

# Vetoed Bills and Messages from the Governor of Maryland

A total of 29 bills were vetoed by the Governor following the 2025 Regular Session of the General Assembly. Of these vetoed bills, 16 originated in the Senate and 13 of them originated in the House of Delegates. In addition, two items in House Bill 350 (the Operating Budget) were vetoed (line item veto). Pursuant to the provisions of Article II, Section 17 of the Maryland Constitution, these bills will be returned to the General Assembly immediately after the Legislature has organized at the next Regular or Special Session to be reconsidered in order to determine whether the veto is sustained or overridden.

2025 Session

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## List of Senate Bills Vetoed

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## List of House Bills Vetoed

(Bill numbers in **bold** indicate policy vetoes. Bill numbers in *italics* indicate technical vetoes. All other vetoes are duplicative.)

Bill No.	Subject	
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\* Section 21, Subsections (56) and (61) received a line item veto from the Governor.





## Vetoed Senate Bills and Messages

May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 149 and House Bill 128 – *Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse Gas Emissions – Study and Reports*, Senate Bill 116 and House Bill 270 – *Data Center Impact Analysis and Report*, and House Bill 1316 – *Primary and Secondary Education – Youth-Centric Technology and Social Media Resource Guide*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In this time of profound uncertainty, we must evaluate every expenditure with a critical eye towards our future.

Our current budget situation requires us to reconsider bills that create expensive and labor intensive studies. While such bills can be a first step to addressing complex issues and allow the signaling of support for an issue, the practice has become so commonplace that it is now a significant financial and staff burden on the state government. In addition, such reporting requirements have at times delayed prompt action on important issues, and in the face of the onslaught from the current administration in Washington, D.C., the State needs to respond to important issues more quickly. Studies can serve a purpose, but their overuse is a drag on the State government.

Prior to the 2025 legislative session, the Department of Legislative Services (DLS) was tracking a total of 3,901 mandated reports, a number which excludes the reports required annually by the Joint Chairmen's Report. Many of these reports are never read and simply

collect dust on shelves, but nonetheless, executive branch agencies are required to dedicate funding and staff time to each, in many cases, with restrictions on their budget appropriations if they fail to comply. While it is impossible to calculate the total amount of staff time and state funding necessary to complete and file these reports, it is a reasonable assumption that the cost runs to the tens of millions of dollars.

Collectively, these three bills would have required significant coordination across multiple agencies and institutions: the Comptroller's Office, Maryland Department of the Environment (MDE), and Commerce to study the cost of greenhouse gas emissions; the University of Maryland's School of Business, MDE, Maryland Energy Administration and the Department of Legislative Services to conduct a resource-intensive analysis of the environmental, energy, and economic impacts of data center development; and the University of Maryland Baltimore's School of Mental Health's National Center for School Mental Health and the Maryland State Department of Education to develop a social media resource guide and conduct a needs assessment. In total, these efforts would cost at least \$1.28 million – an unsustainable commitment given the state's current fiscal constraints and the growing uncertainty posed by the federal Administration in Washington, D.C.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed Senate Bill 149, House Bill 128, Senate Bill 116, House Bill 270, and House Bill 1316.

Sincerely,

Wes Moore  
Governor

### Senate Bill 116

AN ACT concerning

### Data Center Impact Analysis and Report

FOR the purpose of requiring the Department of the Environment, the Maryland Energy Administration, ~~the Maryland Energy Administration~~, and the University of Maryland School of Business, in coordination with the Department of Legislative Services, to conduct an analysis of the likely environmental, energy, ~~energy~~, and economic impacts of data center development in the State; and generally relating to data centers.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That:

(a) The Department of the Environment, the Maryland Energy Administration, ~~the Maryland Energy Administration~~, and the University of Maryland School of Business, in coordination with the Department of Legislative Services, shall conduct an analysis of

the likely environmental, ~~energy, energy~~, and economic impacts of data center development in the State.

(b) The analysis shall include:

(1) an assessment by the Department of the Environment of the potential impacts of the data center industry on the natural resources of the State, including an evaluation of:

(i) the potential impacts on air and water quality;

(ii) the potential impacts on the State's ability to meet its bay restoration goals and other environmental objectives; and

(iii) the availability of technologies that could mitigate the environmental impacts of data centers, and the feasibility of implementing these technologies in the State;

(2) an assessment by the Maryland Energy Administration of the potential energy impacts of the data center industry, including an evaluation of:

(i) the energy requirements of data centers;

(ii) the potential impacts of the data center industry on current and forecasted energy demand and supply in the State, including how data centers will likely affect future energy infrastructure needs and costs paid by ratepayers; and

(iii) the potential impacts of the data center industry on the State's ability to meet greenhouse gas emissions reduction commitments and clean energy goals;

~~(2) an assessment by the Maryland Energy Administration of the potential energy impacts of the data center industry, including an evaluation of:~~

~~(i) the energy requirements of data centers;~~

~~(ii) the potential impacts of the data center industry on current and forecasted energy demand and supply in the State, including how data centers will likely affect future energy infrastructure needs and costs paid by ratepayers; and~~

~~(iii) the potential impacts of the data center industry on the State's ability to meet greenhouse gas emissions reduction commitments and clean energy goals; and~~

~~(3) (2) (3)~~ an assessment by the University of Maryland School of Business, in consultation with industry experts, of the potential economic and fiscal impacts of the data center industry in the State, including an evaluation of:

(i) the likely impact of data centers on State and local revenues and expenditures; and

(ii) the jobs likely to be created through the construction and operation of data centers.

(c) (1) The Department of Legislative Services shall coordinate the preparation of the analysis and synthesize the assessments by the Department of the Environment, ~~the Maryland Energy Administration,~~ ~~the Maryland Energy Administration,~~ and the University of Maryland School of Business into a final report.

(2) At the request of the Department of Legislative Services, other relevant units of State government, including the Department of Natural Resources, the Department of Assessments and Taxation, the Department of Commerce, ~~the Maryland Energy Administration,~~ and the Public Service Commission, shall provide any information necessary to complete the analysis.

(3) On or before September 1, 2026, the Department of Legislative Services shall submit the final report to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025. It shall remain effective for a period of 2 years and, at the end of June 30, 2027, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

Dear President Ferguson,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 121 – *Vehicle Laws – Noise Abatement Monitoring Systems Pilot Program – Inspection and Extension*.

The legislation extends the termination date of the Noise Abatement Monitoring Systems pilot program in Montgomery and Prince George's Counties from June 30, 2026, to June 30, 2028.

House Bill 18, which was passed by the General Assembly and signed by me, accomplishes

the same purpose of extending the pilot program. For this reason, I have vetoed Senate Bill 121.

Sincerely,

Wes Moore  
Governor

### **Senate Bill 121**

AN ACT concerning

#### **Vehicle Laws – Noise Abatement Monitoring Systems Pilot Program – Inspection and Extension**

FOR the purpose of establishing that certain provisions of law relating to the inspection of recorded images apply to recorded images produced by a noise abatement monitoring system; extending the reporting and termination dates of the noise abatement monitoring systems pilot programs in Montgomery County and Prince George’s County; and generally relating to the noise abatement monitoring systems pilot programs in Montgomery County and Prince George’s County.

BY repealing and reenacting, with amendments,  
Article – General Provisions  
Section 4–321  
Annotated Code of Maryland  
(2019 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,  
Chapter 624 of the Acts of the General Assembly of 2024  
Section 2 and 3

BY repealing and reenacting, with amendments,  
Chapter 625 of the Acts of the General Assembly of 2024  
Section 2 and 3

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

#### **Article – General Provisions**

4–321.

(a) In this section, “recorded images” has the meaning stated in § 21–202.1, § 21–809, § 21–810, **§ 22–612**, or § 24–111.3 of the Transportation Article.

(b) Except as provided in subsection (c) of this section, a custodian shall deny inspection of recorded images produced by:

(1) a traffic control signal monitoring system operated under § 21–202.1 of the Transportation Article;

(2) a speed monitoring system operated under § 21–809 of the Transportation Article;

(3) a work zone speed control system operated under § 21–810 of the Transportation Article; [or]

(4) **A NOISE ABATEMENT MONITORING SYSTEM OPERATED UNDER § 22–612 OF THE TRANSPORTATION ARTICLE; OR**

(5) a vehicle height monitoring system operated under § 24–111.3 of the Transportation Article.

(c) A custodian shall allow inspection of recorded images:

(1) as required in § 21–202.1, § 21–809, § 21–810, **§ 22–612**, or § 24–111.3 of the Transportation Article;

(2) by any person issued a citation under § 21–202.1, § 21–809, § 21–810, **§ 22–612**, or § 24–111.3 of the Transportation Article, or by an attorney of record for the person; or

(3) by an employee or agent of an agency in an investigation or a proceeding relating to the imposition of or indemnification from civil liability under § 21–202.1, § 21–809, § 21–810, **§ 22–612**, or § 24–111.3 of the Transportation Article.

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

### **Chapter 624 of the Acts of 2024**

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1, [2025] **2027**, a county that authorizes a program of noise abatement monitoring systems under this Act shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on:

(1) through October 1, [2025] **2027**:

(i) the time period during which noise abatement monitoring systems were in use in the county; and

(ii) the number of warnings and citations issued as a result of violations recorded by noise abatement monitoring systems in the county over the reported time period, by location and date;

(2) (i) the costs associated with implementing and operating noise abatement monitoring systems; and

(ii) the revenue collected on a monthly basis as a result of violations recorded by noise abatement monitoring systems;

(3) appropriate locations for the deployment of noise abatement monitoring systems;

(4) the performance and reliability of noise abatement monitoring systems used by the county; and

(5) the effectiveness of noise abatement monitoring systems in reducing noise produced by motor vehicles in the county and in areas where the systems were implemented and used.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024. It shall remain effective for a period of [2] 4 years and, at the end of June 30, [2026] **2028**, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

### **Chapter 625 of the Acts of 2024**

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1, [2025] **2027**, a county that authorizes a program of noise abatement monitoring systems under this Act shall report to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly on:

(1) through October 1, [2025] **2027**:

(i) the time period during which noise abatement monitoring systems were in use in the county; and

(ii) the number of warnings and citations issued as a result of violations recorded by noise abatement monitoring systems in the county over the reported time period, by location and date;

(2) (i) the costs associated with implementing and operating noise abatement monitoring systems; and

(ii) the revenue collected on a monthly basis as a result of violations recorded by noise abatement monitoring systems;

(3) appropriate locations for the deployment of noise abatement monitoring systems;

(4) the performance and reliability of noise abatement monitoring systems used by the county; and

(5) the effectiveness of noise abatement monitoring systems in reducing noise produced by motor vehicles in the county and in areas where the systems were implemented and used.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024. It shall remain effective for a period of [2] 4 years and, at the end of June 30, [2026] **2028**, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025. Section 1 of this Act shall remain effective for a period of 3 years and, at the end of June 30, 2028, Section 1 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 149 and House Bill 128 – *Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse Gas Emissions – Study and Reports*, Senate Bill 116 and House Bill 270 – *Data Center Impact Analysis and Report*, and House Bill 1316 – *Primary and Secondary Education – Youth-Centric Technology and Social Media Resource Guide*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced



spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

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Our current budget situation requires us to reconsider bills that create expensive and labor intensive studies. While such bills can be a first step to addressing complex issues and allow the signaling of support for an issue, the practice has become so commonplace that it is now a significant financial and staff burden on the state government. In addition, such reporting requirements have at times delayed prompt action on important issues, and in the face of the onslaught from the current administration in Washington, D.C., the State needs to respond to important issues more quickly. Studies can serve a purpose, but their overuse is a drag on the State government.

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Collectively, these three bills would have required significant coordination across multiple agencies and institutions: the Comptroller's Office, Maryland Department of the Environment (MDE), and Commerce to study the cost of greenhouse gas emissions; the University of Maryland's School of Business, MDE, Maryland Energy Administration and the Department of Legislative Services to conduct a resource-intensive analysis of the environmental, energy, and economic impacts of data center development; and the University of Maryland Baltimore's School of Mental Health's National Center for School Mental Health and the Maryland State Department of Education to develop a social media resource guide and conduct a needs assessment. In total, these efforts would cost at least \$1.28 million – an unsustainable commitment given the state's current fiscal constraints and the growing uncertainty posed by the federal Administration in Washington, D.C.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed Senate Bill 149, House Bill 128, Senate Bill 116, House Bill 270, and House Bill 1316.

Sincerely,

Wes Moore  
Governor

## Senate Bill 149

AN ACT concerning

**Responding to Emergency Needs From Extreme Weather (RENEW) Act of 2025**  
**Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse**  
**Gas Emissions – Study and Reports**

FOR the purpose of ~~establishing the Climate Change Adaptation and Mitigation Payment Program in the Department of the Environment to secure payments from certain businesses that extract fossil fuels or refine petroleum products in order to provide a source of revenue for State efforts to adapt to or mitigate the effects of climate change and to address the health impacts of climate change on vulnerable populations; establishing the Climate Change Adaptation and Mitigation Fund as a special, nonlapsing fund; authorizing the Legislative Auditor to conduct certain audits of the Fund and of the appropriations and expenditures made for the purposes of the Climate Change Adaptation and Mitigation Payment Program; requiring the University of Maryland Center for Global Sustainability Comptroller, in coordination with the Department of the Environment and the Department of Commerce, to conduct a study to assess the total cost of greenhouse gas emissions in the State and report certain findings on or before a certain date; requiring the Department of the Environment and the Comptroller to report to certain committees on or before a certain date on the total assessed cost of greenhouse gas emissions in the State based on the findings of a certain study; authorizing the Comptroller to hire a consultant to conduct the study; requiring the reports report to include certain information and calculations; and generally relating to the Climate Change Adaptation and Mitigation Payment Program~~ greenhouse gas emissions in the State.

~~BY repealing and reenacting, without amendments,~~  
~~Article — Environment~~  
~~Section 2-1504(a)~~  
~~Annotated Code of Maryland~~  
~~(2013 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,~~  
~~Article — Environment~~  
~~Section 2-1504(c)~~  
~~Annotated Code of Maryland~~  
~~(2013 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~  
~~Article — Environment~~  
~~Section 2-1701 through 2-1708 to be under the new subtitle “Subtitle 17. Climate Change Adaptation and Mitigation Payment Program”~~  
~~Annotated Code of Maryland~~  
~~(2013 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,  
Article — Natural Resources  
Section 5-222(a) and (b) and 8-2B-03(a)  
Annotated Code of Maryland  
(2023 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Article — Natural Resources  
Section 5-222(f) and 8-2B-03(e)  
Annotated Code of Maryland  
(2023 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,  
Article — Public Safety  
Section 14-110.4(b) and 14-110.5(b)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Article — Public Safety  
Section 14-110.4(h) and 14-110.5(f)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,  
Article — State Government  
Section 9-2012(b) and (i)(1), 9-2015(b), and 9-20B-05(a)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Article — State Government  
Section 9-2012(i)(4), 9-2015(f), and 9-20B-05(e)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)~~

~~BY adding to  
Article — State Government  
Section 9-20B-05(i-2)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,  
Article — Transportation  
Section 7-1202(a) and 7-1203(a)  
Annotated Code of Maryland~~

~~(2020 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — Transportation~~

~~Section 7—1203(e)~~

~~Annotated Code of Maryland~~

~~(2020 Replacement Volume and 2024 Supplement)~~

### Preamble

WHEREAS, Climate change, resulting primarily from the combustion of fossil fuels, is an immediate, grave threat to the State's communities, environment, and economy; and

WHEREAS, In addition to mitigating the further buildup of greenhouse gases, the State must take action to adapt to certain consequences of climate change that are irreversible, including rising sea levels, increasing temperatures, extreme weather events, flooding, heat waves, toxic algae blooms, and other threats; and

WHEREAS, Meeting the challenge of adapting to and mitigating the effects of climate change will require a shared commitment of purpose and huge investments in new or upgraded infrastructure; and

WHEREAS, The State has previously adopted programs, such as the Cigarette Restitution Fund Program, to require industries that have profited by harming the public welfare to shoulder their share of the burden in redressing that harm; and

WHEREAS, Based on decades of research, it is now possible to determine with great accuracy the share of greenhouse gases released into the atmosphere by specific fossil fuel companies over the last 70 years or more, making it possible to assign liability and require compensation from companies commensurate with their emissions during a given time period; now, therefore,

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

### ~~Article — Environment~~

~~2—1504.~~

~~(a) There is a Zero Emission Vehicle School Bus Transition Fund.~~

~~(e) The Fund consists of:~~

~~(1) Money appropriated in the State budget to the Fund;~~

~~(2) Interest earnings of the Fund;~~

~~(3) Donations;~~

~~(4) Money derived from legal settlements earmarked for the purpose of transitioning to school buses that are zero-emission vehicles; [and]~~

~~(5) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THIS TITLE; AND~~

~~(6) Any other money from any other source accepted for the benefit of the Fund.~~

~~SUBTITLE 17. CLIMATE CHANGE ADAPTATION AND MITIGATION PAYMENT PROGRAM.~~

~~2-1701.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) (1) "CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT" MEANS AN INFRASTRUCTURE PROJECT DESIGNED TO AVOID, MODERATE, OR REPAIR DAMAGE CAUSED BY CLIMATE CHANGE.~~

~~(2) "CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT" INCLUDES PROJECTS TO:~~

~~(I) CONSTRUCT SEAWALLS OR OTHER COASTAL DEFENSE STRUCTURES;~~

~~(II) UPGRADE STORMWATER OR SEWER SYSTEMS;~~

~~(III) MAKE DEFENSIVE UPGRADES TO ROADS, BRIDGES, RAIL INFRASTRUCTURE, OR OTHER TRANSIT SYSTEMS;~~

~~(IV) PREPARE FOR AND RECOVER FROM HURRICANES AND OTHER EXTREME WEATHER EVENTS;~~

~~(V) RELOCATE, ELEVATE, OR RETROFIT WASTEWATER TREATMENT PLANTS THAT ARE VULNERABLE TO FLOODING;~~

~~(VI) INSTALL HEAT PUMPS AND OTHER CLEAN ENERGY RETROFITS IN PUBLIC AND PRIVATE BUILDINGS, INCLUDING SCHOOL BUILDINGS; AND~~

~~(VII) RESPOND TO TOXIC ALGAE BLOOMS, THE LOSS OF AGRICULTURAL TOPSOIL, AND OTHER CLIMATE-DRIVEN ECOSYSTEM THREATS TO FORESTS, FARMS, AND FISHERIES.~~

~~(C) “COAL” INCLUDES:~~

~~(1) BITUMINOUS COAL;~~

~~(2) ANTHRACITE COAL; AND~~

~~(3) LIGNITE.~~

~~(D) “COMMUNITY DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS” MEANS A COMMUNITY IDENTIFIED IN ACCORDANCE WITH § 1-702 OF THIS ARTICLE.~~

~~(E) “CONTROLLED GROUP” MEANS TWO OR MORE ENTITIES TREATED AS A SINGLE EMPLOYER UNDER:~~

~~(1) § 52(A) OR (B) OF THE INTERNAL REVENUE CODE, WITHOUT REGARD TO § 1563(B)(2)(C) OF THE INTERNAL REVENUE CODE; OR~~

~~(2) § 414(M) OR (O) OF THE INTERNAL REVENUE CODE.~~

~~(F) “COST RECOVERY DEMAND” MEANS A CHARGE ASSERTED AGAINST A RESPONSIBLE PARTY FOR COST RECOVERY PAYMENTS UNDER THE PROGRAM.~~

~~(G) “COVERED GREENHOUSE GAS EMISSIONS” MEANS THE TOTAL QUANTITY OF GREENHOUSE GASES RELEASED INTO THE ATMOSPHERE DURING THE COVERED PERIOD, EXPRESSED IN METRIC TONS OF CARBON DIOXIDE EQUIVALENT, RESULTING FROM THE USE OF FOSSIL FUELS OR PETROLEUM PRODUCTS EXTRACTED, PRODUCED, REFINED, OR SOLD BY AN ENTITY.~~

~~(H) “COVERED PERIOD” MEANS MARCH 21, 1994, THROUGH DECEMBER 31, 2023, BOTH INCLUSIVE.~~

~~(I) (1) “CRUDE OIL” MEANS OIL OR PETROLEUM OF ANY KIND AND IN ANY FORM.~~

~~(2) “CRUDE OIL” INCLUDES:~~

~~(I) BITUMEN;~~

~~(II) OIL SANDS;~~

- ~~(III) HEAVY OIL;~~
- ~~(IV) CONVENTIONAL AND UNCONVENTIONAL OIL;~~
- ~~(V) SHALE OIL;~~
- ~~(VI) NATURAL GAS LIQUIDS;~~
- ~~(VII) CONDENSATES; AND~~
- ~~(VIII) RELATED FOSSIL FUELS.~~

~~(J) "ENTITY" MEANS ANY INDIVIDUAL, TRUSTEE, AGENT, PARTNERSHIP, ASSOCIATION, CORPORATION, COMPANY, MUNICIPAL CORPORATION, POLITICAL SUBDIVISION, OR OTHER PERSON, INCLUDING A FOREIGN NATION, THAT HOLDS OR HELD AN OWNERSHIP INTEREST IN A FOSSIL FUEL BUSINESS DURING THE COVERED PERIOD.~~

~~(K) "FOSSIL FUEL" MEANS COAL, PETROLEUM PRODUCTS, AND FUEL GASES.~~

~~(L) "FOSSIL FUEL BUSINESS" MEANS A BUSINESS ENGAGING IN THE EXTRACTION OF FOSSIL FUELS OR THE REFINING OF PETROLEUM PRODUCTS.~~

~~(M) "FUEL GAS" INCLUDES:~~

- ~~(1) METHANE;~~
- ~~(2) NATURAL GAS;~~
- ~~(3) LIQUEFIED NATURAL GAS; AND~~
- ~~(4) MANUFACTURED FUEL GASES.~~

~~(N) "FUND" MEANS THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND ESTABLISHED UNDER § 2-1705 OF THIS SUBTITLE.~~

~~(O) "GREENHOUSE GAS" HAS THE MEANING STATED IN § 2-1202 OF THIS TITLE.~~

~~(P) "NOTICE OF COST RECOVERY DEMAND" MEANS A WRITTEN COMMUNICATION INFORMING A RESPONSIBLE PARTY OF THE AMOUNT OF THE COST RECOVERY DEMAND PAYABLE TO THE DEPARTMENT UNDER THIS SUBTITLE.~~

~~(Q) “PETROLEUM PRODUCT” MEANS ANY PRODUCT REFINED OR RE-REFINED FROM:~~

~~(1) SYNTHETIC OR CRUDE OIL; OR~~

~~(2) CRUDE OIL EXTRACTED FROM NATURAL GAS LIQUIDS OR OTHER SOURCES.~~

~~(R) “PROGRAM” MEANS THE CLIMATE CHANGE ADAPTATION AND MITIGATION PAYMENT PROGRAM ESTABLISHED UNDER § 2-1703 OF THIS SUBTITLE.~~

~~(S) (1) “QUALIFYING EXPENDITURE” MEANS AN AUTHORIZED PAYMENT FROM THE FUND IN SUPPORT OF A CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT.~~

~~(2) “QUALIFYING EXPENDITURE” INCLUDES, TO THE EXTENT AUTHORIZED IN DEPARTMENT REGULATIONS, A PAYMENT TOWARD THE OPERATION AND MAINTENANCE OF A CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT.~~

~~(T) (1) “RESPONSIBLE PARTY” MEANS AN ENTITY, OR A SUCCESSOR IN INTEREST TO AN ENTITY, THAT:~~

~~(I) DURING ANY PART OF THE COVERED PERIOD, WAS ENGAGED IN THE TRADE OR BUSINESS OF EXTRACTING FOSSIL FUEL OR REFINING CRUDE OIL; AND~~

~~(II) IS DETERMINED BY THE DEPARTMENT TO BE RESPONSIBLE FOR MORE THAN 1,000,000,000 TONS OF COVERED GREENHOUSE GAS EMISSIONS.~~

~~(2) “RESPONSIBLE PARTY” DOES NOT INCLUDE ANY PERSON THAT LACKS SUFFICIENT CONNECTION WITH THE STATE TO SATISFY THE NEXUS REQUIREMENTS OF THE UNITED STATES CONSTITUTION.~~

~~(U) “TOTAL ASSESSED COST OF GREENHOUSE GAS EMISSIONS” MEANS THE TOTAL ASSESSED COST TO THE STATE AND ITS RESIDENTS OF COVERED GREENHOUSE GAS EMISSIONS DURING THE COVERED PERIOD, AS DETERMINED BY THE STATE TREASURER IN ACCORDANCE WITH § 2-1704(c) OF THIS SUBTITLE.~~

~~2-1702.~~

~~(A) THIS SUBTITLE MAY NOT BE CONSTRUED TO:~~



~~(1) RELIEVE THE LIABILITY OF AN ENTITY FOR DAMAGES RESULTING FROM CLIMATE CHANGE, AS PROVIDED BY LAW;~~

~~(2) PREEMPT, DISPLACE, OR RESTRICT ANY RIGHT OR REMEDY OF A PERSON OR UNIT OF STATE OR LOCAL GOVERNMENT UNDER THE LAW RELATING TO A PAST, PRESENT, OR FUTURE ALLEGATION OF:~~

~~(I) DECEPTION CONCERNING THE EFFECTS OF FOSSIL FUELS ON CLIMATE CHANGE;~~

~~(II) DAMAGE OR INJURY RESULTING FROM THE ROLE OF FOSSIL FUELS IN CONTRIBUTING TO CLIMATE CHANGE; OR~~

~~(III) FAILURE TO AVOID DAMAGE OR INJURY RELATING TO CLIMATE CHANGE, INCLUDING CLAIMS FOR:~~

~~1. NUISANCE;~~

~~2. TRESPASS;~~

~~3. DESIGN DEFECT;~~

~~4. NEGLIGENCE;~~

~~5. FAILURE TO WARN;~~

~~6. DECEPTIVE OR UNFAIR PRACTICES; OR~~

~~7. INJUNCTIVE, DECLARATORY, MONETARY, OR OTHER FORM OF RELIEF; OR~~

~~(3) PREEMPT, SUPERSEDE, OR DISPLACE ANY STATE OR LOCAL LAW, REGULATION, POLICY, OR PROGRAM THAT:~~

~~(I) LIMITS, SETS, OR ENFORCES STANDARDS FOR GREENHOUSE GAS EMISSIONS;~~

~~(II) MONITORS, REPORTS, OR KEEPS RECORDS OF GREENHOUSE GAS EMISSIONS;~~

~~(III) COLLECTS REVENUE THROUGH FEES OR TAXES; OR~~

~~(IV) CONDUCTS OR SUPPORTS INVESTIGATIONS.~~

~~(B) (1) EVERY CASE FILED IN A COURT OF THE STATE UNDER STATE LAW MAY NOT BE EXPRESSLY OR IMPLIEDLY PREEMPTED, DISPLACED, MOOTED, OR DISMISSED ON ANY OTHER PRUDENTIAL CONSIDERATION ARISING FROM THIS SUBTITLE.~~

~~(2) TO THE EXTENT THAT ANY ASPECT OF EVERY CASE FILED IN A COURT OF THE STATE IS REVIEWED FOR THE APPLICATION OF THIS SUBTITLE, THE APPLICATION OF THIS SUBTITLE IS SEVERABLE IN EACH OF ITS APPLICATIONS TO EVERY PERSON AND CIRCUMSTANCE.~~

~~2-1703.~~

~~(A) THERE IS A CLIMATE CHANGE ADAPTATION AND MITIGATION PAYMENT PROGRAM IN THE DEPARTMENT.~~

~~(B) THE PURPOSE OF THE PROGRAM IS TO:~~

~~(1) SECURE COMPENSATORY PAYMENTS FROM FOSSIL FUEL BUSINESSES BASED ON A STANDARD OF STRICT LIABILITY IN ORDER TO PROVIDE A SOURCE OF REVENUE FOR STATE EFFORTS TO:~~

~~(I) ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE, INCLUDING THROUGH THE IMPLEMENTATION OF CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS; AND~~

~~(II) ADDRESS THE HEALTH IMPACTS OF CLIMATE CHANGE ON VULNERABLE POPULATIONS;~~

~~(2) DETERMINE THE PROPORTIONAL LIABILITY OF RESPONSIBLE PARTIES IN ACCORDANCE WITH § 2-1704 OF THIS SUBTITLE;~~

~~(3) IMPOSE COST RECOVERY DEMANDS ON RESPONSIBLE PARTIES AND ISSUE NOTICES OF COST RECOVERY DEMANDS;~~

~~(4) ACCEPT AND COLLECT COST RECOVERY PAYMENTS FROM RESPONSIBLE PARTIES;~~

~~(5) IDENTIFY CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS WITHIN THE STATE;~~

~~(6) DISBURSE FUNDS IN ACCORDANCE WITH THIS SUBTITLE; AND~~

~~(7) ENSURE THAT AT LEAST 40% OF THE QUALIFIED EXPENDITURES FROM THE PROGRAM GO TO CLIMATE CHANGE ADAPTIVE OR MITIGATION~~

~~INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFIT COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.~~

~~2-1704.~~

~~(A) THE STATE MAY IMPOSE COST RECOVERY DEMANDS ON A RESPONSIBLE PARTY IF, AT ANY TIME DURING THE COVERED PERIOD, THE RESPONSIBLE PARTY:~~

~~(1) DID BUSINESS IN THE STATE;~~

~~(2) WAS REGISTERED TO DO BUSINESS IN THE STATE;~~

~~(3) WAS APPOINTED AS AN AGENT OF THE STATE; OR~~

~~(4) OTHERWISE HAD SUFFICIENT CONTACTS WITH THE STATE TO GIVE THE STATE JURISDICTION OVER THE RESPONSIBLE PARTY IN ACCORDANCE WITH STATE LAW.~~

~~(B) (1) A RESPONSIBLE PARTY IS STRICTLY LIABLE, WITHOUT REGARD TO FAULT, FOR A SHARE OF THE COSTS OF CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS, INCLUDING OPERATING AND MAINTENANCE COSTS, SUPPORTED BY THE FUND.~~

~~(2) FOR PURPOSES OF THIS SECTION, ENTITIES IN A CONTROLLED GROUP:~~

~~(I) SHALL BE TREATED BY THE DEPARTMENT AS A SINGLE ENTITY FOR THE PURPOSE OF IDENTIFYING RESPONSIBLE PARTIES; AND~~

~~(H) ARE JOINTLY AND SEVERALLY LIABLE FOR PAYMENT OF ANY COST RECOVERY DEMAND OWED BY ANY ENTITY IN THE CONTROLLED GROUP.~~

~~(C) (1) WITH RESPECT TO EACH RESPONSIBLE PARTY, THE COST RECOVERY DEMAND SHALL BE EQUAL TO AN AMOUNT THAT BEARS THE SAME RATIO TO THE TOTAL ASSESSED COST OF GREENHOUSE GAS EMISSIONS AS THE RESPONSIBLE PARTY'S APPLICABLE SHARE OF COVERED GREENHOUSE GAS EMISSIONS BEARS TO THE AGGREGATE APPLICABLE SHARES OF ALL RESPONSIBLE PARTIES' COVERED GREENHOUSE GAS EMISSIONS.~~

~~(2) (I) ON OR BEFORE DECEMBER 1, 2026, THE STATE TREASURER, IN CONSULTATION WITH THE COMPTROLLER, THE DEPARTMENT, AND ANY OTHER ENTITY AS DETERMINED BY THE STATE TREASURER, SHALL REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE, THE SENATE JUDICIAL PROCEEDINGS~~

~~COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE, AND THE HOUSE JUDICIARY COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE TOTAL ASSESSED COST OF GREENHOUSE GAS EMISSIONS.~~

~~(H) THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE:~~

~~1. A SUMMARY OF THE VARIOUS COST DRIVING EFFECTS OF COVERED GREENHOUSE GAS EMISSIONS ON THE STATE, INCLUDING EFFECTS ON PUBLIC HEALTH, NATURAL RESOURCES, BIODIVERSITY, AGRICULTURE, ECONOMIC DEVELOPMENT, FLOOD PREPAREDNESS AND SAFETY, AND HOUSING, AND ANY OTHER EFFECT THAT THE STATE TREASURER, IN CONSULTATION WITH THE COMPTROLLER AND THE DEPARTMENT, DETERMINES TO BE RELEVANT;~~

~~2. A CATEGORIZED CALCULATION OF THE COSTS THAT HAVE BEEN INCURRED AND COSTS THAT ARE PROJECTED TO BE INCURRED BY THE STATE AND ITS RESIDENTS FOR EACH EFFECT IDENTIFIED UNDER ITEM 1 OF THIS SUBPARAGRAPH; AND~~

~~3. A CATEGORIZED CALCULATION OF THE COSTS THAT HAVE BEEN INCURRED AND COSTS THAT ARE PROJECTED TO BE INCURRED BY THE STATE AND ITS RESIDENTS TO MITIGATE THE EFFECTS OF COVERED GREENHOUSE GAS EMISSIONS DURING THE COVERED PERIOD.~~

~~(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A RESPONSIBLE PARTY'S APPLICABLE SHARE OF GREENHOUSE GAS EMISSIONS SHALL BE THE AMOUNT BY WHICH THE COVERED GREENHOUSE GAS EMISSIONS ATTRIBUTABLE TO THE RESPONSIBLE PARTY EXCEEDS 1,000,000,000 METRIC TONS.~~

~~(2) IF A RESPONSIBLE PARTY OWNS A MINORITY INTEREST OF 10% OR MORE IN ANOTHER ENTITY, THE RESPONSIBLE PARTY'S APPLICABLE SHARE OF GREENHOUSE GAS EMISSIONS SHALL BE CALCULATED AS THE APPLICABLE SHARE OF GREENHOUSE GAS EMISSIONS FOR THE ENTITY IN WHICH THE RESPONSIBLE PARTY HOLDS A MINORITY INTEREST, AS CALCULATED UNDER PARAGRAPH (1) OF THIS SUBSECTION, MULTIPLIED BY THE PERCENTAGE OF THE MINORITY INTEREST HELD BY THE RESPONSIBLE PARTY.~~

~~(3) IN DETERMINING THE AMOUNT OF GREENHOUSE GAS EMISSIONS ATTRIBUTABLE TO AN ENTITY, THE DEPARTMENT SHALL ASSUME THAT:~~

~~(i) 942.5 METRIC TONS OF CARBON DIOXIDE EQUIVALENT IS RELEASED FOR EVERY 1,000,000 POUNDS OF COAL ATTRIBUTABLE TO THE ENTITY;~~

~~(II) 432,180 METRIC TONS OF CARBON DIOXIDE EQUIVALENT IS RELEASED FOR EVERY 1,000,000 BARRELS OF CRUDE OIL ATTRIBUTABLE TO THE ENTITY; AND~~

~~(III) 53,440 METRIC TONS OF CARBON DIOXIDE EQUIVALENT IS RELEASED FOR EVERY 1,000,000 CUBIC FEET OF FUEL GASES ATTRIBUTABLE TO THE ENTITY.~~

~~(E) THE DEPARTMENT MAY ADJUST THE COST RECOVERY DEMAND AMOUNT OF A RESPONSIBLE PARTY THAT REFINES PETROLEUM PRODUCTS OR THAT IS A SUCCESSOR IN INTEREST TO AN ENTITY THAT REFINES PETROLEUM PRODUCTS, IF THE RESPONSIBLE PARTY ESTABLISHES TO THE SATISFACTION OF THE DEPARTMENT THAT:~~

~~(1) A PORTION OF THE COST RECOVERY DEMAND AMOUNT WAS ATTRIBUTABLE TO THE REFINING OF CRUDE OIL EXTRACTED BY ANOTHER ENTITY; AND~~

~~(2) THE CRUDE OIL EXTRACTED BY THE OTHER ENTITY WAS ACCOUNTED FOR WHEN THE DEPARTMENT DETERMINED THE COST RECOVERY DEMAND AMOUNT FOR THE OTHER ENTITY OR A SUCCESSOR IN INTEREST OF THE OTHER ENTITY.~~

~~(F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A RESPONSIBLE PARTY SHALL PAY THE COST RECOVERY DEMAND AMOUNT IN FULL ON OR BEFORE OCTOBER 1, 2027.~~

~~(2) (I) A RESPONSIBLE PARTY MAY ELECT TO PAY THE COST RECOVERY DEMAND AMOUNT IN NINE ANNUAL INSTALLMENTS IN ACCORDANCE WITH THIS PARAGRAPH.~~

~~(II) THE FIRST INSTALLMENT SHALL BE PAID ON OR BEFORE OCTOBER 1, 2027, AND SHALL BE EQUAL TO 20% OF THE TOTAL COST RECOVERY DEMAND AMOUNT.~~

~~(III) EACH SUBSEQUENT INSTALLMENT SHALL BE PAID ON OR BEFORE SEPTEMBER 30 EACH SUBSEQUENT YEAR AND SHALL BE EQUAL TO 10% OF THE TOTAL COST RECOVERY DEMAND AMOUNT.~~

~~(IV) 1. THE UNPAID BALANCE OF ALL REMAINING INSTALLMENTS SHALL BECOME DUE IMMEDIATELY IF:~~

~~A. THE RESPONSIBLE PARTY FAILS TO PAY ANY INSTALLMENT IN A TIMELY MANNER, AS SPECIFIED IN DEPARTMENT REGULATIONS;~~

~~B. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THERE IS A LIQUIDATION OR SALE OF SUBSTANTIALLY ALL THE ASSETS OF THE RESPONSIBLE PARTY, INCLUDING IN A BANKRUPTCY PROCEEDING; OR~~

~~C. THE RESPONSIBLE PARTY CEASES TO DO BUSINESS.~~

~~2. IN THE CASE OF A SALE OF SUBSTANTIALLY ALL THE ASSETS OF A RESPONSIBLE PARTY, THE REMAINING INSTALLMENTS SHALL NOT BECOME DUE IMMEDIATELY IF THE BUYER ENTERS INTO AN AGREEMENT WITH THE DEPARTMENT UNDER WHICH THE BUYER ASSUMES LIABILITY FOR THE REMAINING INSTALLMENTS DUE UNDER THIS SUBPARAGRAPH IN THE SAME MANNER AS IF THE BUYER WERE THE RESPONSIBLE PARTY.~~

~~(G) THE DEPARTMENT SHALL DEPOSIT COST RECOVERY PAYMENTS COLLECTED UNDER THIS SECTION TO THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND ESTABLISHED UNDER § 2-1705 OF THIS SUBTITLE.~~

~~(H) A RESPONSIBLE PARTY MAY REQUEST A HEARING UNDER TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE (ADMINISTRATIVE PROCEDURE ACT—CONTESTED CASES) TO CONTEST A COST RECOVERY DEMAND MADE BY THE DEPARTMENT UNDER THIS SECTION.~~

~~(I) (1) THE REMEDIES PROVIDED IN THIS SECTION ARE IN ADDITION TO ANY OTHER REMEDY PROVIDED BY LAW.~~

~~(2) THIS SECTION MAY NOT BE CONSTRUED TO PREVENT A PERSON FROM PURSUING A CIVIL ACTION OR ANY OTHER REMEDY PROVIDED BY LAW.~~

~~2-1705.~~

~~(A) THERE IS A CLIMATE CHANGE ADAPTATION AND MITIGATION FUND.~~

~~(B) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR STATE EFFORTS TO ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE.~~

~~(C) THE DEPARTMENT SHALL ADMINISTER THE FUND.~~

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

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

~~(E) THE FUND CONSISTS OF:~~

~~(1) COST RECOVERY PAYMENTS DISTRIBUTED TO THE FUND UNDER § 2-1704 OF THIS SUBTITLE;~~

~~(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;~~  
~~AND~~

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

~~(F) THE FUND MAY BE USED ONLY:~~

~~(1) TO PAY:~~

~~(i) QUALIFIED EXPENDITURES FOR CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS IDENTIFIED BY THE DEPARTMENT IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER § 2-1707 OF THIS SUBTITLE; AND~~

~~(ii) REASONABLE ADMINISTRATIVE COSTS OF THE PROGRAM;~~

~~(2) TO PROVIDE GRANTS TO LOCAL JURISDICTIONS IN ACCORDANCE WITH § 2-1706 OF THIS SUBTITLE;~~

~~(3) FOR THE DEPARTMENT'S COMPREHENSIVE FLOOD MANAGEMENT GRANT PROGRAM UNDER § 5-803 OF THIS ARTICLE TO IMPLEMENT:~~

~~(i) CAPITAL PROJECTS UNDERTAKEN AS PART OF COMPREHENSIVE FLOOD MANAGEMENT PLANS; AND~~

~~(ii) INFRASTRUCTURE REPAIRS, WATERSHED RESTORATION, AND EMERGENCY PROTECTION WORK ASSOCIATED WITH FLOOD EVENTS; AND~~

~~(4) TO SUPPORT THE FOLLOWING:~~

~~(i) THE STATE DISASTER RECOVERY FUND UNDER § 14-110.5 OF THE PUBLIC SAFETY ARTICLE FOR DISASTER RECOVERY ASSISTANCE;~~

~~(ii) THE MARYLAND DEPARTMENT OF HEALTH'S OFFICE OF MINORITY HEALTH AND HEALTH DISPARITIES IN ADDRESSING THE HEALTH IMPACTS OF CLIMATE CHANGE ON MINORITY ADULTS, CHILDREN, AND INFANTS;~~

~~(III) THE MARYLAND DEPARTMENT OF HEALTH'S COMMUNITY HEALTH RESOURCES COMMISSION FOR THE HEALTH EQUITY RESOURCE COMMUNITIES PROGRAM;~~

~~(IV) THE MARYLAND DEPARTMENT OF HEALTH'S MEDICAID ADMINISTRATION TO USE FOR THE STATE MEDICAID PROGRAM;~~

~~(V) THE DEPARTMENT OF NATURAL RESOURCES TO INCORPORATE CLIMATE AND EQUITY PROVISIONS IN LOCAL CRITICAL AREA PROGRAM GRANTS;~~

~~(VI) THE GREAT MARYLAND OUTDOORS FUND UNDER § 5-222 OF THE NATURAL RESOURCES ARTICLE TO SUPPORT CLIMATE EDUCATION AND ADAPTATION ON PARK LANDS;~~

~~(VII) THE WHOLE WATERSHED FUND UNDER § 8-2B-03 OF THE NATURAL RESOURCES ARTICLE TO SUPPORT WATERSHED AND COMMUNITY RESILIENCE;~~

~~(VIII) THE DEPARTMENT OF NATURAL RESOURCES IN MANAGING FLOODING THROUGH THE IMPLEMENTATION OF STREAM RESTORATION AND NATURAL FILTRATION PROJECTS;~~

~~(IX) THE DEPARTMENT OF NATURAL RESOURCES IN PROVIDING PLANNING GRANTS TO LOCAL GOVERNMENTS TO PREPARE FOR EXTREME FLOODING;~~

~~(X) THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE FOR:~~

~~1. ENERGY EFFICIENCY PROGRAMS BENEFITTING LOW INCOME AND MODERATE INCOME HOUSEHOLDS; AND~~

~~2. OTHER CLEAN ENERGY INVESTMENTS;~~

~~(XI) THE RESILIENCY HUB GRANT PROGRAM FUND UNDER § 9-2015 OF THE STATE GOVERNMENT ARTICLE IN DEVELOPING RESILIENCY HUBS SERVING LOW INCOME AND MODERATE INCOME HOUSEHOLDS;~~

~~(XII) THE MARYLAND DEPARTMENT OF EMERGENCY MANAGEMENT IN SUPPLEMENTING PRE-DISASTER MITIGATION FUNDING PROVIDED UNDER THE FEDERAL BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES (BRIC) GRANT PROGRAM;~~



~~(XIII) THE RESILIENT MARYLAND REVOLVING LOAN FUND UNDER § 14-110.4 OF THE PUBLIC SAFETY ARTICLE;~~

~~(XIV) THE CLIMATE CATALYTIC CAPITAL FUND UNDER § 10-855 OF THE ECONOMIC DEVELOPMENT ARTICLE;~~

~~(XV) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IN PROVIDING GRANTS AND LOANS UNDER THE MARYLAND WHOLEHOME PROGRAM;~~

~~(XVI) THE MARYLAND ENERGY ADMINISTRATION IN PROVIDING FINANCIAL ASSISTANCE TO LOW-INCOME AND MODERATE-INCOME HOUSEHOLDS TO TRANSITION THEIR HOMES OFF FOSSIL FUELS;~~

~~(XVII) THE ENERGY STORAGE SYSTEM GRANT FUND UNDER § 9-2012 OF THE STATE GOVERNMENT ARTICLE;~~

~~(XVIII) THE DEPARTMENT OF COMMERCE IN ATTRACTING CLEANTECH AND RENEWABLE ENERGY BUSINESSES TO THE STATE;~~

~~(XIX) THE DEPARTMENT'S DAM SAFETY PROGRAM UNDER TITLE 5, SUBTITLE 5 OF THIS ARTICLE;~~

~~(XX) THE DEPARTMENT IN SUPPLEMENTING FUNDING FOR THE COMMISSION ON ENVIRONMENTAL JUSTICE AND SUSTAINABLE COMMUNITIES UNDER TITLE 1, SUBTITLE 7 OF THIS ARTICLE;~~

~~(XXI) THE DEPARTMENT OF TRANSPORTATION FOR THE STATEWIDE TRANSIT INNOVATION GRANT PROGRAM;~~

~~(XXII) THE ZERO-EMISSION VEHICLE SCHOOL BUS TRANSITION FUND UNDER § 2-1504 OF THIS TITLE;~~

~~(XXIII) THE MARYLAND ENERGY ADMINISTRATION FOR THE MEDIUM-DUTY AND HEAVY-DUTY ZERO-EMISSION VEHICLE GRANT PROGRAM UNDER § 9-2011 OF THE STATE GOVERNMENT ARTICLE;~~

~~(XXIV) THE MARYLAND ENERGY ADMINISTRATION FOR THE ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM UNDER § 9-2009 OF THE STATE GOVERNMENT ARTICLE;~~

~~(XXV) THE DEPARTMENT OF TRANSPORTATION FOR THE KIM LAMPHIER BIKEWAYS NETWORK PROGRAM UNDER § 2-608 OF THE TRANSPORTATION ARTICLE;~~

~~(xxvi) THE TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT AND REVOLVING LOAN FUND UNDER TITLE 7, SUBTITLE 12 OF THE TRANSPORTATION ARTICLE;~~

~~(xxvii) THE DEPARTMENT IN HIRING ADDITIONAL STAFF IN THE DEPARTMENT TO WORK ON INITIATIVES TO PROTECT OVERBURDENED AND UNDERSERVED COMMUNITIES, AS DEFINED IN § 1-701 OF THIS ARTICLE, FROM THE EFFECTS OF CLIMATE CHANGE THROUGH IMPROVEMENTS TO PERMITTING PROCESSES, COMMUNITY OUTREACH EFFORTS, AND OTHER INITIATIVES;~~

~~(xxviii) THE DEPARTMENT IN HIRING ADDITIONAL STAFF TO SUPPORT THE DEPARTMENT'S CLIMATE CHANGE PROGRAM;~~

~~(xxix) THE PUBLIC SERVICE COMMISSION IN HIRING ADDITIONAL STAFF TO SUPPORT IMPLEMENTATION OF THE EMPOWER MARYLAND PROGRAM; AND~~

~~(xxx) THE MARYLAND DEPARTMENT OF EMERGENCY MANAGEMENT IN HIRING ENGINEERING STAFF FOR THE OFFICE OF RESILIENCY TO WORK ON FLOOD-RELATED ISSUES.~~

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

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

~~(h) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.~~

~~(i) FOR EACH FISCAL YEAR, AT LEAST 40% OF FUNDING PROVIDED UNDER THE FUND SHALL BE USED FOR PROJECTS THAT DIRECTLY BENEFIT COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.~~

~~2-1706.~~

~~(a) THE DEPARTMENT SHALL ESTABLISH AND ADMINISTER A GRANT PROGRAM FOR THE DISTRIBUTION OF FUNDS RECEIVED UNDER § 2-1705(F)(2) OF THIS SUBTITLE TO LOCAL JURISDICTIONS FOR THE PURPOSE OF ASSISTING LOCAL EFFORTS TO ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE.~~

~~(b) THE DEPARTMENT SHALL ESTABLISH:~~

- ~~(1) APPLICATION PROCEDURES FOR THE GRANT PROGRAM;~~
- ~~(2) CRITERIA FOR PRIORITIZING APPLICATIONS UNDER THE GRANT PROGRAM;~~
- ~~(3) PROCEDURES FOR AWARDING GRANTS UNDER THE GRANT PROGRAM; AND~~
- ~~(4) ANY OTHER PROCEDURES OR CRITERIA NECESSARY TO CARRY OUT THIS SECTION.~~

~~2-1707.~~

~~(A) ON OR BEFORE OCTOBER 1, 2026, THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO CARRY OUT THE PROGRAM.~~

~~(B) THE REGULATIONS SHALL INCLUDE:~~

~~(1) METHODOLOGIES USING THE BEST AVAILABLE SCIENCE TO IDENTIFY RESPONSIBLE PARTIES AND DETERMINE RESPONSIBLE PARTIES' APPLICABLE SHARES OF GREENHOUSE GAS EMISSIONS;~~

~~(2) RULES RELATING TO:~~

~~(i) REGISTERING ENTITIES DETERMINED TO BE RESPONSIBLE PARTIES UNDER THE PROGRAM;~~

~~(ii) ISSUING NOTICES OF COST RECOVERY DEMANDS THAT SHALL INCLUDE:~~

- ~~1. THE COST RECOVERY DEMAND AMOUNT;~~
- ~~2. THE TIME AND MANNER IN WHICH COST RECOVERY PAYMENTS MUST BE MADE;~~
- ~~3. THE CONSEQUENCES OF NONPAYMENT OR LATE PAYMENT; AND~~
- ~~4. INFORMATION REGARDING THE RIGHT TO REQUEST A CONTESTED CASE HEARING; AND~~

~~(iii) ACCEPTING PAYMENTS FROM, PURSUING COLLECTION EFFORTS AGAINST, AND NEGOTIATING SETTLEMENT AGREEMENTS WITH RESPONSIBLE PARTIES; AND~~

~~(3) SUBJECT TO SUBSECTION (C) OF THIS SECTION, PROCEDURES FOR IDENTIFYING CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS ELIGIBLE TO RECEIVE QUALIFYING EXPENDITURES FROM THE FUND.~~

~~(C) (1) THE DEPARTMENT MAY BY REGULATION PROVIDE FOR CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS TO BE IDENTIFIED FOR FUNDING THROUGH:~~

~~(I) LEGISLATIVE BUDGET APPROPRIATIONS;~~

~~(II) THE ISSUANCE OF REQUESTS FOR PROPOSALS FROM LOCAL GOVERNMENTS, NONPROFIT ORGANIZATIONS, OR COMMUNITY GROUPS; OR~~

~~(III) ANY OTHER METHOD THE DEPARTMENT DEEMS APPROPRIATE.~~

~~(2) THE DEPARTMENT SHALL ENSURE THAT AT LEAST 40% OF THE QUALIFIED EXPENDITURES FROM THE PROGRAM GO TO CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFIT COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.~~

~~2-1708.~~

~~(A) ON OR BEFORE OCTOBER 1, 2028, AND EACH OCTOBER 1 THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:~~

~~(1) THE COST RECOVERY PAYMENTS RECEIVED AND THE FUNDING DISBURSED FROM THE FUND DURING THE PRECEDING FISCAL YEAR;~~

~~(2) THE STATUS OF CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS FUNDED UNDER THE PROGRAM;~~

~~(3) THE PERCENTAGE OF QUALIFIED EXPENDITURES MADE DURING THE PRECEDING FISCAL YEAR THAT FUNDED CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFITED COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS; AND~~

~~(4) THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING THE PURPOSES OF THIS SUBTITLE.~~

~~(B) (1) THE LEGISLATIVE AUDITOR MAY CONDUCT POST AUDITS OF A FISCAL AND COMPLIANCE NATURE OF THE FUND AND OF THE APPROPRIATIONS AND EXPENDITURES MADE FOR THE PURPOSES OF THIS SUBTITLE.~~

~~(2) THE COST OF THE FISCAL PORTION OF AN AUDIT SHALL BE PAID FROM THE FUND AS AN ADMINISTRATIVE COST.~~

#### ~~Article—Natural Resources~~

##### ~~§ 222.~~

~~(a) In this section, “Fund” means the Great Maryland Outdoors Fund.~~

~~(b) There is a Great Maryland Outdoors Fund in the Department.~~

~~(f) The Fund consists of:~~

~~(1) Money appropriated in the State budget to the Fund in accordance with subsection (j) of this section;~~

~~(2) Interest earnings of the Fund; [and]~~

~~(3) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE; AND~~

~~(4) Any other money from any other source accepted for the benefit of the Fund.~~

##### ~~§ 2B-03.~~

~~(a) There is a Whole Watershed Fund.~~

~~(c) The Fund consists of:~~

~~(1) Revenue distributed to the Fund from:~~

~~(i) The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund established under § 8-2A-02 of this title;~~

~~(ii) The Bay Restoration Fund established under § 9-1605.2 of the Environment Article;~~

~~(iii) The Clean Water Commerce Account established under § 9-1605.4 of the Environment Article;~~

~~(iv) The Maryland Agricultural Land Preservation Fund established under § 2-505 of the Agriculture Article;~~

~~(v) The cost-sharing program established under § 8-702 of the Agriculture Article; and~~

~~(vi) The Waterway Improvement Fund established under § 8-707 of this title;~~

~~(2) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE;~~

~~(3) Money appropriated in the State budget to the Fund;~~

~~[(3)] (4) Interest earnings; and~~

~~[(4)] (5) Any other money from any other source accepted for the benefit of the Fund.~~

#### ~~Article – Public Safety~~

~~14-110.4.~~

~~(b) There is a Resilient Maryland Revolving Loan Fund.~~

~~(h) The Fund consists of:~~

~~(1) money appropriated in the State budget to the Fund;~~

~~(2) investment and interest earnings of the Fund;~~

~~(3) repayments of principal and interest from loans made from the Fund;~~

~~(4) money received from the Federal Emergency Management Agency; and~~

~~(5) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE; AND~~

~~(6) any other money from any other source accepted for the benefit of the Fund.~~

~~14-110.5.~~

~~(b) There is a State Disaster Recovery Fund.~~

~~(f) (1) The Governor may include in the annual budget bill an appropriation to the Fund.~~

~~(2) The Fund [shall consist] **CONSISTS** of:~~

~~(i) money appropriated in the State budget to the Fund;~~

~~(ii) repayments of principal and interest from loans made from the Fund;~~

~~(iii) reimbursements from the federal government or other legal entities for disaster recovery assistance expenditures made from the Fund;~~

~~(iv) **FUNDS RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE;**~~

~~(v) interest earnings of the Fund; and~~

~~[(v)] (VI) any other money from any other source accepted for the benefit of the Fund.~~

#### ~~Article State Government~~

~~§ 2012.~~

~~(b) There is an Energy Storage System Grant Program in the Administration.~~

~~(i) (1) There is an Energy Storage System Grant Fund.~~

~~(4) The Fund consists of:~~

~~(i) money appropriated in the State budget to the Fund; [and]~~

~~(ii) **MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE; AND**~~

~~(III) any other money from any other source accepted for the benefit of the Fund.~~

~~§ 2015.~~

~~(b) There is a Resiliency Hub Grant Program Fund.~~

~~(f) The Fund consists of:~~

~~(1) grant funding obtained under subsection (k) of this section;~~

~~(2) funds distributed to the Fund under § 9-20B-05 of this title and §§ 2-110.1 and 13-201 of the Public Utilities Article;~~

~~(3) money appropriated in the State budget to the Fund;~~

~~(4) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE;~~

~~(5) interest earnings; and~~

~~[(5)] (6) any other money from any other source accepted for the benefit of the Fund.~~

~~9-20B-05.~~

~~(a) There is a Maryland Strategic Energy Investment Fund.~~

~~(c) The Fund consists of:~~

~~(1) all of the proceeds from the sale of allowances under § 2-1002(g) of the Environment Article;~~

~~(2) money appropriated in the State budget to the Program;~~

~~(3) repayments and prepayments of principal and interest on loans made from the Fund;~~

~~(4) interest and investment earnings on the Fund;~~

~~(5) compliance fees paid under § 7-705 of the Public Utilities Article;~~

~~(6) money received from any public or private source for the benefit of the Fund;~~

~~(7) money transferred from the Public Service Commission under § 7-207.2(c)(3) of the Public Utilities Article; [and]~~

~~(8) money distributed under § 2-614.1 of the Tax General Article; AND~~



~~(9) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE.~~

~~(1-2) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE SHALL BE ACCOUNTED FOR SEPARATELY WITHIN THE FUND AND MAY BE USED FOR:~~

~~(1) ENERGY EFFICIENCY PROGRAMS BENEFITING LOW INCOME AND MODERATE INCOME HOUSEHOLDS; AND~~

~~(2) OTHER CLEAN ENERGY INVESTMENTS.~~

### ~~Article Transportation~~

~~7-1202.~~

~~(a) There is a Transit Oriented Development Capital Grant and Revolving Loan Fund.~~

~~7-1203.~~

~~(a) The purpose of the Fund is to promote the equitable and inclusive development of transit-oriented developments throughout the State.~~

~~(c) (1) The Fund consists of:~~

~~(i) Money appropriated in the State budget to the Fund;~~

~~(ii) Money made available for qualifying uses by the Fund from other governmental sources, including eligible federal funding and the Transportation Trust Fund;~~

~~(iii) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE;~~

~~(IV) Ground rents or land sale proceeds in accordance with § 10-306(c)(2) of the State Finance and Procurement Article;~~

~~[(iv)] (v) Payments of principal of and interest on loans made under this title;~~

~~[(v)] (VI) Investment earnings of the Fund; and~~

~~[(vi)] (VII) Any other money from any other source, public or private, accepted for the benefit of the Fund.~~

~~(2) Contributions to the Fund under paragraph [(1)(iii)] (1)(IV) of this subsection shall:~~

~~(i) Be separately accounted for in the Fund; and~~

~~(ii) Be used only for the benefit of transit-oriented developments in the same county where the real property subject to the ground rent or land sale is located.~~

(a) (1) The University of Maryland Center for Global Sustainability Comptroller, in coordination with the Comptroller Department of Commerce, and the Department of the Environment, shall conduct a study to assess the total cost of greenhouse gas emissions in the State.

(2) The Comptroller may hire a consultant to conduct the study.

~~(2) On or before November 1, 2026, the University of Maryland Center for Global Sustainability shall report to the Comptroller and the Department of the Environment on the findings of the study required under paragraph (1) of this subsection.~~

(b) On or before December 1, 2026, the Comptroller, the Department of Commerce, and the Department of the Environment shall report to the Senate Budget and Taxation Committee, the Senate Committee on Education, Energy, and the Environment, the Senate Judicial Proceedings Committee, the House Appropriations Committee, the House Environment and Transportation Committee, and the House Judiciary Committee, in accordance with § 2-1257 of the State Government Article, on the total assessed cost of greenhouse gas emissions in the State based on the findings of the study conducted by the University of Maryland Center for Global Sustainability under subsection (a) of this section.

