFFECTIVE JUNE 1, 2001
Senator Colburn
- SB 753 Carroll County -- Sheriff's Salary**
Increasing the annual salary of the Sheriff of Carroll County to a specified amount over a specified time period; and providing that the Act does not apply to the salary of the incumbent Sheriff.
Carroll County Senators
- SB 774 Carroll County -- County Commissioners -- Salary Increase**
Increasing the salary of the County Commissioners for Carroll County; and providing that the Act does not apply to the salary or compensation of the incumbent County Commissioners for Carroll County.
Carroll County Senators
- SB 815 Maryland--National Capital Park and Planning Commission -- Minority Business Enterprise Utilization Program**
Extending the authority of the Maryland--National Capital Park and Planning Commission to establish and administer a minority business enterprise utilization program until September 30, 2003.
EFFECTIVE JUNE 1, 2001
Senator Currie
- SB 828 Washington Suburban Sanitary Commission -- Local Small Business Enterprise Program**
Authorizing the Washington Suburban Sanitary Commission to adopt a local small business enterprise program for specified purposes; requiring the WSSC to adopt eligibility criteria and administrative procedures for the program; requiring the WSSC to review the criteria and procedures each year; etc.
EFFECTIVE JULY 1, 2001
Senator Currie
- SB 842 Carroll County -- Bond Authorization -- Carroll County General Hospital, Inc.**
Authorizing and empowering the County Commissioners of Carroll County, from time to time, to borrow not more than \$20,000,000 for the purpose of lending the proceeds to the Carroll County General Hospital, Inc. to finance the cost of construction, renovation, equipping, and improvement of new and existing facilities; etc.
EFFECTIVE JUNE 1, 2001

Carroll County Senators

SB 880 Anne Arundel and Calvert Counties -- Stormwater Management Facilities

Prohibiting the construction of specified stormwater management facilities in Anne Arundel and Calvert counties for specified purposes; providing exceptions for public or private stormwater management facilities where construction began prior to January 1, 2001, and for stormwater management facilities constructed by or on behalf of a State or county agency; requiring the local legislative body to provide for the enforcement of the Act; etc.

EFFECTIVE JULY 1, 2001

Senator Miller

SB 889 Mid--Shore Regional Council

Adding a new article to the Annotated Code of Maryland to be designated and known as the "Mid--Shore Regional Council"; establishing the Council as a regional planning and development agency for Caroline, Dorchester, and Talbot counties; providing for the function and dissolution of the Council; providing for the membership and terms of the Council; etc.

EMERGENCY BILL

Senator Colburn

HB 112 St. Mary's County -- Capital Revolving Financial Fund for Fire Fighting Equipment and Facilities

Providing for the investment earnings of the St. Mary's County Capital Revolving Financial Fund for Fire Fighting Equipment and Facilities to be credited to the Fund instead of being paid into the county general fund; increasing the amount of general obligation bonding authority of the County Commissioners for St. Mary's County for the purpose of providing appropriations to the Fund; etc.

St. Mary's County Delegation

HB 118 St. Mary's County -- County Commissioners -- Meeting Requirements

Altering a provision of law from requiring the County Commissioners of St. Mary's County to meet at least 4 times a month to requiring the County Commissioners to meet at least 48 times a year, in accordance with the St. Mary's County Open Meetings Act.

EFFECTIVE JUNE 1, 2001

St. Mary's County Delegation

HB 119 St. Mary's County -- Construction and Improvement of Roads and Drainage -- Petition by Property Owners

Altering the percentage of property owners needed to petition the County Commissioners of St. Mary's County to construct or improve specified roads or drainage in St. Mary's County from a majority of the property owners who will benefit from the construction or improvement to at least two--thirds of the property owners; requiring at least two--thirds of the property owners having a fee simple interest in the affected right--of--way to sign the petition to construct or improve the roads or drainage; etc.

St. Mary's County Delegation

HB 129 Howard County -- Sheriff -- Salary Ho. Co. 5--01

Increasing the annual salary of the Sheriff of Howard County from \$55,183 to \$62,000 for calendar year 2003, \$63,500 for calendar year 2004, \$65,000 for calendar year 2005, and \$66,500 for calendar year 2006 and thereafter.

Howard County Delegation

HB 199 Garrett County -- Garrett County Health Center Bond

Authorizing the County Commissioners of Garrett County to borrow not more than \$3,500,000 to finance

the construction and capital equipping of the Garrett County Health Center and to issue general obligation bonds to finance the projects; requiring the County to levy taxes to pay for the bonds; allowing the County to issue bonds on which the interest or income may be taxable; making the Act an emergency measure; etc.

EMERGENCY BILL

Delegate Edwards

HB 230 Garrett County -- Board of Supervisors of Elections and Orphans' Court Judges -- Compensation

Authorizing the County Commissioners of Garrett County to set the amount of compensation to be paid to a substitute member of the Board of Supervisors of Elections and a judge of the Orphans' Court for Garrett County according to the recommendation of the Garrett County Salary Study Commission; and providing that the Act does not apply to the salary or compensation of the incumbent substitute members of the Board of Supervisors of Elections or judges of the Orphans' Court for Garrett County.

Delegate Edwards

HB 258 Frederick County -- County Treasurer

Abolishing the elected position of County Treasurer in Frederick County; requiring that the County Treasurer be a regular county employee; and providing that the Act does not apply to the salary or compensation of the incumbent.

EFFECTIVE JULY 1, 2001

Frederick County Delegation

HB 260 Frederick County -- Public Facilities Bonds

Authorizing and empowering the County Commissioners of Frederick County to borrow not more than \$43,000,000 in order to finance the cost of public facilities in Frederick County; etc.

EFFECTIVE JUNE 1, 2001

Frederick County Delegation

HB 264 Frederick County -- Citizens Nursing Home Board -- Selection of Members

Altering the process by which specified members of the Frederick County Citizens Nursing Home Board are selected.

Frederick County Delegation

HB 281 Frederick County -- County Commissioners -- Municipal Fire Codes

Repealing the requirement that any fire prevention code, ordinance, or resolution adopted by the County Commissioners for Frederick County apply to each municipal corporation within Frederick County.

Frederick County Delegation

HB 295 Frederick County -- Sheriff's Salary

Increasing the salary of the Sheriff of Frederick County to \$80,000.

Frederick County Delegation

HB 331 Cecil County -- County Treasurer -- Salary

Altering the salary of the County Treasurer of Cecil County from \$48,000 to \$60,000; providing that the Act does not apply to the salary or compensation of the incumbent County Treasurer of Cecil County; and providing for a delayed effective date.

EFFECTIVE OCTOBER 1, 2002

Cecil County Delegation

HB 333 Cecil County -- Public Facilities Bonds

Authorizing and empowering the County Commissioners of Cecil County, from time to time or at one time,

to borrow not more than \$10,000,000 in order to finance the cost of the construction and improvement of specified public facilities; etc.

EFFECTIVE JUNE 1, 2001

Cecil County Delegation

HB 341 Harford County -- State's Attorney -- Salary

Increasing the salary of the State's Attorney for Harford County by specified amounts by specified dates; providing that the Act does not apply to the salary or compensation of the incumbent State's Attorney; etc.

Harford County Delegation

HB 343 Charles County -- County Commissioners -- Salary

Altering salaries for the Charles County Commissioners and the President of the County Commissioners in accordance with the recommendations of the Charles County Salary Review Board; and providing that the Act does not apply to the salary or compensation of the incumbent County Commissioners.

Charles County Delegation

HB 347 Charles County -- Salary -- County Treasurer

Altering salaries for the Charles County Treasurer in accordance with the recommendations of the Charles County Salary Review Board; and providing that the Act does not apply to the salary or compensation of the incumbent Treasurer.

Charles County Delegation

HB 348 Charles County -- Salaries -- Judges of the Orphans' Court

Altering the salary for judges of the Orphans' Court of Charles County; and providing that the Act does not apply to the salary or compensation of the incumbent judges of the Orphans' Court of Charles County.

Charles County Delegation

HB 351 Montgomery County -- Local Social Services Board -- Membership MC 106--01

Authorizing in Montgomery County an increase in the size of the board of the local department of social services as provided by local law, subject to a maximum membership of 13 members.

Montgomery County Delegation

HB 352 Charles County -- Public Facilities Bonds

Authorizing the County Commissioners of Charles County to borrow not more than \$37,700,000 to finance the cost of the acquisition, planning, design, construction, renovation, repair, capital equipping, and general improvement of public buildings, facilities, and works projects in Charles County; etc.

EFFECTIVE JUNE 1, 2001

Charles County Delegation

HB 391 Garrett County -- Office of Treasurer -- Repeal

Repealing from the Public Local Laws of Garrett County specified provisions of the law pertaining to the office of Treasurer of Garrett County; providing for a county employee, the Supervisor of Tax Collection, to assume the duties of the Treasurer of Garrett County; authorizing the County Commissioners to appoint someone to the position of Supervisor of Tax Collection; providing that the Supervisor shall be included in the classified service of Garrett County; etc.

EFFECTIVE JULY 1, 2001

Delegate Edwards

HB 408 Somerset County -- Volunteer Fire Companies -- Appropriations

Requiring the County Commissioners of Somerset County to appropriate to specified organized volunteer

fire companies in the County specified amounts for specified fiscal years; and mandating that the required appropriations for fiscal year 2005 shall remain in effect for subsequent fiscal years unless altered by future enactment.

EFFECTIVE JUNE 1, 2001
Somerset County Delegation

HB 469 Calvert County -- Board of County Commissioners -- Meetings

Requiring the Board of County Commissioners of Calvert County to meet regularly on days set by the Board by resolution to conduct county business; providing for special meetings and cancellation of meetings of the Board; requiring the meetings of the Board to comply with the Open Meetings Act; and repealing provisions of law concerning the meeting requirements of the Board.

Calvert County Delegation

HB 471 Calvert County -- County Commissioners -- Building Excise Tax

Authorizing the County Commissioners of Calvert County to fix and impose, by ordinance, a building excise tax on all types of building construction; requiring the Commissioners to specify in the ordinance the types of building construction subject to the tax; authorizing the Commissioners to impose different rates of the tax on different types of building construction; requiring the revenues from the tax to be deposited in the County's general fund; and authorizing the Commissioners to lawfully use the revenues from the tax.

EFFECTIVE JULY 1, 2001
Calvert County Delegation

HB 489 Calvert County -- Public Facilities Bonds

Authorizing and empowering the County Commissioners of Calvert County, from time to time, to borrow not more than \$34,925,000 in order to finance the construction, improvement, or development of public roads and facilities in Calvert County and to effect such borrowing by the issuance and sale at private or public sale of its general obligation bonds; etc.

EFFECTIVE JUNE 1, 2001
Calvert County Delegation

HB 490 Calvert County -- Public Local Laws -- Budget Amendments

Increasing the amount of a budget adjustment from \$50,000 to \$100,000 in Calvert County that will require compliance with county publication and hearing requirements.

EFFECTIVE JULY 1, 2001
Calvert County Delegation

HB 521 Anne Arundel County Department of Detention Facilities -- Home Detention and Farm Labor Programs

Requiring the Administrator of the Anne Arundel County Department of Detention Facilities to establish and administer a home detention program; restricting which inmates may be eligible for the program; providing that the inmates who participate in the program are responsible for specified expenses and may be required to pay a fee; setting penalties for an inmate's violation of a term or condition of the program; authorizing the Administrator to limit the number of participants in the program; etc.

Delegate Love (Chairman Anne Arundel County Delegation)

HB 540 Baltimore City -- Industrial Growth -- Condemnation

Authorizing and clarifying the authority of the Mayor and City Council of Baltimore to acquire land and property in Baltimore City by condemnation for the public purpose of industrial growth; etc.

Delegate Marriott (Baltimore City Administration), et al

HB 578 Washington County -- Exemption from Advertising Requirement for Contracts for Covert Operations

Exempting from procurement provisions contracts for sales or purchases of equipment or other expenditures by specified law enforcement personnel for use in covert operations; and requiring all records maintained for the procurement to remain confidential until the conclusion of the covert operation, at which time they shall be made public.

Washington County Delegation

HB 580 Washington County -- Exemption from Requirement of Licenses for Transient or Temporary Vendors -- Nonenclosed Shopping Centers

Exempting shows, sales, exhibitions, or fairs conducted within specified areas of nonenclosed shopping centers in Washington County from the requirement for licenses for transient or temporary vendors under specified circumstances; and defining "nonenclosed shopping centers".

Washington County Delegation

HB 613 St. Mary's County -- Public Facilities Bonds

Authorizing and empowering the County Commissioners of St. Mary's County to borrow not more than \$20,000,000 in order to finance the construction, improvement, or development of public facilities in St. Mary's County, by the issuance and sale at private or public sale of its general obligation bonds; etc.

EFFECTIVE JUNE 1, 2001

St. Mary's County Delegation

HB 627 Municipal Corporations -- Charter Amendment Resolutions -- Effectiveness

Repealing provisions of law that make the effectiveness of municipal charter amendment resolutions, municipal annexation resolutions, and other documents related to municipal corporation charters contingent on their being registered with the Department of Legislative Services (DLS); requiring the mayor or other chief executive officer of each municipal corporation to send specified documents to DLS within a specified time period; etc.

EFFECTIVE JUNE 1, 2001

Delegate Wood (Department of Legislative Services)

HB 634 Frederick County -- Funds Designated for County Roads

Authorizing the Board of County Commissioners of Frederick County to use, for county road purposes or public easement roads, funds designated for county road purposes; and authorizing the Board to establish specified criteria.

Frederick County Delegation

HB 711 Charles County -- Board of Education -- Salary Increases

Increasing to \$5,000 the salary of the Chairman of the Charles County Board of Education; increasing to \$4,000 the salaries of the Vice Chairman and members of the Charles County Board of Education; and providing that this Act does not apply to the salaries of the incumbent Chairman, Vice Chairman, and members of the Charles County Board of Education but will take effect at the beginning of the next following term of office.

Charles County Delegation

HB 719 Washington County -- Rainy Day Fund

Permitting the Washington County Commissioners to maintain cash reserves in accordance with generally accepted principles of governmental accounting.

Washington County Delegation

HB 720 Frederick County -- Supplemental Appropriations

Permitting the Frederick County Commissioners to increase budget revenues after January 1 of any fiscal year to allow, in order to repay debt, an increase in the county expenditures; etc.

EFFECTIVE JULY 1, 2001

Frederick County Delegation

HB 724 Somerset County -- Public Officials -- Salaries

Raising the salary of members and specified staff of the Board of License Commissioners of Somerset County, the State's Attorney for Somerset County, the County Treasurer of Somerset County, the Sheriff of Somerset County, the judges of the Orphans' Court, and the County Commissioners of Somerset County; and providing that the Act does not apply to the salary or compensation of the incumbent officials.

EFFECTIVE JULY 1, 2001

Somerset County Delegation

HB 767 Carroll County -- Public Facilities Bonds

Authorizing and empowering the County Commissioners of Carroll County to borrow up to \$11,500,000 to finance the construction, improvement, or development of public facilities in Carroll County; etc.

EFFECTIVE JUNE 1, 2001

Carroll County Delegation

HB 837 Maryland--National Capital Park and Planning Commission -- Minority Business Enterprise Utilization Program MC/PG 102--01

Extending the authority of the Maryland--National Capital Park and Planning Commission to establish and administer a minority business enterprise utilization program for specified purposes; etc.

EFFECTIVE JUNE 1, 2001

Montgomery County Delegation and Prince George's County Delegation

HB 838 Washington Suburban Sanitary Commission -- Local Small Business Enterprise Program MC/PG 101--01

Authorizing the Washington Suburban Sanitary Commission to adopt a local small business enterprise program for specified purposes; requiring the WSSC to adopt eligibility criteria and administrative procedures for the program; requiring the WSSC to review the criteria and procedures each year; etc.

EFFECTIVE JULY 1, 2001

Montgomery County Delegation and Prince George's County Delegation

HB 841 Washington Suburban Sanitary Commission -- Minority Business Enterprise Program -- Graduation MC/PG 119--01

Altering the criteria for a minority business enterprise to graduate from a specified minority business utilization program of the Washington Suburban Sanitary Commission; and authorizing the WSSC to make a specified determination concerning eligibility for the program.

EFFECTIVE JULY 1, 2001

Montgomery County Delegation and Prince George's County Delegation

HB 845 Maryland--National Capital Park and Planning Commission -- Changes to Public Property -- Commission Review MC/PG 105--01

Requiring the Maryland--National Capital Park and Planning Commission to adopt, after appropriate public hearings, uniform standards of review for reviewing changes to public property located in the regional district; requiring a notice of the adoption of the standards to be published in a specified manner; etc.

Montgomery County Delegation and Prince George's County Delegation

HB 855 Washington Suburban Sanitary Commission -- Nondiscrimination Policy MC/PG 125--01

Prohibiting the Washington Suburban Sanitary Commission (WSSC) from discriminating against any

person based on specified factors; requiring specified contracts to include specified provisions pertaining to nondiscrimination; and authorizing the WSSC to void specified contracts under specified circumstances.

Montgomery County Delegation and Prince George's County Delegation

HB 890 Washington Suburban Sanitary Commission -- Contracting Authority -- Revenue Bonds MC/PG 109-01

Authorizing the Washington Suburban Sanitary Commission (WSSC) to enter into contracts as a primary party or subcontractor for specified purposes; altering the purposes for which the WSSC may acquire specified property; altering the authority of the WSSC to sell, lease, license, or contract with respect to specified property; authorizing the WSSC to issue revenue bonds for specified purposes and under specified conditions, supported by specified projects; etc.

EFFECTIVE JULY 1, 2001

Montgomery County Delegation and Prince George's County Delegation

HB 895 St. Mary's County -- Building Impact Fee -- Exemption

Authorizing the County Commissioners of St. Mary's County to enact by ordinance an exemption to a specified building impact fee; and providing for the application of the Act.

EFFECTIVE JULY 1, 2001

St. Mary's County Delegation

HB 897 St. Mary's County -- Hospital Bonds

Authorizing and empowering the County Commissioners of St. Mary's County to borrow not more than \$20,000,000 in order to finance the construction, improvement, or development of St. Mary's Hospital in St. Mary's County by the issuance and sale at public or private sale of general obligation bonds of St. Mary's County; etc.

EFFECTIVE JUNE 1, 2001

St. Mary's County Delegation

HB 929 Anne Arundel County Circuit Court Domestic Relations Division Employees -- Pension and Retirement Health Benefits

Allowing an individual, who is an employee of the Domestic Relations Division of the Anne Arundel County Circuit Court on or before June 30, 2002, and subsequently is transferred into the State Personnel Management System, to remain in the Anne Arundel County Retirement and Pension System or transfer into the State Employees' Pension System; requiring the Central Payroll Bureau to deduct a specified amount from the biweekly salaries of employees who elect to remain in the Anne Arundel County Retirement and Pension System; etc.

EFFECTIVE JULY 1, 2001

Delegates Love and Cadden

HB 1025 Election Law -- Baltimore County Republican Party Central Committee

Changing the method of electing members of the Republican Party Central Committee in Baltimore County by providing for the election of four members from each councilmanic district and of a Chairman from the County at large.

Delegate Redmer, et al

HB 1034 Carroll County -- Competitive Bids

Increasing to \$25,000 the cost of a public work or improvement or the purchase price of supplies or equipment for which the Carroll County Commissioners may enter into a contract; requiring that when the cost or the purchase price exceeds \$25,000 under specified conditions, the Chief of the Bureau of Purchasing for the County Commissioners shall advertise for bids for at least one week in one or more newspapers circulated in Carroll County; and requiring that bids be opened in the presence of an employee

designated by the Commissioners.
Carroll County Delegation

HB 1039 Dorchester County -- County Commissioners -- Salaries

Increasing to \$14,000 the annual salaries of the County Commissioners of Dorchester County; repealing a prohibition against the County Commissioners receiving other compensation; and establishing a salary of \$15,000 annually for the President of the County Commissioners of Dorchester County.

EFFECTIVE JULY 1, 2001

Dorchester County Delegation

HB 1046 Dorchester County -- Public School Capital Improvement Bonds

Authorizing and empowering the County Commissioners of Dorchester County, from time to time, to borrow not more than \$2,500,000 in order to finance, with specified restrictions, specified public school capital improvements in Dorchester County and to effect such borrowing by the issuance and sale at public or private sale of its general obligation bonds in like par amount; etc.

EFFECTIVE JUNE 1, 2001

Dorchester County Delegation

HB 1087 Tri--County Council for the Lower Eastern Shore of Maryland

Adding a new article to the Annotated Code of Maryland to be designated and known as the "Tri--County Council for the Lower Eastern Shore of Maryland"; establishing the Council as a regional planning and development agency for Somerset, Wicomico, and Worcester counties; providing for the function and dissolution of the Council; providing for the membership of the Council; providing for the terms of the members of the Council; etc.

EMERGENCY BILL

Eastern Shore Delegation

HB 1088 Mid--Shore Regional Council

Adding a new article to the Annotated Code of Maryland to be designated and known as the "Mid--Shore Regional Council"; establishing the Council as a regional planning and development agency for Caroline, Dorchester, and Talbot counties; providing for the function and dissolution of the Council; providing for the membership of the Council; providing for the terms of the members of the Council; etc.

EMERGENCY BILL

Eastern Shore Delegation

HB 1103 Maryland--National Capital Park and Planning Commission -- Binding Arbitration MC/PG 116--01

Requiring that collective bargaining between the Maryland--National Capital Park and Planning Commission and the representative of a bargaining unit for Commission employees begin not later each year than September 1 and end not later than February 1; requiring that negotiations be conducted in good faith; establishing a procedure for resolving a negotiability dispute; replacing provisions authorizing the appointment of a fact finder and the use of fact--finding procedures with provisions requiring arbitration; etc.

Montgomery County Delegation and Prince George's County Delegation

HB 1157 Prince George's County Court Security Officers -- Collective Bargaining PG 301--01

Providing that County court security officers are subject to the Labor Code of Prince George's County and the County personnel law; and designating the employer of court security officers for purposes of collective bargaining.

Prince George's County Delegation

HB 1168 Animal Control -- Garrett County

Authorizing the Garrett County dog warden and the warden's deputies to enforce regulation of animals in Garrett County; authorizing the Garrett County dog warden and the warden's deputies to issue a summons to any person in violation of the regulation of animals in the County; and authorizing the County Commissioners of Garrett County to provide for a comprehensive system for the regulation of dogs and cats in the County.

Delegate Edwards

HB 1179 Washington County -- Sheriff's Salary Increase

Raising the salary of the Sheriff of Washington County from \$55,000 to \$67,500; and providing that the Act does not apply to the salary or compensation of the incumbent Sheriff of Washington County.

Washington County Delegation

HB 1189 Prince George's County -- Publications -- Newspaper of Record PG 403--01

Altering the definition of "newspaper in general circulation" in provisions of law that refer to publishing a specified legal advertisement or notice to include, for specified purposes, in Prince George's County, a newspaper of record and other specified newspapers.

Prince George's County Delegation

HB 1203 Prince George's County -- Assistant Sheriffs -- Salaries PG 308--01

Altering the salary of the chief assistant sheriff and an assistant sheriff for Prince George's County to reflect a commissioned deputy sheriff appointed to the position of chief assistant sheriff or serving as an assistant sheriff for Prince George's County; and requiring the Sheriff of Prince George's County to provide in the county budget for the salary of a commissioned deputy sheriff appointed to the position of chief assistant sheriff or serving as an assistant sheriff.

Prince George's County Delegation

HB 1222 Calvert County -- Task Force to Study the Infrastructure Needs of Private Communities in Calvert County

Establishing a Task Force to Study the Infrastructure Needs of Private Communities in Calvert County; specifying the membership of the Task Force; providing for the chairman and staff of the Task Force; providing that members of the Task Force serve without compensation but are entitled to specified compensation for expenses; requiring the Task Force to conduct a survey, hold public hearings, determine the availability of specified resources, and make specified recommendations; etc.

EFFECTIVE JUNE 1, 2001

Delegates O'Donnell and Owings

HB 1229 Election -- Compensation of Election Judges -- Prince George's County PG 316--01

Increasing the compensation of election judges in Prince George's County by a specified amount; and providing that the Act does not apply to the salary or compensation of the incumbent election judges in Prince George's County.

Prince George's County Delegation

HB 1239 Charles County -- Fire and Rescue Services

Including a dive rescue unit and mobile intensive care unit in provisions of law relating to fire companies and rescue squads in Charles County; allowing an increase from \$100,000 to \$200,000 in an emergency fund; allowing excess length of service award funds to be used for recruitment and retention; etc.

Charles County Delegation

HB 1244 Municipal Water and Sewerage Systems -- Unpaid Sewerage Charges -- Disconnection of Water Service

Authorizing a political subdivision to disconnect water service based on unpaid sewerage charges owed to the political subdivision or to another political subdivision for a specified length of time; requiring notice prior to disconnection of water service; authorizing a political subdivision to require full payment plus a reconnection charge before water is restored; repealing similar provisions applicable to a single sanitary commission; etc.

Delegates Edwards and Guns

HB 1301 Frederick County -- Community Development Authorities

Authorizing Frederick County to include specified parts of Frederick County within a community development authority.

Frederick County Delegation

HB 1308 Carroll County -- Water and Sewerage Systems -- Connection to Public Systems

Authorizing the Board of County Commissioners of Carroll County to establish a fund to assist specified property owners in connecting to public water and sewerage systems under specified circumstances; requiring that disbursements from the fund be used to pay specified costs; requiring property owners who have received disbursements from the fund to repay the fund; requiring the Board to impose liens on benefitted properties; and requiring the Board to establish specified repayment provisions.

Carroll County Delegation

HB 1371 Carroll County -- Bond Authorization -- Carroll County General Hospital, Inc.

Authorizing and empowering the County Commissioners of Carroll County, from time to time, to borrow not more than \$20,000,000 for the purpose of lending the proceeds to the Carroll County General Hospital, Inc. to finance the cost of construction, renovation, equipping, and improvement of new and existing facilities; etc.

EFFECTIVE JUNE 1, 2001

Carroll County Delegation

HB 1384 Department of Housing and Community Development -- Existing Rural Housing Stock -- Use of Federal Funds

Altering an exemption from the definition of "growth--related projects" in the law governing priority funding areas to exempt specified projects for the purchase or rehabilitation of single--family or multifamily housing if funded with federal moneys.

EFFECTIVE JULY 1, 2001

Southern Maryland Delegation, Eastern Shore Delegation, Western Maryland Delegation, and Harford County Delegation

HJ 23 Task Force to Study Establishing a Matthew Henson Memorial

Extending the time for the Task Force to Study Establishing a Matthew Henson Memorial to complete its study; providing for the duties of the Task Force; and requiring the Task Force to report to the Governor and the General Assembly on or before December 31, 2001.