(c) The report required under subsection (b) of this section shall include:

(1) a summary of the various cost-driving effects of covered greenhouse gas emissions on the State, including effects on public health, natural resources, biodiversity, agriculture, economic development, flood preparedness and safety, and housing, and any other effect that the Comptroller and the Department of the Environment determine to be relevant;

(2) a categorized calculation of the costs that have been incurred and costs that are projected to be incurred by the State and its residents for each effect identified under item (1) of this subsection; and

(3) a categorized calculation of the costs that have been incurred and costs that are projected to be incurred by the State and its residents to mitigate adapt to the effects of covered greenhouse gas emissions during the covered period; and

(4) an economic analysis to determine whether there would be a cost passed on to taxpayers as a result of requiring each fossil fuel company that has a sufficient nexus to the State and emitted more than 1,000,000,000 tons of greenhouse gas emissions globally between 1995 and 2024 to compensate the State for climate change.

~~(d) On or before July 1, 2026, the Department of the Environment shall provide a status report, including preliminary findings, to the Senate Budget and Taxation Committee, the Senate Committee on Education, Energy, and the Environment, the Senate Judicial Proceedings Committee, the House Appropriations Committee, the House Environment and Transportation Committee, and the House Judiciary Committee, in accordance with § 2-1257 of the State Government Article.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 56 and Senate Bill 177 – *Procurement – State Department of Education – Local Food Purchasing Program*, House Bill 333 and Senate Bill 691 – *Healthcare Ecosystem Stakeholder Cybersecurity Workgroup*, and House Bill 384 and Senate Bill 157 – *Maryland Disability Service Animal Program – Established*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We

face a real and present danger from a White House that continues to attack our economy with reckless abandon. In a time of profound uncertainty, we must use our limited funds to prioritize policies that protect our people from the ravages of Washington; anything that fails to meet that high bar must wait for another time.

Our budget challenges also highlight the need for the State and its agencies to focus on their core missions. The state's fiscal outlook has not improved since these bills were passed. At a time where we have jointly made difficult decisions about cuts to vital services, any additional spending which is tangential to those core missions should receive close scrutiny. Collectively, these three bills would have required three agencies to work together to establish a new statewide food procurement system at the same time the federal government is pulling back on food purchasing assistance for local school systems, established a large workgroup on cybersecurity threats that is outside the expertise of the workgroup members and responsible agency, and created an underfunded program that would only be able to serve a small subgroup of agency target populations.

I recognize these bills all have positive intentions. But while there are positive aspects of the legislation, each bill directs state agencies to expand the scope of their missions to establish new programs and workgroups that they have not previously administered. Each bill requires subject matter expertise not currently on staff and I have real concerns that adequate funding will not be available to effectively establish and implement each of these new programs.

One of the first objectives I outlined for my administration was to focus on rebuilding state government and increasing state agency capacity to drive efficient, transformative results for Marylanders. I thank you and the General Assembly for partnership in this work. As we operate under this current fiscal climate, we must carefully prioritize our limited funds. In this environment, adding new responsibilities for state agencies that are tangential to their core missions makes little sense.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed House Bill 56, Senate Bill 177, House Bill 333, Senate Bill 691, House Bill 384 and Senate Bill 157.

Sincerely,

Wes Moore  
Governor

### **Senate Bill 157**

AN ACT concerning

**Maryland Disability Service Animal Program – Established**

FOR the purpose of establishing the Maryland Disability Service Animal Program in the Department of Disabilities; requiring the Department to select a nonprofit training entity for participation in the Program; establishing the Maryland Disability Service Animal Program Fund as a special, nonlapsing fund; and generally relating to the Maryland Disability Service Animal Program.

BY repealing and reenacting, with amendments,  
Article – Human Services  
Section 7–114  
Annotated Code of Maryland  
(2019 Replacement Volume and 2024 Supplement)

BY adding to  
Article – Human Services  
Section 7–1201 through 7–1206 to be under the new subtitle “Subtitle 12. Maryland Disability Service Animal Program”  
Annotated Code of Maryland  
(2019 Replacement Volume and 2024 Supplement)

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

### **Article – Human Services**

7–114.

(a) (1) The Department is the principal unit of State government responsible for developing, maintaining, revising, and enforcing statewide disability policies and standards throughout the units of State government.

(2) In this capacity, the Department shall:

(i) serve as the principal advisor to the Governor on the means and methods available to:

1. implement and fund support to individuals with disabilities in accordance with the State Disabilities Plan;

2. modify or consolidate support to individuals with disabilities; and

3. collaborate with federal, regional, and local units of government to enhance the effectiveness of the provision and funding of support to individuals with disabilities;

(ii) annually recommend projects to the Department of Budget and Management for inclusion in the capital budget to promote access to State-owned facilities for individuals with disabilities;

(iii) assist units of State government to identify federal, State, local, and private funds available to the State for programs and services for individuals with disabilities; and

(iv) provide technical assistance to local jurisdictions in planning and implementing collaborative strategies consistent with the State Disabilities Plan.

(b) The Department shall oversee and administer the following programs and units:

(1) constituent services and ombudsmen programs;

(2) the Assistive Technology Guaranteed Loan Program under Subtitle 6 of this title;

(3) the Office of Personal Assistance Services, including the Attendant Care Program under Subtitle 4 of this title;

(4) Telecommunications Access of Maryland under Subtitle 8 of this title; [and]

(5) Telecommunications Devices and Distribution of Accessible Information for Disabled Individuals under Subtitle 9 of this title; AND

**(6) THE MARYLAND DISABILITY SERVICE ANIMAL PROGRAM UNDER SUBTITLE 12 OF THIS TITLE.**

#### **SUBTITLE 12. MARYLAND DISABILITY SERVICE ANIMAL PROGRAM.**

**7-1201.**

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) “DEPARTMENT” MEANS THE DEPARTMENT OF DISABILITIES.**

**(C) “ELIGIBLE INDIVIDUAL” MEANS ~~AN INDIVIDUAL~~ A RESIDENT OF THE STATE WITH A DISABILITY, AS DEFINED IN THE FEDERAL AMERICANS WITH DISABILITIES ACT OF 1990, 42 U.S.C. § 12102.**

**(D) “FUND” MEANS THE MARYLAND DISABILITY SERVICE ANIMAL PROGRAM FUND.**

(E) “NONPROFIT TRAINING ENTITY” MEANS A CORPORATION, A FOUNDATION, OR ANY OTHER LEGAL ENTITY THAT:

(1) IS TAX-EXEMPT UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

(2) ENGAGES IN THE TRAINING OF SERVICE ANIMALS FOR USE BY ELIGIBLE INDIVIDUALS; AND

(3) HAS BEEN SELECTED BY THE DEPARTMENT TO PROVIDE SERVICES UNDER THIS SUBTITLE.

(F) “PROGRAM” MEANS THE MARYLAND DISABILITY SERVICE ANIMAL PROGRAM ESTABLISHED UNDER THIS SUBTITLE.

(G) “PROGRAM PARTICIPANT” MEANS AN ELIGIBLE INDIVIDUAL WHO PARTICIPATES IN THE PROGRAM.

(H) (1) “SERVICE ANIMAL” MEANS AN ANIMAL THAT IS INDIVIDUALLY TRAINED TO DO WORK OR PERFORM TASKS FOR THE BENEFIT OF AN INDIVIDUAL WITH A DISABILITY.

(2) “SERVICE ANIMAL” DOES NOT INCLUDE AN ANIMAL THAT:

(I) AS A RESULT OF THE ANIMAL’S PRESENCE, IS MEANT TO DETER CRIME; OR

(II) PROVIDES ONLY EMOTIONAL SUPPORT, WELL-BEING, COMFORT, OR COMPANIONSHIP TO AN INDIVIDUAL.

(I) “SUCCESSFUL PROGRAM PARTICIPANT” MEANS A PROGRAM PARTICIPANT WHO SUCCESSFULLY COMPLETES THE TRAINING PROTOCOL SPECIFIED BY A NONPROFIT TRAINING ENTITY.

7-1202.

THERE IS A MARYLAND DISABILITY SERVICE ANIMAL PROGRAM IN THE DEPARTMENT.

7-1203.

THE PURPOSES OF THE PROGRAM ARE TO:

~~(1) REFER ELIGIBLE INDIVIDUALS WHO INQUIRE ABOUT PARTICIPATION IN THE PROGRAM TO~~ SELECT ONE OR MORE NONPROFIT TRAINING ENTITIES TO PARTICIPATE IN THE PROGRAM; AND

(2) PROVIDE ADDITIONAL FUNDING MECHANISMS TO ASSIST ELIGIBLE INDIVIDUALS IN THE PROGRAM; ~~AND~~

~~(3) ENCOURAGE SUCCESSFUL PROGRAM PARTICIPANTS TO ASSIST IN OUTREACH AND REFERRALS TO OTHER ELIGIBLE INDIVIDUALS WHO COULD BENEFIT FROM PARTICIPATION IN THE PROGRAM.~~

7-1204.

THE DEPARTMENT SHALL:

(1) ~~MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;~~

(2) ADOPT REGULATIONS TO IMPLEMENT THE PROGRAM ~~AND TO ENSURE THAT FUND RESOURCES ARE UTILIZED TO CARRY OUT THE PURPOSES OF THE PROGRAM,~~ INCLUDING REGULATIONS ESTABLISHING PROCEDURES FOR THE DEPARTMENT TO:

(I) ~~PROMOTE THE PROGRAM TO ELIGIBLE INDIVIDUALS THROUGH THE DEPARTMENT'S OUTREACH METHODS;~~

~~(II) REFER ELIGIBLE INDIVIDUALS TO SELECTED NONPROFIT TRAINING ENTITIES;~~

~~(III)~~ RECEIVE DONATIONS FOR THE FUND; AND

~~(IV)~~ (II) USE REVENUE FROM THE FUND TO PAY SELECTED NONPROFIT TRAINING ENTITIES FOR SERVICES THAT ARE PROVIDED THROUGH THE PROGRAM; AND

(3) SELECT AT LEAST ONE NONPROFIT TRAINING ENTITY TO:

(I) DEVELOP AND IMPLEMENT A TRAINING PROTOCOL THAT WILL TEACH EACH PROGRAM PARTICIPANT METHODOLOGIES, STRATEGIES, AND TECHNIQUES FOR PARTNERING WITH SERVICE ANIMALS;

(II) SELECT QUALIFIED PROGRAM PARTICIPANTS ~~FROM THOSE ELIGIBLE INDIVIDUALS REFERRED TO THE NONPROFIT TRAINING ENTITY UNDER THE PROGRAM;~~



**(III) SELECT AN APPROPRIATE SERVICE ANIMAL FOR EACH PROGRAM PARTICIPANT;**

**(IV) FACILITATE EACH PROGRAM PARTICIPANT'S TRAINING USING THE NONPROFIT TRAINING ENTITY'S TRAINING PROTOCOL; AND**

**(V) PARTNER EACH SUCCESSFUL PROGRAM PARTICIPANT WITH THE SERVICE ANIMAL ON THE PROGRAM PARTICIPANT'S SUCCESSFUL COMPLETION OF THE NONPROFIT TRAINING ENTITY'S TRAINING PROTOCOL.**

**7-1205.**

**(A) TO BE ELIGIBLE FOR SELECTION AS A NONPROFIT TRAINING ENTITY UNDER § 7-1204 OF THIS SUBTITLE, A NONPROFIT TRAINING ENTITY SHALL:**

**(1) SERVE THE NEEDS OF ELIGIBLE INDIVIDUALS IN THE STATE; AND**

**(2) GENERATE ITS OWN REVENUE AND REINVEST THE PROCEEDS OF THAT REVENUE IN THE GROWTH AND DEVELOPMENT OF ITS PROGRAMS.**

**(B) A NONPROFIT TRAINING ENTITY MAY DISQUALIFY A PROGRAM PARTICIPANT FROM PARTICIPATION IN THE PROGRAM IF THE NONPROFIT TRAINING ENTITY DETERMINES THAT THE PROGRAM PARTICIPANT'S INVOLVEMENT IN THE PROGRAM:**

**(1) PRESENTS A DANGER TO THE PROGRAM PARTICIPANT'S MENTAL OR PHYSICAL WELL-BEING;**

**(2) PRESENTS A DIRECT THREAT TO OTHERS, AS DEFINED BY THE FEDERAL AMERICANS WITH DISABILITIES ACT;**

**(3) PRESENTS A DIRECT THREAT TO THE SERVICE ANIMAL'S MENTAL OR PHYSICAL WELL-BEING; OR**

**(4) DOES NOT MEET THE TRAINING REQUIREMENTS OF THE NONPROFIT.**

**(C) A PROGRAM PARTICIPANT MAY DISCONTINUE INVOLVEMENT IN THE PROGRAM FOR ANY REASON.**

**7-1206.**

**(A) THERE IS A MARYLAND DISABILITY SERVICE ANIMAL PROGRAM FUND.**

(B) THE PURPOSE OF THE FUND IS TO:

- (1) PAY A NONPROFIT TRAINING ENTITY; AND
- (2) COVER THE COSTS OF ADMINISTERING THE PROGRAM.

(C) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

(E) (1) THE FUND CONSISTS OF:

(I) REVENUE COLLECTED BY THE DEPARTMENT IN THE FORM OF DONATIONS TO THE PROGRAM;

(II) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

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

(2) FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$25,000 TO THE FUND.

~~(2)~~ (3) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

~~(3)~~ (4) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE PROGRAM.

(F) THE FUND MAY BE USED ONLY TO PAY:

- (1) A NONPROFIT TRAINING ENTITY; AND
- (2) ADMINISTRATIVE COSTS OF THE PROGRAM.

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

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(H) FOR THE PURPOSE OF IMPLEMENTING THIS SECTION, THE DEPARTMENT MAY ACCEPT GIFTS OR GRANTS FOR DONATION TO THE FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That ~~this Act shall take effect October 1, 2025.~~

(a) This Act is contingent on the Department of Disabilities certifying that the Department has sufficient staff to administer the Maryland Disability Service Animal Program under Title 7, Subtitle 12 of the Human Services Article, as enacted by Section 1 of this Act.

(b) On or before October 1, 2026, the Department of Disabilities shall notify the Department of Legislative Services whether the Department has certified that the Department has sufficient staff to administer the Maryland Disability Service Animal Program.

(c) (1) If the Department of Legislative Services receives notification that the Department of Disabilities has sufficient staff to administer the Maryland Disability Service Animal Program on or before October 1, 2026, this Act shall take effect on the date the notice is received by the Department of Legislative Services in accordance with subsection (b) of this section.

(2) If the Department of Legislative Services receives notice that the Department of Disabilities lacks sufficient staff to administer the Maryland Disability Service Animal Program on or before October 1, 2026, this Act, with no further action required by the General Assembly, shall be null and void.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

Pursuant to Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 168 – *Confined Aquatic Disposal Construction Moratorium*, House Bill 628 – *Highways – Sidewalks and Bicycle Pathways – Construction and Reconstruction*, and House Bill 1116 – *Public Safety – State Clearinghouse for Missing Persons*.

I am proud of working together to pass a balanced budget that addresses a projected structural deficit in the backdrop of alarming federal uncertainty; however, because of this context, I find it necessary to veto these bills as unnecessary and duplicative.

While I share the General Assembly’s commitment to environmental stewardship and community engagement, Senate Bill 168 is premature and unnecessary. The Maryland Port Administration (MPA) is currently facilitating a comprehensive evaluation of Confined Aquatic Disposal (CAD) through the Dredged Material Management Program. This program includes a diverse CAD Subcommittee under the Bay Enhancement Working Group that is assessing the technical, environmental, and socio-economic aspects of CAD, with a final report expected in 2025. Given the state’s current budget constraints, the MPA has no plans to expand dredged material capacity beyond existing projects; therefore, Senate Bill 168 is not needed to maintain conservation efforts to protect the Chesapeake Bay and support our environmental justice communities.

The intent to improve pedestrian and cyclist infrastructure is critical, and I commend the General Assembly’s continued effort to address this. However, House Bill 628 introduces unnecessary redundancy and ambiguity into the existing authority of the State Highway Administration (SHA) to prioritize sidewalk improvement projects based on improving safety or increasing pedestrian access. Through the Pedestrian Safety Action Plan, SHA uses a data-driven, safety-focused approach to prioritize sidewalk construction and reconstruction. My administration has been implementing context-driven planning and design throughout state roadway projects that prioritize the safety of vulnerable road users. As written, House Bill 628 is duplicative and potentially impedes SHA’s ability to effectively manage and prioritize the safety of other asset classes.

Public safety remains our administration’s top priority, but House Bill 1116 is not needed to continue this focus. House Bill 1116 is merely technical and renames the State Clearinghouse for Missing Children, operated by the Maryland State Police (MSP). It changes nothing with regard to the duties and responsibilities related to the Clearinghouse. It does add a new requirement to study to determine whether MSP is able report information about missing persons to the National Missing and Unidentified Persons System. I will direct MSP to assess its capacity in reporting on missing persons in Maryland to the National Missing and Unidentified Persons System without the legislation or name change. My administration looks forward to partnering with the General Assembly to prioritize public safety.

As we face unprecedented challenges with the budget and unpredictable federal front, we must focus and direct agencies’ efforts and resources towards our immediate and urgent needs.

For these reasons, I have vetoed Senate Bill 168, House Bill 628, and House Bill 1116.

Sincerely,

Wes Moore  
Governor

**Senate Bill 168**

AN ACT concerning

**Environmental Justice in Confined Aquatic Disposal Act**  
**Confined Aquatic Disposal Cells – Construction – Moratorium**

FOR the purpose of prohibiting the Department of the Environment from processing or making any recommendation on a certain application submitted for the purpose of constructing a confined aquatic disposal cell ~~within a certain distance of a residential overburdened community~~ during a certain time period; prohibiting the Board of Public Works from approving a certain application submitted for the purpose of constructing a confined aquatic disposal cell ~~within a certain distance of a residential overburdened community~~ during a certain time period; and generally relating to confined aquatic disposal cells.

~~BY repealing and reenacting, without amendments,  
Article – Environment  
Section 1–701(a)(7)  
Annotated Code of Maryland  
(2013 Replacement Volume and 2024 Supplement)~~

BY repealing and reenacting, with amendments,  
Article – Environment  
Section 5–1101(a) and 5–1102  
Annotated Code of Maryland  
(2013 Replacement Volume and 2024 Supplement)

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

**Article – Environment**

~~1–701.~~

~~(a) (7) “Overburdened community” means any census tract for which three or more of the following environmental health indicators are above the 75th percentile statewide:~~

~~(i) Particulate matter (PM) 2.5;~~

- ~~(ii) Ozone;~~
- ~~(iii) National Air Toxics Assessment (NATA) diesel PM;~~
- ~~(iv) NATA cancer risk;~~
- ~~(v) NATA respiratory hazard index;~~
- ~~(vi) Traffic proximity;~~
- ~~(vii) Lead paint indicator;~~
- ~~(viii) National Priorities List Superfund site proximity;~~
- ~~(ix) Risk Management Plan facility proximity;~~
- ~~(x) Hazardous waste proximity;~~
- ~~(xi) Wastewater discharge indicator;~~
- ~~(xii) Proximity to a Concentrated Animal Feeding Operation (CAFO);~~
- ~~(xiii) Percent of the population lacking broadband coverage;~~
- ~~(xiv) Asthma emergency room discharges;~~
- ~~(xv) Myocardial infarction discharges;~~
- ~~(xvi) Low birth weight infants;~~
- ~~(xvii) Proximity to emitting power plants;~~
- ~~(xviii) Proximity to a Toxic Release Inventory (TRI) facility;~~
- ~~(xix) Proximity to a brownfields site;~~
- ~~(xx) Proximity to mining operations; and~~
- ~~(xxi) Proximity to a hazardous waste landfill.~~

5–1101.

(a) In this subtitle the following words have the meanings indicated.

(1) “Baltimore County tributary dredged material” means earth, rock, soil, waste matter, muck, or other materials excavated or dredged from an approved dredging project in any of the Baltimore County tributaries of the Chesapeake Bay.

(2) “Baltimore Harbor” means the waterway which consists of the tidal portions of Patapsco River and its tributaries lying westward of a line extending from Rock Point in Anne Arundel County to North Point in Baltimore County.

(3) “Beneficial use of dredged material” means any of the following uses of dredged material from the Chesapeake Bay and its tributary waters placed into waters or onto bottomland of the Chesapeake Bay or its tidal tributaries, including Baltimore Harbor:

- (i) The restoration of underwater grasses;
- (ii) The restoration of islands;
- (iii) The stabilization of eroding shorelines;
- (iv) The creation or restoration of wetlands; and
- (v) The creation, restoration, or enhancement of fish or shellfish habitats.

**(4) “CONFINED AQUATIC DISPOSAL CELL” MEANS ~~AN UNDERWATER CONTAINMENT STRUCTURE THAT STORES CONTAMINATED SEDIMENTS IN A DEPRESSION IN THE BOTTOM OF A BODY OF WATER~~ A DREDGED MATERIAL MANAGEMENT OPTION WHERE A DEPRESSION OR CELL IS EXCAVATED INTO THE BOTTOM OF A BODY OF WATER, ANY SAND EXCAVATED IS REUSED IN A BENEFICIAL MANNER, AND THE DEPRESSION OR CELL IS FILLED IN WITH DREDGED MATERIALS, INCLUDING DREDGED MATERIALS FROM BALTIMORE HARBOR.**

**[(4)] (5)** “Deep trough” means any region that:

- (i) Is south of the Chesapeake Bay Bridge and north of a line extending westerly from Bloody Point; and
- (ii) Has a depth that exceeds 60 feet.

**[(5)] (6)** “Dredged material” means earth, sand, silt, sediment, shell, rock, soil, waste matter, or other material excavated or dredged from the Chesapeake Bay and its tributary waters.

**[(6)] (7)** “Innovative reuse” includes the use of dredged material in the development or manufacturing of commercial, industrial, horticultural, agricultural, or other products.

**~~(8) “OVERBURDENED COMMUNITY” HAS THE MEANING STATED IN § 1-701 OF THIS ARTICLE.~~**

~~[(7)]~~ ~~(9)~~ (8) “Redeposit” means to dump, scatter, pour, or otherwise deposit dredged material.

~~[(8)]~~ ~~(10)~~ (9) (i) “Sewage sludge” means the accumulated semiliquid suspension of settled solids, or dried residue of these solids, that is deposited from sewage in wastewater treatment plant tanks or basins.

(ii) “Sewage sludge” includes raw untreated sewage disposed from the Back River Sewage Treatment Plant.

5–1102.

(a) **(1) [A] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,** A person may not redeposit in an unconfined manner dredged material from Baltimore Harbor into or onto any portion of the water or bottomland of the Chesapeake Bay or of the tidewater portions of any of the Chesapeake Bay’s tributaries outside of Baltimore Harbor.

**(2)** [However, the] **THE** dredged material may be redeposited in contained areas approved by the Department.

(b) A person may not redeposit in an unconfined manner Baltimore County tributary dredged material into or onto any portion of the water or bottomland of the Chesapeake Bay or of the tidewater portions of any of the Chesapeake Bay’s tributaries within 5 miles of the Hart–Miller–Pleasure Island chain in Baltimore County.

(c) **(1)** Except as provided in subsection (d) of this section **AND SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,** a person may not redeposit in an unconfined manner dredged material into or onto any portion of the water or bottomland of the Chesapeake Bay or of the tidewater portion of any of the Chesapeake Bay’s tributaries except when used for a beneficial use project undertaken in accordance with State and federal laws.

**(2)** [However, the] **THE** dredged material may be redeposited in contained areas approved by the Department.

(d) **(1)** Beginning October 1, 2001, subject to paragraph (2) of this subsection, and in accordance with State and federal law, a person may redeposit up to 7.4 million cubic yards of dredged material into or onto any portion of the water, bottomland, or the tidewater portions of the Chesapeake Bay collectively known as Pooles Island, including G–West and Site 92.

**(2)** The redeposit of dredged material authorized under this subsection may not occur after the sooner of:

(i) December 31, 2010; or



(ii) The initiation of the placement of dredged material in any site or sites approved pursuant to the process established in § 5–1104.2(d)(1) of this subtitle if the total capacity of the approved site or sites, when combined with the approved capacity of existing placement sites identified in the October 1, 2000 report to the Maryland General Assembly regarding the Governor’s Strategic Plan for Dredged Material Management, provide 20 years of placement capacity for dredged material.

(e) A person may not dump, deposit, scatter, or release sewage sludge by any means, including discharge from a sewer or pipe, into or onto any portion of the water or bottomland of the Chesapeake Bay or of the tidewater portions of any of the Chesapeake Bay’s tributaries within 5 miles of the Hart–Miller–Pleasure Island chain in Baltimore County.

(f) A person may not redeposit dredged material or other material excavated or dredged from the Chesapeake Bay or its tidal tributaries into or onto the area of the bottomlands or waters of the Chesapeake Bay known as the deep trough.

**(G) (1) THE DEPARTMENT MAY NOT PROCESS OR MAKE ANY RECOMMENDATION TO THE BOARD OF PUBLIC WORKS REGARDING AN APPLICATION FOR THE ALTERATION OF ANY TIDAL WETLAND OR WATERS OF THE STATE SUBMITTED FOR THE PURPOSE OF CONSTRUCTING A CONFINED AQUATIC DISPOSAL CELL ~~WITHIN 5 MILES OF A RESIDENTIAL OVERBURDENED COMMUNITY~~ FROM JUNE 1, 2025, THROUGH MAY 31, 2029, BOTH INCLUSIVE.**

**(2) THE BOARD OF PUBLIC WORKS MAY NOT APPROVE AN APPLICATION FOR THE ALTERATION OF ANY TIDAL WETLAND OR WATERS OF THE STATE SUBMITTED FOR THE PURPOSE OF CONSTRUCTING A CONFINED AQUATIC DISPOSAL CELL ~~WITHIN 5 MILES OF A RESIDENTIAL OVERBURDENED COMMUNITY~~ FROM JUNE 1, 2025, THROUGH MAY 31, 2029, BOTH INCLUSIVE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2025. It shall remain effective for a period of 4 years and, at the end of May 31, 2029, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H–107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones

Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 56 and Senate Bill 177 – *Procurement – State Department of Education – Local Food Purchasing Program*, House Bill 333 and Senate Bill 691 – *Healthcare Ecosystem Stakeholder Cybersecurity Workgroup*, and House Bill 384 and Senate Bill 157 – *Maryland Disability Service Animal Program – Established*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In a time of profound uncertainty, we must use our limited funds to prioritize policies that protect our people from the ravages of Washington; anything that fails to meet that high bar must wait for another time.

Our budget challenges also highlight the need for the State and its agencies to focus on their core missions. The state's fiscal outlook has not improved since these bills were passed. At a time where we have jointly made difficult decisions about cuts to vital services, any additional spending which is tangential to those core missions should receive close scrutiny. Collectively, these three bills would have required three agencies to work together to establish a new statewide food procurement system at the same time the federal government is pulling back on food purchasing assistance for local school systems, established a large workgroup on cybersecurity threats that is outside the expertise of the workgroup members and responsible agency, and created an underfunded program that would only be able to serve a small subgroup of agency target populations.

I recognize these bills all have positive intentions. But while there are positive aspects of the legislation, each bill directs state agencies to expand the scope of their missions to establish new programs and workgroups that they have not previously administered. Each bill requires subject matter expertise not currently on staff and I have real concerns that adequate funding will not be available to effectively establish and implement each of these new programs.

One of the first objectives I outlined for my administration was to focus on rebuilding state government and increasing state agency capacity to drive efficient, transformative results for Marylanders. I thank you and the General Assembly for partnership in this work. As we operate under this current fiscal climate, we must carefully prioritize our limited funds.

In this environment, adding new responsibilities for state agencies that are tangential to their core missions makes little sense.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed House Bill 56, Senate Bill 177, House Bill 333, Senate Bill 691, House Bill 384 and Senate Bill 157.

Sincerely,

Wes Moore  
Governor

### Senate Bill 177

AN ACT concerning

#### **Procurement – State Department of Education – ~~Control Authority~~ – Local Food Purchasing Program**

FOR the purpose of ~~authorizing~~ requiring the State Department of Education ~~to engage in or control procurements of certain local food; altering the list of units exempt from the authority of the Board of Public Works to control procurement to include the Department for the purpose of master contracting; altering the list of units that are defined as designated procurement units to include the Department with respect to master contracts related to local food,~~ in coordination with the Department of General Services and the Department of Agriculture, to establish a program to procure certain local food for local school systems from certain providers under certain circumstances; altering a certain percentage price preference adopted by the Board of Public Works by regulation; requiring the Board to adopt certain regulations relating to limiting responses for certain procurements; and generally relating to the State Department of Education and State procurement.

BY adding to

Article – Education  
Section 7–136  
Annotated Code of Maryland  
(2022 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement  
Section ~~12–101(a), 12–107(b)(4) and (5), 13–101(b), and 13–113(a)~~ 12–107(b)(2)(ix), 14–407, and 14–702  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)

~~BY adding to~~

~~Article – State Finance and Procurement  
Section 12-107(b)(6)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)~~

BY repealing and reenacting, without amendments,  
Article – State Finance and Procurement  
Section ~~13-101(a) and (c) and~~ 14-701(a) through (d)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)

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

### Article – Education

7-136.

(A) ~~(1) IN ACCORDANCE WITH § 12-107(B) OF THE STATE FINANCE AND  
PROCUREMENT ARTICLE, THE DEPARTMENT, WITHOUT THE APPROVAL OF ANY  
OTHER PRIMARY PROCUREMENT UNIT, MAY THE DEPARTMENT SHALL ESTABLISH A  
PROGRAM, WHEN FUNDING IS AVAILABLE, TO ENGAGE IN OR CONTROL  
PROCUREMENT OF LOCAL FOOD FOR LOCAL SCHOOL SYSTEMS.‡~~

~~(1) FOOD GROWN WITHIN A 200-MILE RADIUS FROM AN ELEMENTARY  
OR SECONDARY SCHOOL FOR WHICH A LOCAL SCHOOL SYSTEM ENTERS INTO A  
MASTER CONTRACT WITH THE DEPARTMENT;~~

~~(2) FOOD GROWN AT A CERTIFIED LOCAL FARM UNDER § 14-701 OF  
THE STATE FINANCE AND PROCUREMENT ARTICLE; AND~~

~~(3) CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDED BY A  
CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDER AS DEFINED IN § 14-701 OF  
THE STATE FINANCE AND PROCUREMENT ARTICLE~~

(2) THE PROGRAM SHALL PROCURE PRODUCTS THAT ARE:

(I) FOODS GROWN AT A CERTIFIED LOCAL FARM, AS DEFINED  
IN § 14-701 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

(II) CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDED BY  
A CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDER, AS DEFINED IN § 14-701  
OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

(III) FOODS GROWN WITHIN A 250-MILE RADIUS FROM AN ELEMENTARY OR SECONDARY SCHOOL IN THE STATE.

(3) THE PROGRAM SHALL GIVE PREFERENCE TO PROVIDERS QUALIFYING UNDER PARAGRAPH (2)(I) AND (II) OF THIS SUBSECTION.

(B) THE DEPARTMENT SHALL COORDINATE WITH THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF GENERAL SERVICES, AND ANY OTHER RELEVANT UNIT OF STATE GOVERNMENT TO ESTABLISH THE PROGRAM, INCLUDING A CENTRALIZED PLATFORM TO ENCOURAGE THE PARTICIPATION OF FARMERS AND DISTRIBUTORS IN PROCUREMENT OPPORTUNITIES IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

(C) SUBJECT TO § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 1 EACH YEAR ON THE TOTAL NUMBER AND DOLLAR VALUE OF ~~MASTER CONTRACTS IN ACCORDANCE WITH THIS SECTION WITH:~~

~~(1) LOCAL SCHOOL SYSTEMS;~~

~~(2) CERTIFIED LOCAL FARMS; AND~~

~~(3) CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDERS~~  
PROCUREMENT CONTRACTS FOR LOCAL FOOD AT LOCAL SCHOOLS, INCLUDING THE  
NUMBER OF THESE CONTRACTS THAT ARE WITH CERTIFIED LOCAL FARMS OR  
CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDERS.

#### Article – State Finance and Procurement

~~12-101.~~

~~(a) This section does not apply to:~~

~~(1) capital expenditures by the Department of Transportation or the Maryland Transportation Authority, in connection with State roads, bridges, or highways, as provided in § 12-202 of this title; [or]~~

~~(2) procurements by the Department of General Services for the purpose of modernizing cybersecurity infrastructure for the State valued below \$1,000,000; OR~~

~~(3) PROCUREMENTS BY THE STATE DEPARTMENT OF EDUCATION FOR THE PURPOSE OF MASTER CONTRACTING AS DEFINED IN § 13-101 OF THIS ARTICLE.~~

12-107.

(b) Subject to the authority of the Board, jurisdiction over procurement is as follows:

(2) the Department of General Services may:

(ix) coordinate with governmental entities and local entities to maximize use of intergovernmental purchasing agreements established in accordance with § 13–110 of this article, INCLUDING WORKING WITH THE STATE DEPARTMENT OF EDUCATION TO PROCURE LOCAL FOOD FOR LOCAL SCHOOL SYSTEMS IN ACCORDANCE WITH § 7–136 OF THE EDUCATION ARTICLE;

~~(4) the Maryland Port Commission, without the approval of any of the other primary procurement units, may engage in the procurement of:~~

~~(i) supplies for port related activities, including motor vehicles and information processing supplies, but excluding:~~

~~1. supplies funded by the proceeds from State general obligation bonds; and~~

~~2. insurance;~~

~~(ii) services for port related activities, including information processing services, but excluding banking and financial services under the authority of the State Treasurer under item (1) of this subsection;~~

~~(iii) construction and construction related services for a port facility as defined in § 6–101(c) of the Transportation Article;~~

~~(iv) port related architectural and engineering services under Title 13, Subtitle 3 of this article; and~~

~~(v) leases of real property for port related activities unless the lease payments are from the General Fund of the State; [and]~~

~~(5) the Department of General Services, without the approval of any other primary procurement unit, may engage in or control procurement of:~~

~~(i) information processing equipment, cloud computing equipment, and associated services, as provided in Title 3.5, Subtitle 3 of this article;~~

~~(ii) information technology system modernization, as provided in Title 3.5, Subtitle 3 of this article;~~

~~(iii) telecommunication equipment, systems, or services, as provided in Title 3.5, Subtitle 4 of this article; and~~

~~(iv) cybersecurity upgrades and modernization, as provided in Title 3.5, Subtitle 3 of this article; AND~~

~~(6) THE STATE DEPARTMENT OF EDUCATION, WITHOUT THE APPROVAL OF ANY OTHER PRIMARY PROCUREMENT UNIT, MAY ENGAGE IN OR CONTROL PROCUREMENT OF:~~

~~(I) FOOD GROWN WITHIN A 200-MILE RADIUS FROM AN ELEMENTARY OR SECONDARY SCHOOL FOR WHICH A LOCAL SCHOOL SYSTEM ENTERS INTO A MASTER CONTRACT WITH THE STATE DEPARTMENT OF EDUCATION;~~

~~(II) FOOD GROWN AT A CERTIFIED LOCAL FARM UNDER § 14-701 OF THIS ARTICLE; AND~~

~~(III) CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDED BY A CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDER AS DEFINED IN § 14-701 OF THIS ARTICLE.~~

~~13-101.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(b) "Designated procurement unit" means:~~

~~(1) the Department of General Services;~~

~~(2) the Department of Transportation; [or]~~

~~(3) the Department of Information Technology, only with respect to an information technology master contract executed before July 1, 2022, until the earlier of:~~

~~(i) the expiration date of all information technology master contracts; or~~

~~(ii) June 30, 2027; OR~~

~~(4) THE STATE DEPARTMENT OF EDUCATION, ONLY WITH RESPECT TO A MASTER CONTRACT RELATED TO LOCAL FOOD.~~

~~(e) "Master contracting" means a streamlined procurement method that provides for the qualification of bidders and offerors for the procurement of services, supplies, or commodities.~~

~~13-113.~~

~~(a) (1) The designated procurement units may adopt master contracting, a streamlined procurement method, to provide for the qualification of an offeror in one or more categories of services, supplies, or commodities.~~

~~(2) NOTWITHSTANDING ANY REQUIREMENTS OF A LOCAL SCHOOL SYSTEM, THE STATE DEPARTMENT OF EDUCATION MAY NOT REQUIRE CERTIFICATION FOR GOOD AGRICULTURAL PRACTICES FOR MASTER CONTRACTING.~~

14-407.

(a) (1) In this section the following words have the meanings indicated.

(2) “Locally grown food” means food grown [in the State] AT A CERTIFIED LOCAL FARM DEFINED IN § 14-701 OF THIS TITLE.

(3) “Percentage price preference” means the percent by which a responsive bid from a responsible bidder whose product is a locally grown food may exceed the lowest responsive bid submitted by a responsible bidder whose product is not a locally grown food.

(b) (1) The Board shall adopt regulations that require State schools and facilities to establish a percentage price preference, not to exceed [5%] 10%, for the purchase of locally grown food.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, THE BOARD SHALL ADOPT REGULATIONS AUTHORIZING STATE SCHOOLS AND FACILITIES TO CONDUCT AN INDIVIDUAL PROCUREMENT THAT IS LIMITED TO RESPONSES FROM CERTIFIED LOCAL FARMS AS DEFINED IN § 14-701 OF THIS TITLE.

(c) A percentage price preference under this section may not be used in conjunction with any other percentage price preference established under this title.

(d) Each State school and facility shall review the procurement specifications currently used and, to the extent practicable, require the use of a percentage price preference in their purchase of locally grown food.

(e) (1) Except as provided in paragraph (2) of this subsection, this section is broadly applicable to all procurements by State schools and facilities if the locally grown food is consistent with the requirements of the bid specification.

(2) Only to the extent necessary to prevent the denial of federal money or eliminate the inconsistency with federal law, this section does not apply to a procurement by a State school or facility if it is determined that compliance with this section would:

(i) cause denial of federal money; or

(ii) be inconsistent with the requirements of federal law.



14–701.

(a) In this subtitle the following words have the meanings indicated.

(b) “Certified Chesapeake invasive species” means a finfish species that is:

(1) ranked as high priority in the Maryland Aquatic Nuisance Species Management Plan; and

(2) harvested from the Chesapeake Bay or its tributaries.

(c) “Certified Chesapeake invasive species provider” means a person licensed and authorized as a seafood dealer under § 4–701 of the Natural Resources Article that:

(1) is certified by the Department in accordance with regulations adopted under this subtitle; and

(2) can demonstrate that the person’s product is a certified Chesapeake invasive species.

(d) “Certified local farm” means a local farm enterprise that:

(1) meets the nutrient management requirements established under Title 8, Subtitle 8 of the Agriculture Article; and

(2) is certified by the Department in accordance with regulations adopted under this subtitle.

14–702.

(a) (1) There is an Office for the Certified Local Farm and Fish Program in the Department.

(2) The purpose of the Office is to administer the Program and facilitate the participation of certified local farms and certified Chesapeake invasive species providers in the Program.

(b) (1) There is a Certified Local Farm and Fish Program in the Office.

(2) The purpose of the Program is to encourage each unit to try to achieve an overall percentage goal of 20% of the unit’s total dollar value of procurement contracts for food from certified local farms and certified Chesapeake invasive species providers.

(c) The Department shall create two positions to provide staff for the Office.

**(D) THE DEPARTMENT, ALONG WITH THE DEPARTMENT OF GENERAL SERVICES, SHALL COORDINATE WITH THE STATE DEPARTMENT OF EDUCATION TO PROCURE LOCAL FOOD FOR LOCAL SCHOOL SYSTEMS IN ACCORDANCE WITH § 7-136 OF THE EDUCATION ARTICLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 193 and Senate Bill 219 – *Uninsured Employers’ Fund – Assessments and Special Monitor*, and Senate Bill 227 – *Workers’ Compensation – Payment From Uninsured Employers’ Fund – Revisions*.

The Uninsured Employers’ Fund (UEF) is responsible for paying workers' compensation awards to claimants who failed to receive payments from their employers who did not have workers’ compensation insurance as required by State law. The Fund derives its revenue from a two-percent assessment on awards against and settlements with employers or insurers.

House Bill 193 and Senate Bill 219, introduced by the UEF would have given UEF’s Board the authority to raise assessments on awards an additional 1% if required to maintain the Fund’s solvency. About 86% of the UEF’s revenues come from the assessment on workers’s compensations awards. The Fund also collects revenues from benefit payments owed by uninsured employers, penalties from sanctions on uninsured employers, and interest earned on the fund balance. According to a *2024 Joint Chairman Report of the Workers’ Compensation Commission (WCC) Addressing the Long-Term Solvency of the UEF*<sup>1</sup>, this reform, if adopted, would allow for a total assessment of 3%, which translates into a 50% increase in the assessment on law-abiding businesses with workers’ compensation insurance and a \$4 million increase in UEF’s annual revenues.

Understandably, the 1% increase on assessment received pushback from key stakeholders, so UEF supported a .5% increase in the assessment, which translates into a 25% increase in the assessment on law-abiding businesses with workers' compensation insurance and a \$2 million increase in UEF's annual revenues. By the end of legislative session, a bill that was originally intended to increase an assessment on awards was amended to also require the WCC to designate a special monitor to assess the financial condition of UEF, and the UEF to allocate \$100,000 to provide funding for the special monitor.

In 1983, the Maryland General Assembly created the UEF as an independent agency, separating its function from the WCC due to potential conflicts of interest. A 2021 *Joint Chair Report Review of Workers' Compensation Agency Structure* stated, 'To have the WCC oversee any aspect of either, or both agencies (UEF or SIF), would create the clear appearance of impropriety.'<sup>2</sup> The UEF has a board that is responsible for overseeing the Fund. Requiring WCC to designate a special monitor to assess the financial condition of UEF goes directly against the Maryland General Assembly's previous actions and suggestions by reports. I believe that Senate Bill 695 – *Labor and Employment – Uninsured Employers' Fund Board – Membership and Reserves*, sponsored by Senator Beidle that I signed on May 6, 2025 addresses the oversight concerns that the amendments to House Bill 193 and Senate Bill 219 try to meet by expanding the number of members from three to five and requiring the board to establish reserves to meet potential losses of the fund.

Senate Bill 227 was originally introduced as a Departmental bill that would allow the UEF to pay injured workers with greater efficiency by removing unnecessary hurdles and requirements that hamper the payment process. It also would have expedited the payment of awards. Currently awards can be made within 60 days, this legislation would have lowered the timeline to 30 days.

As amended, Senate Bill 227 included numerous constructive reforms that expedite the payment process. It removed the requirement that the WCC notify an employer when the employer is in default, as well as the subsequent payment requirement and/or objection process. Instead, the amendment requires that an uninsured employer be given notice of a claim before action is taken against the uninsured employer. It also allows a covered employee or dependents of a covered employee to apply for payment from UEF if the employer is in default and the employee or dependents have demanded payment from the employer at least 15 days before the date of application.

Unfortunately, the amended legislation removes a safeguard against double payments which states that if the UEF pays an award to a covered employee or the dependent of a covered employee that is also paid by the employer, the UEF is entitled to reimbursement of the distributed funds. The amended language allows the WCC to order an offset or credit against an award for permanent partial disability benefits for any benefits paid by UEF that were also paid by the employer.

UEF cases can reach amounts in the hundreds of thousands. The UEF is currently addressing solvency issues, and introducing circumstances where a double payment is credited against future pay outs by an employer rather than allowing the UEF to seek reimbursement place the UEF in a financial position they may never recover from.

The solvency of the UEF and promptly paying awards to injured workers is a shared goal of the UEF and the Maryland General Assembly. The time and effort invested in House Bill 193 and Senate Bill 219 and Senate Bill 227 highlight the needs for reforms that make the UEF processes and procedures. I look forward to appointing members to the revamped UEF board, greater collaboration and an improved working relationship with the WCC, and implementation of meaningful reforms in partnership with the Maryland General Assembly.

Sincerely,

Wes Moore  
Governor

1 Workers Compensation Commission. Page 5. 2024. JCR Report 2024\_ p10-11\_Workgroup on the UEF - Report of the Workers' Compensation Commission (WCC) Addressing the Long-Term Solvency of the UEF. [https://dlslibrary.state.md.us/publications/JCR/2024/2024\\_10-11\(WCC\).pdf](https://dlslibrary.state.md.us/publications/JCR/2024/2024_10-11(WCC).pdf)

2 Uninsured Employers' Fund. Page 9. 2021 Joint Chair Report Review of Workers' Compensation Agency Structure [https://dlslibrary.state.md.us/publications/JCR/2021/2021\\_248-249\(WCC\).pdf](https://dlslibrary.state.md.us/publications/JCR/2021/2021_248-249(WCC).pdf)

## Senate Bill 219

AN ACT concerning

### **Uninsured Employers' Fund – ~~Additional Assessment on Awards and Settlements – Amount~~ Assessments and Special Monitor**

FOR the purpose of altering the circumstances under which the Uninsured Employers' Fund must collect or suspend a certain assessment; altering the additional percentage the Uninsured Employers' Fund Board may direct the Workers' Compensation Commission to assess on awards and settlements if the Board determines that the reserves of the Fund are inadequate to meet anticipated losses; requiring the Workers' Compensation Commission to designate a certain special monitor for certain purposes; and generally relating to the Uninsured Employers' Fund.

BY repealing and reenacting, with amendments,  
Article – Labor and Employment  
Section 9–1007 and 9–1011  
Annotated Code of Maryland  
(2016 Replacement Volume and 2024 Supplement)

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

### **Article – Labor and Employment**

9-1007.

(a) (1) Except as provided in subsection (b) of this section, the Commission shall impose against an employer or, if insured, its insurer an assessment equal to 1% of:

(i) each award against the employer for permanent disability or death, including awards for disfigurement or mutilation; and

(ii) except as provided in paragraph (2) of this subsection, each amount payable by the employer or its insurer under a settlement agreement approved by the Commission.

(2) The amount of medical benefits specified in a formal set-aside allocation that is part of an approved settlement agreement shall be excluded from the assessment imposed by the Commission under paragraph (1)(ii) of this subsection if:

(i) 1. the amount of medical benefits is in excess of \$50,000; and

2. the payment of medical benefits by the employer or its insurer is directly to an authorized insurer that provides periodic payments to the covered employee pursuant to a single premium annuity; or

(ii) 1. the amount of medical benefits is in any amount; and

2. the payment of medical benefits by the employer or its insurer is to an independent third-party administrator that controls and pays the medical services in accordance with the formal set-aside allocation, provided there is no reversionary interest to the covered employee or the covered employee's beneficiaries.

(3) (i) Notwithstanding any other provision of law, if the employer is a corporation the assets of which are not sufficient to satisfy an assessment, any officer of the corporation who has responsibility for the general management of the corporation in the State is jointly and severally liable for the assessment if the corporate officer knowingly failed to secure workers' compensation insurance.

(ii) Notwithstanding any other provision of law, if the employer is a limited liability company the assets of which are not sufficient to satisfy an assessment, any member of the limited liability company who has responsibility for the general management of the limited liability company in the State is jointly and severally liable for the assessment if a member of the limited liability company who has general management responsibility knowingly failed to secure workers' compensation insurance.

(b) Notwithstanding the limit on the balance of the Fund under § 9-1011 of this subtitle, if the Board determines that the reserves of the Fund are inadequate to meet anticipated losses, the Board may direct the Commission to assess **UP TO** an additional [1%] ~~2%~~ 1.5% under subsection (a) of this section.

(c) Any fractional dollar of payment under this section shall be rounded off to the nearest whole dollar.

(d) The Commission shall direct payment of an assessment under subsection (a) or (b) of this section into the Fund.

(e) Payments under this section are in addition to the payment of compensation to a covered employee or the dependents of a covered employee under this title.

9–1011.

(a) (1) When the amount of the Fund equals at least ~~[\$5,000,000]~~ **\$10,000,000**, the payment of assessments by employers and insurers is suspended.

(2) The Director shall notify each self-insured employer and insurer of the suspension of the payment of assessments under paragraph (1) of this subsection.

(b) (1) Payment of assessments shall be resumed if:

(i) the amount of the Fund becomes less than ~~[\$3,000,000]~~ **\$8,000,000** because of payments made under § 9–1002 of this subtitle or other payments; or

(ii) the Director determines that payments that are likely to be made from the Fund in the next 3 months will reduce the amount of the Fund to less than ~~[\$3,000,000]~~ **\$8,000,000**.

(2) When payment of assessments is to be resumed under paragraph (1) of this subsection, the Director shall notify each self-insured employer and insurer that payment of assessments is to:

(i) resume on a specified date; and

(ii) continue until the amount of the Fund becomes at least ~~[\$5,000,000]~~ **\$10,000,000**.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Workers' Compensation Commission shall designate a special monitor to assess the financial condition of the Uninsured Employers' Fund, including the reserve setting and third-party administrator practices of the Fund.

(b) The special monitor shall monitor the financial condition of the Fund for a period of up to 1 year, with the duties of the special monitor ending on or before June 30, 2026, unless an earlier date is agreed on by the Fund and the Commission.

(c) The special monitor shall submit to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1257 of the State Government Article:

(1) on or before December 1, 2025, an interim report regarding the financial condition of the Uninsured Employers' Fund and any recommendations for legislative or regulatory changes necessary to improve the condition of the Fund; and

(2) on or before June 1, 2026, a final report regarding the financial condition of the Uninsured Employers' Fund and any recommendations for legislative or regulatory changes necessary to improve the condition of the Fund.

(d) The Fund shall reimburse the monitor at a rate commensurate with the rate the Commission pays to retired judges to hear cases before the Commission.

(e) The Fund shall allocate \$100,000 to provide funding for the special monitor.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025. Section 2 of this Act shall remain effective for a period of 1 year and, at the end of June 30, 2026, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 193 and Senate Bill 219 – *Uninsured Employers' Fund – Assessments and Special Monitor*, and Senate Bill 227 – *Workers' Compensation – Payment From Uninsured Employers' Fund – Revisions*.

The Uninsured Employers' Fund (UEF) is responsible for paying workers' compensation awards to claimants who failed to receive payments from their employers who did not have workers' compensation insurance as required by State law. The Fund derives its revenue

from a two-percent assessment on awards against and settlements with employers or insurers.

House Bill 193 and Senate Bill 219, introduced by the UEF would have given UEF's Board the authority to raise assessments on awards an additional 1% if required to maintain the Fund's solvency. About 86% of the UEF's revenues come from the assessment on workers's compensations awards. The Fund also collects revenues from benefit payments owed by uninsured employers, penalties from sanctions on uninsured employers, and interest earned on the fund balance. According to a *2024 Joint Chairman Report of the Workers' Compensation Commission (WCC) Addressing the Long-Term Solvency of the UEF*<sup>1</sup>, this reform, if adopted, would allow for a total assessment of 3%, which translates into a 50% increase in the assessment on law-abiding businesses with workers' compensation insurance and a \$4 million increase in UEF's annual revenues.

Understandably, the 1% increase on assessment received pushback from key stakeholders, so UEF supported a .5% increase in the assessment, which translates into a 25% increase in the assessment on law-abiding businesses with workers' compensation insurance and a \$2 million increase in UEF's annual revenues. By the end of legislative session, a bill that was originally intended to increase an assessment on awards was amended to also require the WCC to designate a special monitor to assess the financial condition of UEF, and the UEF to allocate \$100,000 to provide funding for the special monitor.

In 1983, the Maryland General Assembly created the UEF as an independent agency, separating its function from the WCC due to potential conflicts of interest. A 2021 *Joint Chair Report Review of Workers' Compensation Agency Structure* stated, "To have the WCC oversee any aspect of either, or both agencies (UEF or SIF), would create the clear appearance of impropriety."<sup>2</sup> The UEF has a board that is responsible for overseeing the Fund. Requiring WCC to designate a special monitor to assess the financial condition of UEF goes directly against the Maryland General Assembly's previous actions and suggestions by reports. I believe that Senate Bill 695 – *Labor and Employment – Uninsured Employers' Fund Board – Membership and Reserves*, sponsored by Senator Beidle that I signed on May 6, 2025 addresses the oversight concerns that the amendments to House Bill 193 and Senate Bill 219 try to meet by expanding the number of members from three to five and requiring the board to establish reserves to meet potential losses of the fund.

Senate Bill 227 was originally introduced as a Departmental bill that would allow the UEF to pay injured workers with greater efficiency by removing unnecessary hurdles and requirements that hamper the payment process. It also would have expedited the payment of awards. Currently awards can be made within 60 days, this legislation would have lowered the timeline to 30 days.

As amended, Senate Bill 227 included numerous constructive reforms that expedite the payment process. It removed the requirement that the WCC notify an employer when the employer is in default, as well as the subsequent payment requirement and/or objection process. Instead, the amendment requires that an uninsured employer be given notice of a claim before action is taken against the uninsured employer. It also allows a covered employee or dependents of a covered employee to apply for payment from UEF if the



employer is in default and the employee or dependents have demanded payment from the employer at least 15 days before the date of application.

Unfortunately, the amended legislation removes a safeguard against double payments which states that if the UEF pays an award to a covered employee or the dependent of a covered employee that is also paid by the employer, the UEF is entitled to reimbursement of the distributed funds. The amended language allows the WCC to order an offset or credit against an award for permanent partial disability benefits for any benefits paid by UEF that were also paid by the employer.

UEF cases can reach amounts in the hundreds of thousands. The UEF is currently addressing solvency issues, and introducing circumstances where a double payment is credited against future pay outs by an employer rather than allowing the UEF to seek reimbursement place the UEF in a financial position they may never recover from.

The solvency of the UEF and promptly paying awards to injured workers is a shared goal of the UEF and the Maryland General Assembly. The time and effort invested in House Bill 193 and Senate Bill 219 and Senate Bill 227 highlight the needs for reforms that make the UEF processes and procedures. I look forward to appointing members to the revamped UEF board, greater collaboration and an improved working relationship with the WCC, and implementation of meaningful reforms in partnership with the Maryland General Assembly.

Sincerely,

Wes Moore  
Governor

1 Workers Compensation Commission. Page 5. 2024. JCR Report 2024\_ p10-11\_Workgroup on the UEF - Report of the Workers' Compensation Commission (WCC) Addressing the Long-Term Solvency of the UEF. [https://dlslibrary.state.md.us/publications/JCR/2024/2024\\_10-11\(WCC\).pdf](https://dlslibrary.state.md.us/publications/JCR/2024/2024_10-11(WCC).pdf)

2 Uninsured Employers' Fund. Page 9. 2021 Joint Chair Report Review of Workers' Compensation Agency Structure [https://dlslibrary.state.md.us/publications/JCR/2021/2021\\_248-249\(WCC\).pdf](https://dlslibrary.state.md.us/publications/JCR/2021/2021_248-249(WCC).pdf)

## Senate Bill 227

AN ACT concerning

### **Workers' Compensation – Payment From Uninsured Employers' Fund – Revisions**

FOR the purpose of authorizing the Workers' Compensation Commission to offset or credit against an award certain benefits paid by the Uninsured Employers' Fund; requiring the Fund to begin paying compensation in accordance with certain provisions of law; altering the process by which an award is payable from the ~~Uninsured Employers' Fund~~; requiring the Workers' Compensation Commission to make the Fund a party to a claim filed against an uninsured employer; authorizing a covered employee or

the dependents of a covered employee to apply to the Director of the Fund for payment from the Fund; altering requirements related to notice of claims, raising of issues, payment of awards, and reimbursement of awards; requiring the Fund to pay certain additional awards under certain circumstances; and generally relating to the Uninsured Employers' Fund.

BY repealing and reenacting, with amendments,  
Article – Labor and Employment  
Section 9–610.1, 9–727, and 9–1002  
Annotated Code of Maryland  
(2016 Replacement Volume and 2024 Supplement)

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

### **Article – Labor and Employment**

#### 9–610.1.

The Workers' Compensation Commission may order an offset or credit against an award for permanent partial disability benefits for:

(1) any vocational rehabilitation benefits previously provided to a covered employee; [or]

(2) any temporary total disability benefits previously paid to a covered employee; OR

(3) ANY BENEFITS PAID BY THE UNINSURED EMPLOYERS' FUND THAT WERE ALSO PAID BY THE EMPLOYER.

#### 9–727.

(A) The employer or its insurer shall begin paying compensation to the covered employee within 15 days after the later of the date:

(1) an award is made; or

(2) payment of an award is due.

(B) THE UNINSURED EMPLOYERS' FUND SHALL BEGIN PAYING COMPENSATION TO THE COVERED EMPLOYEE IN ACCORDANCE WITH § 9–1002 OF THIS TITLE.

#### 9–1002.

(a) An award is payable out of the Fund in accordance with this section.

[(b) Unless an application for review has been timely filed under subsection (g) of this section or a notice of timely appeal served, an employer is in default on a claim by a covered employee or the dependents of a covered employee if the employer fails to:

(1) secure payment of compensation in accordance with § 9–402 of this title;

(2) except for a governmental self-insurance group authorized by § 9–404 of this title, deposit security in accordance with § 9–405 of this title that is:

(i) sufficient to cover a claim by a covered employee; and

(ii) at least \$100,000; and

(3) pay compensation in accordance with an award within 30 days after the date of the award.

(c) If an employer is in default under subsection (b) of this section, promptly after the expiration of 30 days after the date of the award, the Commission shall notify the employer that:

(1) the employer is in default; and

(2) the license or permit of the employer to do business in the State may be suspended.

(d) (1) On receipt of a notice of default, an employer promptly shall pay the award.

(2) To object to an award, the employer, within 30 days after receipt of the notice of default, shall notify the Commission of the reasons why the employer objects to the award.

(3) The notice of objection by the employer to the Commission serves as an application for review under subsection (g) of this section.

(e) If the employer does not pay the award and does not notify the Commission of its objection to the award in accordance with subsection (d) of this section, the covered employee or the dependents of the covered employee may apply to the Director for payment from the Fund.

(f) On receipt of an application for payment, the Fund may:

(1) pay the award; or

(2) apply for review under subsection (g) of this section.]

**(B) IF A CLAIM HAS BEEN FILED AGAINST AN UNINSURED EMPLOYER, THE COMMISSION SHALL MAKE THE FUND A PARTY TO THE CLAIM BY:**

**(1) PROVIDING THE FUND WITH NOTICE OF THE CLAIM; AND**

**(2) SENDING NOTICE TO THE COVERED EMPLOYEE OR THE DEPENDENTS OF THE COVERED EMPLOYEE THAT ANY DOCUMENTATION REQUIRED BY THE FUND MUST BE COMPLETED.**

**(C) AN UNINSURED EMPLOYER SHALL BE GIVEN ~~ACTUAL~~ NOTICE OF A CLAIM BEFORE ACTION IS TAKEN AGAINST THE UNINSURED EMPLOYER.**

**(D) THE FUND MAY RAISE DEFENSES TO A CLAIM, INCLUDING DEFENSES THAT MAY HAVE BEEN RAISED BY THE UNINSURED EMPLOYER.**

**(E) THE REQUIREMENTS OF § 9-713 OF THIS TITLE APPLY TO THE FUND BEGINNING ON THE DATE THAT THE FUND RECEIVES NOTICE UNDER SUBSECTION (B) OF THIS SECTION.**

**(F) THE FUND MAY IMPEAD OTHER EMPLOYERS AND INSURERS TO THE CLAIM.**

**(g) (1) [The] SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE provisions of Subtitle 7 of this title about procedure and the right to appeal apply to:**

**(i) a covered employee or the dependents of a covered employee who file a claim;**

**(ii) the uninsured employer; and**

**(iii) the Fund.**

**(2) The right of review of the Fund includes:**

**(i) raising issues;**

**(ii) discovery; and**

**(iii) a hearing before the Commission.**

**(H) AN EMPLOYER IS IN DEFAULT ON AN AWARD TO A COVERED EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE IF THE EMPLOYER FAILS TO:**

(1) SECURE PAYMENT OF COMPENSATION IN ACCORDANCE WITH § 9-402 OF THIS TITLE;

(2) EXCEPT FOR A GOVERNMENTAL SELF-INSURANCE GROUP AUTHORIZED BY § 9-404 OF THIS TITLE, DEPOSIT SECURITY IN ACCORDANCE WITH § 9-405 OF THIS TITLE THAT IS:

(I) SUFFICIENT TO COVER A CLAIM BY A COVERED EMPLOYEE;  
AND

(II) AT LEAST \$100,000; AND

(3) PAY COMPENSATION IN ACCORDANCE WITH AN AWARD WITHIN 30 DAYS AFTER THE DATE OF THE AWARD.

(I) IF AN EMPLOYER IS IN DEFAULT AND THE COVERED EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE HAS DEMANDED PAYMENT FROM THE EMPLOYER AT LEAST 15 DAYS BEFORE THE DATE OF APPLICATION, THE COVERED EMPLOYEE OR THE DEPENDENTS OF THE COVERED EMPLOYEE MAY APPLY TO THE DIRECTOR FOR PAYMENT FROM THE FUND.

(J) ON RECEIPT OF AN APPLICATION FOR PAYMENT, THE FUND MAY:

(1) PAY THE AWARD; OR

(2) IF THE FUND HAS NOT YET PARTICIPATED IN A HEARING ON COMPENSABILITY, FILE ISSUES REQUESTING A HEARING BEFORE THE COMMISSION.

(K) IF THE FUND PAYS AN AWARD IN ACCORDANCE WITH THIS SUBTITLE WHILE AN APPEAL IS PENDING, THE FUND REMAINS ENTITLED TO FULL REIMBURSEMENT FROM THE UNINSURED EMPLOYER FOR AN AWARD PAID, NOTWITHSTANDING THE RESULT OF THE APPEAL.

(L) ONCE THE FUND HAS PAID AN AWARD ON A CLAIM, THE FUND SHALL PAY ANY ADDITIONAL AWARD ORDERED WITHOUT REQUIRING A COVERED EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE TO COMPLETE AN APPLICATION FOR PAYMENT.

~~(M) IF THE FUND PAYS AN AWARD TO A COVERED EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE THAT WAS ALSO PAID BY THE EMPLOYER, THE FUND IS ENTITLED TO REIMBURSEMENT FROM THE COVERED EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

Dear President Ferguson,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 455 – *Security Guard Agencies – Special Police Officers – Application for Appointment*.

This legislation would authorize an individual holding a valid license as a security guard agency to apply for the appointment of special police officers for the purpose of protecting property owned or leased by its clients.

Under current law, the Governor may appoint and deputize an individual as a special police officer. The Maryland Secretary of State Police is responsible for processing the applications and conducting investigations while the Secretary of State is responsible for issuing the commissions – which historically has been a power delegated by the Governor to the Secretary of State.

The Governor's power to appoint and deputize special police officers should not be taken lightly – and before we arbitrarily expand eligibility for special police forces, I believe that this appointment process deserves a more thorough examination in its entirety.

For these reasons, I have vetoed Senate Bill 455.

Sincerely,

Wes Moore  
Governor

**Senate Bill 455**

AN ACT concerning

**Security Guard Agencies – Special Police Officers – Application for  
Appointment**

FOR the purpose of authorizing a certain security guard agency to apply for the appointment of special police officers in order to protect property owned or leased by the security guard agency's clients; and generally relating to special police officers.

BY repealing and reenacting, with amendments,

Article – Public Safety

Section 3–303

Annotated Code of Maryland

(2022 Replacement Volume and 2024 Supplement)

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

### **Article – Public Safety**

3–303.

(a) The following entities may apply for the appointment of special police officers for the following purposes:

(1) a municipal corporation, county, or other governmental body of the State, in order to protect property owned, leased, or regularly used by the governmental body or any of its units;

(2) another state, or subdivision or unit of another state, that has an interest in property located wholly or partly in this State, in order to protect the property;

(3) a college, university, or public school system in the State, in order to protect its property or students; [or]

(4) a person that exists and functions for a legal business purpose, in order to protect its business property; **OR**

**(5) A PERSON THAT HOLDS A VALID LICENSE AS A SECURITY GUARD AGENCY UNDER TITLE 19, SUBTITLE 3 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE, IN ORDER TO PROTECT PROPERTY OWNED OR LEASED BY ITS CLIENTS.**

(b) The applicant for a commission shall be at least 18 years old.

(c) (1) This subsection does not apply to an applicant for an initial commission who, within 5 years prior to application, has:

(i) completed a basic training course for police officers approved by the Secretary in consultation with the Maryland Police Training and Standards Commission;

(ii) completed a basic training course for police officers similar to the course described in item (i) of this paragraph in another state or for the federal government;

(iii) separated from a law enforcement agency in good standing; or

(iv) completed training approved by the Maryland Police Training and Standards Commission for a special police officer at a State institution of higher education.

(2) An applicant for an initial commission shall complete a training course approved by the Secretary in consultation with the Maryland Police Training and Standards Commission consisting of at least 80 hours of instruction, including instruction on:

(i) criminal law;

(ii) constitutional procedural requirements relating to search, seizure, and arrest; and

(iii) the appropriate use of force.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto two bills pertaining to gubernatorial appointments, Senate Bill 503 and House Bill 481 – *Washington County – Board of License Commissioners – Membership* and Senate Bill 972 – *Anne Arundel County – Board of License Commissioners – Alterations*.



While these bills focus on distinct boards and advance different processes, both undermine hundreds of years of precedent to ensure effective checks and balances between the Executive Branch, the Legislative Branch, and local governments. Both bills effectively remove the role of the Governor in these appointment processes, setting a new paradigm for the state moving forward that, in my view, does not serve the people of Maryland well.

### ***Senate Bill 503 and House Bill 481***

This legislation sought to alter the membership of the Washington County Board of License Commissioners (“Board”). The Board regulates the retail sale of alcoholic beverages in Washington County. By law, the Board is composed of three members who each serve six-year terms, appointed by the Governor with the advice and consent of the Maryland Senate if the Senate is in session when the appointment is made. Each member of the Board is required to be a resident and voter of Washington County and must be “individuals of high character and integrity and of recognized business capacity.”

Of particular importance, no more than two members of the three-member board may belong to the same political party, ensuring that no one party asserts full control of the Board. Senate Bill 503/House Bill 481 sought to change this party requirement to instead mandate that two members of the Board must belong to the political party that received the highest aggregated number of votes the preceding election for the Washington County Board of County Commissioners and that one member must belong to the political party that received the second highest number of votes. This change would have restricted the ability for Governors to appoint members based upon merit first and foremost. Further, the bill would likely result in the partisan makeup of the board remaining constant over time with little chance for the majority party to alternate as is more likely to happen through the gubernatorial appointments process. Should this bill have been enacted, it would put into question the integrity and public trust of the Board as it would have increased the likelihood that a single political party can assert longterm control over its functions.

### ***Senate Bill 972***

This legislation sought to alter the Anne Arundel County Board of License Commissioners which regulates the retail sale of alcoholic beverages, processes liquor licenses, and enforces the liquor laws within Anne Arundel County. Specifically, the bill sought to increase the size of the Anne Arundel County Board of License Commissioners from 3 to 5 and require the Governor to choose appointments from a list of individuals recommended by the members of the Anne Arundel County House or Senate delegations to the General Assembly. While I support increasing the size of this board to 5 members, as passed this legislation would have created ambiguity and confusion about the process for appointments and violated the longheld tradition of the Governor exercising appointment powers.

My first concern is in regards to the requirement that the Governor must select individuals to appoint from a list recommended by either the Anne Arundel County House or Senate delegations to the General Assembly. As these delegations may choose different individuals, it is unclear which would constitute the list to choose from. Should the House and Senate delegation recommendations be aggregated into a single list but the delegations

are not aligned on the recommended individuals, it is unclear whether the names actually achieve enhanced local influence on the appointments to the Board. This confusion and lack of clear benefit raises serious concerns about the smooth operation of the Board as it carries out its important work.

Second, there is no minimum number of names that would have been required to be included on these lists of recommended individuals. Should the delegations submit only 5 names, this would have effectively provided a subset of the legislature with de facto appointment authority. This authority would set a new precedent regarding appointments to important boards and erode the constitutional power of appointment that resides with the Governor. This authority and oversight has long been an effective system and it is unclear what would motivate a departure from this process. At best, this is unnecessary change and, at worst, this removes important checks and balances from the process.

For these reasons, I have vetoed Senate Bill 503, House Bill 481, and Senate Bill 907.

Sincerely,

Wes Moore  
Governor

### **Senate Bill 503**

AN ACT concerning

#### **Washington County – Board of License Commissioners – Membership**

FOR the purpose of requiring that certain numbers of members of the Board of License Commissioners for Washington County belong to certain political parties; and generally relating to the membership of the Board of License Commissioners for Washington County.

BY repealing and reenacting, without amendments,  
Article – Alcoholic Beverages and Cannabis  
Section 31–102 and 31–201  
Annotated Code of Maryland  
(2024 Replacement Volume)

BY repealing and reenacting, with amendments,  
Article – Alcoholic Beverages and Cannabis  
Section 31–202  
Annotated Code of Maryland  
(2024 Replacement Volume)

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

**Article – Alcoholic Beverages and Cannabis**

31–102.

This title applies only in Washington County.

31–201.

There is a Board of License Commissioners for Washington County.

31–202.

(a) (1) The Governor shall appoint three members to the Board.

(2) The appointments shall be made:

(i) if the Senate is in session, with the advice and consent of the Senate; or

(ii) if the Senate is not in session, by the Governor alone.

(b) (1) Each member of the Board shall be:

(i) a resident and voter of the county; and

(ii) an individual of high character and integrity and of recognized business capacity.

[(2) Not more than two members of the Board may belong to the same political party.]

**(2) (I) TWO MEMBERS OF THE BOARD SHALL BELONG TO THE POLITICAL PARTY THAT RECEIVED THE HIGHEST AGGREGATED NUMBER OF VOTES IN THE PRECEDING ELECTION OF THE BOARD OF COUNTY COMMISSIONERS.**

**(II) ONE MEMBER OF THE BOARD SHALL BELONG TO THE POLITICAL PARTY THAT RECEIVED THE SECOND HIGHEST AGGREGATED NUMBER OF VOTES IN THE PRECEDING ELECTION OF THE BOARD OF COUNTY COMMISSIONERS.**

(c) A member of the Board may not have a pecuniary or other interest in any phase of the manufacture, sale, or distribution of alcoholic beverages.

(d) (1) The term of a member is 6 years.

(2) The terms of the members are staggered as required by the terms provided for members of the Board on July 1, 2016.

(e) (1) The Governor shall appoint an eligible individual to fill a vacancy during the remainder of the term of office of the individual originally appointed in accordance with subsection (a) of this section.

(2) A member who is appointed after a term has begun serves only for the remainder of the term and until a successor is appointed and qualifies.

(f) (1) The Governor may remove a member for misconduct in office, incompetence, or willful neglect of duty.

(2) The Governor shall give a member who is charged a copy of the charges against the member and, with at least 10 days' notice, an opportunity to be heard publicly in person or by counsel.

(3) If a member is removed, the Governor shall file with the Office of the Secretary of State a statement of charges against the member and the Governor's findings on the charges.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

Dear President Ferguson,

In accordance with Article II, Section 17 of the Maryland Constitution, I have exercised my constitutional authority to veto *SB587 – State Government – Maryland Reparations Commission*. This legislation creates the Maryland Reparations Commission to study and make recommendations in 2027 relating to appropriate benefits to be offered to African Americans impacted by slavery and historic inequality.

I applaud the legislature's work on this bill, and I thank the Black Caucus for their leadership. Maryland is proud to be a state with the largest Black Caucus in America, our first Black Attorney General, our first Black Senator, a Black treasurer, and a Black Speaker of the House. We have moved in partnership with leaders across the state to uplift Black families and address racial disparities in our communities. That is the context in which I've made this difficult decision. Because while I appreciate the work that went into this legislation, I strongly believe now is not the time for another study. Now is the time

for continued action that delivers results for the people we serve.

Over the last twenty-five years, Maryland has launched several commissions and study groups to examine the legacy of slavery in our state, from the Maryland Lynching Truth and Reconciliation Commission to the State Commission to Coordinate the Study, Commemoration, and Impact of the History and Legacy of Slavery in Maryland. The scholarship on this topic is both vast in scope and robust in scale. And we are grateful for the Marylanders who have contributed their expertise to the vital project of understanding how the legacy of slavery continues to impact Black communities in our state today.

I will always protect and defend the full history of African Americans in our state and country. But in light of the many important studies that have taken place on this issue over nearly three decades, now is the time to focus on the work itself: Narrowing the racial wealth gap, expanding homeownership, uplifting entrepreneurs of color, and closing the foundational disparities that lead to inequality – from food insecurity to education. These are the issues I fought for even before I was sworn into office, and they are the priorities our administration will continue to address, with increased focus and intentionality.

Our administration's record speaks for itself. In our first year, Black-owned businesses received more than \$816 million in procurement awards—more than double the amount awarded in the previous year under our predecessors. I issued the largest state pardon in our nation's history, pardoning 175,000 Maryland convictions for cannabis possession – a step that will create more pathways to prosperity for Black Marylanders, who have been disproportionately impacted by Maryland's inequitable and outdated laws. Our administration increased funding for HBCUs by nearly 60%, investing \$1.34 billion towards Maryland's historically black colleges and universities. And by boosting the number of mortgages offered to first-time homebuyers, we've helped nearly 1,500 Black Marylanders pursue homeownership for the first time.

We've made real progress both to undo bad policies of the past and craft good policies that will lead us toward a brighter future. But we understand our work is far from over. Together, we must take urgent action to address the barriers that have walled off Black families in Maryland from work, wages, and wealth for generations. Next session, in consultation with the Maryland General Assembly, I will be introducing a package of policies I believe will help us accelerate our work in achieving these shared goals.

I look forward to partnering with the members of the House and Senate, the bill sponsors, and the Legislative Black Caucus as we build a more equal and just Maryland – one that accepts and uplifts our whole history, helps every Marylander realize their full potential, and leaves no one behind.

Sincerely,

Wes Moore  
Governor

**Senate Bill 587**

AN ACT concerning

**State Government – Maryland Reparations Commission**

FOR the purpose of establishing the Maryland Reparations Commission to study and make recommendations relating to appropriate benefits to be offered to individuals whose ancestors were enslaved in the State or were impacted by certain inequitable government policies; and generally relating to the Maryland Reparations Commission.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That:

(a) (1) In this section the following words have the meanings indicated.

(2) “Commission” means the Maryland Reparations Commission.

(3) “Individuals impacted by historical inequality” means:

(i) individuals having origins in any of the Black racial groups of  
Africa; and

(ii) individuals whose ancestors were:

1. enslaved in the State; or

2. impacted by inequitable government policies.

(4) “Inequitable government policies” means federal, State, or local government policies during the periods commonly known as the post–Reconstruction era and the Jim Crow era, 1877 through 1965, that have led to economic disparities based on race, including housing segregation and discrimination, redlining, restrictive covenants, and tax policies.

(b) There is a Maryland Reparations Commission.

(c) The Commission consists of:

(1) two members of the Senate of Maryland, one of whom is a member of the Legislative Black Caucus, appointed by the President of the Senate;

(2) two members of the House of Delegates, one of whom is a member of the Legislative Black Caucus, appointed by the Speaker of the House;

(3) the Comptroller, or the Comptroller’s designee;

- (4) the State Treasurer, or the Treasurer's designee;
- (5) the State Archivist, or the State Archivist's designee;
- (6) one member of the Maryland Center for History and Culture, designated by the President of the Maryland Center for History and Culture;
- (7) one member of the National Association for the Advancement of Colored People, designated by the National Association for the Advancement of Colored People Maryland State Conference President;
- (8) two employees of historically Black colleges and universities in the State who have expertise in the history of slavery, one of whom represents a private college or university and one of whom represents a public college or university, designated by the Maryland Legislative Black Caucus;
- (9) a representative of the Maryland Black Chamber of Commerce, designated by the President of the Maryland Black Chamber of Commerce;
- (10) a representative of the Baltimore Chapter of the National Association of Real Estate Brokers, designated by the Local Board President;
- (11) a representative for the Association for the Study of African American Life and History, designated by the President of the Association for the Study of African American Life and History;
- (12) a representative of the Maryland Lynching Truth and Reconciliation Commission, designated by the Chair of the Commission; and
- (13) the following members appointed by the Governor:
  - (i) a mental health expert;
  - (ii) two historians, with expertise in researching the impacts of enslavement and housing segregation;
  - (iii) a representative of a religious institution that serves a community with a high minority population;
  - (iv) an attorney with expertise in civil rights law or constitutional law;
  - (v) a representative of an African American financial institution; and
  - (vi) two members of the general public.

(d) The Commission shall select from among its members a chair and a vice chair.

(e) A member of the Commission:

(1) may not receive compensation as a member of the Commission; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The State Archives and the public college or university represented under subsection (c)(8) of this section shall jointly provide staff for the Commission.

(g) (1) The Commission shall:

(i) study and make recommendations relating to appropriate benefits to be offered to individuals impacted by historical inequality;

(ii) on or before January 1, 2027, submit a preliminary report of its findings and recommendations to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly; and

(iii) on or before November 1, 2027, submit a final report of its findings and recommendations to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

(2) In conducting the study required under paragraph (1) of this subsection, the Commission shall examine:

(i) reparations payments made and benefits offered in the United States by the federal government, states, cities, religious institutions, and colleges and universities;

(ii) types of benefits appropriate for reparations, including official statements of apology, monetary compensation, property tax rebates, social service assistance, licensing and permit fee waivers and reimbursement, down payment assistance for the purchase of residential real property, business incentives, child care, debt forgiveness, and higher education tuition payment waivers and reimbursement;

(iii) the history of slavery in Maryland and the number of individuals whose ancestors were enslaved in the State;

(iv) inequitable government policies, the size of the impacted populations, and how public and private institutions benefited from these policies; and

(v) any other topic deemed appropriate by the Commission.



(3) Recommendations made by the Commission under paragraph (1) of this subsection shall include:

(i) common procedures for evaluating evidence of the lineage of potential recipients;

(ii) information necessary to be included in any application to verify lineage and receive reparations;

(iii) eligibility requirements for applicants, if any, including appropriate methods of demonstrating eligibility;

(iv) a process for approving applications for benefits;

(v) an estimate of the costs associated with awarding any type of reparations recommended by the Commission; and

(vi) if monetary compensation is a type of reparation recommended by the Commission:

1. the amount of monetary compensation recommended and method of calculating the amount, including, as appropriate:

A. the length and conditions of the enslavement of the individual or individuals from whom the applicant is descended; or

B. the level and impact of the economic disparity suffered;

2. potential sources of funding, including fees paid by private businesses and organizations in the State that have benefited from the institution of slavery or inequitable government policies;

3. the feasibility of creating and administering a reparations fund; and

4. appropriate methods for distributing the recommended compensation, including the use of fiscal agents, business incubators, community development corporations, credit unions, or other community institutions.

(h) (1) The Commission may seek the assistance of State agencies in conducting the study or making recommendations under this section.

(2) To the extent authorized by law, State agencies shall assist the Commission in a request made under this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025. It shall remain effective for a period of 3 years and, at the end of June 30, 2028,

this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

Dear President Ferguson,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 655 – *Courts – Artificial Intelligence Evidence Clinic Pilot Program*.

Senate Bill 655 establishes an Artificial Intelligence Evidence Clinic Pilot Program in the Administrative Office of the Courts (AOC) to provide expertise on the authenticity of electronic evidence that may have been altered by artificial intelligence (AI) and admitted in court. The AOC is required to engage with college and university students and professionals who study AI and prioritize civil cases with one or more parties without legal representation or has reasonable access to expert testimony. Senate Bill 655 also authorizes the Governor to include an annual appropriation of \$250,000 for fiscal years 2027 and 2028.

While detection of AI alteration in expert evidence in judicial proceedings is and will be a legitimate and growing challenge for courts across the nation, as a separate branch of government, the Judiciary has the inherent ability to develop such programs on its own, and the authority to propose establishment of a budget for them. Therefore, the bill is unnecessary for the Judiciary to establish the Pilot Program, and legislation such as this placing detailed requirements on the Judiciary may be interpreted as an overreach into the independence of the judicial branch of government.

The Attorney General review letter for this legislation, dated April 29, 2025, advises that the provision authorizing the Governor to fund the Pilot Program has no legal effect. The letter is attached for your review, please see footnote four on page four. The State Constitution vests the Chief Justice with the authority to determine the budget and level of funding for programs in the Judicial Branch. The letter cites Article III, § 52 of the State Constitution that conveys the Governor does not have authority to amend, add, or to subtract from the Judiciary's budget. Thus, the bill's provisions granting the Governor authority to fund the Pilot Program conflict with the State Constitution.

In sum, while the bill is well-intended, its purpose can be accomplished without legislation and the bill as passed raises constitutional concerns. For these reasons, I have vetoed Senate Bill 655.

Sincerely,

Wes Moore  
Governor

Attachment: April 29, 2025 Attorney General review letter for SB 655

### **Senate Bill 655**

AN ACT concerning

#### **Courts – Artificial Intelligence Evidence Clinic Pilot Program – Establishment**

FOR the purpose of establishing an Artificial Intelligence Evidence Clinic Pilot Program within the Administrative Office of the Courts; requiring the Administrative Office of the Courts to ~~issue a request for proposals to select an entity to conduct the Program and requiring the Administrative Office of the Courts to give preference to certain entities in the selection process~~ develop a grant application for the Program and award grants to eligible institutions of higher education; authorizing the Governor to include in the annual budget bill an appropriation to the Program and establishing a certain limitation on the expenditure of appropriated funds; and generally relating to the Artificial Intelligence Evidence Clinic Pilot Program.

BY adding to

Article – Courts and Judicial Proceedings  
Section 13–101.2  
Annotated Code of Maryland  
(2020 Replacement Volume and 2024 Supplement)

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

#### **Article – Courts and Judicial Proceedings**

##### **13–101.2.**

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “ARTIFICIAL INTELLIGENCE” HAS THE MEANING STATED IN § 3.5–801 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(3) “OFFICE” MEANS THE ADMINISTRATIVE OFFICE OF THE COURTS.

(4) “PROGRAM” MEANS THE ARTIFICIAL INTELLIGENCE EVIDENCE CLINIC PILOT PROGRAM.

(B) THERE IS AN ARTIFICIAL INTELLIGENCE EVIDENCE CLINIC PILOT PROGRAM IN THE OFFICE.

(C) (1) THE PURPOSE OF THE PROGRAM IS TO PROVIDE EXPERTISE IN ARTIFICIAL INTELLIGENCE TO THE CIRCUIT COURTS AND THE DISTRICT COURT IN THE FORM OF EXPERT TESTIMONY ON THE AUTHENTICITY OF ELECTRONIC EVIDENCE THAT A COURT DETERMINES MAY HAVE BEEN CREATED OR ALTERED USING ARTIFICIAL INTELLIGENCE.

(2) THE PROGRAM SHALL ENGAGE COLLEGE AND UNIVERSITY STUDENTS, RECENT GRADUATES, AND FACULTY AND TECHNOLOGY PROFESSIONALS DEDICATED TO THE RESEARCH AND ADVANCEMENT OF ARTIFICIAL INTELLIGENCE IN ORDER TO DEVELOP EXPERT WITNESS RESOURCES FOR COURTS TO USE IN CASES IMPLICATING THE USE OF ARTIFICIAL INTELLIGENCE.

(3) THE PROGRAM SHALL PRIORITIZE CIVIL CASES IN WHICH ONE OR MORE PARTIES DO NOT HAVE LEGAL REPRESENTATION OR REASONABLE ACCESS TO EXPERT TESTIMONY.

(D) ~~(1) THE OFFICE SHALL ISSUE A REQUEST FOR PROPOSALS FOR THE PROGRAM TO SELECT AN ENTITY TO MANAGE THE PROGRAM.~~

~~(2) AT A MINIMUM, THE REQUEST FOR PROPOSALS SHALL:~~

~~(I) STATE WITH SPECIFICITY THE GOALS OF THE PROGRAM;~~

AND

~~(II) STATE WITH SPECIFICITY THE OBJECTIVES AND PERFORMANCE CRITERIA THAT WILL BE USED TO MEASURE THE SUCCESS OF THE PROGRAM, INCLUDING AN ENTITY'S WILLINGNESS TO:~~

~~1. LIST THE CLINIC AS A FOR-CREDIT COURSE; AND~~

~~2. ENABLE CREDIT SHARING ACROSS INSTITUTIONS OF HIGHER EDUCATION.~~

~~(3) IN SELECTING AN ENTITY TO MANAGE THE PROGRAM, THE OFFICE SHALL GIVE PREFERENCE TO AN ENTITY THAT:~~

~~(I) IS A MARYLAND-BASED VENDOR;~~

~~(II) HAS AN ACADEMIC FOCUS ON COMPUTER SCIENCE AND TECHNOLOGY RESEARCH AND ADVANCEMENT;~~

~~(III) HAS EXPERIENCE RELATING TO ARTIFICIAL INTELLIGENCE; AND~~

~~(IV) WILL MAXIMIZE THE USE OF STATE FUNDS THROUGH THE USE OF MECHANISMS, INCLUDING PREEXISTING MATERIALS, FUNDING PARTNERSHIPS, AND RESOURCE MATCHING~~ IN ADMINISTERING THE PROGRAM, THE OFFICE SHALL:

(1) DEVELOP A GRANT APPLICATION FOR THE PROGRAM; AND

(2) AWARD GRANTS TO ELIGIBLE INSTITUTIONS OF HIGHER EDUCATION.

(E) (1) FOR FISCAL YEARS 2027 AND 2028, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$250,000 TO THE PROGRAM.

(2) NOT MORE THAN 20% OF THE MONEY APPROPRIATED TO THE PROGRAM MAY BE USED FOR ADMINISTRATIVE EXPENSES.

(F) THE TERMS OF ~~THE AN~~ AGREEMENT BETWEEN THE OFFICE AND ~~AN ENTITY SELECTED TO MANAGE THE PROGRAM SHALL~~ A GRANTEE MAY INCLUDE A CLAUSE THAT REQUIRES THE OFFICE TO HOLD HARMLESS THE ~~ENTITY SELECTED TO CONDUCT THE PROGRAM~~ GRANTEE AGAINST ANY CLAIM ALLEGING LIABILITY OR DAMAGES RELATING TO THE PROVISION OF EXPERTISE IN ARTIFICIAL INTELLIGENCE AS PART OF THE PROGRAM, EXCEPT IN CASES OF WILLFUL OR WANTON MISCONDUCT, GROSS NEGLIGENCE, OR INTENTIONALLY TORTIOUS CONDUCT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates

H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 56 and Senate Bill 177 – *Procurement – State Department of Education – Local Food Purchasing Program*, House Bill 333 and Senate Bill 691 – *Healthcare Ecosystem Stakeholder Cybersecurity Workgroup*, and House Bill 384 and Senate Bill 157 – *Maryland Disability Service Animal Program – Established*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In a time of profound uncertainty, we must use our limited funds to prioritize policies that protect our people from the ravages of Washington; anything that fails to meet that high bar must wait for another time.

Our budget challenges also highlight the need for the State and its agencies to focus on their core missions. The state's fiscal outlook has not improved since these bills were passed. At a time where we have jointly made difficult decisions about cuts to vital services, any additional spending which is tangential to those core missions should receive close scrutiny. Collectively, these three bills would have required three agencies to work together to establish a new statewide food procurement system at the same time the federal government is pulling back on food purchasing assistance for local school systems, established a large workgroup on cybersecurity threats that is outside the expertise of the workgroup members and responsible agency, and created an underfunded program that would only be able to serve a small subgroup of agency target populations.

I recognize these bills all have positive intentions. But while there are positive aspects of the legislation, each bill directs state agencies to expand the scope of their missions to establish new programs and workgroups that they have not previously administered. Each bill requires subject matter expertise not currently on staff and I have real concerns that adequate funding will not be available to effectively establish and implement each of these new programs.

One of the first objectives I outlined for my administration was to focus on rebuilding state government and increasing state agency capacity to drive efficient, transformative results for Marylanders. I thank you and the General Assembly for partnership in this work. As we operate under this current fiscal climate, we must carefully prioritize our limited funds. In this environment, adding new responsibilities for state agencies that are tangential to

their core missions makes little sense.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed House Bill 56, Senate Bill 177, House Bill 333, Senate Bill 691, House Bill 384 and Senate Bill 157.

Sincerely,

Wes Moore  
Governor

### Senate Bill 691

AN ACT concerning

#### ~~Cybersecurity~~ Healthcare Ecosystem Stakeholder Cybersecurity Workgroup

FOR the purpose of ~~requiring the Maryland Health Care Commission and the Maryland Insurance Administration to include a cybersecurity expert as staff to perform certain functions and submit to the State Chief Information Security Officer a report on the cybersecurity practices and policies of certain healthcare ecosystem entities on a certain basis; requiring healthcare ecosystem entities to take certain actions related to cybersecurity, including adopting and implementing certain cybersecurity standards, undergoing a third-party cybersecurity audit on a certain basis, and reporting cybersecurity incidents to the State Security Operations Center in the Department of Information Technology; requiring the Center to notify certain agencies of a cybersecurity incident reported under this Act; requiring the Commission to convene a workgroup to review cybersecurity practices, threats, responses to disruptions, and emerging issues in the healthcare ecosystem; requiring the Commission to convene a workgroup to study and make recommendations to improve the cybersecurity of the healthcare ecosystem; and generally relating to cybersecurity and the healthcare ecosystem~~ establishing the Healthcare Ecosystem Stakeholder Cybersecurity Workgroup to develop strategies to prevent cybersecurity disruptions to the healthcare ecosystem, ensure the continuous delivery of essential healthcare ecosystem services, and enhance recovery efforts of the healthcare ecosystem following a cybersecurity incident; and generally relating to the Healthcare Ecosystem Stakeholder Cybersecurity Workgroup.

~~BY repealing and reenacting, without amendments,  
Article — Health — General  
Section 19 — 101  
Annotated Code of Maryland  
(2023 Replacement Volume and 2024 Supplement)~~

~~BY adding to  
Article — Health — General~~

~~Section 19-113~~  
~~Annotated Code of Maryland~~  
~~(2023 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,~~  
~~Article—Insurance~~  
~~Section 1-101(a), (b), and (k)~~  
~~Annotated Code of Maryland~~  
~~(2017 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~  
~~Article—Insurance~~  
~~Section 2-117~~  
~~Annotated Code of Maryland~~  
~~(2017 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,~~  
~~Article—State Finance and Procurement~~  
~~Section 3.5-101(a) and (c), 3.5-2A-01, and 3.5-301(a) and (c)~~  
~~Annotated Code of Maryland~~  
~~(2021 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~  
~~Article—State Finance and Procurement~~  
~~Section 3.5-2A-07~~  
~~Annotated Code of Maryland~~  
~~(2021 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~  
~~Article—Health—General~~  
~~Section 19-113(f) and (g)~~  
~~Annotated Code of Maryland~~  
~~(2023 Replacement Volume and 2024 Supplement)~~  
~~(As enacted by Section 1 of this Act)~~

~~BY adding to~~  
~~Article—Insurance~~  
~~Section 2-117(f)~~  
~~Annotated Code of Maryland~~  
~~(2017 Replacement Volume and 2024 Supplement)~~  
~~(As enacted by Section 1 of this Act)~~

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

~~Article—Health—General~~



~~19-101.~~

~~In this subtitle, "Commission" means the Maryland Health Care Commission.~~

~~19-113.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "CYBERSECURITY" HAS THE MEANING STATED IN § 3.5-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

~~(3) "ESSENTIAL CAPABILITIES" MEANS THE SERVICES THAT MUST BE AVAILABLE IN THE HEALTHCARE ECOSYSTEM TO ENSURE THE CONTINUITY OF CRITICAL CARE AND PATIENT SAFETY, INCLUDING DURING AN INCIDENT DIMINISHING THE CAPACITY OF THE HEALTHCARE ECOSYSTEM.~~

~~(4) "HEALTHCARE ECOSYSTEM" MEANS THE ENTITIES AND RELATIONSHIPS AMONG ENTITIES THAT ARE NECESSARY TO DELIVER TREATMENT, PAYMENT, AND HEALTH CARE OPERATIONS.~~

~~(5) (i) "HEALTHCARE ECOSYSTEM ENTITY" INCLUDES:~~

~~1. AN ELECTRONIC DATA INTERCHANGE CLEARINGHOUSE;~~

~~2. A FREESTANDING MEDICAL FACILITY, AS DEFINED IN § 19-3A-01 OF THIS TITLE;~~

~~3. A HEALTH INFORMATION EXCHANGE, AS DEFINED IN § 4-301 OF THIS ARTICLE;~~

~~4. A HOSPITAL, AS DEFINED IN § 19-301 OF THIS TITLE;~~  
~~AND~~

~~5. AN ENTITY IDENTIFIED BY THE COMMISSION IN REGULATIONS TO BE INCLUDED IN THE HEALTHCARE ECOSYSTEM.~~

~~(ii) "HEALTHCARE ECOSYSTEM ENTITY" DOES NOT INCLUDE:~~

~~1. A CARRIER, AS DEFINED IN § 2-117 OF THE INSURANCE ARTICLE; OR~~

~~2. A PHARMACY BENEFITS MANAGER, AS DEFINED IN § 15-1601 OF THE INSURANCE ARTICLE.~~

~~(6) “ZERO TRUST” MEANS A CYBERSECURITY APPROACH:~~

~~(I) FOCUSED ON CYBERSECURITY RESOURCE PROTECTION;~~  
~~AND~~

~~(II) BASED ON THE PREMISE THAT TRUST IS NOT GRANTED IMPLICITLY BUT MUST BE EVALUATED CONTINUALLY.~~

~~(B) THE COMMISSION SHALL INCLUDE ON ITS STAFF AT LEAST ONE EMPLOYEE WHO IS AN EXPERT IN CYBERSECURITY TO:~~

~~(1) ADVISE THE CHAIRMAN AND MEMBERS OF THE COMMISSION ON MEASURES TO IMPROVE OVERSIGHT OF THE CYBERSECURITY PRACTICES OF HEALTHCARE ECOSYSTEM ENTITIES;~~

~~(2) CONSULT WITH THE OFFICE OF SECURITY MANAGEMENT ON CYBERSECURITY ISSUES RELATED TO HEALTH CARE REGULATION; AND~~

~~(3) REPRESENT THE COMMISSION ON ANY WORKGROUP, TASK FORCE, OR SIMILAR ENTITY THAT IS FOCUSED ON CYBERSECURITY AND ON WHICH REPRESENTATION FROM THE COMMISSION IS REQUESTED OR REQUIRED.~~

~~(C) A HEALTHCARE ECOSYSTEM ENTITY SHALL:~~

~~(1) ADOPT AND IMPLEMENT CYBERSECURITY STANDARDS THAT ARE EQUAL TO OR EXCEED ANY STANDARDS ADOPTED BY THE COMMISSION;~~

~~(2) ADOPT A ZERO TRUST CYBERSECURITY APPROACH FOR ON-PREMISES SERVICES AND CLOUD-BASED SERVICES;~~

~~(3) MEET MINIMUM SECURITY STANDARDS SET BY THE COMMISSION, IN CONSULTATION WITH THE OFFICE OF SECURITY MANAGEMENT, FOR EACH OPERATIONAL TECHNOLOGY AND INFORMATION TECHNOLOGY DEVICE BASED ON THE LEVEL OF SECURITY RISK FOR EACH DEVICE, INCLUDING SECURITY RISKS ASSOCIATED WITH SUPPLY CHAINS; AND~~

~~(4) ON OR BEFORE JANUARY 1, 2026, AND EVERY 2 YEARS THEREAFTER:~~

~~(I) UNDERGO A THIRD-PARTY AUDIT TO EVALUATE THE ENTITY’S CYBERSECURITY PRACTICES AND RESOURCES BASED ON THE CYBERSECURITY AND INFRASTRUCTURE SECURITY AGENCY’S CROSS-SECTOR CYBERSECURITY PERFORMANCE GOALS OR A MORE STRINGENT STANDARD BASED~~

~~ON THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY'S FRAMEWORK;  
AND~~

~~(H) SUBMIT TO THE COMMISSION A REPORT THAT INCLUDES:~~

- ~~1. THE RECOMMENDATIONS OF THE AUDIT;~~
- ~~2. THE DATE OF THE CYBERSECURITY AUDIT;~~
- ~~3. THE CYBERSECURITY FRAMEWORK USED TO  
EVALUATE THE ENTITY; AND~~
- ~~4. THE NAME OF THE THIRD PARTY THAT CONDUCTED  
THE AUDIT.~~

~~(D) ON OR BEFORE JULY 1, 2026, AND EVERY 2 YEARS THEREAFTER, THE  
COMMISSION SHALL COLLECT CERTIFICATION OF A HEALTHCARE ECOSYSTEM  
ENTITY'S COMPLIANCE WITH THE STANDARD USED IN THE AUDIT CONDUCTED  
UNDER SUBSECTION (C)(4) OF THIS SECTION FOR CYBERSECURITY-RELATED  
POLICIES AND PROCEDURES.~~

~~(E) ON OR BEFORE JANUARY 1, 2027, AND EVERY 2 YEARS THEREAFTER,  
THE COMMISSION SHALL SUBMIT A REPORT TO THE STATE CHIEF INFORMATION  
SECURITY OFFICER OR THE OFFICER'S DESIGNEE THAT INCLUDES:~~

~~(1) A GENERAL OVERVIEW OF CYBERSECURITY TECHNOLOGY AND  
POLICIES USED BY HEALTHCARE ECOSYSTEM ENTITIES IN THE STATE, GROUPED IN  
THE FOLLOWING MANNER:~~

- ~~(I) HOSPITALS;~~
- ~~(II) FREESTANDING MEDICAL FACILITIES;~~
- ~~(III) ELECTRONIC DATA INTERCHANGE CLEARINGHOUSES;~~
- ~~(IV) HEALTH INFORMATION EXCHANGES; AND~~
- ~~(V) ANY OTHER ENTITY THE COMMISSION CONSIDERS  
SIGNIFICANT ENOUGH TO INCLUDE IN THE REPORT;~~

~~(2) INFORMATION ABOUT EACH CERTIFICATION COLLECTED,  
INCLUDING:~~

- ~~(I) THE NAME OF THE HEALTHCARE ECOSYSTEM ENTITY;~~

~~(II) THE DATE OF THE HEALTHCARE ECOSYSTEM ENTITY'S MOST RECENT CYBERSECURITY AUDIT;~~

~~(III) THE CYBERSECURITY FRAMEWORK USED IN THE CYBERSECURITY AUDIT OF THE HEALTHCARE ECOSYSTEM ENTITY; AND~~

~~(IV) THE NAME OF THE THIRD PARTY THAT COMPLETED THE CYBERSECURITY AUDIT;~~

~~(3) AN OVERVIEW OF ESSENTIAL CAPABILITIES PROVIDED BY HEALTHCARE ECOSYSTEM ENTITIES;~~

~~(4) RECOMMENDATIONS FOR ENSURING THE CONTINUOUS DELIVERY OF ESSENTIAL CAPABILITIES DURING AND FOLLOWING A DISRUPTION TO THE HEALTHCARE ECOSYSTEM; AND~~

~~(5) RECOMMENDATIONS TO IMPROVE CYBERSECURITY FOR THE GROUPS OF HEALTHCARE ECOSYSTEM ENTITIES IDENTIFIED IN ITEM (1) OF THIS SUBSECTION.~~

#### ~~Article Insurance~~

~~1-101.~~

- ~~(a) In this article the following words have the meanings indicated.~~
- ~~(b) "Administration" means the Maryland Insurance Administration.~~
- ~~(k) "Commissioner" means the Maryland Insurance Commissioner.~~

~~2-117.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "CARRIER" MEANS:~~

- ~~(I) AN INSURER AUTHORIZED TO SELL HEALTH INSURANCE;~~
- ~~(II) A NONPROFIT HEALTH SERVICE PLAN;~~
- ~~(III) A HEALTH MAINTENANCE ORGANIZATION;~~
- ~~(IV) A DENTAL PLAN ORGANIZATION; AND~~

~~(V) ANY OTHER ENTITY PROVIDING A PLAN OF HEALTH INSURANCE, HEALTH BENEFITS, OR HEALTH SERVICES AUTHORIZED UNDER THIS ARTICLE OR THE AFFORDABLE CARE ACT.~~

~~(3) "ESSENTIAL CAPABILITIES" MEANS THE SERVICES THAT MUST BE AVAILABLE IN THE HEALTHCARE ECOSYSTEM TO ENSURE THE CONTINUITY OF CRITICAL CARE AND PATIENT SAFETY, INCLUDING DURING AN INCIDENT DIMINISHING THE CAPACITY OF THE HEALTHCARE ECOSYSTEM.~~

~~(4) "HEALTHCARE ECOSYSTEM" MEANS THE ENTITIES AND RELATIONSHIPS AMONG ENTITIES THAT ARE NECESSARY TO DELIVER TREATMENT, PAYMENT, AND HEALTH CARE OPERATIONS.~~

~~(5) (I) "HEALTHCARE ECOSYSTEM ENTITY" MEANS:~~

~~1. A CARRIER; OR~~

~~2. A PHARMACY BENEFITS MANAGER, AS DEFINED IN § 15-1601 OF THIS ARTICLE.~~

~~(H) "HEALTHCARE ECOSYSTEM ENTITY" DOES NOT INCLUDE A GOVERNMENTAL PAYOR.~~

~~(6) "ZERO TRUST" MEANS A CYBERSECURITY APPROACH:~~

~~(I) FOCUSED ON CYBERSECURITY RESOURCE PROTECTION;~~  
~~AND~~

~~(H) BASED ON THE PREMISE THAT TRUST IS NOT GRANTED IMPLICITLY BUT MUST BE EVALUATED CONTINUALLY.~~

~~(B) THE ADMINISTRATION SHALL INCLUDE ON ITS STAFF AT LEAST ONE EMPLOYEE WHO IS AN EXPERT IN CYBERSECURITY TO:~~

~~(1) ADVISE THE COMMISSIONER ON MEASURES TO IMPROVE OVERSIGHT OF THE CYBERSECURITY PRACTICES OF HEALTHCARE ECOSYSTEM ENTITIES;~~

~~(2) CONSULT WITH THE OFFICE OF SECURITY MANAGEMENT ON CYBERSECURITY ISSUES RELATED TO HEALTH INSURANCE REGULATION; AND~~

~~(3) REPRESENT THE ADMINISTRATION ON ANY WORKGROUP, TASK FORCE, OR SIMILAR ENTITY THAT IS FOCUSED ON CYBERSECURITY AND ON WHICH REPRESENTATION FROM THE ADMINISTRATION IS REQUIRED OR REQUESTED.~~

~~(C) A HEALTHCARE ECOSYSTEM ENTITY SHALL:~~

~~(1) ADOPT AND IMPLEMENT CYBERSECURITY STANDARDS THAT ARE EQUAL TO OR EXCEED ANY STANDARDS ADOPTED BY THE ADMINISTRATION;~~

~~(2) ADOPT A ZERO TRUST CYBERSECURITY APPROACH FOR ON PREMISES SERVICES AND CLOUD BASED SERVICES;~~

~~(3) MEET MINIMUM SECURITY STANDARDS SET BY THE MARYLAND HEALTH CARE COMMISSION, IN CONSULTATION WITH THE OFFICE OF SECURITY MANAGEMENT, FOR EACH OPERATIONAL TECHNOLOGY AND INFORMATION TECHNOLOGY DEVICE BASED ON THE LEVEL OF SECURITY RISK FOR EACH DEVICE, INCLUDING SECURITY RISKS ASSOCIATED WITH SUPPLY CHAINS; AND~~

~~(4) ON OR BEFORE JANUARY 1, 2026, AND EVERY 2 YEARS THEREAFTER:~~

~~(I) UNDERGO A THIRD PARTY AUDIT TO EVALUATE THE ENTITY'S CYBERSECURITY PRACTICES AND RESOURCES BASED ON THE CYBERSECURITY AND INFRASTRUCTURE SECURITY AGENCY'S CROSS SECTOR CYBERSECURITY PERFORMANCE GOALS OR A MORE STRINGENT STANDARD BASED ON THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY'S FRAMEWORK; AND~~

~~(H) SUBMIT TO THE ADMINISTRATION A REPORT THAT INCLUDES:~~

- ~~1. THE RECOMMENDATIONS FROM THE AUDIT;~~
- ~~2. THE DATE OF THE CYBERSECURITY AUDIT;~~
- ~~3. THE CYBERSECURITY FRAMEWORK USED TO EVALUATE THE ENTITY; AND~~
- ~~4. THE NAME OF THE THIRD PARTY THAT CONDUCTED THE AUDIT.~~

~~(D) ON OR BEFORE JULY 1, 2026, AND EVERY 2 YEARS THEREAFTER, THE ADMINISTRATION SHALL COLLECT CERTIFICATION OF A HEALTHCARE ECOSYSTEM ENTITY'S COMPLIANCE WITH THE STANDARD USED IN THE AUDIT CONDUCTED~~

~~UNDER SUBSECTION (C)(4) OF THIS SECTION FOR CYBERSECURITY-RELATED POLICIES AND PROCEDURES.~~

~~(E) ON OR BEFORE JANUARY 1, 2027, AND EVERY 2 YEARS THEREAFTER, THE ADMINISTRATION SHALL SUBMIT A REPORT TO THE STATE CHIEF INFORMATION SECURITY OFFICER OR THE OFFICER'S DESIGNEE THAT INCLUDES:~~

~~(1) A GENERAL OVERVIEW OF CYBERSECURITY TECHNOLOGY AND POLICIES USED BY HEALTHCARE ECOSYSTEM ENTITIES IN THE STATE, GROUPED IN THE FOLLOWING MANNER:~~

~~(I) INSURERS AUTHORIZED TO SELL HEALTH INSURANCE;~~

~~(II) NONPROFIT HEALTH SERVICE PLANS;~~

~~(III) HEALTH MAINTENANCE ORGANIZATIONS;~~

~~(IV) DENTAL PLAN ORGANIZATIONS;~~

~~(V) PHARMACY BENEFITS MANAGERS; AND~~

~~(VI) ANY OTHER ENTITY PROVIDING A PLAN OF HEALTH INSURANCE, HEALTH BENEFITS, OR HEALTH SERVICES AUTHORIZED UNDER THIS ARTICLE OR THE AFFORDABLE CARE ACT;~~

~~(2) INFORMATION ABOUT EACH CERTIFICATION COLLECTED, INCLUDING:~~

~~(I) THE NAME OF THE HEALTHCARE ECOSYSTEM ENTITY;~~

~~(II) THE DATE OF THE HEALTHCARE ECOSYSTEM ENTITY'S MOST RECENT CYBERSECURITY AUDIT;~~

~~(III) THE CYBERSECURITY FRAMEWORK USED IN THE CYBERSECURITY AUDIT OF THE HEALTHCARE ECOSYSTEM ENTITY; AND~~

~~(IV) THE NAME OF THE THIRD PARTY THAT COMPLETED THE CYBERSECURITY AUDIT;~~

~~(3) AN OVERVIEW OF ESSENTIAL CAPABILITIES PROVIDED BY THE HEALTHCARE ECOSYSTEM ENTITY;~~

~~(4) RECOMMENDATIONS FOR ENSURING THE CONTINUOUS DELIVERY OF ESSENTIAL CAPABILITIES DURING AND FOLLOWING A DISRUPTION TO THE HEALTHCARE ECOSYSTEM; AND~~

~~(5) RECOMMENDATIONS TO IMPROVE CYBERSECURITY FOR THE GROUPS OF HEALTHCARE ECOSYSTEM ENTITIES IDENTIFIED IN ITEM (1) OF THIS SUBSECTION.~~

~~Article State Finance and Procurement~~

~~3.5 101.~~

~~(a) In this title the following words have the meanings indicated.~~

~~(e) “Department” means the Department of Information Technology.~~

~~3.5 2A 01.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(b) “Council” means the Maryland Cybersecurity Coordinating Council.~~

~~(c) “Office” means the Office of Security Management.~~

~~3.5 2A 07.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) “HEALTHCARE ECOSYSTEM” MEANS THE ENTITIES AND RELATIONSHIPS AMONG ENTITIES THAT ARE NECESSARY TO DELIVER HEALTH CARE TREATMENT, PAYMENT, AND HEALTH CARE OPERATIONS.~~

~~(3) “HEALTHCARE ECOSYSTEM ENTITY” INCLUDES:~~

~~(I) A CARRIER;~~

~~(II) AN ELECTRONIC DATA INTERCHANGE CLEARINGHOUSE;~~

~~(III) A FREESTANDING MEDICAL FACILITY;~~

~~(IV) A HOSPITAL;~~

~~(V) A PHARMACY BENEFITS MANAGER;~~



~~(VI) A HEALTH INFORMATION EXCHANGE; AND~~

~~(VII) ANY OTHER ENTITY IDENTIFIED BY THE MARYLAND HEALTH CARE COMMISSION OR THE MARYLAND INSURANCE ADMINISTRATION IN REGULATIONS TO BE INCLUDED IN THE HEALTHCARE ECOSYSTEM.~~

~~(B) (1) A HEALTHCARE ECOSYSTEM ENTITY SHALL REPORT, IN ACCORDANCE WITH THE PROCESS ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION, A CYBERSECURITY INCIDENT, INCLUDING AN ATTACK ON A SYSTEM BEING USED BY THE HEALTHCARE ECOSYSTEM ENTITY, TO THE STATE SECURITY OPERATIONS CENTER IN THE DEPARTMENT.~~

~~(2) THE OFFICE, IN CONSULTATION WITH THE MARYLAND HEALTH CARE COMMISSION AND THE MARYLAND INSURANCE ADMINISTRATION, SHALL ESTABLISH A PROCESS FOR A HEALTHCARE ECOSYSTEM ENTITY TO REPORT A CYBERSECURITY INCIDENT UNDER PARAGRAPH (1) OF THIS SUBSECTION, INCLUDING:~~

~~(I) THE CRITERIA FOR DETERMINING THE CIRCUMSTANCES UNDER WHICH A CYBERSECURITY INCIDENT MUST BE REPORTED;~~

~~(II) THE MANNER IN WHICH A CYBERSECURITY INCIDENT MUST BE REPORTED; AND~~

~~(III) THE TIME PERIOD WITHIN WHICH A CYBERSECURITY INCIDENT MUST BE REPORTED.~~

~~(3) THE STATE SECURITY OPERATIONS CENTER IMMEDIATELY SHALL NOTIFY APPROPRIATE STATE AND LOCAL AGENCIES OF A CYBERSECURITY INCIDENT REPORTED UNDER THIS SUBSECTION.~~

~~(4) (I) ON OR BEFORE JULY 1 EACH YEAR, BEGINNING IN 2026, THE OFFICE SHALL REPORT TO THE GOVERNOR, THE COUNCIL, AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE NUMBER OF CYBERSECURITY INCIDENTS AND TYPES OF CYBERSECURITY INCIDENTS REPORTED UNDER PARAGRAPH (1) OF THIS SUBSECTION IN THE IMMEDIATELY PRECEDING CALENDAR YEAR.~~

~~(II) A REPORT SUBMITTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT IDENTIFY A HEALTHCARE ECOSYSTEM ENTITY THAT REPORTED AN INCIDENT TO THE OFFICE OR A HEALTHCARE ECOSYSTEM ENTITY THAT WAS DIRECTLY AFFECTED BY AN INCIDENT REPORTED TO THE CENTER.~~

~~3.5-301.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(e) “Cybersecurity” means processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.~~

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

~~Article Health General~~

~~19-113.~~

~~(F) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT OF INFORMATION TECHNOLOGY, SHALL ADOPT REGULATIONS TO IMPLEMENT CYBERSECURITY STANDARDS AND PROCEDURES TO:~~

~~(1) PREVENT DISRUPTIONS TO THE HEALTHCARE ECOSYSTEM;~~

~~(2) ENABLE THE DELIVERY OF ESSENTIAL CAPABILITIES BY THE HEALTHCARE ECOSYSTEM; AND~~

~~(3) SUPPORT RECOVERY FROM AN INCIDENT THAT DISRUPTS THE HEALTHCARE ECOSYSTEM.~~

~~(G) THE COMMISSION, IN CONJUNCTION WITH THE MARYLAND DEPARTMENT OF EMERGENCY MANAGEMENT, THE DEPARTMENT OF INFORMATION TECHNOLOGY, AND THE MARYLAND INSURANCE ADMINISTRATION, SHALL REGULARLY CONVENE A STAKEHOLDER WORKGROUP TO REVIEW CYBERSECURITY PRACTICES, THREATS, RESPONSES TO DISRUPTIONS, AND EMERGING ISSUES AFFECTING THE HEALTHCARE ECOSYSTEM.~~

~~Article Insurance~~

~~2-117.~~

~~(F) THE ADMINISTRATION, IN CONSULTATION WITH THE DEPARTMENT OF INFORMATION TECHNOLOGY, SHALL ADOPT REGULATIONS TO IMPLEMENT CYBERSECURITY STANDARDS AND PROCEDURES TO:~~

~~(1) PREVENT DISRUPTIONS TO THE HEALTHCARE ECOSYSTEM;~~

~~(2) ENABLE THE DELIVERY OF ESSENTIAL CAPABILITIES BY THE HEALTHCARE ECOSYSTEM; AND~~

~~(3) SUPPORT RECOVERY FROM AN INCIDENT THAT DISRUPTS THE HEALTHCARE ECOSYSTEM.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That:~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That:

(a) (1) In this section the following words have the meanings indicated.

(2) “Cybersecurity” has the meaning stated in § 3.5–301 of the State Finance and Procurement Article.

(3) “Essential capabilities” means the services that must be available in the healthcare ecosystem to ensure the continuity of critical care and patient safety, including during an incident diminishing the capacity of the healthcare ecosystem.

(4) “Healthcare ecosystem” means the entities and relationships among entities that are necessary to deliver treatment, payment, and health care operations.

(5) (i) “Healthcare ecosystem entity” includes:

1. a carrier, as defined in § 2–117 of the Insurance Article;
2. an electronic data interchange clearinghouse;
3. a freestanding medical facility, as defined in § 19–3A–01 of the Health – General Article;
4. a health information exchange, as defined in § 4–301 of the Health – General Article;
5. a hospital, as defined in § 19–301 of the Health – General Article; and
6. a pharmacy benefits manager, as defined in § 15–1601 of the Insurance Article.

(ii) “Healthcare ecosystem entity” does not include a governmental payor.

(6) “Health care operations” has the meaning stated in 45 C.F.R. § 164.501.

(7) “Payment” has the meaning stated in 45 C.F.R. § 164.501.

(8) “Treatment” has the meaning stated in 45 C.F.R. § 164.501.

(9) “Workgroup” means the Healthcare Ecosystem Stakeholder Cybersecurity Workgroup.

(b) (1) ~~The Maryland Health Care Commission shall convene a healthcare ecosystem stakeholder workgroup to study and make recommendations to improve the cybersecurity of the healthcare ecosystem in the State~~ There is a Healthcare Ecosystem Stakeholder Cybersecurity Workgroup.

(2) The purpose of the Workgroup is to develop strategies to:

(i) prevent cybersecurity disruptions to healthcare ecosystem operations;

(ii) ensure the continuous delivery of essential healthcare ecosystem services; and

(iii) enhance recovery efforts of the healthcare ecosystem following a cybersecurity incident.

(c) The Workgroup consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Chairman of the Maryland Health Care Commission, or the Chairman’s designee;

(4) the Maryland Insurance Commissioner, or the Commissioner’s designee;

(5) the Secretary of Emergency Management, or the Secretary’s designee;

(6) the State Chief Information Security Officer, or the State Chief Officer’s designee;

(7) two representatives from the Subcommittee on Critical Infrastructure of the Maryland Cybersecurity Council, appointed by the Chair of the Maryland Cybersecurity Council;

(8) one representative from each of the following organizations, designated by the head of the organization:

- Insurers;
- (i) one representative of the Cooperative Exchange;
  - (ii) one representative of the Electronic Health Record Association;
  - (iii) one representative of the Maryland League of Life and Health
  - (iv) one representative of the Maryland Hospital Association; and
  - (v) one representative of the Maryland Cybersecurity Association;
- (9) one representative of a pharmacy benefits manager, appointed by the Maryland Insurance Commissioner;
- (10) the following representatives appointed by the Chairman of the Maryland Health Care Commission:
- (i) one representative of an electronic data interchange clearinghouse;
  - (ii) one representative of a freestanding medical facility;
  - (iii) one representative of a large hospital;
  - (iv) one representative of a small hospital;
  - (v) one representative of an inpatient psychiatric hospital; and
  - (vi) one representative of a health information exchange; and
- (11) three representatives of a patient advocacy group, jointly appointed by the Chairman of the Maryland Health Care Commission and the Maryland Insurance Commissioner.
- (d) The Chairman of the Maryland Health Care Commission, or the Chairman's designee, and the Maryland Insurance Commissioner, or the Commissioner's designee, shall cochair the Workgroup.
- (e) The Maryland Health Care Commission and the Maryland Insurance Administration shall provide staff for the Workgroup.
- (f) A member of the Workgroup:
- (1) may not receive compensation as a member of the Workgroup; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(g) The ~~workgroup~~ Workgroup shall:

(1) identify essential capabilities required for the delivery of health care during a cybersecurity attack;

(2) identify functional requirements for the healthcare ecosystem to be capable of providing the essential capabilities identified under item (1) of this subsection;

(3) identify and map all healthcare ecosystem entities in the State against the essential health care capabilities and identified functional requirements;

(4) identify which healthcare ecosystem entities are needed, directly or indirectly, to provide the essential capabilities identified under item (1) of this subsection;

(5) ~~identify other issues related to cybersecurity in the healthcare ecosystem~~ develop an ecosystem cybersecurity threat and risk assessment based on the essential health care capabilities and supporting functions;

(6) examine cybersecurity challenges affecting the healthcare ecosystem based on the threat and risk assessment;

~~(6)~~ (7) review best practices for cybersecurity and processes used in the healthcare ecosystem, including NIST 800–207, NIST 800–207A, NIST 800–53A, the NIST Cybersecurity Framework, HICP Technical Volume 1, and HICP Technical Volume 2; and

~~(7) provide guidance for the Maryland Health Care Commission and the Maryland Insurance Administration regarding the adoption and maintenance of cybersecurity regulatory standards.~~

(8) make recommendations for adopting and maintaining cybersecurity regulatory standards; and

(9) make recommendations for ensuring that essential capabilities and supporting functions are resilient to disruption.