Charles County Delegation

Part E
Crimes, Corrections, and Public Safety

- SB 1 **Criminal Procedure**
Adding a new article to the Annotated Code of Maryland, to be designated and known as the "Criminal Procedure Article"; revising, restating, and recodifying the laws relating to law enforcement procedures, arrests, the rights of victims, and pretrial, trial, and sentencing procedures; etc.
The President (Department of Legislative Services -- Code Revision)
- SB 22 **Criminal Procedure -- Circuit Courts -- Time for Trial**
Establishing that in a criminal case in a circuit court, if a trial date is changed, any subsequent change of the trial date may be made only by the county administrative judge or that judge's designee for good cause shown.
Senator Baker
- SB 85 **Interstate Compact for Adult Offender Supervision**
Repealing the Uniform Act for Out--of--State Parolee Supervision; enacting the Interstate Compact for Adult Offender Supervision; establishing the Interstate Commission; providing for the creation of a State Council; specifying membership of the Council; providing for appointment of a Compact Administrator; etc.
CONTINGENT -- EFF. JULY 1, 2002
Senators Frosh and Green
- SB 91 **Criminal Sentencing -- Custodial Confinement as a Condition of a Suspended Sentence or Probation**
Allowing a court as a condition of a suspended sentence or probation to order a person to a term of custodial confinement, as defined, for a specified term under specified circumstances; requiring that any time served in custodial confinement be credited against any sentence of incarceration; clarifying and limiting the authority of courts in specified counties to order a term of imprisonment as a condition of a suspended sentence or probation under specified circumstances; etc.
EMERGENCY BILL -- CONTINGENT
Senator Baker
- SB 208 **Law Enforcement Officers -- Vehicle Laws -- Race--Based Traffic Stops**
Requiring law enforcement officers to record specified data pertaining to traffic stops and requiring law enforcement agencies to report the information to the Maryland Justice Analysis Center (MJAC); requiring the Police Training Commission to develop a model format for the efficient recording of specified data, guidelines that each agency may use to evaluate the data, and a standardized format that each agency shall use in reporting the data to the MJAC; requiring the agencies to adopt policies against race--based traffic stops; etc.
EFFECTIVE JULY 1, 2001
The President (Administration), et al
- SB 209 **Bulletproof Body Armor -- Prohibitions**
Prohibiting a person from wearing or possessing bulletproof body armor (BBA) during or in relation to a drug trafficking crime; restricting the possession, use, or purchase of BBA; providing for criminal penalties; authorizing the Secretary of State Police to issue, deny, or impose conditions or limitations on a permit to possess, purchase, or use BBA; etc.
The President (Administration), et al

- SB 240 **Victims' Rights -- Incompetency and Not Criminally Responsible Procedures**
Eliminating a requirement that a victim or victim's representative notify the State's Attorney and the Department of Health and Mental Hygiene every 2 years in writing in order that the victim or victim's representative be notified of specified proceedings concerning incompetency and not criminally responsible cases under specified circumstances; requiring the Department to notify specified victims and victims' representatives of specified proceedings concerning incompetency and not criminally responsible cases; etc.
Senator Stone (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al
- SB 241 **Victims' Rights -- Conditions of Pretrial or Prehearing Release**
Expanding the list of crimes and the circumstances under which specified persons are required to consider specified conditions of release regarding victims before release of an accused individual in criminal and juvenile cases.
Senator Stone (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al
- SB 243 **Criminal Injuries Compensation -- Claimants and Awards**
Expanding the definition of "crime" to include specified motor vehicle crimes for purposes of determining eligibility for criminal injuries compensation; allowing parents, children, or spouses who reside with victims to be eligible for specified criminal injuries compensation awards; altering the circumstances under which the Criminal Injuries Compensation Board may make an award for a crime or delinquent act resulting in specified psychological injury; etc.
Senator Stone (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al
- SB 256 **Crimes -- Controlled Dangerous Substance Analogues**
Establishing that controlled dangerous substance analogues be treated as Schedule I controlled dangerous substances, to the extent the analogues are intended for human consumption.
Senator Mooney, et al
- SB 284 **Morgan State University Police -- Law Enforcement Officers' Bill of Rights**
Providing that officers of the Morgan State University Police are covered under and afforded the rights provided by the Law Enforcement Officers' Bill of Rights.
Senator Conway, et al
- SB 292 **Motor Vehicle Registration -- Surcharge -- Maryland Emergency Medical System Operations Fund**
Increasing from \$8 to \$11 per year the surcharge used to help fund the Maryland Emergency Medical System Operations Fund that is paid by owners of motor vehicles when registering their vehicles; stating the intent of the General Assembly to establish a panel to study the potential funding needs of the network of trauma centers participating in the State's Emergency Medical Services System that do not receive funding under the Emergency Medical System Operations Fund; etc.
EFFECTIVE JULY 1, 2001
Senator Middleton, et al
- SB 310 **Criminal Procedure -- Wiretapping -- Exceptions for Out--of--State Interception**
Allowing specified information to be used and specified persons to disclose information concerning oral, wire, or electronic communications intercepted in out--of--state jurisdictions in specified proceedings if the interception was made in accordance with the law of the other jurisdiction; etc.
Senator Van Hollen
- SB 353 **Juvenile Law -- Detained Juvenile Defendants -- Transfer of Cases to Juvenile Court**
Requiring the court that has criminal jurisdiction over a case involving a child who is alleged to have

committed an offense excluded from the jurisdiction of the juvenile court to make a determination as to whether to transfer the case to the juvenile court within 10 days after the date of a transfer hearing; requiring that a hearing on a motion requesting that a child be held in a secure juvenile facility pending a transfer determination be held not later than the next court day; etc.

Senator Jimeno, et al (Commission on Juvenile Justice Jurisdiction)

SB 356 Crimes -- Aggravated Cruelty to Animals

Establishing as the felony of aggravated cruelty to animals, acts relating to the mutilation, torture, killing, or beating of an animal, actions relating to dogfighting and cockfighting, or specified injuries to animals owned or used by law enforcement units; allowing a court to order psychological counseling paid for by the defendant for persons convicted of crimes involving cruelty to animals; repealing provisions relating to animal cruelty; etc.

Senator Jimeno, et al

SB 379 Fraud -- Telecommunication Service Providers

Prohibiting use, possession, manufacture, assembly, transfer, distribution, advertising, and other activities relating to unlawful telecommunication devices and access codes and unlawful access devices; providing criminal penalties, damages, injunction, impounding, forfeiture, and other enforcement measures for violations of the Act; authorizing a civil cause of action for damages for violations of the Act; etc.

Senator Baker

SB 381 Criminal Procedure Article -- Cross--References and Corrections

Correcting specified cross--references to the Criminal Procedure Article in the Annotated Code of Maryland; correcting specified cross--references and obsolete terms in the Criminal Procedure Article; clarifying that specified rights of victims apply to victims' representatives; clarifying the duties of the trier of fact when determining the level of proof needed to prove criminal responsibility; etc.

The President (Department of Legislative Services -- Code Revision)

SB 453 Governor's Office of Crime Control and Prevention -- Law Enforcement Equipment Fund

Establishing a Law Enforcement Equipment Fund to assist local law enforcement agencies in acquiring law enforcement equipment needed to address violent crime; requiring the Executive Director of the Governor's Office of Crime Control and Prevention to establish application procedures and administer the grants; requiring agencies to provide statistics and other information to the Executive Director; requiring the Executive Director to consider specified criteria in determining the amount of the grants; etc.

Senator McFadden (Baltimore City Administration), et al

SB 505 Task Force on Enhanced Wireless 911 Service

Creating the Task Force on Enhanced Wireless 911 Service; establishing the membership and selection of co--chairmen of the Task Force; requiring the Task Force to perform specified duties; and requiring the Task Force to report its findings and recommendations to the General Assembly by December 1, 2001.

EFFECTIVE JUNE 1, 2001

Senators Astle and Miller

SB 619 Crimes -- Sabotage and Related Crimes -- Revision

Revising and restating the laws relating to sabotage and hindering, delaying, or interfering with defense--related activities and related crimes under specified circumstances; repealing specified provisions of law relating to attempt and conspiracy to commit sabotage related offenses; prohibiting specified activities relating to hindering, delaying, or interfering with a defense--related activity; prohibiting the possession of identification material under specified circumstances; etc.

Senators Hughes and Stone (Committee to Revise Article 27)

- SB 620 **Crimes -- Accessory After the Fact -- Benefit of Clergy**
Providing that persons convicted of being an accessory after the fact are guilty of a felony and on conviction are subject to specified penalties; providing an exception if another law provides a penalty for being an accessory; repealing provisions of law relating to penalties for felonies and benefit of clergy; etc.
Senators Stone and Hughes (Committee to Revise Article 27)
- SB 659 **Juvenile Court -- Montgomery County**
Transferring jurisdiction over juvenile causes in Montgomery County from the District Court to the circuit court; creating three circuit court judgeships in Montgomery County; eliminating two District Court associate judgeships in District 6; etc.
EFFECTIVE MARCH 1, 2002
Chairman JPR (Maryland Judicial Conference)
- SB 694 **Criminal Procedure -- DNA Evidence -- Postconviction Review**
Authorizing a person convicted of specified offenses to file a petition for postconviction DNA testing of scientific identification evidence that the State possesses and is related to the judgment of conviction; requiring a judge to make specified findings before issuing an order for DNA testing; requiring a petitioner to give the State written notice of the filing of a petition; etc.
Senator Hughes, et al
- SB 779 **Fireworks -- Sparklers and Sparkling Devices**
Excluding specified sparklers or sparkling devices from the definition of "fireworks" under specified circumstances; eliminating the categories of specified 1.4 G fireworks that include specified cylindrical fountains and specified cone fountains; requiring the licensing of manufacturers of specified sparklers or sparkling devices; etc.
Senators Collins and Baker
- HB 37 **Crimes -- Controlled Dangerous Substance Analogues**
Establishing that controlled dangerous substance analogues be treated as Schedule I controlled dangerous substances, to the extent the analogues are intended for human consumption.
Delegate Menes, et al (Special Committee on Drug and Alcohol)
- HB 66 **Smoke Detectors -- Disclosure**
Requiring leases or residential property disclosure statements for existing residential dwelling units that contain alternating current electric service to include a disclosure relating to smoke detectors; etc.
Delegate Carlson
- HB 67 **Juvenile Law -- Prohibition Against Possession of Portable Pagers on School Property -- Repeal**
Repealing a prohibition against the possession of portable pagers on public school property, except as it applies in Baltimore, Caroline, Dorchester, Somerset, Talbot, Wicomico, and Worcester counties and Baltimore City; stating the intent of the General Assembly that local education agencies, working with the State Department of Education, develop local policies regarding the use of pagers and cellular telephones on public school property during school hours; etc.
Delegates Dembrow and Cryor
- HB 109 **Criminal Procedure -- Mutual Aid Agreements -- Nonemergency Aid**
Expanding the authority of specified governing bodies to enter into mutual aid agreements under nonemergency circumstances.
Delegate Petzold, et al

- HB 192 **Crimes -- Drugs -- 3, 4--Methylenedioxyamphetamine (MDMA) -- Penalties**
Establishing that a person who manufactures, distributes, dispenses, or possesses 750 grams or more of 3, 4-
-methylenedioxyamphetamine (MDMA) is subject to specified penalties for specified controlled
dangerous substances convictions.
Delegate Petzold, et al
- HB 205 **Fires and Investigations -- Mutual Aid Agreements -- Clarification**
Altering the definition of the term "fire, rescue, or emergency medical services entity" in connection with
specified mutual aid agreements; and clarifying language.
Chairman ENV (Dept)
- HB 231 **Department of Juvenile Justice -- Appointment of Deputy Secretary**
Authorizing the Secretary of Juvenile Justice to appoint two Deputy Secretaries to assist with the duties
provided by law or designated by the Secretary.
EFFECTIVE JULY 1, 2001
Chairman APP and Chairman JUD (Dept)
- HB 245 **Criminal Procedure -- Arrest Without Warrants -- Department of Labor, Licensing, and Regulation
Police Force**
Adding a person, who in an official capacity is authorized by law to make arrests and who is a member of
the Department of Labor, Licensing, and Regulation Police Force, to the definition of "police officer" for
purposes of the law governing arrests without warrants.
Chairman JUD and Chairman ECM (Dept)
- HB 294 **Juvenile Law -- Detained Juvenile Defendants -- Transfer of Cases to Juvenile Court**
Requiring the court that has criminal jurisdiction over a case involving a child who is alleged to have
committed an offense excluded from the jurisdiction of the juvenile court to make a determination as to
whether to transfer the case to the juvenile court within 10 days after the date of a transfer hearing; requiring
that a hearing on a motion requesting that a child be held in a secure juvenile facility pending a transfer
determination be held not later than the next court day; etc.
Delegate Montague, et al
- HB 303 **Law Enforcement Officers -- Vehicle Laws -- Race--Based Traffic Stops**
Requiring law enforcement officers to record specified data pertaining to traffic stops; requiring law
enforcement agencies to report the information to the Maryland Justice Analysis Center (MJAC); requiring
the Police Training Commission to develop a model format for the officers to record specified data,
guidelines that each agency may use to evaluate the data, and a standardized format that each agency shall
use in reporting the data to the MJAC; requiring the Commission to adopt a model policy against race--
based traffic stops; etc.
EFFECTIVE JULY 1, 2001
Delegate Gladden, et al and the Speaker (Administration)
- HB 305 **Bulletproof Body Armor -- Prohibitions**
Prohibiting a person from wearing or possessing bulletproof body armor in the commission of a crime of
violence and during a crime of drug trafficking; restricting the possession, use, and purchase of bulletproof
body armor; providing for criminal penalties; authorizing the Secretary of State Police to issue, deny, or
impose conditions or limitations on a permit to possess, purchase, or own bulletproof body armor; etc.
The Speaker (Administration), et al
- HB 393 **Criminal Procedure -- Sex Offender Registration -- Retroactive Application**
Requiring the registration of child sex offenders and other offenders subject to registration requirements to

be applied retroactively under specified circumstances; and making the provisions of the Act severable.
Delegates Dembrow and Elliott

HB 398 Criminal Procedure -- Circuit Courts -- Time for Trial

Establishing that, in a criminal case in a circuit court, if a trial date is changed, any subsequent change of the trial date may be made only by the county administrative judge or that judge's designee for good cause shown.

Delegate Gladden, et al

HB 453 Juvenile Justice -- Criminal Justice Information System -- Dissemination of Information

Requiring the Criminal Justice Information System Central Repository to disseminate on a monthly basis specified information concerning juveniles charged as adults to the Maryland Justice Analysis Center of the Institute of Criminal Justice and Criminology of the University of Maryland; etc.

Delegate Montague, et al

HB 461 Crimes -- Electronic Security Systems -- Retail Establishments

Including in the definition of "electronic security system" electronic devices used in retail establishments that are designed to prevent theft; etc.

Delegate Petzold, et al

HB 504 Criminal Injuries Compensation -- Claimants and Awards

Expanding the definition of crime to include specified motor vehicle crimes for purposes of determining eligibility for criminal injuries compensation; allowing parents, children, or spouses of victims who reside with victims to be eligible for specified criminal injuries compensation awards; altering the circumstances under which the Criminal Injuries Compensation Board may make an award for a crime or delinquent act resulting in specified psychological injury; etc.

Delegate Vallario (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al

HB 507 Victims' Rights -- Conditions of Pretrial or Prehearing Release

Expanding the list of crimes and the circumstances under which the court, a juvenile intake office, or a District Commissioner is required to consider specified conditions of release regarding victims before release of an accused individual in criminal and juvenile cases.

Delegate Vallario (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al

HB 508 Victims' Rights -- Incompetency and Not Criminally Responsible Procedures

Eliminating a requirement that a victim or victim's representative notify the Department of Health and Mental Hygiene every 2 years in writing in order that the victim or victim's representative be notified of specified proceedings concerning incompetency and not criminally responsible cases under specified circumstances; requiring the Department to notify specified victims and victims' representatives of specified proceedings concerning incompetency and not criminally responsible cases; etc.

Delegate Vallario (Task Force to Examine Maryland's Crime Victims' Rights Laws), et al

HB 538 Law Enforcement Officers' Bill of Rights -- Baltimore City Watershed Police Force

Altering the definition of "law enforcement officer" for purposes of the Law Enforcement Officers' Bill of Rights, to include members of the Baltimore City Watershed Police Force who are authorized to make arrests.

Delegate Dobson, et al

HB 588 Governor's Office of Crime Control and Prevention -- Law Enforcement Equipment Fund

Establishing a Law Enforcement Equipment Fund to assist local law enforcement agencies in acquiring law

enforcement equipment needed to address violent crime; requiring the Executive Director of the Governor's Office of Crime Control and Prevention to establish application procedures for, determine the amount of, and administer the grants; requiring agencies to provide statistics and other information to the Executive Director; etc.

Delegate Marriott, et al

HB 610 Crimes -- Accessory After the Fact -- Benefit of Clergy

Providing that persons convicted of being an accessory after the fact are guilty of a felony and on conviction are subject to specified penalties; providing an exception if another law provides a penalty for being an accessory; repealing provisions of law relating to penalties for felonies and benefit of clergy; etc.

Delegates Getty and Doory (Committee to Revise Article 27)

HB 611 Crimes -- Prostitution and Related Crimes -- Revision

Revising and restating the prostitution laws; repealing crimes of abduction, bawdy houses, prostitution, pandering, and transportation for immoral purposes; prohibiting actions relating to sexual acts, compelled marriages, prostitution, or assignation; prohibiting receiving or acquiring money or proceeds from prostitution; prohibiting actions relating to individuals under age 16 for prostitution or sexual offenses; establishing penalties and procedures for arrests, registration, and AIDS education; etc.

Delegates Doory and Getty (Committee to Revise Article 27)

HB 612 Crimes -- Sabotage and Related Crimes -- Revision

Revising and restating the laws relating to sabotage and hindering, delaying, or interfering with defense--related activities and related crimes under specified circumstances; repealing specified provisions of law relating to attempt and conspiracy to commit sabotage--related offenses; prohibiting specified activities relating to hindering, delaying, or interfering with a defense--related activity; prohibiting the possession of identification material under specified circumstances; etc.

Delegates Doory and Getty (Committee to Revise Article 27)

HB 614 Interstate Compact for Adult Offender Supervision

Repealing the Uniform Act for Out--of--State Parolee Supervision; enacting the Interstate Compact for Adult Offender Supervision; establishing the Interstate Commission; providing for the creation of a State Council; specifying membership of the Council; providing for appointment of a Compact Administrator; etc.

CONTINGENT -- EFF. JULY 1, 2002

Delegate Dembrow, et al

HB 629 Criminal Procedure -- Registration of Offenders and Sex Offenders -- Required Disclosures

Requiring a local law enforcement agency on written request to send, under specified circumstances, a copy of the registration statement for each sexually violent offender or offender whose registration statement is on record with the law enforcement agency to the person who submitted the request; and generally relating to disclosure of registration statements of offenders and sex offenders.

Delegate K Kelly

HB 649 Crimes -- Aggravated Cruelty to Animals

Establishing as the felony of aggravated cruelty to animals, acts relating to the mutilation, torture, killing, or beating of an animal, actions relating to dogfighting and cockfighting, or specified injuries to animals owned or used by law enforcement units; allowing a court to order psychological counseling paid for by the defendant for persons convicted of crimes involving cruelty to animals; repealing provisions relating to animal cruelty; etc.

Delegate Montague, et al

- HB 659 Criminal Procedure -- Wiretapping -- Exceptions for Out--of--State Interception**
Allowing specified information to be used and specified persons to disclose specified information concerning specified communications intercepted in out--of--state jurisdictions in specified proceedings, if the interception was made in accordance with the law of the other jurisdiction under specified circumstances; requiring that a motion to suppress the contents of specified communications or specified evidence be made in accordance with the Maryland Rules; providing for the application of the Act; etc.
Delegates Barkley and Vallario
- HB 701 Property Bondsmen -- Requirements**
Requiring a person who acts as a property bondsman for compensation to provide documentation of ownership, tax status, and liens against the property posted; and establishing penalties for persons who wilfully provide false documentation.
Delegates Dembrow and K Kelly
- HB 715 Fraud -- Telecommunication Service Providers**
Prohibiting use, possession, manufacture, assembly, transfer, distribution, advertising, and related activities relating to unlawful telecommunication devices and access codes and unlawful access devices; providing criminal penalties, damages, injunction, impounding, forfeiture, and other enforcement measures for violations of the Act; authorizing a civil cause of action for damages for violations of the Act; etc.
Delegates Dembrow and Doory
- HB 829 Advisory Council on Offender Employment Coordination**
Establishing an Advisory Council on Offender Employment Coordination in the Department of Public Safety and Correctional Services; providing for the membership, chairman, staff, and executive director of the Council; requiring the Council to gather information, solicit ideas, and advise and provide guidance to the executive director on specified matters; requiring specified reports; etc.
EFFECTIVE JUNE 1, 2001
Delegate Marriott, et al
- HB 892 Department of Juvenile Justice -- Summer Opportunity Pilot Program -- Establishment**
Establishing the Summer Opportunity Pilot Program under the Department of Juvenile Justice in not more than three counties; authorizing specified persons in a county to develop a proposal for summer educational curriculum and activities for children under the supervision of the Department; requiring a county board of education to review a proposal; requiring the Department, in consultation with the State Board of Education, to review final proposals; etc.
Delegate Zirkin, et al
- HB 958 Forfeitures -- Gambling Contraband -- Service of Process**
Clarifying that an application for the forfeiture of contraband seized in connection with gambling violations be made by complaint and filed in a specified court; clarifying that service of process shall be in accordance with specified Maryland Rules; providing that substitute service may be made in accordance with specified Maryland Rules under specified circumstances; etc.
Delegate Boutin
- HB 1076 Maryland Emergency Management Agency -- Report -- Statewide Swift Water Flood Rescue Plan**
Requiring the Director of the Maryland Emergency Management Agency, with special assistance, to develop a report evaluating the current swift water flood response capabilities in the State and recommending policies and procedures for inclusion in a statewide swift water flood rescue plan; requiring the Agency to submit the report to the Governor and General Assembly by December 1, 2002; etc.
EFFECTIVE JUNE 1, 2001
Delegate Redmer, et al

HB 1078 Task Force on Enhanced Wireless 911 Service

Creating the Task Force on Enhanced Wireless 911 Service; establishing the membership and selection of co--chairmen of the Task Force; requiring the Task Force to perform specified duties; and requiring the Task Force to report its findings and recommendations to the General Assembly by December 1, 2001.

EFFECTIVE JUNE 1, 2001

Delegates McIntosh and Wood

HB 1148 Motor Vehicle Registration -- Surcharge -- Maryland Emergency Medical System Operations Fund

Increasing from \$8 to \$11 per year the surcharge used to help fund the Maryland Emergency Medical System Operations Fund that is paid by owners of motor vehicles when registering their vehicles; stating the intent of the General Assembly to establish a panel to study the potential funding needs of the network of trauma centers participating in the State's Emergency Medical Services System that do not receive funding under the Emergency Medical System Operations Fund; etc.

EFFECTIVE JULY 1, 2001

Chairman CGM and Chairman APP (Dept), et al

HB 1183 Carroll County -- Sheriff's Office Personnel -- Probationary Status

Requiring the Sheriff of Carroll County to place personnel employed by the Sheriff on a probationary status; and repealing the provision of law that requires the Sheriff to place specified personnel on a probationary status for the first 18 months of employment.

Carroll County Delegation

HB 1205 Carroll County -- Special Deputy Sheriffs

Authorizing the Sheriff of Carroll County to appoint special deputy sheriffs who are members of a police force of a municipal corporation in Carroll County; setting forth the conditions to which the appointment of a special deputy sheriff in Carroll County is subject; etc.

Carroll County Delegation

Part F
Courts and Civil Proceedings

- SB 2 **Genetic Information -- Nondiscrimination in Employment**
Making it an unlawful employment practice for an employer to fail or refuse to hire or discharge an individual or otherwise discriminate against an individual because of the individual's genetic information or the individual's refusal to submit to a genetic test or make available the results of a genetic test; etc.
Senator Forehand
- SB 35 **Child Passenger Safety Technicians and Sponsoring Organizations -- Qualified Immunity from Civil Liability**
Providing immunity from civil liability for a child passenger safety technician or sponsoring organization for an act or omission that occurs solely in the inspection, installation, or adjustment of a child safety seat in a motor vehicle, or in giving advice or assistance regarding the installation or adjustment of the child safety seat under specified circumstances; etc.
Senator Forehand
- SB 44 **Family Law -- Adoption Subsidies -- Level of Payment**
Increasing the allowable amount of a specified adoption subsidy payment to \$2,000 per month for a medically fragile child living in a treatment foster care home.
Chairman FIN (Dept)
- SB 173 **Estates and Trusts -- Intestate Succession -- Abandonment or Failure to Support Minor Child**
Precluding a surviving parent from inheriting by intestate succession from a minor child of the parent if the parent has abandoned the child or willfully failed to contribute to the support of the child for a period of at least 3 years; providing for the application of the Act; establishing that a parent shall be deemed to have abandoned a minor child under specified circumstances; etc.
Senator Frosh, et al
- SB 205 **Antidiscrimination Act of 2001**
Prohibiting discrimination based on sexual orientation with regard to public accommodations, housing, and employment; making existing remedies and procedures regarding discrimination applicable to discrimination based on sexual orientation; making existing exemptions from provisions of law that prohibit discrimination applicable to provisions of the Act regarding discrimination based on sexual orientation; defining "sexual orientation"; etc.
The President (Administration), et al
- SB 265 **Shoplifting and Employee Theft -- Civil Penalties**
Increasing the maximum civil penalty that a merchant may be awarded against a responsible person for shoplifting and employee theft under specified circumstances.
Senator Jimeno, et al
- SB 277 **Baltimore City -- Sheriff -- Deputy Sheriff Majors and Deputy Sheriffs**
Requiring the Sheriff of Baltimore City to appoint two deputy sheriff majors; and altering the number of deputy sheriffs that the sheriff may appoint.
Senator McFadden, et al

- SB 307 **Family Law -- Foster Parents**
Setting forth specified rights of foster parents in the State; and specifying that the Act does not create a cause of action for foster parents.
Senator Roesser, et al
- SB 322 **Circuit Courts -- Court Administrators -- Seventh Judicial Circuit**
Repealing provisions of law establishing an administrative office of the courts of the seventh judicial circuit and the position of administrator; authorizing a court administrator in each county of the seventh judicial circuit; providing for the appointment and tenure of a court administrator; requiring a court administrator to devote time and attention to the tasks, duties, and responsibilities that the county administrative judge prescribes; authorizing a court administrator to appoint employees; etc.
Senator Green, et al
- SB 373 **Maryland Uniform Transfer--on--Death Security Registration Act -- Trust Companies**
Altering and adding definitions under the Maryland Uniform Transfer--on--Death Security Registration Act to allow securities held by trust companies other than in a fiduciary capacity to be transferred directly to a transferee designated by the owner of the securities after the death of the owner.
Senator Baker
- SB 433 **Local Government Tort Claims Act -- Limits on Liability**
Clarifying that the monetary limits on the liability of a local government under the Local Government Tort Claims Act apply to claims against local governments when named as defendants.
EMERGENCY BILL
Senator Baker, et al
- SB 476 **Real Property -- Recordation -- Releases of Mortgages and Deeds of Trust**
Requiring the holder of a mortgage or deed of trust secured by a borrower's principal dwelling to release the mortgage or deed of trust within a reasonable time after the loan is paid in full; requiring the holder or another responsible person to record the release or furnish the borrower with the release in a recordable form and a notice disclosing where it should be recorded; authorizing the holder to collect a fee for recording the release; etc.
Senator Dorman
- SB 481 **Domestic Violence -- Out--of--State Orders for Protection -- Enforcement**
Specifying procedures for the enforcement of out--of--state orders for protection; defining "order for protection"; etc.
Senator Green, et al
- SB 506 **Harford County -- Sheriff -- Salary**
Increasing the annual salary of the Sheriff of Harford County to \$90,000 as of 2004; and specifying that the Act does not apply to the salary of the incumbent Sheriff.
Harford County Senators
- SB 585 **Estates and Trusts -- Corporate Fiduciaries and Successor Corporate Fiduciaries -- Qualifications and Liabilities**
Authorizing a corporate fiduciary to attribute to its capital and surplus, for purposes of qualifying as a fiduciary with respect to a capital requirement, the capital and surplus of a corporation with its principal offices in the State if the corporate fiduciary is a trust company and a wholly owned subsidiary of the corporation; and making such a corporation jointly and severally liable with a successor corporate fiduciary.
Senator Hoffman, et al

SB 587 Anne Arundel County -- Nuisance Abatement and Local Code Enforcement -- Enforcement Authority

Authorizing community associations, the State's Attorney for Anne Arundel County, the county attorney for Anne Arundel County, and the city attorney for the City of Annapolis to bring actions in the District Court for relief from specified nuisances within Anne Arundel County; requiring notices to the county code enforcement agency, the tenant, and the owner of record before a nuisance abatement action may be brought; etc.

EFFECTIVE JULY 1, 2001

Senator Jimeno

SB 634 Automotive Warranty Enforcement Act -- Jurisdiction

Establishing that the District Court and the circuit court have concurrent jurisdiction in a proceeding for a replacement motor vehicle under the Automotive Warranty Enforcement Act under specified circumstances.

Senator Van Hollen

SB 639 Real Property -- Maryland Condominium Act -- Unit Owner Liability

Requiring a condominium unit owner to pay the council of unit owners' property insurance deductible when the cause of any damage originates from the unit of the owner; limiting the monetary liability of the unit owner; authorizing the council of unit owners to assess a unit owner under specified circumstances; etc.

Senator Jacobs

SB 659 Juvenile Court -- Montgomery County

Transferring jurisdiction over juvenile causes in Montgomery County from the District Court to the circuit court; creating three circuit court judgeships in Montgomery County; eliminating two District Court associate judgeships in District 6; etc.

EFFECTIVE MARCH 1, 2002

Chairman JPR (Maryland Judicial Conference)

SB 660 Juvenile Causes

Separating the statutory provisions relating to children in need of assistance from the statutory provisions relating to delinquent children and children in need of supervision; stating the purposes and providing for the construction of the provisions relating to children in need of assistance; altering the jurisdiction of the juvenile court; etc.

VARIOUS EFFECTIVE DATES

Chairman JPR (Maryland Judicial Conference -- Foster Care Commission)

SB 691 Family Law -- Unregistered Family Day Care Provider -- Civil Penalties

Authorizing the Child Care Administration to issue a civil citation imposing civil penalties on an unregistered family day care provider; altering penalties for unregistered family day care providers; and providing procedures for an appeal of a civil citation imposed under the Act.

Senator Sfikas

SB 810 Child Abuse -- Reports -- Public School Contractors and Employees of Contractors

Authorizing the disclosure of reports or records concerning child abuse or neglect to public school superintendents for specified purposes following a report of specified abuse committed by an independent contractor or an employee of an independent contractor who supervises or works directly with students.