~~(d)~~ (h) (1) On or before ~~July~~ January 1, 2026, the ~~Maryland Health Care Commission Workgroup~~ shall submit an interim report ~~defining the scope and contents of the State's healthcare ecosystem~~ of its findings and recommendations to the Governor, the Secretary of Emergency Management, the Chairman of the Maryland Health Care Commission, the Maryland Insurance Commissioner, the State Chief Information Security Officer, and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

(2) On or before ~~July~~ December 1, 2028 ~~2026~~, the ~~Maryland Health Care Commission Workgroup~~ shall submit a final report of the findings and recommendations of the workgroup to the Governor, the Secretary of Emergency Management, the Chairman of the Maryland Health Care Commission, the Maryland Insurance Commissioner, the State Chief Information Security Officer, and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2028.~~

~~SECTION 5. 2. AND BE IT FURTHER ENACTED, That, except as provided in Section 4 of this Act, this Act shall take effect July 1, 2025. Section 3 of this Act It shall remain effective for a period of 4 2 years and, at the end of June 30, 2029 2027, Section 3 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.~~

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

Pursuant to Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 909 and House Bill 1037 – *Energy Resource Adequacy and Planning Act*.

I commend the General Assembly's dedication to ensuring Maryland's energy reliability and sustainability. I agree that we must improve the state's energy planning process and ensure greater accountability from PJM in meeting Maryland's long-term energy needs. That is why I have joined our allies across the region to help address this concern and keep costs down. While this legislation proposes the creation of a new Strategic Energy Planning Office (SEPO) to lead a statewide energy planning process, including the development of a comprehensive report on risks to the bulk power system, after careful consideration, I have determined that this legislation is unnecessary at this time due to several factors.

The fiscal impact of this legislation is significant. Establishing and operating this new office would cost between \$4.4 million and \$5.3 million annually starting in fiscal year 2026,

totaling nearly \$29 million over five years. This cost would ultimately be passed along to Maryland ratepayers at a time when we are actively working to limit their burden, not add to it. Furthermore, the objectives outlined in this legislation overlap significantly with existing efforts by agencies such as the Public Service Commission (PSC), the Maryland Energy Administration (MEA), and the Power Plant Research Program (PPRP). These agencies are already engaged in comprehensive energy planning and analysis. Establishing a new office with similar responsibilities would lead to delays, redundancy, and inefficient use of resources.

Given these considerations, the goals of this legislation can be achieved more effectively through the optimization of current agency functions and resources. I look forward to working with you and stakeholders to address this.

For these reasons, I have vetoed Senate Bill 909 and House Bill 1037.

Sincerely,

Wes Moore  
Governor

### Senate Bill 909

AN ACT concerning

### Energy Resource Adequacy and Planning Act

FOR the purpose of establishing the ~~Integrated Resource~~ Strategic Energy Planning Office ~~in the Public Service Commission~~; requiring the Office to develop a Comprehensive ~~Energy Forecast and conduct a certain study~~ Wholesale Energy Markets and Bulk Power System Risk Report and examine certain scenarios to support the development of the Forecast; ~~requiring the Office, in consultation with the Commission and the Maryland Energy Administration, to complete certain energy modeling; requiring the Commission, in consultation with the Office, to adopt regulations requiring each electric company to develop a certain integrated resource plan~~ Risk Report; requiring the Office to conduct certain stakeholder processes; requiring the Office to provide certain information to certain persons under certain circumstances; requiring the Public Service Commission to conduct a certain public proceeding; requiring the Commission and the Department of Transportation to complete certain studies; requiring the Maryland Energy Administration to obtain or develop certain power flow analyses; and generally relating to the ~~Integrated Resource~~ Strategic Energy Planning Office and energy resource planning.

BY repealing and reenacting, with amendments,

Article – Public Utilities

Section 2–110 and 2–110.1

Annotated Code of Maryland

(2020 Replacement Volume and 2024 Supplement)



BY adding to

Article – Public Utilities

Section 7–1201 through ~~7–1206~~ 7–1207 to be under the new subtitle “Subtitle 12.  
~~Integrated Resource~~ **Strategic Energy Planning Office**”

Annotated Code of Maryland

(2020 Replacement Volume and 2024 Supplement)

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

### Article – Public Utilities

2–110.

(a) In this section, “public service company” includes an electricity supplier and a gas supplier as those terms are defined in § 1–101 of this article.

(b) (1) The costs and expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of People’s Counsel shall be borne by the public service companies that are subject to the Commission’s jurisdiction.

(2) The costs and expenses shall be assessed as provided in this section.

(3) The Commission shall pay the money that it collects for the assessment under this section into the Public Utility Regulation Fund in the State Treasury established under § 2–110.1 of this subtitle to reimburse the State for the expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of People’s Counsel.

(c) (1) (i) Before each State fiscal year, the Chairman of the Commission shall estimate the Commission’s total costs and expenses, including:

1. the compensation and expenses of the Commission, its officers, agents, and personnel;

2. the cost of retirement contributions, Social Security, health insurance, and other benefits required to be paid by the State for the personnel of the Commission;

3. all other maintenance and operation expenses of the Commission; and

4. all other direct and indirect costs of the Commission.

(ii) The estimate shall exclude the expenses associated with services performed by the Commission for which the Commission is reimbursed under this division.

(iii) THE ESTIMATE SHALL INCLUDE, AS PROVIDED BY THE STRATEGIC ENERGY PLANNING OFFICE:

1. THE COMPENSATION AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE, ITS OFFICERS, AGENTS, AND PERSONNEL;

2. THE COST OF RETIREMENT CONTRIBUTIONS, SOCIAL SECURITY, HEALTH INSURANCE, AND OTHER BENEFITS REQUIRED TO BE PAID BY THE STATE FOR THE PERSONNEL OF THE STRATEGIC ENERGY PLANNING OFFICE;

3. ALL OTHER MAINTENANCE AND OPERATION EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE; AND

4. ALL OTHER DIRECT AND INDIRECT COSTS OF THE STRATEGIC ENERGY PLANNING OFFICE.

(IV) The estimate shall include, as provided by the Office of People's Counsel:

1. the compensation and expenses of the Office of People's Counsel, its officers, agents, and personnel;

2. the cost of retirement contributions, Social Security, health insurance, and other benefits required to be paid by the State for the personnel of the Office of People's Counsel;

3. all other maintenance and operation expenses of the Office of People's Counsel; and

4. all other direct and indirect costs of the Office of People's Counsel.

(2) Based on the estimate, the Chairman shall determine the amount to be paid by each public service company.

(3) The Commission shall send a bill to each public service company on or before May 1 of each year.

(4) (i) The bill shall equal the product of:

1. the estimated total costs and expenses of the Commission, THE STRATEGIC ENERGY PLANNING OFFICE, and the Office of People's Counsel during the next fiscal year; multiplied by

2. the ratio of the gross operating revenues for the public service company derived from intrastate utility and electricity supplier operations in the

preceding calendar year, or other 12-month period as the Chairman determines, to the total of the gross operating revenues derived from intrastate utility and electricity supplier operations for all public service companies that are billed under this section over that period.

(ii) To the extent that the Commission requires an electric company to report the gross operating revenue derived from intrastate utility and electricity supplier operation in order to calculate the bill under subparagraph (i) of this paragraph, a small rural electric cooperative described in § 7-502(a) of this article may satisfy the requirement by submitting to the Commission an estimate made in accordance with a formula approved by the Commission from information that the small rural electric cooperative submits to the rural utilities service.

(5) The minimum bill for a public service company shall be \$10.

(6) The public service company:

(i) shall pay the bill on or before the next July 15; or

(ii) may elect to make partial payments on the 15th days of July, October, January, and April.

(7) A partial payment shall equal 25% of the bill and may not be less than \$10.

(8) During any State fiscal year, the Chairman may change the estimate of costs and expenses of the Commission, **THE ESTIMATE OF COSTS AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE, AS CHANGED BY THE STRATEGIC ENERGY PLANNING OFFICE**, and the estimate of costs and expenses of the Office of People's Counsel, as changed by the People's Counsel.

(9) (i) If the estimate is changed, the Commission shall send a revised bill to each public service company that has elected to make partial payments.

(ii) The change shall be apportioned equally against the remaining payments for the fiscal year.

(10) (i) On or before September 15 of each year, the Chairman shall compute:

1. the actual costs and expenses of the Commission[.];

2. **THE ACTUAL COSTS AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE, AS PROVIDED BY THE STRATEGIC ENERGY PLANNING OFFICE FOR THE PRECEDING FISCAL YEAR;** and

3. the actual costs and expenses of the Office of People's Counsel, as provided by the People's Counsel for the preceding fiscal year.

(ii) If the amounts collected are less than the actual costs and expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of the People's Counsel, after deducting the amounts recovered under §§ 2–111(a) and 2–123 of this subtitle, on or before October 15, the Chairman shall send to any public service company that is affected a statement that shows the amount due.

(iii) If the amounts collected exceed the actual costs and expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of the People's Counsel for the preceding fiscal year, the Commission shall deduct any excess retained funds from the appropriation for the next fiscal year before the Commission determines the amount to be paid by each public service company for the next fiscal year under paragraph (2) of this subsection.

(11) A public service company shall pay an amount due within 30 days after the statement is received.

(12) The total amount that may be charged to a public service company under this section for a State fiscal year may not exceed:

(i) 0.50% of the public service company's gross operating revenues derived from intrastate utility and electricity supplier operations in the preceding calendar year, or other 12-month period that the Chairman determines, for the costs and expenses of the Commission other than that of the **STRATEGIC ENERGY PLANNING OFFICE AND THE Office of People's Counsel**; plus

(ii) **0.074% OF THOSE REVENUES FOR THE COSTS AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE; PLUS**

(iii) 0.074% of those revenues for the costs and expenses of the Office of People's Counsel.

(d) (1) Within 30 days after the Commission issues a bill under subsection (c) of this section, the party billed may request a hearing as to the amount of the bill.

(2) Any amount of a bill that is not paid within 30 days after the date of determination on a hearing or, if a hearing is not requested, on the date when payment is due, shall bear annual interest at a rate, not less than 6%, that the Commission sets by regulation.

2–110.1.

(a) There is a Public Utility Regulation Fund.

(b) The Fund consists of:

(1) all revenue received through the imposition and collection of assessments under § 2–110 of this subtitle;

(2) fees received by the Commission under § 2–123 of this subtitle for filings and for other services rendered by the Commission;

(3) income from investments that the State Treasurer makes for the Fund;  
and

(4) any other fee, examination assessment, or revenue received by the Commission under this division.

(c) Notwithstanding subsection (b) of this section, the Commission shall pay all fines and penalties collected by the Commission under this article into the Resiliency Hub Grant Program Fund established under § 9–2011 of the State Government Article.

(d) The purpose of the Fund is to pay all the costs and expenses incurred by the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of People’s Counsel that are related to the operation of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of People’s Counsel, including:

(1) expenditures authorized under this division; and

(2) any other expense authorized in the State budget.

(e) (1) All the costs and expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of People’s Counsel shall be included in the State budget.

(2) Expenditures from the Fund to cover costs and expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and Office of People’s Counsel may only be made:

(i) with an appropriation from the Fund approved by the General Assembly in the State budget; or

(ii) by budget amendment in accordance with § 7–209 of the State Finance and Procurement Article.

(f) (1) The State Treasurer is the custodian of the Fund.

(2) The State Treasurer shall deposit payments received from the Commission into the Fund.

(g) (1) The Fund is a continuing, special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article, and may not be considered a part of the General Fund of the State.

(2) Unless otherwise provided by law, no part of the Fund may revert or be credited to:

(i) the General Fund of the State; or

(ii) any other special fund of the State.

**SUBTITLE 12. ~~INTEGRATED RESOURCE~~ STRATEGIC ENERGY PLANNING OFFICE.**

**7–1201.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

~~(B) “DEMAND ELEMENT” MEANS A SPECIFIC FACTOR OR COMPONENT THAT CONTRIBUTES TO THE OVERALL ELECTRICITY LOAD OR DEMAND.~~

~~(C)~~ (B) “DIRECTOR” MEANS THE DIRECTOR OF THE ~~INTEGRATED RESOURCE~~ STRATEGIC ENERGY PLANNING OFFICE.

~~(D) “FORECAST” MEANS THE COMPREHENSIVE ENERGY FORECAST.~~

~~(E)~~ (C) “OFFICE” MEANS THE ~~INTEGRATED RESOURCE~~ STRATEGIC ENERGY PLANNING OFFICE.

(D) “PJM REGION” HAS THE MEANING STATED IN § 7–701 OF THIS TITLE.

(E) “RISK REPORT” MEANS THE COMPREHENSIVE WHOLESALE ENERGY MARKETS AND BULK POWER SYSTEM RISK REPORT DEVELOPED UNDER § 7–1203 OF THIS SUBTITLE.

**7–1202.**

(A) THERE IS ~~AN INTEGRATED RESOURCE~~ A STRATEGIC ENERGY PLANNING OFFICE ~~IN THE COMMISSION.~~

(B) (1) THE HEAD OF THE OFFICE IS THE DIRECTOR.

(2) (I) THE DIRECTOR SHALL:

~~(I)~~ BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE;~~AND~~

~~(II)~~ ~~SERVE AT THE PLEASURE OF THE GOVERNOR.~~

(II) THE TERM OF THE DIRECTOR IS 5 YEARS AND BEGINS ON JULY 1.

(III) AT THE END OF A TERM, THE DIRECTOR CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(IV) A DIRECTOR WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(V) A DIRECTOR MAY SERVE MORE THAN ONE TERM.

(3) THE GOVERNOR MAY REMOVE THE DIRECTOR FOR INCOMPETENCE OR MISCONDUCT IN ACCORDANCE WITH § 3-307 OF THE STATE GOVERNMENT ARTICLE.

(4) THE DIRECTOR IS ENTITLED TO A SALARY AS PROVIDED IN THE STATE BUDGET.

~~(C) (1) THE COMMISSION SHALL PROVIDE THE OFFICE WITH SUFFICIENT STAFF AND RESOURCES TO PERFORM THE FUNCTIONS OF THIS SUBTITLE.~~

(C) (1) THE OFFICE SHALL HAVE THE STAFF PROVIDED FOR IN THE STATE BUDGET.

(2) THE OFFICE MAY HIRE A PRIVATE CONSULTANT CONSULTANTS IF NECESSARY TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE.

(D) IN ORDER TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE, THE OFFICE SHALL COLLABORATE WITH:

(1) THE MARYLAND ENERGY ADMINISTRATION;

(2) THE COMMISSION;

(3) THE POWER PLANT RESEARCH PROGRAM;

(4) THE MARYLAND CLEAN ENERGY CENTER; AND

(5) THE DEPARTMENT OF THE ENVIRONMENT.

(E) THE OFFICE SHALL COORDINATE WITH THE COMMISSION TO ESTABLISH PROCEDURES AND RULES TO OBTAIN INFORMATION FROM ELECTRIC COMPANIES AND GAS COMPANIES NECESSARY TO ACCOMPLISH THE OFFICE'S DUTIES UNDER THIS SUBTITLE.

7-1203.

(A) (1) EVERY 3 YEARS, THE OFFICE SHALL DEVELOP A COMPREHENSIVE WHOLESALE ENERGY MARKETS AND BULK POWER SYSTEM RISK REPORT.

(2) THE PURPOSE OF THE RISK REPORT IS TO:

(I) ASSESS WHOLESALE ENERGY MARKET FINANCIAL, RESOURCE ADEQUACY, AND RELIABILITY RISKS ASSOCIATED WITH SERVING THE STATE'S LONG-TERM ENERGY NEEDS; AND

(II) IDENTIFY ANY NECESSARY COST-EFFECTIVE SOLUTIONS THAT ENSURE ELECTRIC SYSTEM RELIABILITY WHILE MEETING THE STATE'S ENERGY POLICY GOALS.

(3) THE SOLUTIONS IDENTIFIED IN THE RISK REPORT SHALL SEEK TO:

(I) MINIMIZE THE GROWTH OF THE COST OF ELECTRICITY OR LOWER THE COST OF ELECTRICITY; AND

(II) MINIMIZE ENERGY RESOURCE RELIABILITY RISKS.

(B) (1) THE RISK REPORT SHALL INCLUDE ENERGY AND DEMAND FORECASTS THAT CONTAIN:

(I) REASONABLE, 20-YEAR PROJECTIONS FOR ELECTRICITY LOAD AND ENERGY DEMANDS FOR:

1. TRANSMISSION ZONES; AND

2. ELECTRIC SERVICE TERRITORIES; AND

(II) PROJECTIONS FOR MEETING STATE ENERGY NEEDS AND CLEAN ENERGY GOALS AND LOAD FORECASTS IN THE PJM REGION, INCLUDING:



1. LOW, AVERAGE, AND HIGH PROJECTIONS OF ENERGY DEMAND BASED ON STATE POLICIES AND OTHER REASONABLE ASSUMPTIONS THAT IMPACT THE PROVISION OF ELECTRICITY IN THE STATE; AND

2. OTHER PROJECTIONS AS NECESSARY.

(2) IN COLLECTING THE DATA FOR THE FORECASTS UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE OFFICE SHOULD, BUT IS NOT REQUIRED TO, USE:

(I) HISTORICAL AND PROJECTED INFORMATION FROM ELECTRIC COMPANIES;

(II) LOAD FORECASTS FOR THE PJM REGION;

(III) APPROPRIATE ECONOMETRIC DATA FOR THE STATE; AND

(IV) ANY OTHER INFORMATION THE OFFICE CONSIDERS APPROPRIATE.

(C) (1) THE OFFICE SHALL EXAMINE DIFFERENT WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM SCENARIOS TO SERVE THE FORECASTS UNDER SUBSECTION (B) OF THIS SECTION.

(2) EACH SCENARIO EXAMINED SHALL:

(I) IDENTIFY THE RESULTING WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM FINANCIAL AND RESOURCE ADEQUACY IMPACTS OF SERVING THE FORECASTS WITH THE EXISTING ELECTRIC SYSTEM, KNOWN ADDITIONS TO THE ELECTRIC SYSTEM, AND ELECTRIC SYSTEM RESOURCE RETIREMENTS; AND

(II) IDENTIFY RESOURCE AND DEMAND-SIDE MANAGEMENT SOLUTIONS THAT MAY RESOLVE POTENTIAL RESOURCE ADEQUACY ISSUES AT THE LEAST COST.

(3) FOR A SUBSET OF SCENARIOS THAT ARE PRIMARILY RELIED ON WITHIN THE RISK REPORT, THE OFFICE SHALL, IN ADDITION TO THE REQUIREMENTS OF PARAGRAPH (2) OF THIS SUBSECTION:

(I) IDENTIFY THE RESULTING WHOLESALE MARKET AND BULK POWER SYSTEM RELIABILITY IMPACTS OF SERVING THE FORECASTS WITH THE EXISTING ELECTRIC SYSTEM, KNOWN ADDITIONS TO THE ELECTRIC SYSTEM, AND ELECTRIC SYSTEM RESOURCE RETIREMENTS; AND

(II) IDENTIFY RESOURCE AND DEMAND-SIDE MANAGEMENT SOLUTIONS THAT MAY RESOLVE POTENTIAL RELIABILITY CONSTRAINTS AT THE LEAST COST.

(4) EACH SCENARIO SHALL ALSO EXAMINE:

(I) DIFFERENT ENERGY RESOURCE MIXES TO MEET THE STATE'S ENERGY NEEDS, INCLUDING THE USE OF DEMAND-SIDE MANAGEMENT;

(II) DIFFERENT APPROACHES FOR MEETING THE STATE'S CLEAN ENERGY GOALS;

(III) IMPROVEMENTS TO EXISTING ENERGY RESOURCES AS OPPOSED TO THE DEPLOYMENT OF NEW ENERGY RESOURCES;

(IV) BALANCING THE USE OF ELECTRICITY IMPORTED FROM OUTSIDE THE STATE WITH THE DEVELOPMENT OF NEW ENERGY RESOURCES IN THE STATE;

(V) FINANCIAL AND OTHER RISKS ASSOCIATED WITH RETIRING ENERGY GENERATION RESOURCES;

(VI) DIRECTIONAL ASSESSING OF COST RISKS TO RATEPAYERS;  
AND

(VII) IMPACTS TO THE WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM IN MEETING THE STATE'S POLICY GOALS RELATED TO ELECTRICITY.

(5) THE SCENARIOS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:

(I) AT LEAST ONE SCENARIO THAT EXAMINES THE ACHIEVEMENT OF THE STATE'S CLEAN ENERGY GOALS;

(II) AT LEAST ONE SCENARIO THAT EXAMINES A LEAST-COST APPROACH TO MEETING THE STATE'S PROJECTED ENERGY NEEDS; AND

(III) AT LEAST ONE SCENARIO THAT ASSUMES NO CHANGES IN STATE ENERGY AND CLIMATE POLICIES.

(D) (1) THE RISK REPORT SHALL:

(I) BE INFORMED BY THE FORECASTS AND SCENARIOS REQUIRED UNDER THIS SECTION;

(II) PROVIDE INFORMATION ON THE RISKS ASSOCIATED WITH SERVING THE IDENTIFIED ENERGY FORECASTS AND ACHIEVEMENT OF THE STATE'S CLEAN ENERGY GOALS;

(III) DISCUSS THE POTENTIAL FINANCIAL IMPACTS OF THE DIFFERENT SCENARIOS EXAMINED UNDER SUBSECTION (C) OF THIS SECTION ON THE STATE AND RATEPAYERS;

(IV) IDENTIFY THE FINANCIAL, RESOURCE ADEQUACY, AND RELIABILITY RISKS OF THE WHOLESALE ENERGY MARKETS AND BULK POWER SYSTEM ON RATEPAYERS; AND

(V) SPECIFY THE INPUTS AND ASSUMPTIONS USED IN DEVELOPING THE RISK REPORT.

(2) (I) THE RISK REPORT SHALL ALSO INCLUDE ANY RECOMMENDATIONS OF THE OFFICE REGARDING SHORT- AND LONG-TERM SOLUTIONS TO MINIMIZE WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM FINANCIAL, RESOURCE ADEQUACY, AND RELIABILITY RISKS, INCLUDING STRATEGIES TO IMPLEMENT ANY RECOMMENDATIONS.

(II) THE RECOMMENDATIONS MAY INCLUDE:

1. ENERGY GENERATION, TRANSMISSION, OR DISTRIBUTION RESOURCE DEPLOYMENT OR DEMAND-SIDE MANAGEMENT SOLUTIONS;

2. PROGRAM DEVELOPMENT, INCLUDING:

A. ALTERING OR ADDING TO EXISTING PROGRAMS; OR

B. PROPOSING NEW PROGRAMS;

3. STATUTORY OR REGULATORY CHANGES; AND

4. RECOMMENDATIONS TO THE GENERAL ASSEMBLY TO IMPLEMENT SHORT- AND LONG-TERM RECOMMENDATIONS IDENTIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, INCLUDING:

A. UTILIZING EXISTING OR CREATING NEW MARKET STRUCTURES;

B. UTILIZING EXISTING OR CREATING NEW STATE PROGRAMS;

C. STATE FINANCING OPTIONS, INCLUDING STATE PROCUREMENT AND MULTISTATE PROCUREMENT;

D. ELECTRIC COMPANY PROCUREMENT OR PROGRAMS;

E. EXAMINING THE MIX OF IN-STATE GENERATION VERSUS RELYING ON IMPORTS AND DEMAND-SIDE MANAGEMENT; AND

F. ANY OTHER RECOMMENDATIONS THAT THE OFFICE CONSIDERS APPROPRIATE.

(III) IF THE OFFICE DETERMINES THAT THE IDENTIFIED RISKS ARE ACCEPTABLE OR THAT EXISTING MARKET DESIGNS, PROCESSES, OR POLICIES WILL ADEQUATELY ADDRESS THE RISKS IDENTIFIED IN THE RISK REPORT, THE OFFICE MAY RECOMMEND THAT NO ACTIONS BE TAKEN.

(IV) THE OFFICE SHALL SUPPORT THE RECOMMENDATIONS BY ANALYSES THAT BALANCE AFFORDABILITY, RELIABILITY, AND GREENHOUSE GAS EMISSIONS REDUCTIONS.

7-1204.

(A) (1) THE OFFICE SHALL:

(I) DEVELOP AND MAINTAIN THE TOOLS AND RESOURCES NECESSARY TO COMPLETE THE ANALYSES REQUIRED UNDER THIS SUBTITLE;

(II) COORDINATE WITH PJM INTERCONNECTION, LLC TO DEVELOP AND MAINTAIN THE TOOLS NECESSARY TO COMPLETE THE ANALYSES REQUIRED UNDER THIS SUBTITLE;

(III) HAVE THE ABILITY TO CONDUCT COST-BENEFIT ANALYSES OF:

~~1.~~ ENERGY GENERATION RESOURCES IN WHOLESALE ENERGY MARKETS; AND

~~2. DIFFERENT FORMS OF LEVELIZED COSTS OF ELECTRICITY AND LEVELIZED FULL SYSTEM COSTS OF ELECTRICITY; AND~~

(IV) PROVIDE AN OPPORTUNITY FOR STAKEHOLDER FEEDBACK ON ANY REPORTS DEVELOPED BY THE OFFICE.

(2) (I) FOR THE RISK REPORT REQUIRED UNDER § 7-1203 OF THIS SUBTITLE, THE OFFICE SHALL CONDUCT A STAKEHOLDER PROCESS TO SOLICIT FEEDBACK REGARDING THE DEVELOPMENT OF DATA INPUTS THAT WILL INFORM THE FORECASTS AND SCENARIOS FOR DEVELOPING THE RISK REPORT.

(II) THE OFFICE IS NOT REQUIRED TO UTILIZE THE FEEDBACK RECEIVED FROM THE STAKEHOLDER PROCESS CONDUCTED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, BUT SHALL PROVIDE DOCUMENTATION OF THE STAKEHOLDER PROCESS IN THE RISK REPORT.

(3) (I) IN ADDITION TO THE PUBLIC HEARING REQUIRED IN § 7-1206 OF THIS SUBTITLE, AFTER THE PUBLICATION OF THE RISK REPORT OR ANY UPDATE TO THE REPORT, THE OFFICE SHALL CONDUCT A STAKEHOLDER PROCESS TO DEVELOP A REPORT THAT ASSESSES STRATEGIES TO ADDRESS THE IDENTIFIED RISKS AND RECOMMENDATIONS IN THE RISK REPORT.

(II) WHEN ASSESSING STRATEGIES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THERE SHALL BE CONSIDERATION OF:

1. NEW OR EXISTING PROGRAMS;
2. LEVERAGING TECHNOLOGY ENHANCEMENTS;
3. REVISED REGULATORY STRUCTURES;
4. STATE COORDINATION OF FEDERAL SOLUTIONS;
5. UTILIZING MARKET MECHANISMS; AND
6. ANY OTHER FACTORS CONSIDERED APPROPRIATE.

(B) THE OFFICE, IN CONSULTATION WITH THE COMMISSION AND THE MARYLAND ENERGY ADMINISTRATION, SHALL COMPLETE ENERGY MODELING FOR THE RISK REPORT.

(C) (1) ON OR BEFORE NOVEMBER 1 EACH YEAR, THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT AND THE HOUSE ECONOMIC MATTERS COMMITTEE MAY JOINTLY REQUEST THE OFFICE TO ASSESS UP TO FIVE POLICY SCENARIOS.

(2) NOT LATER THAN 1 YEAR AFTER THE DATE THE OFFICE RECEIVES A REQUEST UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE OFFICE SHALL SUBMIT A REPORT OF THE RESULTS OF THE REQUESTED POLICY SCENARIOS TO THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT AND THE HOUSE ECONOMIC MATTERS COMMITTEE IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

7-1205.

(A) ON OR BEFORE SEPTEMBER 1, 2028, AND EVERY 3 YEARS THEREAFTER, THE OFFICE SHALL SUBMIT THE RISK REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(B) (1) THE OFFICE MAY SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ANY ADDITIONAL UPDATES TO THE RISK REPORT AT ANY TIME.

(2) THE UPDATES SHALL INCLUDE:

(I) THE STATUS OF AND ANY CHANGES TO THE FORECASTS AND SCENARIOS DEVELOPED UNDER § 7-1203 OF THIS SUBTITLE;

(II) INFORMATION ON ANY NEW FORECASTS AND SCENARIOS THE OFFICE HAS DEVELOPED; AND

(III) ANY OTHER CHANGES TO THE INFORMATION OR RECOMMENDATIONS CONTAINED IN THE REPORT OR ANY PRECEDING UPDATES TO THE REPORT.

(C) ON OR BEFORE SEPTEMBER 1, 2028, AND EVERY 3 YEARS THEREAFTER, THE OFFICE SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY THE REPORT REQUIRED UNDER § 7-1204(A)(3) OF THIS SUBTITLE.

7-1206.

(A) BEGINNING ON OR BEFORE SEPTEMBER 1, 2030, AND AT LEAST ONCE EVERY 3 YEARS THEREAFTER, AFTER RECEIVING A REQUEST BY THE OFFICE, THE COMMISSION, IN CONSULTATION WITH THE OFFICE, SHALL CONDUCT A PUBLIC PROCEEDING TO ASSESS THE RESULTS AND RECOMMENDATIONS CONTAINED IN THE RISK REPORT AND ANY UPDATES TO THE REPORT.

(B) THE PUBLIC PROCEEDING SHALL INCLUDE A PUBLIC HEARING AND AN OPPORTUNITY FOR PUBLIC COMMENT ON THE RECOMMENDATIONS OF THE RISK REPORT AND ANY UPDATES TO THE REPORT.

(C) THE OFFICE SHALL CONSIDER ANY FEEDBACK RECEIVED THROUGH THE PUBLIC PROCEEDING AND DETERMINE IF ANY FURTHER CHANGES TO THE RISK REPORT ARE NECESSARY.

(D) THE COMMISSION SHALL CONSIDER ANY FEEDBACK RECEIVED THROUGH THE PUBLIC PROCEEDING AND DETERMINE WHETHER ANY ACTION UNDER ITS JURISDICTION IS WARRANTED.

7-1207.

(A) THIS SECTION DOES NOT APPLY TO:

(1) THE REPORT REQUIRED UNDER § 7-1204(A)(3) OF THIS SUBTITLE; AND

(2) THE REPORT REQUIRED UNDER § 7-1204(C)(2) OF THIS SUBTITLE.

(B) EACH REPORT REQUIRED UNDER THIS SUBTITLE SHALL INCLUDE DOCUMENTATION OF STAKEHOLDER ENGAGEMENT AND ANY FEEDBACK RECEIVED RELATED TO THE DEVELOPMENT OF THAT REPORT.

~~7-1203.~~

~~(A) THE OFFICE SHALL DEVELOP A 25-YEAR COMPREHENSIVE ENERGY FORECAST.~~

~~(B) THE PURPOSE OF THE FORECAST IS TO ANALYZE ENERGY SCENARIOS AND POLICY OPTIONS FOR MEETING THE STATE'S ENERGY NEEDS AND GREENHOUSE GAS EMISSIONS REDUCTION GOALS WHILE ENSURING ELECTRIC DISTRIBUTION SYSTEM RELIABILITY AND COST-EFFECTIVENESS CONSISTENT WITH THE LONG-TERM ENERGY NEEDS OF THE STATE.~~

~~(C) THE FORECAST SHALL INCLUDE:~~

~~(1) REASONABLE PROJECTIONS FOR ELECTRICITY LOAD AND DEMAND FROM 2025 THROUGH 2050 THAT INCLUDE:~~

~~(i) STATEWIDE DEMAND ELEMENTS; AND~~

~~(II) DEMAND ELEMENTS FOR SPECIFIC ELECTRIC SERVICE TERRITORIES;~~

~~(2) SCENARIOS FOR MEETING:~~

~~(I) STATE ENERGY NEEDS AND GREENHOUSE GAS EMISSIONS REDUCTION GOALS; AND~~

~~(II) LOAD FORECASTS IN THE PJM REGION, AS DEFINED IN § 7-101 OF THIS TITLE; AND~~

~~(3) A STRATEGY TO MEET THE SCENARIO THAT THE OFFICE DETERMINES BEST MEETS THE NEEDS STATED IN ITEM (2) OF THIS SUBSECTION AND THAT INCLUDES:~~

~~(I) INFORMATION ON THE SCENARIO'S IMPACT ON ENERGY RELIABILITY AND GREENHOUSE GAS EMISSIONS REDUCTIONS;~~

~~(II) THE FINANCIAL IMPACT OF THE SCENARIO ON THE STATE AND RATEPAYERS;~~

~~(III) 1. SHORT AND LONG TERM RECOMMENDATIONS FOR THE GENERATION, DISTRIBUTION, TRANSMISSION, AND STORAGE OF ELECTRICITY, SUPPORTED BY ANALYSES THAT BALANCE AFFORDABILITY, RELIABILITY, AND GREENHOUSE GAS EMISSIONS REDUCTIONS; AND~~

~~2. RECOMMENDATIONS TO THE GENERAL ASSEMBLY TO IMPLEMENT THE SHORT AND LONG TERM RECOMMENDATIONS;~~

~~(IV) LOCATIONAL VALUE ESTIMATIONS INCLUDING PRIORITY GENERATION AND TRANSMISSION ZONES ATTRACTIVE FOR RESOURCE DEVELOPMENT;~~

~~(V) A SUMMARY OF RELEVANT REGULATORY AND ADMINISTRATIVE PROCEDURES THAT COULD BE STREAMLINED OR MODERNIZED FOR GREATER EFFICIENCY;~~

~~(VI) THE USE OF ALL BEST AVAILABLE TECHNOLOGIES AND TECHNOLOGIES THAT MAY BECOME AVAILABLE IN THE FUTURE;~~

~~(VII) SENSITIVITIES RELATED TO VARIOUS LEVELS OF ELECTRIFICATION AND THE ADOPTION OF LOAD FLEXIBILITY AND DISTRIBUTED ENERGY RESOURCES;~~



~~(VIII) METHODS FOR ACHIEVING 60%, 80%, AND 100% OF THE STATE'S ENERGY NEEDS THROUGH IN-STATE GENERATION;~~

~~(IX) AN INDEPENDENT RATEPAYER IMPACT ANALYSIS;~~

~~(X) RELATED INVESTMENTS IN ELECTRICITY AND GAS INFRASTRUCTURE, INCLUDING ANY INTERPLAY BETWEEN THE TWO;~~

~~(XI) ECONOMIC DEVELOPMENT AND WORKFORCE OPPORTUNITIES;~~

~~(XII) STATE FINANCING OPTIONS, INCLUDING STATE PROCUREMENT AND MULTISTATE PROCUREMENT;~~

~~(XIII) UTILITY BUSINESS MODELS, TARIFFS, AND COST RECOVERY;~~

~~(XIV) SUPPORTIVE MARKET STUDIES;~~

~~(XV) PLANS FOR LEVERAGING AVAILABLE FEDERAL FUNDS; AND~~

~~(XVI) KEY FINDINGS FROM THE STUDY REQUIRED UNDER SUBSECTION (D) OF THIS SECTION.~~

~~(D) (1) ON OR BEFORE SEPTEMBER 30, 2026, THE OFFICE SHALL CONDUCT A STUDY TO SUPPORT THE DEVELOPMENT OF THE FORECAST.~~

~~(2) THE OFFICE SHALL HIRE A PRIVATE CONSULTANT TO MEET THE REQUIREMENTS OF THIS SECTION.~~

~~(3) AS PART OF THE STUDY:~~

~~(i) THE COMMISSION SHALL STUDY:~~

~~1. THE VIABILITY OF ENERGY STORAGE AS A TRANSMISSION ASSET;~~

~~2. THE NECESSITY OF AN INDEPENDENT DISTRIBUTION OPERATOR; AND~~

~~3. IN CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION, RECONDUCTING OPPORTUNITIES IN THE STATE;~~

~~(II) THE MARYLAND ENERGY ADMINISTRATION SHALL STUDY THE FEASIBILITY OF PLACING SMALL MODULAR REACTORS ON FORMER ELECTRICITY GENERATION SITES; AND~~

~~(III) THE POWER PLANT RESEARCH PROGRAM SHALL STUDY STATE LAND SUITABLE FOR SOLAR ENERGY DEVELOPMENT.~~

~~(4) THE STUDY SHALL:~~

~~(I) INCLUDE AN ANALYSIS, MADE IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, OF METHODS FOR REDUCING TRANSMISSION CONSTRAINED AREAS THROUGH THE USE OF EXISTING RIGHTS OF WAY;~~

~~(II) INCLUDE THE FEASIBILITY AND EFFICACY OF:~~

~~1. BROADENING THE STATE'S POWER PURCHASE AGREEMENT AUTHORITY;~~

~~2. DEVELOPING ELECTRICITY PROCUREMENT PLANS TO ENSURE ADEQUATE, RELIABLE, AFFORDABLE, EFFICIENT, AND ENVIRONMENTALLY SUSTAINABLE ELECTRICITY SERVICE AT THE LOWEST TOTAL COST OVER TIME, TAKING INTO ACCOUNT ANY PRICE STABILITY BENEFITS; AND~~

~~3. CONDUCTING COMPETITIVE PROCUREMENT PROCESSES TO PROCURE THE RESOURCES IDENTIFIED IN THE PROCUREMENT PLANS UNDER ITEM (II) OF THIS ITEM; AND~~

~~(III) INCLUDE AND INCORPORATE THE RESULTS OF THE STUDIES REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION.~~

~~(5) ON OR BEFORE DECEMBER 31, 2026, THE OFFICE SHALL SUBMIT A REPORT OF ITS FINDINGS AND ANY RECOMMENDATIONS TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.~~

~~7-1204.~~

~~(A) THE OFFICE, IN CONSULTATION WITH THE COMMISSION AND THE MARYLAND ENERGY ADMINISTRATION, SHALL COMPLETE ENERGY MODELING FOR THE STRATEGY AND SCENARIOS INCLUDED IN THE FORECAST UNDER § 7-1203 OF THIS SUBTITLE, AND FOR ANY CHANGES TO THE STRATEGY SET FORTH IN THE FORECAST, THAT:~~

~~(1) ENABLES COST-BENEFIT ANALYSES OF ELECTRICITY PRICES BY RESOURCE MIX TYPE;~~

~~(2) CONSIDERS THE TIMELINE FOR COMMERCIALIZATION OF ENERGY TECHNOLOGIES AND WHEN THOSE TECHNOLOGIES MAY BECOME COST-EFFECTIVE;~~

~~(3) PROVIDES LOCATIONAL VALUE PLANNING;~~

~~(4) HAS THE ABILITY TO RUN POLICY SCENARIOS ANNUALLY IN ORDER TO PROVIDE EFFECTIVE FEEDBACK TO THE GENERAL ASSEMBLY;~~

~~(5) CONSIDERS WHETHER THE TRANSITION TO DISTRIBUTED RENEWABLE ENERGY IS DELIVERING SUFFICIENT ELECTRIC DISTRIBUTION SYSTEM RELIABILITY OR WHETHER THERE ARE VULNERABILITIES THAT NEED TO BE ADDRESSED;~~

~~(6) STRENGTHENS THE DIVERSITY, SUSTAINABILITY, AND RESILIENCE OF THE ELECTRIC TRANSMISSION SYSTEM;~~

~~(7) ENHANCES THE ELECTRIC DISTRIBUTION SYSTEM AND DEMAND-SIDE MANAGEMENT; AND~~

~~(8) MAY BE UPDATED ANNUALLY BASED ON STRATEGIES, POLICY DECISIONS, AND PERIODIC REASSESSMENTS OF THE STATE'S ENERGY PORTFOLIO TO REMAIN UP-TO-DATE WITH THE EVOLUTION OF ENERGY GENERATION AND TRANSMISSION.~~

~~(B) THE OFFICE SHALL PROVIDE A 45-DAY PERIOD FOR PUBLIC COMMENT ON ANY MODELING COMPLETED UNDER THIS SECTION.~~

~~7-1205.~~

~~ON OR BEFORE SEPTEMBER 1, 2027, AND EVERY 2 YEARS THEREAFTER, THE OFFICE SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT ON:~~

~~(1) THE STATUS OF THE FORECAST DEVELOPED UNDER § 7-1203 OF THIS SUBTITLE AND ANY CHANGES TO THE STRATEGY SET FORTH IN THE FORECAST; AND~~

~~(2) (i) ANY ENERGY MODELING COMPLETED UNDER § 7-1204 OF THIS SUBTITLE IN THE IMMEDIATELY PRECEDING 2-YEAR PERIOD; AND~~

~~(H) ANY PUBLIC COMMENTS SUBMITTED IN RELATION TO THE MODELING.~~

~~7-1206.~~

~~(A) ON OR BEFORE DECEMBER 1, 2025, THE COMMISSION, IN CONSULTATION WITH THE OFFICE, SHALL ADOPT REGULATIONS REQUIRING EACH ELECTRIC COMPANY TO DEVELOP AN INTEGRATED RESOURCE PLAN TO:~~

~~(1) FACILITATE ACHIEVING THE STATE'S GREENHOUSE GAS EMISSIONS REDUCTIONS GOALS;~~

~~(2) FULFILL THE COMPANY'S OBLIGATION TO CHARGE JUST AND REASONABLE RATES;~~

~~(3) MINIMIZE OR MITIGATE IMPACTS ON RATEPAYERS IN THE STATE;~~

~~(4) ENSURE BOTH SHORT TERM AND LONG TERM ELECTRIC DISTRIBUTION SYSTEM RELIABILITY, INCLUDING MEETING THE RESOURCE ADEQUACY NEEDS OF THE STATE;~~

~~(5) STRENGTHEN THE DIVERSITY, SUSTAINABILITY, AND RESILIENCE OF THE ELECTRIC TRANSMISSION SYSTEM;~~

~~(6) ENHANCE THE ELECTRIC DISTRIBUTION SYSTEM AND DEMAND SIDE MANAGEMENT; AND~~

~~(7) MINIMIZE LOCALIZED AIR POLLUTANTS AND OTHER GREENHOUSE GAS EMISSIONS, WITH PRIORITY INITIALLY GIVEN TO UNDERSERVED COMMUNITIES OR OVERBURDENED COMMUNITIES AS DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE.~~

~~(B) (1) ON OR BEFORE JULY 1, 2026, EACH ELECTRIC COMPANY SHALL SUBMIT TO THE COMMISSION THE INTEGRATED RESOURCE PLAN REQUIRED UNDER THIS SECTION.~~

~~(2) ON OR BEFORE JULY 1, 2031, AND EVERY 5 YEARS THEREAFTER, EACH ELECTRIC COMPANY SHALL PROVIDE TO THE COMMISSION AN UPDATE ON THE INTEGRATED RESOURCE PLAN REQUIRED UNDER THIS SECTION.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) (1) The Public Service Commission shall study the effectiveness of an independent distribution operator.

(2) On or before December 31, 2026, the Public Service Commission shall submit to the General Assembly, in accordance with § 2–1257 of the State Government Article, a report on the study required under paragraph (1) of this subsection.

(b) (1) The Department of Transportation shall study methods for reducing transmission–constrained areas through the use of existing rights-of-way.

(2) On or before December 31, 2026, the Department of Transportation shall submit to the General Assembly, in accordance with § 2–1257 of the State Government Article, a report on the study required under paragraph (1) of this subsection.

(c) (1) (i) The Maryland Energy Administration shall obtain existing power flow analyses for electric system reliability in the State that are related to currently known electric generation facility retirements.

(ii) If the Maryland Energy Administration is unable to obtain the existing power flow analyses under subparagraph (i) of this paragraph, then the Administration, with the support of the Public Service Commission, shall develop a power flow analysis for electric system reliability in the State that is related to currently known electric generation facility retirements.

(iii) On or before January 1, 2026, the Maryland Energy Administration shall submit to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly a report on the power flow analyses required under this paragraph.

(2) (i) On or before December 31, 2025, and on or before December 31, 2026, the Maryland Energy Administration shall provide to the General Assembly, in accordance with § 2–1257 of the State Government Article, an update on the status of the National Renewable Energy Laboratory’s analysis on resource adequacy conducted at the request of the Administration.

(ii) On receipt of the National Renewable Energy Laboratory’s final analysis on resource adequacy, the Maryland Energy Administration shall submit a final report on the analysis to the General Assembly, in accordance with § 2–1257 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before September 1, 2027, the Strategic Energy Planning Office shall submit to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly a status update on the development of the Comprehensive Wholesale Energy Markets and Bulk Power System Risk Report developed under § 7–1203 of the Public Utilities Article, as enacted by Section 1 of this Act.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto two bills pertaining to gubernatorial appointments, Senate Bill 503 and House Bill 481 – *Washington County – Board of License Commissioners – Membership* and Senate Bill 972 – *Anne Arundel County – Board of License Commissioners – Alterations*.

While these bills focus on distinct boards and advance different processes, both undermine hundreds of years of precedent to ensure effective checks and balances between the Executive Branch, the Legislative Branch, and local governments. Both bills effectively remove the role of the Governor in these appointment processes, setting a new paradigm for the state moving forward that, in my view, does not serve the people of Maryland well.

### ***Senate Bill 503 and House Bill 481***

This legislation sought to alter the membership of the Washington County Board of License Commissioners (“Board”). The Board regulates the retail sale of alcoholic beverages in Washington County. By law, the Board is composed of three members who each serve six-year terms, appointed by the Governor with the advice and consent of the Maryland Senate if the Senate is in session when the appointment is made. Each member of the Board is required to be a resident and voter of Washington County and must be “individuals of high character and integrity and of recognized business capacity.”

Of particular importance, no more than two members of the three-member board may belong to the same political party, ensuring that no one party asserts full control of the Board. Senate Bill 503/House Bill 481 sought to change this party requirement to instead mandate that two members of the Board must belong to the political party that received the highest aggregated number of votes the preceding election for the Washington County Board of County Commissioners and that one member must belong to the political party that received the second highest number of votes. This change would have restricted the ability for Governors to appoint members based upon merit first and foremost. Further, the bill would likely result in the partisan makeup of the board remaining constant over time with little chance for the majority party to alternate as is more likely to happen through the gubernatorial appointments process. Should this bill have been enacted, it would put

into question the integrity and public trust of the Board as it would have increased the likelihood that a single political party can assert longterm control over its functions.

### ***Senate Bill 972***

This legislation sought to alter the Anne Arundel County Board of License Commissioners which regulates the retail sale of alcoholic beverages, processes liquor licenses, and enforces the liquor laws within Anne Arundel County. Specifically, the bill sought to increase the size of the Anne Arundel County Board of License Commissioners from 3 to 5 and require the Governor to choose appointments from a list of individuals recommended by the members of the Anne Arundel County House *or* Senate delegations to the General Assembly. While I support increasing the size of this board to 5 members, as passed this legislation would have created ambiguity and confusion about the process for appointments and violated the longheld tradition of the Governor exercising appointment powers.

My first concern is in regards to the requirement that the Governor must select individuals to appoint from a list recommended by either the Anne Arundel County House *or* Senate delegations to the General Assembly. As these delegations may choose different individuals, it is unclear which would constitute the list to choose from. Should the House and Senate delegation recommendations be aggregated into a single list but the delegations are not aligned on the recommended individuals, it is unclear whether the names actually achieve enhanced local influence on the appointments to the Board. This confusion and lack of clear benefit raises serious concerns about the smooth operation of the Board as it carries out its important work.

Second, there is no minimum number of names that would have been required to be included on these lists of recommended individuals. Should the delegations submit only 5 names, this would have effectively provided a subset of the legislature with de facto appointment authority. This authority would set a new precedent regarding appointments to important boards and erode the constitutional power of appointment that resides with the Governor. This authority and oversight has long been an effective system and it is unclear what would motivate a departure from this process. At best, this is unnecessary change and, at worst, this removes important checks and balances from the process.

For these reasons, I have vetoed Senate Bill 503, House Bill 481, and Senate Bill 907.

Sincerely,

Wes Moore  
Governor

### **Senate Bill 972**

AN ACT concerning

**Anne Arundel County – Board of License Commissioners – Alterations**

FOR the purpose of increasing the membership of the Board of License Commissioners for Anne Arundel County; altering the eligibility requirements for Board membership; requiring the Board to adopt and publish a certain ethics policy; requiring the Board to include an option to provide certain information on an application for the issuance of a license or a license renewal; prohibiting the Board from using certain information as a factor in determining whether to issue or renew a license; requiring the Board to submit a certain report regarding enforcement actions to the General Assembly each year; ~~altering the penalties that the Board may impose for certain violations~~; and generally relating to the Board of License Commissioners for Anne Arundel County.

BY repealing and reenacting, without amendments,  
Article – Alcoholic Beverages and Cannabis  
Section 11–102  
Annotated Code of Maryland  
(2024 Replacement Volume)

BY repealing and reenacting, with amendments,  
Article – Alcoholic Beverages and Cannabis  
Section 11–202(a) and (b) ~~and 11–2802~~  
Annotated Code of Maryland  
(2024 Replacement Volume)

BY adding to  
Article – Alcoholic Beverages and Cannabis  
Section 11–210, 11–1409, and 11–2607  
Annotated Code of Maryland  
(2024 Replacement Volume)

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

### **Article – Alcoholic Beverages and Cannabis**

11–102.

This title applies only in Anne Arundel County.

11–202.

(a) (1) The Governor shall appoint [three] **FIVE** members to the Board.

(2) The appointments shall be made~~§~~:

(i) if the Senate is in session,~~§~~ with the advice and consent of the Senate~~§~~; or



(ii) if the Senate is not in session, by the Governor alone~~].~~

(b) (1) Each member of the Board shall be:

(i) a resident and voter of the county; ~~and~~

(ii) SELECTED FROM A LIST OF INDIVIDUALS RECOMMENDED BY THE MEMBERS OF THE ANNE ARUNDEL COUNTY HOUSE OR SENATE DELEGATION TO THE GENERAL ASSEMBLY; AND

(iii) an individual of high character and integrity and of recognized business capacity.

(2) No more than ~~two~~ THREE members of the Board may belong to the same political party.

(3) NO MORE THAN TWO MEMBERS OF THE BOARD MAY BE RESIDENTS OF THE SAME STATE LEGISLATIVE DISTRICT.

~~(4) AN INDIVIDUAL MAY NOT BE APPOINTED TO THE BOARD IF THE INDIVIDUAL SERVED AS THE CHIEF INSPECTOR WITHIN 5 YEARS 1 YEAR OF THE DATE THAT THE VACANCY IS PUBLICLY ANNOUNCED.~~

11-210.

THE BOARD SHALL ADOPT AND PUBLISH A WRITTEN POLICY RELATED TO CONFLICTS OF INTEREST AND THE RECUSAL OF BOARD MEMBERS FROM BOARD MATTERS.

11-1409.

(A) THE BOARD SHALL:

~~(1)~~ INCLUDE ON ALL APPLICATION FORMS FOR THE ISSUANCE OF A LICENSE OR A LICENSE RENEWAL AN OPTION FOR THE APPLICANT TO PROVIDE THE APPLICANT'S RACE AND ETHNICITY INFORMATION; ~~AND~~

~~(2) ENCOURAGE AN APPLICANT TO PROVIDE RACE AND ETHNICITY INFORMATION ON THE APPLICATION.~~

(B) THE BOARD MAY NOT USE ANY RACE OR ETHNICITY INFORMATION INCLUDED ON AN APPLICATION FOR THE ISSUANCE OF A LICENSE OR LICENSE RENEWAL AS A FACTOR IN DETERMINING WHETHER TO ISSUE OR RENEW THE LICENSE.

11-2607.

ON OR BEFORE JANUARY 15 EACH YEAR, THE BOARD SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE RACIAL BREAKDOWN OF THE DISCIPLINARY ACTIONS TAKEN BY THE BOARD IN THE PRECEDING CALENDAR YEAR.

~~11-2802.~~

~~(a) [The Board may impose a fine not exceeding \$2,500 or suspend a license or both for] FOR a violation that is cause for license suspension under the alcoholic beverage laws affecting the county, THE BOARD MAY:~~

~~(1) FOR A FIRST OFFENSE, IMPOSE A FINE NOT EXCEEDING \$1,000;~~

~~(2) FOR A SECOND OFFENSE IN THE SAME 24 MONTH PERIOD, IMPOSE A FINE NOT EXCEEDING \$2,000 OR SUSPEND THE LICENSE OR BOTH; AND~~

~~(3) FOR EACH SUBSEQUENT OFFENSE IN THE SAME 24 MONTH PERIOD, IMPOSE A FINE NOT EXCEEDING \$2,500 OR SUSPEND THE LICENSE OR BOTH.~~

~~(b) A fine or suspension under subsection (a) of this section is in addition to any term or condition that the Board may impose as a result of the violation.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

Dear President Ferguson,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto SB 980 – *Natural Resources – Maryland Heritage Areas Authority – Funding and Grants*.

I applaud Senators Corderman and Jackson for their bipartisan leadership in supporting the preservation and promotion of Maryland's cultural and historical heritage. The Maryland Heritage Areas program plays a key role in celebrating our state's diverse

history.

Currently, the majority of the state's land preservation and recreation programs are funded through Program Open Space (POS) state-share funds. Under existing law, the Maryland Heritage Areas Authority (MHAA) can receive up to \$6 million from POS, and this legislation will double the maximum amount from \$6 million to \$12 million.

While I fully support the intent of the bill to elevate the work of MHAA, I must express concern that this increase significantly affects the long-term sustainability of POS and the many other programs it supports, including the Rural Legacy Program, Baltimore City Direct Grant, Greenspace Equity Program, capital development projects, and critical maintenance across Department of Natural Resources lands.

Program Open Space is foundational to Maryland's efforts to conserve land, expand public access, and invest in outdoor recreation infrastructure. However, this year's budget reflects a difficult fiscal environment, and funding for several core POS supported programs has already been reduced. Expanding the MHAA allocation at this time would further strain limited resources and undermine the state's ability to meet broad conservation and recreation goals.

My administration remains committed to working with the General Assembly to support the important mission of MHAA. However, increasing its share from an already constrained funding pool, especially during a time of fiscal uncertainty, risks jeopardizing other crucial land conservation and resource enhancement investments across the state.

For these reasons, I have vetoed Senate Bill 980.

Sincerely,

Wes Moore  
Governor

### **Senate Bill 980**

AN ACT concerning

### **Natural Resources – Maryland Heritage Areas Authority – Funding and Grants**

FOR the purpose of authorizing the Maryland Heritage Areas Authority to award grants and loans to certain entities for the management of certified heritage areas under certain circumstances; establishing the maximum funding amount of certain grants made by the Maryland Heritage Areas Authority; decreasing the percentage of Program Open Space funds transferred to the Maryland Heritage Areas Authority Financing Fund that may be used for certain operating expenses; repealing a provision of law authorizing the distribution of certain money to the Maryland Historical Trust; increasing the maximum amount of certain funding available to the

State that may be transferred to the Maryland Heritage Areas Authority Financing Fund; and generally relating to the Maryland Heritage Areas Authority.

BY repealing and reenacting, with amendments,  
Article – Financial Institutions  
Section 13–1113 and 13–1114  
Annotated Code of Maryland  
(2020 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,  
Article – Natural Resources  
Section 5–903(a)(1) and (2)(i) and (iv)  
Annotated Code of Maryland  
(2023 Replacement Volume and 2024 Supplement)

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

**Article – Financial Institutions**

13–1113.

(a) As provided in the State budget, **AND SUBJECT TO SUBSECTION (E) OF THIS SECTION**, the Authority may award:

(1) Grants and loans to local jurisdictions or other appropriate entities for planning, design, acquisition, development, preservation, restoration, interpretation, marketing, **[and]** programming, **AND MANAGEMENT** of certified heritage areas; and

(2) Grants to local jurisdictions or other appropriate entities to develop management plans in recognized heritage areas.

(b) A grant to develop a management plan may not exceed **[50%] 80%** of the cost of the management plan.

(c) An acquisition or development grant:

(1) May not be used for any purpose other than implementation of the certified heritage area in conformity with the approved management plan; **[and]**

(2) **MAY BE IN AN AMOUNT UP TO \$300,000; AND**

(3) May not exceed **[50%] 80%** of the total project cost for which the grant is awarded.

(d) (1) Subject to paragraph (2) of this subsection, the Authority may make program grants to local jurisdictions and other appropriate entities:

(i) To develop and present interpretive exhibits, materials or other appropriate products to further the educational and recreational objectives of the certified heritage areas program; and

(ii) To encourage revitalization of, and reinvestment in, certified heritage area resources.

(2) A program grant made by the Authority under paragraph (1) of this subsection [may]:

(I) **MAY BE IN AN AMOUNT UP TO \$300,000; AND**

(II) **MAY** not exceed [50%] **80%** of the estimated project cost.

(e) Through the resources of the members of the Authority and in cooperation with other State agencies, the Authority shall provide technical assistance to management entities implementing a management plan.

13-1114.

(a) There is a Maryland Heritage Areas Authority Financing Fund.

(b) (1) The Authority shall use the Fund as a continuing, nonlapsing, revolving fund for carrying out the purposes of this subtitle.

(2) No part of the Fund may revert or be credited to the General Fund or to any other special fund of the State.

(c) The Authority shall place all of the following receipts in the Fund:

(1) Proceeds from the sale of bonds;

(2) Revenues that the Authority collects or receives from any source under this subtitle; and

(3) Any additional revenue, gift, donation, or money received or paid to it from any other source authorized by law.

(d) The Authority shall pay all expenses and make all expenditures from the Fund.

(e) (1) The Authority may pledge and charge all or a portion of the receipts of the Fund for the payment of:

(i) Debt service on bonds of the Authority; and

(ii) All reasonable charges and expenses related to borrowing by the Authority and management of the obligations of the Authority.

(2) A pledge made under paragraph (1) of this subsection is effective as provided in § 13–1119 of this subtitle and any applicable resolution of the Authority.

(f) The State Treasurer shall:

(1) Invest and reinvest the Fund in the same manner as State funds; and

(2) Transfer any investment earnings to the credit of the Fund.

(g) (1) In this subsection, “Program Open Space funds transferred to the Authority” means the money appropriated to the Fund from Program Open Space funds under § 5–903(a) of the Natural Resources Article.

(2) Except as provided in paragraph (3) of this subsection, Program Open Space funds transferred to the Authority may not be used to pay the operating expenses of the Authority, debt service of bonds issued by the Authority, or administrative expenses related to bonds issued by the Authority.