EFFECTIVE JULY 1, 2001

Senator Jimeno

- SB 843 **Estates and Trusts -- Orphans' Court -- Baltimore City -- Pension of Judges**
Increasing the maximum annual pension or salary for specified retired associate judges of the Orphans' Court for Baltimore City who were in active service on or after January 1, 1984, from \$15,000 to \$25,000; increasing the maximum annual pension or salary for specified retired Chief Judges of the Orphans' Court for Baltimore City who were in active service on or after January 1, 1984 from \$15,250 to \$30,000; etc.
Senator McFadden
- SB 869 **Sound Level Limits and Noise Control -- Shooting Sports Clubs**
Altering a limitation on an exemption from sound level limits and noise control rules and regulations to make the exemption apply to specified sports shooting clubs chartered and in operation as of January 1, 2001.
Senator Jimeno, et al
- HB 18 **Genetic Information -- Nondiscrimination in Employment**
Making it an unlawful employment practice for an employer to fail or refuse to hire or discharge an individual or otherwise discriminate against an individual because of the individual's genetic information or the individual's refusal to submit to a genetic test or make available the results of a genetic test; etc.
Delegate Finifter, et al
- HB 20 **Family Law -- Marriage License Fee -- Premarital Preparation Course**
Authorizing a county to discount a marriage license fee if the couple to be married completes a premarital preparation course; and specifying the requirements for a premarital preparation course.
Delegates Leopold and Montague
- HB 70 **District Court -- Civil Jurisdiction -- Dishonored Checks and Other Instruments**
Clarifying that the District Court of Maryland has exclusive original civil jurisdiction in an action for damages for a dishonored check or other instrument regardless of the amount in controversy; and providing that in an action for damages for a dishonored check or instrument a defendant is entitled to demand a transfer of the action from the District Court to a circuit court under specified circumstance.
Delegate Getty
- HB 127 **Estates and Trusts -- Guardian -- Medical Procedures**
Allowing the court to authorize a guardian to make decisions regarding medical procedures that involve a substantial risk to the life of a disabled person without further court authorization when the guardian is within one of specified classes of individuals and the court determines the guardian is familiar with the personal beliefs, values, and medical situation of the disabled person.
Delegate Dembrow
- HB 140 **Circuit Courts -- Court Administrators -- Seventh Judicial Circuit**
Repealing provisions of law establishing an administrative office of the courts of the seventh judicial circuit and the position of administrator; authorizing a court administrator in each county of the seventh judicial circuit; providing for the appointment and tenure of a court administrator; requiring a court administrator to devote time and attention to the tasks, duties, and responsibilities that the county administrative judge prescribes; authorizing a court administrator to appoint employees; etc.
Southern Maryland Delegation
- HB 145 **Criminal Background Investigations -- Care and Supervision of Children -- Substitute Employee Pools**
Requiring that specified provisions of law related to criminal history records checks apply to specified

entities that establish and maintain a pool of individuals to work as substitute or temporary employees in facilities where children are cared for or supervised; defining "employer" and "employee"; and requiring an employer to require an employee to obtain a criminal history records check.

Delegate Doory, et al

- HB 154 Estates and Trusts -- Intestate Succession -- Abandonment or Failure to Support Minor Child**
Precluding a parent from inheriting by intestate succession from a minor child of the parent if the parent abandoned the child or willfully failed to contribute to the support of the child for at least 3 consecutive years immediately preceding the death of the child or for the life of the child, whichever is less; etc.

Delegate K Kelly

- HB 167 Workers' Compensation -- Notice of Decision -- Appeal**

Requiring the State Workers' Compensation Commission to send by first class mail a copy of a claim decision to each party's attorney of record or to each party, if unrepresented; providing that the period for filing an appeal from a decision of the Commission shall begin on the date of the mailing of the notice required under the Act; etc.

Delegate Vallario, et al

- HB 183 Courts -- Parent--Child Immunity -- Motor Vehicle Torts -- Abrogation**

Abrogating the doctrine of parent--child immunity as it applies to motor vehicle torts up to specified mandatory minimum liability coverage levels; prohibiting a parent or child who is a tort--feasor in a wrongful death action from obtaining any benefit under the Act in the wrongful death action; and providing for the application of the Act.

Delegate Vallario, et al

- HB 225 Orphans' Court Judges -- Caroline County -- Salaries**

Increasing the annual salary of Orphans' Court judges in Caroline County to \$4,500.

Delegate Eckardt, et al

- HB 242 Shoplifting and Employee Theft -- Civil Penalties**

Increasing to \$1,000 the maximum civil penalty that a merchant may be awarded against a responsible person for shoplifting and employee theft under specified circumstances.

Delegate K Kelly, et al

- HB 254 Domestic Violence -- Out--of--State Orders for Protection -- Enforcement**

Specifying procedures for the enforcement of out--of--state orders for protection; etc.

Delegate Grosfeld, et al

- HB 330 Adoption Search, Contact, and Reunion Services -- Access to Records by Confidential Intermediary**

Authorizing the Adoption Program Manager of the Department of Human Resources to authorize a confidential intermediary providing adoption search, contact, and reunion services to obtain information contained in specified records; and authorizing the Adoption Program Manager to sign written statements authorizing a confidential intermediary to obtain information contained in specified records.

Delegates Turner and Montague

- HB 354 Harford County -- Sheriff -- Salary**

Increasing the annual salary of the Sheriff of Harford County to \$90,000 as of 2003; and specifying that the Act does not apply to the salary of the incumbent Sheriff.

Harford County Delegation

- HB 426 Allegany County -- State Personnel -- Child Support Enforcement Administration -- Transfer of Personnel**
Transferring the Paternity and Support Division of the Office of the State's Attorney for Allegany County to the Child Support Enforcement Administration of the Department of Human Resources; providing that specified employees shall be transferred to the Child Support Enforcement Administration in accordance with specified provisions of law that provide for inclusion in the State Personnel Management System, seniority, compensation, annual leave accrual, transfer of specified pension contributions, and other personnel matters; etc.
EFFECTIVE JULY 1, 2001
Allegany County Delegation
- HB 460 Real Estate Brokers -- Deposit of Trust Money**
Requiring a real estate broker to deposit trust money promptly, but not more than 7 business days after the acceptance of a contract of sale by both parties, in an account that is maintained by the real estate broker.
Delegate Moe, et al
- HB 546 District Court -- Small Claim Actions**
Increasing to \$5,000 the amount that an amount in controversy must exceed in cases over which the District Court and the circuit courts have concurrent jurisdiction; increasing to \$5,000 the maximum amount in controversy over which the District Court has exclusive jurisdiction; increasing to \$2,500 the maximum amount in controversy for which formal pleadings are prohibited; and increasing to \$5,000 the amount that an amount in controversy must exceed in cases where appeals from the District Court must be heard on the record.
Delegate Baldwin, et al
- HB 574 Estates and Trusts -- Corporate Fiduciaries and Successor Corporate Fiduciaries -- Qualifications and Liabilities**
Authorizing a corporate fiduciary to attribute to its capital and surplus, for purposes of qualifying as a fiduciary with respect to a capital requirement, the capital and surplus of a corporation with its principal offices in the State if the corporate fiduciary is a trust company and a wholly owned subsidiary of the corporation; and making such a corporation jointly and severally liable with a successor corporate fiduciary.
Delegate Doory, et al
- HB 632 Real Property -- Recordation -- Releases of Mortgages and Deeds of Trust**
Requiring the holder of a mortgage or deed of trust secured by a borrower's principal dwelling to release the mortgage or deed of trust within a reasonable time after the loan is paid in full; requiring the holder or a responsible person to record the release or furnish the borrower with the release in a recordable form and a notice disclosing where it should be recorded; authorizing the holder to collect a fee for recording the release; etc.
Delegates Benson and Conroy
- HB 705 Family Law -- Petitions for Adoption or Guardianship -- Notice to Parents**
Repealing provisions of law concerning waiver of notice to a natural parent of the filing of a petition for adoption or guardianship; repealing a provision of law authorizing a court to order notice by posting under specified circumstances; requiring a court to order notice by publication under specified circumstances; clarifying language and establishing the manner of notice by publication.
Delegates Vallario and Giannetti
- HB 716 Circuit Courts -- Funding of Law Clerks**
Requiring the State to employ one law clerk for each circuit court judge; requiring specified funds to be

included in the State budget; etc.

EFFECTIVE JULY 1, 2002

Chairman APP (Maryland Judicial Conference)

- HB 846 **Washington Suburban Sanitary Commission Infraction -- District Court Jurisdiction MC/PG 108--01**
Clarifying the jurisdiction of the District Court of Maryland over specified WSSC infractions.
Montgomery County Delegation and Prince George's County Delegation
- HB 850 **Family Law -- International Child Abduction**
Establishing a separate offense and increasing the penalties for child abduction and related acts when the child is in a place that is outside of the United States, a territory of the United States, the District of Columbia, or the Commonwealth of Puerto Rico; etc.
Delegates Dembrow and Barkley
- HB 854 **Courts -- Service of Process and Subpoenas -- Governmental Entities**
Requiring specified units of State government and political subdivisions and other local entities to file with the Department of Assessments and Taxation designations of persons as resident agents for service of process; and providing that a subpoena for an official custodian or other custodian of public records may be served on local entities or State agencies or officers under specified circumstances.
Delegate Vallario
- HB 864 **Landlord and Tenant -- Expedited Eviction Authority -- Dangerous Acts**
Reducing the amount of notice a landlord must give to evict a tenant if the tenant or another person breaches the lease by behaving in a manner that constitutes a danger to other people or property to 14 days; and requiring the landlord to give 30 days' written notice to the tenant if the tenant is in violation of the lease.
Delegate Minnick
- HB 914 **Family Law -- Foster Parents**
Setting forth specified rights of foster parents in the State; and specifying that the Act does not create a cause of action for foster parents.
Delegate Montague, et al
- HB 938 **Real Property -- Maryland Condominium Act -- Unit Owner Liability**
Requiring a condominium unit owner to pay the council of unit owners' property insurance deductible when the cause of any damage originates from the unit of the owner; limiting the monetary liability of the unit owner; authorizing the council of unit owners to assess a unit owner under specified circumstances; etc.
Delegates Brown and Pitkin
- HB 942 **Local Government Tort Claims Act -- Limits on Liability**
Clarifying that the monetary limits on the liability of a local government under the Local Government Tort Claims Act apply to claims against local governments when named as defendants; etc.
EMERGENCY BILL
Delegate Taylor, et al
- HB 953 **Homeowners Associations -- Late Fees**
Authorizing declarations of homeowners associations to provide a late charge of \$15 or one--tenth of the total amount of any late assessment or installment, whichever is greater under specified circumstances.
Delegate Gordon

- HB 955 Maryland Uniform Transfer--on--Death Security Registration Act -- Trust Companies**
Altering and adding definitions under the Maryland Uniform Transfer--on--Death Security Registration Act to allow securities held by trust companies other than in a fiduciary capacity to be transferred directly to a transferee designated by the owner of the securities after the death of the owner.
Delegate Dembrow
- HB 1031 Landlord Tenant -- Tenant Holding Over**
Clarifying that provisions of law relating to a tenant holding over apply to specified tenancies; etc.
Delegate Krysiak
- HB 1070 Family Law -- Child and Spousal Support -- Earnings Withholding**
Authorizing the Child Support Enforcement Administration to serve an earnings withholding notice on an employer of an obligor under specified circumstances; altering provisions relating to the amount of earnings withholding under an earnings withholding order or earnings withholding notice; establishing procedures for earnings withholding if there is more than one earnings withholding order or notice against a single debtor; etc.
Delegate Montague, et al
- HB 1115 Anne Arundel County -- Orphans' Court Judges -- Salary Increase**
Increasing the salaries of the judges of the Orphans' Court of Anne Arundel County from \$15,000 to \$19,000; and providing that the Act does not apply to the salary or compensation of the incumbent judges of the Orphans' Court of Anne Arundel County.
Delegate Sophocleus
- HB 1178 Queen Anne's County -- State's Attorney -- Salary and Duties**
Increasing the salary of the State's Attorney in Queen Anne's County; prohibiting the State's Attorney in Queen Anne's County from engaging in the private practice of law; prohibiting the State's Attorney in Queen Anne's County from appearing professionally in any criminal matter except in performance of his or her position as State's Attorney; etc.
Delegate W Baker, et al
- HB 1181 Baltimore City -- Sheriff -- Deputy Sheriff Majors and Deputy Sheriffs**
Requiring the Sheriff of Baltimore City to appoint two deputy sheriff majors; and altering the number of deputy sheriffs that the Sheriff of Baltimore City may appoint.
Delegate Harrison, et al
- HB 1182 Charles County -- Office of the Sheriff**
Altering the procedure for appointing deputy sheriffs in Charles County to require the Sheriff of Charles County, in accordance with specified rules and regulations, to appoint the number of deputy sheriffs that the Board of County Commissioners of Charles County and the Sheriff consider necessary; etc.
Charles County Delegation
- HB 1214 Real Property -- Landlord and Tenant -- Repossession**
Allowing a landlord to file a complaint with the District Court when an unexpired lease for a stated term provides that the landlord may repossess the premises prior to the expiration of the lease; etc.
Delegate Krysiak
- HB 1215 Landlord and Tenant -- Rent Escrow Law**
Altering specified conditions to be satisfied for a tenant to invoke specified rent escrow remedies.
Delegate Krysiak

HB 1230 Prince George's County Sheriff's Office -- Compensation PG 313--01

Altering the salaries for the chief assistant sheriff and the assistant sheriffs in Prince George's County.
Prince George's County Delegation

HB 1231 Prince George's County -- Orphans' Court -- Compensation of Judges PG 312--01

Providing for an increase in the compensation for judges of the Orphans' Court of Prince George's County; providing for a delayed effective date; etc.

EFFECTIVE OCTOBER 1, 2002

Prince George's County Delegation

HB 1240 Child Abuse -- Reports -- Public School Contractors and Employees of Contractors

Authorizing the disclosure of reports or records concerning child abuse or neglect to specified public school superintendents for specified purposes following a report of specified abuse committed by an independent contractor or an employee of an independent contractor who supervises or works directly with students.

EFFECTIVE JULY 1, 2001

Delegate Love

HB 1261 Child Passenger Safety Technicians and Sponsoring Organizations -- Qualified Immunity from Civil Liability

Providing immunity from civil liability for a child passenger safety technician or sponsoring organization for an act or omission that occurs in the inspection, installation, or adjustment of a child safety seat in a motor vehicle, or in giving advice or assistance regarding the installation or adjustment of the child safety seat under specified circumstances; etc.

Delegate Dembrow

HB 1344 Anne Arundel County -- Nuisance Abatement and Local Code Enforcement -- Enforcement Authority

Authorizing community associations, the State's Attorney for Anne Arundel County, the county attorney for Anne Arundel County, and the city attorney for the City of Annapolis to bring actions in the District Court for relief from specified nuisances within Anne Arundel County; requiring notices to the county code enforcement agency, the tenant, and the owner of record before a nuisance abatement action may be brought; etc.

EFFECTIVE JULY 1, 2001

Delegate Cadden, et al

HB 1423 Sound Level Limits and Noise Control -- Shooting Sports Clubs

Altering a limitation on an exemption from sound level limits and noise control rules and regulations to make the exemption apply to specified sports shooting clubs chartered and in operation as of January 1, 2001.

Delegate Taylor

HB 1434 Real Property -- Mortgages -- Perfection of Security Interest

Providing that if a security interest in a mortgage was attached or perfected before July 1, 2001, in accordance with specified law, then the interest shall continue to be perfected after July 1, 2001, without the need for additional filing; repealing a requirement that an assignment of a specified mortgage be recorded in the land records of the county where the mortgage is recorded under specified circumstances; etc.

EFFECTIVE JULY 1, 2001

Delegate Brown

Part G
Transportation and Motor Vehicles

- SB 4 **Drunk and Drugged Driving -- Evidence -- Refusal to Submit to Test for Alcohol, Drugs, or Controlled Dangerous Substances**
Repealing a prohibition against an inference or presumption concerning guilt or innocence arising because of a person's refusal to submit to a specified test for alcohol, drugs, or controlled dangerous substances.
Senator Forehand, et al
- SB 17 **Scooters and In--Line Roller Skates -- Protective Helmets**
Prohibiting an individual under the age of 16 years from riding on a scooter or on in--line skates on any highway, bicycle way, sidewalk, or other property open to or used by the public for pedestrian or vehicle traffic, unless the individual wears a helmet that meets or exceeds specified standards; and providing for the issuance of a specified warning.
Senator Hollinger, et al
- SB 19 **State Highways -- Designation -- Korean War Veterans Memorial Highway**
Requiring the State Highway Administration to designate Maryland Route 43 as the Korean War Veterans Memorial Highway.
Senators Stone and Collins
- SB 27 **Vehicle Laws -- Registration Plates -- Transfer into an Inter Vivos Trust**
Allowing the continued use of registration plates after the transfer of the title or interest in a vehicle into a specified inter vivos trust.
EFFECTIVE JUNE 1, 2001
Senator Roesser
- SB 43 **Mass Transit Administration -- Unit Name**
Changing the unit name of the Mass Transit Administration to the Maryland Transit Administration; providing that the Maryland Transit Administration is a unit of the Department of Transportation; and requiring the Department of Transportation to make changes to vehicles, signs, and all other relevant materials necessary as a result of the name change.
Chairman FIN (Dept)
- SB 51 **Vehicle Laws -- Trucks, Truck Tractors, and Buses -- Identification**
Requiring that a United States Department of Transportation number be displayed on trucks, truck tractors, and buses in a manner that complies with specified federal regulations relating to vehicles operating interstate; exempting vehicles owned and operated by the State or any political subdivision of the State or vehicles operating within 15 days of the purchase date from specified identification number requirements; repealing specified exemptions from the identification number requirement; etc.
EFFECTIVE JULY 1, 2002
Chairman JPR (Dept)
- SB 53 **Mass Transit Administration -- Prohibited Acts -- Issuance of Citations**
Requiring a person engaging in any specified prohibited act in a transit vehicle or transit facility under the jurisdiction of the Mass Transit Administration to provide a police officer or an authorized agent of the Administration with the person's name and address and any written verification of this information in the

person's possession, when requested; and authorizing a police officer or authorized agent of the Administration to issue a citation to a person engaging in any specified prohibited act.

Chairman JPR (Dept)

SB 54 Mass Transit Administration -- Torts -- Restrictions on Actions

Prohibiting a tort claimant from instituting an action against the Mass Transit Administration unless specified conditions are met; requiring that a notice of a tort claim against the Mass Transit Administration contain specified information and meet specified criteria; specifying under what circumstances a claim is denied finally by the Mass Transit Administrator or the Administrator's designee; etc.

Chairman JPR (Dept)

SB 55 Vehicle Laws -- Young Drivers -- Alcohol Restrictions

Altering the alcohol concentration restriction imposed by the Motor Vehicle Administration on a licensee under the age of 21 years who drives or attempts to drive a motor vehicle; and requiring that the Motor Vehicle Administration impose an alcohol restriction on a licensee under the age of 21 years that prohibits the licensee from driving or attempting to drive a motor vehicle while having alcohol in the licensee's blood.

Chairman JPR (Dept)

SB 56 Motor Vehicle Administration -- Collection of Fees -- Reinstatement of Revoked Driving Privileges

Modifying the collection of fees by the Motor Vehicle Administration in connection with an application for a new license or reinstatement of revoked driving privileges.

Chairman JPR (Dept)

SB 57 Vehicle Laws -- Transfers -- Continued Use of Registration Plates

Allowing specified transferees of the title or interest in a motor vehicle to continue to use the same registration plates on the vehicle after the transfer.

Chairman JPR (Dept)

SB 58 Motor Vehicle Law -- Licensing of Businesses and Occupations

Providing an exception to a provision of law requiring specified individuals and businesses licensed by the Motor Vehicle Administration to conduct the licensed activity only from a fixed location; altering provisions relating to the number and types of vehicle shows that a dealer or salesman may participate in annually; establishing that a dealer's bond covers the applicant's primary location and all supplemental locations that are licensed under the same dealer business license number; etc.

Chairman JPR (Dept)

SB 59 Vehicle Laws -- Driver Education

Requiring that a driving instructor complete an instructor certification program approved by the Motor Vehicle Administration before being licensed and employed by a drivers' school; clarifying that an individual holding a learner's instructional permit may not take an examination for a provisional license until specified requirements are met; and requiring that the Administration adopt and enforce specified regulations in consultation with the State Department of Education.

Chairman JPR (Dept)

SB 108 Alcohol Concentration -- "0.08"

Reducing the level of alcohol concentration required for a determination of being in violation of specified alcohol--related offenses to 0.08; making conforming changes to the level of alcohol concentration concerning a presumption of being in violation of a specified alcohol--related driving offense; expanding the applicability of specified evidentiary provisions concerning alcohol concentration levels to juvenile and civil proceedings; etc.

EFFECTIVE SEPTEMBER 30, 2001

Senator Ruben, et al

SB 191 Motor Homes and Travel Trailers -- Vehicle Excise Tax -- Definitions

Altering the definition of "fair market value" and "total purchase price" to exclude from the computation of the vehicle excise tax imposed on a motor home or travel trailer the value of a motor home or travel trailer traded in as part of the consideration for the sale of the vehicles by a dealer licensed by the State, another state, or a foreign country; authorizing the Department of Business and Economic Development to implement a marketing and tourism plan to promote the use of motor homes and travel trailers; etc.

EFFECTIVE JULY 1, 2001

Senator Middleton, et al

SB 200 Transportation -- Distribution and Use of Revenues

Altering the distribution of specified sales and use tax revenues on short--term vehicle rentals to the Transportation Trust Fund for a specified period; requiring the Motor Vehicle Administration to deposit \$9 of each security interest filing fee into the Trust Fund; altering the distribution of specified penalties for termination or lapse of the required security for a vehicle; etc.

EFFECTIVE JANUARY 1, 2002

The President (Administration), et al

SB 201 Maryland Transportation Authority -- Vehicle Parking Facilities

Authorizing the Maryland Transportation Authority to finance, construct, operate, and maintain vehicle parking facilities in areas with specified characteristics; requiring that vehicle parking facility revenues pay all the debt service, operating, and maintenance costs for a specified period of time; prohibiting moneys from the Transportation Authority Fund from being used as a cash investment for a vehicle parking facility; etc.

The President (Administration), et al

SB 217 Vehicle Emissions Inspection Program -- Motor Homes

Providing that specified motor homes are not subject to transient mass--emission testing under specified circumstances.

Senator Ferguson, et al

SB 225 Charles County -- Highways -- Prohibition on Use for Solicitations

Authorizing the County Commissioners of Charles County to prohibit the use of a controlled access highway in the County's jurisdiction by a person soliciting money, donations, employment, business, or a ride from an occupant of a vehicle on the controlled access highway; and prohibiting, in Charles County, a person from standing in a roadway, median divider, or intersection to solicit money or donations from an occupant of a vehicle.

EFFECTIVE JUNE 1, 2001

Senator Middleton

SB 276 Department of Transportation -- Citizens Committee for the Enhancement of Communities Surrounding Baltimore--Washington International Airport

Creating a Citizens Committee for the Enhancement of Communities Surrounding Baltimore--Washington International Airport; specifying the membership of the Citizens Committee; providing for terms of office of the Citizens Committee; specifying the terms of the initial members of the Citizens Committee; requiring the appointment of a chairman of the Citizens Committee; providing for the meetings of the Citizens Committee; etc.

Senator DeGrange, et al

- SB 341 Virginia--Maryland--District of Columbia Joint Legislative Commission on Interstate Transportation -- Regional Transportation Authority Study**
Requesting the Virginia--Maryland--District of Columbia Joint Legislative Commission on Interstate Transportation to study, in consultation with the Department of Transportation and specified governing bodies, the issue of establishing a Regional Transportation Authority; requesting the Speaker of the House, the President of the Senate, and their Virginia and District of Columbia counterparts to consider an expansion of the Commission; and requesting the Commission to submit specified reports on or before specified dates.
EFFECTIVE JUNE 1, 2001
Senators Miller and Forehand
- SB 352 Vehicle Laws -- Titling and Registration -- Time Period Extensions**
Extending, from 20 days to 30 days, the time periods following specified vehicle transfers from a licensed dealer during which the dealer must send titling documents, taxes, and fees to the Motor Vehicle Administration or deliver a certificate of title to the transferee; extending, from 45 days to 60 days, the period during which a temporary vehicle registration remains valid under specified circumstances; etc.
Senator Jimeno, et al
- SB 355 Transportation -- Low--Income Workers -- Job Access Program**
Establishing a job access program to provide grants to transportation providers for job access projects; requiring the Secretary of Transportation to make grants to transportation providers that meet specified criteria under specified circumstances; requiring the Secretary to give priority to specified areas of the State when allocating funds under the job access program; requiring a transportation provider that receives funds for a capital expenditure to expend a matching fund of a specified amount; etc.
EFFECTIVE JULY 1, 2001
Chairman B&T (Dept)
- SB 371 Baltimore City Parking Authority -- Residential Parking Permits**
Authorizing the Executive Director of the Baltimore City Parking Authority to issue a residential parking permit to a person who owns and occupies residential property in the residential parking permit area regardless of whether the person would otherwise qualify for the permit under specified provisions of law.
EFFECTIVE JULY 1, 2001
Senator Della
- SB 392 Emergency Vehicles -- Use of Flashing Lights While Parking and Backing**
Authorizing the driver of an emergency vehicle to use flashing lights within 100 feet of the entrance ramp to a fire or rescue station while parking or backing the vehicle; prohibiting the driver of a vehicle from passing an emergency vehicle within 100 feet of an entrance ramp to a fire or rescue station when the driver of the emergency vehicle is parking or backing the vehicle; and making technical corrections to the Transportation Article.
Senators Mooney and Munson
- SB 449 Baltimore City -- Payment of Student Transportation Costs -- Sunset Extension**
Extending from fiscal year 2002 to fiscal year 2006 the termination of the use of highway user revenues in Baltimore City for the payment of student transportation costs; etc.
EFFECTIVE JULY 1, 2001
Senator McFadden (Baltimore City Administration), et al
- SB 485 Vehicle Laws -- Manufacturers, Distributors, and Factory Branches -- Good Faith Dealings**
Defining the term "good faith" for purposes of business transactions involving vehicle manufacturers, distributors, and factory branches; and prohibiting a vehicle manufacturer, distributor, or factory branch in

the conduct of business transactions from failing to act in good faith.

Senator Jimeno, et al

- SB 556 **Port of Cambridge -- Operation and Maintenance by Maryland Port Administration -- Jurisdiction**
Altering a provision of law to authorize rather than require the Maryland Port Administration (MPA) to operate and maintain the port facility located at Cambridge, Maryland; and authorizing the MPA to sell, transfer, or otherwise dispose of the Cambridge port facility.
Senator Colburn
- SB 580 **Vehicle Laws -- Forest Products -- Axle Load Limit Tolerance**
Increasing the axle load limit tolerance for specified vehicles when transporting forest products from June 1 through September 30; etc.
Senator Hafer, et al
- HB 3 **Alcohol Concentration -- "0.08"**
Reducing to 0.08 the level of alcohol concentration required for a determination of being in violation of specified alcohol--related driving or boating offenses; making conforming changes to the level of alcohol concentration concerning a presumption of being in violation of specified alcohol--related offenses; expanding the applicability of evidentiary provisions concerning alcohol concentration levels to juvenile and civil proceedings; etc.
EFFECTIVE SEPTEMBER 30, 2001
Delegate D Davis, et al
- HB 10 **Virginia--Maryland--District of Columbia Joint Legislative Commission on Interstate Transportation -- Regional Transportation Authority Study**
Requesting the Virginia--Maryland--District of Columbia Joint Legislative Commission on Interstate Transportation, in consultation with the governing bodies of counties in the Metropolitan Washington Region and the Maryland Department of Transportation, to study the issue of establishing a Regional Transportation Authority; requesting the Speaker of the House, the President of the Senate and their Virginia and District of Columbia counterparts to consider an expansion of the Commission; etc.
EFFECTIVE JUNE 1, 2001
Delegate Taylor, et al
- HB 32 **Charles County -- Highways -- Prohibition on Use for Solicitations**
Authorizing the County Commissioners of Charles County to prohibit the use of a controlled access highway in the County's jurisdiction by a person soliciting money, donations, employment, business, or a ride from an occupant of a vehicle on the controlled access highway; and prohibiting, in Charles County, a person from standing in a roadway, median divider or intersection to solicit money or donations from an occupant of a vehicle.
EFFECTIVE JUNE 1, 2001
Delegate Hutchins, et al
- HB 38 **State Highways -- Designation -- Korean War Veterans Memorial Highway**
Requiring the State Highway Administration to designate Maryland Route 43 as the Korean War Veterans Memorial Highway.
Delegate Klausmeier, et al
- HB 106 **Motor Homes and Travel Trailers -- Vehicle Excise Tax -- Definitions**
Altering the definition of "fair market value" and "total purchase price" to exclude from the computation of the vehicle excise tax imposed on a motor home or a travel trailer the value of a home or trailer traded in as part of the consideration for the sale of the home or trailer by specified licensed dealers; providing that the

modified definitions do not apply until any Department of Transportation Consolidation Transportation Bonds are no longer outstanding; etc.

EFFECTIVE JULY 1, 2001

Delegate Rosso, et al

HB 232 Drivers' Licenses -- Graduated Licensing System -- Provisional Licenses -- Restrictions

Requiring the Motor Vehicle Administration to impose on provisional drivers' licenses issued to individuals under the age of 18 specified restrictions pertaining to seat belt and child safety seat use; limiting the application of the Act to specified drivers who hold provisional licenses as of September 30, 2001; etc.

Delegate Mandel, et al

HB 261 Drunk and Drugged Driving -- Death or Life Threatening Injury -- Prohibition of Expungement of Criminal Records of Probation Before Judgment Dispositions

Prohibiting the expungement of criminal records relating to crimes involving death or life threatening injury caused by uses of motor vehicles or vessels while intoxicated or under the influence of alcohol, drugs, or a controlled dangerous substance if a probation before judgment is entered.

Delegate Doory

HB 309 Transportation -- Distribution and Use of Revenues

Altering the distribution of specified sales and use tax revenues on short--term vehicle rentals to the Transportation Trust Fund for a specified period; requiring the Motor Vehicle Administration to deposit \$9 of each security interest filing fee into the Trust Fund; altering the distribution of specified penalties for termination or lapse of the required security for a vehicle; etc.

EFFECTIVE JULY 1, 2001

The Speaker (Administration), et al

HB 328 Vehicle Laws -- Funeral Processions -- Use of Warning Lamps Required

Requiring a driver of a motor vehicle in a funeral procession to use flashing warning lamps in order to proceed through a red signal and to have the right--of--way over other vehicles.

Delegates Petzold and Minnick

HB 332 Baltimore City -- Payment of Student Transportation Costs -- Sunset Extension

Extending from fiscal year 2002 to fiscal year 2006 the termination of the use of highway user revenues in Baltimore City for the payment of student transportation costs; etc.

EFFECTIVE JULY 1, 2001

Delegate Marriott (Baltimore City Administration), et al

HB 334 Maryland Transportation Authority -- Vehicle Parking Facilities

Authorizing the Maryland Transportation Authority to finance, build, operate, and maintain vehicle parking facilities in areas with specified characteristics; requiring that vehicle parking facility revenues pay all the debt service, operating, and maintenance costs for a specified period of time; prohibiting moneys from the Transportation Authority Fund from being used as a cash investment for a vehicle parking facility; etc.

The Speaker (Administration), et al

HB 337 Drunk Driving -- Ignition Interlock System Program Participants

Authorizing the Motor Vehicle Administration to modify any suspension and issue a restrictive license to a licensee convicted of specified alcohol--related driving offenses if the licensee is a participant in the Ignition Interlock System Program.

Delegate Giannetti

- HB 338 Drunk and Drugged Driving -- Evidence -- Refusal to Submit to Test for Alcohol, Drugs, or Controlled Dangerous Substances**
Repealing a prohibition against an inference or presumption concerning guilt or innocence arising because of a person's refusal to submit to a specified test for alcohol, drugs, or controlled dangerous substances.
Delegate Giannetti, et al
- HB 371 Vehicle Laws -- Forest Products -- Axle Load Limit Tolerance**
Increasing the axle load limit tolerance for specified vehicles during specified times when transporting forest products; and altering the maximum gross weight of specified vehicles to conform with other provisions of law.
Delegate Edwards
- HB 377 Vehicle Laws -- Titling and Registration -- Time Period Extensions**
Extending the period after the delivery of specified vehicles transferred from a licensed dealer to a person other than a licensed dealer during which the transferring dealer must send titling documents, taxes, and fees to the Motor Vehicle Administration; etc.
Delegate Arnick
- HB 411 Task Force to Study Motor Vehicle Salvage Inspection and Titling Practices**
Establishing a Task Force to Study Motor Vehicle Salvage Inspection and Titling Practices; specifying the membership of the Task Force; requiring the Governor to designate a chairman; requiring the Motor Vehicle Administrator to assign staff and provide administrative support to the Task Force; requiring the Task Force to undertake a specified study; and requiring a specified report by December 1, 2001.
EFFECTIVE JUNE 1, 2001
Delegate Glassman, et al
- HB 571 Vehicle Laws -- Manufacturers, Distributors, and Factory Branches -- Good Faith Dealings**
Defining the term "good faith" for purposes of business transactions involving vehicle manufacturers, distributors, and factory branches; prohibiting a vehicle manufacturer, distributor, or factory branch in the conduct of business transactions from failing to act in good faith; etc.
Delegate Malone
- HB 572 Port of Cambridge -- Operation and Maintenance by Maryland Port Administration -- Jurisdiction**
Altering a provision of law to authorize rather than require the Maryland Port Administration (MPA) to operate and maintain the port facility located at Cambridge, Maryland; and authorizing the MPA to sell, transfer, or otherwise dispose of the port facility.
Dorchester County Delegation
- HB 625 Emergency Vehicles -- Use of Flashing Lights While Parking and Backing**
Authorizing the driver of an emergency vehicle to use flashing lights within 100 feet of the entrance ramp to a fire or rescue station while parking or backing the vehicle; prohibiting the driver of a vehicle from passing an emergency vehicle within 100 feet of an entrance ramp to a fire or rescue station when the driver of the emergency vehicle is parking or backing the vehicle; and making technical corrections to the Transportation Article.
Delegate Shank, et al
- HB 669 Drunk and Drugged Driving -- Ignition Interlock System Program**
Repealing the authority of the Motor Vehicle Administration to reduce the period of specified suspensions of drivers' licenses for specified alcohol-- or drug--related driving offenses if an individual is a participant in the Ignition Interlock System Program for specified periods; and providing that the Administration may issue a restrictive license to an individual during the entire period of specified suspensions of drivers'

licenses for specified alcohol--or drug--related driving offenses if the individual is a participant in the Program.

Delegate Boschert

- HB 697 Baltimore City and the City of Annapolis Parking Authorities -- Residential -- Parking Permits**
Authorizing the Executive Director of the Baltimore City Parking Authority in Baltimore City and the Annapolis Parking and Fines section of the Annapolis Police Department in Annapolis to issue residential parking permits to persons who own and occupy residential property in the residential parking permit areas regardless of whether the persons would otherwise qualify for the permits under the law.

EFFECTIVE JULY 1, 2001

Delegate Doory

- HB 717 Transportation -- Bicycle and Pedestrian Safety**

Requiring the Department of Transportation to provide staff, administrative support, and operating expenses for the Bicycle and Pedestrian Advisory Committee; establishing the Maryland Pedestrian Safety Program; requiring the Secretary of Transportation to award grants under the Program to counties, municipalities, and nonprofit organizations; etc.

VARIOUS EFFECTIVE DATES

Delegate Bronrott, et al

- HB 747 Vehicle Emissions Inspection Program -- Motor Homes**

Providing that specified motor homes are not subject to transient mass--emission testing under the State's emissions control program under specified circumstances.

Delegate Stull, et al

- HB 773 Vehicle Laws -- Registration Plate Covers -- Distorting Characters of Vehicle Registration Plate**

Altering the definition of a "registration plate cover" to include a specified object that distorts a recorded image of any of the characters of a vehicle's registration plate recorded by a traffic control monitoring system.

Delegates Wood and Glassman

- HB 874 Crimes -- Driving While License Revoked -- Penalties**

Authorizing the Motor Vehicle Administration, on receiving notice of a conviction under specified provisions of the Maryland Vehicle Law of an individual whose license to drive is revoked, to extend the date before which the individual is not eligible for reinstatement; providing for specified procedures; providing that the Administration may not revoke a license that is currently revoked; etc.

Delegate Giannetti, et al

- HB 963 Motor Vehicle Administration -- Driver Instruction over the Internet**

Prohibiting the Motor Vehicle Administration, unless specifically authorized by law, from offering or authorizing any driver instruction program that is provided over the Internet.

Delegate DeCarlo, et al

- HB 976 Vehicle Laws -- School Buses -- Repeal of Special Speed Limit**

Repealing a provision of law that establishes a special maximum speed limit of 50 miles per hour for school buses carrying passengers, thereby making school buses carrying passengers subject to the vehicle speed limits otherwise applicable under law.

Delegates Edwards and McKee

- HB 1074 Vehicle Laws -- Aggressive Driving -- Penalties**

Providing that a person is guilty of aggressive driving of a motor vehicle under specified circumstances; requiring the Motor Vehicle Administration to assess 5 points against a person who is convicted of aggressive driving; providing that a person is guilty of aggressive driving if the person commits three or more specified offenses under specified circumstances; and establishing specified penalties.

Delegate Mandel, et al

HB 1080 Vehicle Laws -- Registration Plates -- Display of Owner's County of Residence

Providing that, in addition to any other information required to be displayed, specified vehicle registration plates may display the name of the county, including Baltimore City, in which the vehicle's registered owner resides; requiring the Motor Vehicle Administration to offer to each vehicle owner applying for new or replacement registration plates the option to obtain a sticker that affixes to the registration plates displaying the owner's county of residence; etc.

Delegate Burns

HB 1100 Vehicle Laws -- Parking Placard for Person With a Disability -- Extension of Expiration Date

Extending the expiration date of a parking placard issued to a person with a disability from 2 years to 4 years.

Delegate Carlson

HB 1345 Highways -- Dedication -- Veterans of Foreign Wars Memorial Highway

Requiring the State Highway Administration to dedicate the portion of Interstate Highway 83 from the intersection of Interstate Highway 83 and Interstate Highway 695 to the Maryland--Pennsylvania border as the Veterans of Foreign Wars Memorial Highway.

Delegate Cadden

HB 1388 Vehicle Laws -- Insurance Claim Settlements -- Salvage

Providing that when possession of a vehicle that is salvage is retained by the owner of the vehicle at the conclusion of a claim settlement by an insurance company, the insurance company is not considered to have acquired the vehicle; altering the requirements for an insurance company to notify the Motor Vehicle Administration when the company makes a claim settlement on a vehicle that is salvage and retained by the owner; etc.

EFFECTIVE JULY 1, 2001

Delegates Riley and Glassman

HB 1402 Vehicle Laws -- Motor Scooters

Providing that a motor scooter is not a motor vehicle; defining "motor scooter"; requiring an individual to carry a driver's license or permit while operating the motor scooter; prohibiting a person from operating a motor scooter at more than 30 miles per hour; etc.

Delegates Donoghue and Shank

HB 1407 Scooters and In--Line Roller Skates -- Protective Helmets

Prohibiting an individual under the age of 16 years from riding on a scooter or on in--line skates on any bicycle way, highway, sidewalk, or other property open to or used by the public, unless the individual is wearing a helmet that meets or exceeds specified standards; providing for the issuance of a warning; etc.

Delegates Love and Sophocleus

Part H
Business and Economic Issues

- SB 11 **Trader's Licenses -- Exception for Exhibitors at Antique, Coin, or Collector Shows**
Establishing an exception from the trader's license requirement for specified exhibitors at antique, coin, or collector shows under specified circumstances.
Senator Teitelbaum
- SB 46 **Insurance -- Risk Based Capital Standards for Insurers -- Exemption**
Authorizing the Insurance Commissioner to exempt specified insurers from the application of specific provisions of the risk based capital standards.
EFFECTIVE JULY 1, 2001
Chairman FIN (Dept)
- SB 48 **Public Service Commission -- Meter Testing and Fees**
Repealing the requirement that the Public Service Commission maintain specified testing equipment and charge a fee for the use of that equipment.
Chairman FIN (Dept)
- SB 49 **Public Service Commission -- Liquefied Petroleum Gas**
Repealing the grandfathering provision for companies providing liquefied petroleum gas service under franchises that existed on or before July 1, 1980; providing that owners of gas service installations must comply with specified metering requirements; and clarifying that consumers of gas service may request an inspection and test of the meter.
Chairman FIN (Dept)
- SB 50 **Public Service Commission -- Certificate of Public Convenience and Necessity**
Requiring that any person who constructs a generating station and associated overhead transmission lines follow specified procedures to obtain a certificate of public convenience and necessity from the Public Service Commission; requiring that any person who modifies a generating station obtain a certificate of public convenience and necessity from the Commission; clarifying that the Department of the Environment is prohibited from requiring a specified registration or permit by any person required to obtain the certificate; etc.
EFFECTIVE JULY 1, 2001
Chairman FIN (Dept)
- SB 52 **Public Safety Solicitors**
Clarifying the registration requirements of public safety solicitors.
Chairman JPR (Dept)
- SB 61 **Boiler and Pressure Vessel Safety -- Regulation of Inspectors, Owners, Repair Companies, and Insurance Companies**
Authorizing the Commissioner of Labor and Industry to issue and renew special inspection commissions; authorizing the Board of Boiler Rules to formulate specified regulations; specifying the requirements that specified individuals and companies must satisfy in order to be issued a special inspector commission; requiring specified procedures to be followed for the inspection and installation of boilers and pressure vessels; establishing specified fee schedules; etc.

EFFECTIVE JUNE 1, 2001
Chairman EEA (Dept)

- SB 79 Telephone Solicitation -- Caller Identification Blocking**
Prohibiting, under specified circumstances, a person engaged in telephone solicitation from intentionally using any device or method to block or taking any other action to prevent or control the transmission of the telephone number of that person to a recipient of a telephone solicitation; defining "telephone solicitation"; providing for specified exceptions; and providing penalties for violations of the Act.
Senator Green
- SB 115 Business Regulation and Occupations -- Regulatory Boards -- Sunset Extension and Program Evaluation**
Continuing the State Board of Architects, the State Board for Professional Engineers, the State Board of Heating, Ventilation, Air--Conditioning, and Refrigeration Contractors, the State Board for Professional Land Surveyors, the State Board of Examiners of Landscape Architects, and the State Board of Plumbing in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Boards; etc.
The President (Department of Legislative Services)
- SB 117 Public Service Commission -- Hazardous Liquid Pipelines**
Authorizing the Public Service Commission to act for the United States Secretary of Transportation to implement federal laws relating to hazardous liquid pipeline safety for intrastate transportation of hazardous liquids by pipeline; establishing the powers necessary for the Commission to implement a State regulatory program for the intrastate transportation of hazardous liquids by pipeline; etc.
Senator Dyson, et al
- SB 127 Task Force on Resource Based Industry in Maryland -- Membership, Staffing, and Reporting Requirements**
Continuing the Task Force on Resource Based Industry in Maryland until January 31, 2002; specifying that the first report is preliminary; requiring the Task Force to submit a final report, based on a comprehensive interagency needs assessment, on or before December 31, 2001; adding the Maryland Food Center Authority to the membership of the Task Force; requiring specified departments and the Maryland Food Center Authority to provide research assistance and staff support for the Task Force; etc.
EFFECTIVE JULY 1, 2001
Senators Middleton and Stoltzfus
- SB 163 Business Occupations -- Security Guard Agencies -- Correctional Supervisor Experience and Training**
Establishing the option that a security guard agency license applicant shall have at least 5 years of experience as a full--time correctional supervisor in a correctional facility in the State and shall have completed the training required by the Correctional Training Commission.
Senator Munson
- SB 198 Insurance -- Late Fees and Installment Fees**
Allowing authorized insurers to charge and collect, instead of or in addition to a reasonable installment fee, a reasonable late fee for late payment of insurance premiums, if approved by the Insurance Commissioner; establishing that the late fee or installment fee may not exceed \$10; requiring the Insurance Commissioner to review administrative expenses; prohibiting the imposition of a late fee during a grace period or, if no grace period is required, until two business days after the date the payment becomes due; etc.
Senator DeGrange, et al

- SB 202 **"Smart Growth" and Neighborhood Conservation -- Community Legacy Program**
Establishing a Community Legacy Program in the Department of Housing and Community Development; establishing a Community Legacy Board to administer the Program; establishing an Advisory Committee to the Board; creating a Community Legacy Financial Assistance Fund as a continuing, nonlapsing fund; etc.
EFFECTIVE JULY 1, 2001
The President (Administration), et al
- SB 238 **Elevator Safety -- Registration and Inspection Fees**
Changing the deadlines for registering with the Commissioner of Labor and Industry specified elevators, dumbwaiters, escalators, and moving walks; requiring the owners, lessees, or contractors to ensure that specified standards are met prior to scheduled inspections of the devices; authorizing specified fees; etc.
EFFECTIVE JUNE 1, 2001
Chairman FIN (Dept)
- SB 294 **On--Site Generated Electricity -- Approval Process**
Requiring the Public Service Commission to waive the requirement to obtain a certificate of public convenience and necessity for the construction of a generating station under specified circumstances; requiring the Commission to require a person to obtain approval before the person may construct a generating station; establishing the information necessary in an application for approval by the Commission; etc.
Senator Teitelbaum
- SB 324 **Maryland Real Estate Commission -- Sunset Extension and Program Evaluation**
Continuing the Maryland Real Estate Commission in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2012, the termination provisions relating to the statutory and regulatory authority of the Commission; requiring the Commission to adopt regulations that provide for the conduct of continuing education courses by specified methods of transmission; and requiring the Commission to submit a report to specified committees on or before December 1, 2001.
Chairman EEA
- SB 387 **Maryland Technology Development Corporation -- Maryland Technology Incubator Program**
Creating the Maryland Technology Incubator Program and providing that the Program is administered by the Maryland Technology Development Corporation; providing for the purpose of the Program; authorizing the Board of Directors of the Corporation to use specified public and private moneys in awarding financial assistance; requiring the Board, in consultation with the Secretary of Business and Economic Development, to adopt criteria and requirements for awarding financial assistance; etc.
EFFECTIVE JUNE 1, 2001
Senator Hogan, et al
- SB 390 **City of Annapolis -- Alcoholic Beverages -- Wine Festival License**
Authorizing in the City of Annapolis the Alcoholic Beverage Control Board to issue a special festival license for wine festivals; specifying requirements for license applicants and holders of special festival licenses; establishing the scope of the license and the time and location of and requirements for wine festivals in the City of Annapolis; etc.
EMERGENCY BILL
Senator Astle
- SB 394 **Business and Economic Development -- Maryland Competitive Advantage Financing Fund**
Repealing the termination date of specified provisions of law related to the Maryland Competitive Advantage Financing Fund; eliminating the requirement that an application for financial assistance from the Fund must include information related to bankruptcy and existing liens or judgments; requiring that, if the

applicant or any of its owners currently owe any State or federal taxes that were not paid when due, the application include evidence regarding the payment or dispute of taxes; etc.

VARIOUS EFFECTIVE DATES

Senator Middleton, et al

SB 416 Business Occupations -- Land Surveyors -- License Renewal

Altering license renewal requirements for land surveyors; and repealing the termination provision relating to the continuing professional competency requirement.

Senator Stone, et al

SB 441 Harford County -- Alcoholic Beverages -- Powers of Inspectors

Authorizing inspectors in Harford County who investigate violations of alcoholic beverages licenses to issue civil citations under specified circumstances.

Harford County Senators

SB 442 Harford County -- Alcoholic Beverages -- Stadium Beer and Light Wine License

Creating in Harford County a stadium beer and light wine on--sale alcoholic beverages license; establishing that the license may be issued to the owner or lessee of a professional baseball stadium for use on the stadium premises; and establishing the hours and days for sale, terms and conditions, and annual fee for the license.

EFFECTIVE JULY 1, 2001

Harford County Senators

SB 447 Harford County -- Alcoholic Beverages -- Caterers

Authorizing persons that are licensed as caterers in Harford County to provide food and keep and sell at retail alcoholic beverages, for consumption only on the premises of the caterer, at a self--sponsored event held once during a calendar year on a day selected by the caterer.

Harford County Senators

SB 463 Baltimore City -- Alcoholic Beverages -- Class A License Transfers

Exempting in Baltimore City from a prohibition against locating licensed premises within 300 feet from a church or school, Class A licenses transferred from ward 12, precinct 1 to a property within a block surrounded by Elm Avenue, Berry Street, Paine Street, and West 37th Street under specified circumstances.

EFFECTIVE JUNE 1, 2001

Senator Hoffman

SB 466 Electric Industry Restructuring -- Small Rural Electric Cooperatives -- Exemptions

Exempting specified small rural electric cooperatives from specified requirements and prohibitions related to the restructuring of the electric industry under the Electric Customer Choice and Competition Act of 1999; specifying that the small rural electric cooperatives are subject to all requirements and prohibitions of the Act; and allowing members of small rural electric cooperatives to receive electricity services from a different entity, if the entity is licensed under the law.

Senator Stoltzfus

SB 486 Maryland Economic Development Corporation

Clarifying and altering the legislative purposes and legislative intent relating to the Maryland Economic Development Corporation; clarifying the ability of the Corporation to make specified loans to persons for specified purposes; clarifying the ability of the Corporation to create, own, control, or be a member of a corporation, limited liability company, partnership, or other person, whether operated for profit or not for profit; etc.

EMERGENCY BILL

Senator Jimeno, et al

- SB 509 **Property and Casualty Insurance -- Limitation of Reduction Due to Workers' Compensation Benefits**
Limiting the reductions available to personal injury protection and uninsured motorist insurers to the extent that the workers' compensation insurer is able to recover benefits paid under the workers' compensation laws of a state or the federal government.
Senator Stone, et al
- SB 524 **Electric Cooperatives -- Services and Governance**
Authorizing electric cooperatives to supply additional services to members or other persons and entities; authorizing electric cooperatives to form, organize, acquire, hold, dispose of, and operate an interest in specified entities; requiring an electric cooperative to comply with specified orders of the Public Service Commission; etc.
VARIOUS EFFECTIVE DATES
Senator Middleton
- SB 548 **Baltimore City -- Alcoholic Beverages -- Reopening of Licensed Premises**
Requiring in Baltimore City that, except where extenuating circumstances exist, before a licensed premises that has been closed for at least 3 consecutive months may reopen, the Board of Liquor License Commissioners shall hold a public hearing and the licensee shall obtain approval from the Board.
Senator Blount, et al
- SB 554 **Caroline County -- Alcoholic Beverages -- Beer and Wine Tasting and Sampling**
Establishing in Caroline County a Class BWTS license for beer and wine tasting and sampling; establishing a \$50 fee; requiring recipients of a Class BWTS license to give consumers wine or beer for tasting or sampling at no charge; etc.
Senator Colburn
- SB 564 **Public Utilities -- Underground Facilities -- Liability for Excavation or Demolition Damages**
Limiting the liability of a person who damages underground facilities due to excavation or demolition under specified circumstances; providing that an owner of underground facilities is liable for specified damages caused by excavation or demolition if the owner does not belong to a one--call system as an owner--member; providing for the construction of provisions of the Act; defining a term; and providing for the prospective application of the Act.
EFFECTIVE JUNE 1, 2001
Senator Colburn
- SB 576 **Insurance Producer Licensing Act**
Requiring licensure for insurance producers; substituting the term "insurance producer" for the terms "agent" and "broker"; substituting the term "license" for the term "certificate of qualification"; repealing provisions related to fraternal benefit agents; setting standards for licensure of insurance producers; providing for the powers and duties of the Insurance Commissioner with respect to insurance producers; etc.
EFFECTIVE JULY 2, 2001
Chairman FIN (Dept)
- SB 586 **Smart Growth -- Arts and Entertainment Districts**
Authorizing the Secretary of the Department of Business and Economic Development to designate one or more arts and entertainment districts within which property, income, and other tax benefits would apply; establishing an application process for a county or local government to apply to the Secretary to designate an area as an arts and entertainment district; requiring the Secretary to adopt regulations that specify

application procedures and criteria for designation of the districts; etc.

EFFECTIVE JULY 1, 2001

Senator Hoffman, et al

- SB 592 **Workers' Compensation Insurers and Self--Insurers -- Office and Personnel Requirements**
Altering the office and personnel requirements for employers that self--insure and insurers providing workers' compensation insurance in the State; etc.
Senator Della
- SB 617 **Maryland Tourism Development Board and Fund**
Increasing the membership of the Maryland Tourism Development Board with respect to the private sector business community appointments of the President of the Senate and Speaker of the House of Delegates; providing specified funding levels for the Maryland Tourism Development Board Fund for specified fiscal years; etc.
EFFECTIVE JUNE 1, 2001
Senators Hoffman and Bromwell
- SB 640 **Certified Public Accountants -- Waiver of Examination Requirements**
Altering one of the waiver of examination requirements to a licensure requirement for accountants.
EFFECTIVE JUNE 1, 2001
Senator Sfikas
- SB 652 **Controlled Dangerous Substance Testing for Job Applicants -- Preliminary Screenings**
Exempting specified employers from medical laboratory licensing requirements for preemployment substance abuse testing under specified circumstances; authorizing employers who require job applicants to be tested for the use or abuse of a controlled dangerous substance to use specified preliminary screening procedures to test specimens under specified circumstances; prohibiting the use of preliminary screening procedures under specified circumstances; permitting the use of preliminary screening procedures by temporary help agencies; etc.
Senators Roesser and Astle
- SB 687 **Business Regulation -- Motor Fuel -- Below Cost Sales**
Prohibiting a retail service station dealer from selling motor fuel below cost unless the sale is made in good faith to meet competition, made as part of a final liquidation or closing of the business of the retail service station dealer, made as part of a bona fide charitable promotion lasting no longer than 2 days, or made under the direction or order of a court or government entity; etc.
Senator Dorman, et al
- SB 695 **Financial Guaranty Insurance Companies -- Definition and Home Office Requirement**
Altering the definition of a "financial guaranty insurance company" to allow specified financial guaranty insurance companies to have a home or executive office outside the State under specified circumstances.
EFFECTIVE JULY 1, 2001
Senator Astle
- SB 763 **Workers' Compensation -- Self--Insurance Groups**
Establishing specified obligations for workers' compensation self--insurance groups; etc.
Senator Dorman
- SB 764 **Horse Racing -- Special Fund -- Use of Lottery Funds**
Requiring that lottery revenues be distributed to the horse racing Special Fund when payments are made to

the Racing Facility Redevelopment Bond Fund, unless otherwise provided in the budget; requiring that the amount of lottery funds distributed to the Special Fund be equivalent to the payments made to the Bond Fund; etc.

EMERGENCY BILL

Senator Bromwell

SB 789 Business and Economic Development -- Maryland Small Business Development Financing Authority

Adding to the purposes of the Maryland Small Business Development Financing Authority; altering the eligibility criteria for applicants to the Contract Financing Fund program, the Guaranty Fund financing program, and the Equity Participation Investment Program of the Maryland Small Business Development Financing Authority; increasing the dollar amount of a loan that may be guaranteed by the Authority under the Guaranty Fund financing program; etc.

Senators Exum and Kelley

SB 797 Property and Casualty Insurers -- Geographic Distribution of Private Passenger and Residential Property Premium -- Major Insurer--Definition

Altering the definition of "major insurer".

EFFECTIVE JUNE 1, 2001

Senator Astle

SB 798 Elevator Safety -- Licensing of Elevator Contractors and Mechanics

Repealing provisions authorizing the Commissioner of Labor and Industry to designate special elevator inspectors; requiring specified elevator inspections to be done by a State inspector; establishing the Elevator Safety Review Board in the Department of Labor, Licensing, and Regulation; providing for the composition, appointment, terms, and compensation of Board members; establishing powers and duties of the Board; requiring persons to be licensed by the Board as elevator mechanics or elevator contractors; etc.

Senator Collins, et al

SB 819 Enterprise Zones -- Tax Credits

Increasing the amount of income tax credits available to a business that employs an enterprise zone employee or a focus area employee; requiring an employer to pay at least 150\% of the federal minimum wage to an employee being claimed for an enterprise zone tax credit; raising to 35 the weekly number of hours required to be worked by an employee being claimed for the tax credit; and requiring the Department of Business and Economic Development and the Comptroller to submit a report to the General Assembly.

EFFECTIVE JULY 1, 2001

Senators Roesser and McFadden

SB 831 Universal Service Program Fund -- Retention

Authorizing the Public Service Commission (PSC) to retain funds in the universal service program fund at the end of June 30, 2001, and make the funds available for disbursement through June 30, 2002, to specified electric customers; requiring the PSC and Department of Human Resources to report to the Governor, the General Assembly, and specified committees on matters pertaining to the universal service program and fund by October 1, 2001; etc.

EFFECTIVE JUNE 1, 2001

Senator Bromwell, et al

SB 837 Insurance -- Insurer Insolvencies -- Claims Priority

Altering the priority of distribution in the event of an insurer insolvency when there are known or potential claims due the federal government.

Senator Astle

- SB 873 Collection Agencies -- Exemption from Regulation**
Exempting from regulation under the collection agency law a person who is collecting a debt for another person under specified circumstances; etc.
EFFECTIVE JUNE 1, 2001
Senator DeGrange
- SB 877 Workers' Compensation -- Credit Against Payment of Permanent Partial Disability Awards After Appeal**
Requiring that, if an award of permanent partial disability workers' compensation is reversed or modified by a court on appeal, the payment of any new award must be subject to a credit for any compensation previously awarded and paid.
Senator Astle
- SB 879 Underground Facilities -- Owner--Contractor Information Exchange System**
Requiring the operator of a one--call system to install and make available an owner--contractor information exchange system; requiring contractors to contact, or receive notification from, the owner--contractor information exchange system before beginning excavation or demolition; requiring owners or their agents to notify the owner--contractor information exchange system of actions taken to identify the owners' underground facilities; requiring the one--call center to repeat notification under specified circumstances; etc.
EFFECTIVE JULY 1, 2001
Senator Bromwell
- SB 881 Insurance -- Assets, Reserves, and Investments of Insurers**
Altering the assets owned by an insurer that are allowed as admitted assets in determining the financial condition of the insurer; altering the assets that are not allowed as admitted assets in determining the financial condition of an insurer; repealing provisions of law governing loss reserves for specified liability and workers' compensation insurance; requiring that unearned premium reserves with respect to specified types of insurance be computed in a specified manner; etc.
Senator Bromwell
- HB 9 Maryland Tourism Development Board and Fund**
Increasing the membership of the Maryland Tourism Development Board with respect to the private sector business community appointments of the President of the Senate and the Speaker of the House of Delegates; providing for specified funding levels for the Maryland Tourism Development Board Fund for specified fiscal years; etc.
EFFECTIVE JUNE 1, 2001
Delegate Taylor, et al
- HB 25 Life Insurance -- Insurable Interest in Adopted Child**
Clarifying that an insurable interest in the life of a prospective adoptive child exists for the prospective parent of the child as of the date of the earlier of a placement for adoption, provided that specified consents have been given or a decree awarding guardianship has been granted, or an interlocutory or final decree if adoption.
Delegate Brown
- HB 28 Public Service Commission -- Certificate of Public Convenience and Necessity**
Requiring that any person that constructs a generating station and associated overhead transmission lines follow specified procedures to obtain a certificate of public convenience and necessity from the Public Service Commission; clarifying that the grant of a certificate of public convenience and necessity constitutes registration and a permit to construct; etc.