(3) (i) Up to [10%] **7% OR \$600,000, WHICHEVER AMOUNT IS GREATER,** of Program Open Space funds transferred to the Authority may be used to pay the operating expenses of the Authority.

(ii) Up to 50% of Program Open Space funds transferred to the Authority may be expended for debt service on bonds issued by the Authority.

(iii) For fiscal year 2012 only, an additional \$500,000 of Program Open Space funds transferred to the Authority may be used to pay operating expenses in the Department of Planning.

### Article – Natural Resources

5–903.

(a) (1) [(i)] Of the funds distributed to Program Open Space under § 13–209 of the Tax – Property Article, up to \$3,000,000 may be transferred by an appropriation in the State budget, or by an amendment to the State budget under Title 7, Subtitle 2 of the State Finance and Procurement Article, to the Maryland Heritage Areas Authority Financing Fund established under Title 13, Subtitle 11 of the Financial Institutions Article to be used for the purposes provided in that subtitle.

[(ii) Of the amount transferred under subparagraph (i) of this paragraph, up to \$300,000 may be distributed to the Maryland Historical Trust within the Department of Planning to be awarded as noncapital historic preservation grants.]

(2) (i) 1. Of the remaining funds not appropriated under paragraph [(1)(i)] **(1)** of this subsection:

A. One half of the funds shall be used for recreation and open space purposes by the Department and the Historic St. Mary's City Commission; and

B. 20% of the funds or \$21,000,000, whichever is greater, shall be appropriated to the Forest and Park Service in the Department to operate State forests and parks.

2. Except as otherwise provided in this section, any funds the General Assembly appropriates to the State under this subsection shall be used only for land acquisition projects.

(iv) In addition to the \$3,000,000 under paragraph [(1)(i)] **(1)** of this subsection that may be transferred to the Maryland Heritage Areas Authority Financing Fund, up to **[\$3,000,000] \$9,000,000** of the State's share of funds available under subparagraph (i)1A of this paragraph may be transferred by an appropriation in the State budget or by an amendment to the State budget under Title 7, Subtitle 2 of the State Finance and Procurement Article to the Maryland Heritage Areas Authority Financing Fund established under Title 13, Subtitle 11 of the Financial Institutions Article to be used for the purposes provided in that subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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## Vetoed House Bills and Messages

May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 56 and Senate Bill 177 – *Procurement – State Department of Education – Local Food Purchasing Program*, House Bill 333 and Senate Bill 691 – *Healthcare Ecosystem Stakeholder Cybersecurity Workgroup*, and House Bill 384 and Senate Bill 157 – *Maryland Disability Service Animal Program – Established*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In a time of profound uncertainty, we must use our limited funds to prioritize policies that protect our people from the ravages of Washington; anything that fails to meet that high bar must wait for another time.

Our budget challenges also highlight the need for the State and its agencies to focus on their core missions. The state's fiscal outlook has not improved since these bills were passed. At a time where we have jointly made difficult decisions about cuts to vital services, any additional spending which is tangential to those core missions should receive close scrutiny. Collectively, these three bills would have required three agencies to work together to establish a new statewide food procurement system at the same time the federal government is pulling back on food purchasing assistance for local school systems, established a large workgroup on cybersecurity threats that is outside the expertise of the workgroup members and responsible agency, and created an underfunded program that would only be able to serve a small subgroup of agency target populations.

I recognize these bills all have positive intentions. But while there are positive aspects of the legislation, each bill directs state agencies to expand the scope of their missions to establish new programs and workgroups that they have not previously administered. Each bill requires subject matter expertise not currently on staff and I have real concerns that adequate funding will not be available to effectively establish and implement each of these new programs.

One of the first objectives I outlined for my administration was to focus on rebuilding state government and increasing state agency capacity to drive efficient, transformative results for Marylanders. I thank you and the General Assembly for partnership in this work. As we operate under this current fiscal climate, we must carefully prioritize our limited funds. In this environment, adding new responsibilities for state agencies that are tangential to their core missions makes little sense.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed House Bill 56, Senate Bill 177, House Bill 333, Senate Bill 691, House Bill 384 and Senate Bill 157.

Sincerely,

Wes Moore  
Governor

### House Bill 56

AN ACT concerning

#### **Procurement – State Department of Education – ~~Control Authority~~ – Local Food Purchasing Program**

FOR the purpose of ~~authorizing~~ requiring the State Department of Education ~~to engage in or control procurements of certain local food; altering the list of units exempt from the authority of the Board of Public Works to control procurement to include the Department for the purpose of master contracting; altering the list of units that are defined as designated procurement units to include the Department with respect to master contracts related to local food, in coordination with the Department of General Services and the Department of Agriculture, to establish a program to procure certain local food for local school systems from certain providers under certain circumstances; altering a certain percentage price preference adopted by the Board of Public Works by regulation; requiring the Board to adopt certain regulations relating to limiting responses for certain procurements; and generally relating to the State Department of Education and State procurement.~~

BY adding to  
Article – Education  
Section 7–136

Annotated Code of Maryland  
(2022 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,  
Article – State Finance and Procurement  
Section ~~12-101(a), 12-107(b)(4) and (5), 13-101(b), and 13-113(a)~~ 12-107(b)(2)(ix),  
14-407, and 14-702  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)

~~BY adding to~~  
~~Article – State Finance and Procurement~~  
~~Section 12-107(b)(6)~~  
~~Annotated Code of Maryland~~  
~~(2021 Replacement Volume and 2024 Supplement)~~

BY repealing and reenacting, without amendments,  
Article – State Finance and Procurement  
Section ~~13-101(a) and (c) and 14-701(a)~~ through (d)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)

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

### Article – Education

7-136.

(A) ~~(1) IN ACCORDANCE WITH § 12-107(B) OF THE STATE FINANCE AND  
PROCUREMENT ARTICLE, THE DEPARTMENT, WITHOUT THE APPROVAL OF ANY  
OTHER PRIMARY PROCUREMENT UNIT, MAY THE DEPARTMENT SHALL ESTABLISH A  
PROGRAM, WHEN FUNDING IS AVAILABLE, TO ENGAGE IN OR CONTROL  
PROCUREMENT OF LOCAL FOOD FOR LOCAL SCHOOL SYSTEMS.‡~~

~~(1) FOOD GROWN WITHIN A 200-MILE RADIUS FROM AN ELEMENTARY  
OR SECONDARY SCHOOL FOR WHICH A LOCAL SCHOOL SYSTEM ENTERS INTO A  
MASTER CONTRACT WITH THE DEPARTMENT;~~

~~(2) FOOD GROWN AT A CERTIFIED LOCAL FARM UNDER § 14-701 OF  
THE STATE FINANCE AND PROCUREMENT ARTICLE; AND~~

~~(3) CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDED BY A  
CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDER AS DEFINED IN § 14-701 OF  
THE STATE FINANCE AND PROCUREMENT ARTICLE~~

**(2) THE PROGRAM SHALL PROCURE PRODUCTS THAT ARE:**

**(I) FOODS GROWN AT A CERTIFIED LOCAL FARM, AS DEFINED IN § 14-701 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;**

**(II) CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDED BY A CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDER, AS DEFINED IN § 14-701 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND**

**(III) FOODS GROWN WITHIN A 250-MILE RADIUS FROM AN ELEMENTARY OR SECONDARY SCHOOL IN THE STATE.**

**(3) THE PROGRAM SHALL GIVE PREFERENCE TO PROVIDERS QUALIFYING UNDER PARAGRAPH (2)(I) AND (II) OF THIS SUBSECTION.**

**(B) THE DEPARTMENT SHALL COORDINATE WITH THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF GENERAL SERVICES, AND ANY OTHER RELEVANT UNIT OF STATE GOVERNMENT TO ESTABLISH THE PROGRAM, INCLUDING A CENTRALIZED PLATFORM TO ENCOURAGE THE PARTICIPATION OF FARMERS AND DISTRIBUTORS IN PROCUREMENT OPPORTUNITIES IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.**

**(C) SUBJECT TO § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 1 EACH YEAR ON THE TOTAL NUMBER AND DOLLAR VALUE OF MASTER CONTRACTS IN ACCORDANCE WITH THIS SECTION WITH:**

**(1) LOCAL SCHOOL SYSTEMS;**

**(2) CERTIFIED LOCAL FARMS; AND**

**(3) CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDERS**  
**PROCUREMENT CONTRACTS FOR LOCAL FOOD AT LOCAL SCHOOLS, INCLUDING THE**  
**NUMBER OF THESE CONTRACTS THAT ARE WITH CERTIFIED LOCAL FARMS OR**  
**CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDERS.**

**Article – State Finance and Procurement**

~~12-101.~~

~~(a) This section does not apply to:~~

~~(1) capital expenditures by the Department of Transportation or the Maryland Transportation Authority, in connection with State roads, bridges, or highways, as provided in § 12-202 of this title; [or]~~

~~(2) procurements by the Department of General Services for the purpose of modernizing cybersecurity infrastructure for the State valued below \$1,000,000; OR~~

~~(3) PROCUREMENTS BY THE STATE DEPARTMENT OF EDUCATION FOR THE PURPOSE OF MASTER CONTRACTING AS DEFINED IN § 13-101 OF THIS ARTICLE;~~

12-107.

(b) Subject to the authority of the Board, jurisdiction over procurement is as follows:

(2) the Department of General Services may:

(ix) coordinate with governmental entities and local entities to maximize use of intergovernmental purchasing agreements established in accordance with § 13-110 of this article, INCLUDING WORKING WITH THE STATE DEPARTMENT OF EDUCATION TO PROCURE LOCAL FOOD FOR LOCAL SCHOOL SYSTEMS IN ACCORDANCE WITH § 7-136 OF THE EDUCATION ARTICLE;

~~(4) the Maryland Port Commission, without the approval of any of the other primary procurement units, may engage in the procurement of:~~

~~(i) supplies for port related activities, including motor vehicles and information processing supplies, but excluding:~~

~~1. supplies funded by the proceeds from State general obligation bonds; and~~

~~2. insurance;~~

~~(ii) services for port related activities, including information processing services, but excluding banking and financial services under the authority of the State Treasurer under item (1) of this subsection;~~

~~(iii) construction and construction related services for a port facility as defined in § 6-101(e) of the Transportation Article;~~

~~(iv) port related architectural and engineering services under Title 13, Subtitle 3 of this article; and~~

~~(v) leases of real property for port related activities unless the lease payments are from the General Fund of the State; [and]~~

~~(5) the Department of General Services, without the approval of any other primary procurement unit, may engage in or control procurement of:~~

~~(i) information processing equipment, cloud computing equipment, and associated services, as provided in Title 3.5, Subtitle 3 of this article;~~

~~(ii) information technology system modernization, as provided in Title 3.5, Subtitle 3 of this article;~~

~~(iii) telecommunication equipment, systems, or services, as provided in Title 3.5, Subtitle 4 of this article; and~~

~~(iv) cybersecurity upgrades and modernization, as provided in Title 3.5, Subtitle 3 of this article; AND~~

~~(6) THE STATE DEPARTMENT OF EDUCATION, WITHOUT THE APPROVAL OF ANY OTHER PRIMARY PROCUREMENT UNIT, MAY ENGAGE IN OR CONTROL PROCUREMENT OF:~~

~~(I) FOOD GROWN WITHIN A 200-MILE RADIUS FROM AN ELEMENTARY OR SECONDARY SCHOOL FOR WHICH A LOCAL SCHOOL SYSTEM ENTERS INTO A MASTER CONTRACT WITH THE STATE DEPARTMENT OF EDUCATION;~~

~~(II) FOOD GROWN AT A CERTIFIED LOCAL FARM UNDER § 14-701 OF THIS ARTICLE; AND~~

~~(III) CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDED BY A CERTIFIED CHESAPEAKE INVASIVE SPECIES PROVIDER AS DEFINED IN § 14-701 OF THIS ARTICLE.~~

~~13-101.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(b) “Designated procurement unit” means:~~

~~(1) the Department of General Services;~~

~~(2) the Department of Transportation; [or]~~

~~(3) the Department of Information Technology, only with respect to an information technology master contract executed before July 1, 2022, until the earlier of:~~

~~(i) the expiration date of all information technology master contracts; or~~

~~(ii) June 30, 2027; OR~~

~~(4) THE STATE DEPARTMENT OF EDUCATION, ONLY WITH RESPECT TO A MASTER CONTRACT RELATED TO LOCAL FOOD.~~

~~(e) "Master contracting" means a streamlined procurement method that provides for the qualification of bidders and offerors for the procurement of services, supplies, or commodities.~~

~~13-113.~~

~~(a) (1) The designated procurement units may adopt master contracting, a streamlined procurement method, to provide for the qualification of an offeror in one or more categories of services, supplies, or commodities.~~

~~(2) NOTWITHSTANDING ANY REQUIREMENTS OF A LOCAL SCHOOL SYSTEM, THE STATE DEPARTMENT OF EDUCATION MAY NOT REQUIRE CERTIFICATION FOR GOOD AGRICULTURAL PRACTICES FOR MASTER CONTRACTING.~~

14-407.

(a) (1) In this section the following words have the meanings indicated.

(2) "Locally grown food" means food grown [in the State] AT A CERTIFIED LOCAL FARM DEFINED IN § 14-701 OF THIS TITLE.

(3) "Percentage price preference" means the percent by which a responsive bid from a responsible bidder whose product is a locally grown food may exceed the lowest responsive bid submitted by a responsible bidder whose product is not a locally grown food.

(b) (1) The Board shall adopt regulations that require State schools and facilities to establish a percentage price preference, not to exceed [5%] 10%, for the purchase of locally grown food.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, THE BOARD SHALL ADOPT REGULATIONS AUTHORIZING STATE SCHOOLS AND FACILITIES TO CONDUCT AN INDIVIDUAL PROCUREMENT THAT IS LIMITED TO RESPONSES FROM CERTIFIED LOCAL FARMS AS DEFINED IN § 14-701 OF THIS TITLE.

(c) A percentage price preference under this section may not be used in conjunction with any other percentage price preference established under this title.

(d) Each State school and facility shall review the procurement specifications currently used and, to the extent practicable, require the use of a percentage price preference in their purchase of locally grown food.

(e) (1) Except as provided in paragraph (2) of this subsection, this section is broadly applicable to all procurements by State schools and facilities if the locally grown food is consistent with the requirements of the bid specification.

(2) Only to the extent necessary to prevent the denial of federal money or eliminate the inconsistency with federal law, this section does not apply to a procurement by a State school or facility if it is determined that compliance with this section would:

(i) cause denial of federal money; or

(ii) be inconsistent with the requirements of federal law.

14–701.

(a) In this subtitle the following words have the meanings indicated.

(b) “Certified Chesapeake invasive species” means a finfish species that is:

(1) ranked as high priority in the Maryland Aquatic Nuisance Species Management Plan; and

(2) harvested from the Chesapeake Bay or its tributaries.

(c) “Certified Chesapeake invasive species provider” means a person licensed and authorized as a seafood dealer under § 4–701 of the Natural Resources Article that:

(1) is certified by the Department in accordance with regulations adopted under this subtitle; and

(2) can demonstrate that the person’s product is a certified Chesapeake invasive species.

(d) “Certified local farm” means a local farm enterprise that:

(1) meets the nutrient management requirements established under Title 8, Subtitle 8 of the Agriculture Article; and

(2) is certified by the Department in accordance with regulations adopted under this subtitle.

14–702.

(a) (1) There is an Office for the Certified Local Farm and Fish Program in the Department.



(2) The purpose of the Office is to administer the Program and facilitate the participation of certified local farms and certified Chesapeake invasive species providers in the Program.

(b) (1) There is a Certified Local Farm and Fish Program in the Office.

(2) The purpose of the Program is to encourage each unit to try to achieve an overall percentage goal of 20% of the unit's total dollar value of procurement contracts for food from certified local farms and certified Chesapeake invasive species providers.

(c) The Department shall create two positions to provide staff for the Office.

**(D) THE DEPARTMENT, ALONG WITH THE DEPARTMENT OF GENERAL SERVICES, SHALL COORDINATE WITH THE STATE DEPARTMENT OF EDUCATION TO PROCURE LOCAL FOOD FOR LOCAL SCHOOL SYSTEMS IN ACCORDANCE WITH § 7-136 OF THE EDUCATION ARTICLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 149 and House Bill 128 – *Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse Gas Emissions – Study and Reports*, Senate Bill 116 and House Bill 270 – *Data Center Impact Analysis and Report*, and House Bill 1316 – *Primary and Secondary Education – Youth-Centric Technology and Social Media Resource Guide*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced

spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In this time of profound uncertainty, we must evaluate every expenditure with a critical eye towards our future.

Our current budget situation requires us to reconsider bills that create expensive and labor intensive studies. While such bills can be a first step to addressing complex issues and allow the signaling of support for an issue, the practice has become so commonplace that it is now a significant financial and staff burden on the state government. In addition, such reporting requirements have at times delayed prompt action on important issues, and in the face of the onslaught from the current administration in Washington, D.C., the State needs to respond to important issues more quickly. Studies can serve a purpose, but their overuse is a drag on the State government.

Prior to the 2025 legislative session, the Department of Legislative Services (DLS) was tracking a total of 3,901 mandated reports, a number which excludes the reports required annually by the Joint Chairmen's Report. Many of these reports are never read and simply collect dust on shelves, but nonetheless, executive branch agencies are required to dedicate funding and staff time to each, in many cases, with restrictions on their budget appropriations if they fail to comply. While it is impossible to calculate the total amount of staff time and state funding necessary to complete and file these reports, it is a reasonable assumption that the cost runs to the tens of millions of dollars.

Collectively, these three bills would have required significant coordination across multiple agencies and institutions: the Comptroller's Office, Maryland Department of the Environment (MDE), and Commerce to study the cost of greenhouse gas emissions; the University of Maryland's School of Business, MDE, Maryland Energy Administration and the Department of Legislative Services to conduct a resource-intensive analysis of the environmental, energy, and economic impacts of data center development; and the University of Maryland Baltimore's School of Mental Health's National Center for School Mental Health and the Maryland State Department of Education to develop a social media resource guide and conduct a needs assessment. In total, these efforts would cost at least \$1.28 million – an unsustainable commitment given the state's current fiscal constraints and the growing uncertainty posed by the federal Administration in Washington, D.C.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed Senate Bill 149, House Bill 128, Senate Bill 116, House Bill 270, and House Bill 1316.

Sincerely,

Wes Moore  
Governor

## House Bill 128

AN ACT concerning

**Responding to Emergency Needs From Extreme Weather (RENEW) Act of 2025**  
**Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse**  
**Gas Emissions – Study and Reports**

FOR the purpose of ~~establishing the Climate Change Adaptation and Mitigation Payment Program in the Department of the Environment to secure payments from certain businesses that extract fossil fuels or refine petroleum products in order to provide a source of revenue for State efforts to adapt to or mitigate the effects of climate change and to address the health impacts of climate change on vulnerable populations; establishing the Climate Change Adaptation and Mitigation Fund as a special, nonlapsing fund; authorizing the Legislative Auditor to conduct certain audits of the Fund and of the appropriations and expenditures made for the purposes of the Climate Change Adaptation and Mitigation Payment Program; requiring the Comptroller, in coordination with the Department of the Environment and the Department of Commerce, to~~ *conduct a study to assess the total cost of greenhouse gas emissions in the State and report certain findings* ~~report~~ to certain committees on or before a certain date on the total assessed cost of greenhouse gas emissions in the State based on the findings of a certain study; authorizing the Comptroller to hire a consultant to conduct the study; requiring the report to include certain information and calculations; and generally relating to ~~the Climate Change Adaptation and Mitigation Payment Program~~ greenhouse gas emissions in the State.

~~BY repealing and reenacting, without amendments,~~  
~~Article — Environment~~  
~~Section 2-1504(a)~~  
~~Annotated Code of Maryland~~  
~~(2013 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,~~  
~~Article — Environment~~  
~~Section 2-1504(e)~~  
~~Annotated Code of Maryland~~  
~~(2013 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~  
~~Article — Environment~~  
~~Section 2-1701 through 2-1708 to be under the new subtitle “Subtitle 17. Climate Change Adaptation and Mitigation Payment Program”~~  
~~Annotated Code of Maryland~~  
~~(2013 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,~~  
~~Article — Natural Resources~~

~~Section 5-222(a) and (b) and 8-2B-03(a)  
Annotated Code of Maryland  
(2023 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Article—Natural Resources  
Section 5-222(f) and 8-2B-03(e)  
Annotated Code of Maryland  
(2023 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,  
Article—Public Safety  
Section 14-110.4(b) and 14-110.5(b)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Article—Public Safety  
Section 14-110.4(h) and 14-110.5(f)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,  
Article—State Government  
Section 9-2012(b) and (i)(1), 9-2015(b), and 9-20B-05(a)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Article—State Government  
Section 9-2012(i)(4), 9-2015(f), and 9-20B-05(e)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)~~

~~BY adding to  
Article—State Government  
Section 9-20B-05(i-2)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,  
Article—Transportation  
Section 7-1202(a) and 7-1203(a)  
Annotated Code of Maryland  
(2020 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — Transportation~~  
~~Section 7-1203(e)~~  
~~Annotated Code of Maryland~~  
~~(2020 Replacement Volume and 2024 Supplement)~~

Preamble

WHEREAS, Climate change, resulting primarily from the combustion of fossil fuels, is an immediate, grave threat to the State's communities, environment, and economy; and

WHEREAS, In addition to mitigating the further buildup of greenhouse gases, the State must take action to adapt to certain consequences of climate change that are irreversible, including rising sea levels, increasing temperatures, extreme weather events, flooding, heat waves, toxic algae blooms, and other threats; and

WHEREAS, Meeting the challenge of adapting to and mitigating the effects of climate change will require a shared commitment of purpose and huge investments in new or upgraded infrastructure; and

WHEREAS, The State has previously adopted programs, such as the Cigarette Restitution Fund Program, to require industries that have profited by harming the public welfare to shoulder their share of the burden in redressing that harm; and

WHEREAS, Based on decades of research, it is now possible to determine with great accuracy the share of greenhouse gases released into the atmosphere by specific fossil fuel companies over the last 70 years or more, making it possible to assign liability and require compensation from companies commensurate with their emissions during a given time period; now, therefore,

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

~~Article — Environment~~

~~2-1504.~~

~~(a) There is a Zero Emission Vehicle School Bus Transition Fund.~~

~~(c) The Fund consists of:~~

~~(1) Money appropriated in the State budget to the Fund;~~

~~(2) Interest earnings of the Fund;~~

~~(3) Donations;~~

~~(4) Money derived from legal settlements earmarked for the purpose of transitioning to school buses that are zero emission vehicles; [and]~~

~~(5) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THIS TITLE; AND~~

~~(6) Any other money from any other source accepted for the benefit of the Fund.~~

~~SUBTITLE 17. CLIMATE CHANGE ADAPTATION AND MITIGATION PAYMENT PROGRAM.~~

~~2-1701.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) (1) “CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT” MEANS AN INFRASTRUCTURE PROJECT DESIGNED TO AVOID, MODERATE, OR REPAIR DAMAGE CAUSED BY CLIMATE CHANGE.~~

~~(2) “CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT” INCLUDES PROJECTS TO:~~

~~(I) CONSTRUCT SEAWALLS OR OTHER COASTAL DEFENSE STRUCTURES;~~

~~(II) UPGRADE STORMWATER OR SEWER SYSTEMS;~~

~~(III) MAKE DEFENSIVE UPGRADES TO ROADS, BRIDGES, RAIL INFRASTRUCTURE, OR OTHER TRANSIT SYSTEMS;~~

~~(IV) PREPARE FOR AND RECOVER FROM HURRICANES AND OTHER EXTREME WEATHER EVENTS;~~

~~(V) RELOCATE, ELEVATE, OR RETROFIT WASTEWATER TREATMENT PLANTS THAT ARE VULNERABLE TO FLOODING;~~

~~(VI) INSTALL HEAT PUMPS AND OTHER CLEAN ENERGY RETROFITS IN PUBLIC AND PRIVATE BUILDINGS, INCLUDING SCHOOL BUILDINGS; AND~~

~~(VII) RESPOND TO TOXIC ALGAE BLOOMS, THE LOSS OF AGRICULTURAL TOPSOIL, AND OTHER CLIMATE-DRIVEN ECOSYSTEM THREATS TO FORESTS, FARMS, AND FISHERIES.~~

~~(C) "COAL" INCLUDES:~~

- ~~(1) BITUMINOUS COAL;~~
- ~~(2) ANTHRACITE COAL; AND~~
- ~~(3) LIGNITE.~~

~~(D) "COMMUNITY DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS" MEANS A COMMUNITY IDENTIFIED IN ACCORDANCE WITH § 1-702 OF THIS ARTICLE.~~

~~(E) "CONTROLLED GROUP" MEANS TWO OR MORE ENTITIES TREATED AS A SINGLE EMPLOYER UNDER:~~

~~(1) § 52(A) OR (B) OF THE INTERNAL REVENUE CODE, WITHOUT REGARD TO § 1563(B)(2)(C) OF THE INTERNAL REVENUE CODE; OR~~

~~(2) § 414(M) OR (O) OF THE INTERNAL REVENUE CODE.~~

~~(F) "COST RECOVERY DEMAND" MEANS A CHARGE ASSERTED AGAINST A RESPONSIBLE PARTY FOR COST RECOVERY PAYMENTS UNDER THE PROGRAM.~~

~~(G) "COVERED GREENHOUSE GAS EMISSIONS" MEANS THE TOTAL QUANTITY OF GREENHOUSE GASES RELEASED INTO THE ATMOSPHERE DURING THE COVERED PERIOD, EXPRESSED IN METRIC TONS OF CARBON DIOXIDE EQUIVALENT, RESULTING FROM THE USE OF FOSSIL FUELS OR PETROLEUM PRODUCTS EXTRACTED, PRODUCED, REFINED, OR SOLD BY AN ENTITY.~~

~~(H) "COVERED PERIOD" MEANS MARCH 21, 1994, THROUGH DECEMBER 31, 2023, BOTH INCLUSIVE.~~

~~(I) (1) "CRUDE OIL" MEANS OIL OR PETROLEUM OF ANY KIND AND IN ANY FORM.~~

~~(2) "CRUDE OIL" INCLUDES:~~

- ~~(I) BITUMEN;~~
- ~~(II) OIL SANDS;~~

~~(III) HEAVY OIL;~~

~~(IV) CONVENTIONAL AND UNCONVENTIONAL OIL;~~

~~(V) SHALE OIL;~~

~~(VI) NATURAL GAS LIQUIDS;~~

~~(VII) CONDENSATES; AND~~

~~(VIII) RELATED FOSSIL FUELS.~~

~~(J) “ENTITY” MEANS ANY INDIVIDUAL, TRUSTEE, AGENT, PARTNERSHIP, ASSOCIATION, CORPORATION, COMPANY, MUNICIPAL CORPORATION, POLITICAL SUBDIVISION, OR OTHER PERSON, INCLUDING A FOREIGN NATION, THAT HOLDS OR HELD AN OWNERSHIP INTEREST IN A FOSSIL FUEL BUSINESS DURING THE COVERED PERIOD.~~

~~(K) “FOSSIL FUEL” MEANS COAL, PETROLEUM PRODUCTS, AND FUEL GASES.~~

~~(L) “FOSSIL FUEL BUSINESS” MEANS A BUSINESS ENGAGING IN THE EXTRACTION OF FOSSIL FUELS OR THE REFINING OF PETROLEUM PRODUCTS.~~

~~(M) “FUEL GAS” INCLUDES:~~

~~(1) METHANE;~~

~~(2) NATURAL GAS;~~

~~(3) LIQUEFIED NATURAL GAS; AND~~

~~(4) MANUFACTURED FUEL GASES.~~

~~(N) “FUND” MEANS THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND ESTABLISHED UNDER § 2-1705 OF THIS SUBTITLE.~~

~~(O) “GREENHOUSE GAS” HAS THE MEANING STATED IN § 2-1202 OF THIS TITLE.~~

~~(P) “NOTICE OF COST RECOVERY DEMAND” MEANS A WRITTEN COMMUNICATION INFORMING A RESPONSIBLE PARTY OF THE AMOUNT OF THE COST RECOVERY DEMAND PAYABLE TO THE DEPARTMENT UNDER THIS SUBTITLE.~~



~~(Q) "PETROLEUM PRODUCT" MEANS ANY PRODUCT REFINED OR RE-REFINED FROM:~~

~~(1) SYNTHETIC OR CRUDE OIL; OR~~

~~(2) CRUDE OIL EXTRACTED FROM NATURAL GAS LIQUIDS OR OTHER SOURCES.~~

~~(R) "PROGRAM" MEANS THE CLIMATE CHANGE ADAPTATION AND MITIGATION PAYMENT PROGRAM ESTABLISHED UNDER § 2-1703 OF THIS SUBTITLE.~~

~~(S) (1) "QUALIFYING EXPENDITURE" MEANS AN AUTHORIZED PAYMENT FROM THE FUND IN SUPPORT OF A CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT.~~

~~(2) "QUALIFYING EXPENDITURE" INCLUDES, TO THE EXTENT AUTHORIZED IN DEPARTMENT REGULATIONS, A PAYMENT TOWARD THE OPERATION AND MAINTENANCE OF A CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT.~~

~~(T) (1) "RESPONSIBLE PARTY" MEANS AN ENTITY, OR A SUCCESSOR IN INTEREST TO AN ENTITY, THAT:~~

~~(I) DURING ANY PART OF THE COVERED PERIOD, WAS ENGAGED IN THE TRADE OR BUSINESS OF EXTRACTING FOSSIL FUEL OR REFINING CRUDE OIL; AND~~

~~(II) IS DETERMINED BY THE DEPARTMENT TO BE RESPONSIBLE FOR MORE THAN 1,000,000,000 TONS OF COVERED GREENHOUSE GAS EMISSIONS.~~

~~(2) "RESPONSIBLE PARTY" DOES NOT INCLUDE ANY PERSON THAT LACKS SUFFICIENT CONNECTION WITH THE STATE TO SATISFY THE NEXUS REQUIREMENTS OF THE UNITED STATES CONSTITUTION.~~

~~(U) "TOTAL ASSESSED COST OF GREENHOUSE GAS EMISSIONS" MEANS THE TOTAL ASSESSED COST TO THE STATE AND ITS RESIDENTS OF COVERED GREENHOUSE GAS EMISSIONS DURING THE COVERED PERIOD, AS DETERMINED BY THE STATE TREASURER IN ACCORDANCE WITH § 2-1704(c) OF THIS SUBTITLE.~~

~~2-1702.~~

~~(A) THIS SUBTITLE MAY NOT BE CONSTRUED TO:~~

~~(1) RELIEVE THE LIABILITY OF AN ENTITY FOR DAMAGES RESULTING FROM CLIMATE CHANGE, AS PROVIDED BY LAW;~~

~~(2) PREEMPT, DISPLACE, OR RESTRICT ANY RIGHT OR REMEDY OF A PERSON OR UNIT OF STATE OR LOCAL GOVERNMENT UNDER THE LAW RELATING TO A PAST, PRESENT, OR FUTURE ALLEGATION OF:~~

~~(I) DECEPTION CONCERNING THE EFFECTS OF FOSSIL FUELS ON CLIMATE CHANGE;~~

~~(II) DAMAGE OR INJURY RESULTING FROM THE ROLE OF FOSSIL FUELS IN CONTRIBUTING TO CLIMATE CHANGE; OR~~

~~(III) FAILURE TO AVOID DAMAGE OR INJURY RELATING TO CLIMATE CHANGE, INCLUDING CLAIMS FOR:~~

~~1. NUISANCE;~~

~~2. TRESPASS;~~

~~3. DESIGN DEFECT;~~

~~4. NEGLIGENCE;~~

~~5. FAILURE TO WARN;~~

~~6. DECEPTIVE OR UNFAIR PRACTICES; OR~~

~~7. INJUNCTIVE, DECLARATORY, MONETARY, OR OTHER FORM OF RELIEF; OR~~

~~(3) PREEMPT, SUPERSEDE, OR DISPLACE ANY STATE OR LOCAL LAW, REGULATION, POLICY, OR PROGRAM THAT:~~

~~(I) LIMITS, SETS, OR ENFORCES STANDARDS FOR GREENHOUSE GAS EMISSIONS;~~

~~(II) MONITORS, REPORTS, OR KEEPS RECORDS OF GREENHOUSE GAS EMISSIONS;~~

~~(III) COLLECTS REVENUE THROUGH FEES OR TAXES; OR~~

~~(IV) CONDUCTS OR SUPPORTS INVESTIGATIONS.~~

~~(B) (1) EVERY CASE FILED IN A COURT OF THE STATE UNDER STATE LAW MAY NOT BE EXPRESSLY OR IMPLIEDLY PREEMPTED, DISPLACED, MOOTED, OR DISMISSED ON ANY OTHER PRUDENTIAL CONSIDERATION ARISING FROM THIS SUBTITLE.~~

~~(2) TO THE EXTENT THAT ANY ASPECT OF EVERY CASE FILED IN A COURT OF THE STATE IS REVIEWED FOR THE APPLICATION OF THIS SUBTITLE, THE APPLICATION OF THIS SUBTITLE IS SEVERABLE IN EACH OF ITS APPLICATIONS TO EVERY PERSON AND CIRCUMSTANCE.~~

~~2-1703.~~

~~(A) THERE IS A CLIMATE CHANGE ADAPTATION AND MITIGATION PAYMENT PROGRAM IN THE DEPARTMENT.~~

~~(B) THE PURPOSE OF THE PROGRAM IS TO:~~

~~(1) SECURE COMPENSATORY PAYMENTS FROM FOSSIL FUEL BUSINESSES BASED ON A STANDARD OF STRICT LIABILITY IN ORDER TO PROVIDE A SOURCE OF REVENUE FOR STATE EFFORTS TO:~~

~~(I) ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE, INCLUDING THROUGH THE IMPLEMENTATION OF CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS; AND~~

~~(II) ADDRESS THE HEALTH IMPACTS OF CLIMATE CHANGE ON VULNERABLE POPULATIONS;~~

~~(2) DETERMINE THE PROPORTIONAL LIABILITY OF RESPONSIBLE PARTIES IN ACCORDANCE WITH § 2-1704 OF THIS SUBTITLE;~~

~~(3) IMPOSE COST RECOVERY DEMANDS ON RESPONSIBLE PARTIES AND ISSUE NOTICES OF COST RECOVERY DEMANDS;~~

~~(4) ACCEPT AND COLLECT COST RECOVERY PAYMENTS FROM RESPONSIBLE PARTIES;~~

~~(5) IDENTIFY CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS WITHIN THE STATE;~~

~~(6) DISBURSE FUNDS IN ACCORDANCE WITH THIS SUBTITLE; AND~~

~~(7) ENSURE THAT AT LEAST 40% OF THE QUALIFIED EXPENDITURES FROM THE PROGRAM GO TO CLIMATE CHANGE ADAPTIVE OR MITIGATION~~

~~INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFIT COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.~~

~~2-1704.~~

~~(A) THE STATE MAY IMPOSE COST RECOVERY DEMANDS ON A RESPONSIBLE PARTY IF, AT ANY TIME DURING THE COVERED PERIOD, THE RESPONSIBLE PARTY:~~

~~(1) DID BUSINESS IN THE STATE;~~

~~(2) WAS REGISTERED TO DO BUSINESS IN THE STATE;~~

~~(3) WAS APPOINTED AS AN AGENT OF THE STATE; OR~~

~~(4) OTHERWISE HAD SUFFICIENT CONTACTS WITH THE STATE TO GIVE THE STATE JURISDICTION OVER THE RESPONSIBLE PARTY IN ACCORDANCE WITH STATE LAW.~~

~~(B) (1) A RESPONSIBLE PARTY IS STRICTLY LIABLE, WITHOUT REGARD TO FAULT, FOR A SHARE OF THE COSTS OF CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS, INCLUDING OPERATING AND MAINTENANCE COSTS, SUPPORTED BY THE FUND.~~

~~(2) FOR PURPOSES OF THIS SECTION, ENTITIES IN A CONTROLLED GROUP:~~

~~(I) SHALL BE TREATED BY THE DEPARTMENT AS A SINGLE ENTITY FOR THE PURPOSE OF IDENTIFYING RESPONSIBLE PARTIES; AND~~

~~(H) ARE JOINTLY AND SEVERALLY LIABLE FOR PAYMENT OF ANY COST RECOVERY DEMAND OWED BY ANY ENTITY IN THE CONTROLLED GROUP.~~

~~(C) (1) WITH RESPECT TO EACH RESPONSIBLE PARTY, THE COST RECOVERY DEMAND SHALL BE EQUAL TO AN AMOUNT THAT BEARS THE SAME RATIO TO THE TOTAL ASSESSED COST OF GREENHOUSE GAS EMISSIONS AS THE RESPONSIBLE PARTY'S APPLICABLE SHARE OF COVERED GREENHOUSE GAS EMISSIONS BEARS TO THE AGGREGATE APPLICABLE SHARES OF ALL RESPONSIBLE PARTIES' COVERED GREENHOUSE GAS EMISSIONS.~~

~~(2) (I) ON OR BEFORE DECEMBER 1, 2026, THE STATE TREASURER, IN CONSULTATION WITH THE COMPTROLLER, THE DEPARTMENT, AND ANY OTHER ENTITY AS DETERMINED BY THE STATE TREASURER, SHALL REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE, THE SENATE JUDICIAL PROCEEDINGS~~

~~COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE, AND THE HOUSE JUDICIARY COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE TOTAL ASSESSED COST OF GREENHOUSE GAS EMISSIONS.~~

~~(H) THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE:~~

~~1. A SUMMARY OF THE VARIOUS COST DRIVING EFFECTS OF COVERED GREENHOUSE GAS EMISSIONS ON THE STATE, INCLUDING EFFECTS ON PUBLIC HEALTH, NATURAL RESOURCES, BIODIVERSITY, AGRICULTURE, ECONOMIC DEVELOPMENT, FLOOD PREPAREDNESS AND SAFETY, AND HOUSING, AND ANY OTHER EFFECT THAT THE STATE TREASURER, IN CONSULTATION WITH THE COMPTROLLER AND THE DEPARTMENT, DETERMINES TO BE RELEVANT;~~

~~2. A CATEGORIZED CALCULATION OF THE COSTS THAT HAVE BEEN INCURRED AND COSTS THAT ARE PROJECTED TO BE INCURRED BY THE STATE AND ITS RESIDENTS FOR EACH EFFECT IDENTIFIED UNDER ITEM 1 OF THIS SUBPARAGRAPH; AND~~

~~3. A CATEGORIZED CALCULATION OF THE COSTS THAT HAVE BEEN INCURRED AND COSTS THAT ARE PROJECTED TO BE INCURRED BY THE STATE AND ITS RESIDENTS TO MITIGATE THE EFFECTS OF COVERED GREENHOUSE GAS EMISSIONS DURING THE COVERED PERIOD.~~

~~(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A RESPONSIBLE PARTY'S APPLICABLE SHARE OF GREENHOUSE GAS EMISSIONS SHALL BE THE AMOUNT BY WHICH THE COVERED GREENHOUSE GAS EMISSIONS ATTRIBUTABLE TO THE RESPONSIBLE PARTY EXCEEDS 1,000,000,000 METRIC TONS.~~

~~(2) IF A RESPONSIBLE PARTY OWNS A MINORITY INTEREST OF 10% OR MORE IN ANOTHER ENTITY, THE RESPONSIBLE PARTY'S APPLICABLE SHARE OF GREENHOUSE GAS EMISSIONS SHALL BE CALCULATED AS THE APPLICABLE SHARE OF GREENHOUSE GAS EMISSIONS FOR THE ENTITY IN WHICH THE RESPONSIBLE PARTY HOLDS A MINORITY INTEREST, AS CALCULATED UNDER PARAGRAPH (1) OF THIS SUBSECTION, MULTIPLIED BY THE PERCENTAGE OF THE MINORITY INTEREST HELD BY THE RESPONSIBLE PARTY.~~

~~(3) IN DETERMINING THE AMOUNT OF GREENHOUSE GAS EMISSIONS ATTRIBUTABLE TO AN ENTITY, THE DEPARTMENT SHALL ASSUME THAT:~~

~~(i) 942.5 METRIC TONS OF CARBON DIOXIDE EQUIVALENT IS RELEASED FOR EVERY 1,000,000 POUNDS OF COAL ATTRIBUTABLE TO THE ENTITY;~~

~~(II) 432,180 METRIC TONS OF CARBON DIOXIDE EQUIVALENT IS RELEASED FOR EVERY 1,000,000 BARRELS OF CRUDE OIL ATTRIBUTABLE TO THE ENTITY; AND~~

~~(III) 53,440 METRIC TONS OF CARBON DIOXIDE EQUIVALENT IS RELEASED FOR EVERY 1,000,000 CUBIC FEET OF FUEL GASES ATTRIBUTABLE TO THE ENTITY.~~

~~(E) THE DEPARTMENT MAY ADJUST THE COST RECOVERY DEMAND AMOUNT OF A RESPONSIBLE PARTY THAT REFINES PETROLEUM PRODUCTS OR THAT IS A SUCCESSOR IN INTEREST TO AN ENTITY THAT REFINES PETROLEUM PRODUCTS, IF THE RESPONSIBLE PARTY ESTABLISHES TO THE SATISFACTION OF THE DEPARTMENT THAT:~~

~~(1) A PORTION OF THE COST RECOVERY DEMAND AMOUNT WAS ATTRIBUTABLE TO THE REFINING OF CRUDE OIL EXTRACTED BY ANOTHER ENTITY; AND~~

~~(2) THE CRUDE OIL EXTRACTED BY THE OTHER ENTITY WAS ACCOUNTED FOR WHEN THE DEPARTMENT DETERMINED THE COST RECOVERY DEMAND AMOUNT FOR THE OTHER ENTITY OR A SUCCESSOR IN INTEREST OF THE OTHER ENTITY.~~

~~(F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A RESPONSIBLE PARTY SHALL PAY THE COST RECOVERY DEMAND AMOUNT IN FULL ON OR BEFORE OCTOBER 1, 2027.~~

~~(2) (I) A RESPONSIBLE PARTY MAY ELECT TO PAY THE COST RECOVERY DEMAND AMOUNT IN NINE ANNUAL INSTALLMENTS IN ACCORDANCE WITH THIS PARAGRAPH.~~

~~(II) THE FIRST INSTALLMENT SHALL BE PAID ON OR BEFORE OCTOBER 1, 2027, AND SHALL BE EQUAL TO 20% OF THE TOTAL COST RECOVERY DEMAND AMOUNT.~~

~~(III) EACH SUBSEQUENT INSTALLMENT SHALL BE PAID ON OR BEFORE SEPTEMBER 30 EACH SUBSEQUENT YEAR AND SHALL BE EQUAL TO 10% OF THE TOTAL COST RECOVERY DEMAND AMOUNT.~~

~~(IV) 1. THE UNPAID BALANCE OF ALL REMAINING INSTALLMENTS SHALL BECOME DUE IMMEDIATELY IF:~~

~~A. THE RESPONSIBLE PARTY FAILS TO PAY ANY INSTALLMENT IN A TIMELY MANNER, AS SPECIFIED IN DEPARTMENT REGULATIONS;~~

~~B. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THERE IS A LIQUIDATION OR SALE OF SUBSTANTIALLY ALL THE ASSETS OF THE RESPONSIBLE PARTY, INCLUDING IN A BANKRUPTCY PROCEEDING; OR~~

~~C. THE RESPONSIBLE PARTY CEASES TO DO BUSINESS.~~

~~2. IN THE CASE OF A SALE OF SUBSTANTIALLY ALL THE ASSETS OF A RESPONSIBLE PARTY, THE REMAINING INSTALLMENTS SHALL NOT BECOME DUE IMMEDIATELY IF THE BUYER ENTERS INTO AN AGREEMENT WITH THE DEPARTMENT UNDER WHICH THE BUYER ASSUMES LIABILITY FOR THE REMAINING INSTALLMENTS DUE UNDER THIS SUBPARAGRAPH IN THE SAME MANNER AS IF THE BUYER WERE THE RESPONSIBLE PARTY.~~

~~(G) THE DEPARTMENT SHALL DEPOSIT COST RECOVERY PAYMENTS COLLECTED UNDER THIS SECTION TO THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND ESTABLISHED UNDER § 2-1705 OF THIS SUBTITLE.~~

~~(H) A RESPONSIBLE PARTY MAY REQUEST A HEARING UNDER TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE (ADMINISTRATIVE PROCEDURE ACT—CONTESTED CASES) TO CONTEST A COST RECOVERY DEMAND MADE BY THE DEPARTMENT UNDER THIS SECTION.~~

~~(I) (1) THE REMEDIES PROVIDED IN THIS SECTION ARE IN ADDITION TO ANY OTHER REMEDY PROVIDED BY LAW.~~

~~(2) THIS SECTION MAY NOT BE CONSTRUED TO PREVENT A PERSON FROM PURSUING A CIVIL ACTION OR ANY OTHER REMEDY PROVIDED BY LAW.~~

~~2-1705.~~

~~(A) THERE IS A CLIMATE CHANGE ADAPTATION AND MITIGATION FUND.~~

~~(B) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR STATE EFFORTS TO ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE.~~

~~(C) THE DEPARTMENT SHALL ADMINISTER THE FUND.~~

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

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

~~(E) THE FUND CONSISTS OF:~~

~~(1) COST RECOVERY PAYMENTS DISTRIBUTED TO THE FUND UNDER § 2-1704 OF THIS SUBTITLE;~~

~~(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;~~  
~~AND~~

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

~~(F) THE FUND MAY BE USED ONLY:~~

~~(1) TO PAY:~~

~~(i) QUALIFIED EXPENDITURES FOR CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS IDENTIFIED BY THE DEPARTMENT IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER § 2-1707 OF THIS SUBTITLE; AND~~

~~(ii) REASONABLE ADMINISTRATIVE COSTS OF THE PROGRAM;~~

~~(2) TO PROVIDE GRANTS TO LOCAL JURISDICTIONS IN ACCORDANCE WITH § 2-1706 OF THIS SUBTITLE;~~

~~(3) FOR THE DEPARTMENT'S COMPREHENSIVE FLOOD MANAGEMENT GRANT PROGRAM UNDER § 5-803 OF THIS ARTICLE TO IMPLEMENT:~~

~~(i) CAPITAL PROJECTS UNDERTAKEN AS PART OF COMPREHENSIVE FLOOD MANAGEMENT PLANS; AND~~

~~(ii) INFRASTRUCTURE REPAIRS, WATERSHED RESTORATION, AND EMERGENCY PROTECTION WORK ASSOCIATED WITH FLOOD EVENTS; AND~~

~~(4) TO SUPPORT THE FOLLOWING:~~

~~(i) THE STATE DISASTER RECOVERY FUND UNDER § 14-110.5 OF THE PUBLIC SAFETY ARTICLE FOR DISASTER RECOVERY ASSISTANCE;~~

~~(ii) THE MARYLAND DEPARTMENT OF HEALTH'S OFFICE OF MINORITY HEALTH AND HEALTH DISPARITIES IN ADDRESSING THE HEALTH IMPACTS OF CLIMATE CHANGE ON MINORITY ADULTS, CHILDREN, AND INFANTS;~~



~~(III) THE MARYLAND DEPARTMENT OF HEALTH'S COMMUNITY HEALTH RESOURCES COMMISSION FOR THE HEALTH EQUITY RESOURCE COMMUNITIES PROGRAM;~~

~~(IV) THE MARYLAND DEPARTMENT OF HEALTH'S MEDICAID ADMINISTRATION TO USE FOR THE STATE MEDICAID PROGRAM;~~

~~(V) THE DEPARTMENT OF NATURAL RESOURCES TO INCORPORATE CLIMATE AND EQUITY PROVISIONS IN LOCAL CRITICAL AREA PROGRAM GRANTS;~~

~~(VI) THE GREAT MARYLAND OUTDOORS FUND UNDER § 5-222 OF THE NATURAL RESOURCES ARTICLE TO SUPPORT CLIMATE EDUCATION AND ADAPTATION ON PARK LANDS;~~

~~(VII) THE WHOLE WATERSHED FUND UNDER § 8-2B-03 OF THE NATURAL RESOURCES ARTICLE TO SUPPORT WATERSHED AND COMMUNITY RESILIENCE;~~

~~(VIII) THE DEPARTMENT OF NATURAL RESOURCES IN MANAGING FLOODING THROUGH THE IMPLEMENTATION OF STREAM RESTORATION AND NATURAL FILTRATION PROJECTS;~~

~~(IX) THE DEPARTMENT OF NATURAL RESOURCES IN PROVIDING PLANNING GRANTS TO LOCAL GOVERNMENTS TO PREPARE FOR EXTREME FLOODING;~~

~~(X) THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE FOR:~~

~~1. ENERGY EFFICIENCY PROGRAMS BENEFITTING LOW INCOME AND MODERATE INCOME HOUSEHOLDS; AND~~

~~2. OTHER CLEAN ENERGY INVESTMENTS;~~

~~(XI) THE RESILIENCY HUB GRANT PROGRAM FUND UNDER § 9-2015 OF THE STATE GOVERNMENT ARTICLE IN DEVELOPING RESILIENCY HUBS SERVING LOW INCOME AND MODERATE INCOME HOUSEHOLDS;~~

~~(XII) THE MARYLAND DEPARTMENT OF EMERGENCY MANAGEMENT IN SUPPLEMENTING PRE-DISASTER MITIGATION FUNDING PROVIDED UNDER THE FEDERAL BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES (BRIC) GRANT PROGRAM;~~

~~(XIII) THE RESILIENT MARYLAND REVOLVING LOAN FUND UNDER § 14-110.4 OF THE PUBLIC SAFETY ARTICLE;~~

~~(XIV) THE CLIMATE CATALYTIC CAPITAL FUND UNDER § 10-855 OF THE ECONOMIC DEVELOPMENT ARTICLE;~~

~~(XV) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IN PROVIDING GRANTS AND LOANS UNDER THE MARYLAND WHOLEHOME PROGRAM;~~

~~(XVI) THE MARYLAND ENERGY ADMINISTRATION IN PROVIDING FINANCIAL ASSISTANCE TO LOW-INCOME AND MODERATE-INCOME HOUSEHOLDS TO TRANSITION THEIR HOMES OFF FOSSIL FUELS;~~

~~(XVII) THE ENERGY STORAGE SYSTEM GRANT FUND UNDER § 9-2012 OF THE STATE GOVERNMENT ARTICLE;~~

~~(XVIII) THE DEPARTMENT OF COMMERCE IN ATTRACTING CLEANTECH AND RENEWABLE ENERGY BUSINESSES TO THE STATE;~~

~~(XIX) THE DEPARTMENT'S DAM SAFETY PROGRAM UNDER TITLE 5, SUBTITLE 5 OF THIS ARTICLE;~~

~~(XX) THE DEPARTMENT IN SUPPLEMENTING FUNDING FOR THE COMMISSION ON ENVIRONMENTAL JUSTICE AND SUSTAINABLE COMMUNITIES UNDER TITLE 1, SUBTITLE 7 OF THIS ARTICLE;~~

~~(XXI) THE DEPARTMENT OF TRANSPORTATION FOR THE STATEWIDE TRANSIT INNOVATION GRANT PROGRAM;~~

~~(XXII) THE ZERO-EMISSION VEHICLE SCHOOL BUS TRANSITION FUND UNDER § 2-1504 OF THIS TITLE;~~

~~(XXIII) THE MARYLAND ENERGY ADMINISTRATION FOR THE MEDIUM-DUTY AND HEAVY-DUTY ZERO-EMISSION VEHICLE GRANT PROGRAM UNDER § 9-2011 OF THE STATE GOVERNMENT ARTICLE;~~

~~(XXIV) THE MARYLAND ENERGY ADMINISTRATION FOR THE ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM UNDER § 9-2009 OF THE STATE GOVERNMENT ARTICLE;~~

~~(XXV) THE DEPARTMENT OF TRANSPORTATION FOR THE KIM LAMPHIER BIKEWAYS NETWORK PROGRAM UNDER § 2-608 OF THE TRANSPORTATION ARTICLE;~~

~~(xxvi) THE TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT AND REVOLVING LOAN FUND UNDER TITLE 7, SUBTITLE 12 OF THE TRANSPORTATION ARTICLE;~~

~~(xxvii) THE DEPARTMENT IN HIRING ADDITIONAL STAFF IN THE DEPARTMENT TO WORK ON INITIATIVES TO PROTECT OVERBURDENED AND UNDERSERVED COMMUNITIES, AS DEFINED IN § 1-701 OF THIS ARTICLE, FROM THE EFFECTS OF CLIMATE CHANGE THROUGH IMPROVEMENTS TO PERMITTING PROCESSES, COMMUNITY OUTREACH EFFORTS, AND OTHER INITIATIVES;~~

~~(xxviii) THE DEPARTMENT IN HIRING ADDITIONAL STAFF TO SUPPORT THE DEPARTMENT'S CLIMATE CHANGE PROGRAM;~~

~~(xxix) THE PUBLIC SERVICE COMMISSION IN HIRING ADDITIONAL STAFF TO SUPPORT IMPLEMENTATION OF THE EMPOWER MARYLAND PROGRAM; AND~~

~~(xxx) THE MARYLAND DEPARTMENT OF EMERGENCY MANAGEMENT IN HIRING ENGINEERING STAFF FOR THE OFFICE OF RESILIENCY TO WORK ON FLOOD-RELATED ISSUES.~~

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

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

~~(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.~~

~~(I) FOR EACH FISCAL YEAR, AT LEAST 40% OF FUNDING PROVIDED UNDER THE FUND SHALL BE USED FOR PROJECTS THAT DIRECTLY BENEFIT COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.~~

~~2-1706.~~

~~(A) THE DEPARTMENT SHALL ESTABLISH AND ADMINISTER A GRANT PROGRAM FOR THE DISTRIBUTION OF FUNDS RECEIVED UNDER § 2-1705(F)(2) OF THIS SUBTITLE TO LOCAL JURISDICTIONS FOR THE PURPOSE OF ASSISTING LOCAL EFFORTS TO ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE.~~

~~(B) THE DEPARTMENT SHALL ESTABLISH:~~

- ~~(1) APPLICATION PROCEDURES FOR THE GRANT PROGRAM;~~
- ~~(2) CRITERIA FOR PRIORITIZING APPLICATIONS UNDER THE GRANT PROGRAM;~~
- ~~(3) PROCEDURES FOR AWARDING GRANTS UNDER THE GRANT PROGRAM; AND~~
- ~~(4) ANY OTHER PROCEDURES OR CRITERIA NECESSARY TO CARRY OUT THIS SECTION.~~

~~2-1707.~~

~~(A) ON OR BEFORE OCTOBER 1, 2026, THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO CARRY OUT THE PROGRAM.~~

~~(B) THE REGULATIONS SHALL INCLUDE:~~

~~(1) METHODOLOGIES USING THE BEST AVAILABLE SCIENCE TO IDENTIFY RESPONSIBLE PARTIES AND DETERMINE RESPONSIBLE PARTIES' APPLICABLE SHARES OF GREENHOUSE GAS EMISSIONS;~~

~~(2) RULES RELATING TO:~~

~~(i) REGISTERING ENTITIES DETERMINED TO BE RESPONSIBLE PARTIES UNDER THE PROGRAM;~~

~~(ii) ISSUING NOTICES OF COST RECOVERY DEMANDS THAT SHALL INCLUDE:~~

- ~~1. THE COST RECOVERY DEMAND AMOUNT;~~
- ~~2. THE TIME AND MANNER IN WHICH COST RECOVERY PAYMENTS MUST BE MADE;~~
- ~~3. THE CONSEQUENCES OF NONPAYMENT OR LATE PAYMENT; AND~~
- ~~4. INFORMATION REGARDING THE RIGHT TO REQUEST A CONTESTED CASE HEARING; AND~~

~~(iii) ACCEPTING PAYMENTS FROM, PURSUING COLLECTION EFFORTS AGAINST, AND NEGOTIATING SETTLEMENT AGREEMENTS WITH RESPONSIBLE PARTIES; AND~~

~~(3) SUBJECT TO SUBSECTION (C) OF THIS SECTION, PROCEDURES FOR IDENTIFYING CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS ELIGIBLE TO RECEIVE QUALIFYING EXPENDITURES FROM THE FUND.~~

~~(C) (1) THE DEPARTMENT MAY BY REGULATION PROVIDE FOR CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS TO BE IDENTIFIED FOR FUNDING THROUGH:~~

~~(I) LEGISLATIVE BUDGET APPROPRIATIONS;~~

~~(II) THE ISSUANCE OF REQUESTS FOR PROPOSALS FROM LOCAL GOVERNMENTS, NONPROFIT ORGANIZATIONS, OR COMMUNITY GROUPS; OR~~

~~(III) ANY OTHER METHOD THE DEPARTMENT DEEMS APPROPRIATE.~~

~~(2) THE DEPARTMENT SHALL ENSURE THAT AT LEAST 40% OF THE QUALIFIED EXPENDITURES FROM THE PROGRAM GO TO CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFIT COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.~~

~~2-1708.~~

~~(A) ON OR BEFORE OCTOBER 1, 2028, AND EACH OCTOBER 1 THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:~~

~~(1) THE COST RECOVERY PAYMENTS RECEIVED AND THE FUNDING DISBURSED FROM THE FUND DURING THE PRECEDING FISCAL YEAR;~~

~~(2) THE STATUS OF CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS FUNDED UNDER THE PROGRAM;~~

~~(3) THE PERCENTAGE OF QUALIFIED EXPENDITURES MADE DURING THE PRECEDING FISCAL YEAR THAT FUNDED CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFITED COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS; AND~~

~~(4) THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING THE PURPOSES OF THIS SUBTITLE.~~

~~(B) (1) THE LEGISLATIVE AUDITOR MAY CONDUCT POST AUDITS OF A FISCAL AND COMPLIANCE NATURE OF THE FUND AND OF THE APPROPRIATIONS AND EXPENDITURES MADE FOR THE PURPOSES OF THIS SUBTITLE.~~

~~(2) THE COST OF THE FISCAL PORTION OF AN AUDIT SHALL BE PAID FROM THE FUND AS AN ADMINISTRATIVE COST.~~

### ~~Article—Natural Resources~~

#### ~~§ 222.~~

~~(a) In this section, “Fund” means the Great Maryland Outdoors Fund.~~

~~(b) There is a Great Maryland Outdoors Fund in the Department.~~

~~(f) The Fund consists of:~~

~~(1) Money appropriated in the State budget to the Fund in accordance with subsection (j) of this section;~~

~~(2) Interest earnings of the Fund; [and]~~

~~(3) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE; AND~~

~~(4) Any other money from any other source accepted for the benefit of the Fund.~~

#### ~~§ 2B-03.~~

~~(a) There is a Whole Watershed Fund.~~

~~(c) The Fund consists of:~~

~~(1) Revenue distributed to the Fund from:~~

~~(i) The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund established under § 8-2A-02 of this title;~~

~~(ii) The Bay Restoration Fund established under § 9-1605.2 of the Environment Article;~~

~~(iii) The Clean Water Commerce Account established under § 9-1605.4 of the Environment Article;~~

~~(iv) The Maryland Agricultural Land Preservation Fund established under § 2-505 of the Agriculture Article;~~

~~(v) The cost sharing program established under § 8-702 of the Agriculture Article; and~~

~~(vi) The Waterway Improvement Fund established under § 8-707 of this title;~~

~~(2) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE;~~

~~(3) Money appropriated in the State budget to the Fund;~~

~~[(3)] (4) Interest earnings; and~~

~~[(4)] (5) Any other money from any other source accepted for the benefit of the Fund.~~

#### ~~Article — Public Safety~~

~~14-110.4.~~

~~(b) There is a Resilient Maryland Revolving Loan Fund.~~

~~(h) The Fund consists of:~~

~~(1) money appropriated in the State budget to the Fund;~~

~~(2) investment and interest earnings of the Fund;~~

~~(3) repayments of principal and interest from loans made from the Fund;~~

~~(4) money received from the Federal Emergency Management Agency; [and]~~

~~(5) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE; AND~~

~~(6) any other money from any other source accepted for the benefit of the Fund.~~

~~14-110.5.~~

~~(b) There is a State Disaster Recovery Fund.~~

~~(f) (1) The Governor may include in the annual budget bill an appropriation to the Fund.~~

~~(2) The Fund [shall consist] **CONSISTS** of:~~

~~(i) money appropriated in the State budget to the Fund;~~

~~(ii) repayments of principal and interest from loans made from the Fund;~~

~~(iii) reimbursements from the federal government or other legal entities for disaster recovery assistance expenditures made from the Fund;~~

~~(iv) **FUNDS RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE;**~~

~~(v) interest earnings of the Fund; and~~

~~[(v)] (VI) any other money from any other source accepted for the benefit of the Fund.~~

### ~~Article State Government~~

~~§ 2012.~~

~~(b) There is an Energy Storage System Grant Program in the Administration.~~

~~(i) (1) There is an Energy Storage System Grant Fund.~~

~~(4) The Fund consists of:~~

~~(i) money appropriated in the State budget to the Fund; [and]~~

~~(ii) **MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE; AND**~~

~~(III) any other money from any other source accepted for the benefit of the Fund.~~

~~§ 2015.~~

~~(b) There is a Resiliency Hub Grant Program Fund.~~



~~(f) The Fund consists of:~~

~~(1) grant funding obtained under subsection (k) of this section;~~

~~(2) funds distributed to the Fund under § 9-20B-05 of this title and §§ 2-110.1 and 13-201 of the Public Utilities Article;~~

~~(3) money appropriated in the State budget to the Fund;~~

~~(4) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE;~~

~~(5) interest earnings; and~~

~~[(5)] (6) any other money from any other source accepted for the benefit of the Fund.~~

~~9-20B-05.~~

~~(a) There is a Maryland Strategic Energy Investment Fund.~~

~~(c) The Fund consists of:~~

~~(1) all of the proceeds from the sale of allowances under § 2-1002(g) of the Environment Article;~~

~~(2) money appropriated in the State budget to the Program;~~

~~(3) repayments and prepayments of principal and interest on loans made from the Fund;~~

~~(4) interest and investment earnings on the Fund;~~

~~(5) compliance fees paid under § 7-705 of the Public Utilities Article;~~

~~(6) money received from any public or private source for the benefit of the Fund;~~

~~(7) money transferred from the Public Service Commission under § 7-207.2(c)(3) of the Public Utilities Article; [and]~~

~~(8) money distributed under § 2-614.1 of the Tax General Article; AND~~

~~(9) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE.~~

~~(1-2) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE SHALL BE ACCOUNTED FOR SEPARATELY WITHIN THE FUND AND MAY BE USED FOR:~~

~~(1) ENERGY EFFICIENCY PROGRAMS BENEFITING LOW INCOME AND MODERATE INCOME HOUSEHOLDS; AND~~

~~(2) OTHER CLEAN ENERGY INVESTMENTS.~~

#### ~~Article – Transportation~~

~~7-1202.~~

~~(a) There is a Transit Oriented Development Capital Grant and Revolving Loan Fund.~~

~~7-1203.~~

~~(a) The purpose of the Fund is to promote the equitable and inclusive development of transit-oriented developments throughout the State.~~

~~(c) (1) The Fund consists of:~~

~~(i) Money appropriated in the State budget to the Fund;~~

~~(ii) Money made available for qualifying uses by the Fund from other governmental sources, including eligible federal funding and the Transportation Trust Fund;~~

~~(iii) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE;~~

~~(IV) Ground rents or land sale proceeds in accordance with § 10-306(c)(2) of the State Finance and Procurement Article;~~

~~[(iv)] (v) Payments of principal of and interest on loans made under this title;~~

~~[(v)] (VI) Investment earnings of the Fund; and~~

~~[(vi)] (VII) Any other money from any other source, public or private, accepted for the benefit of the Fund.~~

~~(2) Contributions to the Fund under paragraph [(1)(iii)] (1)(IV) of this subsection shall:~~

~~(i) Be separately accounted for in the Fund; and~~

~~(ii) Be used only for the benefit of transit-oriented developments in the same county where the real property subject to the ground rent or land sale is located.~~

(a) (1) The Comptroller, in coordination with ~~the Department of the Environment and the Department of Commerce~~ *the Department of Commerce and the Department of the Environment*, shall conduct a study to assess the total cost of greenhouse gas emissions in the State.