EFFECTIVE JULY 1, 2001
Delegate Leopold, et al

HB 82 Home Builders -- Regulation

Transferring from the Department of Labor, Licensing, and Regulation to the Consumer Protection Division of the Office of the Attorney General responsibilities for regulating surety bonds, letters of credit, and third party warranty plans offered by home builders; clarifying disclosure requirements; exempting custom home builders from specified disclosure requirements; and including the cost of that regulation in the determination of fees under the Home Builder Registration Fund.

EFFECTIVE JULY 1, 2001
Chairman ECM (Dept)

HB 83 Real Estate Transactions -- Distribution of Trust Money

Allowing a real estate broker to release trust money when the real estate transaction is not completed by the owner or beneficial owner of the trust money; requiring that this statement be included in an agreement under which a broker may distribute the trust money; requiring the broker to notify specified parties before releasing trust money; specifying the contents and method of delivery of the notice; allowing a person receiving notice to protest the release; and providing immunity for a broker acting in good faith.

Chairman ECM (Dept)

HB 84 State Board of Heating, Ventilation, Air--Conditioning, and Refrigeration Contractors

Clarifying that self--contained appliances are not regulated by the State Board of Heating, Ventilation, Air--Conditioning, and Refrigeration Contractors; specifying that a Baltimore City resident may serve on the Board; and altering the criminal penalty provisions for a violation of specified statutes to \$1,000, 6 months' imprisonment, or both and, on a second or subsequent conviction, to \$5,000, 2 years' imprisonment, or both.

Chairman ECM (Dept)

HB 85 Office of Cemetery Oversight -- Scope of Authority

Exempting specified State and local cemeteries from registration and permit requirements; altering reporting requirements; providing for restriction on finance charges for preneed burial contracts; expanding the list of eligible trustees for preneed trust accounts; altering the reporting requirements of registrants and permit holders; authorizing the Director of the Office of Cemetery Oversight to refer violations to the Attorney General or a State's Attorney; etc.

VARIOUS EFFECTIVE DATES
Chairman ECM (Dept)

HB 86 Certified Public Accountancy -- Permits -- Firm Ownership by Nonlicensees

Allowing an ownership interest in an accountancy firm by an individual who is not licensed to practice certified public accountancy; setting limits on the extent of ownership held by the nonlicensee; and requiring that the nonlicensee be an active participant.

Chairman ECM (Dept)

HB 88 Department of Labor, Licensing, and Regulation -- Occupational and Professional Licensing Boards and Commissions -- Penalties and Disciplinary Grounds

Authorizing specified occupational and professional licensing boards and commissions to impose civil penalties on specified persons; altering the penalty amount that specified boards and commissions may impose; altering specified grounds for disciplinary action against specified persons; and requiring the boards to pay specified penalties to the State General Fund.

Chairman ECM (Dept)

- HB 138 Howard County -- Alcoholic Beverages -- Wine Tasting License Ho. Co. 1--01**
Repealing the termination provision relating to the authority of the Howard County Board of License Commissioners to issue wine tasting licenses under specified conditions; and repealing the termination provision relating to the creation of an exception to a prohibition in Howard County against holding an interest in more than one alcoholic beverages license.
EFFECTIVE JUNE 1, 2001
Howard County Delegation
- HB 147 Department of Labor, Licensing, and Regulation -- State Boards -- Scope of Practice**
Clarifying the scope of practice of architecture, certified interior design services, engineering, and professional land surveying and property line surveying; modifying the scope of practice of landscape architecture; establishing uniform provisions that relate to design coordination; etc.
Chairman ECM (Dept)
- HB 148 Boiler and Pressure Vessel Safety -- Regulation of Inspectors, Owners, Repair Companies, and Insurance Companies**
Authorizing the Commissioner of Labor and Industry to issue and renew special inspection commissions; authorizing the Board of Boiler Rules to formulate specified regulations; specifying the requirements that specified individuals and companies must satisfy in order to be issued a special inspector commission; requiring specified procedures to be followed for the inspection and installation of boilers and pressure vessels; establishing specified fee schedules; etc.
EFFECTIVE JUNE 1, 2001
Chairman ECM (Dept)
- HB 153 Insurance -- Risk Based Capital Standards for Insurers -- Exemption**
Authorizing the Insurance Commissioner to exempt specified insurers from the application of specified provisions of the risk based capital standards.
EFFECTIVE JULY 1, 2001
Chairman ECM (Dept)
- HB 158 Charles County -- Alcoholic Beverages -- Class B Licenses**
Exempting, in Charles County, Class B (on--sale) beer, wine and liquor licenses from the prohibition against the issuance of alcoholic beverages licenses for premises within 500 feet of specified places of worship and schools in a municipal corporation.
Delegate Mitchell
- HB 162 St. Mary's County -- Alcoholic Beverages -- Regulation**
Altering the name of the Board of License Commissioners in St. Mary's County from the Alcoholic Beverage Board of St. Mary's County to the Alcohol Beverage Board of St. Mary's County; and altering the qualifications of a person signing a specified certificate attached to a new alcoholic beverages license application in St. Mary's County to require the person to be a registered voter of St. Mary's County.
St. Mary's County Delegation
- HB 165 Task Force on Resource Based Industry in Maryland -- Membership, Staffing, and Reporting Requirements**
Continuing the Task Force on Resource Based Industry in Maryland until January 31, 2002; specifying that the first report is preliminary; requiring the Task Force to submit a final report, based on a comprehensive interagency needs assessment, on or before December 31, 2001; adding the Executive Director of the Maryland Food Center Authority and three economic development officials from rural counties to the membership of the Task Force; requiring specified research assistance and staff support for the Task Force; etc.

EFFECTIVE JULY 1, 2001
Delegates McClenahan and Glassman

- HB 180 **Homeowner's Insurance and Private Passenger Motor Vehicle Insurance -- Standards for Cancellation and Nonrenewal -- Repeal of Sunset**
Repealing a termination provision for specified standards for the cancellation and nonrenewal of homeowner's insurance and private passenger motor vehicle insurance.
EFFECTIVE JUNE 1, 2001
Chairman ECM (Dept)
- HB 181 **Elevator Safety -- Registration and Inspection Fees**
Changing the deadlines for registering with the Commissioner of Labor and Industry specified elevators, dumbwaiters, escalators, and moving walks; requiring the owners, lessees, or contractors to ensure that specified standards are met prior to scheduled inspections of the devices; authorizing specified fees; etc.
EFFECTIVE JUNE 1, 2001
Chairman ECM (Dept)
- HB 207 **Department of Housing and Community Development -- Financing for Demolition and Lot Consolidation**
Authorizing the Department of Housing and Community Development to include costs associated with specified demolitions and lot consolidations as part of the financing offered on specified residential developments; and defining specified terms.
Chairman ECM (Dept)
- HB 208 **Grants to Local Economic Development Funds -- Matching Funds Requirement**
Allowing specified distressed governments to provide a reduced match for grants made from the Maryland Economic Development Assistance Fund.
EFFECTIVE JULY 1, 2001
Chairman ECM (Dept)
- HB 209 **Department of Housing and Community Development -- Neighborhood and Community Assistance Program**
Specifying that the Neighborhood and Community Assistance Program shall encourage projects in priority funding areas; defining "priority funding area"; and allowing the Department of Housing and Community Development to give preference to designated revitalization areas in selecting projects for the Program.
Chairman ECM (Dept)
- HB 213 **Harford County -- Alcoholic Beverages -- Powers of Inspectors**
Authorizing inspectors in Harford County who investigate violations of alcoholic beverages licenses to issue civil citations under specified circumstances.
Harford County Delegation
- HB 217 **Harford County -- Alcoholic Beverages -- Stadium Beer and Light Wine License**
Creating in Harford County a stadium beer and light wine on-sale alcoholic beverages license; establishing that the license may be issued to the owner or lessee of a professional baseball stadium for use on the stadium premises; and establishing the hours and days for sale, the terms and conditions, and the annual fee for the license.
EFFECTIVE JULY 1, 2001
Harford County Delegation

HB 218 Harford County -- Alcoholic Beverages -- Caterers

Authorizing persons that are licensed as caterers in Harford County to provide food and keep and sell at retail alcoholic beverages, for consumption only on the premises of the caterer, at a self--sponsored event held once during a calendar year on a day selected by the caterer.

Harford County Delegation

HB 224 Private Detectives, Security Guards, and Security Systems Technicians -- Licensing -- Fines

Requiring the Secretary of the State Police to adopt regulations to establish fines that may be assessed for specified violations; requiring specified individuals to be licensed as private detectives, security guards, or security systems technicians by the Secretary before soliciting to engage in business; authorizing the Secretary to assess fines; etc.

Chairman ECM (Dept)

HB 233 Public Service Commission -- Civil Penalties

For the purpose of authorizing the Public Service Commission to impose a civil penalty for specified violations of the Public Utility Companies Article or orders, regulations, or directives of the Commission.

Chairman ENV (Dept)

HB 265 Title Insurers -- Statements of Financial Condition -- Exemption from Filing Requirement

Exempting law firms and individual attorneys practicing in law firms from having to file an annual statement of financial condition with the title insurer with which they have an appointment.

Delegates Busch and Gordon

HB 283 Insurance -- Late Fees and Installment Fees

Authorizing authorized insurers to charge and collect, instead of or in addition to a reasonable installment fee, a reasonable late fee for late payment of insurance premiums if approved by the Insurance Commissioner; requiring the Commissioner to review administrative expenses; establishing that the late fee or installment fee may not exceed \$10; prohibiting the imposition of a late fee during a grace period or, if no grace period is required, until two business days after the date the payment becomes due; etc.

Delegate Gordon, et al

HB 301 "Smart Growth" and Neighborhood Conservation -- Community Legacy Program

Establishing a Community Legacy Program in the Department of Housing and Community Development; establishing a Community Legacy Board to administer the Program; establishing an Advisory Committee to the Board; creating a Community Legacy Financial Assistance Fund as a continuing, nonlapsing fund; etc.

EFFECTIVE JULY 1, 2001

The Speaker (Administration), et al

HB 344 Charles County -- Alcoholic Beverages -- License Suspensions

Establishing for licensed premises that are open only on Friday, Saturday, or Sunday an exception to the requirement in Charles County that alcoholic beverages license suspensions for 4 days or less may not be on Friday, Saturday, or Sunday.

Charles County Delegation

HB 345 Charles County -- Alcoholic Beverages -- Class B Bed and Breakfast License

Authorizing the Charles County Board of License Commissioners to issue a special Class B--B&B (bed and breakfast) on--sale beer, wine and liquor license; establishing the qualifications for the license; authorizing a Class B--B&B licensee to sell alcoholic beverages only to guests; establishing annual fees for the license; establishing the hours and days for sale for the license; and establishing that the license is void if the licensed premises cease to operate as a bed and breakfast.

Charles County Delegation

- HB 349 Charles County -- Alcoholic Beverages -- Public Golf Courses**
Authorizing in Charles County an alcoholic beverages licensee to sell and a person to consume alcoholic beverages allowed under the license on the grounds of a public golf course; etc.
EFFECTIVE JUNE 1, 2001
Charles County Delegation
- HB 356 On--Site Generated Electricity -- Approval Process**
Authorizing the Public Service Commission to waive the requirement to obtain a certificate of public convenience and necessity for the construction of a generating station under specified circumstances; authorizing the Commission to require a person to obtain approval before the person may construct a generating station; establishing the information necessary in an application for approval by the Commission; etc.
Delegate Sher
- HB 362 Maryland Insurance Administration -- Adoption of Regulations**
Requiring the Insurance Commissioner to adopt regulations governing the privacy of consumer financial and health information; setting standards for the regulations; and requiring the Commissioner to adopt regulations on the practice of an insurance business by specified individuals who are generally prohibited from the practice by a specified federal law.
EFFECTIVE JULY 1, 2001
Chairman ECM (Dept)
- HB 370 Garrett County -- Alcoholic Beverages -- Wine Festival License**
Creating in Garrett County a wine festival alcoholic beverages license; providing for the terms and conditions of the license; authorizing direct sale of alcoholic beverages from a wholesaler or producer to a wine festival licensee under specified circumstances; specifying conditions for the date of the festival; requiring the wine festival licensee to have a specified alcoholic beverages license; etc.
EFFECTIVE JULY 1, 2001
Delegate Edwards
- HB 379 State Commission of Real Estate Appraisers and Home Inspectors**
Incorporating into the State Commission of Real Estate Appraisers a licensing and regulatory authority for home inspectors; establishing the State Commission of Real Estate Appraisers and Home Inspectors; providing for home inspector members of the Commission; altering specified residency requirements for members of the Commission; providing for a vice chairman of the Commission; requiring an individual to be licensed before the individual may provide home inspection services in the State; etc.
Delegates Morhaim and Moe
- HB 384 Business Regulation and Occupations -- Regulatory Boards -- Sunset Extension and Program Evaluation**
Continuing the State Board of Architects, the State Board for Professional Engineers, the State Board of Heating, Ventilation, Air--Conditioning, and Refrigeration Contractors, the State Board for Professional Land Surveyors, the State Board of Examiners of Landscape Architects, and the State Board of Plumbing in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Boards; etc.
Chairman ECM (Department of Legislative Services)
- HB 385 Insurance -- Improper Premiums and Charges -- Policy Fee Charged by Surplus Lines Brokers**
Altering the \$75 limit on the policy fee that a surplus lines broker may charge on each policy procured by a

qualified agent or qualified broker to whom the surplus lines broker pays a commission; and specifying different fee limits for a personal lines policy and a commercial lines policy.

Delegate Barve

HB 387 Insurance -- Premium Financing

Requiring that a copy or other notice of a premium finance agreement be sent to a surplus lines broker licensed in the State under specified circumstances; authorizing a premium finance company to require an agent or broker who procures premium financing to send the notice and provide specified information; requiring an agent or broker to return gross unearned commissions to an insurer within a reasonable period of time when an insurance contract has been canceled by a premium finance company, an insurer, or an insured; etc.

Delegate Barve

HB 415 Alcoholic Beverages -- Licenses -- Issuance and Transfer

Requiring a board of license commissioners to consider specified criteria in approving the issuance or transfer of a license; providing that the requirement does not apply in Baltimore City, Harford County, or St. Mary's County; etc.

Delegate Arnick

HB 427 Maryland Technology Development Corporation -- Maryland Technology Incubator Program

Creating the Maryland Technology Incubator Program and providing that the Program is administered by the Maryland Technology Development Corporation; providing for the purpose of the Program; authorizing the Board of Directors of the Corporation to use specified public and private moneys in awarding financial assistance; requiring the Board, in consultation with the Secretary of Business and Economic Development, to adopt criteria and requirements for awarding financial assistance; etc.

EFFECTIVE JUNE 1, 2001

Delegate Barve (Montgomery County Administration)

HB 454 Electric Industry Restructuring -- Small Rural Electric Cooperatives -- Exemptions

Exempting specified small rural electric cooperatives from specified requirements and prohibitions related to the restructuring of the electric industry under the Electric Customer Choice and Competition Act of 1999; specifying that the small rural electric cooperatives are subject to specified requirements and prohibitions of the Act; and allowing members of small rural electric cooperatives to receive electricity services from a different entity, if the entity is licensed under the law.

Delegate Edwards

HB 464 Business and Economic Development -- Maryland Competitive Advantage Financing Fund

Repealing the termination date of specified provisions of law related to the Maryland Competitive Advantage Financing Fund; eliminating the requirement that an application for financial assistance from the Fund must include information related to bankruptcy and existing liens or judgments; etc.

VARIOUS EFFECTIVE DATES

Delegate V Jones, et al

HB 497 Maryland Real Estate Commission -- Sunset Extension and Program Evaluation

Continuing the Maryland Real Estate Commission in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2012, the termination provisions relating to the statutory and regulatory authority of the Commission; requiring the Commission to provide for the conduct of continuing education courses by specified methods of transmission; and requiring the Commission to submit a report to specified committees on or before December 1, 2001.

Chairman ECM

HB 514 City of Annapolis -- Alcoholic Beverages -- Wine Festival License

Authorizing in the City of Annapolis the Alcoholic Beverage Control Board to issue a special festival license for wine festivals; specifying requirements for license applicants and holders of licenses; establishing the scope of the license and the time and location of and requirements for wine festivals in the City of Annapolis; etc.

EMERGENCY BILL

Delegate Love

HB 575 Harford County -- Alcoholic Beverages -- Class D Licenses

Authorizing the Liquor Control Board for Harford County to issue specified Class D alcoholic beverages licenses to holders of Class B licenses in the county; establishing specified fees; authorizing holders of Class B licenses to apply for a Class D license authorized by the Act; authorizing the Liquor Control Board to decide the number of Class D licenses to be issued; etc.

Harford County Delegation

HB 581 Telephone Solicitation -- Caller Identification Blocking

Prohibiting, under specified circumstances, a person engaged in telephone solicitation from intentionally using any device or method to block, or taking any other action to prevent or control, the transmission of the telephone number of that person to a recipient of a telephone solicitation; defining "telephone solicitation"; providing for specified exceptions; and providing penalties for violations of the Act.

Delegate Bobo, et al

HB 585 Washington County -- Alcoholic Beverages -- Population Ratio Quota

Providing that in Washington County individuals who are detained or confined in a correctional facility are excluded from the population census count for the purpose of calculating the population ratio quota that applies to the issuance of alcoholic beverages licenses.

Washington County Delegation

HB 595 Frederick County -- Alcoholic Beverages -- Powers of Inspectors

Authorizing inspectors in Frederick County who investigate violations of alcoholic beverages licenses to issue civil citations under specified circumstances.

Frederick County Delegation

HB 596 Frederick County -- Alcoholic Beverages -- Caterer's License

Establishing a caterer's license in Frederick County; authorizing the Board of License Commissioners to issue a caterer's license to a holder of a specified alcoholic beverages license; establishing an annual license fee of \$1,500; specifying the scope of the license; and requiring the holder of the license to prepare, deliver, and provide food with alcoholic beverages for consumption at a catered event.

Frederick County Delegation

HB 607 Harford County -- Alcoholic Beverages -- Class BDR (Deluxe Restaurant) Licenses

Creating in Harford County a special 7--day Class B (on--sale) license known as a Class BDR (deluxe restaurant) beer, wine and liquor license; restricting the issuance of a Class BDR license to restaurants located in specified areas of Harford County that meet specified requirements; setting an annual license fee of \$5,000; authorizing the Liquor Control Board to adopt regulations for the issuance of a Class BDR license; etc.

Harford County Delegation

HB 628 Docking Masters and Bay Pilots -- Corrective Bill

Making technical corrections in provisions relating to docking masters and bay pilots; repealing specified

oath requirements; clarifying the circumstances when a docking master must be employed; clarifying the licensure requirements relating to the independent supervision and verification of training trips occurring before October 1, 2000; ratifying and validating specified corrections made by the publisher of the Annotated Code.

EMERGENCY BILL

Delegate Busch

HB 731 Cosmetologists -- Temporary License

Creating a temporary license under the State Board of Cosmetology; requiring the Board to issue a temporary license under specified circumstances; authorizing the holder of a temporary license to practice cosmetology under specified circumstances; providing for the expiration of a temporary license; requiring the Board to credit the \$10 application fee toward the initial license fee; etc.

Delegate Mandel, et al

HB 736 Business Regulation -- Motor Fuel -- Below Cost Sales

Prohibiting a retail service station dealer from selling motor fuel below cost unless the sale is made in good faith to meet competition, made as part of a final liquidation or closing of the business of the retail service station dealer, made as part of a bona fide charitable promotion lasting no longer than 2 days, or made under the direction or order of a court or government entity; etc.

Delegate Moe, et al

HB 741 Caroline County -- Alcoholic Beverages -- Beer and Wine Tasting and Sampling

Establishing in Caroline County a Class BWTS beer and wine (on--premises) tasting or sampling license for beer and wine tasting and sampling; establishing a fee; etc.

Delegates Eckardt and Schisler

HB 790 Maryland Economic Development Corporation

Clarifying and altering the legislative purposes and legislative intent relating to the Maryland Economic Development Corporation; clarifying the ability of the Corporation to make specified loans to persons for specified purposes; clarifying the ability of the Corporation to create, own, control, or be a member of a corporation, limited liability company, partnership, or other person, whether operated for profit or not for profit; etc.

EMERGENCY BILL

Delegate Taylor

HB 804 Baltimore City -- Alcoholic Beverages -- Class A License Transfers

Exempting from a prohibition against locating licensed premises within 300 feet from a church or school in Baltimore City, Class A licenses transferred from ward 12, precinct 1 to a property within a block surrounded by Elm Avenue, Berry Street, Paine Street, and West 37th Street under specified circumstances.

EFFECTIVE JUNE 1, 2001

Delegate Campbell, et al

HB 808 Montgomery County -- Alcoholic Beverages -- Class B License Fees MC 104--01

Increasing in Montgomery County specified Class B alcoholic beverages license fees to \$2,500.

EMERGENCY BILL

Montgomery County Delegation

HB 898 Insurance Producer Licensing Act

Requiring licensure for insurance producers; substituting the term "insurance producer" for the terms "agent" and "broker"; substituting the term "license" for the term "certificate of qualification"; repealing provisions related to fraternal benefit agents; setting standards for licensure of insurance producers; providing for the

powers and duties of the Insurance Commissioner with respect to insurance producers; etc.

EFFECTIVE JULY 2, 2001

Chairman ECM (Dept)

HB 908 Horse Racing -- Special Fund -- Use of Lottery Funds

Requiring that lottery revenues be distributed to the horse racing Special Fund when payments are made to the Racing Facility Redevelopment Bond Fund, unless otherwise provided in the budget; requiring that the amount of lottery funds distributed to the Special Fund be equivalent to the payments made to the Bond Fund; etc.

EMERGENCY BILL

Delegate Hixson, et al

HB 911 Real Estate Appraisers -- Qualifications of Applicants for Licensure or Certification -- Trainees

Requiring an applicant for licensure or certification as a real estate appraiser to complete specified work experience requirements as a real estate appraiser trainee; requiring the State Commission of Real Estate Appraisers to include trainees on an annual roster; requiring the Commission to issue specified documents of good standing to trainees; providing that specified work experience hours completed by an applicant for licensure before the effective date of the Act may be accepted by the State Commission under specified circumstances; etc.

Delegate Krysiak

HB 937 Financial Guaranty Insurance Companies -- Definition and Home Office Requirement

Altering the definition of a "financial guaranty insurance company" to allow specified financial guaranty insurance companies to have a home or executive office outside the State under specified circumstances.

EFFECTIVE JULY 1, 2001

Delegate Brown

HB 945 Business and Economic Development -- Maryland Small Business Development Financing Authority

Adding to the purposes of the Maryland Small Business Development Financing Authority; altering the eligibility criteria for applicants to the Contract Financing Fund program, the Guaranty Fund financing program, and the Equity Participation Investment Program of the Maryland Small Business Development Financing Authority; increasing the dollar amount of a loan that may be guaranteed by the Authority under the Guaranty Fund financing program; etc.

Delegates Harrison and Rawlings

HB 998 Workers' Compensation -- Self--Insurance Groups

Establishing obligations for specified workers' compensation self--insurance groups; requiring the Workers' Compensation Benefit and Insurance Oversight Committee to study and make recommendations regarding the payment of claims of insolvent self--insurance groups; etc.

Delegates Mitchell and Fulton

HB 1069 Electric Cooperatives -- Services and Governance

Authorizing electric cooperatives to supply additional products and services to members or other persons and entities; authorizing electric cooperatives to form, organize, acquire, hold, dispose of, and operate an interest in specified entities; requiring an electric cooperative to comply with specified orders of the Public Service Commission; etc.

VARIOUS EFFECTIVE DATES

Delegate Guns, et al

HB 1081 Wicomico County -- Alcoholic Beverages -- Hotel License Fees

Increasing to \$1,980 the annual license fee of a Class B beer, wine and liquor license for hotels in Wicomico County.

Delegates Conway and Cane

HB 1083 Wicomico County -- Alcoholic Beverages -- License Renewal Fee

Increasing to \$50 the fee in Wicomico County to renew alcoholic beverages licenses.

Delegates Conway and Cane

HB 1084 Wicomico County -- Alcoholic Beverages -- Restaurant License Fee

Increasing to \$1,320 the annual license fee of a Class B beer, wine and liquor license for restaurants in Wicomico County.

Delegates Conway and Cane

HB 1085 Wicomico County -- Alcoholic Beverages -- Sunday Closing Time

Altering in Wicomico County the Sunday closing time for specified alcoholic beverages licensees.

Delegates Conway and Cane

HB 1094 Elevator Safety -- Licensing of Elevator Contractors and Mechanics

Repealing provisions authorizing the Commissioner of Labor and Industry to designate special elevator inspectors; requiring specified elevator inspections to be done by a State inspector; establishing the Elevator Safety Review Board in the Department of Labor, Licensing, and Regulation; providing for the composition, appointment, terms, and compensation of Board members; establishing powers and duties of the Board; requiring persons to be licensed by the Board as elevator mechanics or elevator contractors; etc.

Delegate Hill, et al

HB 1096 St. Mary's County -- Alcoholic Beverages -- Exemption for Special License Holders

Exempting in St. Mary's County specified holders of a special alcoholic beverages license from the prohibition against a license holder allowing a person to drink on the licensed premises any alcoholic beverages not purchased from the license holder on the premises.

EMERGENCY BILL

St. Mary's County Delegation

HB 1153 Workers' Compensation -- Prince George's County Deputy Sheriffs PG 310--01

Providing for enhanced public safety workers' compensation benefits for Prince George's County deputy sheriffs.

Prince George's County Delegation

HB 1155 Enterprise Zones -- Tax Credits

Increasing the amount of income tax credits available to a business that employs an enterprise zone employee or a focus area employee; requiring an employer to pay at least 150% of the federal minimum wage to an employee being claimed for an enterprise zone tax credit; raising to 35 the weekly number of hours required to be worked by an employee being claimed for the tax credit; and requiring the Department of Business and Economic Development and the Comptroller to submit a report to the Governor and the General Assembly.

EFFECTIVE JULY 1, 2001

Delegate Hill, et al

HB 1186 Retail Sale of Motor Fuel -- Advertising Signs -- Grades of Motor Fuel

Requiring the grade designation displayed for motor fuel on signs or other means advertising the price of motor fuel at a retail outlet to be the same as the grade designation that is required to be displayed for that

motor fuel on the retail dispensing pump as specified by the Comptroller.

Delegate Donoghue

HB 1223 Workers' Compensation Insurers and Self--Insurers -- Office and Personnel Requirements

Altering the office and personnel requirements for employers that self--insure and insurers providing workers' compensation insurance in the State; etc.

Delegate McClenahan

HB 1251 Labor and Employment -- Job Training Services

Renaming the Maryland Job Training Partnership Act to be the Maryland Workforce Investment Act; clarifying which workers are dislocated; clarifying which individuals are low--income; clarifying which services are supportive; specifying the duties of the Governor's Workforce Investment Board; requiring the Governor to submit a plan to the federal government and to allocate specified federal funds; etc.

EFFECTIVE JULY 1, 2002

Chairman ECM (Dept)

HB 1260 Maryland Heritage Areas Authority Financing Fund

Extending a termination provision relating to the uses of Program Open Space funds in the Maryland Heritage Areas Authority Financing Fund.

EFFECTIVE JULY 1, 2001

Delegate Taylor

HB 1269 Racing -- Horsemen -- Standardbred and Thoroughbred Assistance Funds

Repealing specified provisions of law applying to the Maryland Horsemen's Assistance Fund, Inc.; establishing the Maryland Standardbred Horsemen's Assistance Fund, Inc.; etc.

Delegate C Davis

HB 1278 Workers' Compensation -- Credit Against Payment of Permanent Partial Disability Awards After Appeal

Requiring that, if an award of permanent partial disability workers' compensation is reversed or modified by a court on appeal, the payment of the award must be subject to a credit for any compensation previously awarded and paid.

Delegate Cadden

HB 1291 Universal Service Program Fund -- Retention

Authorizing the Public Service Commission (PSC) to retain funds in the universal service program fund at the end of June 30, 2001, and make the funds available for disbursement through June 30, 2002, to specified electric customers; requiring the PSC and Department of Human Resources to report to the Governor, the General Assembly, and specified committees on matters pertaining to the universal service program and fund by October 1, 2001; etc.

EFFECTIVE JUNE 1, 2001

Delegate Guns, et al

HB 1300 Frederick County -- Alcoholic Beverages -- Class C (Golf and Country Club) Licenses

Authorizing the Board of License Commissioners of Frederick County to issue Class C (golf and country club) licenses for places of business in the 16th election district.

Frederick County Delegation

HB 1348 Maryland Food Center Authority

Clarifying and updating provisions relating to the financing of projects and developments of the Maryland

Food Center Authority in furthering the Authority's statutory purposes; repealing obsolete provisions of law relating to the New Marsh Wholesale Produce Market Authority; modifying provisions of law relating to public financing and to transfers of interest in property of the Authority; repealing specified provisions of law and adding a provision of law to conform to current public financing practices; etc.

EFFECTIVE JUNE 1, 2001

Delegate Busch, et al

HB 1352 Insurance -- Insurer Insolvencies -- Claims Priority

Altering the priority of distribution in the event of an insurer insolvency when there are known or potential claims due the federal government.

Delegate Love

HB 1365 Journeyman Natural Gas Fitters License -- Qualifications of Applicants

Requiring an applicant for a journeyman natural gas fitters license to demonstrate successful completion of specified training courses; and requiring an applicant to pass an examination given by the State Board of Plumbing.