(2) The Comptroller may hire a consultant to conduct the study.

(b) On or before December 1, 2026, the Comptroller, ~~the Department of the Environment, and the Department of Commerce~~ *the Department of Commerce, and the Department of the Environment* shall report to the Senate Budget and Taxation Committee, the Senate Committee on Education, Energy, and the Environment, the Senate Judicial Proceedings Committee, the House Appropriations Committee, the House Environment and Transportation Committee, and the House Judiciary Committee, in accordance with § 2-1257 of the State Government Article, on the total assessed cost of greenhouse gas emissions in the State based on the findings of the study conducted under subsection (a) of this section.

(c) The report required under subsection (b) of this section shall include:

(1) a summary of the various cost-driving effects of covered greenhouse gas emissions on the State, including effects on public health, natural resources, biodiversity, agriculture, economic development, flood preparedness and safety, and housing, and any other effect that the Comptroller and the Department of the Environment determine to be relevant;

(2) a categorized calculation of the costs that have been incurred and costs that are projected to be incurred by the State and its residents for each effect identified under item (1) of this subsection;

(3) a categorized calculation of the costs that have been incurred and costs that are projected to be incurred by the State and its residents to ~~mitigate~~ *adapt to* the effects of covered greenhouse gas emissions during the covered period; and

(4) an economic analysis to determine whether there would be a cost passed on to taxpayers as a result of requiring each fossil fuel company that has a sufficient nexus

to the State and emitted more than 1,000,000,000 tons of greenhouse gas emissions globally between 1995 and 2024 to compensate the State for climate change.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 193 and Senate Bill 219 – *Uninsured Employers’ Fund – Assessments and Special Monitor*, and Senate Bill 227 – *Workers’ Compensation – Payment From Uninsured Employers’ Fund – Revisions*.

The Uninsured Employers’ Fund (UEF) is responsible for paying workers' compensation awards to claimants who failed to receive payments from their employers who did not have workers’ compensation insurance as required by State law. The Fund derives its revenue from a two-percent assessment on awards against and settlements with employers or insurers.

House Bill 193 and Senate Bill 219, introduced by the UEF would have given UEF’s Board the authority to raise assessments on awards an additional 1% if required to maintain the Fund’s solvency. About 86% of the UEF’s revenues come from the assessment on workers’s compensations awards. The Fund also collects revenues from benefit payments owed by uninsured employers, penalties from sanctions on uninsured employers, and interest earned on the fund balance. According to a *2024 Joint Chairman Report of the Workers’ Compensation Commission (WCC) Addressing the Long-Term Solvency of the UEF*<sup>1</sup>, this reform, if adopted, would allow for a total assessment of 3%, which translates into a 50% increase in the assessment on law-abiding businesses with workers’ compensation insurance and a \$4 million increase in UEF’s annual revenues.

Understandably, the 1% increase on assessment received pushback from key stakeholders, so UEF supported a .5% increase in the assessment, which translates into a 25% increase

in the assessment on law-abiding businesses with workers' compensation insurance and a \$2 million increase in UEF's annual revenues. By the end of legislative session, a bill that was originally intended to increase an assessment on awards was amended to also require the WCC to designate a special monitor to assess the financial condition of UEF, and the UEF to allocate \$100,000 to provide funding for the special monitor.

In 1983, the Maryland General Assembly created the UEF as an independent agency, separating its function from the WCC due to potential conflicts of interest. A 2021 *Joint Chair Report Review of Workers' Compensation Agency Structure* stated, "To have the WCC oversee any aspect of either, or both agencies (UEF or SIF), would create the clear appearance of impropriety."<sup>2</sup> The UEF has a board that is responsible for overseeing the Fund. Requiring WCC to designate a special monitor to assess the financial condition of UEF goes directly against the Maryland General Assembly's previous actions and suggestions by reports. I believe that Senate Bill 695 – *Labor and Employment – Uninsured Employers' Fund Board – Membership and Reserves*, sponsored by Senator Beidle that I signed on May 6, 2025 addresses the oversight concerns that the amendments to House Bill 193 and Senate Bill 219 try to meet by expanding the number of members from three to five and requiring the board to establish reserves to meet potential losses of the fund.

Senate Bill 227 was originally introduced as a Departmental bill that would allow the UEF to pay injured workers with greater efficiency by removing unnecessary hurdles and requirements that hamper the payment process. It also would have expedited the payment of awards. Currently awards can be made within 60 days, this legislation would have lowered the timeline to 30 days.

As amended, Senate Bill 227 included numerous constructive reforms that expedite the payment process. It removed the requirement that the WCC notify an employer when the employer is in default, as well as the subsequent payment requirement and/or objection process. Instead, the amendment requires that an uninsured employer be given notice of a claim before action is taken against the uninsured employer. It also allows a covered employee or dependents of a covered employee to apply for payment from UEF if the employer is in default and the employee or dependents have demanded payment from the employer at least 15 days before the date of application.

Unfortunately, the amended legislation removes a safeguard against double payments which states that if the UEF pays an award to a covered employee or the dependent of a covered employee that is also paid by the employer, the UEF is entitled to reimbursement of the distributed funds. The amended language allows the WCC to order an offset or credit against an award for permanent partial disability benefits for any benefits paid by UEF that were also paid by the employer.

UEF cases can reach amounts in the hundreds of thousands. The UEF is currently addressing solvency issues, and introducing circumstances where a double payment is credited against future pay outs by an employer rather than allowing the UEF to seek reimbursement place the UEF in a financial position they may never recover from.

The solvency of the UEF and promptly paying awards to injured workers is a shared goal

of the UEF and the Maryland General Assembly. The time and effort invested in House Bill 193 and Senate Bill 219 and Senate Bill 227 highlight the needs for reforms that make the UEF processes and procedures. I look forward to appointing members to the revamped UEF board, greater collaboration and an improved working relationship with the WCC, and implementation of meaningful reforms in partnership with the Maryland General Assembly.

Sincerely,

Wes Moore  
Governor

1 Workers Compensation Commission. Page 5. 2024. JCR Report 2024\_ p10-11\_Workgroup on the UEF - Report of the Workers' Compensation Commission (WCC) Addressing the Long-Term Solvency of the UEF. [https://dlslibrary.state.md.us/publications/JCR/2024/2024\\_10-11\(WCC\).pdf](https://dlslibrary.state.md.us/publications/JCR/2024/2024_10-11(WCC).pdf)

2 Uninsured Employers' Fund. Page 9. 2021 Joint Chair Report Review of Workers' Compensation Agency Structure [https://dlslibrary.state.md.us/publications/JCR/2021/2021\\_248-249\(WCC\).pdf](https://dlslibrary.state.md.us/publications/JCR/2021/2021_248-249(WCC).pdf)

### House Bill 193

AN ACT concerning

#### **Uninsured Employers' Fund – ~~Additional Assessment on Awards and Settlements—Amount~~ Assessments and Special Monitor**

FOR the purpose of altering the circumstances under which the Uninsured Employers' Fund must collect or suspend a certain assessment; altering the additional percentage the Uninsured Employers' Fund Board may direct the Workers' Compensation Commission to assess on awards and settlements if the Board determines that the reserves of the Fund are inadequate to meet anticipated losses; requiring the Workers' Compensation Commission to designate a certain special monitor for certain purposes; and generally relating to the Uninsured Employers' Fund.

BY repealing and reenacting, with amendments,

Article – Labor and Employment

Section 9–1007 and 9–1011

Annotated Code of Maryland

(2016 Replacement Volume and 2024 Supplement)

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

#### **Article – Labor and Employment**

9–1007.

(a) (1) Except as provided in subsection (b) of this section, the Commission shall impose against an employer or, if insured, its insurer an assessment equal to 1% of:

(i) each award against the employer for permanent disability or death, including awards for disfigurement or mutilation; and

(ii) except as provided in paragraph (2) of this subsection, each amount payable by the employer or its insurer under a settlement agreement approved by the Commission.

(2) The amount of medical benefits specified in a formal set-aside allocation that is part of an approved settlement agreement shall be excluded from the assessment imposed by the Commission under paragraph (1)(ii) of this subsection if:

(i) 1. the amount of medical benefits is in excess of \$50,000; and

2. the payment of medical benefits by the employer or its insurer is directly to an authorized insurer that provides periodic payments to the covered employee pursuant to a single premium annuity; or

(ii) 1. the amount of medical benefits is in any amount; and

2. the payment of medical benefits by the employer or its insurer is to an independent third-party administrator that controls and pays the medical services in accordance with the formal set-aside allocation, provided there is no reversionary interest to the covered employee or the covered employee's beneficiaries.

(3) (i) Notwithstanding any other provision of law, if the employer is a corporation the assets of which are not sufficient to satisfy an assessment, any officer of the corporation who has responsibility for the general management of the corporation in the State is jointly and severally liable for the assessment if the corporate officer knowingly failed to secure workers' compensation insurance.

(ii) Notwithstanding any other provision of law, if the employer is a limited liability company the assets of which are not sufficient to satisfy an assessment, any member of the limited liability company who has responsibility for the general management of the limited liability company in the State is jointly and severally liable for the assessment if a member of the limited liability company who has general management responsibility knowingly failed to secure workers' compensation insurance.

(b) Notwithstanding the limit on the balance of the Fund under § 9-1011 of this subtitle, if the Board determines that the reserves of the Fund are inadequate to meet anticipated losses, the Board may direct the Commission to assess **UP TO** an additional [1%] ~~2%~~ 1.5% under subsection (a) of this section.

(c) Any fractional dollar of payment under this section shall be rounded off to the nearest whole dollar.

(d) The Commission shall direct payment of an assessment under subsection (a) or (b) of this section into the Fund.

(e) Payments under this section are in addition to the payment of compensation to a covered employee or the dependents of a covered employee under this title.

9-1011.

(a) (1) When the amount of the Fund equals at least ~~[\$5,000,000]~~ \$10,000,000, the payment of assessments by employers and insurers is suspended.

(2) The Director shall notify each self-insured employer and insurer of the suspension of the payment of assessments under paragraph (1) of this subsection.

(b) (1) Payment of assessments shall be resumed if:

(i) the amount of the Fund becomes less than ~~[\$3,000,000]~~ \$8,000,000 because of payments made under § 9-1002 of this subtitle or other payments; or

(ii) the Director determines that payments that are likely to be made from the Fund in the next 3 months will reduce the amount of the Fund to less than ~~[\$3,000,000]~~ \$8,000,000.

(2) When payment of assessments is to be resumed under paragraph (1) of this subsection, the Director shall notify each self-insured employer and insurer that payment of assessments is to:

(i) resume on a specified date; and

(ii) continue until the amount of the Fund becomes at least ~~[\$5,000,000]~~ \$10,000,000.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Workers' Compensation Commission shall designate a special monitor to assess the financial condition of the Uninsured Employers' Fund, including the reserve setting and third-party administrator practices of the Fund.

(b) The special monitor shall monitor the financial condition of the Fund for a period of up to 1 year, with the duties of the special monitor ending on or before June 30, 2026, unless an earlier date is agreed on by the Fund and the Commission.



(c) The special monitor shall submit to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1257 of the State Government Article:

(1) on or before December 1, 2025, an interim report regarding the financial condition of the Uninsured Employers' Fund and any recommendations for legislative or regulatory changes necessary to improve the condition of the Fund; and

(2) on or before June 1, 2026, a final report regarding the financial condition of the Uninsured Employers' Fund and any recommendations for legislative or regulatory changes necessary to improve the condition of the Fund.

(d) The Fund shall reimburse the monitor at a rate commensurate with the rate the Commission pays to retired judges to hear cases before the Commission.

(e) The Fund shall allocate \$100,000 to provide funding for the special monitor.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025. Section 2 of this Act shall remain effective for a period of 1 year and, at the end of June 30, 2026, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 149 and House Bill 128 – *Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse Gas Emissions – Study and Reports*, Senate Bill 116 and House Bill 270 – *Data Center Impact Analysis and Report*, and House Bill 1316 – *Primary and Secondary Education – Youth-Centric Technology and Social Media Resource Guide*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In

partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In this time of profound uncertainty, we must evaluate every expenditure with a critical eye towards our future.

Our current budget situation requires us to reconsider bills that create expensive and labor intensive studies. While such bills can be a first step to addressing complex issues and allow the signaling of support for an issue, the practice has become so commonplace that it is now a significant financial and staff burden on the state government. In addition, such reporting requirements have at times delayed prompt action on important issues, and in the face of the onslaught from the current administration in Washington, D.C., the State needs to respond to important issues more quickly. Studies can serve a purpose, but their overuse is a drag on the State government.

Prior to the 2025 legislative session, the Department of Legislative Services (DLS) was tracking a total of 3,901 mandated reports, a number which excludes the reports required annually by the Joint Chairmen's Report. Many of these reports are never read and simply collect dust on shelves, but nonetheless, executive branch agencies are required to dedicate funding and staff time to each, in many cases, with restrictions on their budget appropriations if they fail to comply. While it is impossible to calculate the total amount of staff time and state funding necessary to complete and file these reports, it is a reasonable assumption that the cost runs to the tens of millions of dollars.

Collectively, these three bills would have required significant coordination across multiple agencies and institutions: the Comptroller's Office, Maryland Department of the Environment (MDE), and Commerce to study the cost of greenhouse gas emissions; the University of Maryland's School of Business, MDE, Maryland Energy Administration and the Department of Legislative Services to conduct a resource-intensive analysis of the environmental, energy, and economic impacts of data center development; and the University of Maryland Baltimore's School of Mental Health's National Center for School Mental Health and the Maryland State Department of Education to develop a social media resource guide and conduct a needs assessment. In total, these efforts would cost at least \$1.28 million – an unsustainable commitment given the state's current fiscal constraints and the growing uncertainty posed by the federal Administration in Washington, D.C.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed Senate Bill 149, House Bill 128, Senate Bill 116, House Bill 270, and House Bill 1316.

Sincerely,

Wes Moore

Governor

**House Bill 270**

AN ACT concerning

**Data Center Impact Analysis and Report**

FOR the purpose of requiring the Department of the Environment, the Maryland Energy Administration, and the University of Maryland School of Business, in coordination with the Department of Legislative Services, to conduct an analysis of the likely environmental, energy, and economic impacts of data center development in the State; and generally relating to data centers.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That:

(a) The Department of the Environment, the Maryland Energy Administration, and the University of Maryland School of Business, in coordination with the Department of Legislative Services, shall conduct an analysis of the likely environmental, energy, and economic impacts of data center development in the State.

(b) The analysis shall include:

(1) an assessment by the Department of the Environment of the potential impacts of the data center industry on the natural resources of the State, including an evaluation of:

(i) the potential impacts on air and water quality;

(ii) the potential impacts on the State's ability to meet its bay restoration goals and other environmental objectives; and

(iii) the availability of technologies that could mitigate the environmental impacts of data centers, and the feasibility of implementing these technologies in the State;

(2) an assessment by the Maryland Energy Administration of the potential energy impacts of the data center industry, including an evaluation of:

(i) the energy requirements of data centers;

(ii) the potential impacts of the data center industry on current and forecasted energy demand and supply in the State, including how data centers will likely affect future energy infrastructure needs and costs paid by ratepayers; and

(iii) the potential impacts of the data center industry on the State's ability to meet greenhouse gas emissions reduction commitments and clean energy goals; and

(3) an assessment by the University of Maryland School of Business, in consultation with industry experts, of the potential economic and fiscal impacts of the data center industry in the State, including an evaluation of:

(i) the likely impact of data centers on State and local revenues and expenditures; and

(ii) the jobs likely to be created through the construction and operation of data centers.

(c) (1) The Department of Legislative Services shall coordinate the preparation of the analysis and synthesize the assessments by the Department of the Environment, the Maryland Energy Administration, and the University of Maryland School of Business into a final report.

(2) At the request of the Department of Legislative Services, other relevant units of State government, including the Department of Natural Resources, the Department of Assessments and Taxation, the Department of Commerce, and the Public Service Commission, shall provide any information necessary to complete the analysis.

(3) On or before September 1, 2026, the Department of Legislative Services shall submit the final report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025. It shall remain effective for a period of 2 years and, at the end of June 30, 2027, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

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May 16, 2025

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H–101 State House  
Annapolis, MD 21401

Dear Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 328 – *State Lottery – Instant Ticket Lottery Machines – Veterans' and Fraternal*

*Organizations.*

Currently, in addition to similar types of machines available at the state's casinos and bingo halls, the Maryland Lottery and Gaming Control Agency (MLGCA) may issue a license for up to five instant ticket lottery machines (ITLMs) to veteran service organizations. This legislation would allow the MLGCA to issue a license for ITLMs to fraternal organizations as well. This would mark a significant expansion of gambling, adding potentially hundreds of new machines at dozens of additional sites in the state. In doing so, it would undercut revenue for the Education Trust Fund that funds the Blueprint for Maryland's future, reduce revenue for veteran service organizations, and undercut the state's problem gambling treatment programs.

It is widely accepted among economists who study gambling that once a region is saturated with a certain type of gambling product, there is little elasticity in consumer spending on gambling. In other words, there is a limited pool of money that consumers will spend on gambling if similar games are already widely available. Unless expansions of gambling offer fundamentally different games or platforms, the addition of similar machines simply spreads out existing gambling spending among more machines. In the case of this legislation, there are already thousands of similar machines in the state, so consumers who use the new machines authorized by this bill would almost certainly spend less at existing authorized sites.

As a result, this legislation would undercut the state's efforts to fund the Blueprint for Maryland's Future and would reduce revenues that veterans service organizations receive from these machines. The effective tax rate for ITLMs at fraternal organizations as envisioned by this bill would be lower than the tax rate for ITLMs at four of Maryland's six casinos. Collectively, the state's casinos provided \$600 million to fund our schools last year, and undercutting that revenue stream would make it even more challenging to fund the Blueprint.

In addition, in the not infrequent circumstance that an individual is a member of both a veterans organization and a fraternal organization, it is likely that individual, if they want to gamble, will do so at the location closest to their home. This almost certainly means that veterans service organizations will see a reduction in play and revenue on their pre-existing machines. Veteran service organizations play a pivotal role in enhancing Maryland's social, economic, and civic landscape. Lowering veteran service organizations revenue means lowering their impact in the community.

The impact of this legislation on the state's efforts to combat problem gambling is also of significant concern. The MLGCA and Maryland Center of Excellence on Problem Gambling provide extensive programs and support for individuals trying to recover from gambling addiction. HB 328 does not include any responsible gaming protections for slot-like games similar to the machines in casinos, nor does it provide additional funding to support the state's problem gambling programs.

The expansion of gambling is always a challenging question. There is no shortage of deserving and responsible organizations that would benefit from the additional revenue

that this expansion of gambling would bring. As a veteran and member of a fraternity, I understand the importance of having spaces for fellowship that works to support the community. But decisions to expand gambling have to be made with full consideration of the negative as well as the positive impacts.

I look forward to continuing to work with the General Assembly to ensure revenues for education, guard against problem gambling, and keep our promise to Maryland's veterans service organizations.

Sincerely,

Wes Moore  
Governor

### **House Bill 328**

AN ACT concerning

#### **State Lottery – Instant Ticket Lottery Machines – Veterans' and Fraternal Organizations**

FOR the purpose of authorizing the Director of the State Lottery and Gaming Control Agency to issue certain fraternal organizations a license for not more than a certain number of instant ticket lottery machines; altering the distribution of proceeds from certain instant ticket lottery machine sales by veterans' organizations; providing for the distribution of proceeds from certain instant ticket lottery machine sales by fraternal organizations; authorizing, instead of requiring, the Director to consider certain information before issuing certain licenses; repealing a requirement that certain veterans' organizations purchase or lease certain instant ticket lottery machines; prohibiting certain fraternal organizations from operating an instant ticket lottery machine in certain locations; altering certain requirements concerning the conduct of gaming through instant ticket lottery machines; and generally relating to the operation of instant ticket lottery machines in the State.

BY repealing and reenacting, with amendments,  
Article – State Government  
Section 9–112  
Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)

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

#### **Article – State Government**

9–112.

(a) (1) In this section[, “veterans”] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “ACTIVE MEMBERS” MEANS INDIVIDUALS WHO ARE RECOGNIZED BY A FRATERNAL ORGANIZATION AS DUES-PAYING MEMBERS OR LIFETIME MEMBERS.

(3) (I) “FRATERNAL ORGANIZATION” MEANS A NONPROFIT ORGANIZATION THAT:

1. A. IS TAX EXEMPT AND ORGANIZED AS A FRATERNAL OR SORORAL ORGANIZATION UNDER § 501(C)(7) OR § 501(C)(8) OF THE INTERNAL REVENUE CODE;

B. OWNS OR LEASES A PROPERTY; AND

C. HAS A BONA FIDE MEMBERSHIP OF AT LEAST 300 ACTIVE MEMBERS OR HAS BEEN LOCATED IN A COUNTY IN WHICH SUBSECTION (D) OF THIS SECTION APPLIES FOR AT LEAST 5 YEARS BEFORE THE ORGANIZATION APPLIES FOR A LICENSE UNDER SUBSECTION (D) OF THIS SECTION; OR

2. IS INDEPENDENT AND THE MEMBERSHIP OF WHICH COMPRISES SOLELY GRADUATE MEMBERS OF A NATIONWIDE FRATERNITY OR SORORITY THAT IS TAX EXEMPT UNDER § 501(C)(7) OR § 501(C)(8) OF THE INTERNAL REVENUE CODE.

(II) “FRATERNAL ORGANIZATION” DOES NOT INCLUDE:

1. ANY COLLEGE OR HIGH SCHOOL FRATERNITY OR SORORITY; OR

2. ANY OTHER FRATERNITY OR SORORITY THE MEMBERSHIP OF WHICH IS RESTRICTED IN WHOLE OR IN PART TO STUDENTS OR GRADUATES OF AN EDUCATIONAL INSTITUTION OR A PROFESSIONAL SCHOOL.

(4) “VETERANS’ organization” means an organization that is tax exempt and organized as a veterans’ organization under § 501(c)(19) or § 501(c)(4) of the Internal Revenue Code.

(b) Except as provided in subsection (d) of this section, in accordance with the regulations of the Agency and this subtitle, the Director shall issue licenses to the persons and governmental units that will best serve the public convenience and promote the sale of State lottery tickets or shares.

(c) Before issuing a license to an applicant, the Director [shall] **MAY** consider such factors as:

(1) the financial responsibility and security of the applicant and the business or activity of the applicant;

(2) the accessibility of the place of business or activity to the public;

(3) the sufficiency of existing licenses to serve the public convenience; and

(4) the volume of expected sales.

(d) (1) This subsection does not apply in:

(i) Caroline County;

(ii) Cecil County;

(iii) Dorchester County;

(iv) Kent County;

(v) Queen Anne's County;

(vi) Somerset County;

(vii) Talbot County;

(viii) Wicomico County; and

(ix) Worcester County.

(2) (i) Subject to subparagraph (ii) of this paragraph, the Director may issue a license under this subtitle for:

1. not more than five instant ticket lottery machines to an applicant that is a veterans' organization ~~OR FRATERNAL ORGANIZATION;~~ AND

2. NOT MORE THAN THREE INSTANT TICKET LOTTERY MACHINES TO AN APPLICANT THAT IS A FRATERNAL ORGANIZATION.

(ii) A veterans' organization **OR FRATERNAL ORGANIZATION** that is issued a license under this subsection shall locate and operate its instant ticket lottery machines at its principal meeting hall in the county in which the veterans' organization **OR FRATERNAL ORGANIZATION** is located.



**(III) AS A RETAILER UNDER THE INSTANT TICKET LOTTERY MACHINE PROGRAM, A VETERANS' ORGANIZATION OR FRATERNAL ORGANIZATION SHALL BE COMPENSATED BASED ON A PERCENTAGE OF PROCEEDS.**

(3) (I) After deduction of any [commission and] validation prize payout as provided under § 9–117 of this subtitle, a veterans' organization issued a license under this subsection shall **RETAIN 50% OF THE NET PROCEEDS AND** credit the remaining ~~receipts~~ **NET PROCEEDS** from the sale of tickets from instant ticket lottery machines to the State Lottery Fund established under § 9–118 of this subtitle.

(II) ON A PROPERLY APPROVED TRANSMITTAL, THE AGENCY SHALL PAY THE FOLLOWING AMOUNTS FROM THE NET PROCEEDS OF SALES OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES OPERATED BY A VETERANS' ORGANIZATION:

1. ~~50% TO VETERANS' ORGANIZATIONS~~ **5% TO THE MARYLAND VETERANS TRUST FUND ESTABLISHED UNDER § 9–913 OF THIS TITLE;**

2. TO THE AGENCY, AN AMOUNT NECESSARY TO PAY FOR THE PURCHASE OR LEASE OF THE INSTANT TICKET LOTTERY MACHINES AND AGENCY ADMINISTRATION FEES FOR THE PROGRAM; AND

3. ANY REMAINING AMOUNT TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9–1A–30 OF THIS TITLE.

(III) AFTER DEDUCTION OF A VALIDATION PRIZE PAYOUT, A FRATERNAL ORGANIZATION ISSUED A LICENSE UNDER THIS SUBSECTION SHALL ~~REMIT THE PROCEEDS FROM THE SALE OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES;~~

1. RETAIN 25% OF THE NET PROCEEDS FOR UNDERGRADUATE, GRADUATE, OR TRADE SCHOOL SCHOLARSHIPS OR CAPITAL IMPROVEMENTS, CAPITAL OUTLAYS, ACQUISITIONS, OR EXISTING COMMUNITY OUTREACH PROGRAMS AND RESOURCES; AND

2. **REMIT THE REMAINDER** TO THE AGENCY TO BE DISTRIBUTED AS PROVIDED IN SUBPARAGRAPH (IV) OF THIS PARAGRAPH.

(IV) ON A PROPERLY APPROVED TRANSMITTAL, THE AGENCY SHALL PAY THE FOLLOWING AMOUNTS FROM THE NET PROCEEDS OF SALES OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES OPERATED BY A FRATERNAL ORGANIZATION:

1. 20% TO THE HOMELESSNESS SOLUTIONS PROGRAM IN THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, TO BE USED,

IN CONSULTATION WITH THE DEPARTMENT OF VETERANS AND MILITARY FAMILIES, TO ASSIST VETERANS AND FAMILIES OF VETERANS, WITH PRIORITY GIVEN TO:

A. WOMEN VETERANS WHO ARE HOMELESS OR AT RISK OF HOMELESSNESS;

B. SINGLE-PARENT VETERAN FAMILIES; AND

C. VETERANS WHO ARE VICTIMS OF DOMESTIC VIOLENCE; ~~AND~~

~~2. FROM THE REMAINING PROCEEDS OF SALES OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES OPERATED BY A FRATERNAL ORGANIZATION;~~

~~A. 25% TO THE FRATERNAL ORGANIZATION TO BE USED FOR UNDERGRADUATE, GRADUATE, OR TRADE SCHOOL SCHOLARSHIPS OR CAPITAL IMPROVEMENTS, CAPITAL OUTLAY, ACQUISITIONS, OR EXISTING COMMUNITY OUTREACH PROGRAMS AND RESOURCES;~~

2. 5% TO THE MARYLAND VETERANS TRUST FUND ESTABLISHED UNDER § 9-913 OF THIS TITLE;

~~B. 3.~~ 3. TO THE AGENCY, AN AMOUNT NECESSARY TO PAY FOR THE PURCHASE OR LEASE OF THE INSTANT TICKET LOTTERY MACHINES AND AGENCY ADMINISTRATION FEES FOR THE PROGRAM; AND

~~C. 4.~~ 4. ANY REMAINING AMOUNT TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS TITLE.

(4) [(i) Subject to subparagraph (ii) of this paragraph, a veterans' organization issued a license under this subsection shall purchase or lease the instant ticket lottery machines to be used by the veterans' organization.

(ii) An organization may not use ~~receipts~~ NET PROCEEDS from the sale of tickets from instant ticket lottery machines that would otherwise be [credited to the State Lottery Fund] **DISTRIBUTED AS REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION** for the costs of purchasing or leasing instant ticket lottery machines.

(5) **(I)** The Director may adopt regulations to implement the provisions of this subsection that include restricting the location of instant ticket lottery machines in areas of a veterans' organization's **OR A FRATERNAL ORGANIZATION'S** public meeting hall that is accessible to the public.

(II) A FRATERNAL ORGANIZATION MAY NOT LOCATE OR OPERATE ITS INSTANT TICKET LOTTERY MACHINES IN A MEETING HALL THAT IS:

1. LOCATED ON OR AFFILIATED WITH THE CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION; OR

2. LOCATED IN A BUILDING WHERE STUDENTS OF AN INSTITUTION OF HIGHER EDUCATION RESIDE.

(6) The Agency shall ensure that the element of chance in the conduct of the gaming through the instant ticket lottery machines established under this subsection is ~~consistent with the holding in the case of Chesapeake Amusements Inc. v. Riddle, 363 Md. 16 (2001), in that the element of chance must be~~ CONTAINED wholly within the ~~pre-printed~~ PREDETERMINED instant lottery ticket, and that player enhancements in an instant ticket lottery machine may not affect the element of chance ~~being wholly within the pre-printed instant lottery ticket.~~

(e) The Director may not issue a license to:

(1) a person or governmental unit to engage in business primarily as a licensed agent; or

(2) an individual who is under the age of 21 years.

(f) The Commission may hear and decide an appeal of a denial of a license.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 56 and Senate Bill 177 – *Procurement – State Department of Education – Local Food Purchasing Program*, House Bill 333 and Senate Bill 691 – *Healthcare Ecosystem Stakeholder Cybersecurity Workgroup*, and House Bill 384 and Senate Bill 157 – *Maryland Disability Service Animal Program – Established*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In a time of profound uncertainty, we must use our limited funds to prioritize policies that protect our people from the ravages of Washington; anything that fails to meet that high bar must wait for another time.

Our budget challenges also highlight the need for the State and its agencies to focus on their core missions. The state's fiscal outlook has not improved since these bills were passed. At a time where we have jointly made difficult decisions about cuts to vital services, any additional spending which is tangential to those core missions should receive close scrutiny. Collectively, these three bills would have required three agencies to work together to establish a new statewide food procurement system at the same time the federal government is pulling back on food purchasing assistance for local school systems, established a large workgroup on cybersecurity threats that is outside the expertise of the workgroup members and responsible agency, and created an underfunded program that would only be able to serve a small subgroup of agency target populations.

I recognize these bills all have positive intentions. But while there are positive aspects of the legislation, each bill directs state agencies to expand the scope of their missions to establish new programs and workgroups that they have not previously administered. Each bill requires subject matter expertise not currently on staff and I have real concerns that adequate funding will not be available to effectively establish and implement each of these new programs.

One of the first objectives I outlined for my administration was to focus on rebuilding state government and increasing state agency capacity to drive efficient, transformative results for Marylanders. I thank you and the General Assembly for partnership in this work. As we operate under this current fiscal climate, we must carefully prioritize our limited funds. In this environment, adding new responsibilities for state agencies that are tangential to their core missions makes little sense.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed

House Bill 56, Senate Bill 177, House Bill 333, Senate Bill 691, House Bill 384 and Senate Bill 157.

Sincerely,

Wes Moore  
Governor

### House Bill 333

AN ACT concerning

#### ~~Cybersecurity~~ Healthcare Ecosystem Stakeholder Cybersecurity Workgroup

FOR the purpose of ~~requiring the Maryland Health Care Commission and the Maryland Insurance Administration to include a cybersecurity expert as staff to perform certain functions and submit to the State Chief Information Security Officer a report on the cybersecurity practices and policies of certain healthcare ecosystem entities on a certain basis; requiring healthcare ecosystem entities to take certain actions related to cybersecurity, including adopting and implementing certain cybersecurity standards, undergoing a third-party cybersecurity audit on a certain basis, and reporting cybersecurity incidents to the State Security Operations Center in the Department of Information Technology; requiring the Center to notify certain agencies of a cybersecurity incident reported under this Act; authorizing the Maryland Department of Emergency Management to convene a workgroup to review cybersecurity practices, threats, and emerging issues in the healthcare ecosystem; requiring the Maryland Department of Emergency Management to convene a workgroup to study and make recommendations to improve the cybersecurity of the healthcare ecosystem~~ establishing the Healthcare Ecosystem Stakeholder Cybersecurity Workgroup to develop strategies to prevent cybersecurity disruptions to the healthcare ecosystem, ensure the continuous delivery of essential healthcare ecosystem services, and enhance recovery efforts of the healthcare ecosystem following a cybersecurity incident; and generally relating to the Healthcare Ecosystem Stakeholder Cybersecurity Workgroup; and generally relating to ~~cybersecurity and the healthcare ecosystem~~ the Healthcare Ecosystem Stakeholder Cybersecurity Workgroup.

~~BY repealing and reenacting, without amendments,~~  
~~Article — Health — General~~  
~~Section 19-101~~  
~~Annotated Code of Maryland~~  
~~(2023 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~  
~~Article — Health — General~~  
~~Section 19-113~~  
~~Annotated Code of Maryland~~

~~(2023 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,~~

~~Article Insurance~~

~~Section 1 101(a), (b), and (k)~~

~~Annotated Code of Maryland~~

~~(2017 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~

~~Article Insurance~~

~~Section 2 117~~

~~Annotated Code of Maryland~~

~~(2017 Replacement Volume and 2024 Supplement)~~

~~BY repealing and reenacting, without amendments,~~

~~Article State Finance and Procurement~~

~~Section 3.5 101(a) and (e), 3.5 2A 01, and 3.5 301(a) and (e)~~

~~Annotated Code of Maryland~~

~~(2021 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~

~~Article State Finance and Procurement~~

~~Section 3.5 2A 07~~

~~Annotated Code of Maryland~~

~~(2021 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~

~~Article Health General~~

~~Section 19 113(f)~~

~~Annotated Code of Maryland~~

~~(2023 Replacement Volume and 2024 Supplement)~~

~~(As enacted by Section 1 of this Act)~~

~~BY adding to~~

~~Article Insurance~~

~~Section 2 117(f)~~

~~Annotated Code of Maryland~~

~~(2017 Replacement Volume and 2024 Supplement)~~

~~(As enacted by Section 1 of this Act)~~

~~BY repealing and reenacting, without amendments,~~

~~Article Public Safety~~

~~Section 14 101(a) and (b)~~

~~Annotated Code of Maryland~~

~~(2022 Replacement Volume and 2024 Supplement)~~

~~BY adding to~~

~~Article — Public Safety  
Section 14-104.3  
Annotated Code of Maryland  
(2022 Replacement Volume and 2024 Supplement)~~

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

~~Article — Health — General~~

~~19-101.~~

~~In this subtitle, “Commission” means the Maryland Health Care Commission.~~

~~19-113.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
INDICATED:~~

~~(2) “CYBERSECURITY” HAS THE MEANING STATED IN § 3.5-301 OF  
THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

~~(3) “ESSENTIAL CAPABILITIES” MEANS THE SERVICES THAT MUST BE  
AVAILABLE IN THE HEALTHCARE ECOSYSTEM TO ENSURE THE CONTINUITY OF  
CRITICAL CARE AND PATIENT SAFETY, INCLUDING DURING AN INCIDENT  
DIMINISHING THE CAPACITY OF THE HEALTHCARE ECOSYSTEM.~~

~~(4) “HEALTHCARE ECOSYSTEM” MEANS THE ENTITIES AND  
RELATIONSHIPS AMONG ENTITIES THAT ARE NECESSARY TO DELIVER TREATMENT,  
PAYMENT, AND HEALTH CARE OPERATIONS.~~

~~(5) (i) “HEALTHCARE ECOSYSTEM ENTITY” INCLUDES:~~

- ~~1. AN ELECTRONIC DATA INTERCHANGE  
CLEARINGHOUSE;~~
- ~~2. A FREESTANDING MEDICAL FACILITY, AS DEFINED IN  
§ 19-3A-01 OF THIS TITLE;~~
- ~~3. A HEALTH INFORMATION EXCHANGE, AS DEFINED IN  
§ 4-301 OF THIS ARTICLE;~~
- ~~4. A HOSPITAL, AS DEFINED IN § 19-301 OF THIS TITLE;~~

~~AND~~

~~5. AN ENTITY IDENTIFIED BY THE COMMISSION IN REGULATIONS TO BE INCLUDED IN THE HEALTHCARE ECOSYSTEM.~~

~~(H) "HEALTHCARE ECOSYSTEM ENTITY" DOES NOT INCLUDE:~~

~~1. A CARRIER, AS DEFINED IN § 2-117 OF THE INSURANCE ARTICLE; OR~~

~~2. A PHARMACY BENEFITS MANAGER, AS DEFINED IN § 15-1601 OF THE INSURANCE ARTICLE.~~

~~(6) "ZERO TRUST" MEANS A CYBERSECURITY APPROACH:~~

~~(I) FOCUSED ON CYBERSECURITY RESOURCE PROTECTION;~~  
~~AND~~

~~(H) BASED ON THE PREMISE THAT TRUST IS NOT GRANTED IMPLICITLY BUT MUST BE EVALUATED CONTINUALLY.~~

~~(B) THE COMMISSION SHALL INCLUDE ON ITS STAFF AT LEAST ONE EMPLOYEE WHO IS AN EXPERT IN CYBERSECURITY TO:~~

~~(1) ADVISE THE CHAIRMAN AND MEMBERS OF THE COMMISSION ON MEASURES TO IMPROVE OVERSIGHT OF THE CYBERSECURITY PRACTICES OF HEALTHCARE ECOSYSTEM ENTITIES;~~

~~(2) CONSULT WITH THE OFFICE OF SECURITY MANAGEMENT ON CYBERSECURITY ISSUES RELATED TO HEALTH CARE REGULATION; AND~~

~~(3) REPRESENT THE COMMISSION ON ANY WORKGROUP, TASK FORCE, OR SIMILAR ENTITY THAT IS FOCUSED ON CYBERSECURITY AND ON WHICH REPRESENTATION FROM THE COMMISSION IS REQUESTED OR REQUIRED.~~

~~(C) A HEALTHCARE ECOSYSTEM ENTITY SHALL:~~

~~(1) ADOPT AND IMPLEMENT CYBERSECURITY STANDARDS THAT ARE EQUAL TO OR EXCEED ANY STANDARDS ADOPTED BY THE COMMISSION;~~

~~(2) ADOPT A ZERO TRUST CYBERSECURITY APPROACH FOR ON-PREMISES SERVICES AND CLOUD-BASED SERVICES;~~

~~(3) ESTABLISH MINIMUM SECURITY STANDARDS FOR EACH OPERATIONAL TECHNOLOGY AND INFORMATION TECHNOLOGY DEVICE BASED ON~~



~~THE LEVEL OF SECURITY RISK FOR EACH DEVICE, INCLUDING SECURITY RISKS ASSOCIATED WITH SUPPLY CHAINS; AND~~

~~(4) ON OR BEFORE JANUARY 1, 2026, AND EVERY 2 YEARS THEREAFTER;~~

~~(I) UNDERGO A THIRD PARTY AUDIT TO EVALUATE THE ENTITY'S CYBERSECURITY PRACTICES AND RESOURCES BASED ON THE CYBERSECURITY AND INFRASTRUCTURE SECURITY AGENCY'S CROSS SECTOR CYBERSECURITY PERFORMANCE GOALS OR A MORE STRINGENT STANDARD BASED ON THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY'S FRAMEWORK; AND~~

~~(II) SUBMIT TO THE COMMISSION A REPORT THAT INCLUDES:~~

~~1. THE RESULTS AND RECOMMENDATIONS OF THE AUDIT;~~

~~2. THE DATE OF THE CYBERSECURITY AUDIT;~~

~~3. THE STANDARD USED TO EVALUATE THE ENTITY; AND~~

~~4. THE NAME OF THE THIRD PARTY THAT CONDUCTED THE AUDIT.~~

~~(D) ON OR BEFORE JULY 1, 2026, AND EVERY 2 YEARS THEREAFTER, THE COMMISSION SHALL COLLECT CERTIFICATION OF A HEALTHCARE ECOSYSTEM ENTITY'S COMPLIANCE WITH THE STANDARD USED IN THE AUDIT CONDUCTED UNDER SUBSECTION (C)(4) OF THIS SECTION FOR CYBERSECURITY RELATED POLICIES AND PROCEDURES.~~

~~(E) ON OR BEFORE JANUARY 1, 2027, AND EVERY 2 YEARS THEREAFTER, THE COMMISSION SHALL SUBMIT A REPORT TO THE STATE CHIEF INFORMATION SECURITY OFFICER OR THE OFFICER'S DESIGNEE THAT INCLUDES:~~

~~(1) A GENERAL OVERVIEW OF CYBERSECURITY TECHNOLOGY AND POLICIES USED BY HEALTHCARE ECOSYSTEM ENTITIES IN THE STATE, GROUPED IN THE FOLLOWING MANNER:~~

~~(I) HOSPITALS;~~

~~(II) FREESTANDING MEDICAL FACILITIES;~~

~~(III) ELECTRONIC DATA INTERCHANGE CLEARINGHOUSES;~~

~~(IV) HEALTH INFORMATION EXCHANGES; AND~~

~~(V) ANY OTHER ENTITY THE COMMISSION CONSIDERS SIGNIFICANT ENOUGH TO INCLUDE IN THE REPORT;~~

~~(2) INFORMATION ABOUT EACH CERTIFICATION COLLECTED, INCLUDING:~~

~~(I) THE NAME OF THE HEALTHCARE ECOSYSTEM ENTITY;~~

~~(II) THE DATE OF THE HEALTHCARE ECOSYSTEM ENTITY'S MOST RECENT CYBERSECURITY AUDIT;~~

~~(III) THE CYBERSECURITY STANDARD USED IN THE CYBERSECURITY AUDIT OF THE HEALTHCARE ECOSYSTEM ENTITY; AND~~

~~(IV) THE NAME OF THE THIRD PARTY THAT COMPLETED THE CYBERSECURITY AUDIT;~~

~~(3) AN OVERVIEW OF ESSENTIAL CAPABILITIES PROVIDED BY HEALTHCARE ECOSYSTEM ENTITIES;~~

~~(4) RECOMMENDATIONS FOR ENSURING THE CONTINUOUS DELIVERY OF ESSENTIAL CAPABILITIES DURING AND FOLLOWING A DISRUPTION TO THE HEALTHCARE ECOSYSTEM; AND~~

~~(5) RECOMMENDATIONS TO IMPROVE CYBERSECURITY FOR THE GROUPS OF HEALTHCARE ECOSYSTEM ENTITIES IDENTIFIED IN ITEM (1) OF THIS SUBSECTION.~~

#### ~~Article Insurance~~

~~1-101.~~

~~(a) In this article the following words have the meanings indicated.~~

~~(b) "Administration" means the Maryland Insurance Administration.~~

~~(k) "Commissioner" means the Maryland Insurance Commissioner.~~

~~2-117.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "CARRIER" MEANS:~~

~~(I) AN INSURER AUTHORIZED TO SELL HEALTH INSURANCE;~~

~~(II) A NONPROFIT HEALTH SERVICE PLAN;~~

~~(III) A HEALTH MAINTENANCE ORGANIZATION;~~

~~(IV) A DENTAL PLAN ORGANIZATION; AND~~

~~(V) ANY OTHER ENTITY PROVIDING A PLAN OF HEALTH INSURANCE, HEALTH BENEFITS, OR HEALTH SERVICES AUTHORIZED UNDER THIS ARTICLE OR THE AFFORDABLE CARE ACT.~~

~~(3) "ESSENTIAL CAPABILITIES" MEANS THE SERVICES THAT MUST BE AVAILABLE IN THE HEALTHCARE ECOSYSTEM TO ENSURE THE CONTINUITY OF CRITICAL CARE AND PATIENT SAFETY, INCLUDING DURING AN INCIDENT DIMINISHING THE CAPACITY OF THE HEALTHCARE ECOSYSTEM.~~

~~(4) "HEALTHCARE ECOSYSTEM" MEANS THE ENTITIES AND RELATIONSHIPS AMONG ENTITIES THAT ARE NECESSARY TO DELIVER TREATMENT, PAYMENT, AND HEALTH CARE OPERATIONS.~~

~~(5) (I) "HEALTHCARE ECOSYSTEM ENTITY" MEANS:~~

~~1. A CARRIER; OR~~

~~2. A PHARMACY BENEFITS MANAGER, AS DEFINED IN § 15-1601 OF THIS ARTICLE.~~

~~(II) "HEALTHCARE ECOSYSTEM ENTITY" DOES NOT INCLUDE A GOVERNMENTAL PAYOR.~~

~~(6) "ZERO TRUST" MEANS A CYBERSECURITY APPROACH:~~

~~(I) FOCUSED ON CYBERSECURITY RESOURCE PROTECTION;~~  
~~AND~~

~~(II) BASED ON THE PREMISE THAT TRUST IS NOT GRANTED IMPLICITLY BUT MUST BE EVALUATED CONTINUALLY.~~

~~(B) THE ADMINISTRATION SHALL INCLUDE ON ITS STAFF AT LEAST ONE EMPLOYEE WHO IS AN EXPERT IN CYBERSECURITY TO:~~

~~(1) ADVISE THE COMMISSIONER ON MEASURES TO IMPROVE OVERSIGHT OF THE CYBERSECURITY PRACTICES OF HEALTHCARE ECOSYSTEM ENTITIES;~~

~~(2) CONSULT WITH THE OFFICE OF SECURITY MANAGEMENT ON CYBERSECURITY ISSUES RELATED TO HEALTH INSURANCE REGULATION; AND~~

~~(3) REPRESENT THE ADMINISTRATION ON ANY WORKGROUP, TASK FORCE, OR SIMILAR ENTITY THAT IS FOCUSED ON CYBERSECURITY AND ON WHICH REPRESENTATION FROM THE ADMINISTRATION IS REQUIRED OR REQUESTED.~~

~~(C) A HEALTHCARE ECOSYSTEM ENTITY SHALL:~~

~~(1) ADOPT AND IMPLEMENT CYBERSECURITY STANDARDS THAT ARE EQUAL TO OR EXCEED ANY STANDARDS ADOPTED BY THE ADMINISTRATION;~~

~~(2) ADOPT A ZERO TRUST CYBERSECURITY APPROACH FOR ON PREMISES SERVICES AND CLOUD BASED SERVICES;~~

~~(3) ESTABLISH MINIMUM SECURITY STANDARDS FOR EACH OPERATIONAL TECHNOLOGY AND INFORMATION TECHNOLOGY DEVICE BASED ON THE LEVEL OF SECURITY RISK FOR EACH DEVICE, INCLUDING SECURITY RISKS ASSOCIATED WITH SUPPLY CHAINS; AND~~

~~(4) ON OR BEFORE JANUARY 1, 2026, AND EVERY 2 YEARS THEREAFTER:~~

~~(I) UNDERGO A THIRD PARTY AUDIT TO EVALUATE THE ENTITY'S CYBERSECURITY PRACTICES AND RESOURCES BASED ON THE CYBERSECURITY AND INFRASTRUCTURE SECURITY AGENCY'S CROSS SECTOR CYBERSECURITY PERFORMANCE GOALS OR A MORE STRINGENT STANDARD BASED ON THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY'S FRAMEWORK; AND~~

~~(II) SUBMIT TO THE ADMINISTRATION A REPORT THAT INCLUDES:~~

~~1. THE RESULTS AND RECOMMENDATIONS FROM THE AUDIT;~~

~~2. THE DATE OF THE CYBERSECURITY AUDIT;~~

~~3. THE STANDARD USED TO EVALUATE THE ENTITY; AND~~

~~4. THE NAME OF THE THIRD PARTY THAT CONDUCTED THE AUDIT.~~

~~(D) ON OR BEFORE JULY 1, 2026, AND EVERY 2 YEARS THEREAFTER, THE ADMINISTRATION SHALL COLLECT CERTIFICATION OF A HEALTHCARE ECOSYSTEM ENTITY'S COMPLIANCE WITH THE STANDARD USED IN THE AUDIT CONDUCTED UNDER SUBSECTION (C)(4) OF THIS SECTION FOR CYBERSECURITY-RELATED POLICIES AND PROCEDURES.~~

~~(E) ON OR BEFORE JANUARY 1, 2027, AND EVERY 2 YEARS THEREAFTER, THE ADMINISTRATION SHALL SUBMIT A REPORT TO THE STATE CHIEF INFORMATION SECURITY OFFICER OR THE OFFICER'S DESIGNEE THAT INCLUDES:~~

~~(1) A GENERAL OVERVIEW OF CYBERSECURITY TECHNOLOGY AND POLICIES USED BY HEALTHCARE ECOSYSTEM ENTITIES IN THE STATE, GROUPED IN THE FOLLOWING MANNER:~~

~~(I) INSURERS AUTHORIZED TO SELL HEALTH INSURANCE;~~

~~(II) NONPROFIT HEALTH SERVICE PLANS;~~

~~(III) HEALTH MAINTENANCE ORGANIZATIONS;~~

~~(IV) DENTAL PLAN ORGANIZATIONS;~~

~~(V) PHARMACY BENEFITS MANAGERS; AND~~

~~(VI) ANY OTHER ENTITY PROVIDING A PLAN OF HEALTH INSURANCE, HEALTH BENEFITS, OR HEALTH SERVICES AUTHORIZED UNDER THIS ARTICLE OR THE AFFORDABLE CARE ACT;~~

~~(2) INFORMATION ABOUT EACH CERTIFICATION COLLECTED, INCLUDING:~~

~~(I) THE NAME OF THE HEALTHCARE ECOSYSTEM ENTITY;~~

~~(II) THE DATE OF THE HEALTHCARE ECOSYSTEM ENTITY'S MOST RECENT CYBERSECURITY AUDIT;~~

~~(III) THE CYBERSECURITY STANDARD USED IN THE CYBERSECURITY AUDIT OF THE HEALTHCARE ECOSYSTEM ENTITY; AND~~

~~(IV) THE NAME OF THE THIRD PARTY THAT COMPLETED THE CYBERSECURITY AUDIT;~~

~~(3) AN OVERVIEW OF ESSENTIAL CAPABILITIES PROVIDED BY THE HEALTHCARE ECOSYSTEM ENTITY;~~

~~(4) RECOMMENDATIONS FOR ENSURING THE CONTINUOUS DELIVERY OF ESSENTIAL CAPABILITIES DURING AND FOLLOWING A DISRUPTION TO THE HEALTHCARE ECOSYSTEM; AND~~

~~(5) RECOMMENDATIONS TO IMPROVE CYBERSECURITY FOR THE GROUPS OF HEALTHCARE ECOSYSTEM ENTITIES IDENTIFIED IN ITEM (1) OF THIS SUBSECTION.~~

~~Article State Finance and Procurement~~

~~3.5 101.~~

~~(a) In this title the following words have the meanings indicated.~~

~~(c) “Department” means the Department of Information Technology.~~

~~3.5 2A 01.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(b) “Council” means the Maryland Cybersecurity Coordinating Council.~~

~~(c) “Office” means the Office of Security Management.~~

~~3.5 2A 07.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) “HEALTHCARE ECOSYSTEM” MEANS THE ENTITIES AND RELATIONSHIPS AMONG ENTITIES THAT ARE NECESSARY TO DELIVER HEALTH CARE TREATMENT, PAYMENT, AND HEALTH CARE OPERATIONS.~~

~~(3) “HEALTHCARE ECOSYSTEM ENTITY” INCLUDES:~~

~~(I) A CARRIER;~~

~~(II) AN ELECTRONIC DATA INTERCHANGE CLEARINGHOUSE;~~

~~(III) A FREESTANDING MEDICAL FACILITY;~~

~~(IV) A HOSPITAL;~~

~~(V) A PHARMACY BENEFITS MANAGER;~~

~~(VI) A HEALTH INFORMATION EXCHANGE; AND~~

~~(VII) ANY OTHER ENTITY IDENTIFIED BY THE MARYLAND HEALTH CARE COMMISSION OR THE MARYLAND INSURANCE ADMINISTRATION IN REGULATIONS TO BE INCLUDED IN THE HEALTHCARE ECOSYSTEM.~~

~~(B) (1) A HEALTHCARE ECOSYSTEM ENTITY SHALL REPORT, IN ACCORDANCE WITH THE PROCESS ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION, A CYBERSECURITY INCIDENT, INCLUDING AN ATTACK ON A SYSTEM BEING USED BY THE HEALTHCARE ECOSYSTEM ENTITY, TO THE STATE SECURITY OPERATIONS CENTER IN THE DEPARTMENT.~~

~~(2) THE OFFICE, IN CONSULTATION WITH THE MARYLAND HEALTH CARE COMMISSION AND THE MARYLAND INSURANCE ADMINISTRATION, SHALL ESTABLISH A PROCESS FOR A HEALTHCARE ECOSYSTEM ENTITY TO REPORT A CYBERSECURITY INCIDENT UNDER PARAGRAPH (1) OF THIS SUBSECTION, INCLUDING:~~

~~(I) THE CRITERIA FOR DETERMINING THE CIRCUMSTANCES UNDER WHICH A CYBERSECURITY INCIDENT MUST BE REPORTED;~~

~~(II) THE MANNER IN WHICH A CYBERSECURITY INCIDENT MUST BE REPORTED; AND~~

~~(III) THE TIME PERIOD WITHIN WHICH A CYBERSECURITY INCIDENT MUST BE REPORTED.~~

~~(3) THE STATE SECURITY OPERATIONS CENTER IMMEDIATELY SHALL NOTIFY APPROPRIATE STATE AND LOCAL AGENCIES OF A CYBERSECURITY INCIDENT REPORTED UNDER THIS SUBSECTION.~~

~~(4) (I) ON OR BEFORE JULY 1 EACH YEAR, BEGINNING IN 2026, THE OFFICE SHALL REPORT TO THE GOVERNOR, THE COUNCIL, AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE NUMBER OF CYBERSECURITY INCIDENTS AND TYPES OF CYBERSECURITY INCIDENTS REPORTED UNDER PARAGRAPH (1) OF THIS SUBSECTION IN THE IMMEDIATELY PRECEDING CALENDAR YEAR.~~

~~(II) A REPORT SUBMITTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT IDENTIFY A HEALTHCARE~~

~~ECOSYSTEM ENTITY THAT REPORTED AN INCIDENT TO THE OFFICE OR A HEALTHCARE ECOSYSTEM ENTITY THAT WAS DIRECTLY AFFECTED BY AN INCIDENT REPORTED TO THE CENTER.~~

~~3.5 301.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(e) “Cybersecurity” means processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.~~

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

~~Article Health General~~

~~10 113.~~

~~(F) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT CYBERSECURITY STANDARDS AND PROCEDURES TO:~~

~~(1) PREVENT DISRUPTIONS TO THE HEALTHCARE ECOSYSTEM;~~

~~(2) ENABLE THE DELIVERY OF ESSENTIAL CAPABILITIES BY THE HEALTHCARE ECOSYSTEM; AND~~

~~(3) SUPPORT RECOVERY FROM AN INCIDENT THAT DISRUPTS THE HEALTHCARE ECOSYSTEM.~~

~~Article Insurance~~

~~2 117.~~

~~(F) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO IMPLEMENT CYBERSECURITY STANDARDS AND PROCEDURES TO:~~

~~(1) PREVENT DISRUPTIONS TO THE HEALTHCARE ECOSYSTEM;~~

~~(2) ENABLE THE DELIVERY OF ESSENTIAL CAPABILITIES BY THE HEALTHCARE ECOSYSTEM; AND~~

~~(3) SUPPORT RECOVERY FROM AN INCIDENT THAT DISRUPTS THE HEALTHCARE ECOSYSTEM.~~



~~Article — Public Safety~~~~14-101.~~~~(a) In this title the following words have the meanings indicated.~~~~(b) “Department” means the Maryland Department of Emergency Management.~~~~14-104.3.~~~~(A) THE DEPARTMENT SHALL PROVIDE GUIDANCE TO THE MARYLAND HEALTH CARE COMMISSION AND THE MARYLAND INSURANCE ADMINISTRATION REGARDING THE IMPLEMENTATION AND MONITORING OF CYBERSECURITY REGULATORY STANDARDS FOR HEALTHCARE ECOSYSTEM ENTITIES.~~~~(B) THE DEPARTMENT MAY CONVENE A WORKGROUP TO REVIEW CYBERSECURITY PRACTICES, THREATS, AND EMERGING ISSUES AFFECTING THE HEALTHCARE ECOSYSTEM.~~~~SECTION 3. AND BE IT FURTHER ENACTED, That:~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That:

(a) (1) In this section the following words have the meanings indicated.

(2) “Cybersecurity” has the meaning stated in § 3.5–301 of the State Finance and Procurement Article.

(3) “Essential capabilities” means the services that must be available in the healthcare ecosystem to ensure the continuity of critical care and patient safety, including during an incident diminishing the capacity of the healthcare ecosystem.

(4) “Healthcare ecosystem” means the entities and relationships among entities that are necessary to deliver treatment, payment, and health care operations.

(5) (i) “Healthcare ecosystem entity” includes:

1. a carrier, as defined in § 2–117 of the Insurance Article;
2. an electronic data interchange clearinghouse;
3. a freestanding medical facility, as defined in § 19–3A–01 of the Health – General Article;

4. a health information exchange, as defined in § 4–301 of the Health – General Article;

5. a hospital, as defined in § 19–301 of the Health – General Article; and

6. a pharmacy benefits manager, as defined in § 15–1601 of the Insurance Article.

(ii) “Healthcare ecosystem entity” does not include a governmental payor.

(6) “Health care operations” has the meaning stated in 45 C.F.R. § 164.501.

(7) “Payment” has the meaning stated in 45 C.F.R. § 164.501.

(8) “Treatment” has the meaning stated in 45 C.F.R. § 164.501.

(9) “Workgroup” means the Healthcare Ecosystem Stakeholder Cybersecurity Workgroup.

(b) (1) ~~The Maryland Department of Emergency Management shall convene a healthcare ecosystem stakeholder workgroup to study and make recommendations to improve the cybersecurity of the healthcare ecosystem in the State~~ There is a Healthcare Ecosystem Stakeholder Cybersecurity Workgroup.

(2) The purpose of the Workgroup is to develop strategies to:

(i) prevent cybersecurity disruptions to healthcare ecosystem operations;

(ii) ensure the continuous delivery of essential healthcare ecosystem services; and

(iii) enhance recovery efforts of the healthcare ecosystem following a cybersecurity incident.

~~(2) The workgroup shall include:~~

~~(i) one representative of the Maryland Health Care Commission;~~

~~(ii) one representative of the Maryland Insurance Administration;~~

~~(iii) one representative of the Office of Security Management within the Department of Information Technology;~~

~~(iv) representatives from healthcare ecosystem entities selected by the Maryland Department of Emergency Management; and~~

~~(v) any other stakeholders or experts selected by the Maryland Department of Emergency Management.~~

~~(3) The Maryland Department of Emergency Management may convene subgroups considered appropriate to focus on specific concerns facing the healthcare ecosystem or specific aspects of the healthcare ecosystem.~~

(c) The Workgroup consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Chairman of the Maryland Health Care Commission, or the Chairman's designee;

(4) the Maryland Insurance Commissioner, or the Commissioner's designee;

(5) the Secretary of Emergency Management, or the Secretary's designee;

(6) the State Chief Information Security Officer, or the State Chief Officer's designee;

(7) two representatives from the Subcommittee on Critical Infrastructure of the Maryland Cybersecurity Council, appointed by the Chair of the Maryland Cybersecurity Council;

(8) one representative from each of the following organizations, designated by the head of the organization:

(i) one representative of the Cooperative Exchange;

(ii) one representative of the Electronic Health Record Association;

(iii) one representative of the Maryland League of Life and Health Insurers;

(iv) one representative of the Maryland Hospital Association; and

(v) one representative of the Maryland Cybersecurity Association;

(9) one representative of a pharmacy benefits manager, appointed by the Maryland Insurance Commissioner;

(10) the following representatives appointed by the Chairman of the Maryland Health Care Commission:

(i) one representative of an electronic data interchange clearinghouse;

(ii) one representative of a freestanding medical facility;

(iii) one representative of a large hospital;

(iv) one representative of a small hospital;

(v) one representative of an inpatient psychiatric hospital; and

(vi) one representative of a health information exchange; and

(11) three representatives of a patient advocacy group, jointly appointed by the Chairman of the Maryland Health Care Commission and the Maryland Insurance Commissioner.

(d) The Chairman of the Maryland Health Care Commission, or the Chairman's designee, and the Maryland Insurance Commissioner, or the Commissioner's designee, shall cochair the Workgroup.

(e) The Maryland Health Care Commission and the Maryland Insurance Administration shall provide staff for the Workgroup.

(f) A member of the Workgroup:

(1) may not receive compensation as a member of the Workgroup; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

~~(e)~~ (g) The ~~workgroup~~ Workgroup shall:

(1) identify essential capabilities required for the delivery of health care during a cybersecurity attack;

(2) identify functional requirements for the healthcare ecosystem to be capable of providing the essential capabilities identified under item (1) of this subsection;

(3) identify and map all healthcare ecosystem entities in the State against the essential health care capabilities and identified functional requirements;

(4) identify which healthcare ecosystem entities are needed, directly or indirectly, to provide the essential capabilities identified under item (1) of this subsection;

~~(5) identify other issues related to cybersecurity in the healthcare ecosystem~~ develop an ecosystem cybersecurity threat and risk assessment based on the essential health care capabilities and supporting functions;

~~(6)~~ examine cybersecurity challenges affecting the healthcare ecosystem based on the threat and risk assessment;

~~(6) (7)~~ review best practices for cybersecurity and processes used in the healthcare ecosystem, including NIST 800–207, NIST 800–207A, NIST 800–53A, the NIST Cybersecurity Framework, HICP Technical Volume 1, and HICP Technical Volume 2; ~~and~~

~~(7) provide guidance for the Maryland Health Care Commission and the Maryland Insurance Administration regarding the adoption and maintenance of cybersecurity regulatory standards.~~

~~(8)~~ make recommendations for adopting and maintaining cybersecurity regulatory standards; and

~~(9)~~ make recommendations for ensuring that essential capabilities and supporting functions are resilient to disruption.

~~(d) (h)~~ (1) On or before ~~July~~ January 1, 2026, the ~~Maryland Department of Emergency Management Workgroup~~ shall submit an interim report ~~defining the scope and contents of the State's healthcare ecosystem~~ of its findings and recommendations to the Governor, the Secretary of Emergency Management, the ~~Chair~~ Chairman of the Maryland Health Care Commission, the Maryland Insurance Commissioner, the State Chief Information Security Officer, and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

(2) On or before ~~July~~ December 1, ~~2028~~ 2026, the ~~Maryland Department of Emergency Management Workgroup~~ shall submit a final report of the findings and recommendations of the workgroup to the Governor, the Secretary of Emergency Management, the ~~Chair~~ Chairman of the Maryland Health Care Commission, the Maryland Insurance Commissioner, the State Chief Information Security Officer, and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2028.~~

SECTION ~~5~~ 2. AND BE IT FURTHER ENACTED, That, ~~except as provided in Section 4 of this Act,~~ this Act shall take effect July 1, 2025. ~~Section 3 of this Act It shall remain effective for a period of 4~~ 2 years and, at the end of June 30, ~~2029~~ 2027, ~~Section 3 of~~

this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I have exercised my constitutional authority to veto two individual line items in HB 350, the Budget Bill for Fiscal Year 2026, which have been increased above proposed appropriations.

The first line item which I have vetoed is Section 21, Subsection 56 of the enrolled text of the budget bill, from line 40 on page 334 to line 5 on page 335, which reads as follows:

“(56) \$500,000 in special funds from the renewable and clean energy subaccount of the SEIF is added to the appropriation for program E00A01.01 Executive Direction within the Comptroller of Maryland for the purpose of funding a study, including the costs related to a consultant, required under SB 149 or HB 128, contingent on the enactment of SB 149 or HB 128 requiring a study. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF.”

The second line item which I have vetoed is Section 21, Subsection 61 of the enrolled text of the budget bill, from line 31 to line 36 on page 335, which reads as follows:

“(61) \$230,128 in general funds and 3.0 regular positions are added to the appropriation for program R00A01.06 Office of the Deputy for Operations within Headquarters within the Maryland State Department of Education for the purpose of assisting local education agencies with cybersecurity efforts. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.”

I have signed the remainder of House Bill 350 into law.

### **Maryland's Budget Situation**

I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, while keeping funding in the Rainy Day Fund above mandated levels. We ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes, while also asking those who have done very well financially to pay slightly more to help improve our public schools, keep our roads and transit safe, and ensure access to high quality health care. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, no amount of success can paper over the chaos from Washington, D.C. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In a time of profound uncertainty, we must use our limited funds to prioritize policies that protect our people from the ravages of Washington; anything that fails to meet that high bar must wait for another time.

### **The Need to End Wasteful Practices**

Our current budget situation requires us to reconsider and change past practices that have resulted in unnecessary spending by the State. Increasingly over recent decades, as an alternative to passing legislation taking action on a topic, the legislature has passed bills mandating studies or reports on that topic. While such bills can be a first step to addressing complex issues and allow the signaling of support for an issue without making real commitments, the practice has become so commonplace that it is now a significant financial and staff burden on state government. In addition, such reporting requirements have at times delayed prompt action on important issues, and in the face of the onslaught from the current Administration in Washington the State needs to respond to important issues more quickly. Studies can serve a purpose, but their overuse is a drag on State government.

Prior to the 2025 legislative session, the Department of Legislative Services (DLS) was tracking a total of 3,901 mandated reports, a number which excludes the reports required annually by the Joint Chairmen's Report. Many of these reports are never read and simply collect dust on shelves, but nonetheless executive branch agencies are required to dedicate funding and staff time to each, in many cases, with restrictions on their budget appropriations if they fail to comply. While it is impossible to calculate the total amount of staff time and state funding necessary to complete and file these reports, it is a reasonable assumption that the cost runs to the tens of millions of dollars.

Line item 21–56 pertains to a study required by SB 149 and HB 128, which I have also vetoed. I have addressed in more depth my reasons for vetoing those bills in a separate letter, but the report funded by this line item is duplicative of a number of other reports that have already been issued, and therefore this mandated funding is both unnecessary and wasteful.

I am hopeful that this line item veto can serve as the starting point for a more extensive conversation about the overuse of reporting requirements, not only in statute and uncodified legislative language but in regulations and executive orders, as we jointly seek to streamline state government.

### **The Need to Focus on Our Core Mission**

Our budget challenges also highlight the need for the State and its agencies to focus on their core missions. At a time where we have jointly made difficult decisions about cuts to vital services, adding additional spending which is tangential to those core missions is inappropriate.

The core mission of MSDE is to ensure that every child in Maryland receives a world class education. I have sought in my own proposals to maintain that focus, for example by proposing the creation and funding of the Academic Excellence Program. The services proposed by that program are proven to have a significant and measurable impact on student success. To cut funding for such proven programs which will help children learn while adding funding for a task that is tangential to MSDE's core mission makes little sense. And yet, that is exactly what was proposed in the budget bill.

Line item 21–61 proposes the creation of three positions at the Maryland State Department of Education (MSDE) focused on cybersecurity in local school systems. Ensuring strong cybersecurity protections in every government agency is essential, but the creation of these positions at MSDE represents mission creep for that agency. Further, it duplicates existing state government resources, namely the Office of Security Management within the Department of Information Technology (DoIT). That office is tasked with directly supporting local school systems in developing cybersecurity preparedness and response plans, implementing best practices developed by DoIT, and connecting local entities to appropriate cybersecurity preparedness and response resources.

Further, MSDE advises that each such cybersecurity position would require a minimum of \$140,000 in funding for salary and benefits, but the line item only proposes \$230,000 in total funding, which is not even adequate to fund two positions. As these positions are tangential to MSDE's core mission and the proposed funding is not adequate to their creation, I have vetoed this line item as well.

Sincerely,

Wes Moore  
Governor

### **House Bill 350**

AN ACT concerning



## Budget Bill

(Fiscal Year 2026)

SECTION 21. AND BE IT FURTHER ENACTED, That funds are added to the fiscal 2026 appropriation in the following manner:

(56) \$500,000 in special funds from the renewable and clean energy subaccount of the SEIF is added to the appropriation for program E00A01.01 Executive Direction within the Comptroller of Maryland for the purpose of funding a study, including the costs related to a consultant, required under SB 149 or HB 128, contingent on the enactment of SB 149 or HB 128 requiring a study. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF;

(61) \$230,128 in general funds and 3.0 regular positions are added to the appropriation for program R00A01.06 Office of the Deputy for Operations within Headquarters within the Maryland State Department of Education for the purpose of assisting local education agencies with cybersecurity efforts. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund;

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 56 and Senate Bill 177 – *Procurement – State Department of Education – Local Food Purchasing Program*, House Bill 333 and Senate Bill 691 – *Healthcare Ecosystem Stakeholder Cybersecurity Workgroup*, and House Bill 384 and Senate Bill 157 – *Maryland Disability Service Animal Program – Established*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In

partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In a time of profound uncertainty, we must use our limited funds to prioritize policies that protect our people from the ravages of Washington; anything that fails to meet that high bar must wait for another time.

Our budget challenges also highlight the need for the State and its agencies to focus on their core missions. The state's fiscal outlook has not improved since these bills were passed. At a time where we have jointly made difficult decisions about cuts to vital services, any additional spending which is tangential to those core missions should receive close scrutiny. Collectively, these three bills would have required three agencies to work together to establish a new statewide food procurement system at the same time the federal government is pulling back on food purchasing assistance for local school systems, established a large workgroup on cybersecurity threats that is outside the expertise of the workgroup members and responsible agency, and created an underfunded program that would only be able to serve a small subgroup of agency target populations.

I recognize these bills all have positive intentions. But while there are positive aspects of the legislation, each bill directs state agencies to expand the scope of their missions to establish new programs and workgroups that they have not previously administered. Each bill requires subject matter expertise not currently on staff and I have real concerns that adequate funding will not be available to effectively establish and implement each of these new programs.

One of the first objectives I outlined for my administration was to focus on rebuilding state government and increasing state agency capacity to drive efficient, transformative results for Marylanders. I thank you and the General Assembly for partnership in this work. As we operate under this current fiscal climate, we must carefully prioritize our limited funds. In this environment, adding new responsibilities for state agencies that are tangential to their core missions makes little sense.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed House Bill 56, Senate Bill 177, House Bill 333, Senate Bill 691, House Bill 384 and Senate Bill 157.

Sincerely,

Wes Moore  
Governor

**House Bill 384**

AN ACT concerning

**Maryland Disability Service Animal Program – Established**

FOR the purpose of establishing the Maryland Disability Service Animal Program in the Department of Disabilities; requiring the Department to select a nonprofit training entity for participation in the Program; establishing the Maryland Disability Service Animal Program Fund as a special, nonlapsing fund; and generally relating to the Maryland Disability Service Animal Program.

BY repealing and reenacting, with amendments,

Article – Human Services

Section 7–114

Annotated Code of Maryland

(2019 Replacement Volume and 2024 Supplement)

BY adding to

Article – Human Services

Section 7–1201 through 7–1206 to be under the new subtitle “Subtitle 12. Maryland Disability Service Animal Program”

Annotated Code of Maryland

(2019 Replacement Volume and 2024 Supplement)

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

**Article – Human Services**

7–114.

(a) (1) The Department is the principal unit of State government responsible for developing, maintaining, revising, and enforcing statewide disability policies and standards throughout the units of State government.

(2) In this capacity, the Department shall:

(i) serve as the principal advisor to the Governor on the means and methods available to:

1. implement and fund support to individuals with disabilities in accordance with the State Disabilities Plan;

2. modify or consolidate support to individuals with disabilities; and

3. collaborate with federal, regional, and local units of government to enhance the effectiveness of the provision and funding of support to individuals with disabilities;

(ii) annually recommend projects to the Department of Budget and Management for inclusion in the capital budget to promote access to State-owned facilities for individuals with disabilities;

(iii) assist units of State government to identify federal, State, local, and private funds available to the State for programs and services for individuals with disabilities; and

(iv) provide technical assistance to local jurisdictions in planning and implementing collaborative strategies consistent with the State Disabilities Plan.

(b) The Department shall oversee and administer the following programs and units:

(1) constituent services and ombudsmen programs;

(2) the Assistive Technology Guaranteed Loan Program under Subtitle 6 of this title;

(3) the Office of Personal Assistance Services, including the Attendant Care Program under Subtitle 4 of this title;

(4) Telecommunications Access of Maryland under Subtitle 8 of this title; [and]

(5) Telecommunications Devices and Distribution of Accessible Information for Disabled Individuals under Subtitle 9 of this title; AND

**(6) THE MARYLAND DISABILITY SERVICE ANIMAL PROGRAM UNDER SUBTITLE 12 OF THIS TITLE.**

#### **SUBTITLE 12. MARYLAND DISABILITY SERVICE ANIMAL PROGRAM.**

**7-1201.**

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) “DEPARTMENT” MEANS THE DEPARTMENT OF DISABILITIES.**

(C) “ELIGIBLE INDIVIDUAL” MEANS ~~AN INDIVIDUAL~~ A RESIDENT OF THE STATE WITH A DISABILITY, AS DEFINED IN THE FEDERAL AMERICANS WITH DISABILITIES ACT OF 1990, 42 U.S.C. § 12102.

(D) “FUND” MEANS THE MARYLAND DISABILITY SERVICE ANIMAL PROGRAM FUND.

(E) “NONPROFIT TRAINING ENTITY” MEANS A CORPORATION, A FOUNDATION, OR ANY OTHER LEGAL ENTITY THAT:

(1) IS TAX-EXEMPT UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

(2) ENGAGES IN THE TRAINING OF SERVICE ANIMALS FOR USE BY ELIGIBLE INDIVIDUALS; AND

(3) HAS BEEN SELECTED BY THE DEPARTMENT TO PROVIDE SERVICES UNDER THIS SUBTITLE.

(F) “PROGRAM” MEANS THE MARYLAND DISABILITY SERVICE ANIMAL PROGRAM ESTABLISHED UNDER THIS SUBTITLE.

(G) “PROGRAM PARTICIPANT” MEANS AN ELIGIBLE INDIVIDUAL WHO PARTICIPATES IN THE PROGRAM.

(H) (1) “SERVICE ANIMAL” MEANS AN ANIMAL THAT IS INDIVIDUALLY TRAINED TO DO WORK OR PERFORM TASKS FOR THE BENEFIT OF AN INDIVIDUAL WITH A DISABILITY.

(2) “SERVICE ANIMAL” DOES NOT INCLUDE AN ANIMAL THAT:

(I) AS A RESULT OF THE ANIMAL’S PRESENCE, IS MEANT TO DETER CRIME; OR

(II) PROVIDES ONLY EMOTIONAL SUPPORT, WELL-BEING, COMFORT, OR COMPANIONSHIP TO AN INDIVIDUAL.

(I) “SUCCESSFUL PROGRAM PARTICIPANT” MEANS A PROGRAM PARTICIPANT WHO SUCCESSFULLY COMPLETES THE TRAINING PROTOCOL SPECIFIED BY A NONPROFIT TRAINING ENTITY.

7-1202.

THERE IS A MARYLAND DISABILITY SERVICE ANIMAL PROGRAM IN THE DEPARTMENT.

7-1203.

THE PURPOSES OF THE PROGRAM ARE TO:

(1) ~~REFER ELIGIBLE INDIVIDUALS WHO INQUIRE ABOUT PARTICIPATION IN THE PROGRAM TO~~ SELECT ONE OR MORE NONPROFIT TRAINING ENTITIES TO PARTICIPATE IN THE PROGRAM; AND

(2) PROVIDE ADDITIONAL FUNDING MECHANISMS TO ASSIST ELIGIBLE INDIVIDUALS IN THE PROGRAM;~~AND~~

~~(3) ENCOURAGE SUCCESSFUL PROGRAM PARTICIPANTS TO ASSIST IN OUTREACH AND REFERRALS TO OTHER ELIGIBLE INDIVIDUALS WHO COULD BENEFIT FROM PARTICIPATION IN THE PROGRAM.~~

7-1204.

THE DEPARTMENT SHALL:

(1) ~~MANAGE, SUPERVISE, AND~~ ADMINISTER THE PROGRAM;

(2) ADOPT REGULATIONS TO IMPLEMENT THE PROGRAM ~~AND TO ENSURE THAT FUND RESOURCES ARE UTILIZED TO CARRY OUT THE PURPOSES OF THE PROGRAM,~~ INCLUDING REGULATIONS ESTABLISHING PROCEDURES FOR THE DEPARTMENT TO:

(I) ~~PROMOTE THE PROGRAM TO ELIGIBLE INDIVIDUALS THROUGH THE DEPARTMENT'S OUTREACH METHODS;~~

~~(II) REFER ELIGIBLE INDIVIDUALS TO SELECTED NONPROFIT TRAINING ENTITIES;~~

~~(III)~~ RECEIVE DONATIONS FOR THE FUND; AND

~~(IV)~~ (II) USE REVENUE FROM THE FUND TO PAY SELECTED NONPROFIT TRAINING ENTITIES FOR SERVICES THAT ARE PROVIDED THROUGH THE PROGRAM; AND

(3) SELECT AT LEAST ONE NONPROFIT TRAINING ENTITY TO:

(I) DEVELOP AND IMPLEMENT A TRAINING PROTOCOL THAT WILL TEACH EACH PROGRAM PARTICIPANT METHODOLOGIES, STRATEGIES, AND TECHNIQUES FOR PARTNERING WITH SERVICE ANIMALS;

(II) SELECT QUALIFIED PROGRAM PARTICIPANTS ~~FROM THOSE ELIGIBLE INDIVIDUALS REFERRED TO THE NONPROFIT TRAINING ENTITY UNDER THE PROGRAM;~~

(III) SELECT AN APPROPRIATE SERVICE ANIMAL FOR EACH PROGRAM PARTICIPANT;

(IV) FACILITATE EACH PROGRAM PARTICIPANT'S TRAINING USING THE NONPROFIT TRAINING ENTITY'S TRAINING PROTOCOL; AND

(V) PARTNER EACH SUCCESSFUL PROGRAM PARTICIPANT WITH THE SERVICE ANIMAL ON THE PROGRAM PARTICIPANT'S SUCCESSFUL COMPLETION OF THE NONPROFIT TRAINING ENTITY'S TRAINING PROTOCOL.

7-1205.

(A) TO BE ELIGIBLE FOR SELECTION AS A NONPROFIT TRAINING ENTITY UNDER § 7-1204 OF THIS SUBTITLE, A NONPROFIT TRAINING ENTITY SHALL:

(1) SERVE THE NEEDS OF ELIGIBLE INDIVIDUALS IN THE STATE; AND

(2) GENERATE ITS OWN REVENUE AND REINVEST THE PROCEEDS OF THAT REVENUE IN THE GROWTH AND DEVELOPMENT OF ITS PROGRAMS.

(B) A NONPROFIT TRAINING ENTITY MAY DISQUALIFY A PROGRAM PARTICIPANT FROM PARTICIPATION IN THE PROGRAM IF THE NONPROFIT TRAINING ENTITY DETERMINES THAT THE PROGRAM PARTICIPANT'S INVOLVEMENT IN THE PROGRAM:

(1) PRESENTS A DANGER TO THE PROGRAM PARTICIPANT'S MENTAL OR PHYSICAL WELL-BEING;

(2) PRESENTS A DIRECT THREAT TO OTHERS, AS DEFINED BY THE FEDERAL AMERICANS WITH DISABILITIES ACT;

(3) PRESENTS A DIRECT THREAT TO THE SERVICE ANIMAL'S MENTAL OR PHYSICAL WELL-BEING; OR

(4) DOES NOT MEET THE TRAINING REQUIREMENTS OF THE NONPROFIT.

(C) A PROGRAM PARTICIPANT MAY DISCONTINUE INVOLVEMENT IN THE PROGRAM FOR ANY REASON.

7-1206.

(A) THERE IS A MARYLAND DISABILITY SERVICE ANIMAL PROGRAM FUND.

(B) THE PURPOSE OF THE FUND IS TO:

(1) PAY A NONPROFIT TRAINING ENTITY; AND

(2) COVER THE COSTS OF ADMINISTERING THE PROGRAM.

(C) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

(E) (1) THE FUND CONSISTS OF:

(I) REVENUE COLLECTED BY THE DEPARTMENT IN THE FORM OF DONATIONS TO THE PROGRAM;

(II) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

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

(2) FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$25,000 TO THE FUND.

~~(2)~~ (3) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

~~(3)~~ (4) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE PROGRAM.

(F) THE FUND MAY BE USED ONLY TO PAY:



(1) A NONPROFIT TRAINING ENTITY; AND

(2) ADMINISTRATIVE COSTS OF THE PROGRAM.

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

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(H) FOR THE PURPOSE OF IMPLEMENTING THIS SECTION, THE DEPARTMENT MAY ACCEPT GIFTS OR GRANTS FOR DONATION TO THE FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That ~~this Act shall take effect October 1, 2025;~~

(a) This Act is contingent on the Department of Disabilities certifying that the Department has sufficient staff to administer the Maryland Disability Service Animal Program under Title 7, Subtitle 12 of the Human Services Article, as enacted by Section 1 of this Act.

(b) On or before October 1, 2026, the Department of Disabilities shall notify the Department of Legislative Services whether the Department has certified that the Department has sufficient staff to administer the Maryland Disability Service Animal Program.

(c) (1) If the Department of Legislative Services receives notification that the Department of Disabilities has sufficient staff to administer the Maryland Disability Service Animal Program on or before October 1, 2026, this Act shall take effect on the date the notice is received by the Department of Legislative Services in accordance with subsection (b) of this section.

(2) If the Department of Legislative Services receives notice that the Department of Disabilities lacks sufficient staff to administer the Maryland Disability Service Animal Program on or before October 1, 2026, this Act, with no further action required by the General Assembly, shall be null and void.

SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this Act, this Act shall take effect October 1, 2025.

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto two bills pertaining to gubernatorial appointments, Senate Bill 503 and House Bill 481 – *Washington County – Board of License Commissioners – Membership* and Senate Bill 972 – *Anne Arundel County – Board of License Commissioners – Alterations*.

While these bills focus on distinct boards and advance different processes, both undermine hundreds of years of precedent to ensure effective checks and balances between the Executive Branch, the Legislative Branch, and local governments. Both bills effectively remove the role of the Governor in these appointment processes, setting a new paradigm for the state moving forward that, in my view, does not serve the people of Maryland well.

### ***Senate Bill 503 and House Bill 481***

This legislation sought to alter the membership of the Washington County Board of License Commissioners (“Board”). The Board regulates the retail sale of alcoholic beverages in Washington County. By law, the Board is composed of three members who each serve six-year terms, appointed by the Governor with the advice and consent of the Maryland Senate if the Senate is in session when the appointment is made. Each member of the Board is required to be a resident and voter of Washington County and must be “individuals of high character and integrity and of recognized business capacity.”

Of particular importance, no more than two members of the three-member board may belong to the same political party, ensuring that no one party asserts full control of the Board. Senate Bill 503/House Bill 481 sought to change this party requirement to instead mandate that two members of the Board must belong to the political party that received the highest aggregated number of votes the preceding election for the Washington County Board of County Commissioners and that one member must belong to the political party that received the second highest number of votes. This change would have restricted the ability for Governors to appoint members based upon merit first and foremost. Further, the bill would likely result in the partisan makeup of the board remaining constant over time with little chance for the majority party to alternate as is more likely to happen through the gubernatorial appointments process. Should this bill have been enacted, it would put into question the integrity and public trust of the Board as it would have increased the likelihood that a single political party can assert longterm control over its functions.

***Senate Bill 972***

This legislation sought to alter the Anne Arundel County Board of License Commissioners which regulates the retail sale of alcoholic beverages, processes liquor licenses, and enforces the liquor laws within Anne Arundel County. Specifically, the bill sought to increase the size of the Anne Arundel County Board of License Commissioners from 3 to 5 and require the Governor to choose appointments from a list of individuals recommended by the members of the Anne Arundel County House *or* Senate delegations to the General Assembly. While I support increasing the size of this board to 5 members, as passed this legislation would have created ambiguity and confusion about the process for appointments and violated the longheld tradition of the Governor exercising appointment powers.

My first concern is in regards to the requirement that the Governor must select individuals to appoint from a list recommended by either the Anne Arundel County House *or* Senate delegations to the General Assembly. As these delegations may choose different individuals, it is unclear which would constitute the list to choose from. Should the House and Senate delegation recommendations be aggregated into a single list but the delegations are not aligned on the recommended individuals, it is unclear whether the names actually achieve enhanced local influence on the appointments to the Board. This confusion and lack of clear benefit raises serious concerns about the smooth operation of the Board as it carries out its important work.

Second, there is no minimum number of names that would have been required to be included on these lists of recommended individuals. Should the delegations submit only 5 names, this would have effectively provided a subset of the legislature with *de facto* appointment authority. This authority would set a new precedent regarding appointments to important boards and erode the constitutional power of appointment that resides with the Governor. This authority and oversight has long been an effective system and it is unclear what would motivate a departure from this process. At best, this is unnecessary change and, at worst, this removes important checks and balances from the process.

For these reasons, I have vetoed Senate Bill 503, House Bill 481, and Senate Bill 907.

Sincerely,

Wes Moore  
Governor

**House Bill 481**

AN ACT concerning

**Washington County – Board of License Commissioners – Membership**

FOR the purpose of requiring that certain numbers of members of the Board of License Commissioners for Washington County belong to certain political parties; and

generally relating to the membership of the Board of License Commissioners for Washington County.

BY repealing and reenacting, without amendments,  
Article – Alcoholic Beverages and Cannabis  
Section 31–102 and 31–201  
Annotated Code of Maryland  
(2024 Replacement Volume)

BY repealing and reenacting, with amendments,  
Article – Alcoholic Beverages and Cannabis  
Section 31–202  
Annotated Code of Maryland  
(2024 Replacement Volume)

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

**Article – Alcoholic Beverages and Cannabis**

31–102.

This title applies only in Washington County.

31–201.

There is a Board of License Commissioners for Washington County.

31–202.

(a) (1) The Governor shall appoint three members to the Board.

(2) The appointments shall be made:

(i) if the Senate is in session, with the advice and consent of the  
Senate; or

(ii) if the Senate is not in session, by the Governor alone.

(b) (1) Each member of the Board shall be:

(i) a resident and voter of the county; and

(ii) an individual of high character and integrity and of recognized  
business capacity.

[(2) Not more than two members of the Board may belong to the same political party.]

**(2) (I) TWO MEMBERS OF THE BOARD SHALL BELONG TO THE POLITICAL PARTY THAT RECEIVED THE HIGHEST AGGREGATED NUMBER OF VOTES IN THE PRECEDING ELECTION OF THE BOARD OF COUNTY COMMISSIONERS.**

**(II) ONE MEMBER OF THE BOARD SHALL BELONG TO THE POLITICAL PARTY THAT RECEIVED THE SECOND HIGHEST AGGREGATED NUMBER OF VOTES IN THE PRECEDING ELECTION OF THE BOARD OF COUNTY COMMISSIONERS.**

(c) A member of the Board may not have a pecuniary or other interest in any phase of the manufacture, sale, or distribution of alcoholic beverages.

(d) (1) The term of a member is 6 years.

(2) The terms of the members are staggered as required by the terms provided for members of the Board on July 1, 2016.

(e) (1) The Governor shall appoint an eligible individual to fill a vacancy during the remainder of the term of office of the individual originally appointed in accordance with subsection (a) of this section.

(2) A member who is appointed after a term has begun serves only for the remainder of the term and until a successor is appointed and qualifies.

(f) (1) The Governor may remove a member for misconduct in office, incompetence, or willful neglect of duty.

(2) The Governor shall give a member who is charged a copy of the charges against the member and, with at least 10 days' notice, an opportunity to be heard publicly in person or by counsel.

(3) If a member is removed, the Governor shall file with the Office of the Secretary of State a statement of charges against the member and the Governor's findings on the charges.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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May 16, 2025

The Honorable Adrienne A. Jones

Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 482 – *Occupational Licensing and Certification – Criminal History – Predetermination Review Process*.

The primary aim of House Bill 482 is to establish a predetermination review process for Marylanders to determine whether their criminal history disqualifies them for certain State licenses or certifications. Many returning citizens will never pursue a license for many good-paying and high-demand occupations due to simple uncertainty about whether they will be denied licensure at the conclusion of their training. The goal of the legislation is to remedy that uncertainty, and Delegate Andrea Fletcher Harrison should be recognized for her leadership in this space. This goal has my full support. In fact, my administration recommended that this policy be adopted in December of 2024 when the Government Efficiency Commission published its first report including recommendations on activating individuals with criminal history in the work force.

However, despite the progress that could be achieved by the establishment of this predetermination review process, the bill was amended in the final days of the legislative session to remove the Department of Health (MDH) and the Department of Public Safety and Correctional Services (DPSCS) from existing law governing disqualifications based on criminal history.

In 2019, the General Assembly passed Chapter 568 of 2019 to establish parameters for when the State may deny an individual an occupational license or certification based upon their criminal history. Specifically, this important law bars departments from denying an occupational license or certificate application because the applicant has previously been convicted of a crime, unless the department determines that: (1) there is a direct relationship between the applicant's previous conviction and the specific occupational license or certificate sought; or (2) the issuance of the license or certificate would involve an unreasonable risk to property or to the safety or welfare of specific individuals or the general public. This law limits the lookback period for criminal background denials to seven years after the applicant completed sentences and the law does not apply to crimes which require registration on the sex offender registry. Based upon a recent review by the Government Efficiency Commission, detailed in the report referenced above, the Department of Health issues 144 credentials, second among principal departments only to the Department of Labor which issues 231 credentials. As a result of this legislation, none of the licenses or certifications issued by the Department of Health would be subject to statute requiring that they may only deny a credential based upon the criminal history of an applicant if the crime was germane to the occupation.

While there are both positive and negative impacts of House Bill 482, it is my view that exempting the Department of Health and its independent licensing boards from existing

standards outweighs the benefits of a predetermination review process. Maryland cannot afford to permanently disenfranchise individuals with criminal histories from large sections of the economy should they pose no risk. My administration has led on providing opportunities for redemption and reintegration into society for individuals who have made poor choices in the past but have faced the legal consequences and are prepared for the next chapter in their lives. Most recently, my administration introduced – and the General Assembly passed – the Expungement Reform Act which expands expungement eligibility and opens pathways to work, wages, and wealth for Marylanders, including returning citizens who have served their time and fulfilled their rehabilitation requirements.

Given the passage of the Expungement Reform Act and other actions that the State has taken to re-enfranchise returning citizens, I know that the General Assembly and my administration share these values. While House Bill 482 is well-intentioned, the amendment unintentionally undercuts those shared values. I look forward to collaborating with the General Assembly to continue making progress on this important issue, and I hope to work directly with Delegate Harrison in that effort. However, for the reasons provided in this letter, I have vetoed House Bill 482.

Sincerely,

Wes Moore  
Governor

### House Bill 482

AN ACT concerning

#### **Occupational Licensing and Certification – Criminal History – Predetermination Review Process**

FOR the purpose of providing that “department” does not include the Maryland Department of Health or the Department of Public Safety and Correctional Services for purposes of certain provisions prohibiting a department from refusing to issue an occupational license or certificate based on a certain conviction under certain circumstances; establishing a predetermination review process for occupational licenses and certificates in certain departments of State government; and generally relating to occupational licensing and certification.

BY repealing and reenacting, with amendments,  
Article – Criminal Procedure  
Section 1–209  
Annotated Code of Maryland  
(2018 Replacement Volume and 2024 Supplement)

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

**Article – Criminal Procedure**

1–209.

(a) (1) In this section, “department” means:

(i) the Department of Agriculture;

(ii) the Department of the Environment;

(iii) ~~the Maryland Department of Health;~~

~~(iv)~~ the Department of Human Services; **OR**

~~(v)~~ **(IV)** the Maryland Department of Labor]; or

(vi) the Department of Public Safety and Correctional Services].

(2) “Department” includes any unit of a department specified in paragraph (1) of this subsection.

(b) This section does not apply to a person who:

**(1)** was previously convicted of a crime of violence, as defined in § 14–101 of the Criminal Law Article; **OR**

**(2) IS APPLYING FOR LICENSURE OR LICENSE RENEWAL UNDER TITLE 11, SUBTITLE 6 OF THE FINANCIAL INSTITUTIONS ARTICLE.**

(c) It is the policy of the State to encourage the employment of nonviolent ex–offenders and remove barriers to their ability to demonstrate fitness for occupational licenses or certifications required by the State.

(d) Except as provided in subsection (f) of this section, a department may not deny an occupational license or certificate to an applicant solely on the basis that the applicant has previously been convicted of a crime, unless the department determines that:

(1) there is a direct relationship between the applicant’s previous conviction and the specific occupational license or certificate sought; or

(2) the issuance of the license or certificate would involve an unreasonable risk to property or to the safety or welfare of specific individuals or the general public.

(e) In making the determination under subsection (d) of this section, the department shall consider:



- (1) the policy of the State expressed in subsection (c) of this section;
- (2) the specific duties and responsibilities required of a licensee or certificate holder;
- (3) whether the applicant's previous conviction has any impact on the applicant's fitness or ability to perform the duties and responsibilities authorized by the license or certificate;
- (4) the age of the applicant at the time of the conviction and the amount of time that has elapsed since the conviction;
- (5) the seriousness of the offense for which the applicant was convicted;
- (6) other information provided by the applicant or on the applicant's behalf with regard to the applicant's rehabilitation and good conduct; and
- (7) the legitimate interest of the department in protecting property and the safety and welfare of specific individuals or the general public.

(f) (1) ~~(H)~~ ¶ This subsection does not apply to a conviction of a crime for which registration on the sex offender registry is required under Title 11, Subtitle 7 of this article.

(2) If a period of 7 years or more has passed since an applicant completed serving the sentence for a crime, including all imprisonment, mandatory supervision, probation, and parole, and the applicant has not been charged with another crime other than a minor traffic violation, as defined in § 10–101 of this article, during that time, a department may not deny an occupational license or certificate to the applicant solely on the basis that the applicant was previously convicted of the crime.‡

**(G) (1) (I) AN INDIVIDUAL MAY FILE A REQUEST WITH A DEPARTMENT FOR REVIEW OF THE INDIVIDUAL'S CRIMINAL HISTORY TO DETERMINE WHETHER THE INDIVIDUAL'S CRIMINAL HISTORY WOULD DISQUALIFY THE INDIVIDUAL FROM OBTAINING THE OCCUPATIONAL LICENSE OR CERTIFICATE BEING SOUGHT.**

**(II) THE DETERMINATION OF A DEPARTMENT REGARDING WHETHER THE OCCUPATIONAL LICENSE OR CERTIFICATE WOULD BE APPROVED OR DENIED TO THE INDIVIDUAL REQUESTING THE PREDETERMINATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE BINDING ON THE DEPARTMENT UNLESS THERE IS A SUBSEQUENT DIRECT AND MATERIAL ADVERSE CHANGE TO THE INDIVIDUAL'S CRIMINAL HISTORY.**

**(III) WHEN CONDUCTING A PREDETERMINATION REVIEW REQUESTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, A DEPARTMENT SHALL UTILIZE THE EXISTING RESOURCES OF THE DEPARTMENT.**

(2) IF A DEPARTMENT DETERMINES THAT AN OCCUPATIONAL LICENSE OR CERTIFICATE WOULD BE DENIED TO THE INDIVIDUAL UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT SHALL, ~~IF APPLICABLE, ADVISE THE INDIVIDUAL OF ANY ACTION THAT MAY BE TAKEN BY THE INDIVIDUAL TO REMEDY THE REASON FOR THE DISQUALIFICATION~~ PROVIDE THE INDIVIDUAL WITH AN EXPLANATION FOR ITS DETERMINATION, INCLUDING THE BASIS UNDER SUBSECTION (D) OF THIS SECTION.

(3) ~~(H)~~ AN INDIVIDUAL MAY SUBMIT A REVISED REQUEST FOR A PREDETERMINATION TO THE DEPARTMENT THAT MADE A PREDETERMINATION ~~ON THE APPROVAL OR DENIAL OF AN OCCUPATIONAL LICENSE OR CERTIFICATE UNDER PARAGRAPH (1) OF THIS SUBSECTION THAT INCLUDES THE COMPLETION OF ANY RECOMMENDED REMEDIAL ACTIONS.~~

~~(H) AN INDIVIDUAL MAY SUBMIT A REVISED REQUEST FOR A PREDETERMINATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH THE EARLIER OF:~~

~~1. 1 YEAR AFTER THE DATE THE INDIVIDUAL RECEIVED THE PREDETERMINATION UNDER PARAGRAPH (1) OF THIS SUBSECTION; OR~~

~~2. ON COMPLETION OF THE REMEDIAL ACTIONS RECOMMENDED BY THE DEPARTMENT UNDER PARAGRAPH (2) OF THIS SUBSECTION~~  
IF:

(I) 1 YEAR HAS PASSED SINCE THE INDIVIDUAL RECEIVED THE PREDETERMINATION UNDER PARAGRAPH (1) OF THIS SUBSECTION; OR

(II) THERE IS A MATERIAL CHANGE TO THE INDIVIDUAL'S CRIMINAL HISTORY.

(4) (I) A DEPARTMENT MAY CHARGE A CRIMINAL HISTORY REVIEW FEE TO AN INDIVIDUAL TO CONDUCT A REVIEW UNDER THIS SECTION NOT EXCEEDING \$100.

(II) THE FEE CHARGED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BE WAIVED IF THE INDIVIDUAL'S INCOME IS AT OR BELOW 300% OF THE FEDERAL POVERTY LEVEL, AS DETERMINED BY THE DISTRICT COURT OF MARYLAND.

~~(G)~~ (H) NOTHING IN THIS SECTION MAY BE CONSTRUED TO:

(1) OVERRIDE, SUPERSEDE, OR INVALIDATE ANY COMPACT OR AGREEMENT ALREADY IN PLACE WITH REGARD TO THE REGULATION OF ANY PROFESSION OR OCCUPATION BY A DEPARTMENT; OR

(2) SUPERSEDE THE AUTHORITY OF A DEPARTMENT TO REQUIRE AN APPLICANT OR A LICENSEE TO SUBMIT TO A CRIMINAL HISTORY RECORDS REVIEW IN ACCORDANCE WITH THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, *That, on or before October 1, 2027, the Department of Agriculture, the Department of the Environment, the Department of Human Services, and the Maryland Department of Labor shall each report to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1257 of the State Government Article, on the implementation of Section 1 of this Act, including the number of predetermination requests conducted and the costs associated with implementation.*

*SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2025~~ July 1, 2025. It shall remain effective for a period of 3 years and, at the end of June 30, 2028, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.*

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

Pursuant to Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 168 – *Confined Aquatic Disposal Construction Moratorium*, House Bill 628 – *Highways – Sidewalks and Bicycle Pathways – Construction and Reconstruction*, and House Bill 1116 – *Public Safety – State Clearinghouse for Missing Persons*.

I am proud of working together to pass a balanced budget that addresses a projected structural deficit in the backdrop of alarming federal uncertainty; however, because of this context, I find it necessary to veto these bills as unnecessary and duplicative.

While I share the General Assembly's commitment to environmental stewardship and community engagement, Senate Bill 168 is premature and unnecessary. The Maryland Port Administration (MPA) is currently facilitating a comprehensive evaluation of Confined Aquatic Disposal (CAD) through the Dredged Material Management Program. This program includes a diverse CAD Subcommittee under the Bay Enhancement Working Group that is assessing the technical, environmental, and socio-economic aspects of CAD, with a final report expected in 2025. Given the state's current budget constraints, the MPA has no plans to expand dredged material capacity beyond existing projects; therefore, Senate Bill 168 is not needed to maintain conservation efforts to protect the Chesapeake Bay and support our environmental justice communities.

The intent to improve pedestrian and cyclist infrastructure is critical, and I commend the General Assembly's continued effort to address this. However, House Bill 628 introduces unnecessary redundancy and ambiguity into the existing authority of the State Highway Administration (SHA) to prioritize sidewalk improvement projects based on improving safety or increasing pedestrian access. Through the Pedestrian Safety Action Plan, SHA uses a data-driven, safety-focused approach to prioritize sidewalk construction and reconstruction. My administration has been implementing context-driven planning and design throughout state roadway projects that prioritize the safety of vulnerable road users. As written, House Bill 628 is duplicative and potentially impedes SHA's ability to effectively manage and prioritize the safety of other asset classes.

Public safety remains our administration's top priority, but House Bill 1116 is not needed to continue this focus. House Bill 1116 is merely technical and renames the State Clearinghouse for Missing Children, operated by the Maryland State Police (MSP). It changes nothing with regard to the duties and responsibilities related to the Clearinghouse. It does add a new requirement to study to determine whether MSP is able report information about missing persons to the National Missing and Unidentified Persons System. I will direct MSP to assess its capacity in reporting on missing persons in Maryland to the National Missing and Unidentified Persons System without the legislation or name change. My administration looks forward to partnering with the General Assembly to prioritize public safety.

As we face unprecedented challenges with the budget and unpredictable federal front, we must focus and direct agencies' efforts and resources towards our immediate and urgent needs.

For these reasons, I have vetoed Senate Bill 168, House Bill 628, and House Bill 1116.

Sincerely,

Wes Moore  
Governor

AN ACT concerning

**Highways – Sidewalks and Bicycle Pathways – Construction and  
Reconstruction**

FOR the purpose of requiring the State Highway Administration to prioritize funding for the construction and reconstruction of sidewalks and bicycle pathways to sidewalks and bicycle pathways that are, or are adjacent to highways that are, subject to a complete streets policy or another similar Vision Zero program; requiring a local government to request certain funding from the Department of Transportation in a certain manner; authorizing certain State funding for the construction or reconstruction of sidewalks or bicycle pathways under certain circumstances; and generally relating to the construction and reconstruction of sidewalks and bicycle pathways.

BY repealing and reenacting, with amendments,  
Article – Transportation  
Section 8–630  
Annotated Code of Maryland  
(2020 Replacement Volume and 2024 Supplement)

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

**Article – Transportation**

8–630.

(a) (1) In this section the following words have the meanings indicated.

(2) “Municipal corporation” means a municipality as defined in § 1–101 of the Local Government Article.

(3) “Urban highway” means a highway, other than an expressway, that is:

- (i) 1. Constructed with a curb and gutter and an enclosed type storm drainage system;
2. Located in an urban area and on which is located a public facility that creates appreciable pedestrian traffic along the highway from adjacent areas;
3. Located within urban boundaries as defined by the U.S. Census Bureau; or
4. Located within the boundaries of a municipal corporation;
- and

(ii) Part of the State highway system.

(b) (1) Sidewalks shall be constructed at the time of construction or reconstruction of an urban highway, or in response to the request of a local government unless:

(i) The Administration determines that the cost or impacts of constructing the sidewalks would be too great in relation to the need for them or their probable use; or

(ii) The local government indicates that there is no need for sidewalks.

(2) Sidewalks constructed under this section shall be consistent with area master plans and transportation plans adopted by the local planning commission.

(c) (1) If sidewalks or bicycle pathways are constructed or reconstructed as part of a roadway construction or reconstruction project, the Administration shall fund the sidewalk or bicycle pathway construction or reconstruction as a part of the cost of the roadway project.

(2) Except as provided in paragraphs (3) and (4) of this subsection, if sidewalks or bicycle pathways are constructed or reconstructed in response to a request from a local government **IN ITS ANNUAL PRIORITY LETTER FOR THE DEPARTMENT'S CONSIDERATION FOR INCLUSION IN THE CONSOLIDATED TRANSPORTATION PROGRAM UNDER § 2-103.1 OF THIS ARTICLE** and the adjacent roadway is not being concurrently constructed or reconstructed, the cost to construct or reconstruct the sidewalk or bicycle pathway shall be shared equally between the State and local governments.

(3) If sidewalks or bicycle pathways within a sustainable community as defined in § 6-301 of the Housing and Community Development Article are constructed or reconstructed in response to a request from a local government **IN ITS ANNUAL PRIORITY LETTER FOR THE DEPARTMENT'S CONSIDERATION FOR INCLUSION IN THE CONSOLIDATED TRANSPORTATION PROGRAM UNDER § 2-103.1 OF THIS ARTICLE** and the adjacent roadway is not being concurrently constructed or reconstructed, the cost to construct or reconstruct the sidewalk or bicycle pathway may be funded entirely by the State.

(4) (i) This paragraph does not apply to a priority funding area that is a sustainable community as defined in § 6-301 of the Housing and Community Development Article.

(ii) **IN DETERMINING FUNDING FOR THE CONSTRUCTION AND RECONSTRUCTION OF SIDEWALKS AND BICYCLE PATHWAYS UNDER THIS PARAGRAPH, THE ADMINISTRATION SHALL PRIORITIZE FUNDING FOR SIDEWALKS**

AND BICYCLE PATHWAYS THAT ARE, OR ARE ADJACENT TO HIGHWAYS THAT ARE, SUBJECT TO:

1. A COMPLETE STREETS POLICY, AS DEFINED IN § 2-112 OF THIS ARTICLE; OR

2. ANOTHER SIMILAR VISION ZERO PROGRAM UNDER SUBTITLE 10 OF THIS TITLE.

(III) If sidewalks or bicycle pathways within an area designated as a priority funding area under § 5-7B-02 of the State Finance and Procurement Article are constructed or reconstructed in response to a request from a local government IN ITS ANNUAL PRIORITY LETTER FOR THE DEPARTMENT'S CONSIDERATION FOR INCLUSION IN THE CONSOLIDATED TRANSPORTATION PROGRAM UNDER § 2-103.1 OF THIS ARTICLE and the adjacent roadway is not being concurrently constructed or reconstructed, and if the Administration determines that construction would not occur under this section due to insufficient contribution of funds by the local government, the cost to construct or reconstruct the sidewalk or bicycle pathway shall be shared between the State and local government as follows:

1. 75 percent of the cost shall be funded by the State; and

2. 25 percent of the cost shall be funded by the local government.

[(iii)] (IV) If sidewalks or bicycle pathways within an area designated as a priority funding area under § 5-7B-02 of the State Finance and Procurement Article are constructed or reconstructed based on a determination by the Administration that a substantial public safety risk or significant impediment to pedestrian access exists and the adjacent roadway is not being concurrently constructed or reconstructed, then:

1. The Administration shall categorize the sidewalk or bicycle pathway construction project as "system preservation" and give corresponding funding priority to the project; and

2. The cost to construct or reconstruct the sidewalk or bicycle pathway AND TO ACQUIRE THE NECESSARY RIGHT-OF-WAY may be funded entirely by the State.

(5) If sidewalks or bicycle pathways are being constructed or reconstructed in response to a request from a local government IN ITS ANNUAL PRIORITY LETTER FOR THE DEPARTMENT'S CONSIDERATION FOR INCLUSION IN THE CONSOLIDATED TRANSPORTATION PROGRAM UNDER § 2-103.1 OF THIS ARTICLE and the adjacent roadway is not being concurrently constructed or reconstructed, the local government shall:

(i) Provide public notice and opportunities for community involvement prior to the construction of a sidewalk or bicycle pathway project; and

(ii) Secure any necessary right-of-way that may be needed beyond the right-of-way already owned by the State.

(6) (i) Except as provided in subparagraph (ii) of this paragraph, after sidewalks and bicycle pathways are constructed under this section, they shall be maintained and repaired by the political subdivision in which they are located.

(ii) Subject to approval and the availability of funds, the Administration promptly shall reimburse a political subdivision for the preapproved and documented costs incurred in reconstructing a segment of a sidewalk or bicycle pathway that has deteriorated to the extent that repair is not practical or desirable for public safety.

(d) The Administration may not construct any project that will result in the severance or destruction of an existing major route for pedestrian transportation traffic, unless the project provides for construction of a reasonable alternative route or such a route already exists.

(e) The Administration shall develop guidelines jointly with local governments to carry out the provisions of this section.

(f) The Administration shall maintain and repair all facilities for nighttime illumination that:

(1) Are constructed by the Administration for the safe conduct of vehicular traffic; and

(2) Exist adjacent to urban highways.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House



Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

Pursuant to Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 909 and House Bill 1037 – *Energy Resource Adequacy and Planning Act*.

I commend the General Assembly's dedication to ensuring Maryland's energy reliability and sustainability. I agree that we must improve the state's energy planning process and ensure greater accountability from PJM in meeting Maryland's long-term energy needs. That is why I have joined our allies across the region to help address this concern and keep costs down. While this legislation proposes the creation of a new Strategic Energy Planning Office (SEPO) to lead a statewide energy planning process, including the development of a comprehensive report on risks to the bulk power system, after careful consideration, I have determined that this legislation is unnecessary at this time due to several factors.

The fiscal impact of this legislation is significant. Establishing and operating this new office would cost between \$4.4 million and \$5.3 million annually starting in fiscal year 2026, totaling nearly \$29 million over five years. This cost would ultimately be passed along to Maryland ratepayers at a time when we are actively working to limit their burden, not add to it. Furthermore, the objectives outlined in this legislation overlap significantly with existing efforts by agencies such as the Public Service Commission (PSC), the Maryland Energy Administration (MEA), and the Power Plant Research Program (PPRP). These agencies are already engaged in comprehensive energy planning and analysis. Establishing a new office with similar responsibilities would lead to delays, redundancy, and inefficient use of resources.

Given these considerations, the goals of this legislation can be achieved more effectively through the optimization of current agency functions and resources. I look forward to working with you and stakeholders to address this.

For these reasons, I have vetoed Senate Bill 909 and House Bill 1037.

Sincerely,

Wes Moore  
Governor

### **House Bill 1037**

AN ACT concerning

### **Energy Resource Adequacy and Planning Act**

FOR the purpose of establishing the ~~Integrated Resource~~ Strategic Energy Planning Office ~~in the Public Service Commission~~; requiring the Office to develop a Comprehensive Energy Forecast and conduct a certain study Wholesale Energy Markets and Bulk

~~Power System Risk Report and examine certain scenarios to support the development of the Forecast; requiring the Office, in consultation with the Commission and the Maryland Energy Administration, to complete certain energy modeling; requiring the Commission, in consultation with the Office, to adopt regulations requiring each electric company to develop a certain integrated resource plan~~ Risk Report; requiring the Office to conduct certain stakeholder processes; requiring the Office to provide certain information to certain persons under certain circumstances; requiring the Public Service Commission to conduct a certain public proceeding; requiring the Commission and the Department of Transportation to complete certain studies; requiring the Maryland Energy Administration to obtain or develop certain power flow analyses; and generally relating to the ~~Integrated Resource~~ Strategic Energy Planning Office and energy resource planning.

BY repealing and reenacting, with amendments,

Article – Public Utilities

Section 2–110 and 2–110.1

Annotated Code of Maryland

(2020 Replacement Volume and 2024 Supplement)

BY adding to

Article – Public Utilities

Section 7–1201 through ~~7–1206~~ 7–1207 to be under the new subtitle “Subtitle 12.  
~~Integrated Resource~~ Strategic Energy Planning Office”

Annotated Code of Maryland

(2020 Replacement Volume and 2024 Supplement)

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

### **Article – Public Utilities**

2–110.

(a) In this section, “public service company” includes an electricity supplier and a gas supplier as those terms are defined in § 1–101 of this article.

(b) (1) The costs and expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of People’s Counsel shall be borne by the public service companies that are subject to the Commission’s jurisdiction.

(2) The costs and expenses shall be assessed as provided in this section.

(3) The Commission shall pay the money that it collects for the assessment under this section into the Public Utility Regulation Fund in the State Treasury established under § 2–110.1 of this subtitle to reimburse the State for the expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of People’s Counsel.

(c) (1) (i) Before each State fiscal year, the Chairman of the Commission shall estimate the Commission's total costs and expenses, including:

1. the compensation and expenses of the Commission, its officers, agents, and personnel;

2. the cost of retirement contributions, Social Security, health insurance, and other benefits required to be paid by the State for the personnel of the Commission;

3. all other maintenance and operation expenses of the Commission; and

4. all other direct and indirect costs of the Commission.

(ii) The estimate shall exclude the expenses associated with services performed by the Commission for which the Commission is reimbursed under this division.