Delegate Parrott

HB 1401 Canal Place Preservation and Development Authority

Renaming the Canal Place Historic Preservation District to be the Canal Place Heritage Area; authorizing the modification of the boundaries of the Heritage Area under specified circumstances; expanding the purposes and altering the authority of the Canal Place Preservation and Development Authority; repealing specified condemnation powers of the Authority; etc.

EFFECTIVE JULY 1, 2001

Delegate Taylor

HB 1403 Collection Agencies -- Exemption from Regulation

Exempting from regulation under the collection agency law a person who is collecting a debt for another person under specified circumstances; etc.

EFFECTIVE JUNE 1, 2001

Delegates Malone and McIntosh

HB 1412 Insurance -- Assets, Reserves, and Investments of Insurers

Altering the assets owned by an insurer that are allowed as admitted assets in determining the financial condition of the insurer; altering the assets that are not allowed as admitted assets in determining the financial condition of an insurer; repealing provisions of law governing loss reserves for specified liability and workers' compensation insurance; requiring that unearned premium reserves with respect to specified types of insurance be computed in a specified manner; etc.

Delegate McHale

HB 1422 Public Service Commission -- Hazardous Liquid Pipelines

Authorizing the Public Service Commission to act for the United States Secretary of Transportation to implement federal laws relating to hazardous liquid pipeline safety for intrastate transportation of hazardous liquids by pipeline; establishing the powers necessary for the Commission to implement a State regulatory program for the intrastate transportation of hazardous liquids by pipeline; etc.

Delegate Bohanan, et al

HB 1425 Underground Facilities -- Owner--Contractor Information Exchange System

Requiring the operator of a one--call system to maintain and make available an owner--contractor information exchange system; requiring contractors to contact, or receive notification from, the owner--contractor information exchange system before beginning excavation or demolition; requiring owners or

their agents to notify the owner--contractor information exchange system of actions taken to identify the owners' underground facilities; requiring the one--call center to repeat notification under specified circumstances; etc.

EFFECTIVE JULY 1, 2001

Delegate Klausmeier, et al

HB 1431 Home Builders -- Miscellaneous Provisions

Specifying the applicability of specified standards and guidelines adopted under the federal National Manufactured Housing and Safety Standards Act to a contract for the initial sale of a mobile home; altering the circumstances under which the Home Builder Registration Unit may deny a registration to an applicant, reprimand a registrant, suspend or revoke a registration, or impose a civil penalty on a registrant; etc.

Delegate Kach

Part I
Financial Institutions, Commercial Law, and Corporations

- SB 131 Dishonored and Bad Checks -- Collection Fee**
Increasing the maximum amount of the collection fee for which the maker or drawer of a dishonored check or other instrument shall be liable to the holder of the check or other instrument under specified circumstances; increasing the maximum amount of the collection fee for bad checks that a court may order a defendant to pay under specified circumstances; etc.
Senator Baker
- SB 264 Investment Companies -- Directors**
Validating, by repealing and reenacting without amendments, Section 2 of Chapter 397 of the Acts of the General Assembly of 1998, which provided that specified directors of specified investment companies shall be deemed to be independent and disinterested for purposes of performing their duties; restating Section 3 of Chapter 397 of 1998 providing for the retroactive application of Section 2; and stating the intent of the General Assembly to validate the enactment of Sections 2 and 3 of Chapter 397 of 1998.
EFFECTIVE JUNE 1, 2001
Senator Jimeno
- SB 346 Commissioner of Financial Regulation and the Banking Board -- Sunset Extension and Program Evaluation**
Continuing the office of the Commissioner of Financial Regulation and the Banking Board in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2012, the termination provisions relating to the statutory and regulatory authority of the Commissioner and Board; and requiring the Commissioner to submit an annual report to the Governor and General Assembly.
EFFECTIVE JULY 1, 2001
Chairman FIN
- SB 363 Electronic Transactions Protection Act**
Establishing an Electronic Transaction Education, Advocacy, and Mediation Unit in the Office of the Attorney General; specifying the purpose and duties of the Unit; authorizing the Unit to adopt regulations at the direction of the Attorney General; etc.
Senator Currie, et al
- SB 377 Financial Institutions -- Credit Union Law Modernization and Other Credit Union Law Reforms**
Requiring a State credit union to receive approval from the Commissioner of Financial Regulation before establishing an automated teller machine (ATM) at specified locations; altering the tax exempt status of a State credit union; altering the field of membership limitations for a State credit union; altering the incorporation process for a State credit union; altering the "wildcard" provision under which a State credit union may engage in specified activities with the prior approval of the Commissioner; etc.
VARIOUS EFFECTIVE DATES
Senator Astle (Task Force Credit Unions) and Senator Hafer
- SB 397 Maryland Uniform Electronic Transactions Act -- Scope**
Prohibiting the provisions of the Maryland Uniform Electronic Transactions Act from modifying, limiting, or superseding provisions of the federal Electronic Signatures in Global and National Commerce Act related to consumers and electronic records; exempting notices of product recall or material failure of a product, documents that accompany toxic or dangerous materials, and transactions governed by laws governing

family law from the Maryland Uniform Electronic Transactions Act; etc.

EFFECTIVE JUNE 1, 2001

Senator Teitelbaum, et al

- SB 398 **Maryland Uniform Computer Information Transactions Act -- Implied Warranty Exemption**
Providing an exemption from the implied warranty of merchantability of a computer program for a computer program provided under a license that does not impose a license fee for the right to the source code, to make copies, to modify, and to distribute the computer program; and making stylistic changes.

EFFECTIVE JUNE 1, 2001

Senator Teitelbaum, et al

- SB 610 **Uniform Commercial Code -- Secured Transactions -- Revisions**

Revising, correcting, updating, and clarifying Title 9 of the Commercial Law Article and associated sections of the Uniform Commercial Code; revising the law relating to the creation and validity of security agreements, rights of parties, perfection of security interests, and procedures for filing and default; etc.

CONTINGENT -- EFF. JULY 1, 2001

Senator Kelley

- SB 882 **Unsecured Closed End Credit Regulation -- Credit Services Businesses -- Study Commission**

Prohibiting a credit services business, its employees, and specified independent contractors from assisting a consumer to obtain an extension of unsecured closed end credit at a rate of interest which, except for federal preemption of State law, would be prohibited under specified provisions of law governing interest and usury, consumer loans, and closed end credit; creating a Short--Term Small Consumer Loan Study Commission; etc.

EFFECTIVE JUNE 1, 2001

Senator Della, et al

- HB 14 **Electronic Transactions Protection Act**

Establishing an Electronic Transaction Education, Advocacy, and Mediation Unit in the Office of the Attorney General; establishing that the purpose of the Unit is to protect the privacy of individuals' personal information and to protect the public from unlawful conduct or practices in electronic transactions; specifying the duties of the Unit; and authorizing the Unit to adopt regulations at the direction of the Attorney General.

Delegate Brown, et al

- HB 399 **Financial Institutions -- Credit Union Law Modernization and Other Credit Union Law Reforms**

Requiring a State credit union to receive approval from the Commissioner of Financial Regulation before establishing an ATM at specified locations; altering the tax exempt status of a State credit union; altering the field of membership limitations for a State credit union; altering the incorporation process for a State credit union; altering the "wildcard" provision under which a State credit union may engage in specified activities with the prior approval of the Commissioner; etc.

VARIOUS EFFECTIVE DATES

Delegate McIntosh (Task Force----Credit Union Laws), et al

- HB 449 **Commissioner of Financial Regulation and the Banking Board -- Sunset Extension and Program Evaluation**

Continuing the office of the Commissioner of Financial Regulation and the Banking Board in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2012, the termination provisions relating to the statutory and regulatory authority of the Commissioner and Board; and requiring the Commissioner to submit an annual report to the Governor and General Assembly.

EFFECTIVE JULY 1, 2001

Chairman CGM

HB 519 Maryland Uniform Electronic Transactions Act -- Scope

Prohibiting the provisions of the Maryland Uniform Electronic Transactions Act from modifying, limiting, or superseding provisions of the federal Electronic Signatures in Global and National Commerce Act related to consumers and electronic records; exempting notices of product recall or material failure of a product, documents that accompany toxic or dangerous materials, and transactions governed by laws governing family law from the Maryland Uniform Electronic Transactions Act; etc.

EFFECTIVE JUNE 1, 2001

Delegate Barve, et al

HB 520 Maryland Uniform Computer Information Transactions Act -- Implied Warranty Exemption

Providing an exemption from the implied warranty of merchantability of a computer program for a computer program provided under a license that does not impose a license fee for the right to the source code, to make copies, to modify, and to distribute the computer program; and making stylistic changes.

EFFECTIVE JUNE 1, 2001

Delegate Barve, et al

HB 973 Unsecured Closed End Credit Regulation -- Credit Services Businesses -- Study Commission

Prohibiting a credit services business, its employees, and specified independent contractors from assisting a consumer to obtain an extension of unsecured closed end credit at a rate of interest which, except for federal preemption of State law, would be prohibited under specified provisions of law governing interest and usury, consumer loans, and closed end credit; creating a Short--Term Small Consumer Loan Study Commission; etc.

EFFECTIVE JUNE 1, 2001

Delegate McIntosh, et al

HB 1035 Uniform Commercial Code -- Secured Transactions -- Revisions

Revising, correcting, updating, and clarifying Title 9 of the Commercial Law Article and associated sections of the Uniform Commercial Code; revising the law relating to the creation and validity of security agreements, rights of parties, perfection of security interests, and procedures for filing and default; etc.

CONTINGENT -- EFF. JULY 1, 2001

Delegates Barve and Brown

Part J
Health

- SB 38 **Emergency Medical Services -- Ambulance Services -- Definitions and Regulations**
Altering the definition of "ambulance"; clarifying regulation requirements regarding ambulance transport; etc.
EFFECTIVE JULY 1, 2001
Chairman EEA (Dept)
- SB 42 **Refusal of Psychiatric Medication -- Clinical Review Panel**
Extending the termination date of specified provisions of law relating to the refusal of psychiatric medication.
EFFECTIVE JUNE 1, 2001
Chairman FIN (Dept)
- SB 71 **Alcohol and Drug Administration -- Certification and Licensure Requirements -- Alcohol and Drug Counseling**
Altering specified waiver provisions that apply to certification as a certified professional counselor--alcohol and drug, a certified associate counselor--alcohol and drug, or a certified supervised counselor--alcohol and drug; authorizing an individual to work as a trainee under specified conditions; etc.
EFFECTIVE JULY 1, 2001
Chairman EEA (Dept)
- SB 100 **Health Insurance -- Colorectal Cancer Screening -- Coverage**
Requiring insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for colorectal cancer screening in accordance with guidelines issued by the American Cancer Society; authorizing insurers, nonprofit health service plans, and health maintenance organizations to impose cost--sharing requirements; and providing for the application of the Act.
EFFECTIVE JULY 1, 2001
Senator Teitelbaum, et al
- SB 116 **State Board of Examiners in Optometry -- Sunset Extension and Program Evaluation**
Continuing the State Board of Examiners in Optometry in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Board; and requiring that an evaluation of the Board be performed on or before July 1, 2012.
The President (Department of Legislative Services)
- SB 132 **Health Insurance -- Standard Provisions**
Repealing a standard provision allowed in health insurance contracts stating that the insurer is not responsible for a loss of which a contributing cause was the insured's commission of or attempt to commit a felony or the insured's being engaged in an illegal occupation; repealing a standard provision allowed in health insurance contracts stating that the insurer is not responsible for a loss caused by the insured's being intoxicated or under the influence of a nonprescription narcotic; etc.
EFFECTIVE JANUARY 1, 2002
Chairman FIN (Dept)

SB 146 Nurses -- Certified Nursing Assistants

Requiring the State Board of Nursing to maintain a nurse aide registry; requiring mandatory reporting by certified nursing assistants for specified actions; altering nursing assistant definitions; requiring the Board to adopt regulations for categories of certified nursing assistants; altering the criteria for certification; altering a certificate renewal provision; increasing the curriculum content for nursing assistant training programs; prohibiting misrepresentation as a certified nursing assistant; etc.

EFFECTIVE JULY 1, 2001

Senator Hollinger

SB 194 Massage Therapists -- Exemption

Exempting the practice of specified therapies from the definition of "massage therapy"; etc.

Senators Pinsky and Hafer

SB 236 Senior Prescription Drug Relief Act

Establishing the Maryland Pharmacy Discount Program and the Maryland MedBank Program; requiring the Department of Health and Mental Hygiene to administer and operate the Maryland Pharmacy Discount Program as permitted by federal law or waiver; authorizing the Department to establish mechanisms to recover administrative costs, reimburse participating pharmacies in a specified amount, and allow the pharmacies to collect specified fees; etc.

VARIOUS EFFECTIVE DATES

Senator Miller, et al

SB 317 Maryland Program Evaluation Act -- Maryland Health Care Commission and the State Health Services Cost Review Commission

Requiring that evaluations under the Maryland Program Evaluation Act of the Maryland Health Care Commission and the State Health Services Cost Review Commission be prepared on or before July 1, 2007.

The President (Department of Legislative Services)

SB 330 State Advisory Council on Heart Disease and Stroke

Renaming the State Advisory Council on High Blood Pressure and Related Cardiovascular Risk Factors to be the State Advisory Council on Heart Disease and Stroke; increasing the membership of the Council; requiring the Council to develop and promote educational programs on heart disease and stroke prevention, detection, and treatment targeted to high--risk populations and to high--incidence areas; requiring evaluation of the programs; etc.

EFFECTIVE JULY 1, 2001

Senator Kelley

SB 338 Hospitals -- Uniform Emergency Security Codes for Hospitals -- Establishment and Implementation

Requiring the Secretary of Health and Mental Hygiene, in consultation with specified associations, to develop a uniform set of emergency security codes for hospitals; requiring the Secretary to adopt specified regulations; and requiring hospitals to implement the provisions of the uniform set of emergency security codes for hospitals within 2 years of the adoption of the regulations.

EFFECTIVE JUNE 1, 2001

Senator Haines

SB 350 Department of Health and Mental Hygiene -- Alcohol Abuse and Drug Treatment Programs

Requiring specified alcohol and drug abuse treatment programs to obtain certification from the Department of Health and Mental Hygiene before providing services.

Senators DeGrange and Hollinger

SB 432 Community Providers -- Developmentally Disabled Individuals -- Rate Increase

Requiring the Department of Health and Mental Hygiene to increase the rate of reimbursement paid to community providers of treatment or services to developmentally disabled individuals beginning July 1, 2002; requiring the Department to determine a disparity amount that is a calculation of the difference in wages and benefits between community direct service workers and developmental disabilities associates or other employees in State residential centers and to eliminate the disparity amount under the Act; etc.

EFFECTIVE JUNE 1, 2001

Senator Middleton, et al

SB 457 Health Insurance -- Study of Maryland's Small Group Market

Requiring the Maryland Health Care Commission to contract with an independent consultant to conduct a study comparing the performance of Maryland's small group health insurance market reform law to other states; specifying the scope of the study; requiring the Commission to provide a specified report to the Governor and the General Assembly on or before January 1, 2002; etc.

EFFECTIVE JUNE 1, 2001

Senators Bromwell and Van Hollen

SB 458 Health Insurance -- Substantial, Available, and Affordable Coverage

Requiring carriers that offer medically underwritten health insurance in the nongroup market in the State to provide an individual who has been denied medically underwritten health insurance with specific information regarding the availability of substantial, available, and affordable coverage in the form and manner required by the Insurance Commissioner through regulation; requiring the Insurance Commissioner to adopt facilitating regulations; etc.

Senators Bromwell and Van Hollen

SB 511 Health Insurance -- Requirements for Providers to Serve on Provider Panels -- Dental Plans

Prohibiting a carrier that offers coverage for dental care services through health benefit plans or contracts with dentists to offer dental care services through provider panels from requiring a dentist, as a condition of participation or continuation on a provider panel, to serve on another provider panel under specified circumstances; and altering the definition of "health benefit plan".

Senators Roesser and Teitelbaum

SB 522 Health Insurance -- Treatment of Morbid Obesity

Requiring insurers, nonprofit health service plans, managed care organizations, and health maintenance organizations to provide coverage for the surgical treatment of morbid obesity as recognized by the National Institutes of Health; etc.

Senator Hoffman, et al

SB 535 Department of Aging -- Innovations in Aging Services Program

Creating an Innovations in Aging Services Program in the Department of Aging; providing for the purposes of the Program; creating the Innovations in Aging Services Advisory Council in the Department and providing for the appointment, organization, and terms of its members; requiring the Secretary of the Department to develop a plan for funding grants; providing for the evaluation of grants funded under the Program; requiring the Secretary to adopt regulations and appoint Advisory Committee members; etc.

Senator Collins

SB 547 State Board of Professional Counselors and Therapists

Authorizing the State Board of Professional Counselors and Therapists to adopt regulations regarding practicing under supervision as a licensed graduate professional counselor or marriage and family therapist; authorizing the use of specified titles and representations; etc.

Senator Jacobs, et al

SB 567 Maryland Caregivers Support Coordinating Council

Establishing the Maryland Caregivers Support Coordinating Council; providing for the purpose and composition of the Council; requiring the Department of Human Resources to provide staff support; requiring the Council to gather information through specified methods, develop a handbook of current respite caregiver services, review existing caregiver programs, conduct funding research, develop a State model, coordinate the activities of existing services, and make specified reports to the General Assembly and Governor; etc.

EFFECTIVE JULY 1, 2001

Senator Frosh, et al

SB 569 Medical Records -- Maintenance and Destruction -- Confidentiality

Requiring the Secretary of Health and Mental Hygiene to adopt specified regulations for the destruction of medical records; requiring the Secretary to consult with specified entities before adopting the regulations; specifying what is to be included in the regulations; and providing for administrative fines for a violation of the Act, applicable to specified health care facilities and individuals.

Senator Hollinger

SB 591 Health Insurance -- Claims for Reimbursement for Health Care Services Rendered

Requiring an insurer, nonprofit health service plan, or health maintenance organization to permit a provider a minimum of 90 working days after denial of a claim for reimbursement of health care services rendered to appeal the denial; etc.

Senator Teitelbaum

SB 615 Health Insurance -- Hearing Aids -- Coverage for Children

Requiring insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for hearing aids for minor children if the hearing aids are prescribed, fitted, and dispensed by a licensed audiologist; authorizing a limitation on the benefit payable under the Act; etc.

Senator Hollinger, et al

SB 626 Coordination of Immunization Services Act of 2001

Establishing a specified computerized information system within the Department of Health and Mental Hygiene to coordinate immunization data from health care providers; specifying who is an authorized user of the information in the system; establishing the purposes of the computerized information system; specifying what records may be used to collect information for the system; providing an exemption to allow specified individuals who receive immunizations to refuse to provide data to the system; etc.

EFFECTIVE JULY 1, 2001

Senator Hollinger

SB 627 Maryland Medical Assistance Program and Maryland Children's Health Program -- Reimbursement Rates Fairness Act of 2001

Requiring the Department of Health and Mental Hygiene to establish a process to annually set fee--for--service reimbursement rates for the Maryland Medical Assistance Program and the Maryland Children's Health Program in a manner that ensures participation of providers, taking specified systems into consideration; etc.

EFFECTIVE JULY 1, 2001

Senator Kelley, et al

SB 636 Medicaid Managed Care Organizations -- Continuity of Care

Providing that a HealthChoice Program recipient has the right to choose the managed care organization with which the recipient is enrolled and the primary care provider to whom the recipient is assigned within the managed care organization; requiring the Department of Health and Mental Hygiene to reassign a

disenrolled recipient to the managed care organization in which the recipient previously was enrolled; requiring that the Department make a report associated with transitioning enrollees; etc.

EFFECTIVE JUNE 1, 2001

Senator Kelley, et al

- SB 637 **Medical Assistance and Children's Health Programs -- Directory of Health Care Providers**
Requiring the Department of Health and Mental Hygiene to provide directories of specified health care providers in writing and on the Internet to specified health care providers, enrollees in the Medical Assistance Program, and individuals eligible for the Maryland Children's Health Program; requiring the Department to update the Internet database at least every 30 days; requiring the written directory to include a conspicuous reference to the Internet database; etc.
Senator Kelley, et al
- SB 680 **Medical Assistance Program -- Federally Qualified Health Centers -- Cost Based Reimbursement**
Repealing provisions of law that establish a process for providing supplemental payments to federally qualified health centers participating in the State Medical Assistance Program; and requiring the Department of Health and Mental Hygiene to adopt a methodology by regulation to ensure that federally qualified health centers are paid reasonable cost based reimbursement that is consistent with federal law.
Senator Exum
- SB 686 **Health Insurance Benefit Cards, Prescription Benefit Cards, or Other Technology**
Requiring insurers, nonprofit health service plans, health maintenance organizations, and managed care organizations to provide to insureds, subscribers, and enrollees a health insurance benefit card, prescription benefit card, or other technology that complies with standards set forth in a specified guide or that contains specified data elements; requiring benefit administrators to comply with the Act; requiring the issuance of new cards or corrective information after changes in coverage; etc.
Senator Dorman
- SB 728 **Health Maintenance Organizations -- Reimbursement of Noncontracting Providers for Services Rendered to Trauma Patients at Designated Trauma Centers**
Requiring a health maintenance organization to pay a claim by a noncontracting provider of health care services rendered to a trauma patient in specified trauma centers; providing for the termination of the Act; authorizing a health maintenance organization to require a noncontracting trauma physician to provide specified information; etc.
EFFECTIVE OCTOBER 1, 2001
Senator Astle
- SB 769 **Nursing Staff Agencies -- Quality Oversight and Improvement**
Transferring oversight of nursing staff agencies from the Board of Nursing to the Office of Health Care Quality; providing for the licensing of nursing staff agencies by the Office; authorizing the Office to conduct inspections of nursing staff agencies to verify compliance with the Act; requiring the Office to ensure that specified procedures are used in each nursing staff agency; etc.
EFFECTIVE JANUARY 1, 2002
Senator Collins
- SB 786 **Department of Health and Mental Hygiene -- Maryland Health Care Commission -- Modifications and Clarifications**
Requiring the Secretary of the Department of Health and Mental Hygiene (DHMH) to adopt a State health improvement plan; requiring the local health planning agencies to adopt local health plans; allowing the Maryland Health Care Commission to set deadlines for specified reports; authorizing the Commission to send information to DHMH; altering the maximum dollar amount of total user fees that the Commission

may assess in any fiscal year; etc.

EFFECTIVE JULY 1, 2001

Chairman FIN (Dept)

SB 856 Health Insurance -- Appeals and Grievances Procedures -- Modifications

Establishing, for a retrospective denial, a 180--day minimum period for a member or a health care provider on behalf of a member to file a grievance related to a carrier's adverse decision; extending to 30 working days the period for a member or a provider on behalf of a member to file a complaint with the Insurance Commissioner for review of a carrier's grievance decision; requiring a carrier to report quarterly to the Commissioner the number of adverse decisions issued by the carrier and the type of service at issue; etc.

Senator Bromwell

SB 865 Dental Plan Organizations -- Solvency Requirements

Exempting dental plan organizations with no enrollees from the requirement to have and maintain a specified surplus; altering the circumstances under which specified dental plan organizations are exempt from solvency requirements; etc.

Senator Teitelbaum

HB 6 Senior Prescription Drug Relief Act

Establishing the Maryland Pharmacy Discount Program and the Maryland MedBank Program; requiring the Department of Health and Mental Hygiene to administer and operate the Maryland Pharmacy Discount Program as permitted by federal law or waiver; authorizing the Department to establish mechanisms to recover administrative costs, reimburse participating pharmacies in a specified amount, and allow the pharmacies to collect specified fees; etc.

VARIOUS EFFECTIVE DATES

Delegate Taylor, et al

HB 15 Nonprofit Health Entity Accountability

Requiring a nonprofit hospital to consider a community needs assessment, if available, when identifying unmet health care needs; requiring a nonprofit hospital to report its community benefit activities to the Health Services Cost Review Commission; requiring the Commission to prepare an annual community benefit report and make the report available to the public; requiring the Commission to submit the annual report to specified committees; etc.

Delegate Busch, et al

HB 78 Mortality Review Committee -- Deaths of Individuals in State Facilities and Programs

Requiring the Mortality Review Committee in the Department of Health and Mental Hygiene (DHMH) to evaluate causes or factors contributing to deaths in facilities or programs operated or licensed by the Mental Hygiene Administration; making changes in the Committee membership; requiring the Secretary of DHMH to report specified deaths within a specified time to the Committee; requiring the Office of Health Care Quality to review specified deaths of individuals with mental illness; etc.

Delegate Hubbard

HB 149 Health Insurance -- Standard Provisions

Repealing a standard provision allowed in health insurance contracts stating that the insurer is not responsible for a loss of which a contributing cause was the insured's commission of or attempt to commit a felony or the insured's being engaged in an illegal occupation; repealing a standard provision allowed in health insurance contracts stating that the insurer is not responsible for a loss caused by the insured's being intoxicated or under the influence of a nonprescription narcotic; etc.

EFFECTIVE JANUARY 1, 2002

Chairman ECM (Dept)

- HB 160 Health Insurance -- Hearing Aids -- Coverage for Children**
Requiring insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for hearing aids for minor children if the hearing aids are prescribed, fitted, and dispensed by a licensed audiologist; authorizing a limitation on the benefit payable under the Act; etc.
Delegate Hixson, et al
- HB 179 Health Insurance -- Private Review Agents and Complaint Process**
Clarifying that a grievance decision must be made by a physician with specified qualifications; applying \s 15--1001 of the Insurance Article to health maintenance organizations (HMOs); requiring HMOs to comply with the provisions of law; and substituting references to "substance abuse" for several references to "drug abuse" or "alcohol abuse".
EFFECTIVE JANUARY 1, 2002
Chairman ECM (Dept)
- HB 190 Health Insurance -- Colorectal Cancer Screening -- Coverage**
Requiring insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for colorectal cancer screening in accordance with guidelines issued by the American Cancer Society; authorizing insurers, nonprofit health service plans, and health maintenance organizations to impose cost--sharing requirements; and providing for the application of the Act.
EFFECTIVE JULY 1, 2001
Delegate Morhaim, et al
- HB 289 Health Occupations -- Massage Therapists and Non--Therapeutic Massage Practitioners**
Repealing the exemption from certification or registration for individuals who practice massage therapy and non--therapeutic massage in specified health clubs; and altering the exemption for individuals providing cosmetology and esthetic services in a beauty salon.
Delegate Hubbard
- HB 318 State Board of Occupational Therapy Practice -- Supervision of Aides**
Authorizing the State Board of Occupational Therapy Practice to allow a licensed occupational therapy assistant to supervise an unlicensed aide under specified circumstances.
EFFECTIVE JULY 1, 2001
Chairman ENV (Dept)
- HB 366 Maryland Program Evaluation Act -- Maryland Health Care Commission and the State Health Services Cost Review Commission**
Requiring that evaluations under the Maryland Program Evaluation Act of the Maryland Health Care Commission and the State Health Services Cost Review Commission be prepared on or before July 1, 2007.
Chairman ENV (Department of Legislative Services)
- HB 367 State Board of Examiners in Optometry -- Sunset Extension and Program Evaluation**
Continuing the State Board of Examiners in Optometry in accordance with the provisions of the Maryland Program Evaluation Act (Sunset Law) by extending to July 1, 2013, the termination provisions relating to the statutory and regulatory authority of the Board; and requiring that an evaluation of the Board be performed on or before July 1, 2012.
Chairman ENV (Department of Legislative Services)
- HB 403 Department of Health and Mental Hygiene -- Alcohol Abuse and Drug Treatment Programs**
Requiring specified alcohol and drug abuse treatment programs to obtain certification from the Department

of Health and Mental Hygiene before providing services.

Delegate Sophocleus

HB 418 Drugs and Prescription Records -- Impounding and Disposing

Allowing the Department of Health and Mental Hygiene to impound drugs or prescription records of an authorized prescriber or a holder of a permit issued by a Health Occupations Licensing Board under specified circumstances; requiring the Department to attempt to notify the authorized prescriber or permit holder and allow the entity to avoid impoundment by taking specified measures; etc.

Chairman ENV (Dept)

HB 419 Milk and Milk Products -- Regulation

Requiring specified bulk milk haulers/samplers and milk transportation companies to have a permit from the Secretary of Health and Mental Hygiene; setting standards and fees for the permits; specifying the authority conferred by a permit; and providing for judicial review of the denial of a permit.

EFFECTIVE JULY 1, 2001

Chairman ENV (Dept)

HB 420 Reporting of Communicable Diseases

Defining invasive disease; adding specified invasive diseases to the list of diseases that are required to be reported by a director of a medical laboratory to a specified health officer within a specified period of time; exempting a report of noncholera vibriosis when obtained from specified areas of the patient's body; etc.

Chairman ENV (Dept)

HB 421 Board of Audiologists, Hearing Aid Dispensers, and Speech--Language Pathologists -- Disciplinary Actions

Authorizing the State Board of Audiologists, Hearing Aid Dispensers, and Speech--Language Pathologists to require licensees to submit to an examination by a health care provider upon the Board's demand; providing that the failure to submit to an exam is prima facie evidence of the inability of the licensee to continue to practice; etc.

EFFECTIVE JULY 1, 2001

Chairman ENV (Dept)

HB 422 Hospitals and Residential Treatment Centers -- Inspections and Oversight

Making specified hospitals and residential treatment centers subject to inspection by the Department of Health and Mental Hygiene to monitor actions taken to correct serious or life--threatening deficiencies identified by specified units and allowing the Secretary of the Department to take specified actions if a deficiency is not immediately corrected.

Chairman ENV (Dept)

HB 423 Medical Radiation Technologists and Nuclear Medical Technologists -- Reporting Requirements, Practicing Without a Certificate, and Disciplinary Grounds

Requiring hospitals, related institutions, alternative health systems, and employers to report specified employment actions or termination of employment of medical radiation technologists and nuclear medical technologists; providing exceptions to the reporting requirement; establishing grounds for discipline based on the filing of certified dockets; etc.

Chairman ENV (Dept)

HB 424 Respiratory Care Practitioners -- Reporting Requirements, Practicing Without a License, and Disciplinary Grounds

Requiring hospitals, related institutions, alternative health systems, and employers to report specified employment actions and terminations of employment of respiratory care practitioners; providing exceptions

to the reporting requirement; providing procedures for reporting treatment of a respiratory care practitioner in an alcohol and drug treatment program; etc.

Chairman ENV (Dept)

HB 429 Maryland Medical Assistance Program -- HealthChoice Performance Incentive Fund

Establishing a HealthChoice Performance Incentive Fund in the Department of Health and Mental Hygiene; requiring that specified fines be deposited in the Fund; requiring that the Fund be used for the provider reimbursement budget under the HealthChoice Program; requiring that, at the end of each fiscal year, any amount in excess of \$3 million shall revert to the General Fund; requiring the Secretary to adopt specified regulations; etc.

EFFECTIVE JULY 1, 2001

Chairman ENV (Dept)

HB 463 HIV and AIDS Cases -- Confidentiality and Reporting Provisions

Providing that any record, report, statement, note, or other information that is assembled by the AIDS Administration of the Department of Health and Mental Hygiene is a "confidential record"; requiring physicians to file confidential reports to county health officers in AIDS cases based on diagnosis, not suspicion; specifying contents and requirements of HIV/AIDS case reports; etc.

Chairman ENV (Dept)

HB 472 Continuing Care Agreements -- Designation of a Beneficiary -- Entrance Fee

Requiring that a continuing care agreement between a subscriber and provider be in a form acceptable to the Department of Aging; allowing the individual for whom the agreement is purchased to designate a beneficiary of a refundable portion of an entrance fee; requiring that the designation of a beneficiary be in writing, witnessed by two or more competent witnesses noncontingent, and specified in percentages and accounts for 100\% of the refund due; etc.

Delegate Hammen

HB 473 Health Maintenance Organizations -- Patient Access to Choice of Provider

Altering standards of care for health maintenance organizations (HMOs) to make them apply to services of nurse practitioners in addition to physicians; requiring HMOs to allow for the designation by a member or subscriber of a nurse practitioner as a primary care provider; limiting the number of nurse practitioners on an HMO's panel of providers; requiring the State Board of Nursing to create and maintain an individual profile on each nurse practitioner certified by the Board; etc.

Delegate Hammen, et al

HB 476 Hospitals -- Uniform Emergency Security Codes for Hospitals -- Establishment and Implementation

Requiring the Secretary of Health and Mental Hygiene, in consultation with specified associations, to develop a uniform set of emergency security codes for hospitals; requiring the Secretary to adopt specified regulations; and requiring hospitals to implement the provisions of the uniform set of emergency security codes for hospitals within 2 years of the adoption of the regulations.

EFFECTIVE JUNE 1, 2001

Delegate Klausmeier, et al

HB 492 State Advisory Council on Heart Disease and Stroke

Renaming the State Advisory Council on High Blood Pressure and Related Cardiovascular Factors to be the State Advisory Council on Heart Disease and Stroke; increasing the membership of the Council; requiring the Council to develop and promote educational programs on heart disease and stroke prevention, detection, and treatment targeted to high--risk populations and to high--incidence areas; requiring evaluation of the programs; etc.

EFFECTIVE JULY 1, 2001

Delegate Nathan--Pulliam, et al

- HB 493 **Medical Assistance and Children's Health Programs -- Directory of Health Care Providers**
Requiring the Department of Health and Mental Hygiene to provide a directory of all available health care providers, in writing and on the Internet, to health care providers, enrollees in the Medical Assistance Program, and individuals eligible for the Maryland Children's Health Program; requiring the Department to update the Internet database at least every 30 days; requiring the directory to include a conspicuous reference to the Internet database; etc.
Delegate Nathan--Pulliam
- HB 513 **Maryland Caregivers Support Coordinating Council**
Establishing the Maryland Caregivers Support Coordinating Council; providing for the purpose and composition of the Council; requiring the Department of Human Resources to provide staff support; requiring the Council to gather information through specified methods, develop a handbook of current respite caregiver services, review existing caregiver programs, conduct funding research, develop a State model, coordinate the activities of existing services, and make specified reports to the General Assembly and Governor; etc.
EFFECTIVE JULY 1, 2001
Delegate Goldwater, et al
- HB 522 **State Board of Professional Counselors and Therapists**
Authorizing the State Board of Professional Counselors and Therapists to adopt regulations regarding practicing under supervision as a licensed graduate professional counselor or a licensed graduate marriage and family therapist; providing qualifications and requirements for practice under supervision; etc.
Delegate Hubbard
- HB 626 **Nursing Staff Agencies -- Quality Oversight and Improvement**
Transferring oversight of nursing staff agencies from the Board of Nursing to the Office of Health Care Quality; providing for the licensing of nursing staff agencies by the Office; authorizing the Office to conduct inspections of nursing staff agencies to verify compliance with the Act; requiring the Office to ensure that specified procedures are used in each nursing staff agency; etc.
EFFECTIVE JANUARY 1, 2002
Delegate Hammen
- HB 636 **Maryland Cancer Registry -- Reporting of Central Nervous System Tumors**
Requiring the reporting of patients with central nervous system tumors to the Maryland Cancer Registry; adding central nervous system tumors, as defined, to the diagnoses required to be reported in a cancer report; etc.
Delegate Cryor, et al
- HB 652 **Department of Health and Mental Hygiene -- Maryland Health Care Commission -- Modifications and Clarifications**
Requiring the Secretary of the Department of Health and Mental Hygiene (DHMH) to adopt a State health improvement plan; requiring local health planning agencies to adopt local health plans; allowing the Maryland Health Care Commission to set deadlines for specified reports; authorizing the Commission to send information to DHMH; altering the maximum dollar amount of total user fees that the Commission may assess in any fiscal year; etc.
EFFECTIVE JULY 1, 2001
Chairman ENV (Dept)
- HB 675 **Health Insurance -- Treatment of Morbid Obesity**

Requiring insurers, nonprofit health service plans, managed care organizations, and health maintenance organizations to provide coverage for specified surgical treatment of morbid obesity as recognized by the National Institutes of Health; etc.

Delegate Goldwater

HB 695 Health Insurance -- Study of Maryland's Small Group Market

Requiring the Maryland Health Care Commission to contract with an independent consultant to conduct a study comparing the performance of Maryland's small group health insurance market reform law to other states; specifying the scope of the study; requiring the Commission to provide a specified report to the Governor and the General Assembly on or before January 1, 2002; etc.

EFFECTIVE JUNE 1, 2001

Delegate Mitchell, et al

HB 721 Department of Aging -- Innovations in Aging Services Program

Creating an Innovations in Aging Services Program in the Department of Aging; providing for the purposes of the Program; creating the Innovations in Aging Services Advisory Council in the Department and providing for the appointment, organization, and terms of its members; requiring the Secretary of the Department to develop a plan for funding grants; providing for the evaluation of grants funded under the Program; etc.

Delegate Sher, et al

HB 733 Health Services Cost Review Commission -- User Fees and Rates

Raising to \$4,000,000 the maximum amount of user fees that the Health Services Cost Review Commission may assess; specifying the percentage amount that user fees assessed may be increased from one fiscal year to the next; requiring the Commission to provide increases in rates for hospitals, in recognition of increased costs; etc.

VARIOUS EFFECTIVE DATES

Chairman ENV (Dept)

HB 738 Medical Records -- Copying Costs -- Medical Bills

Providing that a medical record includes a copy of a medical bill that has been requested by an individual for purposes of the costs and fees charged by health care providers and hospitals for copying medical records.

Delegates Gordon and Guns

HB 752 Mental Hygiene Law -- Advance Directives

Requiring that the administrative head of a residential facility providing treatment or services for individuals with mental disorders who releases an individual from the facility notify the individual of the advisability of making an advance directive for mental health services; requiring that the facility assist the individual in making the advance directive or refer the individual to an appropriate community resource, if the individual requests assistance; etc.

EFFECTIVE JULY 1, 2002

Delegate Rosenberg, et al

HB 770 Mental Hygiene -- Emergency Evaluation -- Clinical Social Worker

Authorizing clinical social workers to file and present a petition for emergency evaluation of an individual under specified circumstances and defining specified terms.

Delegate Griffith, et al

HB 807 Health Insurance Benefit Cards, Prescription Benefit Cards, or Other Technology

Requiring insurers, nonprofit health service plans, health maintenance organizations, and managed care organizations to provide to insureds, subscribers, and enrollees a health insurance benefit card, prescription benefit card, or other technology that complies with standards set forth in a specified guide or that contains specified data elements; requiring benefit administrators to comply with the Act; requiring the issuance of new cards or corrective information after changes in coverage; etc.

Delegate Elliott, et al

HB 922 Community Providers -- Developmentally Disabled Individuals -- Rate Increase

Requiring the Department of Health and Mental Hygiene to increase the rate of reimbursement paid to community providers of services to developmentally disabled individuals by specified amounts beginning July 1, 2002; requiring the Department to determine a disparity amount that is a calculation of the difference in wages and benefits between community direct service workers and developmental disabilities associates or other comparable employees in State residential centers and to eliminate the disparity amount; etc.

EFFECTIVE JUNE 1, 2001

Delegate Pitkin, et al

HB 928 Mental Health -- Minors -- Providers and Consent Provisions

Establishing that a minor has the same capacity as an adult to consent to psychological treatment if, in the judgment of the attending physician or psychologist, the life or health of the minor would be affected adversely by delaying treatment to obtain another individual's consent; providing a limited immunity for a psychologist who treats a minor; specifying that a psychologist may, but need not, provide information to specified individuals; etc.

Delegate Klausmeier

HB 1029 Task Force to Study the Health Care Needs of Inmates in Transition from Correctional Institutions

Extending the time by which the Task Force to Study the Health Care Needs of Inmates in Transition from Correctional Institutions is required to report to the General Assembly; amending Chapter 466 of the Acts of 2000; and extending the termination date for the Task Force.

EFFECTIVE JULY 1, 2001

Delegate Cane, et al

HB 1032 Maryland Health Care Commission -- Fees

Increasing the maximum amount of fees that may be assessed by the Maryland Health Care Commission in any fiscal year from \$8,250,000 to \$10,000,000; altering the manner in which the Commission determines the assessments of total fees; etc.

EFFECTIVE JULY 1, 2001

Delegate Guns

HB 1037 Health Insurance -- Claims for Reimbursement for Health Care Services Rendered

Requiring an insurer, nonprofit health service plan, or health maintenance organization to permit a provider a minimum of 90 working days after denial of a claim for reimbursement for health care services rendered to appeal the denial; etc.

Delegate Barve

HB 1042 Health Insurance -- Acquisition of Nonprofit Health Entity

Establishing, under specified circumstances, the Maryland Health Care Trust to be a body corporate, subject to modification or termination by the General Assembly; providing for the Maryland Health Care Foundation to be the Trustee; providing that the Trust consists of specified assets received as the result of the acquisition of a nonprofit health service plan or maintenance organization, approved by the Maryland Insurance Administration on or after June 1, 2001; etc.

EFFECTIVE JUNE 1, 2001

Delegate Busch, et al

HB 1071 Maryland Medical Assistance Program and Maryland Children's Health Program -- Reimbursement Rates Fairness Act of 2001

Requiring the Department of Health and Mental Hygiene to establish a process to annually set the fee--for--service reimbursement rates for the Maryland Medical Assistance Program and the Maryland Children's Health Program in a manner that ensures participation of providers, taking specified systems into consideration; etc.

EFFECTIVE JULY 1, 2001

Delegate Hammen, et al

HB 1075 Coordination of Immunization Services Act of 2001

Establishing a specified computerized information system within the Department of Health and Mental Hygiene to coordinate immunization data from health care providers; specifying who is an authorized user of the information in the system; establishing the purposes of the computerized information system; specifying what records may be used to collect information for the system; providing an exemption to allow specified individuals who receive immunizations to refuse to provide data to the system; etc.

EFFECTIVE JULY 1, 2001

Delegates Klausmeier and Guns

HB 1097 Adulterated Foods -- Increasing the Amount of Alcohol That May Be Added to Confectioneries

Increasing the permissible amount of alcohol that can be added to a confectionery product before it is classified as adulterated food; and requiring a label to be placed on the container of the confectionery product stating that the product contains up to 5\% per volume of alcohol and the sale of the product to individuals under 21 years of age is prohibited.

Delegate Eckardt

HB 1166 Alcohol and Drug Treatment to Work Pilot Program

Authorizing the Alcohol and Drug Administration to adopt regulations allowing individuals participating in the Alcohol and Drug Treatment to Work Pilot Program to receive training or employment in other skills, in addition to lead abatement; authorizing the Administration to contract with specified entities; providing for the termination of the Program; etc.

Delegate Oaks, et al

HB 1227 Medicaid Managed Care Organizations -- Continuity of Care

Providing that a HealthChoice Program recipient has the right to choose the managed care organization with which the recipient is enrolled and the primary care provider to whom the recipient is assigned within the managed care organization; requiring the Department of Health and Mental Hygiene to reassign a disenrolled recipient to the managed care organization in which the recipient previously was enrolled; etc.

EFFECTIVE JUNE 1, 2001

Delegate Oaks, et al

HB 1242 State Commission on Kidney Disease

Altering the composition of the membership of the State Commission on Kidney Disease.

Delegate Morhaim

HB 1243 Medical Assistance Program -- Federally Qualified Health Centers -- Cost Based Reimbursement

Repealing provisions of law that establish a process for providing specified supplemental payments to federally qualified health centers participating in the State Medical Assistance Program and require the supplemental payments to be reduced each year and to terminate in 2004; requiring the Department of Health and Mental Hygiene to adopt regulations to ensure that federally qualified health centers are paid

reasonable cost based reimbursement that is consistent with federal law; etc.

Delegate D Davis

HB 1267 Breast Cancer Program -- Coverage of Reconstructive Services

Requiring that treatment provided to participants in the Breast Cancer Program who have undergone a mastectomy includes reconstructive services.

EFFECTIVE JULY 1, 2001

Delegates Pitkin and Malone

HB 1270 State Acupuncture Board -- Auricular Detoxification

Permitting individuals who are licensed or certified to practice specified health occupations in the State to provide auricular detoxification under the direct supervision of an acupuncturist licensed by the State Acupuncture Board; providing for the qualifications and training of the individual; exempting the individual from obtaining a license to practice acupuncture in the State; establishing where an individual may provide auricular detoxification; authorizing the Board to adopt regulations; etc.

Delegate Menes, et al

HB 1274 Patients' Safety Act of 2001

Requiring the Maryland Health Care Commission to study the feasibility of developing a system for reducing preventable adverse medical events; requiring the Commission to issue a final report, on or before January 1, 2003, to specified committees of the General Assembly on the Commission's recommendations; etc.

EFFECTIVE JULY 1, 2001

Delegate McHale, et al

HB 1396 Long--Term Care Insurance -- Loss Ratios -- Premium Increases

Repealing provisions of law that relate to benefits under long--term care insurance policies or certificates being considered reasonable in relation to premiums if the expected loss ratio is at least 60% and is calculated in a specified manner; and clarifying that a carrier may impose a premium increase to policies or contracts of long--term care insurance under specified circumstances.

Delegate McHale

HB 1448 Medicare Supplement Policies -- Medicare Select Program

Authorizing insurers and nonprofit health service plans to issue Medicare supplement policies under the Medicare Select program; establishing requirements for a Medicare supplement policy issued under the Medicare Select program; requiring the Department of Health and Mental Hygiene to make determinations about the adequacy of the network established by a health insurer or a nonprofit health service plan under the Medicare Select program; etc.

Delegate Malone

SJ 10 Reflex Sympathetic Dystrophy Syndrome Awareness Month

Making a recommendation to specified elected State and federal officials that November be designated as Reflex Sympathetic Dystrophy Syndrome Awareness Month; etc.

Senator Jacobs, et al

HJ 2 United States Food and Drug Administration -- Labeling Laws and Policies Relating to Allergenic Ingredients in Food

Requesting the United States Food and Drug Administration (FDA) to create a symbol for display on food packages that will alert a person to the presence of allergenic ingredients in the packaged food; requesting the FDA to establish a toll--free hot line that will provide information about food ingredients; requiring the

FDA to develop rules and guidelines for labeling products with allergenic ingredients; and requesting the FDA to prohibit the use of specified generic terms and to develop a list of standard names for specified products.

Delegate Stern

HJ 6 Reflex Sympathetic Dystrophy Syndrome Awareness Month

Designating November as Reflex Sympathetic Dystrophy Syndrome (RSDS) Awareness Month; and making a recommendation to specified elected State and federal officials that there be a RSDS Awareness Month.

Delegate Boutin, et al

HJ 12 Federal Funding for a Hepatitis A and B Vaccination Program

Urging the Secretary of Health and Mental Hygiene to seek federal funds to offset the cost to the State of providing vaccines for hepatitis A and B; urging the Secretary to apply for federal funds to offset the cost of administering a vaccination program for hepatitis A and B; and requiring the Secretary to make a specified report.

Delegate Nathan--Pulliam

HJ 16 Center for Excellence for Autism in Maryland

Urging the University of Maryland, the University of Maryland Medical Center, The Johns Hopkins University, and The Johns Hopkins Health System to work in consultation with one another and with the Department of Health and Mental Hygiene to determine the feasibility of establishing a consortium in the field of autism research that could qualify as a Center for Excellence in Autism under National Institutes of Health guidelines.

Delegate Hurson, et al

Part K
Natural Resources, Environment, and Agriculture

- SB 16 **Drinking Water -- Administrative Penalty Authority**
Authorizing the Department of the Environment to impose specified administrative penalties on water suppliers serving specified numbers of people for violations related to safe drinking water after considering specified factors; etc.
Chairman EEA (Dept)
- SB 73 **Fish -- Commercial Tidal Fish License Transfers**
Requiring specified persons to have in possession any application to transfer a commercial tidal fish license, when engaged in any licensed activity; and requiring the persons to allow any police officers to inspect any application to transfer a commercial tidal fish license.
Chairman EEA (Dept)
- SB 74 **Natural Resources -- Abandoned Vessels -- Period of Abandonment**
Altering the definition of "abandoned vessel"; authorizing landowners to acquire title to abandoned vessels on private property of the landowner under specified circumstances; requiring the Department of Natural Resources to send a notice by certified mail, return receipt requested, to the last known registered owner of the abandoned vessel, no later than 15 days before the vessel is seized, removed, or taken into custody; etc.
Senator Miller
- SB 283 **Task Force on Indoor Air Quality**
Establishing a Task Force on Indoor Air Quality to address health and environmental risks posed to workers by toxic organisms located in the heating, ventilation, and air conditioning (HVAC) systems of office buildings; providing for specified membership, duties, and staffing of the Task Force; requiring the Task Force to issue a specified report by July 1, 2002; prohibiting a member of the Task Force from receiving compensation; authorizing a member to receive specified reimbursements; etc.
EFFECTIVE JULY 1, 2001
Senator Conway, et al
- SB 376 **Environment -- Noise Inspectors**
Requiring the Department of the Environment to employ two noise inspectors to enforce sound level limits and noise control regulations; authorizing noise inspectors to issue civil citations for specified violations; establishing a maximum civil penalty of \$500; etc.
Senators Stone and Collins
- SB 418 **Environment -- Sanitary Sewer Overflows -- Reporting**
Requiring the owner or operator of specified sewer systems or wastewater treatment plants to provide reports to the Department of the Environment, by telephone and in writing, of any sewer overflow or treatment plant bypass; requiring the Department, in cooperation with relevant local agencies, to develop procedures for public notification of sewage overflow events; etc.
Senator Frosh, et al
- SB 471 **Department of Natural Resources -- Vessel Operation -- Regulations**
Requiring the Department of Natural Resources to adopt regulations prohibiting the operation of personal watercraft, as defined, above idle speed in any area of water with a depth of less than 18 inches; and

allowing the Department to adopt regulations limiting personal watercraft use in any area of water with a depth of less than one meter.

Senator Collins

SB 514 Natural Resources -- Recreational and Commercial Crabbing

Requiring an individual who uses specified gear to catch or possess crabs in the waters of the Chesapeake Bay and its tidal tributaries for recreational purposes to obtain a recreational crabbing license; providing specified exceptions to the licensing requirement; establishing restrictions on gear that may be used for catching crabs for recreational purposes; establishing limits on the numbers of hard crabs, peelers, and soft crabs that licensed and unlicensed individuals may catch or possess; etc.

EMERGENCY BILL

Senators Frosh and Stoltzfus

SB 539 Carroll County -- Water Supply and Sewerage Systems -- Requirements for Subdivisions

Altering the definition of "subdivision" to exclude parcels of land from specified requirements for water supply and sewerage systems for subdivisions in Carroll County.

Senator Haines

SB 770 Personal Flotation Devices -- Mandatory Wear

Requiring that children under the age of 7 years be wearing personal flotation devices in specified vessels under 21 feet long before the vessels may be operated.

EFFECTIVE JUNE 1, 2001

Chairman EEA (Dept)

SB 830 Environment -- Dredged Material Management

Prohibiting a person from redepositing in an unconfined manner dredged material except when used under specified circumstances; authorizing a person to redeposit a specified amount of dredged material after October 1, 2001, under specified circumstances; establishing an Executive Committee to provide oversight in the development of plans for dredged material management; providing for the membership of the Executive Committee; etc.

Senator Frosh, et al

HB 73 Department of Natural Resources -- Vessel Operation -- Regulations

Requiring the Department of Natural Resources to adopt regulations prohibiting the operation of personal watercraft, as defined, above idle speed in any area of water with a depth of less than 18 inches; and allowing the Department to adopt regulations limiting personal watercraft use in any area of water with a depth of less than one meter.

Delegate Boutin, et al

HB 75 Environment -- Mercury and Products that Contain Mercury

Prohibiting marketers from selling or providing to consumers, beginning October 1, 2002, fever thermometers containing mercury, except under specified circumstances; prohibiting primary and secondary schools from using or purchasing for use in a primary or secondary classroom, beginning October 1, 2003, elemental or chemical mercury; requiring the Department of the Environment to provide outreach assistance to schools relating to the proper management, recycling, and disposal of mercury and mercury--added products; etc.

Delegate Hubbard

HB 114 Natural Resources -- Abandoned Vessels -- Period of Abandonment

Authorizing specified landowners to acquire title to abandoned vessels on specified property of the landowner under specified circumstances; altering the definition of "abandoned vessel"; etc.

Delegate McClenahan, et al

- HB 131 **Maryland Agricultural Land Preservation Program -- Inclusion of Smaller Farms**
Requiring that regulations developed by the Maryland Agricultural Land Preservation Foundation provide that farmland that is at least 50 acres in size shall qualify for inclusion in an agricultural district, so long as the farmland meets all other Foundation criteria.
Southern Maryland Delegation
- HB 189 **Aquaculture Operations -- Transgenic and Genetically Altered Species**
Prohibiting for 5 years the introduction of transgenic species or any genetically altered species into any waterway of the State that flows into any other body of water.
Delegate Morhaim, et al
- HB 200 **Shore Erosion Control Construction Loan Fund**
Authorizing the Department of Natural Resources to use the Shore Erosion Control Construction Loan Fund to fund specified shore erosion control projects; providing that specified funds may be used for nonstructural projects; providing that specified funds, in addition to any general funds, be appropriated to the Shore Erosion Control Construction Loan Fund; etc.
EFFECTIVE JULY 1, 2001
Chairman ENV (Dept)
- HB 276 **Environment -- Sanitary Sewer Overflows -- Reporting**
Requiring the owner or operator of any sanitary sewer system, combined sewer system, or wastewater treatment plant to report to the Department of the Environment any sewer overflow or treatment plant bypass that results in the direct or potential discharge of raw or diluted sewage into the surface waters or ground waters of the State; etc.
Delegate Morhaim, et al
- HB 302 **Office of Smart Growth**
Establishing the Office of Smart Growth in the Executive Branch; establishing the Special Secretary of Smart Growth as the head of the Office; specifying the duties of the Special Secretary; specifying the powers and duties of the Office; establishing a Smart Growth Subcabinet; providing for the chair and vice chair of the Subcabinet; etc.
EFFECTIVE JULY 1, 2001
The Speaker (Administration), et al
- HB 319 **Prohibited Species of Crabs**
Authorizing the Department of Natural Resources to adopt regulations to limit or prohibit the importation, use, catching, or possessing of nonnative crab species (green crab, Japanese shore crab, and Chinese mitten crab), which have been determined to be harmful to the ecology and natural resources of the State.
Delegate Bozman, et al
- HB 357 **Natural Resources -- Fishery Management Plans -- Chesapeake Bay and Coastal Bays**
Authorizing the Department of Natural Resources to prepare fishery management plans for specified species that apply to the Chesapeake Bay and its tributaries, coastal bays and their tributaries, and the Atlantic Ocean; prohibiting the Department from adopting regulations to implement a fisheries management plan for the coastal bays until the Department holds public hearings; etc.
Delegate Bozman, et al
- HB 376 **Maryland Agricultural Land Preservation Foundation -- Natural Gas Rights**

Requiring that regulations and procedures adopted by the Maryland Agricultural Land Preservation Foundation for the establishment and monitoring of agricultural districts may not require, in Garrett County or Allegany County, a natural gas rights owner or lessee to subordinate its interest to the Foundation's interest if the Foundation determines that exercise of the gas rights will not interfere with an agricultural operation on district land; etc.

Delegate Edwards

HB 404 Program Open Space -- Attainment of Acquisition Goals -- Increase in Development Allocation

Increasing the amount a local government can spend on development projects after it has attained its acquisition goals under Program Open Space.

Delegate Edwards

HB 431 Allegany County -- Water and Sewerage Systems -- Benefit Assessments and Connection Charges

Allowing a sanitary commission in Allegany County to set reasonable benefit assessments to pay the cost of capital improvements to a water or sewerage system.

Allegany County Delegation

HB 445 Natural Resources -- Tidal Fish License -- Exemption for Live Bait Harvesters and Dealers

Exempting live bait harvesters and dealers involved with finfish from obtaining a specified license; requiring the Department of Natural Resources to conduct a study of bait fish harvested and sold in Maryland to determine the impact of the harvesting on the Chesapeake Bay ecosystem; etc.

Delegate O'Donnell

HB 481 Scrap Tires -- Disposal -- Penalties

Prohibiting the disposal of scrap tires except through a licensed scrap tire hauler or by delivering the tires to an approved facility; providing specified criminal penalties, in addition to other penalties, for persons who violate specified scrap tire procedures; requiring the Attorney General to take specified actions; etc.

Delegate Branch, et al

HB 527 Dredge Spoil -- Cox Creek Citizens Oversight Committee

Establishing a Cox Creek Citizens Oversight Committee to monitor the redeposit of dredge spoil and respond to citizen complaints in the Cox Creek area; providing for the appointment of members of the Committee; requiring the Committee to appoint a liaison to the Innovative Use Advisory Council; authorizing the Governor to establish the terms of members of the Committee; establishing the qualifications of members of the Committee; and establishing the duties of the Committee.

Anne Arundel County Delegation

HB 728 Natural Resources -- Mute Swans -- Management

Requiring the Department of Natural Resources to establish a program to control the population of mute swans; authorizing the Department to include the managed harvest of adult mute swans in the program; authorizing the solicitation of licensed hunters to participate in the managed harvest of adult mute swans; etc.

EFFECTIVE JULY 1, 2001

Delegate Guns, et al

HB 732 Power Dredging for Oysters -- Somerset, Calvert, St. Mary's, and Dorchester Counties

Specifying when and where power dredging for oysters may take place in Somerset, Calvert, St. Mary's, and Dorchester counties; etc.

CONTINGENT -- VARIOUS EFF. DATES

Chairman ENV (Dept)

- HB 771 Waterway Improvement Fund -- Public Boating Construction Projects -- Financing**
Authorizing the Waterway Improvement Fund to increase specified funding to finance construction projects beneficial to public boating.
Delegate McClenahan, et al
- HB 772 Natural Resources -- Recreational and Commercial Crabbing**
Requiring an individual who uses specified gear to catch or possess crabs in the waters of the Chesapeake Bay and its tidal tributaries for recreational purposes to obtain a recreational crabbing license; providing specified exceptions to the licensing requirement; establishing restrictions on gear that may be used for catching crabs for recreational purposes; establishing limits on the numbers of hard crabs, peelers, and soft crabs that licensed and unlicensed individuals may catch or possess; etc.
EMERGENCY BILL
Delegate Wood, et al
- HB 826 Prince George's County -- Rubble Landfills -- Special Exceptions MC/PG 121--01**
Prohibiting the district council of Prince George's County from approving a special exception for a rubble landfill at a specified site without a three--fourths majority vote; prohibiting the district council from approving a special exception if a request for a special exception for a rubble landfill at the site was previously denied on or after October 1, 1981.
EFFECTIVE JUNE 1, 2001
Montgomery County Delegation and Prince George's County Delegation
- HB 921 Natural Resources -- Methods for Catching Oysters and Spat**
Requiring the Department of Natural Resources to adopt regulations that allow the use of specified methods by a lessee of a leased oyster bottom in designated areas to catch spat for aquaculture purposes; authorizing a person to catch oysters or clams in specified manners subject to regulations adopted by the Department; etc.
EFFECTIVE JULY 1, 2001
Delegates W Baker and McClenahan
- HB 968 Natural Resources -- Angler's License Requirements -- Exemptions**
Repealing a provision of law that requires a specified certification by the administrator of specified State--approved facilities as a condition for an exemption for fishing in the waters of the State without an angler's license; and exempting specified caretakers of mental health patients from the requirement to obtain an angler's license to fish in the waters of the State if the caretakers meet specified conditions.
Delegate Redmer, et al
- HB 984 Land Reclamation Committee -- Members -- Statement of Employment and Financial Interests**
Requiring members of the Land Reclamation Committee to file a United States Department of the Interior State Employee Statement of Employment and Financial Interests.
Delegate Edwards
- HB 1000 Deer -- Hunting Seasons -- Federal Facility**
Establishing a \$5 fee for each bonus deer stamp issued for an individual hunting deer on a federal facility; requiring the Department of Natural Resources to review a written request from a federal facility for a variance from the established deer hunting season; etc.
EFFECTIVE JULY 1, 2001
Delegates Guns and Weir

HB 1007 Garrett County -- Deep Creek Lake -- Recreation and Land Use Plan

Altering the date by which the Secretary of Natural Resources shall issue the Deep Creek Lake recreation and land use plan in the form of a proposed regulation.