(iii) THE ESTIMATE SHALL INCLUDE, AS PROVIDED BY THE STRATEGIC ENERGY PLANNING OFFICE:

1. THE COMPENSATION AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE, ITS OFFICERS, AGENTS, AND PERSONNEL;

2. THE COST OF RETIREMENT CONTRIBUTIONS, SOCIAL SECURITY, HEALTH INSURANCE, AND OTHER BENEFITS REQUIRED TO BE PAID BY THE STATE FOR THE PERSONNEL OF THE STRATEGIC ENERGY PLANNING OFFICE;

3. ALL OTHER MAINTENANCE AND OPERATION EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE; AND

4. ALL OTHER DIRECT AND INDIRECT COSTS OF THE STRATEGIC ENERGY PLANNING OFFICE.

(IV) The estimate shall include, as provided by the Office of People's Counsel:

1. the compensation and expenses of the Office of People's Counsel, its officers, agents, and personnel;

2. the cost of retirement contributions, Social Security, health insurance, and other benefits required to be paid by the State for the personnel of the Office of People's Counsel;

3. all other maintenance and operation expenses of the Office of People's Counsel; and

4. all other direct and indirect costs of the Office of People's Counsel.

(2) Based on the estimate, the Chairman shall determine the amount to be paid by each public service company.

(3) The Commission shall send a bill to each public service company on or before May 1 of each year.

(4) (i) The bill shall equal the product of:

1. the estimated total costs and expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of People's Counsel during the next fiscal year; multiplied by

2. the ratio of the gross operating revenues for the public service company derived from intrastate utility and electricity supplier operations in the preceding calendar year, or other 12-month period as the Chairman determines, to the total of the gross operating revenues derived from intrastate utility and electricity supplier operations for all public service companies that are billed under this section over that period.

(ii) To the extent that the Commission requires an electric company to report the gross operating revenue derived from intrastate utility and electricity supplier operation in order to calculate the bill under subparagraph (i) of this paragraph, a small rural electric cooperative described in § 7-502(a) of this article may satisfy the requirement by submitting to the Commission an estimate made in accordance with a formula approved by the Commission from information that the small rural electric cooperative submits to the rural utilities service.

(5) The minimum bill for a public service company shall be \$10.

(6) The public service company:

(i) shall pay the bill on or before the next July 15; or

(ii) may elect to make partial payments on the 15th days of July, October, January, and April.

(7) A partial payment shall equal 25% of the bill and may not be less than \$10.

(8) During any State fiscal year, the Chairman may change the estimate of costs and expenses of the Commission, **THE ESTIMATE OF COSTS AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE, AS CHANGED BY THE STRATEGIC ENERGY**

PLANNING OFFICE, and the estimate of costs and expenses of the Office of People's Counsel, as changed by the People's Counsel.

(9) (i) If the estimate is changed, the Commission shall send a revised bill to each public service company that has elected to make partial payments.

(ii) The change shall be apportioned equally against the remaining payments for the fiscal year.

(10) (i) On or before September 15 of each year, the Chairman shall compute:

1. the actual costs and expenses of the Commission[.];

2. THE ACTUAL COSTS AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE, AS PROVIDED BY THE STRATEGIC ENERGY PLANNING OFFICE FOR THE PRECEDING FISCAL YEAR; and

3. the actual costs and expenses of the Office of People's Counsel, as provided by the People's Counsel for the preceding fiscal year.

(ii) If the amounts collected are less than the actual costs and expenses of the Commission, THE STRATEGIC ENERGY PLANNING OFFICE, and the Office of the People's Counsel, after deducting the amounts recovered under §§ 2-111(a) and 2-123 of this subtitle, on or before October 15, the Chairman shall send to any public service company that is affected a statement that shows the amount due.

(iii) If the amounts collected exceed the actual costs and expenses of the Commission, THE STRATEGIC ENERGY PLANNING OFFICE, and the Office of the People's Counsel for the preceding fiscal year, the Commission shall deduct any excess retained funds from the appropriation for the next fiscal year before the Commission determines the amount to be paid by each public service company for the next fiscal year under paragraph (2) of this subsection.

(11) A public service company shall pay an amount due within 30 days after the statement is received.

(12) The total amount that may be charged to a public service company under this section for a State fiscal year may not exceed:

(i) 0.50% of the public service company's gross operating revenues derived from intrastate utility and electricity supplier operations in the preceding calendar year, or other 12-month period that the Chairman determines, for the costs and expenses of the Commission other than that of the STRATEGIC ENERGY PLANNING OFFICE AND THE Office of People's Counsel; plus

(ii) 0.074% OF THOSE REVENUES FOR THE COSTS AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE; PLUS

(III) 0.074% of those revenues for the costs and expenses of the Office of People's Counsel.

(d) (1) Within 30 days after the Commission issues a bill under subsection (c) of this section, the party billed may request a hearing as to the amount of the bill.

(2) Any amount of a bill that is not paid within 30 days after the date of determination on a hearing or, if a hearing is not requested, on the date when payment is due, shall bear annual interest at a rate, not less than 6%, that the Commission sets by regulation.

2–110.1.

(a) There is a Public Utility Regulation Fund.

(b) The Fund consists of:

(1) all revenue received through the imposition and collection of assessments under § 2–110 of this subtitle;

(2) fees received by the Commission under § 2–123 of this subtitle for filings and for other services rendered by the Commission;

(3) income from investments that the State Treasurer makes for the Fund;  
and

(4) any other fee, examination assessment, or revenue received by the Commission under this division.

(c) Notwithstanding subsection (b) of this section, the Commission shall pay all fines and penalties collected by the Commission under this article into the Resiliency Hub Grant Program Fund established under § 9–2011 of the State Government Article.

(d) The purpose of the Fund is to pay all the costs and expenses incurred by the Commission, THE STRATEGIC ENERGY PLANNING OFFICE, and the Office of People's Counsel that are related to the operation of the Commission, THE STRATEGIC ENERGY PLANNING OFFICE, and the Office of People's Counsel, including:

(1) expenditures authorized under this division; and

(2) any other expense authorized in the State budget.

(e) (1) All the costs and expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and the Office of People's Counsel shall be included in the State budget.

(2) Expenditures from the Fund to cover costs and expenses of the Commission, **THE STRATEGIC ENERGY PLANNING OFFICE**, and Office of People's Counsel may only be made:

(i) with an appropriation from the Fund approved by the General Assembly in the State budget; or

(ii) by budget amendment in accordance with § 7-209 of the State Finance and Procurement Article.

(f) (1) The State Treasurer is the custodian of the Fund.

(2) The State Treasurer shall deposit payments received from the Commission into the Fund.

(g) (1) The Fund is a continuing, special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article, and may not be considered a part of the General Fund of the State.

(2) Unless otherwise provided by law, no part of the Fund may revert or be credited to:

(i) the General Fund of the State; or

(ii) any other special fund of the State.

## **SUBTITLE 12. ~~INTEGRATED RESOURCE~~ STRATEGIC ENERGY PLANNING OFFICE.**

**7-1201.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

~~(B) "DEMAND ELEMENT" MEANS A SPECIFIC FACTOR OR COMPONENT THAT CONTRIBUTES TO THE OVERALL ELECTRICITY LOAD OR DEMAND.~~

~~(C)~~ (B) "DIRECTOR" MEANS THE DIRECTOR OF THE ~~INTEGRATED RESOURCE~~ **STRATEGIC ENERGY PLANNING OFFICE.**

~~(D) "FORECAST" MEANS THE COMPREHENSIVE ENERGY FORECAST.~~

~~(E)~~ (C) “OFFICE” MEANS THE ~~INTEGRATED RESOURCE~~ STRATEGIC ENERGY PLANNING OFFICE.

(D) “PJM REGION” HAS THE MEANING STATED IN § 7-701 OF THIS TITLE.

(E) “RISK REPORT” MEANS THE COMPREHENSIVE WHOLESALE ENERGY MARKETS AND BULK POWER SYSTEM RISK REPORT DEVELOPED UNDER § 7-1203 OF THIS SUBTITLE.

7-1202.

(A) THERE IS ~~AN INTEGRATED RESOURCE~~ A STRATEGIC ENERGY PLANNING OFFICE IN THE COMMISSION.

(B) (1) THE HEAD OF THE OFFICE IS THE DIRECTOR.

(2) (I) THE DIRECTOR SHALL:

~~(H)~~ BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE; ~~AND~~

~~(H)~~ ~~SERVE AT THE PLEASURE OF THE GOVERNOR.~~

(II) THE TERM OF THE DIRECTOR IS 5 YEARS AND BEGINS ON JULY 1.

(III) AT THE END OF A TERM, THE DIRECTOR CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(IV) A DIRECTOR WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(V) A DIRECTOR MAY SERVE MORE THAN ONE TERM.

(3) THE GOVERNOR MAY REMOVE THE DIRECTOR FOR INCOMPETENCE OR MISCONDUCT IN ACCORDANCE WITH § 3-307 OF THE STATE GOVERNMENT ARTICLE.

(4) THE DIRECTOR IS ENTITLED TO A SALARY AS PROVIDED IN THE STATE BUDGET.

~~(C)~~ ~~(1) THE COMMISSION SHALL PROVIDE THE OFFICE WITH SUFFICIENT STAFF AND RESOURCES TO PERFORM THE FUNCTIONS OF THIS SUBTITLE.~~



(C) (1) THE OFFICE SHALL HAVE THE STAFF PROVIDED FOR IN THE STATE BUDGET.

(2) THE OFFICE MAY HIRE A PRIVATE CONSULTANT CONSULTANTS IF NECESSARY TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE.

(D) IN ORDER TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE, THE OFFICE SHALL COLLABORATE WITH:

- (1) THE MARYLAND ENERGY ADMINISTRATION;
- (2) THE COMMISSION;
- (3) THE POWER PLANT RESEARCH PROGRAM;
- (4) THE MARYLAND CLEAN ENERGY CENTER; AND
- (5) THE DEPARTMENT OF THE ENVIRONMENT.

(E) THE OFFICE SHALL COORDINATE WITH THE COMMISSION TO ESTABLISH PROCEDURES AND RULES TO OBTAIN INFORMATION FROM ELECTRIC COMPANIES AND GAS COMPANIES NECESSARY TO ACCOMPLISH THE OFFICE'S DUTIES UNDER THIS SUBTITLE.

7-1203.

(A) (1) EVERY 3 YEARS, THE OFFICE SHALL DEVELOP A COMPREHENSIVE WHOLESALE ENERGY MARKETS AND BULK POWER SYSTEM RISK REPORT.

(2) THE PURPOSE OF THE RISK REPORT IS TO:

(I) ASSESS WHOLESALE ENERGY MARKET FINANCIAL, RESOURCE ADEQUACY, AND RELIABILITY RISKS ASSOCIATED WITH SERVING THE STATE'S LONG-TERM ENERGY NEEDS; AND

(II) IDENTIFY ANY NECESSARY COST-EFFECTIVE SOLUTIONS THAT ENSURE ELECTRIC SYSTEM RELIABILITY WHILE MEETING THE STATE'S ENERGY POLICY GOALS.

(3) THE SOLUTIONS IDENTIFIED IN THE RISK REPORT SHALL SEEK TO:

(I) MINIMIZE THE GROWTH OF THE COST OF ELECTRICITY OR LOWER THE COST OF ELECTRICITY; AND

(II) MINIMIZE ENERGY RESOURCE RELIABILITY RISKS.

(B) (1) THE RISK REPORT SHALL INCLUDE ENERGY AND DEMAND FORECASTS THAT CONTAIN:

(I) REASONABLE, 20-YEAR PROJECTIONS FOR ELECTRICITY LOAD AND ENERGY DEMANDS FOR:

1. TRANSMISSION ZONES; AND

2. ELECTRIC SERVICE TERRITORIES; AND

(II) PROJECTIONS FOR MEETING STATE ENERGY NEEDS AND CLEAN ENERGY GOALS AND LOAD FORECASTS IN THE PJM REGION, INCLUDING:

1. LOW, AVERAGE, AND HIGH PROJECTIONS OF ENERGY DEMAND BASED ON STATE POLICIES AND OTHER REASONABLE ASSUMPTIONS THAT IMPACT THE PROVISION OF ELECTRICITY IN THE STATE; AND

2. OTHER PROJECTIONS AS NECESSARY.

(2) IN COLLECTING THE DATA FOR THE FORECASTS UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE OFFICE SHOULD, BUT IS NOT REQUIRED TO, USE:

(I) HISTORICAL AND PROJECTED INFORMATION FROM ELECTRIC COMPANIES;

(II) LOAD FORECASTS FOR THE PJM REGION;

(III) APPROPRIATE ECONOMETRIC DATA FOR THE STATE; AND

(IV) ANY OTHER INFORMATION THE OFFICE CONSIDERS APPROPRIATE.

(C) (1) THE OFFICE SHALL EXAMINE DIFFERENT WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM SCENARIOS TO SERVE THE FORECASTS UNDER SUBSECTION (B) OF THIS SECTION.

(2) EACH SCENARIO EXAMINED SHALL:

(I) IDENTIFY THE RESULTING WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM FINANCIAL AND RESOURCE ADEQUACY IMPACTS OF SERVING THE FORECASTS WITH THE EXISTING ELECTRIC SYSTEM, KNOWN ADDITIONS TO THE ELECTRIC SYSTEM, AND ELECTRIC SYSTEM RESOURCE RETIREMENTS; AND

(II) IDENTIFY RESOURCE AND DEMAND-SIDE MANAGEMENT SOLUTIONS THAT MAY RESOLVE POTENTIAL RESOURCE ADEQUACY ISSUES AT THE LEAST COST.

(3) FOR A SUBSET OF SCENARIOS THAT ARE PRIMARILY RELIED ON WITHIN THE RISK REPORT, THE OFFICE SHALL, IN ADDITION TO THE REQUIREMENTS OF PARAGRAPH (2) OF THIS SUBSECTION:

(I) IDENTIFY THE RESULTING WHOLESALE MARKET AND BULK POWER SYSTEM RELIABILITY IMPACTS OF SERVING THE FORECASTS WITH THE EXISTING ELECTRIC SYSTEM, KNOWN ADDITIONS TO THE ELECTRIC SYSTEM, AND ELECTRIC SYSTEM RESOURCE RETIREMENTS; AND

(II) IDENTIFY RESOURCE AND DEMAND-SIDE MANAGEMENT SOLUTIONS THAT MAY RESOLVE POTENTIAL RELIABILITY CONSTRAINTS AT THE LEAST COST.

(4) EACH SCENARIO SHALL ALSO EXAMINE:

(I) DIFFERENT ENERGY RESOURCE MIXES TO MEET THE STATE'S ENERGY NEEDS, INCLUDING THE USE OF DEMAND-SIDE MANAGEMENT;

(II) DIFFERENT APPROACHES FOR MEETING THE STATE'S CLEAN ENERGY GOALS;

(III) IMPROVEMENTS TO EXISTING ENERGY RESOURCES AS OPPOSED TO THE DEPLOYMENT OF NEW ENERGY RESOURCES;

(IV) BALANCING THE USE OF ELECTRICITY IMPORTED FROM OUTSIDE THE STATE WITH THE DEVELOPMENT OF NEW ENERGY RESOURCES IN THE STATE;

(V) FINANCIAL AND OTHER RISKS ASSOCIATED WITH RETIRING ENERGY GENERATION RESOURCES;

(VI) DIRECTIONAL ASSESSING OF COST RISKS TO RATEPAYERS;  
AND

(VII) IMPACTS TO THE WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM IN MEETING THE STATE’S POLICY GOALS RELATED TO ELECTRICITY.

(5) THE SCENARIOS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:

(I) AT LEAST ONE SCENARIO THAT EXAMINES THE ACHIEVEMENT OF THE STATE’S CLEAN ENERGY GOALS;

(II) AT LEAST ONE SCENARIO THAT EXAMINES A LEAST-COST APPROACH TO MEETING THE STATE’S PROJECTED ENERGY NEEDS; AND

(III) AT LEAST ONE SCENARIO THAT ASSUMES NO CHANGES IN STATE ENERGY AND CLIMATE POLICIES.

(D) (1) THE RISK REPORT SHALL:

(I) BE INFORMED BY THE FORECASTS AND SCENARIOS REQUIRED UNDER THIS SECTION;

(II) PROVIDE INFORMATION ON THE RISKS ASSOCIATED WITH SERVING THE IDENTIFIED ENERGY FORECASTS AND ACHIEVEMENT OF THE STATE’S CLEAN ENERGY GOALS;

(III) DISCUSS THE POTENTIAL FINANCIAL IMPACTS OF THE DIFFERENT SCENARIOS EXAMINED UNDER SUBSECTION (C) OF THIS SECTION ON THE STATE AND RATEPAYERS;

(IV) IDENTIFY THE FINANCIAL, RESOURCE ADEQUACY, AND RELIABILITY RISKS OF THE WHOLESALE ENERGY MARKETS AND BULK POWER SYSTEM ON RATEPAYERS; AND

(V) SPECIFY THE INPUTS AND ASSUMPTIONS USED IN DEVELOPING THE RISK REPORT.

(2) (I) THE RISK REPORT SHALL ALSO INCLUDE ANY RECOMMENDATIONS OF THE OFFICE REGARDING SHORT- AND LONG-TERM SOLUTIONS TO MINIMIZE WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM FINANCIAL, RESOURCE ADEQUACY, AND RELIABILITY RISKS, INCLUDING STRATEGIES TO IMPLEMENT ANY RECOMMENDATIONS.

(II) THE RECOMMENDATIONS MAY INCLUDE:

1. ENERGY GENERATION, TRANSMISSION, OR DISTRIBUTION RESOURCE DEPLOYMENT OR DEMAND-SIDE MANAGEMENT SOLUTIONS;

2. PROGRAM DEVELOPMENT, INCLUDING:

A. ALTERING OR ADDING TO EXISTING PROGRAMS; OR

B. PROPOSING NEW PROGRAMS;

3. STATUTORY OR REGULATORY CHANGES; AND

4. RECOMMENDATIONS TO THE GENERAL ASSEMBLY TO IMPLEMENT SHORT- AND LONG-TERM RECOMMENDATIONS IDENTIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, INCLUDING:

A. UTILIZING EXISTING OR CREATING NEW MARKET STRUCTURES;

B. UTILIZING EXISTING OR CREATING NEW STATE PROGRAMS;

C. STATE FINANCING OPTIONS, INCLUDING STATE PROCUREMENT AND MULTISTATE PROCUREMENT;

D. ELECTRIC COMPANY PROCUREMENT OR PROGRAMS;

E. EXAMINING THE MIX OF IN-STATE GENERATION VERSUS RELYING ON IMPORTS AND DEMAND-SIDE MANAGEMENT; AND

F. ANY OTHER RECOMMENDATIONS THAT THE OFFICE CONSIDERS APPROPRIATE.

(III) IF THE OFFICE DETERMINES THAT THE IDENTIFIED RISKS ARE ACCEPTABLE OR THAT EXISTING MARKET DESIGNS, PROCESSES, OR POLICIES WILL ADEQUATELY ADDRESS THE RISKS IDENTIFIED IN THE RISK REPORT, THE OFFICE MAY RECOMMEND THAT NO ACTIONS BE TAKEN.

(IV) THE OFFICE SHALL SUPPORT THE RECOMMENDATIONS BY ANALYSES THAT BALANCE AFFORDABILITY, RELIABILITY, AND GREENHOUSE GAS EMISSIONS REDUCTIONS.

(A) (1) THE OFFICE SHALL:

(I) DEVELOP AND MAINTAIN THE TOOLS AND RESOURCES NECESSARY TO COMPLETE THE ANALYSES REQUIRED UNDER THIS SUBTITLE;

(II) COORDINATE WITH PJM INTERCONNECTION, LLC TO DEVELOP AND MAINTAIN THE TOOLS NECESSARY TO COMPLETE THE ANALYSES REQUIRED UNDER THIS SUBTITLE;

(III) HAVE THE ABILITY TO CONDUCT COST-BENEFIT ANALYSES OF ENERGY GENERATION RESOURCES IN WHOLESALE ENERGY MARKETS; AND

(IV) PROVIDE AN OPPORTUNITY FOR STAKEHOLDER FEEDBACK ON ANY REPORTS DEVELOPED BY THE OFFICE.

(2) (I) FOR THE RISK REPORT REQUIRED UNDER § 7-1203 OF THIS SUBTITLE, THE OFFICE SHALL CONDUCT A STAKEHOLDER PROCESS TO SOLICIT FEEDBACK REGARDING THE DEVELOPMENT OF DATA INPUTS THAT WILL INFORM THE FORECASTS AND SCENARIOS FOR DEVELOPING THE RISK REPORT.

(II) THE OFFICE IS NOT REQUIRED TO UTILIZE THE FEEDBACK RECEIVED FROM THE STAKEHOLDER PROCESS CONDUCTED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, BUT SHALL PROVIDE DOCUMENTATION OF THE STAKEHOLDER PROCESS IN THE RISK REPORT.

(3) (I) IN ADDITION TO THE PUBLIC HEARING REQUIRED IN § 7-1206 OF THIS SUBTITLE, AFTER THE PUBLICATION OF THE RISK REPORT OR ANY UPDATE TO THE REPORT, THE OFFICE SHALL CONDUCT A STAKEHOLDER PROCESS TO DEVELOP A REPORT THAT ASSESSES STRATEGIES TO ADDRESS THE IDENTIFIED RISKS AND RECOMMENDATIONS IN THE RISK REPORT.

(II) WHEN ASSESSING STRATEGIES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THERE SHALL BE CONSIDERATION OF:

1. NEW OR EXISTING PROGRAMS;
2. LEVERAGING TECHNOLOGY ENHANCEMENTS;
3. REVISED REGULATORY STRUCTURES;
4. STATE COORDINATION OF FEDERAL SOLUTIONS;
5. UTILIZING MARKET MECHANISMS; AND

6. ANY OTHER FACTORS CONSIDERED APPROPRIATE.

(B) THE OFFICE, IN CONSULTATION WITH THE COMMISSION AND THE MARYLAND ENERGY ADMINISTRATION, SHALL COMPLETE ENERGY MODELING FOR THE RISK REPORT.

(C) (1) ON OR BEFORE NOVEMBER 1 EACH YEAR, THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT AND THE HOUSE ECONOMIC MATTERS COMMITTEE MAY JOINTLY REQUEST THE OFFICE TO ASSESS UP TO FIVE POLICY SCENARIOS.

(2) NOT LATER THAN 1 YEAR AFTER THE DATE THE OFFICE RECEIVES A REQUEST UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE OFFICE SHALL SUBMIT A REPORT OF THE RESULTS OF THE REQUESTED POLICY SCENARIOS TO THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT AND THE HOUSE ECONOMIC MATTERS COMMITTEE IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

7-1205.

(A) ON OR BEFORE SEPTEMBER 1, 2028, AND EVERY 3 YEARS THEREAFTER, THE OFFICE SHALL SUBMIT THE RISK REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(B) (1) THE OFFICE MAY SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ANY ADDITIONAL UPDATES TO THE RISK REPORT AT ANY TIME.

(2) THE UPDATES SHALL INCLUDE:

(I) THE STATUS OF AND ANY CHANGES TO THE FORECASTS AND SCENARIOS DEVELOPED UNDER § 7-1203 OF THIS SUBTITLE;

(II) INFORMATION ON ANY NEW FORECASTS AND SCENARIOS THE OFFICE HAS DEVELOPED; AND

(III) ANY OTHER CHANGES TO THE INFORMATION OR RECOMMENDATIONS CONTAINED IN THE REPORT OR ANY PRECEDING UPDATES TO THE REPORT.

(C) ON OR BEFORE SEPTEMBER 1, 2028, AND EVERY 3 YEARS THEREAFTER, THE OFFICE SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH §

2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY THE REPORT REQUIRED UNDER § 7-1204(A)(3) OF THIS SUBTITLE.

7-1206.

(A) BEGINNING ON OR BEFORE SEPTEMBER 1, 2030, AND AT LEAST ONCE EVERY 3 YEARS THEREAFTER, AFTER RECEIVING A REQUEST BY THE OFFICE, THE COMMISSION, IN CONSULTATION WITH THE OFFICE, SHALL CONDUCT A PUBLIC PROCEEDING TO ASSESS THE RESULTS AND RECOMMENDATIONS CONTAINED IN THE RISK REPORT AND ANY UPDATES TO THE REPORT.

(B) THE PUBLIC PROCEEDING SHALL INCLUDE A PUBLIC HEARING AND AN OPPORTUNITY FOR PUBLIC COMMENT ON THE RECOMMENDATIONS OF THE RISK REPORT AND ANY UPDATES TO THE REPORT.

(C) THE OFFICE SHALL CONSIDER ANY FEEDBACK RECEIVED THROUGH THE PUBLIC PROCEEDING AND DETERMINE IF ANY FURTHER CHANGES TO THE RISK REPORT ARE NECESSARY.

(D) THE COMMISSION SHALL CONSIDER ANY FEEDBACK RECEIVED THROUGH THE PUBLIC PROCEEDING AND DETERMINE WHETHER ANY ACTION UNDER ITS JURISDICTION IS WARRANTED.

7-1207.

(A) THIS SECTION DOES NOT APPLY TO:

(1) THE REPORT REQUIRED UNDER § 7-1204(A)(3) OF THIS SUBTITLE; AND

(2) THE REPORT REQUIRED UNDER § 7-1204(C)(2) OF THIS SUBTITLE.

(B) EACH REPORT REQUIRED UNDER THIS SUBTITLE SHALL INCLUDE DOCUMENTATION OF STAKEHOLDER ENGAGEMENT AND ANY FEEDBACK RECEIVED RELATED TO THE DEVELOPMENT OF THAT REPORT.

~~7-1203.~~

~~(A) THE OFFICE SHALL DEVELOP A 25-YEAR COMPREHENSIVE ENERGY FORECAST.~~

~~(B) THE PURPOSE OF THE FORECAST IS TO ANALYZE ENERGY SCENARIOS AND POLICY OPTIONS FOR MEETING THE STATE'S ENERGY NEEDS AND~~



~~GREENHOUSE GAS EMISSIONS REDUCTION GOALS WHILE ENSURING ELECTRIC DISTRIBUTION SYSTEM RELIABILITY AND COST EFFECTIVENESS CONSISTENT WITH THE LONG TERM ENERGY NEEDS OF THE STATE.~~

~~(c) THE FORECAST SHALL INCLUDE:~~

~~(1) REASONABLE PROJECTIONS FOR ELECTRICITY LOAD AND DEMAND FROM 2025 THROUGH 2050 THAT INCLUDE:~~

~~(i) STATEWIDE DEMAND ELEMENTS; AND~~

~~(ii) DEMAND ELEMENTS FOR SPECIFIC ELECTRIC SERVICE TERRITORIES;~~

~~(2) SCENARIOS FOR MEETING:~~

~~(i) STATE ENERGY NEEDS AND GREENHOUSE GAS EMISSIONS REDUCTION GOALS; AND~~

~~(ii) LOAD FORECASTS IN THE PJM REGION, AS DEFINED IN § 7-101 OF THIS TITLE; AND~~

~~(3) A STRATEGY TO MEET THE SCENARIO THAT THE OFFICE DETERMINES BEST MEETS THE NEEDS STATED IN ITEM (2) OF THIS SUBSECTION AND THAT INCLUDES:~~

~~(i) INFORMATION ON THE SCENARIO'S IMPACT ON ENERGY RELIABILITY AND GREENHOUSE GAS EMISSIONS REDUCTIONS;~~

~~(ii) THE FINANCIAL IMPACT OF THE SCENARIO ON THE STATE AND RATEPAYERS;~~

~~(iii) 1. SHORT AND LONG TERM RECOMMENDATIONS FOR THE GENERATION, DISTRIBUTION, TRANSMISSION, AND STORAGE OF ELECTRICITY, SUPPORTED BY ANALYSES THAT BALANCE AFFORDABILITY, RELIABILITY, AND GREENHOUSE GAS EMISSIONS REDUCTIONS; AND~~

~~2. RECOMMENDATIONS TO THE GENERAL ASSEMBLY TO IMPLEMENT THE SHORT AND LONG TERM RECOMMENDATIONS;~~

~~(iv) LOCATIONAL VALUE ESTIMATIONS INCLUDING PRIORITY GENERATION AND TRANSMISSION ZONES ATTRACTIVE FOR RESOURCE DEVELOPMENT;~~

~~(V) A SUMMARY OF RELEVANT REGULATORY AND ADMINISTRATIVE PROCEDURES THAT COULD BE STREAMLINED OR MODERNIZED FOR GREATER EFFICIENCY;~~

~~(VI) THE USE OF ALL BEST AVAILABLE TECHNOLOGIES AND TECHNOLOGIES THAT MAY BECOME AVAILABLE IN THE FUTURE;~~

~~(VII) SENSITIVITIES RELATED TO VARIOUS LEVELS OF ELECTRIFICATION AND THE ADOPTION OF LOAD FLEXIBILITY AND DISTRIBUTED ENERGY RESOURCES;~~

~~(VIII) METHODS FOR ACHIEVING 60%, 80%, AND 100% OF THE STATE'S ENERGY NEEDS THROUGH IN-STATE GENERATION;~~

~~(IX) AN INDEPENDENT RATEPAYER IMPACT ANALYSIS;~~

~~(X) RELATED INVESTMENTS IN ELECTRICITY AND GAS INFRASTRUCTURE, INCLUDING ANY INTERPLAY BETWEEN THE TWO;~~

~~(XI) ECONOMIC DEVELOPMENT AND WORKFORCE OPPORTUNITIES;~~

~~(XII) STATE FINANCING OPTIONS, INCLUDING STATE PROCUREMENT AND MULTISTATE PROCUREMENT;~~

~~(XIII) UTILITY BUSINESS MODELS, TARIFFS, AND COST RECOVERY;~~

~~(XIV) SUPPORTIVE MARKET STUDIES;~~

~~(XV) PLANS FOR LEVERAGING AVAILABLE FEDERAL FUNDS; AND~~

~~(XVI) KEY FINDINGS FROM THE STUDY REQUIRED UNDER SUBSECTION (D) OF THIS SECTION.~~

~~(D) (1) ON OR BEFORE SEPTEMBER 30, 2026, THE OFFICE SHALL CONDUCT A STUDY TO SUPPORT THE DEVELOPMENT OF THE FORECAST.~~

~~(2) THE OFFICE SHALL HIRE A PRIVATE CONSULTANT TO MEET THE REQUIREMENTS OF THIS SECTION.~~

~~(3) AS PART OF THE STUDY:~~

~~(i) THE COMMISSION SHALL STUDY:~~

~~1. THE VIABILITY OF ENERGY STORAGE AS A TRANSMISSION ASSET;~~

~~2. THE NECESSITY OF AN INDEPENDENT DISTRIBUTION OPERATOR; AND~~

~~3. IN CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION, RECONDUCTING OPPORTUNITIES IN THE STATE;~~

~~(II) THE MARYLAND ENERGY ADMINISTRATION SHALL STUDY THE FEASIBILITY OF PLACING SMALL MODULAR REACTORS ON FORMER ELECTRICITY GENERATION SITES; AND~~

~~(III) THE POWER PLANT RESEARCH PROGRAM SHALL STUDY STATE LAND SUITABLE FOR SOLAR ENERGY DEVELOPMENT.~~

~~(4) THE STUDY SHALL:~~

~~(I) INCLUDE AN ANALYSIS, MADE IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, OF METHODS FOR REDUCING TRANSMISSION CONSTRAINED AREAS THROUGH THE USE OF EXISTING RIGHTS OF WAY;~~

~~(II) INCLUDE THE FEASIBILITY AND EFFICACY OF:~~

~~1. BROADENING THE STATE'S POWER PURCHASE AGREEMENT AUTHORITY;~~

~~2. DEVELOPING ELECTRICITY PROCUREMENT PLANS TO ENSURE ADEQUATE, RELIABLE, AFFORDABLE, EFFICIENT, AND ENVIRONMENTALLY SUSTAINABLE ELECTRICITY SERVICE AT THE LOWEST TOTAL COST OVER TIME, TAKING INTO ACCOUNT ANY PRICE STABILITY BENEFITS; AND~~

~~3. CONDUCTING COMPETITIVE PROCUREMENT PROCESSES TO PROCURE THE RESOURCES IDENTIFIED IN THE PROCUREMENT PLANS UNDER ITEM (II) OF THIS ITEM; AND~~

~~(III) INCLUDE AND INCORPORATE THE RESULTS OF THE STUDIES REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION.~~

~~(5) ON OR BEFORE DECEMBER 31, 2026, THE OFFICE SHALL SUBMIT A REPORT OF ITS FINDINGS AND ANY RECOMMENDATIONS TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.~~

~~7-1204.~~

~~(A) THE OFFICE, IN CONSULTATION WITH THE COMMISSION AND THE MARYLAND ENERGY ADMINISTRATION, SHALL COMPLETE ENERGY MODELING FOR THE STRATEGY AND SCENARIOS INCLUDED IN THE FORECAST UNDER § 7-1203 OF THIS SUBTITLE, AND FOR ANY CHANGES TO THE STRATEGY SET FORTH IN THE FORECAST, THAT:~~

~~(1) ENABLES COST-BENEFIT ANALYSES OF ELECTRICITY PRICES BY RESOURCE MIX TYPE;~~

~~(2) CONSIDERS THE TIMELINE FOR COMMERCIALIZATION OF ENERGY TECHNOLOGIES AND WHEN THOSE TECHNOLOGIES MAY BECOME COST-EFFECTIVE;~~

~~(3) PROVIDES LOCATIONAL VALUE PLANNING;~~

~~(4) HAS THE ABILITY TO RUN POLICY SCENARIOS ANNUALLY IN ORDER TO PROVIDE EFFECTIVE FEEDBACK TO THE GENERAL ASSEMBLY;~~

~~(5) CONSIDERS WHETHER THE TRANSITION TO DISTRIBUTED RENEWABLE ENERGY IS DELIVERING SUFFICIENT ELECTRIC DISTRIBUTION SYSTEM RELIABILITY OR WHETHER THERE ARE VULNERABILITIES THAT NEED TO BE ADDRESSED;~~

~~(6) STRENGTHENS THE DIVERSITY, SUSTAINABILITY, AND RESILIENCE OF THE ELECTRIC TRANSMISSION SYSTEM;~~

~~(7) ENHANCES THE ELECTRIC DISTRIBUTION SYSTEM AND DEMAND-SIDE MANAGEMENT; AND~~

~~(8) MAY BE UPDATED ANNUALLY BASED ON STRATEGIES, POLICY DECISIONS, AND PERIODIC REASSESSMENTS OF THE STATE'S ENERGY PORTFOLIO TO REMAIN UP-TO-DATE WITH THE EVOLUTION OF ENERGY GENERATION AND TRANSMISSION.~~

~~(B) THE OFFICE SHALL PROVIDE A 45-DAY PERIOD FOR PUBLIC COMMENT ON ANY MODELING COMPLETED UNDER THIS SECTION.~~

~~7-1205.~~

~~ON OR BEFORE SEPTEMBER 1, 2027, AND EVERY 2 YEARS THEREAFTER, THE OFFICE SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT ON:~~

~~(1) THE STATUS OF THE FORECAST DEVELOPED UNDER § 7-1203 OF THIS SUBTITLE AND ANY CHANGES TO THE STRATEGY SET FORTH IN THE FORECAST; AND~~

~~(2) (I) ANY ENERGY MODELING COMPLETED UNDER § 7-1204 OF THIS SUBTITLE IN THE IMMEDIATELY PRECEDING 2-YEAR PERIOD; AND~~

~~(II) ANY PUBLIC COMMENTS SUBMITTED IN RELATION TO THE MODELING.~~

~~7-1206.~~

~~(A) ON OR BEFORE DECEMBER 1, 2025, THE COMMISSION, IN CONSULTATION WITH THE OFFICE, SHALL ADOPT REGULATIONS REQUIRING EACH ELECTRIC COMPANY TO DEVELOP AN INTEGRATED RESOURCE PLAN TO:~~

~~(1) FACILITATE ACHIEVING THE STATE'S GREENHOUSE GAS EMISSIONS REDUCTIONS GOALS;~~

~~(2) FULFILL THE COMPANY'S OBLIGATION TO CHARGE JUST AND REASONABLE RATES;~~

~~(3) MINIMIZE OR MITIGATE IMPACTS ON RATEPAYERS IN THE STATE;~~

~~(4) ENSURE BOTH SHORT-TERM AND LONG-TERM ELECTRIC DISTRIBUTION SYSTEM RELIABILITY, INCLUDING MEETING THE RESOURCE ADEQUACY NEEDS OF THE STATE;~~

~~(5) STRENGTHEN THE DIVERSITY, SUSTAINABILITY, AND RESILIENCE OF THE ELECTRIC TRANSMISSION SYSTEM;~~

~~(6) ENHANCE THE ELECTRIC DISTRIBUTION SYSTEM AND DEMAND-SIDE MANAGEMENT; AND~~

~~(7) MINIMIZE LOCALIZED AIR POLLUTANTS AND OTHER GREENHOUSE GAS EMISSIONS, WITH PRIORITY INITIALLY GIVEN TO UNDERSERVED COMMUNITIES OR OVERBURDENED COMMUNITIES AS DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE.~~

~~(B) (1) ON OR BEFORE JULY 1, 2026, EACH ELECTRIC COMPANY SHALL SUBMIT TO THE COMMISSION THE INTEGRATED RESOURCE PLAN REQUIRED UNDER THIS SECTION.~~

~~(2) ON OR BEFORE JULY 1, 2031, AND EVERY 5 YEARS THEREAFTER, EACH ELECTRIC COMPANY SHALL PROVIDE TO THE COMMISSION AN UPDATE ON THE INTEGRATED RESOURCE PLAN REQUIRED UNDER THIS SECTION.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) (1) The Public Service Commission shall study the effectiveness of an independent distribution operator.

(2) On or before December 31, 2026, the Public Service Commission shall submit to the General Assembly, in accordance with § 2-1257 of the State Government Article, a report on the study required under paragraph (1) of this subsection.

(b) (1) The Department of Transportation shall study methods for reducing transmission-constrained areas through the use of existing rights-of-way.

(2) On or before December 31, 2026, the Department of Transportation shall submit to the General Assembly, in accordance with § 2-1257 of the State Government Article, a report on the study required under paragraph (1) of this subsection.

(c) (1) (i) The Maryland Energy Administration shall obtain existing power flow analyses for electric system reliability in the State that are related to currently known electric generation facility retirements.

(ii) If the Maryland Energy Administration is unable to obtain the existing power flow analyses under subparagraph (i) of this paragraph, then the Administration, with the support of the Public Service Commission, shall develop a power flow analysis for electric system reliability in the State that is related to currently known electric generation facility retirements.

(iii) On or before January 1, 2026, the Maryland Energy Administration shall submit to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly a report on the power flow analyses required under this paragraph.

(2) (i) On or before December 31, 2025, and on or before December 31, 2026, the Maryland Energy Administration shall provide to the General Assembly, in accordance with § 2-1257 of the State Government Article, an update on the status of the National Renewable Energy Laboratory's analysis on resource adequacy conducted at the request of the Administration.

(ii) On receipt of the National Renewable Energy Laboratory's final analysis on resource adequacy, the Maryland Energy Administration shall submit a final report on the analysis to the General Assembly, in accordance with § 2-1257 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before September 1, 2027, the Strategic Energy Planning Office shall submit to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly a status update on the development of the Comprehensive Wholesale Energy Markets and Bulk Power System Risk Report developed under § 7–1203 of the Public Utilities Article, as enacted by Section 1 of this Act.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H–107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H–101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

Pursuant to Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 168 – *Confined Aquatic Disposal Construction Moratorium*, House Bill 628 – *Highways – Sidewalks and Bicycle Pathways – Construction and Reconstruction*, and House Bill 1116 – *Public Safety – State Clearinghouse for Missing Persons*.

I am proud of working together to pass a balanced budget that addresses a projected structural deficit in the backdrop of alarming federal uncertainty; however, because of this context, I find it necessary to veto these bills as unnecessary and duplicative.

While I share the General Assembly’s commitment to environmental stewardship and community engagement, Senate Bill 168 is premature and unnecessary. The Maryland Port Administration (MPA) is currently facilitating a comprehensive evaluation of Confined Aquatic Disposal (CAD) through the Dredged Material Management Program. This program includes a diverse CAD Subcommittee under the Bay Enhancement Working Group that is assessing the technical, environmental, and socio-economic aspects of CAD, with a final report expected in 2025. Given the state’s current budget constraints, the MPA has no plans to expand dredged material capacity beyond existing projects; therefore, Senate Bill 168 is not needed to maintain conservation efforts to protect the Chesapeake Bay and support our environmental justice communities.

The intent to improve pedestrian and cyclist infrastructure is critical, and I commend the General Assembly's continued effort to address this. However, House Bill 628 introduces unnecessary redundancy and ambiguity into the existing authority of the State Highway Administration (SHA) to prioritize sidewalk improvement projects based on improving safety or increasing pedestrian access. Through the Pedestrian Safety Action Plan, SHA uses a data-driven, safety-focused approach to prioritize sidewalk construction and reconstruction. My administration has been implementing context-driven planning and design throughout state roadway projects that prioritize the safety of vulnerable road users. As written, House Bill 628 is duplicative and potentially impedes SHA's ability to effectively manage and prioritize the safety of other asset classes.

Public safety remains our administration's top priority, but House Bill 1116 is not needed to continue this focus. House Bill 1116 is merely technical and renames the State Clearinghouse for Missing Children, operated by the Maryland State Police (MSP). It changes nothing with regard to the duties and responsibilities related to the Clearinghouse. It does add a new requirement to study to determine whether MSP is able report information about missing persons to the National Missing and Unidentified Persons System. I will direct MSP to assess its capacity in reporting on missing persons in Maryland to the National Missing and Unidentified Persons System without the legislation or name change. My administration looks forward to partnering with the General Assembly to prioritize public safety.

As we face unprecedented challenges with the budget and unpredictable federal front, we must focus and direct agencies' efforts and resources towards our immediate and urgent needs.

For these reasons, I have vetoed Senate Bill 168, House Bill 628, and House Bill 1116.

Sincerely,

Wes Moore  
Governor

### House Bill 1116

AN ACT concerning

#### Public Safety – State Clearinghouse for Missing Persons

FOR the purpose of renaming and transferring the State Clearinghouse for Missing Children to be the State Clearinghouse for Missing Persons; requiring the Department of State Police to report on the Department's ability to report certain missing persons information to the National Missing and Unidentified Persons System on or before a certain date; and generally relating to the State Clearinghouse for Missing Persons.

BY repealing and reenacting, with amendments, and transferring



Article – Family Law  
Section 9–403  
Annotated Code of Maryland  
(2019 Replacement Volume and 2024 Supplement)

to be

Article – Public Safety  
Section 3–609  
Annotated Code of Maryland  
(2022 Replacement Volume and 2024 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 9–403 of Article – Family Law of the Annotated Code of Maryland be repealed and reenacted, with amendments, and transferred to be Section(s) 3–609 of Article – Public Safety of the Annotated Code of Maryland, to read as follows:

**Article – Public Safety**

3–609.

(a) There is a State Clearinghouse for Missing [Children] **PERSONS** operated by the Department of State Police that is responsible for:

(1) the receipt, collection, and distribution of general information and annual statistics regarding missing [children] **PERSONS**; and

(2) coordination of law enforcement agencies and other interested [persons] **INDIVIDUALS** or groups within and outside the State regarding information on [children] **PERSONS** who have disappeared from, or are thought to be located in, Maryland.

(b) For [children] **PERSONS** who have disappeared from or are thought to be located in the State, the State Clearinghouse for Missing [Children] **PERSONS**:

(1) shall publish:

(i) the names of and relevant available information on missing [children] **PERSONS**; and

(ii) annual statistics regarding missing [children] **PERSONS**; and

(2) may establish and maintain a list of organizations and groups that provide volunteer search teams or resources relating to missing [children] **PERSONS**.

(c) The Secretary of State Police may develop, in cooperation with local law enforcement agencies, a plan for voluntary fingerprinting programs for children.

**SECTION 2. AND BE IT FURTHER ENACTED, That:**

(a) The Department of State Police shall study the Department's capacity to report to the National Missing and Unidentified Persons System information about persons who have disappeared from, or thought to be located in, Maryland.

(b) On or before December 1, 2025, the Department of State Police shall report its findings to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.

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May 16, 2025

The Honorable Bill Ferguson  
President of the Senate of Maryland  
H-107 State House  
Annapolis, MD 21401

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

Dear President Ferguson and Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto Senate Bill 149 and House Bill 128 – *Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse Gas Emissions – Study and Reports*, Senate Bill 116 and House Bill 270 – *Data Center Impact Analysis and Report*, and House Bill 1316 – *Primary and Secondary Education – Youth-Centric Technology and Social Media Resource Guide*.

As I wrote in my letter regarding HB 350 – *FY 2026 Budget*, I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus, and ensured that 94% of Marylanders would either receive a tax break or see no change in their income taxes. Together, we reduced spending by over \$2 billion – the single largest cut in a Maryland state budget in sixteen years.

Still, the chaos from Washington, D.C. makes every day more challenging than the last. We face a real and present danger from a White House that continues to attack our economy with reckless abandon. In this time of profound uncertainty, we must evaluate every expenditure with a critical eye towards our future.

Our current budget situation requires us to reconsider bills that create expensive and labor intensive studies. While such bills can be a first step to addressing complex issues and allow the signaling of support for an issue, the practice has become so commonplace that it is now a significant financial and staff burden on the state government. In addition, such reporting requirements have at times delayed prompt action on important issues, and in the face of the onslaught from the current administration in Washington, D.C., the State needs to respond to important issues more quickly. Studies can serve a purpose, but their overuse is a drag on the State government.

Prior to the 2025 legislative session, the Department of Legislative Services (DLS) was tracking a total of 3,901 mandated reports, a number which excludes the reports required annually by the Joint Chairmen's Report. Many of these reports are never read and simply collect dust on shelves, but nonetheless, executive branch agencies are required to dedicate funding and staff time to each, in many cases, with restrictions on their budget appropriations if they fail to comply. While it is impossible to calculate the total amount of staff time and state funding necessary to complete and file these reports, it is a reasonable assumption that the cost runs to the tens of millions of dollars.

Collectively, these three bills would have required significant coordination across multiple agencies and institutions: the Comptroller's Office, Maryland Department of the Environment (MDE), and Commerce to study the cost of greenhouse gas emissions; the University of Maryland's School of Business, MDE, Maryland Energy Administration and the Department of Legislative Services to conduct a resource-intensive analysis of the environmental, energy, and economic impacts of data center development; and the University of Maryland Baltimore's School of Mental Health's National Center for School Mental Health and the Maryland State Department of Education to develop a social media resource guide and conduct a needs assessment. In total, these efforts would cost at least \$1.28 million – an unsustainable commitment given the state's current fiscal constraints and the growing uncertainty posed by the federal Administration in Washington, D.C.

While I look forward to collaborating with the General Assembly to continue to make progress on these important issues, for the reasons provided in this letter, I have vetoed Senate Bill 149, House Bill 128, Senate Bill 116, House Bill 270, and House Bill 1316.

Sincerely,

Wes Moore  
Governor

**House Bill 1316**

AN ACT concerning

**Primary and Secondary Education – ~~Student~~ Youth-Centric Technology and  
Social Media Resource Guide**

FOR the purpose of requiring the National Center for School Mental Health at the University of Maryland School of Medicine, in consultation with the State Department of Education, to develop and publish a ~~student youth-centric~~ technology and social media resource guide for public school students in a certain manner; requiring the guide to be distributed ~~for certain school years~~ beginning in a certain school year in a certain manner and updated ~~each year~~ periodically; and generally relating to a ~~student youth-centric~~ technology and social media resource guide for public school students.

BY adding to

Article – Education

Section ~~7-2201 through 7-2205~~ 7-9B-01 through 7-9B-04 to be under the new subtitle “Subtitle ~~22-Student~~ 9B. Youth-Centric Technology and Social Media Resource Guide”

Annotated Code of Maryland

(2022 Replacement Volume and 2024 Supplement)

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

#### **Article – Education**

#### **SUBTITLE ~~22-Student~~ 9B. YOUTH-CENTRIC TECHNOLOGY AND SOCIAL MEDIA RESOURCE GUIDE.**

#### **~~7-2201.~~ 7-9B-01.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “CENTER” MEANS THE NATIONAL CENTER FOR SCHOOL MENTAL HEALTH AT THE UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE.

(C) “GUIDE” MEANS THE ~~STUDENT~~ YOUTH-CENTRIC TECHNOLOGY AND SOCIAL MEDIA RESOURCE GUIDE.

(D) (1) “YOUTH-CENTRIC TECHNOLOGY” MEANS PRODUCTS, PLATFORMS, AND SOFTWARE THAT IS DESIGNED FOR USE BY CHILDREN OR THAT IS FREQUENTLY USED BY CHILDREN.

(2) “YOUTH-CENTRIC TECHNOLOGY” INCLUDES:

(I) SOCIAL MEDIA PLATFORMS;

(II) ONLINE GAMES;

- (III) ARTIFICIAL INTELLIGENCE PRODUCTS;
- (IV) NONALGORITHM-DRIVEN VIRTUAL COMMUNICATION PLATFORMS;
- (V) E-COMMERCE PLATFORMS;
- (VI) SMART PHONES;
- (VII) LAPTOPS; AND
- (VIII) ANY OTHER PRODUCT, SERVICE, OR DEVICE AN INDIVIDUAL CAN USE TO COMMUNICATE WITH OTHER INDIVIDUALS THROUGH THE INTERNET.

~~7-2202.~~ 7-9B-02.

(A) (1) BEGINNING IN THE 2027-2028 SCHOOL YEAR, THE NATIONAL CENTER FOR SCHOOL MENTAL HEALTH AT THE UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE, IN CONSULTATION WITH THE DEPARTMENT, SHALL DEVELOP AND PUBLISH A ~~STUDENT~~ YOUTH-CENTRIC TECHNOLOGY AND SOCIAL MEDIA RESOURCE GUIDE THAT MEETS THE REQUIREMENTS UNDER ~~SUBSECTION (C) OF THIS SECTION AND § 7-2203~~ § 7-9B-03 OF THIS SUBTITLE.

(2) ~~FOR THE 2027-2028 SCHOOL YEAR, THE~~ THE GUIDE SHALL COVER COMMONLY USED ~~TECHNOLOGY PRODUCTS~~ YOUTH-CENTRIC TECHNOLOGY FOR ~~PERSONAL~~:

- (I) PERSONAL USE BY CHILDREN; AND
- (II) DELIVERING EDUCATION TO CHILDREN.

(3) ~~FOR THE 2028-2029 SCHOOL YEAR, THE GUIDE SHALL COVER THE INFORMATION UNDER PARAGRAPH (2) OF THIS SUBSECTION AND COMMONLY USED TECHNOLOGY PRODUCTS USED IN EDUCATION DELIVERY TO CHILDREN.~~

(4) ~~FOR THE 2029-2030 SCHOOL YEAR, THE GUIDE SHALL BE PUBLISHED INTO A MULTIMEDIA PRODUCT COVERING THE INFORMATION UNDER PARAGRAPHS (2) AND (3) OF THIS SUBSECTION~~ THE CENTER SHALL COMPLETE THE GUIDE BEFORE THE 2027-2028 SCHOOL YEAR.

(4) THE CENTER SHALL PERIODICALLY UPDATE THE GUIDE.

(B) THE PURPOSE OF THE GUIDE IS TO PROVIDE:

(1) AGE-APPROPRIATE INFORMATION AND BEST PRACTICES FOR YOUTH-CENTRIC TECHNOLOGY THAT:

(I) ENCOURAGES STUDENTS AND PARENTS AND GUARDIANS TO UNDERSTAND HOW YOUTH-CENTRIC TECHNOLOGY AND SOCIAL MEDIA CAN BE USED AND MISUSED BY DEVELOPERS AND USERS; AND

(II) PROMOTES INFORMED DECISION MAKING WHEN USING YOUTH-CENTRIC TECHNOLOGY; AND

(2) INFORMATION AND GUIDANCE ON THE SAFE USE OF YOUTH-CENTRIC TECHNOLOGY, INCLUDING THE INTERNET AND SOCIAL MEDIA BY STUDENTS IN PREKINDERGARTEN THROUGH GRADE 12.

(C) (1) ON OR BEFORE SEPTEMBER 1, 2026, THE CENTER SHALL COMPLETE A NEEDS ASSESSMENT TO ~~IDENTIFY~~ ASSIST IN THE DEVELOPMENT OF THE GUIDE.

(2) THE NEEDS ASSESSMENT SHALL INCLUDE A REVIEW OF:

~~(1) (I) EXISTING STATE AND FEDERAL RESOURCES TO ASSIST IN DEVELOPING THE GUIDE FOR CONTRIBUTION TO THE DEVELOPMENT OF THE GUIDE;~~

~~(2) (II) EXISTING EFFORTS TO EDUCATE FAMILIES ON THE IMPACT OF YOUTH-CENTRIC TECHNOLOGY AND SOCIAL MEDIA ON THE MENTAL HEALTH OF YOUTH IN THE STATE; AND~~

~~(3) (III) GAPS IN THE EXISTING RESOURCES AND EDUCATION EFFORTS.~~

~~(C) THE GUIDE DEVELOPED UNDER THIS SECTION SHALL INCLUDE:~~

~~(1) AGE-APPROPRIATE INFORMATION AND BEST PRACTICES THAT:~~

~~(I) ENCOURAGE STUDENTS AND CAREGIVERS TO UNDERSTAND HOW TECHNOLOGY AND SOCIAL MEDIA CAN BE USED AND MISUSED BY DEVELOPERS AND USERS; AND~~

~~(II) PROMOTE INFORMED DECISION MAKING WHEN USING TECHNOLOGY, SOCIAL MEDIA, AND THE INTERNET;~~

~~(2) INFORMATION AND GUIDANCE ON SAFE INTERNET, TECHNOLOGY, AND SOCIAL MEDIA USAGE BY STUDENTS IN PREKINDERGARTEN THROUGH GRADE 12, INCLUDING:~~

~~(I) SOCIAL MEDIA PLATFORMS;~~  
~~(II) ONLINE GAMES;~~  
~~(III) ARTIFICIAL INTELLIGENCE PRODUCTS;~~  
~~(IV) NON ALGORITHM DRIVEN VIRTUAL COMMUNICATION PLATFORMS;~~  
~~(V) E-COMMERCE PLATFORMS;~~  
~~(VI) SMART PHONES;~~  
~~(VII) LAPTOPS; AND~~  
~~(VIII) ANY OTHER PRODUCT, SERVICE, OR DEVICE AN INDIVIDUAL CAN USE TO COMMUNICATE WITH OTHER INDIVIDUALS THROUGH THE INTERNET; AND~~

~~(3) IF THE CENTER FINDS A GAP IN AVAILABLE INFORMATION RELATING TO A SPECIFIC CATEGORY OF TECHNOLOGY OR SOCIAL MEDIA, A REFERENCE TO THE LACK OF AVAILABLE INFORMATION.~~

~~(D) THE GUIDE MAY INCLUDE OTHER STATE, FEDERAL, NONPROFIT, OR PUBLIC RESOURCES.~~

~~7-2203. 7-9B-03.~~

(A) (1) THE GUIDE DEVELOPED UNDER ~~§ 7-2202~~ § 7-9B-02 OF THIS SUBTITLE SHALL INCLUDE A SERVICE AND PRODUCT LANDSCAPE REVIEW OF YOUTH-CENTRIC TECHNOLOGY THAT CONTAINS:

- ~~(1)~~ (I) THE NAME OF A SPECIFIC PRODUCT OR SERVICE;
- ~~(2)~~ (II) THE PURPORTED FUNCTION OF THE PRODUCT OR SERVICE;
- ~~(3)~~ (III) ANY PRIVACY, SAFETY, OR SECURITY CONCERNS WITH REGARD TO WHETHER AND HOW DATA IS CAPTURED, STORED, OR SHARED BY THE PRODUCT OR SERVICE;
- ~~(4)~~ (IV) WHETHER THE PRODUCT OR SERVICE AFFECTS ADDICTIVE QUALITIES IN A USER AND, IF SO, HOW;

~~(5)~~ (V) WAYS IN WHICH A STUDENT IN PREKINDERGARTEN THROUGH GRADE 12 COULD ACCESS A SPECIFIC PRODUCT OR SERVICE, INCLUDING WHETHER A SPECIFIC PRODUCT OR SERVICE IS AVAILABLE THROUGH A DEVICE PROVIDED BY A PUBLIC SCHOOL;

~~(6)~~ (VI) ANY INFORMATION ON THE POTENTIAL HARMFUL IMPACT ON A USER, INCLUDING EMOTIONAL, PSYCHOLOGICAL, AND PHYSICAL IMPACTS; AND

~~(7)~~ (VII) POSITIVE AND NEGATIVE IMPACT POTENTIAL ON ACADEMIC GROWTH AND LEARNING.

(2) IF THE CENTER FINDS A GAP IN AVAILABLE INFORMATION RELATING TO A SPECIFIC YOUTH-CENTERED TECHNOLOGY IN THE COURSE OF THE LANDSCAPE REVIEW, THE CENTER SHALL MAKE A REFERENCE TO THE LACK OF AVAILABLE INFORMATION IN THE GUIDE.

(B) THE GUIDE MAY INCLUDE OTHER STATE, FEDERAL, NONPROFIT, OR PUBLIC RESOURCES.

(C) (1) THE GUIDE SHALL BE WRITTEN IN PLAIN ENGLISH AND CLEARLY DISPLAY CONTACT INFORMATION FOR THE CENTER.

(2) ON REQUEST, THE CENTER SHALL PROVIDE TRANSLATED COPIES OF THE GUIDE.

~~7-2204.~~ 7-9B-04.

~~FOR THE 2027-2028, 2028-2029, AND 2029-2030 SCHOOL YEARS~~ BEGINNING WITH THE 2027-2028 SCHOOL YEAR, ON OR BEFORE THE FIRST DAY OF EACH SCHOOL YEAR, THE GUIDE SHALL BE:

(1) POSTED ON THE WEBSITES OF THE DEPARTMENT AND EACH COUNTY BOARD; AND

~~(2) UPDATED EACH YEAR BEFORE THE BEGINNING OF THE SCHOOL YEAR; AND~~

~~(3)~~ DISTRIBUTED TO:

(I) EACH PUBLIC SCHOOL; AND

(II) THE PARENT TEACHER ORGANIZATION FOR EACH PUBLIC SCHOOL.



~~7-2205.~~

~~(A) THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION IN THE FOLLOWING AMOUNTS TO THE CENTER TO FUND THE RESEARCH AND DEVELOPMENT OF THE STUDENT TECHNOLOGY AND SOCIAL MEDIA RESOURCE GUIDE:~~

~~(1) FOR FISCAL YEAR 2027, \$100,000; AND~~

~~(2) FOR EACH OF FISCAL YEARS 2028 AND 2029, \$125,000.~~

~~(B) ON OR BEFORE JULY 1, 2027, AND EACH YEAR THEREAFTER, THE CENTER SHALL SUBMIT A REPORT ON THE EXPENDITURE OF FUNDS USED TO CONDUCT RESEARCH ON, DEVELOP, AND UPDATE THE STUDENT TECHNOLOGY AND SOCIAL MEDIA RESOURCE GUIDE REQUIRED UNDER THIS SUBTITLE TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

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