EFFECTIVE JUNE 1, 2001

Delegate Edwards

HB 1021 Crabs -- Restrictions on Harvesting and Requirements for Regulations

Authorizing the Department of Natural Resources to adopt regulations to restrict the days that a commercial license holder may catch crabs and to require the license holder to declare and provide specified information; establishing that a declared day off remains valid for the season and may be changed annually at the time of license renewal; etc.

EFFECTIVE JUNE 1, 2001

Delegate Weir

HB 1066 Soil Conservation Districts -- Sediment and Erosion Control -- Inspection Fees

Authorizing the Secretary of the Environment to authorize a soil conservation district to inspect sites for compliance with sediment control plans; describing and limiting the actions the soil conservation district may be authorized to take; authorizing a soil conservation district to recommend a fee system to the Department of the Environment under specified conditions; authorizing a soil conservation district under the Department of Agriculture to implement fees under specified conditions; etc.

Delegate Stull, et al

HB 1154 Prince George's County -- Waste Transfer Stations -- Distance from Bowie State University PG 410--01

Prohibiting a person from constructing or operating a waste transfer station in Prince George's County within 2 miles of Bowie State University.

Prince George's County Delegation

HB 1163 Environment -- Lead Poisoning Prevention

Requiring a medical laboratory to report information related to lead poisoning when requested by the Department of the Environment; requiring a medical laboratory, office, or other facility that draws blood from any child 18 years old and under for analysis of blood lead levels to obtain required information, including address, date of birth, sex, and race; requiring an owner of specified property to test for lead--contaminated dust under specified circumstances; etc.

Delegate Oaks, et al

HB 1317 Environment -- Dredged Material Management

Prohibiting a person from redepositing in an unconfined manner dredged material except when used under specified circumstances; authorizing a person to redeposit a specified amount of dredged material after October 1, 2001, under specified circumstances; establishing an Executive Committee to provide oversight in the development of plans for dredged material management; providing for the membership of the Executive Committee; etc.

Delegate Guns, et al

HB 1341 Department of Natural Resources -- Limited Fishing Guide License

Authorizing the Department of Natural Resources to issue a limited fishing guide license applicable in all waters of the State to allow a license holder to guide anglers in up to three boats or vessels propelled by oars or paddles that have one or two occupants; making exceptions for up to ten anglers fishing from shore or on foot in the water or any number of anglers participating in a specified educational or recreational program; etc.

EFFECTIVE JANUARY 1, 2002

HB 1379 Department of Natural Resources -- Maryland GreenPrint Program

Establishing the Maryland GreenPrint Program in the Department of Natural Resources; requiring the Department to identify areas that form the green infrastructure network, to publish the results, and to periodically review and update the identification of the network; prohibiting the Department from utilizing Program funding for acquisitions unless each affected local government approves the acquisition of property or a property interest; etc.

EFFECTIVE JULY 1, 2001

Delegate Guns

SJ 7 Patuxent River Watershed -- Amendment of Policy Plan

Approving the 1997 Addendum as an amendment to the Patuxent River Policy Plan; specifying that this amendment is effective immediately upon approval of the General Assembly; resolving that a copy of this Joint Resolution be forwarded by the Department of Legislative Services to specified individuals; etc.

Senators Dyson and Frosh

SJ 12 Cover Crop Cost Share Program -- Expanded Area and Increased Appropriation

Urging the Governor to expand the geographic area covered under the Cover Crop Cost Share Program to include the entire State and to include a sufficient amount in the annual State budget to fund this objective; urging the Maryland Department of Agriculture to explore the availability of federal funding for the Program; etc.

Senators Frosh and Stoltzfus

HJ 7 Cover Crop Cost Share Program -- Expanded Area and Increased Appropriation

Urging the Governor to expand the geographic area covered under the Cover Crop Cost Share Program to include the entire State and to include a sufficient amount in the annual State budget to fund this objective; urging the Maryland Department of Agriculture to explore the availability of federal funding for the Program; etc.

Delegate Guns

HJ 9 Patuxent River Watershed -- Amendment of Policy Plan

Approving the 1997 Addendum as an amendment to the Patuxent River Policy Plan; specifying that this amendment is effective immediately upon approval of the General Assembly; resolving that a copy of this Joint Resolution be forwarded by the Department of Legislative Services to specified individuals; etc.

Delegates Owings and O'Donnell

HJ 14 Task Force to Study Lighting Efficiency and Light Pollution in Maryland

Establishing a Task Force to Study Lighting Efficiency and Light Pollution in Maryland; requiring the Task Force to study the cost, extent, causes, and consequences of current public lighting standards and policies and light pollution in Maryland; providing for the membership and appointment of the Task Force; requiring the Department of General Services to coordinate the professional and administrative support of the Task Force; and requiring the Task Force to issue a final report to the General Assembly by February 1, 2002.

Delegate Kopp, et al

Part L
Education

- SB 41 **Education -- Adult External High School Program**
Extending the termination date for the Maryland Adult External High School Program to June 30, 2006; requiring the State Board to report to the General Assembly on or before December 31, 2005, on an evaluation of the Program; and extending the requirement that the Governor include a General Fund appropriation and federal funds for the Program for each fiscal year through 2006.
EFFECTIVE JULY 1, 2001
Chairman B&T (Dept)
- SB 64 **State Aid for Public Education -- Schools for Success -- Extension of Sunset**
Authorizing specified uses of challenge grant funds; extending the termination date of provisions relating to the challenge grant program to June 30, 2007; requiring the State Department of Education to submit a specified report to the General Assembly by January 15, 2007; and requiring the Department to submit interim reports by January 15 each year.
EFFECTIVE JULY 1, 2001
Chairman EEA and Chairman B&T (Dept)
- SB 68 **Higher Education -- Salisbury State University -- Renaming**
Altering the name of Salisbury State University to Salisbury University; authorizing the publishers of the Annotated Code of Maryland to correct any statutory reference that is rendered incorrect by the Act; and providing for the implementation of the Act.
EFFECTIVE JULY 1, 2001
Chairman EEA (Dept)
- SB 96 **Higher Education -- Financial Assistance -- Nursing Students**
Allowing recipients of nursing scholarships awarded under the Economic Development Student Assistance Grants Program to receive scholarships under the Legislative Scholarship Program and the Distinguished Scholar Program.
EFFECTIVE JULY 1, 2001
Senator Baker
- SB 124 **Education -- Public Schools -- Firearms Safety and Accident Prevention Education Program**
Requiring the State Board of Education to establish policy and guidelines for firearms safety and accident prevention programs for students in kindergarten through grade 6 and for students in grade 7 through grade 12, to be implemented by each county board of education; etc.
EFFECTIVE JULY 1, 2001
Senator Hoffman, et al
- SB 129 **Education -- Teachers -- Aid for Certification Program**
Increasing to 500 the maximum number of teachers eligible to participate in the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards.
Senator Pinsky, et al
- SB 203 **Higher Education -- Private Donation Incentive Program -- Bowie State University, Coppin State College, Morgan State University, and University of Maryland Eastern Shore**

Increasing the State's share of matching funds paid to specified institutions of higher education under the Private Donation Incentive Program; and giving specified institutions more time to raise donations under the Program.

EFFECTIVE JULY 1, 2001

The President (Administration), et al

SB 206 Higher Education -- Student Financial Assistance -- Maryland Teacher Scholarship

Expanding the eligibility and renewability requirements for the Maryland Teacher Scholarship to include full--time or part--time graduate students in programs leading to Maryland professional teachers' certificates; and setting the scholarship amount for those students.

EFFECTIVE JULY 1, 2001

The President (Administration), et al

SB 213 Higher Education -- HOPE Scholarships -- Eligibility

Increasing to \$95,000 the maximum annual total family income for a recipient of a Maryland HOPE Scholarship or a HOPE Community College Transfer Scholarship.

EFFECTIVE JULY 1, 2001

Senator Munson

SB 281 State Department of Education -- Hearing Aid Loan Bank Program -- Establishment and Operation

Establishing a Hearing Aid Loan Bank Program in the State Department of Education; providing for the administration and staffing of the Program; establishing the purpose of the Program; requiring the Director of the Program to establish a Hearing Aid Loan Bank; establishing criteria for the maintenance of the Hearing Aid Loan Bank; specifying criteria for eligibility under the Program; etc.

EFFECTIVE JUNE 30, 2001

Senator Hollinger, et al

SB 301 Allegany County -- Board of Education -- Elections

Providing a procedure for filling a vacancy if a nominee for membership on the Allegany County Board of Education dies, declines the nomination, or becomes disqualified after the primary election but before the general election; etc.

Senator Hafer

SB 357 Higher Education -- Maryland Science and Technology Scholarships -- Eligibility

Requiring the State Scholarship Administration to offer each year Maryland Science and Technology Scholarships to specified students who have been accepted into specified academic programs under specified circumstances; altering eligibility for the scholarship by requiring a recipient to have completed secondary school within the last 5 years; etc.

EFFECTIVE JUNE 1, 2001

Senator Hogan, et al

SB 399 Education -- Creation of a Task Force to Study Adult Education Services in Maryland

Establishing a Task Force to Study Adult Education Services in Maryland, including basic skills instruction, English for speakers of other languages, and family literacy instruction and preparation for the General Equivalent Diploma (GED) test and the adult external high school program; providing for membership on the Task Force; etc.

EFFECTIVE JULY 1, 2001

Senators Middleton and Hoffman

SB 438 Elementary and Secondary Education -- Procurement -- Competition

Requiring county boards of education to draft specifications for public school procurement contracts over

\$15,000 when advertising is required; and requiring that brand name specifications allow substitution of equivalent products except in specified circumstances.

Senator Haines, et al

SB 462 Janet L. Hoffman Loan Assistance Repayment Program

Renaming the Loan Assistance Repayment Program administered by the State Scholarship Administration to be the Janet L. Hoffman Loan Assistance Repayment Program.

Senators Hoffman and Blount

SB 469 Education -- School Security -- School Resource Officer

Authorizing a school resource officer to deny access to buildings or grounds of school institutions; authorizing a school resource officer to demand identification and evidence of qualification of persons on premises of school institutions; and defining "school resource officer".

EFFECTIVE JULY 1, 2001

Senator Collins

SB 588 Maryland Health and Higher Educational Facilities Authority -- Community Colleges -- Tax Exempt Financing

Modifying the term "institution for higher education" under the Maryland Health and Higher Educational Facilities Authority (MHHEFA) Act to include specified community colleges; authorizing the boards of trustees of community colleges to finance or refinance the costs of specified projects by entering into agreements with MHHEFA; providing that the principal amount of a note, the interest payable on the note, the transfer of the note, and any income derived from the transfer of the note are exempt from taxation by the State and any county or

Senator Neall

SB 618 Higher Education -- Nursing Scholarships -- Awards

Increasing the maximum annual award and the maximum total award for a nursing scholarship under the program of Economic Development Student Assistance Grants to \$3,000 and \$12,000, respectively; increasing the maximum annual award and the maximum total award for an additional grant that may be awarded to nursing scholarship recipients under the program to \$3,000 and \$12,000, respectively; and increasing the nursing scholarship for students enrolled in a nursing program, including mandatory summer academic sessions.

EFFECTIVE JULY 1, 2001

Senator Hollinger

SB 713 Arrest of a Student -- Transfer to Another School System -- Notification

Authorizing a local superintendent with specified information regarding a child who has been arrested for specified offenses and who transfers to another school system to provide this information as a confidential file to the local superintendent of the public school system in which the child is to be enrolled under specified circumstances; etc.

Senator Roesser

SB 719 Education Finance, Equity, and Excellence Act of 2001

Modifying the Governor's Teacher Salary Challenge Program; modifying the Maryland Academic Intervention and Support Program to require that a portion of the funds allocated be distributed based on the intensity of student needs; requiring the Governor to include an appropriation of at least \$11,250,000 for public special education in the Budget Bill submitted at the 2002 Session of the General Assembly; etc.

EFFECTIVE JUNE 1, 2001

Senator Hoffman, et al (Commission on Education Finance)

- SB 874 **Disposition of Settlement Proceeds -- Frostburg State University and the Washington Redskins**
Requiring Frostburg State University to deposit proceeds from the settlement of a contract dispute between the University and the Washington Redskins into an endowment for the benefit of the University; requiring the University System of Maryland to manage the proceeds for the benefit of the University; and making the Act an emergency measure.
EMERGENCY BILL
Senator Hafer
- SB 878 **State Department of Education -- Professional Assistants**
Authorizing the appointment of an additional Deputy State Superintendent of Schools.
EFFECTIVE JULY 1, 2001
Chairman EEA (Dept)
- HB 53 **Education -- Maryland Educational Opportunity Summer Pilot Program -- Establishment**
Establishing the Maryland Educational Opportunity Summer Pilot Program; authorizing a county board of education to develop a proposal for educational curriculum and activities during the summer; requiring the State Board of Education to review a proposal and approve or disapprove the proposal based on specified priorities; requiring the State Board to distribute funds to cover the costs of implementing and operating the Pilot Program; applying the Act to Baltimore County and Prince George's County; etc.
EFFECTIVE JULY 1, 2001
Delegate Zirkin, et al
- HB 80 **State Government -- Forms Management -- Higher Education**
Altering the implementation date for the application of standards for data collection forms for institutions of higher education and the Maryland Higher Education Commission.
Chairman CGM (Dept)
- HB 143 **Janet L. Hoffman Loan Assistance Repayment Program**
Renaming the Loan Assistance Repayment Program administered by the State Scholarship Administration to be the Janet L. Hoffman Loan Assistance Repayment Program.
Delegate Rosenberg, et al
- HB 248 **Education -- Special Education**
Altering the conditions under which a county board is not required to pay for the nonpublic school education for a child with a disability under specified circumstances; requiring the parent of a child with a disability to give a specified notice under specified circumstances; authorizing a hearing officer or court to require reimbursement under specified circumstances; etc.
EFFECTIVE JULY 1, 2001
Chairman W&M (Dept)
- HB 262 **Frederick County -- Board of Community College Trustees**
Increasing to three the maximum number of consecutive terms a person may serve as a member of the Board of Community College Trustees for Frederick County.
Frederick County Delegation
- HB 282 **State Department of Education -- Hearing Aid Loan Bank Program -- Establishment and Operation**
Establishing a Hearing Aid Loan Bank Program in the State Department of Education; providing for the administration and staffing of the Program; establishing the purpose of the Program; requiring the Director of the Program to establish a Hearing Aid Loan Bank; establishing criteria for the maintenance of the Hearing Aid Loan Bank; specifying criteria for eligibility under the Program; etc.

EFFECTIVE JUNE 30, 2001
Delegate Hixson, et al

- HB 299 **Higher Education -- Student Financial Assistance -- Maryland Teacher Scholarship**
Expanding the eligibility and renewal requirements for the Maryland Teacher Scholarship to include full--time or part--time graduate students in programs leading to Maryland professional teachers' certificates; and setting the scholarship amount for those students.
EFFECTIVE JULY 1, 2001
The Speaker (Administration), et al
- HB 304 **Higher Education -- Private Donation Incentive Program -- Bowie State University, Coppin State College, Morgan State University, and University of Maryland Eastern Shore**
Increasing the State's share of matching funds paid to specified institutions of higher education under the Private Donation Incentive Program; and giving specified institutions more time to raise donations under the Program.
EFFECTIVE JULY 1, 2001
The Speaker (Administration), et al
- HB 329 **Higher Education -- HOPE Scholarships -- Eligibility**
Increasing to \$95,000 the maximum annual total family income for a recipient of a Maryland HOPE Scholarship or a HOPE Community College Transfer Scholarship.
EFFECTIVE JULY 1, 2001
Delegate Cryor, et al
- HB 336 **Higher Education -- Tuition Waiver -- Faculty and Employees**
Requiring specified governing boards to develop tuition waiver policies for specified persons; authorizing a governing body of an institution of higher education to develop a policy for the waiver of room and board for specified persons; etc.
EFFECTIVE JUNE 1, 2001
Delegate Turner, et al
- HB 397 **Higher Education -- Lawyers -- Student Financial Assistance**
Requiring the State Scholarship Administration to assist in the repayment of student loans by eligible lawyers who attended law school out--of--state under the Loan Assistance Repayment Program.
EFFECTIVE JULY 1, 2001
Delegate Gladden, et al
- HB 401 **Education -- In--State Residency Requirement -- Waiver**
Waiving the out--of--state residency requirement for tuition purposes at institutions of higher education and community colleges for public school teachers employed by a county board when the course or program is required by the county board or by the State; etc.
EFFECTIVE JULY 1, 2001
Delegate Heller
- HB 434 **Education -- School Library Funds**
Altering the State school library funds grant program of the School Accountability Funding and Excellence (SAFE) Program in order to make middle schools and high schools eligible for grants under the Program; altering a specified definition that is used to qualify a county board for a specified State grant; etc.
Delegate Hecht, et al

- HB 438 Higher Education -- Salisbury State University -- Renaming**
Altering the name of Salisbury State University to Salisbury University; authorizing the publishers of the Annotated Code of Maryland to correct any statutory reference that is rendered incorrect by the Act; and providing for the implementation of the Act.
EFFECTIVE JULY 1, 2001
Delegate Conway, et al
- HB 462 Higher Education -- Health Personnel Shortage Incentive Grant Program -- Grants**
Altering the method of determining under the Health Personnel Shortage Incentive Grant Program the threshold number of graduating students from each eligible institution above which the institution shall receive from the State Scholarship Administration a specified grant per graduating student.
EFFECTIVE JULY 1, 2001
Delegates Goldwater and Mandel
- HB 547 Higher Education -- Nursing Scholarships -- Awards**
Increasing the maximum annual award and the maximum total award for a nursing scholarship under the program of Economic Development Student Assistance Grants to \$3,000 and \$12,000, respectively; increasing the maximum annual award and the maximum total award for an additional grant that may be awarded to nursing scholarship recipients under the program to \$3,000 and \$12,000, respectively; and increasing the maximum award for a nursing scholarship for nursing students to \$4,500.
EFFECTIVE JUNE 1, 2001
Delegate Mandel, et al
- HB 667 Frederick County -- Elected Board of Education Members -- Term Limits**
Repealing the provision that prohibits individuals from serving on the Frederick County Board of Education for more than two consecutive terms.
EFFECTIVE JULY 1, 2001
Frederick County Delegation
- HB 727 Higher Education -- Financial Assistance -- Nursing Students**
Allowing recipients of nursing scholarships awarded under the Economic Development Student Assistance Grants Program also to receive scholarships under the Legislative Scholarship Program and the Distinguished Scholar Program.
EFFECTIVE JULY 1, 2001
Delegate Cole, et al
- HB 775 Education -- Creation of a Task Force to Study Adult Education Services in Maryland**
Establishing a Task Force to Study Adult Education Services in Maryland, including basic skills instruction, English as a second language, GED instruction, and family literacy instruction; providing for membership on the Task Force; etc.
EFFECTIVE JULY 1, 2001
Delegate Cadden, et al
- HB 791 Education -- Public Schools -- Firearms Safety and Accident Prevention Education Program**
Requiring the State Board of Education to establish policy and guidelines for a program of firearms safety and accident prevention or hunter safety to be implemented by each county board of education for students in kindergarten through grade 12; authorizing a county board to implement the program in conjunction with a State or local law enforcement agency, another entity of State or local government, or a community or civic organization; etc.
EFFECTIVE JULY 1, 2001
Delegate Taylor, et al

- HB 823 Public School Students -- Inspection of Records -- Prohibitions on Use and Disclosure of Information**
Prohibiting the Maryland Higher Education Commission or any person, organization, or community college that obtains specified information from a public school student's records from using the information commercially or from redisclosing the information; requiring the record custodian to give notice of these prohibitions; etc.
Delegate Bobo, et al
- HB 825 Juvenile Justice Alternative Education Pilot Program -- Suspended and Expelled Students**
Requiring the State Board of Education to establish in a county designated by the State Superintendent of Schools a juvenile justice alternative education pilot program for suspended or expelled students and identified candidates for suspension or expulsion; authorizing the State Board to select a private agency to administer the juvenile justice alternative education pilot program; requiring specified students to attend the juvenile justice alternative education pilot program; etc.
EFFECTIVE JULY 1, 2001
Delegates Shriver and Vallario
- HB 894 Education -- Baltimore City -- Public School Construction**
Requiring a State/local cost sharing formula of 90%/10% for up to and including \$20 million in costs and 75%/25% for over \$20 million in costs for public school construction projects in Baltimore City for fiscal years 2002 through 2003; and requiring Baltimore City to appropriate at least \$12.4 million for school construction in fiscal 2002 and 2003.
EFFECTIVE JULY 1, 2001
Delegate Marriott, et al
- HB 899 Education -- New Baltimore City Board of School Commissioners -- Student Members**
Authorizing a student member of the New Baltimore City Board of School Commissioners to have specified voting privileges; and prohibiting a student member from attending specified sessions of the Board.
Delegate Marriott, et al
- HB 1004 Higher Education -- Student Financial Assistance -- Retention of Unused Funds**
Establishing that money appropriated by the State for student financial assistance that is not used in that fiscal year may not revert to the State Treasury and may be used only for specified purposes; and prohibiting the use of retained student financial assistance funds for administrative expenses.
EFFECTIVE JULY 1, 2001
Delegate Kopp, et al
- HB 1067 Higher Education -- Edward T. Conroy Memorial Scholarship Program -- Eligibility**
Expanding the eligibility for the Edward T. Conroy Memorial Scholarship Program to include specified disabled veterans who are no longer eligible for federal veterans' educational benefits; and limiting to 15 the number of veterans' scholarships under the Program that the State Scholarship Administration may award annually.
EFFECTIVE JULY 1, 2001
Delegates Guns and Conroy
- HB 1127 Higher Education -- Part--Time Grant Program -- Dual Enrollment Students**
Including students who are dually enrolled in a secondary school in the State and an institution of higher education in the State in the part--time student grant program; requiring each institution of higher education that participated in the grant program to establish criteria for awarding a grant or waiver to dually enrolled students; etc.
EFFECTIVE JULY 1, 2001

Delegate D'Amato, et al

HB 1196 Prince George's Community College -- Collective Bargaining PG 407--01

Providing for collective bargaining for part-- and full--time employees at Prince George's Community College; providing procedures for the recognition or election of an exclusive bargaining representative that include procedures by which the Commissioner of Labor and Industry may designate a bargaining unit; providing for the settlement of grievances; creating specified requirements for employee organizations and providing for sanctions for failure to comply with those requirements; etc.

Prince George's County Delegation

HB 1226 Elementary and Secondary Education -- Procurement -- Competition

Requiring county boards of education to draft specifications for public school procurement contracts over \$15,000 when advertising is required; and requiring that brand name specifications allow substitution of equivalent products except in specified circumstances.

Delegate Rosenberg, et al

HB 1347 Worcester County -- Board of Education -- Election of Members

Providing that members to the Worcester County Board of Education shall be elected; establishing a procedure for the election of members to the Worcester County Board of Education; providing for the termination of the incumbent appointed members holding office on a specified date under specified circumstances; establishing a term of office for elected members; providing for student nonvoting members from public high schools; providing for the compensation of the members of the County Board; etc.

CONTINGENT -- EFF. JULY 1, 2001

Delegate Bozman, et al

HB 1399 Disposition of Settlement Proceeds -- Frostburg State University and the Washington Redskins

Requiring Frostburg State University to deposit proceeds from the settlement of a contract dispute between the University and the Washington Redskins into an endowment for the benefit of the University; requiring the University System of Maryland to manage the proceeds for the benefit of the University; and making the Act an emergency measure.

EMERGENCY BILL

Delegate Edwards, et al

HB 1409 University of Maryland Police Force

Authorizing the use of a campus security force or building guards in addition to a campus police force at a constituent institution of the University of Maryland.

EFFECTIVE JULY 1, 2001

Delegates Conway and Proctor

Part M
Human Resources

- SB 44 **Family Law -- Adoption Subsidies -- Level of Payment**
Increasing the allowable amount of a specified adoption subsidy payment to \$2,000 per month for a medically fragile child living in a treatment foster care home.
Chairman FIN (Dept)
- SB 144 **Department of Aging -- Assisted Living Programs -- Subsidies**
Requiring the Secretary of Aging to provide, when necessary and in accordance with available funds, specified monthly subsidies for the care of specified residents of assisted living programs who meet specified income requirements; etc.
Senator Hollinger, et al
- SB 311 **Maryland Individual Development Account Act**
Requiring the Secretary of Human Resources to initiate an Individual Development Account Demonstration Program with specified purposes and terms; requiring that participants meet specified eligibility requirements and limit use of the account to specified purchases; requiring participating individuals and organizations to perform specified functions; establishing the scope and funding for the program; etc.
EFFECTIVE JULY 1, 2001
Senator Van Hollen, et al
- SB 367 **Skills--Based Training for Employment Promotion (STEP) Pilot Program**
Creating a Skills--Based Training for Employment Promotion (STEP) Pilot Program; expressing the intent of the General Assembly regarding the purpose of the STEP Program; requiring the Governor's Workforce Investment Board, in consultation with the Department of Labor, Licensing, and Regulation, to establish and administer the STEP Program; requiring the STEP Program to provide grants on a competitive basis to a specified number of local workforce investment boards; providing for the funding of the STEP Program; etc.
EFFECTIVE JULY 1, 2001
Senator Hoffman, et al
- SB 541 **Welfare Innovation Act of 2001**
Requiring the Maryland Higher Education Commission, in cooperation with the Department of Human Resources, to coordinate efforts among institutions of higher education to encourage and identify student volunteers to help provide mentoring to Family Investment Program (FIP) recipients; specifying when temporary cash assistance may not be paid; increasing to 36 months the time between when an individual was a former FIP recipient and when the individual may participate in the Job Skills Enhancement Program; etc.
Senator Madden, et al
- HB 13 **Skills--Based Training for Employment Promotion (STEP) Pilot Program**
Creating a Skills--Based Training for Employment Promotion (STEP) Pilot Program; expressing the intent of the General Assembly regarding the purpose of the STEP Program; requiring the Governor's Workforce Investment Board, in consultation with the Department of Labor, Licensing, and Regulation, to establish and administer the STEP Program; requiring the STEP Program to provide grants on a competitive basis to at least three local workforce investment boards; providing for the funding of the STEP Program; etc.
EFFECTIVE JULY 1, 2001

Delegate Kopp, et al

HB 378 Maryland Individual Development Account Act

Requiring the Secretary of Human Resources to initiate an Individual Development Account Demonstration Program with specified purposes and terms; requiring that participants meet specified eligibility requirements and limit use of the account to specified purchases; requiring participating individuals and organizations to perform specified functions; establishing the scope and funding for the Program; etc.

EFFECTIVE JULY 1, 2001

Delegate Rawlings, et al

HB 678 Annotated Code of Maryland -- References to "Handicapped" Persons -- Change of Terminology

Directing the publisher of the Annotated Code of Maryland, in consultation with the Department of Legislative Services, to review all provisions of the Code, identify all references to "handicapped" persons, and change them to "individual with a disability", as long as the changes result in nonsubstantive changes to the Annotated Code; etc.

EFFECTIVE JUNE 1, 2001

Delegate Leopold, et al

HB 702 Community Attendant Services and Supports Program

Requiring the Department of Human Resources, in collaboration with the Department of Health and Mental Hygiene, to administer a home-- and community--based attendant services and supports program; requiring the departments to amend the waiver for adults with physical disabilities to include individuals with incomes at or below 300\% of supplemental security income; authorizing specified disabled individuals to select, manage, and control their community attendant services and supports; etc.

EFFECTIVE JULY 1, 2001

Delegate Hubbard, et al

HB 1331 Individuals with Disabilities -- Medicaid Waiver and Waiting List Initiative -- Funding

Providing that funds appropriated in connection with a Medicaid waiver for home-- and community--based services for adult individuals with disabilities that remain unexpended at the end of the fiscal year may not revert to the General Fund and shall remain available for expenditure in the subsequent fiscal year; and providing that funds appropriated in connection with the Waiting List Initiative that remain unexpended also may not revert to the General Fund.

EFFECTIVE JUNE 1, 2001

Delegate Rosenberg, et al